



PARMETAL

D.T.V.M.

**14.02.0002.002**

**Policy of  
Social Environmental and Climate Responsibility  
(PRSAC)**

**Governance and Risk Management and Internal Control Board**

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**Policy of  
Social Environmental and Climate Responsibility**

**Publicado**  
janeiro /04/ 2023

**Validade**  
janeiro /03/ 2026

***Summary:***

This policy structures the management of social, environmental and climate responsibility at Parmetal DTVM, assigning roles and responsibilities to its employees in line with good practices and regulatory requirements in a manner appropriate to the size and complexity of its business.

***Responsibilities:***

<b><i>board of directors:</i></b>	<b><i>area:</i></b>
Board of Governance and Risk Management	Risk Management

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***Date of publication:***

janeiro /04/ 2023

***Expiration date:***

janeiro /03/ 2026



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## 1. Objectives

- As a principle, Parmetal DTVM is a company with social responsibility and absolutely committed to sustainable development.
- To disseminate the principles and guidelines related to environmental social responsibility and climate (PRSAC) of Parmetal DTVM in its business and in its relationship with stakeholders.
- Structure the risk management and social, environmental and climate responsibility governance framework.
- Define the objectives, processes, responsibilities and authorities of the Governance and Risk Management Department and the Risk Management Department regarding social, environmental and climate responsibility.
- To define the responsibilities related to risk management and social, environmental and climate responsibility of the members of each level of Parmetal DTVM's structure, both in its own operations and in its relationship with third parties.
- Make social, environmental and climate responsibility part of Parmetal DTVM's culture, business procedures and administrative procedures, making it clear that social, environmental and climate damage can cause financial or reputational losses.
- To guarantee that Parmetal DTVM:
  - Does not participate, either directly or indirectly, in the occurrence of social, environmental and climate damage of any nature;
  - Take the necessary actions to mitigate and remedy social, environmental and climatic damages that its activities may enable or cause;
  - Comply with all legal and regulatory requirements, as well as internal guidelines related to Social, Environmental and Climate Responsibility.
- Ensure that:
  - All failures and incidents related to risk management and social, environmental and climate responsibility are diagnosed, assessed, recorded and corrective action is taken, and reported in a timely manner;
  - Parmetal DTVM's top management has the correct and timely information on the monitoring and control of risk and social, environmental and climate responsibility.
- Disclose Parmetal DTVM's ethical and strategic stance on risk management and social, environmental and climate responsibility:
  - Inform what posture is expected from employees and collaborators;

**Publicado**  
janeiro /04/ 2023**Validade**  
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- Inform the administrative sanctions applied to people who by omission, negligence, fault or malice do not comply with the legal requirements and internal guidelines addressed in this Policy.

## 2. Scope: Target Audience and Coverage

- This Policy must be known and obeyed by ALL the interested parties, that is, the employees and collaborators whose activities involve:
  - The management of Parmetal DTVM (administrators, members of the Steering Committee, superintendents, managers and area heads);
  - Risk management;
  - The supply of information;
  - The compliance risk;
  - Activities involving third parties and stakeholders;
  - Commercial activities in PCO (gold buying station);
  - Human resources management.
- The Social, Environmental and Climate Responsibility Policy (PRSAC), must be applied to ALL INTERESTED PARTIES, whether INTERNAL or EXTERNAL to Parmetal, as long as they are related to the product:
  - Any person interested in learning about Parmetal's strategy;
  - Employees of the institution;
  - People who carry out activities on behalf of the institution;
  - Customers;essoas que executem atividades em nome da instituição;
  - Customers;
  - Suppliers;
  - All and any person that in some level is impacted and or is related to products, activities
- BEFORE starting any activity for Parmetal DTVM, the people to whom this Policy is directed must also
  - Know the document Parmetal DTVM's Code of Ethics and Conduct;
  - *Note: these statements are controlled by the Internal Controls Management of the Governance and Risk Management Department.*

### 3. Institutional Statement

- This Policy spells out Parmetal DTVM's governance principles and standards for risk management and social, environmental and climate responsibility, in a manner that is compatible with Parmetal DTVM's business model, the nature of its operations and the complexity of its products, services, activities and processes.
- Therefore, it aims to
  - Protect Parmetal DTVM and its operations from being used to enable and facilitate acts that cause social, environmental and climate damage;
  - To prevent Parmetal DTVM's activities from causing social, environmental and climatic damage;
  - Contribute to the defense of social, environmental and climate assets;
  - To incorporate the defense of social, environmental and climatic assets into its organizational culture.
- To this end, Parmetal DTVM
  - Does not share and repudiates any action that may cause social, environmental and climate damage;
  - Does not allow that it be associated to acts that cause social, environmental and climate damage, nor that its operations and services be used to enable and/or facilitate such acts;
  - It hinders relationships with individuals and companies that do not share its stance on social, environmental and climate responsibility;
  - Promotes training and information to all its employees, collaborators and correspondents, for the construction of an organizational culture that emphasizes the importance of social, environmental and climate responsibility and the role of each one in the process;
  - Ensures appropriate working conditions for the well-being of its employees and associates;
  - It publicly discloses and requires that all its employees and collaborators know and accept its Code of Ethics and Conduct, which also deals with social, environmental and climate responsibility, stimulating a posture focused on ethics, citizenship and the preservation of biodiversity and natural resources;
  - Prioritizes the good use of renewable resources and, whenever possible, seeks to treat water, energy and paper consumption responsibly, avoiding waste and promoting the appropriate treatment and disposal of the waste generated;
  - Promotes an ethical and transparent relationship with all stakeholders, including suppliers and third-party service providers, in order to build relationships based on social, environmental and climate responsibility, aiming at a lasting partnership;

**Publicado**  
janeiro /04/ 2023**Validade**  
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- Hires suppliers, third-party service providers, business partners and correspondents whose companies and partners share its values and disseminate respect and social, environmental and climate responsibility actions;
  - Manages on the social, environmental and climate risks to which it is exposed and maintains monitoring and control mechanisms to diagnose and minimize losses related to:
    - Relationship with customers, employees, partners, suppliers and third-party service providers;
    - Commercial and administrative operations;
    - Administrative activities.
  - It is open to the participation in actions that seek the alignment of measures and evaluations with the purpose of reducing social, environmental and climate damage;
  - It provides a communication channel (E-mail: [prsac@parmetal.com.br](mailto:prsac@parmetal.com.br)) and encourages criticism and suggestions from customers, users of its products and services, suppliers, third-party service providers and legal and individual persons impacted by its activities (stakeholders).
- In this way, Parmetal DTVM does not relate, does not operate, does not contract, does not associate and does not admit as correspondents in the country or business indicator, (individuals or legal entities), that
- Cause social, environmental and climate damage;
  - Collaborate with or allow social, environmental and climate damage to be made possible;
  - They are convicted of (crimes and/or misdemeanors);
  - Refuse to provide information or documentation requested;
  - They operate or are involved in activities that are not legalized;
  - Do not allow the legitimacy of their activities, the economic foundation of their business, their domicile, or the origin of their resources to be verified;
  - They are on lists of restrictions related to money laundering, drug trafficking, and terrorism;
  - They use subterfuge to circumvent legal requirements.
- Parmetal DTVM takes additional care and requires prior and formal approval from the Steering Committee or one of the Executive Directors with:
- The qualification of legal entities whose corporate purpose may bring the risk of causing damage to social, environmental and climate assets with the formalization of relevant (business and administrative) operations with them;
  - Individuals and legal entities suspected of involvement in acts that cause social, environmental and climate damage;

**Publicado**  
january /04/ 2023**Validade**  
january /03/ 2026

- Operations and situations listed in the Central Bank of Brazil's Circular Letter 4.001.

## 4. Compliance

- This Social, Environmental and Climate Responsibility Policy (PRSAC) addresses the requirements set forth in the following normative documents:
  - CMN Resolution 4.557 of 23/2/2017 - risk management framework, capital management and information disclosure;
  - CMN Resolution 4.945 of 9/15/2021 - social, environmental and climate responsibility (PRSAC);
  - BCB Circular 3.978 of 01/23/2020 - policy, procedures and internal controls to be adopted by authorized institutions on the prevention of Money Laundering and Terrorist Financing;
  - CMN Resolution 3.954 of 24/2/2011 - hiring of correspondents in the country.

## 5. Governance

### 5.1. Executive Board:

- The Executive Board is primarily responsible, in the person of its directors, for the proper functioning of the risk management structure and social, environmental and climate responsibility policies. This responsibility is both collective and individual. To this end, it must guarantee the robustness and independence of the management structure in a way that is complete and appropriate to Parmetal DTMV's profile, by means of
  - Clear assignment of roles, responsibilities and authority, without conflicts of interest;
  - The independence of the Risk management areas, with the resources necessary for their good functioning;
  - A clear normative structure, with responsibility for discussion and approval of policies;
  - Adequate and timely communication flows.

### 5.2. Steering Committee:

- Parmetal DTVM's Steering Committee is an internal collegiate body responsible for supporting and advising the Executive Board's decisions. It is responsible for accumulating all the committees suggested and/or required by the regulatory and supervisory bodies, and also for discussing other matters and acts of a tactical and strategic nature at the regulatory, supervisory and control, administrative, financial and economic levels, necessary for the management of the business.



- More information can be found in the corporate document "Regulation of the Steering Committee of Parmetal DTVM".

### **5.3. Board of Governance and Risk Management**

- At Parmetal DTVM, risk management as a whole is dealt with by the Governance and Risk Management Department, which coordinates and supports the risk management and social, environmental and climate responsibility activities.
- The structure of the Governance and Risk Management Department is responsible for ensuring the existence and effectiveness of controls and monitoring of the institution's activities to meet the activities related to risk management and social, environmental and climate responsibility, both from a regulatory and managerial point of view.

### **5.4. Risk Management Department:**

- The Risk Management Department is responsible for verifying the existence and effectiveness of controls and monitoring of the institution's activities to meet the activities related to risk management and social, environmental and climate responsibility, both from the regulatory and managerial point of view.
- It is the responsibility of the Accounting Management, Compliance Management as well as the Internal Controls Management to inform the Risk Management Management about the effective losses due to social, environmental and climate damages.

### **5.5. Internal Controls Management:**

- The Internal Controls Management is responsible for the availability and supply of information, including both the sending of this information to the supervisory authorities and its publication, ensuring that all these documents are available in a timely and complete manner.
- The guarantee of the existence of monitoring and control mechanisms for social, environmental and climate risks and their effectiveness is also the responsibility of the Internal Controls Management and is the object of Parmetal DTVM's Internal Controls Policy for the tools that are used in the processes under its responsibility.

### **5.6. Other Areas and Departments:**

- The primary responsibility for the operation of the social, environmental and climate risk management tools lies with the structures that apply them.
- The areas with activities sensitive to social, environmental and climate risk must ensure that the processes of risk management and social, environmental and climate responsibility are robust and must report any problem identified to the Risk Management at [prsac@parmetal.com.br](mailto:prsac@parmetal.com.br).

## 6. Guidelines

### 6.1. Social responsibility, environmental and climate in financial institutions

- Financial institutions are exposed to three types of risks related to social, environmental and climate damages:
  - Enabling and sustaining social, environmental and climate damage from third parties who use their products and services (joint and several liability);
  - Enabling agents of social, environmental and climate damage that are its suppliers and service providers to third parties;
  - Being directly the agent of social, environmental and climate damage in the performance of its activities and in the valuation of assets (participation in companies that are agents of social, environmental and climate damage, acquisition and acceptance as collateral of real estate, etc.).

### 6.2. Social requirements, environmental and climate for Financial Institutions

- In The Financial Institutions must elaborate, publish, disclose and reevaluate their Social, environmental and climate responsibility Policy (this document) every three years, in addition to maintaining a governance structure capable of:
  - Implement the actions under the Social, environmental and climate responsibility Policy;
  - Monitor compliance with the actions established in the Social, Environmental and Climate Responsibility Policy;
  - To evaluate the effectiveness of the actions implemented;
  - Verify the adequacy of the management of social, environmental and climate risk established in the Social, environmental and Climate Responsibility Policy;
  - Identify any deficiencies in the implementation of the actions;
  - Manage its Social, Environmental and Climate Risk;
  - Formalize Board approval of the Social, Environmental and Climate Responsibility Policy.

### 6.3. Parmetal actions

- Under monitoring by the Risk Management Department, Parmetal DTVM:
  - Conditions its systems, routines and procedures, to identify, assess, classify, monitor, mitigate and control social, environmental and climate risk in its activities and in its operations (business and administrative);
  - Maintains control to identify legal, regulatory and market changes that impact the management of social, environmental and climate risks;
  - Maintains processes to ascertain and record all possible losses resulting from social, environmental and climate damage;

**Publicado**  
janeiro /04/ 2023**Validade**  
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- Assesses in advance the potential social, environmental and climate impacts, including with regard to reputational risk, of new products and services and relevant changes in existing processes;
  - Addressing the environmental impact of its business activities:
  - Prioritizing the consumption of resources that are renewable and handles water, energy and paper consumption responsibly, avoiding waste and promoting the proper treatment and disposal for waste generated, especially those with the greatest potential to cause environmental and health impacts;
  - Making available a communication channel on its website where employees, collaborators, clients, users, partners and suppliers can criticize, suggest actions and report improper acts, also regarding social, environmental and climate assets;
  - Not keeping in its patrimony assets that present problems related to social, environmental and climate damage;
  - Planning the training of its employees on social, environmental and climate responsibility.
- Including in the responsibilities of the Internal Audit and Internal Controls Area the evaluation of social, environmental and climate risk controls.

#### **6.4. Gold Purchase**

- Parmetal DTVM, due to the nature of its operations, takes all precautions so that its activity of purchasing raw gold, a financial asset, does not cause any damage to Social, environmental and climatic Assets. To this end:
- It identifies, qualifies and classifies, as to the risk of social, environmental and climate damage:
  - Your gold buying locations;
  - Those responsible for their Gold Buying Stations (PCO);
  - The sellers of raw gold, financial asset (individuals and legal entities);
  - The gold purchase transactions;
  - Requests that its sellers of raw gold as a financial asset answer the "Questionnaire on Social Environmental and Climate Responsibility Questionnaire";
  - Verifies the information received by comparing it with data from independent sources;
  - In case of questions, the case is taken to the Board of Directors for a decision.
- Parmetal DTVM is attentive and trains its employees and collaborators in the prospection and identification of situations potentially harmful to social, environmental and climatic assets.

## 6.5. Customer Restrictions

- Parmetal DTVM does not accept as clients individuals and companies that cause social, environmental and climatic damages. To this end it has included in the "Know your Customer - KYC" processes activities to identify individuals and legal entities that present direct risks of carrying out social, environmental and climate damage, or people related to them.

## 6.6. Restrictions to Suppliers and Service Providers

- Parmetal DTVM does not operate, does not contract, does not associate and does not admit as supplier or service provider individuals and legal entities that cause social, environmental and climatic damage. And for this
  - Seeks to work with suppliers and service providers to third parties that have social, environmental and ethical conduct similar to its own and that:
  - encourage the adoption of good practices;
  - repudiate any practices that are not in legal compliance, that are linked to personal favoritism or that characterize corruption, bribery or social, environmental and climate damage;
  - Includes specific social, environmental and climate criteria in the qualification process of suppliers considered strategic to the good performance of the services carried out by Parmetal DTVM (critical services);
  - Includes in its contracts with suppliers a contractual clause stipulating social, environmental and climate obligations, including obligations referring to the prevention of slave and child labor and sexual exploitation, respect for the environment and combating all forms of corruption;
  - Includes social, environmental and climate criteria in the supplier monitoring process;
  - Encourages its suppliers to adopt social, environmental and climate practices, in compliance with the existing regulations and the good practices of the market, in order to incorporate the theme in its own management.

## 7. Responsibilities and Sanctions

- The employees and collaborators (including directors, superintendents, managers and area heads) of Parmetal DTVM that do not comply with the requirements of this Policy through negligence, fault or malice, depending on the seriousness of the fault, will be
  - Warned unofficially;
  - Formally warned;
  - Suspended temporarily;
  - Dismissed or having the collaborator's contract terminated.

## 8. Approval and Updating of the PRSAC

The PRSAC Policy has been approved by Parmetal's Board of Directors, and will be revised every 3 (three) years or less if necessary in accordance with art. 7, section VII, §1º of resolution 4.945/21.

## 9. Normative References

- Important: the legal requirements have a high rate of change in Brazil:
  - Official websites should always be consulted to obtain the most up-to-date version at each moment;
  - Updated information on regulations edited by the Central Bank can be found at <http://www.bcb.gov.br/fis/supervisao/lavdinreg.asp>.

### 9.1. Legal references

- CMN Resolution 4.557 of 23/2/2017: risk management framework, capital management framework and information disclosure policy
- CMN Resolution 4.943 of 9/15/2021 (as of 12/1/2022 for S4): amends CMN Resolution 4.557 to incorporate the elements of social, environmental and climate responsibility
- CMN Resolution 4.945 of 9/15/2021 (from 12/1/2022 to S4): Social, Environmental and Climate Responsibility Policy (PRSAC)
- CMN Resolution 4.553 of 30/1/2017: segmentation of financial institutions for purposes of proportional application of prudential regulation
- CMN Resolution 4.968 of 11/25/2021: internal control systems of financial institutions
- CMN Resolution 4.072 of 26/4/2012 - installation in the country of branches of financial institutions and other authorized institutions
- CMN Resolution 3.954 of 24/2/2011 - hiring of correspondents in the country.

## 10. Glossary

- Social, Environmental and Climatic Responsibility: they are the actions, principles and guidelines that respect the social good, the environment and the climatic nature observed by Parmetal DTVM and the policies that have as one of the main objectives its sustainability.
- Social goods: basically they are the rights dealt with in the 30 Articles of the Universal Declaration of Human Rights (United Nations - December 10, 1948).
- Sustainability: is the set of actions and activities that aim to supply the current needs of human beings, without compromising the future of the next generations. It is directly related to economic and material development without damaging the environment, using natural resources intelligently so that they can be maintained in the future.

**Publicado**  
janeiro /04/ 2023**Validade**  
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- **Environment:** is the set of conditions, laws, influences and interactions of physical, chemical and biological order, that allows, shelters and governs life in all its forms.
- **Social Crime:** is an offense against the criminal law that protects material or immaterial social goods by malice, fault, action or omission.
- **Social Damage:** these are injuries to society, to its standard of living, both by lowering its moral patrimony - mainly with respect to safety - and by decreasing the quality of life.
- **Environmental Damage:** in Brazil, these are the damages against assets protected by Law 9.605 that deals with environmental crimes and names and determines their penalties. They are:são as
  - Crimes against fauna;
  - Crimes against the flora;
  - Pollution and other environmental crimes;
  - Crimes against urban planning and cultural heritage;
  - Crimes against environmental administration.