

A smiling woman with short dark hair, wearing a light blue sleeveless top, is holding a dark grey Banco Pan card. The card has the white 'P' logo on it. The background is a solid blue color with large, faint, light blue numbers '2020' overlaid.

Annual Report

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Message from the Board

GRI 2-22

In 2022, we significantly advanced our mission of facilitating people's lives through innovative, smart, and customized financial solutions. In this regard, we diversified, even more, our portfolio, building fully-fledged financial services and consumer ecosystem that assists our clients to make more informed credit decisions.

Despite a challenging economic scenario, we provided financial solutions that enabled us to maintain access to credit for millions of Brazilians. We anticipated the credit risk, but we also remained cautious concerning the origination of non-collateralized products. On the other hand, we diversified our portfolio; we stepped up the origination of collateralized credit products (with

collateral assets), such as the FGTS (Employee Severance Indemnity Fund) advance and payroll-deductible loan. These tools enabled us to continue broadening the financial inclusion of Brazilian socially. These lines of credit offer interest rates below the market average and can be inclusive taken out by bad credit clients, who most often would not have access to other products.

The past year was decisive in our strategy to position PAN as a fully-fledged bank, poised to deliver a unique value proposition for our clients, with the best credit offer among companies and a marketplace with exclusive tools. We also made relevant investments in client satisfaction initiatives, anti-fraud and financial education, always prioritizing clients' needs.

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We focus our efforts to offer channel through the products more convenient for the client. Therefore, in 2022, we ramped up our wide distribution, including a sales channel via WhatsApp, increasing the number of products available via the app. With this strategy, in 4Q22, we hit our a record volume, close to R\$ 10 billion; this result also bolstered the evolution of our B2C channels and our diversification over the years.

The consolidation of the Mobiauto acquisition, an automotive sector technology platform, also the Mosaico acquisition, the largest content platform, and e-commerce sales origination, was paramount to achieving our objectives.

Through these two platforms, we support our clients' best shopping decisions, allowing them to survey the lowest price, check values track record, activate the price alert and request a credit to acquire that product. Throughout 2022, we evolved to replicate the Mosaico

The consolidation of the Mobiauto and Mosaico acquisition was paramount to achieving our objectives.

and Mobiauto experiences in PAN's application. In this way, our client finds in a single environment the facilities of a bank and the functionalities of a marketplace (whether for vehicles or e-commerce).

Under this new model, our database became more solid, enabling us to better understand clients' behavior and their needs, so that we can offer customized and more assertive services. Today, we have approximately 24 million clients who benefited from our products and services, and we expect to continue growing with profitability.

Over the next pages, we present our business initiatives, and our environmental, social, and governance commitments, reiterating our efforts to act as an increasingly more sustainable and a diversified company, admired by our clients.

Enjoy the reading!

Message from our CEO

GRI 2-22

The economic scenario in 2022 remained challenging, both in Brazil and globally. We observe high and persistent inflation, with higher interest rates, affecting our clients' payment capacity. Besides this, we have seen a strong expansion in the supply of credit, especially credit cards, increasing leverage in a more vulnerable public. The combination of these factors created the conditions for a strong increase in defaults.

Here at Banco PAN, we already observed with concern some signs of a worsening scenario, and we have adopted a conservative posture until the second half of 2021.

At this moment, although internally we already see signs of improvement, we still see risks in the system, and we remain cautious in our credit granting.

We navigated within this scenariousing our diversified portfolio to broaden access to credit for our clients without abandoning a conservative stance. When it was not possible to grant a clean credit (non-collateralized), we offered credit

We invested in financial education and anti-fraud projects, providing tools so that our clients could make informed decisions when they pick up a line of credit more suited to their needs.

by advancing FGTS anniversary withdrawal or payroll-deductible loan. Therefore, we continued meeting our clients' needs, even amid an uncertain scenario.

Our products and services are built as tools to step up our clients' lives, with contextualized and smart solutions. Thus, we offer reasonable and safe lines of credit, but we also want our clients to know which services they are contracting through clear and seamless communication so that they can prudently use this credit.



We ended the year with a credit portfolio of

 **R\$ 39 billion**

In this regard, we invested in financial education and anti-fraud projects, providing tools so that our clients could make informed decisions when they pick up a line of credit more suited to their needs.

We also consolidated Mobiauto and Mosaico acquired in 2021, also offering other options related to the acquisition of vehicles and consumption. In our marketplace, we continue optimizing our contextualized credit offer, ensuring our clients the best app experiences, with product evaluations, and price alerts, comparison tool, amongst other services. These initiatives were essential for us to increase by 58% our fee revenue in 2022. We also bolstered our vehicle strategy through Mobiauto, boosting by 36% the number of vehicles advertised and by 125% the platform's annual revenue.

If in 2021, we incorporated 11 new products into our portfolio, such as Saúde PAN (PAN Health) and Turbo PAN (Acquiring), in 2022 we enhanced the

consumer's experience by making these products available for acquisition in the app. Hence, we are evolving to become a more universal bank that easily and smoothly provides financial possibilities for people in different moments of life. Such positioning will help us to continue growing the number of clients and our profitability.

Our strategy allowed us to end 2022 delivering consistent and sustainable results for our shareholders and stakeholders. We ended the year with a credit portfolio of R\$ 39 billion and an adjusted ROE of 12.2% p.a. , recording a net income of R\$ 773 million.

In 2022, we endeavored our efforts towards a sustainable business agenda, building value for our stakeholders and providing other solutions to help millions of Brazilians fulfill their dreams. We are a bank that performs within an diverse and inclusive environment, which encompasses product diversity, and service channels that is what ensures PAN's sustainability in the medium and long runs.

We are recognized as an excellent company. Besides having adhered to the Women's

Empowerment Principles, we have Top Employer certification, and recognition from GPTW as a top 5 best financial institution to work for - for women and 1st for black individuals and the LGBTQIA+ community. We are always seeking people and willing to contribute to a winning business. We offer development opportunities, autonomy, and a positive workplace. We invest in people, as they contribute to the bank's success.

Environmentally speaking, in 2022 we draw up our third carbon inventory, and we offset 100% of emissions reported within scopes 1, 2, and 3 (ex-financed portfolio). In addition, we now report our vehicle portfolio emissions within a methodology developed by the Partnership for Carbon Accounting Financials (PCAF), providing greater transparency to our business's impacts.

I would like to thank all of those who contributed to building a successful year at PAN and, together, we move forward with our journey of becoming a bank for all Brazilians.

Cadu Guimarães
CEO

About this report

GRI 2-2, 2-3, 2-4

Banco PAN's Annual Report was drawn up based on the Global Reporting Initiative (GRI) and Sustainability Accounting Standards Board (SASB) guidelines, comprising the period from January 1st to December 31st, 2022. There have been no restatements of information made in previous reports.

The organization's entities included herein are divided into direct and indirect subsidiaries, namely:

Additional information about this report can be obtained from the Banco PAN ESG team (esg@grupopan.com).



Direct subsidiaries:

Mosaico Tecnologia ao Consumidor S.A. - 100%
 PAN Administradora de Consórcio LTDA. - 100%
 PAN Arrendamento Mercantil S.A - 100%
 BM Sua Casa Promotora de Vendas LTDA. - 100%
 Brazilian Finance & Real Estate S.A. - 100%
 Brazilian Securities Cia de Securitização. - 100%

Indirect subsidiaries:

Mobiauto Edição de Anúncios Online Ltda - 80% (an entity controlled by Brazilian Finance & Real Estate S.A.).

G.W.H.C. Online services Ltda - 100% (Company controlled by Mosaico Tecnologia ao Consumidor S.A.)

The social, environmental, and economic indicators are presented as follows:

a) For Banco PAN when indicated as PAN.

b) For Banco PAN + Mosaico + Mobiauto when identified as PAN Conglomerate.

Considering that both companies were acquired in 2021, they did not have complete monitoring of all indicators by the end of 2022. They will consolidate this process throughout 2023. The tables include a note indicating the companies considered in the data for each one.

The 2022 Annual Report includes the same institutions reported in the financial disclosures, which are audited by PwC and reported to the market on a quarterly basis.

2022 Highlights



23.7 million
clients
+27% vs. 2021



66%
Active clients
+2 p.p vs. 2021



12.6 million
Clients with credit
+29% vs. 2021



2.1 Cross Sell Index
2.0 in 2021



R\$ 39 billion
Credit portfolio
+12% vs. 2021



R\$ 773 million
Net Income
-0.2% vs. 2021



12.2% p.a. adjusted ROE
13.9% in 2021



Score B – CDP
Climate Change



Adhesion to ISE B3
portfolio and ICO₂ B3



Top 5
Financial Institutions
to work for
GPTW IF

ESG Agenda

We are a bank that provides credit and access to information with technology for Brazilians to transform challenges into achievements. Brazilians are given a new perspective on financial challenges, how to overcome them, improving people's quality of life by means of tools that help them smartly and healthily fulfill their dreams.

In this regard, in 2021, we adhered to the UN Global Compact, we are committed to the United Nations (UN) Agenda 2030 to maximize even more PAN impact on the lives of over 23 million of people throughout the country.

At the end of 2022, we protected over 2 million Brazilians against emergencies through insurance products, we also financed over 219 thousand vehicles over the year, giving opportunities for self-employed workers to increase their family income.

“Banco PAN has been my close partner, the bank granted me credit, taking into account that I’m a self-employed worker. PAN relied on me! The bank also financed my car, so, this is a real partnership.”
Sandra, 52, financing client.

We also invested in social projects in line with our strategic position, aiming at assisting community development on the health, education, and culture fronts. Therefore, in 2022, we invested in five non-incentivized projects and six incentivized projects, amounting to over R\$ 1 million in social investment.

To step up our governance concerning this topic, in 2022, the former ESG Commission, which directly reports to the Board of Executive Directors, now reports to the Board of Directors and BTG Pactual ESG Committee (Prudential Conglomerate's leader).

The Commission is chaired by Camila Corá, Legal, People and ESG Director, in charge of, amongst other duties, monitoring the compliance with social and environmental standards in force, analyzing the effectiveness of initiatives implemented, the non-compliance impacts, guiding and setting out competencies to adopt the measures necessary to identify, classify, analyze, remove and mitigate social and environmental risks in activities and operations, besides being in charge of developing and maintaining the Social, Environmental and Climate Responsibility Guidelines (DRSAC), applicable to PAN Conglomerate companies, as well as employees, suppliers, partners, and clients.

GRI 2-17

Also as part of the ESG agenda, we carry out various internal and external studies and communications aiming at ensuring the transparency of activities and training our team on all fronts related to this topic.

ESG WG – weekly work group, whose agenda is distributed one day before, and relies on the participation of representatives of the legal, marketing, facilities, non-financial risk, communication, technology and people.

ESG Commission – monthly meeting with a specific agenda to deliberate on this topic-related issue.

Café com ESG – meeting to share the environmental, social, and governance practices executed at PAN. The first edition took place in June 2022.

Celebra PAN - an exclusive monthly agenda for senior leadership, discussing relevant issues from a presentation of the work plan's progress and indicators.

ESG at PAN University – transformation for sustainable development -mandatory training available at PAN University.

UN Global Compact Academy Platform – access available to all employees, due to our adhesion. Specific topics are suggested for monthly studies.



Materiality and ESG banners

GRI 2-17, 3-1, 3-2

For us, it is paramount that PAN's strategy is finely tuned with the needs and expectations of our clients, suppliers, employees, and partners, and at the same time, building economic and social value.

Therefore, in 2022, we conducted our second materiality survey with all stakeholders. Firstly, face-to-face interviews were carried out with ESG heads of PAN's key stakeholders (Board of Executive Directors, COAUD – Audit Committee, CA – Board of Directors, Febraban – Brazilian Federation of Banks, and BTG Pactual). After defining a broad list of topics for prioritization consultation, over 3 thousand stakeholders were consulted via online questionnaires, among them, clients, employees, self-regulators, bank correspondents, partner merchants, suppliers, specialized media, and capital market analysts. Concurrently, an analysis of key impacts of topics on business was developed with the Company's risk area to compose the materiality study, observing the GRI guidelines. After concluding the consolidation of questionnaires results and analysis of impacts, 10 material topics were defined for PAN.

The selection was based on the following criteria:



Our clients, employees, and partners' concerns;



Our potential to create value and a positive impact on society and the environment;



Our business positioning and strategy.

To ensure the alignment of our products and processes to the UN Agenda 2030, the material topics were correlated to the Sustainable Development Goals (SDG).

The material topics were separated into three large banners that summarize the focus of our environmental, social, and corporate governance actions.

Our material topics, the allocation of each one within our ESG banners, and the correlation with SDG can be seen in the topic below.

Sustainable Development Goals

ESG banner



For Brazilians' inclusion



For a better world in practice



Do it the right way

SDG x Topic Impacts



Innovation and technology | GRI 3-3

We verified that the impacts related to the topic can be positive and negative, in terms of actual and potential. Actual effects are optimization and efficiency, the bank's processes, and higher direct distribution of products with quality.



Culture, People and Diversity & Inclusion | GRI 3-3 401 404 405 412

We surveyed impacts most of them, positive, actual, and potential. This topic management is to increasingly increase the representativeness in the workforce, (race, persons with disabilities, gender, LGBTQIA+) including senior management greater diversity. Initiatives in this topic are also reflected in the employer's brand reputation, as well as higher productivity and its capacity of attracting qualified talents. Thus, we expect an improvement in client satisfaction level and turnover rate. Should these initiatives be discontinued, an adverse (potential) impact may occur of human capital loss.

SDG co-related to the topic

- 5.b.** Promote women's empowerment by enhancing the use of basic technologies;
 - 12.a.** Support an advanced scientific and technological capacity of developing countries, pursuing production and consumption more sustainable standards;
 - 17.6.** Contribute to greater access to science and innovation, bolstering sharing of knowledge.
-
- 1.4.** Pursue that men and women achieve equal rights to access economic resources and financial services;
 - 4.3 | 4.4 | 4.5.** Assure equal access to education for society, increasing the number of youth and adults with relevant skills, technical and professional competencies, facilitating access to scholarships;
 - 5.1 | 5.2 | 5.5.** Ensure equal opportunities for women in leadership and decision-making positions, restraining any form of discrimination, seeking to eliminate all forms of violence against women at public and private levels;
 - 8.5 | 8.8.** Protect labor rights and ensure safe and decent work for everyone, guaranteeing full and productive employment, with equal remuneration for equal value work;
 - 10.2 | 10.3.** Empower and promote the social, economic, and political inclusion of everyone, ensuring equal opportunities;
 - 12.8.** Foster people's awareness to adopt a sustainable lifestyle through accessibility and relevant information;
 - 13.3.** Increase human capacity to mitigate, adapt, and reduce impact and climate change early warning;
 - 17.9.** Support training efficient and guided implementation in developing countries, seeking to contribute to economies' plans to achieve all SDGs.

Sustainable Development Goals

ESG banner



For Brazilians' inclusion



For a better world in practice



Do it the right way

SDG x Topic Impacts



Client satisfaction and product journey | GRI 3-3

It deals with issues related to client satisfaction and experience in relation to the product or service provided, including seamless business practices, clear communication, also B2B partner management throughout the client relationship journey.



Data privacy and safety | GRI 3-3 418

The impacts of this topic are actual, positive, and negative. Clients' and employees' data losses results in regulatory reputational and financial impacts with payment of fines and loss of contracts. To intensify security, we extend investments in information security infrastructure, training and awareness of employees and third parties and updating of internal processes related to privacy and data protection.



Anti-fraud | GRI 3-3 205

We link the analysis of impacts and financial and reputational losses fraud events.

SDG co-related to the topic

- 10.1** Contribute to the income growth of 40% of the poorest population to become higher than the national average;
- 11.2** Promote access to safe, sustainable means of transportation, with accessible prices, especially for the socially vulnerable population;
- 16.10** Ensure public access to information, protecting basic freedom.

- 16.8** Increase the availability of high-quality, current, and reliable data by supporting training for less developed economies.

- 17.4** Bolster the recovery and return of resources stolen, fighting all forms of organized crime.

Sustainable Development Goals

ESG banner



For Brazilians' inclusion



For a better world in practice



Do it the right way

SDG x Topic Impacts



Risk and partners integrated management | GRI 3-3 201

When combining ESG risk analysis with other risks of the company, we identified an actual positive impact. On the other hand, should this occur, the response time to critical events with operational, financial, and image impact is potentially negative. Regulatory changes also have a potentially negative impact on the origination of payroll-deductible loans.



Ethics, transparency, and Compliance | GRI 3-3 205

We surveyed both the negative and positive impacts of this topic, as well as the actual and potential. We understand that our management performance reflects the impact of credibility with related parties. On the other hand, we have risks of financial losses and collection of fines due to non-compliance with laws and sector regulations. With shareholders, we may lose value in the event of misinformation, as well as possible loss of credibility towards society. Anti-ethical attitude may also imply losing qualified labor.



Economic performance | GRI 3-3 201 207

The impacts identified are positive and negative, all potential, and are related to eventual incapacity of granting a loan and make investments. in new businesses, potential value generation or destruction for our external stakeholders (shareholders) and internal stakeholders (employees).



Image and reputation management | GRI 3-3

The impacts surveyed were potential and negative, such as failure to manage processes/ESG risks; financial and client losses due to impact on reputation.



Corporate governance | GRI 3-3

The impacts of this topic are potential and negative, and are related to eventual conflict of interests, causing controversial management; ESG agenda postponed by senior leadership; key executives withdrawal and failure to consolidate acquirers.

SDG co-related to the topic

- 8.7** Pursue the eradication of forced labor, modern slavery, and human trafficking, also ensure the elimination of child labor;
 - 12.6** Stimulate businesses to adopt sustainable practices, incorporating sustainability information in their reports, besides rationalizing fossil fuel subsidies;
 - 13.1** Contribute to enhancing resilience and adaptability amid disasters caused by climate changes;
 - 16.2** Act to eliminate cases of abuse, exploitation, traffic, and other forms of violence against children.
-
- 10.5** Improve and foment the implementation of regulations and monitoring of markets and financial institutions;
 - 12.7** Make public procurement practices more sustainable;
 - 16.b** To the benefit of sustainable development, promote and cause compliance with non-discriminatory laws and policies;
 - 17.14** Promote more consistent sustainable development policies.
-
- 8.1** Sustain the economic growth per capita within the domestic level, pursuing annual growth of, at least, 7% of GDP in less developed economies;
 - 17.3** Promote the additional financial resources availability for developing countries.
-
- 11.4** Assist in the protection of cultural and natural assets;
 - 16.6** Promote efficacy, responsibility, and transparency at institutions;
 - 17.17** Stimulate and foster efficient partnerships, whether public, public-private, or with civil society.
-
- 8.7.1 8.10** Increase the capacity to stimulate greater access to banking, financial, and insurance services for everyone, supporting productive activities, the generation of employment, entrepreneurship, creativity, and innovation;
 - 10.4** Pursue greater equality by adopting tax, salary, and social protection policies;
 - 16.5.1 16.7** Ensure that at all levels decision-making process is responsive, inclusive, participative, and representative, lessening the cases of corruption and bribery.

We are PAN

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PAN for those who make it happen

GRI 2-1, 2-6, 2-7, 3-3

Our mission is to facilitate people's lives with complete, creative, and smart financial services and consumer solutions through diversified channels. We perform the activities of multiple bank with a commercial portfolio, subject to the Central Bank of Brazil's regulations and other regulators and self-regulators.

Our history began in 2011, in the credit market within a few years we became the platform that connects most credit, transaction, and consumer solutions. We seamlessly apply technology to democratize the access of approximately 24 million clients with tools that generate income, provide protection and assist our clients in their daily lives.

In 2019, we already gained large credit experience, with a focus on two products: vehicles and payroll-deductible loans, and a base of over 4 million clients, with a credit portfolio of R\$ 24 billion. Our origination, however, was mainly carried out through our partners (bank correspondents and car dealerships), with reduced direct contact with the client and low recognition of our brand.

Since then, we kicked off an intensive transformational journey, with multiple channels (app, web and WhatsApp) and products. We diversified our credit portfolio, by adding personal loans, credit cards, and FGTS, besides offering new services, such as a fully-fledged marketplace with Loja PAN (store), Buscapé, and Zoom, besides the Mobiauto car dealer platform.

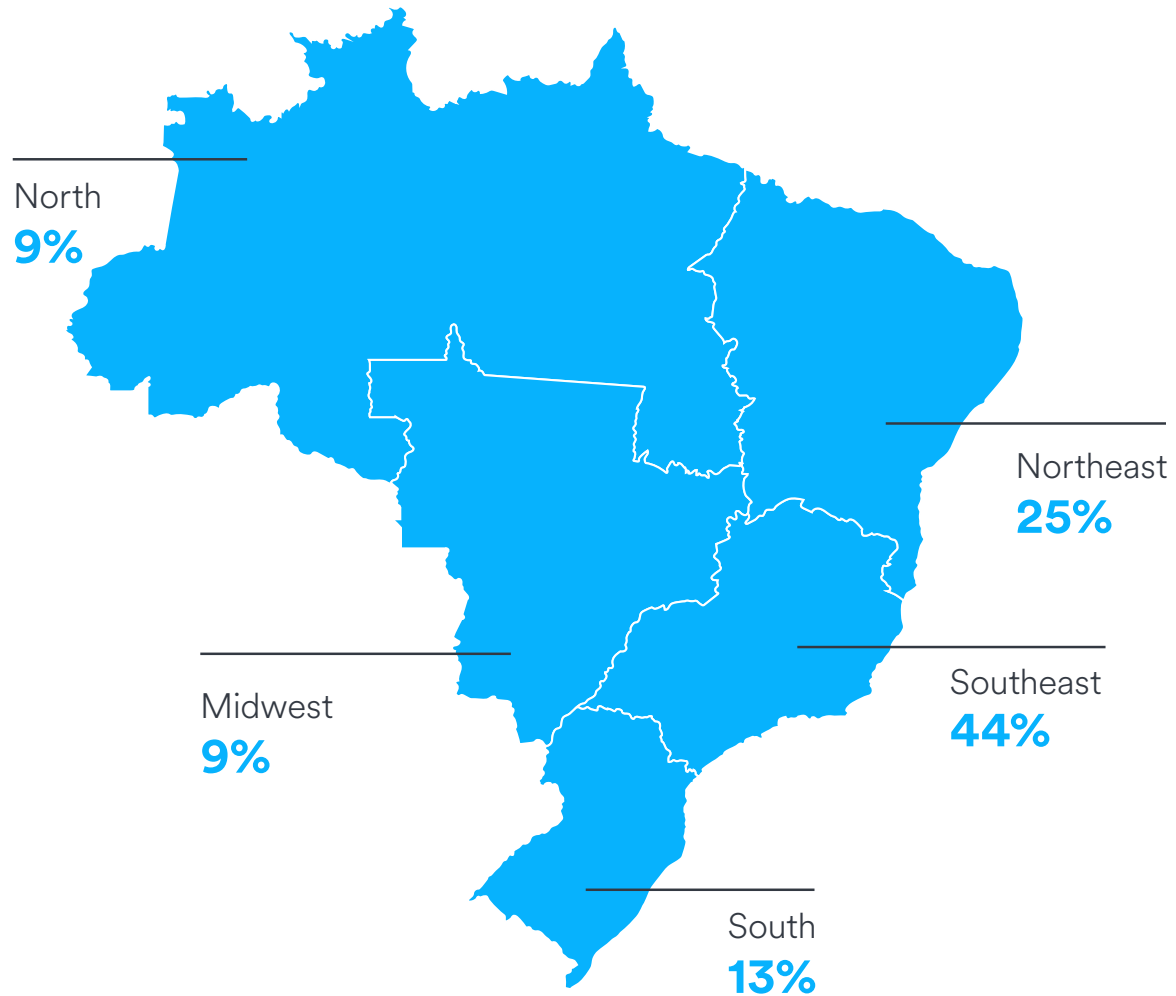
In this journey, we bolstered our business, making it more resilient, with better conditions to deliver a differentiated value proposition for our client. We intend to be present in our clients' decisions, offering them contextualized credit, being part of their lives, and investing in new products and solutions with a focus on our business growth, engagement, and monetization.

Today, based in São Paulo (SP), we operate in Brazil with 2,885 employees at Banco PAN and a total of 3,282 at PAN Conglomerate, delivering solid results to our shareholders, and we remain firm and committed to transform our clients' lives.



National Presence

We are present across the Brazilian territory, with a greater share in the Southeast and Northeast regions.



In 2021, we announced the acquisition of two companies – Mosaico and Mobiauto which complement our product portfolio to meet our clients' consumption needs.

Mobiauto

automotive sector technology platform that aims at promoting greater efficiency and convenience in car dealership for its clients in Brazil, whether professional dealers or end consumers. Mobiauto is ranked amongst Brazil's top three vehicle marketplaces, reaching over 5 million accesses/month in 2022.

Mosaico

Brazil's largest content platform and e-commerce sales origination, owner of Zoom, Buscapé and Bondfaro brands.



Value chain

GRI 2-6, 2-29

We know nothing great is ever achieved alone, our success relies on our value chain's efforts. For this reason, we try to understand the needs and enhance our relationship with our stakeholders who build value for the Bank.

Stakeholder	Definition	Our commitment	Impact on business
Regulators	CVM (Brazilian Securities and Exchange Commission) and Central Bank of Brazil	Deploy the best market practices, we comply with all applicable regulators' requirements, always keeping an open dialogue channel.	Transparency and Compliance
Clients	Individuals with an active relationship with PAN	Offer a fully-fledged portfolio of credit, financial services, and consumption	Client satisfaction Economic performance
Collaborators	Employees	Attract and retain diverse professionals who are aligned with our culture and focused on results.	Human capital Diversity & Inclusion
Partners	Bank correspondents, partner merchants, and strategic business partners	Work in partnership to build a more innovative, resilient, client centric business.	Client satisfaction Risk and partners management
Suppliers	Partners in charge of the supply of products and services for PAN	Work in partnership to build a more innovative and resilient business, ethically, with delivery quality.	Suppliers management

Our commitments and recognitions in 2022

We aspire to be a market benchmark in priority and relevant issues for our stakeholders. We are proud of the certifications and recognitions achieved and we support institutions that significantly promote the best corporate practices.



Top Employer 2023

A certification that since 2021 has been ranking Banco PAN as one of the best companies to work for in 120 regions across the globe, with evident excellence in Human Resources practices offered to its employees. To receive this certification, we answered a survey including over 400 qualitative and quantitative questions about our practices, and we were audited by Top Employers Institute. In the 2023 edition, we stand out as a benchmark in the Diversity & Inclusion category.



Great Place to Work Financial Institution

Since 2019, we have been considered one of the best companies to work for by GPTW, and in 2022, we were among the five best companies in the ranking of Brazilian financial institutions. This was due to our Climate Survey, which reached 85 points. We are committed to conducting the survey every year, as it is an excellent instrument to understand the perception of our employees in relation to our work environment and, thus, to draw up a diagnosis of what we can improve every year, besides providing references about our leadership and allowing us to compare our practices with the market, which is an important benchmark for our continuous development.



GPTW Women, Ethnic Racial and LGBTQIA+

For the third time in a row, we are in the ranking of the best companies for women's work in Brazil. The Great Place To Work (GPTW) award recognizes factors, such as promotions, indicators, participation in decision-making, and institutional practices indicate that PAN is one of the best companies for women to work in. And to further recognize our diversity-focused practices, for the first time, we are included in the GPTW LGBTQIA+ and Ethnic-Racial rankings, being the first bank to achieve both. There are many reasons to celebrate!



We were included in the financial sector's diversity & inclusion highlights ranking, an initiative of Ethos Institute/ Época magazine, in 2022 and 2023.



We received the Human Rights and Diversity Municipal Seal from São Paulo local government with the Diversidata Bootcamp project registration, which offered 1000 scholarships to low-income people and underrepresented groups.



UN Global Compact Network Brazil

In 2021, we adhered to the Global Compact that gets businesses and firms worldwide to align their strategies and operations to 10 universal principles in the areas of Human Rights, Labor, Environment, and Anti-corruption, as well as develop initiatives to overcome society's challenges. We are committed to these 10 universal principles and the UN Agenda 2030.



Women's Empowerment Principles

We are a signatory company of the UN Women's Seven Women Empowerment Principles, a public commitment signed in 2020 which primarily consists of a guiding platform to increase the business sector's commitment to the development of women.

ISE B3

In January 2023, we started composing the B3 Corporate Sustainability Index (ISE B3), in the 9th position of the ranking, and as the 2nd best financial institution that selects publicly-held companies for their commitment to corporate sustainability.

ICO2 B3

In 2023, Banco PAN started composing the B3 Efficient Carbon Index (ICO2 B3), evidencing its commitment to the transparency of its emissions.



In 2023, we won the score B by the CDP on the Climate Change topic. CDP aims at stimulating businesses, government authorities, and municipalities or regions to measure and disclose their climate change-related risk management.



For the first time, we were certified with Gold Seal, GHG Protocol Program's top level – a tool applied to understand, quantify and manage greenhouse gas emissions (GHG), reinforcing our commitment to sustainability and the environment.



We disclose the emissions of our financed vehicle portfolio in the PCAF framework, making us one of the first financial institutions in Brazil to undertake a commitment to climate externalities.

Products and Services

GRI 2-6



- Payroll-deductible loan
- Vehicles
- Personal loan
- FGTS loan
- Car equity
- Buy now pay later

1. Credit

We offer products specially designed to meet our client's needs, among them, the payroll-deductible loan, motorcycle, and vehicle financing, and collateralized and non-collateralized employee Severance Indemnity Fund (FGTS) personal loans, amongst others. On this front, our objective is to increase the inclusion of Brazilian households, especially those socially who need contextualized solutions to achieve their goals.



- Current account
- Credit card
- Debit card
- Top-up
- PIX

2. Banking

Our goal is to include households and Brazilian workers in the digital financial world. We offer digital account and multi-purpose cards, PIX (Instant Payment), transfers and bank slip payments, deposits, top-ups, and withdrawals.



- POS machine
- Payment link
- Prepayment

3. Payments

We assist micro-entrepreneurs and self-employed workers, with complete solutions using credit and advance payments as drivers to help them develop their businesses.



- Prestamista (credit protection insurance)
- Mechanical warranty
- Moto assistance
- Life
- Income loss
- Mobile phone



- CDB Daily Liquidity
- Financial Education



- Mosaico
- Shopping
- Co-branded card



- Saúde PAN (PAN Health)

4. Insurance

Besides the traditional credit protection insurance (prestamista), we offer a number of insurance options in partnership with Too Seguros, plain and accessible. We want to create an easy portfolio that offers security for our clients without compromising their income.

5. Investments

In Investments, we offer options focused on our target groups, such as the CDB Daily Liquidity which add an important component of financial education and planning. Our clients can save their money quickly, with no bureaucracy with agile processes and access to educational tools suited to their reality.

6. Marketplace

With the Mosaico acquisition in 2021, we expanded our platform and added the marketplace to our business fronts. We offer a co-branded credit card with Buscapé, and we incorporated Loja PAN into the app, combining new payment and financing options during shopping. Our objective is to step up the Brazilian population's access to consumption, with responsibility, financial education, and transparency.

7. Health

Saúde PAN (PAN Health) fills a gap in Brazilian society by offering health services at reasonable prices. This is a new way for Brazilians to interact with health services, by paying a fixed price lower than R\$10/month and receiving quality service, 24h/day via telemedicine. The plan also offers rebates for medication and quick tests, in an exclusive partnership with Pague Menos drugstore chain and Avus (pregnancy, glycemia tests, and pressure measurements) and face-to-face medical appointments from R\$ 19.90, with over 20 thousand health professionals of nearly 80 specialties.

PAN Culture

We have established unique values, since they reflect exactly what the organization values and practices.

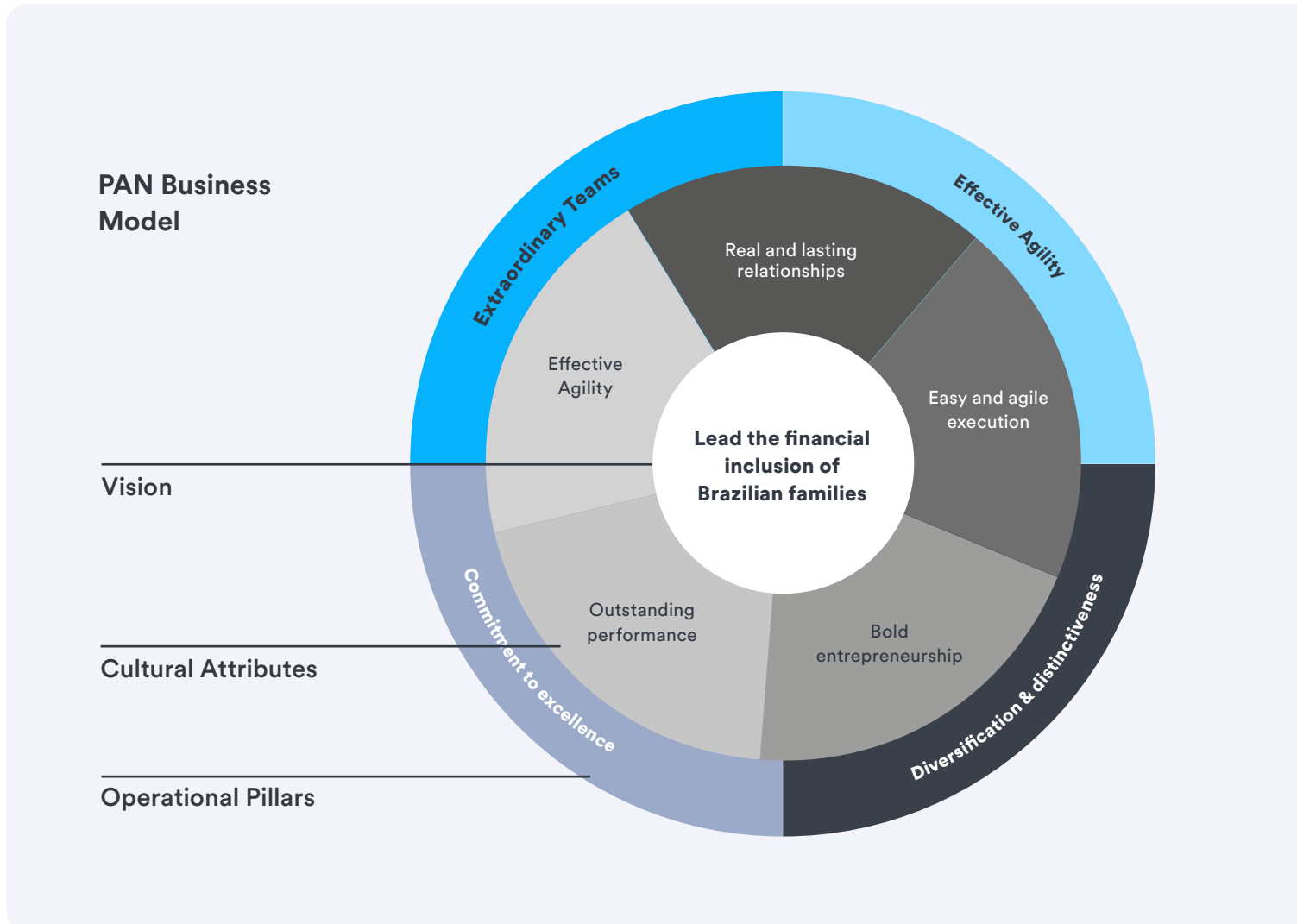
PAN Culture translates our identity, it guides us to achieve our purpose of “Giving a new look to financial challenges and overcoming them”. A purpose connected with leadership, diversity, and performance. It translates business strategies, guides decisions, and it supports culture, shapes behavior, and stimulates employees daily.

The strength and authenticity of this purpose drove us to conduct an in-depth study of our culture, fitting it into the Bank today’s momentum that heightens the focus on consumer (B2C) and with a Business to Business (B2B) focus.

We have the challenge of sharing our culture with acquirees, also taking advantage to absorb the best practices of their operations, an integration process that respects and accepts differences. We believe that our horizontal work model, with fewer hierarchical levels, provides greater people collaboration and engagement.



Our business model leads us to the future we desire to build.



A. Real and lasting relationships

We know the value of a solidly grounded and productive mutual relationship. We nurture our internal and external relationships, with collaboration, transparency, empathy, and long-term commitment.

B. Commitment to excellence

We are restless in the pursuit of excellence in everything we do. We work hard, we are concerned with always materializing our deliverables. We are dedicated, and we never give up.

C. Bold entrepreneurship

We are a key player, we think big. We challenge the status quo with autonomy and responsibility.

D. Outstanding performance

Our performance is consistent, differentiated, and admired by everyone. We create value for all those involved with integrity and professionalism. We are proud of being PAN.

E. Effective agility

We translate what is complicated and we facilitate both processes and people's relations. We break barriers and bureaucracies.

The Culture Project began in 2021-2022 and will move forward in 2023; over 250 people were listened to, representing teams of the entire organization, besides alignments with the Executive Committee to set out the amounts and its description, and PAN's strategy for the future as its parameter. From this analysis, the culture was deployed to the entire leadership and teams.

#CulturaPAN (PAN Culture) Moment

Initiated in 2022, the #CulturaPAN moment takes place monthly. It is presented by a pair composed of members of the board of executive directors, aiming at bolstering the business model, giving examples of how to put our culture into practice every day, and also building a close relationship between management and teams.

All in all, four meetings were held with nearly 500 participants.

Enrollments are open for the entire bank, and face-to-face meetings are concerned with creating a sense of warm moments. The two presenters, besides specifying what represents each topic of our culture, open space for listeners to talk about their personal life, trajectory, career, and performance at PAN!

“Topics were gently and sincerely conducted at the meeting. Each one’s history and trajectory were inspiring, I felt challenged to overstep my bounds.”

“Invitees’ open participation and officers’ professional and personal experiences, reaffirm some of our values and others that we may embrace in our lives for our development.”



Innovation and technology for a better future

GRI 3-3

Technology is an essential part of PAN’s business, which is why we always seek to evolve with our processes, services, platform, tools and culture to leverage and sustain our business. We started a digital transformation movement in 2019 with a commitment to look at people, the availability of systems, the governance, and the opportunities of the digital platform. And it was this process that allowed us to move from a base of 4 million clients, served basically by two products, to more than 23 million clients and dozens of products offered on our credit and services platform.

We use technology to better serve our clients, so you can safely do everything you need to do quickly through the app. That’s why we’re using as many features as possible (such as operations and credit recovery) on WhatsApp, which has proven to be the most effective channel to serve them, via bot and with transactions cleared by facial biometrics.

#oPANehTech

We are experiencing a great movement of transformation in PAN technology. We seek to evolve our processes, services, platforms, tools and culture, making PAN increasingly tech. For this reason, we disseminate the technology culture at the Bank as an aspect of the PAN Culture, since technology is a fundamental part of our business. This is #oPANehTech (#PANisTech) manifesto.



Simplicity that connects, collaboration that evolves

We experience, learn and evolve

We uncomplicated, make our day to day light and relaxed

We are a reference, we seek to be and attract the best people

Good knowledge is shared knowledge

Technology as a business strategy

The IT Master Plan, which also incorporates the role of IT strategic planning, contains established priorities aligned with the institution's strategic planning and its business areas. Planning for 2022 was organized based on the 4 strategic pillars of technology: People, Availability, Governance and Platform.

The plan aims to modernize, optimize and automate IT processes, increase performance and productivity, to reduce unavailability, risk and increase security. For this, the plan also includes processes and other components of vital importance for managing services and delivering value, such as governance, collaboration and automation, promoting simple, agile and standardized processes, integrating IT and business in the provision of services with high availability and quality.

Planning is based on the following principles



Focus on the client: flexibility to adapt products, increasing the speed and quality of our deliveries.



Agile learning: we work in constant learning



Collaboration: The purpose of IT services is to make people and areas more productive.



Reliability: keeping our environment available and stable in a sustainable way

The monitoring of strategic planning is carried periodically by means of Tecnlogia's OKRs, divided into three cadences:

- Elaboration of the OKRs of the quarter;
- Follow up and note of the OKRs progress rates;
- Celebration of the results achieved and elaboration of the next action plans.

Information Technology Governance

The IT governance area aims to provide a practical and flexible basis to support the management of IT services, digital and physical resources in technology operations, providing services in an adaptable, fast and fully transparent way.

Since 2021, with the changes in the Bank's scenario and aiming at greater competitiveness in the market, the governance structure has used new frameworks and work practices supporting the digital transformation, bringing the technology area from a place of support to a place of business.

Governance has as its main structure and characteristic to enable the creation and co-creation of value between all components and activities of the Institution, for this, it manages IT services in four dimensions:

1. Organizations and People:

An organization needs a culture that supports its goals and the right level of capability and competence among its workforce.

2. Information and technology:

includes the information and knowledge, as well as the technologies necessary for service management.

3. Partners and suppliers:

refers to an organization's relationships with the other companies involved in the design, implementation, delivery, support and continual improvement of services.

4. Value flows and processes:

how the various parts of the organization work in an integrated and coordinated way is important to allow the creation of value through products and services.

The **Information Technology Governance Policy** establishes the fundamental concepts, objectives, principles and guidelines related to Technology Governance, being applicable to all technology services, systems, platforms, applications and infrastructure, owned or third-party, that make up the Chain of Value in the Technology areas.

The **Data Management** area is intended to enable compliance with the business strategies defined by PAN and ensure that data is always available and suitable for use by authorized persons. This model seeks to promote and implement decision-making processes that are more concise, secure and with high levels of maturity and effectiveness, providing greater solidity to IT Governance.

Development and training

We want to be an IT team focused on products that delight our clients, guided by strategic results and focused on the long term. For this, we invest in training, capacity building and dissemination of the IT culture within PAN.

The IT development strategy is based on the following pillars:

- 1 Investment in training the team by providing a teaching platform for the entire IT area;
- 2 Encourage the exchange of knowledge through meetings and moments of focus for learning and developing the team;
- 3 Incentive program for professionals who want to get certified in technologies aligned with our business;
- 4 Incentives to participate in technology events outside the Bank, such as bootcamps and hackathons to train and attract talent;
- 5 Promotion of diversity through partnerships, affirmative vacancies, bootcamps and training for underrepresented.

Discover some of the initiatives:

a. Play no PAN (Play at PAN)

Play no PAN aims to organize our workflow so that it occurs in the most practical, agile and synchronized way possible, ensuring the best experience for our clients.

b. Knowledge certification

872 recognition badges were issued to employees in more than 33 themes.

c. Alura Platform

We provide all Technology employees with personalized learning trails on a training portal, where more than a thousand technical and behavioral contents are available.



d. Yoda Day

Weekly learning moment that dialogues with the contents offered on the Alura para Empresas platform.

In 2022 we had:

23 agendas

2,070 minutes of content

7 external speakers

230 participants per schedule, on average

e. AWS Journey

Part of specific training with partners, with details on the process of having a data environment 100% in the cloud.

f. Bootcamp DiversiData Tech PAN

For the second consecutive year, we developed the 10-week bootcamp with the objective of training professionals in data processing and analysis.

+ 18 thousand subscribers

1,100 scholarships distributed

g. PrograMaria Summit 2022

We sponsor the largest Brazilian event on gender diversity in technology, aimed at cis and trans women. Female leaders from Banco PAN participated as panellists, workshop facilitators and mentors in activities.

i. Guilds

Groups of professionals, who can be from different squads and tribes, who come together to exchange experiences and best practices on topics of common interest. We support the following Guilds at #oPANehTech: Frontend, Backend, Android, IOS, SER, Cloud Engineering, Data Community, Agility.

Agile Journey

Developed in partnership with Banco PAN and the Collaborative Journey, this event was a moment to exchange and share how to deliver quality results and sustain its product competitiveness in the market by adopting agile practices, besides learning about Business Agility, OKR, Products, and SRE/DevOPS concepts.

During the event, the book “Jornada Transformação Digital no Brasil” (Digital Transformational Journey in Brazil) was officially launched that raffled 20 copies and 10 exclusive t-shirts, as well as two vacancies were offered in the course “Especialista Gestão Ágil” (Agile Management Specialist) and discount to access the platform Exin Anywhere, for on-line exams.

Incentive to Innovation

One of the Bank's values is Bold Entrepreneurship. To foster intra-entrepreneurship and disseminate information about this topic, we have two corporate innovation programs at PAN, namely: Inova PAN and Iniciativas de Valor (Value Initiatives).

Inova PAN

In this program, employees share their ideas and rely on a development program and projects acceleration in partnership with an advisory firm specialized in this topic. Besides being beneficial for business, this program represents the Bank's successful factors when promoting an innovative and pleasant work environment.

Iniciativas de Valor (Value Initiatives)

This initiative stimulates, recognizes, and rewards employees who devise projects with a focus on operational efficiency. In the 2022 edition, PAN sustained the pillars in the project presentation: cost-savings, process improvement, and risk mitigation.

Inova PAN



54 ideas submitted

+25hours of mentoring

3 accelerated ideas in 2022

+80hours of teamwork

Value Initiatives



329 subscribers

84 initiatives implemented

171 initiatives presented

R\$ 90 million in financial gain

For Brazilians' inclusion

PAN Talents _____	34
Diversity & Inclusion _____	46
Our community _____	56



PAN Talents

We seek to create a safe environment for people to develop and with room for active listening of our employees.

Employees

GRI 3-3, 401, 404, 405, 412

PAN's human capital journey follows the Bank's evolution and brand. In this journey, we diversified our products, and enhanced the Diversity & Inclusion agenda, aiming at attracting talents who could help us to build the next step, with a focus on the client journey in a digital bank.

We seek to create a safe environment for people to develop and with room for active listening of our employees. To increasingly improve the organization's climate, we carry out annual surveys and action plans, besides investing in the dissemination of PAN culture, in various development programs, performance management structured processes, salary analyses,

market monitoring, and employee recognition. We work on the pillars of innovation, diverse thinking, development, knowledge, and inclusion. We understand that culture with purpose allows greater engagement in the organization.

Transparency is one of our cultural pillars, present across the employee's journey, from attraction and selection processes to the performance and engagement cycle. Thus, we adopt good practices, including development, knowledge, benefits, and health and wellness initiatives. We also continuously manage indicators, such as the monitoring of employees' performance, workplace satisfaction indexes, compensation, and diversity.

Besides transparency, we promote active listening: Employees can share his/her vision about positive points and improvement opportunities at PAN. The Climate Survey and Culture Survey are one of these spaces for feedback, which is conducted annually.

To ensure governance on this topic, we implemented Corporate Policies and Codes with guidelines on the processes and procedures accepted within PAN. We also maintain statutory committees wherein we discuss the advancement of indicators, goals, and executives' compensation.

- PAN Code of Conduct and Ethics
- Diversity & Inclusion Policy
- Attraction and Selection Policy
- Organizational Development Policy
- Compensation and Succession Policy of senior management
- Compensation Committee
- Ethics Committee

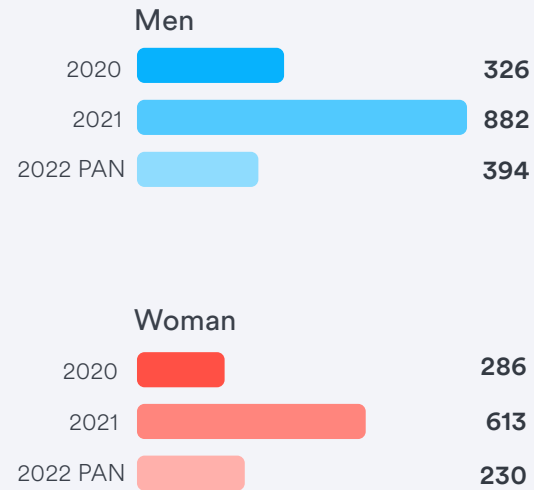


Our consistent initiatives ensure a motivational, healthy environment and potential development of our employees are publicly recognized in seals, such as the GPTW, which for the fourth consecutive year, ranked us amongst the best companies to work for.

New hires

GRI 401-1¹

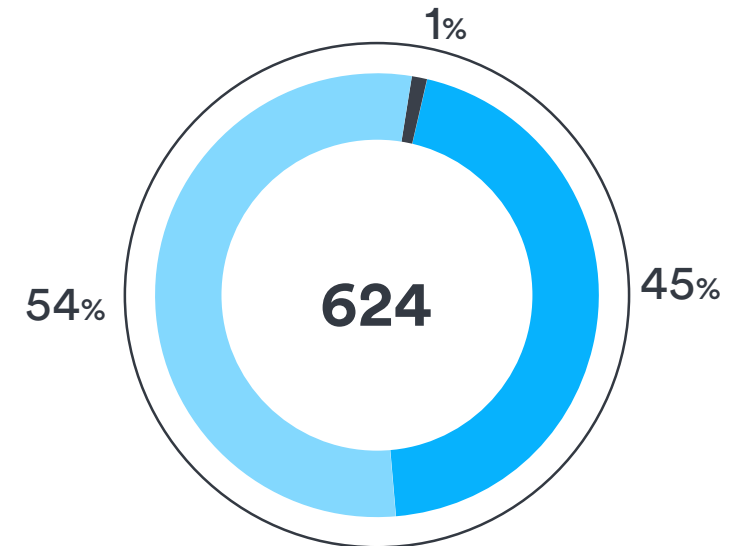
New hires by gender PAN



¹ See the complete indicator in the annexes chapter, [page 149](#).

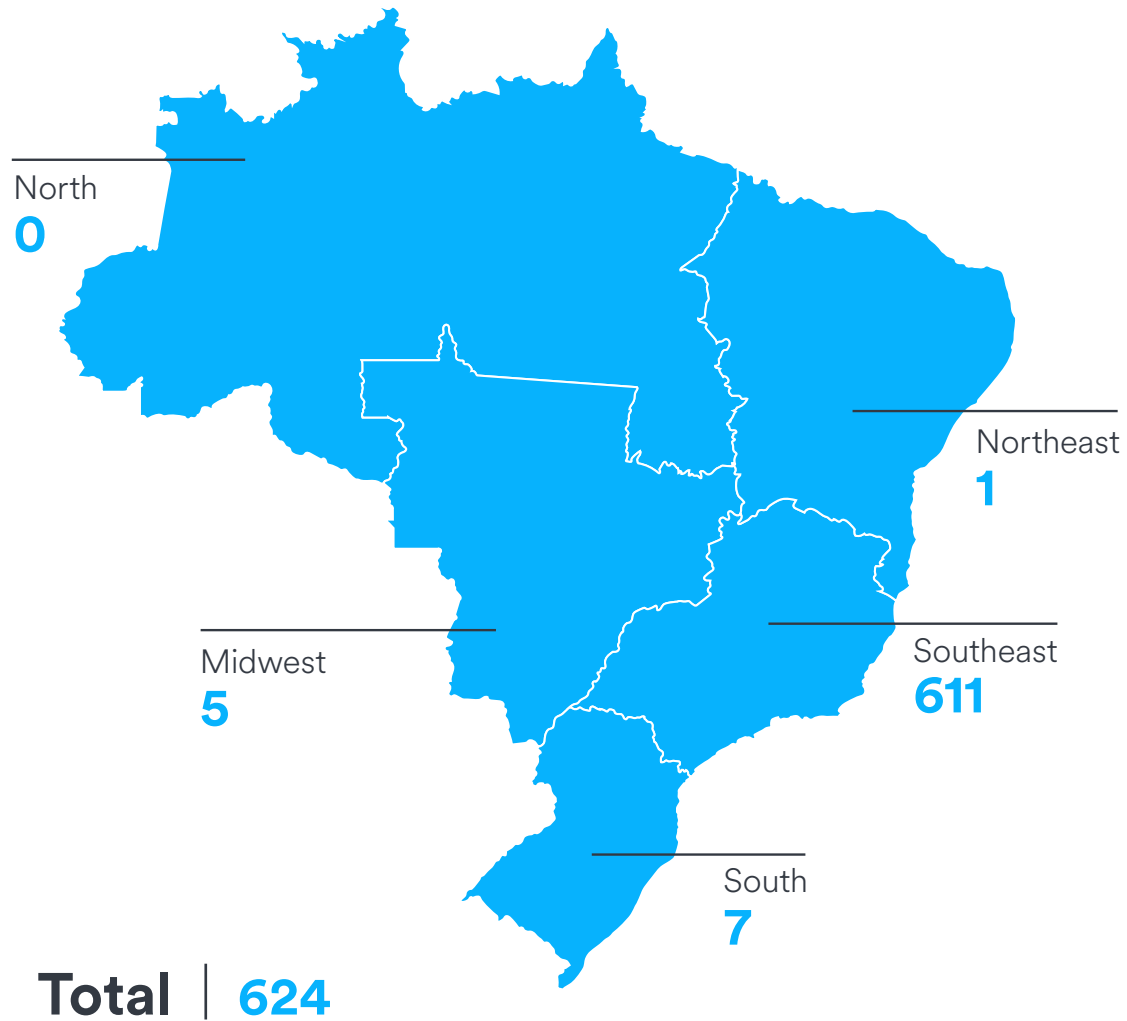
² No mature management to account and report the data of new hirings and turnover by the companies Mobiauto and Mosaico

New hires by age group PAN

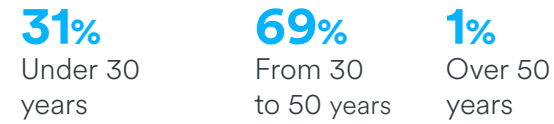


■ From 30 to 50 years ■ Under 30 years
■ Over 50 years

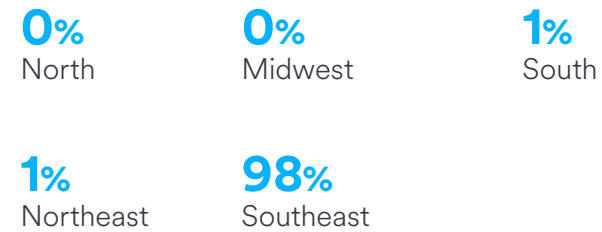
New hires by region



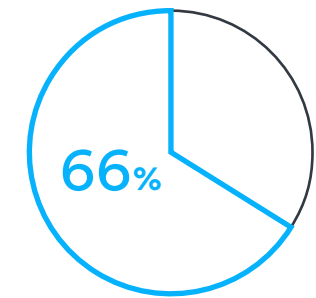
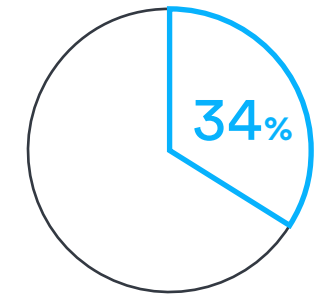
Turnover by age group PAN¹



Turnover by region PAN¹



Turnover by gender PAN¹



¹ The turnover rate was calculated using the ratio between the number of voluntary resignations by category and the total number of voluntary resignations from PAN.

Performance management

The Performance Management process contributes to defining, monitoring, and measuring employees' performance, in line with our strategy and behavior expected every day. This process takes place yearly, fostering development, enhancing a culture of transparency and recognition, and stimulating feedback. The cycle is composed of five stages: goals, competencies, performance evaluation, development committees, and feedback.



Goals

corporate, areas, and individual



Competencies

behavior we should practice every day



Performance evaluation

annual period to evaluate goals and competencies



Development committees

focused on development, merit, and promotion



Feedback

Transparency conducted at the end of the cycle, when points of development are addressed, a practice that raises awareness and indicates alternative development paths

The goals - individual, per area and corporate - are the way how we transform PAN's mission and strategy into results. The SMART model (specific, measurable, achievable, relevant and timeframe) model helps to ensure that the goal is defined, pursued and achieved adequately.

The corporate goals drive the organization, the area's targets translate the management's focus for the year, also the individual goals focus on employee's contribution within this scenario, therefore, they translate how each one's work impacts the Organization's daily routine. Employee and leader define together their goals for each period.

The model adopted in the Competencies Evaluation, the AtitudePAN (PANAttitude) (360° for leaders and 180° for employees), creates an opportunity for everyone to evaluate

and be evaluated by different stakeholders, each one with a different evaluation weight. This model offers multiple visions, besides broader feedback. The Development Committees conduct a joint evaluation of employees, enhancing feedback to employees evaluated throughout the year.

More than 698 employees were promoted and/or recognized in 2022, according to PAN's Performance Management process.



72% of PAN employees went through Performance Management Cycle in 2022

Reconhece PAN (PAN Recognition program)

The Reconhece PAN program relies on three types of recognition:

Talents

Talents are those outstanding in deliveries, during the annual evaluation process they receive a congratulations letter and a voucher so that employees can choose the best way of celebrating his/her recognition. In addition, communication is made at the entire organization, as a way to recognize these professionals publicly.

Years of service

Employees completing 5, 10, 15, and 20 years of service receive a few recognitions for their dedication to PAN, such as days off, t-shirts, cash vouchers, and other rewards, according to their length of service. This initiative promotes employees' higher engagement.

Engagement in development actions

We reward in-house multipliers and employees who take part in various development initiatives. We rely on a gamification platform so that, when missions are accomplished with participation in development initiatives, employees accumulate points (BitPans) that can be exchanged with vouchers and rewards. We also certify employees with digital badges related to development programs particularities in which they took part.

PANtástico (PANtastic)

A recognition platform that seeks to recognize the people on the team who put into practice one of the 5 Cultural Attributes (Commitment to Excellence, Outstanding Performance, True and lasting relationships, Effective Agility, Entrepreneurial Boldness). On the platform, the employee indicates the name of the person he or she considers deserving, selects one of the Cultural Attributes, and describes the actions and what results were achieved from it.

Development and training

GRI 404-2, 404-3

Leadership Training

We offer development and training programs for our leaders to hold the tools necessary to execute PAN's as well as corporate strategies, promoting an uplifting leadership that develops high-performance teams. We fully assist this group of professionals, diversifying the type of program according to their needs, with a focus on Management Model and Leadership, envisaging specific programs for each group of position, aiming at offering an experience compatible with their career and the Organization's challenges.

Leadership Development Program

This program targets managers and coordinators, it relies on modules to develop relevant soft skills topics, such as situational leadership, feedback, communication, and mixing theory and practice, applied to the team during their daily routine, besides an individual mentorship when the program is concluded.

Coach and Mentoring Program

Customized and conducted by hiring external coaches, this program comprises medium and senior leadership and aims at accelerating leaders' development, and also provides closer monitoring of executives with significant career challenges. We recorded 20 participants in 2022.

Assessments

Applied to leaders, in partnership with in-house advisors, according to the need identified. We totaled 186 assessments in 2022, adding all executive boards.





Quero ser Líder (I want to be an leader)

A program concerned with senior analysts and specialists who pursue development to hold leadership positions. In 2022, we recorded 59 participants, of whom, 40 received merit or were promoted.

Women Leadership Development Program

Workshops and mentorships that promote equal gender in senior leadership, it disrupts unconscious biases. In 2022, we had two classes with six meetings each of specialists and coordinators, 64 women, with NPS of 98, and 67% adhesion. In addition, two chats took place with senior leadership (entire executive management and above).



PAN Mentoring Program

The objective of this program is to train and prepare leaders, taking into account PAN's culture, the scenario, the reality, and challenges, as well as enhance in-house expertise from a standard methodology. In 2022, we received 93 enrollments and 67 participants, including mentors and mentees.



ExPANde

This is a leadership development program, in line with PAN's culture, with a focus on executive managers and above. In 2022, five meetings were held and relied on the attendance of 111 leaders, totaling 40 hours, wherein topics were discussed related to the competitive scenario, global trends, strategy, value creation, and management.



In 2022, we had 90 thousand hours dedicated to the development of employees, which corresponds to an average of 32 hours per employee.

Organizational development

The Organizational Development department promotes development and learning initiatives through PAN University and other external course platforms, such as Alura (for IT-related teams), besides qualification programs and directed actions, such as lives, workshops, and subsidies for employees who receive external formation. In-house communication channels are also applied to foment

business-relevant topics. PAN University makes available 231 contents to all employees and, after courses are concluded, a conclusion certificate is issued.

In 2022, we had 90 thousand hours dedicated to the development of employees, which corresponds to an average of 32 hours per employee.

There are also continued initiatives and programs that encourage sharing of knowledge and development at each level of the Organization, such as:



PAN X: Internal network to share PAN's information, knowledge, and experiences, wherein employees provide training referring to their areas for those interested in the topics. Enrollments are announced throughout the Bank, or in certain cases, training is conducted with closed groups. In 2022, 22 classes concluded courses (weekly recurrence in the hybrid format), with a participation of 1,944 employees and an average NPS of 86.

Program to motivate graduate and specialization studies: Since 2020, we have been offering 50% reimbursement for employee qualification. We also have Litpass, PAN's development external platform in partnership with Saint Paul, which offers subsidized amounts for different certification courses, including MBA. Over the past three years, nearly 190 employees benefited from this program.

Internship Program: Annual program which relies on an all-inclusive development journey – training, round of talks, internship projects, mentorships, and performance management structured process to prepare interns for the next level. PAN's hiring annual average rate is 66%

Analysts Development Programs | Asas: This program aims at bolstering analysts' performance in all areas of the Bank through the development of technical and behavioral competencies. In 2022, we recorded were 225 participations and conclusions.

Data Science Development Program: The program aims at fomenting the data-driven mindset and developing competencies to create codes, organize databases, artificial intelligence, programming, and all the process involved in data science. It relied on 41 participants of CRM & Analytics, People, Technology, and Credit Recovery areas, in 16 hours of training.

AWS Certification: As part of the cloud implementation strategy, we created a learning journey in partnership with AWS, which relies on seven courses distributed in 12 classes, 215 participations, and 300 certifications issued.

Afro-Descendant Talent Development Program: The development program Construindo AfroFuturos focuses on PAN's afro-descendant analysts, and the objective is to bolster key skills to accelerate career, connecting the Afro-futuristic perspective to the business reality, open for dialogue and practical tools. It is composed of five meetings, a collective mentorship, and meetings with participants' leaders. Currently, we rely on 51 participants.

Undergraduate Program: An initiative executed at Mobiauto, wherein during 2022, recorded the adhesion of participants aged between 30 and 39 years of age, and 43% of women. Each participant dedicated on average, 16 hours/month to studies, and 30% of them concluded the courses.

Employee wellness

Climate and engagement

We yearly monitor the Organization’s climate and engagement through an in-house survey conducted by an independent entity. The climate survey contributes to identifying the topics to be improved at PAN. In 2019, for instance, we invested in diversity & inclusion; in 2020, in performance management; in 2021, the focus was innovation; and in 2022, in communication and celebration.

In the climate survey conducted in 2022, we reached 85, in line with the previous year’s score. This score and analysis of the people management practices book ranked us among the top five companies to work for according to the Great Place to Work Financial Institutions (GPTWFI) which yearly certifies and awards the companies with the best workplaces in more than 100 countries.

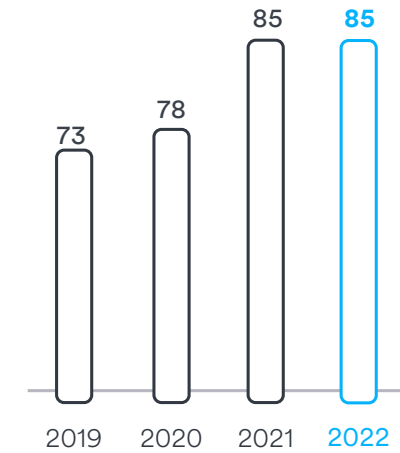
The score from PAN Glassdoor - a rating site by candidates, employees and former employees -, at the end of the year, was 4.4.

It is also possible to measure the efficacy of initiatives from public recognitions received, such as the Diversity & Inclusion Highlights in the financial sector ranking for two consecutive years (Ethos Institute/Época Magazine, 2022 and 2023), Best Companies for women to work for (GPTW Women for the third consecutive year), GPTW Ethnic Racial and GPTW LGBTQIA+ Ranking, Municipal Seal of Human Rights and Diversity (Municipal Government of São Paulo, 2022) and outstanding position in the Top Employer Certification 2022 and 2023 (six points above Brazil’s average in Diversity & Inclusion in its last edition).

“Despite the high level of dynamism and demand for excellence, the environment is light, diverse, modern, focused on results, and highly efficient with quality deliveries.”

PAN employee

Organizational climate evolution



Scores Questions

- 98** The employees here are well treated regardless of their race or ethnicity.
- 97** The employees here are well treated regardless of their sexual orientation.
- 96** The employees here are well treated regardless of their gender.
- 92** I am proud to tell other people that I work here.

Health and wellness

We are aware of the relevance of taking care of the health and wellness of our people. Therefore, we seek to offer programs that provide employees with a balance between personal and professional life, also offering opportunities to take care of physical and mental aspects. We also extend part of these benefits to families, so that harmony at home prevails, and accordingly, at the workplace.

Online psychotherapy

In partnership with Psicologia Viva, we offer a 24h/7 day online therapy platform; we believe that psychological treatment is important for everyone, at any moment of their lives. All PAN employees are eligible for four free-of-charge monthly sessions, without a time limit.

Telemedicine services

Aiming at facilitating employees' and dependents' daily routines, we now make a telemedicine service in partnership with our health advisor, via the app Dr. Alper. These are video call appointments, with 24/7 quickly specialized medical services, and with no screening. We also offer the option of telemedicine via Einstein Conecta, and video call services with a medical staff of the Albert Einstein Hospital.

Social Service

We rely on a specialized professional who supports managers, employees, and relatives to conduct and organize various topics, such as clarification to employees about the Company's benefits; social support to employees

under leave; support in requests for high-cost medication; escort in hospitalizations, hospital, and domicile visits; services, welcoming, and guidance to employees and families in their requests, especially health, drug addiction, harassment, family conflicts, violence, decease, among other specific needs.

Office adaptations

The pandemic period warned us about eventual adaptations at our headquarters, so that to benefit our employees, reducing commuting hours and the intensive use of technology. In 2022, we carried out an in-depth analysis of new needs, and we started renovating Banco PAN's head offices, making available various types of spaces for work development, in an environment that now relies on:



60 meeting rooms

Fully equipped with video conference and whiteboards



33 phone booths



Biophilia
Use of plants and natural flowers as calming agents in the work environment



Improved accessibility
Installation of an access lifting platform to a collaborative space



New Auditorium
With capacity for 200 people and integration to the coffee space

Benefits

GRI 401-2

To support employees and offer a different experience, PAN adheres to the Corporate Citizenship Program, adding other benefits to the traditional package (meal ticket, food ticket, transportation ticket, healthcare), such as:

- Dental care;
- Life insurance;
- Pregnancy program;
- Family leave that ensures for six months, in the case of the responsible person, the extension of the period of removal due to the adoption or birth of a child, and to one month, in the case of the co-responsible person;
- Breast-feeding room;
- Babysitter and daycare allowance;
- Drugstore assistance;
- Appointment with ergonomists;
- Gympass;
- Vaccination, health, and life quality awareness campaigns;
- Massage and auriculotherapy;
- Day off;
- Flexible hours;
- Half-yearly compensation and subsidy programs, such as fuel assistance for commercial area employees.
- Mental Health Program - Levemente PAN (Lightly PAN);
- Telemedicine.

Paulista and Burity offices rely on space, nurses' teams, and family physicians for exclusive and customized appointments, also health monitoring for PAN's employees.



Diversity & Inclusion

GRI 3-3, 401, 404, 405, 412, 405-1, 405-2

We believe in the relevance of Diversity & Inclusion as core values that contribute to a more equitable society

We believe in the relevance of Diversity & Inclusion as core values that contribute to a more equitable society and as a way to promote a more innovative workplace, which accordingly, contributes to results.

Our Diversity & Inclusion Program, launched in 2019, already took its first steps to raise our team's awareness and train leaders, shape the area and governance, as well as set out in-house hiring and development goals of people pertaining to minority groups, besides specific development programs and ongoing initiatives to bolster an inclusive culture.



Recognitions:

- Diversity & Inclusion outstanding companies in the financial sector ranking (Ethos Institute/Época Magazine, 2022 and 2023);
- Best Companies for women to work for (GPTW 2020, 2021 and 2022);
- Best Companies for afro-descendants, in terms of ethnic-racial criteria, and LGBTQIA+ (2022);
- Municipal Seal of Human Rights and Diversity (municipal government of São Paulo, 2022);
- Outstanding position in the Top Employer 2022 Certification (six points above Brazil's average in Diversity & Inclusion).

Public commitments:

- Women Empowerment Principles (WEP's – UN Women);
- Racial Equality Pact;
- Joining the UN Movements.

Governance

Our Diversity & Inclusion Corporate Policy aims at defining the principles, guidelines, commitments, and responsibilities towards PAN's corporate stance on this topic, and building a more diverse, inclusive corporate environment, free of discrimination. We promote equal opportunities through inclusive practices from our employees, leaders, suppliers, and other stakeholders, driving higher creativity, engagement, and innovation, improved organizational climate, talent attraction, and retention, besides offering other business opportunities, collaboration, products, and client satisfaction.

In charge of managing this topic, the D&I area relies on an annual budget dedicated to D&I practices, so that all processes, programs, and benefits are thought for everyone, stimulating teams' growth and development. The initiatives are discussed and defined monthly at PAN's ESG Commission, which directly reports to the Board of Directors.

At PAN, we neither tolerate any act nor practice to violate human rights, such as discrimination, violence, and intolerance, whether due to race, gender identity, sexual orientation, age, or any other factor. Any case of this nature shall be treated at PAN's Ethics Committee, liable for adopting reasonable measures for situations reported. In 2022, no case of this type was identified.

Strategy

The D&I strategy, engagement actions and affirmative hiring and development actions contribute to permanence and professional growth in the organization, reducing the turnover rate.

Our goals and objectives are based on recognized intergovernmental instruments, such as adherence to the Principles of Women's Empowerment (UN Women), the Pact for the Promotion of Racial Equity and the Global Compact (UN), as well as the Race is Priority, Women Lead, Mind in focus, Living Wage and 100% Transparency.

Our commitments:



30% of women
in senior leadership positions by 2025

30% of black people
in leadership positions by 2025



In 2023, we will continue to monitor strategic indicators to measure the effectiveness of development and recognition programs provided to employees. We will also leverage affirmative actions to increasingly advance in representativeness at all levels of the organization.

To ensure the effectiveness of the agenda, we developed several and recurring training and awareness initiatives on the subject, in 2022:

 **More than 5 thousand** hours of training and awareness for all employees

3 thousand more hours vs. 2021



3 thousand hours focusing on underrepresented groups

We also provided training for leaders, including management members, who participated in meetings aiming at mitigating unconscious biases and train them as this topic's spokespersons; we systematically monitor the representativeness and climate indicators to identify and act ahead of improvement opportunities.

“What makes the organization an excellent place is the culture, the actions towards social issues, inclusion, and diversity. And of course the opportunities for growth, good benefits, and a salary compatible with the market.”

A leader's testimonial in one of the development programs held in 2022



Employment

To strengthen the social pillar and contribute to a fairer and less unequal society, we support social institutions that promote professional development and the employability of underrepresented groups and people in vulnerable situations.



Instituto Plano de Menina (Girl Plan Institute)

We support financially and with volunteer actions to train and connect girls from the periphery to opportunities that make them protagonists of their stories.



Instituto PROA (PROA Institute)

Institution dedicated to training more than 9,500 low-income young Brazilians. For the third consecutive year, we made financial donations, volunteer actions and hired graduates.

77
PAN volunteers
in 2022

19
students
hired from the
beginning of
the partnership

We also participated in and sponsored employment and development events for minority groups, such as the Feira Divers/a (Diverse Fair), the Conferência JUNTOS (Altogether Conference), and Sprint *PrograMaria*, wherein we seek talents for our organization.

Equal gender

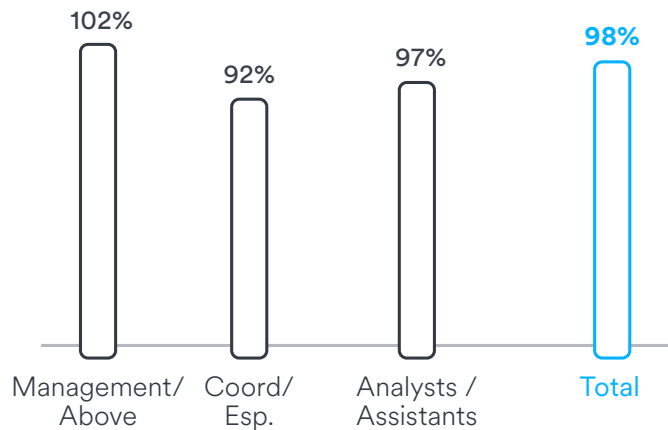
We are proud of being one of the best companies for women to work for. We rely on 34% participation of women in leadership, including all the Group's companies, and we endeavor efforts so that there is neither salary nor treatment difference in relation to gender. In our Women Leadership Development Program, we hosted workshops and mentorships to foster equal gender in leadership, besides working on breaking unconscious biases.


We are signatories of the UN Women Empowerment Principles. For three consecutive years, we were recognized by the GPTW Women ranking of the best companies women work for, which assesses indicators, corporate practices, and participation in the decision-making process.



Salary Ratio between Men and Women by position

GRI 405-2



21% 
Women
in senior leadership

34%
Women
in leadership

44%
Women
in the
workforce



People with disabilities

We rely on the People with Disabilities Development Program, which aims at stepping up these people's growth and diversity at PAN, with training sessions for disabled professionals and leaders, partnering with advisory firms which are market benchmarks in the inclusion and training of disabled professionals.

In 2022, the advisory and recruiting firm conducted the program, "igual: Inclusão e Diversidade" (Equal: Inclusion & Diversity). The first step was to apply a diagnosis over PAN's topic scenario, then, issues were developed referring to Identity and Leading Role, Professional Development and Career, Ableism and Future Perspectives for over 90 employees, divided into two 2-hour meetings, each.

Two meetings were held for leaders, with 84 coordinators for executives and management discussing Market Scenario, Hiring of People with Disabilities, Meritocracy vs. Inequalities, Good Practices, and Teams Preparation.

For executive leaders and management, a closing meeting of the program took place for 40 people, headed by Andrea Schwarz, LinkedIn Top Voice and CEO of "igual: Inclusão e Diversidade".

Racial equality

In 2022, we adhered to the Racial Equality Pact, an initiative that proposes to devise a Racial ESG Protocol in Brazil, leading businesses to discuss the reparation of racial inequalities within and outside of organizations. Through affirmative actions and Racial Equality ESG Index (IEER), this initiative aims at stimulating and measuring racial equality in the private sector.

Among the initiatives carried out in 2022, we point out the Afro-Descendants Development Program ([learn more on page 42](#)) and the Black Awareness Month ([learn more on page 55](#))



“I enjoyed very much seeing Jojo Todynho in the advertisement. She is just like one of us, this identification is very important, so that consumers identify themselves with the brand, e. In my opinion, they get it right by portraying such a charismatic and popular person like her.”

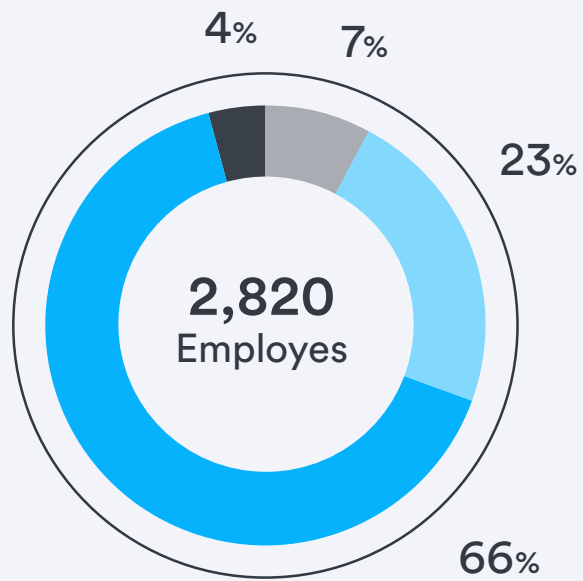
PAN São Paulo client’s testimonial, 47 years old

“They show the hand of an afro-descendant in the advertisement. Over 50% of the Brazilian population is afro-descendant, especially the low-income population. Thus, the Bank shows its products and cards are for everyone.”

PAN Ceará client’s testimonial, 23 years old

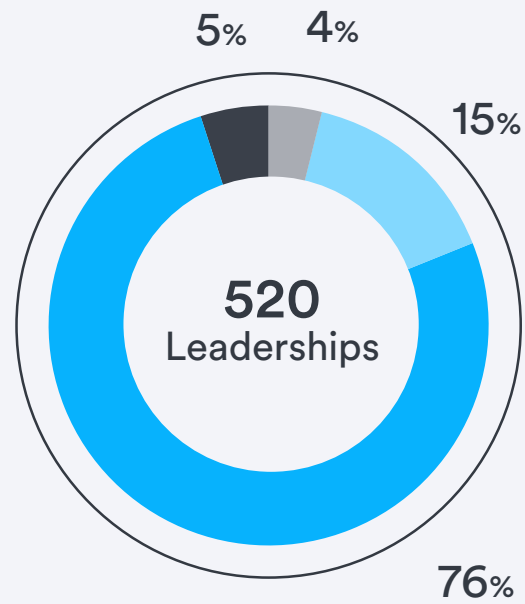
Our employee PAN¹

GRI 405-1



Black Yellow Brown White

Our Leadership PAN



¹For greater comparability with previous years, interns were not included in item 405-1.

Affinity groups

We rely on four affinity groups that bolster employee engagement in D&I. With a focus on racial (AfroPAN), gender (#EmpoderaPAN), people with disabilities (PAN para todos), and LGBTQIA+ (Orgulho PAN) issues, over 250 participants hold bi-monthly meetings and are in charge of suggesting and conducting initiatives related to these topics, actively participating in the development and management of the impact. In 2022, 87% of the proposed actions were implemented.



All D&I initiatives are shaped jointly with stakeholders involved in the impact. This is affinity groups' key objective: actively involve employees in the process of building an increasingly better environment for everyone.

It shall be incumbent upon the affinity groups:

- Promote the dialogue and participation in the Diversity & Inclusion agenda, informing mobilizing, and engaging Banco PAN's people about this topic;
- Suggest, monitor, and organize actions, projects, awareness campaigns, training, attraction, selection, retention, and development;
- Pursue strategic partnerships that promote D&I within the organization;
- Frequently carry out integrated actions among Affinity Groups;
- Pursue the market good practices to inspire ideas;
- Coordinate meetings, mobilizing and stimulating participation, besides bringing research, invitees, and discussion materials.

Awareness initiatives carried out in 2022 jointly with affinity groups:

- **Women's Month:** Live with Vivi Duarte;
- **Mothers' Day Webinar** on parenthood and career + video with mothers of LGBTQIA+ employees;
- **Neurodiversity live** on the Autism Day with Specialisterne;
- **Webinar:** Parents present and diverse parenthood;
- **Café Preto:** Round of conversations headed by AfroPAN, about Algorithmic Racism and Impostor Syndrome;
- **LGBTQIA+ Pride Month:** Round of conversations about inclusive communication, with #Orgulho PAN members + Live with Noah Scheffel about LGBTQIA+ experience in the labor market;
- **Diversity Month:** Round of conversations with commercial teams and groups leaders, visit of 80 students from Instituto PROA at PAN and chat with Bank's leaders, live about generational diversity with Maturi, panel with reference executives in the market and a micro-entrepreneurship fair to support and promote the work of minority group people;
- **Black Awareness Month:** Preto Zezé Live + Racial Pact Live + Black Fair (in person at the Paulista office with black microentrepreneurs).

Our community

GRI 203-1, 203-2, 413-1

Social Responsibility

Banco PAN believes in the construction of a fair and equal society, therefore, it supports projects and institutions which are connected with our purpose. With a focus on Brazilians' inclusion, we defined our social action territories, which aim to positively impact society.



Learn more about the projects supported:
Social Responsibility | Banco PAN

Our social contribution | GRI 203-1

Our fronts	Formal and informal knowledge / Financial education	Brazilian culture	health and sports	Total
Private social investment in 2022	R\$ 750,575	R\$ 457,288	R\$ 325,867	R\$ 1,533,730
Non-incentive investment 2022	R\$ 636,253	-	R\$ 97,223	R\$ 733,476
Number of projects with no incentives 2022	10	-	1	11
Incentive Investment 2022	R\$ 114,322	R\$ 457,288	R\$ 228,644	R\$ 800,254
Number of incentivized projects 2022	1	2	3	6
Private Social Investment in 2021	R\$ 2,462,464	R\$ 2,192,422	R\$ 3,555,466	R\$ 8,210,352





Financial Education

Financial citizenship development, which means the exercise of duties and rights allowing citizens to manage better his/her financial resources, occurs through a context of inclusion, financial education, consumer protection, and participation in the dialogue about the financial system.

Our financial education initiatives aim at guiding society about financial issues, highlighting our role as an agent who promotes our current and prospective client's financial stability. Our purpose is to give our contribution so that people understand the relations that influence their lives in the economy and finance areas. This refers to the disclosure of content through digital channels, fine-tuned with trends of central banks and modern financial institutions around the globe which have been adhering to this new way of contact with citizens, irrespective of the social segment to which they pertain.

Our goal is to democratize bank access to the most vulnerable people and convert challenges into achievements. As there is no democratization without education, or achievement without knowledge, we understand we need to provide the appropriate tools, so that our clients may cope with life challenges and meet their needs. For this reason, we offer:

GRI 203-1, 203-2

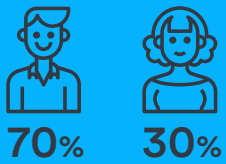
Initiative	Description	Target group	KPIs
	<p>Youtube channel that friendly discusses financial education and home economics, with influencers' participation. Up to two videos/ week are broadcast.</p> <p>According to Tubular Labs, in December 2021, this was the 3rd most influential channel on YouTube about financial education.</p>	<p>90% aged until 44 years</p> <p>54% female 46% male</p>	<p>248,000 enrollments</p> <p>9 million views in 2022</p>
	<p>Financial education portal within Exame Portal. PAN specialists work as advisory sources of information to produce texts. 220 texts were published in 2022.</p>	<p>BCD classes</p> <p>PAN's clients and non-clients</p>	<p>Articles published: 159</p> <p>One-time visitors: 386,596</p> <p>Page Views: 476,994</p>
	<p>TikTok profile that is friendly and discusses financial education with influencers; over 150 videos were aired in 2022.</p>	<p>BCD classes</p> <p>71% female and 29% male</p>	<p>728,000 followers</p> <p>56 million views</p>
	<p>The Money Friend Content Hub aims at offering financial education and inclusion for C, D, and E social class consumers by means of text and image contents (info-graphics) discussing the narrative universe of finance and economy. Giving empowerment and participation for the reader, this blog is divided into four sub-leading articles: expense controls, zero debt, plus credit for you and extra income.</p>	<p>CDE classes</p> <p>PAN's clients and non-clients</p>	<p>Articles published: 875</p> <p>Prints: 154,083,919</p> <p>Page Views: 13,180,599</p>

Sustainable products

Vehicles

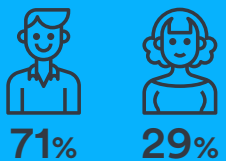
Portfolio profile

Light vehicles



55% aged between 25 and 44 years

Motorcycles



61% aged between 25 and 44 years

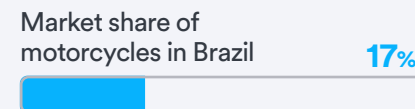
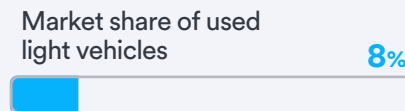
Positive and Potential Impacts

Vehicle financing has a real positive impact on the lives of thousands of clients, as it contributes to their family incomes. To better understand these impacts, in 2020, we conducted a survey and found that a considerable portion of the vehicles financed are used by self-employed professionals.

42% of the interviewees use the vehicle as a work tool

28% of clients have their vehicle as their sole source of income.

In 2022, we accounted for:



Adverse and Mitigating Impacts

Over-indebtedness is a negative impact that can affect vehicle financing clients. To mitigate this impact, in 2022, we invested in financial education services in our media ([learn more on page 57](#)) in addition to offering training for partner tenants and restructuring the collection team's approach.

Another impact is the contribution of financed vehicles in the emission of greenhouse gases. Because we understand that we have indirect responsibility for these emissions, we started to measure them within the PCAF (Partnership for Carbon Accounting Financials) framework. We intend to propose solutions to mitigate them and adapt our vehicle portfolio to climate change.

Payroll-deductible loan

Portfolio profile



52%



48%

61% between 60 and 80 years old

Positive and Potential Impacts

We focus on loans and credit cards for public servants, retirees, and pensioners from the INSS (Brazilian Social Security Institute), being used by clients who do not have unsecured lines of credit or who have more expensive debts. By using the INSS as a guarantee, this line of credit offers the possibility for clients to have access to a higher limit, but with reduced rates. In 2022, we conducted a survey with our clients and found that:

24% of clients used the loan to pay off debts or pay off their credit card;

10% used the amount to pay medical expenses;

6% boosted their own business with the loan amount.

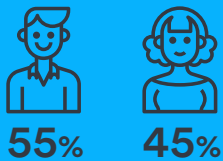
Adverse and Mitigating Impacts

Although it has lower rates, this line of credit is aimed at a public that may be in a condition of digital vulnerability, might being more likely to be victims of scams and fraud. In recent years there has been an increase in fraud, mainly due to the increase in transactions in virtual environments.

Seeking to reduce this negative impact, we seek to reach our clients and partners using technology, promoting continuous improvement in the interface with clients speeding up client service and providing content for the most vulnerable clients as well as conducting training with employees and correspondents.

FGTS (Employee Severance Indemnity Fund)

Portfolio profile



63% between 18 and 39 years old

Positive and Potential Impacts

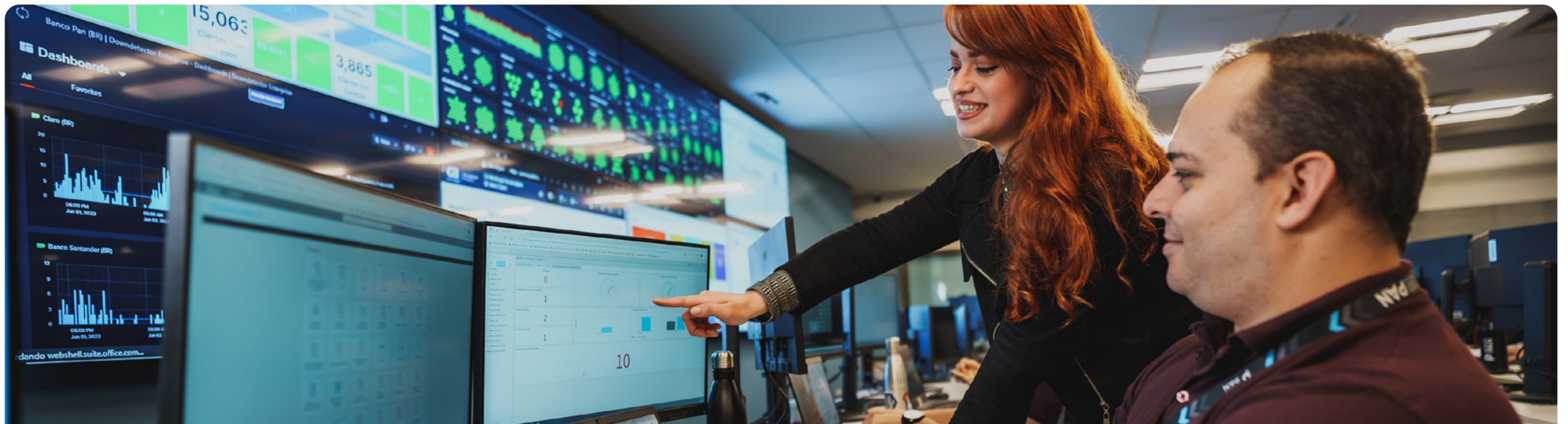
This type of credit uses the balance as security in the FGTS account, so the interest rates are reduced. It can be contracted 100% digitally, even by people whose CPF (Individual Taxpayer Registration) is restricted, expanding access to credit.

The resource can be used to pay off debts, invest in projects or emergency situation, and boost entrepreneurship.

Adverse and Mitigating Impacts

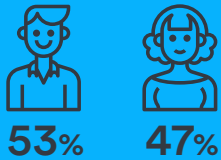
One of the impacts linked to the credit line is over-indebtedness, which occurs when the client is unaware of the limitations imposed on the amount of FGTS withdrawal, which occurs in the case of dismissal or change in the modality for withdrawal termination.

To mitigate the impact, we invested in financial education services disseminating educational content in our main means of communication, in addition to providing training for tenants and partners, and restructuring the collection team's approach.



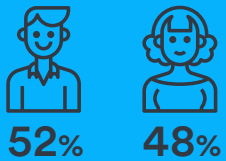
Credit card and personal loan

Portfolio profile



60% between 30 and 49 years old

Insurance



55% between 30 and 49 years old

Positive and Potential Impacts

The credit card, when used consciously, is a powerful tool that allows harmonizing the clients' cash flow. Personal loans, on the other hand, can be used by self-employed professionals or micro-entrepreneurs to leverage sales and expand business.

Concerning Insurance, besides the traditional credit protection insurance (prestamista), we offer various insurance options in partnership with Too Seguros. We understand that the population in general struggles with costly and complex products, we intend to transform this, by building an easy portfolio that offers safety for our client's lives, without compromising their income.

Adverse and Mitigating Impacts

Personal loans and credit cards are considered to be the main causes of CPF (Individual Taxpayer Registration) default in Brazil. To mitigate this impact, we offer credit lines aligned to the profile of each client taking into account various socioeconomic indicators, in addition to providing various content on financial education in our communication channels ([learn more on page 57](#))

Acquiring (Turbo PAN)

GRI 2-6

Portfolio profile



57%



43%

64% between 30 and 49 years old

PAN Health (Saúde PAN)



52%



48%

55% between 30 and 49 years old

Positive and Potential Impacts

In 2021, we launched the Turbo PAN, a POS machine that allows clients to receive their sales amounts within one business day in their digital account, with low fees, sales monitoring, and real-time receivables via the app. The client receives this machine within 15 days, free shipment, and can be paid in up to 12 installments. Rental is not collected, only sales competitive fees, according to the term selected to receive the amounts. This tool assists thousands of self-employed workers to have access to a safe, hands-on, and low-cost vehicle of receivables, besides offering greater access to cash flow, so that entrepreneurs can scale their businesses.

Most of our clients have informal businesses. This product does not require CNPJ (corporate taxpayer's register) and allows access to receivables, quickly and seamlessly via the app.

PAN Health is an attractive product for 150 million Brazilians who do not have a healthcare plan and rely on SUS (Brazilian National Health System), offering 24/7 quality services, via telemedicine. PAN Health also ensures over 800 service units and quick tests in partnership with the Pague Menos drugstore chain, besides rebates for medications and low-cost medical appointments in partnership with Avus. All of that by only paying R\$ 10/month, extendable to up to four dependents, without additional cost.

Adverse and Mitigating Impacts

Whenever the client requests an advance on receivables, we charge an interest rate that, although low, can impact the entrepreneur's finances if not well understood. To avoid setbacks, we value transparent communication, informing clearly and objectively the applicable rates and the impact of the advance on the total amount receivable.

For a better world in practice

Client-centric focus _____ 64

Care for the environment _____ 75





Client-centric focus

We evolved from a two-product bank and four million clients to a fully-fledged platform, and approximately 24 million clients.

Our goal is to become the bank of all Brazilians, thus, we broadened our portfolio of products and services, devising new financing, transaction, and consumer solutions, and in 2021, we acquired the Mobiauto and Mosaico platforms. We evolved from a two-product bank and four million clients to a fully-fledged platform, and approximately 24 million clients.

Our objective is to offer the best financial products and services contextually through an easy and multichannel journey. Today, our app relies on

various products, such as no-fee digital current accounts, no-annual-fee credit cards, various lines of credit, means of payment, insurance, marketplace, cashback, and preventive health services. All these products compose a new portfolio that heightens client engagement, although credit remains the key tool of attraction, engagement, and monetization, our strategy goes beyond, seeking to build more transactions in our digital account.

Hearing and understanding our client's needs is our starting point to seek the best solution. From a two-way, efficient, and assertive communication, we manage to continuously improve products and services offered, with smarter solutions suited to clients' point in life. Likewise, we can improve their journey with us, offering the best experience and satisfaction.

Client Satisfaction

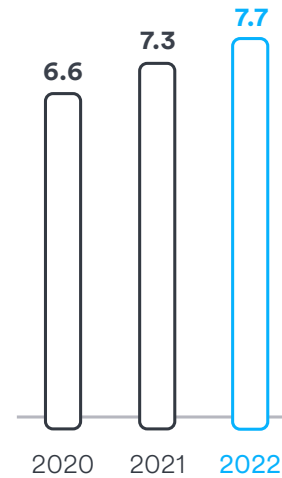
GRI 3-3

With the goal of improving each time more our clients' satisfaction, in 2022 we strengthened our client-centric culture by setting out services quality and satisfaction goals verified in Bacen (Citizen Complaint Registry System – RDR), Consumidor.gov channels, and Relational NPS indicators, accounting for 25% of corporate goals total weight. 6 initiatives are adopted for all PAN's employees:

- 1 | Senior Management's engagement;
- 2 | Assertive KPIs to monitor client relationships and satisfaction;
- 3 | Efficient quality control for bank correspondents;
- 4 | Intolerance of fraud practices;
- 5 | B2C products increase in the Bank's portfolio;
- 6 | 100% digital production.

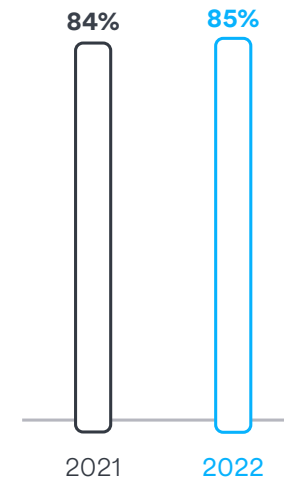
These initiatives are already reflected in scores assigned by key public indicators, signaling year-on-year advances, as well as in the Client Satisfaction Score (CSAT), our service channels, which reached 79%. We aim to progress even more, by training areas directly involved, hosting engagement campaigns across the Bank (#ClienteEmFoco - #ClientInFocus), and prioritizing this topic in our strategy.

Reclame Aqui (Reputation Score)



In 2022, we continued to evolve in the average time for solving demands directed to the service channels, demonstrating the investments and focus on the client satisfaction strategy.

Resolutions within 5 business days



In 2022, 79% of PAN's credit transactions originated via the B2B channel, evidencing the relevance of partner merchants and bank correspondents in PAN's business strategy. Therefore, it is so important besides implementing



a client-centric focus for employees, it is also necessary to raise our partners' awareness about the best practices of sales, suitability, anti-fraud, and satisfaction metrics monitoring.

Having this in mind, PAN was a pioneer in the digital formalization to take out payroll-deductible loans and vehicle finance. We also improved the quality control of bank correspondents by means of training and investments in new technologies to prevent suspicious transactions. with feedback from all our models. We also have made significant investments in new technologies to facilitate the client's journey

in the app, also enhance the transparency of our product information.

Since 2021, we have been bolstering our client area, with investments in teams and wide distribution of products. In addition, new partner suppliers now are on board, more efficient and with greater potential for scalability, modernizing the technology applied to client service. A great example of this was the investment in the WhatsApp service. Finally, we have worked hard to improve contingency and risk management, diluting the impact of a greater concentration on a single vendor.

“We know that serve well client consists of making available safe technology, allowing transactions to occur quickly in the app.”

Diogo Ciuffo da Silva – Analytics, CRM, Marketing, and Clients Officer

“The app shows a tab called loan alongside the card tab: ‘We offer you an x loan amount’. My notebook had fallen and broken, this was my first loan, I didn’t know I had this option. My loan experience was very positive, if I need to take out another loan in the future, I would undoubtedly take it with Banco PAN.”

Igor, 22 years old, PAN client



Client-centric governance

In order to reinforce our commitment to clients, we adopted continuous improvement procedures and specific governance for the topic.

In 2022, we unified the areas of analytics, CRM, marketing, and clients into a single department, which reports directly to the CEO and now uses consolidated and unified data in all processes. In addition, the Client and Ombudsman Committee was also created, which recurs every two weeks and involves top management. The committee evaluates and discusses, in an integrated way, the demands registered in the client service channels, whether primary or critical (attended by the Ombudsman), monitor action plans to improve processes, and proposes measures to correct deficiencies.

A Working Group (WG) was also created, focused on monitoring and proposing improvements for the client care and ombudsman areas. The WG has daily recurrence and reports weekly to the Executive Board, in addition to having recurrent agendas with the Board of Directors.

Since the implementation of centralized Governance for clients, it was possible to map the main deficiencies in the agenda and propose new action plans focused on client satisfaction.

One of the opportunities for improvement in which we acted was the adoption of continuous measures to improve internal processes, the product's digital journey, and the reformulation of the monitoring and auditing process of the sales activities of Correspondents and Certified Agents, often responsible for losses to clients.

Furthermore, significant investments have been made in the proactive fight against scams, structured around 3 main areas:

1. Pre-Sales | Analytics for Fraud Prevention

- We substantially strengthened the anti-fraud team, responsible for identifying and providing preventive guidance to combat scams through telephone contact. The team grew from 3 to 30 people dedicated exclusively to this topic.
- We implemented an adjustment to increase automatic referral for cases of significant INSS (Brazilian Social Security Institute) consigned credit proposals registered by certified agents who have been affiliated for less than 90 days. We contact clients formally to confirm proposal conditions, express willingness to proceed with the contract or ensure their full understanding of the product and its terms and conditions.

2. Pre-Sales | Improving the Digital Product Journey

- We implemented a process to display the name of the certified agent responsible for client service on the welcome screen for product contracting.
- We included the PAN logo and an explicit alert regarding the financial product contract on the selfie capture screen to combat the scams of life verification or false confirmation of receiving a gift.
- We added an “AVOID SCAMS” alert to the digital product journey, urging clients not to make payments or deposits to third-party accounts, and requiring clients to read and acknowledge the alert, ensuring their awareness of the presented information.
- We have implemented a system to identify and block equipment used to formalize and contract operations classified as fraud, preventing the formalization of new proposals using the respective equipment, regardless of the registration used to formalize the proposals.
- We have implemented a new FACETEC liveness system, which allows a better and more accurate verification of the authenticity of the clients’ selfie taken during proposal formalization, thus avoiding the formalization of fraudulent proposals.

3. Quantitative Information on Fraud Detection and Imposition of Penalties

- We conducted on-site visits to correspondents with the highest concentration of fraud-related demands, aiming to raise awareness of the main compliance requirements and disseminate the new rules implemented by PAN.





Ombudsman

This important client relationship channel mainly aims at acting as a facilitating and transformational agent of products and processes, by continuously enhancing client relationship with the Bank.

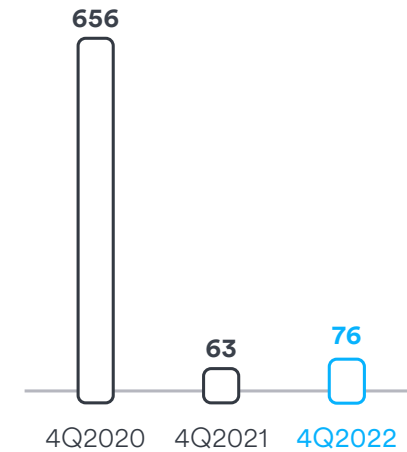
We have a cross-sectional corporate team composed of 42 duly certified employees, trained with skills necessary to mediate conflicts with case-resolution capacity, meeting our clients' demands.

We want to surprise with the service provided, basing our strategy on four pillars:

- 1. **IMPROVE** the offer of products and services, offering quality service, and feedback of improvement opportunities to internal areas;
- 2. **DISCUSS** in periodic meetings with the internal areas, the demands of the clientele in order to find practical means to speed solutions up and reduce the demand for these claims;

- 3. **SEEK** and retain employees with profiles suited to the role of Ombudsman, due to the requirement demanded by the peculiar nature of the activity;
- 4. **ACT** actively in the process of improving and adapting the Relationship Policy with clients and users of financial products and services.

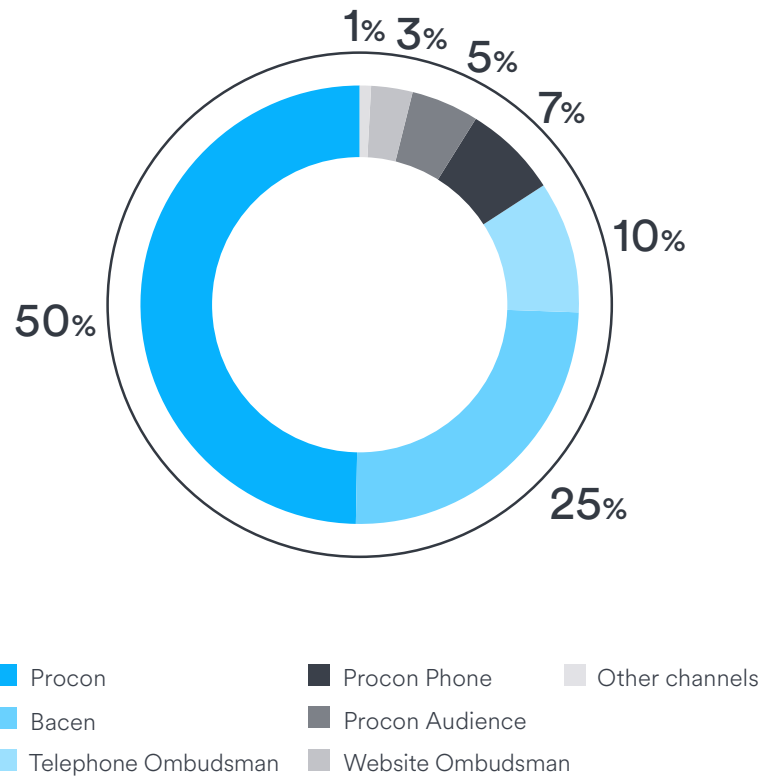
Central Bank Complaints Index



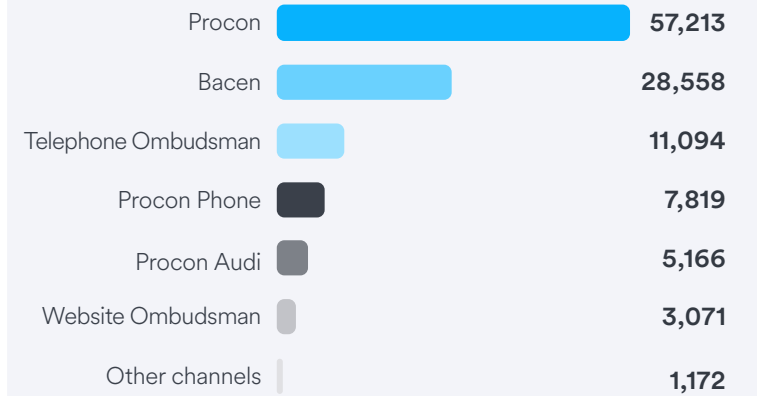
One of the main activities carried out by the PAN Ombudsman in the search for excellence in service and the adoption of best market practices is the institutional relationship with regulatory bodies, class and consumer protection entities and other ombudsmen in the financial market.

Besides the scope foreseen in Resolution No. 4.860/2020, the Ombudsman answers complaints sent via Bacen (Citizen Complaint Registry System – RDR), and also receives the demands Procons (telephone service to Procon technicians – Procon Fone, Letter of Preliminary Information and Hearings) and Public Defender Office’s Consumer Defense Centers.

Requests handled by channel



Volume for the year by channel



114,093
Total handled demands

Data privacy and security

GRI 3-3 418, SASB FN-CF-220a.1, FN-CF-230a.3

At PAN, we assure data treatment, storage, sending, and disposal security, besides restricting their use only to the purpose defined upon collection. Therefore, over the past years, we have worked to consolidate the set of rules of protocols defined for personal data treatment, both by different areas of the Bank, but also by suppliers and partners concerning the following documents:

- Data Privacy and Protection Rule;
- Answer to Incidents Involving Personal Data Rule;
- Privacy in the Offer and Prospect to Individuals Rule;
- Privacy Since Inception Rule;
- Data Loss Prevention Rule;
- Risks to Privacy Rule.

When an account holder acquires one of our products under the terms of use provided for in our agreements, the holder is aware that his/her data are only used for the purpose contracted, and also to improve his/her experience with us. At the year-end, we managed data from approximately 24 million clients.

The Week of Data Privacy and Protection took place in November, an initiative to raise the entire team's awareness about the relevance of data protection, wherein related lectures were provided, for instance: privacy related to behavior, cybercriminal mindset, and phishing, besides we relied on the participation of 492 employees.

The Technology Governance area has management liable for monitoring and centralizing technology risks, which are identified by our Internal Audit team's evaluation. The manager and technology team are in charge of monitoring the process and providing the information necessary for the Audit.

After Internal Audit's final report is issued, technology teams have a deadline to devise and formalize an action plan in response to the recommendation. Action plan execution is monitored on a bi-monthly basis. IT indicators are also made available online at the Indicators Center for teams.

Besides Internal Audit, external auditing is conducted half-yearly by PricewaterhouseCoopers Brasil (PwC), referring to the systems transacting the bank's accounting-related data.

Aware of the relevance of raising employees and outsourced workers' awareness on this topic, we provide courses, lectures, and events, so that this topic is discussed and known by all the organization's persons involved.

In 2022, two handbooks were drawn up, and addressed to the public and other stakeholders: Data protection: everything you need to know to ensure fair play, and everything you need to know about information security.

Data leakage

SASB FN-CF-230a.1

An external specialized consulting firm was hired to conduct a comprehensive, accurate, and independent diagnosis regarding the exploitation of a vulnerability in a third-party technology provider's platform.

The third-party software company was notified to immediately fix the vulnerability that allowed the unauthorized copying of registration data of 238 thousand account holders.

All involved were promptly notified of what occurred and there was no exposure of full card numbers, passwords, or any data that incurs financial risk to the client.

This incident resulted in adjustments to Data Privacy and Protection area, by implementing a more robust risk mapping and simulations closer to reality, as well as all employees' awareness.

Incident response processes were reviewed and adjusted, that included, for instance, a review of LGPD addenda and bank correspondents' annual re-assessment (Corbans).



In addition, incident response processes were reviewed and adjusted, with the involvement of areas in charge, within a more agile flow that included, for instance, a review of LGPD (General Data Protection Law) addenda and bank correspondents' annual re-assessment Corbans. Key adjustments took place within the Information Security Technology sector, wherein the following areas were set up:

- a) Data Governance and Engineering;
- b) Technology Governance; and
- c) IT Architecture.

Indicators and goals

Objectives and goals are outlined based on LGPD legal requirements and the Company's strategies. The following indicators and respective goals are reported monthly:

- **Calls answered within the service level agreement (SLA), related to the holders' rights.**
 - | The goal is **80%** within SLA
- **Incidents involving personal data, aiming at identifying whether the number of incidents involving personal data has been decreasing or increasing, investigate the causes and define actions.**
- **Awareness:**
 - % of bank correspondents who received training;
 - % of employees who received training;
 - % of favorability of awareness initiatives.
- **Privacy risks:**
 - % of privacy risks identified and not solved.

Services

Average of 1,074 calls/month
over 90% in SLA

Gradual increase in calls since the implementation of the PAN website, from 90 to 3,075 calls.

Average of 43 assessments/month
up to 70 consecutive days

Automated process: from eight assessments/month to up to 83 assessments/month.

75% increase in websites adherent to LGPD in 2022

Anti-fraud

GRI 3-3, 205

The year 2022 saw great technology transformations, our great ally in the fight against cyber risks.

PAN is concerned with its clients' security and data, always seeking to provide new solutions and technologies aiming at mitigating risks and identifying eventual frauds. The year 2022 saw great technology transformations, our great ally in the fight against cyber risks.

Initiatives were executed focused on monitoring and anti-fraud, aiming at reducing financial and image losses stemming from scams and frauds, such as:

- 1 Implementation of facial biometrics as an authentication engine;
- 2 Implementation of transaction confirmation module via WhatsApp – offering greater agility in security processes;
- 3 Creation of new monitoring rules, seeking to minimize eventual frauds;
- 4 Awareness campaigns with security tips to diminish fraud and scams.

Anti-fraud in-house procedures must be observed by all employees, who shall communicate suspicious events through our whistleblowing channel.

This channel allows reporting suspicious or non-ethical practices, anonymously or with the whistleblower's identification, preserving the identity's confidentiality and information provided pursuant to the laws.



Care for the environment

GRI 2-1

Our role as a financial institution is to promote the economic development of our society responsibly, favorably influencing our clients, employees, suppliers, and partners. Therefore, we continuously seek to foster sustainable businesses which are positively added to our community, clients, shareholders, partners, and employees.

In cases our businesses may adversely impact the environment, we pursue ways of mitigating these impacts. To monitor them and be accountable to society, we recurrently monitor PAN and its subsidiaries' environmental and climate indicators.

Bank's headquarters are based in the Brazilian Financial Center (BFC) condominium, at Paulista Avenue, in the city of São Paulo (SP). This AA-rated building relies on a bicycle rack, wallbox, and elevator call smart system that optimizes travel, besides solid waste recycling. The building's location encourages the use of public transportation, with a subway station and buses in front of the development.

Energy within the organization

GRI 302-1, 302-2

Energy usage within the organization (GJ)¹

	2020	2021	2022 PAN	2022 PAN Conglomerate	Δ2022/2021 ²
Electricity Consumption by the Concessionaire	12,547	8,876	7,774	8,231	-12%

¹ Indicator data in 2022 corresponded to Mosaico's consolidated figures (as of January/2022), Mobiauto (as of February/2022), and PAN. In previous years, data only relied on PAN.

² Our energy consumption totaled 7,774 GJ in 2022, a 12% savings compared to the previous year, due to headquarters renovation.

Energy consumption outside the organization (GJ)^{1 2}

	2021	2022 PAN	2022 PAN Conglomerate	
Non-renewable fuels	Diesel/Brazil	8,906	4,268	5,718
	Gasoline/Brazil	15,859	21,466	25,467
	Airplane Kerosene	1,152	2,876	3,828
Total	25,917	28,610	35,013	

¹ Indicator data in 2022 corresponded to Mobiauto's consolidated figures (as of February /2022), PAN, and Mosaico (as of January/2022). In the previous year, data only relied on PAN.

² This panel includes the energy consumption in sources classified as Scope 3. Although conservatively classified as non-renewable fuels, "Gasoline - Brazil" and "Diesel - Brazil", contain the addition of renewable fuels (i.e. ethanol and biodiesel, respectively).

Climate strategy

Looking at the impact of climate on the PAN, in 2022 we started mapping the transitional and physical climate and physical climate risks in our business.

In 2020, we started measuring our greenhouse gas emissions and, in 2021, we kicked off a climate change prevention journey, adopting mitigation and adaptation strategies.

In 2022, we initiated our carbon neutrality, offsetting 100% of scopes 1, 2, and 3 emissions (ex-financed portfolio) referring to 2021, a strategy maintained in 2023 when, in March, we offset emissions referring to 2022.

Also in 2022, with a sound emissions management strategy, for the first time, we won the Gold Seal from the GHG Protocol Program, the program's highest certification level granted to businesses that comply with all transparency criteria when publishing their carbon emissions inventory.

Also in 2022, for the first time, we answered the CDP climate change questionnaire, and we were assigned a B score, the best among Brazilian financial institutions.

Among the initiatives adopted to lower greenhouse gas emissions, also the generation of waste in offices, in September 2022, we no longer offered plastic cups to our employees, replacing them with paper cups. We also promoted campaigns concerned with the use of reusable cups and bottles, cutting by 61% paper cups solid waste when compared to the previous year. We also now offer the option for employees to bring batteries and electronics for appropriate disposal by our facilities team.

**In 2022, for the first time,
we won the Gold Seal from
the GHG Protocol Program.**



Emissions

GRI 305-1, 305-2, 305-3

We want to devise products and services that facilitate the mindful use of natural resources and respect the environment, always controlling greenhouse gas emissions directly or indirectly caused through our activities.

Our role as a financial institution is to promote the economic development of our society responsibly, positively influencing our clients, employees, suppliers, and partners. The mapping and treatment of greenhouse gas emissions are paramount in this process.

Therefore, we mapped both our direct and indirect emissions, inclusive of those referring to carbon emissions of vehicles financed by PAN.

Lower emission values referring to Scope 2 were due to reduced emission factors of the Brazilian National Interconnected System, whose monthly average went from 0.1264 to 0.0425 tCO₂/MWh.

In 2022, we started our journey towards carbon neutrality, offsetting 100% of the emissions for the year 2021, a strategy that was maintained in 2023 when we finalized the offsetting for 2022.

Scope	Category	2021	2022 PAN Conglomerate
Scope 1	Total	0	37
	Fugitives	0	37
Scope 2	Total	291	97
	Acquisition of electric energy	291	97
Scope 3	Total	1,719	2,450
	Fuel and energy related activities not included in scopes 1 and 2	13	7
	Employee displacement (home to work)	41	1,021
	Residues generated in the operations	120	302
	Transportation and distribution (upstream)	592	15
	Business trip	953	1,104
General total		2,010	2,584

In scope 3, it was possible to notice an approximate increase of nearly 2,390% and 152% in emissions related to employees' commuting hours and waste generated by operations, respectively, besides a 98% decrease in transportation and distribution emissions. These three effects can be justified by a resumption of face-to-face work at PAN's offices, which accordingly, increased the need of travel and the waste generation, as well as reduced the need for sending materials to employees' residences.



Emissions Compensation

To offset our greenhouse gas emissions, we support projects that seek to restore and conserve ecosystems. The emissions that occurred in 2022 were offset through the Envira REDD+ CCB Project, maintained by Carbonext, which takes place in the municipality of Feijó (AC) on a property with 39,301 hectares. The area had a license to suppress vegetation in order to develop livestock activities, which was renounced after the project.

Now the property is destined for conservation actions, which collaborate with the protection of around 270 species of amphibians, reptiles, mammals, and birds. In this last group, there are 45 protected species, 18 endemic, and 2 under threat of extinction. Other activities linked to the project are monitoring areas at risk of deforestation through navigation and training in carbon inventory, which involve the community, including generating jobs.

Among the main benefits generated are:

- Monitoring of conditions and generation of work;
- Installation of 12 community bathrooms with sanitation;
- Implementation of the health center with a dental clinic;
- Sustainable harvesting of açai, copaiba, medicinal plants, and rubber;
- Sustainable agriculture technical training;
- Monitoring attendance at schools.



In 2021, we started mapping the emissions financed by PAN. Among the operations we offer, only vehicle financing emits greenhouse gases significantly.

In 2022, to bring even more transparency and comparability to the data disclosed, we joined the Partnership for Carbon Accounting Financials (PCAF), a partnership of private sector companies whose objective is to facilitate transparency and accountability of the financial sector to the Paris Agreement.

The data presented below refer to the vehicle portfolios financed in the last two years within the standard proposed by PCAF, and therefore present small differences to the numbers presented in the 2021 Annual Report.

The emissions factors used for the calculations were developed with information on average mileage and type of fuel used, based on a survey of over 400 PAN vehicle financing clients in 2021.

■ **Summary of funded emissions in PCAF**
tons of CO₂ equivalent (tCO₂e)

2021

Type / Emissions (tCO ₂ e)	
Light Vehicles	405,113
Motorcycles	106,782
Total	511,895

2022

Type / Emissions (tCO ₂ e)	
Light Vehicles	439,418
Motorcycles	60,566
Total	499,984

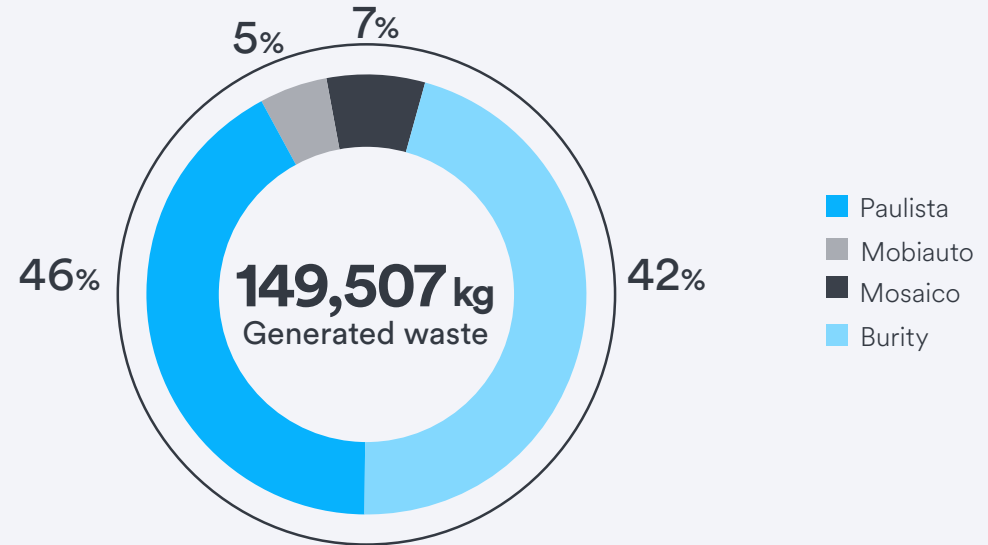
Waste management

GRI 306-1, 306-2, 306-3, 306-4, 306-5

Aiming at reducing stocked material, we removed individual drawers, and we built service pools with working materials, dustbins, and printers. This initiative aims at decreasing discard and printing, due to the concentration in sites strategically installed. We encourage document digitalization to the benefit of paper use savings.

We also mapped and coordinated the generation and destination of waste produced in our facilities, aiming at increasingly reducing them. Thus, we aim at training our professionals to recycle, offering educational materials about this topic on our Webpage, and allocating duly labeled dustbins across our offices.

Breakdown of 2022 data by operating unit



Composition of generated waste

Waste (kg)	2020	2021	2022 PAN	2022 PAN Conglomerate
Electronic/destruction waste	-	11,706	7,712	7,712
Common/landfill waste	87,216	81,885	118,934	137,498
Recyclable waste/recycling	3,133	2,282	4,297	4,371
Total	90,349	95,873	130,943	149,507

Water consumption

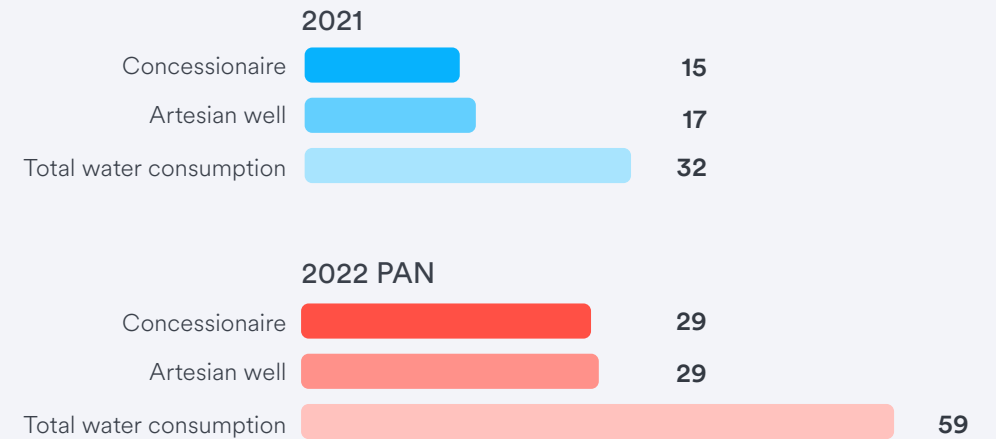
Both concessionaire and artesian wells supply water for the building, causing supply redundancy. Although waste and water indicators are directly managed by the condominium's administrator, we are co-liable for how inputs are used. Therefore, we promoted an awareness campaign at Burity and Paulista offices, to educate and call our employees' attention to this topic concerning water and energy consumption.

In 2022, the condominium's consumption totaled 58,687 liters of water, 50% deriving from artesian wells and 50% from public grid supply. Consumption increased compared to the previous year when office occupation was lower on the back of the pandemic.



In 2022, the condominium's consumption totaled 58,687 liters of water, 50% deriving from artesian wells and 50% from public grid supply.

Water consumption (ML)¹ GRI 303-5



¹No water consumption in water stress areas.

Do it the right way

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Our governance

Good governance practices, risk management, ethics, and integrity are in our DNA, allowing us to achieve our objectives of ramping up business and generating a positive impact on society. Our practices go beyond regulations and self-regulations, comprising governance, conduct, transparency, ethics, and integrity aspects.

At the end of 2022, we decided to adhere to the Global Compact 100% Transparency Movement, undertaking the commitment to bolster our transparency and integrity mechanisms.

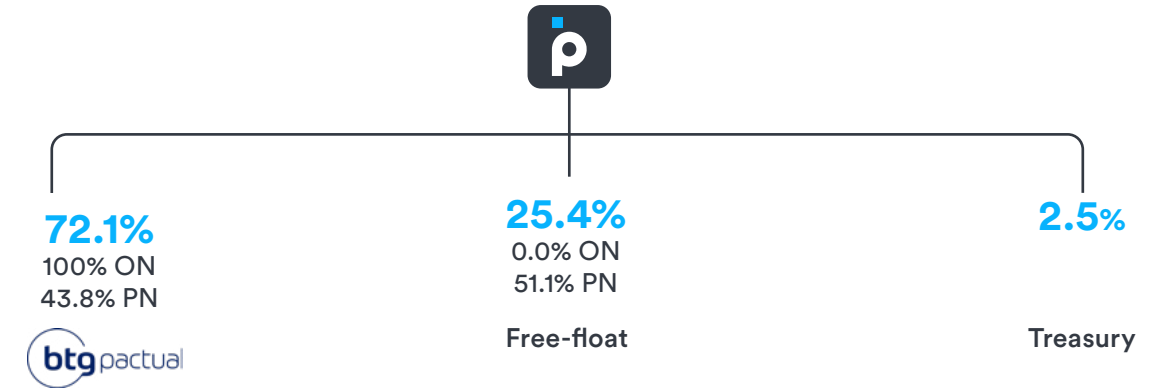
Thus, we will implement five transparency goals by 2030, namely:

- 1 - 100% transparency of interactions with Public Administration¹:** We will publish all relevant interactions with Public Administration and agreements, concessions, and licenses maintained by the Company.
- 2 - 100% of high-risk value chain trained in integrity:** Training sessions will be provided to high-risk suppliers and partners, publishing evidence and success indicators. [Learn more about on page 101.](#)
- 3 - 100% transparency in whistleblowing channels:** All data added to the whistleblowing channel, besides current policies, will be published in our Annual Report. [Learn more about on page 103.](#)
- 4 - Senior Management 100% compensation:** Inclusion of integrity criteria in the Company's compensation policy and publication on the PAN website. [Learn more about on page 90.](#)
- 5 - 100% transparency of Compliance and Corporate Governance structure:** Publication of PAN's corporate governance and compliance structure, indicating persons in charge at reporting and seniority levels. [Learn more about on page 85.](#)

Ownership structure

GRI 2-1, 2-15

We are a publicly-held corporation, listed at the corporate governance Level 1 of B3 S.A. (Brasil, Bolsa, Balcão), with preferred shares traded under the ticker symbol “BPAN4”, directly and indirectly, controlled by Banco BTG Pactual S.A., with our ownership structure detailed as follows.



Direct and indirect interest through Banco Sistema S.A., Banco BTG Pactual S.A.'s wholly-owned subsidiary.



Governance structure

GRI 2-9, 2-10, 2-11, 2-12, 2-13, 2-14, 2-16, 2-17, 3-3



Our corporate governance assumptions and guidelines:

- 1- Committees setup and their subordination relation;
- 2- Balance of powers and Independence among committees' participants;
- 3- Agility in committees' decision-making process;
- 4- Formalization of committees' charters;
- 5- Competencies with risk vision and allocation of individual competencies, where applicable;
- 6- More intuitive normative structure;
- 7- Corporate policies to be submitted for PAN Board of Directors' resolution.

GRI 2-12

Banco PAN is managed by a Board of Directors and a Board of Executive Directors, under its Bylaws in force. In 2022, 16 Board of Directors meetings were held, 15 Audit Committee meetings, and 44 Board of Executive Directors meetings, wherein concerns were raised relating to risks, strategy, and budgetary planning, besides issues referring to business management indicators, ESG, clients, ombudsman, whistleblowing channel, amongst others.

Board of Directors

Banco PAN's Board of Directors (BD) is composed of a minimum of five and a maximum of 11 members, all shareholders or not of the Company, resident or not in the country and duly elected at a General Meeting of Shareholders, with a unified mandate of one year, reelection being allowed. Reelection is permitted.

The Board of Directors' responsibilities and matters of competence as provided for in Article 25 of the Company's Bylaws and applicable laws. In this regard, it is worth pointing out that the Board of Directors is the joint committee resolution body liable for setting out PAN's overall business policies, including the long-term strategy,

Our ESG governance and risk and capital management framework are aligned with the Social, Environmental and Climate Responsibility Policy ("PRSAC") of Banco BTG Pactual S.A., PAN's parent company and the lead institution of BTG Prudential Conglomerate.

and also being liable for electing and withdrawing members of the Board of Executive Directors, outlining their duties and monitoring their performance.

The Board of Directors' decisions are made by a majority vote, as long as the rules for installation provided for in the Company's Bylaws are observed.

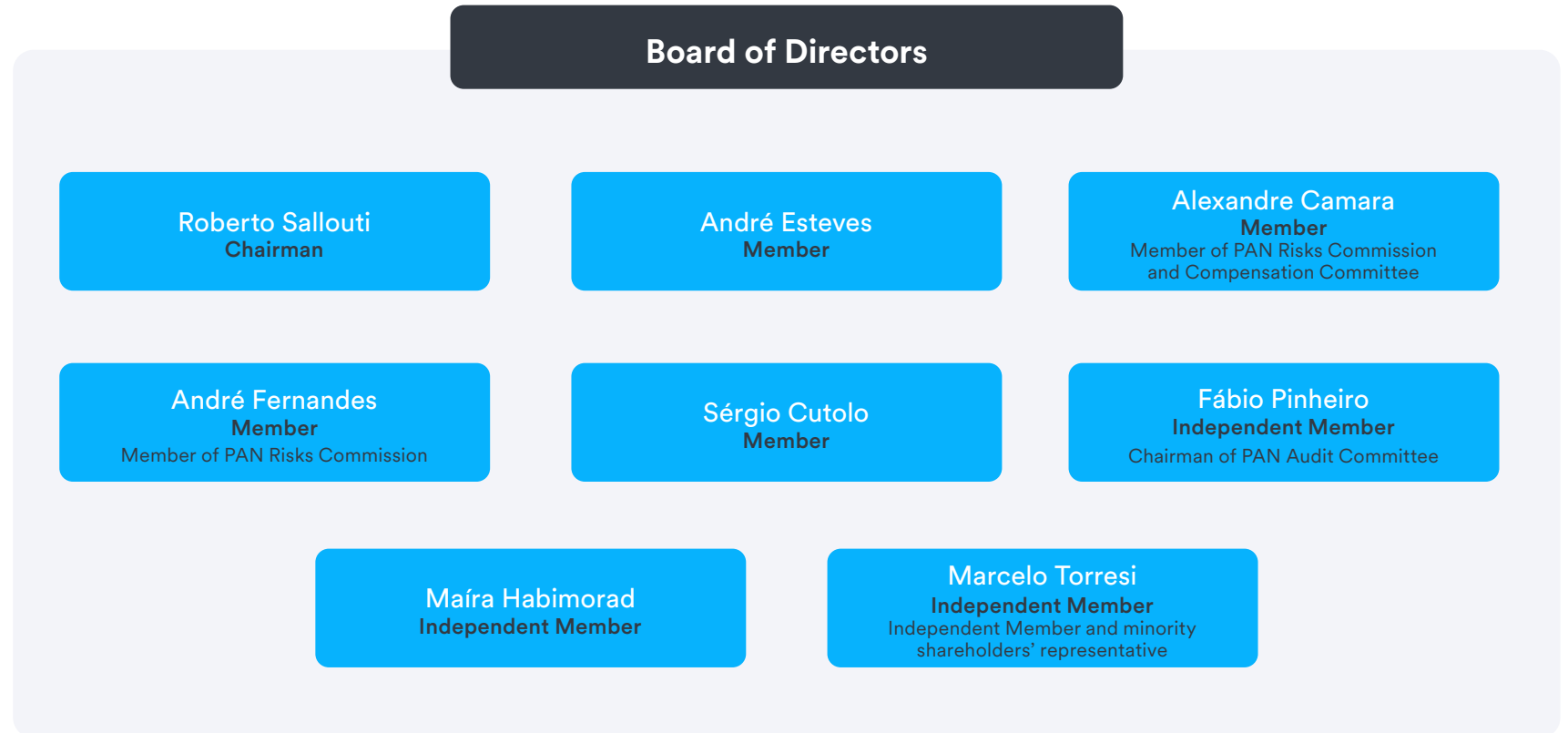
In addition, the Board of Directors analyzes PAN's risk appetite statement and monthly follows the risk indicators evolution, including those related to social, environmental, and climate aspects. It shall also be incumbent upon the

Board of Directors to approve the corporate policies as guidelines applicable to Banco PAN's employees, besides approving the Company's organizational structure, including the setup of committees and the definition of their responsibilities, as well as extinguish those in effect.

The following committees compose PAN's governance structure, which report to the Board of Directors: Audit, Compensation, Risks, and ESG. The Risks and ESG Commissions also report to BTG Risks and ESG Committees, observing the Company controlling shareholder's guidelines.

Referring to the ESG Commission, we point out that this is the body liable for developing, resolving, and submitting the strategy, policies, and objectives related to the Company’s sustainable development for the Board of Directors’ acknowledgment and approval.

Currently, Banco PAN’s Board of Directors has eight members, three of them are independent, as shown in the chart below.



Note: The General Assembly of 04/28/2023 changed the term of office of board members to 1 year, however it still needs to be formally approved by the Assembly and Approved by BCB.

Guilherme Pacheco was part of the Board of Directors until April 2023, not having been re-elected in the AGO.



Board of Executive Directors

Banco PAN Board of Executive Directors is composed of, at least five, and at most, 12 members, with a three-year term of office, shareholders or not, residing in the country, elected and removed from office at any time by the Board of Directors, and re-election is authorized. It reports to the Board of Directors, and its responsibilities are specified in the Company's Bylaws and applicable laws.

The following committees report to the Board of Executive Directors: Assets and Liabilities; Legal; Clients and Ombudsman; Technology and Data; Correspondents; Credit and Retail Collection; Products; Corporate Security and PLDFT; Ethics; and Marketing.

Members of the Board of Executive Directors

**Carlos Eduardo Pereira
Guimarães**
CEO

**Alex Sander Moreira
Gonçalves**
Commercial and Products Director

Camila Corá Reis Pinto Piccini
Legal, People and ESG Director

Leonardo Ricci Scutti
CFO, IRO

Diogo Ciuffo da Silva
Marketing, CRM
and Analytics Director

Leandro Marçal Araújo
IT and Operations Director¹

Dermeval Bicalho Carvalho
Controllershship and
Compliance Director

¹ In March 2023, the executive board's name was altered to "Technology, Operations, and Ombudsman Board."

² In February 2023, the Credit and Collection Director tendered her resignation.

Note: In April 2023 Marco Antonio Cury Chain was elected as the new director of the Digital Banking area. The process is under approval by the Central Bank

Audit Committee

Banco PAN Audit Committee (COAUD) is composed of three independent members, with a five-year term of office, appointed and withdrawn by the Board of Directors, composed of one chairman, a member with proven experience in corporate accounting, audit areas, and another member of the Board of Directors not composing the Board of Executive Directors. One of the main missions of this Committee is to advise the Board in the oversight of financial reports' quality and completeness and abide by legal and regulatory requirements, the qualification and autonomy of independent auditors, the external and internal audit performance, as well as the quality, adequacy, and effectiveness of internal controls system, based on information received from various bodies of the Company and independent auditor, as provided for in CMN Resolution No. 4.910/2021.

Audit Committee

Fábio de Barros Pinheiro
Chairman
Independent member of PAN Board of Directors

Pedro Paulo Longuini
Member

Sidnei Correa Marques
Member

Risks Commission

PAN Risks Commission, pursuant to CMN Resolution No. 4.557/2017, is composed along with its controlling shareholder's Risks Committee, BTG.

ESG Commission

The ESG Commission shall ensure that Banco PAN Social, Environmental and Climate Responsibility Guideline is in line with BTG Social, Environmental and Climate Responsibility Policy, and the purpose of the Board of Directors evaluation every five years.

One of the main missions of the Audit Committee is to advise the Board in overseeing the quality and integrity of financial reporting, compliance with legal and regulatory requirements.



Executives' compensation

GRI 2-19, 2-20, 2-21

Our executives' compensation practices aim at ensuring the processes' integrity and stimulate PAN management to always pursue greater efficiency at work, and accordingly, deliver the best results. Our Management Compensation Policy aims to properly compensate its professionals' competence and commitments, concerned with individual and collective values development. The compensation of Banco PAN Board members and officers observes the market standards and is connected with corporate and individual performance.

Our Management members' compensation amount is calculated taking into account the amounts practiced by the market, also the Bank's competitiveness level. The Board of Executive Directors' compensation is yearly reviewed, according to the market, and an independent advisory firm is engaged to survey compensation.

The Board of Directors' compensation is solely composed of a monthly pro-labore, whose objective is to compensate each professional for their duties and responsibilities related to the office performed, without other elements, whether variable compensation, benefits, or long-term incentives.

The Board of Executive Directors' compensation is composed of (i) monthly pro-labore; (ii) variable compensation; and (iii) benefits (composed of life insurance, healthcare, and dental care). The objective of Officers' paid compensation is the following:

(i) Monthly pro-labore – compensate the Directors for their duties and responsibilities related to their office performed;

(ii) Variable compensation – align the Directors' performance to PAN Companies' short, medium, and long-term interests; and

(iii) Benefit – the benefits package that seeks to meet the Board of Executive Directors' basic needs.

The compensation of the Audit Committee members is determined according to the roles and responsibilities of each member and in accordance with market practices, and is composed exclusively of monthly fees and benefits.

Access our policies:



Management Compensation Corporate Policy
ri.bancopan.com.br



Credit Operations with Related Parties
Corporate Policy ri.bancopan.com.br

Risk Management

GRI 2-25, 3-3, 201, 3-3, 201, 207

Risk mapping and management are a priority across all PAN areas of activity, as we understand that the nature of our businesses exposes us to a series of financial and non-financial risks.

Risk mapping and management are a priority across all PAN areas of activity, as we understand that the nature of our businesses exposes us to a series of financial and non-financial risks. We work to avoid our reputation, financial condition, operating results, cash flow, and/or future business being adversely affected.

Our risk-integrated management identifies risks on a preventive basis through a proper information system of events that may cause adverse impacts, signaling any threats to the company and probability of occurring, as well as the measures and plans adopted to prevent or minimize such risk.

We have a Risk and Capital Management Corporate Policy approved by the Board of Directors, which defines risk and capital integrated management as part of the business management process, comprising the identification, assessment, measurement, monitoring, reporting, control, and mitigation of risk exposures, also the need for using capital. In addition, we have other [corporate policies](#) destined to control or mitigate risks that may adversely impact our activities and results:

- Information Security and Cyber Corporate Policy
- Social, Environmental and climate Responsibility Corporate Policy
- Securities Trading Corporate Policy
- Credit Operations with Related Parties Corporate Policy
- Material Act or Fact and Preservation of Confidentiality Corporate Policy
- Management Compensation Corporate Policy
- Compliance Risk Corporate Policy
- Anti-Money Laundering, Anti-Corruption, and Anti-Terrorism Finance Corporate Policy
- Competencies Corporate Policy
- Client and User Relationship Corporate Policy
- Internal Audit Corporate Policy
- Business Continuity Management Corporate Policy
- Corporate Anti-Corruption Policy
- Corporate Private Social Investment Policy

* Policies are reviewed annually.

Risks identified

GRI 201-2

Risk of Conduct: this is the risk related to how Banco PAN, its employees, and outsourced workers performing on its behalf behave and act before clients, users, investors, shareholders, employees, suppliers, service providers, government, competitors, and society.

Credit Risk: this is the risk connected with (i) the borrower, guarantor, or counterparty's failure to comply with related financial obligations under the terms agreed upon; (ii) the depreciation of loan agreement or financial instrument due to the borrower's or issuer's risk deterioration; (iii) lower gains or remunerations, advantages granted in renegotiation and recovery costs. When treating credit risk, the risk of concentration to borrowers, guarantors, counterparties, issuers, and economic sectors shall be taken into account.

Liquidity Risk: this is related to the possibility of Banco PAN not being capable of efficiently honoring its expected and unexpected, current and future obligations, inclusive those deriving from the bidding of guarantees, without affecting its daily activities, and not incurring significant losses.

Market Risk: this refers to Banco PAN's assets and liabilities change in value, due to market price fluctuation, as sub-categories, interest rate risk, foreign exchange variation, stock prices, and commodities prices. The risk of price variation is also included in this definition, due to the lack of instruments liquidity, or also the need for high volume transactions in relation to the usually transacted.

Bank Portfolio Interest Rate Risk (RTJBB): this is the current or prospective risk of impact from adverse movements of interest rates in the regulatory capital and financial institution's results for those instruments classified in the bank portfolio (non-negotiation).

Strategic Risk: this is the risk of losing market share, a decline in stock prices, revenue loss, or other losses, whether financial or non-financial, due to inadequacy, lack of timely business strategic decisions, or also due to relevant external factors not materialized.

Operational Risk: eventual occurrence of events resulting from failure, deficiency, or inadequacy of internal processes, people, and systems, or also related external events to impact the achievement of PAN's strategic, tactical, or operational objectives.

Legal Risk: this is related to operational risk and is associated with the risk of inadequacy or impairment in agreements signed by Banco PAN, as well as sanctions due to the non-compliance with legal provisions and indemnities due to damages to third parties, stemming from activities performed by Banco PAN.

Reputational Risk: this is the risk of losing shares, a decline in stock prices, revenue loss, or other losses, whether financial or non-financial, due to the occurrence of events to cause a negative perception of a group of stakeholders concerning PAN's reputation.

Cyber Risk: this measures the probability of eventual negative results associated with cyber-attacks that may compromise Banco PAN's confidentiality, integrity, and availability of data or computer systems.

Compliance Risk: this is the risk of Banco PAN suffering legal or administrative sanctions, financial losses, reputation damages, and other damages stemming from the non-compliance or failures to observe the legal framework, infra-legal regulations, regulators' recommendations, and self-regulation codes (where applicable).

Social and Environmental Risk: risk of losses, legal or regulatory sanctions, or also indemnifications due to damages to third parties, in light of the occurrence of events causing social or environmental damages with Banco PAN's direct or indirect participation.

Climate Risk: this is divided into two fronts, transition, and physical risks. The transition climate risks are potential impacts on businesses, in the pursuit of a low-carbon economy. The physical climate risks are those causing impacts on businesses when triggered by extreme climate events or climate change's long-term effects.



Image and reputation management

GRI 3-3

We maintain an in-house communication policy with the press, which aims at outlining the principles, guidelines, and responsibilities of those involved in PAN group relationships with vehicles of communication in usual and crises, and contribute to the consolidation of our corporate image and reputation.

In compliance with this policy, we manage to align messages between our channels, avoiding noises in communication, and also providing control of messages during crisis peaks.

To prevent and mitigate potential adverse impacts, we adopted the following measures:

Risk mapping: an area-by-area survey of risks that may be materialized by classifying probabilities and eventual reputational and business impacts.

Preparation: Recurring training and simulations with the Bank's key spokespersons about how to act and take a stand during moments of crisis.

Crisis manual: Continued review of the Crisis Management Manual, including guidelines for spokespersons, the definition of crisis committees, and step-by-step performance.

Monitoring: after the publication of articles and/or news, it shall be incumbent upon the Marketing, Performance, and Press area to monitor and (i) inform employees involved during the process about the repercussion of the article and/or news; ii) analyze the results obtained, and (iii) any developments.

“PAN, a very traditional bank that reshaped itself, and innovated. PAN is not a new bank onboard. Banco PAN started a long time ago, it innovated itself to come back technological, as we say, got off the grid to emerge high-tech”.

Fernanda, 29 years old, PAN client

Risk mapping and monitoring

Our risk and control management structure is based on the three-line of defense concept, wherein all business/support areas are mainly in charge of managing and controlling the risks relating to the processes, systems, and products under their responsibility.

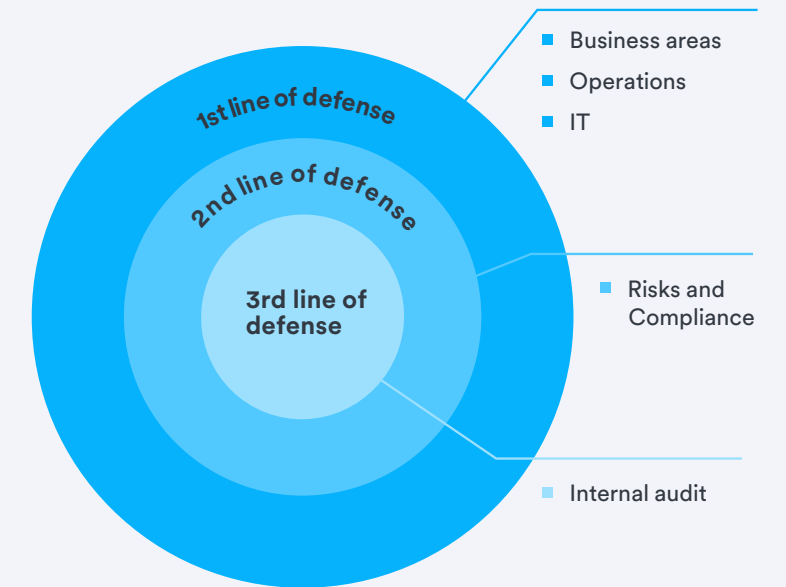
The Non-Financial Risk and Internal Controls areas, the Credit Risk, Liquidity, Market, Compliance, PLD, and Legal units, amongst others, operate as the second line of defense, backing the business/support areas, as far as technically and methodology aspects are concerned, at the same time they challenge, monitor and control key risks; lastly, the Internal Audit carries out a third level of control by assessing processes, systems, and controls in effect.

In the second line of defense, the Non-Financial Risks and Internal Controls area is liable for adjusting the non-financial risk management structure, so that risks are properly identified, assessed, and measured (where applicable) by managers in charge, and in accordance with the thresholds

defined and within risk appetite approved (Risk Appetite Statement - RAS). Therefore, its main duties are:

- To define and disseminate the concepts of the risk;
- Elaborate, suggest, and submit to PAN Risks Commission, the policies, rules, and operational thresholds associated with risk exposure;
- Elaborate, suggest, and submit to PAN Risks Commission, the methodologies relating to non-financial risk management;
- Monitor and control Banco PAN's risk exposure, comprising all the relevant sources of risk and drawing up timely reports for the Board of Executive Directors;
- Support the risk of previous identification inherent to the new activities and products, and if these conform with procedures and controls adopted by the company.

Areas of activity:



ESG Risk Management

GRI 2-13

To keep PAN on the right track, we look at:

- **The adherence to regulations:** when published, we assess whether these apply to our operations, as well as our level of adherence to the regulator's guidelines. If we are not adherent, an action plan is opened and monitored until effective implementation.
- **The relationship with the regulator:** control of demands and interactions with regulators, aiming at ensuring its effective compliance, delivery of information/data requested, and term compliance.
- **Compliance tests:** assessment applied over compliance items to ensure adherence to the regulations and policies.
- **INP:** governance of initiatives aiming at ensuring that risks are previously known and controlled in product development, services, and/or relevant processes and alterations.

PAN's culture embeds risk analysis and mitigation relating to the ESG topic. The management of Social, Environmental, and Climate Risks (RSAC) at PAN is an integral part of the social and environmental responsibility practice and comprises identifying, assessing, monitoring, measuring, mitigating, controlling, and timely reporting the exposure to these risks through systems, routines, and procedures adopted in its operations and businesses. In 2022, Banco PAN reviewed its RSAC assessment system in the registration of new partners, suppliers, and clients, aligning the parameters to those defined in BTG Conglomerate PRSAC.

Our risk management structure is divided into two fronts: first is the Board of Directors, liable for defining and monitoring the implementation of long-term strategy and approving the corporate goals connected with this topic; second is the ESG Commission, set up in 2021 as Committee and restructured in 2022 to make it more comprehensive and in line with our policies integrated with those of the leader of the BTG Pactual Conglomerate. The

ESG Commission officially reports to the PAN Board of Directors and BTG Conglomerate ESG Committee.

Chaired by the Legal, People and ESG board, the ESG Commission is also liable for drawing up and maintaining the Corporate Guideline for Social, Environmental and Climate Responsibility (DRSAC), applicable to Banco PAN companies (PAN Conglomerate), as well as its employees, suppliers, partners, and clients. The DRSAC outlines a set of principles, guidelines, and responsibilities that guide the social and environmental activities across PAN conglomerate.

Also in 2022, various adjustments were made in the social and environmental risk monitoring and assessment process of clients, partners, and suppliers, by including new ESG clauses in the agreements; a specific social and environmental risk analysis in new and former agreements, also the appraisal of properties not for private use owned by the institution.

Other ESG Risks

GRI 201-2

In addition to active ESG risk management, we have also started mapping potential risks related to our socio-environmental and climate exposure in 2022. Throughout 2023, PAN will work to adjust its risk management to the mapped factors.

Strategic risks

The Strategic Risk to which PAN is exposed implies eventual market share loss, a decline in stock price, revenue loss, or other losses, whether financial or non-financial, due to inadequacy, lack of timely business strategic decisions, or also due to relevant external factors not materialized.

A. Loss of clients' income due to high inflation

Both the 1.5° and 2° increases in temperature imply a higher incidence of extreme climate events and ecosystem changes. These events may result in rainfall rise or shortage, impacting agricultural production and energy generation that relies on water basins. These events are responsible for shocks in inputs supply and basic consumer goods, such as food and energy, hiking their prices on the domestic market, and as a result, higher inflation and loss of Brazilians' purchase power.

Overall, Banco PAN's performance is strongly influenced by Brazil's economic growth, which can be hampered by social and environmental issues, including eventual shortage of energy and water, lack of qualified labor, government and private investments in these areas, and education, curbing productivity and efficiency.

B. Physical damages caused by extreme climate events

The expected climate change causes a considerably higher physical climate risk triggered by extreme climate events. These events may cause property damage to the Brazilian population, especially the most economically and geographically vulnerable that represent a relevant amount of PAN's portfolio.

If this risk materializes, PAN may incur an increase in default rates, impacting its results.



C. Climate change

A critical physical climate risk is related to systemic climate changes, with long-term impacts that threaten physical structures' integrity, the safety of more vulnerable populations, also biodiversity, and is caused by higher sea levels, sudden changes in temperatures, and changes in rainfall patterns, amongst others.

With a portfolio of approximately R\$ 9 billion INSS (Brazilian Social Security Institute) deductible loan, PAN has a large part of its clients aged 60 years, a population more vulnerable to sudden changes in temperatures and extreme temperatures.

Therefore, it is possible to conclude that part of PAN's payroll deductible loan is exposed to chronic physical climate changes. Currently, PAN's portfolio is already priced to the risk of decrease for the current scenario; as the next step, PAN will assess its portfolio behavior in possible TCFD scenarios (Task Force on Climate-Related Financial Disclosures), and anticipate risks.



D. Legal risk

Within this context, the legal risk is an integral part of operational risk and is associated with the risk of inadequacy or impairment in managing the impacts of PAN's activities over climate, environment, or society wherein it operates, exposing the Bank to sanctions due to the failure to comply with legal provisions and indemnification due to damages to third parties.

At PAN, the Compliance area is liable for frequently monitoring prevailing laws, assessing their enforceability, and activating areas in charge. Social, environmental, and climate-related laws are monitored jointly by ESG and Risks area, liable for ensuring the conformity of business with regulations in force.

As of 2022, all clients, suppliers, and partners (bank correspondents, car dealers, and strategic partners) are now submitted to a specific social, environmental, and climate evaluation, wherein aspects are observed, such as discreditable media and lists of areas and persons embargoed by IBAMA (Brazilian Institute of Environment and Renewable Natural Resources). In addition, new business clauses were included in all the organization's agreements, specifying the need that partners and suppliers shall abide by Brazil's environmental and climate rules and laws.

E. Economy deterioration due to sanitary crises

Eventual new sanitary crises, likewise the COVID-19 pandemic, and the government's response to them cause severe impacts on the global and Brazil's macroeconomic and financial conditions, including supply chain disruption and businesses closures, resulting in revenue losses, increased unemployment, economic stagnation/contraction.

The impacts on Brazil's macroeconomic and financial conditions had, and may in the future adversely affect PAN's businesses, significantly rising the risks associated with the credit market, including those resulting from higher delinquency and renegotiation of debt contracts, as well as potential force majeure actions that may soar loss provisions, make actual loan losses to surpass provisioned amounts.

At PAN, the Compliance area is liable for frequently monitoring prevailing laws, assessing their enforceability, and activating areas in charge.



F. Image risks

Various social, environmental, and climate factors may cause damage to reputation and raise a negative perception of Banco PAN by clients, counterparties, shareholders, investors, government authorities, community, or regulators, such as the non-compliance with legal regulatory obligations, execution of irregular business with clients or businesses that may supposedly represent abusive practices, engagement of suppliers who do not ensure regular conduct of their businesses, leakage of clients' information, misconduct of partners, collaborators, managers and failures in risk management, clients complaints, amongst others.

Also, actions taken by third parties, including controlling shareholders and suppliers (such as the non-observance of labor laws, illegal acts, and corruption, and actions contrary to the health, occupational safety, social and environmental rules), may indirectly impact the Bank's reputation before the market in general.

In this regard, PAN implemented various policies and practices to lessen the exposure and mitigate the image risk, such as the approval of Social, Environmental, and Climate Responsibility Policy and Institutional (i) Codes of Conduct and ethics (ii) for Suppliers and Partners. In addition, PAN carries out social, environmental, and climate risk analyses of all partners and suppliers engaged, aiming at reducing the exposure to the image risk caused by third parties.

G. Operational physical risks

Among the operational physical risks are those related to eventual impacts on activities and internal processes caused by social, environmental, and climate impacts, among them:

- Banco PAN's computers and communication systems may be damaged or have their operation hindered due to fire, flood, power outage, and other factors or environmental and climate events. To mitigate potential losses, the Bank has redundant systems and business continuity plans to prevent critical processes to be compromised.
- Heavy rainfall, flooding, or water shortage at PAN's offices may affect internal processes, especially those related to employees' productivity who cannot reach the workplace. In this regard, PAN heightened its investments in infrastructure to provide work equipment that can be used remotely by all employees.

Partners and suppliers management

GRI 204-1, 308-1, 308-2

To retain service providers and suppliers, PAN's employees must adopt objective, seamless, fair selection and hiring criteria, without any type of favoritism, observing the procedures set out in in-house rules.

Special attention must be given to services providers directly or indirectly representing PAN to ensure they also perform according to the principles of our Code of Conduct and Ethics for Suppliers and Partners, and other applicable in-house policies.

Our employees are trained to ensure that services providers and suppliers abide by all legal and contractual requirements, such as labor, tax, environmental, sanitary, and safety, prioritizing the fight against illegal or criminal acts (corruption, influence-peddling, fraud, money laundering, and smuggling) in their business guidelines.

In 2022, 119 suppliers were engaged to deliver products and services. During this period, 16 potential partners were identified as causing adverse environmental impacts;

At the end of 2022, we recorded 978 suppliers in our base, of which 98% are Brazilians and 2% of them are international.

with 44% of them, we agreed upon improvements as a result of the assessment made, and with 31% of them we terminated business relations, as they are classified in the list of areas embargoed by Ibama due to environmental infringements and adverse judgments in environmental criminal lawsuits.

Supplier's selection and approval

Our compliance internal procedure to approve new suppliers includes phases from the bid process and approval to engagement. During supplier management flow, we analyze the reputational, social and environmental, financial, labor, and business continuity scores. We select suppliers in line with our culture, as well as our target group's culture, especially service providers directly or indirectly representing PAN.

We adopt the Social and Environmental Questionnaire in the supplier hiring process to analyze issues comprising occupational health and safety, environmental risks, and adverse media management practices. Our goal is to include other ESG filters in the hiring of new suppliers and continuously monitor the ESG practices of partners and suppliers. This process comprises the Assessment Boards and Anti-Money Laundering, Businesses Continuity, and Information Security areas.



For additional information about risks, access our **Reference Form**.

Ethics and integrity

GRI 2-23, 2-24, 2-26, 2-27, 3-3 205, 205-1, 205-2

We provide training sessions to reiterate our principles relating to corporate conduct, anti-money laundering, anti-terrorism financing, anti-corruption, data, and information security for 100% of employees.

We value transparency across all aspects, not only the disclosure of corporate information to the market. Transparency must also be present in the practices related to products and services, their terms and conditions, and always clearly and ethically informed to clients.

Aiming at ensuring ethical and upright conduct, PAN's governance structure maintains policies and procedures that manage this topic, such as policies of anticorruption and compliance with its guidelines, principles, and responsibilities, all of them published in the company, also rely on the [Code of Conduct and Ethics](#), available at PAN Investor Relations website. The Code contains

the definitions that must be observed in the relationships among employees and clients and stakeholders to bolster PAN culture, presenting the ethical and moral principles, values, and good practices that must guide all and any decision and activity performed by PAN management, employees and service providers, besides setting out conduct standards in situations of conflict.

The Code was submitted to review several areas, especially People, Compliance, Investor Relations, Inspectorate, and Legal areas, also an external advisory firm's analysis of the best market practices. Among other aspects, this review aimed at including guidelines on

our ESG practices. An updated version was released in September 2022, through an in-company notice, and employees' electronic acceptance to disseminate our culture and values.

Our Ethics Committee is the key instrument to ensure compliance with the Grupo PAN Code of Conduct and Ethics, assessing the compliance with this code, and resolving the need for disciplinary measures towards employees involved in whistleblowing, representations, or indication of acts involving fraud, conduct infringement, harassment, or any type of violation to the Code of Conduct and Ethics recommendations.

We provide training sessions to reiterate our principles relating to corporate conduct, anti-money laundering, anti-terrorism financing, anti-corruption, data, and information security for 100% of employees.

Whistleblowing channel

In 2022, PAN whistleblowing channel was restructured, so that to make the identification, analysis, and treatment of demands automated and agile, enhancing its governance and responsibility of areas involved.

Complaints involving the management of the Bank and its subsidiaries are sent to the Audit Committee, and the whistleblowing channel report is submitted for the Board of Directors' approval and made available to Bacen, pursuant to CMN Resolution No. 4.859/2020. In 2022, no complaints were registered, involving PAN current management.

The Compliance area is liable for screening and sending demands received by the whistleblowing channel, directing these demands to the appropriate areas, except for those received against controlling shareholders and holders of qualified interest, members of the management bodies, members of the Internal Audit, information about the failure to comply with legal and relevant applicable rules which are referred to the Audit Committee for analysis and measures.





Compliance Program

For us, compliance goes beyond the idea of “being compliant” with laws, regulations, and self-regulations, encompassing all the governance, conduct, transparency, ethics, and integrity aspects. Besides preventive and detective performance, the Compliance area has been increasingly becoming an advisory activity, giving support to strategic objectives and an integral part of the mission, vision, values, culture, and risk management of institutions.

The Compliance area is responsible for measuring compliance risks, disseminating the risk culture among the internal public of PAN and to implement methodology, processes and tools for the effective management and mitigation of the of the risks under its responsibility. It acts as the company’s second line of the company’s defense. Besides this, it is responsible for the results of the activities related to its function to management and its advisory committees.

The efficiency of PAN’s internal controls environment is assessed by processes and risks methodology, a tool employed to self-assess our various areas and processes, which is under the management of the Non-Financial Risk area.

Conflict of interests

GRI 2-15

We continuously seek to enhance our corporate governance levels, besides adopting the practices required by prevailing applicable laws. Banco PAN’s decisions are approved according to the levels of authority in effect, and if necessary, submitted to the management, according to the competencies outlined in the Company’s bylaws, in-house documents, and related party transactions are treated equitably, also ensuring conditions and results substantially similar to those achieved under market conditions.

We have a Credit Operations Corporate Policy with Related Parties, approved by the Board of Directors, which sets out a set of principles, guidelines, and responsibilities guiding activities relating to the identification, granting, and control of Credit Operations with Related Parties, as provided for in CMN Resolution No. 4.693.

In addition, under prevailing rules, especially provisions of the Brazilian Corporation Law, and CVM rules, in the event of a conflict of interests in matters submitted for analysis of Banco PAN’s deliberative bodies, the body’s member involved in the conflict abstains from voting the proposition, and decision shall apply to other members who do not have any relation or conflict of interests with the matter under consideration.

We have a Credit Operations Corporate Policy with Related Parties, approved by the Board of Directors, which sets out a set of principles, guidelines, and responsibilities guiding activities relating to the identification, granting, and control of Credit Operations with Related Parties.

The Code of Conduct and Ethics defines the meaning of conflict of interest and outlines the guidelines to mitigate this situation and report it in the event of occurrence. The conflict is analyzed upon hiring and/or definition of managers, without any record of their participation with suppliers and other stakeholders to represent a conflict of interests.

Also, as provided for in the Corporate Governance Level 1 Listing Rules of B3 S.A. – Brasil, Bolsa, Balcão, the Bank’s Board of Directors approved the Securities Trading Policy that outlines the principles by which investors’ competition for the best returns shall occur in the analysis and construal of information equitably released, and never the privileged access to information. This policy sets forth the guidelines and conditions for the trading of securities issued by the Company, to be observed by the Bank, controlling shareholders, management, employees, and members of any bodies with technical or advisory duties.

In the wake of PLDFT (Prevention of Money Laundering and Terrorist Financing) we assessed the reputational risk of entries regarding the possibility/history of money laundering. Below is the number and percentage of proposals rejected for this reason in 2022:

Proposals rejected by PLD in 2022

GRI 205-1

Product	% of PLD rejects
Digital bank	1.4%
Deductible loan card	0.5%
Digital card	0.2%
Payroll-deductible loan	0.3%
FGTS loan	0.06%
Floorpan	10.4%
Vehicles individuals	0.0%
Vehicles corporate	2.3%





Human and labor rights

GRI 2-23, 408-1, 409-1

We respect human and labor rights, we do not tolerate child or slave labor in our supply chain. Therefore, all those interested in becoming Banco PAN's partners or suppliers undergo administrative ratification to which they answer questionnaires relating to this topic. To be approved, all partners and suppliers are required to formally accept our Code of Conduct and Ethics for Suppliers and Partners, drawn up in 2022.

PAN formally adhered to the UN Global Compact, which foresees the respect for human rights, as

provided for in our policies, especially our Diversity & Inclusion Policy and the Social, Environmental, and Climate Responsibility Guidelines - DRSCAC.

We also offered 5,343 hours of training and awareness initiatives relating to human rights, diversity & inclusion, and ESG throughout 2022. Overall, we recorded 4,703 participants, and the same person may have attended more than one event. Taking into account single participation, we have an approximate percentage of 60% of employees trained in human rights.

Operational and financial performance

Operational performance

Throughout 2022 we invest in the expansion of the offer of products and services fine-tuned to our client's profiles and needs, providing tools for them to overcome life setbacks and fulfill their dreams.

In 2022, we financed 101,505 motorcycles and 228,111 vehicles, most of them used as work tools, contributing to generating income and livelihood of thousands of Brazilian households. We provide the inclusion of thousands of new clients into the Brazilian financial system by offering credit

to the underprivileged population. We also invest in social projects and initiatives executed in different critical social aspects.

We ended 2022 by selling 56,557 POS machines Turbo PAN that helped various self-employed workers to have access to a safe, hands-on, and low-cost means of payment, besides providing greater access to cash flow, so that entrepreneurs ramp up their businesses.

We keep on doing our 'homework', by enhancing our environmental, social, and governance practices, undertaking public commitments, and pursuing improvements in our internal processes. We wish our evolution as a financial institution to revert to society's development, always prioritizing our clients.

In 2022 we financed

228 k
vehicles

102 k
motorcycles

We sold

56,557
POS machines

R\$ 733 k
in direct support
to social projects

R\$ 800 k
in projects via
tax incentive laws

Financial performance

GRI 3-3 201 207

The bank's economic performance indicators are yearly defined in a budget meeting held in the last quarter of the year and are internally monitored by managers of respective areas, Commissions, Board of Executive Directors meetings, and Board of Directors meetings. To define and manage the indicators, we always take into account the goals indicated by Bacen, also the optimization of the risk/return ratio, pursuing a sustainable return for shareholders, and observing the competencies, thresholds, and criteria set out in risk appetite, which is approved by Banco PAN's Board of Directors.

Concerning performance reports, we maintain a seamless relationship and open dialogue with our related parties through accountability practices in financial, environmental, and social aspects, making feasible excellent performance and corporate governance enhancement, by involving them, where applicable, in the development of PAN's economic objectives.

2022 Highlights



Credit portfolio

R\$ 39 bi
+12% vs. 2021



Collateralized portfolio

90%
88% in 2021



Active clients

66%
64% in 2021



Total clients

23.7 MM
+39% vs. 2021



ROE*

12.2%
13.9% in 2021



Transacted volume

R\$ 86 bi
+94% vs. 2021



Net income*

R\$ 773 MM
-0.3% vs. 2021



Cross Sell Index

2.1
2.0 in 2021

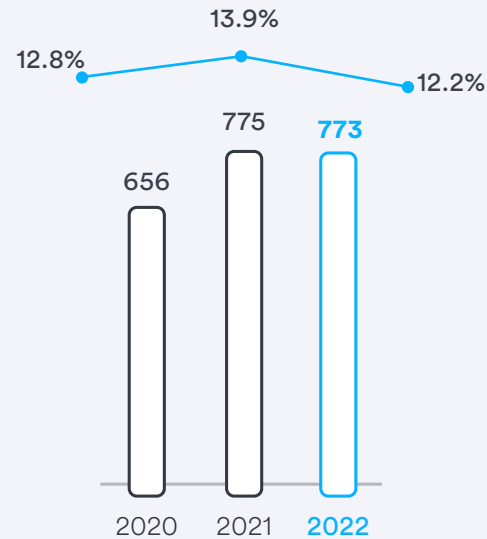
* Adjusted ex-goodwill.

2022 Results

Despite a challenging economic scenario, we maintained smart investments in improvements and innovations, focused on growth, engagement, and monetization. Concurrently, we remained conservative in credit origination, focused on expanding our collateralized portfolio, and the distribution of transaction products and services.

The strategy adopted confirms our commitment to sustaining a profitable and sustainable business. We ended 2022 with a net income and ROE adjusted to the goodwill of R\$ 773 million and 12.2%, respectively, in line with 2021 results.

Net income R\$ Million



■ Ex-goodwill (MM) ● ROE ex-goodwill (% p.a.)

Credit

Since the end of 2021, we have been adopting a more conservative stance in non-collateralized credit origination, but still offering credit solutions for our clients through deductible-loan products.

In 2022, we invested in seamless and smarter solutions, customized and contextualized to our client's needs. These strategies allowed us to hit a record credit origination volume in 4Q22.

We record a successful trajectory in the payroll-deductible loan market, with a focus on loans and credit cards for public servants, retirees, and INSS (Brazilian Social Security Institute) pensioners, besides the anticipation of the FGTS anniversary withdrawal.



In the vehicle financing market, we are one of Brazil's leading new motorcycles and used light vehicle originators. The Mobiauto acquisition was revealed to be profitable in 2022, with revenue growth and an increased number of vehicles advertised on the platform. In addition, with Auto PAN (Car Equity) in our app, we check our client's vehicle eligibility in real-time, which allowed us to raise the offer across our base, escalating our products with higher margins and controlling credit risk.

We also adopted a more conservative stance on the issue of credit cards and non-collateralized personal loans, due to the deterioration of the macroeconomic scenario. Notwithstanding, we maintained our internal developments and investments in this segment, with deliveries of new productions and functionalities, ensuring the best experience for users.

Credit portfolio

(R\$ Billions)

	2020	2021	2022
Consigned + FGTS	15	15	18
Vehicle	11	15	17
Credit Card	2	4	4
Personal Loan	0.1	0.5	0.4
Run-Off	1	0.4	0.3
Total	29	35	39

Credit origination

(R\$ millions)

	2020	2021	2022
FGTS	-	3,831	4,721
Consigned	15,536	11,829	14,960
Personal Loan	96	703	745
Vehicle	6,914	9,862	9,208
Total	22,545	26,225	29,633

Banking

Since 2020, when we officially launched our current account, we restlessly worked to build a fully-fledged platform with financial products and services, also smart consumption products contextualized to our client's needs. In 2021, we focused our efforts to increase the number of solutions offered in our app, by investing in the development of new products and services. In 2022, our focus was to raise the number of channels available, also improve our client experience in each channel, providing them with an end-to-end experience.

Therefore, we ended 2022 with over 7 million accounts with PIX key and R\$ 86 billion in TPV, 94% higher than in 2021. We sustained high engagement levels, with 66% active clients, we also increased the average number of products/clients, reaching a CSI of 2. In addition, we recorded 13 million clients with active credit, 29% above 2021.

Moving forward our diversification strategy, and

insurance offer is relevant to ensure a fully-fledged portfolio, engaging our clients, and boosting our cross-sell. At the end of 2022, we totaled 2 million insurance clients, 70% more than in 2021, and we originated R\$ 607 million in insurance premiums, 4% higher than in 2021.

Concerning our marketplace platform, we are continuously investing in financial solutions development through co-branded credit cards and the advancement of Buy Now Pay Later, both at the Mosaico platform and in the shopping . We ended 2022 with a take-rate of 9%, 2 p.p. higher than the end of 2021, bolstering sales profitability.

We also offer in our platform a low-risk CDB – bank deposit certificate (CDB daily liquidity) with daily liquidity, yielding more than a savings account. Notwithstanding, our strategy to enhance engagement drives us to availability, and soon, new investment products and benefits, especially considering Mosaico higher-income clients' flow.

At the end of 2022, we totaled

2 million
insurance clients



70% more
than in 2021

Economic value generated

GRI 201-1

In 2022, we generated R\$ 11 billion in revenue, we distributed R\$ 7 billion, including payment to suppliers, employees, capital providers, and taxes.

Economic value R\$ Million			
Economic value generated	2020	2021	2022
Economic value generated	6,971	8,238	10,978
Economic value distributed (million)	2020	2021	2022
Operating expenses	2,230	2,108	4,798
Salaries and benefits	500	683	782
Taxes, fees, and contributions	654	822	733
Debt capital ¹	25	26	45
Equity capital	656	775	708
Total	4,065	4,414	7,066
Economic value retained (million)	2020	2021	2022
Value-added	2,906	3,824	3,912

¹ The third-party capital line suffered changes in relation to the previous year because there was software usage costs to another accounting line.

Perspective

In 2022, we restructured areas and processes, identified synergies with new businesses acquired, analyzed our rebranding, we outlined new strategies that will lead us to the future.

We will carry out our initiatives and communication to become a Bank not only of inclusion of new users in the financial system, meeting the needs of C, D, and E classes, but a bank of all Brazilians. Therefore, we will offer the best shopping option through our platforms, granting credit and financing concerned at this moment. We are focused on building an ecosystem that meets the consumer in his multiple needs, according to his moment in life, giving him options to make the best shopping decision.

We plan to continue growing as a sustainable and profitable bank, with a portfolio of products and services developed so far, improving them to

become more assertive in terms of delivery, also assuring the best experience, better services, and higher client engagement.

2023 Expectations

- Allowance for doubtful accounts (PDD) net margin: greater diversification of products and delinquency downward trend during 2023.
- Origination: advancement of B2C channels and optimization of B2B relationship, bolstering competitive advantages.
- Efficiency: growth with control of expenses, exploring operational leverage opportunities.
- Quality and Engagement: a fully-fledged and fluid digital journey in the app, valuing clients across all phases, intensifying recurrence and recommendation.

GRI and SASB content index



GRI and SASB content index

Statement of use Banco PAN reported in accordance with the GRI Standards for the period from January 1, 2022, to December 31, 2022.

Used GRI 1 GRI 1: Foundation 2021

Applicable GRI Sector Standard(s)

GRI Standard / Other source	Disclosure	Localization	Omission			
			Requirement(s) omitted	Reason	Explanation	
General Disclosures						
The organization and its reporting practices						
GRI 2: General Disclosures 2021	2-1	Organizational details	17, 75, 84 Banco PAN S.A. The bank operates in Brazil.			
	2-2	Entities included in the organization's	8 Banco PAN S.A is a publicly traded company that consolidates the information of all the companies listed in item a of this topic. The other companies contemplated in this disclosure are privately held and are controlled by Banco PAN S.A. ("Bank"). The consolidation of information occurs by aggregating the financial statements of its subsidiaries, eliminating the balances of transactions between the companies. The consolidation of information includes minority interests, and is shown in the consolidated balance sheet, in a separate line under shareholders' equity, reflecting the proportional share of the non-controlling shareholders. Investments in subsidiaries are valued using the equity method. The other investments are valued at acquisition cost, less, where applicable, the respective allowance for losses and impairment. The approach does not differ throughout the contents of this standard and throughout the material topics.			

GRI Standard / Other source	Disclosure	Localization	Omission			
			Requirement(s) omitted	Reason	Explanation	
A organização e suas práticas de relato						
GRI 2: General Disclosures 2021	2-3	Reporting period, frequency and contact point	8 The Banco PAN Annual Report covers the reporting period from January 1, 2022 to December 31, 2022, on an annual basis. The financial reporting period aligns with the Annual Report, covering the period from January 1, 2022 to December 31, 2022. The report is scheduled to be published in May 2023.			
	2-4	Restatements of information	8			
	2-5	External assurance	170 The audit process of the 2022 Annual Report was approved by Banco PAN's ESG Commission, with verification carried out by a third party, external and independent of the Company.			
Activities and workers						
GRI 2: General Disclosures 2021	2-6	Activities, value chain and other business relationships	17, 19, 22, 62 We operate in the private financial sector, in the consumer banking segment. Our suppliers are technology companies and service providers in general, which operate on fronts such as software licensing, back office and operations services, legal services, and consulting, among other fronts. The relationship with our suppliers is supported by short, medium, or long-term contracts, depending on the business needs. We have a significant volume of labor-intensive suppliers, especially on the fronts of client service and the formalization of banking operations. Our annual budget is around R\$ 1.3 billion (considering only suppliers that go through negotiations in Purchasing). The suppliers are distributed throughout Brazil, with a small volume of international suppliers. No significant changes have occurred in the value chain.			

GRI Standard / Other source	Disclosure	Localization	Omission			
			Requirement(s) omitted	Reason	Explanation	
Activities and workers						
GRI 2: General Disclosures 2021	2-7	Employees	<p>17, 147, 148</p> <p>People-related data is concentrated and extracted from the HR-ERP. The count takes into consideration the gender self-declaration of the position of employees, in December of each year.</p> <p>The number of women on the staff has remained stable throughout the year, small variations are due to the maintenance of the commercial area. The distribution of employees across the region had a significant reduction outside the Southeast region, given the repositioning of the commercial strategy.</p>			
	2-8	Workers who are not employees	<p>There are 394 third-party employees at PAN, which, added to the 2 outsourced employees at Mosaico, a total of 396 at the PAN Conglomerate.</p> <p>The third parties mentioned work full-time and the management of their contracts is the responsibility of each contracting area, which is also responsible for periodic monitoring of deliveries, adjustment of scope, and the possibility of new competition and/or renewal.</p> <p>At PAN, third-party access management is carried out by the Information Security - Identity and Access Management team, which currently monitors 394 people working full-time, in person or remotely.</p> <p>Due to the segment in which the Bank operates, most of these outsourced workers are Legal Counsel (Civil, Processes, and Subsidies), teams responsible for seeking solutions and bringing benefits to the Bank, through preventive work, such as contract review or credit recovery. The 301 professionals in this core work full-time, in person, or remotely.</p> <p>The legal advisors are responsible for providing service to PAN in order to offer legal security to the business in its different areas, in addition to identifying good market practices and new ways to improve the relationship with the end client.</p> <p>The contracts established with each of the CNPJ stipulate that the workload of the 394 third parties will be on a full-time basis. The variation between the number of third parties in 2021 and 2022 was due to the internalization of the Information Technology team professionals.</p>			

GRI Standard / Other source	Disclosure	Localization	Omission			
			Requirement(s) omitted	Reason	Explanation	
Governance						
GRI 2: General Disclosures 2021	2-9	Governance structure and composition	<p>85</p> <p>Within the highest governance body, there is a woman.</p> <p>The competencies of the Board of Directors are in Article 25 of PAN's Bylaws. To access it, click here.</p> <p>The executive or non-executive functions, independence, and other duties performed by Board members are listed here.</p> <p>The representation of Banco PAN S.A.'s stakeholders in the Board of Directors is done through the participation of a minority shareholder.</p>			
	2-10	Nomination and selection of the highest governance body	<p>85</p> <p>The Company requires that the members of the administration have high qualifications and technical expertise, and believes that the mechanisms adopted are sufficient for the adequate and diversified composition of its Board of Directors.</p> <p>Regarding the consideration of stakeholder opinions, the shareholders use the same methods as the General Assembly. Regarding diversity criteria, there must be at least 1 person from an under-represented group in the composition of the Board of Directors, in this case being fulfilled with an elected woman.</p> <p>The definitions for "independent director" are in Art. 21 §5° of our Bylaws. Also in the Bylaws, Art. 25, are the competencies and attributions of the Board of Directors.</p>			
	2-11	Chair of the highest governance body	<p>85</p> <p>The President of the Board of Directors is not part of PAN's Executive Board or Board of Directors.</p>			

GRI Standard / Other source	Disclosure	Localization	Omission			
			Requirement(s) omitted	Reason	Explanation	
Governance						
GRI 2: General Disclosures 2021	2-12	Role of the highest governance body in overseeing the management of impacts	85, 86 The Board of Directors shall meet whenever the corporate interests so require, when convened by its Chairman or his substitute, at least three (3) business days in advance, in writing, by means of letter, telegram, fax, e-mail, or any form that allows proof of receipt of the convocation by the addressee, and must contain the agenda and be accompanied by documentation related to the agenda. Regarding the frequency of the analysis of the effectiveness of the processes, PAN's General Meeting shall meet ordinarily in the first four months of the year to decide on the corporate business related to the Company's purpose and make the resolutions it deems appropriate, and extraordinarily whenever necessary.			
	2-13	Delegation of responsibility for managing impacts	85, 96 The ESG Commission, which is responsible for environmental impact management, meets on a monthly basis, and its functions include: establishing the Social, Environmental, and Climate Responsibility Guidelines, monitoring compliance with ESG standards in force, establishing competencies for the adoption of measures to identify, assess and eliminate or mitigate social, environmental and climate risks, and ensuring that the board of directors and the BD are aware of ESG-related issues that may have a material impact on the Bank's image.			
	2-14	Role of the highest governance body in sustainability reporting	85 The Board of Directors is the highest governance body responsible for analyzing and approving the reported information, including material topics, and this body has participated in the process of defining materiality from the beginning. The Annual Report was also submitted for approval to the Executive Board and ESG Committee.			

GRI Standard / Other source	Disclosure	Localization	Omission			
			Requirement(s) omitted	Reason	Explanation	
Governance						
GRI 2: General Disclosures 2021	2-15	Conflicts of interest	84, 104 The list of management bodies (Board of Directors and Board of Directors) and committees of Banco PAN and the identification of their members is available on the Investor Relations website and in item 12.5/6 of the Reference Form. There is no record of cross-shareholding with suppliers and other stakeholders. The existence of a controlling shareholder is reported in the Reference Form, on the Investor Relations website, in the Annual Report, in the corporate presentation, and in the quarterly earnings releases.			
	2-16	Communication of critical concerns	85 Critical concerns are communicated through the following meetings: Board of Directors Meeting held whenever necessary; Board of Directors Meeting held Weekly; and Audit Committee Meeting held monthly. Notwithstanding the topics brought to the above bodies for consideration and deliberation at the periods indicated, any critical topics are brought to the members of the above bodies as soon as possible.	b	Confidential	Due to the strategy adopted by the Bank, the list of crucial concerns has been considered confidential and cannot be disclosed.
	2-17	Collective knowledge of the highest governance body	11, 12, 85			
	2-18	Evaluation of the performance of the highest governance body		a, b, c	Not applicable	The Board of Directors only receives pro-labore, has no variable compensation, and does not have any type of performance evaluation.

GRI Standard / Other source	Disclosure	Localization	Omission			
			Requirement(s) omitted	Reason	Explanation	
Governance						
GRI 2: General Disclosures 2021	2-19	Remuneration policies	90 There is a variable remuneration plan that seeks to link the remuneration of the members of the governance to the objectives of the Bank. It is linked to the Company's preferred shares (BPAN4) and is applicable to the members of the Executive Board, as a means of encouraging them to contribute to the Bank's good performance. It is in line with the Remuneration Policy, being an efficient instrument for recognition and retention of the members of the executive board, besides being in accordance with Resolution 3,921. To set the value, the arithmetic average of the daily closing price of BPAN4 shares in the approval period is used, following market standards and being associated with corporate and individual performance.	a ii), a iv), a v)	Not applicable	There is no incentive for attraction bonuses or recruitment incentive payments. There are no refunds. If the beneficiary's relationship as an administrator of the PAN Companies is terminated at the initiative of the PAN Companies and without good reason, the beneficiary will be entitled to receive the affected deferred amount, and the deferred amount will be paid within the established deadlines according to calculation rules. And if the Beneficiary's relationship as an administrator of the PAN Companies is terminated: (a) on the Beneficiary's initiative; or (b) at the initiative of the PAN Companies, with just cause; the beneficiary will lose the right to receive any portion of the deferred amount not yet paid. We do not have a PAN retirement plan for managers or other employees today.
	2-20	Process to determine remuneration	90 The Remuneration Committee is responsible for supervising the implementation, operationalization, and review of the Remuneration Policy, following the terms and conditions set forth by the legislation. The definition of the amounts takes into account the business plan approved by the Board of Directors, and the process for approval of the managers' compensation is carried out in three instances: it is proposed by the Compensation Committee, which forwards it to the Board of Directors for validation, and the final definition is made by the Shareholders' Meeting.	a iii), b)	Not applicable	We have a consultancy. It was not submitted to stakeholder voting, only to evaluate the executive board and the Board of Directors.

GRI Standard / Other source	Disclosure	Localization	Omission			
			Requirement(s) omitted	Reason	Explanation	
Governance						
GRI 2: General Disclosures 2021	2-21	Annual total compensation ratio	90 To perform the calculation, the total annual compensation was used, in order to annualize employees who were hired within the reporting period. In this scenario, the position of the highest-paid individual is Executive Superintendent, and the ratio between the annual compensation of this individual and the average annual compensation is 10.65, while the ratio between the percentage increase of the highest-paid individual and the average increase is 52.7%.			
	2-22	Statement on sustainable development strategy	4, 6			

GRI Standard / Other source	Disclosure	Localization	Omission			
			Requirement(s) omitted	Reason	Explanation	
Strategy, policies and practices						
GRI 2: General Disclosures 2021	2-23	Policy commitments	<p>102, 106</p> <p>Our policies are available on the IR website and are disclosed to employees through Internal Communication, and their approval and revision occurs respecting the governance established in the Regulatory System, and are applicable to all of the Bank's companies and employees.</p> <p>The relationship with stakeholders is foreseen in the Guidelines of Social, Environmental, and Climate Responsibility, in the Diversity & Inclusion Policy, and in the Codes of Conduct and Ethics, aimed at the internal public and at partners and suppliers. The definition of a vulnerable public is made in the Corporate Policy Relationship with Clients and Users of Products and Services, which takes into account characteristics such as age, economic frailty, and physical, mental, intellectual, and/or sensory disability.</p> <p>In the preparation of the Anti-Corruption Policy, the regulations and norms in force were considered, mainly related to the relationship with the public sector, although none, in specific, is of obligatory application to Banco PAN. The commitments foresee due diligence, as foreseen in the Anticorruption Policy and in the Monitoring of PLDFT for Assets not in Use - BNDU.</p> <p>The precautionary principle does not appear literally in our policies, but it is considered in the principles foreseen in our policies, mainly in the Social, Environmental, and Climate Responsibility Guidelines - PRSAC.</p> <p>We formally adhere to the United Nations Global Compact, which provides for respect for human rights, a commitment that is also present in our PRSAC and Diversity and Inclusion Policy.</p>			

GRI Standard / Other source	Disclosure	Localization	Omission			
			Requirement(s) omitted	Reason	Explanation	
Strategy, policies and practices						
GRI 2: General Disclosures 2021	2-24	Embedding policy commitments	102 The governance for the implementation of commitments is defined by the governance structure, and there is a Normative System that represents the set of documents that organize and formalize the policies, determining the roles, responsibilities, processes, controls, rules, scopes, and technical information related to the policies. In addition, new laws and regulations, as well as their changes, are captured by the compliance area, which evaluates and forwards them to the related areas. Relevant policies are shared with partners through the "Correspondents' University", in addition to being available on our website. For the internal public, the policies are available in the Regulatory System and the mandatory training courses related to them are available at PAN University.			
	2-25	Processes to remediate negative impacts	91 To identify negative impacts related to the brand, the marketing area, through a hired company, monitors the image and reputation of the institution. All manifestations and complaints are dealt with in a way that allows problems to be identified and solved. The stakeholders are involved in the process by means of internal committees, which count on the participation of the responsible areas. The indicators are monitored by the ombudsman, which is presented fortnightly to the Clients and Ombudsman Committee, in addition to the monitoring through the RAS (risk appetite), which is presented monthly to the Audit Committee and CA.			
	2-26	Mechanisms for seeking advice and raising concerns	102			

GRI Standard / Other source	Disclosure	Localization	Omission			
			Requirement(s) omitted	Reason	Explanation	
Strategy, policies and practices						
GRI 2: General Disclosures 2021	2-27	Compliance with laws and regulations	102 In 2020, we received a fine in the amount of R\$ 1.5MM related to the undue charge of a fee on card withdrawals. In the same year, we signed a Term of Commitment with the Central Bank of Brazil related to the charge, which can be found on the Bancen website. Em 2022, não foram identificadas não conformidades relevantes. Temos estabelecido o processo de Declaração de Aderência, no qual uma consultoria contratada recebe regulamentações, normativas e instruções novas ou alteradas e direcionadas para os agentes de compliance, que devem repassar às áreas impactadas. Quando aplicável, devem declarar a aderência ou não aplicabilidade da norma, sendo que em casos de não aderência é elaborado um plano de ação com prazo para conformidade.	a i), a ii), b i)	Not applicable	We had no fines and non-monetary sanctions related to the topic in question in 2022.
	2-28	Membership associations	Participation in associations: FEBRABAN, ABBC, ABECS and ACREFI			
Stakeholder engagement						
GRI 2: General Disclosures 2021	2-29	Approach to stakeholder engagement	19 We do not go through a process/methodology to reach the listed audiences. The only current initiative is “Client in focus”, which reinforces the fact that we remain committed to bringing new solutions and improvements to our products and processes to improve the experience for our clients. There is no formal process for mapping and identifying stakeholders.			
	2-30	Collective bargaining agreements		a, b	Not applicable	Today, we do not have specific negotiations between PAN and employees, everything we follow is based on the Collective Convention of the union.

GRI Standard / Other source	Disclosure	Localization	Omission		
			Requirement(s) omitted	Reason	Explanation
Material Topics					
GRI 3: Material Topics 2021	3-1	Process to determine material topics	12		
	3-2	List of material topics	12 The themes “Education and positive impact of products and services” and “Climate change and eco-efficiency” were not included in the new materiality; on the other hand, the themes “Fraud prevention”, “Economic performance”, “Image and reputation management” and “Corporate governance” were included. In addition, some themes remained, but with different nomenclature, as follows: “Innovation and entrepreneurship” was changed to “Innovation and technology”; “Diversity and inclusion” and “Culture and people” were included in the theme “Culture, People and Diversity & Inclusion”; “Client satisfaction” was changed to “Client satisfaction and product journey” and “Integrated risk management” and “Management of partners and suppliers”, was changed to “Integrated risk management and partners”.		
Corporate governance					
GRI 3: Material Topics 2021	3-3	Management of material topics	15, 85 Engagement takes place through the identification, assessment, measurement, monitoring, reporting, control, and mitigation of risk exposure and the need for capital use, which should be carried out continuously by all PAN managers. With this, we seek to optimize the risk-return relationship so that shareholders have a sustainable return. Our goal is to create new ESG filters in the hiring process, in addition to continuously monitoring the practices adopted by them.		

GRI Standard / Other source	Disclosure	Localization	Omission			
			Requirement(s) omitted	Reason	Explanation	
Corporate governance						
GRI 2: General Disclosures 2021	2-9	Governance structure and composition	<p>85 Within the highest governance body, there is a woman. The competencies of the Board of Directors are in Article 25 of PAN's Bylaws. To access it, click here.</p> <p>The executive or non-executive functions, independence, and other duties performed by Board members are listed here.</p> <p>The representation of Banco PAN S.A.'s stakeholders in the Board of Directors is done through the participation of a minority shareholder.</p>			
	2-10	Nomination and selection of the highest governance body	<p>85 The Company requires that the members of the administration have high qualifications and technical expertise, and believes that the mechanisms adopted are sufficient for the adequate and diversified composition of its Board of Directors.</p> <p>Regarding the consideration of stakeholder opinions, the shareholders use the same methods as the General Assembly. Regarding diversity criteria, there must be at least 1 person from an under-represented group in the composition of the Board of Directors, in this case being fulfilled with an elected woman.</p> <p>The definitions for "independent director" are in Art. 21 §5° of our Bylaws. Also in the Bylaws, Art. 25, are the competencies and attributions of the Board of Directors.</p>			
	2-11	Chair of the highest governance body	<p>85 The President of the Board of Directors is not part of PAN's Executive Board or Board of Directors.</p>			

GRI Standard / Other source	Disclosure	Localization	Omission			
			Requirement(s) omitted	Reason	Explanation	
Corporate governance						
GRI 2: General Disclosures 2021	2-12	Role of the highest governance body in overseeing the management of impacts	<p>85, 86 The Board of Directors shall meet whenever the corporate interests so require, when convened by its Chairman or his substitute, at least three (3) business days in advance, in writing, by means of letter, telegram, fax, e-mail, or any form that allows proof of receipt of the convocation by the addressee, and must contain the agenda and be accompanied by documentation related to the agenda.</p> <p>Regarding the frequency of the analysis of the effectiveness of the processes, PAN's General Meeting shall meet ordinarily in the first four months of the year to decide on the corporate business related to the Company's purpose and make the resolutions it deems appropriate, and extraordinarily whenever necessary.</p>			
	2-13	Delegation of responsibility for managing impacts	<p>85, 96 The ESG Commission, which is responsible for environmental impact management, meets on a monthly basis, and its functions include: establishing the Social, Environmental, and Climate Responsibility Guidelines, monitoring compliance with ESG standards in force, establishing competencies for the adoption of measures to identify, assess and eliminate or mitigate social, environmental and climate risks, and ensuring that the board of directors and the BD are aware of ESG-related issues that may have a material impact on the Bank's image.</p>			

GRI Standard / Other source	Disclosure	Localization	Omission			
			Requirement(s) omitted	Reason	Explanation	
Corporate governance						
GRI 2: General Disclosures 2021	2-14	Role of the highest governance body in sustainability reporting	85 The Board of Directors is the highest governance body responsible for analyzing and approving the reported information, including material topics, and this body has participated in the process of defining materiality from the beginning. The Annual Report was also submitted for approval to the Executive Board and ESG Commission.			
	2-15	Conflicts of interest	84, 104 The list of management bodies (Board of Directors and Board of Directors) and committees of Banco PAN and the identification of their members is available on the Investor Relations website and in item 12.5/6 of the Reference Form. There is no record of cross-shareholding with suppliers and other stakeholders. The existence of a controlling shareholder is reported in the Reference Form, on the Investor Relations website, in the Annual Report, in the corporate presentation, and in the quarterly earnings releases.			
	2-16	Communication of critical concerns	85 Critical concerns are communicated through the following meetings: Board of Directors Meeting held whenever necessary; Board of Directors Meeting held Weekly; and Audit Committee Meeting held monthly. Not with standing the topics brought to the above bodies for consideration and deliberation at the periods indicated, any critical topics are brought to the members of the above bodies as soon as possible.	b	Confidential	Due to the strategy adopted by the Bank, the list of crucial concerns has been considered confidential and cannot be disclosed.
	2-17	Collective knowledge of the highest governance body	11, 12, 85			

GRI Standard / Other source	Disclosure	Localization	Omission			
			Requirement(s) omitted	Reason	Explanation	
Corporate governance						
GRI 2: General Disclosures 2021	2-18	Evaluation of the performance of the highest governance body		a, b, c	Not applicable	The Board of Directors only receives pro-labore, has no variable compensation, and does not have any type of performance evaluation.
	2-19	Remuneration policies	<p>90</p> <p>There is a variable remuneration plan that seeks to link the remuneration of the members of the governance to the objectives of the Bank. It is linked to the Company's preferred shares (BPAN4) and is applicable to the members of the Executive Board, as a means of encouraging them to contribute to the Bank's good performance. It is in line with the Remuneration Policy, being an efficient instrument for recognition and retention of the members of the executive board, besides being in accordance with Resolution 3,921.</p> <p>To set the value, the arithmetic average of the daily closing price of BPAN4 shares in the approval period is used, following market standards and being associated with corporate and individual performance.</p>	a ii), a iv), a v)	Not applicable	<p>There is no incentive for attraction bonuses or recruitment incentive payments. There are no refunds. If the beneficiary's relationship as an administrator of the PAN Companies is terminated at the initiative of the PAN Companies and without good reason, the beneficiary will be entitled to receive the affected deferred amount, and the deferred amount will be paid within the established deadlines according to calculation rules. And if the Beneficiary's relationship as an administrator of the PAN Companies is terminated: (a) on the Beneficiary's initiative; or (b) at the initiative of the PAN Companies, with just cause; the beneficiary will lose the right to receive any portion of the deferred amount not yet paid.</p> <p>We do not have a PAN retirement plan for managers or other employees today.</p>

GRI Standard / Other source	Disclosure	Localization	Omission			
			Requirement(s) omitted	Reason	Explanation	
Corporate governance						
GRI 2: General Disclosures 2021	2-20	Process to determine remuneration	90 The Remuneration Committee is responsible for supervising the implementation, operationalization, and review of the Remuneration Policy, following the terms and conditions set forth by the legislation. The definition of the amounts takes into account the business plan approved by the Board of Directors, and the process for approval of the managers' compensation is carried out in three instances: it is proposed by the Compensation Committee, which forwards it to the Board of Directors for validation, and the final definition is made by the Shareholders' Meeting.	a iii), b)	Not applicable	We have a consultancy. It was not submitted to stakeholder voting, only to evaluate the executive board and the Board of Directors.
	2-21	Annual total compensation ratio	90 To perform the calculation, the total annual compensation was used, in order to annualize employees who were hired within the reporting period. In this scenario, the position of the highest-paid individual is Executive Superintendent, and the ratio between the annual compensation of this individual and the average annual compensation is 10.65, while the ratio between the percentage increase of the highest-paid individual and the average increase is 52.7%.			
	2-22	Statement on sustainable development strategy	4, 6			

GRI Standard / Other source	Disclosure	Localization	Omission			
			Requirement(s) omitted	Reason	Explanation	
Economic performance						
GRI 3: Material Topics 2021	3-3	Management of material topics	<p>15, 91, 108</p> <p>The relationship with stakeholders takes place through the accountability of the financial, environmental, and social dimensions and the involvement, when applicable, of stakeholders in the elaboration of the economic objectives of the NAP. The main forms of engagement are:</p> <p>Clients: communication is carried out via CRM and social media, in addition to conducting surveys to understand the priorities and needs of this public. The result is used in the construction of goals for economic performance.</p> <p>Employees: communication is the responsibility of the endomarketing area. Furthermore, the annual Climate Survey is carried out, seeking to define actions that drive continuous improvement.</p> <p>Shareholders and Capital Markets: communication is carried out through the IR website, where the Material Facts and Notices to the Market are published, in addition to the financial statements and results presentations. The IR area is responsible for communicating with the public, and internalizing the main demands.</p> <p>Regulators: the Compliance area centralizes communications, informing about relevant events and providing clarifications on demand, in addition to updating questionnaires and official documentation.</p>			
GRI 201: Economic performance 2016	201-1	Direct economic value generated and distributed	<p>112</p> <p>The compilation requirements are the same as those used in the financial statements.</p>	b)	Not applicable	Due to the business model of PAN's operations, it is not significant to report the generated and distributed economic value separately.

Economic performance

GRI Standard / Other source	Disclosure		Localization	Omission		
				Requirement(s) omitted	Reason	Explanation
GRI 207: Tax 2019	207-1	Approach to tax	<p>The tax approach is linked to business and sustainable development strategies so that taxes are allocated to social projects that are encouraged (eg FMDCA, Lei Rouanet, Incentivo Audiovisual).</p> <p>The Finance Department is responsible for the tax area and for approving tax strategies. Internal and external audits periodically evaluate tax compliance.</p>	a l)	Confidential	Due to strategic issues.
	207-2	Tax governance, control, and risk management	<p>The tax area is led by a tax superintendent who reports directly to the financial department, to which the Bank's tax strategies are submitted. Tax risks are submitted to the assessment of internal specialists (from the Audit, Compliance, and Risk areas) and external specialists (independent audit).</p> <p>The shares are subject to internal governance rules as well as institutional codes of ethics and conduct. Approval levels for payments and/or joint powers of attorney among tax area attorneys are established, and they are never isolated.</p> <p>The verification of key tax matters involves monthly presentation to the management bodies, quarterly reviews by independent auditors, and periodic work by internal auditors.</p>			
	207-3	Stakeholder engagement and management of concerns related to tax	<p>Activities involving relationships with tax authorities are carried out through formal and official channels, and are always conducted through joint representation (minimum 2 attorneys-in-fact), and through periodic reports to the responsible board.</p> <p>There is no approach for advocacy actions in public policies regarding taxes.</p>			

GRI Standard / Other source	Disclosure	Localization	Omission		
			Requirement(s) omitted	Reason	Explanation
GRI 207: Tax 2019	207-4	Country-by-country reporting	<p>All tax jurisdictions in which entities are included in the organization's audited consolidated financial statements or the financial information recorded in the public register, are considered residents for tax purposes.</p> <p>There are no revenues from intra-group transactions with other tax jurisdictions. The total number of employees can be seen as GRI 2-7.</p> <p>The total profit/loss before taxes is BRL 868,942,635.48. Corporate income tax paid on a cash basis is BRL 177,152,263.88, while the levied on profits/losses is BRL 161,871,902.78. The total tangible assets other than cash and cash equivalents is R\$ 54,860,089.00. There is the difference in tax rate between companies and tax benefits (Lei do Bem) applied for profit/loss before taxes. This data refers to the period from 01/01/2022 to 12/31/2022.</p> <p>The answers of this indicator follow the GRI requirements.</p>		

Risk and partners integrated management

GRI 3: Material Topics 2021	3-3	Management of material topics	15, 91			
GRI 201: Economic performance 2016	201-2	Financial implications and other risks and opportunities due to climate change	92, 97 The compilation requirements are the same as for the financial statements.	a) v	Confidential	The area does not disclose the costs involved in contracting monitoring platforms.

Ethics, transparency, and Compliance

GRI Standard / Other source	Disclosure		Localization	Omission		
				Requirement(s) omitted	Reason	Explanation
GRI 3: Material Topics 2021	3-3	Management of material topics	15, 102 The main stakeholders related to the topic are the Bacen and the controller, who is communicated in case of relevant changes, as was the case with the restructuring of the Whistleblowing Channel.			
GRI 205: Anti-corruption 2016	205-1	Operations assessed for risks related to corruption	102, 105 In 2022 there were no operations assessed for risks related to corruption.			

Ethics, transparency, and Compliance

GRI Standard / Other source	Disclosure	Localization	Omission			
			Requirement(s) omitted	Reason	Explanation	
GRI 205: Anti-corruption 2016	205-2	<p>Communication and training about anti-corruption policies and procedures</p>	<p>102 100% of collaborators were communicated about the anti-corruption procedures and policies adopted by the Organization since the Code of Ethics and Conduct was mandatory for 100% of collaborators.</p> <p>20 members, representing 100% of the members of the following governance bodies, were trained in anti-corruption: the Executive Board, the Audit Committee, and the Board of Directors, for which the Code of Conduct and Ethics (in 2022) and the Anti-Corruption Policy (in 2021), as well as other policies, were submitted and approved.</p> <p>A total of 2,382 (85%) of Banco PAN's professionals received anti-corruption training, of which 111 (96%) were executive positions, 407 (99%) management positions, and 1,868 (81%) other employees. This does not include interns and there is no regional breakdown.</p> <p>The members of the governance bodies have extensive academic and professional experience, mostly in the financial market, whose competencies are recognized by the market, enabling them to perform their functions in financial institutions. In this sense, we consider the deliberation on the Code of Conduct and the policies submitted to them as a reinforcement of training.</p> <p>The Correspondent Banking University (CORBAN) has a series of tracks with the purpose of instructing and training PAN's business partners. There is no content aimed specifically at the anti-corruption theme, but it is covered in the Code of Conduct and Ethics - Suppliers and Partners and in the PLDFT policy. A course on anti-corruption was developed for Mobiauto's employees. Mosaico and Mobiauto conduct training on the subject and annual recycling. Due to the segment in which both operate, it is not necessary to have the same level of demand for a regulated financial institution.</p>	e	Information not available	Mobiauto and Mosaico do not perform data management.

GRI Standard / Other source	Disclosure		Localization	Omission		
				Requirement(s) omitted	Reason	Explanation
GRI 3: Material Topics 2021	3-3	Management of material topics	13, 34, 46 The main stakeholders are the employees, who are involved in the decision-making process by participating in programs such as InovaPAN, affinity groups, and Value Initiatives, where they can suggest improvements and new products.			
GRI 401: Employment 2016	401-1	New employee hires and employee turnover	35, 149, 150, 151	b	Information not available	There is no mature management to account , and report the data of new hirings and turnover by the companies Mobiauto and Mosaico
	401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	45 All PAN units/offices were considered as “important operational units”, and benefits were considered for all of them. The answers in this indicator follow the GRI requirements.			
	401-3	Parental leave	161			
GRI 404: Capacitation and education 2016	404-1	Average hours of training per year, per employee	152	a) i, ii	Information not available	Mobiauto and Mosaico do not perform data management.
	404-2	Programs for employee skills enhancement and career transition assistance	39 We have no career transition assistance programs offered to facilitate continued employability and end-of-career management due to retirement or termination of employment.			

Culture, People Diversity & Inclusion

GRI Standard / Other source	Disclosure		Localization	Omission		
				Requirement(s) omitted	Reason	Explanation
GRI 404: Capacitation and education 2016	404-3	Percentage of employees receiving regular performance and career development reviews	39, 153			
GRI 405: Diversity and Equal Opportunity 2016	405-1	Diversity of governance bodies and employees	54, 154, 155, 156, 157			
	405-2	Ratio of basic salary and remuneration of women to men	51, 157 All PAN units/offices were considered "important operational units".			
Data privacy and protection						
GRI 3: Material Topics 2021	3-3	Management of material topics	14, 71 Measures taken, such as revision of the LGPD additives, and annual reassessment of the corbans, among others, were based on the occurrence of data security incidents and the respective feedback received from stakeholders.			

Data privacy and protection

GRI Standard / Other source	Disclosure		Localization	Omission		
				Requirement(s) omitted	Reason	Explanation
GRI 418: Customer Privacy 2016	418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	In the year 2022, no proven complaints regarding violation of privacy and loss of client data were received by the organization from external parties or regulatory agencies. Regarding data leakage in the same period, a leak was identified in April 2022. Emails were sent to all the owners involved in the incident informing them of the seriousness of the situation and good protection practices, in addition to providing our client service channels for possible doubts. The responses for this indicator follow the GRI requirements.			
SASB: Consumer Finance 2018	FN-CF-220a.1	Number of account holders whose information is used for secondary purposes	71			
	FN-CF-220a.2	Total monetary losses resulting from legal actions related to customer privacy	There was no monetary loss from lawsuits related to client privacy.			
	FN-CF-230a.1.	(1) Number of data breaches, (2) percentage involving personally identifiable information (PII), (3) number of account holders affected	72			

Data privacy and protection

GRI Standard / Other source	Disclosure		Localization	Omission		
				Requirement(s) omitted	Reason	Explanation
SASB: Consumer Finance 2018	FN-CF-230a.3.	Description of approach to identifying and addressing data security risks	71			
Anti-fraud						
GRI 3: Material Topics 2021	3-3	Management of material topics	14, 74 As a way of maintaining our commitment to the issue, we maintain: - Awareness campaigns with security tips to reduce fraud and scams; - Policies, standards, procedures, and processes (such as the Related-Party Operations Policy); - Dashboards with real-time indicators; - Studies, metrics, and decisions based on data.	e	Information not available	Mobiauto and Mosaico do not perform data management.
	205-1	Operations assessed for risks related to corruption	102, 105 In 2022 there were no operations assessed for risks related to corruption.			
Anti-fraud						

GRI Standard / Other source	Disclosure	Localization	Omission			
			Requirement(s) omitted	Reason	Explanation	
GRI 205: Anti-corruption 2016	205-2	<p>Communication and training about anti-corruption policies and procedures</p>	<p>102 100% of collaborators were communicated about the anti-corruption procedures and policies adopted by the Organization since the Code of Ethics and Conduct was mandatory for 100% of collaborators.</p> <p>20 members, representing 100% of the members of the following governance bodies, were trained in anti-corruption: the Executive Board, the Audit Committee, and the Board of Directors, for which the Code of Conduct and Ethics (in 2022) and the Anti-Corruption Policy (in 2021), as well as other policies, were submitted and approved.</p> <p>A total of 2,382 (85%) of Banco PAN's professionals received anti-corruption training, of which 111 (96%) were executive positions, 407 (99%) management positions, and 1,868 (81%) other employees. This does not include interns and there is no regional breakdown.</p> <p>The members of the governance bodies have extensive academic and professional experience, mostly in the financial market, whose competencies are recognized by the market, enabling them to perform their functions in financial institutions. In this sense, we consider the deliberation on the Code of Conduct and the policies submitted to them as a reinforcement of training.</p> <p>The Correspondent Banking University (CORBAN) has a series of tracks with the purpose of instructing and training PAN's business partners. There is no content aimed specifically at the anti-corruption theme, but it is covered in the Code of Conduct and Ethics - Suppliers and Partners and in the PLDFT policy. A course on anti-corruption was developed for Mobiauto's employees. Mosaico and Mobiauto conduct training on the subject and annual recycling. Due to the segment in which both operate, it is not necessary to have the same level of demand for a regulated financial institution.</p>	e	Information not available	Mobiauto and Mosaico do not perform data management.

GRI Standard / Other source	Disclosure		Localization	Omission		
				Requirement(s) omitted	Reason	Explanation
SASB: Consumer Finance 2018	FN-CF-230a.2.	Card-related fraud losses from (1) card-not-present fraud and (2) card-present and other fraud		1, 2, 3, 4, 5	Confidential	PAN does not disclose data about possible losses due to card fraud because of the confidentiality of the information handled.
Image and reputation management						
GRI 3: Material Topics 2021	3-3	Management of material topics	15, 17, 94 The engagement with stakeholders occurs through messages in the PAN channels, seeking to align them to avoid communication noise and to have greater control of interactions in times of crisis.	3-3-e)iii	Confidential	We were able to significantly increase the metrics related to the topic. As a strategic decision, our numbers are confidential
Client satisfaction and product journey						
GRI 3: Material Topics 2021	3-3	Management of material topics	14, 65 The involvement of stakeholders is done through the Client Committee and the Ombudsman, assisted by senior management, who monitor the demands received through the Bank's channels, in addition to assessing and discussing these demands, following up on action plans to improve processes and correct deficiencies.			
Innovation and technology						

GRI Standard / Other source	Disclosure		Localization	Omission		
				Requirement(s) omitted	Reason	Explanation
GRI 3: Material Topics 2021	3-3	Management of material topics	13, 27 The monitoring of the theme is carried out weekly in the PanoramaTech meeting through the evaluation of indicators such as incident volume, incident recovery time, and volume of implementations, among others. Besides this, the follow-up of products made possible by IT is carried out. The involvement of stakeholders takes place through the Technology and Data Committee, assisted by senior management, who evaluate, discuss and monitor the initiatives and their action plans in order to improve processes and correct deficiencies.			
GRI 203: Indirect Economic Impacts 2016	203-1	Infrastructure investments and services supported	56, 57			
	203-2	Significant indirect economic impacts	56, 57			
GRI 204: Procurement Practices 2016	204-1	Proportion of spending on local suppliers	101			
GRI 302: Energy 2016	302-1	Energy consumption within the organization	75			
	302-2	Energy consumption outside of the organization	75			
GRI 303: Water and Effluents 2018	303-5	Water consumption	81			

Extra GRI Disclosures - indicators not included in the materiality, but which Banco PAN decided to report to maintain the historical series and comparability

GRI Standard / Other source	Disclosure		Localization	Omission		
				Requirement(s) omitted	Reason	Explanation
GRI 305: Emissions 2016	305-1	Direct (Scope 1) GHG emissions	77, 158			
	305-2	Energy indirect (Scope 2) GHG emissions	77, 158			
	305-3	Other indirect (Scope 3) GHG emissions	77, 158			
	305-5	Reduction of GHG emissions	The reduction in scope 2 emissions was due to the decrease in emission factors in the national interconnected system, which monthly average went from 0.1264 to 0.0425 tCO ₂ /MWh. There was no total reduction in emissions, since there was no plan in the period to make this reduction feasible.			
GRI 306: Waste 2020	306-1	Waste generation and significant waste-related impacts	80			
	306-2	Management of significant waste-related impacts	80			
	306-3	Waste generated	80, 159			
	306-4	Waste diverted from disposal	80, 159			
	306-5	Waste directed to disposal	80, 160			

Extra GRI Disclosures - indicators not included in the materiality, but which Banco PAN decided to report to maintain the historical series and comparability

GRI Standard / Other source	Disclosure		Localization	Omission		
				Requirement(s) omitted	Reason	Explanation
GRI 308: Supplier Environmental Assessment 2016	308-1	New suppliers that were screened using environmental criteria	101			
	308-2	Negative environmental impacts in the supply chain and actions taken	101			
GRI 403: Occupational Health and Safety 2016	403-6	Promotion of worker health	Among the health promotion services and programs offered to workers, there are A multidisciplinary team specialized in Occupational Safety and Medicine working together with the assistance team; Online psychotherapy; Online telemedicine; Social Worker; Medical and odontology assistance; Health and Quality of Life; Gympass; Pregnancy Program / Breastfeeding room / Daycare assistance / Maternity and paternity leave; Allya - Platform for discounts on products and services; and Discount on medicines.			
GRI 408: Child Labor 2016	408-1	Operations and suppliers at significant risk for incidents of child labor	106			
GRI 409: Forced or Compulsory Labor 2016	409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	106			

Extra GRI Disclosures - indicators not included in the materiality, but which Banco PAN decided to report to maintain the historical series and comparability

GRI Standard / Other source	Disclosure		Localization	Omission		
				Requirement(s) omitted	Reason	Explanation
GRI 413: Local Communities 2016	413-1	Operations with local community engagement, impact assessments, and development programs	56	a II), a III), a V)	Not applicable	Due to the business of Banco PAN and its acquired companies (Mosaico and Mobiauto), we understand that there is no significant environmental impact and, consequently, there is no monitoring or public disclosure. There are no stakeholder engagement plans based on mapping these parties.
	413-2	Operations with significant actual and potential negative impacts on local communities	We understand that the segment has low impacts on its operations, given that they are just administrative offices. All physical branches had their activities closed over the last two years.			
GRI 414: Supplier Social Assessment 2016	414-1	New suppliers that were screened using social criteria	The supplier administrative approval flow considers the social aspects of suppliers, but only as an evaluation, and not as a selection requirement.			
	414-2	Negative social impacts in the supply chain and actions taken	All suppliers that go through the administrative approval flow go through the social evaluation flow. No risks have been identified.			
SASB: Consumer Finance 2018	FN-CF-270a.1	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold	The ratio between fixed remuneration and variable remuneration for product sales is 50/50 for the eligible public in 2022. The ratio between the amount distributed as variable remuneration and total production is 0.14% in 2022.			

Exhibits

Quantitative indicators	147
Projects supported	164
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Exhibits

Quantitative indicators

GRI 2-7

Employee information by gender^{1 2}

	2020			2021			2022 PAN			2022 PAN Conglomerate		
	Man	Woman	Total	Man	Woman	Total	Man	Woman	Total	Man	Woman	Total
Permanent employees and full-time	1,327	1,170	2,497	1,723	1,417	3,140	1,582	1,238	2,820	1,801	1,394	3,195
Part-time employees (Interns)	15	15	30	38	27	65	30	35	65	41	46	87
Total	1,342	1,185	2,527	1,761	1,444	3,205	1,612	1,273	2,885	1,842	1,440	3,282

¹There was a 10% reduction in headcount at PAN during the period of 2022 compared to 2021, mainly due to the restructuring of the commercial area, with the reduction of branches concentrating all sales operations in São Paulo.

² The number of employees with no guaranteed workload is zero.



GRI 2-7

Employee information, by region

		¹ 2020	2021	2022 PAN	2022 PAN Conglomerate
Permanent employees and full-time	North	41	44	23	24
	Northeast	176	156	58	76
	Central-West	105	106	49	56
	South	164	134	53	63
	Southeast	2,011	2,700	2,637	2,976
Total		2,497	3,140	2,820	3,195
Temporary employees	North	0	0	0	0
	Northeast	0	0	0	0
	Central-West	0	0	0	0
	South	0	0	0	0
Part-time employees (Interns)	South	0	0	0	2
	Southeast	30	65	65	85
Total		30	65	65	87
Total	North	41	44	23	24
	Northeast	176	156	58	76
	Central-West	105	106	49	56
	South	164	134	53	63
	Southeast	2,041	2,765	2,702	3,061
Total		2,527	3,205	2,885	3,282



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¹There was a 10% reduction in headcount at PAN during the period of 2022 compared to 2021, mainly due to the restructuring of the commercial area, with the reduction of branches concentrating all sales operations in São Paulo.

² The number of employees with no guaranteed workload is zero. Interns are concentrated only in the southeast and south regions, in the other regions the number is zero.



401-1

New employee hires by age group ^{1 2 3}

Age group	2020	%	2021	%	2022 PAN	%
Under 30 years	245	40%	582	39%	281	45%
From 30 to 50 years	366	60%	886	59%	339	54%
Over 50 years	1	0%	27	2%	4	1%

¹ Calculations do not include interns.

² To calculate the rate of new hirings, the ratio between the number of new hirings per category and the total number of new hirings of PAN was used.

³ There is no mature management to account , and report the data of new hirings and turnover by the companies Mobiauto and Mosaico.

401-1

New employee hires by region^{1 2 3}

Region	2020	%	2021	%	2022 PAN	%
North	10	2%	7	0%	0	0%
North East	38	6%	34	2%	1	0%
Midwest	24	4%	28	2%	5	1%
South	51	8%	61	4%	7	1%
Southeast	489	80%	1365	91%	611	98%

¹ Calculations do not include interns.

² To calculate the rate of new hirings, the ratio between the number of new hirings per category and the total number of new hirings of PAN was used.

³ There is no mature management to account , and report the data of new hirings and turnover by the companies Mobiauto and Mosaico.



401-1

Turnover, collaborator PAN initiative by age group^{1 2 3}

Age group	2020	%	2021	%	2022	%
Under 30 years	88	46%	142	36%	143	31%
Between 30 and 50 years	105	54%	250	63%	322	69%
Over 50 years	0	0%	6	2%	3	1%

¹ Calculations do not include interns.² To calculate the rate of new hirings, the ratio between the number of new hirings per category and the total number of new hirings of PAN was used.³ There is no mature management to account, and report the data of new hirings and turnover by the companies Mobiauto and Mosaico.

401-1

Turnover, collaborator PAN initiative by gender^{1 2 3}

Gender	2020	%	2021	%	2022	%
Women	59	31%	133	33%	157	34%
Men	134	69%	265	67%	311	66%

¹ Calculations do not include interns.² To calculate the rate of new hirings, the ratio between the number of new hirings per category and the total number of new hirings of PAN was used.³ There is no mature management to account, and report the data of new hirings and turnover by the companies Mobiauto and Mosaico.

401-1

Turnover, collaborator PAN initiative by region^{1 2 3}

Region	2020	%	2021	%	2022	%
North	0	0%	1	0%	0	0%
North East	7	4%	7	2%	5	1%
Midwest	1	1%	11	3%	2	0%
South	7	4%	9	2%	4	1%
Southeast	178	92%	370	93%	457	98%

¹ Calculations do not include interns.² To calculate the rate of new hirings, the ratio between the number of new hirings per category and the total number of new hirings of PAN was used.³ There is no mature management to account, and report the data of new hirings and turnover by the companies Mobiauto and Mosaico.

401-1

Turnover, collaborator PAN initiative by age group ^{1 2 3}

Age group	2020	%	2021	%	2022	%
Under 30 years	78	20%	93	20%	68	14%
Between 30 and 50 years	292	76%	335	73%	375	79%
Over 50 ye-ars	12	3%	28	6%	33	7%

¹ Calculations do not include interns.

² For the calculation of the turnover rate, the ratio between the number of voluntary dismissals by category and the total number of voluntary dismissals from PAN was used.

³ There is no mature management to account, and report the data of new hirings and turnover by the companies Mobiauto and Mosaico.

401-1

Turnover, collaborator PAN initiative by gender ^{1 2 3}

Gender	2020	%	2021	%	2022	%
Women	204	53%	236	52%	255	54%
Men	178	47%	220	48%	221	46%

¹ Calculations do not include interns.

² For the calculation of the turnover rate, the ratio between the number of voluntary dismissals by category and the total number of voluntary dismissals from PAN was used.

³ There is no mature management to account, and report the data of new hirings and turnover by the companies Mobiauto and Mosaico.

401-1

Turnover, collaborator PAN initiative by region ^{1 2 3}

Region	2020	%	2021	%	2022	%
North	12	3%	13	3%	11	2%
North East	32	8%	58	13%	41	9%
Midwest	26	7%	35	8%	22	5%
South	57	15%	73	16%	22	5%
Southeast	255	67%	277	61%	380	80%

¹ Calculations do not include interns.

² For the calculation of the turnover rate, the ratio between the number of voluntary dismissals by category and the total number of voluntary dismissals from PAN was used.

³ There is no mature management to account, and report the data of new hirings and turnover by the companies Mobiauto and Mosaico.

404-1

Average hours of training by gender ^{1 2 3 4}

	PAN ¹				Δ 2021/2022 ²	
	2021		2022		Total amount of hours	Average hours
Gender	Total amount of hours	Average hours	Total amount of hours	Average hours		
Men	50,007	23	56,300	27	13%	18%
Women	39,684	23	33,683	21	-15%	-7%
Total hours of training	89,691	23	89,983	25	0%	7%

¹ There are no 2020 PAN values on the average training hours per employee.

² The variation refers only to the average training hours per PAN employee, between 2021 and 2022..

³ Data includes only numbers managed by PAN.

⁴ Mobiauto and Mosaico do not perform data management.

404-1

Average hours of training by employee category

	PAN ¹				Δ 2021/2022 ²	
	2021		2022		Total amount of hours	Average hours
Employee category	Total amount of hours	Average hours	Total amount of hours	Average hours		
Analysts and Interns	69,712	78	76,919	25.8	2%	17%
Coordinator/Managers ³	16,543	40	8,213	15	-51%	-50%
Executive ⁴	3,436	35	4,850	33.2	41%	25%
Total hours of training	89,691	28	89,983	24.5	0%	11%

¹ There are no PAN 2020 values for the average training hours per employee.

² The variation refers only to the average training hours per PAN employee, between 2021 and 2022.

³ In 2021, there was a specific organizational culture deployment process that did not involve this functional category, in addition to headcount changes, which resulted in a decrease in development hours for managers and coordinators.

⁴ The positions considered are: Executive Manager, Superintendent, Regional, and Executive Superintendent.

404-3

Performance Assessments by gender and functional category	2020		2021		2022	
	Man	Woman	Man	Woman	Man	Woman
Executives	79%	21%	76%	24%	79%	21%
Average Leadership	62%	38%	59%	41%	60%	40%
Specialists	30%	70%	76%	24%	79%	21%
Analysts	47%	53%	58%	42%	57%	43%
Commercial Collaborators	50%	50%	46%	54%	48%	52%
Total	43%	57%	40%	60%	57%	43%



GRI 405-1

Percentage of individuals serving as board members, by gender

Gender	2020		2021		2022 PAN		2022 PAN Conglomerate	
	Total	%	Total	%	Total	%	Total	%
Men	10	100%	7	100%	8	89%	8	89%
Women	0	0%	0	0%	1	11%	1	11%

GRI 405-1

Percentage of individuals serving on governance bodies, by age group

Age group	2020		2021		2022 PAN		2022 PAN Conglomerate	
	Total	%	Total	%	Total	%	Total	%
30 to 50 years	5	50%	3	43%	5	55,6	5	56%
Above 50 years	5	50%	4	57%	4	44%	4	44%

Note: Not a single individual below the age of 30 is part of the governance bodies.

GRI 405-1

Percentage of individuals serving on governance bodies, by race or ethnicity

Race	2020		2021		2022 PAN		2022 PAN Conglomerate	
	Total	%	Total	%	Total	%	Total	%
White	10	100%	7	100%	9	100%	9	100%





GRI 405-1

Percentage of individuals serving on governance bodies, who are persons with disabilities

	2020		2021		2022 PAN		2022 PAN Conglomerate	
Persons with disabilities	Total	%	Total	%	Total	%	Total	%
Persons with disabilities	0	0%	0	0%	0	0%	0	0%

GRI 405-1

Percentage of employees by employee category, by age group

		2020	2021	2022 PAN	2022 PAN Conglomerate
Employee category	Age group	%	%	%	%
Analysts	Under 30 years	24%	26%	28%	30%
	From 30 to 50 years	73%	70%	69%	67%
	Over 50 years	4%	3%	3%	3%
Managers	Under 30 years	5%	7%	8%	10%
	From 30 to 50 years	89%	88%	87%	85%
	Over 50 years	5%	5%	5%	5%
Executives	Under 30 years	2%	2%	0%	1%
	From 30 to 50 years	87%	89%	90%	89%
	Over 50 years	10%	9%	10%	10%

Note: For greater comparability with previous years, interns were not included in items 405-1.

GRI 405-1

Percentage of employees by employee category, and by gender

Employee category	Gender	2020	2021	2022 PAN	2022 PAN Conglomerate
Analysts	Men	52%	54%	54%	55%
	Women	48%	47%	46%	45%
Managers	Men	56%	59%	60%	61%
	Women	44%	41%	40%	39%
Executives	Men	79%	76%	79%	78%
	Women	21%	25%	21%	22%

Note: For greater comparability with previous years, interns were not included in items 405-1.

GRI 405-1

Percentage of employees by employee category, and by color or race

Employee category	Color or race	2020	2021	2022 PAN	2022 PAN Conglomerate
Analysts	Black	5%	8%	8%	9%
	Brown	24%	26%	25%	24%
	White	69%	63%	64%	64%
	Indigenous	0%	0%	0%	0%
	Yellow	1%	3%	3%	3%
Managers	Black	3%	3%	4%	5%
	Brown	11%	16%	16%	15%
	White	83%	77%	74%	75%
	Indigenous	0%	0%	0%	0%
	Yellow	3%	4%	6%	5%
Executives	Black	0%	4%	2,5%	3%
	Brown	8%	9%	12%	11%
	White	91%	85%	83%	84%
	Indigenous	0%	0%	0%	0%
	Yellow	1%	2%	2,5%	2%

Note: For greater comparability with previous years, interns were not included in items 405-1.

For Mosaic, 37 employees did not declare their color/race (For the Analyst position, 22 employees did not declare their color/race; For the Manager position, 13 employees did not declare their color/race; For the Executive position, 2 employees did not declare their color/race).



GRI 405-1

Percentage of employees by employee category, by persons with disabilities

	2020	2021	2022 PAN	2022 PAN Conglomerate
Employee category	%	%	%	%
Analysts	5%	4%	4%	3%
Managers	1%	0%	0%	0%
Executives	0%	0%	0%	0%

Note: For greater comparability with previous years, interns were not included in items 405-1.

GRI 405-2

Ratio between pay for men and women - PAN

	2020	2021	2022 PAN	2022 PAN Conglomerate
Employee category	%	%	%	%
Management/Above	101%	96%	102%	92%
Coord/Esp.	80%	94%	92%	91%
Analysts	95%	94%	94%	89%
Assistant	101%	100%	100%	72%

GRI 305-1, 305-2, 305-3

Tons of CO₂e per year ^{1 2}

Type of emissions	2020	2021	2022 PAN	2022 PAN Conglomerate	Δ 2022/2021 ³
Scope 1	362	0	37	37	-
CO ₂	0	0	0	0	-
HFC-32	36	0	4	4	-
HFC-125	200	0	18	18	-
HFC-134a	126	0	15	15	-
Scope 2	215	291	92	97	-68%
Scope 3	5,006	1,719	2,014	2,450	17%
Biogenic CO ₂ emissions ²	4,788	1,552	1,689	2,080	9%
Biogenic CH ₄ emissions	118	131	282	320	116%
Biogenic N ₂ O emissions	100	36	43	52	19%
Total	5,583	2,010	2,143	2,584	7%

¹ Indicator data corresponds to the consolidated numbers from Mobiauto, PAN, and Mosaico. The numbers related to Mobiauto and Mosaico were collected from January/2022.

² Biogenic emissions values correspond to the consolidated scope 1 and 3.

³ Only PAN.

GRI 306-3

Breakdown of waste composition waste generated in metric tons	2020	2021	2022 PAN	2022 PAN Conglomerate	Δ 2022 /2021 ²	Breakdown of waste composition for the year 2022
Hazardous waste (Class I)	-	12	8	8	-34%	Electronic waste
Non-hazardous waste (Class II)	89	84	123	141	45%	Common waste
Total¹	89	96	131	149	35%	

¹ The data refers to the Paulista and Burity units.

² The variation presents comparative data only for PAN.

GRI 306-4

Total weight of waste diverted from disposal in metric tons, and a breakdown of this total by composition of the waste (in tons)

	2020			2021			2022 PAN ¹			2022 PAN Conglomerate		
	Onsite	Offsite	Total	Onsite	Offsite	Total	Onsite	Offsite	Total	Onsite	Offsite	Total
Hazardous waste (Class I)												
Recycling ²	-	-	-	0	12	12	0	8	8	0	8	8
Non-hazardous waste (Class II)												
Recycling	0	2	2	0	2	2	0	4	4	0	4	4
Grand total¹	0	2	2	0	14	14	0	12	12	0	12	12

¹ The data refers to the Paulista and Burity units.

² Hard drives containing sensitive information are sent for destruction before being recycled.

Asset	Consolidated	
	2022/12/31	2021/12/31
Financial instruments	49,558,485	42,699,462
Interfinancial liquidity applications	279,448	11,735
Open market applications	1,508	5,710
Interfinancial deposit applications	277,251	5,974
Savings deposit applications	689	51
Securities	9,149,836	6,306,937
Own portfolio	3,098,576	4,865,283
Linked to collateral provision	102,949	226,330
Linked to repurchase commitments	5,948,311	1,215,324
Interfinancial relationships	3,027,522	2,828,435
Payments and receivables to settle	-	-
Linked credits - Deposits in the Central Bank	3,022,679	2,825,583
Correspondents in the country	4,843	2,852
Credit operations	36,475,491	32,337,283
Credit operations	36,528,886	31,811,074
Receivables and credits	2,250,365	2,520,955
(Expected loss provisions associated with credit risk)	-2,303,760	-1,994,746
Other financial assets	626,188	1,215,072

Asset	Consolidated	
	2022/12/31	2021/12/31
Tax assets	3,981,720	4,170,920
Current	682,984	634,756
Deferred	3,298,736	3,536,164
Other assets	778,088	465,805
Other values and goods	380,502	323,761
Other values and goods	243,918	215,361
Other values and goods (Loss provision)	-41,259	-52,077
Prepaid expenses	177,843	160,477
Investments	24,566	20,941
Participation in subsidiaries	7,613	15,997
Other investments	16,953	4,944
Fixed assets	136,728	102,223
Other fixed assets in use	215,188	134,469
(Accumulated depreciation)	-78,460	-32,246

Projects supported

Direct donation + Volunteering initiatives

ArtsPAN

ArtsPAN is amongst the projects supported, which aims at providing a venue to #GenteQueFaz artists and stimulate visual arts, valuing graffiti as a way of expression.

The project website's key topic (www.artssp.com.br) is urbanity and combines the diverse styles of 10 participants who talk about their creative process in interviews and texts. As part of the project, in 2022 PAN invited the artist Crica Monteiro, a graffiti artist, designer, and illustrator to bring more color to Paulista office walls.

Plano de Menina (Girl Plan)

The *Plano de Menina* Institute is a social project that has to bring empowerment to girls living in peripheries throughout Brazil, making them protagonists of their stories and contributing to their development from training and connecting with women from different areas. In 2022, PAN sponsored the Plano de Menina Festival, which featured a panel on "Personal Marketing" with a manager executive of PAN and more than 300 participations.

Instituto PROA

Our partnership with PROA began in 2020, sponsoring the training of 15 young students in the PROfissão project, also volunteering actions with employees' participation, such as mentorships, interview simulations, and hackathons. We also promote the "Semana de Tecnologia PAN + PROA" (PAN Technology Week + PROA), with five classes given by some of our IT employees for students interested in the area. In 2022, in the Month of Diversity, we promoted the visit of 80 young people from PROA Institute to the PAN and chat with leaders of the Bank. The event scored NPS 100.

McHappy Day

We support this initiative by buying one Big Mac ticket for each Bank employee that can be used in any McDonald's in the country. The objective is to support institutions, such as TUCCA that assists children and adolescents in the fight against cancer. In addition, PAN's facilities were opened wherein additional tickets could be acquired at a discount. Overall, PAN allocated R\$ 54,000.00 for this initiative.

In 2022, we set aside
R\$ 20,000
for the activities of the
project Girl's Plan project.

In 2022, we contributed
R\$ 200,000
to the PROA Institute.

The ArtsPAN project website's key topic is urbanity and combines the diverse styles of 10 artists who talk about their creative process in interviews and texts.

Lar da Benção Renovation

We supported this institution's renovation which involved 25 Bank volunteers who helped paint facilities. PAN contributed R\$1,753 to this initiative to enhance the ambiance for residing children.

Christmas Campaign

With the solidarity of all Paulista and Burity employees, 450 children aged between 1 and 17 years received gifts from our Solidary Christmas tree, which included the donation of footwear, garment items, toys, books, and hygiene kits. All in all, we allocated R\$32,500 to this initiative.

Children's happy faces meant great thankfulness to us. In recognition of the gifts received, Lar

da *Benção Divina* to which we contributed R\$10,000.00, also exhibited a touching camera string quartet at Paulista and Burity offices.

Children's Day

When PAN gets the whole family together, everybody has fun like a child. Our meeting on October 12, 2022, was perfect for our team to be a child again! PAN offered a graffiti workshop with the artist Crica Monteiro, a financial education workshop with Art Attack Daniel Warren, also a sustainable workshop to teach recycling to children. PAN also offered a toy area, photo booths, characters, magic, and snacks.

To top it off, the attending 230 mini-collaborators gained a piggy bank, a coloring book, and a PAN badge.



Year-End Party

Our party was a success and yielded unforgettable moments! Besides guaranteed fun, the event also relied on a sustainability and inclusion show, with various ESG initiatives:

- diverse and inclusive team to organize the party
- eco-cups during and after the event
- canvas, fabric, and plastic scenery which at the end of the party was sent to Grupo Primavera to be converted into dolls for socially vulnerable children
- party materials were recycled:



43 kg
cans



19 kg
PET bottles



15 kg
colored
plastic



7 kg
paper



**Total
recycled:
84 kg**

Each entry ticket was converted into 1kg of non-perishable food and, together, we totaled 1,107 kg of food. As promised, PAN also doubled this figure, hitting the record of 2 tons of food donated to the State Movement of Homeless Population of the State of São Paulo – *Cozinha Escola Pop Rua* Project.

Projects supported via incentive laws in 2022 and carried out in 2023

ASSAMA

The non-profit amputees association of Maringá (ASSAMA) that defends social rights was founded in the city of Maringá, the state of Paraná. Its main purpose is to promote the social inclusion and rehabilitation of people with any type of disability, as well as provide assistance to those considered deprived, besides promoting Paralympic sports, aiming at stimulating and enabling athletes' participation in regional, national, and international competitions.

In 2022, supported by PAN via sports incentive law and a R\$57,413 contribution, ASSAMA was Brazil's amputee soccer champion.

Hospital de Amor

This 60-year institution provides no-cost services for cancer patients. The Cuidar project assists children and adolescents undergoing cancer treatment at the Pediatric Hospital in the city of Barretos. All assistance activities are built, so that patients and families can be together to tackle the disease. Support via Fumcad totaled R\$114,322.



Lar da Bênção Divina

This philanthropic institution 1956 has been assisting socially vulnerable communities surrounding Congonhas airport, in the city of São Paulo. This project aims at contributing to building moral values in children, adolescents, and young people through sports, education, and a social life that stimulate physical and mental development. The activities developed by this project are based on the sports educational concept. Sports here is the focus, but without neglecting other activities that contribute to the personal development of children and adolescents assisted.

With an incentive of R\$56,909 via Sports Law, 238 children received soccer training, 40 in aikido and 40 in chess, aged between 6 and 16 years.

This institution also maintains a Musical Project, initiated in 2007 via Rouanet Law. Since then, it has been growing, getting strong, and advancing. Today, the institution offers musicalization, choir, violin, viola, cello, flute, transverse flute, clarinet, and xylophone classes, also working with the concept of the integrated arts, including creativity, dance, body expression, and theater workshops. In 2022, we contributed R\$172 thousand to this project.

In 2023, the project will give a scholarship of R\$480 to the 10 oldest students selected by the institution. The objective is to promote further education, avoiding students' dropout to underemployment. The scholarship is also a motivational factor for young students who aim for this benefit and be able to dedicate themselves to classes and studies.

Lar Francisco Xavier

This is a non-profit organization that promotes social welfare by sheltering helpless elderly people to which we allocated R\$114,322. Located in the city of Cotia (SP), this association was founded in 1983 whose objective is to restore the elderly citizen's dignity, promote social welfare under the elderly people's institutional foster care regime, ensure full protection, as well as preventing negligence worsening situations, such as violence and breaking ties.



Learn more about the supported projects:
Social Responsibility | PAN Bank

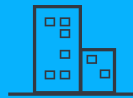
Casa de Cultura de Israel

We contributed R\$285,288 to the documentary that discusses through music, images, and exclusive testimonials, images, topics, such as prejudice, racism, sexism, freedom, pride to belong, and women empowerment.

Travel through scenic stations equipped with five sensory stimuli that lead us to a 100-year history, from the first 'samba' recorded until the contemporary funk. Scholars, curators, filmmakers, writers, stage designers, anthropologists, sociologists, journalists, visual artists, and musicians compose the team that builds comprehensive experiences, as follows:



**dance
workshops**



**alley renovation
through street art**



**verso e prosa
workshops**



**gastronomic
experience**



**documentary
public exhibition**



book



In 2022, supported by PAN via sports incentive law and a R\$57,413 contribution, ASSAMA was Brazil's amputee soccer champion.

Olga Kos Running and Walking for Inclusion

We collaborated and sponsored the Running and Walking for Inclusion, promoted by Olga Kos Institute, via Sports Incentive Law 2021, which took place in 2022. Currently, this race relies on 18 thousand contestants, in its 7th edition, 17 employees were randomly selected to participate in the race, free of charge, and in the 8th edition, 25 employees were randomly selected.

Besides a financial contribution of R\$97,223 in products to be distributed, a marketing campaign was held inviting all our interested employees to run for no-cost kits to participate in the event. We also promoted an initiative concerned with the thought “*Por que a Diversidade e Inclusão tem tudo a ver com o PAN?*” (Why diversity and inclusion are all about PAN?).



Assurance Report

GRI 2-5

Independent auditors' limited assurance report on non-financial information included in the Annual Report

(A free translation of the original report in Portuguese, containing the Assurance Report).

To the Board of Directors and Shareholders
Banco Pan S.A.
São Paulo - SP

Introduction

We have been engaged by Banco Pan S.A. ("Company") to present our limited assurance report on the non-financial information included in the "Annual Report 2022" of Banco Pan S.A., for the year ended December 31, 2022.

Our limited assurance does not extend to prior period information or to any other information disclosed in conjunction with the Annual Report, including any embedded images, audio files or videos.

Responsibilities of Banco Pan's management

The management of Banco Pan S.A. is responsible for:

- select and establish appropriate criteria for the elaboration of the information contained in the Annual Report;

- prepare the information in accordance with the criteria and guidelines of the Global Reporting Initiative (GRI - Standards), with the Sustainability Accounting Standard - Consumer Finance, of the Sustainability Accounting Standards Board (SASB);
- design, implement, and maintain internal control over information relevant to the preparation of Annual Report that is free from material misstatement, whether due to fraud or error.

Responsibility of the independent auditors

Our responsibility is to express a conclusion on the non-financial information included in the Annual Report 2022, based on NBC TO 3000 - Assurance Engagements other than Audits and Reviews, also issued by the CFC, which is equivalent to international standard ISAE 3000 - Assurance engagements other than audits or reviews of historical financial information, issued by the International Auditing and Assurance Standards Board (IAASB). These standards require compliance by the auditor with ethical requirements, independence, and other responsibilities relating to it, including the application of the Brazilian Quality Control Standard (NBC PA 01) and, therefore, the maintenance of a comprehensive quality control system, including documented policies and procedures on compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements.

Additionally, the standards require that the work be planned and performed with the objective of obtaining limited assurance that the non-financial information in the Annual Report 2022, taken as a whole, is free from material misstatement.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) mainly consists of inquiries to Banco Pan's management and other Banco Pan's professionals who are involved in the preparation of information, as well as the application of analytical procedures to obtain evidence that enables us to conclude, in a limited assurance manner, on the information taken as a whole. A limited assurance engagement also requires the performance of additional procedures when the independent auditor becomes aware of matters that lead him to believe that the information disclosed in the Annual Report, taken as a whole, may present material misstatements.

The procedures selected were based on our understanding of the aspects relating to the compilation, materiality and presentation of the information contained in the Annual Report 2022, other circumstances of the engagement and our consideration of areas and the processes associated with the material information disclosed in the Annual Report 2022 where material misstatements could exist. The procedures comprised, among others:

- a. planning the work, considering the materiality of the aspects for Banco Pan's activities, the relevance of the information disclosed, the volume of quantitative and qualitative information and the operating and internal control systems that served as a basis for the preparation of the information contained in the Annual Report 2022;
- b. the understanding of the calculation methodology and the procedures for the compilation of the indicators through inquiries with the managers responsible for the preparation of the information;
- c. the application of analytical procedures on the quantitative information and inquiries on the qualitative information and its correlation with the indicators disclosed in the information contained in the Annual Report 2022; and
- d. for the cases in which the non-financial data correlate with indicators of a financial nature, the confrontation of these indicators with the accounting statements and/or accounting records.
- e. analysis of the processes for preparing the Report and its structure and content, based on the Content and Quality Principles of the Sustainability Reporting Standards of the Global Reporting Initiative - GRI, with the Sustainability

Accounting Standard – Consumer Finance, of the Sustainability Accounting Standards Board (SASB);

- f. evaluation of the sampled non-financial indicators;
- g. understanding the calculation methodology and the procedures for the compilation of the indicators through interviews with the managers responsible for the preparation of the information;
- h. analysis of the reasonableness of the justifications for the omission of performance indicators associated with aspects and topics indicated as material in the Banco Pan's materiality analysis.

The limited assurance work also comprised adherence to the guidelines and criteria of the GRI - Standards elaboration framework applicable in the preparation of the information included in the Annual Report 2022.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Scope and limitations

The procedures performed in limited assurance work vary in nature and timing, and are smaller in extent than in reasonable assurance work. Consequently, the level of assurance obtained in limited assurance work is substantially lower than that which would be obtained if reasonable assurance work had been performed. If we had performed reasonable assurance work, we could have identified other issues and possible distortions that may exist in the information contained in the Report. Therefore, we do not express an opinion on this information.

Non-financial data are subject to more inherent limitations than financial data, given the nature and diversity of the methods used to determine, calculate or estimate these data. Qualitative interpretations of materiality, relevance, and accuracy of the data are subject to individual assumptions and judgments. Additionally, we did not perform any work on data reported for prior periods, nor in relation to future projections and targets.

The preparation and presentation of sustainability indicators followed the GRI - Standards criteria and, therefore, are not intended to ensure compliance with social, economic, environmental or engineering laws and regulations. These standards do, however, provide for the presentation and disclosure of any non-compliance with such regulations when significant sanctions or fines are incurred. Our assurance report must be read and understood in this context, inherent to the selected criteria (GRI - Standards).

Conclusion

Based on the procedures performed, described in this report and the evidence obtained, nothing has come to our attention that causes us to believe that the non-financial information included in the Annual Report for the year ended December 31, 2022 of Banco Pan S.A., have not been prepared, in all material respects, in accordance

with the Sustainability Reporting Standards of the Global Reporting Initiative - GRI, the Sustainability Accounting Standard - Consumer Finance, of the Sustainability Accounting Standards Board (SASB).

São Paulo, May 19th, 2023

KPMG Auditores Independentes Ltda.
CRC 2SP014428/O-6
Original report in portuguese signed by



Sebastian Yoshizato Soares
Accountant CRC 1SP257710/O-4

Acknowledgments

Corporate information

CNPJ: 59.285.411/0001-13

Telephone: (11) 4003-0101

Email: atendimento@grupopan.com

IR website: <https://ri.bancopan.com.br/>

Institutional website: <https://www.bancopan.com.br>

Address: Avenida Paulista, nº 1.374 - 16th floor, São Paulo

Coordination

Banco PAN

GRI Advisory Services

blendON

Editorial and revision Project

blendON

Images:

Banco PAN's collection





Banco PAN

Avenida Paulista, 1.374 - 16th floor

São Paulo, SP - 01310-100

bancopan.com.br