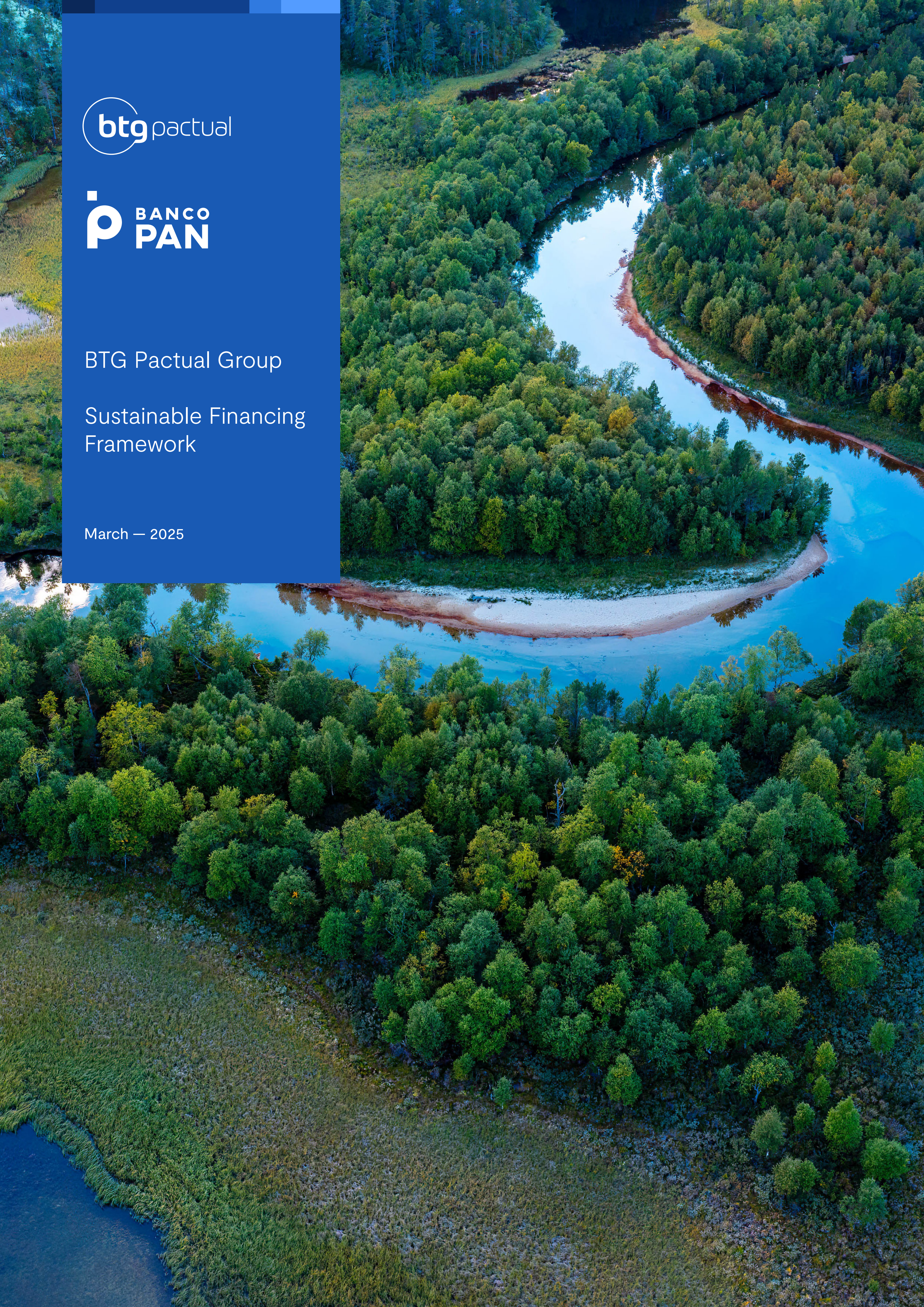
BTG Pactual Group

Sustainable Financing Framework

March — 2025



About BTG Pactual

With a 40-year track record, BTG Pactual (Banco BTG Pactual S.A.) is the largest investment bank in Brazil and Latin America and the main company at BTG Pactual Group. The bank has achieved a growing volume of business in several countries due to its strategic focus on expanding operations worldwide. Based on a platform with vast international reach, we offer a wide range of financial services to a regional and global client base. Headquartered in Rio de Janeiro and with main offices in São Paulo, the bank is also present in Belo Horizonte, Brasília, Curitiba, Fortaleza, Salvador, and Recife, along with BTG Advisors offices in 15+ cities throughout Brazil. We are also present in Latin American countries such as Chile, Colombia, Mexico, Peru, and Argentina. In addition, we hold strategic presence in USA, UK, Portugal, Spain, Luxembourg, and Saudi Arabia, with a focus on distributing an extensive range of financial products and managing funds for global clients.

Since 1983, BTG Pactual has been operating in Investment Banking, Asset Management, and Wealth Management, and is a benchmark in services to large corporations, institutional investors, governments, and high net equity clients. Starting in 2016, we ventured into the retail market to explore new opportunities, providing numerous financial products and services to high-income individuals. Due to the investments made, especially in technology, we were able to further improve the quality of our services, increasing the satisfaction of traditional clients, which led to significant growth in segments where the bank is already established, such as Investment Banking, Sales and Trading, Wealth Management, and Asset Management.

With speed and excellence, we have broadened our business model through technological innovations, allowing us to expand our services both regionally and internationally. We count on a team of 6,575 highly qualified employees[1] who are aligned with our culture and dedicated to upholding the high standards of our products and services, providing our clients with solid results.

For a list of all the companies in the BTG Pactual Group, see page 144 of our 2023 Annual Report

About Banco Pan

Banco PAN ("PAN") is a financial institution licensed and operating in Brazil. Headquartered in São Paulo and with more than 3,204 employees, PAN's key operations are in the segments of credit and transactional financial services for individuals.

Banco PAN is part of the BTG Pactual Group, which controls the institution with 72% of total shares. All regulatory information is registered with the Brazilian Central Bank under the Group's umbrella.

Banco PAN operates via complete digital platform and over a robust network of banking correspondents, connecting its clients to contextual financial solutions with simplicity, using technology to democratize access to the financial system to millions of people.

1 Number of direct employees, considering operations in the following countries: Brazil, Argentina, Chile, Colombia, the United States, Mexico, Peru, Portugal, United Kingdom, and Spain in 4Q2023.

ESG Commitments

At BTG Pactual, our commitment to sustainability involves incorporating ESG practices into our culture, strategy, and business, in a crosscutting, effective way, and in line with our obligations to shareholders and other stakeholders.

In addition, we aspire to be more than just financial advisors; we want to be a leading source of climate change in Latin America. To do that, we seek to guide our clients on ESG and climate agendas, helping them to transition to a low-carbon economy whilst also offering financial instruments.

By combining positive social and environmental impacts with a commitment to providing consistent financial returns to our clients, we contribute to the Sustainable Development Goals (SDGs) set forth by the UN in its 2030 Agenda. Besides guiding our impact investments and social responsibility initiatives, SDGs are considered in other aspects of our business strategy, so that the 2030 Agenda's goals are progressively integrated into the development of new products, services, and solutions.

Internally, the ESG theme prompted the bank to undertake several initiatives related to cybersecurity, financial education, reporting, training, and carbon credit offsetting.

At Banco Pan, since 2020 when the ESG department was created, it has reinforced the importance of this agenda through many initiatives. In 2022, PAN conducted its second in-depth materiality assessment to understand the key sustainability-focused risks and opportunities faced by the bank. This process included the engagement of over 3,500 clients, employees, correspondents, investors, financial experts and members of PAN's Executive Board and Board of Directors.

As a result, such process defined 10 material topics that guide PAN's ESG strategy, aligning its business to the needs and expectations of its clients, suppliers, employees, and investors, while creating economic and social value.

In early 2024, Banco PAN's ESG division was incorporated into BTG Pactual and came under the direct leadership of BTG's Head of ESG. As part of this transition, several processes were reviewed and adjusted to align with BTG's methodologies and guiding principles.

Please find more about BTG's Sustainability Strategy in our Integrated Annual Report

Please find more about PAN's Sustainability Strategy in our Integrated Annual Report

ESG Governance

BTG Pactual's ESG performance encompasses several instances of governance – with a clear definition of duties and responsibilities – guided by specific guidelines and voluntary commitments assumed by the Bank, to ensure the effective implementation of ESG criteria in our activities and business.

In recent years, BTG Pactual consolidated the ESG area in Chile and Colombia. In Chile, we replicated the ESG governance structure and roles from Brazil and, since 2022, we have a local Sustainability Committee chaired by the local CEO, with presence of other C-Level members from different areas. The committee supports the Chilean Board of Directors, which is the ultimate authority on local ESG strategy.

BOARD OF DIRECTORS

The highest authority on ESG integration and risk management related to the business, including approval of ESG & Impact Investing strategies. Supported by the ESG Committee, it approves the policies that guide the incorporation of the subject into our corporate strategy, as well as the assessments of climate and socio-environmental risks. It is also responsible for guiding and improving BTG Pactual's ESG strategy and policy and overseeing its implementation across all business units. Its operation is supported by a defined structure.

ESG COMMITTEE

Chaired by the CEO and meeting monthly, it supports the Board of Directors in setting strategies, guidelines, and measures to adopt best practices and identify and reduce social, environmental, climate, and regulatory risks. Given the importance of the topics discussed, the Committee is made up of C-Level (CFO, CRO, CSO, CCO, heads of HR, co-heads of ESG and Impact Investing), as well as the head of ESG, who are responsible for supervising and managing the implementation of ESG policies and their outcomes. It also acts in coordination with the Bank's Risk and Capital Committee and Audit Committee.

CHIEF SUSTAINABILITY OFFICER

Recommends strategic ESG priorities for the business units to the Board of Directors, and leads the implementation process of the approved guidelines, based on socio-environmental impact indicators. Other duties include approving transactions with a high potential of socio-environmental risk for the Bank. All loans and transactions undergo socio-environmental due diligence based on the principles of relevance[2] and proportionality[3].

ESG TEAM

(i) develops policies, procedures, and tools to perform and ensure socio-environmental and climate risk analysis of the credit and investment portfolio; (ii) develops an ESG framework to analyze socio-environmental and climate risks of counterparties; (iii) supports the integration of environmental, social, and climate-related aspects in the selection of Asset Management assets and Investment Banking transactions, as well as in other business lines of the BTG Pactual Group.

[2] Relevance: degree of exposure to environmental, social and climate risks, in addition to factors related to the governance of the economy sector to which the counterparty belongs or to the activity it performs.
[3] Proportionality: compatibility of the analysis with the size and complexity of the investment strategy, nature of the operation and estimated period of permanence of the resources in the fund under management.

BTG Pactual's Rationale For Updating The Sustainable Financing Framework

BTG Pactual has been a pioneer and one of the leading financial institutions in sustainable finance in past years. Notable achievements include structuring the first transition bond in 2019 and the first sustainability bond in Brazil in 2020, launching the first sustainable time deposit program in Latin America in 2021, structuring and distributing the first blue bond in the country, the first 'blue' one by a private issuer in Latin America and the first one globally in the water supply and sanitation sector in the capital markets in 2022. BTG Pactual was also the first Brazilian bank to be a member of ICMA Principles[4] as an issuer member.

We identify opportunities and execute transactions in line with our strategic objectives, expanding our operations and further diversifying our business. This is exemplified by the acquisition of 100% of the share capital of FIS Privatbank, a financial institution based in Luxembourg, which strengthens our presence in Europe. By considering BTG Pactual's recent acquisitions and global expansion, we have intentionally updated this Framework to include several entities under BTG Pactual Holding Internacional S.A., including but not limited to:

- **Banco BTG Pactual S.A.**
- **Banco Pan S.A.**
- **BTG Pactual Chile**
- **BTG Pactual Argentina**
- **BTG Pactual Peru**
- **BTG Pactual Colombia**
- **BTG Pactual Portugal**
- **BTG Pactual Europe**
- **BTG Pactual Financial (Saudi Arabia)**
- **BTG Pactual Holdco Lux S.A.**
- **BTG Pactual (UK) Limited**
- **BTG Pactual US**

In the same vein, considering the synergies between BTG Pactual and Banco Pan, the consolidation of our Sustainable Finance Framework reinforces the alignment of sustainability strategies at both banks. This contributes to more transparent and standard communication with our investors and stakeholders. A consolidated framework demonstrates cohesion in sustainable practices, facilitating analysis and increasing market credibility.

BTG Pactual has updated this Sustainable Financing Framework ("**Framework**") under which BTG Pactual, Banco PAN or any BTG Pactual subsidiary and/or affiliate (herein, "the Issuers") will be able to issue Green, Blue, Biodiversity, Social and Sustainability Bonds, Loans, or other financial instruments (together "Sustainable Finance Instruments").

[4] Green Bond Principles (GBP), the Social Bond Principles (SBP), the Sustainability Bond Guidelines (SBG) and the Sustainability-Linked Bond Principles (SLBP) - collectively known as "The Principles".

1. Use of Proceeds

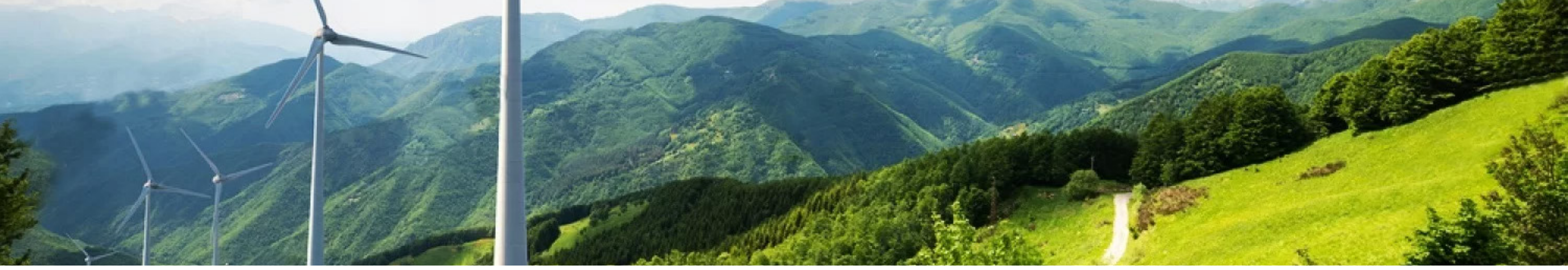
An amount equal to the net proceeds of the local and international bonds, notes, loans, credit transactions, deposits, repo and ESG derivatives ("ESG Instrument") issued under the **Framework** will be allocated towards the financing and/or refinancing of new and existing projects that meet the following Eligibility Criteria:

- Loans and securities dedicated to investments in the development, construction, and operation of the following eligible project categories
- Loans and securities to and direct investments in companies deriving at least 90% of their revenues from the eligible investment categories
- Derivatives with proceeds earmarked for green or social projects/assets/expenditures that have a positive impact on the environment and society, pursuant to the eligibility criteria defined below

Eligible projects should have had a disbursement

1. Made during the thirty-six months preceding the issue date of the Instruments and/or
2. Following the issue date of the Instruments and until their maturity date with the aim of full disbursement and allocation of proceeds within thirty-six months.

Framework's aligment to UN Sustainable Development Goals



GREEN CATEGORIES:

Renewable Energy, Electricity Networks, Energy Efficiency, Clean Transportation, Green Buildings, Resource Efficiency, Pollution Prevention and Control

BLUE CATEGORIES:

Sustainable Water and Wastewater Management

BIODIVERSITY CATEGORIES:

Environmentally Sustainable Management of Living Natural Resources and Land Use, Investments in Biodiversity Conservation and/or Restoration as the Primary Objective, Investment Activities that Seek to Generate Biodiversity Co-benefits

SOCIAL CATEGORIES:

Affordable Housing, Affordable Basic Infrastructure, Socioeconomic Advancement and Empowerment, Micro Enterprises Financing and Microfinance

GREEN PROJECT CATEGORY	USE OF PROCEEDS	ELIGIBILITY CRITERIA	OBJECTIVES	BENEFITS	SDG ALIGNMENT
Renewable Energy	Solar Energy	Solar facilities should have 100% of electricity generated from renewable sources, except for CSP projects that should not have more than 15% of electricity generated from non-renewable sources Or Solar facilities for individuals or distributed generation	Enhance the energy transition to a low carbon economy	Climate change mitigation and adaptation GHG emissions reduction Pollution reduction	
	Wind Power	Wind facilities should have 100% of own electricity generated from renewable sources			
	Small run-of-river hydro plants	Small run-of-river hydro plants that have the capacity to deliver up to 25MW and/or facilities operating at life cycle emissions lower than 100g CO_2e/ kWh[5] and Hydropower projects in which an environmental and social impact assessment has been carried out by a credible body (for example: Environmental Impact Assessment - EIA) and Simplified Environmental Report- RAS in Portuguese) Or Run-of-river power plants with no reservoir			
	Biofuel	Limited to projects with lifecycle emissions of less than 100g CO_2/kWh using sustainable feedstock that does not deplete existing terrestrial carbon stocks or high-biodiversity areas or compete with food production Or Electricity generation coming from biofuel and biofuel production (non-blended) shall be eligible			

GREEN PROJECT CATEGORY	USE OF PROCEEDS	ELIGIBILITY CRITERIA	OBJECTIVES	BENEFITS	SDG ALIGNMENT
		Non-waste feedstock will be certified under approved best practices standards, such as: Bonsucro, RTRS (Round Table on Responsible Soy), RSPO (Round Table on Sustainable Palm Oil), RSB (Roundtable on Sustainable Biomaterials), FSC (Forest Stewardship Council), and ISCC Plus, and its production does not take place on land with high biodiversity[6]			
Electricity Networks	Transmission and distribution networks (Grids), Electricity Storage facilities, Grid Flexibility Measures, and Dedicated supporting infrastructure	Grid and storage assets that meet the following criteria: i) dedicated to connecting renewables to the grid, or ii) connected to a grid that generates 90% or more of renewable energy, for Brazilian projects. Or Capacity complies with the 100g CO_2e/ kWh threshold (measured on a PCF basis over a rolling five-year average period) Or Energy production and storage units for wind energy, solar energy, marine	Increasing efficiency and reducing GHG emissions	Climate change mitigation and adaptation GHG emissions reduction	7 AFFORDABLE AND CLEAN ENERGY
Energy Efficiency	Energy storage, District heating, Cogeneration, Smart grids[7]	Exclusive to refurbishments that meet 30% energy efficiency gains or 30% CO_2 emission reduction Or For energy storage, projects may consider: (1) Battery storage; (2) Power-to-hydrogen storage based on water electrolysis and	Increasing efficiency and reducing GHG emissions	Climate change mitigation and adaptation GHG emissions reduction	7 AFFORDABLE AND CLEAN ENERGY 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES

GREEN PROJECT CATEGORY	USE OF PROCEEDS	ELIGIBILITY CRITERIA	OBJECTIVES	BENEFITS	SDG ALIGNMENT
		powered by renewables; (3) power-to-gas storage for which CO_2 is not sourced from fossil fuel operations Or For powered district heating: project systems will be all electric and will rely on 100% renewables Or Cogeneration projects based on CSP with > 85% electricity generated from solar energy sources			
Clean Transportation[8]	Electric, hybrid, public, rail, non-motorized, multi-modal transportation, electric vehicle charging stations Financing Electric, Hybrid, and non-motorized vehicles for low-income individuals in Brazil[9], Colombia[10] and Chile[11]	Rail: construction and operation of low-carbon passenger and freight transportation that individually meet direct emission threshold of <50g CO_2e /p-km (for passenger) and <25g CO_2/t-km (for freight) and Investments to hybrid passenger vehicles limited to below the threshold of 75g CO_2/km, based on lab test ("NEDC") procedure Or Multi-modal transportation[12], including rivers and ports, shall consider only low-carbon fuel ships[13] and for rail and port, freight transportation emitting less than 25g CO_2/t-km will be considered Or For low-income individuals, only vehicles limited to a threshold of 75g CO_2/Km are eligible[14]	Enhance the energy transition to a low carbon economy Provide access to clean transportation to low-income population	Climate change mitigation and adaptation GHG emissions reduction Pollution reduction	9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION

GREEN PROJECT CATEGORY	USE OF PROCEEDS	ELIGIBILITY CRITERIA	OBJECTIVES	BENEFITS	SDG ALIGNMENT
Green Buildings	Efficient commercial and residential buildings meeting regional, national, or internationally recognized standards or certifications[15]	Expenditures directly related to buildings' certification to the following programs and levels: · LEED Gold or Platinum · EDGE · BREEAM "excellent" or above · GBC Casa & Condominio level "Green" or above · Acqua-HQE levels Excellent and above	Enhance the energy transition to a low carbon economy	Climate change mitigation and adaptation GHG emissions reduction Pollution reduction	11 SUSTAINABLE CITIES AND COMMUNITIES 13 CLIMATE ACTION
Resource Efficiency, Pollution Prevention and Control	Projects that improve sustainability at production and industrial processes, preventing pollution and emissions into water, air, and soil Or Waste collection, Circularity and Material recovery from waste	Plastic production if: > 90% of recycled, renewable, and/or bio-based inputs AND > 90% not intended for single use consumer products AND all products are recyclable Or Waste collection projects will consider exclusively source segregation[16] Chemical recycling will be excluded	Improve the resilience of ecosystems to climate change	Climate change mitigation and adaptation GHG emissions reduction Pollution reduction	6 CLEAN WATER AND SANITATION 12 RESPONSIBLE CONSUMPTION AND PRODUCTION 13 CLIMATE ACTION

[5] For facilities during 2020 or after the thresholds: 50g CO_2e/ kWh and 10W/m² plus a good score from the ESG Gap Analysis assessment (assessed by an IHA consultant).
[6] "Land with high biodiversity" is defined as a territorial space and its environmental resources, including jurisdictional waters, with relevant natural cha¬racteristics, legally established by the Government (Federal, State or Municipal), in accordance with Federal Law No. 9.985/2000. These areas must be approved by a Decree of the competent Executive Authority (Mayor, Governor, or President), and contains defined limits and protection objectives, which may vary according to its intended use, and must be stablished in its approval Decree, in accordance with the Federal Law. The intended use of a UC may vary between full protection and/or sustainable exploitation. Additionally, any intended use must be approved by the UC managing council and must be permitted by UC Management Plan.
[7] Financing smart grid components and related infrastructure. Fossil-fuel-powered equipment is excluded.
[8] In the Clean Transportation category, the eligibility criteria for "Investments in limited hybrid passenger vehicles below the 75g CO_2/km threshold, based on the laboratory test procedure ('NEDC')" specifically mention "hybrids." For 100% electric vehicles, the operation would be classified as eligible since electric vehicles are considered zero-emission, and it is not necessary to apply the limit set in the framework.
[9] Brazilians with monthly income equal or lower to a minimum wage.
[10] Colombians with monthly income equal to or less than the current legal minimum wage
[11] In Chile, Poverty by income is defined as homes that have a monthly income that does not surpass the value of the line of poverty, published monthly by the Ministry of Social Development and Family.
[12] Multi-modal facilities must demonstrate 25% emissions reduction to be eligible.
[13] Ships that are either fully electric or run on biofuel or hydrogen and cannot be primarily dedicated to transporting fossil fuels.
[14] Based on lab test ("NEDC") procedure
[15] In this category, companies that own, use, and maintain buildings with LEED gold/platinum certification can be included. In these cases, it must be proven that the earmarked funds are allocated to projects with certification, or in the case of working capital (without earmarking courses), 95% of the company's portfolio must have LEED certification.

BLUE PROJECT CATEGORY	USE OF PROCEEDS	ELIGIBILITY CRITERIA	OBJECTIVES	BENEFITS	SDG ALIGNMENT
Sustainable Water and Wastewater Management*	Infrastructure for clean and/ or drinking water, wastewater treatment, sustainable urban drainage systems and river training	No net GHG emissions impact is expected or a negative net GHG emissions impact is expected[17] either in terms of decreased emission or increased sequestration relative to a business-as-usual baseline For river training, show evidence of measures carried towards Climate Adaptation and Resilience[18]	Increasing efficiency of water services	Climate change mitigation and adaptation GHG emissions reduction Pollution reduction	

[16] Mixed residue waste intended to be transferred to waste-to-energy facilities is excluded.
[17] Estimated impact will be delivered over the operational lifetime of the project or asset.
[18] Vulnerability Assessment: an assessment of climate risks to find whether climate change will significantly impact the project or asset Adaptation Plan Evaluation: If significant climate risks are defined, the issuer must provide a corresponding Adaptation Plan. Usually, proven compliance with local regulatory regime can meet these Adaptation and Resilience requirements.

* Among the blue categories are projects that are part of the Saneamento para Todos (Sanitation for All) program, a Brazilian government initiative designed to expand access to basic sanitation infrastructure, including water supply and sewage treatment, particularly in underserved communities. The program operates through a financing mechanism involving the FGTS (Fundo de Garantia do Tempo de Serviço), a mandatory employer-funded government-sponsored fund established by law, which provides subsidized resources to eligible projects. In this structure, BTG acts as the financial intermediary, assuming full credit risk of the operations and remains responsible for repaying the FGTS resources. Therefore, although these on-lending transactions do not involve a direct cash outflow from BTG, the bank classifies them within this Sustainable Framework because it originates the underlying assets, conducts the full selection and evaluation process to ensure alignment with the Sanitation for All eligibility criteria (which falls into BTG Group Sustainable Framework), and retains the credit risk associated with the underlying borrowers and transactions.

BIODIVERSITY PROJECT CATEGORY	USE OF PROCEEDS	ELIGIBILITY CRITERIA	OBJECTIVES	BENEFITS	SDG ALIGNMENT
Environmentally Sustainable Management of Living Natural Resources and Land Use[20]	Certified agricultural production ensuring sustainable/ organic practices and responsible sourcing Native vegetation conservation, restoration and recovery Protection and oversight for protected marine areas Recovery of degraded areas Certified fishing and aquaculture through recognized certifications Certified sustainable agriculture through recognized certifications[21]	Commercial and sustainable forest management certified FSC/PEFC/SFI for largescale projects and for smallholder[22] forest, sustainable forest management plan in place if not certified Low carbon agriculture activities that deliver at least 20% reduction in GHG emissions[23]	Improve the resilience of ecosystems to climate change Ecosystem protection Forest conservation	Climate change mitigation and adaptation	2 ZERO HUNGER 13 CLIMATE ACTION 15 LIFE ON LAND

BIODIVERSITY PROJECT CATEGORY	USE OF PROCEEDS	ELIGIBILITY CRITERIA	OBJECTIVES	BENEFITS	SDG ALIGNMENT
Investments in Biodiversity Conservation and/or Restoration as the Primary Objective	Conservation land use and terrestrial habitat conservation and/or restoration Or Commercial and sustainable forest management certified FSC/ PEFC/SFI for largescale projects and for smallholder forest, sustainable forest manage plan in place if not certified	Projects that observe Verra, PlanVivo or ART Trees criteria for REDD+ carbon credits	Conservation land use/ terrestrial habitat conservation	Climate change mitigation and adaptation GHG emissions reduction	13 CLIMATE ACTION 15 LIFE ON LAND
Investment Activities that Seek to Generate Biodiversity Co-benefits	Investment in activities that generate biodiversity co-benefits such as production of certified crops/ commodities in line with robust sustainability certifications which follow audit protocols that confirm biodiversity and potential climate benefits	Production with Bonsucro, RTRS (Round Table on Responsible Soy), RSPO (Round Table on Sustainable Palm Oil), RSB (Roundtable on Sustainable Biomaterials), FSC (Forest Stewardship Council), or ISCC Plus certification	Productive Land Use/Agriculture	Climate change mitigation and adaptation GHG emissions reduction	13 CLIMATE ACTION 15 LIFE ON LAND

[19] https://www.ifc.org/content/dam/ifc/doc/mgrt/biodiversity-finance-reference-guide.pdf
[20] Livestock activities will be excluded. It is possible to apply this category to companies that do not plant forests, if the bank can track information regarding the volume of raw materials acquired from suppliers with FSC certification or even the planted area of these suppliers.
[21] Certifications in accordance with Annex 1
[22] In accordance with FSC, smallholder is a producer who has a small area of forest, harvests timber at low-intensity, or is a part of a community who owns and/or manages a forest.
[23] Considering length of the project or asset, 20% for ten years and 30% above ten years. Activities must be in accordance with criteria described in Annex 1 and deliver at least 20% reduction in the GHG emissions.

SOCIAL PROJECT CATEGORY	USE OF PROCEEDS	ELIGIBILITY CRITERIA	OBJECTIVES	BENEFITS	SDG ALIGNMENT
Affordable Housing	Development and construction of, or mortgage loans for affordable urban and rural housing	Low-and moderate income individuals and families as defined by state housing policies → **Brazil:** The Ministry of Cities and the Federal Government and in line with the MCMV Program[24] Or As low-and-moderate income individuals as defined by IBGE[25] → **Colombia:** Construction of VIS “Vivienda de Interés Social” or VIP “Vivienda de Interés Prioritario” as defined by the Ministry of Housing, Cities and Territory of Colombia **Chile:** Housing qualifying under the outstanding Emergency Housing Plan of the Housing Ministry[26]	Provide decent and affordable housing Expansion of water treatment infrastructure and reduce the negative health impact of poor sanitation methods	Promote access to housing for everyone Foster equal access to essential services Reduce social exclusions and inequalities	1 NO POVERTY 10 REDUCED INEQUALITIES 13 CLIMATE ACTION
Affordable Basic Infrastructure	Affordable basic infrastructure such as clean drinking water, sewers, sanitation (including financing individual’s investments to adapt households to national sanitation grids), transport, energy, and telecommunication Construction and operation	Underserved population as defined by region[27]	Provide access to basic infrastructure Provide and improve connectivity for the underserved population Expansion of water treatment infrastructure and reduce the negative health impact of poor sanitation methods	Foster equal access to essential services Reduce social exclusion and inequality	1 NO POVERTY 3 GOOD HEALTH AND WELL-BEING 6 CLEAN WATER AND SANITATION 9 INDUSTRY, INNOVATION AND INFRASTRUCTURE 10 REDUCED INEQUALITIES 13 CLIMATE ACTION

SOCIAL PROJECT CATEGORY	USE OF PROCEEDS	ELIGIBILITY CRITERIA	OBJECTIVES	BENEFITS	SDG ALIGNMENT
Micro Enterprises Financing and Microfinance	Micro, small and medium enterprises	**i. SMEs** **→ Brazil:** Revenues of up to R$300mn[28] And Located in states from the North and Northeast regions in Brazil as listed in Annex 2; or at least 51% of the shares or other ownership interests in the enterprise are held directly by women Or At least 51% of the shares or other ownership interests in the enterprise are held directly by minorities (Indigenous/afro communities) **→ Colombia:** Definition in accordance with Decree 957 of 2019 - Trade, Industry and Tourism Ministry[29] **→ Chile[30]:** Definition in accordance with Law 20,416[31] **ii. Microenterprise:** annual revenue up to 2,400 UF[32] or **iii. Small business:** annual revenue between 2,400 and 25,000 UF or **iv. Medium-size company:** annual revenue between 25,000 and 100,000 UF Business in controversial sectors are excluded[33]	Financial Inclusion	Reduce social exclusion and inequality Improve financial inclusion	

SOCIAL PROJECT CATEGORY	USE OF PROCEEDS	ELIGIBILITY CRITERIA	OBJECTIVES	BENEFITS	SDG ALIGNMENT
Socioeconomic Advancement and Empowerment	Motorcycle financing[34], FGTS-linked[35] Backed and payroll Loans to social-economically vulnerable groups	Economically vulnerable population as defined by either income[36], gender minorities, marginalized communities (Black and Indigenous people) or victims from natural disasters	Provide equitable participation and integration into the market and society, including reduction of income inequality	Promote financial inclusion Reduce social exclusion and inequality	1 NO POVERTY 8 DECENT WORK AND ECONOMIC GROWTH 10 REDUCED INEQUALITIES

[24] Minha Casa Minha Vida (MCMV; in English “My House My Life”) is Brazil’s first-ever effort at large-scale public housing, an ambitious nationwide program tasked with constructing 3.4mn homes as part of a broader effort to upgrade and modernize the nation’s cities. MCMV is funded primarily via Growth Acceleration Program (PAC), a federal infrastructure-upgrading program. The program’s groups 1, 1.5 and 2 are eligible to the Framework. Please find the eligible categories here: https://www.gov.br/cidades/pt-br/assuntos/materias/programa-minha-casa-minha-vida

[25] Low-income individuals are those who have monthly income from R$122,67 to R$667,86. Moderate income individuals are those that have monthly income from R$667,87 to R$3755,76.

[26] All the people that apply to housing subsidies have to be registered in the Social Registry of Households (RSH = Spanish acronym) and not exceed the socioeconomic qualification (CSE = Spanish acronym - Orientaciones-complementarias-N8_cálculo-CSE_VF.pdf (registrosocial.gob.cl)) level required by the subsidy alternative to which you wish to apply. For all the subsidies given by the Housing Ministry the target population varies for family units that range between the 40% and the 90% of most vulnerable families according to the CSE (vivienda (chileatiende.gob.cl)). In the current government, the principal housing subsidies are given in the context of the Habitational Emergency Program (PEH for Spanish Acronym - Plan de Emergencia Habitacional.pdf (minvu.gob.cl).

[27] Definition by BNDES: Underserved populations – habitants that lack access public health/education facilities or those living in municipalities with Human Development Index (HDI) below the total of Brazilian municipalities’ HDI average. Same criteria will be considered for Chile and Colombia – cities with HDI below country’s average.

[29] Thresholds based on the enterprise’s revenues and industries of operation. The size of the enterprise is classified into ranges, based on the calculation of revenues from Tax Value Units (UVT) multiplied by the following coefficients: 1) in the service industry; i) microenterprises range from 0.01x to 32,988 times the UVT (USD 396,000), ii) small businesses range from 32,988x-131,951x (USD 1.6mn) and iii) medium-sized companies range from 131,951x-483,034,000x (USD 5.8mn), 2) in the manufacturing industry; i) microenterprises range from 0.01x to 23,563 times the UVT (USD 283,000), ii) small businesses range from 23,563x-204,995x (USD 2.5mn) and iii) medium-sized companies range from 204,995x-1,736,565x (USD 20.8mn), and 3) in the trade industry; i) microenterprises range from 0.01x to 44,769 times the UVT (USD 538,000), ii) small businesses range from 44,769x-431,196x (USD 5.2mn) and iii) medium-sized companies range from 431,196x-2,160,692x (USD 25.9mn).
Definition of Administrative Department of Civil Service Decree 957 of 2019 at: https://www.funcionpublica.gov.co/eva/gestornormativo/norma.php?i=94550

[30] Including the Financing of loans through Cajas de Compensación de Asignación Familiar (CCAF) (https://www.suseso.cl/606/w3-propertyvalue-34003.html#presentacion).

[31] https://www.bcn.cl/leychile/navegar?idNorma=1010668

[32] Unidad de Fomento: Chilean indexed currency published daily. As of December 31, 2024, the exchange rate was 1 UF = $38,416.69 (app. USD 39)

[33] Tobacco, Child Labor, and Fossil Fuel

[34] Low displacement motorcycles, between 50 and 150 cc

[35] Brazil: FGTS. Colombia: FOSFEC. Chile: Seguro de Cesantía and CCAF social credit portfolio (https://www.suseso.cl/606/w3-propertyvalue-34003.html#presentacion).

[36] Brazilians with monthly income equal or lower to a minimum wage

2. Process for projects selection and evaluation

Eligible Projects are expected to comply with local laws and regulations, including any applicable regulatory environmental and social requirement and with IFC's Performance Standards.

As part of the Issuer's regular credit approval process, potential Eligible Assets are assessed by the ESG Analysis Process. 100% of the Corporate & SME Lending portfolio undergoes differentiated ESG analyses based on the modality of the operation and potential impacts inherent to the sector in which the counterparty operates, as well as any relevant issues identified in the KYC analysis. After the analysis, the ESG team is responsible for classifying the project as Eligible or Not Eligible, pursuant to this Framework, considering it is already in compliance with all the Issuer's requirements. The ESG team regularly consults with the Sustainable and Impact Investing team for guidance and may seek external evaluations from experts when required/needed. Internal and external audits ensure our ESG procedures remain effective.

BTG Pactual's ESG performance encompasses several instances of governance (Board of Directors, ESG Committee, Chief of Sustainability Officer and ESG team) – with a clear definition of duties and responsibilities (described in section 1.9) – guided by specific guidelines and voluntary commitments assumed by the bank, to ensure the effective implementation of ESG criteria in our activities and business. In recent years, BTG Pactual consolidated the ESGs area in Chile and Colombia, replicating the ESG governance structure and roles from Brazil.

3. Management of proceeds

The net proceeds will be allocated to the financing of new projects and / or refinancing of existing projects under the Eligible Project Category. The Issuer's Treasury team will internally track the proceeds raised from the Sustainable Financing Framework to be allocated to Eligible Projects.

In case of project divestment, the Issuer will use the net proceeds to finance other Eligible Projects, which are compliant with the current Use of Proceeds.

While the full allocation of proceeds is pending, the balance of unallocated proceeds will be held in cash or cash equivalent instruments, in line with the Issuer's treasury management. Unallocated proceeds will not be used in any investment, not consistent with achieving the goals of the Paris Climate Agreement and the rapid transition to a low carbon and climate resilient future.

For deposits, while the full allocation of proceeds is pending, the balance of unallocated proceeds will also be held in cash or cash equivalent instruments in line with the Issuer's treasury management by the Issuer´s Treasury team. The Issuer will also ensure no double-accounting for the assets financed through different instruments. The net proceeds of deposits will be earmarked by the Issuer to fund Eligible Projects, continuously monitoring the allocated funds thereafter.

The overall proceeds raised related to Green, Social and Sustainable deposits should not exceed the volume of Eligible Projects that are not already financed by any other instrument for a sustained period of over a quarter.

4. Reporting

An Allocation Report will be available to investors within approximately one year after the issue date of the local and international ESG Instrument, and thereafter, once a year until proceeds have been fully allocated.

The reporting or a dedicated section in the Issuer's Annual Report will disclose the total amount allocated to the various Eligible Projects. This information will be externally reviewed and will be publicly available on the Issuer's website.

- For ESG deposits, the Issuer will produce an annual report and make it available for the related deposit holders. For fixed-term deposits, reporting will be done until the end of these deposits.

- For local and international ESG Instruments, BTG Pactual will ensure no double accounting across all allocation and impact reporting.

REPORTING INDICATORS:

- Sample list of projects financed by the loans and securities proceeds, including description (date, location, category, progress) and the corresponding allocated amount (in $)

- Allocated amount vs. total amount (in %)

- Refinancing vs. new financing

ALLOCATION REPORT

On an annual basis and until the full allocation of the proceeds, the Issuer will provide an impact report on Eligible Projects or a dedicated section in the Issuer's Annual Report. The relevant metrics could include at least one of each category financed and listed in Appendix.

EXTERNAL REVIEW

Second-Party Opinion
Sustainalytics, an experienced and qualified Second-Party Opinion Provider, was appointed to provide a Second Party Opinion on version 4.0 of the Framework, evaluating the environmental and/or social impact of the financing and their alignment with ICMA's Principles on Sustainable Finance. Sustainalytics also acknowledges that BTG Pactual intends to align this framework to the IFC's Guide on Biodiversity Finance, the IFC Guidelines for Blue Finance and the Practitioner's Guide to Bonds to Finance the Sustainable Blue, although this analysis is not part of the SPO scope.

This Second-Party Opinion document will be made available on Sustainalytics, BTG Pactual's and Banco Pan's website.

External Verification
An external verification on the allocation of loans and securities proceeds will be provided, on an annual basis and until the complete allocation of proceeds by the Issuer's auditors. The external auditor /verifier will verify that the proceeds of the loans and securities are either allocated to Eligible Projects or invested in approved financial instruments. This will be published on the Issuer's website[37].

[37] BTG Pactual's website https://www.btgpactual.com/us/esg-e-impact-investing/impact-investing
Banco PAN' website https://ri.bancopan.com.br/show.aspx?idCanal=Nna6ZxvAEo6v+SkvmRm7Sg==&linguagem=en

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Appendix 1:

Eligible Certifications for Sustainable Agriculture, Forestry and Aquaculture

AGRICULTURE

- Rainforest Alliance
- UTZ
- Round Table for Responsible Soy (RTRS)
- BONSUCRO Better Cotton Initiative
- Round Table on Sustainable Palm Oil (RSPO)
- Roundtable on Sustainable Biomaterials (RSB) Plan for Adaptation and Low Carbon Emission in Agriculture

Criteria of ABC Plan:

Program 1: Recovery of Degraded Pastures;
Program 2: Crop-Livestock-Forestry Integration (ILPF) and Agroforestry Systems (SAFs);
Program 3: Direct Planting System (SPD);
Program 4: Biological Nitrogen Fixation (FBN);
Program 5: Planted Forests;
Program 6: Animal Waste Treatment; and
Program 7: Adaptation to Climate Change

FORESTRY

- Forest Stewardship Council (FSC)
- Program for the Endorsement of Forest Certification (PEFC)
- CERFLOR

AQUACULTURE

- Aquaculture Stewardship Council (ASC)
- Global GAP Aquaculture
- Best Aquaculture Practice
- Marine Stewardship Council (MSC)

Appendix 2:

The Framework applies for states that have i) medium Human Development Index (HDI) level as per the classification of the United States International Development Finance Corporation (DFC). We understand that Amapá and Roraima have a relatively high Human Development Index (HDI), whereas the other states in the North and Northeast regions have a medium HDI. However, these states are in remote regions away from developed centers (such as South and Southeast) and have many isolated cities with low HDI. In these areas, it is not expected that there will be a short-term absorption of development from adjacent areas, as could occur in states in more developed regions.

Eligible states for MSME financing in accordance with their low development/HDI:

Acre, Alagoas, Amapá, Amazonas, Bahia, Ceará, Maranhão, Pará, Paraíba, Pernambuco, Piauí, Rio Grande do Norte, Rondônia, Roraima, Sergipe, and Tocantins.

Appendix 3:

PROJECT CATEGORY	REPORTING INDICATORS
Renewable Energy	· Installed capacity in MW · Annual renewable energy generation in MWh · Annual GHG emissions reduced/avoided in tons of CO_2 equivalent
Electricity Networks	· Renewable capacity connected to the grid (in GW and relative share of total capacity in %) · Annual output (GWh/y, split in renewable and conventional electricity in %) · Efficiency improvements in transmission and distribution (%) · Avoided emissions p.a. (kt CO_2e/y)
Energy Efficiency	· Annual GHG emissions reduced/avoided in tons of CO_2 equivalent · Smart grid components installed (smart meters, smart stations, customers served, etc.)
Sustainable Water and Wastewater Management	· Estimated water savings (gallons per year) · Annual gross amount of wastewater treated, reused, or avoided pre- and post-project in m^3/and PE/a, and as a % · Annual water savings: gross water use before and after the project in m^3/a, reduction in water use in % · Number of people provided with water and wastewater infrastructure
Clean Transportation	· Annual GHG emissions reduced/avoided in tons of CO_2 equivalent · Number of vehicles/ beneficiaries supported · Estimated reduction in fuel consumption
Green Buildings	· Number of Buildings & Building Certification · Annual GHG emissions reduced/avoided in tons of CO_2 equivalent
Resource Efficiency, Pollution Prevention and Control	· Waste prevention, minimized, reused, or recycled. · Waste collected and treated or disposed · Annual GHG emissions reduced/avoided from waste and wastewater treatment · Annual volume of wastewater treated or reused · Increased GHG emission efficiency

Appendix 3:

PROJECT CATEGORY	REPORTING INDICATORS
Environmentally Sustainable Management of Living Natural Resources and Land Use	· Planted, cultivated, or reforested area · Annual GHG emissions reduced/ avoided in tons of CO_2 equivalent · Carbon sequestration in tons of CO_2 equivalent
Biodiversity conservation and/or restoration	· Conserved/ restored area in ha
Production of certified commodities	· % of certified area · Volume of funded certified commodities
Affordable Housing	· Number of units provided/ beneficiaries supported · Average housing price / Rental costs compared to the national/regional rent index (Social indicators)
Affordable Basic Infrastructure	· Number of people given access to clean drinking water · Number of people given access to improved sanitation facilities · Number of water infrastructure projects built/upgraded · Increase of households with sanitation infrastructure access · Number of people given access to transport, energy or telecommunication infrastructure · Increase of households with transport, energy or telecommunication infrastructure
Micro, Small and Medium Enterprise (MSME) Financing and Microfinance	· Number/volume of loans provided to target groups · Average loan size provided to target groups · Number of new businesses created · Number of enterprises reached that are run by women · Number of enterprises reached that are run by black and/or indigenous people
Socioeconomic advancement and empowerment	· Number of loans provided to each target group · Average loan size provided to each target group · Number of loans provided to individuals in vulnerable communities