

PRELIMINARY INFORMATION ON THE ASSESSMENT OF SUSTAINABILITY RISKS IN ACCORDANCE WITH THE EUROPEAN SUSTAINABLE FINANCE DISCLOSURE REGULATION

In the context of the Sustainable Finance Disclosure Regulation (EU) 2019/2088 of November 27, 2019 on sustainability-related disclosure requirements in the financial services sector, the position of BTG Pactual Europe S.A. (hereinafter referred to as the "Bank") is presented below.

In its overall corporate strategy, the Bank has committed to always weighing up economic, ecological and social aspects in its actions. An important objective here is that not only regulatory requirements are to be met, but that the specific examination of sustainability risks must also be part of the Bank's social responsibility towards its current and future customers, employees and business partners.

According to the Disclosure Regulation, a sustainability risk is an environmental, social or governance event or condition, the occurrence of which could have an actual or potential material adverse effect on the value of the investment. These three criteria (environmental ("E"), social ("S") and governance ("G")) are intended to serve as a basis for assessing the sustainable management of companies and financial products.

SUSTAINABILITY IN DISCRETIONARY MANDATES

In this context, the in-house discretionary portfolio management team deals intensively with this topic. However, sustainability in itself cannot be reduced to a rating alone. As part of the stock selection process, the asset management team holds many discussions with companies over the course of the year in order to address the issue of good corporate governance in particular. We not only invest in companies, but also in the people behind them. However, the focus on small and medium-sized companies ("small and mid caps") means that ESG ratings are available for very few of these companies, regardless of the data provider. The asset management team has therefore decided to continue to monitor the issue and to offer sustainable products in accordance with Article 19(1) when the data situation improves. This means that we also take environmental and social characteristics into account, but our in-house asset management is not classified as sustainable asset management within the meaning of Article 8 or Article 9 of the Disclosure Regulation. In accordance with Article 4(1)(b), we therefore do not currently take into account any adverse effects of investment decisions on sustainability factors in the context of asset management.

SUSTAINABILITY IN WEALTH MANAGEMENT

Overall, investment advice is not subject to any restrictions regarding sustainability. However, in line with the above position, Article 8 products (especially funds) that are classified as sustainable are sometimes recommended. Here, too, the needs of the customer are the top priority. BTG Pactual Europe S.A. is working intensively on this topic and will take appropriate measures (such as the selection of ESG data providers) to further improve quality and service. In accordance with Article 4(1)(b), we therefore do not currently take into account any adverse effects of investment decisions on sustainability factors when providing investment advice.

SUSTAINABILITY IN THE BROKERAGE OF INSURANCE INVESTMENT AND PENSION PRODUCTS

With regard to this product group, we also take the position mentioned at the beginning, but in some cases we also use Article 8 products (particularly funds) that are classified as sustainable. Overall, however, the brokerage of insurance investment and pension products is not subject to any restrictions regarding sustainability. Here, too, the needs of customers are the top priority, BTG Pactual Europe S.A. is working intensively on this topic and will take appropriate measures (such as selecting ESG data providers) to further improve quality and service. In accordance with Article 4(1)(b), we therefore do not currently take into account any adverse effects of investment decisions on sustainability factors when brokering insurance investment and pension products.

INCLUSION OF SUSTAINABILITY RISKS IN THE REMUNERATION POLICY

As part of our remuneration policy, we ensure by law that the performance of our employees is not remunerated or assessed in a way that conflicts with our duty to act in the best interests of our clients. In particular, the remuneration does not create any incentives to recommend a financial instrument that is less suited to the needs of clients. Our remuneration structure is based on collective agreements, company agreements and remuneration guidelines and does not encourage excessive risk-taking in relation to the sale of financial instruments with high sustainability risks. The remuneration policy for key risk takers and the bank's managers also includes sustainability targets.

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