



## Annual Report 2023

Business, strategy and performance. With effective ESG integration.





# Annual Report 2023

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# Partnership Letter

GRI 2-22

The scenario for 2024 is quite different and points to a more optimistic outlook, both due to the macroeconomic environment and the increasingly clear role of the financial sector in contributing to the global ESG agenda.

In a challenging year full of changes in the global economic scenario, BTG Pactual continued to stand out not only for its financial performance, but also for its ongoing commitment to sustainability and corporate responsibility.

We had strong growth in revenues and operating leverage, resulting in a record net profit of R\$10.4 billion and a return on average equity (ROAE) of 22.7%. We also reached the R\$1.6 trillion mark in assets under management and administration, demonstrating the continued trust of our clients.

The year 2023 was marked by a series of challenges and opportunities. We saw a gradual reduction in interest rates in Brazil, while geopolitical conflicts gained momentum around the world. Even so, our strategy of diversification and geographical expansion allowed the Bank to continue to prosper.

We identified opportunities and executed transactions in line with our strategic objectives, further expanding our operations and diversifying our business. This can be seen in the purchase of 100% of the share capital of FIS Privatbank, a financial institution based in Luxembourg, which strengthens our presence in the Private Banking and Asset Management sector in Europe.

We also acquired Órama Distribuidora de Títulos e Valores Mobiliários S.A. and Magnetis, following our strategy of expanding our distribution capacity in high-income retail.

We remain committed to driving growth by advising our clients on the adoption of a low-carbon economy and sustainable practices. The expansion of the bank's business, always in line with our ESG strategy, is a catalyst for us to make a difference even more effectively.

The dedication of our partners and employees is fundamental to achieving these results and building a bank that closely follows the development of each client's story. In 2024, we will go even further in our endeavor to offer excellence on all fronts, from investment products to positive socio-environmental and climate impacts.

**André Esteves**  
Chairman of the Board of Directors

**Roberto Sallouti**  
CEO of BTG Pactual



# 2023 Highlights

Financial

R\$  
10.4  
billion

Adjusted Net Income

↑ 25%  
Growth 2023 vs. 2022

R\$  
21.6  
billion

Total revenue

↑ 25%  
Growth 2023 vs. 2022

22,7%

Adjusted ROAE

R\$  
1.6  
trillion

Total AuC

↑ 25%  
Growth 2023 vs. 2022

R\$  
172  
billion

Corporate Portfolio  
& SME Lending

↑ 19%  
Growth 2023 vs. 2022

R\$  
205  
billion

Net New Money





# 2023 Highlights

Socio-  
environmental  
and relationship

R\$  
**8,9 mil  
billion**

Credit portfolio eligible for  
the Sustainable Finance  
Framework

R\$  
**6.4  
billion**

Unsecured Funding  
Sustainable  
emissions

R\$  
**89.9  
billion**

Sustainable Finance  
DCM Emissions

**100%**  
CO2 emission  
offsetting

direct and part of the indirect costs  
of air travel, transportation and  
waste generated

**100% of  
relationships**

assessed for environmental  
and social risks (Know  
Your Client)

**72% of the  
Corporate &  
SME Lending  
portfolio**

with more in-depth  
ESG analysis





# Awards 2023

INSTITUCIONAL	SCOPE
→ Latin Finance	
Digital Transformation of the Year	Latin America
→ Global Finance	
Best Bank for New Financial Products	Global
→ The Banker	
Nº 1 for Growth	Brazil
Nº 1 for Liquidity	Brazil
Nº 2 Best Performing Bank	Brazil
→ Estadão Finanças Mais	
Winner in the "Wholesale and Business Banking" category	Brazil
→ Energy Leaders Award (Full Energy)	
Financial institution	Brazil
BOOSTLAB - INNOVATION	ALCANCE
→ Global Finance	
Best financial innovation centers in the world	Global

INVESTMENT BANKING	SCOPE
→ Global Finance	
Best Investment Bank	Latin America
Best Investment Bank	Brazil
Best M&A Bank	Latin America
→ World Economic	
Best Investment Bank	Latin America
→ IFR	
Equity House of the year	Latin America
→ The European	
Investment Bank of the Year	Brazil
SALES AND TRADING	ALCANCE
→ Institutional Investor	
Best Research Team LatAm	Latin America
Best Trading Team LatAm	Latin America
Best Sales and Corporate Access Team LatAm	Latin America
Best Research Team Brazil	Brazil
Best Sales Team Brazil	Brazil



WEALTH MANAGEMENT	SCOPE
<b>→ World Finance</b>	
Best Wealth Management Provider Best Wealth Management Provider Best Wealth Management Provider	
Brazil Chile Colombia	
<b>→ Global Finance</b>	
Best Internal Use of Technology by a Private Bank Best Private Bank for Intergenerational Wealth Management Best Private Bank Latin America Best Private Bank Brazil	Global Global Latin America Brazil
<b>→ Latin Finance</b>	
Wealth Management Bank of the Year	Latin America
<b>→ Euromoney</b>	
Best for High Net Worth Individuals Best for Digital Private Bank Private Bank	Latin America Latin America Brazil Colombia
<b>→ World Economic</b>	
Best Private Bank Best Private Bank	Latin America Brazil
<b>→ The Banker</b>	
Best Private Bank in Brazil Best Private Bank in Colombia Best Client Reporting	Brazil Colombia Latin America
<b>→ The European</b>	
Private Bank of the Year Wealth Management Company	Brazil Brazil

SME LENDING - BTG PACTUAL EMPRESAS	SCOPE
<b>→ Latin Finance</b>	
SME Bank of the Year	
<b>→ Global Finance</b>	
Best SME Bank Best SME Bank Best SME Bank	
Global Latin America Brazil	
<b>BANKING</b>	
<b>→ FGV/Forbes</b>	
Best Investment Platform (general and retail)	Brazil
<b>→ Retail</b>	
Modern Consumer Award for Excellence in Customer Service	Brazil
<b>→ Fintech Americas</b>	
Platinum Award - BTG Pactual Banking Project Infrastructure Category	Brazil
<b>→ Banking Tech Awards</b>	
Best User/Customer Experience Initiative - Mobile App	Brazil
<b>ESG &amp; IMPACT INVESTING</b>	
<b>→ Global Finance</b>	
Outstanding Leadership in Sustainable Finance Outstanding Leadership in Sustainability Transparency Outstanding Sustainable Financing in Emerging Markets Outstanding Leadership in Sustainable Bonds	Latin America Latin America Latin America Latin America
<b>→ Latin Finance</b>	
Project & Infrastructure Finance Awards Power Financing of the Year: GNA II Power Financing Sustainable Infrastructure Financing of the Year: BRK Ambiental's Sustainable & Blue Bonds	Latin America Latin America



# Report Profile



Questions and suggestions  
about this report:  
[ol-esg@btgpactual.com](mailto:ol-esg@btgpactual.com)  
**GRI 2-3**

This Annual Report, published on May 27, 2024, presents how ESG principles are integrated into our business model as well as the most relevant results obtained between January 1st and December 31st, 2023 – the same period covered by the Financial Statements. The group's companies included in this report are listed in Annex I (page 144). **GRI 2-3**

Drawn up and published annually, the document follows the world's main methodologies and recommendations for reporting: standards of the Global Reporting Initiative (GRI), Sustainability Accounting Standards Board (SASB), International Integrated Reporting Council (IIRC) and the United Nations Global Compact. In addition, we indicate how we contribute to the 2030 Agenda and the achievement of the Sustainable Development Goals (SDGs).

In June 2023, the International Sustainability Standards board (ISSB) launched standards for the disclosure of financial information related to sustainability (IFRS S1) and climate-related disclosures (IFRS S2). As such, we have started to apply certain disclosures of these requirements in this document, with a view to gradually adapt them before the regulatory deadline (2026), reinforcing our commitment to transparency.

With the integration of the framework of the Task Force on Climate-Related Financial Disclosures (TCFD) into IFRS S2, this information continues to be reported, following the update. Another highlight of this report is compliance with the TNFD recommendations, launched in September 2023.

The contents of the GRI and SASB have been subject to external verification (see the assurance report on page 142) GRI 2-5. The list of reported indicators is available in the GRI and SASB Summaries, starting on page 130.

For more information on the criteria used to meet the GRI and SASB standards, please visit:  
**Preparation Base 2023**  
(available in portuguese)





# BTG Pactual's double materiality

GRI 3-1 / GRI 3-2

Double materiality plays a crucial role in aligning ESG issues with business strategy. It is through this process, involving internal and external stakeholders, that we identify the main risks and opportunities related to Social, Environmental and Climate (SEC) issues that impact our sector and the Bank's business model.

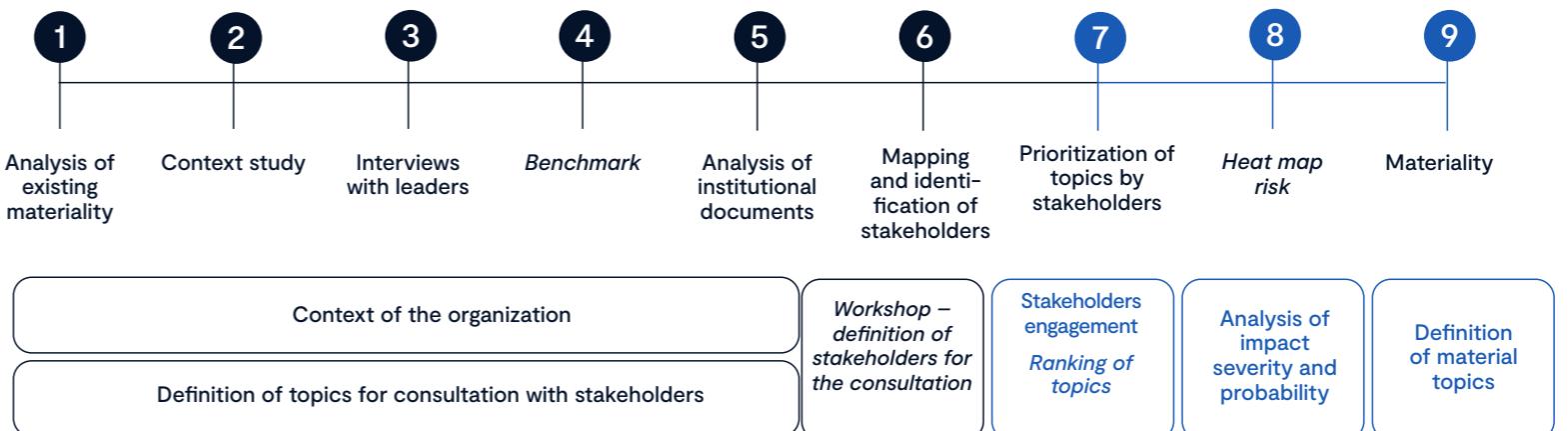
The double materiality process maps out what is materially financial for the organization and the materiality of impact for society, complying with the general guidelines of the U.S. Securities and Exchange Commission (US SEC), European Financial Reporting Advisory Group (EFRAG), International Sustainability Standards Board (ISSB) and International Financial Standard Board (IFRS).

To ensure double materiality, the preliminary list was also correlated by benchmarks such as the Global Reporting Initiative (GRI), the Global Compact and the B3 Corporate Sustainability Index (ISE). Using these benchmarks, a list of 19 topics/dimensions was created. After consultation with stakeholders and prioritization by BTG Pactual's ESG Committee, the resulting program is the 2023 materiality, which indicates 13 topics related to risks and opportunities.

At BTG Pactual, materiality has been reviewed every two years, and the last update occurred at the end of 2023. As of the voluntary alignment with the ISSB, it will be updated annually. Combining these two perspectives, financial materiality and impact materiality, allows us to understand how the Bank affects and is affected by ESG issues. In addition, double materiality helps us to strengthen our governance and develop value capture strategies.

The construction of materiality led to the identification of BTG Pactual's main material topics. In the GRI methodology, the final stage is the prioritization of topics by the top leadership, since this implies a commitment to allocating resources, staff, setting targets and KPIs. After evaluation, it was decided to insert the topic "Innovation and digitalization" and to allocate "Health and well-being" next to the topic "Attraction, retention and development".

## STAGES OF DOUBLE MATERIALITY



# BTG Pactual material topics 2023

## GRI 3-2

### ● Environmental topics

1. Sustainable finance
2. Fighting climate change
3. Biodiversity

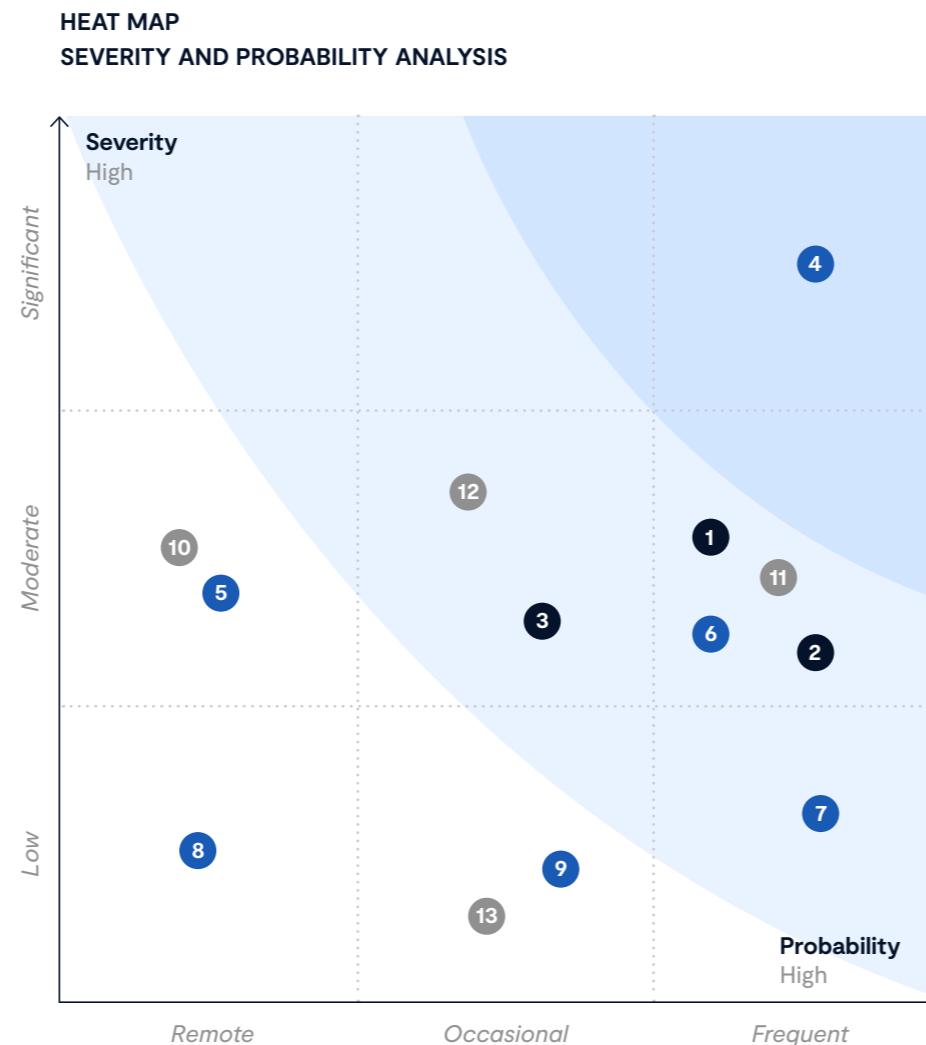
### ● Social topics

4. Data security
5. Health and well-being
6. Attraction, retention and development
7. Diversity and inclusion
8. Financial education
9. Social investment

### ● Governance topics

10. Business ethics
11. Clear information for clients
12. Involvement of senior management in ESG governance
13. Impact investments
- \* Innovation and digitalization

\* The topic was added at the request of senior management due to its importance in the Bank's business and is therefore not included in the Heat Map.



## Change in the list of topics

### GRI 3-2

The last two years have seen an intense acceleration in the ESG agenda for the financial sector, not only in Brazil but also worldwide, with significant advances related to the financing of climate adaptation and the decarbonization of the economy.

These movements have led to an increase in regulatory mechanisms for ESG risks throughout the financial market. If, on the one hand, the rules for classifying investments with ESG components have become clearer, the responsibilities of financial institutions with regard to risks have also increased. This scenario was reflected in the difference between BTG Pactual's materiality results between 2021 and 2023.

### TOPICS REVISED OR DISCONTINUED

- New risks
- Public policy engagement
- Supplier engagement
- Transparency
- Operational eco-efficiency

### NEW TOPICS

- Biodiversity
- Sustainable finance
- Involvement of senior management in ESG governance
- Clear information and precise guidance for clients
- Data security



# Additional information



## Materialidad ISSB

The specific requirements of the IFRS Sustainability Disclosure Standards were applied, using qualitative and quantitative approaches to construct the double materiality. This process included the application of the SASB materiality map, considering the financial sector and the industries applicable to BTG Pactual's businesses (Investment Banking & Brokerage, Commercials Banks, Consumer Finance, Asset Management & Custody Activities).

As this industry is evolving rapidly, understanding the relevant impacts is becoming more complex. We therefore sought a complementary approach in order to deepen our analysis. This was done by reviewing the SASB indicators and approaching the Principles for Responsible Investment (PRI).

Some of the concerns may not translate directly into financial impacts, but they are perceived as significant by our customers, investors, employees and other strategic partners. Financial materiality reflects the potential risks that could jeopardize the business model, cash flow and access to capital. The objective for 2024 is to conduct a detailed analysis of how the potential risks identified could affect our financial perspectives, looking at the impact on our cash flow.

## Double materiality process

GRI 3-1 / GRI 3-2



The double materiality process was conducted by the ESG area, with the support of an external consultancy and the participation of senior management and the ESG Committee in prioritizing the final topics.

**The double materiality methodology is built in six stages:**

1. Analysis of the external ESG context and the organization's maturity.
2. Definition of the list of impacts related to sustainability risks and opportunities and other frameworks, standards and sector benchmarks.
3. Mapping and consultation with stakeholders (internal and external).
4. Quantitative score and qualitative approach based on consultation with stakeholders.
5. Analysis of risk severity and probability, according to the parameters of the Global Reporting Initiative (GRI) and Enterprise Risk Management Framework (ERM) created by the Committee of Sponsoring Organizations (COSO).
6. Prioritization of topics by BTG Pactual's senior management. In this process, the following are considered: institutional documents and Bank policies, interviews with senior management and representatives of stakeholder groups, benchmarking study, ESG context study.

The consultation was attended by 970 people from 14 groups: shareholders, associations, banks, customers, employees, board members, executive management, industry experts, suppliers, outsourced employees, investors, regulatory bodies, business partners, and partners. **GRI 2-29**

The final assessment was carried out by the Bank's Senior Management, resulting in the definition of 13 material topics in the environmental, social and governance dimensions, which cover different positive and negative impacts.



## IMPACTS, RISKS AND OPPORTUNITIES RELATED TO SUSTAINABILITY

Topics	Opportunities	Risks	Mitigating
Attraction, retention and development and Health and well-being	→ BTG Pactual sees its professionals as its most valuable asset and believes that its culture and partnership model provide greater capacity to attract, retain and motivate highly talented professionals. The recruitment and training strategy aims to train future partners. In addition, we recognize that the topic of health and well-being at work is relevant to the continuity of our business.	→ High competition for qualified professionals in a competitive market with similar salaries. → High turnover resulting in loss of knowledge and impacting on the quality of the service provided. → Ergonomic problems associated with prolonged use of computers. → Risks of high stress, which can have an impact on mental health and well-being.	→ Variable remuneration as a differential, being attractive in relation to the job market. → Acting in preventive health through programs, benefits related to health and well-being and training.
Biodiversity	→ Investing in sustainable products and practices to preserve biodiversity. → Partner with associations working on the topic, such as TNFD.	→ Credit and investment operations with companies belonging to sectors that have a negative impact on biodiversity.	→ Careful risk assessment by sector, taking into account BTG Pactual's ESGMS System and the 20 sector policies.
Fighting climate change	→ Investing in solutions to mitigate the effects of climate change.	→ Impact of environmental regulations on operations. → Credit transactions and investments with companies belonging to sectors that are intensive in Greenhouse Gas (GHG) emissions.	→ Monitoring regulatory updates. → Engagement with clients in sectors that are intensive in GHG emissions. → Adapting investment strategies to align with climate targets, such as investments in renewable energy sources.
Social investment	→ Contributing to social and community development through different volunteer projects, philanthropy and incentive laws	→ Unequal distribution of benefits. → Less than expected results in social projects. → Faulty listening mechanisms. → Exclusion of certain vulnerable groups.	→ Volunteer projects, own projects and philanthropic advice. → Campaigns to engage employees in volunteering projects. → Clear metrics for evaluating the social impact of projects. → Continuous monitoring of results and annual disclosure in the Social Responsibility Report.
Decarbonization of the value chain	→ Do business with companies committed to reducing emissions.	→ Exposure to carbon-intensive sectors.	→ ESG risk analysis of financing and investment operations. → Portfolio diversification in the existence of low-carbon sectors. → Encouraging sustainable practices in investee companies.
Impact investments	→ Creating products with a view to financial return and a socio-environmental and climate impact.	→ Misdirected investments that do not generate the expected positive impacts. → Lack of interest from the market, investors and clients in impact investment products.	→ Rigorous evaluation of projects in terms of their positive impact. → BTG Impactual Scoring Tool: tool developed to apply the impact measurement methodology. → Specific metrics for measuring impact.
Innovation and digitalization	→ Increase operational efficiency. → Expand the business to other countries. → Increasing the attraction of clients, especially digital clients.	→ Operational capacity can be impacted by interruptions to essential services such as electricity, communication, internet and security systems.	→ Investment in technology and information security. → Existence of a Business Continuity Plan.





## IMPACTS, RISKS AND OPPORTUNITIES RELATED TO SUSTAINABILITY

Topics	Opportunities	Risks	Mitigating
Diversity and inclusion	<ul style="list-style-type: none"><li>→ Promoting an inclusive environment.</li><li>→ Engagement with stakeholders to promote discussion of the topic.</li><li>→ Job opportunities for minorities.</li></ul>	<ul style="list-style-type: none"><li>→ Resistance to implementing projects and discussions on the subject.</li><li>→ Lack of leadership training to manage teams made up of diverse groups.</li></ul>	<ul style="list-style-type: none"><li>→ Diversity Policy.</li><li>→ Women's Mentoring Program.</li><li>→ Diversity affinity groups.</li><li>→ Diversity, Inclusion and Equity Committee.</li><li>→ Inclusive Leadership Training.</li><li>→ Unconscious Bias training mandatory for all employees.</li></ul>
Financial education	<ul style="list-style-type: none"><li>→ Financial education programs and actions for different audiences.</li><li>→ Creation of financial planning tools.</li><li>→ Reducing defaults and improving access to credit.</li></ul>	<ul style="list-style-type: none"><li>→ Complex financial products can confuse clients, leading to inappropriate decisions.</li><li>→ Generic information may not meet the specific needs of different groups.</li></ul>	<ul style="list-style-type: none"><li>→ Financial education workshop - <b>Finances for the future</b>.</li><li>→ E-books, podcasts and videocasts.</li><li>→ Financial market training program - BTG Academia.</li><li>→ Financial management tools available in BTG Banking applications.</li></ul>
Involvement of senior management in ESG governance	<ul style="list-style-type: none"><li>→ Greater integration of ESG practices into strategy and operations.</li><li>→ Effective management of social, environmental, climate and governance risks.</li><li>→ Positive influence on investor decision-making</li><li>→ Positive impact on reputation.</li></ul>	<ul style="list-style-type: none"><li>→ Insufficient ESG strategies generating greater exposure to risk.</li><li>→ Loss of competitiveness.</li><li>→ Damage to reputation.</li></ul>	<ul style="list-style-type: none"><li>→ ESG Committee.</li><li>→ Involvement of top management in the decision-making process.</li><li>→ Managing socio-environmental and climate risks through lines of defense.</li><li>More information in the chapter ESG governance and top management involvement (page 29)</li></ul>
Business ethics	<ul style="list-style-type: none"><li>→ Positive impact on brand reputation.</li><li>→ Effective management of the risks of corruption, fraud, money laundering and other illicit practices.</li></ul>	<ul style="list-style-type: none"><li>→ Ethical violations, such as fraud or unethical behavior, can damage the reputation and trust of clients and investors.</li></ul>	<ul style="list-style-type: none"><li>→ Integrity Program.</li><li>→ The Reporting Channel is available to employees, third parties, service providers and the general public.</li><li>→ Reputational analysis and risk classification of counterparties through the Know Your Client (KYC), Know Your Partner (KYP), Know Your Employee (KYE) and Know Your Supplier (KYS) processes.</li><li>→ Adoption of rigorous internal and external auditing processes.</li></ul>
Sustainable finance	<ul style="list-style-type: none"><li>→ Creation of sustainable financial portfolios to attract investors interested in combining financial return with positive socio-environmental and climate impact.</li></ul>	<ul style="list-style-type: none"><li>→ Volatility in sustainable markets can negatively affect the performance of investments aligned with ESG criteria.</li></ul>	<ul style="list-style-type: none"><li>→ Investment products and strategies with a sustainability bias in different asset classes:<ul style="list-style-type: none"><li>- Impact Investment Fund</li><li>- ESG Fixed Income Funds</li><li>- Venture Debt Funds I and II</li></ul></li></ul>
Clear information for clients	<ul style="list-style-type: none"><li>→ Strengthening trust and increasing customer satisfaction.</li><li>→ Compliance with regulatory requirements.</li><li>→ Reduction in complaint rates.</li><li>→ Increase in the purchase of different products and services.</li></ul>	<ul style="list-style-type: none"><li>→ Inaccurate information can lead to legal disputes and impact customer confidence.</li></ul>	<ul style="list-style-type: none"><li>→ Customer Relations and Product Distribution Policies.</li><li>→ Information and disclosure materials previously assessed and validated by the Compliance and Legal areas.</li></ul>
Data security	<ul style="list-style-type: none"><li>→ Improving the efficiency of risk management processes related to information leaks.</li><li>→ Strengthening trust and increasing customer satisfaction.</li><li>→ Positive impact on brand reputation.</li></ul>	<ul style="list-style-type: none"><li>→ Data breaches can result in loss of customer confidence and possible legal implications.</li><li>→ Loss of competitiveness.</li><li>→ Vulnerability to cyber attacks.</li><li>→ Failure to protect customers' personal information.</li></ul>	<ul style="list-style-type: none"><li>→ Penetration testing and identification of system vulnerabilities.</li><li>→ Awareness and training programs for employees.</li><li>→ ISO 27001 certification – effective information security management.</li></ul>





# Stakeholder engagement

GRI 2-29



Our stakeholder engagement approach allows for the identification, evaluation and prioritization of the most relevant issues, considering BTG Pactual's business model. It also allows for a better understanding of what the relevant impacts are, inside and outside the Bank, related to our main activities, products, services and social interactions.

Our model makes it possible to establish and maintain an open dialog with interested parties, which contributes to expanding our capacity to do business with our clients, as well as maintaining and renewing contracts with our service providers and creating innovative products and services that strengthen our competitiveness in the market.

We have developed a series of actions to ensure meaningful engagement with our stakeholders, including the structuring of Materiality and events open to the public, such as the results conference calls, CEO Conference and CEO Conference NY, Macro Day and AgroForum.

## MAIN STAKEHOLDER GROUPS

- Shareholders
- Associations and organizations in the sector
- Banks
- Clients
- Employees
- Board of Directors
- Sector experts
- Suppliers
- Outsourced workers
- Press
- Investors
- 3rd sector organizations
- Government regulatory bodies
- AAI (Autonomous Investment Agent) business partners



More information: Annex II -  
Stakeholder engagement  
(page 145)



# Corporate profile

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34 ESG commitments

36 Fighting climate change

44 Sustainable and impact investments





# BTG Pactual

GRI 2-1 / GRI 2-9

With 40 years of experience, BTG Pactual stands out as the largest investment bank in Brazil and Latin America.

Banco BTG Pactual, with 40 years of experience and headquarters in Rio de Janeiro, Brazil, stands out as the largest investment bank in Brazil and Latin America. In 2023, the Bank further expanded its global reach with the opening of offices in Spain and Luxembourg, in addition to existing offices in Argentina, Chile, Peru, Colombia, Mexico, the United States, the United Kingdom and Portugal. In Brazil, the Bank is present in the main cities and capitals.

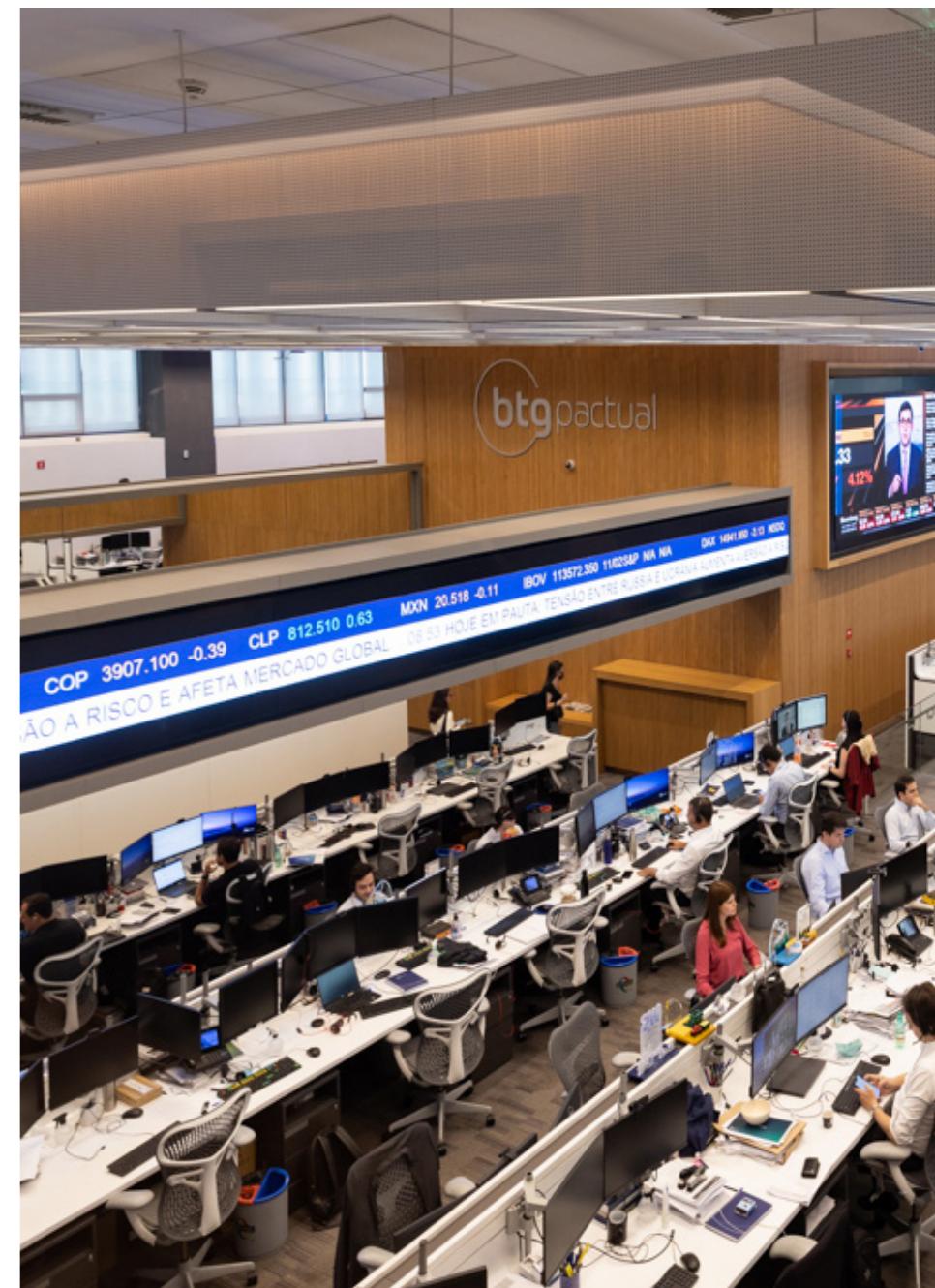
These positions are connected and served by a platform with a high distribution capacity for the most varied financial services, in the main operating segments: Investment Banking, Corporate & SME Lending, Sales & Trading, Asset Management, Wealth Management & Consumer Banking. **GRI 2-6**

Banco BTG Pactual is a publicly traded corporation, with units<sup>1</sup> regularly traded on B3 (under the code BPAC11), and is the main company of the BTG Pactual Group. With a meritocratic partnership model, in which partners play an executive role<sup>2</sup>, the Group ended the fiscal year with 103 directly or indirectly controlled companies listed in the Consolidated Financial Statements as of December 31, 2023<sup>3</sup>.

Composition of units and Total Estimated Free Float  
**GRI 2-1 / GRI 2-9**

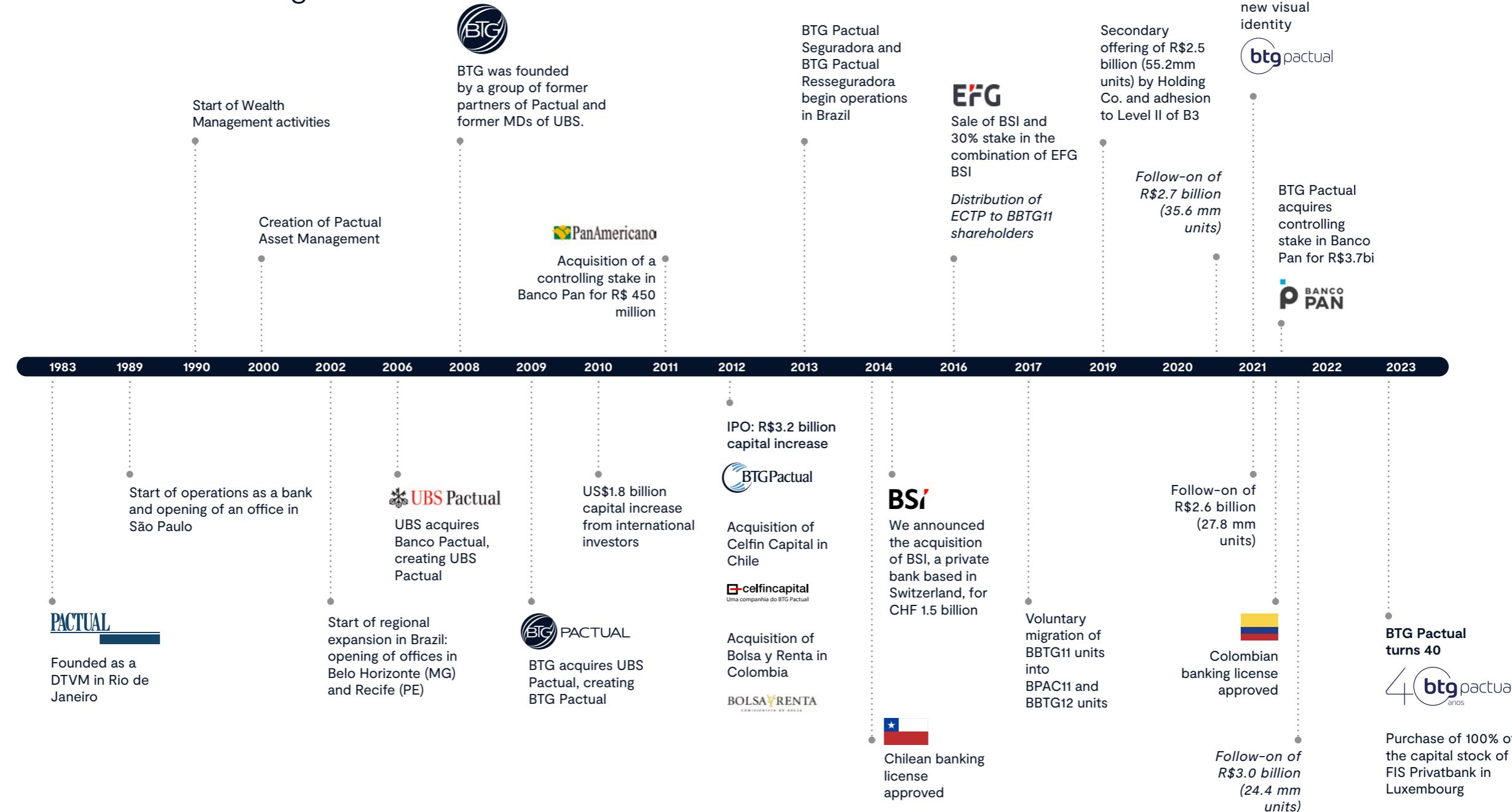
Financial Statements 2023

1. Each unit is made up of one ordinary share and two preferred shares. / 2. The partnership includes individuals who, directly or indirectly, hold equity interests in Banco BTG Pactual and act as employees in one or more subsidiaries. In 2023, BTG Pactual's controlling group was made up of André Esteves, Antonio Porto, Guilherme Paes, Renato Santos and Roberto Sallouti. / 3. This Report presents information on the companies mentioned in BTG Pactual S.A.'s Consolidated Financial Statements (FS) as of 12/31/2023, with the exception of companies that have autonomy in Human Resources management and their own processes - see list of companies included in the report in Annex I. In accordance with Technical Opinion CPC 36, we have a duty to consolidate the financial statements of all entities in which we hold a controlling interest. Our corporate structure can be found in items 15.4 and 15.5 of the Reference Form sent to the Brazilian Securities Commission (CVM). For TTG Brasil Investimentos Florestais and TTG Forest Services, we present, in the Operations and Performance chapter, information on the connection between the companies' operations and the business of managing and administering forest asset resources (Timberland Investment Group - TIG).





# BTG Pactual's Background





# Our culture

**GRI 2-23**

Our culture adds commitment, agility, excellence, customer focus and autonomy to the partnership model.

We promote an environment of synergy, collaboration and trust, employing essential practices to attract and retain talent. We invest in training our employees and develop highly qualified professionals who are recognized in the market. We work with a cohesive team capable of anticipating major business opportunities based on the best ESG practices, committed to generating a positive impact for our clients and for society.

The partnership model integrated into our culture encourages rigorous risk analysis in all operations and promotes the search for innovative solutions to meet the diverse demands of our clients, enabling us to deliver differentiated results.

## Partnership model

**GRI 2-10**

An important competitive differential, the meritocratic partnership model characterized by a horizontal administrative structure, based on autonomy and alignment of interests, is the basis for the execution of the corporate strategy, shapes our culture and drove the excellent results obtained by BTG Pactual, especially in 2023, a record year.

The partnership translates into a strategy of training future partners, in order to form the group of majority shareholders who act as the Bank's executives. The model promotes the training and retention of highly qualified and engaged leaders. At the end of 2023, 364 partners were part of the partnership structure.

Culture and values

Partnership model Reference Form 2023 (pages 307 to 311)

### VALUES

Intensity  
Inconformity  
Dedication  
Empathy  
Set  
Responsibilities

### FUNDAMENTALS

Focus on the client  
Innovative and entrepreneurial spirit  
High performance with excellence  
Hard work and Hands on  
Vision in long-term ambition  
Teamwork



## Our units<sup>4</sup>

GRI 2-1

In Brazil, we are present in 21 cities.

- **Midwest**  
Brasília, DF  
Campo Grande, MS  
Goiânia, GO  
Cuiabá, MT

- **South**  
Curitiba, PR  
Londrina, PR  
Itajaí, SC  
Joinville, SC  
Caxias do Sul, RS  
Porto Alegre, RS

- **Northeast**  
Fortaleza, CE  
Recife, PE  
Salvador, BA

- **Southeast**  
Belo Horizonte, MG  
Uberlândia, MG  
Rio de Janeiro, RJ  
Campinas, SP  
Ribeirão Preto, SP  
São José dos Campos, SP  
São Paulo, SP  
Taubaté, SP



4. Cities in which BTG Pactual has physical offices. There are employees working from home in other locations.



**BTG Pactual**  
worldwide

**North America**

**United States**  
Miami  
Nova York

**Mexico**

Cidade do México

**South America**

**Colombia**  
Bogota  
Medellín

**Peru**

Lima

**Chile**

Santiago

**Argentina**  
Buenos Aires

**Europe**

**England**  
London

**Portugal**  
Lisboa

**Espanha**  
Madri

**Luxembourg**  
Luxembourg



# Business model

**GRI 2-6**

Competitive advantages

Corporate Composition

BTG Pactual has a business model focused on offering innovative solutions to its clients. It provides a range of financial services, including financial and capital market advice, financing, structured credit, guaranteed loans to companies, brokerage, research, operations with shares, derivatives, interest rates, foreign exchange, energy and commodities for hedging and trading. It also offers insurance and reinsurance products and services, asset management across a broad portfolio of products in the main international asset classes, and investment management and financial planning. In addition to financing loans and insurance for individuals, this is done mainly through holdings in Banco PAN and Too Seguros.

## Strategy and competitiveness

**GRI 2-6**

BTG Pactual is committed to continuing to improve its operations in the main business segments, including Investment Banking, Corporate & SME Lending, Sales & Trading, Asset Management and Wealth Management & Consumer Banking, drawing on its vast experience of 40 years to offer innovative solutions to clients and the market.

We believe that our growth will be driven by the sophistication of the markets in which we operate, by the expansion of our market share, especially in Asset Management and Wealth Management, by international expansion in Latin American countries, based on the expertise acquired in Brazilian operations, by the constant technological evolution that enables the geographical expansion of our activities and by the rapid identification of trends and opportunities. These factors combined with our agile and capable internal structure allow us to offer new products and modern solutions.

In addition, we intend to take advantage of the opportunities to strengthen our brands and increase our reputation among current and future clients in Latin America and globally.

Following our planning, in 2023 we found opportunities in line with our strategic objectives, expanding our operations and diversifying our business.

**FIS Privatbank**

Purchase of 100% of the capital stock of the Luxembourg-based financial institution, strengthening our presence in the Private Banking and Asset Management sector in Europe.

**Órama Distribuidora de Títulos e Valores Mobiliários S.A**

Acquisition of 100% of the capital stock of Órama DTVM5, increasing our distribution capacity and advancing the offer of products and services to individuals.

**Systemica**

Minority stake in the company that develops and implements projects to generate carbon credits and other environmental assets.

**Magnetis**

Acquisition of 100% of the Brazilian pioneer in financial technology with the aim of strengthening our offer of digital services and asset management in retail.

5. The acquisition of Órama was approved on 03/15/24.

## Brands

BTG Pactual has a large number of brands owned by the Bank itself and by directly and indirectly controlled companies. Here are some of them:





# Capital: business model and value generation

GRI 2-6

## INPUTS

### Financial capital

- Assets under management in Wealth Management (WuM) and Asset Management (AuM)

### Manufactured capital

- Headquarters Brazil - 21 cities / 11 countries
- Strategic focus on Latin America, Europe and the Middle East

### Intellectual capital

- Differentiated culture focused on intellectual capital, meritocracy, entrepreneurship and close alignment of interests

### Human capital

- Partnership model that provides greater capacity to attract, retain and motivate talented professionals

### Capital stock and networking

- Education, entrepreneurship and the environment as pillars of Social Responsibility

### Natural capital

- Structured ESG governance integrated into business
- Impact investments and sustainable finance

- 103 controlled companies
- Robust and constant investment in technology and automation

- Expertise in the financial market and investment advice
- Professionals focused on developing and maintaining solid customer relations

- The recruitment and training strategy aims to train future partners

- Helping clients make the transition to a sustainable low-carbon economy

## Business model



## Our purpose

Supporting our clients in their journey

## OUTPUTS

- Assets under custody - R\$1.6 trillion: 25% growth p.a.
- Total revenue - R\$21.6 billion: 25% growth p.a.
- Adjusted Net Profit - R\$ 10.4 billion - 25% growth p.a.

- Transaction security and customer data protection
- ISO 27001 certification
- Business expansion to other countries
- Agility and automation of financial services

- Transaction security and customer data protection
- ISO 27001 certification
- Business expansion to other countries
- Agility and automation of financial services

- 6,575 employees: 9.6% growth vs. 2022
- 7.11 average hours of training per employee

- Corporate & SME Lending Portfolio - R\$20.5 billion: 116% growth compared to 2020
- Global Finance - World's best bank for SMEs
- 6th edition of BTG SOMA

- 100% operations evaluated in KYC
- ESG Committee - right to veto operations
- R\$ 8.9 billion eligible credit portfolio
- Transition to a low-carbon economy
- Support for TNFD and PCAF

## IMPACTS

- Liquidity in the financial market
- Financing companies and projects
- Influence on economic policy

- Strengthening data leakage prevention controls
- Compliance and control - combating illegal activities

- Euromoney - Best LatAm bank
- Increase in business activity
- Sharing knowledge and technical and qualified information

- Increased job and income generation
- Increased opportunities in the financial market

- Positive impact on SMEs in different regions of Brazil
- Encouraging education, entrepreneurship and environmental conservation in Brazil
- Inteli - Education focus (distribution of scholarships)

- Promoting the sustainable finance market in Latin America
- Innovative services consolidated in projects focused on the energy transition and decarbonization in areas such as energy, agribusiness, real estate and sanitation



## Business segments

### Investment Banking

Financial and capital market consultancy services.

### Corporate & SME Lending

Financing, structured credits and guaranteed loans to companies.

### Sales & Trading

Financial products and services to different types of clients, in local and international markets, including market making, brokerage and clearing services, research and equities, derivatives, interest rate, foreign exchange, energy, commodities transactions for hedging and trading purposes, insurance and reinsurance.

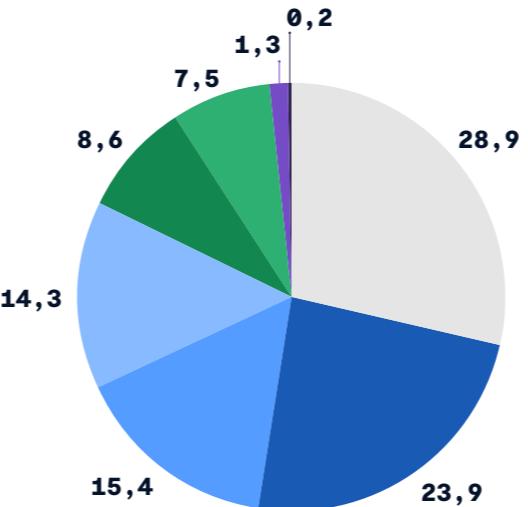
### Asset Management

Management and administration services for various international asset classes, especially in Latin America, for local and international clients.

### Wealth Management e Consumer Banking

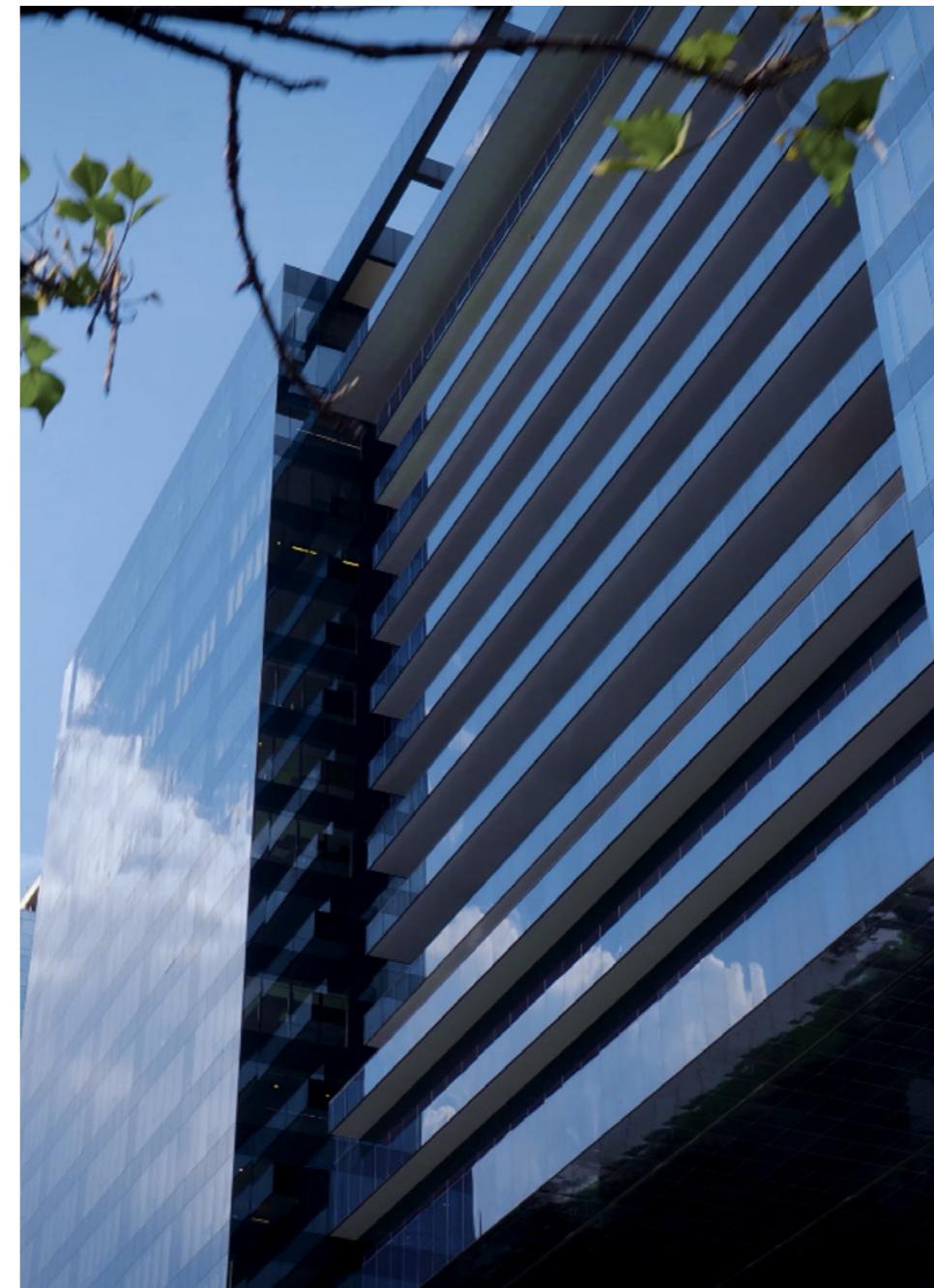
Investment advisory services, financial planning, investment products and banking services for individuals in the private and high-income retail segments.

Revenue distribution by segment  
(% total revenue)



- Investment Banking
- Corporate Lending
- Sales & Trading
- Asset Management
- Wealth Management
- Principal Investments
- Participations
- Interest and other

Business segments





## Clear information and precise guidance for clients

GRI 3-3

BTG Pactual strives for strict compliance with laws and regulations in all the sectors and jurisdictions in which it operates. This rigor results from the implementation of verification processes throughout the flow of services and products offered, providing transparent and accurate information to our clients. To complement this, we monitor the Bank's networks and partners to validate potential points of attention.

Through the MyCompliance platform, all information and materials to be sent to clients are previously assessed and validated by the Compliance and Legal areas.

**The process goes through the following stages:**

- 1. Channel and reason for publication:** we identify the reason and channel through which the material will be distributed (website, e-mail, social media).
- 2. Content:** we analyze the content to ensure that it is accurate, transparent and relevant to the target audience.
- 3. Regulatory check:** we review the material to ensure that it complies with all applicable laws and regulations.
- 4. Need for a disclaimer:** if necessary, we add disclaimers for clarification or to delimit responsibilities in certain situations.
- 5. Superlative language:** we check for superlative language in the material, such as exaggerated promises or guarantees that we can't keep.
- 6. Approval or changes:** if everything complies, we approve the material; if there are problems, we adjust it to ensure that it meets all the requirements.

## Principles and guidelines

To ensure best practices, we have a **Customer Relations Policy** with principles and guidelines that must be adopted by all our employees when dealing with customers and users of financial products and services. They must always conduct their activities in compliance with the principles of ethics, responsibility, transparency and diligence, fostering the convergence of interests and the consolidation of an institutional image of credibility, security and competence.

We also have an **Investment Product Distribution Policy**, which aims to ensure the effectiveness and compliance of the BTG Pactual Group in relation to the provision of investment product distribution services. This policy is appropriate to the structure, size and business model, as well as the complexity of the investment products distributed by all the entities.

In addition, we participate in the main discussion forums of industry associations and regulators (ANBIMA, Febraban, CVM, Bacen and B3), in order to improve investor protection procedures and serve our clients' best interests. Therefore, it is the duty of the BTG Pactual team to communicate in a clear and understandable manner, as well as to offer exact and detailed guidelines to clients, and to avoid ambiguities and misinterpretations about products and services.



## Improved access to digital platforms

To improve access to financial services, we developed actions to update BTG Pactual's digital platforms in terms of digital accessibility. In 2023, a survey was carried out to identify the portion of our customer base that has physical and cognitive disabilities and what their greatest difficulties would be in accessing our digital platforms.

To tackle the issue, we improved the Bank's Design System, which consists of a library of programmed components available for creating our journeys. The improvements implemented for accessibility consisted of improving the contrast of colors and texts, adjusting font sizes, offering a new color mode (light/dark) and changing the touch area of interface elements, among other features.

The updates were aimed at improving the browsing experience for screen readers on devices and other aspects of accessibility. These changes have been implemented in the new customer journeys. Among them, we changed the visualization of the graphs on the home screen of the investment app, abandoning the use of only shades of blue, which made it difficult to understand the differences between values. The graphics now have distinct, contrasting colors. In addition, we have increased the size of texts and enabled the native functionality of cell phones to increase the font throughout the application's operating system. **G4-FS14**

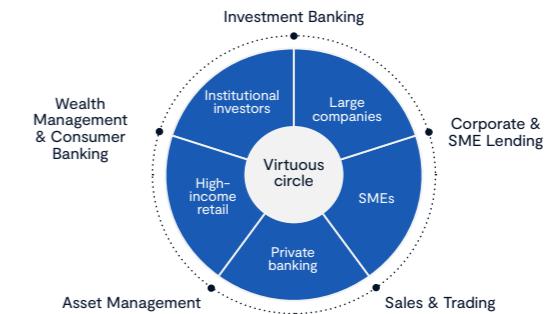
### Digital Accessibility Survey

**G4 – FS14**

- **Target group:** individual clients located in Brazil
- **Level of application:** Banco BTG Pactual Brazil's digital channels
- **Target profile identified:** visually impaired clients



## Focus on the client



Our approach is centered on generating value for the customer through high quality products and services. An in-depth understanding of each customer profile, whether corporate or individual, is fundamental to offering solutions that not only meet but exceed their expectations. We have a team of highly qualified professionals and we invest in advanced and secure technology to guarantee an exceptional experience.

For BTG Pactual, being the financial institution of choice for our clients is of paramount importance. This opens up opportunities for cross-selling, reflecting our ongoing commitment to meeting emerging needs and seizing opportunities to become even more relevant. Through this mutual collaboration, we cultivate long-term relationships based on trust and customer loyalty.

### Customer service channels

GRI 2-26 / FN-AC-510a.2

#### CSC:

BTG Pactual's Customer Service Center (CSC) is exclusively for receiving complaints, requests for cancellations or suspensions of contracts, clarifying doubts or providing general information about products and services.

[sac@btgpactual.com](mailto:sac@btgpactual.com) | 0800 7722 827

**Opening hours:** 24 hours a day, 7 days a week.

#### Ombudsman

The Ombudsman's Office deals with complaints from clients and users of the institution's services and products that have not been resolved by the CSC.

[ouvidoria@btgpactual.com](mailto:ouvidoria@btgpactual.com) | 0800 722 0048

**Electronic form:** <https://www.btgpactual.com/ouvidoria>

# Innovation and digitalization

GRI 3-3

As consumer adoption of the use of technology in banking services grows in Brazil and worldwide, so does the potential for expanding our business. This is why innovation is becoming increasingly fundamental to BTG Pactual's strategy.

This strategy began in 2014, when we started migrating our banking ecosystem to the cloud and carrying out digital onboarding of clients. In 2016, we launched our online platform, BTG Pactual Digital, and in 2018, we completed offering the full portfolio of investment products. In 2020, we launched Banking as a Service (BaaS), through which we offer financial infrastructure to large institutional clients. In 2021, we increased our focus on transactional digital platforms for individuals and small and medium-sized enterprises. These advancements were made in an effort to reorganize and integrate our services for the digital retail market to improve the customer experience and identify cross-selling opportunities.

In this context, we envision the possibility of expanding our participation in the traditional retail and high-income segments by offering investment products and making progress in the funds, securities, fixed income and variable income segments.

Driven by the digitalization of our services, investment in innovation has enabled us to serve a larger customer base and expand the geographical scope of our operations by offering investment and credit products via digital channels.





# Innovation projects with Artificial Intelligence

## Health Score

**Problem identified:** Evaluating the level of customer satisfaction is done through surveys and forms, making the process limited and operational.

**Goals for 2023:** Monitor the level of membership of investment clients through a simple, automated score.

**Solution:** Health Score - A metric used to assess the health of the relationship between the customer and the Bank, where a low score indicates a risk of churn, while a high score indicates the potential for loyalty.

**Project gains:** The Health Score has proven effective in detecting customers with a high risk of churn early on, allowing the retention team to successfully intervene in cases that would otherwise not have been prioritized due to the processes previously in place. One of the ongoing projects focuses on automatic communication with customers who have a low health score.

The aim is to evaluate the effectiveness of retention strategies for this group in comparison with a control group, as well as to study customers with very high health scores in order to find important information about what differentiates them from the rest, helping us to gain a deeper understanding of the elements that contribute to a better customer experience.

**Challenges and lessons learned:** Understand the main sources of data, ways of measuring and the effectiveness of the rates to be evaluated. In addition to creating a reliable dataset that enables quick and effective decision-making.

**Strategies for 2024:** Expand the use of the Health Score to other business units.

Learn about some of the process optimization projects implemented in 2023 through the use of artificial intelligence. These initiatives have made it possible for the Bank to interact more effectively with its clients.

## Recipient Risk Detection

**Problem identified:** Existence of transactions with risk associated with the recipient, which indicates the possibility that a person or entity receiving money or goods is involved in fraudulent or illicit activities.

**Goals for 2023:** Developing advanced intelligence capable of identifying transactions with a high risk of fraud associated with the recipient in real time and integrating this technology into the bank's system.

**Project gains:** Implementation of an innovative and exclusive approach to transactional fraud prevention, differentiating itself from conventional market methodologies. In addition to effective monitoring of KPIs related to the number of transactions executed and blocked, ensuring accurate analysis of system performance.

**Challenges and lessons learned:** Ensure that the response time is low enough to allow real-time integration during transactions.

**Strategies for 2024:** Completing the integration of Recipient Risk with fraud prevention systems and developing new intelligence that will operate in parallel.

## Brand Fraud Detection

**Problem identified:** Cases in which companies open corporate accounts and commit fraud by passing themselves off as other, better-known companies by adopting a very similar trade name or company name.

**Goals for 2023:** We have set ourselves the goal of developing a complete process for detecting and combating brand fraud. We met our expectations, achieving a functional model with high accuracy of over 90%.

**Monitoring:** Periodic flow to monitor the number of companies that have undergone onboarding and the percentage of companies that are committing fraud.

## Policy Engine

**Problem identified:** The policy engine is an artificial intelligence tool for generating and optimizing policies and business rules, such as credit granting policies. Currently, this policy definition process is very manual, and the intention is for AI to be able to explore as many scenarios as possible quickly, speeding up the definition process for the business area concerned.

**Goals for 2023:** Formulate an Artificial Intelligence product capable of scanning and exploring the rules for policy definition in an agile manner.

**Challenges and lessons learned:** Developing an engine that combines speed and simplicity of use, while offering superior performance to traditional data segmentation techniques.

**Project gains:** In 2023, the highlight was the successful completion of a first test with the credit team, resulting in improvements to a new concession policy based on the results of the engine.

**Strategies for 2024:** Use of the policy engine in other business areas and not just credit.

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**Churn:** This refers to the customer churn rate, corresponding to the proportion of users who stop using the products and services in a specific period. A high churn rate can indicate dissatisfaction, high competition or other issues that need attention.





# Participation in associations

GRI 2-28

We actively participate in representative associations and take on voluntary commitments and initiatives. We are also part of strategic indexes and ratings, which reinforces our role in the ESG agenda.

- Brazilian Association of Financial and Capital Market Entities (ANBIMA)
- Association of Capital Market Investment Analysts and Professionals (Apimec)
- Brazilian Federation of Banks (Febraban)
- Credit Guarantee Fund (FGC)
- Instituto Ethos – Business Pact for Integrity and Against Corruption



## Indices, seals and ratings

### Participation in ESG Indices

- ISEB3
- ICO2B3
- S&P/B3 Brasil ESG
- CDP Brasil (ICDPR-70)
- FTSE4 Good Index

### Monitoring ESG ratings

- Sustainalytics
- ISS ESG
- MSCI

## GRI 2-28 | VOLUNTEER COMMITMENTS AND INITIATIVES

CDP

Investors for the Climate

UN Global Compact

Partnership for Carbon Accounting Financials (PCAF)

Equator Principles

Principles for Responsible Investment (PRI)

Forest Certification Endorsement Program

Sustainable Forest Initiative (SFI)

Task Force on Climate-related Financial Disclosure (TCFD)

Taskforce for Nature-Related Financial Disclosure (TFND)

Global Impact Investing Network (GIIN)

Brazil Climate, Forests and Agriculture Coalition

Green and Social Bonds Principles (International Capital Market Association – ICMA)

International Finance Corporation – IFC

Round Table on Responsible Soy Association (RTRS)



# ESG governance and senior leadership involvement

**GRI 3-3 / GRI 2-13 / GRI G4 FS1 / G4 FS2 / G4 FS4 / G4 FS11 / SASB FN-CB-410a.2 / IFRS ISSB S1 e S2**

BTG Pactual is committed to integrating ESG practices into its culture, strategy and operations in a way that is transversal, effective and aligned with its responsibilities to shareholders and other stakeholders.

In 2015, when the ESG area was created at BTG Pactual, we began the process of integrating ESG into the Bank's business units, and today, with a multidisciplinary team, we guarantee all the necessary skills to manage environmental, social and governance risks and opportunities. Since 2020, the Impact Investing division has reinforced this structure, connecting global investors to sustainable investment opportunities in Latin America.

To guarantee the effectiveness of these processes, the Bank has implemented specific governance to manage social, environmental and climate risks and opportunities. This governance involves multiple levels and clear attributions, with the aim of ensuring strict adherence to current regulations, as well as to the principles and guidelines of BTG Pactual's Social, Environmental and Climate Responsibility (PRSAC) and Responsible Investment Policies.

In 2023, the theme "Involvement of top leadership in ESG governance" became material, highlighting the importance for different stakeholders of considering environmental, social and governance criteria in corporate strategies. **GRI G4 FS4**

In this context, the Bank's Board of Directors (BoD) represents the highest authority in the governance structure, ensuring an integrated and global approach to managing risks related to corporate operations, commercial activities and other entities affiliated with the Bank. The BoD is also the highest authority on ESG integration, including approval of strategies, policies, as well as analysis of climate and socio-environmental risks. In this agenda, the BoD works with the support of the ESG Committee (more information on page 31).

BTG Pactual maintains a rigorous process of risk analysis and supervision of ESG criteria in credit and investment operations, incorporating well-defined steps in its governance. This decision-making process is conducted through an organizational structure made up of a few lines of defense, whose level of responsibility increases according to the complexity and importance of the operation or investment in question.

Depending on the criticality and risk level of the operation, the Board of Directors may be involved as the final approval body. This decision takes into account various aspects, such as the capacity of the company or its staff to deal with ESG issues, the organizational commitment to social and environmental practices and governance, among others. In addition, the risk appetite defined by senior management and the mechanisms available for risk mitigation are taken into account.

If a highly critical credit or investment operation is approved, with a high risk potential for social, environmental or climate issues, specific monitoring is required. Monitoring may not exceed one year. More information in Due diligence socio-environmental (page 59).

The ESG team and the CSO have individual targets linked to the risks and opportunities related to sustainability.

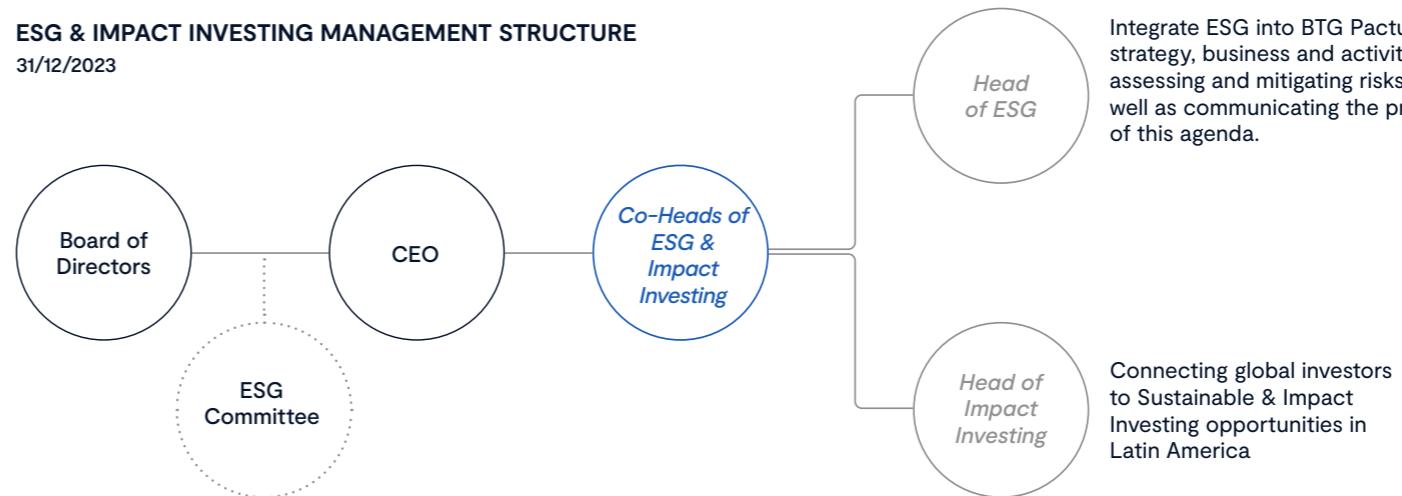


# ESG governance and escalation process

ISSB S1

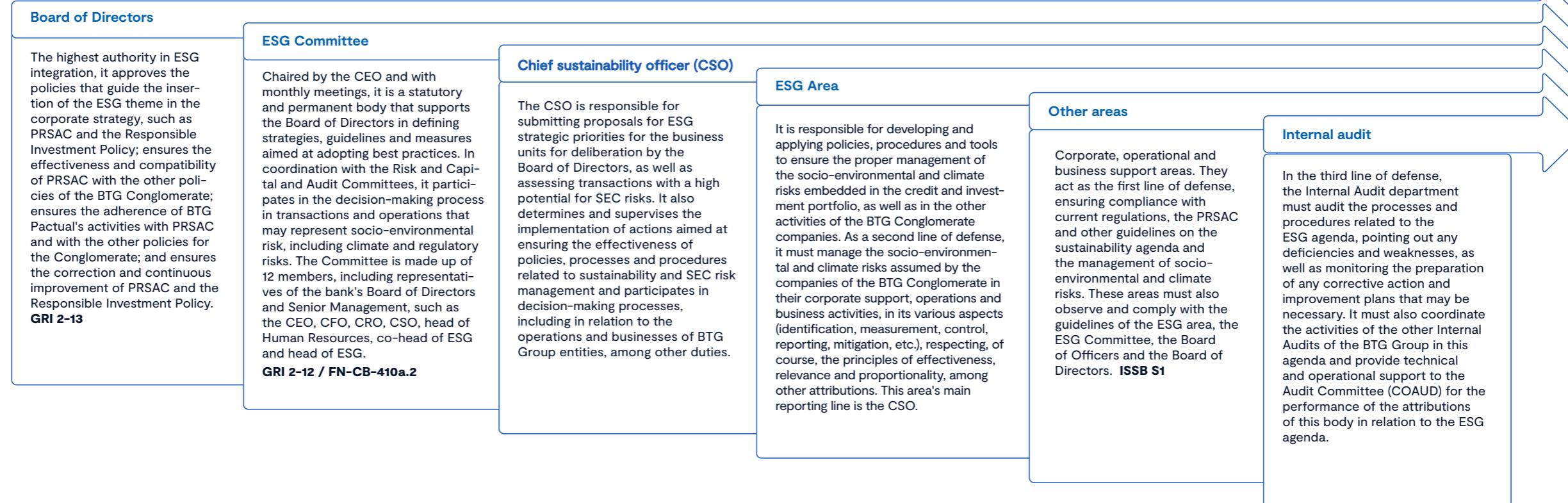
BTG Pactual's specific governance for managing social, environmental and climate risks and opportunities involves various bodies with different roles and responsibilities.

## ESG & IMPACT INVESTING MANAGEMENT STRUCTURE 31/12/2023



Integrate ESG into BTG Pactual's strategy, business and activities, by assessing and mitigating risks, as well as communicating the progress of this agenda.

Connecting global investors to Sustainable & Impact Investing opportunities in Latin America





# The ESG Committee's main duties

GRI 2-9 / GRI 2-12 / GRI 2-14  
SASB FN-CB-410.a.2 / IFRS S2

- Propose to the Board of Directors the name of the statutory officer to be appointed as the person responsible for socio-environmental risk before the Central Bank of Brazil.
- Formulate social and environmental risk management strategies, including climate risk.
- Approve and disseminate the BTG Pactual Group's global strategic policies related to sustainability, socio-environmental risk, responsible investment and climate risk.
- Evaluate the degree of adherence to these policies and the actions implemented by BTG Pactual Group companies.
- To propose to the BoD, periodically and whenever necessary, the revision of these policies.
- Evaluate relevant commitments and/or sustainability indexes, as well as external initiatives - corporate or sectoral, for example - related to the ESG area, in order to decide on adherence.
- Examining and validating the ESG area's annual budget proposal, as well as the work plan suggested by the area for the period.
- Evaluate the quarterly reports on the development of the bank's ESG programs and procedures, including its subsidiaries and controlled companies.
- Analyze the reports issued by regulatory bodies and audits (internal and external) regarding the effectiveness of internal controls relating to procedures involving ESG.
- Participate in the decision-making process in transactions and operations that may represent a socio-environmental risk, including acquisitions, investments in private equity, the formation of joint ventures and commercial relations with people or organizations that present a potential risk related to social, environmental or climate issues.
- Analyze matters related to sustainability and socio-environmental and climate risk, as delegated by the Board of Directors, with the exception of those included among the attributions that cannot be delegated due to regulation, in addition to knowledge.
- Participate in and approve the materiality process and BTG Pactual's Annual Report.

## FN-CB-410A.2 / COMPOSITION OF THE ESG COMMITTEE IN 2023

Position	Name
CEO and member of the Board of Directors	Roberto Sallouti
Statutory Director and Chief Risk Officer (CRO)	André Fernandes
Statutory Director and General Counsel	Bruno Duque
Statutory Director, Chief Sustainability Officer (CSO) and co-head of ESG & Impact Investing	Iuri Rapoport
Executive Officer and member of the Board of Directors	João Marcello Dantas
Statutory Director and Chief Compliance Officer (CCO)	Mariana Cardoso
Head of Wealth Planning and co-head of ESG & Impact Investing	Mariana Oiticica
Head of Human Resources	Mateus Carneiro
Member of the Board of Directors	Nelson Jobim
Statutory Investor Relations Officer and CFO	Renato Cohn
Head of Third Party Distribution	Will Landers
Head of ESG	Rafaella Dortas



# Management System

## GRI 2-23 / GRI G4 FS1

In order to mitigate potential social and environmental impacts and consolidate information regarding the management process, BTG Pactual established the Environmental Social and Governance Management System (ESGMS), structured horizontally throughout the institution.

For each business line, ESGMS addresses ESG risk in a specific way, ensuring that it is properly identified, assessed, classified, measured, monitored, controlled and mitigated. To identify and classify the risk, we followed the Sector Categorization Matrix - Social, Environmental and Climate Risk Document (DRSAC).

ESGMS' activities are linked to the principles and guidelines established in our internal policies (Responsible Investment Policy, PRSAC, Sustainable Financing Framework and 20 Sector Policies) and based on the regulatory standards of the Central Bank of Brazil and the Monetary Council, as well as domestic and international socio-environmental and climate legislation. The 20 Sector Policies encompass principles, guidelines and good practices of a social, environmental and climate nature that must be incorporated and applied in all the Bank's activities and guide decision-making in all our relationships.

We have developed these policies based on reports and best practice documents in the sector and the International Finance Corporation (IFC) guidelines, which guide the analysis of credit operations in various sectors. These policies guide the relationship with our credit and investment clients and other stakeholders, seeking to reduce the social, environmental and climate risks to which the Bank may be exposed.

As a potential negative impact, inadequate senior leadership commitment may result in the loss of ESG opportunities and increased exposure to risks, impairing BTG Pactual's ability to achieve its long-term strategic objectives. As a result, failure to invest in infrastructure projects, biodiversity and adaptation to climate change can have negative social and environmental impacts on society as a whole.

Social, Environmental and Climate Responsibility Policy

Responsible Investment Policy

Sector Policies

Social, Environmental and Climate Risk Management Practices **GRI 2-23**

GRSAC Report - Social, Environmental and Climate Risk Management

## ESGMS INCORPORATES

- Analysis of environmental, climate, social and corporate governance aspects - when applicable - of possible relationships with BTG Pactual, carried out to guide business decision-making and to map and monitor ESG issues present in contracts already concluded with customers.
- The internal management programs of the ESG criteria applied in BTG Pactual's activities, including all administrative offices where it has representation.
- ESG risk management training programs.
- ESG communication channels, both those intended for the dissemination and disclosure of information and those prepared to receive suggestions and complaints.

# ESG training

## GRI 2-17 / GRI G4 FS4

In order to improve the competence of our team at all levels of governance, to implement and supervise the strategies, policies and procedures and to respond to the environmental and social risks applied, BTG Pactual periodically promotes to its employees different trainings focused on the development of skills and competencies involving ESG and socio-environmental risks. The completion of these sessions improves the competence of our team at all levels of governance and assists with the implementation and supervision of strategies, policies and procedures. These trainings also enable our team to respond to any associated environmental and social risks.

Members of the Board of Directors and the Board of Officers also carry out training sessions focused on the ESG agenda. Over the last two years, they have taken part in training courses on ESG and Sustainable & Impact Investing and Inclusive Leadership.





## GRI G4 FS4 / ESG TRAINING

**ESG and Sustainable Finance & Impact Investing**  
It explains how the ESG area operates at BTG Pactual and how it is strategic for all the Bank's other business areas, considering risks and opportunities. It also shows how the Sustainable and Impact Investing area connects global investors to sustainable investment opportunities in Latin America, generating positive social and environmental impacts, contributing to the UN Sustainable Development Goals (SDGs) and generating consistent returns for our clients.

**Audience:**  
Mandatory for all  
BTG employees

Around 70% of  
students took the  
course in 2023

**Audience:**  
Sales&Trading  
Commodities

Around 80% of  
students took the  
course in 2023 GRI  
FS4

**ESG Analysis | G&O Desk (Grains and Oils)**

It describes to commodities trading desk employees the social, environmental and climate risks and current market trends related to these issues that impact the commodities sector. It explains the actions and procedures carried out by BTG Pactual and the G&O Desk to assess these risks and adhere to these trends, in line with the provisions of our ESG policies. It also aims to make all employees aware of the issue and ensure that these policies are effective in the institution.

**Audience:**  
BTG  
employees

30% of students  
took the course  
in 2023  
GRI FS4

**ESG Analysis | Credit**

Aimed at employees in the Investment Banking Division, Credit and Securitization, Credit Risk, Backoffice and Legal areas, it presents the Bank's actions and procedures for assessing the social, environmental and climate risks of its credit operations, in line with ESG policies. It is also intended to make all employees aware of the issue and ensure the effectiveness of this policy, under the terms of the new rules published by the Central Bank (Bacen) in 2021, in particular Resolution 4.945/2021.

**Audience:**  
Areas involved in credit  
operations

Around 60% of  
students took the  
course in 2023

**Audience:**  
Compliance, Legal,  
HR, Marketing,  
Operations, Tax,  
Information Security,  
Finance, Social  
Responsibility, Asset  
Management,  
Operational Risk, Third  
Party Management,  
Corporate Services

50% of  
students took  
the course in  
2023 GRI FS4

**ESG | Indices, Ratings and Indicators**

It presents how BTG Pactual's ESG strategy is carried out and what ESG indexes and ratings are, as well as the main reporting frameworks in the market and which ones we use at BTG, including the process of preparing the Bank's Annual Report. It is aimed at employees in the areas of Compliance, Legal, HR, Marketing, Operations, Tax, Information Security, Finance, Social Responsibility, Asset Management, Operational Risk, Third Party Management and Corporate Services.

**Audience:**  
BTG  
employees

2% of students  
took the course in  
2023  
GRI FS4

**Climate Change: Risks Opportunities**

It presents concepts and examples related to the topic of climate change and energy transition, focusing on risks and opportunities mainly for the Asset Management area.

**Legal and ESG**

It addresses the main concepts and responsibilities related to rural real estate in terms of ESG aspects.



# ESG Commitments



## COMMITMENTS FOR 2025

Help clients make the transition to a sustainable low-carbon economy



## CHALLENGES

- Macroeconomic conditions and the capital market context.
- Educating and maturing of issuers and investors.
- Evolution of international parameters, local regulations and discussions around the sustainable theme.

### Commitment

10x

the volume of ESG titles (transition, green, social, sustainable and sustainability-linked)

### Base year

2020

Target

R\$

64.6 billion

accumulated until 2025

### Results

R\$

6.46 billion

volume BRL 2020

R\$

17.2 billion

volume BRL 2022

R\$

27.3 billion

volume BRL 2023

### Target reached

R\$

78.7 billion

accumulated 2020 - 2023

### Industry

Water and Sanitation, Pharmaceuticals, Bioenergy

### Destination resources

Labels: Green, Sustainability-Linked and Blue

### Commitments

- Developing products to mitigate the effects of climate change.
- Educate 50% of our Family Office.
- Offering ESG planning for all ECM transactions and advise clients on their investment decisions.

### Metrics

Product BTG Pactual  
Investimentos de Impacto FIP

R\$

788 million

volume

### Progress

- Structuring and distribution of more than R\$20 billion in labeled offers in the Water and Sanitation sector.
- Investment in Oakberry, a company that produces açaí-based products, with actions aimed at the sustainable development of its extractive chain.
- Acquisition of a minority stake in Systemica, which develops and implements projects to generate carbon credits and other environmental assets.





## COMMITMENTS FOR 2025

BTG Pactual as a reference on climate change in Latin America

## CHALLENGES

- Collect the data needed to estimate the emissions of clients that are privately held.
- Operationalization and automation of the necessary information.
- Lack of standardized information for emissions, targets and Net Zero commitments in the market as a whole.

## Commitment

Engaging institutional and IB clients from the Oil, Gas and Energy sectors on issues related to climate change (learn more on page 42).

## Progress

We have established metrics based on carrying out a GHG inventory and setting targets for reducing emissions and Net Zero commitments. In 2023, when considering the number of Oil & Gas clients in the Corporate & SME Lending portfolio, 66.67% had an inventory and 44.44% had emission reduction targets.

When we look at the sector's exposure, based on the volume financed in the period, 92.75% of clients had inventory and 62.66% had targets. In 2022, 29.4% of clients had a carbon inventory and 23.5% had emission reduction targets, and considering the sector's exposure, 54.03% of clients had an inventory and 49.5% had targets.

The increase in the percentage in 2023 can be attributed to a number of factors, such as greater engagement with clients, the inclusion of companies with good practices in the portfolio and the acceptance of emission reduction plans by clients. We accompanied three clients in the acquisition of a refinery and in the exploration of local onshore mature fields, creating action plans.

## Commitments

- Encouraging distributed generation/clean energy.
- Reporting our CO2 emissions in Corporate Lending and Asset Management.

## Progress

For measurement purposes, in 2023 we financed around R\$17.3 billion for the solar, hydro and wind generation segments of the Corporate & SME Lending portfolio. In this way, around 36,271 thousand tons of CO2 have already been avoided.

## COMMITMENTS FOR 2025

Providing credit and promoting sustainable practices in the SME segment

## CHALLENGES

- Understand the level of maturity and the needs of customers in terms of engagement with sustainable practices.
- Action needed: Structure educational training on the subject.

## PROGRESS

- ESG education trail on BTG Empresas email and Instagram.

## Commitments

- Advising and engaging SME clients on ESG aspects.

- Democratizing access to financial products and services.

## Metrics

## SME portfolio - evolution over the last 4 years

R\$

2.2 billion

in 2019

R\$

20.5 billion

in 2023

Significant growth of R\$

18.3 billion

in 4 years



# Fighting climate change

GRI 3-3 / GRI 201-2 / IFRS S2

BTG Pactual has a robust ESG management structure, aimed at accurately and reliably accessing the risks and opportunities of this transition to a low-carbon economy.

Although the risks and opportunities of climate change affect every sector of the economy in the 21st century, the financial industry is uniquely positioned with opportunities to positively transform society towards a low-carbon economy. Across the globe, there is growing demand and mobilization for the capital that will support this transition, with mitigation and adaptation measures.

The increasing annual temperature averages recorded over the last few decades and the damage caused by extreme weather events have led to a new risk scenario in which the climate component is highly relevant. In this sense, BTG Pactual's greatest impact, as an investment bank, arises from GHG emissions from the activities of clients in the credit portfolio and from the Bank's own assets (directly and indirectly controlled companies). Understanding our impacts and those caused by our clients involves analyzing practices, commitments and scenarios regarding the GHG emissions of production chains and the resilience of counterparties in the face of regulatory, social and market changes resulting from climate change.

Our credit operations in sectors that are intensive in GHG emissions, such as energy, steel and oil and gas, are analyzed according to the emissions, reduction commitments and climate resilience of the counterparties. Clients are compared with the best practices in the market and the results are discussed in credit committees.

Companies of the Group belonging to intensive sectors are consulted every six months on their transition targets and plans and on their mitigation practices. Those with the potential to reduce GHG emissions are instructed to follow a customized action plan to reduce emissions and improve climate resilience, involving portfolio diversification and/or investments in Research and Development (R&D), a climate transition plan and engagement with customers and suppliers.

## Governance

The BoD is the highest authority on the integration of ESG and climate risk management. It is supported by the ESG Committee (more information about this committee on page 31) in policies, strategy and transaction approval.

All loans and transactions undergo social, environmental and climate due diligence based on the principles of relevance and proportionality. Factors considered in the due diligence include GHG emissions, likelihood of extreme weather events on assets, climate litigation, transition plan, climate targets and commitments.

Governance under climate aspects  
CDP 2023

## Strategic vision

The integration of climate change into BTG Pactual's strategy takes place on multiple levels. In addition to measuring and offsetting our emissions, we support and adopt the recommendations of the Task Force on Climate-related Financial Disclosure (TCFD), which encourages transparency on climate information, and we include the SDGs in our materiality analysis and Annual Report. In 2020, we created the Impact Investing area, aimed at promoting sustainable and impact investments and carbon markets.



## Commitments

BTG Pactual established commitments for 2025 related to climate change, sustainable development and economic inclusion. These commitments are directly linked to our core business and the context of regional development in Latin America:

- Involve Corporate and Investment Banking clients in the oil, gas and energy sectors in issues related to climate change.
- Encouraging distributed generation and clean energy.
- Developing products to mitigate the effects of climate change.
- Supporting clients in making the transition to a sustainable low-carbon economy.
- Being a reference on climate change in Latin America.
- Offering credit and promoting sustainable practices in the small and medium-sized enterprise (SME) segment.

These commitments are in line with BTG Pactual's strategy, as they allow it to take advantage of market share growth opportunities with controlled risk. This growth, in turn, ensures the Bank's greater prominence in Latin America and, when combined with innovation, allows it to offer products and solutions that are in high demand in the market. For example, considering the window of opportunity for the expansion of solar energy in the context of distributed generation (which, over the next few years, will become more viable) and the risk of concentrating the portfolio in emission-intensive sectors (importing the transition risks of clients), the last five commitments are integrated into the Bank's strategic vision while mitigating risks and preparing BTG Pactual to take advantage of the opportunities of the transition to a low-carbon economy.

The first commitment reflects part of the Bank's strategic vision by focusing on engagement rather than exclusion. We monitor the progress of these commitments on an annual basis using metrics such as the volume of green bonds issued, the share of clients and credit exposure in the oil and gas sector with a published emissions inventory and reduction targets and the volume of credit operations in renewable energies.

This monitoring allows us to adequately accommodate expectations of growth, as well as the achievement of established goals, allowing us to formulate strategies for improvement.

## Monitoring

We monitor changes in the sector composition and GHG emissions of our portfolio. The sector composition is published in the Earnings Releases and in the Annual Reports. Strategic effects, opportunities and risks properly assessed and financially sized according to their cost/benefit are published annually in the CDP questionnaire (item C2), which explores the costs of accessing opportunities and their details, the costs of mitigating risks, details of these risks and the uncertainties regarding climate and financial data<sup>11</sup>.

Customer issues are used to assess, among other things, the impact of new operations on our financed issues. The assumptions used for the internal exercise take into account the asymmetry between the base dates for emissions and the company's revenue, the use of emission factors suggested by the Partnership for Carbon Accounting Financials (PCAF) methodology – a reference for calculating financed emissions and defined as the basis for building an emissions neutralization strategy for financial institutions – in line with the Science Based Targets Initiative (SBTi), to estimate the client's emissions. There is an inherent uncertainty in the calculation method, but for the time being we consider the information sufficient without properly scaling this uncertainty.

We have no climate exclusion policies, as we believe that a climate strategy centered on engagement rather than exclusion is more effective, bringing new opportunities to clients in critical sectors. Supporting these clients closely, right from their diagnosis, with a technically specialized team, we negotiate favorable contract conditions and accompany the decarbonization journey, offering solutions that are consistent with their needs. In this way, we are increasing the efficiency of these sectors, helping to reduce their emissions and the transition to a Net Zero operating standard in the long term.

In this way, we understand that the greatest opportunities and the greatest risks for the Bank's value chain lie in the emission-intensive sectors.

Further details of the opportunities related to climate change identified by BTG can be found in the CDP questionnaire (item C2.4). Mapping is carried out constantly throughout the year by analyzing operations, regulatory changes, client requests and weather events to which client assets are exposed. These opportunities are consolidated at various times: during the climate stress test, during the preparation of the Social, Environmental and Climate Risks and Opportunities Report (GRSAC), during the completion of the Internal Capital Adequacy Assessment Process (ICAAP) report, during the completion of the CDP and during the drafting of the Annual Report.

The opportunities disclosed in the CDP refer to:

- Long-term investment options for funds with a sustainability bias in our Asset Management, such as our investment in the company Bioelements (more details in the impact investment area).
- In the short term and in the credit portfolio, offering a financing line for solar energy projects for SMEs.
- Long-term growth potential of the rural insurance line.

These climate-biased opportunities arose from market assessments and careful sizing by our business teams. New opportunities are evaluated jointly by multiple teams, who decide whether and how much weight the climate component will be given in the sizing of the proposal or product.

Together, these opportunities represent potential gains of more than R\$200 million. The resources allocated to identifying opportunities involve specialized teams and the structuring of products (insurance and SME credit line) and are detailed quantitatively in the CDP questionnaire.

11. IFRS S2 - no errors were found in the climate-related financial data published in this report. Any errors will be reported in the subsequent edition of the CDP or in the next annual report. Information on expected qualitative or quantitative changes in the distribution of risks due to BTG Pactual's growth in specific areas and/or through the acquisition or sale of assets is considered strategic and is therefore not disclosed in aggregate form. Information on the portion of the bank's business exposed to physical or transitional climate risks, as well as the portion of the business aligned with climate opportunities, is also considered strategic and is not disclosed. However, specific considerations on these aspects can be found in the CDP questionnaire (items C2 and C3). To date, BTG Pactual does not consider unrealized weather damage in the calculation of its results, opting to integrate these effects into its planning.



# Risks

GRI 201-2



## MAPPED RISKS CONSOLIDATION TIME

1. During the climate stress test;
2. During the preparation of the Social, Environmental and Climate Risks and Opportunities Report (GRSAC);
3. When completing the Internal Capital Adequacy Assessment Process (ICAAP) report;
4. When filling in the CDP; and
5. When drawing up the Annual Report.

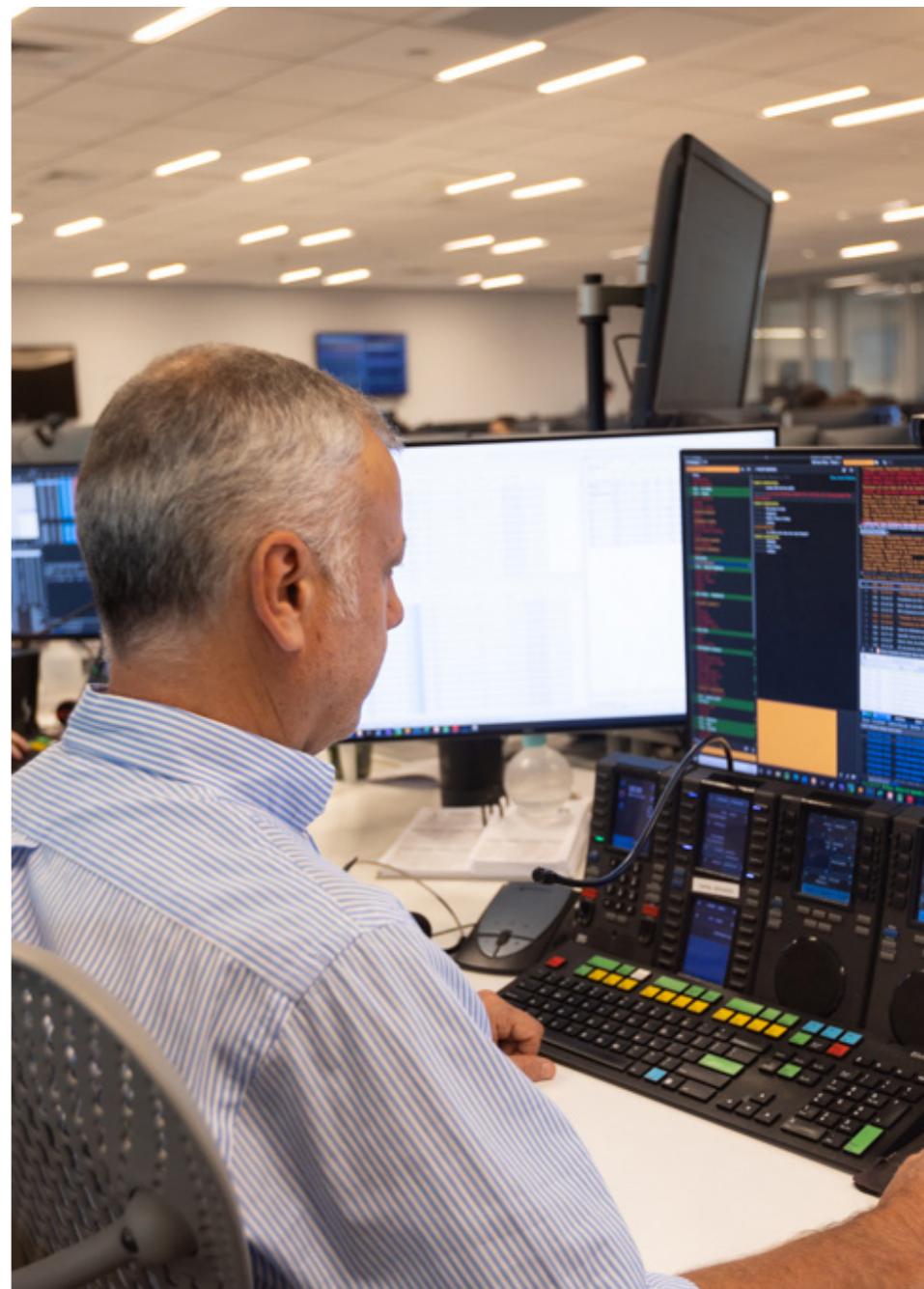
As an agent in the financial sector, BTG Pactual is exposed, through the sectoral composition of its portfolios and relationships in other business areas, to a diversity of clients at different levels of maturity and exposure to climate risks. These risks are transferred to the Bank indirectly: when a client is affected, its ability to meet its financial commitments is reduced, passing this risk on to the Bank. These risks are mapped by analyzing practices, commitments and scenarios regarding GHG emissions in production chains and the resilience of counterparties in the face of regulatory, social and market changes due to climate change. Our 20 publicly available sector policies explain how we conduct environmental, social and climate analysis.

The Bank's indirect impact on the climate is due to its clients' GHG emissions. It is therefore essential to incorporate an engagement strategy with customers in the most intensive sectors. This mapping is done through the Bank's financed emissions. Since 2022, we have carried out several internal exercises to track and estimate the proportional emissions of our credit portfolio, even in cases where the client is unaware of their own emissions. We use the PCAF methodology combined with internal tools and external suppliers in search of more accurate data.

Some of the risks and opportunities identified by the Bank that can be publicized are disclosed annually in the CDP<sup>12</sup> (items C2.3 and C2.4). In the case of risks, mapping is carried out constantly throughout the year by analyzing operations, regulatory changes and weather events to which clients' assets are exposed.

All the risks considered have a climatic origin and are evaluated in the analysis of credit operations, in the analysis for the acquisition of Asset Management assets and in the climatic stress test. The assessment of these risks is evaluated by the business teams, who decide whether and in what weighting they will be included in the sizing of the proposal or product. When the need to better assess and mitigate these risks is identified, experts are hired and due diligence is carried out to determine the appropriate response. When our Asset Management assets are part of the analysis, the CAPEX and OPEX required to mitigate these risks are estimated and realized if the acquisition is completed.

12. The risks disclosed in the CDP refer to the taxation of emissions from credit portfolio clients - the portion of revenue committed (in the medium term); the loss of potential in our Asset Management's power generation assets due to changes in weather patterns (in the long term); the payment of premiums to agro insurance clients affected by drought events (in the short term). Together, these risks represent potential losses of more than R\$300 million. The resources allocated to identifying these risks involve the specialized teams and suppliers who help with data collection and evaluation and are detailed quantitatively in the CDP questionnaire.





The socio-environmental categorization based on IFC standards – high, medium or low risk – is applicable to more structured operations, which can have impacts and risks not only associated with the counterparty, but also with the use of resources, sector of the economy, project, instrument and duration of exposure. Of the total operations in our Corporate and SME Loans portfolio, 71.71% are subject to this more in-depth analysis. BTG Pactual has a medium appetite for social and environmental risk associated with its portfolio, with 49.80% of its credit operations categorized as "B" (Medium Risk).

Information from the Bank's clients and assets related to climate change, such as GHG emissions, transition plan, climate targets and commitments, is sought and/or requested for assets in emission-intensive sectors. If necessary, the ESG area will develop a list of questions with the necessary information, which will be forwarded to the client. Depending on the level of risks and impacts caused by the project, the ESG area will carry out visits to the project sites, which may include meetings with the proponent's employees and local communities.

This information supports our climate resilience assessment and is compared with best practices in the sector and international frameworks. We also use physical climate risk analysis tools, such as the World Bank's ThinkHazard. This tool helps assess climate risk at the portfolio level, allowing the Bank to know the level of exposure of its assets to each of the 11 physical risks mapped: river flooding, urban flooding, coastal flooding, earthquakes, landslides, tsunamis, volcanoes, cyclones, water scarcity, extreme heat and forest fires. In cases where the analysis shows an unfavorable view, mitigating actions are requested in return for proceeding with the operation. Based on this assessment, we decide whether or not to continue the relationship.

The management of climate risks in our Asset Management assets is guided by a Responsible Investment Policy, revised in 2022 and approved by the Board of Directors, which establishes a set of principles that guide the selection and management of fund assets, in accordance with BTG Pactual's ESG criteria.

The energy desk operations go through the KYC procedure (more information on page 59) and, for activities that are more exposed to socio-environmental and climate risks, the team asks the ESG area for an assessment of the risks involved in the operation, in order to better calculate the costs and obligations to be included in the contracts. In addition, in 2023, all operations on the oil and gas (O&G) desk were analyzed and approved, taking socio-environmental and climate criteria into account when making decisions. Finally, a decarbonization opportunities forum was held with the O&G team, comprising various targets and projects from Brazilian companies, looking for opportunities with new products and services.

Transactions with clients from emissions-intensive sectors originating from the insurance desk and Debt Capital Markets (DCM) are also analyzed by the counterparties' climate practices and resilience. Internally, mitigation opportunities are also monitored. In 2023, thanks to operational improvements by our technology team, the demand for network processing fell, resulting in a reduction of around 25% in the service provider's emissions, which only consume renewable energy.

Among some of the actions implemented in 2023 is the change in the procedures for analyzing socio-environmental risk in G&O (Grain and Oils) operations, which reduces the analysis time by the Onboarding teams by 98%. An integrated platform was created, which guarantees standardization and legal certainty in the first instance of counterparty analysis using only CPF [Individual Taxpayer Registry Number] or CNPJ [Corporate Taxpayer's Roll] numbers, through the integration of databases such as Bcheck (Know Your Costumer [KYC]) and Farmcheck (Geospatial). One difference is the greater scope for cross-referencing information, including relatives and business partners, which mitigates the risk of commodities being triangulated between areas that are suitable and unsuitable for business according to internal and sectoral rules.

In the same vein, the rules for analyzing rural property are being amended to include deforestation identified by satellites such as PRODES, DETER and GLAD, even if there is no embargo or notice from the environmental agency. This analysis is applied to all structured operations in the agribusiness sector, in the Corporate Lending stream.

## TYPES OF CLIMATE RISK

### Acute physical risks

Related to extreme weather events, such as droughts, floods, forest fires, among others.

### Chronic physical risks

From changes in climate patterns, such as rising temperatures and changes in precipitation.

### Transitional climate risks

Threats to the revenue and business model of companies, due to the emergence of a disruptive technology, changes in climate policies (such as taxing emissions), changes in the supply or demand of products and services, loss of market share due to a drop in public perception and climate liabilities generated, for example, by difficulties in obtaining permits.

In the scenario of decarbonizing the economy, it is worth noting that BTG Pactual has not been opting for the easiest choices, such as excluding carbon-intensive sectors. We use our knowledge and engagement with these clients to structure operations that include a fair transition.



# Climate stress test

GRI 201-2

In 2023, our climate stress test assessed the impact of different climate scenarios on the physical and transition risks of the Bank's credit portfolio clients, Asset Management assets and guarantees. The operations were chosen according to the principles of relevance and proportionality within the Bank's credit and investment portfolios, as well as a subsequent analysis of the materiality of the climate component. For the electricity sector (the most relevant in our credit portfolio, with 18.04% exposure), we believe that a technical approach at the asset level has the potential to present tangible results that simultaneously allow us to improve credit risk analysis and identify clients highly exposed to these risks, with a bias towards mitigation opportunities.

That's why we've partnered with energy consulting firm PSR to develop and implement climate models. These models project future scenarios of physical data, such as water flow in hydropower plant reservoirs and wind speed in wind farms, which are then applied to our clients' asset performance models. The chosen scenarios are better described in the GRSAC and the CDP (item C3.2a). The choice was based on the scope and scientific acceptance of these scenarios, which maintain realism by covering the optimistic and pessimistic spectrums. In this way, it is possible to estimate the impacts on generation and revenue over a 70-year period and quantify the expected impacts.

In both the chronic physical risk analysis carried out for the energy sector in partnership with PSR and the transition risk analysis for intensive sectors, we expect customer revenues to be affected with intensities that are sensitive to each scenario. The corresponding figures and the influence of these sectors on the Bank's expected revenue will not be disclosed as this is strategic information. The different scenarios in both the emissions pricing exercise and the energy asset test are analyzed first according to their impact in the short term in more realistic scenarios (which turned out to be low) and then for the long term in more stressed scenarios.

The latter, although they have shown significant impacts (in excess of 8% of customer revenue in some cases), are not considered in the credit analysis because, in addition to the low probability of the scenario materializing, the expected relationship time with the assets is less than the materialization of these impacts in a relevant way. In realistic scenarios, when the climate risk analysis returns material risks, the ESG area's process is to engage with the client or asset manager in order to build resilience. The exact solution can vary; for instance it could be acquiring insurance for the physical asset or creating a transition plan that involves reducing emissions.

Although our business is quite resilient in the face of climate change in the short term, we believe that a better and more comprehensive understanding of these risks at an appropriate level will be essential in the coming years. As such, it is already part of our climate strategy to improve the tools and processes for assessing climate risks and opportunities. Our plans for the stress test involve going beyond what is required by the regulator and continuing to incorporate the results into our climate risk management. An expected development is the use of the previous year's results in the comparison with the next results. This evolution will allow us to make strategic decisions regarding the physical and transition risks of our assets and those of our clients. In addition, the historical data on the costs of accessing opportunities and mitigating risks (found in the CDP questionnaires) could be partially used in the new interactions of the climate stress test, thus amplifying its effect.

Through the climate stress test, we concluded that our businesses are generally quite resilient to climate change in the short term.



## Oil & gas, steel and cement

We quantified the impact of emissions tax scenarios on selected credit clients in intensive sectors such as oil and gas, steel and cement. For these cases, a climate resilience assessment standard has been developed. Among the items assessed were decarbonization targets, the classification of transition plans, diversification of investments and climate litigation actions. The selected sectors cover 9.47% of our credit portfolio and can be considered highly exposed to transition risks.

## Guarantees

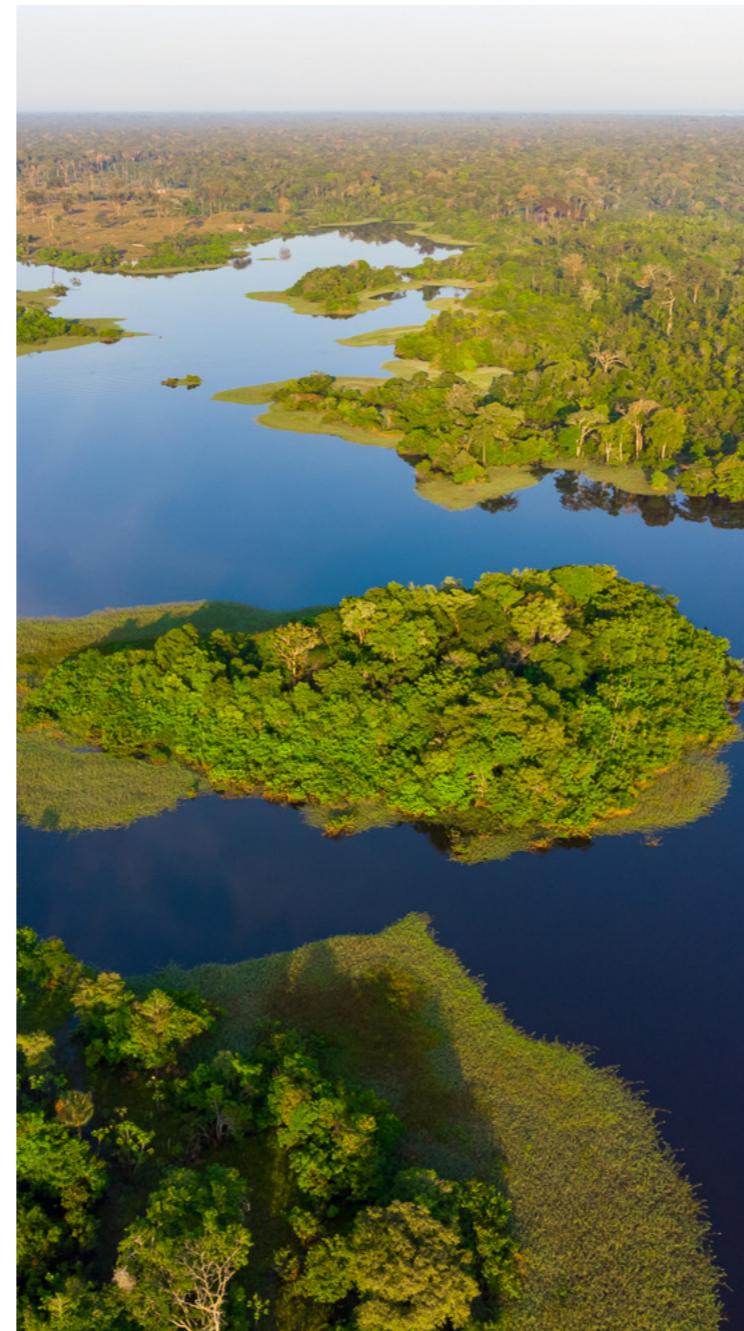
As a large part of the guarantees are real estate assets, the ThinkHazard tool was used to assess the exposure of these assets to 11 different risks. We used the results to access the level of financial exposure to the most intense risks and the expectation of losses within the timeframes determined by the tool's risk categories, most of which have an interval of 10 years, the period in which a potentially damaging event is expected to occur. This way, we know, for example, the total value of the assets of the guarantees located in Brazil on which a flood event is expected to potentially cause damage over the next 10 years.

## Insurance

As a result of climate change, agricultural production has become more exposed to more frequent and less predictable weather events. BTG Pactual has an insurance and reinsurance business offering cover for crop production. This product is available for the three most common grains in Brazil (corn, wheat and soybeans) and covers production deficits caused by climatic events.

## Solar energy

Financing distributed solar energy generation is strategic for the development, growth and democratization of this renewable, clean, sustainable and versatile technology in Brazil. That's why, within the SME area, we have developed a solar credit line, so that distributors can access the funds immediately and pay back the credit over a longer period.



## Targets

**BTG Pactual defines its planning with short-, medium- and long-term goals for strategic decision-making.**

### Short term

It covers the period up to 3 years, with strategic decisions centered on immediate goals and short-range objectives. Considering the CDP, these are internal targets: (i) transparency of greenhouse gas (GHG) strategy, data, sources and emissions; (ii) incorporation of more specific climate change issues to clients (due to due diligence) to measure impact; and (iii) quantitative analysis of climate risks for our credit operations. Always involving top management (C-level) in climate change issues and risks.

### Medium term

In this case, strategic decisions are geared towards medium-range objectives of 3 to 10 years, allowing for a more elaborate and sustainable implementation of initiatives. Examples based on CDP:(i) defining a strategy for portfolio allocation based on climate change issues; and (ii) reducing global GHG emissions.

### Long term

These strategies aim not only to achieve sustainable results in the long term, between 10 and 50 years, but also to adapt to significant environmental, social and economic changes and therefore incorporate a broader and more comprehensive vision of the future. Examples based on CDP: (i) implementation of a climate strategy for 2050; (ii) assessment of environmental and social risks integrated into business continuity planning, allowing us to mitigate the effects of climate change; and (iii) development of methods to be more efficient in our operations in order to reduce GHG emissions (mainly scope 3).



## Engagement

BTG Pactual works with clients to find practical solutions to mitigate their emissions. This process begins with an understanding of our impacts and those of our clients, involving the analysis of practices, commitments and scenarios regarding the GHG emissions of production chains. The resilience of counterparties in the face of regulatory, social and market changes resulting from climate change is also part of the scope of the pre-engagement analysis.

Quantitative and qualitative information derived from the analysis of the progress of clients' transition plans is considered strategic and is therefore only circulated internally. This follow-up stems from our commitment to helping clients combat climate change and from the recognition that the requirements to publish and monitor transition plans will soon be upon us.

## Asset Management

In our Asset Management, there is a biannual engagement with Group companies belonging to intensive sectors. These companies are consulted on their transition goals and plans and on their mitigation practices. With the management team, we highlighted the main points of the assessment and suggested possible mitigations for any impacts found. In this search for opportunities to improve performance, we asked managers about the publication of climate-related indicators, such as GHG emissions and climate targets, and teams about alternatives and transition plans. We are also involved in R&D planning for some of these companies. In addition, during these engagement sessions, we connect these companies to low-carbon solutions identified during the period. In 2023, for example, we began an engagement with the Group's thermal power plants to evaluate the use of alternative fuels in order to reduce emissions.

## Carbon offsetting

Over the years, BTG Pactual has expanded its actions to offset its GHG emissions. We believe that the role of carbon credits in the strategy is fundamental to neutralizing the Bank's operational emissions and establishing a comparative value with the improvements that will reduce emissions.

Our team of ESG experts carries out detailed due diligence to select certified carbon credit projects. One of them is Santa Maria, a carbon project for Reducing Emissions from Deforestation and Forest Degradation (REDD+), of the Avoided Unplanned Deforestation (AUD), which aims to conserve forests in the face of illegal deforestation pressure from external agents. Started in 2009, the project has been successful in curbing deforestation in a critical region. Located in the deforestation arc, it acts as a natural barrier between the growing town of Colonia and the southern part of the Igapó do Juruena Park (PEIJU), an essential entrance to a mosaic of protected areas in northern Mato Grosso and southern Amazonas. We chose to adopt a conservative approach, recalculating the baseline with real deforestation data for the period between 2015 and 2018. Based on these results, we concluded that it would be necessary to retire 1.9 Verified Carbon Units (VCUs) from this period to achieve the desired climate benefit.

We have been offsetting our direct emissions (scope 1) and part of our indirect emissions (scope 2) since 2017 by purchasing carbon credits. Those in scope 3 began to be compensated in 2019.





# Emissions inventory

BTG Pactual works to adequately measure the emissions from its activities, using precise and reliable methodologies. We are working to better understand our funded emissions before developing a reduction target. We expect that, among indirect emissions, category 15 of scope 3 (financed emissions) will be the second most relevant.

Therefore, this work is essential to establish conceivable goals and a coherent transition plan, with short-, medium- and long-term objectives for all the Bank's activities. Considering this effort, emissions related to the purchase and transportation of commodities from the G&O desk are not included in this inventory. Just as we do with the financed issues in the Corporate & SME Lending portfolio, we continue to study the subject and test methodologies until we develop confidence in the results.

In 2023, scope 1 emissions (direct) increased compared to 2022 due to the higher volume of refrigerant gas recharging in the Bank's own equipment. Scope 2 emissions (related to electricity consumption), on the other hand, grew by around 10% compared to the previous year. This increase was organic and corresponded to the growth in the number of the Bank's employees in the period.

The main changes in scope 3 emissions (indirect) were related to leased assets, due to the drop in the activation of condominium generators in 2023; employee commuting, due to the increase in the number of employees and the new modal distribution reference, which considered non-emitting means of transport; effluents, due to the drop in the emission factor; and business air travel, due to the increase in the number of flights and emission factors.

<sup>13a</sup> Our emissions intensity index includes all GHG emissions (scopes 1, 2 and 3) and the gases included in our calculation are CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFC-125, HFC-134a and HFC-32.

As a result of our efforts to mitigate the impact of our operations, in 2023 we will record a GHG emissions intensity<sup>13</sup> index of **0.6634 tCO<sub>2</sub> / R\$ million**, calculated based on our total revenue of **R\$ 21,559 million**.

## GRI 305-4

### EMISSIONS (tCO<sub>2</sub>e)

	2021	2022	2023
<b>Scope 1 (GRI 305-1)</b>			
Stationary combustion	63,7	1,2	3,5
Mobile combustion	5,8	12,0	10,5
Fugitive	88,4	328,0	485,4
Solid waste and liquid effluents	18,9	0,00	0
Total scope 1	177,0	341,2	499,5
<b>Scope 2 (GRI 305-2)</b>			
Electricity purchase	1.532,8	397,2	440,9
<b>Scope 3 (GRI 305-3)</b>			
Leased assets (the organization as lessee)	925,3	1.425,6	757,6
Goods and services purchased	11,9	13,6	16,7
Employee commuting (home-work)	500,3	2.285,1	2.896,1
Waste generated in operations	286,1	902,01	597,4
Transportation and distribution (downstream)	17,7	59,1	0,05
Transportation and distribution (upstream)	1.138,8	770,1	1.088,0
Business trips	863,4	4.271,5	8.005,0
Total scope 3	3.743,7	9.727,1	13.361,0
<b>Total emissions (scopes 1, 2 and 3)</b>	<b>5.453,5</b>	<b>10.465,4</b>	<b>14.301,5</b>
<b>Biogenic emissions</b>			
Scope 1 (GRI 305-1)	5,9	1,2	1,7
Scope 2 (GRI 305-2)	0,5	0	0
Scope 3 (GRI 305-3)	350,1	570,4	904,1

<sup>1</sup> According to the GHG Protocol, scope 1 emissions are direct emissions from sources controlled by the company. Examples for BTG Pactual include fugitive emissions from air conditioners and fire extinguishers in the bank's offices. Scope 2 emissions come from the generation of electricity purchased by the company and are considered indirect emissions, being measured on the basis of the local electricity grid or specific suppliers contracted by the company. Scope 3 emissions are all other indirect emissions resulting from the company's activities. In the bank's case, examples of these emissions are business travel, employee commuting and waste generated. / 2. The base year for the current inventory is 2023, covering January to December. The cycle is annual, to coincide with other reports and KPIs, so as to represent the bank's consolidated performance in the year to which the report refers. According to the GHG Protocol methodology, the operational control approach was used for this inventory. This approach is the same as that chosen for the scope of the Annual Report and all the companies considered are listed in Annex 1. This approach was chosen because it allows analysis of emissions in companies in which the bank has full control, as well as facilitating comparison with other years of disclosure. / 3. Refers to operations in all countries, with data measured for the São Paulo and Rio de Janeiro offices and estimates made for the others. / 4. Gases considered: scope 1 - CO<sub>2</sub>, CH<sub>4</sub>, N<sub>2</sub>O, HFC-32, HFC-125; scope 2 - CO<sub>2</sub>; scope 3 - CO<sub>2</sub>, CH<sub>4</sub>, HFC-134a, N<sub>2</sub>O. / 5. The emission factors and the Global Warming Potential (GWP) considered for the calculations were based on the PBGHGP and the IPCC 5th Assessment Report IPCC, 2014, respectively: Climate Change 2014: Synthesis Report. Contribution of Working Groups I, II and III to the Fifth Assessment Report of the Intergovernmental Panel on Climate Change [Core Writing Team, R.K. Pachauri and L.A. Meyer (eds.)]. IPCC, Geneva, Switzerland, 151 pp. / 6. Rules and standards used: Specifications of the Brazilian GHG Protocol Program; Verification Specifications of the Brazilian GHG Protocol Program; GHG Corporate Protocol - Brazilian GHG Protocol Program (PBGHGP) - Fundação Getúlio Vargas; World Resources Institute (FGV/GVCs; WRI, 2011) (ii) Standard NBR ISO 14064; Brazilian Association of Technical Standards, 2007 (ABNT, 2007); Guidelines published by the Intergovernmental Panel on Climate Change (IPCC) in 2006 IPCC Guidelines for National Greenhouse Gas Inventories.





# Sustainable and impact investments

GRI 3-3 / GRI G4 FS8

At BTG Pactual, the integration of ESG aspects into the various business areas, in a transversal and effective manner, reflects our commitment to sustainable development. Since 2020, the Sustainable and Impact Investments division has reinforced this structure by connecting global investors to sustainable investment opportunities in Latin America, supporting more and more projects and assets with social and environmental benefits. By combining these impacts with consistent returns at the same levels as traditional strategies, we contribute to the Sustainable Development Goals (SDGs) proposed by the United Nations (UN) in Agenda 2030. In addition to guiding impact investments and social responsibility initiatives developed by the Bank, the SDGs are considered on other fronts of the business strategy, so that the goals of the 2030 Agenda are increasingly observed in the development of new products, services and solutions.

## EXAMPLES OF IMPACT INVESTMENTS

1. Expansion of access to essential services, such as basic sanitation, contributing to the structuring and distribution of more than R\$ 20 billion in labeled offers in the Water and Sanitation sector, including the issuance of Brazil's first Blue Bond, by BRK Ambiental, in 2022.
2. Investment in Oakberry, an açaí-based product company that promotes and has a sustainable supply chain, as well as contributing to the family income of small farmers from riverside populations.
3. Acquisition of a minority stake in Systemica, a company that develops and implements carbon credit generation projects and other environmental assets, contributing directly to the reduction of greenhouse gas (GHG) emissions and opening new doors of impact business for the Bank.

Labeled debt offers



## 2023 HIGHLIGHTS

R\$

**788 million**

*in assets under custody distributed in sustainable or impact strategies, local and offshore*

R\$

**685 million**

*in sustainable deposits (Bank Deposit Certificates and Credit Letters) in stock at the end of the year for the Sustainable Funding Program, aimed at financing and refinancing assets and projects with social and environmental benefits*

R\$

**27.3 billion**

*distributed in debts with ESG labels, totaling 17 operations, the highest value in our history*

R\$

**8.9 billion**

*in eligible green credit operations to our framework for Sustainable Finance*

R\$

**7.75 billion**

*in blue bonds destined for the sustainable financing of the sanitation sector*



## OUR STRATEGIC POSITIONING



## Impact Investment Fund

Launched as part of initiatives to develop the sustainable and impact investment market, the BTG Pactual Investimentos de Impacto FIP fund raised more than R\$ 542 million in 2021, attracting mostly institutional investors, as well as Wealth Management and BTG Digital clients, democratizing access to this type of product in the country. The fund, which completed its fourth and final investment in 2023, aims to invest in companies whose core business is attributed to some positive social and/or environmental impact. In this way, the team sets out to seek transactions that provide scalable solutions to urgent challenges, as well as solid financial returns, in line with our strategic positioning.

### Impact management and measurement

We have developed an Impact Framework to support and apply the Fund's strategy, based on three pillars:

- Intention to generate and/or maximize positive social and/or environmental impact
- Generating impact alongside generating financial return
- Measuring and managing social and environmental impact

We use the Impact Management Project (IMP), the Operational Principles for Impact Management (Impact Principles), IRIS+ and 2XChallenge as international references in our evaluation methodology, giving rise to our proprietary impact measurement tool, the ImPactual Scoring Tool.

Impactual calculates an initial score for the company, weighted based on an assessment of five impact dimensions: What, How Much, Who, Additionality and Associated Risks. To be eligible for the Fund, companies must obtain a minimum initial score of 2.5. Starting with the investment, our goal is to increase this score through a robust action plan to maximize the company's impact.

### Other strategies

As a result of our strategy of connecting global investors to sustainable and impact investment opportunities, we are developing more and more initiatives in asset management. In addition to BTG Pactual Investimentos de Impacto FIP, in 2022 we launched Venture Debt Fund I in Chile, a fund focused on leveraging the ESG agenda within the startups financed by the vehicle, and the ESG EM Bond Fund and ESG RF IS Corporate Credit, investment strategies in labeled fixed-income securities focused on Emerging Markets and Brazil, respectively. In 2023, we replicated Chile's strategy and launched the Venture Debt Fund II. At the end of the year, these strategies totaled R\$789 million.

2021

### Gran Cursos

Our first investment aims to increase access to quality education through technology. It is one of the largest EdTechs (educational technology companies) offering online courses to prepare for public examinations, professional exams and graduate studies.

### Aliare

Our second investment expands the use of technology in the field, optimizing the efficient use of resources, improving agricultural management and contributing to increased productivity and income for our clients, mostly small and medium-sized farmers.

2022

### BioElements

Our third investment is a bioplastics company, which offers an ecological alternative to virgin plastic that decomposes in 6 to 20 months, while conventional plastic takes approximately 400 years to decompose.

2023

### Oakberry

The fund's latest investment is a company that supplies açai-based food products. In addition to açai being known for its health benefits, the company's biggest impact is related to the production chain. As a sustainable and extractive product, açai cultivation helps to preserve the Amazon rainforest and the riverside community.



# Evolution of sustainable finance

## GRI G4 FS8

Since 2016, BTG Pactual has been working on various sustainable finance fronts, aiming not only to develop the market in the region but also to reinforce the Bank's commitment to the ESG strategy.

### **Advisory in Sustainable Finance**

Through joint ventures with the Debt Capital Markets and Credit teams, we actively work to promote the sustainable finance market in Latin America through the coordination and distribution of public and private offerings of Green, Social, Sustainable, Transition or ESG-linked debt securities. We advise clients in the process of structuring labeled debt, from the stage of identifying the best strategy to the moment of distribution and settlement of the instrument.

### **Capital Markets**

In 2023, we worked on the structuring and distribution of 17 labeled operations, both in the local and foreign markets. Out of a total volume of R\$27.3 billion, the Water and Sanitation sector stood out as the most benefited by sustainable finance instruments, with almost R\$14 billion structured and distributed, representing more than 50% of the total volume for the year. The urgency of expanding access to basic sanitation services, coupled with the blue debt guidelines, has boosted the search for financing for these companies in the labeled debt market. In addition, sectors such as Sugar and Biofuels, Energy and Telecommunications also made up our balance. By the end of the year, BTG Pactual had contributed approximately R\$90 billion to this type of debt.

### **Credit**

In our joint work with the Credit area, we also work on structuring bilateral debts labeled to finance social and/or environmental impact projects or companies that can link the operation to ESG goals, proposing that they advance the agenda internally. On this front, we have already structured more than R\$900 million in Green operations or operations linked to ESG targets.

### **Sustainable Funding**

For some years now, BTG Pactual has been raising funds to reinforce its commitment to the ESG strategy through bilateral or sustainable instruments that will finance a portion of our portfolio and direct the funds raised to operations that have a positive social and/or environmental impact. With this in mind, in November 2020 we issued our first green bond in relation to our Framework. The operation was a private placement worth US\$50 million. And in December of the same year, we received an amount of US\$140 million from DEG and Proparco to exclusively finance operations that contribute to mitigating climate change. In 2021, we issued our first senior debt security in January, raising US\$500 million at 2.75% p.a. - the lowest rate practiced on the market by a Brazilian financial institution in international placement at the time. In September of the same year, we signed a US\$300 million agreement with the Development Finance Corporation (DFC) to expand the services provided by the Bank to SMEs in the North and Northeast of the country. Two months later, BTG Pactual launched the Sustainable Funding Program, the first initiative of its kind in Latin America, with sustainable deposits (Bank Deposit Certificate - CDB and Financial Letter - LF) linked to our Framework, whose resources are destined to the financing and refinancing of assets and projects with social and environmental benefits in our credit portfolio. We also signed a US\$200 million agreement with JICA (Japan International Cooperation Agency) in 2022 to expand our SME activities.

At the end of the year, these operations totaled R\$6.9 billion in Sustainable Unsecured Funding taking into account all the fundraising highlighted above and the continuity of our Sustainable Fundraising Program, which continues to expand the number of partner companies that wish to allocate their cash in a product aligned with the ESG agenda.

### **Sustainable Financing Framework**

Published in 2020 and updated in 2021, our Sustainable Financing Framework was developed in line with the four pillars of the Green Bond Principles 2021 (GBP), Green Loan Principles 2021 (GLP), Social Bond Principles 2021 (SBP), Social Loan Principles 2021 (SLP) and Sustainability Bond Guidelines 2021 (SBG), in line with best practices in the sustainable finance market. As determined in the Framework, the net resources issued will be allocated to the financing or refinancing of projects related to environmental and/or social benefits in sectors such as renewable energy, biofuels, sustainable agriculture, sanitation and access to basic infrastructure. In addition, the document includes a Second Party Opinion (SPO) from specialist consultancy Sustainalytics, guaranteeing transparency in our process and validating the work carried out by the Bank in terms of its seriousness, credibility, impact and alignment with current market standards.

Framework from the Bank for Sustainable Finance





## Environmental assets

In 2023, we announced the purchase of a minority stake in Systemica, a Brazilian company that operates, develops and implements projects to generate carbon credits and other environmental assets. Founded in 2012, Systemica has extensive experience in offsetting greenhouse gas emissions and working in a consultancy model, developing projects for other companies. Since 2020, it has been working on its own origination of carbon credits.

In view of the relevant potential of the carbon credit market and the important role that Brazil is expected to play, especially in nature-based solutions, the investment in Systemica is a natural move for BTG Pactual, not only reinforcing our commitment to promoting sustainable practices and solutions, but also in order to leverage this market for our local and international clients.

### Decarbonization Credits (CBIO)

Since 2021, we have been offering bookkeeping, commercialization and retirement services for Decarbonization Credits, an instrument developed through the RenovaBio<sup>13</sup> program to encourage the production of biofuels in the Brazilian energy matrix. Today, CBIO operations are still the only ones in the regulated carbon market in Brazil and we believe that our work contributes to the industry's decarbonization goals, connecting fossil fuel distributors to biofuel producers and making it possible to comply with the program.

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<sup>13.b.</sup> RenovaBio is an initiative of the Ministry of Mines and Energy (MME) that aims to expand the production of biofuels, based on predictability and environmental, economic and social sustainability. Every year the government sets national targets for fossil fuel distributors, which are the obligatory part of the policy. On the other side are biofuel producers, who can voluntarily certify their production and receive CBIOs according to their production and efficiency. The market is established when fossil fuel distributors approach biofuel producers to buy CBIOs and meet their compensation targets already determined by the program.





# Responsible conduct



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# Governance structure

GRI 2-9 / GRI 2-13 / GRI 2-14 / GRI 2-16

We seek to improve our corporate governance to ensure an efficient structure that supports senior management and aligns with the interests of clients and shareholders.

## BTG PACTUAL GOVERNANCE STRUCTURE

General Meeting

Board of Directors

Risk Committee

Audit Committee

Board of Officers

Compliance Committee

Compensation Committee

ESG Committee

BTG follows the Partnership model of management which is carried out by senior partners who, engaged in the best business decisions and encouraged by meritocracy, have contributed to the company's results over the years. We follow the recommendations of the Code of Best Corporate Governance Practices, required for companies listed on B3s Level 2, adopting additional actions to those required by law. The Bank also has a Corporate Governance Policy, which contains important principles for risk management.

The General Shareholders' Meeting is the supreme decision-making body in BTG Pactual's governance structure, followed by the Board of Directors (BoD) and the Board of Officers.

The BoD is advised by specialized committees responsible for analyzing and making recommendations on business risks, including environmental, social, governance and climate risks. These committees communicate their main concerns to the BoD. The ESG Committee is responsible for approving BTG Pactual's Materiality and Annual Report.

## Board of Directors

GRI 2-9 / GRI 2-10 / GRI 2-11 / GRI 2-12 / GRI 2-13 /  
GRI 2-18 / GRI 2-19

The Chairman of the Board of Directors is responsible for the independent annual performance assessment of the Board of Officers, the advisory committees and all their members, including the chief executive. The Board approves operational activities in accordance with corporate policies and documents, ensuring oversight of the management of the organization's impacts on the economy, the environment and people.

Along with being the highest authority in ESG integration, the Board has many important duties such as determining the business strategies and the

Governance structure  
Reference Form  
(chapters 5 and 7)

Bylaws - Governance  
rules and procedures

approach to risk, and overseeing the implementation of ESG strategy and policy in the business units.

The performance evaluation process mentioned above serves as a tool for defining the variable remuneration of the members of the Board, committees and Board of Officers, who are also subject to the meritocratic evaluation model described in our Remuneration Policy. The fixed remuneration of the members of the BoD and the Board of Officers is defined at the General Meeting.

Succession to senior management is governed by the company's bylaws. The independent members are selected according to their qualifications, experience and ability to balance the views of the other members. The current Chairman of the Board does not hold the position of CEO of the organization. There was no change in the composition of the BoD reported in 2022.

### COMPOSITION OF THE BOARD OF DIRECTORS\*

Name	Position
André Santos Esteves	Chairman
Eduardo Henrique de Mello Motta Loyo	Independent Board Member
Guillermo Ortiz Martínez	Board Member
John Huw Gwili Jenkins	Vice-Chairman
Mark Clifford Maletz	Independent Board Member
Nelson Azevedo Jobim	Board Member
Roberto Balls Sallouti	Board Member
Sofia de Fátima Esteves	Independent Board Member

\*Election date: April 28, 2023.

Duties of specialized  
committees - Reference  
Form (chapter 5)

Professional experience of  
board members - Reference  
Form (chapter 7)





The members of the BoD, the Board of Officers and the committees undergo an annual evaluation process conducted by the company's Human Resources department.

**DIVERSITY ON THE BOARD OF DIRECTORS**  
**GRI 405-1**

Age  
**100%**  
50+ years

Female gender  
**11%**

Remuneration Policy  
Reference Form (chapter 8)



## Board of Officers

### GRI 2-9 / GRI 2-10 / GRI 2-13

Banco BTG Pactual's Board of Officers is made up of 2 to 16 members, shareholders or not, elected by the BoD for a three-year term, with the possibility of re-election. At the end of 2023, the Board of Officers was made up of 14 members, elected in June of the same year.

According to BTG Pactual's Bylaws, the Board of Officers has broad powers of administration and management of the company's business, and may deliberate on any matters related to the corporate purpose, as well as acquire, dispose of and record movable and immovable property, contract obligations, enter into contracts, compromise and waive rights, with the exception of acts that depend on the authorization of the BoD or the General Meeting.

### COMPOSITION OF THE BOARD OF OFFICERS\*

Nombre	Puesto
Alexandre Camara e Silva	Executive Officer
André Fernandes Lopes Dias	Executive Officer
Antonio Carlos Canto Porto Filho	Senior Vice President Officer
Bruno Duque Horta Nogueira	Executive Officer
Christian Flemming	Executive Officer
Guilherme da Costa Paes	Executive Officer
Iuri Rapoport	Executive Officer and CSO
Marcelo Flora Sales	Sales Executive Officer
Mariana Botelho Ramalho Cardoso	COO
Oswaldo de Assis Filho	Executive Officer
Renato Hermann Cohn	Investor Relations Officer and CFO
Renato Monteiro dos Santos	Senior Vice President Officer
Roberto Balls Sallouti	CEO
Rogério Pessoa C. de Albuquerque	Executive Officer

\*Election date: June 02, 2023.

## Management Remuneration

### GRI 2-19 / 2-20

BTG Pactual's business model, based on the meritocratic Partnership, encourages managers to act in a way that is aligned with the interests of BTG Pactual and its shareholders, since their income and eventual gains are directly linked to the Bank's financial and operational success. In this way, the fixed remuneration of the managers is defined and approved by the shareholders at the Annual General Meeting, thus aligning the interests of the executives with those of BTG Pactual. This remuneration is paid on a monthly basis and aims to ensure good levels of talent attraction and retention compared to the market in general. **GRI 2-20**

In this sense, BTG Pactual's Partnership made up of its partners – people who are part of the group of majority shareholders of the business, including all the Executive Officers and part of the members of the Board of Directors – maintains a significant portion of its personal assets tied to the company through shareholding. Consequently, the alignment of short, medium and long-term interests is evident, which leads to an even more rigorous analysis of the risks assumed in its activities.

The Remuneration Policy for the Board of Directors (BoD) and the Board of Officers has, among its objectives, the appropriate balance between risk and return in the short, medium and long term and, in this context, the remuneration of the members of the BoD and the Board of Officers is determined by their own performance indicators and based on the achievement of personal goals, in accordance with the scale of competencies and results. BTG Pactual does not adopt the practice of clawback. The Partnership, however, has certain attributes with a similar practical effect: the exit – or reduction in shareholding – of a certain individual from the Partnership, through the repurchase of his shareholding in BTGP Holding, associated with the loss of a future opportunity for the appreciation of his equity; and the loss of the capital gain from unvested, shares, considering that any purchase of shares by the partner is subject to the three-year vesting rules.

With regard to the termination, indemnification and notice period of members of governance bodies and senior executives, we follow the requirements of the Consolidation of Labor Laws (CLT), in addition to the conditions agreed in the Collective Bargaining Agreement (CCT) with the union of the category. For board and C-level executives and in some specific cases, non-compete and non-solicitation agreements can be applied (Non-Compete).



# Tax approach

GRI 207-1 / GRI 207-2 / GRI 207-3



## LINES OF DEFENSE

Our structure follows three lines of defense, with roles and responsibilities for all types of risks:

1. Activities that produce risks, financial or otherwise.
2. Analysis of adherence to the risk appetite and front-line guidance on risk identification, assessment and management.
3. Internal audit, responsible for providing independent and objective assurance on the suitability of the design, operational effectiveness and efficiency of risk management systems and internal controls.

GRI 207-2

Tax Policy



Tax issues are guided by our Tax Policy, which aims to ensure compliance with all laws, regulations and rules in force. The regulations are updated whenever there are changes to national and/or international legislation or when the Bank plans to develop new activities or services. Any changes are approved by the BoD.

The person responsible is the bank's chief financial officer (CFO), who delegates its implementation to the Head of Tax. Contributing to this delivery are the Tax and Finance departments, which regularly identify and analyze tax issues, reporting any material risks to the CFO, the BoD and the relevant risk management committees.

BTG Pactual provides the tax authorities of the countries in which it operates with statements containing aggregate information and indicators relating to the location of its activities, the global allocation of income, the taxes paid and due to the jurisdictions in which the group operates, the entities located therein and the economic activities carried out. In Brazil, in accordance with RFB Regulatory Instruction no 1,681/16, the declaration is submitted annually to the Brazilian Federal Revenue Service. The information contained in the Country by Country Declaration is subject to confidentiality restrictions, notably bank secrecy (governed by Complementary Law no. 105/01) and tax secrecy (provided for in art. 198 of the National Tax Code). **GRI 207-4**

In this context, we are committed to paying all taxes legally due, submitting all tax returns and filing documentation that may be requested by tax authorities to support these obligations. Our approach is always to collaborate with the tax authorities in order to provide accurate and appropriate information, in due time, and to promote an ethical and respectful relationship.

We do not structure our tax planning with the purpose of obtaining an advantage, but we do make use of tax exemptions and benefits that allow us to minimize the tax cost of our activities and we invest in businesses through entities located in low-tax jurisdictions, provided that they are legitimate and approved by the competent authorities.

In addition, it is worth clarifying that the accounting profit earned by all our companies, directly or indirectly controlled by BTG Pactual, is duly included in the annual tax base and subject to taxation in accordance with Brazilian tax rules. Finally, BTG Pactual may design, develop and market financial products that may benefit from tax benefits provided for in the legislation for our consumers.

## Review

We periodically review compliance with our tax obligations through external tax advisors, reviewing our set of processes and controls to address emerging risks and comply with new legal or regulatory provisions. **GRI 207-2**

## Transparency

We support international tax reporting initiatives such as the Common Reporting Standard (CRS) and the Foreign Account Tax Compliance Act (FATCA). We also try to keep up to date with the best market practices and keep our communication channels open with our peers, partners and clients, providing clear, didactic and timely information so that they can identify the tax burden of our products and fulfill their own tax obligations. **GRI 207-3**

## Simplification

Through industry bodies, we actively engage with governments and tax authorities around the world to improve tax policies and legislation. The simplification of tax provisions and ancillary obligations, as well as greater legal certainty in tax matters, can prevent unnecessary litigation and generate an increase in investment and access to financial products for people. **GRI 207-3**



# Business ethics

**GRI 3-3 / GRI 2-23 / GRI 2-24**

Our commitment to integrity permeates all our activities and interactions. To mitigate ethical risks, such as fraud and money laundering or other illicit practices, we adopt a proactive prevention approach that aims to observe and respect the laws in all the jurisdictions in which we operate.

We maintain rigorous internal and external auditing processes, along with dedicated communication channels to inform, guide and receive feedback and complaints, and ongoing training on responsible conduct, disclosure and access to the reporting channel.

Laws and regulations require Banco BTG Pactual to adopt and enforce policies and procedures, such as Know your Client (KYC) –see more on page 59 –, and the reporting of suspicious and high-value transactions to the applicable regulatory authorities. In addition, they require improved systems and qualified monitoring and compliance teams, making them the subject of intense regulatory supervision. Business partners are informed about policies and procedures, the Code of Conduct and Policy for the Prevention of Money Laundering, Financing of Terrorism and Proliferation of Weapons of Mass Destruction (PLD-FTP) and Anti-Corruption and Anti-Bribery.

A benefit of the Bank's Business Ethics, which necessitates diligent attention to processes and procedures for managing risks, is that BTG Pactual's brand is not exposed to negative reputational impacts.

We implement awareness and control mechanisms by sharing guidelines and programs with our employees, business partners and clients.

# Integrity Program

**GRI 2-24**

Our commitment to the continuous improvement of corporate governance processes is reflected in our Integrity Program, which establishes mechanisms to prevent, detect and correct any activity that does not comply with our Code of Conduct.

We believe that a strong and transparent compliance program is essential to ensure the sustainable growth of our business. Therefore, all our employees, third parties, suppliers and partners must read and follow the guidelines of the Code, including any future amendments. We seek engagement through compliance training, which is mandatory for every employee who starts their career at the institution.

We also monitor our service providers in advance, through the Compliance Due Diligence area. If any breach of conduct is identified, we adopt the same disciplinary measures described in the Code. BTG Pactual has a duty to monitor and report suspicions of money laundering to the authorities, which is why we maintain strict control.

The Compliance Committee is responsible for implementing the Integrity Program, reporting directly to the BoD and supporting the monitoring and management of BTG Pactual's risks. With a robust structure, the Committee has the participation of leaders such as Nelson Jobim, responsible for Institutional Relations and Compliance Policies, and Mariana Cardoso, Chief Compliance Officer (CCO).

Integrity Program Reference Form (chap. 5.3)



## Pillars of the Integrity Program

### Responsible leadership

Participation of the CEO in the Compliance Committee, reporting directly to the Board of Directors.

### Standards and policies

Guidelines and practices based on international governance and compliance standards, defining the practice of high ethical standards and strict internal policies on the subject.

### Proactive cooperation

Voluntary collaboration with authorities and regulators to achieve and maintain a favorable standard of risk, management, respect and transparency.

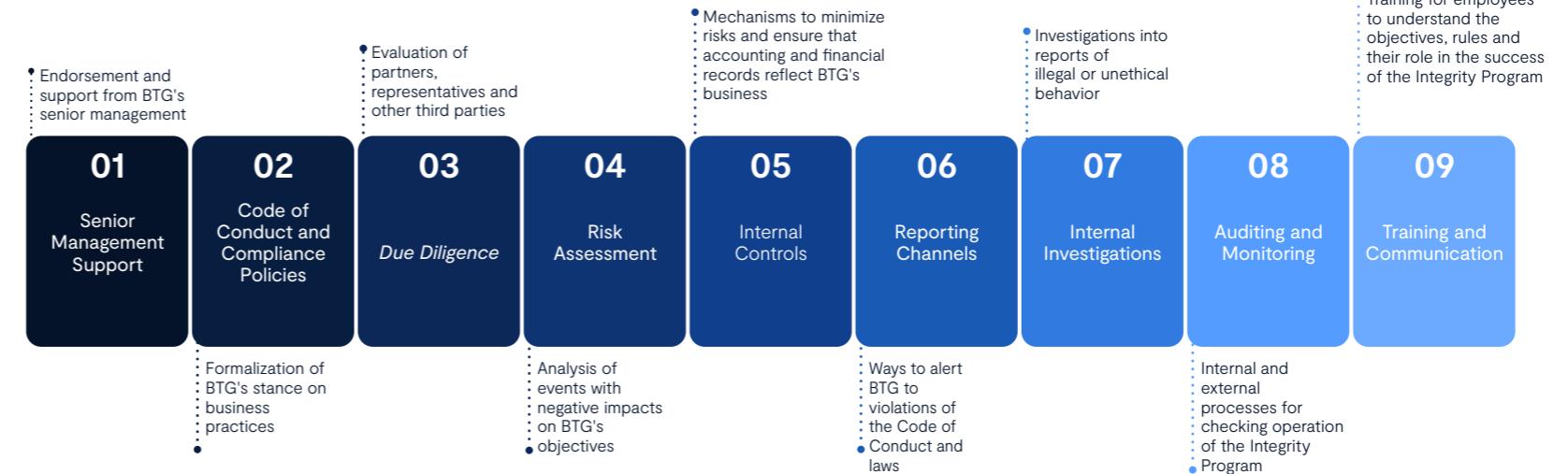
### Periodic review

Policies and procedures are reviewed frequently, with a view to updating and training employees on legal and regulatory requirements, as well as good market practices.

### Diligence

Carrying out due diligence and monitoring procedures in the value chain, especially of clients and suppliers that present a higher risk in terms of compliance.

## HIGHLIGHTS OF THE INTEGRITY PROGRAM





# Compliance at BTG Pactual

## GRI 2-24

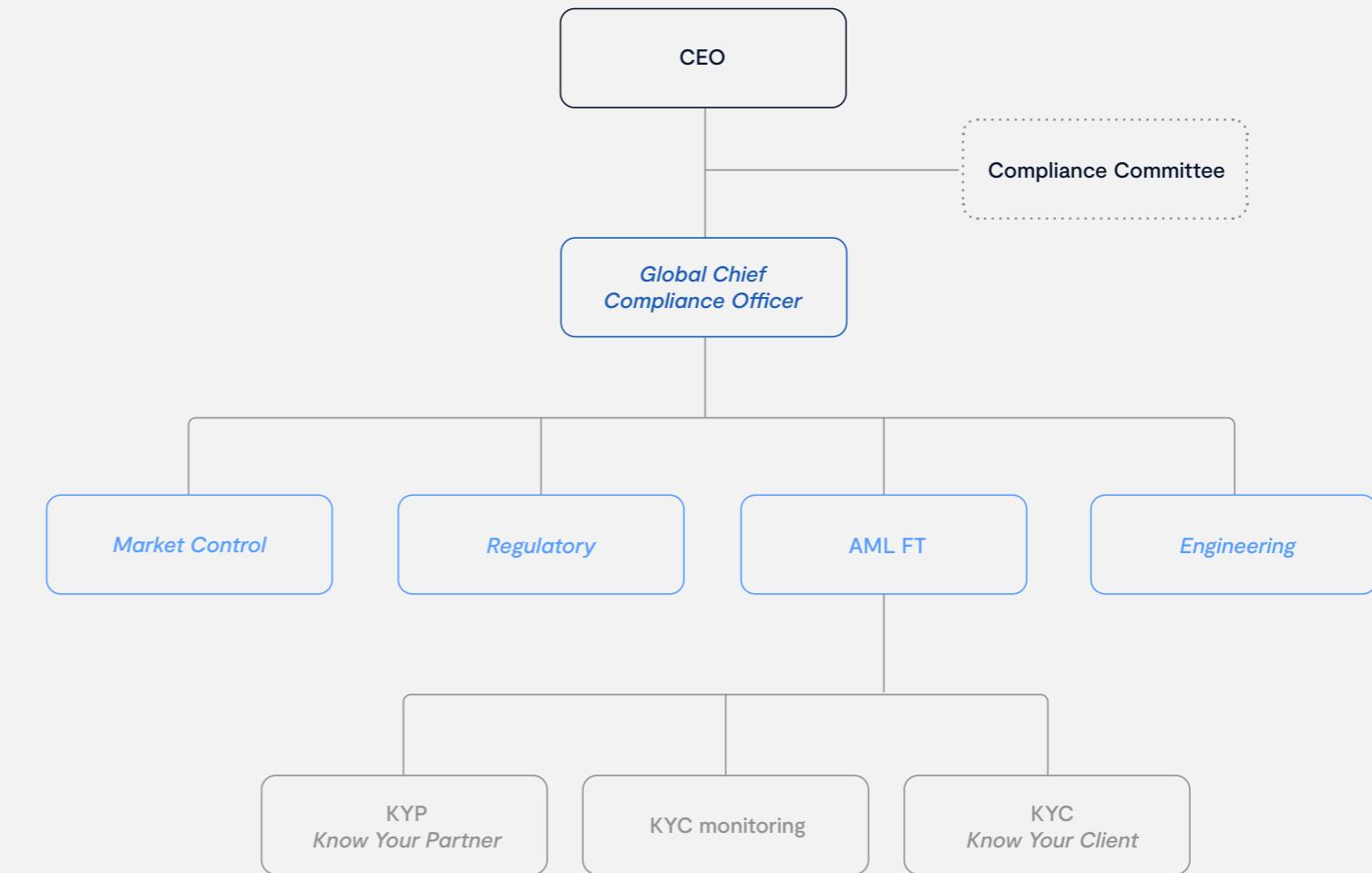
Our Compliance area works to manage the risks of legal or regulatory sanctions, financial loss and negative impact on reputation to which BTG Pactual may be exposed due to failures or misconduct or non-compliance with laws, regulations and standards of good practice in the markets where we operate.

In line with the principles and recommendations of the Basel Committee, we have a structured compliance program aligned with global best practices, which allows us to establish mechanisms to prevent, detect and correct any activity that is not in compliance with our Code of Conduct.

In this respect, the compliance team works closely with the operational risk and internal audit areas, reporting directly to the global CCO and the Compliance Committee. The area is divided into four fronts: Market Control, Compliance Regulatory, Anti-Money Laundering – AML and Engineering.

Compliance – Committee  
-Reference Form (chap. 7.1)

More details on the Compliance area's duties can be found in the Annual Report 2022 (pages. 38 to 40).





## Anti-corruption policies and commitments

**GRI 2-23 / GRI 2-24 / GRI 2-25**

BTG Pactual is subject to anti-corruption legislation in Brazil and in the countries where it has subsidiaries and operations, as well as other anti-corruption laws and regulatory regimes with transactional scope. These laws require the adoption of specific procedures to mitigate the risk of anyone acting on behalf of the Bank offering undue advantages to public officials in order to obtain benefits of any kind.

In addition, guidelines from the U.S. Foreign Corrupt Practices Act) and the Brazilian Anti-Corruption Law require us, among other things, to institute policies and procedures designed to prevent any illegal or improper corruption-related activity involving government entities or officials, and to maintain and control accurate books and records. We also follow anti-money laundering, anti-terrorism and other laws and regulations in the jurisdictions in which we operate, adopting KYC policies and procedures and reporting suspicious and high-value transactions to regulatory authorities.

All operations are assessed for risks related to corruption, since the reputational analysis or background check ("bcheck") of clients is a mandatory process. In addition, the KYC Ongoing team follows up on all clients after they open an account. GRI 205-1 Among the significant risks related to corruption by evaluation, we did not identify legal proceedings involving administrative improbity or the crime of corruption itself. **GRI 205-3**

In 2023, no cases of corruption were reported to the Compliance Committee for deliberation and there were no proven cases of corruption involving employees, contracts with business partners or corruption-related legal proceedings brought against the organization or its employees.

## Anti-corruption training and communication

**GRI 205-2**

In 2023, BTG Pactual informed 100% of its employees, including members of the BoD, about the Bank's Anti-Corruption and Anti-Bribery Policy, which was approved and ratified by the BoD. During this period, all members of the BoD and 88% of employees completed the Bank's anti-corruption and anti-bribery training, carried out through the internal platform called My Compliance.

In the same way, in 2023, we informed 100% of our business partners about our Code of Conduct and Ethics, Anti-Money Laundering Policy (PLD) and Anti-Corruption and Anti-Bribery Policy, which are also available on BTG Pactual's institutional website. In addition, we have made an Anti-Corruption and Anti-Bribery training trail available to BTG Pactual's retail partners via the BTG Bankers platform. In 2023, 3,827 of our business partners accessed this training trail.

### TRAINING AND COMMUNICATION ON THE FIGHT AGAINST CORRUPTION

	Total number of people	Communication	Number of people trained (*)	Percentage of people trained
Board of Directors	9	100%	9	100%
Employees	6.116	100%	5.286	86%
Business partners   AI compliance manual	2.472	100%	2.033	82%
Business partners   PLD training	2.294	100%	1.969	86%
Total number of trained partners	4.002			

(\*) Professionals who completed anti-corruption and anti-bribery training in 2023.

Anti-corruption policies and commitments  
Reference Form (Chap. 5.3)  
**GRI 2-23 / GRI 2-24 / GRI 2-25**





# Reporting Channel

**GRI 2-25 / GRI 2-26 / SASB FN-AC-510a.2**

**SASB FN-CB-510.a.2 / SASB FN-IB-510.a.2**

BTG Pactual has a secure and direct Reporting Channel for employees, third parties, service providers and the general public to report, anonymously or not, knowledge or suspicion of any violation of law, rules or regulations related to the Bank's business or internal activities, such as harassment and its different forms, corruption, money laundering, improper and/or unethical conduct, discrimination, etc.

The Compliance area is responsible for the control and governance of the channel, and communications are treated confidentially in order to protect the whistleblower against any kind of retaliation.

BTG Pactual has a Reporting Policy, available on the internal digital platform My Compliance, which guides employees in reporting cases. This policy is also available to the general public on our institutional website, in Portuguese and translated into English.

In addition, employees can report sensitive situations to their Line Manager or Team Head, who should forward the matter to the Compliance team. Regardless of the channel, all violations that present legal or regulatory and/or reputational risks are reported to the Compliance Committee, while violations of internal rules can be resolved by the Compliance team itself. **FN-IB-510a.2 / FN-A-C-510a.2**

## Reports received in 2023

In 2023, 488 cases were recorded by the Compliance area, 20 of which were classified as high risk, 16 as medium risk and 452 as low risk. Of this total, 280 complaints contained preliminary elements that could be investigated (such as details of the areas and/or issues involved and the date of the occurrence). A total of 70 applicable reports were received, all addressed by the Compliance team in conjunction with the Human Resources team, of which 26 were related to harassment, 35 to inappropriate conduct, 3 to conflicts of interest and 6 to information leaks. **GRI 2-16**

In the period, three cases of discrimination were recorded and analyzed by the Compliance area. Remediation plans were structured and implemented. After internal analysis of the results, the cases are no longer subject to corrective measures. **GRI 406-1**

## Zero tolerance

**FN-IB-510b.4**

BTG Pactual has a zero tolerance policy for harassment and any form of violence, regardless of whether they occur in the workplace, at events related to the Bank or involving employees, clients or business partners.

Any uncomfortable situation should be reported to the manager or through the Bank's Reporting Channel. The Human Resources department continuously monitors labor relations, ensuring the integrity of employees and repudiating all forms of exploitation, including compulsory, forced, sexual, slave or child labor.

BTG Pactual's Code of Business Principles and Ethics and Human Resources Manual guide its people management practices and policies. We strictly comply with labor legislation, the guidelines of the Ministry of Economy's Labor Department and the collective bargaining agreements reached with unions of different professional categories. In addition, we carry out specific compliance training in accordance with the rules established by the Central Bank of Brazil (BACEN).

Additional information for  
the Reporting Channel  
-Reference Form (Chap.  
5.3)

We keep our communication  
channels open to feedback  
from our peers, partners and  
clients. **GRI 2-25**



# Ombudsman

**GRI 2-25****REGISTERED COMPLAINTS ARE DEALT WITHIN SEVEN STAGES:**

1. Reception, registration and initial feedback to the client.
2. Communication to those responsible.
3. Detailed assessment by those responsible and proposal of a solution/corrective action for the problem.
4. Implementation of the problem solution/corrective action.
5. Intermediate and final feedback to the customer or complainant and sending the satisfaction survey.
6. Filing of cases.
7. Regular report

**GRI 2-25****SERVICE CHANNELS****GRI 2-26 / FN-AC-510a.2**

- Telephone: 0800 722 0048
- Email: ouvidoria@btgpactual.com
- Electronic form: <https://www.btgpactual.com/ouvidoria>

At BTG Pactual, the mechanism used to identify complaints is the Ombudsman's Office, whose main objective is to deal with complaints from clients and users of services and products at a second level, as well as to review the solution previously presented by the Customer Service Center.

The Ombudsman's main task is to ensure strict compliance with the laws and regulations on consumer rights, as well as to mediate conflicts and act as an appeals body. In other words, to activate the channel, the customer must first register their complaint with the Customer Service Center (CSC). The increase in BTG Pactual's Ombudsman case volume over the last two years is due to new company acquisitions/mergers, an increase in the client base and new products and services offered.

Reports related to compliance have a specific flow, which involves internal forwarding to the responsible area, so that it can start investigating and dealing with them, and informing the complainant about BTG Pactual's exclusive channel for receiving reports.

**GRI 2-25 / PROCESSES TO REPAIR NEGATIVE IMPACTS****EVOLUTION OF REGISTERED COMPLAINTS**

Internal ombudsman	2021	2022	2023
Via email/form	259	395	552
Via 0800	291	866	1.278
External ombudsman	2021	2022	2023
B3	50	40	33
CVM	193	177	111
PROCON [Consumer Protection and Defense]	125	364	482
Bacen	1.087	1.642	1.982
Susep [Private Insurance Superintendence]	0	0	0
Consumidor.gov	600	1.025	1.277
Other*	4	0	0
<b>Sum</b>	<b>2.609</b>	<b>4.509</b>	<b>5.715</b>

\*Others: Complaints referring to Febraban, Legislative Assembly of the State of Rio de Janeiro (ALERJ) and Proteste – Brazilian Consumer Protection Association.

## The Ombudsman's main responsibilities

1. Attend to, record, instruct, analyze and give formal and appropriate attention to the claims of customers and users of financial institutions' products and services.
2. Provide clarification on the status of a complaint, stating the expected timeframe for a response.
3. Send a final response to the request within the time limit.
4. Inform the Board of Directors or, in its absence, the Executive Board of the problems and deficiencies detected in the performance of their duties and the results of the actions taken by the institution's managers to resolve them.



# Risk management

## GRI 2-12

BTG Pactual faces a variety of risks due to the diversity of products and services in its market segments. To manage them, we have established acceptable levels in our Risk Appetite Statement and implemented rigorous controls to identify, measure, mitigate, monitor and report.

Our management structure includes the Risk and Capital Committee, which guides the BoD, the CEO, the CRO and the Board of Officers in making strategic decisions. This committee assists the BoD in supervising risk tolerance, managing financial, capital, operational, market, credit, liquidity and socio-environmental risks, including climate risks.

Meeting quarterly, it examines integrated reports and makes recommendations annually or as necessary, to the BoD on the risk management structure. At the moment, no analysis of the impact of the risks and opportunities identified on the company's cash flow has yet been carried out.

BTG Pactual's risk management process follows the principles described in our Corporate Governance Policy and has not undergone significant changes from 2022 to 2023 (more information RA22, page 47).

All of BTG Pactual's relationships and transactions undergo a socio-environmental due diligence process, based on the principles of relevance and proportionality, as detailed on page 59.

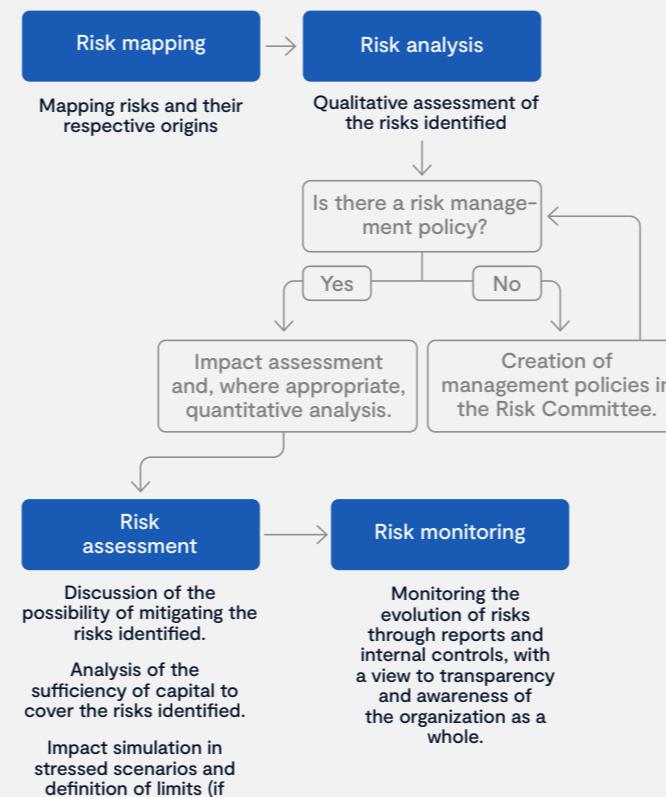
For more information on the risk factors, see the Annual Report 2022 (page 48).

Risk management process – Reference Form (chap. 5.1)

Description of the main market risks – Reference Form (Chap. 4.3)

Risk and Capital Management

## RISK MANAGEMENT PROCESS



## MAIN RISKS MONITORED GRI 2-25

- |                           |   |
|---------------------------|---|
| → Market risk             | → Risk of contagion                       |
| → Credit risk             | → Concentration risk                      |
| → Operational risk        | → Social, environmental and climate risks |
| → Liquidity risk          | → Legal risk                              |
| → Image/reputational risk | → Cyber risk                              |

BTG Pactual carries out a comprehensive mapping of environmental, social and climate impacts through ESG risk analysis and a materiality matrix updated every two years. Social impacts consider risks such as human rights violations, health and safety issues, and conflicts arising from involuntary removals, addressed during socio-environmental due diligence. Environmental impacts address issues such as greenhouse gas emissions, soil and water contamination, and deforestation, with recommendations for action plans and ongoing monitoring. The ESG team oversees the entire process, including clauses that promote good practices and regulate identified issues.

## GRI 2-25



## Social, environmental and climate due diligence

GRI 2-12 / GRI G4 FS2

All of BTG Pactual's relationships and transactions undergo a socio-environmental diligence process, based on the principles of relevance and proportionality.

### Relevance

Degree of exposure to environmental, social and climate risks, as well as factors linked to the governance of the sector to which the counterparty belongs or the activity it carries out.

### Proportionality

Compatibility of the analysis with the size and complexity of the investment strategy, the nature of the operation and the estimated time the resources will remain in the fund under management.

This process of identifying, assessing, prioritizing and monitoring risks and opportunities related to sustainability is integrated into and forms part of the Bank's overall risk management process, through the Environmental Social and Governance Management System, which is structured across the entire institution.

ESGMS' activities are linked to the principles and guidelines established in our internal policies, such as the Responsible Investment Policy, the Social, Environmental and Climate Responsibilities Policy, the Sustainable Financing Framework and the 20 Sector Policies. ESGMS' functions are based on the regulatory standards of the Central Bank of Brazil and the Monetary Council, domestic and foreign socio-environmental and climate legislation, as well as best socio-environmental and climate practices from relevant international organizations such as the United Nations (UN), World Resources Institute (WRI), Climate Bonds Initiative (CBI), IFC, among other organizations at the forefront of the issue.

## Know Your Client (KYC) Automated process

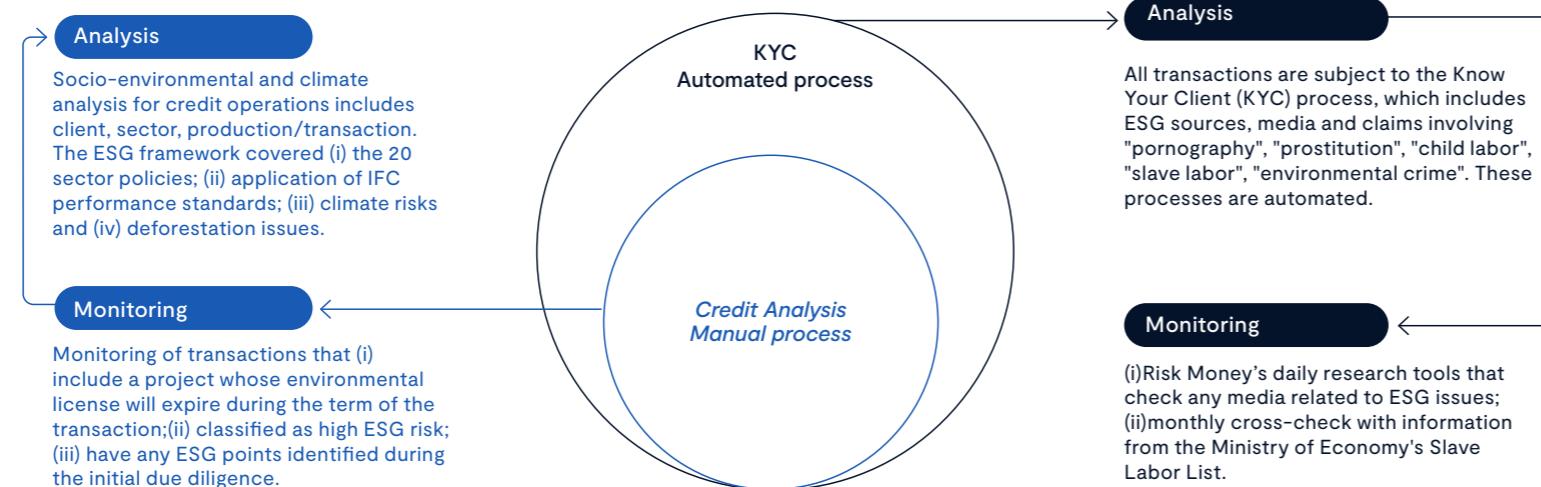
GRI 2-23 / GRI 2-25 / GRI 308-1 / GRI 406-1 / GRI 409-1 /  
GRI G4 FS2

Firstly, an automated analysis (Know Your Client) is carried out on 100% of potential clients for account opening and on BTG Pactual's other counterparties, using a search tool (Delphi System) in various previously mapped sources in order to identify disreputable information and practices that are at odds with the Code of Conduct.

Socio-environmental analyses in KYC processes act as the first barrier to defense and are applicable to all BTG Pactual clients, without exception, whether when opening accounts or carrying out credit, investment and foreign exchange transactions, among other services.

### ESG information sources Automatic analysis

- Registry of employers who have subjected workers to slave-like conditions, published by the Ministry of Labor and Employment (MTE), at the time the operation was contracted.
- Legal proceedings, whether labor or criminal, related to issues such as slave labor, child labor, environmental crime, in all courts and instances.
- Automated search queries, by combining words related to the name of the counterparties involved with "pornography", "prostitution", "child labor" and "slave labor".
- World Check: tool that checks the list of sanctions from international environmental bodies (USA, Canada, Colombia, among others).
- List of areas embargoed by the Brazilian Institute of the Environment and Renewable Natural Resources (IBAMA).



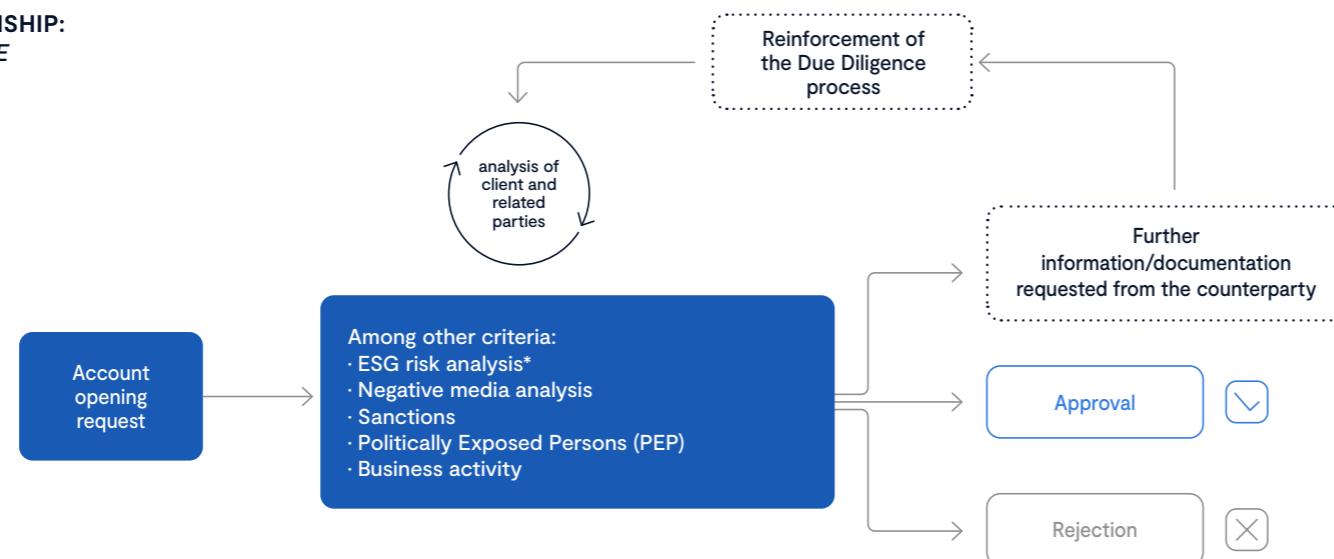


## In-depth analysis Manual process

The ESG area is involved when research identifies socio-environmental risks. An in-depth analysis of the counterparty is then required, by verifying the issue identified, conducting additional research if necessary, and issuing a favorable or unfavorable opinion for opening the account, accompanied by the counterparty's ESG risk rating.

High socio-environmental risk counterparties are those with processes/media directly or indirectly related to issues involving slave labor and IBAMA embargoes (depending on the type of relationship). For risk allocation, the sector and location of the counterparty are taken into account. If the counterparty is on the Slave Labor List, the provisions of the Social, Environmental and Climate Responsibilities Policy are observed, and we do not proceed with the business relationship.

### NEW RELATIONSHIP: DUE DILIGENCE



\* The ESG Area is involved when research identifies socio-environmental issues. If an issue is found, the area is called in to carry out a manual analysis of the counterparty, using the following procedures: (i) verifying the issue identified; (ii) conducting additional research, if necessary; and (iii) issuing a favorable or unfavorable opinion for opening the account, accompanied by the counterparty's ESG risk rating.

In the analysis, the ESG Area checks the influence of climate, environmental and social issues of the counterparty and follows this categorization:

#### Category A

Indicates high socio-environmental risk of the project, due to the potential risk of the activity generating significant adverse environmental or social impacts, which are diverse, irreversible or unprecedented.

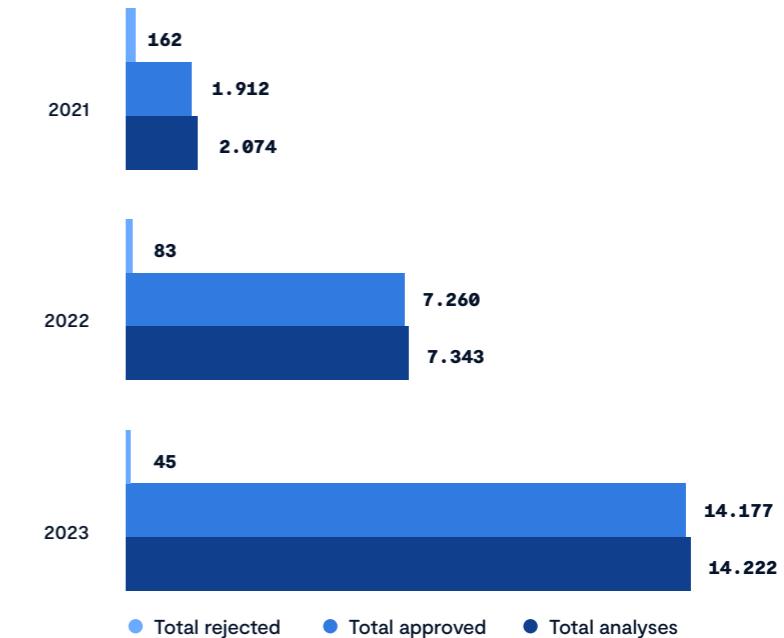
#### Category B

Indicates medium socio-environmental risk of the project, due to the possible risk of the activity generating potentially limited adverse environmental or social impacts, which are few in number, generally site-specific, largely reversible and easy to correct through mitigation measures.

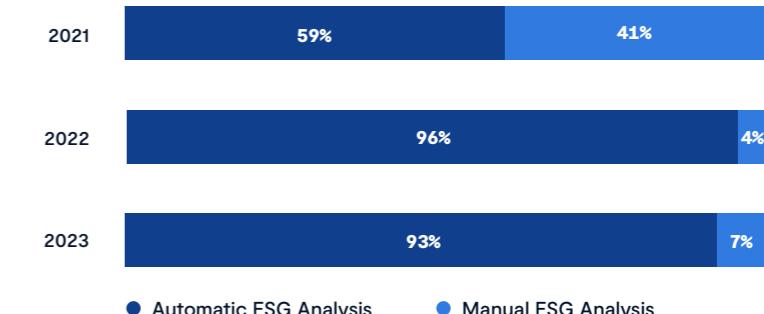
#### Category C

Indicates low socio-environmental risk of the project, due to the potential for the activity to generate minimal or no risks and/or adverse environmental or social impacts.

### Evolution - volume of ESG analyses (KYC)



### Evolution - ESG analyses by type (KYC) (%)





## Continuous monitoring

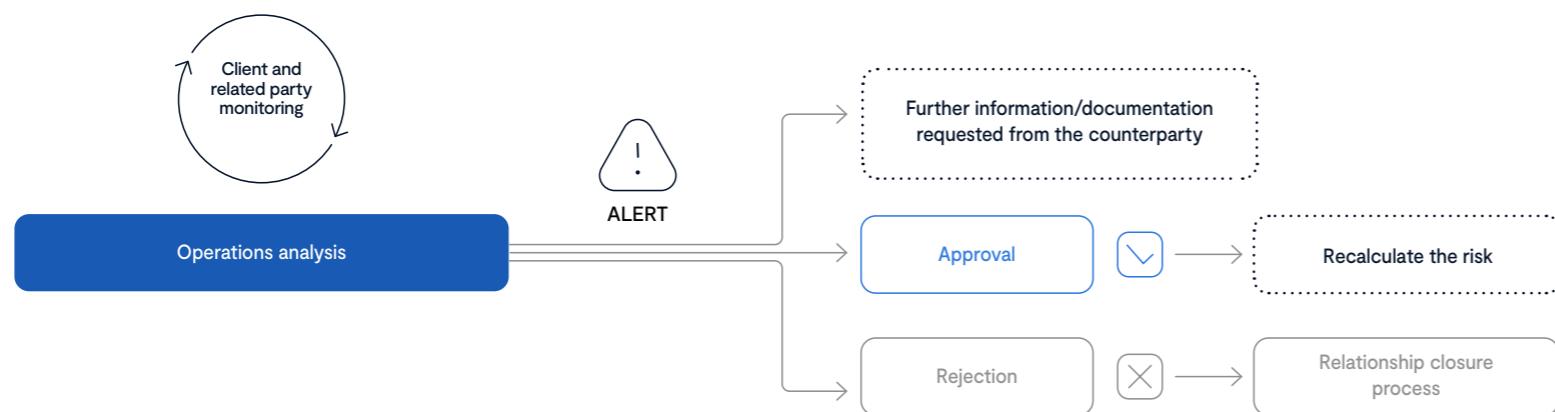
Projects classified as A (high risk) and B (medium risk) may be subject to periodic monitoring, to be carried out by the ESG area or in conjunction with an independent socio-environmental consultant. In such cases, BTG Pactual may require the counterparty to submit a Social and Environmental Assessment Management Report, which will be analyzed. In addition, media consultations are carried out involving the company or project in socio-environmental issues such as environmental crime, environmental damage, slave and/or child labor and trafficking in organs and human beings.

The frequency and scope of monitoring are defined on the basis of an analysis of the socio-environmental and climate impacts and risks of each project.

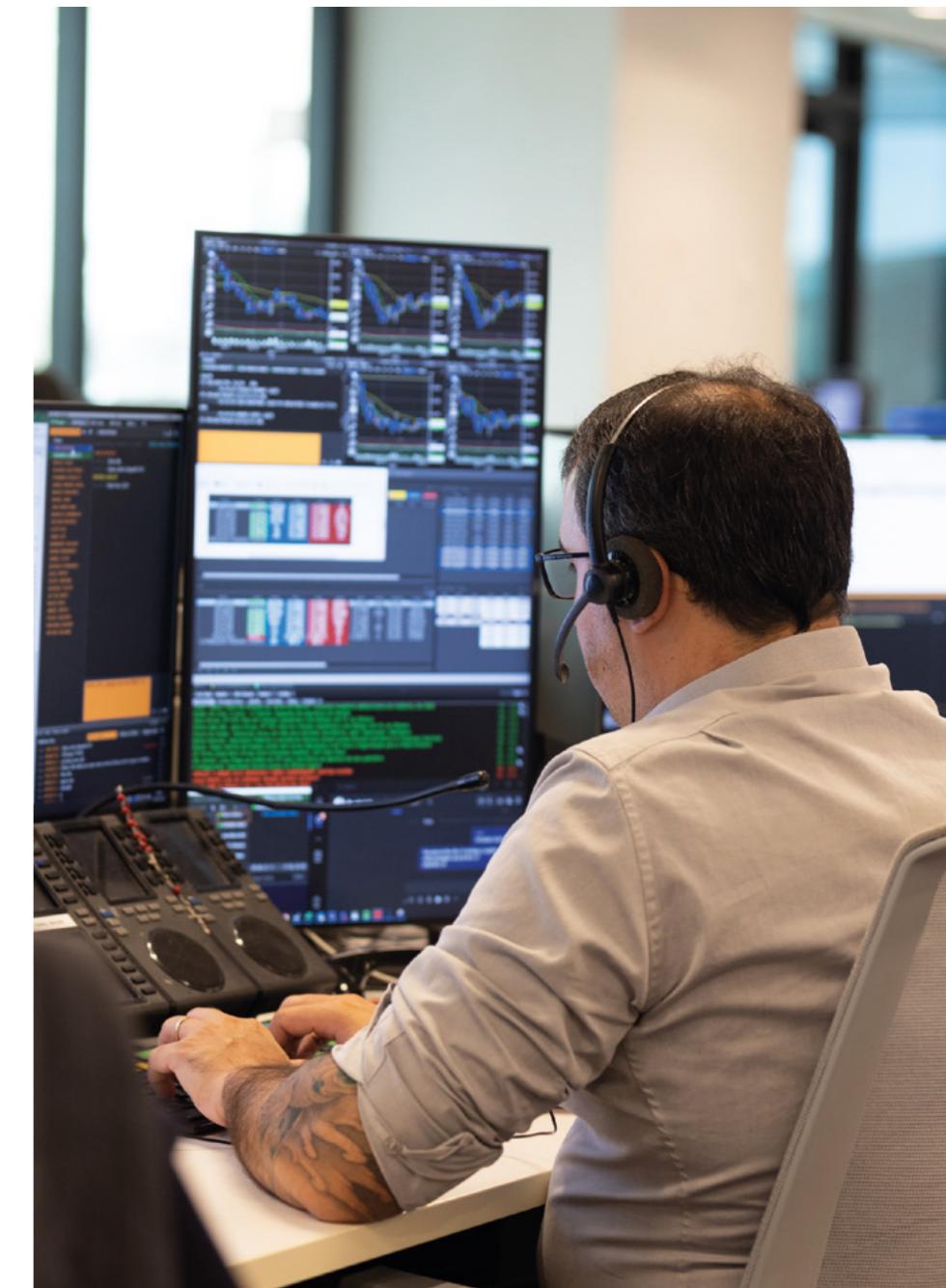
The monitoring frequency may not exceed one year. Monitoring can also include field visits.

The ESG area is responsible for communicating the monitoring results to the other BTG Pactual teams involved in the operation. Operations classified as socio-environmental A are reported internally by sending a quarterly Watchlist to all the teams directly involved, and reported every six months to Bacen by means of the Social, Environmental and Climate Risk Document (DRSAC) - Document 2030 -, in accordance with the applicable banking legislation.

### CONTINUOUS MONITORING



The periodicity of the follow-ups cannot be longer than one year.





## Structured and relevant operations

GRI G4 FS2 / GRI G4 FS3

After risk analysis, ESG opinion, approval of the operation and insertion of specific or general contractual clauses, BTG Pactual establishes some ways to monitor compliance with specific or general obligations of its clients and operations. We have our own system in which we include all the Corporate Lending operations analyzed and approved. We therefore set follow-up deadlines for the ESG team. Operations in other business areas that require monitoring also undergo this process, in addition to KYC procedures and social and environmental due diligence. The frequency and timing of monitoring varies from case to case, depending on the particularities and schedules of each project.

In BTG Commodities' operations, there is automatic monitoring carried out one week before the start date stipulated for the shipment of the product by logistics, which runs the name and CPF or CNPJ of the counterparty to check for possible inclusion on the Slave Labor List, the Green Grain Protocol of Pará, the Soy Moratorium and IBAMA embargoes. If a note is returned, the counterparty is automatically blocked and the invoice cannot be issued to carry out the shipment.

Finally, depending on the risk of the relationship, we use third-party companies specialized in socio-environmental issues to send periodic monitoring reports to the client, based on technical visits and/or receiving information from the client for remote analysis.

**BTG Pactual monitors compliance with the obligations of its clients and operations.**



## Relationships and lines of defense

### LINES OF DEFENSE



BTG Pactual relies on four successive lines of defense to evaluate and make decisions on all relationships with its counterparties: ESG Team, Head of ESG, Chief Sustainability Officer (CSO) and ESG Committee. The Board of Directors (BoD), the Bank's highest governance body, acts indirectly via the ESG Committee, which operates in alignment with the Risk and Capital and Audit Committees.

When it is found that the counterparty does not have adequate capacity to manage the socio-environmental and climate risks arising from its operations, the ESG team can suggest a corrective action plan. In certain situations, this plan may involve hiring an independent socio-environmental engineer or consultant, who will be responsible for supervising activities and ensuring that the plan is implemented through regular reports that monitor the environmental conditions and climate risks associated with the operation.

Approval of the operation depends on the counterparty's commitment to carry out this plan, which will be included in the operation's contracts and monitored. All approval or rejection decisions made by the CSO are notified to the ESG Committee and duly documented.

**GRI 2-12 / GRI 2-13 / GRI G4 FS2 / GRI G4 FS3**

In specific situations, in addition to the standard ESG clauses, we have incorporated terms that require mandatory execution of the plan and allow for early termination of the contract in cases of non-compliance. Clauses that make the release of financial resources dependent on compliance with these requirements can also be added, as well as clauses that promote good practices or regularize minor issues identified in the socio-environmental and climate impact assessment stage. All these aspects are continuously supervised by the ESG team and, if necessary, by a specialized consultancy hired for this purpose. **GRI G4 FS2 / GRI G4 FS3**

In the stage of assessing the impacts of each project, the scope and frequency of monitoring are also defined, which should be carried out over a period of up to one year, also taking into account field visits carried out by the ESG team and/or an independent socio-environmental consultant. **GRI G4 FS3**



# IFC performance standards

Since 2021, BTG Pactual has adopted the Performance Standards of the International Finance Corporation (IFC), of the World Bank, for transactions above US\$ 30 million and 36 months in maturity. In this way, we identify the socio-environmental and climate risks and impacts in our credit and investment operations and, if

applicable, draw up action plans to be carried out by the client to prevent, mitigate and/or compensate for the impacts and risks identified. The ESG area and the business units are responsible for identifying these operations, while the former is responsible for technical analysis and monitoring compliance by the client.

## IFC PERFORMANCE STANDARDS

Scope	Obligation
The entire credit portfolio	Do not operate with activities that violate international environmental treaties or with counterparties involved in cases related to slave and child labor and racist practices.
Loans for projects (*) Term greater than or equal to 36 months Value greater than or equal to US\$ 30 million	Application of the eight IFC performance standards: 1. Assessment and Management of Social and Environmental Risks and Impacts 2. Working Conditions and Employment 3. Resource Efficiency and Pollution Prevention 4. Community Health and Safety 5. Land Acquisition and Involuntary Resettlement 6. Biodiversity Conservation and Sustainable Management of Living Natural Resources 7. Indigenous People 8. Cultural Heritage
Non-project loans Term greater than or equal to 36 months Value greater than or equal to US\$ 30 million	Application of two IFC performance standards: 1. Assessment and Management of Social and Environmental Risks and Impacts 2. Working Conditions and Employment

(\*) Whether it's new ventures or expansion.

Our sector policies

# Sector policies

GRI 2-25 / GRI G4 FS1

For production sectors considered to be more intensive, i.e. with a higher level of social, environmental and climate risks and impacts, specific policies are considered to identify these risks and adopt good practices to guide decision-making in our dealings with people or companies in these sectors.

The policies were drawn up in accordance with the best market practices, such as the IFC guidelines, and were updated at the end of 2023 with the incorporation of the Sector Categorization Matrix - Social, Environmental and Climate Risk Document (DRSAC) for risk identification and classification.

## DISCONTINUED SECTORS:

- Real estate development
- Fishing

## ADDED SECTORS:

- Meat packing plants and slaughterhouses
- Renewable Energy Generation - Hydropower
- Energy Generation - Oil

## 20 SECTOR POLICIES UPDATED IN 2023:

- |                                       |   |
|---------------------------------------|---|
| → Agribusiness                        | → Mining                                  |
| → Weapons and ammunition              | → Pulp and Paper                          |
| → Drinks                              | → Oil and Gas                             |
| → Construction                        | → Chemical and Petrochemical              |
| → Forestry and Logging                | → Steel and Metallurgy                    |
| → Tobacco                             | → Power Transmission and Distribution     |
| → Energy Generation - Coal            | → Transportation and Logistics            |
| → Renewable Energy                    | → Meat packing plants and slaughterhouses |
| → Generation - Wind                   | → Energy Generation                       |
| → Energy Generation - Natural Gas     | Renewable - Hydropower                    |
| → Renewable Energy Generation - Solar | → Energy Generation - Oil                 |



# Human Rights

GRI 2-23 / GRI 408-1 / GRI 409-1



In 2023, Banco BTG Pactual was not involved in any material cases of human rights violations, with no charges filed by responsible entities. Likewise, there was no negative media related to slave and/or child labor.

As a financial institution with a varied credit portfolio, a diverse portfolio and a complex value chain that includes investors, clients, suppliers and employees in different countries, BTG Pactual is committed to respecting human rights, in line with the UN Guiding Principles on Business and Human Rights and the International Labor Organization's Declaration on Fundamental Principles and Rights at Work.

These commitments are tangible in the way we relate to our employees, customers and business partners and support the communities where we do business. In this regard, BTG Pactual repudiates any form of exploitation of people through labor, be it compulsory, forced, sexual, slave or child labor. We also repudiate any kind of harassment and/or discrimination based on – but not limited to – race, color, creed, religion, sex, gender, nationality, citizenship, age, disability, marital status, sexual orientation, affectional preference, ancestry, socioeconomic status and political opinion. We encourage our employees, clients and business partners to report any such acts.

To ensure that these commitments are respected, the Bank has structured a strong and transparent Compliance program, which is based on a series of mechanisms aimed at preventing, detecting and correcting any activity that does not comply with our Code of Conduct and includes due diligence processes and monitoring of corporate clients. If any violation is identified, we adopt the disciplinary measures described in the Code of Conduct, in addition to complying with Brazilian legislation. **GRI 2-23**

For BTG Pactual, the greatest risk of human rights violations is concentrated in the value chains of our clients, especially large companies to which we provide some kind of financing or invest-

ment. That's why, from the outset and throughout the relationship, we investigate and monitor with the aim of identifying possible human rights irregularities and understanding how our clients manage their suppliers, whether they have targeted policies and programs, whether they manage the most critical issues and whether they have indicators to monitor and manage. **GRI 2-23**

We have implemented the KYC procedure, which identifies the existence of legal proceedings, whether labor or criminal, in all of the Bank's operations, especially in credit analysis, where the risk is greater. The mapping is retroactive, in order to identify any previous relationship with work analogous to slavery, either through negative media or inclusion in the Ministry of Labor and Employment (MTE) register.

In the KYC procedure, we carry out an automated search on the internet – using a combination of keywords such as "pornography", "prostitution", "child labor" and "slave labor" – to verify the involvement of our counterparties in cases or proceedings involving human rights violations. We also consult the Ministry of Labor and Employment's (MTE) Register of Employers who have subjected workers to slave-like conditions. In addition, we include regularity and human rights promotion clauses in all our contracts, under penalty of early expiry of the contract, fines and compensation.

In cases of greater risk, we carry out third-party due diligence to map the main risks. Then, together with the client and the ESG team, we propose best practices for managing suppliers, working conditions and accommodation, hiring migrants and combating child labor and slave-like labor. More attention is paid to activities with a higher incidence, such as sugar cane cultivation, support for agriculture in general, charcoal production, among others, as



well as cases where there are migrant workers from other regions of Brazil.

Operations in the agribusiness and textiles sectors are the ones with the greatest risk of child labor and/or labor analogous to slavery, especially those related to individuals and/or small farmers. According to data compiled by child protection NGOs and newspaper reports obtained from the Notifiable Diseases Information System (Sinan) and the National Household Sample Survey (PNAD), the regions in Brazil with the highest risk of child labor are the states of São Paulo and Minas Gerais, followed by Paraná, Rio Grande do Sul, Bahia, Ceará, Maranhão and Pará. **GRI 408-1 / GRI 409-1**

Immediate communication of the existence of issues of this nature throughout the client's exposure to the Bank is mandatory. On a positive note, in recent years we have seen a maturing in the understanding and perception of risk situations linked to human rights in all of the Bank's business areas, with a greater demand for opinions and actions from the ESG team. Currently, BTG Pactual is not involved in any material cases, either in the media or in legal proceedings.

**Internally, we carry out training sessions with our employees in order to engage all areas of the business. Education and awareness-raising remain an ongoing task.**



#### Our commitment

We repudiate all forms of forced, compulsory, slave-like, child, sexual or debt labor, as well as all forms of discrimination, whether among employees, third parties or the surrounding community. We also repudiate any kind of harassment and/or discrimination based on – but not limited to – race, color, creed, religion, sex, gender, nationality, citizenship, age, disability, marital status, sexual orientation, affectional preference, ancestry, socioeconomic status and political opinion. We ensure equal treatment for women and men, who have the same rights and obligations, with their responsibilities defined according to the demands of the job, never because of gender differences. We guarantee equal pay and internal promotion, through meritocratic evaluations, not allowing the influence and interference of differences of gender, age, color, family situation, sexual orientation, among others.

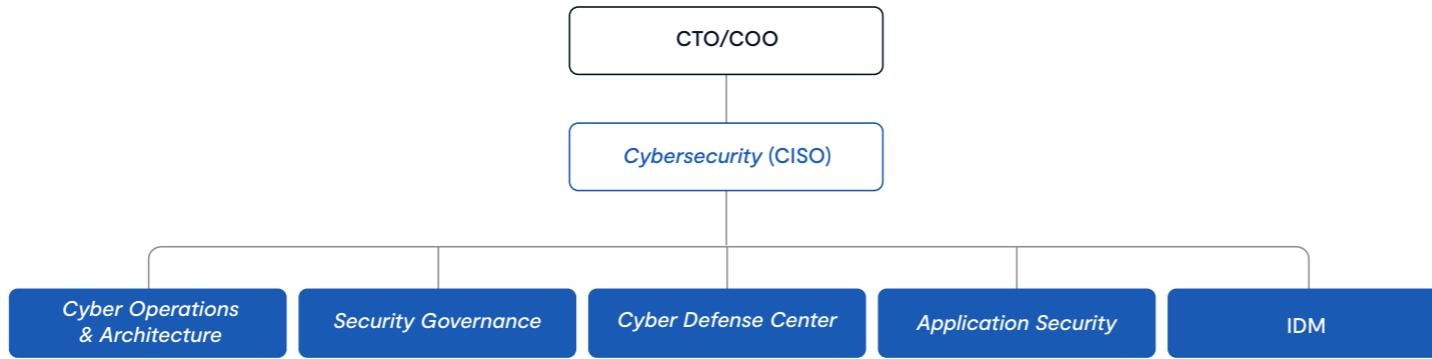
#### Fortnightly monitoring

Part of the internal routine is the fortnightly monitoring of the MTE's disclosure of employers who have subjected workers to slave-like conditions. If the counterparty is on this list, the ESG area is called in to identify the type of relationship the client has with BTG Pactual. If it is CGE-Client (Global Entity Registration, a registration code in the Bank's internal systems for clients and funds), the Onboarding area will include a partial block on the account. If it is classified as CGE-Relationship and the counterparty has no financial position with the Bank, the relationship is terminated. If the CGE-relationship client has a financial position, we work on a case-by-case basis with the officer, the professional responsible for negotiating an operation with the client. The ESG area is responsible for interacting with the officer in charge of registration. In cases of a final judgment on child labor, pornography, encouraging prostitution and racism, the relationship is automatically terminated.



## Information security governance and risk management

GRI 3-3 / SASB FN-CF-220.a.1 / FN-CF-220.a.2 /  
FN-CF-230.a.1 FN-CF-230.a.3 / FN-CB-230.a.2



With a solid governance and risk management structure for information security, privacy and data protection, BTG Pactual relies on the Operations and Technology areas to adopt measures to assess and identify risks to our operations and our clients.

The chief technology officer (CTO), who also assumes the position of chief operating officer (COO), is responsible for leading BTG Pactual's Operations and Technology areas. The chief information security officer (CISO) is responsible for information security issues and reports directly to senior management.

The process of identifying vulnerabilities is carried out in different ways, such as vulnerability assessment, penetration testing and threat intelligence. The Security Office team carries out continuous vulnerability assessment searches on servers, workstations and network assets, reporting the results to the teams responsible for appropriate action.

Vulnerabilities are corrected in order of priority, according to their criticality. If a vulnerability is being exploited in the market, it is fixed on an emergency basis.

In addition, the applications undergo regular code reviews and penetration tests (pentests). In addition, the applications undergo regular code reviews and penetration tests for web, mobile applications and the IT infrastructure. The results of these tests are communicated to the developers so that the vulnerabilities can be corrected. Corrections to the critical and high vulnerabilities reported must be completed before the application goes into production.

The Threat Intelligence team is also active in identifying zero-days and publishing relevant common vulnerabilities and exposures (CVEs), as well as identifying and monitoring possible threats targeting BTG Pactual.

## Data privacy and protection

GRI 418-1 / SASB CF-230a.3

Due to constant technological evolution, the potential risks related to data privacy, cyber security and fraud have increased. To contain these risks, BTG Pactual continuously invests in processes to protect digital assets, vulnerability testing, incident response plans, insurance against cyber incidents, audits and control of compliance with regulatory requirements.

This model ensured that no data breaches were recorded in 2023 and also obtained ISO 27001 certification, reinforcing the best Information Security practices. There were also no significant incidents of data leakage, theft or loss in the period. The only secondary use of personal data is to prevent clients from being impacted by digital marketing campaigns, always complying with applicable legislation and BTG Pactual's Privacy Policy. **FN-CF-220a.1**

There were no monetary losses resulting from legal proceedings associated with customer privacy. There were also no data breaches, no cases involving personally identifiable information and no affected account holders. **FN-CF-230a.1 / FN-CF-230a.1 / FN-CB-230.a.1**

Privacy Policy



# Preventing conflicts of interest

## GRI 2-15

BTG Pactual establishes clear guidelines for dealing with conflicts of interest between members of the BoD, as stipulated in article 22 of the BoD's Internal Regulations. Conflict situations are discussed by the Compliance Committee, which is directly linked to the BoD, and may be assessed by the Executive Committee and the Board itself.

To avoid risks, donations to social organizations made on behalf of BTG Pactual need to be approved according to specific criteria, followed by a predetermined evaluation and approval process. In addition, the Bank is subject to regular internal and external audits and maintains formal channels for complaints and grievances, through the Reporting Channel (more information on page 56), as required by the Securities and Exchange Commission Resolution no. 44/2021.

This information on conflicts of interest is made available to stakeholders on the Investor Relations website, in accordance with article 12 of the Securities and Exchange Commission Resolution, including notices to shareholders, relevant announcements, risk factors, among other data. BTG Pactual demonstrates its commitment to transparency and integrity by adopting preventive measures and protocols to deal with potential conflicts of interest, ensuring that its ethical conduct is maintained in all aspects of its operations and relationships.



# Rules for donations and sponsorships

## GRI 415-1

Members of the Partnership are generally prohibited from making political donations of any kind, unless the political donation has been pre-approved in accordance with BTG Pactual's applicable local policy and/or requirements relating to political donations. If you are interested in joining a party or other political organizations or movements, you will need Compliance approval.

For other employees, only donations to political parties above R\$ 1,000.00 must be pre-approved by the Compliance Committee. Personal donations of any kind, on behalf of or for the benefit of BTG Pactual, must be approved as institutional donations, following the criteria detailed in the "Institutional Donations" policy.

# Competitive practices

BTG Pactual works to promote free and fair competition in the markets in which we operate. We follow and respect legislation aimed at curbing monopolies, cartels and other practices that create a competitive imbalance.

In this context, in 2023, there were five lawsuits – all still pending judgment, as reported in the previous year – relating to unfair competition and violations of antitrust and antimonopoly laws involving BTG Pactual. **GRI 206-1**

There were no monetary losses in 2023 arising from lawsuits associated with fraud, insider trading, antitrust, anti-competitive conduct, market manipulation, mismanagement or other rules or regulations related to the financial sector. **SASB FN-IB-510a.1**



# Supplier engagement

**GRI 2-6 / GRI 2-23 / GRI 2-29 / GRI 308-1  
GRI 308-2 / GRI 414-1 / GRI 414-2**

100% of our suppliers are analyzed based on socio-environmental criteria, through KYS (Know Your Supplier) procedures and the Supplier Evaluation Policy, which provides the governance and control structure for the evaluation, implementation, review and ongoing management supervision of BTG Pactual's service providers and suppliers. **GRI 308-1 / GRI 414-1**

By getting involved in various sectors of the economy, we are committed to encouraging the adoption of ESG best practices throughout our value chain, generating a sense of responsibility in investors, customers, employees, suppliers and society in general.

Suppliers connect with us through our operating segments: Investment Banking; Corporate & SME Lending; Sales & Trading; Asset Management; Wealth Management and Consumer Banking; and Consumer Lending and Insurance (more information on the activities and market served by these segments in the Corporate Profile, Business Model chapter, pages 21 to 23). **GRI 2-6**

Interaction with our supply chain begins with the Purchasing team, which is responsible for initial price quotations, negotiating commercial proposals and closing the deal that best matches the open demand. Technical knowledge, market knowledge, the purchasing system and integration with the areas are the main elements that define hiring. Among the main areas of demand are Technology, Market Data, HR, administrative expenses and marketing. Systems, allocation of specialized labor, gifts, specialized services (consultancies) are among the main items purchased by BTG Pactual in 2023. **GRI 2-6**

Suppliers classified as critical during the operational risk and residual risk assessment stage receive the ESG Supplier Charter, which refers to the ESG Supplier Conduct Manual and contains best practice recommendations in terms of sustainability.

Most of the suppliers contracted by BTG Pactual do not present significant actual or potential environmental risks, since they are generally related to technology activities or office products. **GRI 308-2**

We understand that the greatest risk of occurrence of child labor and/or slave-like labor is associated with the agribusiness and textile sectors, which concentrate the Bank's clients. When we do business with these companies, we assess how they manage their suppliers, whether they have policies and programs aimed at their value chain, and what mechanisms they use to identify and monitor human rights violations.

In cases of greater risk, we carry out due diligence by a third party in order to map out and, together with the client and the ESG team, propose the best supplier management practices. The activities considered most critical are those related to the agribusiness and textile sectors. **GRI 408-1 / GRI 409-1**

## SUPPLY CHAIN

In 2023, 4,410 new suppliers were hired, and no restrictions were observed. **GRI 414-1** During the period, 4,866 suppliers were assessed.

Out of the total number of suppliers identified as causing significant social and environmental impacts, we ended the relationship with 8.4% (10) of them. Among the reasons are the connection of the company or its managers with drug trafficking, fraudulent contracts with public authorities, money laundering and gang formation. **GRI 414-2**



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# Macroeconomic context

## International scenario

The year 2023 began with the feeling that a recession would take place in the US economy in the second half of the year and that it would be essential for the disinflation process to advance. However, the resilient labor market and the still robust pace of growth have begun to challenge this thesis, despite the continuation of the monetary tightening cycle conducted by the Federal Reserve Bank (Fed), the US Central Bank. In the Eurozone, still-resilient inflation and weakening economic activity have increased fears that the block could face a stagflation scenario this year.

In the US, while the American monetary authority reduced the pace of interest rate increases (from 50 bps to 25 bps) at its first meeting of the year, the European Central Bank (ECB) kept the basic rate increase at 50 bps, adopting a more hawkish tone than expected in the face of the surprisingly tighter labor market. At the end of the first quarter, the external scenario became more adverse due to the collapse of Silicon Valley Bank (SVB), as well as the resurgence of problems at Credit Suisse, which led to a broader discussion of the consequences of these events for the global financial system at the beginning of the second quarter. At the same time, the period was characterized by a gradual improvement in inflation readings in the US, albeit with pressured underlying core metrics, amid bullish surprises in activity and labor market releases. As a result, the Federal Open Market Committee (FOMC) - the Fed's committee - raised the interest rate by 25 bps at two more meetings (May and July).

In the Euro Zone, the ECB reduced the pace of interest rate increases (from 50 bps to 25 bps) for the May and June meetings, amidst an economic scenario that showed more evident signs of slowdown, despite still having a resilient services sector, although industrial activity showed a significant depreciation with the impact of the increase in the cost of credit.

The third quarter was notable for the growing evidence that the US economy, despite contractionary monetary policy, continued to expand, driven mainly by household consumption and investment, contrary to expectations of recession. Inflation began to show an even more favorable composition, since the supercore had lost significant strength.

At its July meeting, the Fed carried out its last interest rate hike (25 bps), keeping the Fed Funds Rate in the 5.25%-5.50% range until the end of the year. The combination of favorable inflation and economic activity data increased the pricing of a soft landing, as well as introducing the discussion of how long US interest rates would remain at a more restrictive level.

The European economy, on the other hand, began to show a clearer loss of momentum in economic activity, with price indices still under pressure. As a result, the ECB continued to raise interest rates at its July and September meetings (25 bps at both), bringing the cycle of monetary tightening on the European continent to an end and taking the deposit rate to 4%.

Behind the scenes, the global economic scenario was impacted by the rise in yields on long-term US Treasury bonds, the result of various factors, such as the high issuance of bonds by the Treasury, the continued reduction of the Fed's balance sheet and the deterioration of the outlook for the US fiscal scenario.

This raised concerns about the level of tightening of global financial conditions and revived the possibility of new bank failures. However, inflation indicators continued to show more benign results, amid greater balance in the labor market, despite still resilient eco-

nomic activity, and encouraged a milder tone from the FOMC at its last meeting of the year. In the Euro Zone, the economic scenario became more favorable in the last quarter, with the economy showing anemic growth, while consumer inflation began to show clearer signs of slowing down.

In the East, the beginning of 2023 was characterized by greater optimism about Chinese economic growth, amid the process of reopening the economy and the implementation of new stimulus policies. However, with external demand weakened and household confidence still shaken by the crisis in the real estate market, economic growth began to show more challenging signs in the second quarter.

The loss of strength in the economy has led the Chinese authorities to announce some stimulus measures, such as reducing mortgage rates and the initial payment required to buy a home. However, in the face of the economy's poor response to the stimuli announced up to the third quarter, the Chinese authorities announced the issuance of US\$139 billion in government bonds in the fourth quarter, as well as an increase in the budget deficit from 3.0% to 3.8% of GDP. Although the economy exceeded its growth target for the year, growing by 5.2% vs. 5.0% determined by the government, the economic environment continued to be characterized by fragile confidence among entrepreneurs and families.



For 2024, we expect moderate growth of 1.7%, driven by the financial recovery and the normalization of industrial inventories. We project a growth of 3% in the manufacturing industry and 4% in the retail trade, leading the economic scenario.

## National scene

Faced with the severe tightening of financial conditions and the exhaustion of the process of reopening the economy, at the beginning of 2023 we projected GDP growth of just 0.7% in 2023, with industry contracting by 1.3%, the services sector growing by 1.2% and the agricultural sector growing by 6.6%. We ended the year with GDP growing by around 3%, with the biggest surprises coming from sectors less dependent on domestic economic conditions, such as the significant growth of 16.3% in the agricultural sector and around 8% in the extractive industry.

In addition, the strong advance of financial services and the resilience of the labor market were surprising, with the strong generation of jobs in the health, education, information technology and drivers segments contributing to the 2.2% growth in the services sector. On the other hand, the manufacturing industry contracted by around 1% in 2023, in line with our projection, as did the retail trade, which grew by less than 1%. In other words, the models got it wrong mainly in the sectors most affected by exogenous shocks.

The scenario for 2024 is totally different from what we expected for 2023. Financial conditions have improved significantly since October 2023 and inventory levels in the industrial sector have normalized. Thus, we project lower growth in 2024 (1.7%), but driven by cyclical sectors, with the manufacturing industry growing by 3% and retail trade by 4%.

In addition to the drop in agricultural production (-1%), we expect a slowdown in the services sector (+1.7%), due to the tightening of the labor market and the lower fiscal impulse in the year. It's worth noting that some earlier signs of acceleration in the credit market add to the upward bias in our projection, with economic growth expected to reach the 2% mark by 2024. In other words, despite the lower growth, we believe that the composition of economic activity in 2024 is more optimistic than what we saw in 2023, even contributing to an improvement in fiscal indicators, due to the higher tax burden on the sectors driving growth.

## Inflation

The 2023 inflation scenario was marked by a significant, widespread and, at least at the start of the year, unexpected slowdown. The cooling of the headline, from 5.8% to 4.6%, masked a much more intense disinflation, with free price inflation decelerating from 9.4% to 3.1% (the average of the core inflation rates monitored by the Central Bank decelerated from 9.1% to 5.3%), but partially offset by a sharp rise in administered inflation (from -3.8% to 9.1%).

The market's inflation expectations (and ours too) for 2023 began to fall during the second quarter of the year due to a few factors: a benign scenario for commodities became clear during the initial months of the year, while the BRL appreciated significantly after peaking in March. In addition, it became increasingly clear during the months of May and June that, despite signaling in February and March its intention to revise the inflation targets upwards, the government would opt to keep the long-term target at 3%, which contributed to a partial (but important) re-anchoring of inflation expectations. The approval of the New Fiscal Framework also contributed to the risk decompression observed in the second quarter.

However, despite the improvement in the exchange rate and commodities scenario resulting in downward revisions for food and industrial goods during the second quarter, most analysts continued to expect a heated labor market to persist throughout the year and maintained high inflation expectations for services. In the end, inflation in industrial goods and food actually slowed down – even more than expected in the second quarter.

The biggest surprise in 2023, however, came from services inflation. Labor market conditions remained tight throughout the year, as expected, but inflation for the core of underlying services nevertheless slowed significantly – from 8.9% to 4.9% – with effectively low readings recorded throughout most of the second half of the year. This was perhaps the most difficult aspect of the disinflation recorded in 2023 to explain, as it occurred under apparently unfavorable circumstances.



The prospect of increased productivity in the agricultural sector and oil production in the pre-salt layer should have a positive impact on the trade balance in the coming years.

## Foreign sector

On the international front, 2023 was notable for the third consecutive record in the trade balance, close to US\$ 100 billion, driven above all by the increase in the amount exported, mainly agricultural commodities (as a result of the super harvest) and those linked to the extractive sector (oil and iron ore), as well as the reduction in imports (above all via prices). In fact, the significant growth in oil production in the pre-salt layer and the increase in productivity in the agricultural sector should guarantee a favorable outlook for the trade balance in future years. The surplus shipped was accompanied by an inflow of dollars via the commercial segment (contracted balance), helping the foreign exchange flow to close the year positive at US\$ 11.4 billion, the best result since 2012.

In addition, the trade balance was the main factor in reducing the deficit in Current Transactions (TC) - US\$ 28.6 billion, compared to US\$ 48.3 billion in 2022. The IDP totaled US\$ 62.0 billion, lower than the 2022 result (US\$ 74.6 billion), although it easily financed the TC deficit. This, together with the level of international reserves (US\$ 355 billion), continued to point to Brazil's low level of external vulnerability.

The exchange rate, in turn, began the year in an unfavorable dynamic (close to R\$5.20/US\$), influenced by the controversial statements made by members of the new government. During the first quarter, however, the external fundamentals (weakening of the dollar and the Chinese reopening) allowed the domestic currency to regain strength. This favorable trajectory was maintained throughout the second quarter, driven by the decompression of domestic risk due to the approval of the New Fiscal Framework.

Although the rise in US interest rates momentarily compromised the appreciation of the domestic currency in the third quarter, the more favorable domestic scenario than expected at the end of 2022, with higher growth, lower inflation, a very significant trade surplus and greater pragmatism on the part of the government in conducting fiscal policy contributed to the real ending the year at R\$4.85/US\$, an appreciation of almost 10% against the dollar at the end of 2022 (about R\$5.30/US\$), making it one of the currencies of emerging countries and/or commodities exporters that performed best in the year.





Due to the increase in public spending generated by the Transition PEC, the year 2023 began with the need for a fiscal adjustment plan that would demonstrate a clearer government commitment to controlling public debt.

## Fiscal scenario

At the end of March, the Ministry of Finance sent the New Fiscal Framework to Congress, replacing the Spending Ceiling. The rule instituted a new limit on federal spending, pegging its real growth to 70% of the growth in revenue in the previous year, limited to 0.6% p.a. and 2.5% p.a.

The growth in the new spending limit would also be linked to the primary result target, since failure to meet it would imply a 50% reduction in the expansion of revenue. The new fiscal regime was only fully approved in the third quarter and included important modifications by parliamentarians, with the strengthening of enforcement mechanisms, the creation of new spending adjustment triggers, as well as the reduction of the list of exceptions to the new spending ceiling.

For 2024, the government has set the primary result target at 0.0%, with a tolerance band of 0.25 p.p. more or less. For 2025 and 2026, the government has signaled that it will pursue 0.5% and 1.0% of GDP, also relying on the same tolerance band. Compliance with the new rule made it even more necessary to increase the tax burden in order to meet the deficit targets for subsequent years.

From the second quarter until the end of 2023, there was discussion and approval of various revenue-raising measures presented by the government, such as the CARF bill (R\$11 billion), the new transfer pricing rules (R\$20 billion), the taxation of online betting (R\$5 billion), taxation on offshore (R\$ 7 billion) and exclusive funds (R\$11 billion) and the inclusion of ICMS benefits in the IRPJ/CSLL calculation base (R\$32 billion). More importantly, the approval of this last measure (at the end of 2023) was a positive surprise for the market.

In the short term, the figures revealed a deterioration in last year's primary result, which amounted to a deficit of R\$249 billion (-2.3% of GDP), the result of two factors: (i) the increase in federal spending brought about by the Transition PEC, which rose from 17.6% of GDP in 2022 to 18.8% in 2023, interrupting a downward trend that began in 2016 with the old spending ceiling; and (ii) the drop in net revenue, which fell from 18.4% of GDP in 2022 to 17.5% in 2023, due to the decrease in extraordinary revenue (taxes linked to the commodities sector, concessions and dividends). It's important to note, however, that part of the result was influenced by the expenditure needed to settle the court-ordered debt due in 2022 and 2023, which totaled R\$92 billion.

Gross debt (DBGG) ended the year at 74.3% of GDP, growing by 2.7 p.p. compared to 2022 and interrupting a two-year downward trend.

Finally, it is important to highlight the approval of an important structure: the Consumption Tax Reform (PEC 45/19), with the creation of a dual value-added tax (VAT), with a federal VAT (CBS, unifying PIS/Cofins and IPI) and a sub-national VAT (IBS, unifying ICMS and ISS), as well as a selective tax (IS), of federal competence, which will be levied on products that are harmful to health and the environment. The new VAT will have four types of rates: standard, reduced (70% and 40% of the standard) and zero. A transition of 8 years (2026-2033) is also planned for consumers and 50 years for federal entities (2029-2078).

## Monetary policy

After ending its upward cycle in August 2022, 2023 was marked by the start of a monetary easing cycle. However, this process only materialized in the second half of the year. Throughout the first half of the year, discussions about changing the inflation target and the subsequent deterioration in inflation expectations led Copom [Monetary Policy Committee] to maintain a cautious stance, keeping the basic interest rate at 13.75% p.a. However, from August onwards, with the approval of the fiscal framework, moderation in inflation and the start of a movement to reanchor expectations, Copom changed its conduct and began a cycle of cuts in the Selic, surprising the odds with a 50 p.b. reduction. This pace was maintained at all the other meetings of the year, with the prime rate ending 2023 at 11.75% p.a.

At the end of 2023, the economic scenario began to indicate a slowdown in the economy and low current inflation, which favorably surprised market expectations. However, the labor market remained quite resilient, with a drop in the unemployment rate and some wage traction. At the same time, services inflation and its core showed less favorable signs. In addition, Copom had been indicating a more cautious and uncertain view of the external environment. Following this course of action, in the minutes released in December, the Copom did not discuss alternatives or signs of an acceleration in the pace, but noted the need to pay attention to the evolution of inflationary dynamics, inflation expectations and projections, the output gap and the balance of risks.



## Chile

The year 2023 was one of macroeconomic adjustment. The large imbalances accumulated after the pension fund withdrawals in 2020–21, with the massive fiscal transfers made in the second half of 2021, led private consumption to reach unsustainably high levels during 2022. As a result, the current account deficit rose to 10% of GDP in 3Q22.

These imbalances were corrected during 2023, with preliminary GDP figures showing a contraction of 0.2%. According to estimates<sup>1</sup> by the Central Bank of Chile (BCCh), the contraction in GDP was led by a 4.6% drop in private consumption. In addition, the political uncertainty resulting from two consecutive constitutional drafting processes, coupled with an environment of high interest rates, led investment to fall by 1.9% in 2023. On the external side, the current account deficit fell to 3.5% of GDP in the third quarter of 2023 and was expected to end the year below 3%, showing the correction of the imbalances accumulated in previous years.

In politics, the year was marked by the rejection of another constitutional bill. After the first rejection in 2022, a constitutional council was elected in May 2023 to work on a new project. The council, dominated by right-wing parties (about 64% of the seats), presented a final proposal in early November 2023, which was rejected by 56% of the votes in a plebiscite on December 17, with 13 million people (85% of the electorate) turning up. This second rejection, together with the public's weariness with the whole discussion, led the different political parties to declare that the discussion on constitutional change was over, at least for the next few years.

Inflation returned to the BCCh's tolerance range in 2023. After the consumption boom of 2021–22 and driven by external factors that led to higher food and commodity prices, inflation soared to 14.1% in August 2022 and ended the year at 12.8%, the highest figure in 31 years. This led the BCCh to increase the monetary policy rate (MPR) steadily, reaching 11.25% by the end of 2022.

The consequent slowdown in economic activity and the resolution of macroeconomic imbalances have significantly reduced domestic inflationary pressures. In addition, external factors such as the normalization of global production chains, the fall in food and commodity prices and the appreciation of the CLP during the first half of 2023 helped to reduce pressure on prices. As a result, inflation slowed to 3.9% in December 2023, and inflation expectations for 12 and 24 months are anchored at 3%.

As inflation fell and inflation expectations returned to the 3% target, the Central Bank began to reduce the MPR in July 2023, bringing it to 8.25% in December and 7.25% in January 2024. In addition, the board signaled that it intends to reduce the MPR towards the neutral level of 4% in the second half of 2024, showing itself to be one of the most aggressive central banks in the world. As a result, the domestic currency depreciated steadily in the second half of 2023, ending the year at CLP 885/US\$.

Finally, although public spending only increased by 1% in real terms, the 12.5% drop in revenue meant that 2023 would end with a fiscal deficit of 2.4% of GDP. The drop in revenue was beyond the government's expectations and was mainly due to lower collections in both income tax (-29.9% y/y) and VAT (-8.3% y/y). As a result, public debt ended the year at 39.8% of GDP.



1. At the time of writing, the disaggregated GDP for 2023 had not yet been released. We are therefore referring to the BCCh forecasts published in December 2023.





## Colombia

The economy grew by 0.6% in 2023, below expectations, a situation explained by a significant drop in domestic demand. Families were affected by the rise in inflation and interest rates, which was reflected in lower consumption of durable and semi-durable goods. Meanwhile, investment continued to deteriorate due to rising capital costs and lower confidence levels. In sector terms, the slowdown in economic activity mainly affected construction, industry, retail and transportation.

The year 2023 was also marked by a reduction in inflation, which fell to 9.3% after peaking at 13.3% in March. Food prices contributed to the slowdown in general inflation, despite the significant but necessary increase in administered prices (especially gasoline and energy). Food inflation showed more persistence than overall inflation due to indexation, mainly affecting services. Inflation expectations also fell, although they remain above the 3% target.

With regard to monetary policy, 2023 showed that a contractionary stance was necessary to guarantee the contraction of demand and the convergence of inflation towards the target. For this reason, the Central Bank of Colombia (Banrep) maintained its usual cautious stance for most of 2023, starting the easing cycle in December by setting the rate at 13%.

The necessary adjustment made to economic activity levels also helped to reduce the external imbalance last year. The current account deficit narrowed sharply to less than 3% of GDP in 2023, driven mainly by reductions in trade deficits and spending on services.

The adjustment took place especially through a reduction in imports compared to the high levels recorded in 2022, due to the slowdown in domestic demand, the moderation in international commodity prices and the reduction in profit remittances from foreign companies

investing in the country.

Regarding public finances, the commitment to reduce fiscal imbalances was maintained and the fiscal deficit fell to 4.2% in 2023. With the erosion of public finances after the pandemic, the country has made concerted efforts to increase permanent tax revenues, approving two tax reforms in 2021 and 2022, as well as reducing fuel subsidies, given its inflexibility in reducing public spending. However, it has faced greater pressure on public spending as a result of growing social and political tensions, which has made the country's risk premium one of the highest in the region compared to its peers.

In 2023, the Colombian economy faced challenges with growth of 0.6%, lower than expected, due to a drop in domestic demand. Sectors such as construction, industry, retail and transportation were affected. Despite the reduction in inflation to 9.3%, food and service prices persisted.





# Financial performance

We expect growth in practically all our business segments in 2023, with a total of R\$21.6 billion in revenues, 25% more than in 2022. These results reflect the strength of our investment platform, the resilience of our client franchise and the competence of our risk management in the financial market.

Even in the face of a challenging scenario, with high interest rates and stricter credit market conditions, we managed to achieve an exceptional performance in 2023, with results that not only demonstrate our solidity, but also our ability to perform in different macroeconomic scenarios.

With significant revenue growth - record net income of R\$10.4 billion, 25.4% higher than in 2022 - and greater operational efficiency, we achieved an ROAE (return on average equity) of 22.7%. In addition, we gained market share, especially in our client franchises, with accumulated net funding of R\$ 204.7 billion, bringing the total AuM/WuM (Asset and Wealth under Management) to R\$ 1.6 trillion.

We recorded record revenues in 2023 in almost all business lines, totaling R\$21.6 billion, 25% up on the previous year, which reflects the robustness of our results and reinforces our ability to perform in any macroeconomic scenario.

To further strengthen our capital ratios, in 2023 we issued four series of subordinated instruments worth R\$10.5 billion. With an extremely liquid and capitalized balance sheet, our funding base also grew (16% p.a.), reaching R\$ 204 billion, and the Basel Index reached 17.5% at the end of the year. In addition, our shareholders' equity grew by 17% year on year, ending the year at R\$49.4 billion.

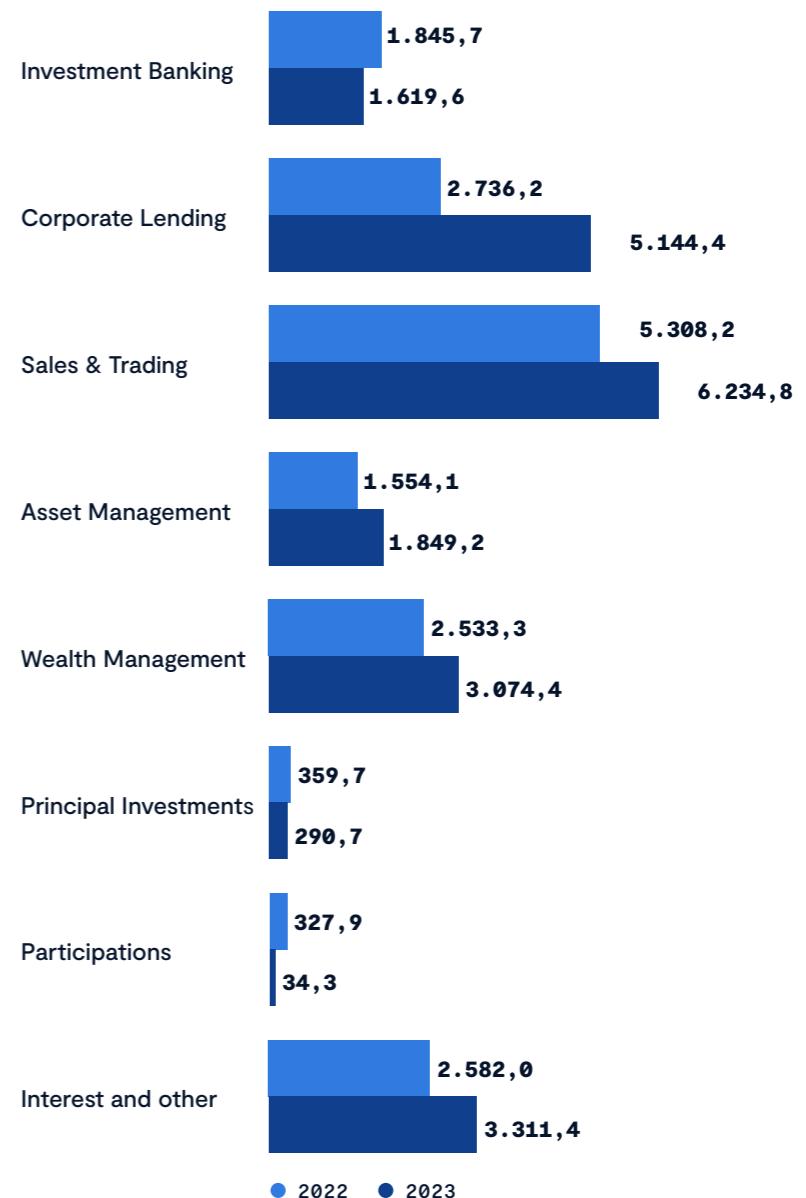
In the ESG & Impact Investment Agenda, we closed 2023 with USD 5.5 billion in green and sustainable bonds structured and distributed. Another highlight was the Bank joining the Taskforce for Nature-related Financial Disclosures (TNFD), a strategic global initiative, led by the market, to respond to the need to consider nature in financial and business decisions.

Earnings release



## Revenue evolution - 2022 vs. 2023

(R\$ thousand)





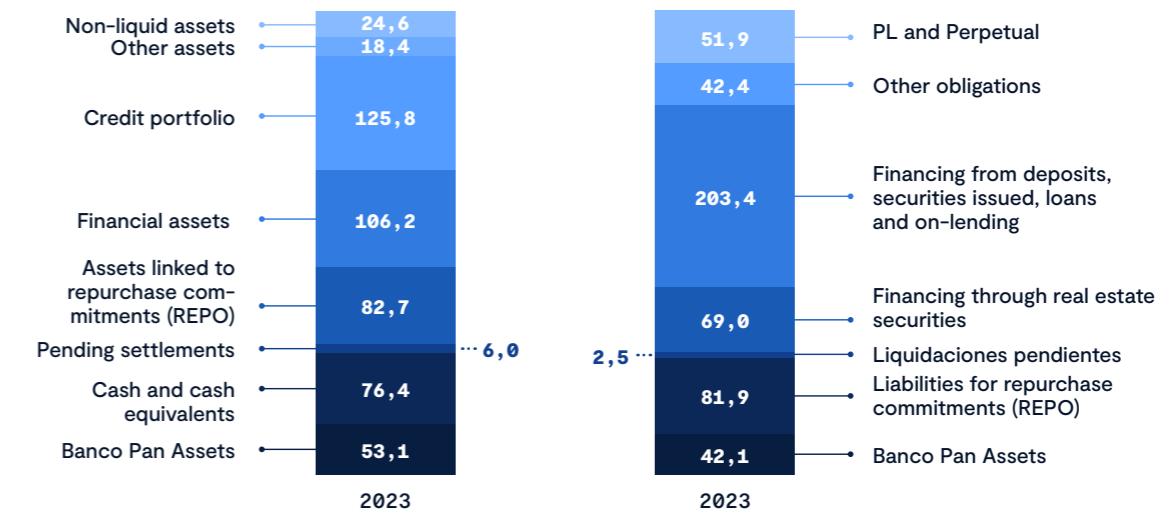
### Breakdown of revenue by business unit 2020 vs. 2023

(R\$ thousand)



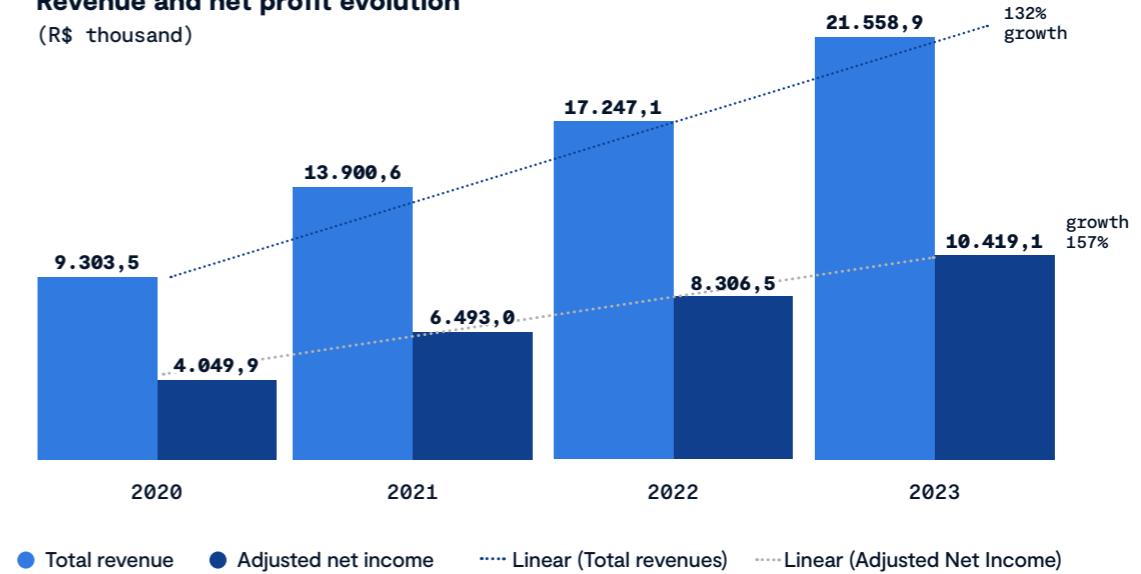
### Balance Sheet 2023

(R\$ billion)



### Revenue and net profit evolution

(R\$ thousand)





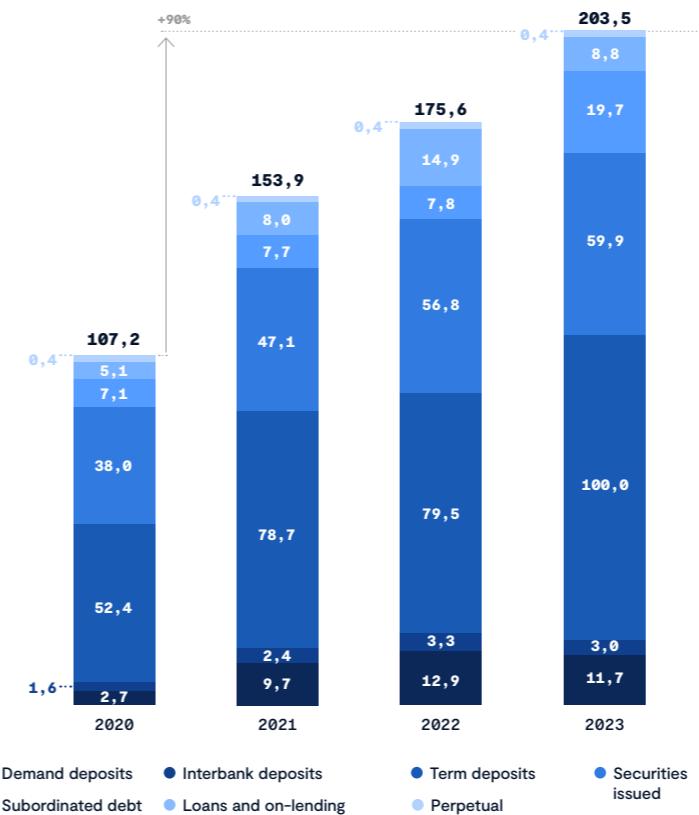
## GRI 201-1 / DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED (R\$ MILLION)

	2022	2023
Total revenue	5.326,8	6.949,6
Added value to be distributed	16.719,7	19.865,6
Employee salaries and benefits	4.997,2	5.803,7
Payments to the government	3.209,8	3.473,0
Rent	272,4	262,7
Payments to capital providers (shareholders)	2.913,5	3.376,6
Economic value distributed	11.392,9	12.916,0
Economic value retained	5.326,8	6.949,6

## Adjusted income statement (R\$ million)

	2022	2023	2022 x 2023
Total revenue	<b>17.247,1</b>	<b>21.558,9</b>	<b>25,0%</b>
Bonus	(1.997,1)	(2.506,6)	25,5%
Salaries and benefits	(1.785,5)	(2.152,8)	20,6%
Administrative and other	(2.166,1)	(2.505,3)	15,7%
Amortization of goodwill	(838,8)	(899,2)	7,2%
Tax expenses, except income tax	(968,3)	(1.063,2)	9,8%
Total operating expenses	<b>(7.755,7)</b>	<b>(9.127,0)</b>	<b>17,7%</b>

## Unsecured Funding (R\$ bi)



## ESG funding

BTG Pactual has raised a number of funds to reinforce its commitment to the ESG strategy, including:

## 2020

→ Agreement with DEG and Proparco for US\$140 million to finance operations that contribute to mitigating climate change.

## 2021

→ Issuance of our first senior green bond, in January 2021, for a total amount of US\$ 500 million, at a fixed rate of 2.75% p.a. - the lowest rate practiced on the market by a Brazilian financial institution in an international placement.

→ Agreement with the DFC (Development Finance Corporation), in September 2021, in the amount of US\$ 300 million, with the aim of expanding the services provided by the Bank to SMEs in Latin America.

→ Sustainable Funding Program - Issuance of R\$1.5 billion in the first phase of our sustainable CDBs initiative;

→ Issuance of R\$1.5 billion in the first phase of our sustainable CDBs initiative.

## 2022

→ Agreement with JICA\* (Japan International Cooperation Agency) for US\$200 million, also with the aim of expanding our SME activities.

→ Sustainable Funding Program - Raising deposits (CDBs and LFs) linked to the Framework for Sustainable Finance, reaching an amount of R\$ 522 million in 2022, from deposits (CDBs and Letters of Credit) from 30 partner companies.

## 2023

→ In 2023, we expanded our funding strategy via sustainable finance instruments, continuing the sustainable funding program which, added to the other labeled instruments, reached a volume of R\$6.4 billion within our Unsecured Funding base at the end of the year.



# Business segments

GRI 2-6 / GRI 201-1



Business Sector Reference  
Form (Chap. 1.3)

## Investment Banking

SASB FN-IB-000.A / SASB FN-IB-410a.1 / SASB FN-410a.3

BTG Pactual is one of Latin America's leading investment banks, recognized for its wide range of services in this segment. Our work ranges from underwriting and placing securities on the capital markets, both debt and equity, to financial advice for a wide range of clients, including companies, financial institutions, funds, governments and individuals.

Although these services are mainly provided to clients based in the region, we also serve clients from outside Latin America, including entities and individuals seeking to participate in mergers, acquisitions and other transactions involving Latin American securities or other financial instruments, as well as services for foreign clients wishing to list their securities on the Brazilian Stock Exchange.

### INVESTMENT BANKING ACTIVITY CATEGORIES

#### Capital markets

Advice on underwriting and placement of public and private offers of shares and securities.

#### Fusiones y adquisiciones y asesoramiento financiero

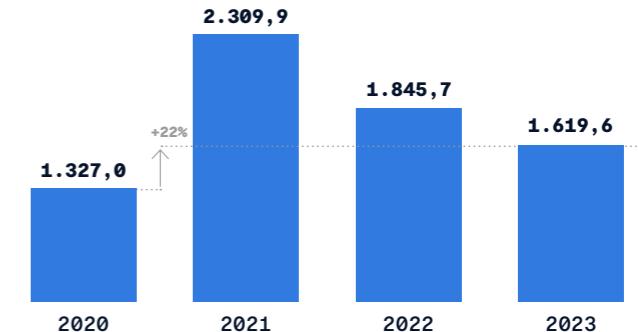
It covers advice on mergers and acquisitions, divestments, restructurings, spin-offs, reorganizations and other corporate operations.

### Performance 2023

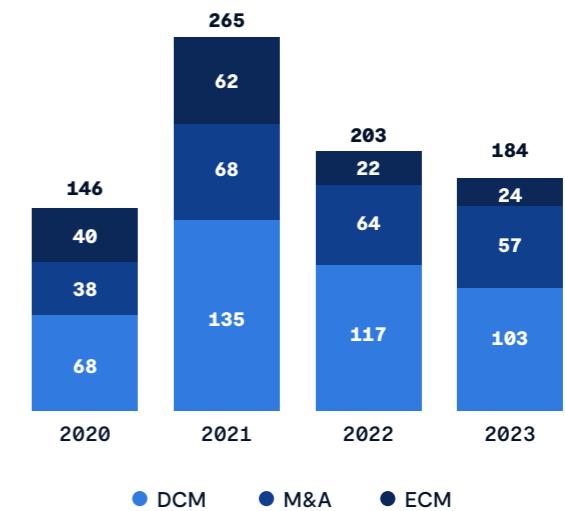
Despite being negatively impacted by a more restrictive and uncertain market environment, we had solid and consistent results, reporting revenues of R\$1.6 billion, a drop of just 12.2% compared to 2022. The year's performance was mainly driven by M&A and DCM revenues, with the improvement in market activity throughout the second half. Once again, we maintained our leading position in the sector rankings throughout the year. **GRI G4-FS8**

#### Revenue - Investment banking

(R\$ thousand)



#### Number of transactions





# ESG Integration in Investment Banking

FN-IB-410a.3

ESG integration in the Investment Banking business takes place through the analysis of socio-environmental and climate risks in Debt Capital Market (DCM) operations. The ESG area can also work on Equity Capital Market (ECM) operations, helping the Bank to adapt its routines to the best ESG practices. This approach strengthens corporate responsibility and is in line with growing demands for responsible investments.

In 2023, we changed the Investment Banking flow, involving the ESG team actively from the beginning to the end of the commercial proposal, which guarantees greater traceability in cases and reliability in identifying the relevant risks inherent to clients and their operations. Previously, the ESG team was involved in the flow only when a relevant negative note was identified on the asset or client, by the commercial or credit risk areas, or as part of the standard market due diligence of these operations.

## DEBT CAPITAL MARKETS (DCM)

### Activities

It coordinates, places and advises on public and private offerings of debt securities and shares.

### ESG integration

The ESG area identifies the social, environmental and climate risks related to the operation, as well as their mitigating factors.

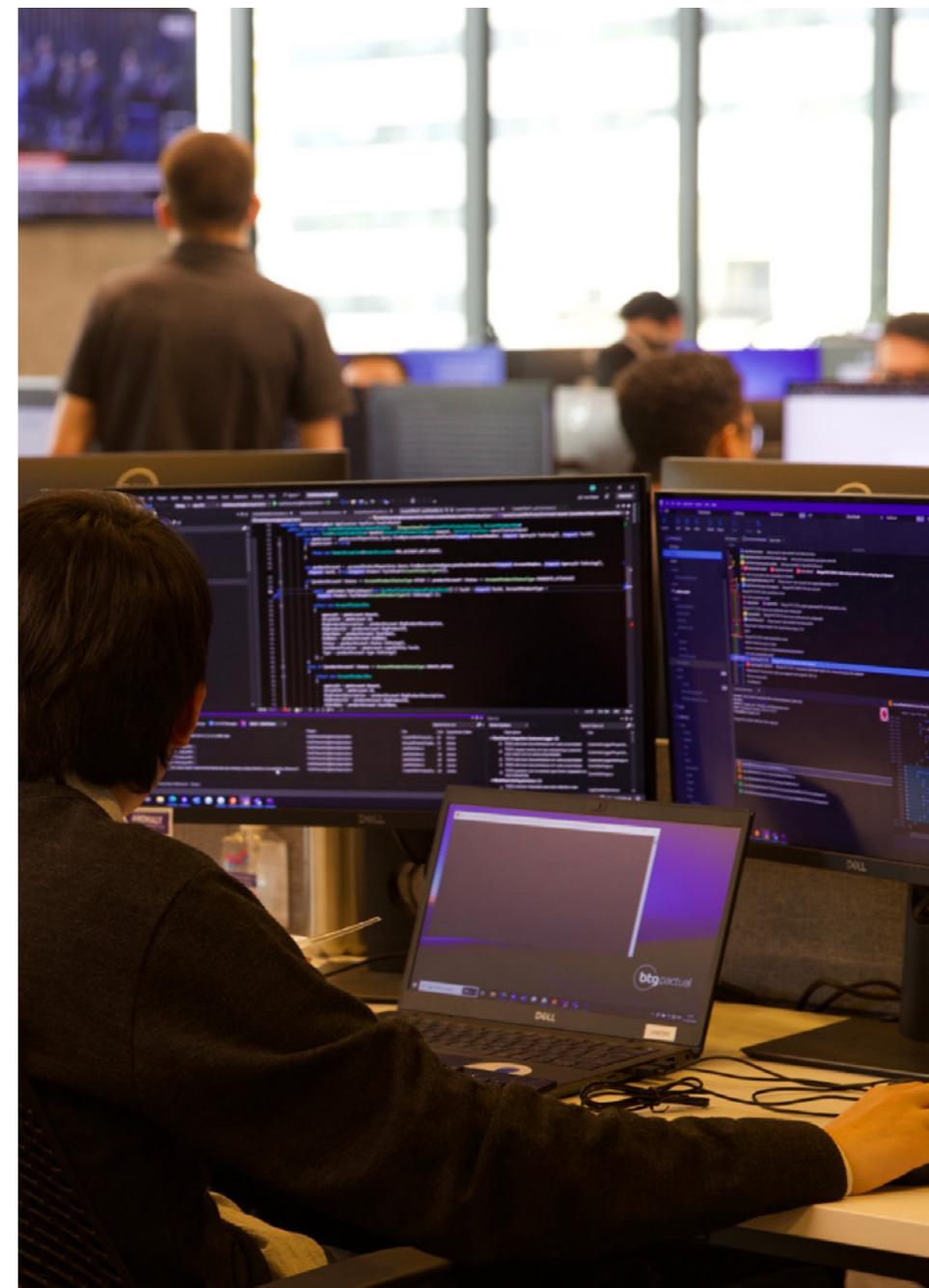
## EQUITY CAPITAL MARKETS (ECM)

### Activities

It advises on mergers and acquisitions, divestments, restructurings, spin-offs, reorganizations and other corporate operations.

### ESG integration

The ESG area helps the company to adapt its routines to the best ESG practices, as well as supporting pitches and meetings with senior management on the subject.





## GRI G4 FS8 Sustainable finance

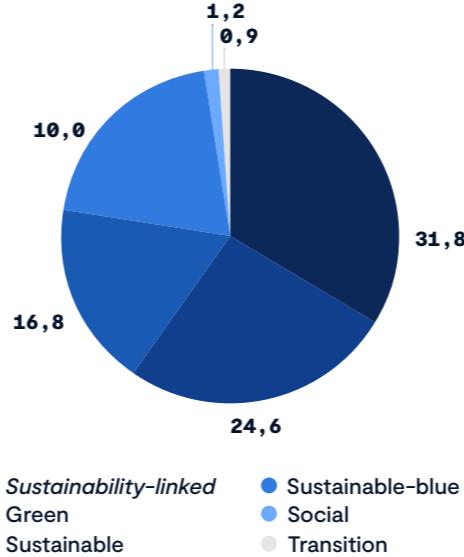
BTG Pactual works to boost the sustainable finance market in Latin America by coordinating, placing and advising on public or private offerings of green, social, sustainable, transition and sustainability-linked debt securities in both local and international markets.

Among other offers made in the period, we acted in the structuring and distribution of more than US\$ 2.1 billion in sustainable and blue debentures, as a result of our pioneering work in Brazil in 2022, actively contributing to sustainable financing in the Sanitation sector. In 2023, we also worked on the structuring and distribution of more than \$5.5 billion in green and sustainable bonds. . **GRI G4 FS8**

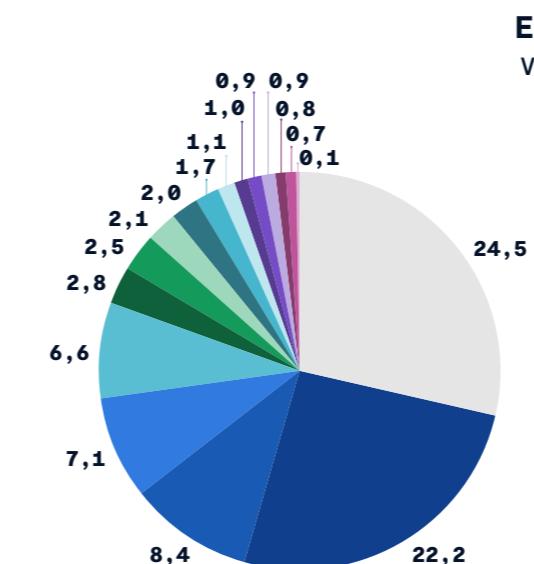
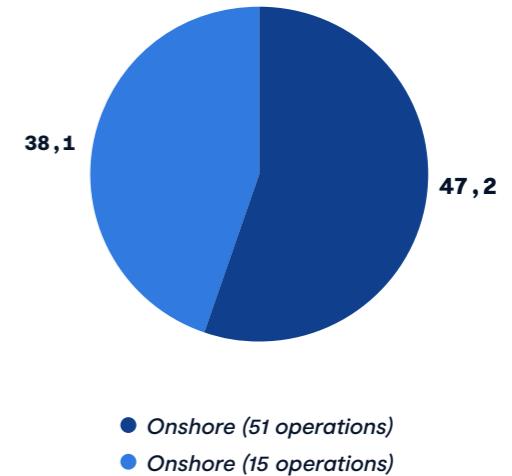
## Labeled debt offers

Throughout 2023, we contributed to the distribution of US\$5.5 billion in labeled debt, totaling 17 operations and reaching the highest annual volume in our history. With this progress, since 2016 we have contributed to the structuring and distribution of 66 operations and R\$89.9 billion in accumulated volume. **GRI G4 FS8**

**Emissions by label**  
Volume (R\$ billion)



**Emissions by geography**  
Volume (R\$ billion)



**Emissions by sector**

Volume (R\$ billion)

- Corporate
- Water and Sanitation
- Financial institution
- Energy
- Transportation
- Sugar and Energy
- Renewable Energy
- Bioenergy
- Road Transportation
- Waste Management
- Energy Efficiency
- Farming and Livestock
- Data Center
- Telecommunications
- Fund
- Power Transmission



# Corporate & SME Lending

GRI G4 FS11 / FS8 / FS14

SASB-FN-CB-240a.1 /FN-CB-410a.2

FN-CB-410.a.1

We offer financing, structured credit and other types of loans and guarantees for individuals and companies, mainly in Brazil and increasingly throughout Latin America, with the expansion of the credit portfolio in Chile and the start of activities in Colombia. The main focus of our credit operations is to meet the demands of large corporations, developing solutions tailored to the business profile and objectives of each client.

More recently, in 2019, we also started offering a digital financial platform in Brazil with a wide range of products and services for SMEs (small and medium-sized enterprises). Among the products on offer are: anticipation of receivables, legal entity digital current account, payroll, credit card, pension plan, credit for agricultural funding and solar energy, among others.

We took advantage of the synergies between this segment and the Bank's other business units to boost our credit platform. Through cross-selling strategies, especially with Investment Banking, Wealth Management and the Fixed Income, Currency and Commodities (FICC), distribution desk, we seek to strengthen our relationships and expand our client base on an ongoing basis.

## MAIN LINES OF BUSINESS

### Origination

We identify and meet the demand for loans for Latin American and multinational companies in Latin America. Through our integrated origination platform, we offer various credit products, including BNDES lines, export financing and working capital.

### Treasury products

We offer innovative derivative products to help our clients manage foreign exchange and interest rate risks, as well as solutions for managing risks in commodity markets.

## Key areas

### High Grade Credit Desk

Customized credit solutions for large corporations.

### Special Situations

It is a Corporate & SME Lending business unit dedicated to investment strategy with the aim of identifying real or illiquid assets that present significant risks but offer proportionally high return potential. Among the activities carried out are credit arbitrage and the management of non-performing loans, including their acquisition and capitalization.

These operations can be applied in a variety of scenarios, including the turnaround of large companies. These transactions stand out for their high yields and higher probability of default when compared to our main corporate loans segment.

However, the risks are adequately compensated through robust guarantee packages, balancing risk and return.

### SME Lending

Anticipation of receivables and credit card receivables operations for small and medium-sized companies, via a 100% digital platform.

In 2023, R\$8.9 billion of our Corporate & SME Lending portfolio was eligible, according to our Sustainable Finance Framework.



## Performance 2023

With a significant expansion of 18.9% in our portfolio, combined with higher spreads and adequate provisions, the Corporate & SME Lending area generated significant revenues of more than R\$5.1 billion in 2023, 88% higher than the revenue recorded in 2022, of R\$2.7 billion. Even adjusting for the extraordinary provision we had in 2022, revenues would have increased by 33% in the more challenging credit scenario that persisted for most of the year.

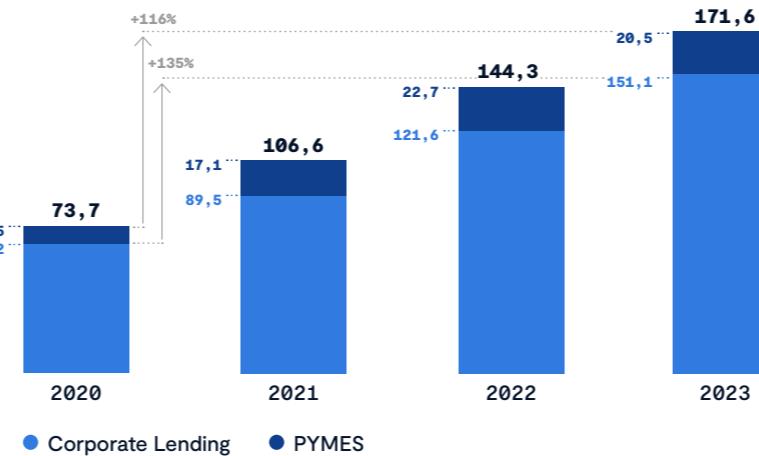
Despite the challenges faced in the credit market, especially during the first half of the year, we managed to expand our portfolio while maintaining a high standard of quality and low default rates. We took advantage of the opportunities available in the market, increasing not only the total volume of the portfolio, but also the average spreads by more than 30 bps, resulting in record revenues for the year 2023.

Although the SME portfolio decreased by 9.7% compared to the previous year due to risk management dynamics that resulted in the reduction of exposure by more than R\$8 billion in the first quarter, we are gradually expanding the SME portfolio again. For 2024, we anticipate significant growth opportunities in this segment, as we expand our range of products and services to meet the needs of the constantly evolving market.

We have expanded our portfolio with a focus on first-class counterparties and low default rates.

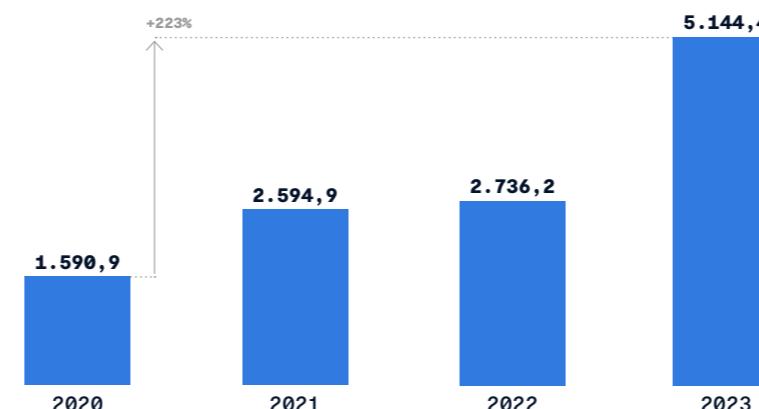
### Corporate & SME Lending Portfolio

(R\$ billion)



### Revenue – Corporate & SME Lending

(R\$ thousand)





# Digital platform for SMEs

## 2023 HIGHLIGHTS

6.560  
companies assisted

42.867  
loan operations  
(amounts below  
R\$ 30 thousand)

R\$  
106,4  
million  
loan volume

The digital bank for small and medium-sized enterprises (SMEs) is known as BTG Pactual Empresas and consists of a financial platform specializing in solutions such as corporate current accounts, corporate and agro credit cards, supply chain financing, credit card receivables prepayment, trade bills discounting, foreign exchange, insurance, special credit, and other products and services.

With an intuitive interface that not only simplifies access to credit, the platform also facilitates the use of other BTG Pactual services and automates daily tasks for our clients. With the possibility of carrying out agile and secure transactions, we offer less bureaucratic credit analyses, adapted to the individual needs of each client. This combination of expertise in lending and technology has expanded our presence in the market, both geographically and in various segments.

### DIGITAL PLATFORM PRODUCTS AND SERVICES

- Agricultural Credit and Solar Energy
- Legal entity digital checking account and payroll
- Pension and company insurance
- Automations and APIs
- Currency exchange
- Marketplace

### Emergency Credit Access Program

#### FN-CB-240a.1

BTG Pactual participates in the Emergency Credit Access Program (PEAC), created by the federal government to meet the demand of small and medium-sized enterprises (SMEs) facing more severe credit restrictions. The program consists of the expansion of the Investment Guarantee Fund (FGI), with an additional investment of US\$3.5 billion to improve access to credit, increase credit limits and reduce borrowing costs for SMEs. We took part in PEAC with the aim of giving our clients access to this credit.

### SME PORTFOLIO BY REGION - EVOLUTION OVER THE LAST 3 YEARS

Year	2021	2022	2023
Balance in Billion	17,4	22,7	20,5

### SME PORTFOLIO BY REGION - EVOLUTION OVER THE LAST 4 YEARS

Region	2020	2023	2020 x 2023
Midwest	0,5	1,1	139%
Northeast	0,3	0,6	95%
North	0,6	0,2	-63%
Southeast	5,9	16,5	177%
South	2,2	1,2	-45%
Offshore	0,0	0,9	0,0
Sum	9,6	20,5	114%

### SME PORTFOLIO - AGRO AND SOLAR REPRESENTATIVENESS (%)

Product	2021	2022	2023
Agro	0,02%	1,0%	5,1%
Solar	0,04%	0,2%	0,9%

### SOLAR PORTFOLIO BY REGION

Region	2021	2022	2023
South	0%	4%	4%
Northeast	92%	32%	43%
North	0%	9%	15%
Midwest	8%	21%	20%
Southeast	0%	34%	19%

### AGRO PORTFOLIO BY REGION

Region	2021	2022	2023
Midwest	100%	98%	73%
Southeast	0%	2%	19%
Northeast	0%	0%	2%
North	0%	0%	5%
South	0%	0%	1%



## ESG Integration in Corporate & SME Lending

### SASB FN-IB-410a.3

All operations in this segment undergo socio-environmental risk analysis with the ESG area, which checks the influence of the counterparty's climate, environmental and social issues on different types of risk: legal, credit, reputational, operational, social, environmental and climate.

In the Corporate & SME Lending routines (except for Derivatives and SMEs, which have different automated flows), ESG analysis takes place according to the approval flow of the credit operations. The process starts with the new business credit committee, which involves not only the ESG area, but all other areas involved in the operation, such as Credit Risk, Legal, Tax, Compliance, Back Office and others. In the first new business credit committee, the Commercial team presents the proposal for the operation as well as the history of the client and/or the economic group. From there, the areas involved, including ESG, initiate the risk analysis - which may involve external advice, independent research and/or international frameworks such as the IFC Performance Standards - communicate with the client, request additional information and/or other measures necessary to assess the risk, whenever necessary.

### GRI GRI-F11

After analyzing the risk, each area includes its analysis and opinions in a single internal memorandum, which is taken to a second credit committee for discussion in order to provide input to the approval bodies on the risks related to the operation.

BTG Pactual has an ESG risk analysis flow associated with each stage, the depth of which will depend on the nature of the transaction, the sector, the use of the funds and the applicable collateral.

In accordance with the principles of relevance and proportionality, the ESG team's assessment is carried out at the level of counterparty, allocation of resources and guarantees. In relation to the counterparty, materialized risks like negative media and lawsuits are analyzed, as well as risks inherent to the sector and actions to manage socio-environmental and climate impacts.

For a negative socio-environmental assessment, we adopted two different sections:

#### → ESG integration

Corresponds to the funds for which we carry out KYC processes.

#### → ESG Framework

As defined in the Responsible Investment Policy.

## High-risk operations

### GRI G4-FS2

In 2023, a total of 549 credit operations from our Corporate & SME Lending portfolio were analyzed by the ESG area. Of this volume, 20 operations were classified as high risk (3.64%), 351 as medium risk (63.93%) and 178 as low risk (32.42%). For high-risk operations, an in-depth analysis is required, followed by continuous monitoring by the ESG team or a consultancy specializing in socio-environmental and climate issues. This classification takes into account factors such as sector, destination of resources and possible negative impacts relevant to the operation.

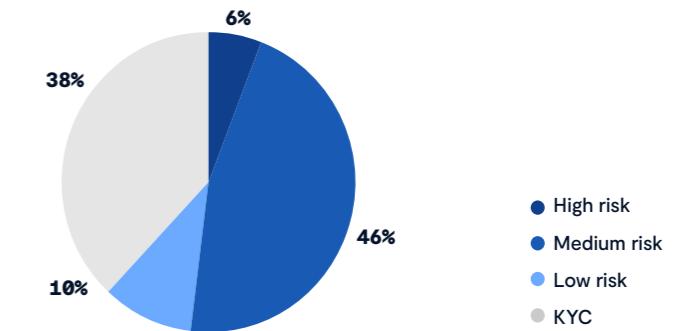
Depending on the severity of the risk identified and the counterparty's ability to manage it, we recommend the prior engagement of a specialized socio-environmental and climate consultancy to develop a diagnosis and action plan with a schedule for implementation. Failure to comply may result in the contracts expiring early. Operations classified as high risk (A) are reported quarterly to the Corporate & SME Lending teams, the Risk and ESG Committees and the Bank's senior management.

In addition, we carry out daily monitoring of negative media, which consists of identifying relevant news that mentions counterparties classified as high risk, as well as investees and entities linked to BTG Pactual SA.

These news items are related to specific keywords, such as "socialwashing", "greenwashing", "public health", "slave labor", "quilombola", "environmental damage", "work in analogous conditions", "forced labor", "child labor", "environmental crime", "socio-environmental damage", "climate litigation", "genocide", "arms trafficking". This process enables us to always be aware of possible situations that could affect our reputation, allowing us to act preventively by engaging with our clients.

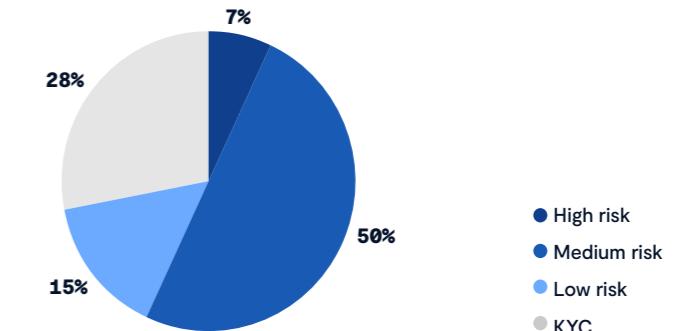
## 2022 Corporate & SME Portfolio Socio-environmental and Climate Categorization<sup>1</sup>

### FN-IB-410a.2



## 2023 Corporate & SME Portfolio Socio-environmental and Climate Categorization<sup>1</sup>

### FN-IB-410a.2



<sup>1</sup> Nomenclature corresponding to that adopted in the Earnings Release issued by BTG Pactual. The information in this chart takes into account operations carried out by Banco BTG Pactual S.A., Banco Sistema S.A., Banco BTG Pactual Chile S.A., BTG Pactual Chile SPA, Banco BTG Colombia S.A., BTG Pactual Cayman International Holding Limited.



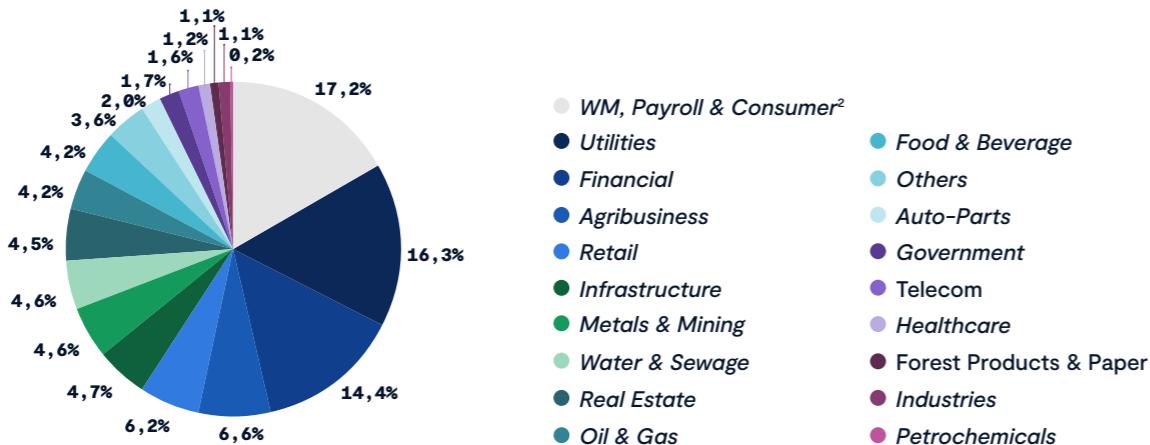
# Portfolio analysis by sector

## FN-CB-410a.1

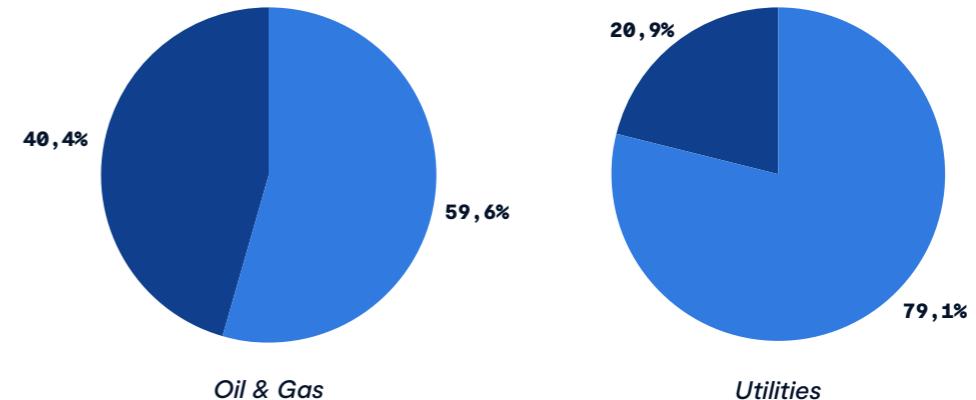
In 2023, BTG Pactual's Corporate & SME Lending portfolio had greater exposure to the WM, Payroll & Consumer sector, followed by Utilities, Financial and Agribusiness. In the Utilities sector, there was an 8% reduction in exposure due to the new sector division, which now includes Water & Sewage, with 5% of the portfolio. In addition, subdivisions were introduced for Healthcare (2%), Forest Products & Paper (1%) and Industries (1%). Compared to 2022, Financial reduced its share by 2%; and Agribusiness and Oil&Gas decreased by 1%.

The so-called controversial sectors, capable of causing harm to the physical or psychological integrity of consumers/users or close third parties - such as alcoholic beverages, tobacco, weapons and ammunition or gambling - represented 0.41% of the Corporate & SME Lending portfolio in 2023. In 2022, this figure was 0.6%. Organizations active in the production and/or marketing of fossil fuels (oil, natural gas, coal) and their derivatives accounted for 6.13% of the portfolio in 2023, while those producing ultra-processed foods accounted for 0.0%.

**Corporate & SME Lending portfolio by sector<sup>1</sup>**



**Percentage of portfolio with ESG action plan in carbon-intensive sectors**



1. This nomenclature corresponds to that used in the Earnings Release issued by BTG Pactual. The information in this chart takes into account operations carried out by Banco BTG Pactual S.A., Banco Sistema S.A., Banco BTG Pactual Chile S.A., BTG Pactual Chile SPA, Banco BTG Colombia S.A., BTG Pactual Cayman International Holding Limited. / 2. It includes operations with technology and service companies, multi-sector holding companies, diversified materials, non-performing loans (NPL), and investments by individuals (Personal Investment Company).

- Specifications established by BTG together with clients to reduce emissions and the climate transition



# Sales & Trading

Our operations in this segment involve offering financial services and products through an integrated platform to a wide range of corporations, financial institutions, investment and pension funds and governments in local and international markets.

The activities most exposed to socio-environmental and climate risks, with the greatest potential for causing reputational capital losses for the Bank, are concentrated in the energy and commodities desks. Thus, in a joint effort with BTG Pactual's insurance and/or energy teams, we generate prevention actions through policies integrating ESG criteria into the Sales & Trading area.

## Business segments

### FICC

A large and diversified operation, through which we carry out various market making and trading activities for our clients, including financial services and products (market making for fixed-income securities, brokerage and clearing, operations with derivatives, interest rates, foreign exchange and commodities for hedging and trading purposes) for a wide range of companies, financial institutions, investment funds, pension funds and governments.

### Equity sales and trading

We operate on most of the main stock exchanges, including B3, New York Stock Exchange NYSE, London Stock Exchange LSE and Hong Kong Exchanges and Clearing Limited (HKEx), and, as an agent, we carry out stock brokerage operations for institutional clients and individuals around the world.

## Research

The Bank's Analysis and Research area provides decisive support to the Sale unit, which helps our clients and other business areas to make decisions. Our studies include valuations, quantitative and qualitative analytical models, as well as detailed reports on the stock market, commodities, interest rates, exchange rates, market trends, economic sectors and companies. Our analysis team provides coverage in Latin America in different sectors of the economy and markets, working on four fronts:

- 1. Macroeconomics** – It makes forecasts for economic activity based on an analysis of factors relating to the use of available resources, income generation, the production of goods, foreign trade, money stocks, interest rates, the balance of payments and the behavior of the prices of a series of basic items.
- 2. Actions** – It makes stock market return estimates and recommendations on asset allocation, fundamental analysis and investment projections in Latin America, covering 264 publicly traded companies from 20 economic sectors in Brazil, Chile, Peru, Colombia, Mexico and Argentina.
- 3. Fixed income** – It carries out credit analysis and investment recommendations for companies and markets throughout Latin America.
- 4. ESG** – Carries out Sales & Trading, providing reliable, high-quality information on market trends, company practices based on issues relevant to different economic sectors, as well as investment recommendations for sustainable and responsible companies, from a fundamentalist analysis perspective.

Our willingness and ability to take calculated risks sets us apart from most of our competitors and substantially improves our relationship with clients.

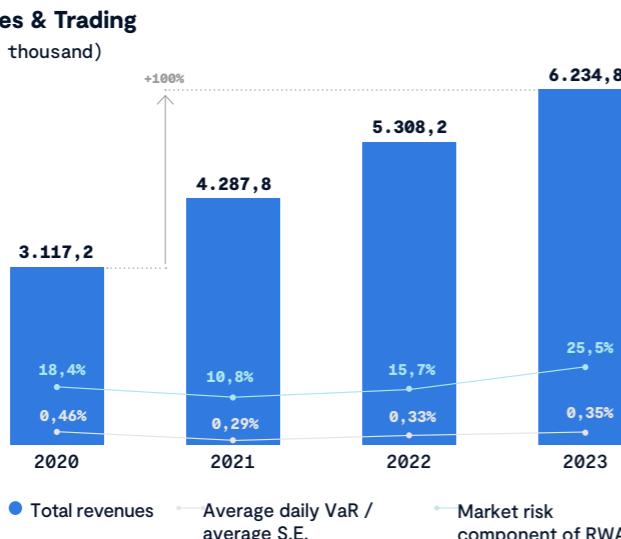


## Performance 2023

The excellent performance of the Sales & Trading area was due to the expansion of the customer base and product offering as well as an increase in transaction volumes. These factors, together with an efficient allocation of market risk especially in the second quarter, contributed to the overall success of the area.

## ESG Integration in Sales & Trading

The analysis of social, environmental and climate risks for Sales & Trading operations follows the principles of relevance and proportionality. For operations involving guarantee insurance or structured energy operations related to sectors with high environmental, social and climate risk (examples: oil and gas, mining, non-renewable energy generation assets), the ESG team identifies risks and mitigants related to the operation. Additionally, BTG Pactual may require monitoring re-



The Sales & Trading area recorded record revenue for the second consecutive year, totaling R\$6.2 billion, 17.5% more than in 2022.

ports from the client related to identified issues, which may be those required by the environmental agency in the environmental licensing process. **ISSB S1**

Regarding the assessment of socio-environmental and climate risk in Grains & Oils (G&O) operations, which cover the marketing of products such as soybeans, corn and sugar cane, BTG Pactual's management system is able to analyze the suppliers and the assets in which the commodities were acquired, in order to identify any socio-environmental sensitivity.

### Below are the commitments made:

- Do not enter into contracts for the purchase and sale of agricultural products without first having received the Rural Environmental Registry ("CAR") of the property from which the respective product originated or will originate.
- Respect the guidelines of the National Association of Cereal Exporters ("ANEC") and the Brazilian Association of Vegetable Oil Industries ("ABIOVE"), especially with regard to the Soy Moratorium, the Green Grain Protocol for Pará and the Social and Environmental Requirements Booklet.
- Not acquiring soy from areas of the Amazon Biome that have been deforested after July 22, 2008, characterized as those included in the most up-to-date list of the Soy Moratorium, periodically made available by ANEC/ABIOVE. The counterparty's rural property that is included on the list will be blocked automatically.
- Not acquiring soybeans from other rural properties of the same counterparty which, even if not on the list, are located less than 200 km (distance by road) from the listed rural property.
- Not acquiring grain from counterparties and areas classified as "Restricted" in the most up-to-date list of the Green Grain Protocol, periodically made available by ANEC. The counterparty's rural property with this classification will be blocked automatically.
- Not acquiring grain from other rural properties of the same counterparty which, even if not classified as "Restricted", are located less than 200 km (distance by road) from the classified rural property.
- Not acquiring grains from areas overlapping with Indigenous Territories, Quilombola Communities, Settlements or Conservation Units.

→ Rural property that overlaps these areas and does not fall within the exceptions set out below will be automatically blocked.

→ Not acquiring grains from other rural properties of the same counterparty which, even without overlapping, are located less than 200 km (distance by road) from the rural property with overlap.

→ Not acquiring grains from rural properties with an area embargoed by Ibama or by state agencies that can be verified. Rural property that overlaps these areas will be blocked automatically.

→ Not acquiring grains from other rural properties of the same counterparty which, even without embargo, are located less than 200km (distance by road) from the rural property with embargo.

→ Not acquiring grains from rural properties located in the Cerrado Biome planted in areas deforested after August 1, 2020 without a Vegetation Suppression Authorization as of the 2022/23 harvest.

→ Respect human rights and the rights of indigenous and quilombola communities, and apply free prior and informed consent (CLPI) for the acquisition and use of land.

→ Encouraging cereal growers and cooperatives to adopt more efficient supplier management practices, including georeferencing, checking invoices and analyzing social and environmental compliance.

### The process includes analyzing the asset and the counterparty's CNPJ/CPF:

- Counterparty's CNPJ/CPF: analysis through the Bcheck platform and the Know Your Client (KYC) process.
- Asset: geospatial analysis to verify intersections with embargoed areas, conservation units, indigenous lands, quilombolas, settlements and deforested areas (legal and illegal). In addition to monitoring to identify possible new deforestation and intersections with protected areas in advance and monitoring the status of the Rural Environmental Registry (CAR).

In 2023, we developed a platform to prevent the purchase of soybeans from other rural properties of the same counterparty if they are less than 200 km from the listed rural property, resulting in a 98% reduction in manual analysis time. **GRI G4 FS2**



# Asset Management

As the largest independent fiduciary administrator in Brazil, our Asset Management unit offers asset management and fund administration services to a diversified base of Latin American and international clients. We serve clients ranging from high-income to institutional, such as pension funds and insurance companies, ensuring efficient distribution through various business channels.

Our Asset Management unit provides asset management and fund administration services to Latin American and international clients. As the largest independent fiduciary administrator in Brazil, we have a diversified client base, both for asset management services (funds with discretionary management) and for fund administration (overseeing compliance with the respective fund's regulatory standards, calculating the net asset value and providing operational control of the assets contained in our portfolios).

This base includes high-income and institutional clients, such as pension funds, companies, insurance companies and financial intermediaries. The diversification of our client base is an essential aspect of our business strategy, which ensures that we are not dependent on any particular client. Our investment funds are distributed through the Asset Management and Wealth Management business areas' own channels, as well as through banks, brokers and other financial intermediaries.

## Business segments

### Management services

Our expertise covers the management of our own portfolio of funds on a discretionary basis, covering a wide range of products, such as fixed-income and equity funds, multi-asset, structured and private equity funds. These funds are tailored to meet the specific needs of our various clients, both in Latin America and globally.

### Fund management

We calculate the net asset value of both onshore and offshore funds, offering a full range of services. This includes the pricing of assets, registration and facilitation of transfers, detailed control of fees and expenses, as well as the preparation of comprehensive reports on the composition of the fund's portfolio and for the fund's clients. We also provide accurate tax calculations to ensure efficient financial management.

## PRODUCT LINES

- *Fixed income and shares - Brazil*
- *Global hedge funds*
- *Fiduciary administration*
- *Fixed income and shares - LatAm*
- *Alternative investments*

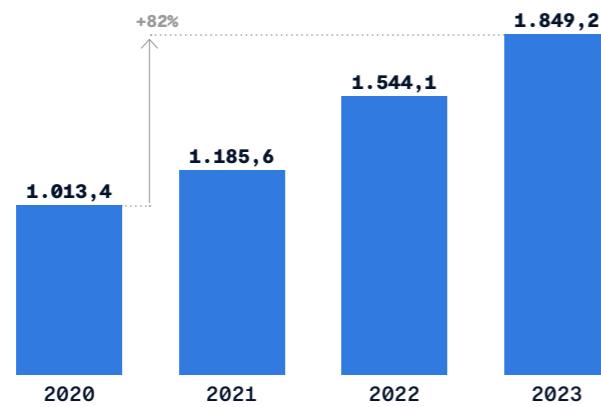




## Performance 2023

The good performance of the Asset Management area was due to the consistent growth of AuM/AuA (Assets Under Administration) in the period. Net New Money (NNM) totaled R\$205 billion in 2023, a significant result considering the Asset Management industry's redemptions of R\$137.8 billion in the period, according to Anbima data. The better performance this year was due to higher management fee income in line with 21% of total AuM/AuA, and was partially offset by the lower contribution from performance fees.

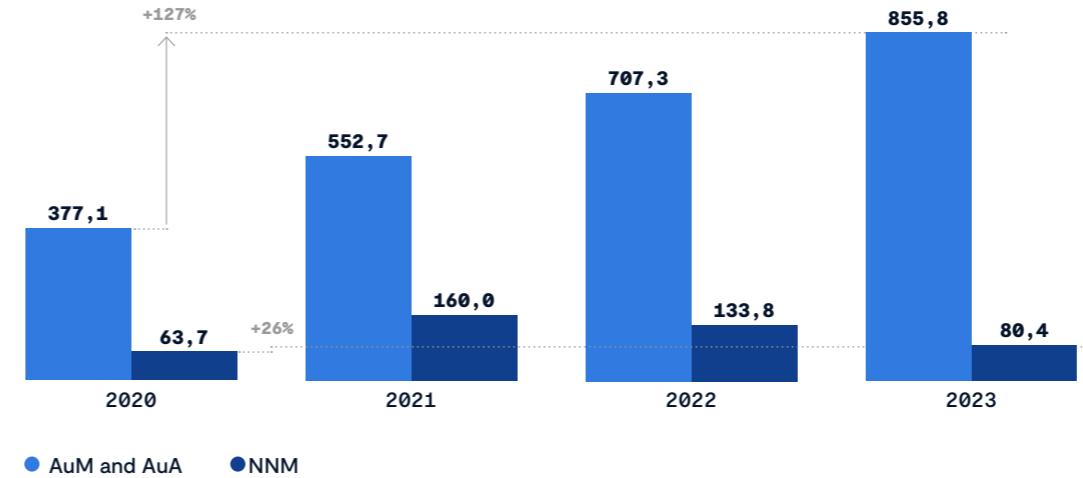
**Revenue - Asset Management**  
SASB FN-AC-000.A / FN-AC-000.B  
(R\$ thousand)



**AuM and AuA by client type in 2023 (R\$ billion)**

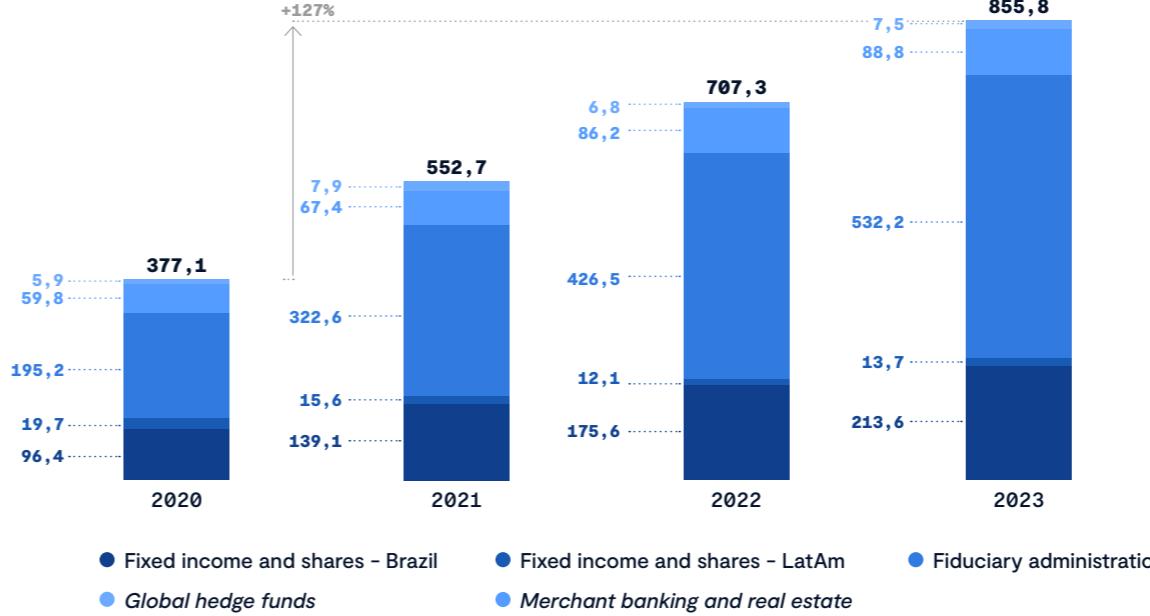
High net worth individuals	246,4	28,8%
Institutional	77,9	9,1%
Financial intermediaries	48,6	5,7%
Companies	69,8	8,2%
Fiduciary administration	296,6	34,7%
Others	116,4	13,6%

**AuM/AuA and NNM**  
(R\$ billion)



The Asset Management area also recorded record revenues in 2023, totaling more than R\$1.8 billion, 19% higher than the volume seen in the previous year.

**AuM and AuA by asset class**  
(R\$ billion)





## ESG integration in Asset Management

### FN-AC-410a.2

The process of ESG integration in Asset Management is guided by a Responsible Investment Policy, revised in 2022 and approved by the Board of Directors, which establishes a set of principles that guide the selection and management of the fund's assets, in accordance with BTG Pactual's ESG criteria. We understand Responsible Investment to mean, in addition to action in accordance with our policy, the application of our ESG Framework in investment decisions. In the decision-making process, the principles of relevance and proportionality are taken into account, as well as risks and returns, observing the particularities of each investment strategy. ESG analysis begins with an assessment of the industry and the material legal, regulatory and reputational risks to the industry, which can be done through stakeholder consultation, independent research, expert advice and/or international frameworks such as the IFC Performance Standards.

Our process for emissions-intensive assets consists of a periodic engagement approach (at least every 6 months), during which we analyze the company's assets for performance improvement opportunities, climate-related KPIs such as GHG emissions and climate targets, and question the respective teams about alternatives and transition plans. We are also involved in R&D planning for some of these companies.

In 2023, 44.31% of our AuM integrated ESG aspects and 9.18% were part of our ESG Framework. In gross terms, the portfolio grew by 15% p.a. while the AuM of the funds that go through KYC grew by 2.9% p.a.; the AuM that falls under the Framework fell by 10%. In addition, the framework of the funds was revised, which had a direct impact on the percentages. **GRI G4 FS11 / FN-AC-410a.1**



In addition, during these engagement sessions, we connect the companies to low-carbon solutions identified during the period. Also in the decision-making process, there may be investment committees responsible for analyzing assets, the economic scenario, the fund's positions and defining or adapting investment strategies. The ESG & Impact Investing team may have veto power over operations in some of the committees. Reinforcing our broader commitment to sustainability in the Asset Management business, we are signatories to the following initiatives: Principles for Responsible Investment (PRI), in which international investors work together to put into practice six principles for responsible investment; and Investors for Climate, which aims to bring together investors in a collaborative and educational movement to incorporate the risks associated with climate change.

## Infrastructure assets and the real economy

### ISSB S1

For managed funds that buy real estate assets such as warehouses, allotments, furniture developments, yards, distribution centers, shopping malls or any type of real estate development, we seek to identify any environmental liabilities related to environmental contamination, environmental licensing/authorizations, suppression of vegetation and/or interference in protected spaces (e.g. listed properties, municipal conservation units, permanent preservation areas). This work is carried out by our legal department, with the support of specialized consultants, both technical and legal, who identify the liabilities, estimate the costs and develop mitigation strategies, in collaboration with our ESG team.

## Real assets and/or real estate

### ISSB S1

The acquisition of real estate assets is also subject to an environmental impact assessment. The evaluation factors are: contaminated areas, history of vegetation suppression, regularity of environmental licensing and socio-environmental processes/demands. BTG Pactual has a legal team specialized in environmental law to analyze the assets. In the event of noncompliance, the ESG area is called in, which carries out a more in-depth analysis of the risks of the liabilities and makes recommendations. Whenever it involves, directly or indirectly, rural or urban property, the development of a potentially contaminating activity or the acquisition of a majority stake (51%) in a company, the procedure is to hire a law firm and technical advisor to monitor the transaction.

This process already has a flow based on specific rules and metrics for analyzing funds managed by the Special Assets strategy.

- Constitution of any and all funds to be managed by BTG Pactual Serviços Financeiros S.A. DTVM or any other entity in the economic group.
- Transfer of funds to BTG Pactual Serviços Financeiros S.A. DTVM or any other entity in the economic group.

We are signatories to the Principles for Responsible Investment (PRI), through which international investors work together to put into practice six principles for responsible investment. We also participate in the Latin American Institute of Governance and Public Compliance (IGCP), which promotes effective corporate governance standards, and the Investors for Climate initiative, which brings together investors in a collaborative and educational movement to incorporate risks associated with climate change.



## Special Assets Group

### ISSB S1

The Special Assets Group focuses on exploring credit opportunities in liquid and non-liquid assets. It seeks absolute returns, exploiting an opportunistic approach to corporate credit, using direct credit, convertibles and undervalued assets, as well as debt restructurings and bankruptcies. In addition, the strategy invests in a wide variety of structured products, such as commercial, agro, corporate and consumer credit portfolios.

For this business area, the ESG team participates not only in decision-making and investment strategy, but also in the management of assets until the end of their exposure. The first stage consists of a prior analysis of the socio-environmental and climate risks linked to the counterparty and the asset, the result of which makes up the memorandum assessing and pricing the risks inherent in the investment for approval by the operating committees. After approval by the committee, depending on the risks identified and the nature of the assets, the ESG team also carries out periodic monitoring to track any materialization of socio-environmental risks linked to the assets or the effectiveness of the client's implementation of mitigation measures stipulated for the risks previously identified.

## Private Capital

### ISSB S1

BTG Pactual's Private Capital area is responsible for managing funds in the Private Equity, Infrastructure, Impact Investment and Venture Capital strategies, with investments in a wide range of sectors, such as telecommunications, health, energy, education, logistics, technology, among others. Following the principles of relevance and proportionality, the ESG team assesses the environmental, social and climate risks of each investment, looking for social, environmental and climate mitigation strategies. ESG analysis begins with an assessment of the industry and the material legal, regulatory and reputational risks to the industry, which can be done through stakeholder consultation, independent research, expert advice and/or international frameworks such as the IFC Performance Standards.

Respecting the principles of relevance and proportionality, we have developed our own policies for some of these funds which aim to provide criteria for the decision-making process, as well as the monitoring of these assets, which may include the veto power of the ESG team.

Our process for emissions-intensive assets consists of a periodic engagement approach (at least every 6 months), during which we analyze the company's assets for performance improvement opportunities, climate-related KPIs such as GHG emissions and climate targets, and question the respective teams about alternatives and transition plans. We are also involved in R&D planning for some of these companies. In addition, during the engagement sessions, we connect the companies to low-carbon solutions identified during the period. Also in the decision-making process, there may be investment committees responsible for analyzing assets, the economic scenario, the fund's positions and defining or adapting investment strategies.

## Private Equity

### ISSB S1

When analyzing liquid assets or companies, we take into account the material aspects of each sector, including the relevant sector policies. The ESG team conducts dialogues and engagements with the investees, in collaboration with the private equity team, to understand the current stage of the investees and develop action plans aimed at improving their ESG practices and integration.

There is a procedure for new investments by BTG Pactual in companies that have governance rights, which confer a preponderance in corporate resolutions, the power to elect or dismiss the majority of directors and effective operational control or corporate control. In these cases, the Investor Relations team and/or Legal includes the issues in the due diligence conducted by a law firm. Also included are factors pointed out by the ESG area related to socio-environmental risk analysis, in which the following aspects are considered: socio-environmental liabilities, socio-environmental processes, compliance

with socio-environmental legislation, supplier management and socio-environmental certification. The work also involves internal auditing.

## Fund managers

### ISSB S1

Following ANBIMA's self-regulatory guidelines and international guidelines, BTG Pactual Serviços Financeiros DTVM S.A. and BTG Pactual Gestora de Investimentos Alternativos Ltda. carry out the evaluation at the manager level and at the fund level for the funds managed by these entities and managed by third parties.

Below are the questions assessed for each of these levels:

**Manager:** existence of a Policy for Responsible Investment, participation in the PRI, existence of a process to evaluate ESG factors when choosing an investment, existence of a team to evaluate ESG issues.

**Fund:** If the fund is sustainable and/or ESG-integrated, we see (i) how the fund achieves its sustainability goals and the process for doing so; and (ii) the process for evaluating ESG factors in decision-making.

When we manage funds managed by third parties involving real estate, rural and/or infrastructure assets (especially mining, non-renewable energy and oil and gas assets), a third layer of valuation is included. The Bank's Legal, Compliance and ESG areas assess the main risks and suggest mitigating factors for assets such as risks linked to environmental contamination, lack of an environmental license and/or irregularities in the environmental licensing process / company management of an asset. These operations are also aligned with BTG's governance, with the ESG Committee having final approval over operations involving reputational risk to the BTG Pactual group.



## About 34.6 thousand hectares

acquired, reaching a significant milestone of around 26% of the target set

2.6 thousand hectares  
of restored land

3.7 million  
of planted trees

## FSC

we achieved FSC® certification for our first acquisition, validating our commitment to sustainable practices

Currently, 97% of TIG's forestry assets are certified under the sustainability standards of the Forest Stewardship Council® (FSC®) and Program for the Endorsement of Forest Certification (PEFC).

## Forestry investments

### ISSB S1

Timberland Investment Group (TIG) is a division of Asset Management, which has US\$6.4 billion in forestry assets under management and approximately 1.13 million hectares under its administration. As one of the world's largest forestry investment managers, TIG works together with its operating subsidiaries to find investment opportunities in forestry assets that provide climate, social and financial benefits.

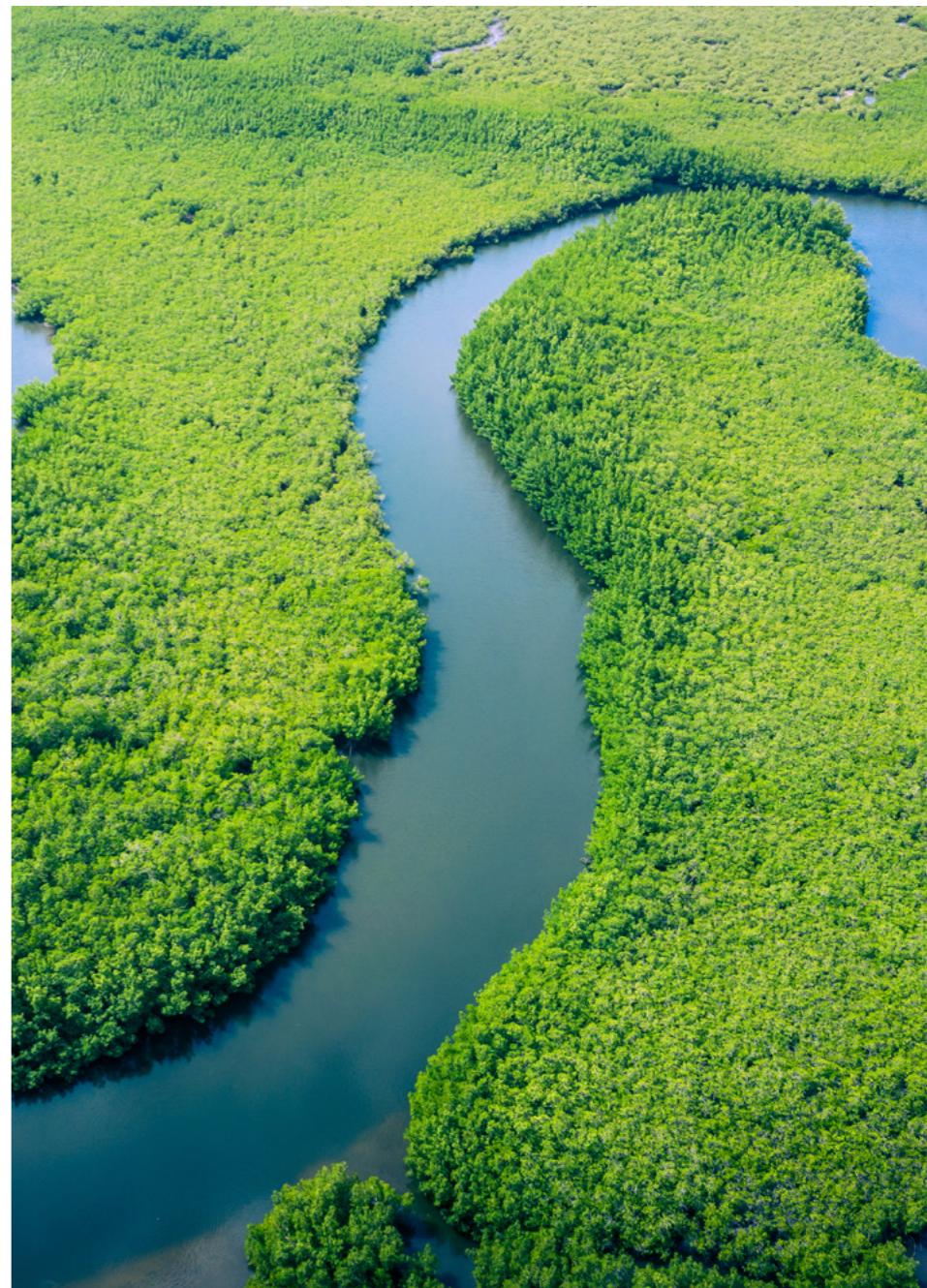
TIG's strategy focuses on reforestation to mitigate carbon emissions. The tactical action foresees the acquisition of degraded land in specific regions of Brazil, Uruguay and Chile and the reforestation of these areas, dividing approximately half of each region's portfolio between planted forests and the restoration of native vegetation.

Through TIG, BTG Pactual leverages its scale and operational capacity to offer financial returns and sustainability performance to clients. This is because TIG prioritizes environmental, social and governance attributes in its investment decisions, emphasizing the conservation of biodiversity in the regions where it manages properties. In addition, the company encourages ESG practices throughout the forest management production chain, favoring partners who demonstrate commitment to these criteria.

Legal and technical due diligence for investments in forestry assets is coordinated by the ESG area, which works with the Forestry Asset Fund Management, TIG and Legal teams to control environmental licenses and authorizations, comply with conditions, monitor terms of conduct and environmental commitments and assess impacts on protected areas and local communities. Supervision of the ESG team involves regular meetings to align and review risk-related reports and communications.

### Main goals

- Planting 200 million trees on approximately 135,000 hectares of degraded land (50% of the portfolio)
- Protection and restoration of 135,000 hectares of native forests (50% of the portfolio)
- Generation of more than 32 million verified carbon credits
- High social impact and support for the generation of approximately 2,700 jobs per year





## Working with subsidiaries

TIG operates with its independent subsidiaries, TTG Forestry Services (TTG FS), in the United States, and TTG Brasil Investimentos Florestais Ltda. (TTG Brasil), in Latin America. In addition to TIG's assets, TTG also manages forest properties for organizations and clients interested in including forestry investments in their portfolios, minimizing their negative environmental impacts and maximizing the profitability of these assets.

Created in 2007, TTG Brasil has more than 60 professionals leading the management of forestry assets in five Brazilian states: Minas Gerais, São Paulo, Paraná, Santa Catarina and Mato Grosso do Sul. Meanwhile, TTG FS, established in 2016, has more than 70 professionals and is headquartered in Atlanta (USA), with regional offices located in Alabama, Mississippi, Ohio, Washington, Texas and South Carolina.

## Reforestation Strategy

The Reforestation Strategy, launched by TIG at the end of 2021, aims to revitalize degraded areas in Brazil, Uruguay and Chile. The project includes two fronts: the protection and restoration of native forests in half of the areas and the establishment of commercial farms for sustainable forest management and carbon offsetting in the other half. The aim is to generate substantial financial returns, while contributing to climate, environmental and social benefits in these regions.

In order to guarantee the socio-environmental impacts outlined, the Reforestation Fund receives advice from Conservation International (CI), one of the leading global conservation organizations, with the aim of boosting the fund's positive results, as well as strengthening the transparency, accountability and credibility of its impact reports. In addition to the CI-Brasil team, TIG works with academic institutions to understand and design the most effective methods for restoring the native landscape in the region.

At the same time, the strategy envisages raising funds for sub-grants in order to amplify the positive impact, ensuring that this new business model can inspire other sectors. In 2023, the U.S. International Development Finance Corporation (DFC), a U.S. development bank, began the analysis process aimed at providing a debt investment of US\$50 million for TIG's reforestation strategy. This strategy aims to mobilize US\$1 billion to help restore around 300,000 hectares of degraded land in Brazil, Uruguay and Chile.

### KEY ELEMENTS OF THE REFORESTATION STRATEGY'S VALUE CREATION

#### → Impact on scale

Planting 200 million trees on approximately 135,000 hectares of degraded land.

#### → Operational experience

More than 160 professionals managing 1.13 million hectares of sustainable forests in 20 offices in Brazil and the USA.

#### → Geographical advantages

Availability of land, high biological growth rates with a technologically advanced forest products industry.

#### Premium removals

Clear additionality with high social and environmental impact and robust project design.





# Forest management

GRI 3-3 / GRI 413-1

We continuously monitor and evaluate the negative socio-economic impacts of our operations associated with forest management on the properties operated by BTG Pactual group companies. This process, which takes place throughout all the operational phases, involves the active participation of stakeholders through semi-structured questionnaires. For each social impact identified in regional diagnoses, for example, a mitigating action is recommended. In another procedure, we seek to identify the aspects and hazards, as well as assessing the impacts and risks of the services, activities and products that can be controlled on the properties managed by the Bank.

The first part of the assessment is the local socio-economic diagnosis, carried out in the communities surrounding the management areas, which determines whether they are traditional or rural. This analysis is based on official data, such as from FUNAI and the Palmares Foundation, as well as information from NGOs or institutes working in these regions. We also make regular visits to the communities to ensure that the diagnosis is always up to date, monitor the impacts and implement socio-environmental programs that foster local development. **GRI 2-25**

## Forest Dialogue Program

The Forest Dialogue program promotes regular visits to local residents and leaders in areas close to the Management Units (a radius of 1 km from the properties), during harvesting and transport operations. Divided into three stages - pre-, during and post-activities - the program stipulates that communication should preferably be face-to-face before operations, followed by telephone follow-up to monitor possible impacts on the other stages.

After the activities, additional contacts are made to ensure that all concerns have been addressed. During the visits, information materials are distributed with contact details, and all social demands are recorded and documented. **GRI 413-1**

The local socio-economic diagnosis stage allows us to find out more about the community around the management areas and visits are made frequently.

## Evaluation stages

**GRI 413-1**

### Pre-acquisition

Technical due diligence is carried out prior to the acquisition of the forestry asset in order to carry out a socio-environmental diagnosis of the property and identify the main liabilities and impacts. This diagnosis supports the definition of actions and responsibilities between buyer and seller.

### Post-acquisition

It provides for a detailed study and report on the environmental impact of the project, with a view to obtaining environmental licensing, in accordance with state legislation. These materials include the identification and ongoing monitoring of priority conservation areas and operational activities that could have a significant impact on the environment.

The assessments generate control programs and/or monitoring and control methodologies for each possible impact identified. The compilation of these measures makes up the Environmental Aspects and Impacts matrix, which guides the adoption of mitigation techniques and specific operating procedures in the different activities according to the impacts. To define the applicable techniques, the type and most appropriate form of control and monitoring are considered, as well as the information and processes that should be controlled and the periodicity, among other relevant issues.

Planting, harvesting and road maintenance operations can cause changes in the soil's physical conditions, resulting in erosion and/or silting up of watercourses. In this context, we conduct regular monitoring on the properties, especially during rainy periods, to identify areas vulnerable to sediment transport and determine mitigation measures, including the installation or maintenance of rainwater drainage devices. In addition, proactive communications are carried out with nearby communities and neighbors before, during and after operational activities, in order to identify possible impacts and implement control and mitigation measures.

The areas have FSC forest certification, which involves an independent and impartial assessment of a forest area or forest products company and covers criteria such as respect for workers' rights, conservation of biodiversity, protection of natural habitats and sustainable management of resources.



## Local projects carried out in 2023

### GeraRenda

Its aim is to bring economic development to local communities through training in activities that are already developed or that fit the local socio-economic profile, such as handicrafts, sewing, crochet, amigurumi and others. In 2023, two basic amigurumi courses were held at the Women's Philanthropic Association, in the district of Luís Pires de Minas, in the municipality of Coração de Jesus (MG).

### Apiário

A project carried out in partnership with local Beekeepers' Associations in Minas Gerais, through which various activities are carried out to develop and leverage the beekeeping chain in the areas of influence of the managed areas. It is an income-generating project that also contributes to the preservation of bees and the conservation of biodiversity.

### Semente do Cerrado

Technical training project to supply native Cerrado forest seeds to meet the demands of BTG Pactual's restoration project and the seed network in the state of Mato Grosso do Sul, providing income for families in the Santa Tereza Quilombola Community in the municipality of Figueirão (MS). As well as training, the project provided Personal Protective Equipment and materials for collecting and processing the seeds.





# Wealth Management & Consumer Banking

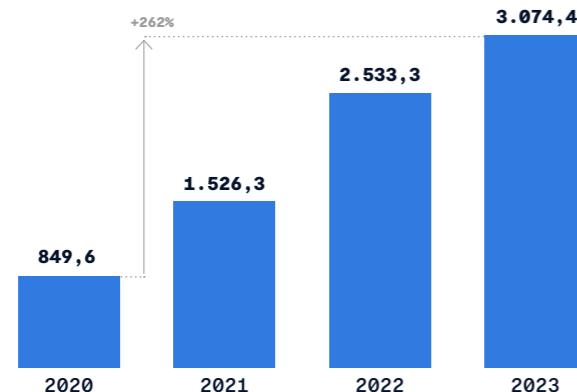
We provide investment advisory and financial planning services and offer investment products for high net worth individuals and high-income retailers, mainly located in Latin America – with a focus on Brazil, Chile, Peru, Colombia, Mexico and Argentina. These range from discretionary portfolios and non-discretionary trading to operations in various classes of financial assets (in these cases, through funds managed and administered internally or by other financial institutions or independent asset managers). We also offer advice on financial planning, loans, bank guarantees and family office services for wealth management.

We differentiate ourselves through personalized service, with specialized and proactive advisors to meet our clients' needs. These services, by type of asset and transactions, include securities custody, bank accounts, loans, structured products and securities clearing.

Throughout 2023, we are looking to increase our presence in the international market through the purchase of FIS Privatbank SA in Luxembourg. This acquisition is part of the strategy to expand the Wealth Management

## Revenue – Wealth Management

(R\$ thousand)



business on the European continent, where we already have a presence in Portugal, the United Kingdom and Spain. In addition, we launched the International Account on our digital platforms, with a full range of products and services to make it easier for our Brazilian clients to invest in international assets. **GRI G4 FS08**

Moreover, in 2023 we actively expanded the offer of sustainable and impact products available to Wealth Management and Consumer Banking clients. By increasing access to these opportunities we make it possible to align our clients' portfolios with good ESG practices. In the second quarter, we launched the Venture Debt II Fund, continuing the strategy already in place in Chile, with a focus on financing startups, with the aim of accelerating the growth and expansion of companies and contributing to the UN's Sustainable Development Goals (SDGs). **GRI G4 FS08**

In addition, we distribute fixed-income funds dedicated to labeled debt – such as Green Bonds, Social Bonds, Sustainable Bonds and Sustainability-Linked Bonds –, one focused on emerging markets and the other centered on Brazil. As a result, we ended 2023 with more than R\$780 million in assets under custody in sustainable or impact strategies, both local and offshore. **GRI G4 FS08**

## Performance 2023

The Wealth Management and Consumer Banking segment also posted a record performance, with more than R\$3.0 billion in revenues in 2023, 21.4% higher than the revenues recorded in 2022. Leveraged by strong net funding in the period – which reached R\$124.3 billion – and gaining market share in all segments, total WuM grew 30.5% compared to the previous year, registering R\$713.2 billion in 2023. In the last five years, we have multiplied revenues fivefold and WuM by 4.2 times, as we continue to gain market share in the high-income retail segment.

## ESG Integration in Wealth Management & Consumer Banking

### GRI G4 FS8

During 2023, we expanded the range of sustainable and impact products offered to our Wealth Management and Consumer Banking clients. The aim is to provide wider access to these opportunities, allowing our clients' portfolios to be aligned with ESG best practices and positive impact objectives.



## Insurance and reinsurance

### FN-IN-270a.4

Since its inception in 2013, BTG Pactual's insurance and reinsurance operations have been marked by solid growth and strategic expansion. We obtained a license from the local regulator (SUSEP) for surety operations in Brazil, successfully expanding to Chile, Peru and Colombia in 2018 - exclusively for reinsurance - and adding agricultural insurance to the reinsurance operation in 2019, with a main focus on crops such as soybeans, corn and wheat throughout Brazil.

In 2023, we will expand our presence to Mexico, also exclusively for reinsurance operations, as we did in 2022, when we expanded our operations to Portugal and Spain. In the last ten years, we have issued more than R\$2.9 billion in premiums and currently manage a portfolio of more than R\$78 billion in policies, which consolidates us as one of the main players in the sector.

### Agricultural insurance

Agricultural insurance aims to transfer climate risk from farmers to the insurance and reinsurance market. For this risk transfer, farmers pay a premium (usually with some government support through subsidies) to insurance companies, guaranteeing coverage for drought, hail, frost, excessive temperature variation and excessive rain. Pests and diseases are generally not covered.

### Agricultural insurance products

- Multi-peril crop insurance (MPCI) - Payment is assessed on the basis of the farmer's final production. MPCI is the most relevant product marketed in Brazil and also in BTG Pactual's operation (approximately 95% of sales in 2023).
- Named Perils / Indemnity (Hail and Frost) - Payment is based on damage to the crop/plant.

### ESG analysis

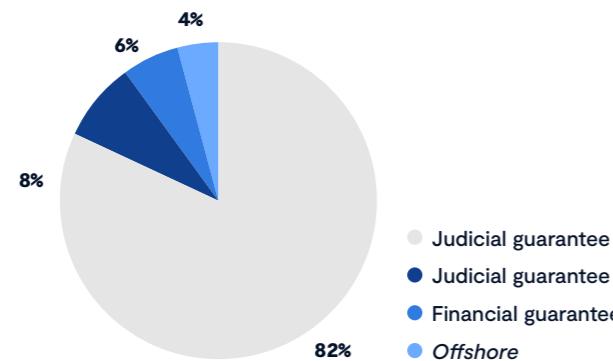
#### FN-IN-450a.3

Our ESG analysis applies rules on items such as environmental agency embargoes, legal or illegal deforestation, and overlaps with protected areas.

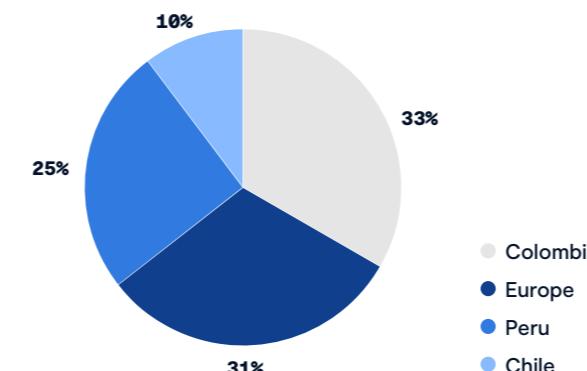
If there are any relevant points, the Commercial team forwards the case to the ESG team for in-depth analysis, whose opinion is issued. In guarantee insurance operations - whose counterparts are the oil & gas, mining, and thermoelectric power sectors - the ESG team follows the same flow of in-depth analysis.

ESG analysis in this sector focuses on rural insurance and guarantee insurance products. For Agro Insurance and Agro SME operations, the analysis flow is automated and similar to KYC. In addition to analyzing the CPF, CNPJ and/or name of the counterparty, we consider the rural property targeted by the operation. In this process, we also use a tool developed in-house with the help of public information bases.

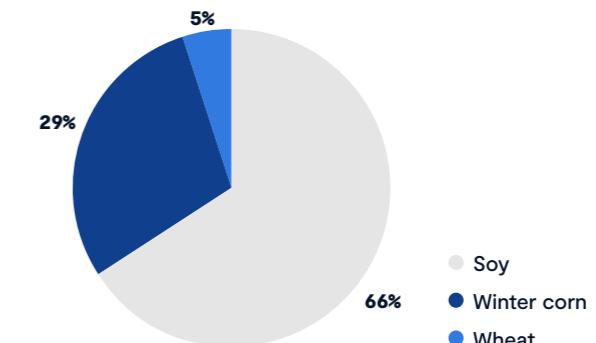
Total exposure by modality



Exposure Offshore by country



Total exposure by agricultural modality



**Environmental performance**

# Biodiversity

**GRI 3-3**

In 2023, we joined the TNFD, a global initiative led by the market, which aims to incorporate risks and impacts on nature into financial and business decisions.

In the process of reviewing our materiality matrix, we identified biodiversity as one of our material topics. This review not only validated the relevance of the topic, but also reaffirmed the importance of integrating biodiversity into BTG Pactual's ESG agenda.

Thus, 2023 represented a period of significant learning for BTG Pactual in the biodiversity agenda. With a more proactive stance, we seek to broaden our knowledge and improve our practices. We engage in various working groups, join new initiatives, review our processes and explore innovative opportunities.

We recognize, however, that this is only the beginning of our journey for biodiversity. We are aware that there is still a long way to go and we are committed to continuing to develop and improve this issue in an integrated and effective way.

## Working groups and initiatives

**Nature Reference Group**

A working group organized by the Principles for Responsible Investment (PRI), which aims to develop investors' capacity to deal with biodiversity loss and support them in integrating nature-related risks into their practices and policies.

**Biodiversity Working Group**

Working group of the Equator Principles, with the aim of sharing knowledge on biodiversity issues affecting financial institutions and their funded projects.

**TNFD Forum**

Global, multidisciplinary advisory group of institutions that support the work of the Taskforce on Nature-related Financial Disclosures (TNFD).

**TNFD pilot**

In 2024, we will participate in a TNFD pilot organized by Global Canopy for financial institutions and focusing on deforestation and land use.

**Instituto Amazônia+21**

Civil society organization focused on promoting sustainable and innovative businesses in the Amazon.

**Amazon Finance Network**

Launched by IDB Invest and IFC at COP28, the initiative brings together 24 financial institutions from 10 countries and aims to promote sustainable development in the Amazon.

**Round Table on Responsible Soy (RTRS)**

In 2023, we became a member of the RTRS, an initiative that aims to promote the production, trade and use of responsible soy.

**Soy Moratorium**

A voluntary commitment to ensure that soy produced in the Amazon biome and marketed by its signatories is free from deforestation that occurred after July 22, 2008.

**Pará Green Grain Protocol**

The initiative aims to establish procedures that ensure environmental and social regularity throughout the production chain, promoting the mitigation of illegal deforestation in the state of Pará.

**Brazilian Association of Vegetable Oil Industries (ABIOVE)**

In 2023, we became members of ABIOVE and adopted the procedures described in its Social and Environmental Criteria Booklet.



## Risks

### GRI 3-3

Just as in the context of climate change (see more on page 36), our most significant impact in relation to biodiversity comes from credit and investment operations with clients belonging to the most critical sectors. So our main focus is turning inwards, re-examining current procedures. Given the cross-cutting nature of the issue, we have identified that our processes already incorporate some analyses related to the risks associated with biodiversity:

- Sectoral policies: in 2023, we reviewed our sectoral policies. We assess the demands of external stakeholders, as well as good market practices, and incorporate them into our sectoral analysis, according to the principles of relevance and proportionality.
- Analysis of environmental embargoes from the Brazilian Institute for the Environment and Renewable Natural Resources (IBAMA), the Chico Mendes Institute for Biodiversity Conservation (ICMBio) and/or state bodies.
- Assessment of environmental crimes, fines and/or infractions (illegal deforestation, environmental licensing, pollution, etc.).
- Overlap with Conservation Units and Indigenous Lands.
- Monitoring the lists of the Soy Moratorium and the Pará Green Grains Protocol.
- Contractual early maturity clauses due to the destruction of areas of high conservation and biodiversity value.
- Application of IFC Performance Standard 6 (Biodiversity Conservation and Sustainable Management of Living Natural Resources) in certain operations.

For more information on Risk Management and Social and Environmental Due Diligence, see the Responsible Conduct chapter on pages 58 and 59, respectively.

## Opportunities

New legislation passed in different global markets is also the focus of constant analysis at BTG Pactual. The European Union's (EU) anti-deforestation law approved in 2023, for example, could affect around 20% of the soy and beef produced in the Brazilian Amazon and Cerrado today. From 2025, the EU will require proof that soy and other commodities do not come from land affected by deforestation, legal or illegal. Since BTG Pactual operates in the commodities market trading soybeans, we studied the new legislation to adapt to the new rules, with the possibility of trading a product with greater added value and thus gaining even more competitiveness in Europe and other markets.

In this context, a field opens up for exploring new business opportunities linked to nature-based solutions, such as the carbon credit market, for example. These projects are of the utmost importance, as they have the potential to jointly tackle climate and biodiversity challenges.

### Main projects

#### Carbon credit

In 2023, we invested in Systemica, a Brazilian company that develops carbon credit projects, mainly conservation projects in the Amazon.

#### Investment in Private Equity

In 2023, we made an investment in Oakberry, an açaí (native palm) product company that has actions aimed at the development and sustainable management of its extractive chain.

#### Reforestation Strategy

TIG's initiative, launched in 2021, aims to acquire degraded areas in Brazil, Uruguay and Chile, allocating 50% of the area to restoring native vegetation and the rest to commercial forests.





# Eco-efficiency in operations



Due to the nature of BTG Pactual's business, the ESG area did not identify any negative impacts on the use of water or the generation of waste and energy. Similarly, the volume of effluents generated from our operations is also not significant, especially when considering the regional context in which our offices are located.

The greatest risks and impacts in relation to water management, effluent treatment and waste generation are associated with the operations of our clients who work in various sectors. In this context, the socio-environmental risks and impacts associated with all the Bank's operations are investigated by the ESG area, taking into account the water, effluent and waste management aspects included in our sectoral and responsible investment policies. If found, these risks and impacts can be the subject of mitigating actions by the client or even lead to the operation being vetoed.

## Water

In a direct way, we consider water to be an essential resource for maintaining our administrative activities. Consumption at our operating units - concentrated in offices located in metropolises with abundant water supplies - is monitored by the ESG area. In 2023, this consumption reached 14.47 megaliters, considering all BTG Pactual Brazil offices and other countries. During this period, 67% of the employees were located in São Paulo and Rio de Janeiro, where there are individual water meters in the buildings, which allows for control and monthly monitoring of consumption indicators.

By 2023, around 59% of the buildings where we carry out our administrative operations had environmental certifications. The Pátio Victor Malzoni building in São Paulo, home to BTG Pactual's main office in Brazil, for example, is a benchmark in sustainable solutions, with LEED Platinum EBO&M V4 certification. Aimed at operations and maintenance, this certification attests to the building's eco-efficiency features, such as selective waste collection, water reuse and the cultivation of an underground vegetable garden.

The condominium has an artesian well that supplies 7.5m<sup>3</sup>/h of water and a rainwater harvesting system. As a result, reuse water is redistri-

buted for non-potable purposes such as irrigation, water tables and flushing toilets.

At the Mourisco Building, where our head office is located in Rio de Janeiro, there is a great deal of work going on to engage with the condominium owners so that they are more efficient when it comes to water consumption. In addition, measures have been implemented in the condominium's common areas to reduce the flow of water in taps and toilet cisterns.

### GRI 303-5 / WATER CONSUMPTION (MEGALITERS)

2021	2022	2023
5,36	9,71	14,47

Data referring to all BTG Pactual offices in Brazil and other countries. / In 2023, 67% of employees were located in São Paulo and Rio de Janeiro. We therefore estimated the relevant parameters based on the average of the main offices (Edifício Pátio Victor Malzoni, SP, and Edifício Mourisco, RJ), which have a large number of employees and primary data. To calculate the estimate for the other offices, we used the following metric: (consumption in the São Paulo and Rio de Janeiro offices / no of employees in the São Paulo and Rio de Janeiro offices) × (no of employees in the other offices). / There are no BTG Pactual activities located in areas of water stress.

## Wastewater treatment

In addition, the condominium has a wastewater treatment plant (WWTP), which generates an average of 2,000 m<sup>3</sup> of treated water per month and treats the sewage generated, converting it into reuse water. This water goes through a reverse osmosis process, which demineralizes it for use in the air conditioning system's condensation towers, water tables, basins and urinals in all the bathrooms. This process removes all solid particulates from the water, reducing the purging of cooling towers, further reducing water consumption and increasing air conditioning efficiency, which saves energy.

In addition to sewage water, the WWTP treats rainwater, groundwater and condensate from the fan coils, which goes through a charcoal filtering process and is converted into irrigation water, which is used in our gardens. The wastewater from the biodigester is also treated and reused for non-potable purposes.



We recorded a significant reduction in the use of plastic and paper in our administrative units in 2023, of 42% and 52% respectively compared to the previous year.



## Energy

At our main headquarters in São Paulo, we have adopted sustainable measures to ensure energy efficiency and reduce consumption. We use a central air-conditioning system equipped with chillers and magnetic bearing compressors, which, due to their frictionless nature, offer high energy efficiency. In addition, all the lighting uses energy-saving LED bulbs.

The elevators are equipped with energy storage systems that automatically turn them off when they are not in use, contributing to energy savings. We have also invested in a thermoelectric plant with total autonomy, ready to operate in the event of a power outage. In addition, in the living space, we offer workstations equipped with solar energy panels, reinforcing our commitment to sustainability.

## Materials and waste

With a focus on our administrative units, the main objective is to reduce waste generation and expand initiatives for sustainable disposal. In this way, we value the use of sustainably sourced materials for supply – such as paper certified by the Forest Stewardship Council (FSC®), for example – recycling and proper waste disposal.

In 2023, we recorded a reduction in the volume of plastic and paper consumed of 42% and 52%, respectively, compared to 2022 data. This result was achieved due to the changes implemented in banking, which resulted in a drop in the number of cards issued. These include adjusting the approach and focusing exclusively on classes A and B, as well as changing the rules for applying for cards, requiring customers to have made minimum financial transactions in their accounts/investments in order to be eligible. In addition, the variety of card options has been reduced – from seven to just three colors (blue, grey and black).

### GRI 302-1 / ENERGY CONSUMPTION WITHIN THE ORGANIZATION (GJ)

	2021	2022	2023
Non-renewable fuels (diesel)	915,67	172,61	179,36
Renewable fuels	105,12	18,70	22,37
Purchased electricity	60.642,21	34.476,16	41.122,29
<b>Sum</b>	<b>61.663,00</b>	<b>34.667,47</b>	<b>41.324,02</b>

Among other waste management measures, we have replaced plastic cups with containers made from durable materials in our administrative units and we carry out annual internal campaigns to collect and dispose of electronic waste and external campaigns to recycle credit cards. Microcomputer waste that has a market value is sold, and that which has no market value is sent for environmentally appropriate disposal. These services are provided by suppliers approved by BTG Pactual, based on social and environmental criteria. We also ran a campaign to sell monitors at cost price to employees, with the proceeds going to organizations that are part of the Soma Meio Ambiente program.

### GRI 301-1 / MATERIALS USED (KG)

Type of material	2022	2023
Plastic	2.228	1.288
Paper	5.348	2.576
<b>Sum</b>	<b>7.577</b>	<b>3.864</b>



## Waste generation and disposal

Most (47.6%) of the waste generated in our operation is organic. At both the São Paulo and Rio de Janeiro units, we carry out selective collection and the proper disposal of waste - whether recyclable or organic. Data management is carried out by the Bank's ESG area, which receives annual information on generation and disposal from the condominium management, which also makes up scope 3 and is used to draw up BTG Pactual's Greenhouse Gas Inventory.

Recyclable waste is sent to waste pickers' cooperatives and organic waste is composted and digested. At the Pátio Victor Malzoni building in São Paulo, which has LEED Platinum EB O&M V4 certification, general waste (such as paper and plastic), coffee capsules and cigarette butts are also recycled, reducing the amount going to landfill. Only the waste or materials not segregated by the tenants are sent to landfills. In 2023, only 16.84% of the waste generated was destined for landfills, down from 23% in 2022.

### GRI 306-3 / WASTE GENERATED (T)

Waste	2021	2022	2023
Common waste (office)	131,67	153,41	77,78
Organic waste	3,34	120,18	217,99
Recyclables (metal, paper, cardboard, plastic, glass and cooking oil)	37,69	165,76	162,14
<b>Sum</b>	<b>172,7</b>	<b>439,35</b>	<b>457,91</b>

Data referring to all BTG Pactual offices in Brazil and other countries. / 100% of the waste mentioned is non-hazardous and generated within the organization. / In 2023, 67% of employees were located in São Paulo and Rio de Janeiro. We therefore estimated the relevant parameters based on the average of the main offices (Edifício Pátio Victor Malzoni, SP, and Edifício Mourisco, RJ), which have a large number of employees and primary data. To calculate the estimate for the other offices, we used the following metric: (consumption of offices in São Paulo and Rio de Janeiro / no. of employees of offices in São Paulo and Rio de Janeiro) × (nº of employees of other offices).

### GRI 306-4 / GRI 306-5 / WASTE NOT INTENDED FOR FINAL DISPOSAL (T)

Destination	Type	2022	2023
Landfill	Common	153,41	76,8
Composting	Organic	120,18	217,0
Recycling	Metal	7,02	5,06
	Paper	56,35	58,88
	Cardboard	30,31	24,08
	Plastic	32,48	35,81
	Glass	37,68	37,76
	Cooking oil	0,92	0,56
<b>Sum</b>		<b>438,35</b>	<b>162,15</b>

**Social responsibility**

# Social investment

GRI 3-3



Every year, we publish a Social Responsibility Report to show the scope and results of our projects.

2023 Social Responsibility Report



BTG Pactual works with strategic philanthropy through its Social Responsibility area, contributing to systemic changes and generating indirect socio-economic impacts. To this end, we seek to promote dialogue between the third sector and the private sector with support that goes beyond financial resources, focusing on collaboration through the exchange of knowledge and learning.

In the process, we also seek to influence our team and our clients to develop their own philanthropy. For our employees, we offer opportunities to engage in social actions, through mentoring and/or donations to projects and causes they believe in. For our clients, we provide support so that they can develop their philanthropic planning, in addition to promoting visibility for their actions.

**Pillars of activity:**

→ Education → Entrepreneurship → Environment

**Axes of action**

## Own projects

Based on analysis and dialogue, we develop projects that work directly and efficiently with social organizations.

## Volunteer program

We offer volunteering for our employees to take part in specific actions or as mentors so that they can work with the third sector.

## Philanthropic assistance

Together with our clients, we build their philanthropic journey through strategy, structuring and connection.

## Incentive Laws

We support social projects with activities linked to our pillars of social support.



## Own projects

GRI 203-2

### “BTG Soma”

BTG Soma is an acceleration program that seeks to boost the impact of organizations and social businesses so that they strengthen their management and achieve greater financial sustainability. Every year, we promote three editions aimed at these institutions, one for each of our pillars of social support: education, the environment and entrepreneurship.

2023

- 75 hours of training on leadership, financial sustainability and expanding impacts
- Individualized mentoring by BTG Pactual employees
- 128 volunteers involved
- 9.8 overall program evaluation score



NGOs participating in BTG Soma Meio Ambiente in 2023 at an event in São Paulo.

+30  
accelerated  
social organi-  
zations

+415  
hours of  
mentoring with  
employees

+150  
class hours

## Institute of Technology and Leadership (Inteli)

By 2025, Brazil is expected to have a deficit of 530,000 technology professionals, according to a survey by Google for Startup and the Brazilian Association of Startups (Abstartups). This perspective motivated the creation of the Institute of Technology and Leadership (Inteli), a college created by André Esteves, chairman of BTG Pactual, and Roberto Sallouti, CEO of BTG Pactual, in 2019, to help reduce this deficit and train new leaders in the technology area.

Inteli is the first technology college in Brazil with a project-based teaching-learning model. There are four courses on offer - Computer Engineering, Software Engineering, Computer Science and Information Systems - each lasting four years. In the courses, students develop projects for the needs of a market partner, whether private companies, startups or NGOs.

The Institute's mission is to develop students through a project-based teaching model that encompasses three sets of competencies:

- Computer skills
- Leadership skills
- Business skills

In addition to training in the defined areas, Inteli promotes meetings with high school students through bootcamps, which are immersion pre-events aimed at arousing the public's interest in doing the training.

Intel website





# Own projects

**GRI 203-2**

## Finance for the Future

BTG Pactual believes in the importance of financial education as a fundamental tool for transforming realities and driving people to achieve their dreams and goals. With the Finance for the Future program, we seek to promote greater awareness about personal finances by offering classes for young people and their families, given by social organizations that are partners of the Bank. In this program we cover various relevant topics, such as everyday finance, credit and interest, investment basics and much more.

**2023**

- 1,012 people benefited
- 27 participating social organizations
- 9.0 course satisfaction score

## “Ela Empreende”

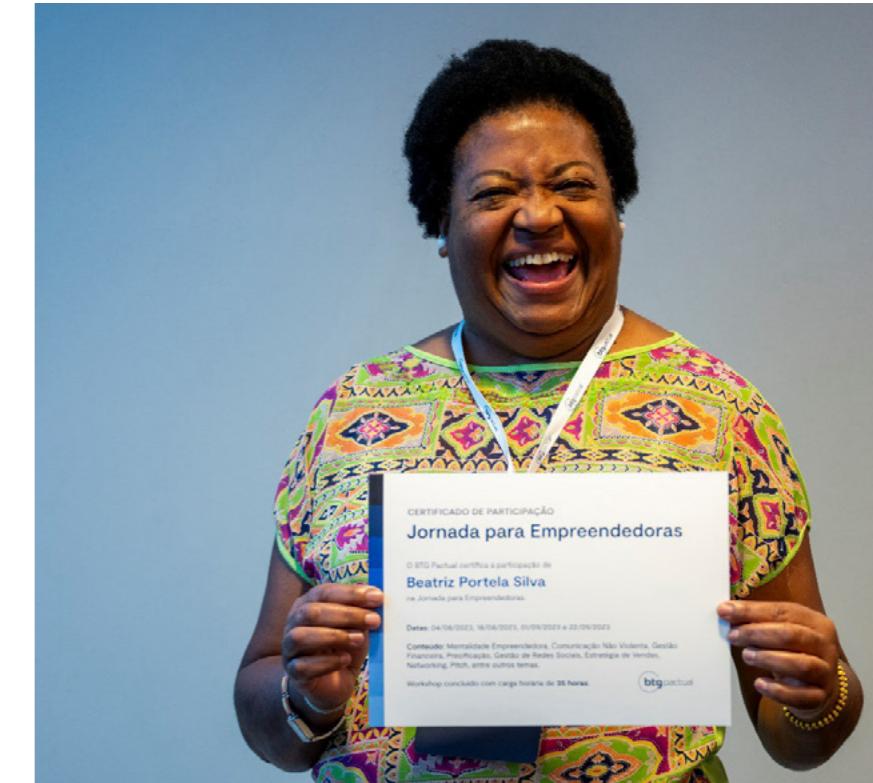
At BTG Pactual, we are committed to disseminating knowledge to foster opportunities that encourage income generation, financial sustainability and the development of entrepreneurs in their communities. With this in mind, we created the Ela Empreende program, which aims to strengthen and support female entrepreneurship in communities, slums and peripheral regions of São Paulo and Rio de Janeiro. The program offers classes with specialized content, taught both by professionals from the sector and by BTG Pactual volunteer collaborators.

**2023**

- Participation of 87 entrepreneurs from communities in São Paulo and Rio de Janeiro
- More than 30 hours of classes taught to develop communication skills, advanced financial strategies, pricing, expansion and marketing
- Four mentoring sessions led by BTG employees, with guidance and support for the entrepreneurs
- 9.9 overall program satisfaction score

87  
women  
benefited

+30  
class hours



Participant celebrates the conclusion of the Ela Empreende program in 2023, in São Paulo.



## Volunteer program

At BTG Pactual, we encourage the continuous social engagement of our team. Every month we offer volunteer opportunities and donation campaigns so that our employees can engage with their community by contributing their time, financial resources and knowledge. With the support of our employees, we contribute even more to social organizations that work with causes related to our social responsibility strategy. By joining forces, the impact on social organizations is even greater.

37 actions carried out +1.700 participating employees

## Tax incentives

In 2023, BTG Pactual allocated R\$30 million, through tax incentive laws, to organizations committed to the same social causes as the Bank.

- 55 social organizations supported
- 13 States in Brazil



## Philanthropic assistance

BTG Pactual supports its clients and partners in philanthropic planning through exclusive events, content and connections. Below are some of our products and services:

- Philanthropic Journey Program
- Philanthropic Planning
- Connecting with other philanthropists and professionals in the sector



## Support for Student Olympics

Throughout 2023, we financially supported Brazil's participation in five major student Olympics, which resulted in nine medals at the Ibero-American and International Physics Olympics, three of which were gold. In the Latin American Astronomy and Astronautics Olympics, Brazil won two gold medals and three silver medals. The national team participating in the Brazilian Economics Olympiad was the first to win the international title four times in a row.





# Financial education

GRI 3-3



We have reached a new level in Financial Education, supporting better decision-making. Good for customers and good for the Bank, which increases investment potential and the availability of credit.

In 2023, Financial Education reached a new level at BTG Pactual with the creation of the Financial Education Committee. The initiative is in line with our commitment to bring financial planning tools and information to consumers and investors, reducing indebtedness and promoting a safer environment against fraud.

This achievement includes financial education in the scope of BTG Pactual's governance, with the approval of BTG Pactual's senior management, and adheres to the Central Bank's guidelines. This is a non-statutory and permanent body which is now part of the Customer Relations Policy, an initiative also started in 2023.

Some financial education programs and actions have been carried out since 2013 and permeate various areas of BTG Pactual, involving everything from savings to the organization and planning of personal and family budgets, as well as expanding understanding about the conscious use of financial products and services, including credit.

The Committee has the fundamental role of governing all actions involving financial education at the Bank. The Committee is also responsible for creating an environment conducive to market development, using technologies and tools to boost ongoing initiatives and distribute content. In order to monitor the Committee's progress, there is an ongoing assessment of the practices implemented and their respective outcomes.

For 2024, the Committee's goal is to structure and implement a BTG Pactual Financial Education Program, with the aim of broadening knowledge and promoting better financial organization for stakeholders, increasing investment potential and credit availability, as well as providing quality information necessary for intelligent decision-making.

## Focus on three main audiences

→ Clients and users  
Through advisory products and services and the dissemination of

content on social media.

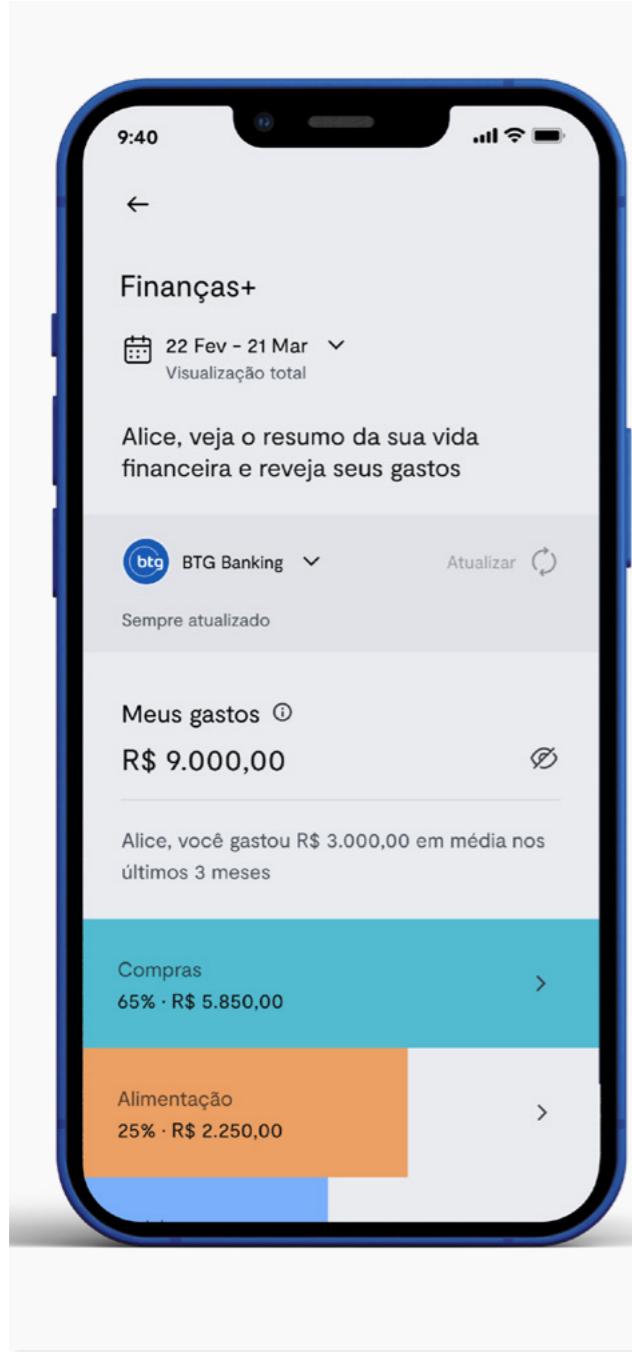
→ Employees of BTG Pactual and subsidiaries  
Through training and capacity building.

→ Society  
In particular, the target audience for social responsibility projects.

We are also working to comply with the Central Bank's Joint Resolution no. 8, of 12/21/23. To this end, we have pledged to draw up a Financial Education Policy, as well as electing a director responsible for the issue and creating initiatives aimed at our customers, with the aim of preventing default and indebtedness.

## COMPOSITION OF THE COMMITTEE OF FINANCIAL EDUCATION

- 
- Acceleration and Performance
  - ESG
  - Legal
  - Marketing
  - Human Resources
  - Research
  - Social Responsibility
-



Throughout 2023, BTB Pactual carried out a total of 91 Financial Education actions, with the following projects standing out:

#### GRI G4 FS16

#### Finance +

##### Target audience: clients and users

It is a feature available in the BTG Pactual Banking app that optimizes a person's financial management. With cash flow monitoring every monthly cycle, the tool generates personalized reports on the client's financial life, detailing categories by volume of spending, changes in financial behavior and other highlights (lifestyle and gastronomy). With the creation of this simple, visual and personalized way to better understand your financial habits, BTG Pactual has also included the option to set spending alerts, view graphs and receive explanatory messages about finances.

While the client is using the BTG account and card, Finance+ automatically organizes expenses into different categories to provide comparisons, tips and suggestions to help organize day-to-day finances. This way, you can see how your spending is distributed and even in which establishments you spent the most. What's more, you can plan the amount you'll spend during the month, down to the category. The tool also allows you to add accounts from other banks, among those available on Open Finance, to manage your entire financial life.

Through analysis based on the customer's spending within the month, in previous months and in future months, the app sends practical and personalized tips to help the customer follow the plan and understand their finances.

Finance+

#### Finance for the future

##### Target audience: young people aged 17 to 30

A workshop on financial education organized by the Bank's Social Responsibility department. The course is offered to young people between the ages of 17 and 30 and is served by social organizations supported by BTG Pactual. The workshop consists of 4 online meetings lasting 1 hour and 30 minutes and a 6-hour immersive face-to-face event. Various topics are covered such as everyday finance, credit and interest and investment basics. In 2023 we held more than 20 workshop classes with 1,012 participants. These initiatives were supported by social organizations from 18 Brazilian states and the Federal District. We also gave a class in New York (USA), with an NGO that works with Brazilian immigrants. **SASB FN-CB-240a.4**

#### E-books, podcasts and videocasts Target audience: society

The production and free availability of e-books – "Como investir em Ações" [How to Invest in Stocks], "Onde investir em 2024" [Where to invest in 2024], "Guia de Previdência Privada" [Private Pension Guide] and "Onde investir R\$ 100 mil em Renda Fixa" [Where to invest R\$ 100,000 in Fixed Income] – which provide information on specific subjects within the world of finance and investments. We also produce and broadcast the programs "Radar da Semana" and "Offshore Connection" on YouTube and Spotify, which report on the macroeconomic scenario or talk about investments.

#### BTG Academy

##### Target audience: BTG Pactual employees

This training program on the financial market is provided by BTG Pactual for its employees and subsidiaries. It lasts 8 months, with classes taught by in-house instructors, and promotes broad knowledge of the market and networking within the Bank. In 2023, 724 employees enrolled and 379 graduated from the BTG Academy.

#### Bitcoin Experts

##### Target audience: society

This is a 100% free online course on the world of cryptoassets, their history, key concepts and information on smart investments according to your personal goals. Aimed at anyone interested in cryptoassets, the course aims to promote basic knowledge about this investment.



# People

111 Human capital

113 Attracting talent

118 Training and Development

121 Diversity and inclusion

125 Remuneration and benefits

127 Health and well-being





# Human capital

## GRI 3-3

At BTG Pactual, human capital is an essential asset for business development. The Bank's sustainable growth is supported by the talent, dedication and performance of our team. Based on our Partnership model, people management has meritocracy as one of its main pillars.

We believe that developing and retaining talent in line with BTG Pactual's culture increases knowledge among employees and boosts our competitive edge, further enabling us to provide excellent service to our clients.

## GRI 2-8 / WORKERS WHO ARE NOT EMPLOYEES

Type of worker	2021	2022	2023
Young apprentices	7	22	13
Interns	318	335	321
Outsourced professionals	1.197	2.671	2.591
<b>Sum</b>	<b>1.522</b>	<b>3.028</b>	<b>2.925</b>

\* The number of interns refers to the sum of active interns and participants in the Undergrad Summer Intern Program. / The figures take into account outsourced temporary and full-time professionals. / The information refers to the end of the reporting period (12/31/2023).

## GRI 2-7 / EMPLOYEES BY GENDER AND REGION

Country	2021			2022			2023		
	Men	Women	Sum	Men	Women	Sum	Men	Women	Sum
Argentina	10	3	13	11	2	13	10	3	13
Brazil	2.767	1.271	4.038	3.494	1.578	5.072	3.860	1.696	5.556
Chile	206	104	310	215	108	323	225	108	333
Colombia	154	112	266	165	115	280	154	121	275
Spain	0	0	0	0	0	0	2	1	3
USA	114	42	156	129	58	187	160	63	223
Spain	0	0	0	20	13	33	20	13	33
Mexico	21	10	31	25	9	34	29	8	37
Peru	17	13	30	17	13	30	18	12	30
Portugal	8	3	11	10	7	17	10	9	19
United Kingdom	35	10	45	35	8	43	41	12	53
<b>Sum</b>	<b>3.332</b>	<b>1.568</b>	<b>4.900</b>	<b>4.101</b>	<b>1.898</b>	<b>5.999</b>	<b>4.529</b>	<b>2.046</b>	<b>6.575</b>

The figures take into account permanent and full-time employees and are made up of statutory directors and permanent CLT [Consolidation of Labor Laws] employees. / The numbers of third parties, interns, temporary workers and young apprentices are reported in GRI indicator 2-8. / The information refers to the end of the reporting period (12/31/2023). / The significant fluctuations in the number of employees show BTG Pactual's continued growth, with emphasis on the acquisitions made in 2023 and the opening of new offices (Spain and Luxembourg).



# People management structure

## GRI 3-3

### HR Attraction

It attracts and hires professionals who adhere to our values and culture, as well as maintaining relationships with universities in Brazil and abroad and supporting institutions, initiatives, junior companies and student associations.

### HR Training, Development & Diversity

It works to ensure a positive, equitable, inclusive and safe internal environment for all employees, so that they can develop their potential, with their singularities welcomed and respected by all. It develops methodologies for people management, such as performance evaluation, engagement research and development plans, with the aim of creating a favorable environment for training and retaining professionals.

### HR Compensation

It is responsible for managing, controlling and analyzing the Bank's remuneration data and structure in order to attract, retain and motivate professionals in line with the organization's values, culture and business objectives.

### HR Analytics

It analyzes information managed by HR in order to support more strategic decision-making based on data for better management of our talents. It seeks to increase the efficiency of HR, working in partnership with the other sub-areas and contributing to the continuous improvement of systems and processes.

### HR Operations

It guarantees BTG Pactual's alignment with labor requirements, in addition to managing and executing benefits policies and the processes of hiring, firing, transfers and maintenance of employee data, seeking efficiency of scale.

## HR Business Partners

It develops integrated solutions through partnerships between business areas and specialist HR areas. It has visibility of the business and understands the needs of the partner areas, acting as a strategic partner in achieving the Bank's objectives.

# Third-party management

## GRI 2-8

In 2023, BTG Pactual had a total of 2,591 outsourced professionals, 55% of whom were in the Information Technology area, due to greater demand in this field.

With our growth in new business models, especially in the digital retail sector, and the challenges of digital transformation and innovation, we need to respond quickly and with quality services. In this context, hiring third-party professionals from highly specialized companies to perform functions, handle operations or offer Information Technology services has been an effective solution to the need for accelerated development at the Bank.

To ensure compliance with ethical conduct, external suppliers also undergo training and are evaluated by the Compliance and Contracts teams. Cases that do not conform to the rules are considered unfit to do business with the Bank.

1.197

outsourced  
professionals in  
2021

2.671

outsourced  
professionals in  
2022

2.591

outsourced  
professionals in  
2023

With a growing focus on innovation and digital transformation, BTG Pactual chooses to outsource Information Technology professionals to ensure quick responses and quality services. These suppliers undergo rigorous training and assessments to maintain the highest standards of conduct.



# Attracting talent

GRI 3-3 / GRI 401-2



BTG Pactual reinforces its commitment to diversity and inclusion by investing in talent attraction and development programs with a special focus on women and people with disabilities. These initiatives not only promote gender equity and opportunities, but also generate positive impacts in the markets where we operate, strengthening our brand as a benchmark employer.

BTG Pactual has established itself as a benchmark employer over the last few years, thanks to the success of our talent attraction, selection and development programs. Our hiring strategy focuses on junior levels in Back Office areas, where young talents have opportunities to develop, learn and grow in order to become more complete professionals over time and potential partners in the future. We have consolidated initiatives to attract and select these talents through partnerships in events organized by universities.

Our businesses generate significant positive impacts in the markets in which we operate through expansion and the creation of skilled jobs. In 2023, we invested more heavily in affirmative employment, especially for women and people with disabilities. We have developed a vacation internship program focused on women who want to enter the Investment Banking area. We have entered into a partnership with Ada Tech, a technology training company, to train and offer scholarships for digital courses aimed exclusively at women in the IT sector (more information on the page 122). In addition, we offer 40 scholarships for women in career transition to the technology field.

Initiatives like these have resulted in an 18% increase in the presence of women in technology and a 93% increase in the number of people with disabilities. In 2023, we made 1,450 new hires in Brazil and in the international offices, closing the year with a total of 6,575 employees.





# Talent attraction programs

GRI 3-3 / GRI 401



## Internship

It seeks to identify and develop young people with the potential to work in the Bank's various areas. Our interns are constantly trained and monitored by the leaders of their respective areas. In 2023, 103 university students were hired on regular internships, with an average age of 23.

## Vacation Internship

Lasting five to six weeks, it offers an on the job, learning experience, where you can experience the day-to-day of the profession through practical experiences and active participation in the Bank's routine processes and projects, with close monitoring by HR, partners and managers. In 2023, 213 university students were hired in different areas, mainly technology, with an average age of 21.

## Young Apprentice

It encourages the growth and development of young students through professional training to work in various areas of the Bank. The initiative will run for 15 months and aims to welcome people who have difficulty accessing corporate learning environments. In 2023, 8 young apprentices were hired, with an average age of 20.

## Short Job Programs

Fixed-term internship, outside the vacation period. In 2023, 286 university students were hired, with an average age of 23. Of this total, 114 were hired for four-month internships in the Technology area.

## Summer Undergrad

Dedicated to hiring Brazilian students studying abroad (USA and Europe) to do internships at the Bank during their vacations, usually between June and September. During this period, summer interns develop a short-term project, and also participate in day-to-day routines and demands. In 2023, Summer Undergrad hired 46 university students in various fields, with an average age of 21.

545

short-term internships  
(Short Job+ Vacation +  
Summer Undergrad)

103

interns (new hires)

8

young apprentices  
hired

213

university students  
from different areas  
took part in the  
vacation internship

+ 1.000

Inside registration  
and hiring of 24  
professionals

114

technology students  
hired via QuadriPoli

46

Brazilian university  
students studying in the  
USA and Europe hired for  
Summer Undergrad

172

interns hired under the  
"Short Job" programs

Our internship and apprenticeship programs offer professional and personal development opportunities for young talent, providing practical experience and close support from leaders and managers. In 2023, we hired more than 600 interns and apprentices, consolidating our commitment to training future leaders.

Give your career a BTG





## Student challenges, events and mentoring

### BTG Experience

Competition for teams to immerse themselves in the financial market and the day-to-day running of the Bank. It includes classes, mentoring by partners and senior professionals from the Investment Banking, Private Equity, Research and Credit areas. The best-performing participants can receive awards and have the opportunity to join one of our talent attraction programs. In 2023, we had more than 400 participants.

### Bootcamp

Event held annually to bring students closer to the culture and challenges of BTG Pactual. Those selected experience one of the Bank's projects, get to know the areas better and interact with our partners.

### #BTGfazTECH

A program that brings together initiatives focused on technology with the aim of making the most of the power of technology in our daily lives and bringing excellence to our clients. In 2023 we had several initiatives in the five pillars of the program:

1. Growth - 17 IT Sessions (training) modules with 222 participants.
2. At facul - 30 events, reaching more than 1,700 university students.
3. Women – Bootcamp with ADA (40 scholarships for women).
4. Hackathon – 750 registered and 21 cases.
5. Cases – 976 participants in lives (from more than 20 different educational institutions), 8 internal cases presented.

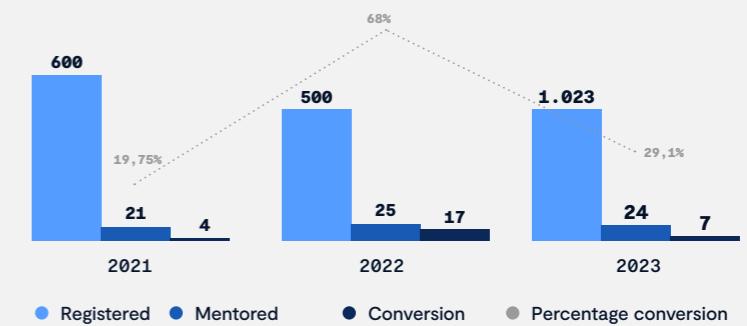


### Inside

Internship and mentoring program for university students who want to improve their technical knowledge and career possibilities in the financial market. Divided into modules, the students exchange experiences with BTG Pactual partners, strengthening networking and developing important skills for working in the sector. In 2023, the program registered more than 1,000 applications and resulted in the hiring of 24 professionals.

24 participants  
19 white  
4 black  
1 asian

### Inside Program





## Hiring and turnover

GRI 401 3-3

The turnover rate is one of the main indicators used to measure the efficiency of the actions carried out by the Human Resources area, since the departure of employees has a significant impact on our ability to deliver increasingly better services to our clients. Monitoring this indicator and its variables makes it possible to identify opportunities to improve internal processes.

Monitoring the turnover rate has led to lessons being learned for improving the termination interview, which provides more detailed information on voluntary redundancies, as well as the annual Engagement Survey, which provides greater visibility of employee needs.

### Engagement Survey

1. BTG Pactual is built by its employees and their feedback is essential for us to increasingly improve our people management practices and initiatives.
2. The insights gained from the results of the surveys carried out over the last few years have been fundamental for strategically directing actions and priorities.
3. The survey is 100% confidential and you can give your opinion and ideas in a confidential and secure way.

### DISMISSALS

	2022		2023	
	Voluntary	Involuntary	Voluntary	Involuntary
Men	372	203	279	275
Women	167	107	129	153
Sum	<b>539</b>	<b>310</b>	<b>408</b>	<b>428</b>



GRI 401-1 / NEW HIRES AND EMPLOYEE TURNOVER<sup>1</sup>

	2021					2022					2023				
By gender	Total number of employees	Number of hires	Rate of new hires*	Number of dismissals	Turnover rate*	Total number of employees	Number of hires	Rate of new hires*	Number of dismissals	Turnover rate*	Total number of employees	Number of hires	Rate of new hires*	Number of dismissals	Turnover rate*
Men	3.332	1.568	56,2%	469	16,8%	4.101	1.344	36,2%	575	15,5%	4.529	1.011	23,4%	554	12,8%
Women	1.568	707	54,0%	180	13,8%	1.898	604	34,9%	274	15,8%	2.046	439	22,3%	282	14,3%
<b>Sum</b>	<b>4.900</b>	<b>2.275</b>	<b>55,5%</b>	<b>649</b>	<b>15,8%</b>	<b>5.999</b>	<b>1.948</b>	<b>35,7%</b>	<b>849</b>	<b>15,6%</b>	<b>6.575</b>	<b>1.450</b>	<b>23,1%</b>	<b>836</b>	<b>13,3%</b>
	2021					2022					2023				
By age group	Total number of employees	Number of hires	Rate of new hires*	Number of dismissals	Turnover rate*	Total number of employees	Number of hires	Rate of new hires*	Number of dismissals	Turnover rate*	Total number of employees	Number of hires	Rate of new hires*	Number of dismissals	Turnover rate*
up to 30 years	2.141	1.320	102,8%	381	29,7%	2.630	1.198	50,2%	431	18,1%	2.765	891	33,0%	412	15,3%
30 to 50 years	2.503	872	47,6%	254	13,9%	2.989	697	25,4%	385	14,0%	3.355	483	15,2%	374	11,8%
from 51 years old	256	83	45,7%	14	7,7%	380	53	16,7%	33	10,4%	455	76	18,2%	50	12,0%
	2021					2022					2023				
By region	Total number of employees	Number of hires	Rate of new hires*	Number of dismissals	Turnover rate*	Total number of employees	Number of hires	Rate of new hires*	Number of dismissals	Turnover rate*	Total number of employees	Number of hires	Rate of new hires*	Number of dismissals	Turnover rate*
North	0	0	0,0%	0	0,0%	0	0	0,0%	0	0,0%	0	0	0,0%	0	0,0%
Northeast	8	2	28,6%	0	0,0%	9	3	35,3%	2	23,5%	46	42	152,7%	14	50,9%
Midwest	6	1	33,3%	0	0,0%	42	43	179,2%	6	25,0%	76	10	16,7%	4	6,7%
Southeast	3.990	2.055	63,2%	560	17,2%	4.935	1.703	38,2%	743	16,6%	4.478	902	20,7%	610	14,0%
South	34	30	142,9%	4	19,0%	84	48	81,4%	3	5,1%	87	12	14,0%	7	8,2%
International	862	187	22,9%	85	10,4%	929	151	16,9%	95	10,6%	1.019	181	18,6%	98	10,1%
Remote work	316	148	71,8%	49	23,8%	686	434	86,6%	103	20,6%	869	303**	39,0%	103	13,3%

\*The New Hires Rate and the Turnover Rate were calculated using the average headcount between the current year and the previous year. / \*\*303 employees were hired in a remote work format.





# Training and Development

## GRI 3-3

BTG Pactual's Training and Development strategy aims to promote an environment for the exchange of ideas and continuous improvement of our employees through different training and programs. Development initiatives can be technical or behavioral: aimed at bringing about lasting changes, accelerating the professional's performance and contributing to our growth strategy. These strategies follow a model in which most of the learning takes place through practice.

We have a training policy that provides an environment for continuous improvement, with the aim of achieving the highest levels of delivery with excellence and technical and behavioral quality. Our purpose is also to consolidate the corporate culture, encouraging the pursuit of excellence and avoiding conduct that could harm our ethical values. To this end, all employees - in all positions, areas of activity and locations where BTG Pactual has operations - undergo mandatory training.

The identification of demands is based on mapping the technical knowledge and skills needed to carry out the activities in each area. Communication, Negotiation, Sales, Leadership, Technology and the Financial Market are some of the contents available. It is worth noting that we have a platform that houses a learning management system (LMS). In a 100% distance learning format, BTG Campus offers different training courses for all employees, including Feedback, Communication, Innovation, Agile Methodology, Unconscious Biases, Emotional Intelligence, Behavioral Finance and Digital Culture.

In 2023, new training courses were included, such as Harassment and Inappropriate Conduct and Customer Experience, and the knowledge trails of the Operations and Change the Bank areas were reformulated.

## Continuous learning

In the development model adopted by BTG Pactual, around 70% of the knowledge acquired by our employees comes from practical experience – an approach known as on the job. This form of learning is made possible through the assignment of new responsibilities, effective participation in projects, exposure to new challenges and multi-disciplinary action.

On another front, the development of our employees takes place through guidance, interaction with other professionals and coaching, mentoring and feedback. Formal training – courses, lectures and structured programs – completes the training model, preparing our professionals to perform with greater excellence.

### MODELO 70 / 20 / 10

#### 70% on the job learning

→ Performance of the activity, valuing the employee's experience. It can be linked to a new responsibility, participation in projects, an increase in scope and exposure to new challenges and areas.

#### 20% knowledge acquired through mentoring

→ Development through coaching, mentoring and continuous feedback from other professionals.

#### 10% formal training

→ Courses, lectures and structured programs.

## 4 pillars

### On the job learning

Interaction with professionals, reconciling theory and the reality of the activity and encouraging integration and exchange of experiences between different areas.

### In-house courses

Taught by BTG Pactual professionals, who share their knowledge with the teams.

### External courses

Taught by external consultants or institutions, they can be in-company or external, carried out by recognized and reputable institutions. Among the actions are the Leadership Program and Negotiation Training.

### Technical certifications

In order to encourage and recognize the development of its employees, BTG Pactual contributes with the investment required to obtain certain financial certifications, according to pre-established terms.



# Training programs

## GRI 3-3 / GRI 404-2

### BTG Academy

We offer a financial market training program, led by senior partners at the Bank, which includes 18 modules of online classes, exams and case discussions. The aim is to provide employees with a practical and up-to-date understanding of the financial market, while promoting our culture and values, as well as fostering integration between professionals from different areas. In 2023, 379 employees completed the course.

### IT Sessions

An exclusive program for our employees in the technology area, taught entirely by professionals from the Bank itself. Consisting of 17 modules, it aims to develop and improve knowledge on various technology-related topics.

### Leadership Academy

In order to strengthen the knowledge and skills of our managers, we have developed the Leading Teams for Results, based on the player-coach management model, in which the manager participates directly in deliveries and, at the same time, contributes to the development of his team. Among the topics explored are coaching, situational leadership, succession, delegation and feedback. Training was also given to our managers in various areas, according to their needs and challenges. In 2023, 233 leaders took part in the Journey for New Leaders training, which represents 57% of the eligible public (new ADs).

BTG Campus offers an 8-module leadership development trail: The importance of Onboarding, Emotional Intelligence, Difficult Conversations, Competency-Based Interviewing, Time Management, Problem Solving, Negotiation and Feedback. In 2023, more than 300 leaders took part in one of the modules.

## GRI 404-1 / AVERAGE HOURS OF TRAINING

Average by gender	2021		2022		2023	
	Hours of training	Average by employee	Hours of training	Average by employee	Hours of training	Average by employee
Men	60.944	18,29	89.093	21,72	101.546	22,42
Women	35.101	22,39	40.793	21,49	37.167	18,17
<b>Sum</b>	<b>96.045</b>	<b>19,60</b>	<b>129.886</b>	<b>21,65</b>	<b>138.713</b>	<b>21,10</b>

The figures take into account permanent and full-time employees, being made up of statutory directors and permanent CLT [Consolidation of Labor Laws] employees.

## GRI 404-1 / AVERAGE HOURS OF TRAINING BY JOB CATEGORY

Promedio por categoría funcional	2021		2022		2023	
	Hours of training	Average by employee	Hours of training	Average by employee	Hours of training	Average by employee
C-Level	9	0,43	00	0,00	21	0,95
Board of directors and superintendence	1.652	3,37	675	1,17	1.186	1,82
Management and coordination	15.868	16,43	14.606	12,30	12.994	9,51
Operational	78.516	22,94	114.606	27,22	124.512	27,45

Data for 2021 and 2022 restated to adjust job categories adopted for 2023 reporting.

## TRAINING FOR INTERNS IN 2023

Average by gender	Hours of training	Average by intern
Men	1.804	7,39
Women	571	6,34
<b>Sum</b>	<b>2.375</b>	<b>7,11</b>

Our commitment to professional development is evidenced by our training programs, which train employees in different areas, promoting a practical understanding of the financial market, improving technological skills and strengthening leadership.





# Performance assessment

## GRI 2-19 / GRI 2-20 / GRI

The performance assessment process serves as the basis for career planning, training and development of BTG Pactual's employees, and is a guideline for defining variable remuneration, promotions and salary increases.

The performance assessment is carried out annually and includes questions related to adherence to the culture, fundamental principles, leadership and the employee's deliveries. All employees, including the highest governance body and senior executives, take part in the performance assessment process every year. Compliance with guidelines is also taken into account in the evaluation process. All teams receive the internal policies and guidelines related to the economic, environmental, social and governance aspects of BTG Pactual (Code of Conduct; Diversity and Inclusion Policy; Social, Environmental and Climate Responsibility Policy, among others).

To ensure the consistency of the evaluation, a calibration meeting is held with the direct participation of managers and partners, allowing for an open discussion about the employee's effective contribution.

All employees, including the highest governance body and senior executives, take part in the performance assessment process every year.

### PHASES OF THE PERFORMANCE ASSESSMENT PROCESS

#### → 1st phase

Setting goals.

#### → 2nd phase

Mid-year review of targets and feedback from managers.

#### → 3rd phase

Final evaluation, considering a set of evaluations (self-assessment, 360° evaluation, leadership evaluations and free evaluations) and final official feedback, presenting the final result and building the development plan together with the employee

## GRI 404-3 / PERFORMANCE ASSESSMENT IN 2023

	Women		Men		Total
	Number	Percentage	Number	Percentage	Number
C-Level	3	0,1%	19	0,0%	22
Board of Directors and Superintendence	96	4,8%	554	12%	650
Management and Coordination	418	20,9%	942	21%	1.360
Operational	1.486	74,2%	2.985	66%	4.471
<b>Sum</b>	<b>2.003</b>	<b>100%</b>	<b>4.500</b>	<b>100%</b>	<b>6.503</b>

## BTG Pactual's valuation principles

### GRI 2-20

#### FUNDAMENTAL PRINCIPLES

- Focus on the client
- Entrepreneurial and innovative spirit
- High performance and excellence
- Hard working and hands on
- Long-term vision and ambition
- Teamwork

#### LEADERSHIP PRINCIPLES

- Present the technical skills needed to maintain high performance and use these skills to guide the team.
- Make decisions effectively and demonstrate the ability to communicate them clearly.
- Delegate the appropriate level of authority, autonomy and responsibility to the team.
- Establish performance expectations and provide continuous feedback.
- Motivating and influencing, as well as creating an environment of open and reciprocal communication with the team.
- To be a reference for BTG Pactual's values and principles.

100% of employees hired up to October 3, 2023, or 6,490 people, received performance assessments, regardless of job category. **GRI 404-3**



# Diversity and inclusion

GRI 405 3-3



At BTG Pactual, we believe that a diverse environment, made up of people with different backgrounds, races, genders, experiences and other characteristics, stimulates creativity, innovation and, consequently, is more beneficial for the company. This vision has been giving traction to our internal agenda for the last 10 years.

We have a Diversity Policy that sets out the guidelines and commitments in relation to this issue, reinforcing our position based on inclusion, respect, equity and valuing diversity. We also have a Diversity, Inclusion and Equity Committee, which works to promote strategic discussions with senior management and ensure that the targets set are met.

An inclusive environment that allows diverse talents to be attracted and developed contributes to the formation of excellent teams. For this to happen, however, it is essential that the leader or manager sets a positive example, encouraging a culture of respect, eliminating unconscious biases and prejudices, allowing the professional to be truly measured by their potential for delivery and collaboration.

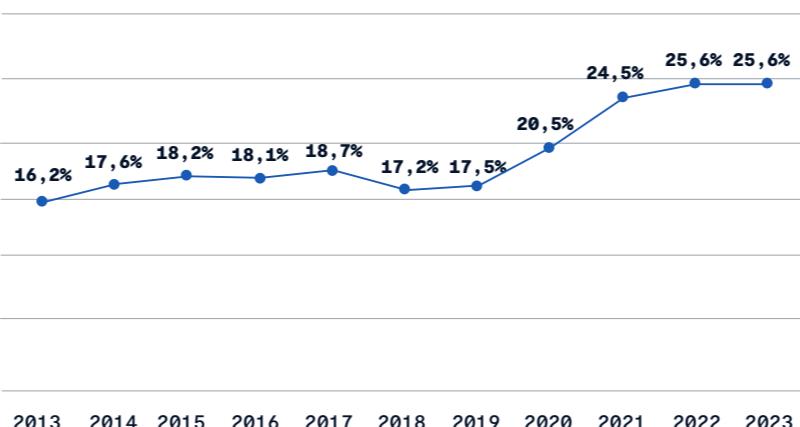
With the aim of addressing important aspects of this challenge, as well as offering insights and guidance to our managers and leaders, in 2023 we carried out an Inclusive Leadership Training program for all our associates and partners, an initiative that will continue to be disseminated to other levels of leadership.

In order to make our employees aware of the importance of combating prejudice and discrimination, we also have training on Unconscious Biases, which is mandatory for all employees of the organization.

We have developed a Mentoring Program for our senior female analysts in order to support our young talents in building and developing their careers, based on BTG Pactual's values and principles.

Despite our endeavors, we are aware that ongoing efforts need to be made in order to achieve progress. We are continuing to prioritize diversity programs in our environments with the aim of overcoming this historical gap and building a fairer and more inclusive society.

## Women in leadership



With a robust Diversity Policy and initiatives such as inclusive leadership training and combating unconscious biases, we are building more diverse and excellent teams, driving innovation and growth. There are still challenges, but we are committed to moving towards a fairer and more inclusive society.

Diversity Policy





## Women's participation

One of the initiatives highlighted was the Women's Mentoring Program, created with the aim of boosting female leadership at the Bank. The program was attended by female employees who had performed well throughout the year and showed potential to take on leadership roles. During this period, 42 employees took part in the Women's Mentoring program, resulting in a 50% promotion rate.

Another program was Inside, a vacation internship exclusively for university students, with personalized mentoring with the Bank's partners throughout the program. In 2023, the Inside registered more than 1,000 applications and resulted in the hiring of 24 professionals. Five of them were hired as regular interns, and three extended their summer job contract.

In the area of technology, our main initiative was our partnership with Ada Tech, providing a training course to improve the technical knowledge of female programmers in two languages: C# and Java. We registered a total of 4,162 applications, with 42 successful participants who were awarded six-month scholarships for the training. After the course ended in December 2023, 11 women were hired.

In Investment Banking, we launched the first internship program exclusively for women, an initiative aimed at hiring university students with high potential to excel in the area in the future. The selection process for the IBD Summer Internship was thorough, involving detailed screenings, panel evaluations and face-to-face interviews with the candidates. The program attracted 338 applications, more than 60 candidates went through the evaluations, and a total of 6 candidates were approved.

### 405-1 / DIVERSITY IN GOVERNANCE BODIES AND EMPLOYEES

Employees by gender\*

	2021				2022				2023			
	Women		Men		Women		Men		Women		Men	
	C-Level	3	14,3%	20	85,7%	3	10,3%	19	89,7%	3	13,6%	19
Board of Directors and Superintendence	74	15,1%	414	84,9%	91	16,0%	488	84,0%	97	14,9%	554	85,1%
Management and Coordination	290	30,0%	676	70,0%	362	30,4%	825	69,6%	419	30,7%	947	69,3%
Operational	1.201	35,1%	2.222	64,9%	1.442	34,2%	2.769	65,8%	1.527	33,7%	3.009	66,3%
Grand Total	1.568	32,0%	3.332	68,0%	1.898	31,6%	4.101	68,4%	2.046	31,1%	4.529	68,9%

\* It includes employees from all countries.

### FN-IB-330A.1 / PERCENTAGE OF GENDER AND RACIAL/ETHNIC GROUP REPRESENTATION IN 2023

	Female	Male	N/A*
Executive Management	7,0%	93,0%	0,0%
Non-Executive Management	9,0%	91,0%	0,0%
Professionals	15,0%	85,0%	0,0%
All other employees	50,0%	50,0%	0,0%

Information regarding employees in the Investment Banking and Equity Sales areas globally. | N/A\* - Not available or not informed

### FN-AC-330A.1 / PERCENTAGE OF GENDER AND RACIAL/ETHNIC GROUP REPRESENTATION IN 2023

	Female	Male	N/A*
Executive Management	6,0%	94,0%	0,0%
Non-Executive Management	28,0%	72,0%	0,0%
Professionals	39,0%	61,0%	0,0%
All other employees	33,0%	67,0%	0,0%

Information on Asset Management employees globally. | \* Not available or not informed



## Diversity affinity groups

To maintain a respectful, inclusive and diverse work environment at BTG Pactual, we have a Diversity and Inclusion Committee, made up of four affinity groups. These groups, which are open to all employees, are responsible for promoting equal opportunities and proposing initiatives related to the issue at the Bank. The initiatives are assessed by the Committee, which analyzes their feasibility for implementation. The aim is to allow talents to develop to their full potential without discrimination while maintaining alignment with our meritocratic model.


**Municipal Human Rights Seal 2020**


**São Paulo Diversity Seal 2022**


**Municipal Human Rights Seal 2023**


**BTG Pride**

Focus on the inclusion, respect and professional development of LGBTQIA+ people.

**Initiatives in 2023**

- Participation in OUTstand (Financial Markets Pride Group)
- Sponsorship of the Diversa Fair
- Bimonthly meetings with the interest group


**BTG Blacks**

Focus on the inclusion, respect and professional development of black people

**Initiatives in 2023**

- Career workshop for the group
- Lecture - Black Awareness Month
- Feira Juntos [Together Fair] - sponsorship


**BTG PCDS**

Focus on the inclusion, respect and professional development of people with disabilities.

**Initiatives in 2023**

- Career workshop for the group
- Sponsorship Fair Includes PwD


**BTG Women**

Its aim is to increase the representation of women in the Bank, especially in leadership positions.

**Initiatives in 2023**

- Female mentoring → Fin4Sh Sponsorship
- Coffee with partners → 4 Workshops

### EMPLOYEES BY AGE GROUP<sup>1</sup>

	2022					2023				
	Under 30		30 to 50 years		Over 50	Under 30		30 to 50 years		Over 50
C-Level	0	0,0%	10	34,5%	12	65,5%	0	0,0%	8	36,4%
Board of Directors and Superintendence	2	0,4%	460	80,5%	117	19,2%	5	0,8%	517	79,4%
Management and Coordination	195	16,4%	923	77,7%	69	5,9%	247	18,1%	1023	74,9%
Operational	2.433	57,8%	1.596	37,9%	182	4,3%	2.513	55,4%	1.807	39,8%
Sum	2.630	43,8%	2.989	49,8%	380	6,3%	2.765	42,1%	3.355	51,0%

### EMPLOYEES BY COLOR<sup>2</sup>

	2022					2023				
	White	Black <sup>3</sup>	Yellow	Indigenous	Not informed	White	Black <sup>3</sup>	Yellow	Indigenous	Not informed
C-Level	18	96,2%	1	3,8%	0	0,0%	0	0,0%	3	19,2%
Board of Directors and Superintendence	369	92,9%	23	5,8%	5	1,3%	0	0,0%	2	0,0%
Management and Coordination	831	84,4%	119	12,1%	25	2,5%	3	0,3%	7	0,7%
Operational	2.748	75,0%	754	20,6%	130	3,5%	13	0,4%	21	0,6%
Sum	3.966	78,2%	897	17,7%	160	3,2%	16	0,3%	33	0,7%

<sup>1</sup>. It includes employees from all countries. Data by job category not available for 2021. / <sup>2</sup>. Employees of Brazil. Data by job category not available for 2021. / <sup>3</sup>. Includes black and brown people.



# Equal pay

GRI 405-2

The mathematical ratio of women's pay to men's pay in Brazil, Chile, Colombia and the United States (countries that make up 97% of the workforce) is 96%<sup>3</sup>.

Our remuneration policy establishes clear and transparent criteria, which reinforces our commitment to promoting opportunities for all our employees in a meritocratic way without the influence and interference of differences in gender, age, ethnicity, family situation, sexual orientation or any other personal characteristic.

The performance evaluation process is the tool that serves as the basis for career planning, training and development of BTG Pactual's employees, and is an input for the processes of defining variable remuneration, promotions and salary increases. To ensure the consistency of the evaluation, a calibration meeting is held, with the direct participation of managers and partners and the Human Resources area, allowing an open discussion about the employee's effective contribution and ensuring the application of meritocracy free of any bias that may exist.

By ensuring that all our employees are paid fairly and meritocratically, we create a more productive and positive environment wherein everyone feels valued and respected.

**GRI 405-2 / RATIO BETWEEN THE BASIC SALARY AND REMUNERATION RECEIVED BY WOMEN AND THOSE RECEIVED BY MEN**

	2023			
	Brazil	Chile	Colombia	United States
C-Level	0,85	-	-	-
Board of Directors and Superintendence	0,96	0,96	0,71	0,97
Management and Coordination	1,01	0,85	0,96	0,82
Operational	0,95	0,95	0,87	0,89

1. The information above refers to the ratio of average fixed remuneration between men and women, by job category

2. We consider the four countries where the offices with the largest number of employees (97% of the total workforce) are located to be important operating units - Brazil, Chile, Colombia and the United States.

3. The global ratio of 96% is determined by the weighted average of the salary ratio of women to men, considering the population distribution by functional category and relevant operating units (Brazil, Chile, Colombia and the United States).





# Remuneration and benefits

GRI 2-19 / GRI 2-20



Remuneration Policy  
Reference Form (Chap. 8)

Our meritocratic Partnership model is a key component of our strategy for attracting and retaining talent, as it combines commitment, agility, customer focus, excellence and autonomy. Meritocracy values professionals who stand out for their excellence and ensures their commitment to BTG Pactual's growth. The sense of ownership encourages rigorous risk analysis of all operations and the search for innovative solutions to meet the various demands of clients. It also fosters a culture of teamwork, entrepreneurship and long-term commitment.

Fixed remuneration reflects the scope of work and function, as well as skills, competencies, responsibilities and deliverables in line with market benchmarks. The fixed remuneration of directors is defined at the General Meeting.

The amount of variable remuneration, when applicable, respects the remuneration model established for each area and considers qualitative criteria, according to the performance of the company, the team and the individuals.

Decision-making in salary change processes and the definition of variable remuneration are made through collegiate committees, with the aim of ensuring that they are aligned with the Performance Evaluation and the organization's guidelines.

The Remuneration Committee is responsible for supervising, implementing, operationalizing and reviewing BTG Pactual's Remuneration Policy, which translates the strategy for attracting and engaging talent, with transparency in relation to criteria, procedures and practices.

## BTG Pactual's remuneration policy

- Measuring and managing individual performance, aligning it with the strategies and objectives of the business, which is fundamental to the success of the organization.
- Ensuring competitiveness in relation to the market and increasingly strengthen the partnership between BTG Pactual, its directors, employees, executives and shareholders, guaranteeing good levels of attraction, retention and motivation, thus increasing participation in value creation and ensuring the continuity of Banco BTG Pactual.
- Maintaining a high level of performance, offering support for the development of each person's potential.

## Trade union association

We believe in open, loyal and constructive dialogue with employers' and workers' organizations, based on the principles of freedom of association and respect for the plurality of ideas. In this context, we guarantee our employees' right and freedom of association with trade unions, and we prohibit any discrimination against those who carry out trade union activities.

Therefore, in line with our ethical commitment, we give full transparency to union actions, disclosing all information about membership, collective agreements and negotiations, as established in the current collective agreement and published on the trade union portal. **GRI 407-1**

In Brazil, 100% of our workforce is covered by collective bargaining agreements. In offices located in other countries, we apply the relevant local legislation to define working conditions and terms of employment. **GRI 2-30**



## Benefits

GRI 2-19

BTG Pactual offers a wide range of benefits, which we believe to be essential, while maintaining the highest standards in the market, with no leveling by seniority. For employees who work remotely, there are also some exclusive benefits, in order to promote more health and well-being in their routine and make them aware of postural care. Employees receive allowances, which can be monthly, for expenses and the provision of equipment (such as notebooks), or initial, for the purchase of ergonomic items, such as chairs, tables and footrests. In addition, employees must undergo Ergonomics training and receive guidance on how to avoid illnesses and accidents at work.

BTG has no differentiated benefits for the highest governance body and for senior executives compared to other employees, not even for the retirement plan, its benefits and contribution rates. **GRI 2-19**

100%

of employees have the right to take parental leave

**GRI 401-3**

Benefits offered to 100% of employees in Brazil

**GRI 2-19 / GRI 401-2 / GRI 403-6**

→ Meal voucher	→ Transport voucher
→ Food allowance	→ Pharmacy discount
→ Daycare allowance/babdl	→ Nutritional support
→ Health and dental insurance	→ Private pension plan (upon subscription)
→ Maternity leave (180 days)	→ Life insurance (upon subscription)
→ Paternity leave (20 days)	→ Disability and invalidity aid
→ Partnerships with health and wellness companies (Gympass and TotalPass)	→ Employee support program (psychological guidance)

### GRI 401-3 / MATERNITY/PATERNITY LEAVE

	Employees who took parental leave <sup>1</sup>			Employees who returned to work after taking parental leave <sup>2</sup>			Employees who returned to work and were still employed 12 months after taking parental leave			Return-to-work rate			Retention rate		
	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023	2021	2022	2023
Men	10	36	26	10	32	30	0	7	26	100%	89%	100%	0%	70%	81%
Women	15	44	43	15	37	39	10	12	17	100%	84%	89%	59%	87%	59%
<b>Sum</b>	<b>25</b>	<b>80</b>	<b>69</b>	<b>25</b>	<b>69</b>	<b>69</b>	<b>10</b>	<b>19</b>	<b>43</b>	<b>100%</b>	<b>86%</b>	<b>93%</b>	<b>48%</b>	<b>80%</b>	<b>71%</b>

<sup>1</sup> 100% of employees have the right to take parental leave. / <sup>2</sup> For the purposes of calculating the total number of employees who returned to work after the end of maternity/paternity leave and continued to be employed 12 months after their return to work, we used the following as a basis: Employees who ended their leave in 2022, to consider that the 12 months ahead ended in 2023, the year of analysis.





# Health and wellness

**GRI 3-3**



Since 2022, BTG Pactual has had an Occupational Health and Safety Policy that aims to establish guidelines and responsibilities on this agenda, providing conditions for a healthy and safe work environment, aligned with BTG Pactual's strategic focus, applicable legal requirements and commitment to continuous improvement of the work environment.

Banco BTG Pactual's occupational health in all its units is covered by a Health and Safety Management system, which is administered by D'Or Soluções.

To do this, the consultancy uses SOC occupational management software, with ISO 27.001:2013 certification, which formalizes and audits the entire security treatment of the information managed. **GRI 403-2**

The programs are exclusive and comprehensive for all employees hired under the CLT regime, in units throughout Brazil, in compliance with the country's legislation and best practices. For offices located in other countries, we adopt the relevant local legislation. **GRI 403-1**

For service providers, the Standard Service Contract lays down certain requirements that the contracted supplier must meet, such as being and maintaining good standing with occupational health and safety bodies, as well as other regulatory bodies for the duration of the contract. **GRI 403-8**

The health and dental insurance plan covers all employees and their legal dependents, with a wide accredited network and a reimbursement system. **GRI 403-6**

Occupational Health and Safety Policy



## EDUCATIONAL HEALTH AND SAFETY MANAGEMENT SYSTEM PROGRAMS

**GRI 403-1 / GRI-403-2 / GRI 403-3**

### Risk Management Program (PGR)

Regulated by Regulatory Standard 01 (NR-1), it aims to identify, assess, analyze, monitor and reduce risks in the workplace.

### Occupational Health Medical Control Program (PCMSO)

Regulated by Regulatory Standard 07 (NR-7), its aim is to preserve employees' health in relation to occupational risks, promoting annual medical examinations and acting in a preventive manner.

### Examination Program

Carrying out clinical and complementary examinations, in accordance with the PCMSO.

## PROACTIVE HEALTH CARE MEASURES

**GRI 403-3**

- Medical emergency care plan with 24-hour ambulance service (São Paulo unit).
- Medical assistance with doctors and nurses available from Monday to Friday, from 8 a.m. to 6 p.m. (São Paulo unit).
- Medical consultancy for critical hospitalization cases and the option of a second medical opinion.
- Our facilities adopt initiatives such as occupational examinations, training, the dissemination of policies and the extension of health benefits\*, with the support of CIPA [Internal Accident Prevention Committee].

\* Check out the list of benefits offered to BTG Pactual employees in Brazil – on page 126 – medical and health services not related to work, such as a health and dental plan, pharmacy discount, nutritional support, psychological guidance program, Gympass and TotalPass. **GRI 403-6**





## Risk assessment

Our work environments are classified as free of significant risk factors, according to the Environmental Risk Prevention and Risk Management Programs. The effects are reversible and minor, deriving from the lack of knowledge or suspicion of adverse health effects. Possible injuries, such as low back pain and fatigue, are associated with administrative activities involving computer use.

Ergonomics and sitting for long periods of time are points that require greater attention. We carry out regular assessments on the Bank's premises to identify and manage risks, covering physical, chemical, biological and ergonomic aspects. **GRI 403-7 / 403-9 / 403-10**

Even so, we conduct periodic analyses to identify hazards and assess risks, the results of which are used to continuously improve our occupational management. The PGR covers the sources of hazards and the different exposures to risks in the workplace, as well as the respective measures to prevent and control accidents at work and occupational illnesses. Through the PCMSO, we promote healthy habits and health preservation, as well as CIPA discussions, awareness actions, internal programs and training. **GRI 403-2**

When medical examinations show that an employee has a suspicion, occurrence or worsening of work-related health problems, the doctor responsible for the PCMSO must adopt the appropriate measures: **GRI 403-9**

- Refer the worker for specialized medical assessment and/or treatment.
- Request the worker's removal from exposure to the risk responsible for the injury, if technically advisable.
- Ask for the employee to be reassigned to a compatible position, if possible.
- Request the worker's absence from work and, after 15 days of absence, refer them to the INSS for administrative and technical measures, including establishing the causal link.
- Advise the company on the need to issue a Work Accident Report (CAT) in the event of changes or worsening of the occupational disease.
- Notify and refer to official health bodies when there is a suspicion or confirmation of notifiable infectious diseases.

## Active participation and continuous consultation

To ensure active worker participation and constant consultation in the development, implementation and evaluation of our occupational health and safety management system, we follow comprehensive processes, which include: **GRI 403-4**

### Active participation

It can involve the formation of committees, regular meetings and specific communication channels.

### Continuous consultation

We maintain a frequent dialogue with employees to ensure that their perspectives, experiences and concerns are incorporated into decisions relating to health and safety at work. This can be done through surveys, interviews, meetings or other mechanisms.

### Access to relevant information

We make it easier for employees to access relevant information on health and safety at work. This includes providing policy, procedures, training and dissemination of relevant data through accessible channels. For example, we promote conversations with specialists through online lives, as well as sending out announcements to ensure that everyone has access to health and wellness programs. **GRI 403-6**

## Health and safety committees

The responsibilities, frequency of meetings and decision-making powers of formal health and safety committees vary according to the structure and local regulations. Committees usually have the following characteristics: **GRI 403-5**

### Responsibilities

The committees are responsible for analyzing and discussing issues related to health and safety at work, proposing preventive measures, monitoring the implementation of corrective actions and promoting a safety culture.

### Frequency of meetings

Meetings are held regularly to ensure continuous analysis of relevant issues. The frequency can vary, but is planned to address the specific needs of the organization.

### Decision-making power

The committees play an active role in making decisions related to health and safety, contributing insights and recommendations that directly impact the company's policies and practices.

### Workers' representation

We work to ensure that workers are represented on health and safety committees. If there are situations in which certain groups are not represented, this can be attributed to specific factors, such as organizational structure or job characteristics. However, we make continuous efforts to involve all relevant sectors and functions.

Our working environments are rigorously assessed and monitored to ensure the safety and well-being of our employees. Although they are free of significant risks, we focus on ergonomics and posture to prevent injuries associated with prolonged use of computers. We maintain continuous occupational management, carrying out periodic analyses and promoting healthy habits through programs and training.





# References

130 GRI content summary



136 SASB summary



142 Assurance Report



144 Annexes



150 Credits





# GRI content summary

BTG Pactual reported in accordance with the GRI Standards for the period from January 1st to December 31st, 2023.

More information on the requirements used to respond to the standard can be found in the Basis for Preparation 2023

GRI STANDARDS	CONTENT	PAGE/RESPONSE	OMISSION	SDG	GLOBAL COMPACT
<b>GRI 1 – FUNDAMENTALS 2021</b>					
 <b>GRI 2 General contents 2021</b>	<b>2-1</b> Organization data	Corporate Profile – pages 17 and 20.			
	<b>2-2</b> Entities included in the organization's sustainability report	Annex I – page 144.			
	<b>2-3</b> Reporting period, frequency and point of contact	Report Profile – page 9.			
	<b>2-4</b> Information reformulations	During a detailed review of the data relating to the C-Level job category, we identified that employees who did not fit the premise adopted were being taken into account in the count. As a result, the number was revised and the indicators that require a functional category in the report were updated for the years 2021, 2022 and 2023.  Premise: The C-Level category includes individuals in the following positions: Chairman, CEO and Managing Director Partners (MDPs) who report directly to the CEO and lead teams.			
	<b>2-5</b> External verification	Report Profile – page 9. Assurance Report – page 142. We do not have an internal policy that requires us to obtain external verification, with the involvement of the highest governance body and senior executives. In Brazil, since 2021, it has been mandatory for independent auditors to assure the reports of publicly traded companies that use the conceptual framework of integrated reporting. We have not adopted the integrated reporting framework, but we do carry out external verification of the content on a voluntary basis.			
	<b>2-6</b> Activities, value chain and other business relationships	Corporate Profile – pages 17, 21 and 22. Responsible Conduct – page 68. Operations and Performance – page 79.			
	<b>2-7</b> Employees	People – page 111.	8	4; 5	
	<b>2-8</b> Workers who are not employees	People – pages 111 and 112.	8		
	<b>2-9</b> Governance structure and its composition	Corporate Profile – pages 17 and 31. Responsible Conduct – pages 49 and 50.			
	<b>2-10</b> Appointment and selection to the highest governance body	Corporate Profile – page 19. Responsible Conduct – pages 49 and 50.			
	<b>2-11</b> Chairman of the highest governance body	Responsible Conduct – page 49.			
	<b>2-12</b> Role played by the highest governance body in overseeing impact management	Corporate Profile – pages 30 and 31. Responsible Conduct – pages 49, 58, 59 and 62			
	<b>2-13</b> Delegation of responsibility for impact management	Corporate Profile – pages 29 and 30. Responsible Conduct – pages 49, 50 and 62.			
	<b>2-14</b> Role of the highest governance body in sustainability reporting	Corporate Profile – page 31. Responsible Conduct – page 49.			
	<b>2-15</b> Conflicts of interest	Responsible Conduct – page 67.			
	<b>2-16</b> Communicating crucial concerns	Responsible Conduct – pages 49 and 56.			
	<b>2-17</b> Collective knowledge of the highest governance body	Corporate Profile – page 32.			
	<b>2-18</b> Assessment of the performance of the highest governance body	Responsible Conduct – page 49.			

For the GRI G4 Financial Services (2008) indicators there is no official translation into Portuguese, so a free translation was adopted.



GRI STANDARDS	CONTENT	PAGE/RESPONSE	OMISSION	SDG	GLOBAL COMPACT
<b>GRI 1 – FUNDAMENTALS 2021*</b>					
<b>GRI 2 General contents 2021</b>	<b>2-19</b> Remuneration Policy	Responsible Conduct -pages 49 and 50. People -pages 120, 125 and 126.			
	<b>2-20</b> Process for determining remuneration	Responsible Conduct -pages 50 and 120. People -page 125.			
	<b>2-21</b> Proportion of total annual remuneration	Not reported.	Confidentiality restrictions. The total annual compensation of the highest paid individual in the organization is not disclosed.		
	<b>2-22</b> Declaration on sustainable development strategy	Presentation -page 4.			
	<b>2-23</b> Policy commitments	Corporate Profile -pages 19 and 32. Responsible Conduct -pages 52, 55, 59, 64 and 68.		16	
	<b>2-24</b> Incorporating policy commitments	Responsible Conduct -pages 52, 54 and 55.			
	<b>2-25</b> Processes to repair negative impacts	Responsible Conduct -pages 55, 56, 57, 58, 59 and 63. Operations and Performance -page 95.			
	<b>2-26</b> Mechanisms for advice and raising concerns	Responsible Conduct -pages 56 and 57.			
	<b>2-27</b> Compliance with laws and regulations	In 2023 there were no significant cases of noncompliance with laws and regulations.			
	<b>2-28</b> Participation in associations	Corporate Profile -page 28.		17	
<b>GRI 3 Material Topics 2021</b>	<b>3-1</b> Process for defining material topics	Presentation -pages 10 and 12.			
	<b>3-2</b> List of material topics	Presentation -pages 10, 11 and 12.			
<b>MATERIAL TOPICS</b>					
<b>MATERIAL TOPIC: BUSINESS ETHICS</b>					
<b>GRI 3 Material Topics 2021</b>	<b>3-3</b> Management of material topics	Responsible Conduct -page 52.			
<b>GRI 205 Anti-Corruption 2016</b>	<b>205-1</b> Operations assessed for risks related to corruption	Responsible Conduct -page 55		16	10
	<b>205-2</b> Communication and training on anti-corruption policies and procedures	Responsible Conduct -page 55. Incomplete information, without segregation by country and job category.		16	10
	<b>205-3</b> Confirmed cases of corruption and measures taken	Responsible Conduct -page 55.		16	10
<b>GRI 206 Unfair Competition 2016</b>	<b>206-1</b> Legal actions for unfair competition, trust and monopoly practices	Responsible Conduct -page 67.		16	
<b>GRI 406 Non-discrimination 2016</b>	<b>406-1</b> Cases of discrimination and corrective measures taken	Responsible Conduct -pages 56 and 59.		5; 8	1; 2; 4; 5

For the GRI G4 Financial Services (2008) indicators there is no official translation into Portuguese, so a free translation was adopted.





GRI STANDARDS	CONTENT	PAGE/RESPONSE	OMISSION	SDG	GLOBAL COMPACT
<b>GRI G4 Financial Services 2008</b>	<b>FS16</b> Initiatives to increase financial education, by type of beneficiary	Operations and Performance -page 109.			
<b>MATERIAL TOPIC: ATTRACTION, RETENTION AND DEVELOPMENT</b>					
<b>GRI 3 Material Topics 2021</b>	<b>3-3</b> Management of material topics	People -pages 113 and 114.			
	<b>401-1</b> New hires and employee turnover	People -page 117.		5; 8	1; 4; 5
<b>GRI 401 Employment 2016</b>	<b>401-2</b> Benefits offered to full-time employees that are not offered to temporary or part-time employees	People -pages 113 and 126.			
	<b>401-3</b> Maternity/paternity leave	People -page 126.			
	<b>403-1</b> Occupational health and safety management system	People -page 127.			
	<b>403-2</b> Hazard identification, risk assessment and incident investigation	People -pages 127 and 128.			
	<b>403-3</b> Occupational health services	People -page 127.			
	<b>403-4</b> Worker participation, consultation and communication with workers regarding occupational health and safety	People -page 128.			
<b>GRI 403 Occupational Health and Safety 2018</b>	<b>403-5</b> Training workers in occupational health and safety	People -page 128.			
	<b>403-6</b> Promoting workers' health	People -pages 126, 127 and 128.			
	<b>403-7</b> Prevention and mitigation of occupational health and safety impacts directly linked to business relationships	People -page 128.			
	<b>403-8</b> Workers covered by an occupational health and safety management system	People -page 127.			
	<b>403-9</b> Work accidents	People -page 128.	In 2023, there were no recorded deaths, accidents at work and/or lost time due to injuries	4; 5; 8	1; 4; 5
	<b>403-10</b> Occupational diseases	People -page 128.	In 2023, there were no recorded deaths, accidents at work and/or lost time due to injuries	8	4; 5
<b>GRI 404 Training and Education 2016</b>	<b>404-1</b> Average hours of training per year, per employee	People -page 119.		8	4; 5
	<b>404-2</b> Programs to improve employee skills and assistance for career transition	People -page 119.		8	4; 5
	<b>404-3</b> Percentage of employees receiving regular performance and career development reviews	People -page 120.		8	4; 5
<b>MATERIAL TOPIC: FIGHTING CLIMATE CHANGE</b>					
<b>GRI 3 Material Topics 2021</b>	<b>3-3</b> Management of material topics	Corporate Profile -page 36.			
<b>GRI 201 Economic Performance 2016</b>	<b>201-2</b> Financial implications and other risks and opportunities arising from climate change	Corporate Profile -pages 36, 38 and 40.	13		
	<b>305-1</b> Direct emissions (Scope 1) of greenhouse gases (GHG)	Corporate Profile -page 43.	13		7; 8; 9
<b>GRI 305 Emissions 2016</b>	<b>305-2</b> Indirect emissions (Scope 2) of greenhouse gases (GHG) from energy purchases	Corporate Profile -page 43.	13		7; 8; 9
	<b>305-3</b> Other indirect emissions (Scope 3) of greenhouse gases (GHG)	Corporate Profile -page 43.	13		7; 8; 9
	<b>305-4</b> Intensity of greenhouse gas (GHG) emissions		13		7; 8; 9

For the GRI G4 Financial Services (2008) indicators there is no official translation into Portuguese, so a free translation was adopted.





GRI STANDARDS	CONTENT	PAGE/RESPONSE	OMISSION	SDG	GLOBAL COMPACT
GRI 305 Emissions 2016	305-5 Reducing greenhouse gas (GHG) emissions	Not Applicable	Indicator not applicable as we have no emission reductions, only avoided emissions.		
	305-6 Emissions of ozone-depleting substances (ODS)	Not Applicable	Indicator not applicable to BTG Pactual's activity.		
	305-7 NOX, SOX and other significant atmospheric emissions	Not Applicable	Indicator not applicable to BTG Pactual's activity.		
<b>MATERIAL TOPIC: BIODIVERSITY</b>					
GRI 3 Material Topics 2021	3-3 Management of material topics	Operations and Performance -pages 99 and 100.			
GRI 304 Biodiversity 20	304-2 Significant impacts of activities, products and services on biodiversity	Not Applicable			
<b>MATERIAL TOPIC: INVOLVEMENT OF TOP MANAGEMENT IN ESG GOVERNANCE</b>					
GRI 3 Material Topics 2021	3-3 Management of material topics	Corporate Profile -page 29.			
GRI G4 Financial Services 2008	FS4 Process(es) to improve the competence of staff to implement the environmental and social policies and procedures applied in the business lines	Corporate Profile -pages 32 and 33			
	FS14 Initiatives to improve access to financial services for disadvantaged people	Corporate Profile -page 25. Operations and Performance -page 82.			
<b>MATERIAL TOPIC: DIVERSITY AND INCLUSION</b>					
GRI 3 Material Topics 2021	3-3 Management of material topics	People -page 122.			
GRI 405 Diversity and Equal Opportunities 2016	405-1 Diversity in governance bodies and employees	People -page 122.	5; 8	1; 4; 5	
	405-2 Ratio of basic salary and remuneration received by women to that received by men	People -page 124.	5; 8	1; 4; 5	
<b>MATERIAL TOPIC: SOCIAL INVESTMENT</b>					
GRI 3 Material Topics 2021	3-3 Management of material topics.	Operations and Performance -page 104.			
GRI 203 Impacts Indirect Economic 2016	203-2 Significant indirect economic impacts	Operations and Performance -pages 105 and 106.	8	4; 5	
GRI 413 Local Communities 2016	413-1 Operations with local community engagement, impact assessments and development programs	Operations and performance -page 95.			
<b>MATERIAL TOPIC: CLEAR INFORMATION AND PRECISE GUIDANCE FOR CLIENTS</b>					
GRI 3 Material Topics 2021	3-3 Management of material topics	Corporate Profile -page 24.			
GRI 417 Marketing and Labeling 2016	417-2 Cases of noncompliance regarding product and service information and labeling	No cases recorded in 2023			
	417-3 Cases of noncompliance in relation to marketing communication	No cases recorded in 2023			

For the GRI G4 Financial Services (2008) indicators there is no official translation into Portuguese, so a free translation was adopted.





GRI STANDARDS	CONTENT	PAGE/RESPONSE	OMISSION	SDG	GLOBAL COMPACT
<b>MATERIAL TOPIC: SUSTAINABLE FINANCE AND IMPACT INVESTMENT</b>					
<b>GRI 3 Material Topics 2021</b>	<b>3-3</b> Management of material topics	Corporate Profile - page 44.			
<b>GRI G4 Financial Services 2008</b>	<b>FS1</b> Policies with specific environmental and social components applied to business lines	Corporate Profile - pages 29 and 32. Operations and Performance - page 63.			
	<b>FS2</b> Procedures for assessing and classifying environmental and social risks in business lines	Corporate Profile - page 29. Responsible Conduct - pages 59 and 62 Operations and Performance - pages 85 and 88.			
	<b>FS3</b> Processes for monitoring the implementation and fulfillment of clients' environmental and social requirements in agreements or transactions	Responsible Conduct - page 62			
	<b>FS8</b> Monetary value of products and services created to provide a specific environmental benefit for each line of business, separated by purpose	Corporate Profile - page 44. Operations and performance - pages 79, 81, 82 and 97.			
	<b>FS11</b> Percentage of assets subject to positive and negative social or environmental assessment*	Corporate Profile - page 29. Operations and performance - pages 82 and 91.			
<b>MATERIAL TOPIC: DATA SECURITY</b>					
<b>GRI 3 Material Topics 2021</b>	<b>3-3</b> Management of material topics	Responsible Conduct - page 66.			
<b>GRI 418 Client Privacy 2016</b>	<b>418-1</b> Substantiated complaints regarding breach of privacy and loss of client data*	Responsible Conduct - page 66.	16		
<b>MATERIAL TOPIC: INNOVATION AND DIGITALIZATION</b>					
<b>GRI 3 Temas Materiais 2021</b>	<b>3-3</b> Management of material topics	Corporate Profile - page 26.			
<b>OTHER NON-MATERIAL INDICATORS REPORTED</b>					
<b>GRI 201 Economic Performance 2016</b>	<b>201-1</b> Direct economic value generated and distributed*	Operations and performance - pages 78 and 79.	8; 9	4; 5	
<b>GRI 207 Taxes 2019</b>	<b>207-1</b> Tax approach	Responsible Conduct - page 51.			
	<b>207-2</b> Governance, control and tax risk management	Responsible Conduct - page 51.			
	<b>207-3</b> Engaging stakeholders and managing their tax concerns	Responsible Conduct - page 51.			
	<b>207-4</b> Country-by-country report	Responsible Conduct - page 51.		Confidentiality restrictions	
<b>GRI 301 Materials 2016</b>	<b>301-1</b> Materials used, broken down by weight or volume	Operations and performance - page 102.	12		
<b>GRI 302 Energy 2016</b>	<b>302-1</b> Energy consumption within the organization	Operations and performance - page 102.	7; 13	7; 8; 9	
<b>GRI 303 Water and Wastewater 2018</b>	<b>303-5</b> Water consumption	Operations and performance - page 101.	6	7; 8; 9	
<b>GRI 306 Indirect Economic Impacts 2016</b>	<b>306-3</b> Waste generated	Operations and performance - page 103.	12	7; 8; 9	
	<b>306-4</b> Waste not destined for final disposal	Operations and performance - page 103.	12	7; 8; 9	
	<b>306-5</b> Waste destined for final disposal	Operations and performance - page 103.	12	7; 8; 9	

For the GRI G4 Financial Services (2008) indicators there is no official translation into Portuguese, so a free translation was adopted.





GRI STANDARDS	CONTENT	PAGE/RESPONSE	OMISSION	SDG	GLOBAL COMPACT
<b>GRI 308 Environmental Supplier Assessment 2016</b>	<b>308-1</b> New suppliers selected based on environmental criteria	Responsible Conduct - pages 59 and 68.			
	<b>308-2</b> Negative environmental impacts in the supply chain and measures taken	Responsible Conduct - page 68.			
<b>GRI 407 Freedom of Collective Bargaining 2016</b>	<b>407-1</b> Operations and suppliers where the right to freedom of association and collective bargaining may be at risk	People - page 125.			
<b>GRI 408 Child labor 2016</b>	<b>408-1</b> Operations and suppliers with a significant risk of child labor cases	Responsible Conduct - pages 64, 65 and 68.			
<b>GRI 409 Forced or Slave-like Labor</b>	<b>409-1</b> Operations and suppliers with a significant risk of cases of forced or slave-like labor	Responsible Conduct - pages 59, 64, 65 and 68.			
<b>GRI 414 Social Assessment of Suppliers</b>	<b>414-1</b> New suppliers selected based on social criteria	Responsible Conduct - page 68.	8;16	1; 2; 4; 5	
	<b>414-2</b> Negative social impacts in the supply chain and measures taken	Responsible Conduct - page 68.	8;16	1; 2; 4; 5	
<b>GRI 415 Public Policies 2016</b>	<b>415-1</b> Political contributions	Responsible Conduct - page 67.			

For the GRI G4 Financial Services (2008) indicators there is no official translation into Portuguese, so a free translation was adopted.





# SASB summary

## SUMMARY OF SUSTAINABILITY ACCOUNTING STANDARDS BOARD (SASB)\*

STANDARDS	CONTENT	PAGE/RESPONSE
<b>FINANCIALS   ASSET MANAGEMENT &amp; CUSTODY ACTIVITIES   2021</b>		
Transparent information and correct guidance for clients	FN-AC-270a.1 (1) Number and (2) percentage of employees with a record of investigations related to investments, complaints initiated by consumers, private civil litigation or other regulatory processes	No investigations were recorded in 2023.
	FN-AC-270a.2 Total amount of monetary losses as a result of legal proceedings associated with the marketing and communication of information related to financial products to new and recurring clients	Total value in 2023: zero.
	FN-AC-270a.3 Description of the approach to informing clients about products and services	The approach is described in the Code of Professional Conduct – <a href="#">BTG Pactual Asset Management S.A. DTVM</a> , public on our website.
Diversity & employee inclusion	FN-AC-330a.1 Percentage of gender and racial/ethnic group representation in (1) executive management, (2) non-executive management, (3) technical positions and (4) all other employees	Page 122
Incorporating environmental, social and governance factors into investment management and advisory activities	FN-AC-410a.1 Number of assets under management, by class, that employ (1) integration of environmental, social and governance (ESG) issues, (2) investment with a sustainability topic and (3) screening	Page 91
	FN-AC-410a.2 Description of the approach to incorporating environmental, social and governance factors into investment and/or asset management processes and strategies	Page 91
	FN-AC-410a.3 Description of proxy voting and investee engagement policies and procedures	<a href="#">Exercising Voting Rights - BTG Pactual Asset Management S.A. DTVM</a>
Financed Emissions	FN-AC-410b.1 Total amount of assets under management (AUM) included in the disclosure of financed issues	Since 2022, we have carried out internal exercises to estimate the emissions of our portfolio, based on the PCAF methodology. Due to the uncertainty associated with the calculation, we have not yet disclosed this information.
	FN-AC-410b.2 Percentage of total assets under management (AUM) included in the calculation of financed emissions	
	FN-AC-410b.3 Percentage of total assets under management (AUM) included in the calculation of financed emissions	
	FN-AC-410b.4 Description of the methodology used to calculate financed emissions	
Business ethics	FN-AC-510a.1 Total amount of monetary losses arising from lawsuits associated with fraud, insider trading, antitrust, anti-competitive conduct, market manipulation, mismanagement or other related rules or regulations of the financial sector	No monetary losses were recorded for the reasons described in the reporting period.
	FN-AC-510a.2 Description of whistleblowing policies and procedures	Responsible Conduct – pages 56 and 57.
Activity metrics	FN-AC-000.A (1) Total registered assets and (2) total unregistered assets under management (AUM)	Operations and performance – page 90.
	FN-AC-000.B Total assets under custody and supervision	Operations and performance – page 90.
<b>FINANCIALS   INVESTMENT BANKING &amp; BROKERAGE   2018</b>		
Diversity & employee inclusion	FN-IB-330a.1 Percentage of gender and racial/ethnic group representation in (1) executive management, (2) non-executive management, (3) technical positions and (4) all other employees	People – page 122.

\*Unofficial translation since the original version is in English. / We do not report the indicators for the "Mortgage Finance" sector as they do not apply to BTG's operations.



## FINANCIALS | INVESTMENT BANKING &amp; BROKERAGE | 2018

STANDARDS	CONTENT	PAGE/RESPONSE
Incorporating environmental, social and governance factors into investment management and advisory activities	<b>FN-IB-410a.1</b> Revenue from (1) underwriting, (2) advisory and (3) securitization transactions that incorporate the integration of environmental, social and governance (ESG) factors, by sector	Operations and performance - page 79.
	<b>FN-IB-410a.2</b> (1) Number and (2) total value of investments and loans that incorporate environmental, social and governance aspects, by sector	Operations and performance - page 85.
	<b>FN-IB-410a.3</b> Description of the approach to incorporating environmental, social and governance (ESG) factors into investment banking and brokerage activities.	Operations and performance – pages 80 and 85.
Business ethics	<b>FN-IB-510a.1</b> Total amount of monetary losses arising from lawsuits associated with fraud, insider trading, antitrust, anti-competitive conduct, market manipulation, mismanagement or other related rules or regulations of the financial sector	Responsible Conduct - page 67
	<b>FN-IB-510a.2</b> Description of whistleblowing policies and procedures	Responsible Conduct - page 56.
Professional integrity	<b>FN-IB-510b.1</b> (1) Number and (2) percentage of employees with a record of investigations related to investments, complaints initiated by consumers, private civil litigation or other regulatory processes	No cases recorded in 2023.
	<b>FN-IB-510b.2</b> Number of mediation and arbitration cases associated with professional integrity, including duty of care	No cases recorded in 2023.
	<b>FN-IB-510b.3</b> Total value of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care	No related monetary losses were recorded in 2023.
	<b>FN-IB-510b.4</b> Description of the approach to ensuring professional integrity, including duty of care	Responsible Conduct - page 56
Systemic risk management	<b>FN-IB-550a.1</b> Global Systemic Importance Bank (G-SIB) score, by category	(1) Size = 0 ; (2) Cross-jurisdictional activity = 0; (3) Interconnectedness = 0; (4) Substitutability = 0.88; (5) Complexity = 0; (6) Overall score = 0.07
	<b>FN-IB-550a.2</b> Description of the approach to incorporating the results of mandatory and voluntary stress tests into capital adequacy planning, long-term business strategy and other business activities	The stress test program comprises 4 stages: 1. Hypothetical scenario: Scenario defined by the specialized area of Macroeconomic Research and is part of BTG Pactual's budget plan. 2. Historical Scenario: 4 scenarios are analyzed (Crisis in Emerging Markets, Impacts of a Possible Bankruptcy of a Major International Bank, Monetary Restriction, Supply Shock - Commodities) specified by the Market Risk area. 3. Reverse Stress Test: Based on the scenarios used, the scenario with the worst impact on the institution is separated and tests are carried out until the capital mismatch is reached. 4. Bacen Scenario: BTG Pactual follows the regulatory guidelines for estimating the impact of the scenarios provided by Bacen on its balance sheet. The aim of this exercise is to analyze risks of various kinds through a set of scenarios. Thus, the Bottom-up Stress Test (TEBU) is part of the set of regulatory tools that aim to offer prospective and quantitative approach to measure the resilience of the SFN and its capacity to absorb losses, when facing the possible materialization of risks to which BTG Pactual is exposed. For each of the scenarios, the capital proportions are recalculated. In the event of noncompliance in any of the scenarios, a readjustment plan is established.

\*Unofficial translation since the original version is in English. / We do not report the indicators for the "Mortgage Finance" sector as they do not apply to BTG's operations.





STANDARDS	CONTENT	PAGE/RESPONSE
Encouraging risk-taking employees	<b>FN-IB-550b.1</b> Percentage of total remuneration that is variable for material risk takers (MRTs)	This information is considered confidential and strategic and has therefore not been reported.
	<b>FN-IB-550b.2</b> Percentage of the variable remuneration of Material Risk Takers (MRTs) to which malus or clawback clauses have been applied	Malus or Clawback clauses are not applied directly by BTG Pactual. Even so, we believe that our Partnership model creates an alignment of interests that encourages a rigorous analysis of the risks that BTG Pactual takes in all its activities, as well as a long-term commitment to its clients and reputation.
	<b>FN-IB-550b.3</b> Discussion of policies on supervision, control and price validation of traders in Level 3 assets and liabilities	Level 3 measurement at fair value comprises unobservable inputs for assets and liabilities. Unobservable inputs reflect assumptions that market participants would use in pricing an asset or liability, including assumptions about risk. Three types of approach are used: market, profit and cost. In the market approach, data from similar transactions is obtained. The profit approach is based on the use of mathematical techniques to convert future values (cash flows or income and expenses) into present values. The cost approach, on the other hand, refers to the amount that would be spent to replace the asset's service capacity, i.e. it uses the concept of current replacement cost. Assets marked to market undergo an independent pricing assessment on a monthly basis. The results are distributed to senior management for evaluation.
Activity metrics	<b>FN-IB-000.A</b> (1) Number and (2) value of (a) subscription, (b) advisory and (c) securitization transactions	Not reported as this is strategic information and subject to specific confidentiality restrictions.
	<b>FN-IB-000.B</b> (1) Number and (2) value of proprietary investments and loans by sector	Not reported as this is strategic information and subject to specific confidentiality restrictions.
	<b>FN-IB-000.C</b> (1) Number and (2) value of market-making transactions in (a) fixed income, (b) equities, (c) currencies, (d) derivatives and (e) commodity products	Not reported as this is strategic information and subject to specific confidentiality restrictions.
<b>FINANCIALS   COMMERCIAL BANKS   2018</b>		
Data security	<b>FN-CB-230a.1</b> (1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	Page 66
	<b>FN-CB-230a.2</b> Description of the approach to identifying and resolving data security risks	Page 66
Financial inclusion and training	<b>FN-CB-240a.1</b> 1) Number and (2) value of outstanding loans dedicated to programs aimed at promoting small businesses and community development	Operations and performance - pages 82 and 84.
	<b>FN-CB-240a.2</b> (1) Number and (2) amount of overdue and defaulted loans qualifying for programs to promote small businesses and community development	The high volume of defaulters is due to the group of small businesses that have suffered greatly due to the pandemic and many of them are unable to pay the installments, even with low interest rates and low installment amounts. Number of overdue and defaulted loans: 1,376 Amount of overdue and defaulted loans: R\$ 5,299,897.27 million
	<b>FN-CB-240a.3</b> Number of retail current accounts, free of charge, opened for customers previously without access or with access limited to banking services	Information not available as up to 12/31/2023 there were no products and services offered to customers with no or limited access to banking services. In 2024, the "Account for your children" solution was launched. <a href="#">Click here to find out more.</a>

\*Unofficial translation since the original version is in English. / We do not report the indicators for the "Mortgage Finance" sector as they do not apply to BTG's operations.





STANDARDS	CONTENT	PAGE/RESPONSE
Financial inclusion and training	FN-CB-240a.4 Number of participants in financial education initiatives for clients without access, with limited access or lacking	Operations and Performance - page 109.
Incorporating environmental, social and governance factors into credit analysis	FN-CB-410a.1 Exposure to commercial and industrial credit, by sector FN-CB-410a.2 Description of the approach to incorporating environmental, social and governance (ESG) factors into credit analysis	Operations and Performance - page 86. Corporate Profile - pages 29, 30 and 31. Operations and Performance - page 82.
	FN-CB-410b.1 Absolute financed gross emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3 FN-CB-410b.2 Gross exposure for each sector by asset class FN-CB-410b.3 Percentage of gross exposure included in the calculation of financed emissions FN-CB-410b.4 Description of the methodology used to calculate financed emissions	Since 2022, we have carried out internal exercises to estimate the emissions of our portfolio, based on the PCAF methodology. Due to the uncertainty associated with the calculation, we have not yet disclosed this information.
Financed Emissions		
Business ethics	FN-CB-510a.1 Total amount of monetary losses arising from lawsuits associated with fraud, insider trading, antitrust, anti-competitive conduct, market manipulation, mismanagement or other related rules or regulations of the financial sector FN-CB-510a.2 Description of whistleblowing policies and procedures	Total value in 2023: R\$ 86,894.22 Page 56
Systemic risk management	FN-CB-550a.1 Global Systemic Importance Bank (G-SIB) score, by category FN-CB-550a.2 Description of the approach to incorporating the results of mandatory and voluntary stress tests into capital adequacy planning, long-term business strategy and other business activities	(1) Size = 0; (2) Cross-jurisdictional activity = 0; (3) Interconnectedness = 0; (4) Substitutability = 0.24; (5) Complexity = 0; (6) Overall score = 0.02 See answer to indicator FN-IB-550a.2
Activity metrics	FN-CB-000.A (1) Number and (2) value of current and savings accounts by segment: (a) individual and (b) small business FN-CB-000.B Number and value of loans, by segment: (a) individuals, (b) small businesses and (c) corporations	Information not reported because it is confidential and strategic. Corporate Lending 4Q 2023: Total Banking Credit Portfolio = R\$191,655.02 Corporate = R\$ 154,972.23 PMES= R\$ 20.512,90 PF = 14,338.54 Others = R\$ 1,781.35

**FINANCIALS | CONSUMER FINANCE | 2018**

Client privacy	FN-CF-220a.1 Number of account holders whose information is used for secondary purposes FN-CF-220a.2 Total value of monetary losses as a result of legal proceedings associated with customer privacy	Responsible Conduct - page 66.
Data security	FN-CF-230a.1 Number of data breaches, percentage involving personally identifiable information (PII), number of account holders affected FN-CF-230a.2 Losses related to card fraud in digital or physical aspects FN-CF-230a.3 Description of the approach to identifying and resolving data security risks	Responsible Conduct - page 66. Information not reported because it is confidential and strategic. Page 66
Sales practices	FN-CF-270a.1 Percentage of total employee remuneration that is variable and linked to the quantity of products and services sold	Information not available. Variable remuneration for employees is linked to individual targets, as well as company performance, as described in the topic Remuneration and Benefits, page 125.

\*Unofficial translation since the original version is in English. / We do not report the indicators for the "Mortgage Finance" sector as they do not apply to BTG's operations.





## FINANCIALS | CONSUMER FINANCE | 2018

STANDARDS	CONTENT	PAGE/RESPONSE
Sales practices	FN-CF-270a.2 Approval rate for credit and prepaid products for applicants with FICO scores below and above 660	Not applicable, since the FICO score is used by credit institutions in the USA. Consumer Finance services and products are offered by BTG Pactual only in Brazil.
	FN-CF-270a.3 (1) Average rates of complementary products, (2) average annual percentage rate (APR), (3) average maturity of accounts,(4) average number of commercial credit lines and (5) average annual rates for prepaid products, for customers with FICO credit scores above and below 660	Not applicable since the FICO score is used by credit institutions in the USA. Consumer Finance services and products are offered by BTG Pactual only in Brazil. The average interest rates for each type of credit, when applicable to BTG Pactual, can be accessed at: <a href="http://www.bcb.gov.br/estatisticas/tjuros">www.bcb.gov.br/estatisticas/tjuros</a> .
	FN-CF-270a.4 (1) Number of complaints filed with the Consumer Financial Protection Bureau (CFPB), (2) percentage with monetary or non-monetary relief, (3) percentage contested by the consumer, (4) percentage that resulted in investigation by the CFPB	Not applicable, since the Consumer Financial Protection Bureau (CFPB) is a government agency located in the USA. Consumer Finance services and products are offered by BTG Pactual only in Brazil.
Activity metrics	FN-CF-270a.5** Total amount of monetary losses as a result of legal proceedings associated with product sales and services	In 2023, BTG Pactual paid R\$131,414.29.
	FN-CF-000.A Number of unique consumers with an (1) active credit card account and (2) prepaid debit card account	Information not reported because it is confidential and strategic.
	FN-CF-000.B Number of (1) credit card accounts and (2) prepaid debit card accounts	Information not reported because it is confidential and strategic.

## FINANCIALS | INSURANCE | 2023\*\*\*

Información transparente y asesoramiento justo para los clientes	FN-IN-270a.1 Total amount of monetary losses resulting from legal proceedings associated with the marketing and communication of information related to insurance products to new and recurring clients	No investigations were recorded in 2023.
	FN-IN-270a.4 Description of the approach to informing clients about products	Operations and performance -page 98.
Incorporación de factores ambientales, sociales y de gobernanza en la Gestión de Inversiones	FN-IN-410a.2 Description of the approach to incorporating environmental, social and governance (ESG) factors into processes and investment management strategies	The incorporation of ESG factors into investment management processes and strategies is covered in indicator FN-AC-410A.2, page 91.

\*Unofficial translation since the original version is in English. / We do not report the indicators for the "Mortgage Finance" sector as they do not apply to BTG's operations.

\*\* More information on the indicator's response can be found in the [Basis for Preparation](#)

\*\*\* The Insurance segment indicators have not been externally verified

**FINANCIALS | INSURANCE | 2023\*\*\***

STANDARDS	CONTENT	PAGE/RESPONSE
Financed Emissions	<b>FN-IN-410c.1</b> Absolute financed gross emissions, disaggregated by (1) Scope 1, (2) Scope 2 and (3) Scope 3	Since 2022, we have carried out internal exercises to estimate the emissions of our portfolio, based on the PCAF methodology. Due to the uncertainty associated with the calculation, we have not yet disclosed this information.
	<b>FN-IN-410c.2</b> Gross exposure for each sector by asset class	
	<b>FN-IN-410c.3</b> Percentage of gross exposure included in the calculation of financed emissions	
	<b>FN-IN-410c.4</b> Description of the methodology used to calculate financed emissions	
Exposure to physical risk	<b>FN-IN-450a.3</b> Description of the approach to incorporating environmental risks (1) into the underwriting process of individual contracts and (2) into entity-level risk management and capital adequacy	Operations and performance -page 98.

\*Unofficial translation since the original version is in English. / We do not report the indicators for the "Mortgage Finance" sector as they do not apply to BTG's operations.

\*\*\* The Insurance segment indicators have not been externally verified.





# Independent auditor's limited assurance report on non-financial information included in the 2023 Annual Report

To the Board of Directors and Stockholders Banco BTG Pactual S.A.  
São Paulo - SP



## Introduction

We have been engaged by Banco BTG Pactual S.A. ("Company" or "BTG PACTUAL") to present our limited assurance report on non-financial information included in the 2023 Annual Report of Banco BTG Pactual S.A. for the year ended December 31, 2023.

Our limited assurance does not cover prior-period information, or any other information disclosed together with the 2023 Annual Report, including any incorporated images, audio files or videos.

## Responsibilities of the management of Banco BTG Pactual S.A.

The management of Banco BTG Pactual S.A. is responsible for:

- selecting or establishing adequate criteria for the preparation and presentation of the information included in the 2023 Annual Report;
- preparing the information in accordance with the criteria and guidelines of the Global Reporting Initiative (GRI-Standards), the Sustainability Accounting Standards Board (SASB) - Asset Management & Custody Activities, Commercial Banks, Consumer Finance, Investment Banking & Brokerage and with the basis of preparation developed by the Company; and
- designing, implementing and maintaining internal control over the significant information for the preparation of the information included in the 2023 Annual Report, which is free from material misstatement, whether due to fraud or error.

## Our independence and quality control

We comply with the independence and other ethical requirements of the Federal Accounting Council (CFC) in NBCs PG 100 and 200 and NBC PA 291, which are based on the principles of integrity, objectivity and professional competence, and which also consider the confidentiality and behavior of professionals.

We apply the Brazilian and international quality control standards established in NBC PA 01, issued by the CFC, and thus maintain an appropriate quality control system that includes policies and procedures related to compliance with ethical requirements, professional standards, legal requirements and regulatory requirements.

## Independent auditor's responsibility

Our responsibility is to express a conclusion on the non-financial information included in the 2023 Annual Report, based on our limited assurance engagement carried out in accordance with the Technical Communication CTO 01 - "Issuance of an Assurance Report related to Sustainability and Social Responsibility", issued by the Federal Accounting Council (CFC), based on the Brazilian standard NBC TO 3000, "Assurance Engagements Other than Audit and Review", also issued by the CFC, which is equivalent to the international standard ISAE 3000, "Assurance Engagements other than Audits or Reviews of Historical Financial Information", issued by the International Auditing and Assurance Standards Board (IAASB). Those standards require that the auditor complies with ethical requirements, including independence requirements, and other responsibilities of these standards, including those regarding the application of the Brazilian Quality Control Standard (NBC PA 01) and, therefore, the maintenance of a comprehensive quality control system, including documented policies and procedures on the compliance with ethical requirements, professional standards and relevant legal and regulatory requirements.

Moreover, the aforementioned standards require that the work be planned and performed to obtain limited assurance that the non-financial information included in the 2023 Annual Report, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with the Brazilian standard NBC TO 3000 and ISAE 3000 mainly consists of making inquiries of management and other professionals of Banco BTG Pactual S.A. involved in the preparation of the information, as well as applying analytical procedures to obtain evidence that allows us to issue a limited assurance conclusion on the information, taken as a whole. A limited assurance engagement also requires the performance of additional procedures when the independent auditor becomes aware of matters that lead him to believe that the information disclosed in the Annual Report taken as a whole might present material misstatements.

The procedures selected are based on our understanding of the aspects related to the compilation, materiality, and presentation of the



information included in the 2023 Annual Report, other circumstances of the engagement and our analysis of the activities and processes associated with the material information disclosed in the 2023 Annual Report in which significant misstatements might exist. The following procedures were adopted:

- (a) planning the work, taking into consideration the materiality and the volume of quantitative and qualitative information and the operating and internal control systems that were used to prepare the information included in the 2023 Annual Report;
- (b) understanding the calculation methodology and the procedures adopted for the compilation of indicators through inquiries of the managers responsible for the preparation of the information;
- (c) applying analytical procedures to quantitative information and making inquiries regarding the qualitative information and its correlation with the indicators disclosed in the 2023 Annual Report;
- (d) when non-financial data relate to financial indicators, comparing these indicators with the audited financial statements; and

The limited assurance engagement also included the analysis of the compliance with the guidelines and criteria of the Global Reporting Initiative (GRI-Standards), the Sustainability Accounting Standards Board (SASB) and the provisions established in the basis of preparation developed by the Company.

Our procedures did not include assessing the adequacy of the design or operating effectiveness of the controls, testing the data on which the estimates are based or separately developing our own estimate to compare with BTG Pactual's estimate.

We believe that the evidence we obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

### Scope and limitations

The procedures applied in a limited assurance engagement vary in nature and timing and are less detailed than those applied in a reasonable assurance. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level that would be obtained in a reasonable assurance engagement. Had we performed a reasonable assurance engagement, we might have identified other matters and possible misstatements in the information included in the 2023 Annual Report. Therefore, we do not express an opinion on this information.

Non-financial data are subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate and estimate these data. Qualitative interpretations of the materiality, relevance, and accuracy of the data are subject to individual assumptions and judgments. Furthermore, we did not consider in our engagement the data reported for prior periods, nor future projections and goals. Likewise, the validation of avoided issuance calculations was not part of the scope of the assurance engagement.

The contents included in the scope of this assurance engagement are presented in the basis of preparation of the 2023 Annual Report.

The preparation and presentation of non-financial information and indicators followed the definitions of the basis of preparation developed by the Company and the guidelines of the Global Reporting Initiative (GRI-Standards) and the Sustainability Accounting Standards Board (SASB), therefore, the information included in the 2023 Annual Report does not aim to provide assurance with respect to the compliance with social, economic, environmental or engineering laws and regulations. Those standards establish, however, the presentation and disclosure of any non-compliance with such regulations when significant sanctions or fines occur. Our assurance report should be read and understood in this context, inherent to the criteria selected and previously mentioned in this paragraph.

The absence of a significant set of established practices on which to base the evaluation and measurement of non-financial information allows for different but acceptable evaluation and measurement techniques, which can affect comparability between entities and over time.

### Conclusion

Based on the procedures performed, described herein, and on the evidence obtained, no matter has come to our attention that causes us to believe that the non-financial information included in the 2023 Annual Report of Banco BTG Pactual S.A. has not been compiled, in all material respects, in accordance with the criteria and guidelines established by the basis of preparation and the guidelines of the Global Reporting Initiative (GRI-Standards) and the Sustainability Accounting Standards Board (SASB).

São Paulo, May 27, 2024

**PricewaterhouseCoopers**  
**Auditores Independentes Ltda.**  
CRC 2SP000160/O-5

**Maurício Colombari**  
Accountant CRC 1SP195838/O-3



# Annex I

## GRI 2-2

Premise: We used the concept adopted by BTG Pactual S.A. of Operational Control and included in the Annual Report and the IGEE the companies that are mentioned in the Consolidated Financial Statements as at 12.31.2023, with the exception of companies that have autonomy in the management of human resources and their own processes. No information adjustments were made for minority shareholdings and the content of the GRI standards was consolidated considering the scope in question.



### COMPANIES INCLUDED IN THE SCOPE OF THE 2023 ANNUAL REPORT

#### Companies considered - Operational control

BANCO BTG COLÔMBIA SA	BTG PACTUAL CHILE S.A. ADMINISTRACION DE ACTIVOS (	BTG PACTUAL PERU S.A.C	ECTP G&O - SWITZERLAND SA
BANCO BTG PACTUAL CHILE	BTG PACTUAL CHILE S.A. ADMINISTRADORA GENERAL DE F	BTG PACTUAL PORTUGAL UNIPESSOAL	FIS PRIVATBANK
BANCO BTG PACTUAL S A	BTG PACTUAL CHILE SA ADM FONDOS DE INV CAP EXTRANJ	BTG PACTUAL RE INCOME SAS	GWHC SERVIÇOS ONLINE LTDA
BANCO BTG PACTUAL SA - CAYMAN BRANCH	BTG PACTUAL CHILE SERVICIOS FINANCIEROS S.A.	BTG PACTUAL REINSURANCE (CAYMAN) LTD	INMOBILIARIA BTG PACTUAL CHILE LIMITADA (CHILE)
BANCO ECONÔMICO - BESA	BTG PACTUAL CHILE SPA (PBL)	BTG PACTUAL RESSEGURADORA SA	INTER-PORTFOLIO VERWALTUNGSGESELLSCHAFT S.A.
BANCO SISTEMA SA	BTG PACTUAL CORRETORA DE RESSEGUROS LTDA	BTG PACTUAL S.A. COMISIONISTA DE BOLSA	MAGNETIS DTVM
BASTEC TECNOLOGIA E SERVICOS LTDA	BTG PACTUAL CORRETORA DE SEGUROS LTDA.	BTG PACTUAL SEGUROS SA	OURINVEST DISTRIBUIDORA DE TITULOS E VALORES MOBILIARIOS S.A.
BP AGENCIA DE SEGUROS LTD	BTG PACTUAL CORRETORA DE TITULOS E VALORES MOBILIARIOS S A	BTG PACTUAL SERVICOS FINANCEIROS S/A DTVM	PACTUAL STRAT PART II
BRAAVOS HOLDING FINANCEIRA	BTG PACTUAL ESPAÑA AGENTE DE SEGUROS	BTG PACTUAL SOCIEDAD FIDUCIARIA S.A	RESALE TECNOLOGIA E SERVIÇOS LTDA
BRAZILIAN FINANCE & REAL ESTATE SA	BTG PACTUAL GESTORA DE FONDOS SA DE	BTG PACTUAL STRAT PART I	VITREO DTVM SA
BRE AAI	BTG PACTUAL GESTORA DE INVESTIMENTOS ALTERNATIVOS LTDA	BTG PACTUAL TIMBERLAND INVESTMENT GROUP LLC	VITREO GESTAO DE RECURSOS
BTG COM Energia SAS	BTG PACTUAL GESTORA DE RECURSOS LTDA	BTG PACTUAL UK HOLDCO LIMITED	VITREO HOLDING FINANCEIRA
BTG Energia	BTG PACTUAL GLOBAL ASSET MANAGEMENT LIMITED	BTG PACTUAL UK LIMITED	VITREO HOLDING SA
BTG PACTUAL (CAYMAN) INTERNATIONAL HOLDING LIMITED	BTG PACTUAL HOLDCO LUX AS	BTG PACTUAL US CAPITAL LLC	
BTG PACTUAL ARGENTINA SA	BTG PACTUAL HOLDING DE SEGUROS LTDA.	BTG PACTUAL VIDA E PREVIDENCIA SA	
BTG PACTUAL ASSET MANAGEMENT S/A DTVM	BTG PACTUAL HOLDING INTERNACIONAL S A	BTG PACTUAL WM GESTAO DE RECURSOS LTDA	
BTG PACTUAL ASSET MANAGEMENT US LLC	BTG PACTUAL HOLDING PARTICIPACOES SA	BTG SOFOM	
BTG PACTUAL CASA DE BOLSA SA DE CV	BTG PACTUAL NY CORPORATION (US)	BTG SYS	
BTG PACTUAL CHILE ASESORIA FINANCEIRA LTDA	BTG PACTUAL OILGAS SARL	BW PROPERTIES S.A.	
BTG PACTUAL CHILE S A CORREDORES DE BOLSA	BTG PACTUAL PERU S.A. S.A.FI	ECONÔMICO AGRO PASTORIL	
BTG PACTUAL CHILE S.A. (CHILE)	BTG PACTUAL PERU S.A. SAB	ECTP BRASIL SA	

#### Companies not considered

AGROPECUÁRIA SENHORBONFIM	CST CIA DE SINTÉTICOS	KINVO TECNOLOGIA LTDA.	PROMOTORA ECONÔMICO LTDA.
ARC4u GESTÃO DE ATIVOS AS	CST EXPANSÃO URBANA LTDA.	MOBIAUTO ED ANUNC ON LINE	TTG BRASIL INVESTIMENTOS FLORESTAIS LTDA
BANCO PAN SA	ECONTRADING COM EXTERIOR	MOSAICO TECNOLOGIA S.A.	TTG FORESTRY SERVICES LLC
BM SUA CASA PROMOTORA DE VENDAS LTDA.	ELITE CORRETORA LTDA.	NOVA ALIANÇA S/A	UNIÃO INDUSTRIAL LTDA.
BRAZILIAN SECURITIES COMPANHIA DE SECURITIZAÇÃO	EMPIRICUS RESEARCH LTDA	PAN ADM DE CONSÓRCIO LTDA	
BTGP INVESTMENT BANKING	ENFORCE GESTAO DE ATIVOS S.A.	PAN ARRENDAMENTO MERCANTIL S.A.	
CCB CÍTRICOS DO BRASIL	FATOR AS - CORRETORA DE VALORES	PAY2ALL INSTITUIÇÃO DE PAGAMENTO LTDA.	
CONCASH	GWHC SERVIÇOS ONLINE LTDA.	PRIS SOFTWARE LTDA	





# Annex II – Stakeholder engagement

GRI 2-25 D. / GRI 2-29



			It influences BTG Pactual's performance on the subject:			It is impacted by BTG Pactual's performance on the topic:		
STAKEHOLDER GROUPS	Definition	Forms of engagement	ECONOMIC	SOCIAL	ENVIRONMENTAL	ECONOMIC	SOCIAL	ENVIRONMENTAL
Clients		<p>Research platform with various reports.</p> <p>Philanthropic assistance: Support for clients in developing their philanthropy, by recommending social organizations and professionals in the sector, and offering events on the subject.</p> <p>Humanized service, 24 hours a day, 7 days a week.</p> <p>Events:</p> <p>Eventos:</p> <ul style="list-style-type: none"><li>· Agrishow</li><li>· AgroForum BTG</li><li>· CEO Conference</li><li>· Macro Day</li><li>· Summit</li></ul> <p>Learn more at: <a href="http://www.btgpactual.com/eventos">www.btgpactual.com/eventos</a></p>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Employees	All the bank's employees, including all hierarchical levels and departments.	<p>Conducting the Engagement Survey, which gives greater visibility to the needs of employees.</p> <p>Performance assessment process that evaluates employees on their performance over the year, their skills and their alignment with our values.</p> <p>BTG Virtual Challenge</p> <p>For the sake of our team's health and well-being, our traditional run (BTG Run) has given way to the BTG Virtual Challenge, a virtual sports challenge that can be done from wherever you are, as a way of staying active and aware. The event is exclusive to BTG Pactual employees.</p> <p>BTG Academy</p> <p>The Financial Market Training program aims to provide bank employees with a practical and up-to-date overview of how the financial market works. The modules are taught in-house by senior Bank professionals who are experts in their fields.</p>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	





			It influences BTG Pactual's performance on the subject:			It is impacted by BTG Pactual's performance on the topic:		
STAKEHOLDER GROUPS	Definition	Forms of engagement	ECONOMIC	SOCIAL	ENVIRONMENTAL	ECONOMIC	SOCIAL	ENVIRONMENTAL
Community and NGOs	Local community and non-profit organizations that are influenced by the bank's operations. They are interested in the positive social, environmental and economic impacts generated.	<p>Own projects - Development of projects to strengthen the management of social organizations and entrepreneurship, through training and mentoring.</p> <ul style="list-style-type: none"><li>· BTG Soma Program</li><li>· Journey for Entrepreneurs</li><li>· Financial Awareness Journey</li><li>· Tech Journey</li></ul> <p>Volunteer Program - Promotion of volunteer actions and fundraising campaigns to bring our employees closer to social causes and the third sector, donating their time, talent and financial resources.</p> <ul style="list-style-type: none"><li>· Aproximar Project</li><li>· Solidarity Easter</li><li>· Solidarity Christmas</li><li>· Imposto que Rende [Tax that Yields]</li><li>· Tech Journey and BTG Soma Mentoring</li></ul> <p>Tax Incentives - Financial support, through tax incentive laws, for projects focused on our priority causes. Annual average of 40 projects supported.</p> <ul style="list-style-type: none"><li>· Mano Down Cultural Space</li><li>· Judo with Tiago Camilo</li><li>· Perifa 60+</li></ul>						
Industry experts	Professionals or organizations with specialized knowledge of specific issues related to the financial sector. This can include consultants, academics, financial analysts, investment managers, economists and other specialists who have an in-depth understanding of financial markets, financial instruments, regulations, economic trends and other aspects. These experts play an important role in advising companies, investors and decision-makers on issues related to finance and investments.	<p>Hiring experts and consultants to help with different projects</p> <p>Presence of experts at events such as:</p> <ul style="list-style-type: none"><li>· CEO Conference: One of the world's leading conferences with major leaders from national and international economics and politics. Divided between Macro Room and Tech Room, the last edition had more than 20 hours of content and more than 114,000 hits over the two days of the event.</li><li>· Macro Day: Every year we bring together leading figures in economics and politics from Brazil and around the world to discuss current issues and trends for the coming years, with a focus on the macroeconomic scenario and the political environment.</li></ul>						





STAKEHOLDER GROUPS	Definition	Forms of engagement	It influences BTG Pactual's performance on the subject:			It is impacted by BTG Pactual's performance on the topic:		
			ECONOMIC	SOCIAL	ENVIRONMENTAL	ECONOMIC	SOCIAL	ENVIRONMENTAL
Suppliers	Individual or legal entity hired or in the process of being hired by BTG Pactual to provide a service or sell a product.	Policies and procedures for relations with suppliers: - Code of Conduct - Service Provider Conduct Manual - ESG Conduct Manual for suppliers - Supplier Evaluation Policy - Information Security Policy for Third Parties - Social, Environmental and Climate Responsibility Policy	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Outsourced employees	Third-party (temporary) employees: Provider of services through an agreement with an intermediary company, according to the duration of the contract, without there being a direct relationship between the bank and the worker who performs this service.		<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Press	Media covering the bank's activities.	- Press conference - Sending a media kit	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
Investors	Individuals or institutions that invest capital in the bank, often through debt securities or other financial instruments.	- Earnings Conference Call - Regular meetings	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>





## Credits

### Coordination

ESG and IR areas

### Collaboration

Marketing and Communication

**GRI 2-3**

Questions and suggestions about  
the content of the reports

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