



**Annual &  
Sustainability  
Report  
2020**

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Credits

# foreword

This Annual & Sustainability Report is part of BTG Pactual's commitment to transparency and continuous improvement of our reporting practices.

Our 2020 Report – the second published in accordance with the Global Reporting Initiative (GRI) Standards – Core Option – and its contents address our full range of material topics. This means that in addition to conventional information about our annual economic and financial performance, we also report on our sustainability practices, processes and initiatives. [GRI 102-1, 102-54](#)

BTG Pactual's material topics—the economic, social and environmental aspects of our business that are most significant in terms of sustainability and are prioritized in our report—were determined through a survey of key stakeholders, including financial market and sustainability experts, BTG Pactual executives, employees, investors, suppliers, clients, shareholders, and industry representatives. The stakeholder survey included an online survey of 359 people and interviews with representatives from BTG Pactual's Board of Executive Officers. [GRI 102-43, GRI 102-52](#)



Our materiality exercise also considered the Sustainable Development Goals (SDGs) of the United Nations (UN) Agenda 2030 to ensure greater alignment with society's most crucial challenges today. [GRI 102-40](#)

The survey and materiality exercise generated a final list of seven material

topics. These provided crucial inputs for our leadership team and helped to inform both our sustainability strategy for the coming years as well as the contents of this Report.

## Defining our material topics

GRI 102-42, 102-43, 102-44, 102-47



### 1. Identification

Research and analysis of internal guidelines and industry standards informed a long list of topics relevant to the segments where BTG Pactual operates.



### 2. Prioritization

Data was collected from 366 individuals through interviews with external experts, BTG Pactual executives, and an online employee survey. The responses were used to evaluate and prioritize the list of topics.

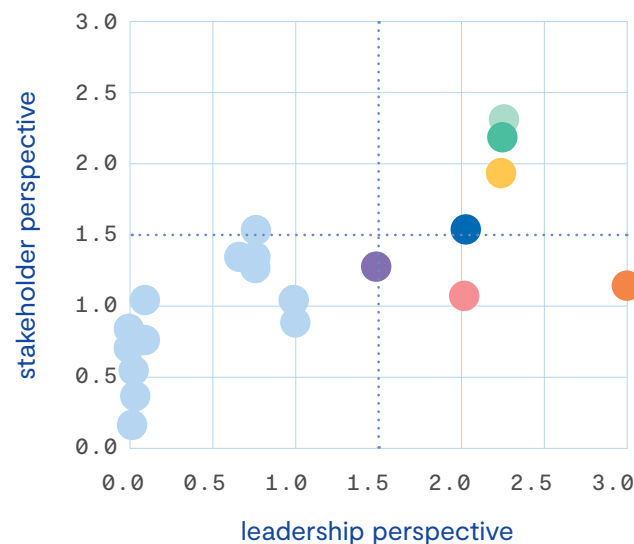


### 3. Strategic validation

BTG Pactual's Board of Executive Officers validated the list of material topics from a strategic perspective.

\*For the purposes of this report, employees or professionals means employees registered in accordance with Brazilian Consolidated Labor Regulations (CLT).

## analysis



### Results & recommendations

- Ethics and compliance in all business dealings
- Cyber risks, security and data protection
- Integrating social and environmental risks into corporate risk management
- Diversity and inclusion
- Innovation and technology driven by digital transformation
- Corporate social responsibility initiatives and private social investment
- Human capital management

## SDGs

In prioritizing our material topics, we also considered the UN Sustainable Development Goals (SDGs). The SDGs are part of the global Agenda 2030, a major plan of action for governments, private sector and society to tackle most pressing challenges facing humanity and ensure prosperity for all.

Priority topic	Why it is material	Stakeholders that see it as material GRI 102-44, 102-46	Where the impacts occur GRI 103-1 → within the organization ⇨ outside the organization	Related SDGs (and SDG targets)	Read more
Ethics and compliance in all business dealings	Integrity program, anti-corruption policy, codes of conduct, communication and training, and handling insider information.		→ ⇨	 16.5	Pages 28 to 34
Cyber and security risks and data protection	Protecting the privacy and security of client, sensitive and confidential data; data usage policies; preventing the unauthorized disclosure and use of client mailing lists; initiatives to thwart large-scale cyber attacks.	Customers, Experts and Suppliers	→ ⇨	 8.1  17.13	Pages 20, 31, 32
Integrating social and environmental risks into corporate risk management	Social and environmental risks as part of corporate risk management; social and environmental license requirements; due diligence; supplier social and environmental risks; regulatory standards; and incorporating social and environmental risk analyses across all business lines.	Employees, Investors and Suppliers	→	 8.7  13.1  16.2	Pages 20 to 25, 49
Diversity and inclusion	Initiatives for inclusion regardless of ethnicity, gender, sexual orientation or disabilities; promoting diversity; and training initiatives for minority groups.	Trade Associations	→ ⇨	 4.5  5.1 5.6	Pages 51 to 59
Managing and developing human capital	Turnover rates; training and development; performance assessment; identifying future competencies; and organizational climate.	Investors, Suppliers	→	 4.4	Pages 55 to 58
Innovation and technology driven by digital transformation	Machine learning; big data; artificial intelligence; investments in technology; partnerships with fintechs; user experience (UX); new technology-enabled business lines; new competencies reflecting new business mindsets; and product/service accessibility for people with disabilities.	Experts, Trade Associations	→ ⇨	 9.5  17.8	Pages 44, 45, 55
Corporate social responsibility initiatives and private social investment (PSI)	Corporate social responsibility initiatives; PSI criteria; results and impacts from local development initiatives.	Trade Associations	→ ⇨	 4.1	Pages 41, 64 to 66



# letter from the partnership

GRI 102-14

In the financial services industry, the word “uncertainty” is typically used to refer to potential developments in economic policy, political disputes in different countries, or the risk of armed conflicts between nations. But no one could have predicted how uncertainties would be exacerbated in January 2020.

The novel coronavirus pandemic has had a brutal and unprecedented impact on public health, people’s lives and the economy, transforming the way we live, the way we work, and the way we do business. Recognizing our responsibility to society, BTG Pactual has made donations of R\$ 50 million (in addition to R\$ 9 million in client donations) to social support initiatives and the public healthcare system, helping to mitigate the damage inflicted by COVID-19.

In such a trying year, we are proud to have successfully protected the health and safety of our employees while delivering excellent financial performance, as well as supporting our communities. Approximately 85% of our employees were assigned to work from home throughout most of the year, helping to keep them socially distanced and safe. Our information technology teams ensured the needed connectivity

and security for this new approach to working providing all teams with a stable, seamless and incident-free working environment with a high level of engagement and dedication. We stood close to our clients, providing high-quality information and expert advice to support them in their business or in managing their portfolios.

BTG Pactual maintained extremely high levels of liquidity in the year, with record cash flows and one of the highest Basel ratios in the country among banks of comparable size. This allowed us to increase our credit offering at a time when businesses needed it most and other banks were limiting their own offerings. As a result, BTG Pactual’s lending portfolio grew by 68%, or R\$ 30 billion, primarily consisting of loans to first-rate counterparties with high levels of profitability.

Assets under management/custody stood at a total of R\$ 635 billion in 2020, expanding by more than 40%. This is a testament to our high-quality management and the trust our clients place in us. This total includes: AuM/AuA of R\$ 377 billion, up 38% from 2019, and WuM of R\$ 258 billion, a gain of 54% from the previous year as we reached a record of R\$ 127 billion in net new money in the year. This further enhanced our capacity for product distribution.

Looking at our results in the year, our performance was exceptionally strong across all business lines, with record one-year revenues in Investment Banking, Corporate Lending and Wealth Management. Total revenues grew by 12% compared to 2019, with operating revenue (revenue excluding Interest and Other, Participations and Principal Investments) increasing by 31% year on year.

We hired 1,400 people amid the pandemic, mostly in the areas of technology and digital retail. We also onboarded a large number of programmers, with approximately 80 now working fully remotely from locations across Brazil. Our team succeeded in not only keeping our operations running but also launching a range of new products.

During the year we rolled out BTG+, a new digital bank for retail and high-net-worth retail clients, offering a complete suite of financial products and services including investments, loans, consumer finance, transaction banking, insurance, financial education and consulting, with the best UX in the market.

In 2021 we will continue to experience aftershocks from the crisis that made 2020 such a challenging year. We believe, however, that the economy will continue to show resilience despite the still-complex environment. Our business will continue to be driven by two equally resilient trends: structurally lower-than-historical interest rates, and digitization (which, incidentally, has been accelerated by the pandemic). BTG Pactual is currently in a virtuous cycle of strong growth combined with high profitability. Our unique, integrated business model has increasingly proven itself to be a winning one.

While preparing our second report in accordance with the Global Reporting Initiative (GRI) Standards, we conducted an extensive stakeholder survey to determine the sustainability topics that matter most to our business. The outputs from the materiality exercise, which are described on page 4, informed not only the contents of our Annual & Sustainability Report but also our initiatives in the

year, our day-to-day activities, and our commitments, including our commitment to the United Nations (UN) Global Compact and its ten principles.

In 2020, BTG Pactual became the first bank in Latin America to neutralize 100% of its carbon emissions in 2019, including both direct and indirect emissions. We not only offset our own emissions but also measured and offset the carbon emissions of independent agents' offices, becoming the first bank to do so. We were also named to the Brazilian stock exchange's Corporate Sustainability Index (ISE B3), Carbon-Efficient Index (ICO2 B3), S&P/B3 Brazil ESG and the CDP Brazil – Climate Resilience Index (ICDPR-70). We expanded our ESG (Environmental, Social and Governance) function and created a new Sustainable & Impact Investing front, generating synergies in expertise and purpose that have already delivered the first of many more results to come. Going a step further, we were highly successful in our efforts to firmly embed ESG values into BTG Pactual's culture. More than an agenda, these values are increasingly an integral and inseparable part of our business.



01\_


2020


at a glance



BTG+, our new digital retail bank, launched in September for clients and in January 2021 for the general public

Total revenue was  
  
**R\$ 9.3 billion**  
 in 2020

Net income was  
  
**R\$ 4 billion**

Net income per unit was  
  
**R\$ 4.48<sup>1</sup>**

Shareholders' equity grew  
  
**24.8%**  
 in the year,

ending 2020 at  
  
**R\$ 26.7 billion**

Return on average equity (ROAE) was  
  
**16.9%<sup>1</sup>**

<sup>1</sup> Annualized ROAE and net income per unit are based on adjusted net income.

02\_

powered by  
**BTG**

# profile

Founded 37 years ago in Rio de Janeiro, BTG Pactual has established a global presence in the world's major financial centers, supported by a unique partnership model that combines efficiency, client orientation, excellence, independence and a long-term vision. We believe this combination of operating principles drives more rigorous risk analysis in all our operations, and ensures we are fully responsive to our clients' needs. In 2019 BTG Pactual was named Investment Bank of the Year in Latin America by *LatinFinance*.

We work to create value for our clients, shareholders and wider society. This means engaging closely with our stakeholders and prioritizing their long-term interests, striving to consistently deliver high-quality products and services in a virtuous cycle where quality drives growth and vice versa.

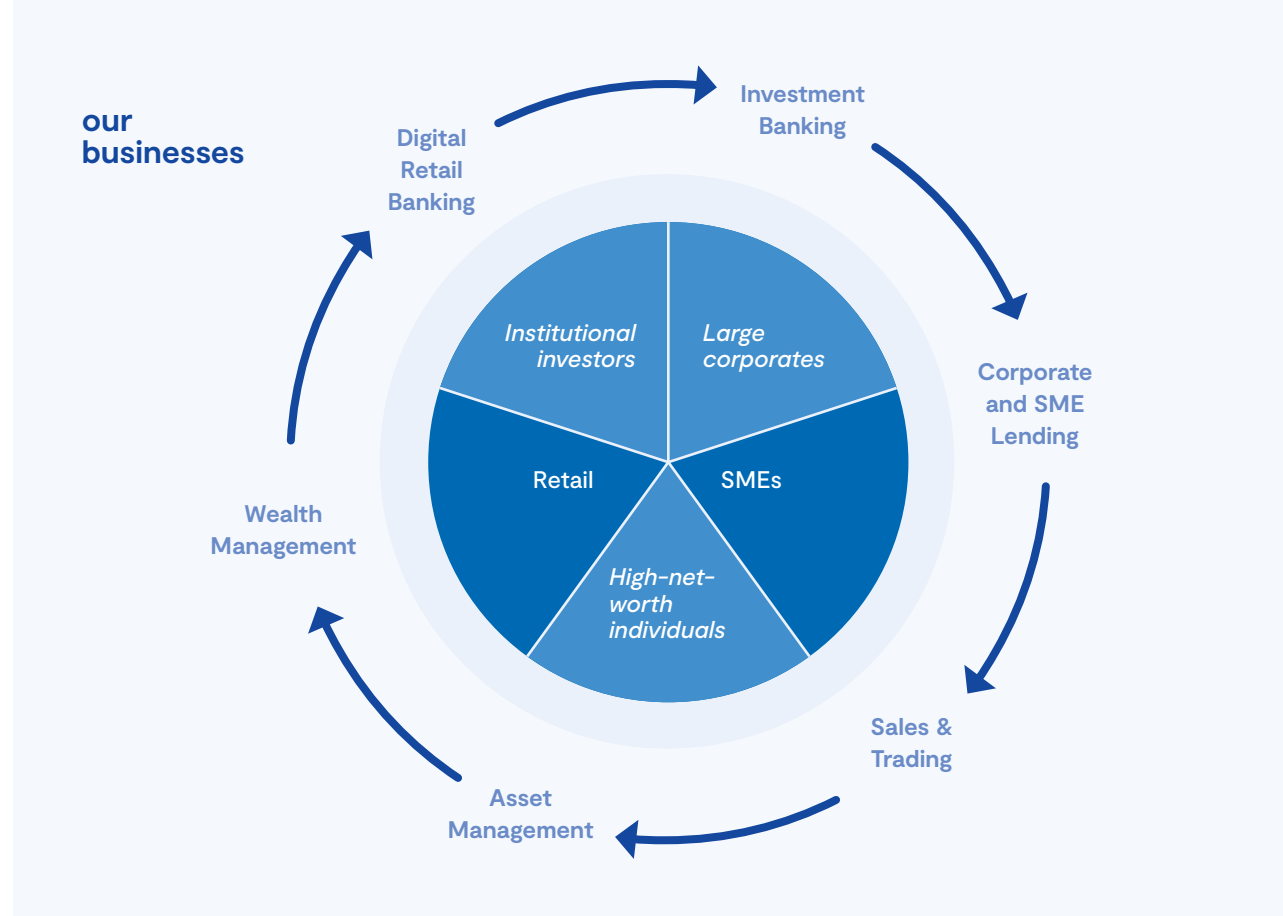
We have further strengthened BTG Pactual as a leading innovator in our industry, recognized through both local and global awards and rankings (read more about Awards and

Recognition on page 16). BTG Pactual's Digital Retail Unit (DRU) has significantly expanded retail-client access to high-quality investment and financial services. Our retail business is focused on high-net-worth individuals, and our agents know the risk profile of each of our clients. This ensures we are genuinely aligned with the interests of those who trust and invest with us. [GRI 102-2](#)

## Industry insight and analysis

As part of our efforts to provide clients with the best financial products, services

and advice, we regularly organize events to discuss the market environment and outlook. Our CEO Conference, an event we have organized for the past 20 years, has become one of the foremost of its kind in Latin America, and is also hosted in London and New York. The event brings together some of the leading experts in different areas to discuss challenges facing the Brazilian and Latin American markets.





## our geographic presence

Besides our headquarters in São Paulo and Rio de Janeiro, we have offices in several other major cities in Brazil and in important financial centers in Latin America and globally (see the map on the right). Of our 3,500 employees, approximately 800 work in offices outside Brazil. **GRI 102-3, 102-5, 102-6, 102-7, 102-8**



**3,515**  
employees

**R\$ 9.3 billion**  
**(+11.6%)**  
Total revenue

**R\$ 4.0 billion**  
**(+5.7%)**  
Adjusted net income

**R\$ 26.7 billion**  
**(+24.8%)**  
Equity

**R\$ 377.1 billion**  
**(+38.1%)**  
Total assets under management and administration (AuM and AuA)

**R\$ 258.4 billion**  
**(+53.8%)**  
Total Wealth under Management (WuM)

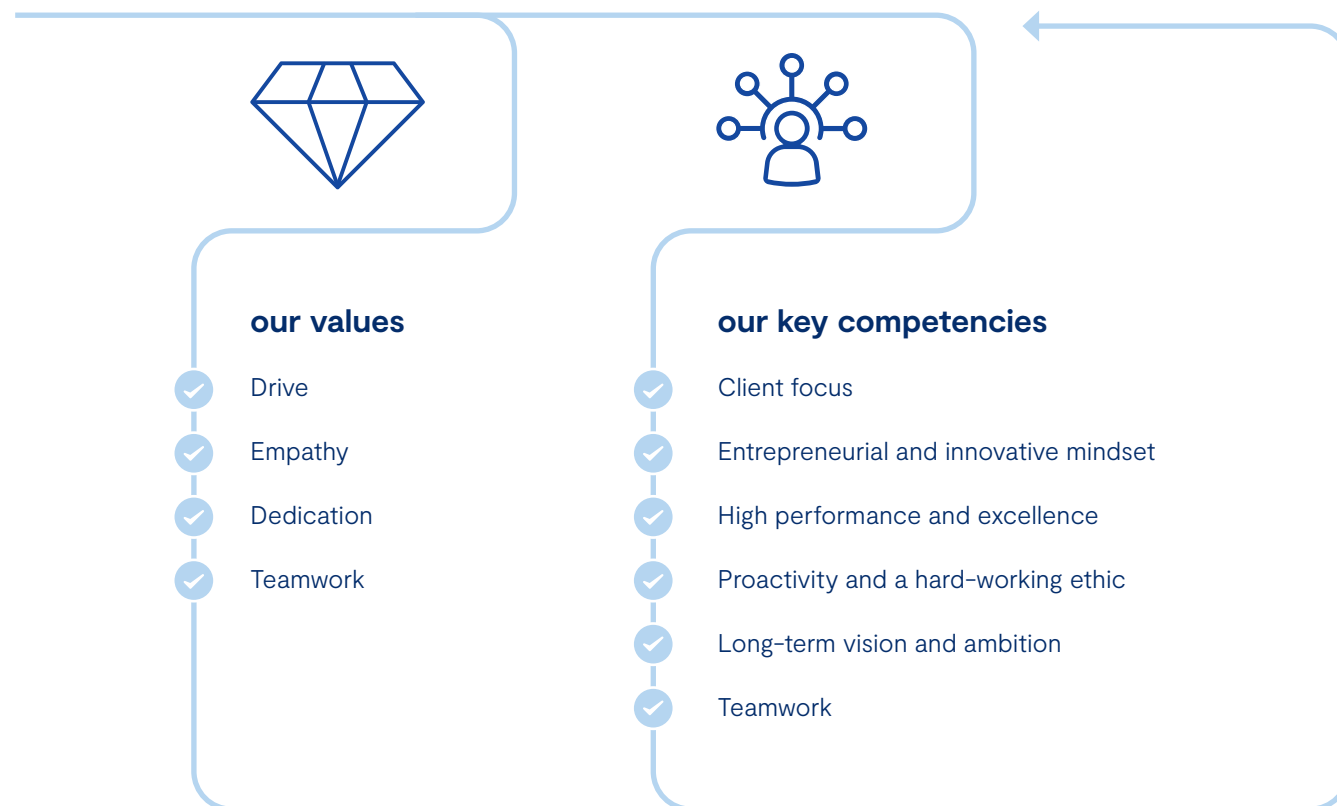
## our differentiators

BTG Pactual is guided by a set of core defining principles, including: meritocracy, partnership, hard work and entrepreneurship.

Meritocracy at BTG Pactual is a system in which the individual performance (and ability to work as a team) of all employees, including partners, is assessed in an annual performance review process that generates individual feedback, a performance score and a variable income allocation (known internally as a profit-sharing bonus). Employees who consistently deliver positive performance are eligible to become partners by purchasing an entry-level number of shares in the Partnership's parent company.

In our partnership model, all partners have executive-level responsibility for the company's day-to-day operations. The stakes held by each partner are adjusted annually based on the results from performance reviews.

In addition to a high level of commitment and dedication to their work and



clients, each employee and partner is also expected to demonstrate creativity and resourcefulness (entrepreneurship). Other core guiding principles include investment in professional development, a long-term vision, and stringent control of risks in proprietary and client activities.

This model also significantly enhances BTG Pactual's ability to attract and retain top talents, helping to maintain a lean and efficient organizational structure.

**In our partnership model, all partners have executive-level responsibility for BTG Pactual's day-to-day operations**

# our business model

## FINANCIAL CAPITAL

### INPUTS (CAPITALS USED)

- > Wealth under Management (WuM) and Assets under Management (AuM)
- > Corporate Lending, Research, Investment Banking, Sales and Trading
- > Digital Retail Unit (DRU)

## MANUFACTURED CAPITAL

- > Innovation and digital transformation
- > Technologies and systems – managing cyber risks, security and data protection, compliance management systems

## INTELLECTUAL CAPITAL

- > Investment expertise
- > Financial market expertise
- > Organizational culture and structure, and open workspaces

## HUMAN CAPITAL

### Partnership model

- > Partners as executives

### Employees

- > Expertise, talent, entrepreneurship and an innovative mindset—high-caliber employees providing customized client service
- > Investment in people – training and remuneration
- > Communication, webdesign, programming and UX skills

## SOCIAL CAPITAL

- > A 37-year presence in the financial market and in key financial centers globally
- > Presence in Latin America – Colombia, Chile, Peru, Mexico and Argentina
- > Stakes in financial institutions (Banco Pan, Too Seguros, EFG)

## NATURAL CAPITAL

- > Electric power and materials (paper)

### PARTNERSHIP: KEY EXECUTIVES HAVE A STAKE IN BTG PACTUAL.

**We are a restless, continuously evolving Bank driven by a global mindset, agile decision-making and client orientation.**

### PURPOSE

Support clients according to their stage in life and help them build their future.

### ATTRIBUTES

- > We approach decisions with a critical eye to either proceed on or shift course
- > Empathy: as entrepreneurs, we put ourselves in our clients' shoes
- > Dedication: we cultivate lasting relationships
- > Teamwork: unity makes strength
- > Governance with rigorous risk management, onboarding due diligence, and social and environmental risk assessment across all business lines

### BUSINESS RESULTS (OUTPUTS)

- > Net Revenue: R\$ 9.3 billion
- > Equity: R\$ 26.7 billion
- > Net Income: R\$ 4.0 billion
- > Interest on equity
- > Return on invested capital
- > Shareholder returns

- > Risk management, transaction security and data protection
- > Client focus: efficient, humanized and personalized client service
- > BTG Pactual Digital as the only five-time recipient of the RA1000 mark for excellence in service from ReclameAQUI
- > BTG Pactual WM—named the best private bank in Brazil by *Euromoney*, *World Finance*, and *PMW*

- > Market presence
- > Profitable investment

- > A high-quality product and service portfolio that is customized to clients' needs
- > Employee development—financial market workshops, training and courses for analysts
- > International awards and recognition—WM, Research and Asset

- > The largest investment bank in Latin America. The largest branchless bank in Brazil
- > Clients in Brazil and around the world
- > Partnership with social programs and NGOs

- > Renewably sourced energy, such as solar power at our offices
- > As a branchless bank, we save on materials (paper and toner) and electricity

### IMPACTS BEYOND THE BUSINESS (OUTCOMES)

- > Tax revenues
- > Employee compensation
- > Impact investing: educational, health, environmental preservation and entrepreneurship programs
- > A presence in the SME market since 2019, and CAPEX lending to large corporates

- > Transaction security and protection of client data
- > Fueling the financial market through secure transactions
- > Managing and combating illicit activity through compliance systems and controls

- > Advisory services for personal private banking clients and high-net-worth retail banking clients
- > Family and succession planning—live streams/morning calls to promote financial education in Brazil
- > Support for:
  - The growth of small and medium enterprises (advisory)
  - The development of the renewable energy market (finance)
  - The development of a green economy through investments in projects generating social and environmental benefits

- > Supporting employment, livelihoods and economic development
- > Capacity building for 24 businesses in partnership with BlackRocks Startups

- > Attracting domestic and foreign capital
- > Reducing environmental impacts and supporting a shift to a low-carbon economy aligned with the SDGs and the Paris Agreement
- > A leading player in product origination and distribution capacity

- > GHG emissions reduction through the use of renewable energy sources, and offsets for 100% of global carbon emissions (Scopes 1, 2 and 3)
- > Digitization of processes, banking services and client service—generating GHG and material savings
- > Supplier assessments on carbon management



# key awards and recognition in 2020

Institution	Award	Country/ Region
<b>Investment Banking</b>		
<i>The Banker</i>	Investment Bank of the Year for Emerging Markets	Global
<i>The Banker</i>	Best Performing Bank in Brazil	Brazil
<i>The Banker</i>	For Growth in Brazil	Brazil
<i>The Banker</i>	For Profitability in Brazil	Brazil
<i>The Banker</i>	For Operational Efficiency in Brazil	Brazil
<i>The Banker</i>	For Soundness in Brazil	Brazil
<i>Estadão – Finanças Mais</i>	#1 Wholesale Bank	Brazil
<i>World Finance</i>	Best Investment Bank	Brazil
<i>LatinFinance</i>	Investment Bank of the Year	Latin America
<b>Wealth Management</b>		
<i>Euromoney</i>	Best Private Banking Services Overall	Brazil
<i>Euromoney</i>	High Net Worth Clients (US\$ 5 million to US\$ 30 million)	Brazil
<i>Euromoney</i>	Mega High Net Worth Clients (US\$ 250m+)	Brazil
<i>Euromoney</i>	Super Affluent Clients (US\$ 1 million to US\$ 5 million)	Brazil
<i>Euromoney</i>	Ultra-High Net Worth Clients (>US\$ 30m – US\$ 250m)	Brazil
<i>Euromoney</i>	Capital Markets and Advisory	Brazil
<i>Euromoney</i>	ESG/Impact Investing	Brazil
<i>Euromoney</i>	Family Office Services	Brazil
<i>Euromoney</i>	International Clients	Brazil
<i>Euromoney</i>	Investment Management	Brazil
<i>Euromoney</i>	Next Generation	Brazil

<i>Euromoney</i>	Philanthropic Advice	Brazil
<i>Euromoney</i>	Research and Asset Allocation Advice	Brazil
<i>Euromoney</i>	Serving Business Owners	Brazil
<i>Euromoney</i>	Technology – Data Management and Security in Private Banking and Wealth Management	Brazil
<i>Euromoney</i>	Technology – Innovative or Emerging Technology Adoption	Brazil
<i>PWM</i>	BTG Pactual as Best Private Bank for Digital Customer Experience in Latin America	Latin America
<i>The Banker</i>	Best Private Bank in Colombia	Colombia
<i>The Banker</i>	Best Private Bank in Latin America	Latin America
<i>World Finance</i>	Best Private Bank	Brazil
Leader League Banking	Advisors: Wealth Management	Brazil

## Digital

FGV and Fractal Consult	Best Bank for Investing	Brazil
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## Asset Management

<i>Exame/FGV</i>	Expert Manager (2019 and 2020)	Brazil
<i>Exame/FGV</i>	Expert Fixed Income Manager (2019 and 2020)	Brazil

## Research

<i>Institutional Investor</i>	Best Corporate Access in Latin America	Latin America
<i>Institutional Investor</i>	Best Equity Sales Team in Brazil	Brazil
<i>Institutional Investor</i>	Best Research Team in Brazil	Brazil

03\_



# decision making

GRI 102-18



BTG Pactual is an investment bank and asset and wealth management firm based in Brazil, operating under a business model in which partners also serve in an executive capacity. We are a publicly held corporation listed on B3 (BPAC11) that has adopted the enhanced, Tier 2 governance practices prescribed by the Brazilian stock exchange.

We believe our partnership model and key executives' significant stakes in the company help to ensure high levels of commitment among key executives to the long-term performance of the business, and close alignment with investors' interests. Our decision-making structure and our management and control processes are constantly evolving.

The Board of Directors is the highest decision-making body at BTG Pactual. The Board currently has eight members, three of whom are independent.

### Board of Directors GRI 102-18, 405-1

- » Cláudio Eugênio Stiller Galeazzi (Independent member)
- » Eduardo Henrique de Mello Motta Loyo (Member)
- » Guillermo Ortiz Martínez (Member)
- » John Huw Gwili Jenkins (Deputy chairman)
- » Mark Clifford Maletz (Independent member)
- » Nelson Azevedo Jobim (Chairman)
- » Roberto Balls Sallouti (Member)
- » Sofia de Fátima Esteves (Independent member)

With the exception of Sofia de Fátima Esteves (who was appointed on August 26, 2020), all other members of the Board of Directors initiated their current terms on April 28, 2020. [Learn more about Board members' biographies.](#)

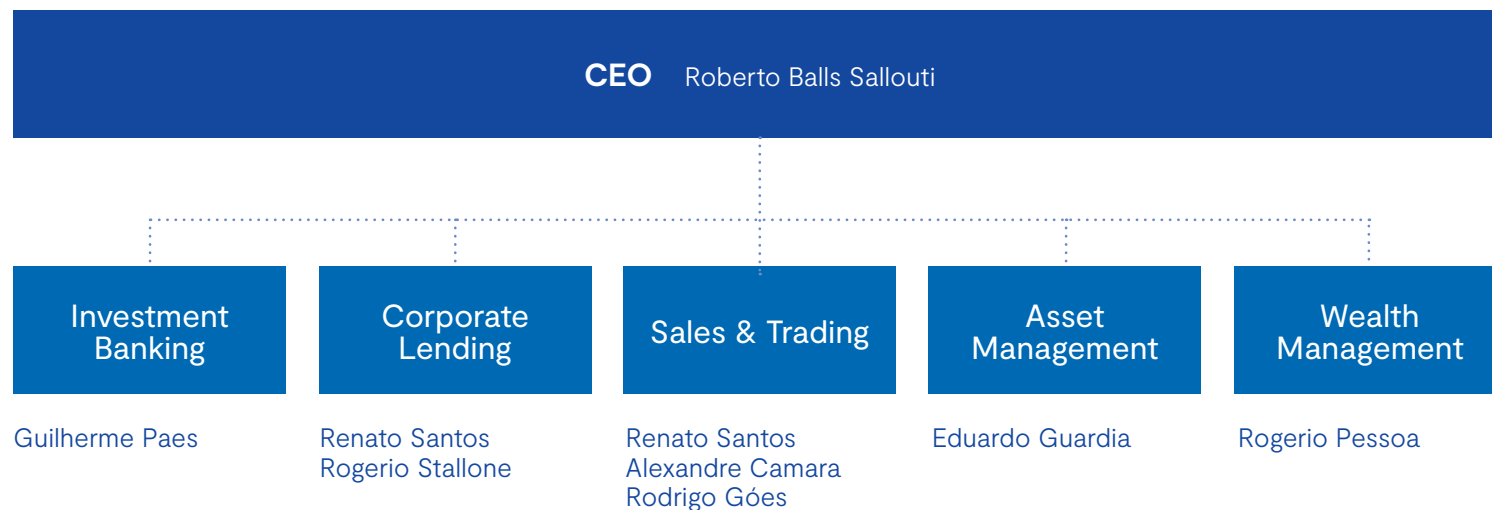
Under BTG Pactual's Bylaws, the Board of Directors has a total of not more than 11 members. Board members serve a renewable term of one year. The Board meets ordinarily at least once per quarter, and extraordinarily as necessary. Four Board meetings were held in 2020.

The duties of the Board of Directors include: providing general business guidance; appointing executive officers; providing strategic guidance; and approving financial information in the annual report and risk management policies and practices, including strategies for the ESG & Impact Investing function.

The Board is supported in its duties by a complete structure of committees. These include the: Audit Committee, Remuneration Committee, Risk & Capital Committee, Compliance Committee, and ESG Committee (the first two are statutory committees).

Conflicts of interest are addressed through a dedicated policy providing guidance on identifying and managing potential or actual instances of conflict of interest. We also have policies on insider information, unauthorized disclosures and insider trading.





BTG Pactual's statutory Board of Executive Officers consists of a minimum of 2 and a maximum of 16 members, who may or may not be shareholders. The board necessarily includes the CEO, the Investor Relations Officer, the vice president, and other officers. The Board of Executive Officers is responsible for executing business management in accordance with guidance set by the Board of Directors, for establishing guidelines and standards on profit sharing, and for other duties.

### Ownership Structure

BPAC11- Ownership Structure <sup>1</sup>	Total number of Units (Theoretical)	% of total
Partnership (Direct or via BTG Pactual Holding S.A. and BTG Pactual Holding Financeira Ltda.)	630,963,864	69.8
Investment Vehicles Linked to the Partnership	36,834,013	4.1
Free Float	236,437,781	26.1
<b>Total<sup>1</sup></b>	<b>904,235,658</b>	<b>100</b>

1. Updated December 31, 2020. In January 2021, a follow-on offering resulted in changes to the ownership structure, with the number of units increasing to R\$ 932 million.

Our Digital Retail Unit (DRU) spans all business areas. Sub-areas under it include BTG+, BTG+ Business, BTG Pactual Digital, boostLAB, and some Banco Pan and Too Seguros initiatives. The DRU is headed by senior partner Amos Genish.

### Board of Executive Officers

GRI 102-18, 405-1

Roberto Balls Sallouti

João Marcello Dantas Leite

Alexandre Camara e Silva

André Fernandes Lopes Dias

Antonio Carlos Canto Porto Filho

Bruno Duque Horta Nogueira

Guilherme da Costa Paes

Iuri Rapoport

Marcelo Flora Sales

Mariana Botelho Ramalho Cardoso

Oswaldo de Assis Filho

Renato Monteiro dos Santos

Rogério Pessoa Cavalcanti de Albuquerque

José Miguel Vilela

**Learn more about executives' biographies**

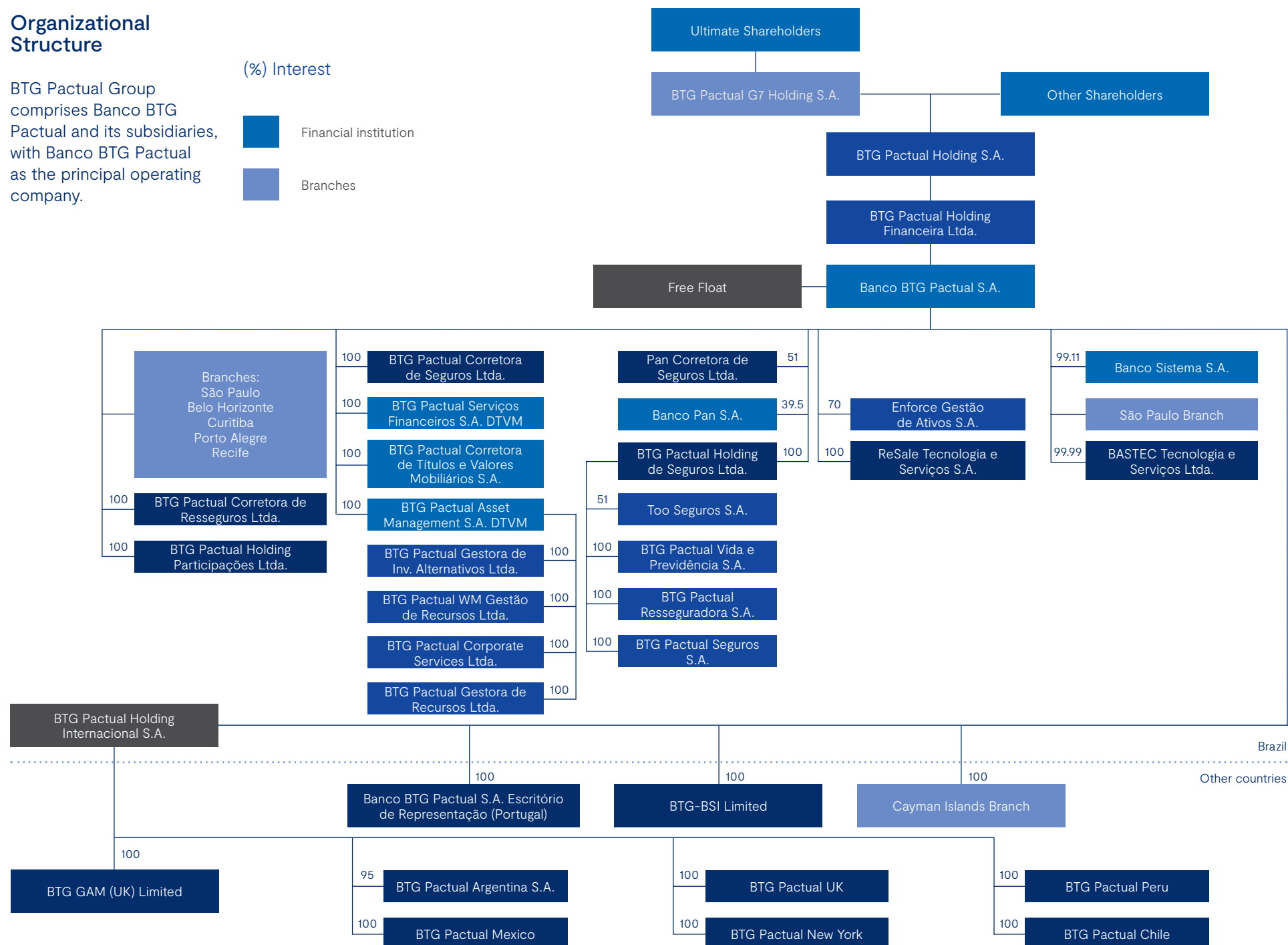
## Organizational Structure

BTG Pactual Group comprises Banco BTG Pactual and its subsidiaries, with Banco BTG Pactual as the principal operating company.

(%) Interest

Financial institution

Branches



# risk management

BTG Pactual's risk management and control structure supports business-wide monitoring to preserve invested capital, ensure integrity, and assist in managing and selecting optimal investment opportunities.

Our risk management process, which is illustrated in the flow diagram above, addresses credit, market, social, environmental, reputational, liquidity and operational risks. Adding to these risks are other emerging issues such as cyber security and data protection, which have become increasingly relevant as our Digital Retail Unit (DRU) operations continue to expand and scale.

In 95% of cases, risk decisions are made by the Chief Financial Officer (CFO), the head of Corporate Lending, the CEO or the ESG Committee. The remaining 5% are taken by the Operational Committee. [GRI 102-11](#)

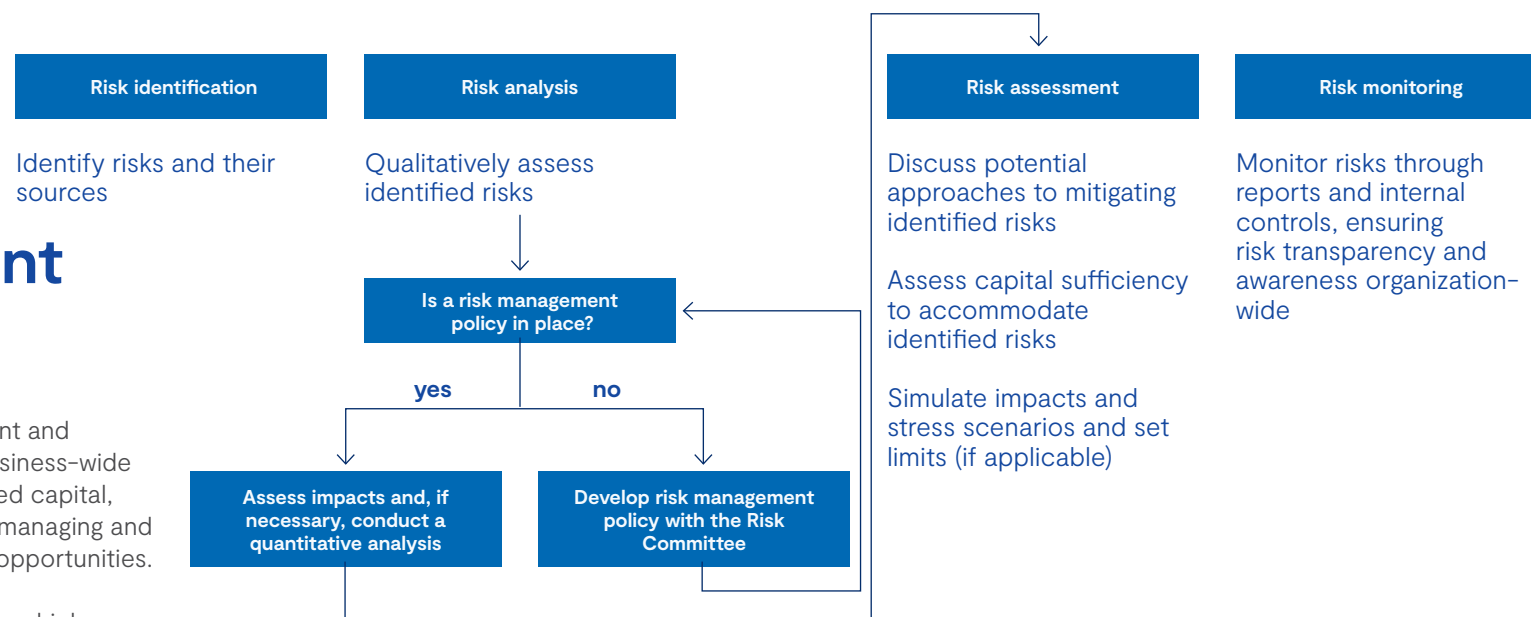
Our executives share business risks and opportunities within appropriate scopes of responsibility. All lending transactions undergo social and environmental due diligence based on the principles of relevance and proportionality. The factors considered in due diligence include compliance with social and environmental regulations; climate impacts; the likelihood of extreme weather events (such as floods, droughts or

As part of our fiduciary duty and responsibility to invest our clients' assets ethically and responsibly, at BTG Pactual we work to continuously improve our approach to social and environmental risk assessment in all lending and investment transactions.

forest fires); compliance with occupational health and safety standards; potential use of child or forced labor; judicial or administrative proceedings related to illegal deforestation; project constraints due to protected areas (e.g. legal reserves, indigenous lands and *quilombolas*); procedures to assess human rights risks and impacts; gender risk assessments (nondiscrimination policies, action taken to mitigate the risk of sexual exploitation of minors and gender violence); and clients' social and environmental management capabilities. For some types of transactions, we apply the International Finance Corporation's (World Bank) Performance Standards—a global benchmark on environmental and social sustainability—including the following: (I) Assessment and Management of Environmental and Social Risks and Impacts, (II) Labor and Working Conditions, (III) Occupational Health & Safety, and (IV) Indigenous Peoples and Cultural Heritage.

Monitoring is carried out when we follow the development of a particular project, or identify a material social or environmental issue in our initial social and environmental risk assessment (e.g., the existence of social and environmental demands, or an environmental license that will expire during operation). The scope of authority for transaction decisions extends to the ESG Committee.

In 2020 we conducted a total of 562 social and environmental risk assessments, 45% more than the 388 we conducted in 2019, reflecting the expansion of BTG Pactual's lending portfolio.



# managing ESG risks

GRI 102-11, 103 | 308, 103 | 414, 201-2 | FS1

Environmental, social and governance (ESG) risk management is integral to our culture and corporate structure at BTG Pactual. This involves different decision-making bodies and is implemented within a well-defined governance structure at all business units.

The Board of Directors is the highest governing authority in ESG risk management, as the body is responsible to provide guidance on and improve BTG Pactual's ESG strategy and policy, and oversee implementation at all business units.

The ESG Committee, the second-highest decision-making body, under the chairmanship of CEO Roberto Sal-louti, supports BTG Pactual's initiatives to promote responsible investing, sustainability, ESG transparency, and climate, social and environmental risk management. The third-highest ESG governance body is the ESG & Impact Investing function, a high-caliber team of environmental, occupational health and safety, economics, legal and financial management experts. This function is responsible for conducting social and environmental risk assessments, developing procedures, and

training other employees on ESG & Impact Investing. Training is regularly provided to all members of the organization, helping to develop their knowledge about social and environmental risks, impact investing, and related topics. We use the screensavers on employees' computers to communicate our ESG & Impact Investing initiatives.

## GRI FS4

BTG Pactual's Sustainability Policy sets out principles and guidelines to be applied organization-wide, in both front- and back-office activities. In 2020 we expanded our framework of ESG policies to include guidelines on responsible investing for Asset

Management and social and environmental risks for Lending. A Responsible Investing Policy has also been developed for our Timberland Investment Group (TIG), establishing nine principles on decision-making and selecting forestry assets. In 2020, 92% of our forests under management were certified for forest stewardship, and 99% had community engagement programs. Our TIG-related reports can be viewed at [timberlandinvestmentgroup.com](https://timberlandinvestmentgroup.com). Our Responsible Investing Policy for Asset Management is guided by ESG principles and applies to all investing at BTG Pactual. Our Social and Environmental Risk Policy, in turn, applies to onboarding risk





assessments on all counterparties and all lending transactions, including in Private Banking. BTG Pactual's Capital Markets, Mergers & Acquisitions, and Research functions are also required to observe the tenets and principles outlined in this policy.

Social and environmental risk assessments are carried out before entering into any relationship with counterparties. In these assessments, automated search systems assess social and environmental information and query databases such as the Brazilian Ministry of the Economy's slave labor blocklist and the list of areas embargoed by the Brazilian environmental protection agency, IBAMA. BTG Pactual declines to enter into a relationship with any counterparties found to be on the slave labor blocklist. Other issues are brought to the attention of the ESG

& Impact Investing function, which conducts an in-depth assessment and issues a final opinion on whether or not to enter into the relationship. Opening an account for a counterparty rated as posing a high social and environmental risk is subject to approval from the head of ESG.

BTG Pactual's ESG & Impact Investing function formally participates in all Lending Committees, in which prospective transactions are reviewed and approved. Social and environmental risk assessments are conducted in accordance with National Monetary Council (CMN) Resolution 4 327/2014, CMN Resolution 4 557/2017, Self-Regulatory Standard SARB 14, and our Social and Environmental Risk Policy. To enhance governance and ensure that social and environmental risk management practices

are independently assessed, the Internal Audit periodically reviews our ESG practices for compliance with applicable regulations, and assesses whether BTG Pactual is fulfilling its commitments as a signatory of sustainability initiatives such as the UN Global Compact, the Equator Principles and ISE.

The ESG Committee and Operational Committee are responsible for reviewing any vetoes. [GRI 102-9](#)

## ESG & Impact Investing Pillars

### 1. ESG Integration

- » Monitor regulatory developments and market trends related to ESG
- » Structure and implement measures to ensure compliance with applicable laws and regulations and industry best practices
- » Participate in financial forums to positively influence the development of the ESG market
- » Perform social and environmental risk assessments of lending transactions and integrate ESG in Asset Management strategies
- » Engage companies around best ESG practices

### 2. Eco-efficiency

- » Develop social and environmental programs
- » Establish and track key environmental and social performance indicators related to our operations
- » Assess and monitor suppliers on ESG
- » Disseminate ESG programs across BTG Pactual's global offices

### 3. Commitments and transparency

- » Identify and report on initiatives to engage BTG Pactual
- » Report on progress in ESG & Impact Investing and standardize related communications
- » Train employees and suppliers on ESG & Impact Investing topics
- » Continuously improve the ESG website and regular communications

### 4. Sustainable and Impact Investing

- » Identify business opportunities reflecting BTG Pactual's long-term vision and commitment to responsible development
- » Develop, structure, originate and distribute new financial products, such as sustainable debt finance, sustainable liquid and illiquid funds, impact investment funds, and other innovative products

# BTG Pactual's ESG & Impact Investing journey

Subscribed to the UN Global Compact

Signed up to the Principles of Responsible Investment: a set of six principles that aim to incorporate ESG aspects into investment decisions

Carbon Disclosure Project: an international platform which provides disclosures on the climate strategies of corporations globally

Investors for Climate: active engagement with carbon-intensive corporations to support them in reporting on their climate risks in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD)

Efforts to encourage carbon-intensive corporations to increase transparency in reporting on climate risks



Expanded the ESG function and created an ESG & Impact Investing function in 2020. Read more on page 24.

Committed to support the TCFD

ESG aspects embedded in decision-making processes

The first Brazilian bank to join the Global Impact Investing Network (GIIN), a platform that works to increase the scale and effectiveness of impact investing around the world.

Joined the UNEP FI program and subscribed to the Principles of Responsible Banking

Subscribed to the Equator Principles

Joined the Brazilian Coalition on Climate, Forests and Agriculture

100% of global carbon emissions offset in 2019 and 2020

## Learn more

BTG Pactual's ESG policies are publicly available on our website.

Click [here](#) to view our Sustainability Policy.

Click [here](#) to view our Social and Environmental Risk Policy.

# Integrating ESG at every level

GRI FS2

## Board of Directors

- » The highest governance body for ESG risk management
- » Sets our strategic vision for ESG
- » Responsible for approving ESG Policies and ESG strategy on aspects including corporate sustainability, climate risk, and social and environmental risk

## ESG Committee

- » Composed of C-level and other members of senior management
- » Oversees and manages implementation of ESG policies within sustainability programs, and social, environmental and climate risk processes and procedures, ensuring adherence to those policies.

## ESG & Impact Investing function

- » A team of environmental, occupational health and safety, economics, legal and financial management experts
- » Manages ESG & Impact Investing activity

## Business Units

- » Regularly identify ESG & Impact Investing risks and opportunities
- » Work with the ESG & Impact Investing function to implement new procedures and ensure initiatives are aligned with BTG Pactual's policies
- » Identify and capture opportunities for sustainable and impact investing in companies and projects, and local and international investors
- » Develop financial products in collaboration with the ESG & Impact Investing function



## Sustainability frameworks

In 2020 BTG Pactual subscribed to several sustainability frameworks including the Equator Principles, the Brazilian Coalition on Climate, Forests and Agriculture, the Global Impact Investing Network, the United Nations Environment Program – Finance Initiative (UNEP FI), and the Principles for Responsible Banking.

## Number of social and environmental risk assessments conducted on lending transactions

(Within the scope of Brazilian Central Bank Resolution no. 4 327 and Self-Regulatory Framework Standard SARB 14)

Type of Risk	2018	2019	2020
High risk	2	12	17
Medium risk	65	161	294
Low risk	67	155	205
Not applicable <sup>1</sup>	46	60	46
<b>Total<sup>2</sup></b>	<b>180</b>	<b>348</b>	<b>562</b>

1. Transactions not requiring social and environmental risk assessments (such as judicial guarantees and writs of payment) under the principles of relevance and proportionality established by the Brazilian Central Bank (BACEN), as outlined in BTG Pactual's social and environmental risk assessment procedure.

2. The higher number of risk assessments reflects client-base growth in 2020.

## Number of manual social and environmental assessments conducted during onboarding<sup>3</sup>

2018	2019	2020
246	399	998

3. The higher number of risk assessments reflects client-base growth in 2020.

## Number of manual supplier social and environmental assessments

	2018	2019	2020
Approved	344	337	84
Approved with qualifications	40	34	8
Not approved	24	10	0
<b>Total</b>	<b>408</b>	<b>381</b>	<b>92<sup>4</sup></b>

4. As with any counterparty, suppliers undergo automated onboarding assessments that include searches on databases such as the Brazilian Ministry of the Economy's slave labor blocklist and the list of areas embargoed by the Brazilian environmental agency, IBAMA. In 2020 the number of suppliers assessed manually by the ESG team was reduced due to some processes being automated.



# 100%

of counterparties and suppliers were assessed on social and environmental criteria **GRI 308-1, 414-1**





## managing climate risks

GRI 102-12, 102-13, 201-2

The ESG & Impact Investing team is also responsible for assessing financial implications and risks and opportunities arising from climate change. In addition to addressing these aspects through our ESG Committee, BTG Pactual participates in working groups and engages in global initiatives to incorporate climate impacts in assessments across a diverse range of industries. Participating in these initiatives helps us to keep abreast of the ESG landscape and emerging trends.

One of these initiatives is the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board (FSB), an international organization that monitors and provides recommendations on the financial system and has published standards on climate-related financial risk disclosures. BTG Pactual is also a member of working groups of the Brazilian Bank Federation (FEBRABAN), the Brazilian Association of Financial and Capital Market Entities (ANBIMA), the Principles for Responsible Investment (PRI) initiative, Investors for Climate (IPC) and the Global Compact Network Brazil, through which we deepen our insight into climate issues and related risks and opportunities. In 2020, BTG Pactual joined the Brazilian Coalition on Climate, Forests and Agriculture.

Founded in 2014, this multi-stakeholder initiative brings together more than 250 companies, banks, trade associations, civil society organizations and research centers in efforts to advance a low-carbon economy, sustainable land use (agriculture and timberland) and action against climate change.

In addition to our efforts, and as part of these initiatives, we have implemented tool to:

- » Assess our lending portfolio's sensitivity to industries with high exposure to climate risk
- » Evaluate the extent to which the funds in our investment portfolio are exposed to carbon-intensive industries and potential losses in the transition to carbon neutrality
- » Perform carbon footprint modeling for all our investment funds and assess impacts from carbon taxation on the revenues of portfolio companies

In 2015 we joined the Carbon Disclosure Project (CDP), a platform that provides us with access to carbon management disclosures from major corporations around the world. In 2020 we were awarded a "B", Management-level rating by CDP, which indicates we are taking coordinated action on climate issues. This rating reflects our integration of ESG criteria in lending and energy desk analyses, our engagement initiatives in Asset Management, and transparency around carbon emissions, which we report annually in Greenhouse Gas Emissions Inventories. BTG Pactual's rating is higher than the average rating for companies in South America (D) and level with the average rating for global financial



institutions (B). As a result of our “B” CDP rating, we have been named to the CDP Brazil Climate Resilience index, which will be introduced on 4/30/2021. This index selects companies with a minimum CDP score of B-. Click [here](#) to view the CDP questionnaire.

We also manage greenhouse gas (GHG) emissions in our operations through voluntary, independently audited annual inventories using the GHG Protocol methodology. Click [here](#) to view our Greenhouse Gas Assurance Statement. The graph on the right shows our carbon emissions over the previous three years. Historically, BTG Pactual’s largest sources of emissions have been commuting and international travel. Because of the pandemic, in 2020 our emissions from air travel declined by 76.53% (down to 1,096.83 t-CO<sub>2</sub>e from 4,482.88 t-CO<sub>2</sub>e in 2019). Our second largest source of emissions—commuting—increased by 80.2% as a result of emissions from remote working and a 87% increase in our headcount.

As a significant improvement in 2020, our inventory included emissions from independent agents’ offices, which totaled 289.09 t-CO<sub>2</sub>e in the year.

BTG Pactual was the first Brazilian bank to inventory and offset emissions produced by independent agents.

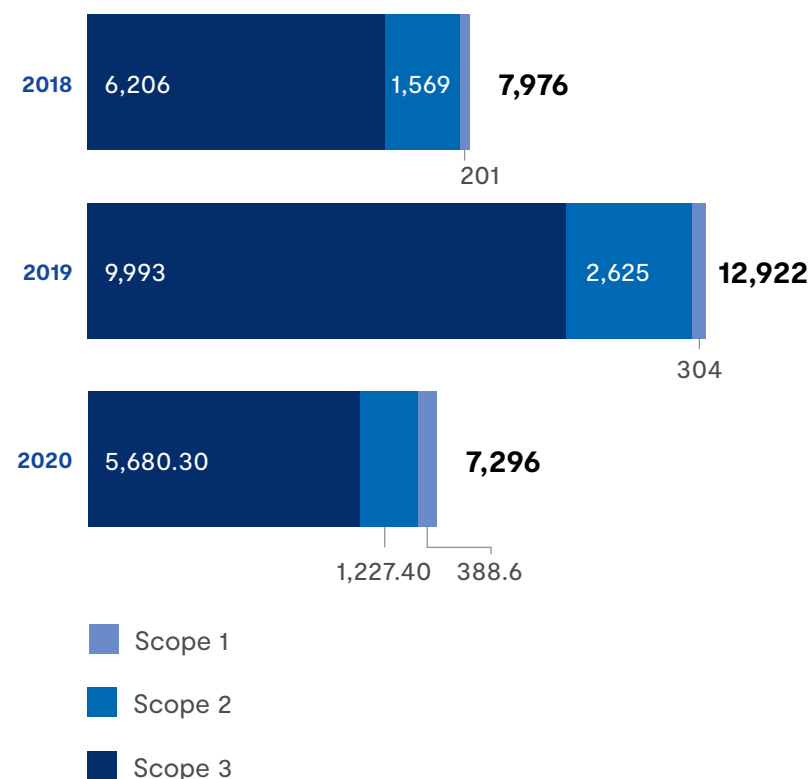
Since 2017, we have offset our direct and indirect (Scope 1 and 2) emissions by purchasing carbon credits. In 2019, for example, we offset 100% of our global emissions, including Scope 3 emissions. In 2020 we went a step further and incorporated carbon management criteria into our

assessments of critical suppliers, including whether they publish GHG inventories and offset emissions. Bottom line, BTG Pactual is consistently expanding sustainability initiatives across the value chain. [GRI 102-9](#)

BTG Pactual has been selected to B3’s ICO<sub>2</sub> Carbon Efficient Index for 2021. This is one of the sustainability indexes adopted by the Brazilian stock exchange to measure organizations’ commitment to transparency around emissions and provide insight into how companies are preparing for a low-carbon economy.

In our physical operations (including our offices and data centers), climate risks are assessed via Business Impact Analyses (BIA). Each year we conduct business continuity tests for scenarios such as natural disasters and especially outages of key information technology (IT) systems and resources, such as our main data center in São Paulo, southeastern Brazil. [GRI FS3](#)

## Greenhouse gas emissions (Metric tons of CO<sub>2</sub> equivalent)



BTG Pactual was the first Brazilian bank to inventory and offset emissions produced by independent agents.

# ethics and integrity

GRI 102-16, 103-2, 103-3 | 419, 103 | 205

BTG Pactual's Compliance team independently advises the Board of Directors to effectively identify, evaluate and manage sensitive ethics and integrity. The Compliance team is also responsible for reporting and providing training on ethics and integrity, and mitigating and remediate any issues. This ensures we comply at all times with applicable laws, regulations, rules and industry best practices.

The Compliance team continuously monitors employee activity including emails, chats and phone calls; client and proprietary transactions; potential conflicts of interest and the need to implement information barriers; personal investments; risk assessments on clients and other counterparties; and other matters. The team is also responsible for ensuring our activities are compliant with applicable regulations, for submitting regulatory filings, and for investigating any reported misconduct.

The Compliance function receives reports on potential violations through different reporting channels, available [here](#). Appropriate disciplinary action is taken for any and all violations identified (whether through routine monitoring or whistleblowing reports). Depending on the severity of the case, the employee involved will either receive an educational letter, a warning or will be terminated.

## BTG Pactual – Service channels

Number of grievances

Channels	Toll-Free Number – Ombudsman	E-mail – Ombudsman	Toll-Free Number – Customer Service	E-mail – Customer Service	Reclame Aqui BTG Pactual
2018	29	31	–	–	–
2019	57	32	6,221	2,816	–
2020	216	541	7,741	11,009	119

\* Customer service statistics are unavailable for 2018. Data for the “Reclame Aqui – BTG Pactual” channel began to be tracked in 2020.

\*\* 100% of grievances were addressed and resolved within the same reporting cycle.

### Client service channels GRI 103-2, 102-2

We have specially trained teams who provide humanized service to our clients 24/7.

Our customer service desk and Ombudsman's office, both of which can be reached via a toll-free number or by email, are available to address questions, requests for information, or complaints. Out of the total customer service and ombudsman cases in the year, only 4.83% were complaints, of which 61.56% were resolved within five business days.

For BTG Pactual Digital, only 0.13% of cases in the year were complaints, of which 75% were resolved within five business days.

For BTG +, only 1% of cases in the year were complaints, of which 88% were resolved within five business days.

## BTG Pactual digital – Service channels

Number of grievances

	2020
Phone	153,900
Chat	230,400
Email	475,100
WhatsApp	53,900
Reclame Aqui	614

We began tracking this indicator in 2020 with the expansion of BTG Pactual Digital. 100% of grievances were addressed and resolved within the same reporting cycle.

Integrity Program

BTG Pactual's Integrity Program, which was restructured in 2016, delivers on our commitment to ethical business practices and to prevent fraud, corruption and money laundering. The program is aligned with industry best practices and provides effective mechanisms to prevent, detect and remediate any activity that is not compliant with our Code of Business Principles and Ethics.

A secure whistleblowing channel is available to report suspected violations of laws and regulations or internal business rules or standards. Reports can be made using an electronic form on our website, by email to OL-whistleblowing@btgpactual.com or by calling (21) 3262-4258 or (11) 3383-4258.

Our team is appropriately trained on know-your-client principles. As part of our onboarding procedures, clients opening an account with BTG Pactual are required to provide information that allows us to keep adequate records about our counterparties before we enter into any financial relationship.

Our team is appropriately trained on know-your-client principles

Codes and initiatives to which BTG Pactual has subscribed

B3: BM&FBOVESPA Code of Ethics and BM&FBOVESPA Code of Business Conduct

FEBRABAN: Self-Regulatory Banking Code of Practice and Anti-Trust Compliance Handbook

ANBIMA: Several codes and quality certifications

APIMEC: Analysts' Code

FX: FX Global Code

Instituto Ethos: Business Pact for Integrity and against Corruption

Anti-corruption practices

Since 2017, at least 90% of our employees have attended annual training on compliance policies and anti-corruption via our e-learning platform. We regularly disseminate communications outlining our key policies, including anti-corruption practices. TV monitors in common office areas and even individual screensavers provide additional communications on anti-corruption. Newly hired employees attend a special New Hire Training program. [GRI 205-2](#)

Business partners, such as Independent Investment Agents and Banking Correspondents, are required to observe applicable business manuals and to sign service agreements. In 2020, these professionals were given online training to familiarize them not only with our internal policies, but also with regulatory and self-regulatory requirements.

Each year the Compliance function provides anti-corruption training to the Executive Committee.

Our related policies are publicly and transparently available on our website. BTG Pactual is unaware of any public legal proceedings (or the outcomes from such proceedings) for corruption brought against us or our employees during the reporting period. And while financial intermediation activities are not immune to corruption risks, no instances of corruption were identified by the Compliance function, internal or independent audits, or regulators or self-regulators in 2020. [GRI 205-1, 205-3](#)

Governance body members that have received communications and training on anti-corruption		
	Informed	Trained
2018	29 (100%)	26 (89.66%)
2019	26 (100%)	24 (92.31%)
2020	26 (100%)	26 (100%)



## Employees who have received communications and training about anti-corruption policies and procedures

		2017		2018		2020	
		Informed	Trained	Informed	Trained	Informed	Trained
Executive Board	number	142	129	161	156	194	165
	%	100	90.85	100	96.89	100	85.05
Managers	number	237	223	261	251	429	395
	%	100	94.09	100	96.17	100	92.07
Coordinators/ Specialists	number	207	198	256	247	484	445
	%	100	95.65	100	96.48	100	91.94
Analysts	number	643	589	848	810	1,670	1,669
	%	100	91.60	100	95.52	100	95
Assistants	number	64	59	82	79	82	76
	%	100	92.19	100	96.34	100	83
<b>Total</b>	number	<b>1,293</b>	<b>1,207</b>	<b>1,608</b>	<b>1,543</b>	<b>2,949</b>	<b>2,749</b>
	%	<b>100</b>	<b>93.35</b>	<b>100</b>	<b>95.96</b>	<b>100</b>	<b>93.22</b>

Note: Data can vary with employee mobility between different group companies.

### Business partners that have received communications and training on anti-corruption, broken down by region

Northeast	2
Midwest	7
Southeast	306
South	13
Total	328



## Client privacy

GRI 103 | 418, 418-1

Client privacy is a core pillar in our banking practices and this is reflected in our materiality matrix. Following the recent adoption of the Brazilian General Data Protection Act (LGPD), BTG Pactual has assessed whether the information we collect conforms to applicable regulations. We have also created a training program on data protection and handling for all employees.

It is a practice at BTG Pactual to collect only such personal data as is strictly necessary to provide our services to clients, or information required by applicable laws and regulations and for compliance with our due diligence policies. We conform to all legal and commercial requirements on banking confidentiality.

Data protection has become increasingly strategic as our digital presence has grown with the development of our Digital Retail Unit (DRU).

Our Security Office is responsible for cyber defense at BTG Pactual, i.e. protecting our information by preventing, detecting and responding to cyber attacks when necessary. The Security Office's mission is to minimize vulnerability to malicious cyber activity, protecting digital assets and ensuring an effective response to any incidents in order to limit their consequences.

BTG Pactual's Security Operations Center (SOC) operates 24/7 and has automated IT monitoring processes to identify and remediate vulnerabilities, and internal and external intelligence servi-



ces that monitor information about cyber threats and coordinate defense actions.

Our response are formalized in playbooks that are regularly updated with lessons learned from previous internal or external incidents. BTG Pactual has an ethical hacking team (Red Team) that continuously tests our portals and apps for vulnerabilities and simulates attacks against our IT environment, supporting developments by our defense team (Blue Team).

The effectiveness of our defense processes and procedures (and action plans to address risks) is regularly assessed by our Operational Risk and Internal Audit teams. Independent audits are also periodically carried out by specialized firms and by regulators.

No breach of client data has ever been identified by our verification processes

and services, and we have not received any complaints or any information from external sources about breaches of client data. In 2020 there were no substantiated complaints about privacy or loss of client data. [GRI 418-1](#)

**Cyber attacks GRI 103 | 418**

BTG Pactual's cyber defense strategy is designed to ensure we are a step ahead of emerging risks and threats. The objectives of the strategy are to identify, protect, detect, respond to, and recover our IT environment from, any incidents.

BTG Pactual's Cybersecurity structure comprises six separate teams that report to our Chief Information Security Officer (CISO). We also have several committees that address security risks, monitor projects and conduct periodic external, independent assessments. The Information Security function is divided into the following sub-functions: governance, ethical hacking, application security, incident response, threat intelligence, and access control.

**Preventing conflicts of interests GRI 103-2, 103-3 | 205, 206, 415**

BTG Pactual uses a range of controls to avoid situations in which a conflict of interest can occur. Departments at a greater risk for conflicts of interest are physically and logically segregated, and their written and telephone communications are appropriately monitored. In addition, our employees are required to declare any intended personal investments, their equity interests in private companies, and any external activities—which require approval from the Compliance department.

Employees and departments that generate sensitive information undergo appropriate training. All policies on conflicts of interest are available in Portuguese, English and Spanish from our internal channels.

Appropriate systems capture all employee- and client-operated transactions at

BTG Pactual. These controls allow us to identify whether any employee is engaging in any misconduct such as insider trading, front running, piggybacking, or illegal transfers of funds.

Any situations involving a significant conflict of interests are discussed within the Compliance Committee, which reports directly to the Board of Directors. These situations are also reported to the Executive Committee and the Board.

Partnership members are forbidden by standards to make political contributions of any kind, and any exceptions require approval from the Compliance Committee. Members must also request approval from Compliance before joining any political parties or other political organizations or movements. This is important to ensure that we are able to assess any conflicts of interest resulting from these relationships. Employees who are not members of the partnership are permitted to make contributions to political parties without prior notice up to a limit of R\$ 1,000. Contributions exceeding this amount require approval from the Compliance Committee. **GRI 415-1**

Donations to non-political organizations on behalf of BTG Pactual (i.e. institutional donations) require approval as such in accordance with established criteria.

To mitigate any conflict-of-interest risks, all events we sponsor go through an established assessment and approval process that involves the Compliance function.

## Situations involving conflicts of interests are discussed within the Compliance Committee

## Partnership members are forbidden from making political contributions, and any exceptions require approval from the Compliance Committee

**Anti-trust approach GRI 206-1**

Our relations with industry peers and competitors are guided by stringent ethical standards detailed in BTG Pactual's Bylaws, internal standards, and applicable laws and regulations. In particular, these relationships are subject to rules on pricing, fair competition, transaction transparency (transactions are required to comply with applicable accounting and regulatory reporting rules), and arm's-length dealings that serve the best interests of the parties involved.

The anti-trust regulators in the financial services industry in Brazil include the Economic Defense Authority (CADE) and the Brazilian Central Bank (BACEN). Each market within the financial services industry is subject to specific rules on pricing, executing and documenting transactions, and independent audits.

BTG Pactual's marketing materials require approval from the Legal and Compliance departments before distribution. This ensures that regulatory communications are adequately incorporated and all applicable rules and requirements are met, and no misleading information is given out by way of marketing.

In the legal sphere, the Brazilian Labor Prosecution Service (MPT) brought a civil action against BTG Pactual and six other financial institutions, seeking to enjoin them to revise their Corporate Social and Environmental Responsibility Policies (PRSA). The MPT held that these financial institutions ought to take concrete action against clients engaging in certain practices—including slave labor, child labor, human trafficking, discrimination, sexual harassment, and workplace harassment—

by denying loans, increasing interest rates and accelerating maturities under loan contracts for these clients, although there is no legal basis to do so.

In its defense, BTG Pactual showed that it has robust social and environmental practices and policies that are monitored and audited by the Brazilian Central Bank, and provided examples of how it has denied loans to clients that have been blocklisted by the Ministry of the Economy. Brazilian legislation requires financial institutions to deny rural loans to legal entities and individuals who are on the slave labor blocklist. BTG Pactual goes beyond these minimum requirements by declining to enter into any relationship with a counterparty that is on the slave labor blocklist, and by periodically screening clients against the blocklist. In addition, our social and environmental risk assessments take account of social factors such as child labor and human rights, and apply the IFC Performance Standards. The financial institutions that are party to the action, including BTG Pactual, have argued that action against irregularities of this nature is not within the remit of the MPT but of the Brazilian Central Bank. Although the actions brought against the six other banks resulted in lower and appeals court decisions to the effect that the labor courts lack jurisdiction over the matter, the lower court hearing BTG Pactual's case requested that it reformulate its Corporate Social and Environmental Responsibility Policy regardless of the outcome of the case, with which the MPT concurred. BTG Pactual challenged this decision in an appeal brought before the Regional Labor Court of the 2<sup>nd</sup> Region. As a result, the labor courts were denied jurisdiction over the case.

Our relationships with industry peers and competitors are guided by ethical standards laid down in BTG Pactual's Bylaws, internal standards and applicable laws and regulations

In another case, XP Investimentos filed a suit against BTG Pactual alleging unfair competition practices including inappropriate solicitation of clients by hiring independent investment agents working with XP, in violation of the exclusivity rules contained in Brazilian Securities Commission (CVM) regulations, and using confidential information. BTG Pactual refuted XP's allegations of inappropriate use of confidential information and solicitation of clients by demonstrating that independent investment agents previously working with XP had been engaged in accordance with CVM exclusivity rules, given that they had previously terminated their contracts with XP. Together with its defense, BTG Pactual filed a claim for reputational damages caused by the false allegations of inappropriate use of confidential information. The



lower court granted a motion for injunction filed by XP, prohibiting BTG Pactual from engaging independent investment agents to join the BTG Pactual Digital platform. The appeals court, however, repealed the injunction and permitted BTG Pactual to freely negotiate with and engage independent investment agents. In March 2021 the parties entered into a settlement without either party incurring any damages or costs. The settlement was approved by the court and the case was shelved.

Lastly, a suit has been brought by Geraldiscos Comércio, Indústria e Representações de Cortiça Ltda. against BTG Pactual and seven other banks claiming damages for alleged overpricing due to a cartel in the foreign exchange market. This case has yet to be adjudicated.



All marketing materials require approval from the Legal and Compliance departments to ensure that applicable rules and requirements are met and no misleading information is given out by way of marketing

04\_

# financial management: **by the numbers**

GRI 103-2, 103-3 | 201

Through our unique business model, BTG Pactual has combined the profitability of incumbent banks with the growth of new entrants.

BTG Pactual posted revenue of R\$ 9.3 billion in 2020, an increase of 11.6% from 2019. Operating revenue—or total revenue less Interest and Other, Participations and Principal Investments—rose significantly by 30.7% in the year.

Adjusted net income was R\$ 4 billion in 2020 (5.7% higher than in 2019) and net income per unit was R\$ 4.48, with all business lines performing strongly in the year.

Investment Banking (IB) revenue rose 39.9% from 2019 to R\$ 1,590.9 million, setting a new record for annual revenue since we went public in 2012.

Like IB, our Corporate and SME Lending business also had its best year since our IPO: revenues of R\$ 1,591 million were nearly double the amount in 2019. Our lending portfolio grew by R\$ 30 billion or 68.3% in the year, with first-rate counterparties, higher spreads and sustained, adequate provision levels reflecting current macroeconomic conditions. Significantly, our SME portfolio grew more than four-fold in 2020.

BTG Pactual's Sales & Trading segment also performed strongly in 2020, generating R\$ 3,117.2 million in revenue—an improvement of 11.3% on an already-strong performance in 2019. This reflects growth in market making and brokerage activity and new distribution channels.

Our Asset Management and Wealth Management segments strongly outperformed

the previous year, with a 16.7% and 39.3% increase in revenue and net new money, respectively, to R\$ 64 billion and R\$ 63 billion. Asset Management ended the year with a total of R\$ 377 billion in assets under management and administration (AuM and AuA), a gain of nearly 40% from year-end 2019. Wealth Management WuM improved by 54% to R\$ 258 billion. Total assets under management/custody ended 2020 at R\$ 635 billion, further enhancing our capacity for product distribution.

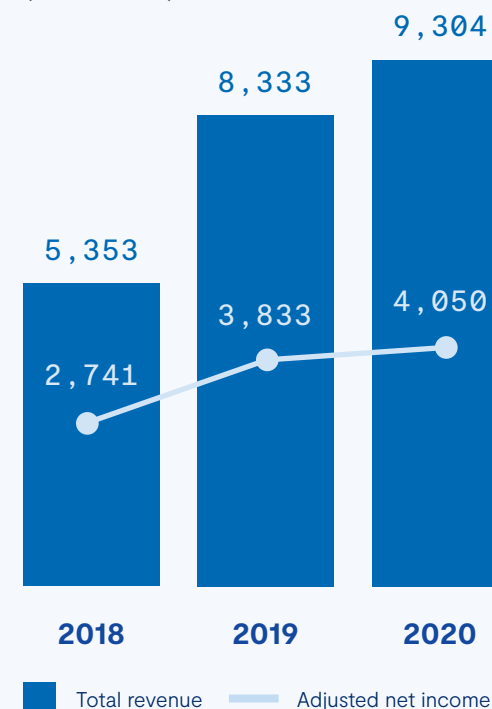
In the retail segment, BTG+ was successfully launched for BTG Pactual clients in September 2020, and for the general public in 2021, offering a complete range of products and the best user experience in the market.

BTG Pactual's Basel ratio ended the year at 16.7%. Equity at year-end was R\$ 26.7 billion and return on average equity (ROAE) was 16.9%.

### Retail

Within our strategy for retail, BTG Pactual Digital (our online investment platform) has continued to expand market penetration and its capacity to attract more sophisticated financial advisors, while maintaining excellence in service to a growing client base. Soon after its launch in 2019, the platform received a RA1000 mark from ReclameAQUI for excellence in service. In 2020, BTG Pactual Digital became the only platform on the market to receive five RA1000 marks. Our digital platform was also named by *ISTOÉ Dinheiro*—in a survey by MBI/FGVCef/Fractal Consult—as the Best Bank for Investing in the Selective Retail Digital Platform category (see page 15 for a complete list of awards and recognition in 2020).

### Changes in revenue and net income (R\$ million)



## Consolidated performance (R\$ million)

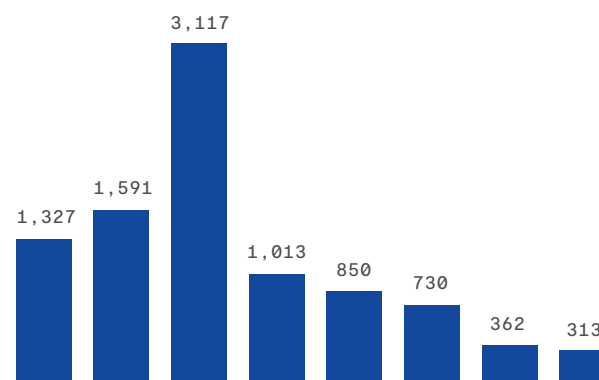
	2018	2019	2020
Total Revenue	5,353	8,333	9,304
Average daily Value at Risk (VaR) / average Equity (%)	0.44	0.67	0.46
Net Income	2,361	3,828	3,976
Adjusted net income	2,741	3,833	4,050
Net income per unit (R\$)	3.14	4.39	4.48
Equity	18,845	21,387	26,681
Return on Average Equity (ROAE) (%)	14.7	19.1	16.9

## Revenue by segment (R\$ million)

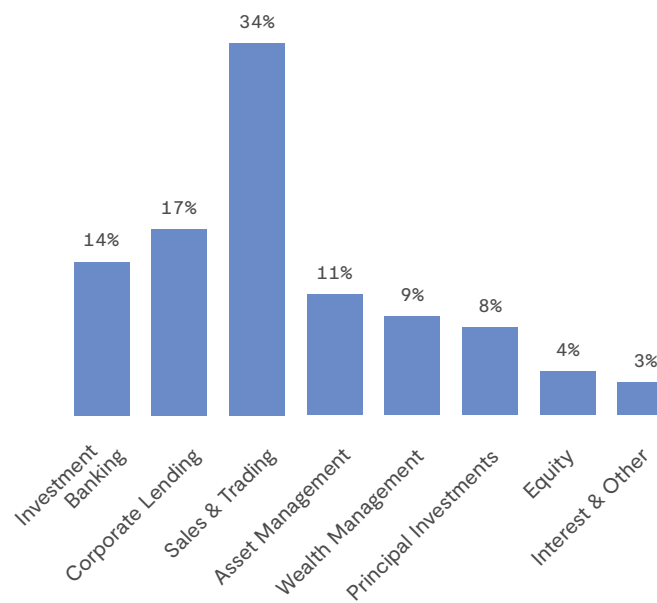
	2018	2019	2020
Investment Banking	464	949	1,327
Corporate Lending	849	814	1,591
Sales & Trading	1,539	2,801	3,117
Asset Management	717	868	1,013
Wealth Management	472	610	820

## Revenue by segment in 2020 (R\$ million)

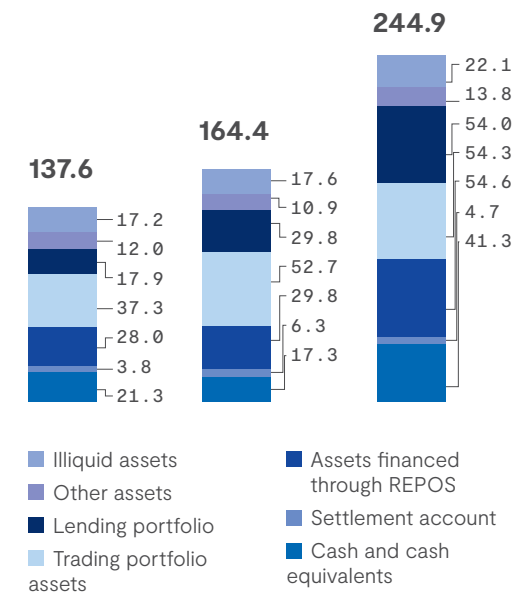
(R\$ million)



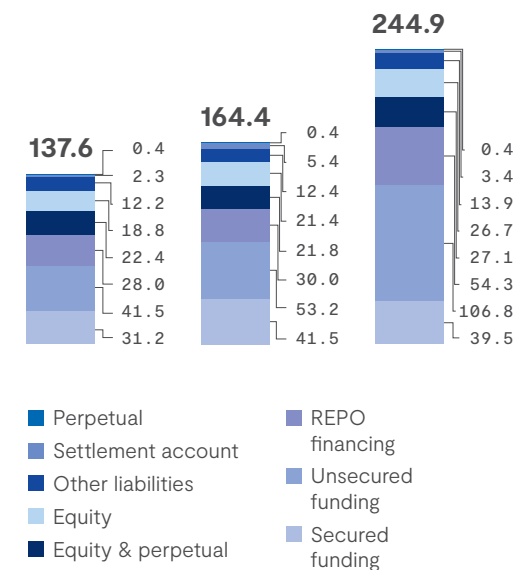
(% of total)



## Assets



## Liabilities

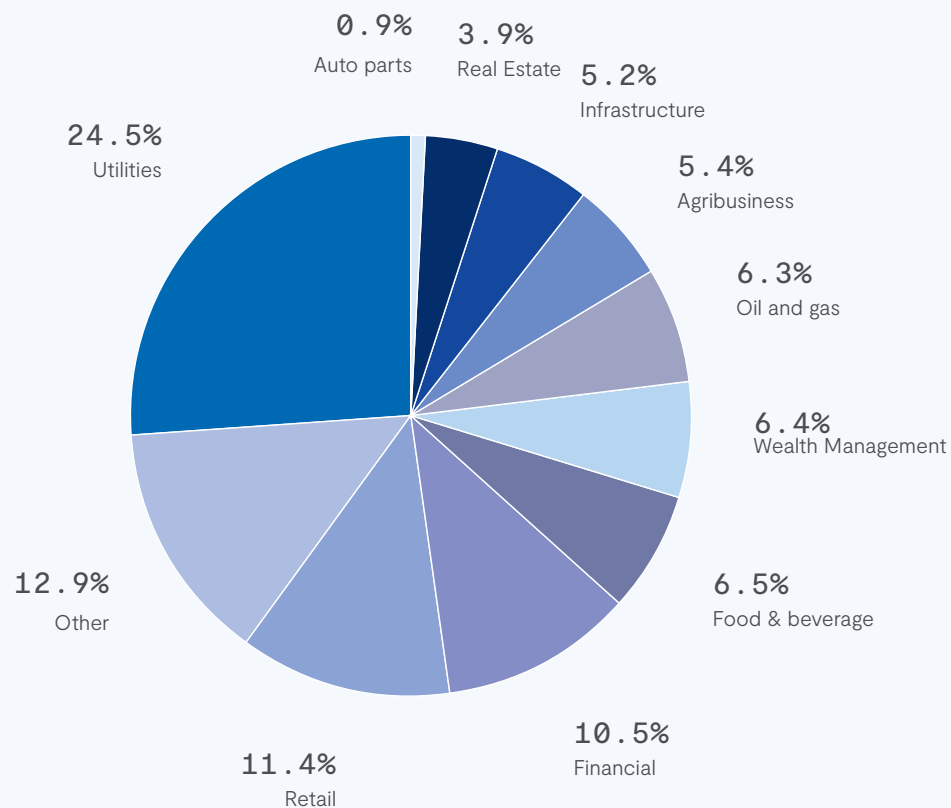




# lending portfolio

BTG Pactual's lending portfolio is highly diversified thanks to its broad coverage. In 2020 we reformulated our internal policy framework to include a Social and Environmental Risk Policy and 17 other policies that deepen our risk assessments for sectors posing a higher social and environmental risk. Fossil-fuel industries represent 6.4% of our lending portfolio at R\$ 5.4 billion. The arms and ammunition, alcoholic beverages and tobacco industries represent 0.2% at R\$ 184 million. Industries whose products can cause health issues (such as high cholesterol and hypertension) when consumed unsustainably account for only 0.1% of our portfolio, at R\$ 61 million.

**Lending portfolio, by industry**



**Distribution of added value**

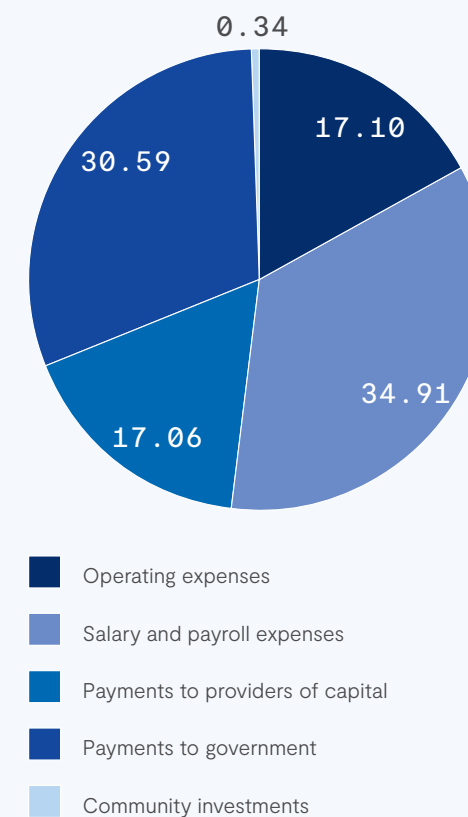
GRI 102-45, 201-1

From our revenues of R\$ 9.3 billion in 2020, BTG Pactual distributed a total of R\$ 6.4 billion in payments to suppliers, employees and providers of capital, as well as in taxes.

Growing investment in technology—especially within our DRU business—has increased our operating costs. Salary and payroll expenses increased substantially in the year reflecting the expansion of our headcount and a higher provision for performance bonuses (due to the increase in revenue in the year). BTG Pactual's efficiency ratio rose to 40.9% in 2020, slightly higher than our previous record of 40.3% in 2019. Payments to providers of capital were in line with 2019, despite the lower interest rates in Brazil.

**Economic value distributed (R\$ million)**

	2018	2019	2020
Operating expenses	983.87	1,120.04	1,119.89
Salary and payroll expenses	1,299.69	1,800.86	2,242.33
Payments to providers of capital	1,197.00	1,165.00	1,096.00
Payments to government	1.00	1,579.36	1,964.95
Community investments	3.26	4.78	21.59
<b>Total</b>	<b>4,188.40</b>	<b>5,670.04</b>	<b>6,444.77</b>

**Economic value distributed (%)****Direct economic value generated (R\$ million)**

GRI 201-1

	2018	2019	2020
Revenue <sup>1</sup>	5,352.56	8,333.35	9,303.54

1. The figures presented are on a global consolidated basis

**Economic value retained (R\$ million)**

	2018	2019	2020
Direct economic value generated less economic value distributed	1,867.74	2,663.31	2,858.78

# 05\_ pandemic response

GRI 413-1



## COVID-19 response



**41**

hospitals  
assisted



**82**

social programs  
supported



**2.6  
million**

people  
benefited

**17** states



**1.6  
million**

items of Personal  
Protective Equipment  
(PPE) and other  
equipment distributed



**more  
than  
155,000**

grocery kits delivered

The SARS-CoV-2 pandemic has had a dramatic impact on people's lives, generating an unprecedented health crisis and widespread economic damage.

BTG Pactual has followed developments closely since the early onset, when the virus was only a vague rumor. By the time the first COVID-19 case was confirmed in Brazil, on February 26, one third of our team had already been assigned to work from home. As cases continued to rise and the pandemic to spread, the number of people working from home was further increased. By the end of March, we already had more employees working from home than at our offices, and several contingency tests had already been run. As a result, not only was our team kept safe—our foremost priority at the time—but our information technology infrastructure

had robust capacity to accommodate the large number of employees working remotely, while supporting clients in their transactions and other financial needs. In mid-April, when most cities in Brazil were in lockdown, we were fully operational to support our clients, even with only 7% of our workforce (including our Board of Executive Officers) working on-site.

During the first two weeks of the most acute phase of the crisis, our client-facing and operations teams worked closely with counterparties to settle an unprecedented volume of transactions in secondary markets.

Throughout the year, we continued to implement the measures needed to ensure our employees' safety, with 85% of our workforce in home-office placement

throughout most of the year. We remained close to our clients, providing loans and advisory services to multiple companies and filling a number of gaps created by the pandemic.

Another front through which we supported communities is corporate social responsibility. We substantially scaled up our initiatives in this area, including donations and support for the COVID-19 response across both social support and prevention. Clients and partners contributed significantly to these initiatives.



BTG Pactual organized a series of discussions about the impacts from the pandemic on the economy, politics and investments, and produced content about personal finances, including tips on the best investment options and how to organize a family budget during the pandemic. We also hosted an online discussion about mental health

## social microcredit

BTG Pactual leveraged its status as Brazil's most well-capitalized bank to provide loans at a time when businesses across Brazil were in dire need of credit. A total of R\$ 9 million was allocated to a social credit facility for microbusinesses. These loans were provided on special terms, and interest payments were fully donated to social programs.

Some of the key figures from our social microcredit program include:

**2,000** nano and micro businesses

**6-month** grace period

**12-month** maturity

Interest of **0.5% per month** (6% per year)

**100%** of interest payments donated to third-sector programs

The **#Figures ThatMatter** are those of solidarity



Learn more about our COVID-19 response at [www.btgpactual.com/numeros-que-importam](https://www.btgpactual.com/numeros-que-importam). Link only in Portuguese.

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# innovation and technology



BTG Pactual's growing investment in technology aims to provide clients across different segments with a more digital and intuitive user experience. We also work to deliver increasingly agile, humanized and customized client service.

BTG Pactual combines the flexibility of a startup with the strength, capabilities and integrated services of a large financial services organization, offering a complete and integrated portfolio on a one-stop platform. We sustain a continuous innovation pipeline and consistently identify new product, service and business opportunities, investing in initiatives that range from close collaboration with entrepreneurs and fostering an ecosystem of startups, to attracting a pool top tech talent – BTG Pactual hired more than 1,400 people in 2020, amid the pandemic.

In 2019 we created a Digital Retail Unit (DRU) to centralize our digital initiatives in this segment. The DRU comprises:



our digital bank, with a focus on the retail and high-net-worth retail segment, offering our complete spectrum of financial products and services to individual clients (including lending, consumer finance, banking transactions, insurance, financial education and advisory)



our digital platform, which offers finance products for the Small and Medium Enterprise (SME) segment, leveraging technology and strategic partnerships with large corporate clients



our online investing platform for retail and high-net-worth retail clients in Brazil, focused on delivering an exceptional user experience. The goal is to mainstream access to high-quality investments



our program for connecting to and scaling up mature startups

1,000+

startups registered as of 2020

44 scaled up

6 invested in

a Net Promoter Score of 93

The DRU also includes our stakes in Banco Pan, Too Seguros, Decode and *Exame* (the latter two held by BTG Pactual Holding).

## the agility of a startup with the strength of a bank

In 2020 we expanded our venture debt initiatives within boostLAB, a business hub for start-ups, and in 2021 we will launch our first venture capital fund within this ecosystem.

Two acceleration batches (or rounds) were completed in 2020, with a fintech from overseas participating for the first time. boostLAB was also named for the second consecutive year by *Global Finance* as one of the best innovation labs in the world, in the *Innovator* category. Learn more at [www.boostlab.com.br](http://www.boostlab.com.br). Link only in Portuguese.

## our digital bank

2020 was a year of significant growth in digital, with substantial investments in BTG Pactual's digital and retail platform. Integral to our strategy is being able to provide all of our clients, including personal and SME clients, with a complete suite of banking and investment products and services. The platform is designed to deliver not only a wider range of products but also high-quality service and the best user experience.

With this in mind, we launched BTG+ in September 2020 for BTG Pactual clients and in January 2021 for the general public. BTG+ offers a complete spectrum of products and the best UX (user experience) on the market, providing innovative, customized solutions to high-net-worth retail clients using state-of-the-art technology and comprehensive data management capabilities (including open banking functionality). In addition to transaction banking for individual clients, in 2021 we will deliver the same services to BTG+ Business clients and specifically SMEs. By year-end 2020, more than 10,000 clients in this segment had pre-registered and received more than R\$ 11 billion in credit.





# 07\_ profit with a purpose

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## sustainable & impact investing

Alongside continuous improvement of our approach to ESG assessment in asset management (read more on page 24), we are also advancing sustainable and impact investing as a way to invest in the future, recognizing that companies seeking to solve the world's biggest challenges may be best positioned to grow and deliver better financial results.

Following a comprehensive, multi-year effort in response to growing international investor demand and increased engagement on this front in the financial services industry, in 2020 BTG Pactual launched a Sustainable & Impact Investing Strategy within its established ESG & Impact Investing function.

This will enhance BTG Pactual's ability to engage investors, entrepreneurs, suppliers and other counterparties around a sustainable and impact investing agenda. Recognizing the responsibility we have to provide and inject money in the economy, we want to increasingly channel funding to activities and operations that are sustainable and create a positive impact—an increasingly core part of BTG Pactual's culture.

The goal of our new Sustainable & Impact Investing strategy is to connect global investors to sustainable investing opportunities in Latin America, supporting the UN Sustainable Development Goals by actively developing financial products adhering to best environmental, social, governance and business practices while delivering strong financial returns.

Our Sustainable & Impact Investing function works with other business units at BTG Pactual to implement strategies related to our core business, including new financial products, advisory, product distribution,

client management, origination and commercial relations. We support companies and projects that are working to achieve positive environmental and social impacts in areas such as waste management and the circular economy, sustainable agribusiness and food security, energy efficiency and renewable energy, sanitation, housing, healthcare, and financial education and inclusion.



# 2020 highlights

GRI FS8

## Investment Banking: Sustainable Finance

As a leading investment bank in Latin America, BTG Pactual has worked to drive growth in sustainable finance in the region by structuring, arranging and distributing green, social, sustainable, transition and sustainability-linked (linked to the UN Sustainable Development Goals) bond issuances.

We distributed the first sustainable and transition bonds in Brazil, supporting growth in the local and international sustainable finance market. In 2020, our sustainable finance issuances totaled more than R\$ 6.46 billion.

The table below provides details on our six issuances throughout the year.

**In 2020, our sustainable finance issuances totaled more than R\$ 6.46 billion**

Name	Volume	Label	Industry	Geography	Second-Party Opinion (SPO)
Faro	R\$ 15 million	Sustainable	Energy	Onshore	Bureau Veritas
Rumo	US\$ 500 million	Green	Logistics	Offshore	Sustainalytics
Paranaguá Saneamento	R\$ 259.8 million	Sustainable	Sanitation	Onshore	SITAWI Finanças do Bem
Eneva	R\$ 948 million	Transition	Energy	Onshore	SITAWI Finanças do Bem
BRK Ambiental	R\$ 1.1 million	Sustainable	Sanitation	Onshore	SITAWI Finanças do Bem
Isa CTEEP	R\$ 1.6 million	Green	Energy	Onshore	SITAWI Finanças do Bem

## Wealth Management and Digital Retail Unit

This function has worked actively to grow its offering and increase client access to sustainable and impact investing products. At BTG Pactual we are not only developing our own products, but are also offering third-party products available on the market on our platforms.

## Lending portfolio and insurance

BTG Pactual has an extensive lending portfolio and transaction pipeline supporting positive social and environmental impact.

In response to the COVID-19 pandemic, we arranged an insurance policy of R\$ 129 million to help Magnamed, Brazil's largest manufacturer of mechanical ventilators, to boost its production tenfold. The insurance policy secured an advance from the Brazilian Ministry of Health to produce 6,500 ventilators. Through this transaction, we provided crucial support to Brazil's healthcare system during the height of the pandemic in 2020. In December 2020, we became the first Brazilian bank to receive a climate loan of US\$ 140 million from European institutions Proparco and DEG. The proceeds will be used to finance climate mitigation initiatives.



# green, social and sustainable financing framework

GRI FS8

To expand and create greater transparency around our transaction portfolio, in 2015 we developed a framework for green, social and sustainable bonds with support from the Climate Bonds Initiative—a UK organization promoting the global market for sustainable finance—building on social and environmental risk assessments at BTG Pactual since 2015. Published in 2020, our Green, Social and Sustainable Financing Framework was developed in line with the four key pillars of the Green Bond Principles, 2018 (GBP), the Green Loan Principles (GLP), the Social Bond Principles, 2018 (SBP) and the Sustainability Bond Guidelines (SBG). The Framework is aligned with best practices in place across our different businesses and operations.

Net proceeds will be allocated as established in the Framework towards financing or refinancing of new and existing projects creating environmental and social benefits in areas such as solar power, wind power, biofuels, small hydropower, energy efficiency, water stewardship, clean transportation, green buildings, access to housing, and basic infrastructure.

An independent review by renowned consultancy Sustainalytics ensured transparency in the process and validated BTG Pactual's Framework as being credible, impactful and aligned with current industry standards. The complete Second Party Opinion (SPO) issued by Sustainalytics is available [here](#).

In November 2020, we completed our first issuance of green bonds within the Framework. The transaction was a private placement of US\$ 50 million.

Further information  
about the Framework  
can be found **here**.

In 2020,

**R\$ 6.5 bn**

total Framework portfolio at year-end

**R\$ 4.9 bn**

Framework portfolio disbursements  
in the year



## asset management

In *Asset Management*, we have developed liquid and illiquid strategies designed to achieve alignment with and integrate ESG aspects in order to mitigate risks and enhance potential returns. We have also launched impact investing funds designed to generate measurable, positive environmental and social impact alongside strong financial returns.

Fund manager teams and investment committees include BTG Pactual executives and ESG & Impact Investing experts so that all investment decisions are firmly aligned with the purpose of the relevant products.

## Landscape Capital and Timberland Investment Group (TIG)

Another highlight in 2020 in sustainable and impact investing products was the development of our Landscape Capital strategy. Launched in November 2020, this strategy aims to purchase disturbed land for reforestation and reclamation with funding from BTG Pactual. At least half of the land is then preserved with native vegetation, and the remainder is reclaimed into sustainable commercial plantations, especially pine and eucalyptus.

BTG Pactual has extensive experience of managing timberland investment funds with strong ESG performance, and the new strategy will help to ensure environmental and social impacts are increasingly purposeful.

Our forestry investment portfolio is managed by the Timberland Investment Group (TIG), which currently has US\$ 3.5 billion in assets and approximately 1 million hectares under management. TIG communicates its environmental, social and governance performance in annual reports. Further information is available [here](#).

## BTG Pactual's ESG ETF

In 2020 BTG Pactual launched an exchange traded fund, ESGB11, that tracks S&P/B3 Brazil ESG—an index comprised of companies demonstrating best environmental, social and governance practices. Exchange traded funds (ETFs) are funds that track indexes to allow investors to access a wide range of assets efficiently and transparently.

The S&P/B3 Brazil ESG index uses S&P's proprietary assessment methodology, the same methodology as used for the Dow Jones Sustainability Index family. As its key differentiators, the index:

» puts a premium on companies that are best rated in ESG assessments, but without excluding companies with lower ratings, providing an incentive for them to improve their sustainability practices

» uses a very broad universe, with a starting portfolio of 96 different stocks

Complete information about BTG Pactual's ESGB11 product is available at <http://www.btgactual.com/asset-management/etf-esg/sobre-esg-e-etf>. Link only in Portuguese.

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# talents and diversity

**GRI** 103-2, 103-3 | 401, 405, 406



An experienced, talented and innovative team, highly capable of delivering best-in-class service to clients, is among the key strengths underpinning our success. BTG Pactual's partnership model, in which partners serve in executive positions, is also a factor in the success, growth and strength of our investments—especially as it combines with an environment driven by teamwork, merit and an entrepreneurial mindset.

We employ a workforce of approximately 3,300 people, of which 70% are based in Brazil and the other 30% at offices in major financial centers across eight countries.

**GRI 102-4, 102-8**

BTG Pactual's strategy for attracting talent is centered on seeking professionals who are highly capable, aligned with our values, and perform with a partner's mindset from day one. Understanding and embracing our culture, and identifying with our values, are crucial prerequisites for any candidate seeking a position at BTG Pactual.

We have a dedicated strategy in place for attracting junior-level employees for back office positions. These young talents are offered a range of opportunities to develop, learn and grow into more well-rounded professionals over time—and potential partners in the future. We recognize the importance of engaging our partners in attracting and selecting candidates. Recent developments in the financial services industry have led to an increased focus on attracting talents that are highly innovative, creative and technology-savvy.

Despite the pandemic in 2020, the year saw a record of new hires at BTG Pactual. Between regular hires, regular internships

and summer internships, we onboarded more than 1,400 people. More than half (66%) were assigned to work at our Technology and Digital Retail departments, currently on a remote basis, while the remainder are working in other functions supporting BTG Pactual's growth, especially our Digital Retail Unit (DRU). BTG Pactual has found in remote working—or a hybrid working model combined with office work—an additional tool to improve employee well-being and increase diversity and inclusion.



# 3,300

employees



# 76%

in Brazil





# workforce by country (2020)

GRI 102-8



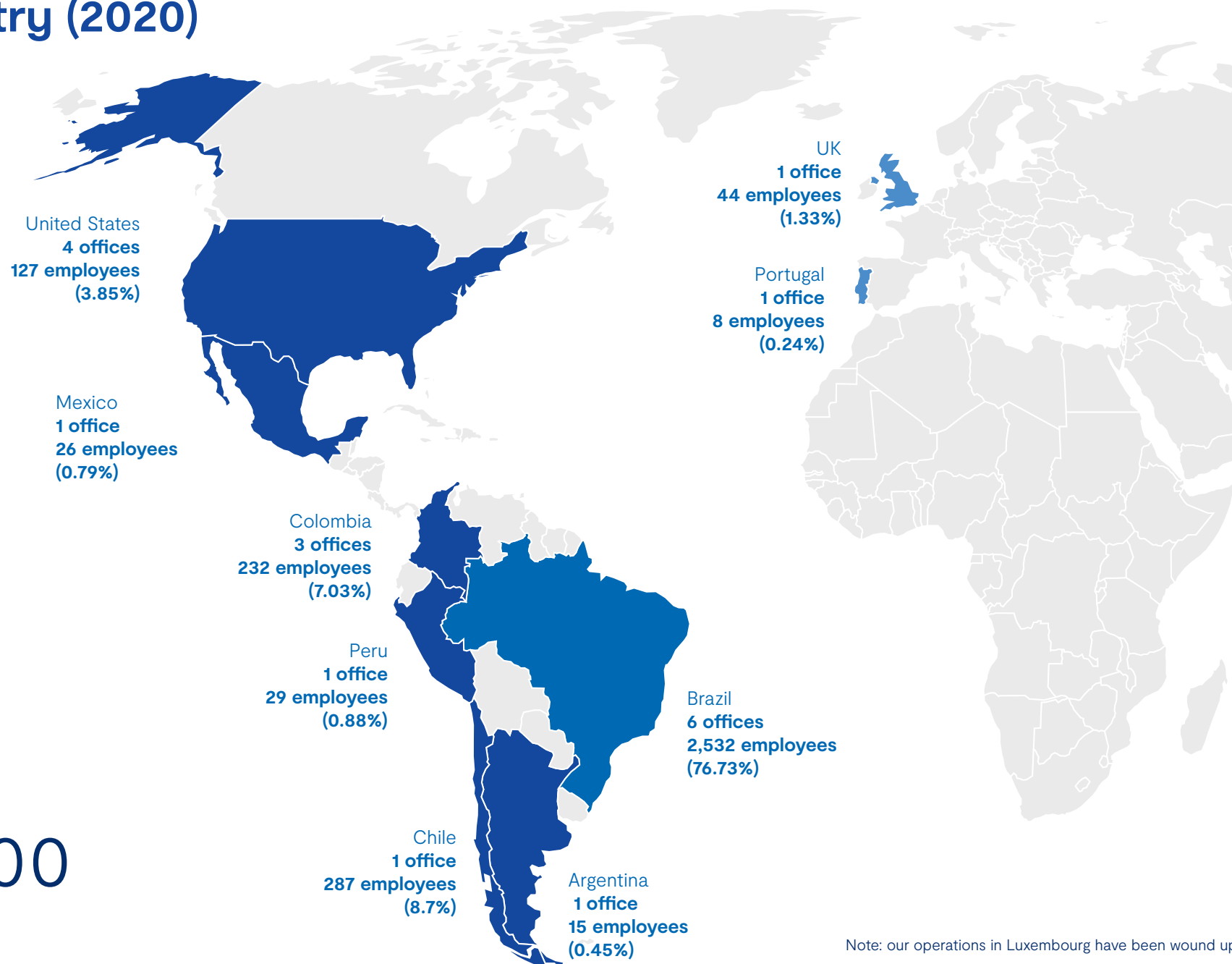
21

offices



3,300

employees



Note: our operations in Luxembourg have been wound up.

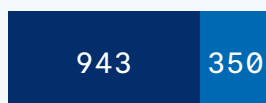


## workforce by gender (Brazil)<sup>1 2</sup>

GRI 102-8, 405-1

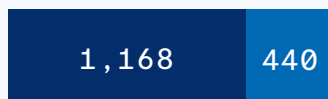
2018

1,293



2019

1,608



2020

2,532



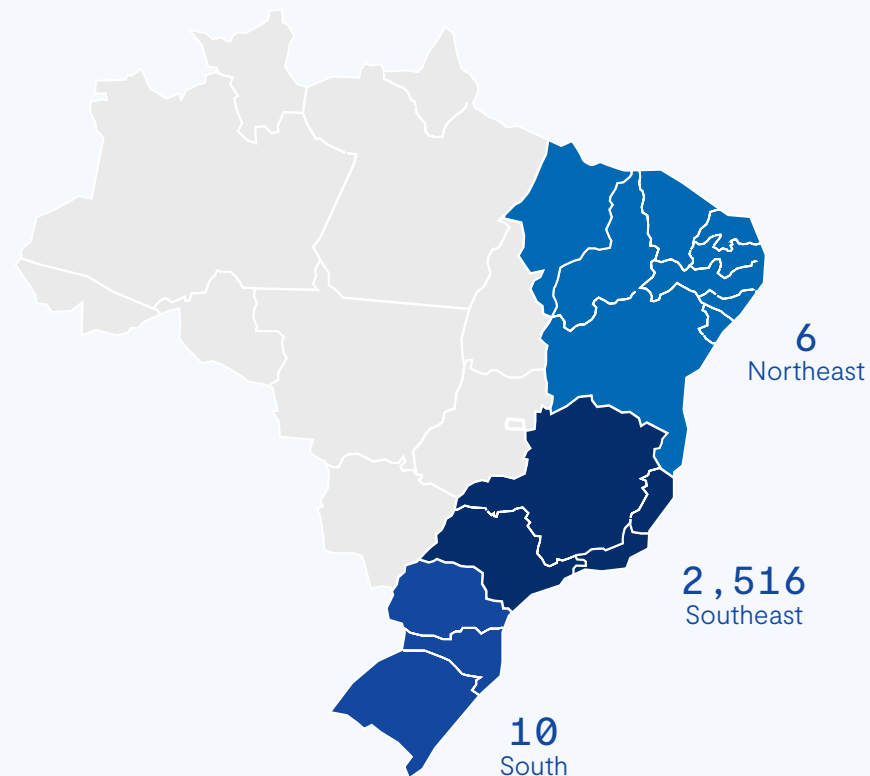
men women

1. All employees are hired for an indefinite term and on a full-time basis.

2. All employees are covered by collective bargaining agreements as required by applicable labor regulations.  
GRI 102-41

## workforce by region (Brazil)<sup>1</sup>

GRI 102-8



1. BTG Pactual Currently has no operations or employees in the Midwest and North.

\* All employees are hired for an indefinite

term and on a full-time basis

## our policies

The training and development of our employees is a priority at BTG Pactual, and whenever possible we fill available vacancies out of our internal pool of talents. This provides opportunities for employees to develop their careers and enhance their skills.

We believe it is essential that we provide and maintain a wholesome workplace in which all employees are treated with respect and dignity in an environment that is free of harassment or intimidation. This is both a right and a responsibility of all employees.

BTG Pactual also believes that an environment that is diverse in terms of race, gender and background is likely to be more creative, innovative and,

consequently, more beneficial for the organization. What matters to us is that employees demonstrate high potential to create value and develop, and set an example of our culture.

In advertising vacancies, we emphasize our commitment to diversity and inclusion, and encourage participation from all minority groups in our recruiting processes: *“BTG Pactual respects diversity of identity and works to foster an inclusive culture. We make no distinctions on the basis of race, color, religion, gender identity, sexual orientation, nationality, disability or age at any stage of the recruiting process, and reiterate our commitment to diversity”*.



## digital competence

Our history is replete with examples of entrepreneurship, transformation and innovation. This genetic heritage, combined with emerging technologies, is creating unique opportunities amid the dramatic transformation that is occurring in the financial services industry in Brazil, Latin America and globally. It is imperative for the success of our business that all employees—regardless of their position, seniority or training—have the mindset to innovate, generate new ideas and find better ways of doing things.

In recent years, the financial system has increasingly required an additional set of skills in addition to the traditional financial services skill set. We now have a need for professionals in fields such as communications, web design, programming and UX. As we continue to develop BTG + and BTG Pactual Digital, our digital investment platform, we are making substantial inroads in these new fields.

As part of this, we have incorporated several initiatives in our recruiting programs (*see the complete list on the following page*) designed specifically to attract young tech talents.

## Entry programs

### Next Generation

A program to identify, hire, and train young talents who can become the next generation of leaders at BTG Pactual.

### I-traction

A program for to engage with and recruit developers—especially cloud, microservices, serverless, python, react and .net developers.

### Summer internship

A program for university-level students who want to use their summer vacation time to invest in their career and interact with BTG Pactual professionals.

### Internship

A regular internship program for young students looking to pursue a career in the financial services industry.

### Summer Tech

A program for university-level students who are technology enthusiasts and want to use their summer vacation time to invest in their career and interact with BTG Pactual professionals.

### Technology Program

A program to recruit and develop young talent with the potential to work in technology fields within the financial services industry.

### Undergrad Program

A summer development program providing Brazilian students at foreign universities a unique opportunity for on-the-job experience over a period of 10 to 12 weeks, during which they work alongside financial services professionals.

### BTG Pactual Campus

A minicourse on the financial services industry for university students. Participants attend classes on topics related to the financial market and have the opportunity to experience—in theory and in practice—the day-to-day routine in the financial market by observing the work of some of our key executives at BTG Pactual.

### Code

A challenge for university students who are technology enthusiasts and are interested in learning about the financial services industry. It also gives participants the opportunity to network and develop programming, strategy and teamwork skills.

### Experience Brazil and Experience International

A team competition that offers university students an immersive experience

in the financial services industry and the day-to-day operations of a bank. Selected groups attend classes and are mentored by senior professionals. The winners receive an invitation to participate in the BTG Pactual Campus and Summer Internship programs.

### BootCamp

BTG Pactual BootCamp is a program designed to “open the doors” to BTG for students and recent graduates looking to pursue a career in the financial services industry. It provides an opportunity for participants to experience real-world challenges in banking, learn about our different businesses, and interact with our partners.

### Tech BootCamp

An event similar to *BootCamp* but specifically designed to engage with young talents with the potential to work in

technology roles in the financial services industry.

### Young Apprentice

A 15-month program providing work opportunities for young students seeking professional growth and development.

# developing our leadership

GRI 103-2, 103-3 | 404, 404-2

BTG Pactual fosters a culture of self-development and learning on the job. Our training initiatives and programs aim to accelerate the professional growth of our employees by helping them to develop both hard and soft skills. BTG Pactual's employee development initiatives are structured into three pillars: onboarding, technical skills and soft skills (especially management and leadership skills).

Developing our leaders is crucial in navigating the challenges presented in a fast-changing financial services industry. Our Leading Teams for Results program is another initiative designed to build managers' knowledge and skills. This program addresses the Leadership Principles used in annual performance assessments. It uses a player-coach model in which managers play an active role in delivery while supporting the development of their team.

Each department is encouraged to actively support the development of its employees, and is responsible for earmarking budget funding for external training grants and courses. Grants cover 50% to 100% of tuition fees. We also encourage employees to obtain certifications relevant to our business, and offer refunds of the relevant costs.



## 15.72

average hours  
of training per  
employee

## Average hours of training per employee GRI 404-1

	2018	2019	2020
Men	7.96	3.17	16.34
Women	7.27	4.28	14.26
<b>Total</b>	<b>7.77</b>	<b>3.47</b>	<b>15.69</b>

## Average hours of training per employee GRI 404-1

	2018	2019	2020
Executive Board	3.84	5.15	0.69
Managers	5.94	5.17	2.90
Coordinators/ Specialists	5.76	5.50	8.49
Analysts	10.54	2.30	26.18
Assistants	1.98	0.61	4.90
Advisors*	–	–	1.10
<b>Total</b>	<b>7.77</b>	<b>3.47</b>	<b>15.72</b>

\* The "Advisors" category was included in our workforce in 2020.



## the importance of diversity

GRI 103-2, 103-3 | 405 e 406

We have a diversity policy that outlines the framework and responsibilities for the development, implementation and approval of diversity and inclusion initiatives by the Diversity Committee. At BTG Pactual we believe that a diverse environment, with people of different backgrounds, ethnicities and genders, can be more creative, innovative and, consequently, more beneficial for the organization. What matters to us is that employees demonstrate high potential to create value and develop, and set an example of our culture.

Click [here](#) to view the policy.

## diversity committee

Created in January 2020, our Diversity & Inclusion Committee's mission is to foster a more inclusive and diverse environment where people are free to develop their full potential without having to worry about labels, while maintaining our merit-based model.

The Diversity Committee comprises four subcommittees:

**BTG Pride (for LGBTI+ people):** this subcommittee works to: cultivate a respectful, safe and wholesome work environment for LGBTQIA+ people, helping to retain talents in this group and ensuring they feel free to be themselves at BTG Pactual; provide equal opportunity and treatment and create professional development opportunities for LGBTQIA+ people; ensure we respect LGBTQIA+ rights in our communications, marketing, product and service development, and client service; and make BTG Pactual more attractive to new talents within this group.

**BTG Blacks (for people of color):** this subcommittee works to: create and maintain an inclusive environment for people of color, ensuring their rights are respected; produce internal and social media communications about the importance of inclusion and racial equity; and attract and retain people of color, building an increasingly diverse pool of talent.

**BTG PwDs:** this subcommittee develops related awareness campaigns and works to disseminate a culture of inclusion, supporting these employees' personal, professional and collective growth and encouraging people to embrace differences and recognize the value of diversity. It is also responsible to ensure that people with disabilities can safely and independently access our facilities and can work on an equal footing; this includes actions addressing our physical facilities, technology, communications and integration with the team.

**BTG Women (for female employees):** This sub-committee is tasked with increasing women's participation at different levels of the organization, and especially in senior management positions, fostering a merit-based yet open environment where women can provide a fresh perspective in strategic decision-making—inspiring a new generation of leaders. It is also helping to create a support and development network to attract, retain and advance women in their careers.



As employees join BTG Pactual, we encourage them to participate in mentoring programs. One example is the Inside program developed by our Human Resources department. This program provides mentoring to female university students looking to pursue a career in the financial services industry. In summer internships, female interns participate in educational and collaborative sessions with female partners and senior professionals at BTG Pactual. The initiative has received a Woman Rights and Diversity mark from the City of São Paulo.

As a participant in the Brazilian federal government's Corporate Citizenship Program, BTG Pactual has extended maternal and paternal leave from the statutory 120 and 5 days to respectively 180 and 20 days. This benefit also extends to parents who are adopting children or become legal guardians.

## working to increase women's participation

Women's participation at BTG Pactual varies depending on the position. Women represent 10.5% of senior management positions, a figure that increases to 27% at the managerial level, 27.6% for coordinators and experts, 32.5% for analyst positions, and 38.8% for assistants.

Diversity of people means a diversity of ideas that can drive innovation.

As part of a program launched by our ESG and Inclusion & Diversity committees, and approved by the Board of Directors, we have undertaken a global commitment to incrementally increase the number of women in leadership positions (ED, AP and MDP) at BTG Pactual. Our commitment, which starts now, is to reach 10% by 2022, 50% by 2025 and 100% by 2030.

The entire process will be conducted within our merit-based culture, and in an inclusive and respectful environment. Female employees will have full support to build their careers no matter their stage in life.

We hope this mindset will permeate all our relationships, both internally and with clients and partners.

This is our commitment.

## First Female Board Member

On August 26, 2020 BTG Pactual unanimously elected psychologist Sofia de Fátima Esteves to the Board of Directors, our first female Board member

## employees by age group (Brazil)

GRI 102-8, 405-1

Under 30	426
30 to 50	1,162
Over 50	107



## employees by employee category (Brazil)

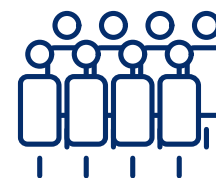
GRI 102-8, 405-1

	2018			2019			2020		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Executive Board	128	14	142	144	17	161	161	19	180
Managers	178	59	237	201	60	261	260	96	356
Coordinators/Specialists	153	54	207	190	66	256	270	103	373
Analysts	443	200	643	582	266	848	882	425	1,307
Assistants	41	23	64	51	31	82	134	85	219
Advisors (NA)	0	0	0	0	0	0	33	64	97
<b>Total</b>	<b>943</b>	<b>350</b>	<b>1,293</b>	<b>1,168</b>	<b>440</b>	<b>1,608</b>	<b>1,740</b>	<b>792</b>	<b>2,532</b>

## members of governance bodies GRI 102-8

	Individuals within the organization's governance bodies, by gender (%)	Board of Executive Officers and Board of Directors
2018	Men	96.55%
	Women	3.45%
2019	Men	96.30%
	Women	3.70%
2020	Men	93.10%
	Women	6.90%

	Individuals within the organization's governance bodies, by age group (%)	Board of Executive Officers and Board of Directors
2018	< 30	–
	30 – 50	76.00%
	> 50	24.00%
2019	< 30	–
	30 – 50	62.07%
	> 50	37.93%
2020	< 30	–
	30 – 50	48.28%
	> 50	51.72%



# 26

members form our  
Board of Directors

## remuneration GRI 405-2

Since 2018, the ratio of basic salary and remuneration of women to men for most positions has been equal to or greater than 95%, meaning we are progressing toward equal pay. Including variable compensation, the ratio in 2020 was 80%. The average ratio of basic salary and remuneration of women to men was 85%.

BTG Pactual offers employees competitive and decent pay that allows them to support their families.

### Other benefits

Employees and their families are entitled to health insurance fully paid by BTG Pactual.

BTG Pactual made the LinkedIn list of the 25 Top Companies to work for in 2019.

We have also implemented initiatives such as BTG Academy, a financial-market training program that provides employees with a comprehensive, current, practical understanding of how the financial market operates.

To support employee development, we provide funding to obtain certain financial certifications, such as CFA, FRM, CPA 20, CFP, CEA, CGA and PQO.



# labor relations

GRI 103-2, 103-3 | 401, 404

BTG Pactual's Code of Business Principles and Ethics and Human Resources Handbook provide guidance on our people management practices and policies. We also comply with applicable labor laws and regulations, the standards of the Office for Employment of the Ministry of Economy, and collective bargaining agreements with unions. We provide compliance training as required by Brazilian Central Bank (BACEN) regulations.

Although we do not have specific policies on labor relations for third-party employees, our Contracts department continuously monitors our suppliers for compliance with labor requirements and whether they are compliant with our compliance and other internal policies and standards. Our Human Resources department keeps an up-to-date record of all third-party employees working at BTG Pactual.

## New employee hires and employee turnover GRI 401-1

	2018		2019		2020	
New employee hires	No.	Rate	No.	Rate	No.	Rate
Men	218	0.17	380	0.24	766	0.31
Women	100	0.08	139	0.09	434	0.18
<b>Total</b>	<b>318</b>	<b>0.25</b>	<b>519</b>	<b>0.32</b>	<b>1,200</b>	<b>0.51</b>
Under 30	247	0.19	392	0.24	747	0.31
30 to 50	68	0.05	123	0.08	423	0.17
Over 50	3	0.00	4	0.00	30	0.01
<b>Total</b>	<b>318</b>	<b>0.25</b>	<b>519</b>	<b>0.32</b>	<b>1,200</b>	<b>0.51</b>

The ratio of new hires to terminations varies with employee mobility between different group companies.

## New employee hires and employee turnover GRI 401-1

	2018		2019		2020	
Terminations	No.	Rate	No.	Rate	No.	Rate
Men	121	0.09	154	0.10	174	0.07
Women	57	0.04	50	0.03	63	0.03
<b>Total</b>	<b>178</b>	<b>0.14</b>	<b>204</b>	<b>0.13</b>	<b>237</b>	<b>0.10</b>
Under 30	84	0.06	99	0.06	150	0.06
30 to 50	88	0.07	99	0.06	82	0.03
Over 50	6	0.00	6	0.00	5	0.00
<b>Total</b>	<b>178</b>	<b>0.14</b>	<b>204</b>	<b>0.13</b>	<b>237</b>	<b>0.10</b>

09\_

# corporate social responsibility

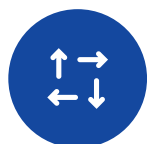
GRI 103-2, 103-3 | 203, 413

BTG Pactual's corporate social responsibility strategy is informed by our goal to play an increasingly important role in the transformation of society. We maximize the impact of our financial contributions through our unique capacity to identify high-impact opportunities and structure and implement transactions. Based on quality and efficiency standards equivalent to those that underpin our financial transactions, we sponsor institutions committed to changing the lives of thousands of people via either tax-deducted or company-sourced funds.

## strategic fronts



**Social  
Investment –  
Tax-Deducted**



**BTG Soma**



**Campaigns &  
Partnerships**

On the social investment front, BTG Pactual's strategy targets three priority areas: entrepreneurship, education and the environment (see more below). Our initiatives in these areas are organized and monitored by professionals with extensive expertise and experience in social investment. Projects are selected for sponsorship by curation conducted by the Bank's Social Responsibility function, which refers selected projects to a committee for a joint decision.

The social projects we invest in are chosen by annual selection procedures. We sponsor more than 30 institutions in the states of São Paulo, Paraná, Rio Grande do Sul, Minas Gerais, Rio de Janeiro and Mato Grosso do Sul. More than R\$ 7 million was invested in 2020 with funds provided through mechanisms such as the Culture Incentive Act, the Youth Fund, the Elderly Persons Act, the Sports Act, the National Cancer Care Program (PRONON) Act, the National Health Care Program for People with Disabilities (PRONAS) Act, and the ISS Act of Rio de Janeiro state. [GRI 413-1](#)

Our social investments demonstrate BTG Pactual's commitment to the regions and communities where we operate, especially in Brazil. We collaborate with initiatives ranging from education to sport and school tutoring, providing young people with focus, goals and targets.

**BTG Pactual  
sponsored  
more than 160  
incentivized  
social projects  
in all regions of  
Brazil in the fight  
against COVID-19**

## priority investments

**Entrepreneurship:** as businesspeople, we empathize with those people trying to make a living from their businesses. We understand their challenges as if they were our own and accordingly bring our expertise and credit to boost the local economy and create jobs in a growing number of communities.

**Education:** we aim to sponsor projects that contribute to the development of children and adolescents through school tutoring, preparation for the labor market and cultural and sporting workshops, focused on social development.

**Environment:** sponsored projects aim to preserve Brazilian fauna and flora and raise environmental awareness.

Sustainable practices and responsible initiatives are also followed for producing our events, prioritizing recycling and upcycling (creatively reusing waste materials or parts in order to create new products). **GRI 203-2**



42 projects across five Brazilian states were sponsored by BTG Pactual in 2020, under these three pillars informing the institution's social initiatives.

Of the total projects,

**77%**  
contribute to education,

**12%**  
to the environment and

**11%**  
to entrepreneurship

*To see the initiatives sponsored by BTG Pactual please visit <https://static.btgpactual.com/media/corporate-social-responsibility-report-2020-btg-20210512205615.pdf>*



## a network of solidarity

We believe that doing good is something that starts inside us. To this end, we engage our employees in multiple campaigns that encourage solidarity and voluntary work.

The first edition of the program Volunteers took place in 2020. A total of 23 mentors were tasked with helping NGOs put into practice a series of fundamentals learned in planned classes. The classes were administered by 29 experts who shared their respective expertise with these organizations.

We also conducted formal-clothing donation campaigns over the course of the year, with over 900 items gathered. The items were donated to Ensino Social Profissionalizante (ESPRO), a non-profit organization that provides professional training to at-risk youth.

BTG Pactual also organized free donation campaigns to nurture a philanthropic culture among employees; encouraging donations to social projects through income tax. For further reading about our Social Responsibility practice please click [here](#).

## BTG Soma

BTG Soma is a professional training and fast-tracking program for NGOs and OSCs. It encourages voluntary work and allows BTG Pactual Employees to donate their time and talent in the marketing, finances, impact assessment, expansion proposal, funding and innovation areas to help the development of selected organizations. The project receives consultancy from ASID (Social Action for Diminishing Equality). The social organization, which aims to build a more inclusive society, believes that NGOs can expand their impact by improving management. In its first edition, BTG Soma benefited organizations in São Paulo, Rio de Janeiro, Minas Gerais and Mato Grosso do Sul.

## Supported initiatives

**The Congregação Israelita Paulista Children's Home (CIP)** This home was founded to look after the complete development of children and adolescents in a situation of social, economic or emotional vulnerability. The children's home provides a series of after-school activities that expand the educational and social universe of beneficiaries; cultivates the development of physical, emotional, ethical, cognitive and social capabilities and skills and improves social and psychological wellness.

**Instituto Fazendo História** Based in São Paulo, this organization is present in more than ten Brazilian states and helps children and adolescents removed from their families and currently residing in temporary accommodation and foster services. With an individualized and professional approach, Instituto Fazendo História seeks to support the development of the children so they can take control of their lives and accordingly transform them for the better.

**Proa** Since 2007 this organization has been creating personal development and productivity gain opportunities for low-income youth. Proa is financed by the private sector and has prepared more than 5,000 young people for the labor market, with over 90% of them finding work. Furthermore, over half of the project's students elected to continue studying after leaving high school.

**Sistema Divina Providência** Placing a high value on human potential, this Institute targets social inclusion and professional training. The Institute runs Cidade dos Meninos, which looks after some 5,000 children and adolescents aged 2 to 17 living in boarding, semi-boarding and day schools in Ribeirão das Neves, in the metropolitan area of Belo Horizonte (MG). Sistema Divina Providência provides these people with accommodation, meals, dental care, professional training, technical schools, cultural and sporting activities, religious education and employment opportunities by way of the Young Apprentice Program. In 2017 *Época* magazine (in partnership with Instituto Doar) recognized the institution as one of the 100 best NGOs in Brazil.

**Associação Ponto de Luz** Founded more than 60 years ago in the district of Capão Redondo in São Paulo, this institution cares for children, adolescents and the elderly. It aims to transform the lives of local communities through sporting activities, reading workshops, educational games, entertainment and meals prepared with loving care by a committed team—rolling out 1,800 meals every day.

**Instituto Baccarelli** Transforming the social and cultural reality of children and adolescents in the Heliópolis community, in the South zone of São Paulo (SP), through music has been the core mission of Instituto Baccarelli since its creation in 1996. The activities are provided free of charge to more than 1,000 students aged four and over.

**Gaia** This institution looks after children and adolescents at personal risk and in social vulnerability in seven Brazilian states. Through the projects Gaia+ Lab and Gaia+ Valores, it fosters the biopsychosocial development and empowerment of young people through crosscutting activities such as compassionate communications, self-awareness and emotional management.

**Instituto Olga Kos** This organization cares for intellectually impaired children, adolescents and adults through artistic and sporting projects. A portion of the placements, are intended for people in socially vulnerable situations living in the vicinity of the locations where the workshops are held. This arrangement ultimately produces

a healthy interaction between impaired and unimpaired individuals. Instituto Olga Kos looks after more than 3,000 people and believes that every single one of us can express the individuality that makes us unique and special.

**Instituto Ânima** This organization helps reinsert people over age 60 into university through the structure of Ânima Group, one of the largest educational organizations in the country. Created in 2013 by the Institute, the program University Open to Mature Students has certified upwards of three thousand mature students in Minas Gerais state.

**Fundação Tênis** Created in 2000, this entity was founded to restore good citizenship values through the systematic and disciplined practicing of tennis by children and adolescents. All activities are informed by Olympic education standards and help ready and prepare young people for the labor market.

**Instituto Tiago Camilo** Founded in 2012, Instituto Tiago Camilo looks after more than one thousand children in a series of hubs located in the main disadvantaged regions of the city of São Paulo (SP). World champion and vice Olympic champion, judoka Tiago Camilo has always believed that people can and should have opportunities in life. At the Institute he goes further in his belief that all children should believe that their dreams can come true

**Conservation International (CI)** Present in 30 countries and active in Brazil since 1990, this organization was founded to discuss relations between society and nature and their implications on guaranteeing human well-being and biodiversity. Conservation International's approach combines science, government policy and partnership to protect the elements of nature we need to produce food, water and other means of subsistence and to keep the planet's climate stable.

## BTG Pactual + BlackRocks Startups

The partnership between the Bank and this start-ups producer, which provides black people with access to highly innovative and technological environments, takes place through mentoring initiatives and financial contributions to the start-ups performing best in the Grow Start-ups Program.

In the next two years, our senior partners will provide mentoring and serve on monthly committees to select and help the start-ups with the greatest growth potential. There will be three rounds of growth, with at least eight companies participating in each one.

The BlackRocks Startups and BTG Pactual initiative is assisted by boostLAB, our business hub for tech firms.

## LEED-certified buildings

More than 60% of BTG Pactual's administrative operations are located in environmentally certified buildings.

The building that houses BTG Pactual's head office, in São Paulo, received *LEED Platinum EB O&M V4* certification in 2019, recognizing efforts in the area of sustainability. Geared towards operation and maintenance, the certification attests to the building's eco-efficiency, which includes waste segregation, water recycling and cultivating an underground allotment.

BTG Pactual's office in Curitiba also operates from out of a *LEED*-certified building. If these two facilities are considered together, over half of BTG Pactual's employees are now working in buildings with this certification.

BTG Pactual's office in Medellín, Colombia, has also been making a name for itself in energy efficiency thanks to installing solar panels to produce electricity in 2019, which has even enabled it to sell energy surpluses to the rest of the city.



# GRI content index

GRI 102-55

## General disclosures

### GRI 101: Foundation 2016

GRI 101 contains no disclosures

### Organizational profile

GRI Standard	Disclosure	Page/URL	Omission	Sustainable Development Goals
GRI 102: General disclosures 2016	102-1 Name of the organization	3		
	102-2 Activities, brands, products, and services	11 and 28		
	102-3 Location of headquarters	12		
	102-4 Location of operations	52		
	102-5 Ownership and legal form	12		
	102-6 Markets served	12		
	102-7 Scale of the organization	12		
	102-8 Information on employees and other workers	12, 53, 54, 60 and 61		8
	102-9 Supply chain	22		
	102-10 Significant changes to the organization and its supply chain	There were no restatements of information		

GRI Standard	Disclosure	Page/URL	Omission	Sustainable Development Sustainable Development
GRI 102: General disclosures 2016	102-11 Precautionary principle or approach	20 and 21		
	102-12 External initiatives	26		
	102-13 Membership of associations	26		
<b>Strategy</b>				
GRI 102: General disclosures 2016	102-14 Statement from senior decision-maker	6		
<b>Ethics and integrity</b>				
GRI 102: General disclosures 2016	102-16 Values, principles, standards, and norms of behavior	28		16
<b>Governance</b>				
GRI 102: General disclosures 2016	102-18 Governance structure	16, 17 and 18		
<b>Stakeholder engagement</b>				
GRI 102: General disclosures 2016	102-40 List of stakeholder groups	3		
	102-41 Collective bargaining agreements	54		8
	102-42 Identifying and selecting stakeholders	4		
	102-43 Approach to stakeholder engagement	3		
	102-44 Key topics and concerns raised	5		



## Reporting practices

GRI Standard	Disclosure	Page/URL	Omission	Sustainable Development Sustainable Development
GRI 102: General disclosures 2016	102-45 Entities included in the consolidated financial statements	39		
	102-46 Defining report content and topic Boundaries	5		
	102-47 List of material topics	4		
	102-48 Restatements of information	None		
	102-49 Changes in reporting	None		
	102-50 Reporting period	January 1 to December 31, 2020.		
	102-51 Date of most recent report	2019		
	102-52 Reporting cycle	3		
	102-53 Contact point for questions regarding the report	ri@btgpactual.com		
	102-54 Claims of reporting in accordance with the GRI Standards	This report has been prepared in accordance with the GRI Standards—"Core" option.		
	102-55 GRI content index	69		
	102-56 External assurance	None		

## Material topics

### Economic performance

GRI Standard	Disclosure	Page/URL	Omission	Sustainable Development Goals
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	5		
	103-2 The management approach and its components	35		
	103-3 Evaluation of the management approach	35		
GRI 201: Economic performance 2016	201-1 Direct economic value generated and distributed	39		8, 9
	201-2 Financial implications and other risks and opportunities due to climate change	21 and 26		13
	201-4 Financial assistance received from government	BTG has not received government financial assistance.		

### Indirect economic impacts

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	5		
	103-2 The management approach and its components	63		
	103-3 Evaluation of the management approach	63		
	203-2 Significant indirect economic impacts	65		8

## Anti-corruption

GRI Standard	Disclosure	Page/URL	Omission	Sustainable Development Goals
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	5		
	103-2 The management approach and its components	32		
	103-3 Evaluation of the management approach	32		
GRI 205: Anti-corruption 2016	205-1 Operations assessed for risks related to corruption	29		16
	205-2 Communication and training on anti-corruption policies and procedures	29		16
	205-3 Confirmed incidents of corruption and actions taken	29		16

## Anti-competitive behavior

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	5		
	103-2 The management approach and its components	32		
	103-3 Evaluation of the management approach	32		
GRI 206: Anti-competitive behavior 2016	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	33		16

## Supplier environmental assessment

GRI Standard	Disclosure	Page/URL	Omission	Sustainable Development Goals
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	5		
	103-2 The management approach and its components	38 and 32		
	103-3 Evaluation of the management approach	38 and 32		
	308-1 New suppliers that were screened using environmental criteria	25		
GRI 308: Supplier environmental assessment 2016	308-2 Negative environmental impacts in the supply chain and actions taken	Negative social and environmental impacts are mitigated through a proprietary reputation search system that uses rigorous filters to automatically block any suppliers that have been charged with, or have been reported in the media to have committed, misconduct, or have omitted or submitted dubious documentation.		

## Employment

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	5		
	103-2 The management approach and its components	51		
	103-3 Evaluation of the management approach	51		
GRI 401: Employment 2016	401-1 New employee hires and employee turnover	62		5, 8

## Training and education

GRI Standard	Disclosure	Page/URL	Omission	Sustainable Development Goals
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	5		
	103-2 The management approach and its components	57 and 52		
	103-3 Evaluation of the management approach	57 and 62		
GRI 404: Training and education 2016	404-1 Average hours of training per year per employee	57		4, 5, 8
	404-2 Programs for upgrading employee skills and transition assistance programs	57		8
	404-3 Percentage of employees receiving regular performance and career development reviews	BTG Pactual has a robust performance assessment system that uses the SMART methodology and a merit-based approach. Over the years, 100% of our employees have been assessed against targets and competencies.		5, 8

## Diversity and equal opportunity

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	5		
	103-2 The management approach and its components	51 and 58		
	103-3 Evaluation of the management approach	51 and 58		
GRI 405: Diversity and equal opportunity 2016	405-1 Diversity of governance bodies and employees	17, 18, 54 and 60		5, 8
	405-2 Ratio of basic salary and remuneration of women to men	61		5, 8



## Non-discrimination

GRI Standard	Disclosure	Page/URL	Omission	Sustainable Development Goals
	103-1 Explanation of the material topic and its Boundary	5		
GRI 103: Management approach 2016	103-2 The management approach and its components	63		
	103-3 Evaluation of the management approach	63		
GRI 406: Non-discrimination 2016	406-1 Incidents of discrimination and corrective actions taken	We have not received any reports of discrimination in the three-year period.		5, 8

## Local communities

	103-1 Explanation of the material topic and its Boundary	5		
GRI 103: Management approach 2016	103-2 The management approach and its components	21		
	103-3 Evaluation of the management approach	21		
GRI 413: Local communities 2016	413-1 Operations with local community engagement, impact assessments, and development programs	40		
	413-2 Operations with significant actual or potential negative impacts on local communities	Not applicable to our operations.		

## Supplier social assessment

GRI Standard	Disclosure	Page/URL	Omission	Sustainable Development Goals
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	5		
	103-2 The management approach and its components	21		
	103-3 Evaluation of the management approach	21		
GRI 414: Supplier social assessment 2016	414-1 New suppliers that were screened using social criteria	25		5, 8, 16
	414-2 Negative social impacts in the supply chain and actions taken	Negative social and environmental impacts are mitigated through a proprietary reputation search system that uses rigorous filters to automatically block any suppliers that have been charged with, or have been reported in the media to have committed, misconduct, or have omitted or submitted dubious documentation.		5, 8, 16

## Public policy

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	5		
	103-2 The management approach and its components	32		
	103-3 Evaluation of the management approach	32		
GRI 415: Public policy 2016	415-1 Political contributions	32		16

## Customer privacy

GRI Standard	Disclosure	Page/URL	Omission	Sustainable Development Goals
GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	5		
	103-2 The management approach and its components	32		
	103-3 Evaluation of the management approach	32		
GRI 418: Customer privacy 2016	418-1 Substantiated complaints regarding breaches of customer privacy and losses of customer data	31		16

## Social and economic compliance

GRI 103: Management approach 2016	103-1 Explanation of the material topic and its Boundary	5		
	103-2 The management approach and its components	28		
	103-3 Evaluation of the management approach	28		
GRI 419: Social and economic compliance 2016	419-1 Non-compliance with laws and regulations in the social and economic area	We received no significant fines or sanctions for noncompliance in the social or economic area.		16

## Product portfolio

GRI Standard	Disclosure	Page/URL	Omission	Sustainable Development Goals
Financial Services Sector Supplement – Product portfolio	FS1 Policies with specific environmental and social components applied to business lines	21		
	FS2 Procedures for assessing and screening environmental and social risks in business lines	24		
	FS3 Processes for monitoring clients' implementation of and compliance with environmental and social requirements included in agreements or transactions	27		
	FS4 Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines	21		
	FS8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	48 and 49		

## Sustainable Development Goals

- 4. Quality education
- 5. Gender equality
- 8. Decent work and economic growth
- 9. Industry, innovation and infrastructure
- 13. Climate action
- 16. Peace, justice and strong institutions

# Credits

BTG Pactual 2020 Annual & Sustainability  
Report

## **ESG Department**

Rafaella Dortas, Anna Lau and Gabriela  
Halphen

## **GRI consulting, writing and design**

Report Sustentabilidade  
Ana Luiza Daltro and Renata Costa (writing)  
Juliane Duarte (GRI consulting)  
Ricardo Duarte and Gabriela Miranda  
(project management)  
Rosangela Kirst and Pedro Kirst (revision)