



Sustainability risk policy  
**BTG Pactual Europe Management  
Company S.A.**

September 2025

page 1 from 12

STATUS: 09.2025	SUSTAINABILITY RISK POLICY	BTG PACTUAL EUROPE MANAGEMENT COMPANY S.A.	Page -1-
-----------------	-------------------------------	---	----------



## Table of contents

### Contents

- 1. Brief description ..... 3
- 2. Definitions and interpretations ..... 4
- 3. Investment approach ..... 4
  - 3.1 ESG risk assessment approach ..... 4
  - 3.2 Exclusions ..... 5
  - 3.3 Principle adverse impacts..... 6
  - 3.5 Controversies..... 6
- 4. ESG commitment..... 7
  - 4.1 Direct dialogue..... 7
  - 4.2 Formal engagement process ..... 7
  - 4.3 Community involvement ..... 7
- 5. ESG goals and consistency..... 8
  - 5.1 Transparency ..... 8
    - 5.1.1 Transparency of the remuneration policy in connection with the consideration of sustainability risks ..... 8
  - 5.2 Sustainable strategies..... 8
  - 5.3 Revenue-weighted approach ..... 10
- 6. De-investment ..... 10
- 7. ESG integration in risk management..... 10
  - 7.1 Sustainability risks ..... 10
  - 7.2 Risk strategy and monitoring ..... 10
- 8. Strategy for maintaining due diligence ..... 11
- 9. Review of the Sustainability Risk Policy ..... 11

page 2 from 12

STATUS: 09.2025	SUSTAINABILITY RISK POLICY	BTG PACTUAL EUROPE MANAGEMENT COMPANY S.A.	Page -2-
-----------------	----------------------------	--	----------



## 1. Brief description

In addition to economic considerations, ESG (Environment, Social & Governance) criteria are increasingly taken into account when making investment decisions. BTG Pactual Europe Management Company S.A. ("BTG ManCo") is convinced that asset management can make an important contribution to protecting nature, promoting and ensuring social progress and questioning and demanding corporate governance. BTG ManCo is part of BTG Pactual Group, where ESG and impact investing is fully incorporated into its culture.

As a company, BTG ManCo is playing its part in ensuring that progress and value enhancement are now closely linked to sustainability. As investment fund manager, we are aware of our social responsibility: sustainability is one of BTG ManCo's key concerns. We therefore pay particular attention to ESG criteria when investing and generate sustainable positive added value for society, the investor and the investments. In addition, BTG Pactual Group has signed the UN Principles of Responsible Investments (PRI), thereby committing itself to sustainability in the active asset management process (UN PRI).

Portfolio Management of BTG ManCo's funds actively incorporates environmental, social, and governance considerations into the investment analysis and decision-making process. Where specified in pre-contractual documents, this applies to funds classified as Article 8 (promoting ESG characteristics) and Article 9 (pursuing sustainable investment objectives) of the Regulation (EU) 2019/2088 of the European Parliament and of the Council of 27 November 2019 on sustainability-related disclosures in the financial services sector ("SFDR"). In addition, BTG ManCo undertakes to publish useful information and documents from the implementation and application of the ESG standards. BTG ManCo is continuously working on the further development of the standards, criteria and processes in the interest of improving ESG capability while at the same time achieving a positive performance of the assets under management

The aim of this document is to describe the ESG considerations taken into account during the investment processes and to define the engagement and dialogue strategies, whereas all applicable requirements set within the framework of the Prospectus and the applicable pre-contractual disclosures under SFDR need to be respected.

This guideline shall detail the internal procedure, documentation obligations and escalation and control scenarios in relation to the BTG ManCo's strategy of dealing with sustainable risks.

page 3 from 12

STATUS: 09.2025	SUSTAINABILITY RISK POLICY	BTG PACTUAL EUROPE MANAGEMENT COMPANY S.A.	Page -3-
-----------------	----------------------------	--	----------



## 2. Definitions and interpretations

**ESG risks** refer to sustainability risks associated with countries or companies arising from environmental, social, or governance factors.

**Portfolio/ portfolios** are BTG ManCo’s funds

**Portfolio managers** are the delegated portfolio managers of BTG ManCo who take the investment decisions for the portfolios

## 3. Investment approach

The investment approach and processes are largely determined by clearly defined criteria. These therefore form binding principles in the selection and investment process. In addition to the product-specific investment objectives and statutory investment limits, ESG criteria in the selection and investment process reflect another important aspect that portfolio management takes into account when analyzing, selecting and making investment decisions.

Within the fund-specific investment process, investment opportunities are analyzed and evaluated according to ESG criteria. Portfolio management systematically analyzes the target investments using a wide-ranging catalog of environmental, social and governance factors. This is based on independent studies, ratings, publications, research and internal standards. Information on the investment process of each fund is described and disclosed in its sales documentation (Prospectus, Annual report, Pre-contractual and periodic SFDR information).

Five basic blocks are taken into account when analyzing investment decisions:

- ESG risk assessment
- Exclusions
- Principal Adverse Impacts
- Assessment against globally recognized sustainability norms and standards
- Controversies

### 3.1 ESG risk assessment approach

ESG risk assessments are primarily based on classifications from external providers (as for example MSCI®); if such data is unavailable, the Portfolio Manager is responsible for confirming the relevant information either directly with the issuer’s Investor Relations, or by other supporting documents. These assessments evaluate the extent to which a company’s economic value may be impacted by ESG-related factors, in other words, the degree of a company’s unmanaged ESG risks. The resulting ESG risk rating is expressed as a quantitative score, which is then mapped to a corresponding risk category.

These assessments are fully integrated into both the investment decision-making process and portfolio construction. ESG risk scores can be analyzed on an absolute basis (at the issuer level) or on a relative basis, in comparison to a broader investment universe. The specific application may vary depending on the investment strategy or characteristics of each fund.

page 4 from 12

STATUS: 09.2025	SUSTAINABILITY RISK POLICY	BTG PACTUAL EUROPE MANAGEMENT COMPANY S.A.	Page -4-
-----------------	----------------------------	--	----------



### 3.2 Exclusions

BTG ManCo has established an **exclusion list** that defines activities and sectors in which investments are strictly prohibited. Investments in companies, or in products issued by companies, that violate UN conventions on cluster munitions, chemical weapons, or other prohibited weapons of mass destruction or that finance such companies are categorically excluded. **No exceptions are permitted.**

In addition, portfolio management applies further restrictions in line with the product-specific investment policies of the funds it manages. These restrictions may include, among others:

- Energy and environment
- Steam coal
- Value-based sectors
- Adult entertainment
- Tobacco
- Food speculation
- Defense and military investments
- Controversial weapons
- Military contracts
- Small arms

STATUS: 09.2025	SUSTAINABILITY RISK POLICY	BTG PACTUAL EUROPE MANAGEMENT COMPANY S.A.	Page -5-
-----------------	-------------------------------	---	----------



### 3.3 Principle adverse impacts

BTG ManCo integrates Principal Adverse Impacts (PAI) into its management of sustainability risks and stewardship. At product level, the scope and application of PAI align with each sub-fund’s pre-contractual disclosures, which are incorporated by reference. Assessments rely primarily on external ESG datasets and public disclosures; where gaps exist, factual points may be confirmed with the issuer’s Investor Relations in line, with confirmations recorded. PAI analysis is conducted pre- and post-trade to support monitoring, comparative assessment, risk reviews, and the setting and tracking of engagement objectives. Indicator selection and materiality vary by strategy, sector, and data availability; related judgements and evidence are documented and reviewed periodically or following material events. PAI indicators do not, by themselves, trigger exclusions.

### 3.4 Global standards

BTG ManCo applies a global-norms standard to issuers based on recognized international frameworks, including the UN Global Compact, ILO core labor standards, and the OECD Guidelines for Multinational Enterprises, as set out in the relevant product disclosures. Potential breaches are identified via external norms screening and public sources, logged, and escalated through internal governance. Portfolio management then implements the action, engagement, hold with conditions, reduction, or exclusion, while Compliance/Risk monitors timely completion, including adherence to the remediation window. Where exclusion is required, point 3.2 applies; otherwise, engagement objectives and milestones are defined and tracked in line with point 3.5.

### 3.5 Controversies

BTG ManCo monitors ESG-related controversies using an external provider that assigns severity levels based on publicly available information. Cases assessed as severe or otherwise material are recorded and submitted through internal governance.

Possible outcomes include continued holding with enhanced monitoring, targeted engagement, holding subject to specific conditions, a reduction in position size, or full exclusion where the fund’s exclusion policy or international norms are breached. All decisions and their rationale are documented, with implementation monitored by the Compliance and Risk functions.

Controversies do not, by themselves, trigger exclusion; they are assessed in context, and exclusion applies only when the issue constitutes a breach of established exclusion criteria or recognized global standards.

STATUS: 09.2025	SUSTAINABILITY RISK POLICY	BTG PACTUAL EUROPE MANAGEMENT COMPANY S.A.	Page -6-
-----------------	----------------------------	--	----------



## 4. ESG commitment

The portfolio managers of BTG ManCo funds are encouraged to maintain a constructive dialogue with issuers, including management and, where appropriate, supervisory boards. Activities are undertaken in the interest of promoting ESG standards and identifying opportunities, particularly where the portfolio managers can exercise influence through their investment decisions or holdings.

Engagement is pursued pragmatically and proportionately, taking into account the size, stage of development and resources of the company, as well as its significance within the funds. BTG ManCo supports and encourages such engagement, which is structured around three pillars:

- Direct dialogue
- Formal engagement processes
- Community involvement

### 4.1 Direct dialogue

Direct dialogue may take place with companies, irrespective of whether they are held in sustainable or conventional funds. Portfolio managers use such discussions to understand an issuer’s business model, strategy and sustainability practices, and to assess them against the ESG approach applicable to the relevant sub-fund.

### 4.2 Formal engagement process

As part of the formal engagement process, portfolio managers may initiate dialogue with issuers to address material ESG issues and encourage improvements in their sustainability practices. Discussions typically focus on ways to strengthen the companies’ environmental, social and governance performance in line with the investment approach of the relevant fund.

Where engagement does not lead to satisfactory progress, or where issues are deemed inconsistent with the fund’s ESG standards or exclusion policies, BTG ManCo may overrule the portfolio manager and require risk-mitigating measures, including the reduction or sale of positions.

### 4.3 Community involvement

BTG ManCo defines community involvement as participation in initiatives with other investors or financial institutions aimed at improving environmental, social or governance practices. Such initiatives may involve public or private companies, sovereign issuers, or regions.

This approach is particularly used where BTG ManCo’s (or its delegated portfolio managers’) direct influence is limited, enabling constructive dialogue with issuers and supporting improvements in their ESG profile through collective action.

page 7 from 12

STATUS: 09.2025	SUSTAINABILITY RISK POLICY	BTG PACTUAL EUROPE MANAGEMENT COMPANY S.A.	Page -7-
-----------------	----------------------------	--	----------



## 5. ESG goals and consistency

Portfolio managers integrate ESG factors into investment decisions with the objective of promoting environmental and social characteristics alongside financial performance, in line with each sub-fund’s disclosures.

BTG ManCo ensures consistency by monitoring the proportion of sustainable investments in its sub-funds, applying a revenue-weighted methodology, and reporting transparently to investors.

### 5.1 Transparency

In accordance with SFDR, BTG ManCo is committed to providing clear, accurate and consistent sustainability disclosures where applicable, at both entity and product level. At the entity level, BTG ManCo publishes on its website its approach to integrating sustainability risks and, where relevant, how principal adverse impacts are taken into account. At the product level, sustainability information is set out in each sub-fund’s pre-contractual documentation (prospectus/supplement and, where required, KID), on the relevant product webpage where applicable, and in periodic reports. This Policy incorporates those product disclosures by reference and does not restate product-specific parameters. Where a sub-fund discloses additional or stricter rules, those prevail. If a product does not promote environmental or social characteristics or pursue a sustainable objective, the corresponding website disclosures do not apply.

#### 5.1.1 Transparency of the remuneration policy in connection with the consideration of sustainability risks

In accordance with applicable legal and regulatory requirements, including sustainability risks in accordance with SFDR, BTG ManCo defines principles for its remuneration system, which it applies to its employees.

The general remuneration policy supports the appropriate management of all relevant business risks - including sustainability risks.

Sustainability risks reflect the relevant environmental, social and governance aspects as well as the main adverse impacts. The remuneration structure is defined in such a way that it does not encourage excessive risk-taking in relation to direct or indirect sustainability risks.

### 5.2 Sustainable strategies

In its definition of sustainable strategies, BTG ManCo follows an approach that assigns strategies to the following categories:

#### 1) Basic

- ESG opportunities/risks taken into account according to the criteria of "ESG integration"
- Integration approach disclosed

page 8 from 12

STATUS: 09.2025	SUSTAINABILITY RISK POLICY	BTG PACTUAL EUROPE MANAGEMENT COMPANY S.A.	Page -8-
-----------------	----------------------------	--	----------



In this „Basic“ category, ESG risks and opportunities are systematically considered as part of the investment process under the principle of ESG integration. The approach may include, where applicable, active ownership tools such as voting rights, exercising shareholder or creditor rights, and dialogue with issuers. The specific integration approach is disclosed at sub-fund level in the Prospectus and pre-contractual documents.

**2) ESG**

- Dedicated ESG strategy
- Minimum exclusions

Funds and mandates are assigned to the “ESG” category if a dedicated ESG strategy is listed and minimum exclusions are complied with. The minimum exclusions for the ESG classification and thus for Art. 8 in accordance with SFDR include

**Minimum exclusions for companies**

- Serious violations of the UN Global Compact (without positive outlook)
- Production and/or distribution of defense equipment >10% of revenues
- Zero tolerance for
  - Cluster munitions (Oslo Convention)
  - Anti-personnel mines (Ottawa Convention)
  - A, B and C weapons in accordance with the respective UN conventions
- Tobacco production > 5% of revenues
- Production and/or distribution of coal >30% of revenues

**Minimum exclusions for government issuers**

- Country not among the top 100 of the Transparency International Corruption Perceptions Index
- Unfree states according to Freedom House Index

**3) Impact**

- Impact-related investments
- No serious violations of the UN Global Compact

In the “Impact” category, impact-related funds require a high minimum proportion of sustainable investments.

STATUS: 09.2025	SUSTAINABILITY RISK POLICY	BTG PACTUAL EUROPE MANAGEMENT COMPANY S.A.	Page -9-
-----------------	----------------------------	--	----------



### 5.3 Revenue-weighted approach

In accordance with SFDR, BTG ManCo reports on the proportion of investments aligned with environmentally sustainable economic activities where applicable, as disclosed in the Prospectus and pre-contractual documents of each sub-fund.

The measurement of such alignment follows the methodology described in the relevant product disclosures, based on information provided by external data providers and in line with the EU Taxonomy.

## 6. De-investment

If an investment is identified as not aligned with the fund’s ESG standards, portfolio management is required to take corrective action. Confirmed cases of non-alignment must be resolved, either by restoring compliance or by divestment, within a defined timeframe. Investment Compliance and Risk Management oversee this process to ensure accountability and adherence to the fund’s sustainability framework.

## 7. ESG integration in risk management

Sustainability risks are events or conditions in the environmental, social or corporate governance areas, the occurrence of which could have an actual or potential negative impact on the net assets, financial position and results of operations as well as the reputation of BTG ManCo. For companies that manage portfolios on behalf of third parties, sustainability risks also relate to the managed portfolios (funds). BTG ManCo is aware of the importance of dealing with sustainability risks. As a result, ESG-related risks are already taken into account when analyzing potential transactions in portfolio management, monitored after the transaction has taken place and also integrated accordingly in the Risk Management department. ESG risks are identified, monitored, managed and communicated.

### 7.1 Sustainability risks

A separate risk type "sustainability risks" has not been defined. Sustainability risks can have a significant impact on all known risk types. BTG ManCo considers them to be a factor that has a significant impact on known risk types (credit risk, market price risk, reputational risk, etc.).

Sustainability risks have the potential to have a negative impact on all business areas and risk types. Sustainability risks can become relevant both in the short term and in the medium to long term and generate pressure to act.

### 7.2 Risk strategy and monitoring

The handling of sustainability risks forms an integral part of BTG ManCo’s risk management process and risk management manual. BTG Pactual Group is committed to implementing the UN PRI sustainability standards. These are incorporated into the Group's ESG standards and principles. Compliance with the ESG standards and principles and BTG ManCo's risk strategy are reviewed on an ongoing basis. As a result, BTG ManCo regularly reviews and updates its methods and procedures for identifying, assessing, managing, monitoring, and reporting sustainability risks, ensuring their ongoing

page 10 from 12

STATUS: 09.2025	SUSTAINABILITY RISK POLICY	BTG PACTUAL EUROPE MANAGEMENT COMPANY S.A.	Page -10-
-----------------	----------------------------	--	-----------



effectiveness and alignment with the company’s risk strategy. The results are communicated transparently within BTG ManCo's organizational structure.

The Risk Management department will use all available information to continuously monitor whether and how processes for identifying, managing and reporting sustainability risks can be systematically or selectively improved. ESG data from an external provider is used to determine the sustainability aspects of investments and to derive additional information on sustainability risks where necessary. In light of the above points.

## 8. Strategy for maintaining due diligence

In its function as an investment fund manager , BTG ManCo has the ultimate responsibility for compliance with the regulatory and contractual requirements of the investment funds under its management

BTG ManCO applies the following strategies to maintain due diligence in the context of corporate sustainability:

*Monitoring of regulatory and/or contractual investment requirements*

BTG ManCo has defined appropriate internal control mechanisms on the basis of which solid guidelines, processes and procedures are in place, in order to monitor regulatory and/or contractual investment restrictions, including those related to sustainability.

*Monitoring of portfolio managers with regard to the consideration and ongoing assessment of the relevant sustainability risks as part of the investment process*

BTG ManCo is obliged to perform on its delegated portfolio managers an initial and ongoing due diligence, which shall include the review of the investment process.

## 9. Review of the Sustainability Risk Policy

This Sustainability Risk Policy is subject to regular review and is updated as necessary depending on the development of business activity and the adjustment of strategies for implementing sustainability criteria and risks. The current version of the sustainability policy is published on the website of BTG ManCo.

STATUS: 09.2025	SUSTAINABILITY RISK POLICY	BTG PACTUAL EUROPE MANAGEMENT COMPANY S.A.	Page -11-
-----------------	----------------------------	--	-----------



Luxembourg, 23 September 2025

Signed by:

0AB06B67865C42D...

Dr. Markus Schachner

Signed by:

A9F5AB5AB3B34C5...

Martin Huber

Signed by:

9308867C87E444E...

Diana Cazes

Assinado por:

18E6D03937444B0...

Carolina Cury

page 12 from 12

STATUS: 09.2025	SUSTAINABILITY RISK POLICY	BTG PACTUAL EUROPE MANAGEMENT COMPANY S.A.	Page -12-
-----------------	-------------------------------	---	-----------