



Integrated Annual
Report 2023

XP inc.

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About this report

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Welcome to the Integrated Annual Report of XP Inc., a Brazilian company that went public in 2019 on the U.S.-based second largest stock exchange in the world, Nasdaq.

As part of our commitment to transparency and creating long-term value for our audiences, we have consolidated information in this document on how we impact and are impacted in our interactions and relationships.

Our financial and non-financial data is reported in two annual reports, which consolidate the performance of XP Inc. and its subsidiaries, in line with the requirements of Form 20-F, filed annually with the United States Securities and Exchange Commission (SEC) and posted on our Investor Relations website.

Period covered by reports: January 1st to December 31st, 2023.¹

¹ **Entities included in this report** **GRI 2-2** : the XP group is currently made up of 57 entities, including XP Inc. and our subsidiaries, of which 53 are controlled by us, 45 are incorporated in Brazil and 8 are incorporated in other countries. For more information, go to page 44 of the 20-F Form submitted to SEC (U.S Securities and Exchange Commission) in April 2024.

Consolidated Financial Statements 2023-2022-2021

Presents the financial performance of XP Inc. for the year, in accordance with the International Financial Reporting Standards (IFRS) of the International Accounting Standards Board (IASB), known as the IFRS Accounting Standards. The financial statements were submitted to evaluation by independent auditors.

Integrated Annual Report 2023

Provides a more comprehensive view of business management and performance in alignment with our short, medium and long-term strategies. It expresses the opportunities and risks related to social, environmental and governance issues, represented by the acronym ESG (Environmental, Social and Governance), and our ability to create value for stakeholders.

Adopted standards and guidelines

The 2023 Integrated Annual Report was prepared under the guidance of the 2021 Universal Standards of the Global Reporting Initiative (GRI) and the standards of the Sustainability Accounting Standards Board (SASB) and the Integrated Reporting Framework, of the Value Reporting Foundation. It also considers the recommendations of the International Sustainability Standards Board (ISSB).

Responsibility for information **GRI 2-14**

The accuracy and integrity of the content of this report is under the responsibility of the Board of Directors of XP Inc. The CFO, who was also responsible for the Investor Relations area during the process of preparing this report, contributed to creating the content, until the end of his term in April 2024. The document was validated in May by the Audit Committee, the Board of Directors, and the Executive Committee. The materiality update, conducted between the end of 2023 and the beginning of 2024, was also validated by these three decision-making bodies.

For more information, contact: relacoes.investidores@xpi.com.br



Dialogue channels with our audiences GRI 2-29

We maintain channels of dialogue and frequent interactions with our stakeholders in order to understand the real and potential impacts of our organization for each group, define actions to prevent and mitigate potential negative impacts and enhance positive ones.

Stakeholder	Dialog mechanism	Frequency
	Satisfaction survey	Yearly
	SAC	
	WhatsApp +55 11 4935 2720	
Individual and Corporate Clients	Telephones: 11 4003 3710 (capitals and metropolitan regions); 0800 880 3710 (other locations); 55 11 4935 2701 (customers abroad); 0800 771 0101 (people with hearing or speech impairments); 0800 772 0202 (questions, guidance and complaints)	Permanent
	Ombudsman: 0800 722 3730	Permanent
	E-mail: relacoes.investidores@xpi.com.br	Permanent
	Form for sending questions, concerns and suggestions	Permanent
Investors	Earnings results conferences	Quarterly
	XP Investor Day	Yearly
	Annual Shareholders Meeting	Yearly
Collaborators	Pulse survey	Monthly
	Confidential Reporting Channel 0800 721 0744	Permanent
Society	XP Educação Service	Permanent
	55 31 3047 3611 (Monday to Friday, 11 a.m. to 7 p.m.)	



Message from senior management

Letter from the CEO GRI 2-22

|| In recent years, the financial system has undergone a technological transformation that has definitely changed the way Brazilians use banking products and services to transform their lives. We at XP Inc. are proud to have contributed to breaking paradigms in this industry.

From the beginning, our mission has been to strengthen the role and autonomy of citizens in terms of investments, democratizing access to opportunities that, until recently, were practically inaccessible to small investors. We made a true revolution in this market and, in 2023, we continued to implement our short, medium and long-term strategies, focused on quality, improving governance, digital transformation, growth and creation of new businesses to expand the services offered to customers.

The year began with an uncertain macroeconomic outlook marked by deteriorating credit, a decline in business investment and high interest rates. We were able to deftly respond to this extremely challenging scenario. We maintained cost discipline and capitalized on emerging opportunities, demonstrating the resilience of our business model.

In addition to the challenges faced by the market as a whole, we are experiencing an intense period of adaptations designed to solidify our transition from an investment company to a multiple financial conglomerate that, over the last three years, has begun to embrace the activities of commercial banking, private banking, wholesale and insurance, among others.

During this transition, our pioneering culture has demonstrated all its power. For the first time, we surpassed R\$1 trillion in client assets under custody, a monumental milestone that we celebrate as it signals the trust placed in us by our clients.



Throughout the year, we continued to focus on our three main strategic pillars: 1) Leadership in investments; 2) Improve our cross-sell capacity; and 3) Wholesale synergies. At the center of these pillars is our commitment to a culture of quality - our third wave of differentiation.

Throughout the year we also had the acquisition and subsequent integration of Banco Modal, which marked a significant step in our journey, expanding our capabilities and improving the set of products and services offered to customers. This integration is almost complete at this point, providing revenue synergies and cost efficiencies.

Our New Verticals and Large Enterprises & SME initiatives continued to thrive, playing a significant role in the diversification of revenues - over 17% of our total gross revenue for the year, including Retirement Plans, Cards, Credit, Insurance, Foreign Exchange, Global Investments and Digital Account. The recognition of our credit card as the Best in Brazil by Melhores Cartões is proof of our commitment to offering superior quality products and services.

One of the pillars of our mission has been to focus more on the quality of what we offer to customers. We are dedicated to ensuring access to premium services that were previously available only to Private customers. By extending these offerings to high-income customers, we want to break down barriers and create a more inclusive and scalable financial ecosystem. The initiative reflects our past successes in making premier investment products accessible to a wider audience, emphasizing our commitment to investment excellence.

As a result, we posted a positive financial performance with record quarterly revenues and profitability. And we closed the year with an EBT (earnings before taxes) 14% higher than that recorded in 2022, while net profit increased by 9%. Another highlight was the Efficiency Ratio: it was the best we have obtained since the IPO on Nasdaq in 2019.


Growth, for us, means going far beyond the pursuit of new financial heights. We want to conduct this process guided by a sustainable development strategy that considers the impacts and opportunities for business and our entire value chain.

We have evolved in incorporating environmental, social, climate and governance themes into our activities and decisions. This is not a linear journey, as it requires a learning curve that we continue to build through investment in technology and the internal spread of the ESG culture.

In 2023, for example, training on the topic also became mandatory for the more than 14 thousand investment advisors who work with us. We saw a significant increase in ESG assets under custody, reaching R\$13.4 billion, improved risk management processes on all business areas and submitted 100% of our operations and suppliers, both individuals and companies of all sizes, to social, environmental and climate risk analysis.

Deepening this perspective, at the beginning of 2024, we recalibrated public goals and commitments in synergy with our material topics, advanced in improving governance, and published our Human Rights Policy.

Our priorities for this year involve the quality of service to our customers, governance in the people, management and risk pillars, cost discipline to maintain long-term competitive advantages and the consolidation and expansion of our new verticals, mainly the Wholesale Bank, in the Corporate and Large Corporate segment, and the Digital Bank, in the individual and small and medium-sized companies segment.

We remain increasingly confident in our business model and are convinced that our commitments and developments reinforce our purpose of continuing to transform the financial market to improve people's lives. Enjoy the material! 

Thiago Maffra

CEO of XP Inc.

Letter from the Chairman of the Board

GRI 2-22



I like to look back because the past tells us a lot about who we are and the way we shape our future. XP was born in battle in 2001, and we discovered paths while continually reinventing ourselves to get where we are. We didn't know it yet, but we were building the foundations of our culture at that time.

Big dreams, an open mind, an entrepreneurial spirit and customer focus are values that have guided our attitudes and decisions since the beginning. We never imagined that our small office of independent agents, which distributed investment products from another brokerage, could go public on one of the largest stock exchanges in the world. We arrived at Nasdaq, in the United States, because we believe in the impossible.

From the beginning, we understood that financial education would be essential to form an investor prepared for the debanking that would happen in Brazil, as happened in other markets. We are proud to lead this movement, with a technological and financial solution that provided autonomy and strengthened the investor.



Likewise, we achieved other major milestones, consolidated in 2023, after an intense period of transformations and investments that began in 2019 with the IPO. Until then, we were a company with 2,000 employees and, today, we are a team numbering over 6,600 people.

Dreaming together, we created a business where everyone feels ownership, is able to provide their opinion and raise the yellow flag when they believe something doesn't make sense – all with autonomy and a desire to learn, without fear of making mistakes and knowing how to correct mistakes quickly. Here, everyone faces daily challenges, learns, grows and strives to excel. This is what we usually call a culture of performance, which has been our source of innovation.


In this environment full of opportunities, meritocracy and a long-term mentality and a focus on the customer in search of continuous excellence prevail. With the clarity that what brought us to our current level will not necessarily take us to the next stage, we need to review the formula, no matter how successful it has been, learn new skills, acquire other habits and think about perpetuity from the company.

This is the context in which we continue to transform our businesses to foster an ESG culture. We began this journey in 2020 and have now perfected our strategy, guided by the review of our materiality. It captured perceptions about what is relevant to our stakeholders and to preserving the sustainable performance of the business in the medium and long term.

In our reality, adequately addressing social, environmental and governance issues has become imperative to better manage risks, attract investors and talent and reduce costs for raising capital, among other factors that influence the longevity of organizations.

We believe that it is possible, and necessary, to embrace the challenges of our time and generate positive results for our employees, our shareholders and the entire value chain, improving our skills in social, environmental and governance issues. To this end, the material themes presented in this document serve as a guide for the strategies led by senior management, unfolding in XP Inc.'s business, processes and daily activities.

Therefore, we will continue to grow and promote a performance that exceeds 2023, a year that goes down in our history for paving the way for a new cycle of expansion. Our ability to overcome obstacles helped us perform superbly in a period marked by a very challenging macroeconomic environment.

And we move forward, firm in our intention to continue transforming the financial market to improve people's lives. 

Guilherme Benchimol

Chairman of the Board of Directors of XP Inc.



Materiality

GRI 2-4 | 2-14 | 2-23 | 3-1 | 3-2 | 3-3

This year, we conducted the materiality update developed in 2020, when XP was still in the early stages of its ESG journey. Since then, we have experienced strong transformations in business and felt the need to revisit the material themes mapped to understand whether they remain relevant, both in the current context of the company and the market, and for our stakeholders.

We therefore seek to identify the issues with the greatest potential for positive and negative impacts on revenues and that may influence our ability to continue creating value for our stakeholders over time. The methodology adopted was based on the GRI guidelines and covered the following steps:

Identification of material topics

The work began with a benchmarking of six financial institutions with which we decided to compare ourselves, observing their ESG strategies, commitments and practices. At the same time, we revisited global and sectoral guidelines (SASB and GRI standards) and key financial industry indices (S&P, MSCI and ISS ESG), in addition to studies on trends produced by these indices and the World Economic Forum (WEF). This allowed us to deepen our understanding of the main emerging topics on the global stage.

We also analyzed the Brazilian regulatory context (Central Bank, CVM and SUSEP) and other international markets that have taken the forefront on sustainability issues in recent years. Finally, we reviewed XP Inc.'s internal documents and policies.

Stakeholder engagement

The desk review stage resulted in a list of 40 relevant topics, and the 21 most aligned with our strategy were prioritized and submitted for stakeholder evaluation. Insights from our stakeholders were captured through in-depth interviews with the company's senior management and through a survey submitted to a selected group of strategic suppliers, business partners, the community, customers and investors.

At the end of the in-depth interviews and online surveys, stakeholders were invited to assign a score from 1 (low relevance) to 5 (high relevance) for each of the 21 material topics. Weights were also assigned for the final balance of the scores depending on the expressiveness of each audience for the business. The ratings obtained in the survey made it possible to identify the relevance of each topic for stakeholders and its impacts on business.

Materiality review

By analyzing insights captured on the desk review and interviews with stakeholders, and considering the interconnections with the company's long-term strategies, we carried out a materiality review. The 21 topics submitted to the research were grouped into thematic blocks, maintaining the philosophy adopted in the previous materiality. In the end, the relevance of the four topics prioritized since 2020 was confirmed, and two new topics were added.

Contextualization and validation of materiality

The material topics were contextualized to facilitate the management of the initiatives that will be prioritized and published by XP Inc. in this report and in the next period, in adherence to the Sustainable Development Goals that we chose to promote. The result of the materiality review was approved by the Audit Committee and Board of Directors, whose members made a commitment to the guidelines.

Our material topics

ESG integration in processes, products and services

Offer financial products and services, in the best interest of our clients, that promote solutions focused on ESG topics and support the advancement of our clients on their sustainability journeys.



Ethics, human rights, compliance and transparency **NEW**

Promote ethical conduct, human rights, compliance and transparency in our practices and in the value chain, with policies and processes to prevent, address and report practices such as money laundering and corruption, in addition to actions that ensure fairness and responsibility in all communication processes.



Customer centricity, innovation and technology **NEW**

Ensure quality services, prioritizing customer focus and centrality through technological innovation.



Education and financial inclusion

Promote inclusion through mechanisms that facilitate access to financial products and services and, at the same time, contribute to expanding financial education in society, based on alliances with strategic partners.



Diversity and inclusion

Create an internal environment that values and promotes diversity and inclusion and carry out actions that encourage the adoption of D&I practices in society and in relationships with our different audiences.



Data security and privacy

Ensure security controls and data protection with public and transparent policies and risk monitoring.





Highlights of the year



Efficiency

4% cost reduction
Dilution of costs vs. turnover

36,3% Efficiency Ratio
↑ **570bps** better than the one recorded in 2022



Profitability

R\$15.7 billion gross revenue

R\$3.9 billion net profit

25.6% ROTE (Return On Tangible Equity)

R\$20 billion net worth



Capital base

R\$15 billion in Tier I Capital



Business

R\$1.1 trillion of client assets under custody ↑ **19%**

14% growth in EBT (earnings before taxes)

R\$21 billion in the credit portfolio
↑ **23%**

R\$40 billion TPV Cards

+17% in gross revenue from new business verticals

12% of all assets of individual clients in Brazil



Our team

6.667 employees allocated to different companies

14 thousand independent advisors throughout Brazil



Customer base

4.5 million customers ↑ **17%**

1.4 million active digital accounts

NPS **72**



Social, Environmental and Climate Risk

- **100%** of the corporate and private client portfolio to social, environmental and climate scrutiny
- **100%** of suppliers submitted to social, environmental and climate analysis
- **100%** of new products and services evaluated from a social, environmental and climate perspective
- **100%** of Greenhouse Gas Emissions neutralized
- **Greenhouse gas inventory** submitted to external audit
- **48,22%** reduction in the intensity of emissions financed from the credit portfolio from 2021 to 2023, reaching **6.24 tons of carbon** per each million of *Reais* invested
- **-2 percentage points** in climate sensitivity of the credit portfolio from 2021 to 2023, reaching 12.72%
- **100%** of the energy consumed in Brazil comes from renewable sources, based on the purchase of i-Rec



Sustainable business

R\$13.4 billion in ESG assets under custody

↑ **346%** from 2020 to 2023

R\$23.4 billion in green bonds issued

28% of the Investment Banking fixed income issuances linked to the green economy

38 ESG investment funds on our platform

R\$3.76 billion in assets under management by ESG funds

51 ESG products distributed on our platform

187 thousand clients with ESG investments

↑ **201%** from 2020 to 2023



ABOUT XP

We have built competitive advantages that have allowed us to expand our operations and generate a new experience based on finance, investments and information.



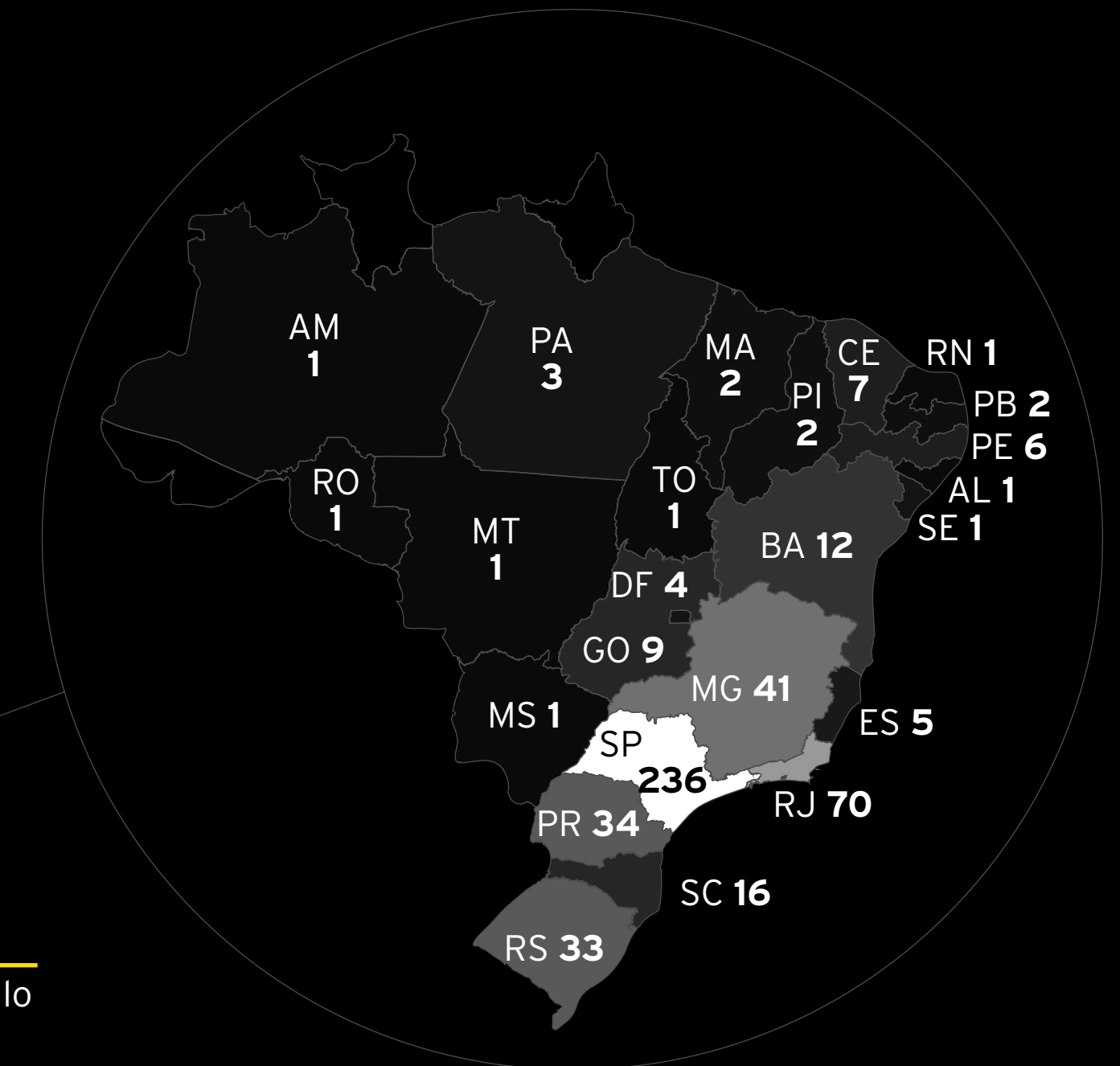
Who we are GRI 2-1

A company created in 2001 in a small office in Porto Alegre (RS), which made financial education and the inclusion of Brazilians in the investment market the engine of its growth. In just over two decades, we have become one of the leading financial companies in the country, preserving the democratization of access to a wide range of financial services in our DNA.

Where we are



487 outsourced offices that distribute products throughout Brazil





Our products and services



Investments

- Public and private fixed income (bank securities, private credit and government securities traded in the primary and secondary markets)
- Variable income (shares, futures, listed funds, alternative funds, derivatives, structured notes)
- Investment funds (+600) from XP Asset Management and third parties
- International investments (dollarized fixed income, stocks, ETFs, REITs, ADRs)
- Financial advisory



Large companies and capital markets

- Issuances of local debt securities (CRI, CRA, CDCA, FIDC and LF), hybrid securities (FII, FIP and FIAGRO) and international securities: bonds, private placements, syndicated loans and structured private credit operations
- Financial instruments such as swaps
- OTC derivatives
- Financial advice on IPO, follow-on, block trade and tender offer
- Mergers and acquisitions (M&A)



Retail banking

- Digital account
- Rico and XP brand credit cards
- Collateralized credit (with guarantee linked to the equity invested in XP)
- Currency Exchange
- Insurance (life and property and casualty insurance)
- Private pension, with proprietary and third-party plans

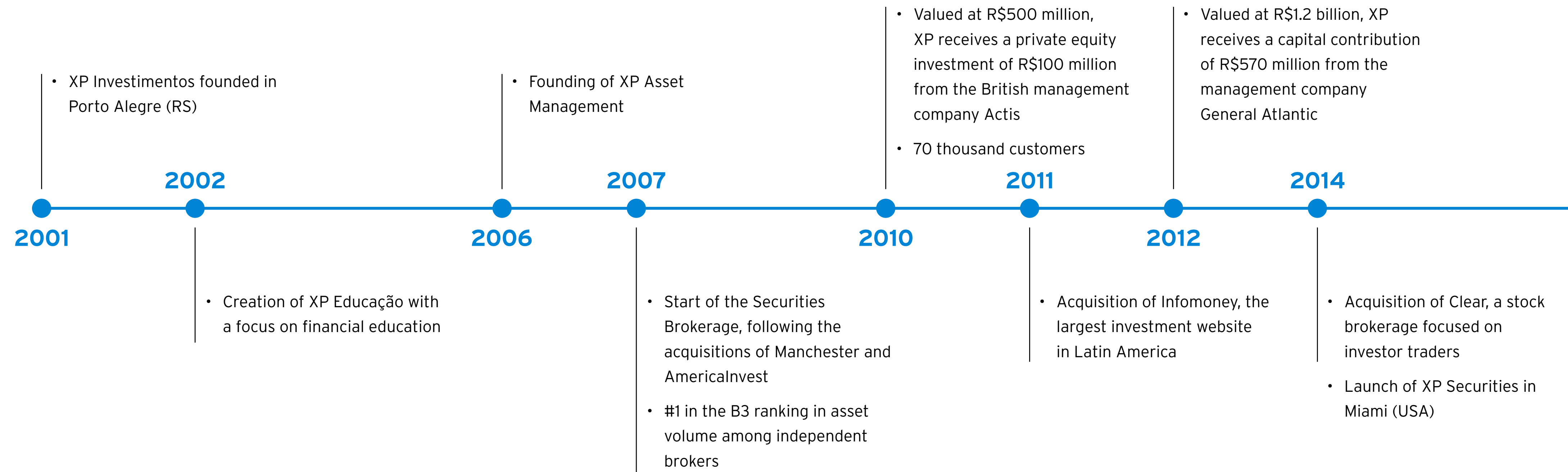


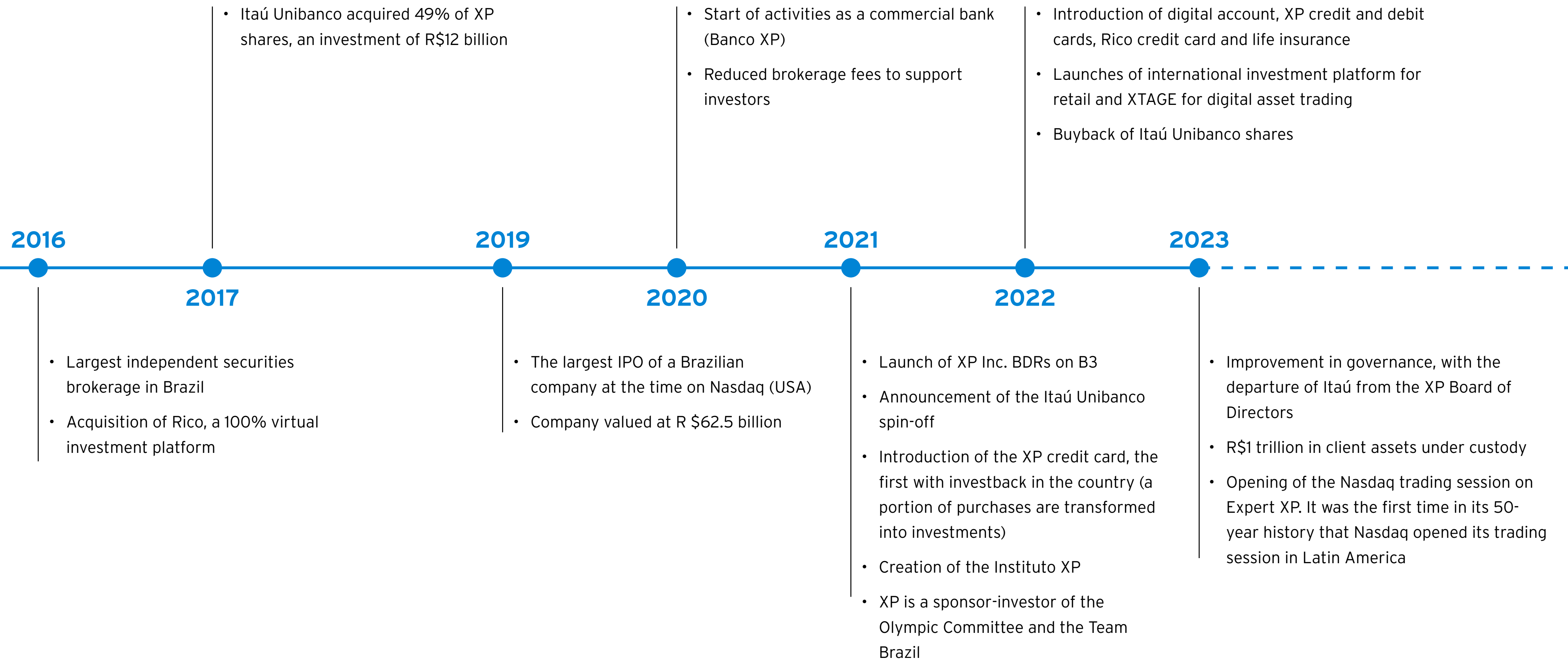
Institutional

- Trading desks
- Corporate access
- Support staff



Our history







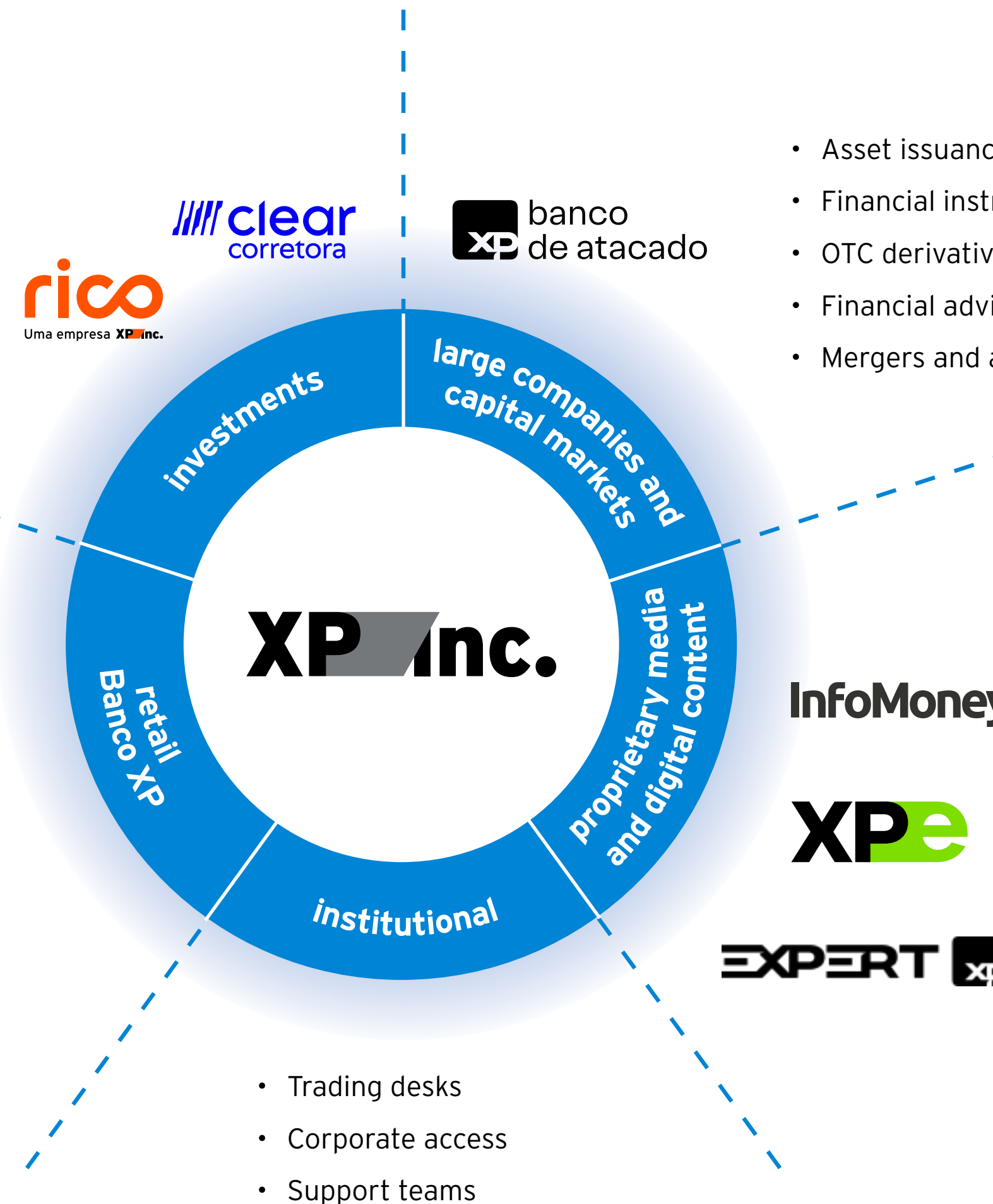
VALUE CREATION

We leverage the synergies provided by our ecosystem to offer financial solutions, information and education, helping to improve the lives of millions of people.

Our ecosystem GRI 2-6 | GRI 201-1

- Open investment platform
- Public and private fixed income
- Variable income
- +600 investment funds from XP Asset Management and third parties
- International investments
- Financial advisory

- Digital account
- Rico and XP brand credit cards
- Collateralized credit (with guarantee linked to the equity invested in XP)
- Currency Exchange
- Insurance (life and property and casualty insurance)
- Private pension, with proprietary and third-party plans



- Asset issuances (local, hybrid and international debt securities)
- Financial instruments such as swaps
- OTC derivatives
- Financial advice on IPO, follow-on, block trade and OPA
- Mergers and acquisitions (M&A)

- Financial content
- Financial education
- Training of advisors
- Technology and AI training
- Training in data science for the financial market
- Multi+ Platform

- Trading desks
- Corporate access
- Support teams



XP Investimentos Foreign Exchange Broker is the main entity of the XP Group, with the highest concentration of employees. It provides securities brokerage and private securities issuance services to institutional and corporate clients. It offers a wide variety of products and services tailored to each client profile, accessed through the investment platform.

Banco XP S.A.

Authorized to operate by the Central Bank on October 11, 2019, Banco XP does business as a multiple bank with commercial and investment activities, in addition to carrying out transactions in the foreign exchange market. Since then, it has been expanding its range of products and services, including digital accounts, Rico and XP branded credit cards, life and property insurance, both proprietary and from other insurers in the market. It also offers solutions for planning retirement, with its proprietary and third-party private pension plans.



Founded shortly after the creation of XP, in 2003, XP Educação is the result of the integration of two schools: IGTI, which became a reference in technology education, and Xpeed, XP's finance school. The platform offers undergraduate, graduate and bootcamp courses for professionals who wish to excel in the digital economy, graduate courses in technology with artificial intelligence, a training journey for investment advisors with undergraduate, graduate and bootcamps, and another in data science for the financial market. It also offers open and free courses. Some of the content can be accessed by subscription through the Multi+ program.

InfoMoney

The largest and most complete communication ecosystem specialized in economics, finance, investments and business in the country has been part of XP Inc. since 2011. With a loyal and engaged community of more than 70 million readers, InfoMoney produces quality content across all formats and on dozens of platforms.



An investment platform created in 2011 and integrated into XP in 2016 as part of our objective of empowering Brazilians to manage their financial lives. It offers straightforward, quality content to guide and empower customers when choosing their investments through the website or app. It also offers financial services, such as a digital current account.



The first company to offer zero brokerage fees in Brazil, primarily serving traders (professional investors), offering the best experience with zero brokerage and custody fees. Founded in 2012, it was acquired by XP in 2014, receiving strong investments in technological infrastructure. It then began distributing fixed income assets and trading platforms.



Expert XP platform

An investment content platform for beginners and experts. It features a research group with more than 30 experts supporting retail clients in Portuguese and institutional clients in English. It offers a wide range of content, which includes insights on fixed income, stocks, funds, REITs, asset allocation, economics and politics, among others.

EXPERT XP

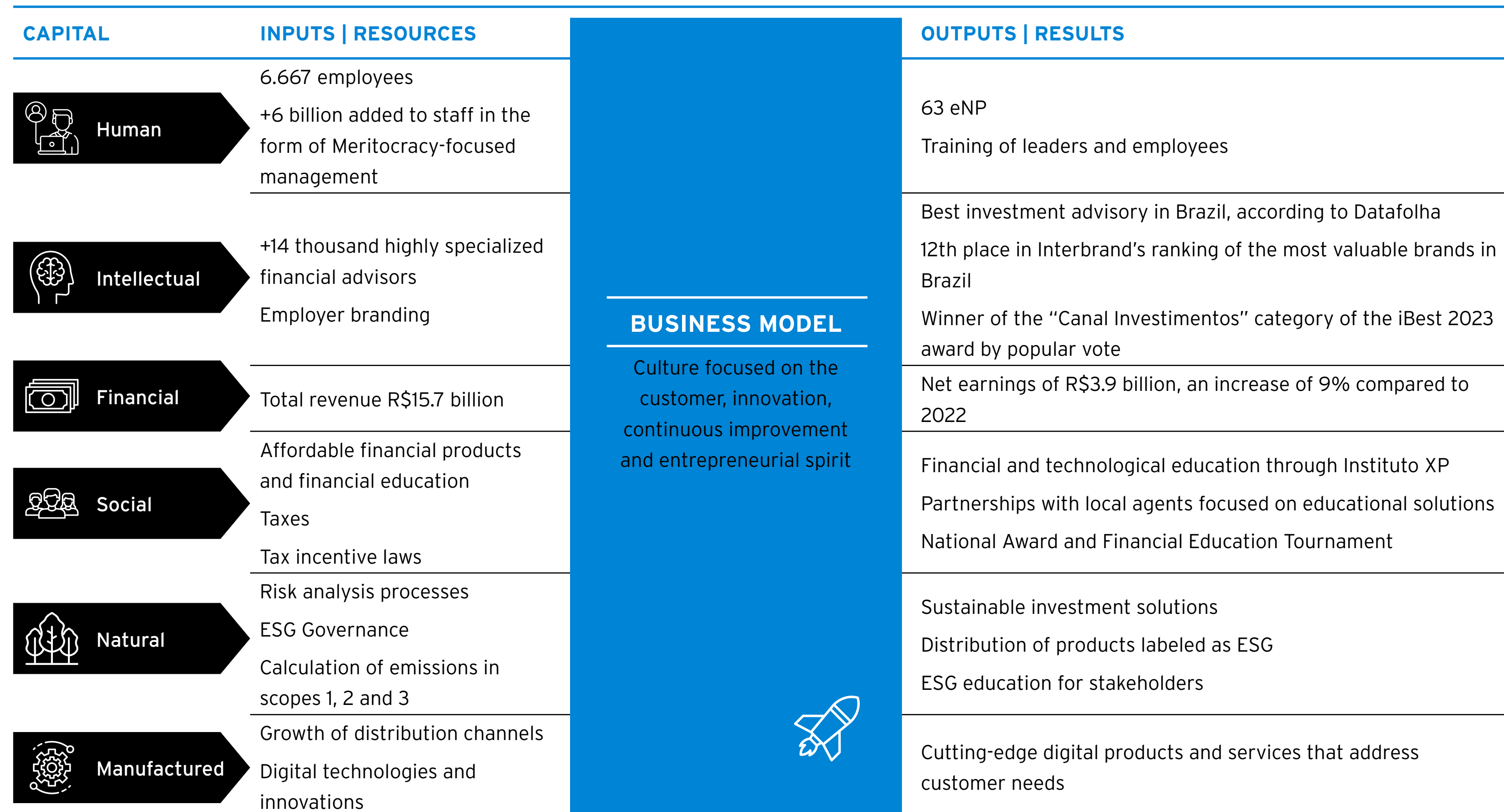
The largest investment event in Latin America, held annually and assembles financial market professionals and executives, public sector leaders, investors, experts in economics and finance, entrepreneurs and influential personalities to discuss trends, investment strategies, business opportunities, and other subjects.

- **+ 126.2 thousand** participants in 2023
- **188 sponsors**
- **250 journalists** covering the event
- **+ 2.4 thousand articles** published in the media





Value creation model



Context of the environment in which we operate in 2023

- Highly regulated market (BACEN/CVM/SUSEP)
- Increase of ESG regulations and demands from regulators and investors
- Population with access to investments in Brazil
- High demand for skilled labor and need to attract talent
- Uncertain macroeconomic outlook, characterized by deteriorating credit, downturn in corporate investments, default, high interest rates



Distribution of value added GRI 201-1

In 2023, the direct value added generated by our ecosystem totaled R\$15.4 billion, positively impacting society, through the collection of taxes, employees, with salaries, benefits and charges, the longevity of the business, with adequate compensation on equity, and customers, in the form of compensation on third-parties capital.

Direct Economic Value Generated (R\$ billion)



Distribution of Value Added

Year	Personnel and charges	Compensation on equity	Taxes, fees and contributions	Compensation on third-parties capital
2021	37%	41%	20%	2%
2022	46%	42%	7%	5%
2023	40%	42%	11%	7%



Voluntary commitments and participation in external forums

GRI 2-28

We are signatories to the Principles for Responsible Investment (PRI), the UN Global Compact, the Carbon Disclosure Project (CDP) and the Partnership for Carbon Accounting Financials (PCAF), which is a partnership among financial institutions with the objective of developing harmonized methodologies for measuring Greenhouse Gas Emissions. PCAF is the most renowned initiative regarding the measurement of financed emissions, being recommended by the Task Force on Climate-Related Financial Disclosures (TCFD) for disclosure of financed emissions.

We have also joined the Climate Commitment, an initiative by Instituto Ekos Brasil that connects companies interested in offsetting their Greenhouse Gas Emissions and projects dedicated to generating social and environmental benefits.

We have also assumed voluntary commitments in the areas of diversity, human rights and gender equality, subscribing to the following institutions: UN Women, Mover (Civil Association of the Racial Equity Movement), Pact for Racial Equity, Rede Reis (Business Network for the Inclusion of Disabled people).





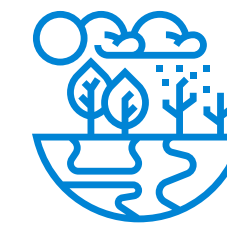
Sector development

We work alongside class and sector organizations, contributing to relevant topics for the market. At the Brazilian Association of Banks (ABBC), we are coordinators of the Socio-environmental and Climate Risk Commission, which aims to monitor, evaluate and supervise aspects related to good socio-environmental management practices, standardized by regulatory bodies, aimed at strengthening concepts and standards applicable to financial institutions. In the Financial Innovation Lab, we participate in the ESG Risks working group.

We also took part in the ESG Integration Commission (CIASG) of the National Confederation of General Insurance, Private Pension and Life Companies (CNseg), with the aim of supporting companies in the insurance sector to incorporate the best market conduct practices.

We participate in working groups of the Brazilian Association of Financial and Capital Market Entities (Anbima), related to the Carbon Market, ESG Funds and CMN Resolution 4945.

At the Brazilian Federation of Banks (Febraban), we are active in the ESG Committee and four other working groups that focus on specific issues:



Climate Squad: develops and implements climate finance management tools, discussing the assessment of physical and transition risk, the measurement of climate sensitivity and financed emissions from the credit portfolio.



Regulation Squad: dedicated to discussions and adaptations to new Central Bank regulations, such as the implementation of the loss basis and stress testing..



Sustainable Finance Squad: works to expand knowledge in sustainable finance, promoting debates and training on sustainable debt instruments and corporate credit.



Deforestation Squad: discusses the management of deforestation risks in agricultural chains in different segments of banking operations.

Recognitions



Best investment Advisory in Brazil

XP was selected as the top investment advisor in Brazil in the “The Best of the Internet” award, sponsored by *Folha de S. Paulo*. It was also recognized, for the fifth consecutive year, as the best investment advisor in São Paulo in the “The Best of São Paulo” award, from the same media outlet.



Top of Mind Santa Catarina

We were the investment company most remembered by people from Santa Catarina, in the Top of Mind survey carried out by the NSC Group.



Best credit cards in Brazil

The XP Visa Infinite and XP Visa Infinite One were chosen as the best credit cards in Brazil in a ranking by the website *Melhores Cartões* (Best Cards), in a survey carried out at the request of *Valor Investe*. Features such as better benefits, lower interest rates and travel advantages, among others, gained prominence.



Most innovative investment platform in Brazil

In the award sponsored by the *Escola Superior de Propaganda e Marketing* (ESPM), winning the majority of votes from more than 500 undergraduate students at the university.



Among the most valuable brands in Brazil

According to a survey by the consulting firm Interbrand, XP placed 12th in the ranking of the most valuable brands in Brazil.



Asset leader in number of shareholders

In a survey conducted by the Trademap platform at the request of *Valor Econômico*, XP Asset saw the highest growth in the number of shareholders in the liquid funds market in the 1st half of 2023.



Largest independent manager

XP Asset was the largest independent manager and the seventh largest asset manager in the country in the Top Asset ranking from *Investidor Institucional Magazine*.



Among the best ESG Research in Brazil

We are among the top ESG Research teams in Brazil in the Institutional Investor ranking. In addition, our Head of ESG Research, Marcella Ungaretti, was selected as the best ESG Research analyst in the country.



iBest 2023

By popular vote, XP was the winner of the Investment Channel category at iBest 2023 awards. InfoMoney was also the winner in the same category in the iBest Academy vote, made up of a jury of experts, entrepreneurs and personalities from the digital world.



STRATEGY AND MANAGEMENT

What drives us is the purpose of transforming the financial market in order to improve people's lives.



Culture

Our history is deeply connected to the transformation of the financial market in the country. With a pioneering spirit and a belief that nothing is impossible, we worked to educate investors and created the first platform to give them autonomy to choose how and where to invest the money set aside to achieve their life goals. Breaking with the banking standards that had been in place, we reduced and eliminated fees that penalized returns.

By dreaming together with Brazilians, we have become one of the largest financial institutions in the country. And we continue in our determination to broaden our services and grow, thereby promoting the development of people and the country.

Our values



Entrepreneurial Spirit

We build the future with our own hands with the highest level of commitment and sense of ownership.



Open Mind

Our openness to new possibilities and our ability to adapt are features that make us evolve and always improve.



Client Focus

We are determined to exceed our clients' expectations, always putting them first in our decisions.



Big Dream

We aim at the impossible, we believe that it can come true, and we can get there together, one step at a time.

Our value proposition

• We are trailblazers

We build our future with our own hands, tirelessly. We're proud of what we've done and even prouder of what's to come.

• We are transformers

We seek agility, efficiency and transformation capacity, and spare no effort to adapt to the new.

• We are determined

Behind extraordinary challenges, there are people willing to achieve them, thirsty to learn and open to new opportunities every day.

• We are powerful and plural teams

What drives us in the same direction is our ambition to do more and be better. We are a powerful combination of different experiences, skills and backgrounds, which results in high performance.

Long term vision

Our long-term strategy is centered on three verticals: investments, cross-selling and wholesale banking. In investments, the objective is to expand market share, focusing on high-income audiences (private banking and retail). We want to use our experience and knowledge to achieve leadership in this segment, with different models to serve each customer profile.

We plan to capture a 15% share of the investment volume from individuals and companies - by the end of 2023, this share stood at 11.6%. This will be achieved both by acquiring new customers and increasing the investment share from our current client base .

We also want to take advantage of the full potential of cross-selling to expand the penetration of new products and services such as digital current accounts, insurance, foreign exchange, international accounts and credit cards in the customer base. We ended 2023 with R\$15 billion in revenue and we believe it is possible to reach R\$26 billion in three years, adding R\$2 to R\$3 billion from cross-selling.

In wholesale banking, the focus is on middle market companies, with revenues of over R\$200 million. We started with investment banking and added services to these clients. With a holistic view of your needs, we created a journey that makes access to a broad marketplace of financial products and services even easier. One of our differences in this area is our significant reach in the distribution of products for retail.

At the heart of these pillars is the commitment to a quality culture, our third wave of differentiation. It encompasses the continuous improvement of all processes and relationships, including corporate governance, internal climate and employee satisfaction, customer centrality, business environmental performance and relationships with different actors in society.

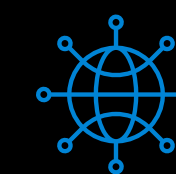
Competitive advantages

In the early days of XP, we could see that the Brazilian financial sector would, sooner or later, follow the trend of large global markets, where much of the investment movement takes place outside banks. We anticipated this movement and, in this process, promoted the democratization of access to financial services, with technological solutions, innovation in services and exemption from fees and charges. This boldness stimulated the creation of new market parameters, benefiting the consumer, and is the basis of our competitive advantages.



Differentiated technology

We have a proprietary cloud-based platform that allows us to innovate and compete efficiently. We develop data-driven tools and solutions to support the customer and operate with advantages, efficiency and reduced costs.



Synergistic distribution system

We offer products and services through our omni channel distribution network, which generates a powerful network effect, integrating the retail, institutional, large corporate and capital market segments.



Premium services available to everyone

We have made services available to all customers that had traditionally only been available to high-income customers at other institutions, such as financial advisors. We thereby create a more inclusive and scalable financial ecosystem.



Specialized financial advisory service

We have a highly qualified team of advisors who support all corporate clients, from retail to institutional, helping them access international financial services and structuring and issuing financial products for corporate clients and issuers, among others.



ESG strategy

Good social, environmental and governance practices contribute to business continuity, strengthening the XP brand and generating long-term financial results. With this perspective and guided by the Social, Environmental and Climate Responsibility Policy (PRSAC) ([page 127](#)), we have broken down our material topics into concrete goals and actions to accelerate the ESG agenda in our activities and relationships.

We created an ESG area that, since 2020, has supported the company's different sectors and businesses in this endeavor, and we have made significant inroads on the aspects that we have decided to prioritize, each time involving senior management.

We build policies and training that provide a basis for the actions of our professionals and business partners, adhere to public commitments ([page 23](#)), structure proprietary methodologies for social, environmental and climate risk analysis that are now divulged in our customer onboarding, approval processes of suppliers, partners and collaborators, development of new products and services and application for credit, foreign exchange and investment products ([page 49](#)).

We expanded the offer of sustainable products to customers ([page 48](#)), developed our proprietary ESG system ([page 50](#)) and, internally, began to manage and work to reduce consumption of resources and Greenhouse Gas Emissions ([page 86](#)). We increased the diversity of our employees ([page 70](#)), improved governance and strengthened compliance and risk structures and processes ([page 106](#)), entrenching a solid ESG culture in our ecosystem.

This course was driven by goals related to the themes defined in our first materiality carried out in 2020. At the beginning of 2024, after updating our material topics, we began to operate according to six pillars of action. In this process, we recalibrated the goals and defined another 34, all aligned with the United Nations (UN) Sustainable Development Goals, with general and specific objectives, guiding our management of risks and opportunities to take our business to a new ESG level in the coming years.

Our Manifest

To deliver the best solutions for our customers, we need to go beyond and understand how these solutions leave a positive legacy for our society.

Changes are necessary and urgent. But for transformation to happen, we cannot rely only on the government and specific initiatives. We all need to be protagonists in building a better world.

We recognize our role in supporting the transition to a more sustainable world. We know this is a journey. It will be walked together with our employees, customers, investors, partners, and the market. We are a company of people for people. Therefore, we want to inspire Brazilians on the journey of transforming Brazil.

We believe that investments generate value for society and the environment. We want to increase the knowledge, engagement, and development of effective solutions so that the ESG agenda is at the core of business models and decision-making processes.

Make investments your voice.



Goals and challenges linked to material topics

ESG integration in processes, products and services

Our goals	How we evolved between 2020 and 2023	Key initiatives
25% of Investment Banking fixed income issuances classified as ESG by 2025.	By the end of 2023, 28% of our Investment Banking fixed income issuances were classified as ESG. R\$23.4 billion in green bonds issued.	Structuring of Green Bonds, Social Bonds and Sustainability-Linked Bonds, according to the guidelines issued by ICMA (International Capital Market Association). Structuring of a proprietary framework for ESG issuances (see page 50).
Have the largest ESG product platform in the country	51 ESG products distributed on our platform. R\$13.4 billion in ESG assets under custody. 38 ESG investment funds on our platform. R\$3.76 billion in assets under management by ESG funds. 187 thousand clients with ESG investments.	We created the ESG Products area to engage and qualify the company in ESG business opportunities. We created an award for the offices that have distributed more ESG products between 2020 and 2022. In 2023, we developed our ESG dashboard to follow the monthly evolution of business (page 49).
Increase ESG coverage of companies covered by the Research area.	We closed 2023 with a coverage of 88% of companies covered by the Research area.	We published reports focused on ESG matters and held meetings with institutional investors, as well as events on subjects of interest for the investors (page 55).
Be recognized as the best ESG Research in the country.	We stood among the best ESG Research teams in Brazil in the ranking of "Investidor Institucional." Our Head of ESG Research was appointed the best ESG Research analyst in the country.	XP was the first investment company in Brazil with an area dedicated to the analysis of the environmental, social and governance performance of publicly held companies and identification of major topics that are shaping this agenda (page 55). Since 2021, we have maintained a recommended ESG portfolio.



Our goals	How we evolved between 2020 and 2023	Key initiatives
Perform ESG integration in investment analyses in 100% of XP Managers by 2025.	93.4% ESG integration in the investment analyses of XP Managers in 2023.	We are signatories to the Principles for Responsible Investment (PRI). Responsible Investment Policy with guidelines for ESG integration by the managers.
Perform ESG integration in 100% of the investment processes of XP Vida e Previdência (XPV&P) by 2025.	100% ESG integration in the investment processes of XPV&P by the end of 2023.	Social, Environmental and Climate Responsibility of XPV&P with guidelines for ESG integration in investments.
Reduce the intensity of GHG emissions of the corporate credit portfolio by 2030.	We reduced by 48.22% the intensity of Greenhouse Gas Emissions of the corporate credit portfolio from 2021 to 2023, reaching 6.24 tons of carbon per each million of Reais invested.	<p>We are signatories to the Partnership for Carbon Accounting Financials (PCAF).</p> <p>Since 2021, we have been calculating and reporting the financed emissions of our corporate credit portfolio and monitoring the managerial index of intensity of Greenhouse Gas Emissions.</p> <p>We have developed an internal climate transition plan, with specific targets for reduction of emissions.</p> <p>In 2023, we included a climate risk indicator in the company's RAS.</p>
Maintain the assessment of the climate sensitivity of the corporate credit portfolio within the climate risk appetite.	Goal achieved. Reduction of 2 percentage points in climate intensity between 2021 and 2023.	<p>We used the methodology that has been developed together with Febraban (Brazilian Federation of Banks) since 2021, to calculate the climate sensitivity of the corporate credit portfolio (page 91).</p> <p>In 2023, we included this indicator in the company's RAS and established exposure limits.</p>
Include at least one social, environmental and climate indicator in the company's RAS.	In 2023, we included 2 social, environmental and climate indicators in the company's RAS.	We set up the Social, Environmental and Climate Risk Commission, whose members include the company's CRO (Chief Revenue Officer).
100% of customers evaluated from the perspective of social, environmental and climate risks.	100% of our customers were evaluated from this perspective by the end of 2023.	<p>We have developed proprietary methodologies to assess the social, environmental and climate risk.</p> <p>We have structured manual and automated assessment processes that are used in accordance with factors involving the importance, proportionality, and relationship or transaction risks.</p> <p>We developed a proprietary system for social, environmental and climate analysis and monitoring of relationships and transactions.</p>



Our goals	How we evolved between 2020 and 2023	Key initiatives
100% of suppliers evaluated from the perspective of social, environmental and climate risks.	100% of suppliers were evaluated from this perspective by the end of 2023.	<p>Proprietary evaluation methodology.</p> <p>Inclusion of social and environmental clauses in agreements and contracting instruments.</p> <p>Engagement of a suppliers' platform that generates an ESG score and incorporates our proprietary analysis platform.</p>
100% of new products and services evaluated from the perspective of social, environmental and climate risks.	100% of new products and services were evaluated under this perspective in 2023.	<p>Integrated assessment of social, environmental and climate risks into the evaluation process of new products and services.</p>
Reduce Greenhouse Gas Emissions (scope 1, 2 and 3) based on 2020.	We reduced our Greenhouse Gas Emissions (scope 1, 2 and 3) by 13.57% from 2020 to 2023.	<p>We have been conducting greenhouse gas inventory since 2019.</p> <p>We have neutralized our GHG emissions since 2019.</p> <p>In 2023, we engaged a consulting firm that helped us refine the methodology and calculation of emissions, which resulted in a reduction of emissions, based on the year 2020.</p> <p>In 2023, for the first time, we submitted our inventory to independent auditors.</p>
Neutralize 100% of Greenhouse Gas Emissions (scope 1, 2 and 3).	We neutralized 100% of our Greenhouse Gas Emissions (scope 1, 2 e 3) since 2019.	<p>The neutralization is determined according to the inventory of emissions.</p> <p>In 2023, it was carried out through the purchase of carbon credits and RECs.</p> <p>We have defined a methodology to calculate the internal price of carbon (page 87).</p>
100% of the energy consumed in Brazil, within the scope of the greenhouse gas inventory, is sourced from renewable energy, based on the purchase of i-Rec.	In 2023, 100% of the energy consumed in Brazil, within the scope of the greenhouse gas inventory, was sourced from renewable energy, based on the purchase of i-Rec.	<p>Purchase of i-Rec to neutralize part of our emissions.</p>
Reduce water consumption based on 2020.	We continue trying to reduce consumption, which increased between 2022 and 2023 due to the engagement of 1,472 new employees and inclusion of data regarding our offices, which had not been calculated before.	<p>Adoption of the system for input and monitoring of consumption as from 2024.</p>

**Our goals****How we evolved between 2020 and 2023****Key initiatives**

Reduce electricity consumption based on 2020.	We continue trying to reduce consumption, which increased between 2022 and 2023 due to the engagement of new employees in the period, and inclusion of new data regarding offices that had not been calculated before.	Adoption of the system for input and monitoring of consumption as from 2024.
Reduce solid waste generation based on 2020.	We continue trying to reduce consumption, which increased between 2022 and 2023 due to the engagement of new employees in the period, and inclusion of new data regarding offices that had not been calculated before. We observed an increase in the total volume of waste destined for recycling.	Adoption of the system for input and monitoring of consumption as from 2024.

Ethics, human rights, compliance and transparency**Our goals****How we evolved between 2020 and 2023****Key initiatives**

Provide a public reporting channel accessible to all stakeholders.	Public reporting channel accessible to all stakeholders.	In 2023, we intensified the internal and external disclosure of our Public reporting channel.
100% transparency of the compliance and governance structure.	Goal achieved in 2023.	Public disclosure of the compliance and governance structure in the Integrated Report.
100% of the high-risk value chain trained in ethics and integrity.	We reached 100% of the high-risk value chain trained in ethics and integrity in 2023.	Mandatory training programs and booklets on ethics and integrity for the whole high-risk value chain.



Our goals	How we evolved between 2020 and 2023	Key initiatives
100% full remuneration for Senior Management.	100% full remuneration for Senior Management.	In 2023, we started to develop the Conduct Score project, which included integrity criteria in the process of remuneration for 100% of our Senior Management.
100% of employees trained in compliance, risks, reporting channels and ESG.	In 2023, 100% of collaborators were trained in these topics.	Inclusion of compliance, risk, reporting channel and ESG topics in mandatory training programs for all areas of the company.
Zero complaints arising from cases of corruption.	We have not recorded any complaints arising from cases of corruption.	Awareness actions, with lives about the Reporting Channel, and the Compliance Week, among other initiatives.
Increase the number of advisors trained in governance and integrity	36.9% increase the number of advisors trained in governance and integrity from 2021 to 2023. 7,523 investment advisors were trained on the topic in 2023.	We intensified the training programs on this topic for our investment advisors.
Increase the number of offices with the Governance and Integrity Seal	65.3% increase the number of offices with the Governance and Integrity Seal from 2021 to 2023.	Intensification of training programs and promotion of the Governance and Integrity Seal.
Apply disciplinary measures in cases of harassment.	The penalties include the dismissal of employees and advisors, warnings and fines, in the case of partner offices.	Awareness actions, with lives about the Reporting Channel, and the Compliance Week, among other initiatives.
100% resolution of complaints in the confidential channel.	This goal is being achieved.	Bimonthly monitoring of volumetry and complex cases by the Ethics Committee and the Board of Directors.
Zero cases of corruption involving public and private agents.	We have not recorded corruption cases involving public and private agents.	Awareness actions about the topic.
Development of a Human Rights Policy	Goal achieved in the beginning of 2024.	We have published our Human Rights Policy.
Inclusion of the topic of Human Rights in our Code of Ethics and Conduct	Goal achieved in the beginning of 2024.	We have included the topic in our Code of Ethics and Conduct.
Improve the corporate governance, with a majority of independent directors in the Board of Directors.	Goal achieved in May 2024, when the Board of Directors started to count on an independent majority of members.	We engaged an international consulting firm that supported us in our search for executives and directors with complementary expertise, and restructuring of our corporate governance.
Have at least two representatives of social minorities in the Board of Directors.	The Board of Directors has two representatives of social minorities since 2019.	Among other matters, the governance restructuring process focused on the maintenance of diversity in the Board.



Customer centricity, innovation and technology

Our goals	How we evolved between 2020 and 2023	Key initiatives
Increase the customer satisfaction levels.	We are working on increasing our NPS (Net Promoter Score), which has dropped in the last two years.	<p>The NPS is now used as a senior management performance metrics.</p> <p>We have evolved in the creation of a Customer Centricity framework by launching the CX Days initiative (page 60).</p> <p>Quality was placed at the heart of our strategic pillars, being our third wave of differentiation.</p>
Increase the level of employee satisfaction.	Increase of 3 points in the eNPS (Employee Net Promoter Score) in 2023.	<p>Implementation of a hybrid and flexible working model.</p> <p>Half-yearly 360° Assessment.</p> <p>Bimonthly Pulse Survey.</p> <p>Market survey to assess salary attractiveness.</p> <p>All employees are eligible for the Partnership Program.</p>

Education and financial inclusion

Our goals	How we evolved between 2020 and 2023	Key initiatives
Impact 50 million people through financial education initiatives by 2030.	11.2 million individuals directly impacted by our financial education initiatives from 2021 to 2023.	Educação Financeira Transforma award, Tino Econômico newspaper, content in partnership with Instituto Kondzilla, XP Educação courses, partnership with Favelado Investidor, Guaranteed Education project.



Our goals

Strengthen technological solutions to expand Brazilians' access to financial products and services.

How we evolved between 2020 and 2023

We have a proprietary cloud-based platform that allows us to innovate and compete efficiently.

We develop data-driven tools and solutions to support the customer and operate with advantages, efficiency and reduced costs.

Key initiatives

Creation of Digital First, anchored in the intensive use of technology, with digital advisory and greater scalability.

Matcher XP, which supports the engagement of qualified professionals.

XP Gênio, which supports investors in choosing their investments with enhanced risk control.

Creation of the Technology Governance and Information Security team.

Preparation of our platform to process, in an integrated manner, our own-branded products and services, such as XP, Rico and Clear, as well as those of our business partners.

Diversity and Inclusion

Our goals

40% of women in the workforce by 2030.

24% of black people in the internal population

15% black people in leadership.

Exceed 5% of people with disabilities working at the company.

How we evolved between 2020 and 2023

Increase of 7.9 percentage points in the number of women at the company between 2020 and 2023.

Increase of 14.7 percentage points in the number of women in leadership positions in the same period.

Increase of 2.4 percentage points in the number of blacks compared to 2020.

Increase of 10.5 percentage points compared to 2020.

Increase of 0.6 percentage points in people with disabilities compared to 2020.

Key initiatives

Review of goals, keeping the commitment to reach new diversity levels in the coming years.

Hiring and promotion processes focused on the elimination of biases and subjectivity in decisions.

Training on biases.

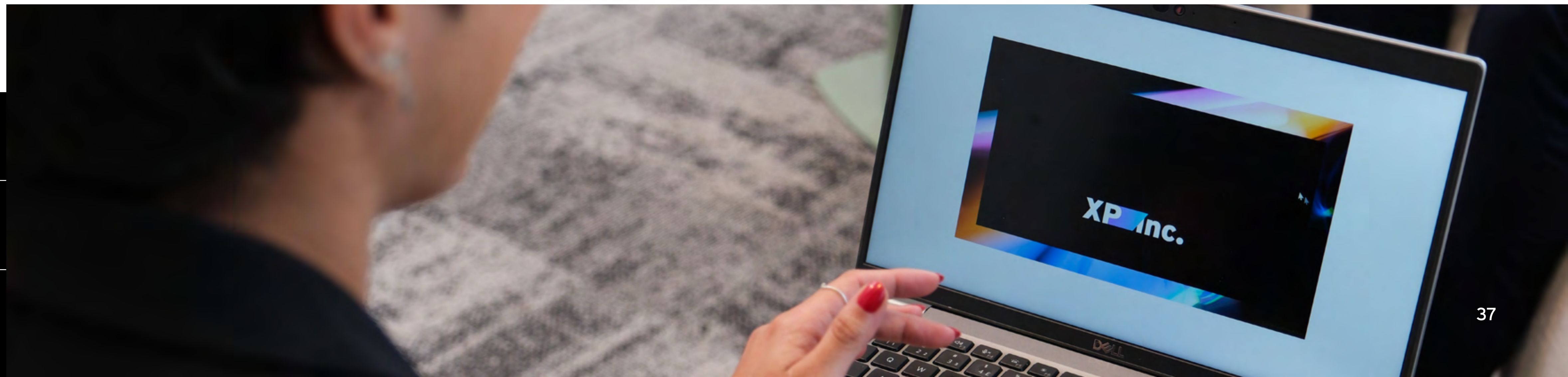
Inclusion of the topic in corporate training programs.

Lives organized by Affinity Groups about discrimination, harassment, career challenges for black people, people with disabilities, LGBTQIAPN+ and use of the Reporting Channel.



Data security and privacy

Our goals	How we evolved between 2020 and 2023	Key initiatives
Public data privacy policies.	100% of our Data Privacy Policies are public.	Publishing and disclosure of policies.
Maintain best practices to ensure data security.	Technology and Information Security area, with more than 1.4 thousand professionals. Process supported by controls at all levels of the IT infrastructure, regular risk and vulnerability assessments, prevention, detection and incident response measures.	Disclosure of functionalities that contribute to the security of personal data.





FINANCIAL PERFORMANCE

Leveraging cutting-edge technologies, we have gained traction and developed the operational skills necessary to scale the business and continue growing over time.

More than 22 years ago, we began as independent financial advisors in a 25 m² office in Porto Alegre (RS). Today, we are one of the largest investment platforms in Brazil, owner of the brands XP, Rico, Clear, Infomoney and, more recently, Modal.

To build our business from the ground up while competing with traditional banks, we dedicated ourselves to leveraging cutting-edge technologies that helped us stand out and develop the operational skills needed to scale. Over the last few years, we have invested in managing people and optimizing processes by adopting agile methodologies. We increased our range of products and services and strive to find new opportunities and solutions to serve Brazilian investors, making strategic alliances to foster the innovation process.

The open nature of our product platform was a key driver of XP's early success. Until then, traditional financial institutions in Brazil used to favor closed-loop models that significantly restricted the selection of investment products made available to clients. We bring about disruptive innovation by facilitating market disintermediation, breaking with the conventional model.

We began to educate new classes of investors, democratizing access to a wider range of financial services, developing new products and using technology to empower our clients and offer the best service and experience in the sector in Brazil.

With the mission of providing financial solutions, information and education to improve people's lives, we have a robust ecosystem that has 6,667 employees allocated to companies in various sectors. We boast a network of more than 14 thousand independent investment advisors throughout Brazil, a growth of 18% compared to December 2022, in addition to a solid corporate structure that allows us to operate in different segments and countries with relevance and efficiency.

Accordingly, we have strengthened our growth strategy, anchored in three pillars: expansion of market share in the investment segment; advancement in new business fronts, such as insurance, credit cards and banking operations (traditional checking account); and growth of wholesale banking operations. Today, our client assets represent almost 9% of a market totaling R\$12.6 trillion, according to internal research and public data from Anbima (Brazilian Association of Financial and Capital Market Entities),

Fenaprevi (National Federation of Private Pensions and Life) and other sources, accounting for more than 4.5 million active clients and R\$ 1.1 trillion in assets under custody.

Currently, our largest share is in the group of mid-range clients (with more than R\$300,000 in investments), where the work of investment advisors is concentrated. To increase participation in the range of large investors (over R\$10 million), we have customized flows and processes, and created products such as exclusive funds. For small investors (less than R\$300,000), we created the digital first project, anchored in the intense use of technology, with digital advice and greater scalability. The digital first was initially implemented at Rico, one of the group's brands, and then, at XP.





Key highlights in results for the year

Despite the macroeconomic challenges, 2023 brought about major achievements that proved the resilience of our business model. We surpassed the R\$1 trillion mark in client assets, confirming our growing presence in the market and the trust that our clients place in us. Our net income was R\$3.9 billion, an increase of 9% over 2022.

It was also a year of pronounced growth in our new Retail verticals, which include Cards, Credit, Insurance and Pensions, helping us to address the negative impacts of the economic environment on our core business. These revenues grew by 43% compared to the previous year, reaching R\$1.7 billion, and contributing to 11% of our global gross revenue.

We managed to meet our efficiency projections, reducing our administrative expenses by 4%, totaling R\$5.4 billion, and remaining within our annual expense guidance for 2023, which was between R\$5 billion and R\$5.5 billion.

We completed the Banco Modal integration process, which marked a significant step in our journey, expanding our capacity, and improving the set of banking and investment products and services.

We have also created a central allocation area that is linked to the Research department. Today, we have a CIO (Chief Information Officer) with access to all areas of the company; we reworked client segmentation and revised the incentive model for investment advisors to generate greater alignment. We have also created financial planning, which maps the client's needs in a broader way. This has provided us the tools to carry out strategic planning and deliver an investment portfolio that helps clients achieve their goals.

We ended the year with a drop of 21% in institutional revenue compared to 2022, due to lower volumes in B3. On the other hand, revenue from large companies and capital markets was R\$1,576 million, posting a 22% jump year-on-year, with a resumption of market activity and the contribution of mergers and acquisitions (M&A).

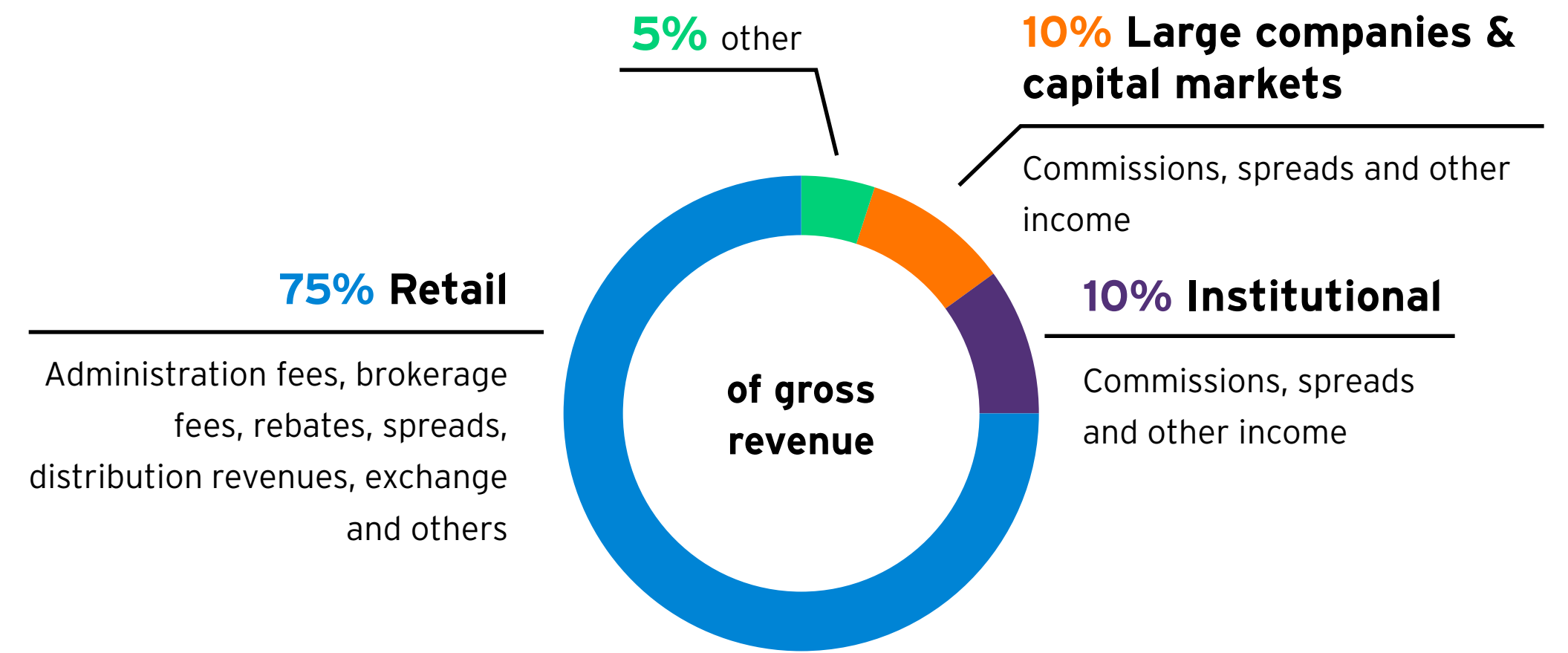
It was also the period in which we distributed the most dividends to our shareholders, totaling around R\$4.5 billion, including dividends and share buybacks. For 2024, we will continue to expand the range of services that had previously been restricted to private clients to a broader audience, thereby gaining scale in a more inclusive financial ecosystem.

Share buyback program

Our Board of Directors approved a new share buyback program, which is intended to neutralize future shareholding dilutions due to the long-term incentive plan for our employees. Under the approved program for 2024, we may repurchase up to 2.5 million Class A common shares in the period from February 28 to December 27, 2024. Our Board will periodically review the buyback program and may authorize adjustments to its terms and size, or suspend or discontinue the program.



Our revenue lines



Efficiency Ratio



See the next page for the highlights in major business fronts in 2023.

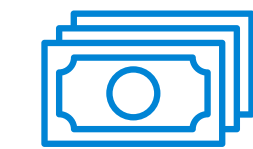


XP Investimentos

Today, we have 11.6% of assets of individual clients in Brazil.

Investors can access our services in different ways: through the direct channels of XP companies, Rico or Clear, or through more than 14,000 independent investment advisors who work in 487 offices throughout Brazil.

Our strategy encompasses a broad spectrum of distribution channels, including B2B, B2C, wealth managers, broker as a service and advisors, allowing us to reach a diverse client base and address their unique needs. This diversification allows us to be at the forefront of the financial services industry, adapting to changes and seizing opportunities with agility and vision.



Retail bank

In 2023, we posted a 16% growth in our retail revenue compared to the same period of the previous year, totaling R\$11.8 billion, which represented 76% of our consolidated result.

Some factors contributed to this growth, including revenues from float, digital accounts, and fixed income, after a strong recovery in DCM activity in the second half, in addition to cards.

Another new feature was the introduction of the global account, with solutions for currency conversion, transfers and payments in dollars, roughly one year after the creation of the international investment account, which allows clients to make investments directly abroad.

Gross revenue (in R\$ million)





Cards

XP is among the 15 leading issuers in the country according to data from the specialized publication Cardmonitor, and our credit card was voted the best in Brazil in a ranking from the website Melhores Cartões.

We offer our customers one of the lowest interest rates on revolving credit in the market and zero annual fees, in addition to an “investback” of at least 1%, which allows a discount on all purchases, discounts on products from major brands, restaurants and services, as well as access to more than 1 thousand VIP lounges in 450 airports in 140 countries. The credit card is our most successful cross-sell product, with 20% penetration.

As part of the strategy of continuing to evolve our value proposition, we rolled out new benefits related to travel directly on the XP APP in partnership with the company BeFly, and new features to make our customers' lives easier and boost security when using the card, such as the Virtual Card for single use.

	<p>+1.1M customers with active cards, including credit and debit</p>		<p>R\$40 billions in transaction volume</p>
	<p>69% revenue growth</p>	<p>↑ 285% of the amount recorded in 2022</p>	



Insurance and pensions

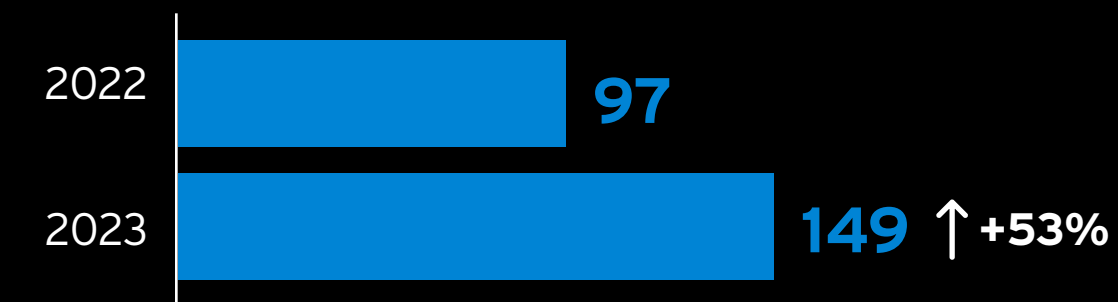
The offer of insurance, pension plans and consortiums is part of our strategy of becoming an increasingly complete platform that addresses the different needs of our individual and corporate clients. We finished 2023 with 224,000 clients in pension plans and 54,000 clients in the insurance sector.

We work in partnership with the largest insurance companies in the world and, adopting the open pension platform model, we allocate plan resources in more than 300 funds run in partnership with the best asset management houses on the market. The experience and number of funds and managers made available by XP Vida e a Previdência helped us become leaders in net market fundraising in the period from January 2021 to September 2023, with the majority of funding coming from portability. Our assets in pension funds topped R\$56 billion, an annual increase of 23%. We ended the year with a portfolio of 180,000 customers.

In the insurance segment, the first product we launched in 2022 was life insurance. Today, in addition to this segment, our portfolio includes health and dental insurance, coverage for Pix, cell phones, cards and the so-called "mass insurance," whose greatest demand is for products that provide financial protection for loss of income and those aimed at maintenance or equipment replacement, such as extended warranties.

In 2023, we added coverage for decreasing death benefit, terminal illness and serious illnesses, with the possibility of signing up for products with a lifelong and temporary term. We also began to operate in the auto insurance market.

Insurance | Gross revenue (in R\$ mi)



Pension funds | Gross revenue (in R\$ mi)



 **Credit**

In 2023, we maintained our focus on the expansion of credit offer, increasing our portfolio of products and the concession thereof through distinct structures with increased relevance in the day-to-day lives of our clients.

For example, we offer Credit with XP Collateral, which allows using investments as collateral for a more accessible credit, paying only at the end of the contract.

This helps our clients to enhance their investments or increase the flexibility of their asset portfolio. We also began offering Expanded Investment, a dynamic credit limit that is calculated based on the client's assets, providing the peace of mind of investing without restrictions.

Our total credit portfolio totaled R\$21 billion in 2023, representing an increase of 23% compared to the same period in 2022. We expect an increase of R\$1 billion to R\$2 billion in revenues from credit to companies in the corporate, medium-sized and small companies segments, reaching between R\$1.8 billion and R\$2.8 billion by 2026.

Credit granting in 2023 (In R\$ million)

Loan by type	2023	2022
Loan with assets pledged as collateral	24,845.243	20,198.764
Retail	12,366,330	10,932.086
Companies	7,054.507	5,311.675
Credit card	5,424,406	3,955.033
Loan with unsecured assets	4,036.646	2,061.774
Retail	764,712	309,468
Companies	959,898	546,678
Credit card	2,312.036	1,205,628
Total loan operations	28,881.889	22,260.538
Expected credit loss	-329,954	-49,377
Total loan operations	28,551.935	22,211.161



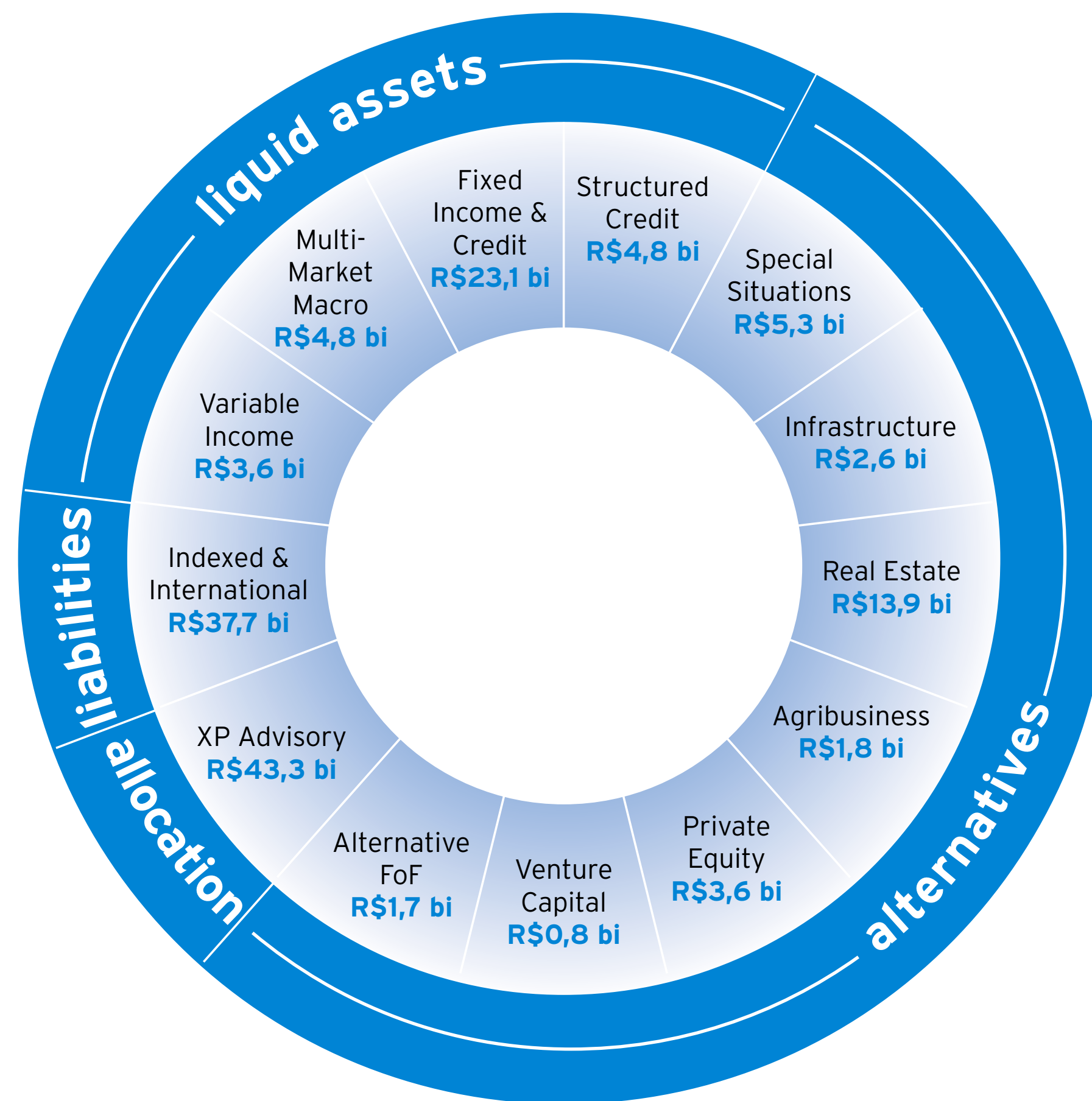
XP Asset Management

XP Asset Management ended 2023 with over R\$167 billion in assets under management. We offer a complete portfolio of products, structured into 13 strategies: Variable Income, Macro Multimarket, Fixed Income and Credit, Structured Credit, Special Situations, Infrastructure, Real Estate, Agro, Private Equity, Venture Capital, Alternative FoF, XP Advisory and Indexed and International.

We have more than 165 qualified professionals dedicated to controlling risks and preserving the capital of more than four million investors, including institutions and individuals.

Our commitment is to maintain responsible, ethical and transparent behavior in order to avoid conflicts and ethical deviations. To this end, we maintain our own policies and procedures based on concepts, business principles and rules relating to internal controls, conflicts of interest, control of privileged information, and confidentiality obligations. And our employees are trained on these topics.

Our management strategies in numbers, as of December 2023



Strategies: XP Asset Management Report, as of 12/29/2023



Wholesale bank

Our wholesale bank is made up of six areas dedicated to assisting companies, institutional investors and private clients: XP Corporate, XP Private, XP Investment Banking, Institutional Relations, XP International and Research. Our focus is to ensure a unified, more strategic journey to clients of this segment, based on a single ecosystem that helps them access a broad portfolio of financial products and services.

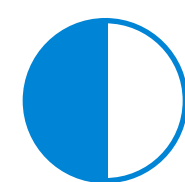
In 2023, our revenue from large companies and capital markets increased by 22% compared to the previous year, totaling R\$1.6 billion, which represented 7% of the consolidated result. Growth was driven by a strong resumption of Debt Capital Markets activity in the second half of the year, combined with the continued expansion of our Wholesale franchise.



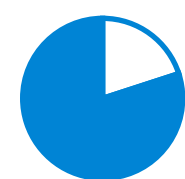
XP^e

A leading financial education platform in Brazil. We offer courses, MBAs and learning tools related to the world of investing, from basic concepts to more sophisticated techniques and advanced strategies. We have developed an innovative teaching proposal that is fully integrated with companies and designed with an eye on the future.

100% of startups with more than **1,000 employees** include at least one of our students in their teams



50% of our students work in **companies with over 1,000 employees**



80% of the most valuable **brands** have professionals who graduated from XP Educação

Courses offered by type	2022	2023	Enrolled students	Enrolled students
			2022	2023
Undergraduate degree	5	5	403	0
Graduate degree in technology	21	20	2,869	2,981
Signature	1	1	7,403	3,457
Total	27	26	10,675	6,438

clear corretora

Clear is a leading stock market broker in Brazil. Since it was acquired by XP Inc., in 2014, millions of Reais have been invested in infrastructure and systems, in addition to the launch of new business lines, such as distribution of fixed income assets and trading platforms. The brand offers support and specialized tools that allows traders of all backgrounds to perform at their maximum potential. It was the first broker to offer zero brokerage fees in Brazil.



**+R\$25 BI in
custody**

rico

Uma empresa XP inc.

This is our 100% digital investment platform, which offers simple and uncomplicated content about the world of investments, as well as a complete portfolio of products. Since 2020, no brokerage fees are charged for online share trading, reinforcing the commitment to make investments available to more people in Brazil.



**+R\$33 BI in
custody**



InfoMoney

Our communication ecosystem specializes in markets, investments and business.

A pioneer in the digital universe since 2000, its mission is to simplify financial decisions and information, leading the debate on finance and business in the country in an innovative, technological and democratic way.

In 2023, InfoMoney's audience was the largest among the country's leading investment information sites. There were 237 million visits, 9% higher than the visits to the second place (data from the platform SimilarWeb compiled by InfoMoney). The survey considered 32 investment, finance and business websites.



Reach and views
+1.9 BI



Interactions and engagement
+280 MI



Users and followers
+70 MI



Views on Instagram
+895 MI



Views on X
+86.3 MI



Views on YouTube
+151 MI



Podcasts Downloaded
+4.64 MI



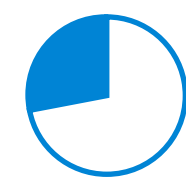
Sustainable Business

FN-IB-410a.1 | FN-IB-410a.2 | FN-IB-410a.3 | FN-CB-410a.2

Understanding our role in promoting a low-carbon economy, we have prepared ourselves to support our customers in this transition. This is why we have developed a portfolio of ESG products, including investment funds, fixed and variable income assets and structured operations. We are also taking a social, environmental and climate perspective to new product areas in the Retail, Wholesale and Investment Banking segments.

At XP Asset, the Responsible Investment Policy establishes guidelines for integrating environmental, social and corporate governance themes into the analysis, selection, evaluation, acquisition and monitoring activities of assets under management. In order to be classified as ESG, products undergo a due diligence process. Aligned with the Principles for Responsible Investments (PRI), of which we are signatories, in 2023 we reached 93.4% of assets submitted to ESG analysis and we continue to advance towards the goal of reaching 100%.

To closely follow the evolution of sustainable business and our capacity to leverage the opportunities of the new economy, in 2023 we developed a dashboard for monthly monitoring of indicators such as ESG AuC (Assets under Custody), ESG AuM (Assets under Management), number of clients with ESG investments, new ESG products and the volume of ESG funding, among others.



28% of Investment Banking fixed income issuances classified as ESG (linked to the green economy)



R\$13.4 billion in ESG-related Client Assets



187 thousand clients allocated to ESG products



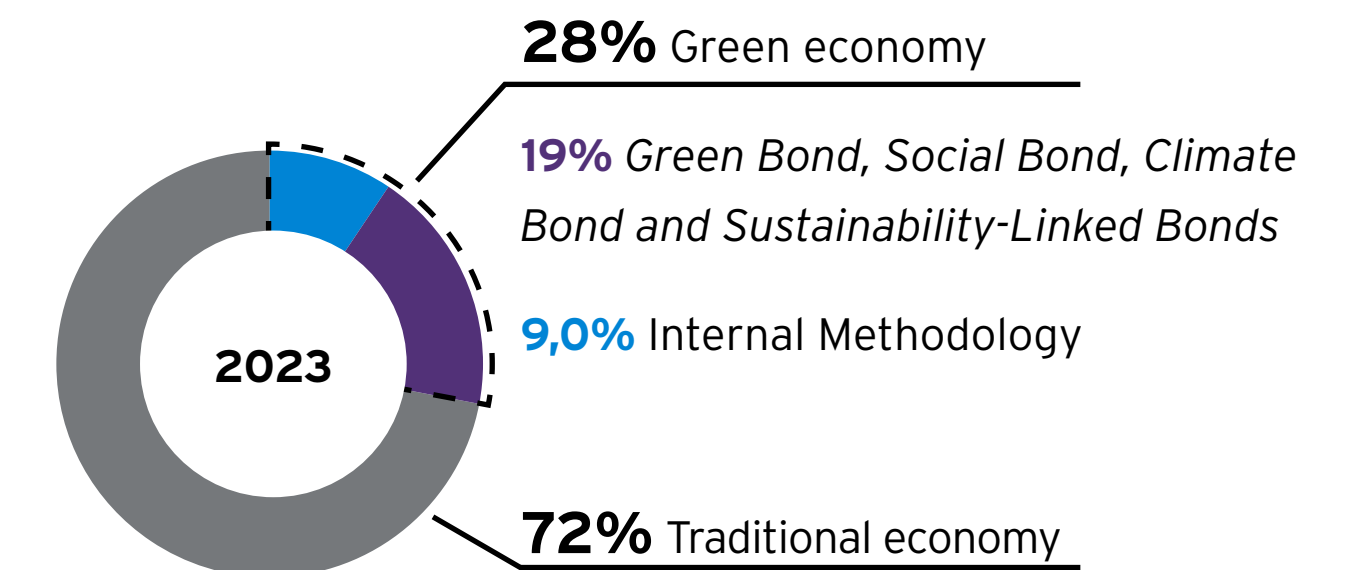
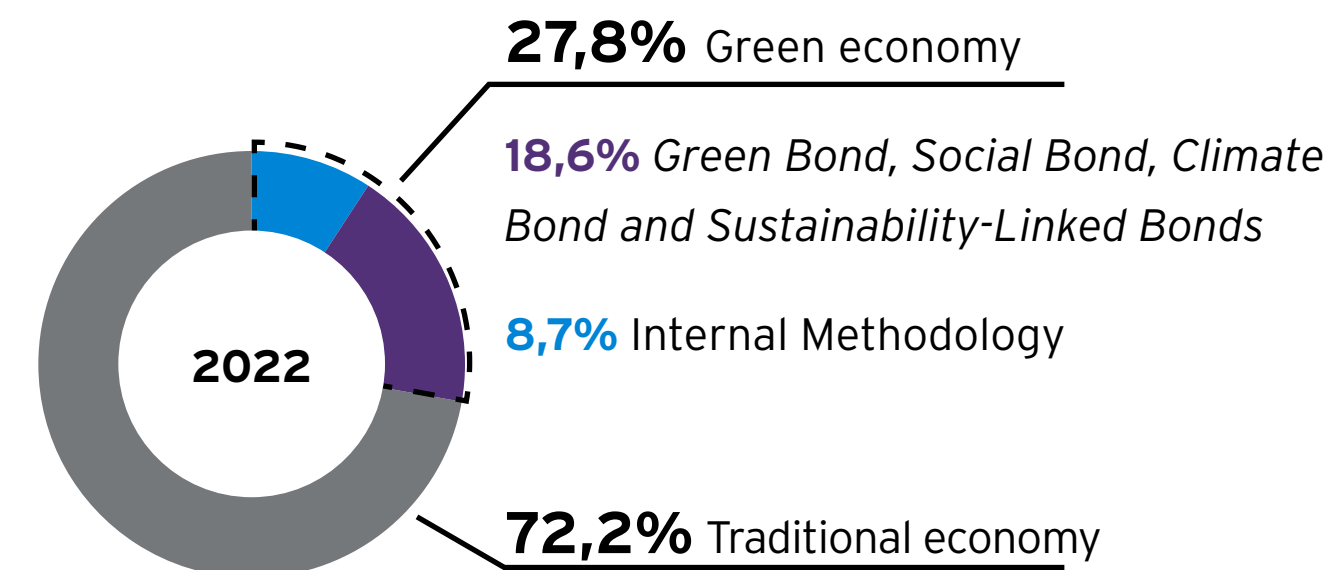
38 ESG investment funds

Evolution of ESG investments

	2021	2022	2023
ESG Assets under custody (AuC)	R\$8.8 billion	R\$12 billion	R\$13.4 billion
% of the total portfolio	1.03	1.30	1.22
Number of clients with ESG investments	182 thousand	227 thousand	187 thousand
Assets under management (AuM) of ESG Funds	R\$2.49 billion	R\$1.76 billion	R\$3.76 billion

Investment banking fixed income operations

(% of the total portfolio volume)





Framework of classification of fixed income issuances in line with the green economy

In Investment Banking, the determination of issuances in line with the green economy follows a specific methodology. To be considered as such, issuances must meet the following criteria:

1. The issuer should not be involved in important disputes relating to social, environment and climate topics.
2. The activities of the issuer must be classified as contributing for the green economy, based on the criteria of Febraban's Green Taxonomy, following the guidelines that seek to improve human well-being, promote social equality and reduce environmental impacts.
3. The issuer must be analyzed by the ESG & Social, Environmental and Climate Risk team, which will assess the issuer's environmental, social and climate quality.
4. The issuer must have an internal social, environmental and climate rating "A" or "B", which indicates a low risk in these areas. This rating results from an owned methodology that considers the potential of social, environmental and climate impacts, the management capacity in these areas and the analysis of controversial notes and sectors.
5. The issuance should not involve any controversial purpose.
6. The issuer and the transaction must be monitored during the period of effectiveness.

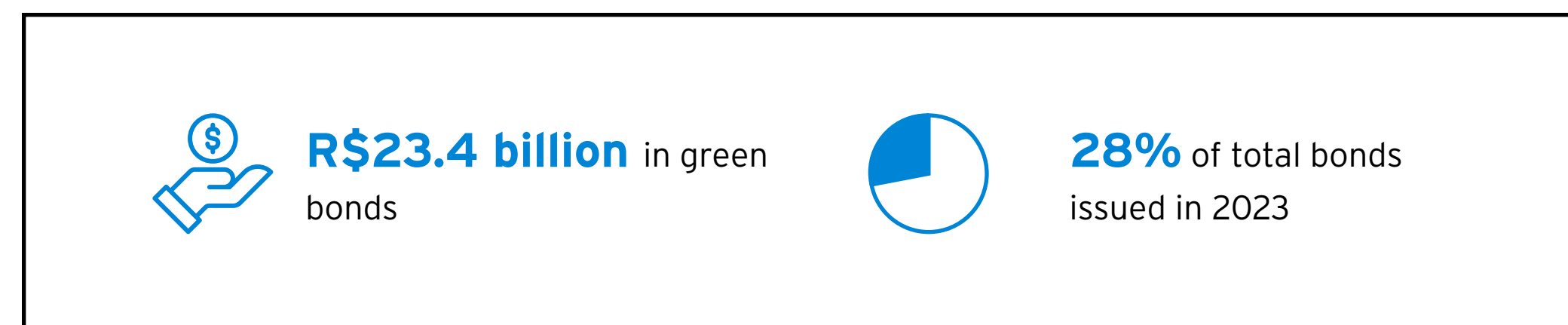
The issuances that meet these criteria are accounted for as being in line with the green economy, reflecting our commitment to sustainable and responsible practices.

Green Bonds

We act as structuring agents in the issuance of 19 green and social bonds that are used to finance our clients' ESG projects and initiatives. Among them, 10 were classified as Green Bonds, Social Bonds or Sustainability-Linked Bonds, in accordance with ICMA (International Capital Market Association) guidelines.

For the other nine, we adopted our proprietary ESG emissions framework, which covers criteria such as the purpose of the transaction or eligible allocation for thematic issuance, verification of relevant controversies, sectors related to the green taxonomy and social, environmental and climate ratings.

The most representative issuances in 2023 include those made for Aegea Águas do Rio SPE 1 and 4, Rio+ Saneamento, Iguá RJ, Raízen and FS Bio.



Offering	Segment	Product	Total Volume (in R\$ million)
Aegea Águas do Rio SPE 1 and 4	Sanitation	Debentures	R\$5,543
Rio+ Saneamento	Sanitation	Debentures	R\$2,500
Iguá RJ	Infrastructure	Debentures	R\$2,000
Raízen	Logistics	CRA	R\$1,000
FS Bio	Agribusiness	CRA	R\$750
TOTAL			R\$11,793

Aegea Águas do Rio SPE 1 and 4

Issuance of Incentive Debentures (12,431) for Águas do Rio 1 SPE S/A and Águas do Rio 4 SPE S/A, with surety by AEGEA Saneamento e Participações S/A. The funds will go to future payments or refund of expenditures, expenses or debts relating to investments in expansion and improvement of the water supply system, and implementation, expansion and improvement of the sewage system of the cities served by the issuers in the State of Rio de Janeiro. The offering relied on the independent opinion of Sustainalytics, which attested the classification of the projects in the Sustainable Finance Framework.

Rio+ Saneamento

Issuance of Simple Debentures for Rio+Saneamento BL3 S.A., a water and sewage concessionaire of Rio de Janeiro. The net proceeds from the funding will be used in financing or refinancing development, renewal, installation, and expansion projects, and/or other capital expenses, as well as grant expenses, maintenance services and other operating expenses of the concessionaire. The offering relied on the independent opinion of Bureau Veritas Brasil, which attested the classification of the projects in the Sustainable Finance and Blue Framework.

Iguá RJ

Issuance of Simple Debentures for Iguá Saneamento Rio de Janeiro S.A., a concessionaire that manages and operates water supply and sewage systems in the states of Alagoas, Mato Grosso, Santa Catarina, São Paulo, Rio de Janeiro and Paraná. The net proceeds from the funding will be used in financing or refinancing investments that meet the eligibility criteria and relate to projects with environmental and social benefits. The offering relied on the independent opinion of Bureau Veritas Brasil, which attested the classification of the projects in the Sustainable Bonds Framework.

Raízen

In October 2023, Raízen Energia S.A. issued Agribusiness Receivables Certificates (CRA). The debentures that backed the CRA were classified as “green debentures” based on the commitment of the issuer to allocate the proceeds from the funding to projects aligned with the ESG Framework, with a second opinion issued by Sustainalytics and available on Raízen’s website.

FS Bio

FS Indústria de Biocombustíveis participated in the issuance of Agribusiness Receivables Certificates. The proceeds from the funding will be used in agribusiness activities, and were characterized as Sustainable/Green CRA, based on the certification issued by the Climate Bonds Initiative (CBI), attesting the compliance with the Bioenergy Criteria of the Climate Bonds Standards Version 3.0, according to the report issued by Sustainalytics.

Structured Notes

In 2023, we issued and made available to investors 11 “XP ESG #Refloresta structured notes”. The product allows the exposure to a proprietary ESG index called “SOLXPESG,” which follows the performance of a set of ETFs, DSI (iShares MSCI KLD 400 Social), PHO (Invesco Water Resources) and ICLN (iShares Global Clean Energy), with potential for unlimited earnings and no foreign exchange risk.

For every R\$5,000 invested in the product, we donate a native tree sapling to Instituto Terra, which works to regenerate degraded areas in the Rio Doce Basin region, which covers the states of Minas Gerais and Espírito Santo.

The product totaled R\$427 million in custody in 2023. In addition to the donation, we monitor the planting and growth of the seedlings in partnership with the Institute, while investors receive a planting certificate.



Funds

ESG Funds

FN-AC-410a.1 | FN-AC-410a.2 | FN-IB-410a.1 | FN-IB-410a.2 | FN-IB-410a.3

We ended the year 2023 with 38 ESG investment funds available on our platform, such as the Trend ESG Global and the JGP Ações ESG 100 Icatu.

ESG Funds	Net Worth in December/2023
MS GLOBAL OPPORTUNITIES DÓLAR ADVISORY INVESTIMENTO NO EXTERIOR FIC AÇÕES	R\$ 709,646,976.36
SULAMÉRICA CRÉDITO ESG INVESTIMENTO SUSTENTÁVEL FI RENDA FIXA CRÉDITO PRIVADO LP	R\$ 604,307,169.69
COMPASS ESG CREDIT SELECTION FIC RENDA FIXA CRÉDITO PRIVADO LP	R\$ 249,147,731.24
SYSTEMATICA BLUE TREND ADVISORY INVESTIMENTO NO EXTERIOR FIC MULTIMERCADO	R\$ 153,990,304.71
AQUA CAPITAL PRIVATE EQUITY AGRO 7 FIP MULTIESTRATÉGIA	R\$ 137,057,585.77
VINCI IMPACTO E RETORNO ADVISORY FIP MULTIESTRATÉGIA	R\$ 123,924,627.25
TREND ESG GLOBAL FI MULTIMERCADO	R\$ 92,604,405.14
FAMA FIC AÇÕES	R\$ 81,326,785.17
BLACKROCK GLOBAL EVENT DRIVEN INVESTIMENTO NO EXTERIOR FIC MULTIMERCADO	R\$ 68,831,733.92
MIROVA GLOBAL SUSTAINABLE EQUITY ADVISORY IS INVESTIMENTO NO EXTERIOR FI AÇÕES	R\$ 34,830,700.47

ESG Funds

Net Worth in
December/2023

AVIVA GLOBAL HIGH YIELD ADVISORY INVESTIMENTO NO EXTERIOR FIC MULTIMERCADO CRÉDITO PRIVADO	R\$ 30,995,849.95
XP AVIVA INVESTORS GLOBAL CREDIT ESG INTEGRATED DÓLAR ADVISORY INVESTIMENTO NO EXTERIOR FIC MULTIMERCADO CRÉDITO PRIVADO	R\$ 25,502,317.69
TREND ESG GLOBAL DÓLAR FI MULTIMERCADO	R\$ 23,015,412.89
SYSTEMATICA BLUE TREND DÓLAR ADVISORY INVESTIMENTO NO EXTERIOR FIC MULTIMERCADO	R\$ 22,424,160.22
NORDEA GLOBAL STARS ADVISORY INVESTIMENTO NO EXTERIOR FI AÇÕES	R\$ 17,922,126.72
TREND CARBONO ZERO FI MULTIMERCADO	R\$ 15,972,721.39
BRDESCO FIA SUSTENTABILIDADE EMPRESARIAL	R\$ 15,702,538.98
NORDEA ALFA 10 ADVISORY INVESTIMENTO NO EXTERIOR FIC MULTIMERCADO	R\$ 14,744,587.54
JGP ESG AÇÕES 100 PREV ICATU FICFIA	R\$ 14,514,942.90
NORDEA GLOBAL STARS DÓLAR ADVISORY INVESTIMENTO NO EXTERIOR FIC AÇÕES	R\$ 14,420,036.93
NORDEA ALFA 10 DÓLAR ADVISORY INVESTIMENTO NO EXTERIOR FIC MULTIMERCADO	R\$ 14,244,310.40
TREND LIDERANÇAS FEMININAS FI MULTIMERCADO	R\$ 12,036,257.82
EB FUTURO SUSTENTÁVEL FIP MULTIESTRATÉGIA	R\$ 8,751,957.51
J EMERGING MARKETS ADVISORY INVESTIMENTO NO EXTERIOR FI AÇÕES	R\$ 7,692,251.70



ESG Funds	Net Worth in December/2023
WELLINGTON EMERGING MARKET DEVELOPMENT ADVISORY INVESTIMENTO NO EXTERIOR FI AÇÕES	R\$ 5,693,771.34
JGP ESG INSTITUCIONAL ADVISORY FIC AÇÕES	R\$ 5,286,586.49
M GLOBAL BDR ADVISORY FIC AÇÕES BDR NÍVEL I	R\$ 4,812,784.93
BLACKROCK ESG MULTI-ASSET ADVISORY INVESTIMENTO NO EXTERIOR FIC MULTIMERCADO	R\$ 3,899,062.36
TREND ENERGIAS RENOVÁVEIS FI MULTIMERCADO	R\$ 3,828,289.25
AMUNDI BRIDGEWATER ALL WEATHER SUSTAINABILITY DÓLAR ADVISORY FIC MULTIMERCADO	R\$ 3,458,711.30
AMUNDI BRIDGEWATER ALL WEATHER SUSTAINABILITY ADVISORY INVESTIMENTO NO EXTERIOR FIC MULTIMERCADO	R\$ 3,263,286.36
SELECTION ESG FIC AÇÕES	R\$ 3,257,156.74
XPA BLUE FIC MULTIMERCADO CRÉDITO PRIVADO	R\$ 3,032,645.75
TREND ÁGUA TECH FI MULTIMERCADO	R\$ 2,337,872.85
BB ASSET NORDEA GLOBAL CLIMATE AND ENVIRONMENT IS INVESTIMENTO NO EXTERIOR FIC AÇÕES	R\$ 2,146,378.17
BLACKROCK GLOBAL IMPACT ADVISORY INVESTIMENTO NO EXTERIOR FI AÇÕES	R\$ 2,066,080.78
OSMOSIS GLOBAL EQUITY DÓLAR ADVISORY INVESTIMENTO NO EXTERIOR FIC AÇÕES	R\$ 1,936,223.69
WESTERN ASSET ESG LEADERS HEDGED SUSTENTÁVEL IS FI AÇÕES BDR NÍVEL I	R\$ 783,921.70

Trend ESG Global FI Multimercado

ESG thematic fund from the XP Trend family focused on international investments. It offers exposure to the performance of 1,050 shares of mostly large companies around the world and with a high level of environmental, social and governance practices, through three ETFs (Exchange Traded Funds, funds listed on the stock exchange): 50% in iShares ESG MSCI USA (ESGU), comprised of more than 300 shares in the United States; 40% in iShares ESG MSCI EAFE (ESGD), comprised of more than 450 shares in developed markets (except the United States and Canada); and 10% in iShares ESG MSCI EM (ESGE), comprised of more than 300 shares in emerging markets.

JGP Ações ESG 100 Icatu Seguros FIC Ações Previdenciário

The Fund's objective is to increase the value of its shares through the investment of resources mainly in variable income assets, variable income derivatives, fixed income assets and fixed income derivatives. The Fund's philosophy is to invest in companies that present high levels of corporate governance and that consider, both in their strategic decisions and in their day-to-day operations, the best practices for sustainable development and preservation of the environment.

Real Estate Funds

XP Asset has a Responsible Investment Policy and an ESG Committee tasked with guiding and monitoring the integration of ESG issues across more than 20 real estate funds under its management. These funds are made up of real assets, such as shopping malls, logistics centers and corporate buildings, structured credit funds and development funds. Together, they have more than 1.8 million shareholders and total equity of R\$13.9 billion in assets.

Annually, three Real Estate Investment Funds (REITs) are submitted to evaluation by GRESB (Global Real Estate Sustainability Benchmark), a global organization specialized in assessing the environmental, social and governance (ESG) performance of companies and funds in the real estate and infrastructure sector.

In 2022, the three REITs obtained excellent evaluations, which are the result of initiatives such as energy, water and waste consumption data management; stakeholder engagement program; monitoring the percentage of lease contracts with "green" clauses (green lease); and a satisfaction survey conducted with users of the funds' assets. Based on this survey, plans for improving the management and efficiency of real properties are defined. The ESG Forum of XP Asset's Real Estate area meets monthly to evaluate the progress of initiatives and indicators.

- Our three funds evaluated by GRESB in 2023 (XP Log FII, XP Properties FII and XP Malls FII) achieved the Green Star recognition. XP Log was the third best rated in Latin America and the Caribbean.
- Two assets in our portfolio (Catarina Fashion Outlet from XP Malls FII, and Faria Lima Plaza from XP Properties FII), achieved the LEED O+M certification (for building operation and maintenance).

In 2023, XP Asset released its second Real Estate Sustainability Report. The publication obtained the highest score (level A) in the GRESB Public Disclosure tool and is available on the website www.xpasset.com.br.





Pension Funds

XP Vida e Previdência has under its mandate a pension fund formed by companies with sustainable practices, the “JGP ESG Ações 100 Previdenciário XP Seguros FI em Quotas de Fundos de Investimento de Ações,” a long-only ESG mandate equity fund dedicated to companies committed to sustainability in their operations.

The fund flexibly adjusts its net exposure to equities between 85% and 100% of its net assets and seeks to achieve a risk-return ratio better than that of Ibovespa in the long term. The ESG concept has been integrated into the investment philosophy, complementing a rigorous fundamental analysis and the understanding of market, political and economic cycles. Among the practices adopted, the following stand out: restrictions on investing in certain sectors, use of ESG assessment frameworks in the company analysis process, active engagement in improving the ESG practices of invested companies, and control of the portfolio’s carbon and water footprint.

Two other funds, VRB Advisory Crédito Privado and VRB Advisory Multimercado, donate part of the management fee to social projects focused on education that benefited almost 1 million children and young people.

Institutional Investors

The Institutional Investors channel is responsible for commercial services to closed supplementary pension entities (pension funds), RPPS (Personal Social Security System), insurance companies and financial institutions. Due to the volume under management and the importance to the financial market ecosystem, the allocation made by these institutions impacts the market and dictates trends.

The ESG agenda is highly demanded by these institutions, which seek to understand how ESG criteria are inserted in processes and products, which generates greater engagement of asset managers on the topic. In 2023, we raised a significant volume from an insurance company for the first time for an impact fund manager, and we continue our efforts to ensure that third-party managers and XP Asset itself have more products adapted to institutional clients.



+R\$81 billion AUC
Institutional clients



+400
Institutional clients

TAOS ESG INVESTIMENTO SUSTENTÁVEL FIC MULTIMERCADO CRÉDITO PRIVADO

The fund, started in 2021, ended 2023 with growth of R\$340 million, despite being impacted by events in the private credit market.



ESG Research

The ESG Research team produces nominal analyses of companies, sector analyses, thematic reports and a daily curation of content to provide guidance on decision-making for both Retail investors and institutional investors (investment funds). This work generates high visibility for our brand in the media.

Furthermore, since 2021, we have maintained a recommended ESG portfolio, reviewed monthly, which aims to outperform B3's Corporate Sustainability Index (ISE) in the long term. In addition, we hold ESG Coffee, a daily summary of the latest news from Brazil and the world on the topic, which, in addition to political and sector updates, discusses the historical performance of the main ESG indices in different countries, comparing them with the performance of IBOVESPA and ISE.

Throughout the year, the team published 117 reports focused on ESG issues that covered 136 companies, and held 65 meetings with institutional investors, in addition to exclusive events on topics that are in the crosshairs of investors. Research ESG also led panels on the topic at Expert 2023, the largest investment event in Latin America, bringing the topic to the forefront of the discussion.

XP was the first investment company in Brazil to have an area dedicated to analyzing the environmental, social and governance performance of publicly traded companies and identifying major topics that are shaping this agenda.



431 thousand views of the content on the Research ESG page in 2023

3.5 thousand unique users reached



80 thousand views of content on social media





QUALITY IN RELATIONSHIPS

By placing the customer at the center, we want to build lasting relationships with our stakeholders, ensuring the continuity of the business and creating long-term value for employees, suppliers and our entire chain of relationships.



ESG engagement

GRI 2-29

Stakeholder engagement in strategy and ESG topics is a daily occurrence at XP in relationships between business managers, advisors and consultants with clients, in sharing challenges with employees, in internal exchanges between areas and in interactions with investors and other stakeholders.

Individual and corporate clients

- ESG scrutiny in client onboarding.
- Social, environmental and climate risk assessment.
- Offering products and services with a socio-environmental bias.
- Research area.
- ESG themed events with retail, corporate and institutional clients.
- Lectures with ESG topics at Expert XP.

Employees

- Internal communication.
- Mandatory policies and training on ESG topics.
- Compliance Week, dedicated to raising awareness, raising awareness and training in legal, social, environmental, climate and governance integrity and compliance.

Business partners

- Mandatory training on topics such as Compliance, Code of Ethics and Conduct for partner offices.
- Code of Ethics and Conduct and other policies.
- ESG scrutiny when engaging with partners and periodic risk analysis.
- Attribution of the Governance and Integrity Seal
- Participation in Compliance Week.

Investors

- Regular schedule of meetings and meetings.
- Review of the materiality process, identifying relevant issues for investors and establishing goals to continue evolving in each pillar.

Suppliers

- ESG scrutiny in hiring.
- Socio-environmental risk analysis.
- Code of Ethics and Conduct.
- Participation in events, such as Compliance Week.

Society

- Financial education, with its own actions and carried out by Instituto XP in partnership with representative, high-impact social organizations.
- Transparency in donations.



Customers GRI 417-1

We adopt a holistic approach to customer relationships that is not focused on products, but on solutions that help people and companies develop and prosper with positive social and environmental practices.

By placing the customer at the heart of our strategy, we shape a more human approach to addressing their diverse needs. In the Investment area, this strategy is rooted in the intensive use of technology to offer solutions adapted to different types of customers.

For large investors, for example, we offer a range of customized processes and exclusive products. For others, we adopt a digital first approach, which prioritizes digital advisory services and scalability through the intelligent use of technology. We implemented this model at Rico, with plans to expand throughout all of XP Investimentos.

Technology also plays a fundamental role in the strategy by supporting advisory offices, ensuring operational efficiency, excellence in customer service and ongoing monitoring of risk and compliance.

This approach can be seen in initiatives such as the XP Gênio program and Matcher XP. Matcher XP allows offices to determine the ideal characteristics of an advisor, and the system connects them to the most suitable profiles. The goal is to resolve one of the primary challenges faced by financial offices: hiring qualified professionals.

XP Gênio, the suitability tool that supports investment decisions FN-AC-270a.3

We created an unprecedented system in the market, XP Gênio, which supports investors to provide them the freedom to choose their investments with enhanced risk control. The tool evaluates the portfolio and alerts advisors about any misalignment with the investor's profile. In practice, it establishes a score, which ranges from 1 to 100, taking into account the following risks:

- Market, related to asset price fluctuations.
- Credit, which indicates the likelihood that an asset will not return the money with the agreed interest.
- Liquidity risk, meaning the potential variation in the price of an asset depending on supply and demand.

The higher the score, the riskier the application tends to be, facilitating the free choice of products, but in different doses suited to the profile of each client. The information provided in the suitability questionnaire ([page 116](#)) is added to the information on the financial and asset situation and regular income recorded in the client's records.

This way, the client is always aware of what the risk to their portfolio is and how much the risk increases or decreases when making a move. The tool also allows profile customization, providing a diversified portfolio that is more suitable for each investor.

Customer Committee

Created in 2023, the Customer Committee is made up of a multidisciplinary team that includes customer-focused solution design, product development and technology. The group prioritizes the company's main focuses at each moment, allocating resources to priority areas according to the customer experience.

CX Days

To improve our Customer Experience practices, we created CX Days, a two-day program held once a year. During the event, the company's top executives, board members, directors and leaders actively participate in customer service to better understand the needs and challenges facing consumers.

At the end, participants leave with a list of initiatives to improve the customer experience in their respective areas, resulting in concrete actions that help improve the quality of the service offered. We are able to use this in order to impact leaders so that they do not stray from customers' concerns.

NPS - Net Promoter Score GRI 2-29

We use customer feedback to inspire new products, services and improvements. One of the tools we use for this is NPS. We release quarterly results, both to investors and our teams. Internally, NPS feeds goals and improvements organically, with each product advisor and customer channel adjusting their strategies based on feedback.

NPS is also used as a metric for senior management performance. Executive directors have goals linked to improving the indicator, which are broken down to employees in different areas and business units.

In 2023, the NPS dropped by one point. As an example of what happened in the previous year, we attributed this drop to the position the company was in, with the opening of new business areas that are still being structured, as well as the movement in the workforce to bring in people with the skills and abilities needed for the activities involved in the new business verticals, such as Retail Banking.

Evolution of NPS - Net Promoter Score



Espaço XP

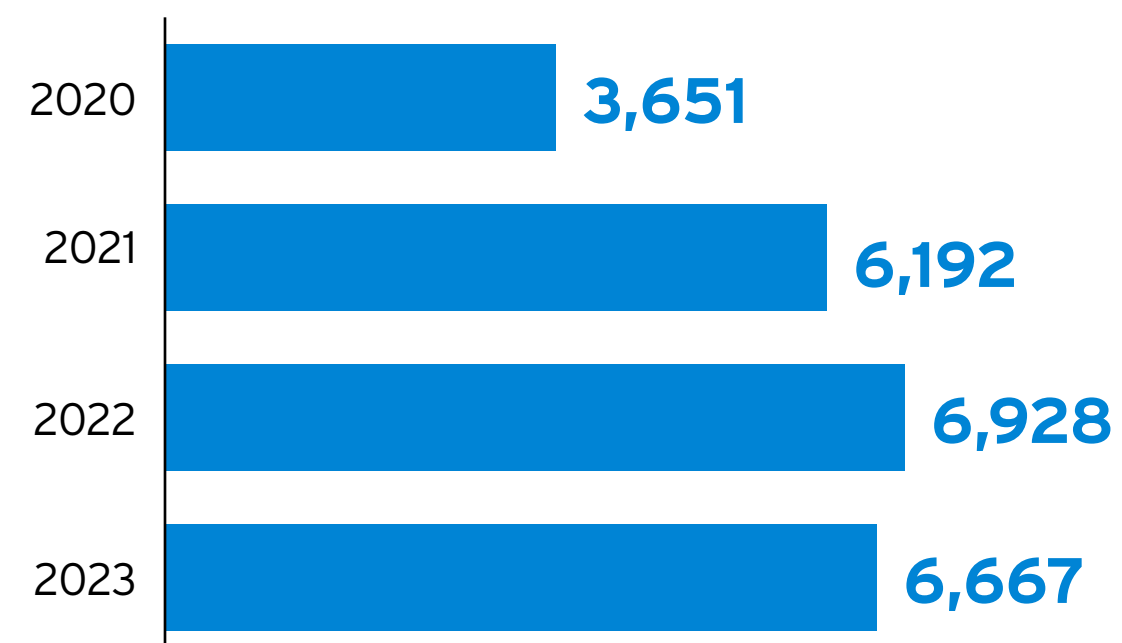
Espaço XP was designed to be an experience hub for investors and financial market professionals. The goal is to have representatives spread across different states and municipalities with XP training and knowledge of local culture. Espaço XP serves both individual investors and businesspeople, that is, from retail to wholesale banking, focused on the relationship between advisors and clients and the promotion of financial education through lectures, events and workshops on topics that impact the lives of investors.



Employees

Between 2020 and 2023, we recorded an 82% growth in the number of employees, helping us in our strategy of expanding new business verticals. On this journey, we strengthened our entrepreneurial brand and people management focused on creating opportunities based on merit and long-term vision, with initiatives aimed at attracting, retaining and developing talent. During this period, our employees also changed their profile and became more diverse.

Number of employees



Hybrid and flexible working model

Our culture is shaped by opportunities for interaction, collaboration and exchange, which reinforce the trust we build between our teams and with our customers. That's why we've taken the remote working experience to the next level, starting in 2020 with a hybrid and flexible model that combines the best of both remote and in-person work. This model favors freedom with responsibility, people's well-being and performance with self-management.

The portion of time in which each structure works remotely and in person may vary, according to the nature of each role and career and the needs of the company and customers. Sales teams, for example, may have more frequent face-to-face meetings than some staff in more technical and support areas.

Employee profile

FN-AC-330a.1 | FN-IB-330a.1

Total number of employees, broken down by gender*

GRI 2-7

	2021	2022	2023
Men	4,120	4,529	4,375
Women	2,072	2,399	2,292
Total	6,192	6,928	6,667

* Gender as specified by employees themselves (self-declared).

Total number of employees, broken down by region

GRI 2-7

	2023
North	57
Northeast	409
Midwest	169
Southeast	5,591
South	345
Abroad	16
Not applicable*	80
Total	6,667

* Offshore employees, who work at the New York and Miami units, are subject to United States labor legislation and exempt from responding to the census upon hiring.

Total number of employees by type of contract, broken down by gender* GRI 2-7

2023	Permanent / Full-time	Temporary / Part-time
Men	4,194	181
Women	2,199	93
Total	6,393	274

* Gender as specified by employees themselves (self-declared).

Total number of employees by type of contract, broken down by region GRI 2-7

2023	Permanent / Full-time	Temporary / Part-time
North	57	0
Northeast	386	23
Midwest	167	2
Southeast	5,345	246
South	342	3
Abroad	16	0
Not applicable**	80	0
Total	6,393	274

"Full-time" and "permanent contract": CLT employees. Part-time and temporary contract: interns and apprentices, considering the reduced working hours and temporary/maximum-term contracts (two years for interns, for example).

*Abroad: considered as any XP employee who does not have their main home in Brazil.

**Offshore employees, who work in the New York and Miami units, are subject to United States labor legislation and exempt from responding to the census upon hiring.

Total number of workers who are not employees and whose work is controlled by the organization by gender* GRI 2-8

	2021	2022	2023
Men	717	688	767
Women	534	592	585
Total	1,251	1,280	1,352

* Control by region of the number of workers who are not employees and whose work is controlled by the organization is not carried out





New hires and job turnover

Total number and rate of new hires GRI 401-1

	2021		2022		2023	
	Number	%	Number	%	Number	%
Broken down by gender*						
Men	2,035	42%	1,487	34%	953	21.8%
Women	1,335	51%	851	37%	519	22.6%
Broken down by age group**						
Under 30 years old	1,587	60%	1,357	47%	982	35.0%
From 30 to 50 years old	1,721	51%	952	26%	465	12.5%
Over 50 years old	45	54%	29	25%	25	16.7%
Total	3.353		2.338		1.472	

* Gender as specified by employees themselves.

**Rule for calculating age: Under 30 years old: younger=30; from 30 to 50 years old: between 30 and 50; over 50 years old: older=50.
Turnover= Dismissed (without considering interns)/ Average number of employees in the year (without considering interns)

Voluntary and involuntary exit GRI 401-1

	2022			2023		
	Men	Women	Total	Men	Women	Total
Voluntary exit	547	238	785	627	301	928
Involuntary exit	521	296	817	638	329	967

Total number and turnover rate of employees GRI 401-1

	2021		2022		2023	
	Number	%	Number	%	Number	%
Broken down by gender*						
Men	656	14%	1,068	24%	1,265	30.4%
Women	245	9%	534	23%	630	28.8%
Broken down by age group**						
Under 30 years old	344	13%	557	19%	801	31.1%
From 30 to 50 years old	535	16%	1,007	28%	1,071	29.6%
Over 50 years old	16	19%	38	33%	23	17.4%
Total	895		1.602		1.895	

* Gender as specified by employees themselves.

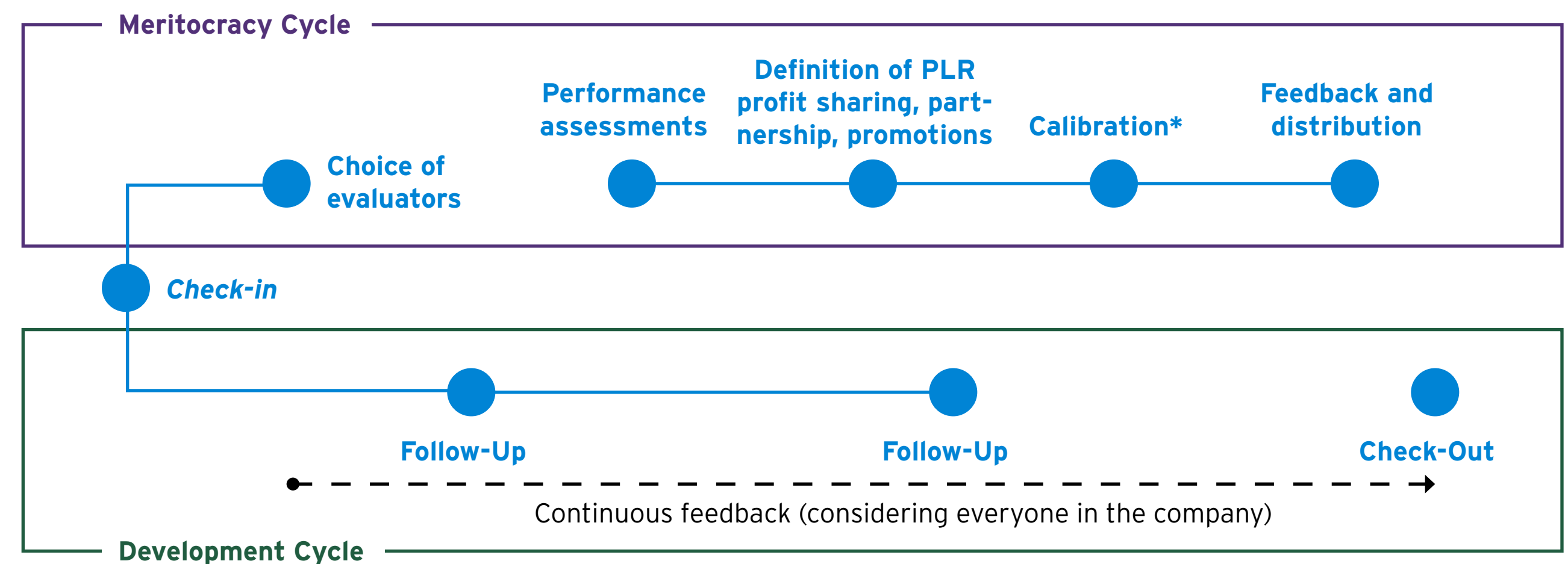
** Rule for calculating age: Under 30 years old: younger=30; from 30 to 50 years old: between 30 and 50; over 50 years old: older=50.
Turnover= Dismissed (without considering interns)/ Average number of employees in the year (without considering interns)



Goals and performance

Meritocracy is one of the pillars that support the way we think about people in the company. We have a robust cycle, with well-defined and detailed goals for the teams, ensuring constant results, continuous improvement and transparency about the objectives that need to be achieved.

Our cycle of meritocracy and development



* Calibration is carried out in the meritocracy cycle of the second half

People forums

In order to cover all areas of the company, the “People Forums” contribute to calibrate the performance of 360° assessments and goals, eliminating assessment biases and the impact of external factors on individual performance.

360° assessment

GRI 402 | 404-3

We conduct a 360° Assessment every six months, in which all our employees are evaluated by their leaders, peers and other stakeholders, based on two key pillars: performance and adherence to culture.

In 2023, we saw an historic level of employee and leadership participation (96%) in the assessment cycle, ending the year with 96% of assessments completed and calibrated in people forums (below). Employees who were on leave, worked less than 45 days in the 2nd half of 2023 or did not have at least 60 days of employment at the start of the cycle did not participate.



*The total number of professionals evaluated is greater than the number of employees reported on 12/31/2023 given that the evaluation cycle took place in July and November 2023.

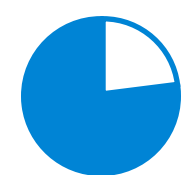
Satisfaction and engagement

We periodically measure the satisfaction of our employees and provide anonymous channels with no impact on performance evaluations, so that each employee can contribute to our continuous improvement process and be a guardian of our Code of Ethics and Conduct.

Pulse survey

Conducted bimonthly, the survey provides insights into team satisfaction and engagement. Its results do not influence meritocracy. Our leaders are instructed to set aside a moment in their schedules to analyze the results from the survey and deepen the diagnosis with the teams, better understanding possible shortcomings.

Teams are then encouraged to look for solutions to potential issues, creating action plans that will have someone responsible for executing and adhering to deadlines. The progress of each plan is monitored by leadership, which can adjust the course of action when necessary.



77% participation in the survey

↑ **5%** compared to the previous year

Employer Net Promoter Score - eNPS

Measured bimonthly, the eNPS assesses the loyalty, satisfaction and engagement of employees and leaders. In 2023, the score obtained was 63. Our People Analytics area cross-references the results of Pulse surveys with eNPS indicators to understand what the biggest predictors of satisfaction are, prioritize People & Management initiatives and guide decision-making.

Compensation and incentives

Our compensation consists of a fixed monthly salary, whose initial value is a direct consequence of the combination between position and career, in addition to variable compensation based on the company's earnings and the individual performance of each employee. The practices are regulated by the Corporate Policy on Positions, Merits, Promotions and Effectiveness.

The fixed salary is linked to the responsibilities of the position, the area of activity and seniority and may be increased as employees advance in their careers through promotions or annual salary adjustments according to the collective bargaining agreement.

Variable compensation is paid every six months and is directly related to the performance of the company, the unit in which the professional is allocated and their individual performance. The performance of the company and the business unit is determined by the goals, while individual performance is evaluated taking into account the results of the 360 assessment.

To ensure the attractiveness and competitiveness of our compensation strategy, we conduct market research every two years in which we compare ourselves to other financial services, technology and startups companies in Brazil and around the world.



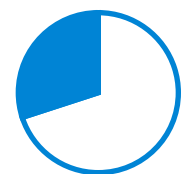
Partnership Program

The most significant long-term incentive for our employees is the possibility of becoming partners in the company through Restricted Stock Units and Performance Stock Units, with a vesting period of at least five years. The selection process for new partners takes place once a year, and all employees are eligible for the program.

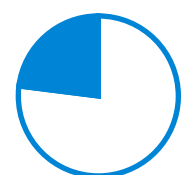
We look for four main characteristics in our future partners: culture and leadership, performance track record, growth potential and strategic position. The average time for an employee to become a partner is around three years.



530 employees are partners of XP



30% do not hold leadership positions



23% are people from corporate areas



34 years old (average)

Ratio of basic salary and compensation of women to men for each employment category

GRI 405-2

Position	2021	2022	2023
Executives			
Directors	101%	98%	91%
Superintendents			
Managers	96%	92%	95%
Coordinators	89%	89%	90%
Specialist			
Senior Administration and Operations			
Full Administration and Operational	91%	93%	93%
Junior Administration and Operations			
Administration and Auxiliary Operations	87%	97%	97%
Interns	102%	100%	100%
Apprentices	78%	91%	98%

The calculation considers the average fixed salaries for each gender (female and male), segmented by seniority and by year.



Training and education GRI 404-2


In 2023, we recorded 15,231 hours of training for employees and 33,361 hours of leadership training. Discover the main programs below.


Level up: Udemy

Since 2021, we maintain a partnership with Udemy Business in which a set number of licenses for the online course platform are distributed to XP employees. The goal is to further encourage the autonomy and leadership of our talents through a scalable learning program, which offers personalized training wherever they are.

 **650**
participants

 **19,856** hours
of training in
2023

 **37%**
women

 **62%** monthly
active users

Campus XP

Featuring an employee-focused approach and an end-to-end learning ecosystem, the initiative covers all XP employees. It presents a portfolio of regulatory content, as well as training to accelerate employees' careers and develop essential skills for the future of XP.

Brokerage Sales Program

We launched the first Broker Training Program in the market in an effort to cultivate our culture from the Broker/Institutional base, attracting the top talent to ensure the sustainability of our excellence over the medium and long term.

XPlores Program

Through this program, we invested in training software developers in partnership with Trybe, a leading school in the field. Between 2022 and 2023, the initiative made it possible to hire 159 people for the software engineering department - 23% of the number of employees in the area.

Leadership development

Leadership plays a crucial role in the success of XP Inc., which is why we place a strong emphasis on providing development opportunities for our high-performing leaders.

Throughout the year, 1,000 leaders participated in our development programs, with an average of 33.36 hours of training per leader. In addition to group discussions and lectures, such as the "Leader talk" and the "Lunch for Business Unit and Platform leaders," we implemented other initiatives.

Lunch for business unit and platform leaders

Meeting of leaders to discuss and align People, Management and Business topics, with 35 participants over the year.



Leader Talk

Led by a top XP leader, an exclusive group discusses good People & Management practices and leader skills, with 393 leaders participating.

Leadership Program

Program aimed exclusively to prepare young talents to become business leaders.

Leadership training	2021	2022	2023
Total hours	15,256	19,800	33,361
Average/hours	15	18	33.36

Leaders Academy

Prepares professionals to exercise leadership. Special emphasis to the participation of 800 individual contributor leaders.

Shift Program

Program that trains delivery and specialty leaders, with the aim of developing talents who serve in these new roles in XP's matrix model. In 2023, we trained 64 people in the Products and Design specialty. Other leadership development actions include:

Leadership Offsite Meeting

Meeting to align the areas of People, Management and Strategy, which assembled 110 executive leaders and director leaders.

XPonential Executive

Development journey to leverage XP Inc. leadership and strategy competencies, attended by 60 executives.





Internship Program

We provide new talent with a unique development path. Our interns are supported through the help and mentoring of the company's diverse professionals to improve their technical development and enhance their interpersonal skills. The program's workload is 30 hours per week, with flexibility to adapt to academic activities.

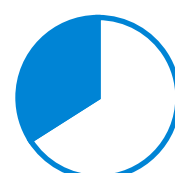
The intern's focal point throughout the selection process is a person from the Recruitment & Selection team, but they are also evaluated by the leadership of the vacancy in the area of interest and, eventually, by future peers and stakeholders. Those selected go through a stage with 100% focus on culture, which we call a "Bar Raiser." In 2023, the hiring of interns was focused on São Paulo.



11.4 thousand applicants



272 hired



34% women



6% LGBTQIAPN+



16,9% black



0,4% PwDs

Onboarding Program

The onboarding process is focused on culture, values and our business strategy. In 2023, we redesigned the program, which lasts three days, to provide greater exposure to the topics of People & Management, equipment and access configuration, XP culture and content about the business.

The inclusion of executive leaders and XP partners as speakers yielded a positive NPS score, which stood at 93, and in engagement of the agenda. During the program, new employees perform an ergonomics test, sending photos of their work environment and, upon analysis, we arrange for the acquisition of necessary furniture.



1,200 new employees trained in 2023



Welcome Kit

with bottle, squeeze, backpack, moleskine and the book Na Raça.

Total and average hours of onboarding training per year, per new employee

	2021	2022	2023
Total hours	36,102	23,38	23,04
Average hours	10.9	10.8	16



Diversity and inclusion

GRI 2-7 | GRI 3-3 | GRI 405-1 | SASB FN-AC-330a.1 | SASB FN-IB-330a.1

We are committed to moving forward on incorporating all the diversity that exists in society into our work environment and, between 2020 and 2023, we achieved significant progress in this regard. The number of women in the company jumped from 26.5% to 34.4%, with 26.7% occupying leadership positions, compared to 12% recorded in 2020.

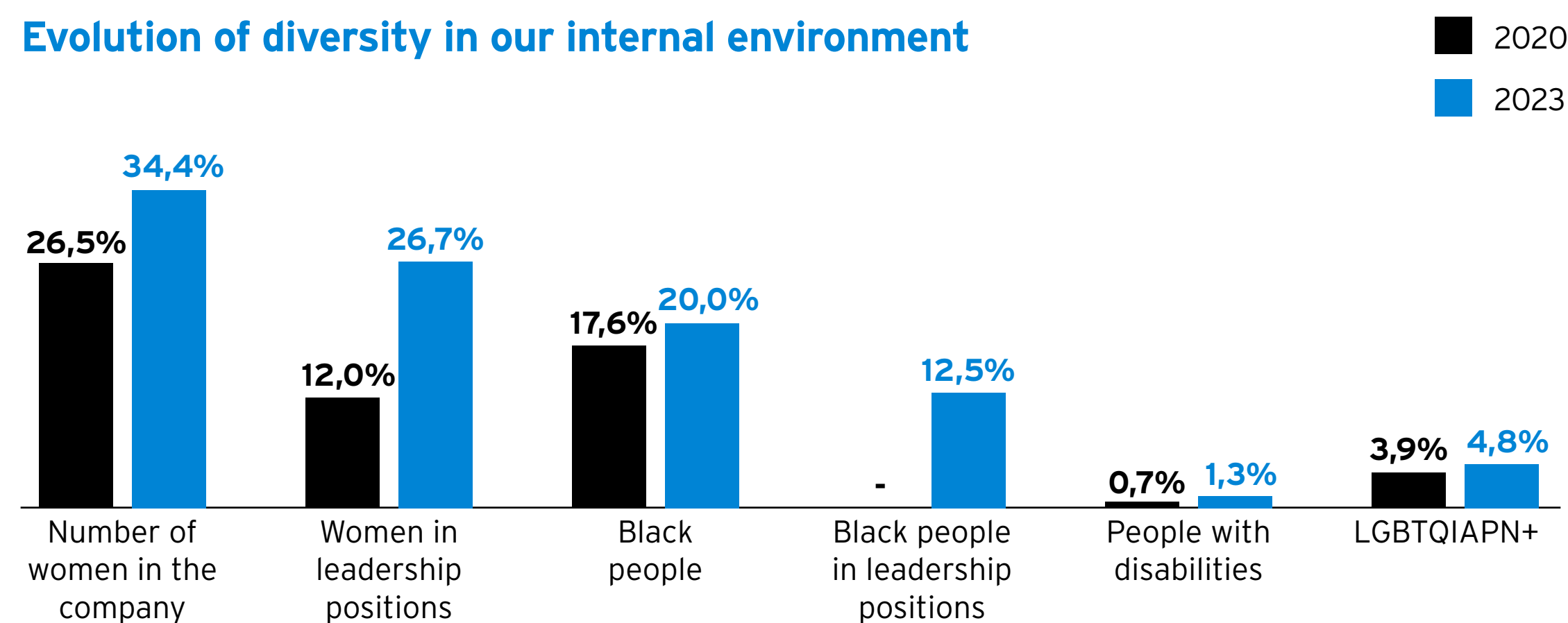
Likewise, the presence of black people grew from 17.6% to 20%, with 12.5% occupying leadership positions. People with disabilities now make up 1.3% of our workforce, an increase from 0.7% previously. As for the LGBTQIAPN+ presence, we went from 3.9% to 4.8%.

A more diverse and inclusive environment combines different experiences and perspectives, helping us to better understand consumer requests and to continue innovating and making a difference in the lives of millions of Brazilians. However, there are still a number of challenges that need to be overcome.

With this in mind, we reviewed our goals, maintaining our commitment to reaching a new level of diversity in the coming years. The redefinition of objectives considered the company's new workforce and our current work model.

Our hiring and promotion processes have been enhanced to eliminate bias and subjectivity in decisions, so that they are guided by data and facts throughout the people management cycle. We also promote training on biases and address the topic in leadership training and through internal communication.

Evolution of diversity in our internal environment



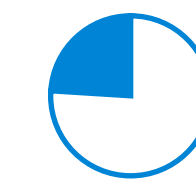
Our 2030 goals



40% of women
in the company



15% of black people in
leadership positions



24% black people



+5% of people with
disabilities



Affinity groups

A voluntary initiative by our employees, affinity groups play an important role in allocating our diversity and inclusion actions. Each group is committed to offering a safe and welcoming space that works as a support network for its members to connect and collaborate to develop each topic internally.

- **MLHR3:** focused on promoting gender equality and equity, providing mentoring and promoting employee awareness.
- **INCLUIR:** focused on physical, digital and behavioral accessibility and awareness of disability issues.
- **BLACKS:** supports awareness about structural racism and racial injustices in the world of work.
- **SEJA:** is the collective for the creation of a safe and diverse environment for LGBTQIAPN+ persons..

Throughout the year, the groups held livestreams on discrimination, harassment and career challenges for black people, people with disabilities and LGBTQIAPN+ and the use of the Reporting Channel with the participation of internal and external experts. Tickets for the ESG Racial conference, the largest equity event in the country, were also raffled off.

We also take advantage of external events to put the topic on the agenda. During Expert XP 2023, we set up a space with manual and electric wheelchairs to help move around at the event, including dedicated volunteers to support mobility and audio description, as well as Portuguese sign language interpreters.

Percentage of employees by employment category GRI 405-1

	2021		2022		2023	
	Number	%	Number	%	Number	%
Broken down by gender*						
Men	4,120	66.54%	4,529	65.4%	4,375	65.6%
Women	2,072	33.46%	2,399	34.6%	2,292	34.4%
Broken down by age group**						
Under 30 years old	2,495	40.3%	3,159	45.6%	2,808	42.1%
From 30 to 50 years old	3,610	58.3%	3,651	52.7%	3,709	55.6%
Over 50 years old	80	1.3%	118	1.7%	150	2.2%
Broken down by race						
Asian	-	-	-	-	170	2.5%
White	4,960	80.1%	5,501	79.4%	4,835	72.5%
Indigenous	-	-	-	-	7	0.1%
Black***	1,232	19.9%	1,427	20.6%	1,335	20.0%
Not reported	-	-	-	-	320	4.8%
Total	6.192	100%	6.928	100%	6.667	100%

* Gender as specified by employees themselves.

**Rule for calculating age: younger=30 | between 30 and 50 | older=50.

*** Black and brown people, based on self-declaration made by employees.



Physical, mental and financial well-being

GRI 403-1 | GRI 403-3 | GRI 403-4 | GRI 403-6 | GRI 403-7 | GRI 403-8 | GRI 401-2 | GRI 401-3

The well-being of our employees is essential to maintaining a collaborative, happy and productive environment. Therefore, we seek to offer a benefits package that supports and promotes the physical, mental and financial health of each professional.

XP Educação courses

We understand that financial education can transform lives. This is why we provide our employees with free courses or courses with up to 80% discount, in a partnership with Udemy Academic for learning and development programs, with hired per class, following internal criteria, in addition to investment advice and access to exclusive investment funds.

Maternity leave and paternity leave

Maternity leave is also a valid benefit in cases of adoption by employees who have become parents and who are INSS insured. As part of the Citizen Company program, in addition to the standard leave, we offer an additional 60 days for mothers, totaling 180 calendar days, and 20 days for fathers, 15 more than stipulated by law.

Health and dental plans

We offer employees, apprentices and interns two health and dental plan options with national coverage, travel insurance, unlimited reimbursements and a wide accredited network of doctors, hospitals and laboratories.

Meal vouchers and food vouchers

The food vouchers and meal vouchers benefit is available monthly to all employees, including minor apprentices and interns.

Discount platform

We have partnered with New Value, a benefits platform that offers the opportunity to save money in a simple way. There are over 25,000 brands and establishments available in eight categories of products and services: Culture and Leisure, Eating and Drinking, Shopping, Travel and Tourism, Pets, Beauty and Fitness, Education and Services.

Physical activity

Gympass is a benefit focused on the health of our employees, which, in addition to entry to gyms, provides access to virtual classes and physical activity, meditation and therapy applications, according to the chosen plan.

Day care allowance

The daycare allowance supports the care and education of our employees' children. It works as a reimbursement of up to R\$510.00 for children up to 60 months old, to pay for caregivers (nanny) or daycare.

Life insurance

Covers natural or accidental death, death of a spouse, with indemnity of 50% of the insured capital, death of children, with indemnity of 25% of the insured capital, and funeral assistance.

Mental health

Zenklub platform, which offers support from professionals specialized in mental health.



Parental leave GRI 401-3	2021		2022		2023	
	Man	Woman	Man	Woman	Man	Woman
Total number of employees who were entitled to take maternity/paternity leave	119	41	187	69	165	109
Total number of employees who took parental leave in the current year.	61	41	60	69	75	109
Total number of employees who took parental leave in the current year, and whose leave also ends in the current year.	57	13	56	27	71	39
Total number of employees who took parental leave in the previous year, and whose leave ends in the current year.	3	10	1	18	3	24
Total employees expected to return in the current year	60	23	57	45	74	63
Total employees who returned to work after the end of parental leave.	61	40	60	69	75	109
Return rate	100%	98%	100%	100%	100%	100%
Total employees who returned to work in the previous year and remained employed for another 12 months, which ended in the current year	32	8	44	15	40	34
Total employees who returned in the previous year	40	10	60	23	57	45
Retention rate	80%	80%	73%	65%	70%	76%

* Gender as specified by employees themselves.

Occupational accidents GRI 403-9 | GRI 403-10

In 2023, we recorded two accidents related to commuting (employees traveling between home and work), without serious consequences. There were no deaths, occupational accidents or occupational illnesses reported among employees or non-employed workers. Between 2021 and 2022, we had no accidents.

Freedom of association and trade unions GRI 407-1

We promote freedom of association and unions among our employees. As provided by law, all of our employees are linked to a union. We have no record of operations or suppliers in which the right to freedom of association and collective bargaining has been put at risk.

Collective bargaining agreements GRI 2-30

A total of 93.79% of our 6,667 active employees at the end of 2023 were covered by the collective bargaining agreement of the trade union of the respective company to which they are allocated. The 6.21% not covered by the agreement are interns, statutory employees and employees who work outside Brazil.



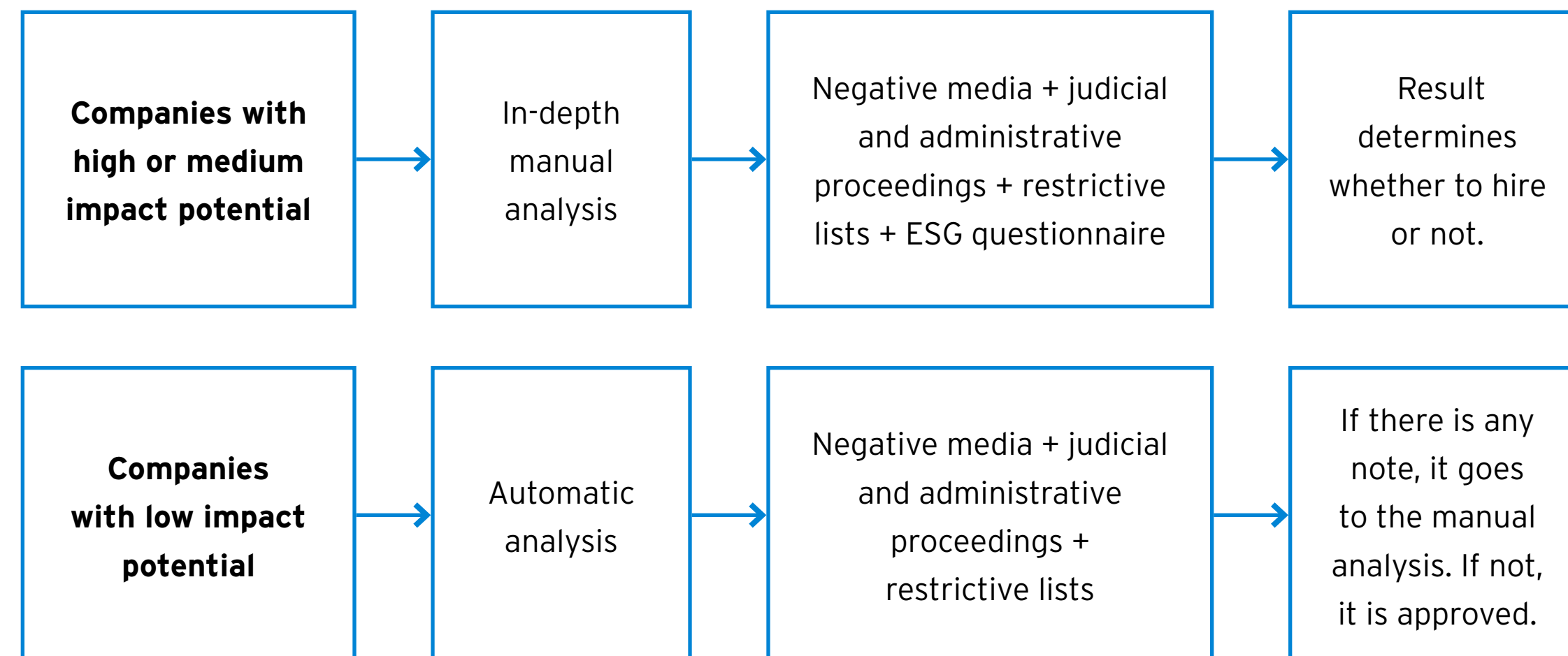
Suppliers

GRI 204-1 | GRI 414-1 | GRI 308-1 | GRI 409-1

We have 4,6 thousand active suppliers, and more than 85% of them are suppliers of local products and services, contracted in Brazil. All of them are subjected to social, environmental and climate assessment during procurement through a process that follows two distinct analysis: one for suppliers with high and medium potential for social, environmental and climate impact, depending on the type of activity they carry out, and another for suppliers with low potential for social, environmental and climate impact.

The first group undergoes a more in-depth manual assessment and, for the second, we adopt an automated procedure. We thus cover 100% of our product and service providers, reducing the risk of problems such as slavery-like work, child labor and illegal deforestation, and promoting sustainability in our supply chain.

Suppliers' social, environmental and climate risk analysis flow



Sector filter

Companies from sectors with high social, environmental and climate impact

100% subject to in-depth assessment carried out by an analyst.

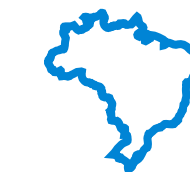
Companies from sectors with low social, environmental and climate impact

Automated procedure

In case of negative media, they are subjected to in-depth analysis.



4.232 suppliers validated in 2023



97,7% of spending with local suppliers contracted in Brazil



R\$12 billion in amounts paid to providers



100% assessed from the perspective of social, environmental and climatic risks

Our Social, Environmental and Climate Responsibility Policy (PRSAC) prohibits any type of relationship with companies that maintain labor exploitation practices in conditions analogous to slavery, child labor, human trafficking and others that violate human rights.



As we contracted a service that supports us in supplier management, we integrated our methodology with that provider's platform (Linkana), which, as a standard, has adopted social, environmental and governance criteria in the management cycle. Based on the company's CNPJ (Corporate tax ID) in the validation process, the Linkana platform collects a series of indicators, such as public and private data on compliance and environmental licensing, labor regularity and summonses for slave labor and child labor.

Cases of corruption, operating license and data on the company's financial, fiscal and labor health are also observed. The indicators form ratings that point to the level of risk, which is taken to our supplier management area and to the technical area, where a decision is made whether or not to engage the supplier, in accordance with the validation result.



Our goal

100% of suppliers assessed from the perspective of social, environmental and climate risks.



How have we progressed

100% of suppliers assessed from the perspective of social, environmental and climate risks.



Key initiatives

- Proprietary methodology for analyzing social, environmental and climate risk
- Definition of governance and approval authority
- Inclusion of socio-environmental clauses in contracts and contracting terms
- Employing the Linkana system through the generation of ESG scores and incorporation of our proprietary analysis methodology

Operations and suppliers at significant risk for incidents of child labor GRI 408-1

In 2023, among our 4,648 suppliers with an active CNPJ, we mapped 12 suppliers (0.26% of total) with a risk of child labor, 11 of them in the textile sector (91.66%), and one in the agricultural sector (8.33%). Nine of these companies are located in the Southeast region, two in the South and one in the Northeast.

Looking at the total of 1,929 operations, we identified 56 (2.90%) operations with a risk of child labor, 23 in the textile sector, 33 in the agricultural/livestock sector.

It is important to mention that, although we classify these suppliers as being at risk of child labor due to the higher potential for incidence of cases in these sectors, no active or operational suppliers had any incident of child labor.

Operations and suppliers with significant risk of cases of forced or compulsory labor GRI 409-1

Among our 4,648 suppliers with an active CNPJ, we identified 73 companies (1.57% of the total) at risk of cases of forced or compulsory labor. In relation to operations, we mapped 98 operations (5.08%) with a risk of cases of forced or compulsory labor.

It is important to mention that, although we classify these suppliers as being at risk of forced or compulsory labor due to the higher potential incidence of cases in these sectors, no active supplier or one with operations with XP recorded an incidence of forced or compulsory labor.



SOCIETY

We have an ambitious dream of impacting 50 million people with financial education initiatives by 2030. Together, we will build a more powerful and sustainable Brazil, where people are equipped with the skills they need to shape their financial well-being.



Our social investment is carried out through Instituto XP, which uses financial education and the development of socio-emotional skills as tools for inclusion and social empowerment, impacting millions of children, young people and minority groups each year. Created in 2021, the Institute's main targets are students from the public school students, women and other vulnerable groups.

We chose this approach because we understand that education can transform people's lives. This is especially important in a country with a high number of indebted and over-indebted households and lack of a deep-rooted savings and investment culture. We understand that this is where we can make our most significant contribution to society.

As such, in 2023 we reviewed the portfolio of supported projects to centralize efforts in bringing financial education to schools through projects and organizations with exemplary levels of quality and effectiveness. To enhance these measures, we seek to strengthen relationships with influencers, teachers and researchers through partnerships, content production and awards.

The initiatives involve both our own projects and those done in partnership with social organizations. In addition, Instituto XP earmarks funds and resources to social projects through incentive laws, direct donations and volunteering.



Our goal

Provide financial education to **50 million Brazilians by 2030**



Key initiatives

- **Educação Financeira Transforma Award**

600 registrants, total of 480 thousand Reais in prizes for 24 finalists

- **Tino Econômico newspaper**

+269 thousand printed copies distributed in schools throughout Brazil

+2.8 million students reached

- **Content in partnership with Instituto Kondzilla**

+345 thousand people reached on social media



How have we progressed

11.2 million people directly impacted by our financial education initiatives between 2021 and 2023

- **XP Educação Courses**

+22 thousand people trained

- **Partnership with Favelado Investidor (Murilo Duarte)**

+ 54 thousand young people impacted

- **Guaranteed Education Project**

2,222 tuition fees sponsored at 45 private partner schools



Proprietary projects

Transforma Financial Education Award

The initiative by Instituto XP, the largest of its kind in Brazil, was designed to inspire, recognize, connect and empower individuals and organizations who are actively working to transform financial education in the country. The award has eight categories that, in a complementary way, contribute to financial education in Brazil: researchers, teachers, students, NGOs, digital solutions, people who are part of the XP ecosystem, nano-influencers, and micro-influencers.

In 2023 the panel of judges included renowned experts and professionals in finance and entrepreneurship, such as Nathalia Arcuri, Thiago Nigro, Konrad Dantas, and Edu Lyra, in addition to Thiago Godoy, from XP Inc., and Raquel Balarin, editorial director at Infomoney. The event to announce the winners, carried out in March, recorded more than 600 registrants, mobilizing thousands of votes and distributing R\$480 thousand in prizes for 24 finalists.

Financial Education Network

The top three places in all categories of the Financial Education Transforma Award have been invited to participate in our financial education network, created to enhance the initiatives and promote the exchange of learning and opportunities among its members.

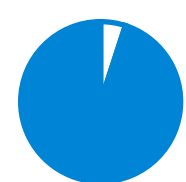
In 2023, in addition to online meetings, they had the opportunity to participate in Expert XP, in addition to livestreams and promotion of content, among other activities. A live onsite event was also held in São Paulo to welcome the new class of finalists and facilitate the connection with the Network.

Partnerships

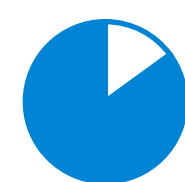
Nova Escola

We have formed a partnership with Nova Escola, a leading platform in social education that involves producing and distributing free content, courses and lesson plans to empower the work performed by public school teachers across Brazil. In 2023, more than 312.2 thousand teachers benefited from lesson plans and content and almost 9.4 million students were impacted.

During the year, we also carried out another stage of research on financial education in public schools with the intent of measuring the impact of the Transforma Financial Education program. 873 teachers were interviewed across Brazil from November 6 to 16. They brought their perceptions about the program, evaluated its relevance and application, and the evolution of the implementation of financial education in classes.



95% of educators believe that financial education is important in elementary school.



85% believe that financial education creates more prepared adults, teaches conscious consumption and helps with family planning.

Financial Education in Schools - Sebrae MG/CVM/MEC Partnership

We have joined forces with Sebrae Minas to offer financial education to students in public schools across the country between 2023 and 2027. The goal is to provide knowledge and promote the development of socio-emotional skills in children and young people, right from school age, to help them to become more conscious adults in relation to the use of money. In May, along with institutions such as B3 Educação, CVM and SEBRAE-MG, we participated in the official launch event of the National Financial Education Week (ENEF Week).

Partnership with Favelado Investidor

In 2023, we entered into a partnership with influencer Murilo Duarte, better known as Favelado Investidor, to produce financial education content in a simple language, based on everyday examples. Over the year, the influencer worked as an ambassador for the Instituto XP in a partnership that offered financial education to more than 54,000 youths.

FinLab

Instituto XP partnered with the Anima Institute to develop an Educational Policy Innovation Laboratory that is focused on the design, implementation, monitoring and evaluation of evidence-based programs and projects. The partnership hopes to introduce the first integrated methodology (Finland+Stanford) of financial education in Brazilian public schools, in line with the National Common Curricular Base (BNCC), contributing to the professional development of teachers and public administrators.

The project's mission is to support the transformation of the financial habits and the change in young people's attitude towards money, emphasizing the making of financial decisions and their implications throughout adulthood, with emphasis on topics such as financial vulnerability, exposure to fraud, participation in informal financial systems, unconscious consumption, debt and savings.



Partnership with iFood

Instituto XP has partnered with iFood to offer financial education to accredited delivery drivers and restaurant employees, from small to large establishments, on the iFood platform. Through this partnership, we have made the online course Financial Balance available free of charge on the iFood Decola platform, a content portal aimed at the professional development of delivery drivers and business growth. In 2023, almost 1.6 thousand delivery drivers and restaurant employees took the course.

Escola do Trabalhador 4.0 Course

Instituto XP, in partnership with Microsoft Brazil through Escola do Trabalhador 4.0, offers free courses in digital skills as part of the Caminho Digital Program. The Financial Education Using Excel course, offered by Instituto XP, covers basic budgeting fundamentals, expense control, debt prevention, savings and introduction to investments.

Tino Econômico

Defined as the Financial Times of young people, Instituto XP, in partnership with Magia de Ler, introduced Tino Econômico, a financial education newspaper distributed in public and private schools for children and teenagers. The newspaper also has an online version. The goal is to provide important information in an accessible way, promoting student training and engagement with financial education.

Almost 270 thousand printed copies of the Tino Econômico newspaper were distributed to schools across Brazil, reaching more than 2.8 million students. These editions were financed by Instituto XP.

Já_é! Program

Instituto XP, in partnership with Artemisia, supports the Já_é! Program, which promotes open platform models to scale impactful business solutions, validate market opportunities and foster innovation. In 2023, aligned with the concept of productive inclusion with an emphasis on promoting the generation of work and income through entrepreneurship, Artemisia, with support from Instituto XP, launched the Já_é! Entrepreneur Support Day, a free initiative that trained more than 40,000 entrepreneurs.

Instituto Kondzilla

Instituto XP and Instituto Kondzilla forged a partnership to offer financial education to young people through the web series Vai Pagar para Ver, in which MCs were interviewed to discuss topics related to money. Content was also created and published by influencers on social media to raise awareness about financial education in a light and engaging way. In 2023, the content created reached more than 345.7 thousand people on social media.

XP Educação courses

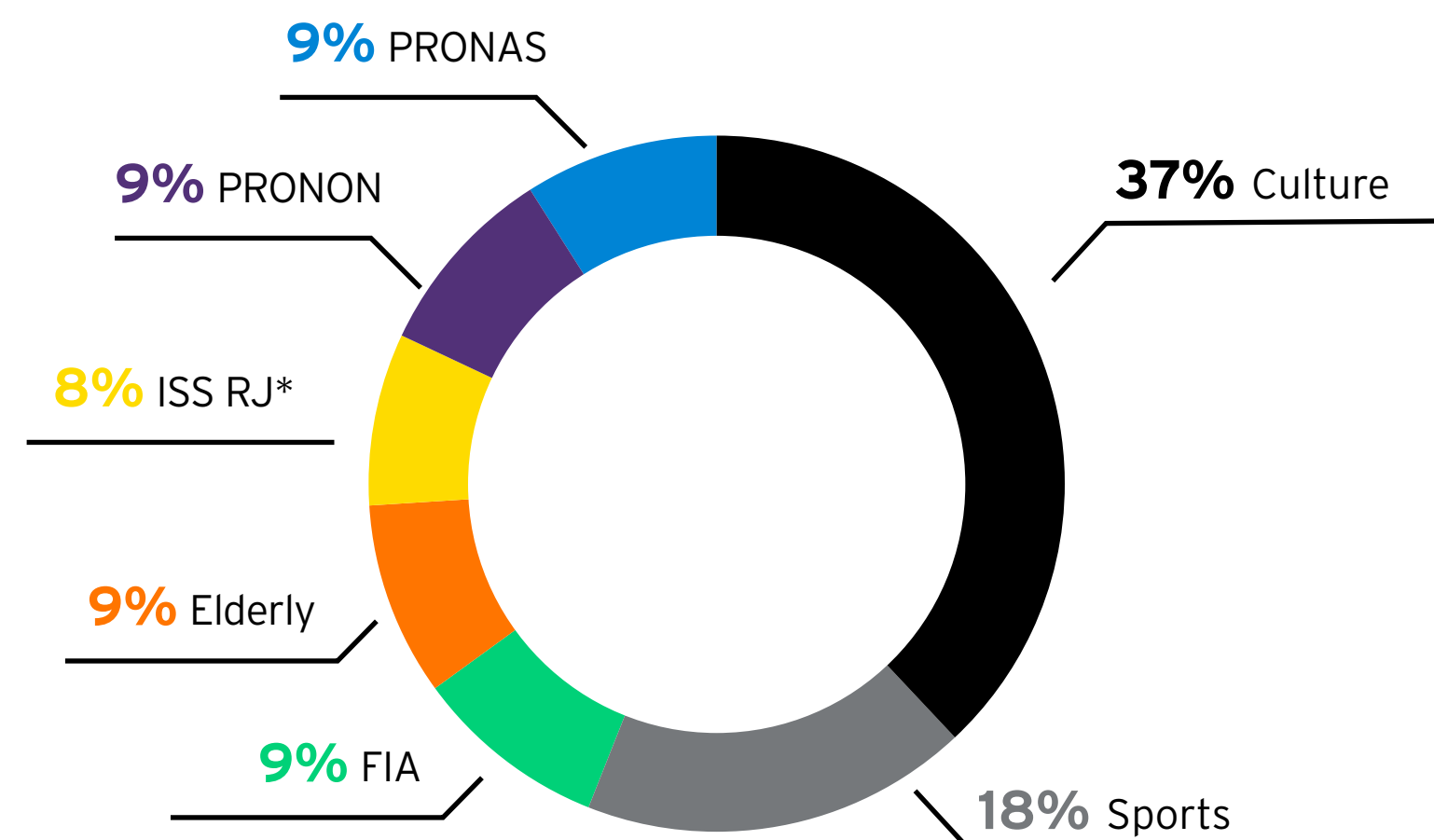
We offer free financial education courses through the website xpeducacao.com.br. The objective is to create opportunities for people to improve their relationship with money, gaining security and autonomy to plan the future. In 2023, we impacted more than 22,000 people through these courses.



Donations and incentive laws

In 2023, companies in the XP Inc. group allocated federal incentive funds that benefited 43 projects, directly impacting more than 1.2 million people and indirectly impacting more than 19 million. We also used benefits from Rio de Janeiro's ISS to invest in 27 projects in different states in Brazil, covering areas such as financial education, cultural support, music festivals, street races, and others.

Contribution of incentive laws 2023



* ISS-RJ: in 2023, the resource was used for supporting Marathon Rio and Fiocruz. FIA (Childhood and Adolescent Assistance Fund). Elderly (Elderly Assistance Fund). Pronon (National Oncology Care Support Program). Pronas (National Program to Support Health Care for People with Disabilities).



+R\$12.4 million in incentivized funds allocated to projects



+4.3MM in direct donations made to more than 10 social organizations working in the areas of education, climate emergency and others

Guaranteed Education Project

In partnership with the Instituto da Criança, we created the Guaranteed Education Project to provide scholarships for young people in private schools. In 2023, the project ended its cycle, with the following outcomes:

- 2,222 sponsored monthly payments
- 21 municipalities supported
- 45 partner schools

Sponsorship of the Brazilian Olympic Committee and Team Brazil

We have been official sponsors of the Brazilian Olympic Committee and Team Brazil since the 2022 Tokyo Games and Winter Olympics, including the 2023 Pan American Games and the 2024 Paris Olympics.

We have also entered into an agreement with the National Football League (NFL), the most popular sports league in the USA, to support its promotion in Brazil. And, at the same time, leverage the XP brand locally and internationally. To celebrate the agreement, Expert XP had Tom Brady participate, a seven-time Super Bowl champion and one of the top names in the sport.

Eu faço parte do time
que investe no Comitê
Olímpico do Brasil.

Torça pelo Time Brasil
nos Jogos de Santiago 2023.



XP.
INVESTIDORA
OFICIAL DO
COMITÊ OLÍMPICO
DO BRASIL





Promoting diversity and inclusion in society

In 2023, we renewed our partnership with entities that promote awareness-raising activities and engage private companies in promoting the inclusion and employability of people with disabilities. We also adhere to the Pact for the Inclusion of People with Disabilities, demonstrating our commitment to complying with all the objectives of the proposed agenda.

Civil Association of the Racial Equity Movement - MOVER

Our partnership with MOVER aims to support the creation of 10 thousand leadership and C- Level positions for black people by 2030. MOVER is an institution that formulates tools for inclusive recruitment policies, career development, reporting channels, code of conduct against discrimination, permanence policies, affinity groups for debates and training and awareness to influence social promotion policies related to racial equity.

Pact for the Promotion of Racial Equity

By joining the Pact for the Promotion of Racial Equity, we support actions that encourage greater racial equity, focusing on the adoption of affirmative actions, improving the quality of public education and training black professionals. The Pact is an initiative that proposes the implementation a Racial ESG Protocol in the country, bringing the subject to the center of the economic debate and attracting the attention of large companies, civil society and the government.

REIS Network - Business Network for the Inclusion of People with Disabilities

Through adherence to the Pact for the Inclusion of People with Disabilities, we express our commitment to involve senior leadership in promoting the rights of this audience and developing policies and procedures with a view to affirmative actions inside the organization. Our goal is also to promote an inclusive and accessible culture and environment, in addition to including the topic of planning products, services and customer service.

JUNTOS McKinsey Conference

We participated in JUNTOS McKinsey to foster the employability of black and brown people, set up a stand where we promoted our open job positions and offered support to participants in creating more attractive CVs.

ESG Racial Conference

We participated in a lecture on financial education, given by Gabriela Torquato, head of Instituto XP, promoting and supporting the topic.

Future in Black

We support the "Future in Black" event, promoted by MOVER in partnership with The Black Entrepreneurs Club (BEC), which assembled over 500 people, including CEOs, vice-presidents, directors, heads, managers and company founders, around the objective of accelerating and leveraging the development of black leaders.

Blood donation

In August 2023, we helped the administration of the SPCTowers condominium and the São Lucas blood center by contributing to the blood donation campaign, encouraging our employees from the São Paulo office to take part and benefiting around 356 people.



ENVIRONMENTAL RESPONSIBILITY

We want to promote the transition to a low-carbon economy by minimizing the environmental impacts of our activities and influencing good practices in the companies with which we interact.



Climate Change

We recognize the broad effects of climate change on society and the economy, with a careful eye on both the risks and opportunities to transform our business and continue fulfilling our mission of improving people's lives. We are aware of Brazil and Latin America's vulnerability to climate impacts and understand that the financial sector can exert significant power to influence the transition to a low-carbon economy.

In this sense, we take an active stance in adopting measures to adapt our portfolios and mobilize our ecosystem around the science-based targets assumed by the Paris Agreement. In 2023, we continued to advance in managing climate risks and enabling sustainable business, including measuring and reducing our emissions, adhering to the recommendations of the TCFD (Task Force on Climate-related Financial Disclosures), reducing the intensity of financed emissions and the climate sensitivity of our credit portfolio, and developing products that encourage choices and investments aligned with this agenda.

GHG Emissions

We use the GHG Protocol methodology to calculate, monitor and provide transparency to our inventory of Greenhouse Gas Emissions in scopes 1, 2 and 3. In 2023, we refined our emissions calculations, expanding the scope to cover all sources and business units and, for the first time, we submitted our carbon inventory to external auditing.

Scope 1

In Scope 1, direct emissions were considered, where we have operational control, obtained by summing all XP Inc. emissions categories, such as stationary combustion, mobile combustion and fugitive emissions. The main source is fugitive emissions, which account for 54% of total emissions in this scope, arising from the use of R-410A refrigerants in air conditioning systems.

Scope 2

To calculate Scope 2 emissions, we account for indirect GHG emissions arising from the acquisition of electricity for consumption in our facilities. A significant part of the emissions in this scope comes from our Miami (USA) unit, which accounted for 46.7% of total emissions in this scope.

Scope 3

To calculate Scope 3 emissions, indirect GHG emissions resulting from our activities were considered, coming from sources that do not belong to or are not controlled by the company. Our inventory accounts for emissions related to trips made by motorcycle couriers, waste generated in operations, business trips and home-to-work emissions, with the business trips category having the greatest impact on the result.



Drop in total emissions

Even with the significant expansion of our business, our total Greenhouse Gas Emissions fell by 4% in 2023, totaling 6,322.191 tCO₂e. We also observed a 56% reduction in emissions related to Scope 1 coming from direct sources owned or controlled by XP. These changes are mainly explained by the adaption of the calculation methodology, made after feedback from the external consulting firm that verified our inventory.

In scope 3, related to the supply chain, we posted a 37% increase in GHG emissions. This increase is due to factors such as the provision of air conditioning, the inclusion of private aviation fuel consumption in corporate travels, a new positioning in relation to home office arrangements, and the proportional increase in emissions from home-to-work commuting.

Direct (Scope 1, 2, 3) of Greenhouse Gas Emissions (GHG)

GRI 305-1 | GRI 305-2 | GRI 305-3

Emissões diretas	2022	2023	Range
Scope 1 (tCO ₂ e)	3,238	1,410	-56%
Scope 2 (tCO ₂ e)	143	522	265%*
Scope 3 (tCO ₂ e)	3,214	4,,390	37%
Total Greenhouse Gas Emissions (tCO ₂ e)	6,597	6,322	-4%

* Increase recorded due to energy costs in the NY and Miami offices.

Comparison of total emissions (tCO₂e) by categories GRI 305-2 | GRI 305-3

Total Emissions (tCO ₂ e)	2022	2023	Range
Scope 1	3,238.54	1,410.08	-56.46%
Stationary Combustion	0.88	4.19	375.90%
Mobile Combustion	0.00	539.35	0.00%
Fugitive Emissions	3,237.66	866.55	-73.24%
Scope 2	143.77	522.27	263.26%
Location approach	143.77	522.27	263.26%
Scope 3	3,208.80	4,389.83	36.81%
Upstream Transport and Distribution	5.55	0.01	-99.76%
Waste Generated	291.11	161.31	-44.59%
Business travel	2,412.39	2,962.34	22.80%
Home-Work Emissions	499.76	1,266.17	153.36%
Total	6,591,118	6,322.191	-4.08%



Emission offsetting

Between 2019 and 2020, we offset 100% of our GHG emissions through the purchase of carbon credits generated by forest conservation and regeneration projects. We also neutralize Scope 1 and 2 emissions by acquiring emission reduction certificates from REDD+ projects, a United Nations mechanism that promotes conservation, sustainable management and the increase in forest carbon stocks. In Scope 3, neutralization was done through biogas recovery and renewable energy projects.

To advance this agenda, we became members of the Climate Commitment, which since 2017 has connected companies interested in offsetting their emissions and projects dedicated to generating positive social and environmental impacts. The origination of credits follows a strict technical and legal analysis, in addition to eligibility criteria, with the aim of minimizing reputational risks and guaranteeing the quality of the credits.

Accordingly, in 2023, we neutralized Scope 1 and 3 emissions through the Climate Commitment, with the acquisition of around 5,800 carbon credits from renewable biomass projects. Scope 2 emissions were offset with the purchase of Renewable Energy Certificates (iRec), which guarantee that the energy consumed comes from renewable sources.



100% of our emissions offset with the purchase
of carbon credits and iRec

Internal carbon price

Since 2021, we have calculated the internal price per ton of carbon based on the average price of the carbon credit purchased in the year. In 2023, the average price was R\$15.00/ton.

Carbon market

We have contributed to the voluntary carbon market since 2019, through the purchase of carbon credits and the origination of investment products. In addition, we work in advocacy, participating in working groups organized by Febraban and Anbima focused on the regulated market.



Financed emissions

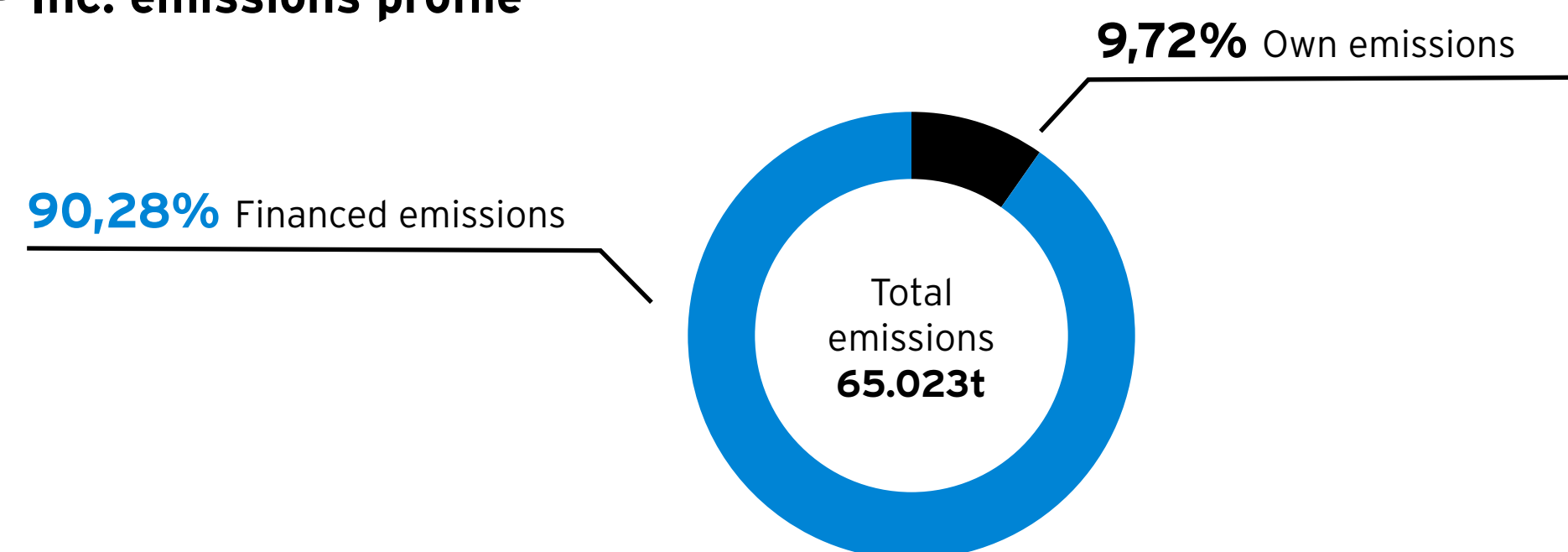
GRI 201-2 | GRI 305-3 | FN-AC-410b.4 | FN-CB-410b.4

The financed emissions (scope 3, category 15) relate to greenhouse gases originating from assets present in the portfolios of financial institutions, and they are largely made possible by loans and financing for their clients' activities. According to CDP, financed emissions are, on average, 700 times higher than direct emissions from the financial sector.

In our case, only 9.72% of total GHG emissions relate to our own emissions, which are completely neutralized. The remaining 90.28% is due to financed emissions from the credit portfolio, the intensity of which we seek to manage with a customer engagement strategy, in order to help them move forward, with XP, in the transition to a low carbon economy, mitigating risks and capturing opportunities that may arise in the new scenario.

We demonstrated our commitment to climate responsibility by joining the Partnership for Carbon Accounting Financials (PCAF) in early 2022, when we formally started using the PCAF methodology to calculate our financed emissions. In the previous year, we had already made calculations based on this methodology, as part of our goal of improving the governance of socio-environmental and climate risks, which are a significant concern for our institution.

XP Inc. emissions profile

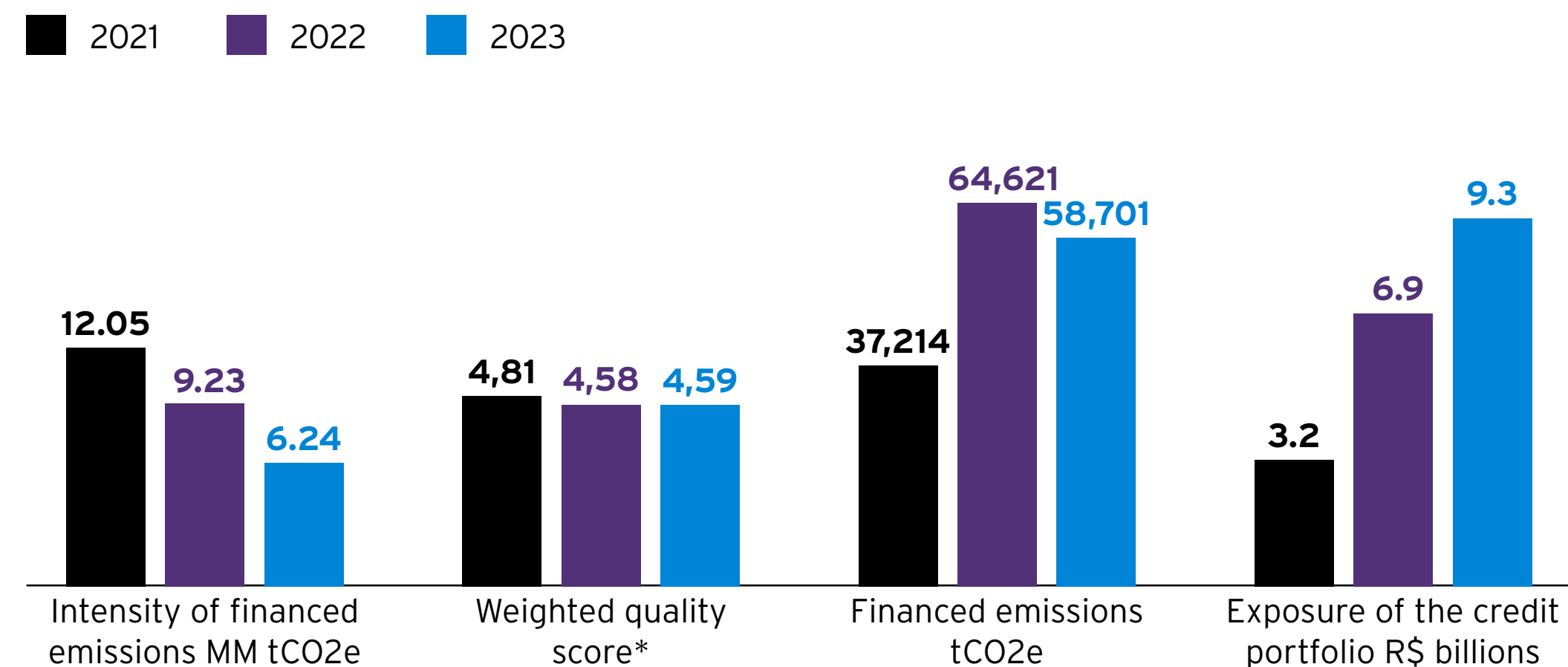




How have we progressed and where we want to get

When we began to measure our financed emissions in 2021, we recorded an intensity of 12.05 tons of carbon per million Reais borrowed, with a credit portfolio exposure of R\$3.2 billion. In 2022, when the credit portfolio more than doubled in size, reaching R\$6.9 billion, the intensity of financed emissions fell to 9.23 MM/t/CO₂e.

In 2023 we recorded a new milestone: the credit portfolio increased to R\$9.3 billion and the intensity of financed emissions reached 6.24 MM/t/CO₂e, a reduction of 48.22%. We will continue to deepen the portfolio growth strategy with a significant improvement in its climate quality, with the goal of significantly reducing this indicator by 2030.



* The PCAF methodology assigns a score from 1 to 5, with 1 being the most accurate calculation. As our portfolio is mainly made up of small and medium-sized companies, which normally do not disclose their emissions data, we achieved a score of 4.59.





Improvement in the methodology

In 2023, we advanced the methodology for calculating financed emissions, increasing the precision and scope of data relating to our clients' activities. Using the TCFD sector classification, we are able to engage our customers more accurately, obtaining a more in-depth view of the environmental impact of our business.

Sector benefiting from credit	Financed emissions (tCO2e)	Exposure of the credit portfolio R\$ billions	Intensity by sector, weighted by percentage of exposure
Agriculture	12.385.93	170.24	1.318.110
Food and Beverages	7,832.65	622.53	0.83355
Financial services	6,771.22	3852.75	0.720593
Commerce	6,033.51	689.52	0.642086
Transport	3,450.1	215.45	0.367159
Industry	3,368.81	222.6	0.358509
Petrochemical and chemical	3,169.67	70.71	0.337316
Metals and mining	3,163.55	135.17	0.336665
Administrative services	2,553.59	587.06	0.271753
Paper and forest products	1,689.67	62.09	0.179815
Textile	1,184.29	98.66	0.126033
Energy	1,173.44	83.12	0.124877

Sector benefiting from credit	Financed emissions (tCO2e)	Exposure of the credit portfolio R\$ billions	Intensity by sector, weighted by percentage of exposure
Health	875.36	673.49	0.093156
Tourism and Leisure	863.73	424.2	0.091918
Real estate management and development	806.58	318.8	0.085836
Wood and furniture	652.71	23.56	0.069462
Construction	628.06	695.64	0.066838
Technology	563.94	174.67	0.060014
Pharmaceuticals and Cosmetics	389.26	9.5	0.041425
Motor vehicles and auto parts	387.22	78.54	0.041208
Others	235.91	59.39	0.025106
Recycling	230.96	2.62	0.024579
Education	228.91	103.92	0.024361
Communication	46.06	22.1	0.004902
Sanitation	16.38	0.42	0.001743
Total	58,701.52	9,396.73	6.247012



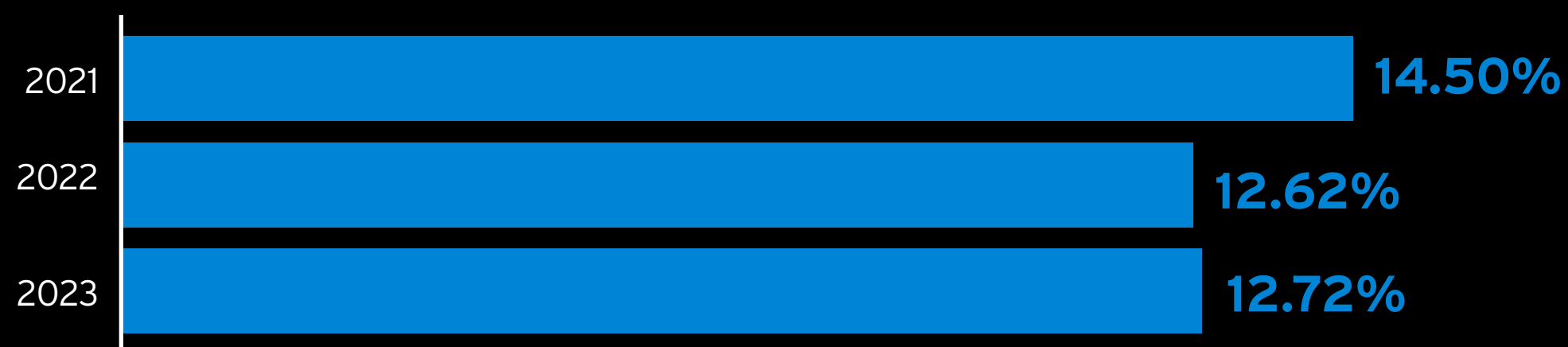
Climate sensitivity of the credit portfolio GRI 201-2 | GRI 305-3

To assess the climate risk of our credit portfolio, we still use the Climate Risk Sensitivity Ruler, a methodology we developed along with Febraban, based on TCFD recommendations. It allows measuring how sensitive the client or operation is to the physical and/or transitional effects of climate change. The company's sector, credit quality, average term of the operation and the representativeness of the sector or client in the credit portfolio are taken into account.

Combined, these variables help to classify portfolio exposure into three levels of climate sensitivity (high, medium or low), defining the customers most sensitive to climate factors. This process covers 100% of the credit portfolio of legal entities and indicates the degree of risk, providing guidance on the decision-making on whether or not to go ahead with closing the deal.

At the end of 2023, our portfolio's climate sensitivity reached 12.72%, a reduction of two percentage points compared to 2021, when we started this measurement. We thus improved the climate quality of the credit we grant and, consequently, of our credit portfolio. Still in 2023, the climate sensitivity indicator was incorporated into the company's RAS, with exposure limits and monthly monitoring.

Climate sensitivity of our credit portfolio



Also, see how our social, environmental and climate risk analysis process works on [page 127](#).

Stress test

The Social, Environmental and Climate Risk area analyzes all XP customers on a broad basis, covering 100% of the credit portfolio for companies. Portfolio quality is monitored according to its exposure to the Social, Environmental and Climate Rating. The stress test is updated at least once a year and its guidelines and results are discussed and approved by the Executive Board.

Although stress testing is only mandatory for entities in the S2 segment, we adopt a dedicated idiosyncratic scenario that seeks to aggravate specific revenues from potentially exposed businesses. As of next year, hypotheses about changes in climate patterns and the transition to a low-carbon economy will be included.

TCFD recommendations

Published in 2017, the recommendations of the Financial Stability Board's Task Force on Climate-Related Financial Disclosures (TCFD) aim to encourage the disclosure of financial information related to climate risks and opportunities, allowing investors to make more informed decisions.

We recognize their relevance and firmly support this commitment, advancing our adherence to the recommendations throughout 2023 in each of the four disclosure pillars.



Governance

- The Board of Directors, the Executive Committee, the Audit Committee and the Risk, Credit and ESG Committee monitor the evolution of the ESG agenda as a whole, including the company's climate agenda, with pre-defined periodicity and agendas.
- In addition to these governance bodies, the Social, Environmental and Climate Risk Committee and the Social, Environmental and Climate Risk and Responsibility Committee monitor the climate agenda with pre-defined periodicity and agendas.
- Our corporate policies link employee compensation to compliance with climate-related guidelines, including at the executive level.
- We carry out training and disseminate the topic across the company, through training and live sessions related to the topic.



Strategy

- We map our exposure to climate risks and potential impacts for the company.
- We have a climate transition strategy, with internal goals and respective deadlines for compliance defined.
- We have targets for reducing our own emissions and financed emissions.
- We calculate the internal carbon price.
- We have contributed to promoting the carbon market in the country, participating in sectoral working groups, meetings with representatives from the most diverse sectors, clients and other players interested in the subject.
- We develop climate-related financial products and services.
- We measure and neutralize 100% of Greenhouse Gas Emissions from our activities (scope 1, 2 and 3*).



Risk management

- We carry out climate risk analysis for 100% of our customers and credit operations.
- We develop a proprietary climate risk assessment methodology that impacts the credit rating.
- We manage the climate risk of our credit portfolio through climate risk management indicators.
- We have a specific climate risk indicator in the company's RAS.
- We monitor the climate risk of our credit portfolio.
- We consider climate risk in stress testing programs in a dedicated idiosyncratic scenario, which seeks to aggravate specific potentially exposed business revenues.
- We engage our customers to reduce the impact of climate change on our business.



Targets and metrics

- We have our own emissions reduction targets.
- We established targets for reducing the intensity of financed emissions in the credit portfolio.
- We implement financed emission intensity and climate sensitivity metrics of the credit portfolio.
- We report our climate sensitivity and financed emission metrics under the TCFD.

Eco-efficiency

We strive to minimize the negative impacts of our activities by promoting sustainable practices, efficient resource use, and proper management of water and energy consumption, waste and effluent generation, and Greenhouse Gas Emissions. We offset 100% of our Scope 1, 2, and 3 emissions.

Seeking the lowest possible impact of our facilities, we prioritize green buildings when selecting and leasing properties. Our main office, located in the city of São Paulo, for example, is located in a building with LEED (Leadership in Energy and Environmental Design) Platinum 3.0 Core and Shell precertification, which guarantees the highest levels of energy efficiency and sustainability.

See below how the consumption of resources and the management of waste and emissions evolved in 2023.



Energy

The total energy consumption increased, which is explained by the incorporation of the Botafogo unit (RJ) into the measurement,(RJ), following the acquisition of Banco Modal. In addition, 1,472 new employees were hired during the year. In 2023, we refined our calculation of energy consumption, also including the two external offices, located in New York and Miami. It's also worth noting that our Belo Horizonte office uses photovoltaic energy in all common areas.

Total energy consumption within the organization GRI 302-1

In kWh	2021	2022	2023
Total	1,641,476,00	1,586,193,00	3,516,084,22

Energy consumption by unit GRI 302-3

Unit	Total (kWh)	Total (MWh)
São Paulo	1,835,296,65	1835,30
Botafogo	97,902,00	97,90
Leblon	151,040,00	151,04
Belo Horizonte	27,198,00	27,20
New York	782,627,87	782,63
Miami	622,019,70	622,02

Water GRI 303-1 | GRI 303-5

The increase in total water consumption recorded in 2023 is mainly due to the change in the measurement scope. Until 2022, we only considered the consumption in our São Paulo offices. In 2023, data from the Leblon, Botafogo and Belo Horizonte offices also began to be considered.

Total water consumption of all areas

Total water consumption in megaliters (ML)	2021	2022	2023
Total water consumption	3,003	5,229	11,232

By Physical Unit in megaliters (ML)	2021	2022	2023
São Paulo	3,003	5,229	7,318
Botafogo	-	-	2,692
Leblon	-	-	1,054
Belo Horizonte	-	-	0.169

Waste

Each building is responsible for collecting and controlling the waste generated on each floor, which is recorded monthly by the number of bags used, with capacity for 10 liters each. Later on, the conversion is made to tons, since in some units, such as São Paulo, accounting is done in bags.

The total volume of waste generated in the year increased due to the incorporation, in the counting, of the Botafogo and New York units, whereas in previous years only waste generated in the São Paulo offices was counted. Likewise, we observed an increase in the total volume of waste destined for recycling.

Total waste generated and total waste with final disposal in landfills and sent for recycling GRI 306-3 | GRI 306-5

Total weight of waste generated in metric tons and a breakdown of this total by waste composition

Destination	Type of waste generated	2021*	2022*	2023*
Landfill	Organic	8,128	8,999	12,860
Recycling	Recyclable	14,563	7,060	9,214
Total amount of waste generated (bags)		22,691	16,059	22,074
Total amount of waste generated (tons)			161	221

*In 2021 and 2022, only waste generated in the São Paulo office was considered.

**Waste not intended for final disposal** GRI 306-4

Destination	Waste generated (Bags)	2022*	2023
Recycling	Glass	151	255
	Plastic	2.684	3.418
	Metal	300	353
	Paper	3.925	5.188
Total waste in bags		7.060	9.214
Total waste in tons			92

*Waste monitoring is carried out only in the SP office.

Electronic waste

We carry out reverse logistics and correct disposal of our electronic waste not classified as environmentally hazardous, which consists of IT equipment, such as monitors, desktops, cables and others.

We work in partnership with the company Manureversa, specialized in electronic waste management, which “purchases” obsolete electronics from XP, converting the value into a quantity of native tree seedlings, which are donated to the Amigos da Mata project, run by Instituto Refloresta, which works to recover degraded areas.

Equipment that is not part of the “buy and sell” proposal is exchanged for one native tree seedling for every 50 kilos of discarded equipment. The seedlings are donated to local farmers, and planting is done in springs and sensitive areas, such as riverbanks and deforested springs in the Atlantic Forest biome. Since we started supporting, in 2020, we have donated 253 trees.

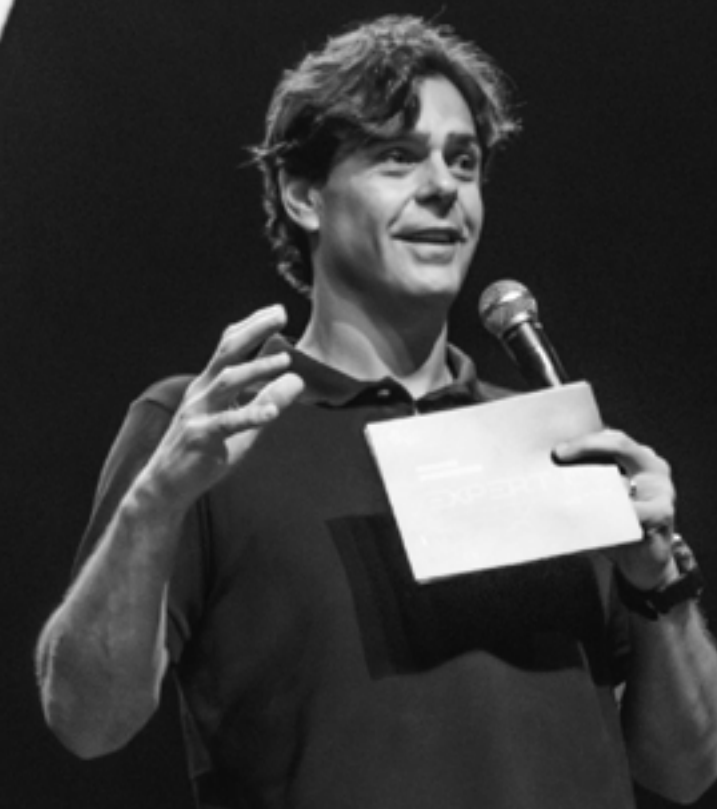
Total waste not intended for final disposal GRI 306-4

Destination	Waste generated (kg)	2023
Recycling	Electronics	3,429
Total electronic waste (in kg)		3,429

Mente Aberta

Um novo impossível

começa aqui



CORPORATE GOVERNANCE

We continue to improve our processes, policies and decision-making bodies, seeking the highest standard of governance in all businesses and activities. [GRI 2-13](#)

The year 2023 marked the beginning of a cycle of changes in our governance structure, which has been based on two key drivers. The first is compliance with the Central Bank's prudential regulation, due to XP's classification in the "Segment 2" of the National Financial System.

In October 2019, we received authorization from BACEN to act as a multiple bank, with commercial and investment portfolios, and to operate in the foreign exchange market. Until then, XP had been classified in Segment 3, with operations restricted to the investment area. Since then, we have worked hard to meet prudential capital and risk requirements.

Another relevant fact is that in July 2023 the shareholders' agreement signed between Itaúsa and XP was terminated. The decision, a consensus between the parties, led to a significant improvement in our governance and ending the prerogative of Itaú Unibanco, one of our main competitors, to appoint two members to our Board of Directors and one member to the Audit Committee.

With the resignation of the Itaú Unibanco representatives, we reduced our Board from eleven to nine members and began to reformulate this decision-making body by adopting best market practices. We hired an international consultancy to support us both in the search for executives and board members and in defining their roles and responsibilities and adding new committees. We entered 2024 with significant progress in this process.

We increased the number of independent directors, who now form the majority. We also created two new advisory committees to the Board: the Risk, Credit, and ESG Committee, which will oversee, among other topics, market risk factors, liquidity, credit, cyber security, environmental, social, governance, and climate issues, and the Strategy and Performance Committee, which now encompasses goal setting, evaluation of new products, establishment of departments, and other topics.

Another novelty was the expansion of the scope of action of the People Committee, which had its name changed to the Compensation, People, Appointment and Governance Committee, with powers to define succession, compensation, promotion, hiring goals and assessment of executives and

employees, culture and other strategic HR topics. In addition, slate elections for the appointment of directors by the Annual Shareholders' Meeting were eliminated, allowing for the individual selection of directors, thereby increasing their accountability to shareholders.

Shareholder structure

Shareholder	Total shares	Voting rights
XP Controll LLC	18,81%	66,55%
Free Float	73,23%	25,90%
ITB Holding Ltd.	7,77	7,55%
Tesouraria XP	0,19%	

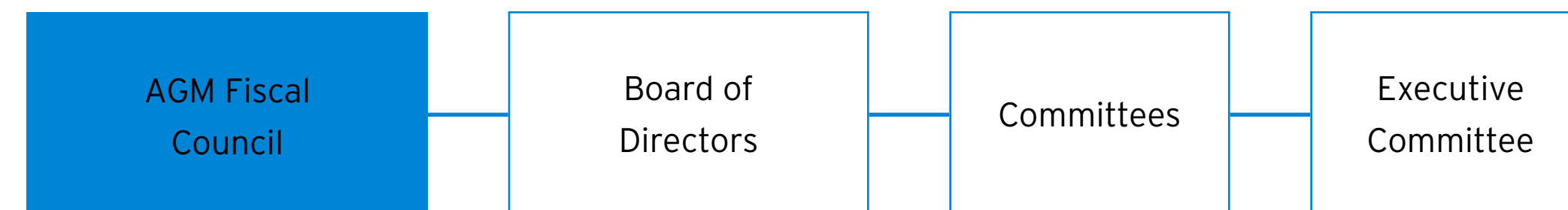


55,5% Independent members on the Board of Directors

We have expanded the number of independent members on our Board of Directors, adding individuals with a diverse range of knowledge, attributes, and experiences that strengthen our material issues, helping us align strategies with the questions the company needs to address at each moment, fostering its longevity and its ability to generate value.

Governance structure GRI 2-9 | 2-10 | 2-1 | 2-12 | 2-17

Our governance model is made up of four main decision-making bodies supported by internal regulations, which discipline and regulate the role of each senior management body, and by compensation, incentive and evaluation policies, which guarantee the alignment of decision-making mechanisms with the company's long-term strategies.



Annual Shareholders' Meeting

Held once a year, the Annual Shareholders Meeting decides on changes in the governance structure and medium and long-term investments to be made. The Extraordinary Shareholders Meeting takes place whenever the shareholders deem it necessary. The minimum quorum for both is 50% of the shares entitled to vote.

Board of Directors

As of December 31, 2023, our Board of Directors was made up of nine members, four of whom are independent, with a term of office until October 2025. Three members held positions on the Audit Committee. As part of the restructuring process, which began last year, one of the non-independent directors (Fabrício Almeida) and three independent directors (Luiz Felipe Calabró, Frederico Seabra de Carvalho and Cristiana Pereira) resigned from their positions on April 24, 2024, effective as of May 24, 2024.

Five new independent directors were then appointed after an extensive period of prospecting conducted by the consulting firm hired to support us in this process. The number of directors was maintained at nine, however, the majority is of independent directors. The chairman of the Board does not hold an executive position in the XP group.

With these changes, approved at the Annual Shareholders' Meeting held on May 24, 2024, the highest governance body expanded its supervisory scope, gained greater representation of non-controlling shareholders and had greater breadth, capabilities and experiences. The new members added, for example, expertise in topics such as risk management, retail banking business, people management and diversity & inclusion.

We seek, then, to ensure that the Board of Directors is well positioned to direct long-term strategies, exercise its role in guiding management and leadership, protect and enhance XP's culture as it grows and evolves, and ensure robust succession planning. Other important roles include leading the evolution of governance processes and strengthening risk and control management as XP's operations become increasingly complex, balancing and complementing management's expertise on key business-related topics.



The term of office for all Board members is two years, and the members who did not resign from their previous positions were presented for re-election at the Annual Shareholders' Meeting, even before the expiration of their terms. Shareholders thus had the right to individually elect the Directors, in accordance with the best corporate governance practices.

The company's highest decision-making body meets at least quarterly, with a defined agenda that includes the approval of strategies, the business plan and the annual budget, and the creation and eventual changes in policies and other directions, including on social, environmental and governance issues relevant to the company. The CEO of XP Inc., Thiago Maffra, and the CEO of Banco XP, José Berenguer, participate in the meetings as guests, bridging the gap between advice and the definition of plans and priorities to be put into practice.

In 2023, eight meetings were held, four of which were attended by 100% of the Board Members. In three others, the attendance rate was 90.9% and in one of them, held in mid-February, the attendance rate was 72.7%.

Current composition of the Board of Directors, approved at the Annual Shareholders' Meeting held on May 24, 2024.

Guilherme Benchimol
Chairman of the Board



Bruno Constantino
Member. Until August 2024, he also holds the position of Chief Financial Officer (CFO) of XP Inc.



Gabriel Leal
Member



Bernardo Amaral
Member



Martin Emiliano Escobari Lifchitz
Independent member



Oscar Rodriguez Herrero
Independent member



José Luiz Acar Pedro
Independent member



João Roberto Gonçalves Teixeira
Independent member



Melissa Werneck
Independent member



To learn about the experience and profile of each member of the Board of Directors, access the [Proxy Statement document on the SEC platform](#).



Senior management compensation GRI 2-19 | GRI 2-20

The annual compensation for the Board of Directors consists of an identical fixed compensation for all members and additional compensation for those who also chair or are members of the Audit and Compensation Committees. Board members who hold executive positions are not remunerated, avoiding duplication in compensation.

In November 2023, the Board approved a compensation recovery policy in compliance with new SEC and NASDAQ regulations. Under the new policy, if a financial update causes executives to receive greater incentive compensation than anticipated in the original financial information, the excess amounts must be recovered.

The Executive Committee's compensation is guided by a set of goals related to short-term financial performance and another set linked to the health and sustainability of the business over the long term. For the CEO, short-term financial goals in 2023 included EBT Margin, Net Profit and an expense efficiency metric. The long-term goals were made up of:

- Net Funding
- Customer satisfaction (NPS)
- Employee turnover
- Capabilities score, a metric designed to measure the progress of areas and roles that are critical for the company in the long term, such as Risks, People, Management, Technology, Products and Operations.

The CEO's goals are broken down into specific goals for each director who is part of the Executive Committee and, from there, for each leader and employee of all business units.

Diversity on the Board

Currently, our Board of Directors has a woman, Melissa Werneck, and Martin Emiliano Escobari Lifchitz, a Bolivian who represents minority and underrepresented Latin ethnicities, according to the SEC's concept of ethnicities, the United States Securities and Exchange Commission.

Performance assessment of governance bodies

GRI 2-18

All executives are evaluated every six months by leaders, colleagues and stakeholders based on culture and results, as is the case with other employees. In addition, Board members carry out an annual self-assessment that seeks to identify, classify and point out how their performance impacts the organization's economic, environmental and people management. Once the self-evaluation cycle is complete, the Board meets to discuss opportunities for improvement and, when appropriate, the realignment of both composition and organizational practices.

Collective knowledge of the highest governance body GRI 2-17

In 2023, the members of the Board of Directors participated in an in-company workshop on Best Practices for the Board of Directors, organized by IBGC - Brazilian Institute of Corporate Governance.

Advisory committees

Composed of independent members of the Board of Directors who do not have decision-making powers, the committees are responsible for advising the Board of Directors and making recommendations on the topics that fall under their respective jurisdiction.

Audit Committee

CoAud is made up of three independent members, meets every six months and is governed by the prudential regulation of the Central Bank and the Private Insurance Superintendency (SUSEP). They maintain a schedule of monthly conversations with the business, risk, ESG and internal and external audit areas, making recommendations and monitoring risk prevention and containment plans.

The progress of initiatives are reported to the Board of Directors at least every quarter. Crucial concerns are regularly communicated to the company's highest governance body, through the Risk Committee of the Board of Directors.

Risk, Credit and ESG Committee NEW

Defines and ensures compliance with the ESG strategy, monitors the evolution of indicators, goals

and projects, evaluates the adherence and effectiveness of the actions implemented to comply with our ESG policies and strategy and monitors regulatory compliance related to ESG and social, environmental and climate risks. It also defines the risk appetite in coordination with the Audit Committee.

Strategy and Performance Committee NEW

Responsible for reviewing business strategies and supervising relevant structures and performance indicators related to the company's capital and organizational structure.

Compensation, People, Nomination and Governance Committee EXPANDED SCOPE

With its expanded scope of action, it now supervises not only executive compensation, but also recruitment, promotions, retention and evaluation of executives, directors and employees.



Executive Board

José BerenguerChief Executive
Officer of Banco XP**Bruno Constantino**Chief Financial
Officer (CFO)**Marino Aguiar**Chief Technology
Officer (CTO)**Lisandro Lopez**Chief Marketing
Officer (CMO)**Guilherme Resendes**

Chief Product Officer

**Victor Mansur**Finance and
Strategy Officer.
From August 2024,
he will also hold the
position of CFO**Lucas Rabechini**Financial Products
Officer**Cristiano Ayres**Banking Products
Officer**Guilherme
Sant'Anna**

Channels Officer

**Gustavo Pires**AMS and Security
Officer**Fabício Almeida**General Counsel,
Compliance and ESG**Leonardo Cardoso**

Chief Risk Officer

**Luiza Ribeiro**Chief Human
Resources Officer

**Number and percentage of individuals who were part of the organization's governance bodies on 12/31/2023, broken down by race and gender** GRI 405-1

On December 31, 2023, the Board of Directors consisted of nine members, all white. See the composition by gender below.

By gender*	2021		2022		2023	
	Number	%	Number	%	Number	%
Men	11	92%	10	91%	8	89%
Women	1	8%	1	9%	1	11%
Total	12	100%	11	100%	9	100%

* Gender as specified by employees themselves.

Number and percentage of individuals who were part of the organization's governance bodies on 12/31/2023, broken down by age group GRI 405-1

By age group	2021		2022		2023	
	Number	%	Number	%	Number	%
Under 30 years old	0	0%	0	0%	0	0%
From 30 to 50 years old	10	83%	9	82%	9	100%
Over 50 years old	2	17%	2	18%	0	0%
Total	12	100%	11	100%	9	100%

ESG governance GRI 2-13

Our ESG governance is structured around the Board of Directors and the Executive Committee (Comex), which are responsible for monitoring the evolution of this agenda and social, environmental and climate risks in the group's companies. The topic is included in the meetings of the Board and the Executive Committee.

The General Counsel and Compliance and ESG Officer, who is responsible for the Social, Environmental and Climate Responsibility Policy (PRSAC) with the Central Bank, leads discussions on the topic at Comex, providing input and participating in decision-making. He and the Head of the ESG & Social, Environmental and Climate Risk area, who reports to the Executive Board and the Risk, Credit and ESG Committee, present the progress of practices, challenges and opportunities related to the ESG scenario at meetings of XP Inc's highest governance body.

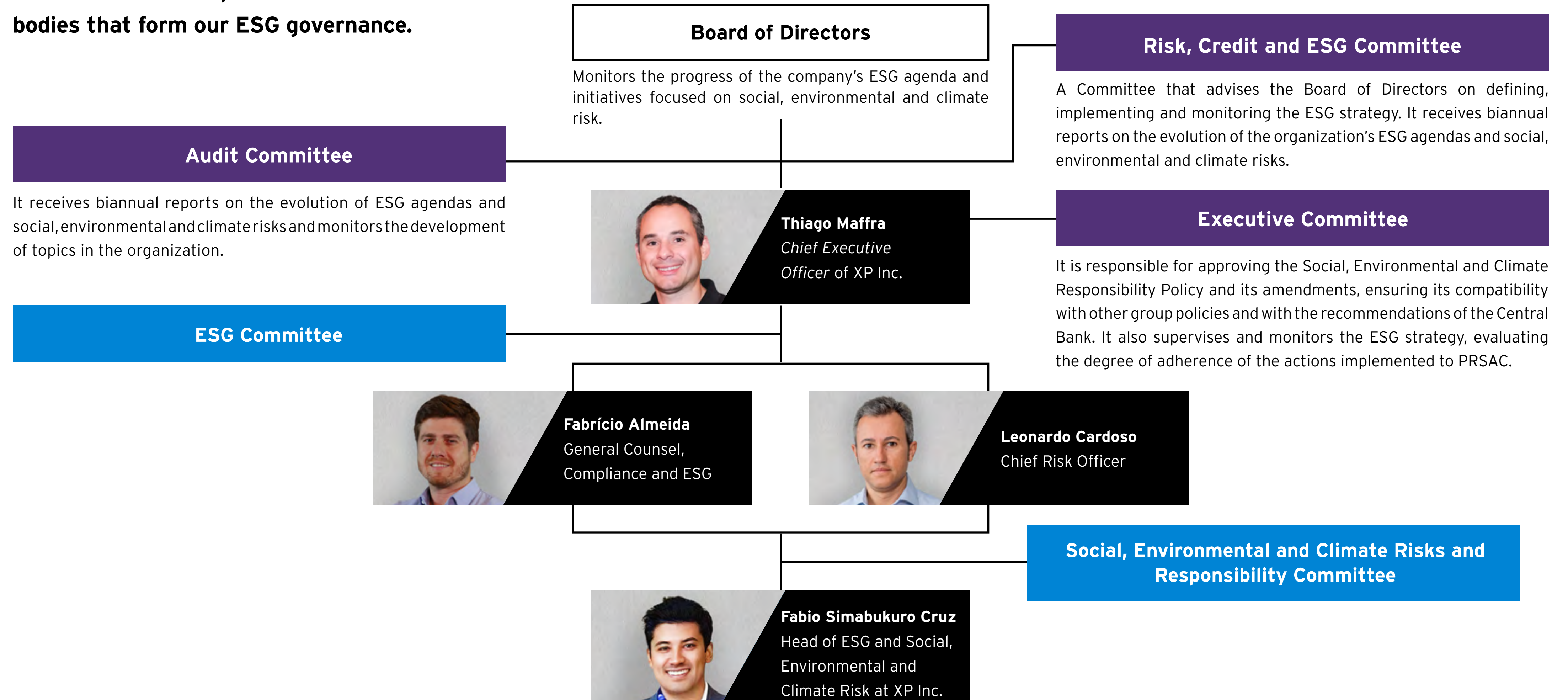
The Board of Directors therefore closely monitors the progress of the company's social, environmental, climate and governance initiatives and defines macro strategies with the support of two advisory committees: Audit Committee and Risk, Credit and ESG Committee.

The ESG governance structure is complemented by the ESG Committee, which maintains a close proximity to the Executive Board, in addition to the Social, Environmental and Climate Risk Committee, linked to the Executive Risk Committee and reporting to the CRO (Chief Risk Officer), and to the Social, Environmental and Climate Risks and Responsibility Committee, reinforcing our commitment to the integrated management of social, environmental and climate risks with other risks managed by the company.

The company also has the Credit Decision Committee, Corporate Initiatives Committee and the Credit Product Distribution Committee as governance bodies related to ESG topics and social, environmental and climate risks.



Learn about the responsibilities and roles of the bodies that form our ESG governance.





Social, Environmental and Climate Risks and Responsibility Committee NEW

Permanent executive body composed of independent members of the Board of Directors, which reports to the Executive Board. Its bylaws are governed by the prudential regulations of BACEN. It advises management on the establishment and the review of the PRSAC. It assesses the degree of adherence of the actions implemented to the policy, ensuring good risk management and mitigation practices, internal controls, information security, fraud prevention, conflict of interests and social, environmental and climate issues. When necessary, it proposes measures for improvement, keeping a record of recommendations.

Legal, Compliance and ESG Executive Board

Assists the Board of Directors in decisions related to PRSAC, responsible for initiatives that guarantee the effectiveness of the policy, monitoring and evaluating the actions implemented. It works to improve practices if gaps are identified.

Social, Environmental and Climate Risk Commission

Monitors exposure to social, environmental and climate risks, deciding on the definition of exposure limits and risk appetite. It monitors management indicators and adherence to sectoral regulations and self-regulations. It discusses, deliberates and approves policies

and procedures related to risk management, prohibited or restricted sectors, climate risk management in the portfolio and climate transition plans. It also tracks the progress towards goals and contributes to deepening the integration of social, environmental and climate risks into decision-making and business processes.

ESG Commission

Linked directly to the Legal, Compliance and ESG Executive Board, the Commission meets whenever necessary to decide on operations with a high potential for social, environmental and climate risks, especially those involving the financing of projects and companies that do not have a good reputation for sustainability. When necessary, it resorts to the impartial external opinion of a specialized consulting firm, and may approve or reject operations. In case of disagreement, the CEO of XP Inc. has the final say.

Credit Decision Committee

The Credit Decision Committee is responsible for approving credit limits and operations, including deliberating the credit risk arising from social, environmental and climate events through social, environmental and climate risk assessments as a basis for decision making.

Corporate Initiatives Committee

The Corporate Initiatives Committee is responsible for deliberating on requests to implement new strategic projects, including, but not limited to, the inclusion of new products and services, decisions to create new businesses, platforms, channels and experiences, observing, among other aspects, ESG and social, environmental and climate risk factors.

Credit Products Distribution Committee

The Credit Products Distribution Committee is responsible for ensuring the effectiveness of the assessment and monitoring of credit risk for the selection and subsequent monitoring of securities eligible for allocation by the client base through fundamental analysis of private securities issuers, as well as the assessment of their guarantee structures and/or payment sources, including social, environmental and climate risk assessments.



Compliance

GRI 2-15 | 2-16 | 2-25 | 2-26 | 205-1 | 205-2 | 205-3

The Code of Ethics and Conduct aligns all employees, executives, partners and senior leadership of XP Inc., its subsidiaries, affiliates, offices, independent agents and suppliers around the highest standards of ethical conduct in all our activities and relationships. The code promotes an internal culture of adherence to laws, regulations and good business practices, defining behavioral standards to prevent and combat illicit practices, ensure the confidentiality of information and resolve conflicts of interest. [GRI 2-24](#)

The Compliance Policy complements and strengthens this way of acting, establishing disciplinary measures in case of non-compliance with established guidelines. Our employees and business partners are also required to comply with specific policies, such as Anti-Corruption, Prevention of Money Laundering and Terrorism Financing (AML-TF), Conflicts of Interest and Social, Environmental and Climate Risk. At the beginning of 2024, we also introduced the Human Rights Policy and updated our Code of Ethics and Conduct to spread the topic throughout our ecosystem. [GRI 2-23](#) | [GRI 3-3](#)

The activities are coordinated and managed centrally by the Compliance area with support from senior management. Made up of more than 60 professionals allocated to technical groups, the team is responsible for formalizing procedures, internal controls, monitoring adherence to policies, auditing and due diligence in cases of deviations.

Another important role of the area is the training of employees and service providers and regular communication on the topic, fostering a culture of Compliance in our network.

The Code of Ethics and Conduct and other policies are approved by the Board of Directors and provide for processes to identify and mitigate risks in our different interactions and relationships. These processes are managed and audited periodically. All documents and policies are public and available on the Compliance website. The XP group does not make donations to political causes and organizations. [GRI 2-23](#) | [GRI 415-1](#)





Combating discrimination and harassment GRI 406-1

The Code of Ethics and Conduct prohibits any type of discrimination and psychological and sexual harassment and encourages the use of the Reporting Channel when any person in our network has had their dignity violated. In 2023, we had no cases of discrimination. We registered a case of harassment, in which the disciplinary measure applied was the dismissal of the employee involved. Penalties may also involve warnings and fines, in the case of partner offices.

Reporting channel


GRI 2-16 | 2-26 | 205-1 | 406-1 | FN-CB-510a.2
|FN-AC-510a.2 |FN-IB-510a.2

Our Reporting Channel receives and addresses issues that violate the Code of Ethics and Conduct, laws and regulatory standards, as well as other XP Group policies. The channel can be accessed by employees, partners, customers, suppliers and society in general. Reports can be carried out anonymously or identified, with the complainant's data being preserved.

The channel operates 24x7 with electronic support, and from Monday to Friday, from 9 a.m. to 5 p.m., with analysts for telephone support.

All reports are analyzed and investigated. After investigation, the cases are discussed by the Internal Committee if any irregularity is identified that requires the application of disciplinary measures. Furthermore, the Compliance area reports bimonthly to the Ethics Committee and the Board of Directors the volume and the details of cases received and handled.

In 2023, crucial concerns were communicated involving 147 advisors and 266 employees, with the average regulatory deadline for compliance and completion being met.

 0800 721 0744 | Monday to Friday, from 9:00 am to 5:00 pm.
Assistance provided in English and Portuguese.

 www.canalconfidencial.com.br/xpinvestimentos

Ombudsman, BACEN and other channels

The complaints received by the Ombudsman's Office are dealt with and addressed within a maximum of fifteen days. They are consolidated monthly and taken to customer forums, serving as a basis for the adoption of improvement plans for processes, products and services. The same happens with complaints addressed by BACEN, the Consumidor.Gov.br portal and other channels. The goal is to continually improve the customer experience.

In 2023, the XP Investimentos Ombudsman Office registered 14,188 requests relating to the group's brokerage firms, of which 7,484 were received through internal channels (0800 and Ombudsman Office Form), 1,990 via the Consumidor.gov.br portal, 4,000 via regulators (CVM and BACEN) and 714 from other channels.

In relation to Banco XP, the Ombudsman Office registered a total of 8,402 requests, of which 3,908 were registered on the Ombudsman Office's internal channels, 2,140 through BACEN, 1,842 through the Consumidor.gov.br platform, and 512 on other service channels.

Regarding requests related to Seguradora XP, 123 cases were registered with the XP Seguros Ombudsman Office, 52 of which came from the Ombudsman Office's internal channels, 43 through the Consumidor.gov.br platform, 26 through BACEN, and 2 through other channels.

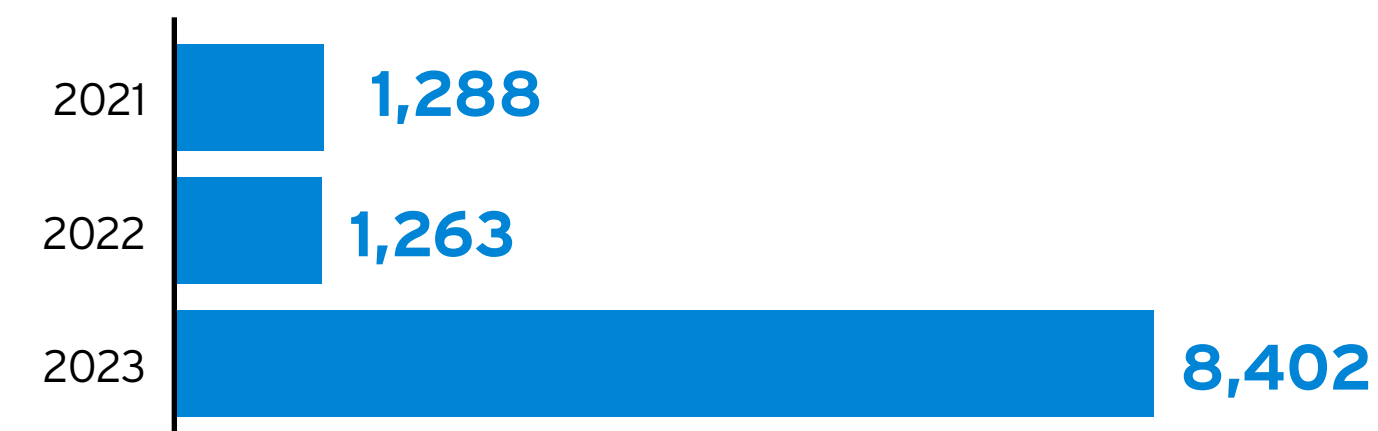
 0800 722 3730 Monday to Friday, 9am to 6pm

 <https://www.xpi.com.br/ouvidoria/>

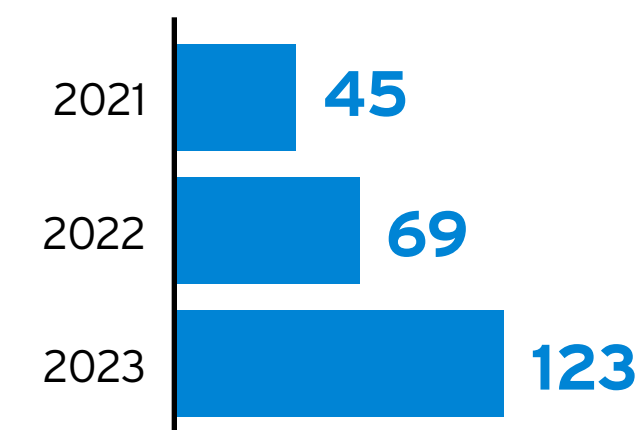
Evolution of requests received - XP Investimentos



Evolution of requests received - Banco XP



Evolution of requests received - XP Vida e Previdência





Training and awareness

GRI 2-24 | 205-2 | GRI 410-1

XP's onboarding program includes a week of training on corporate and compliance policies, ensuring a solid foundation for new employees. All professionals, including executives and senior management, must also complete an annual training exercise on the topic.

Training is done through an online platform, with a content retention test and a certificate issued at the end. Anyone who does not submit their evaluation or does not complete the courses within the established deadline is subject to punishment, such as cutting access to our systems.

Main mandatory training:

- Anti-Corruption and Compliance Procedures
- Code of Ethics and Conduct
- Sexual and Psychological Harassment and Confidential Channel
- Personal Investments
- Suitability
- Prevention of Money Laundering and Terrorist Financing (AML-TF)
- Information Security and the General Data Protection Law (LGPD)
- Financial Risks and Risk Management, including social, environmental and climate risk
- Circulation of Information
- Reputational and Social Media

In addition, we require a series of certifications for professionals working in certain business areas, such as investments and foreign exchange. For security personnel, who are outsourced, we provide the Integrity Booklet, reinforcing awareness of compliance and human rights aspects among service providers.

Total and average number of hours of compliance training per year, per employee*

GRI 404-1

	2021		2022		2023	
	Total hours	Average hours	Total hours	Average hours	Total hours	Average hours
Total	14,907	2	5,246	2	15,231	3

*Segmentation by region and functional category not available.

Compliance Week

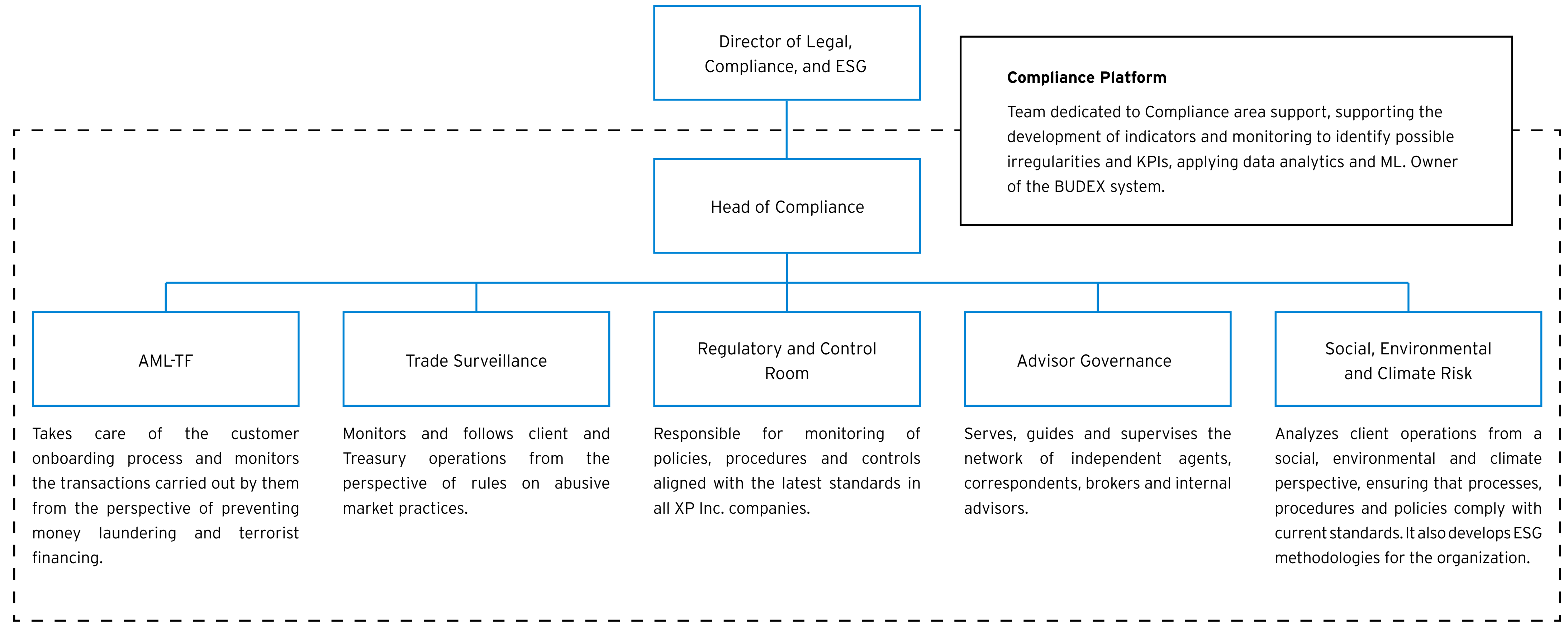
Each year, we dedicate an entire week to dialogue, awareness and training on compliance topics. In 2023, the topics covered ranged from regulatory changes in the crypto active investment fund industry to PLD-FT, abusive practices, anti-corruption policy, relationships with influencers, social, environmental and climate risks, combating fraud and LGPD, and others. Some of the lectures are open to the general public.

Conduct Score

In 2023, we began to implement the Conduct Score project, with the objective of creating an indicator that considers compliance criteria in the recognition actions of XP Inc.'s meritocracy cycle. The result obtained in the score may impact variable compensation and eligibility for promotion of employees, including executive leadership. The initiative was discussed and approved by the senior management. The first calculation was carried out in the 1st half of 2024.



Compliance framework





Compliance Platform

The Compliance Platform is a team that serves, in a transversal way, all areas of Compliance, supporting the development of data, indicators and KPIs. It also monitors to identify possible atypicalities, using data analytics and machine learning tools.

The group manages our proprietary compliance platform (BUDEX), which integrates more than twenty internal sources of transactional, registration and reputational data from customers and investment advisors, as well as APIs from external bureaus to capture historical information from customers, creating mathematical models for assigning risk scores.

The system uses advanced technologies and machine learning to monitor day-to-day transactions, identifying suspicious transactions and making information, such as customer rating and product eligibility, available in the company's critical flows and systems. It thereby provides a solid data base for decision making.

Constantly improving, the tool supports the Compliance area units in the centralized management of risks associated with non-compliance with codes, policies, laws and regulatory frameworks. It therefore provides high efficiency in preventing money laundering and behavioral monitoring of investment advisors.

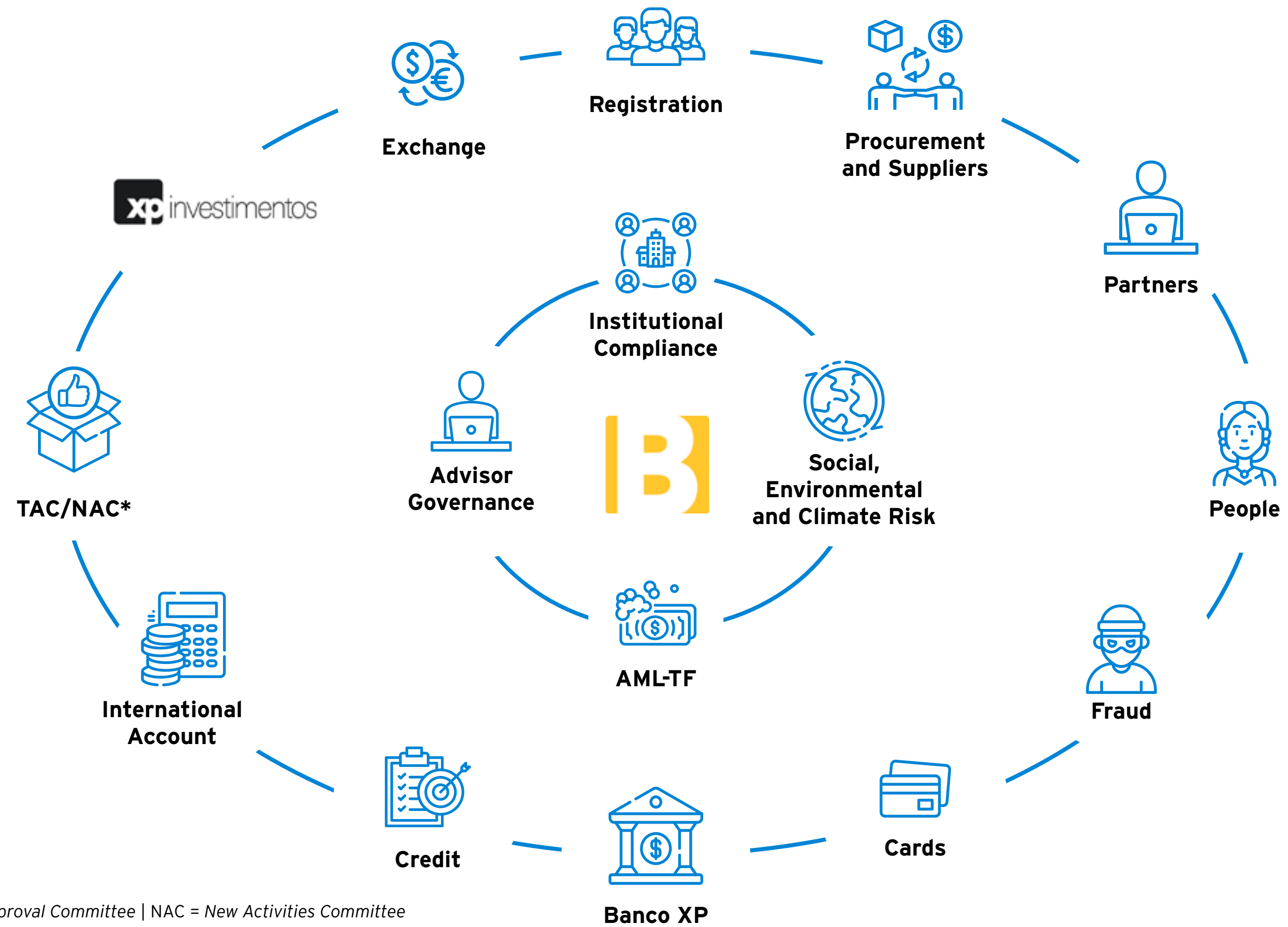
It also has a module dedicated to social, environmental and climate risk, connected to XP's registration database and to bureaus that provide information such as inclusion of clients on restrictive lists of work similar to slavery, embargoed areas, illegal deforestation, contaminated areas, indigenous territories, "quilombola" areas, among others, discrediting media related to social, environmental or climate issues, as well as judicial and administrative proceedings related to social, environmental and climate issues.

Business areas and processes integrated into the Compliance Platform

+100 million pieces of information to fuel compliance controls each month

+R\$200 million saved with rating generation and prevention of illicit activities

+3 terabytes of data used in the analysis processes



TAC = Transaction Approval Committee | NAC = New Activities Committee

Prevention of money laundering and terrorist financing

We have a dedicated due diligence unit to prevent money laundering, terrorist financing and the proliferation of weapons of mass destruction, in addition to combating abusive practices in the market. The objective is to identify atypical situations in operations that may indicate the use of XP products and services in criminal practices.

The area monitors transactions with customers to identify atypical situations in accordance with rules and parameters established for each product or service (current account, foreign exchange, fixed and variable income and loans, among others). And it applies a scoring model to classify customers into different risk levels, with specific procedures for each level. The system generates alerts that are directed to the Compliance area.

All higher risk operations undergo rigorous analysis, which includes due diligence, and may lead to discontinuity in customer relationships, denial or cancellation of operations.

In 2023, for example, we performed a scan to identify irregular practices using Pix. The study made it possible to

identify atypical patterns and activities, such as “orange” (fraudulent) accounts opened with the consent of the true holders, leading to the closure of accounts, inclusion of holders on restrictive lists and communication to the Financial Activities Control Council (COAF).

Another focus was the prevention of money laundering in the foreign exchange market, with a series of activities aimed at mitigating risks in foreign exchange operations, especially those related to bookmakers (bets). More than 20,000 analyzes were carried out on such transactions, an average of 1,600 per month.



20.2 thousand risk analyses in foreign exchange operations in 2023

Conflict of interest

GRI 2-15

We have a Conflict of Interest Policy that defines rules that must be observed by all executives, employees and investment advisors. To ensure compliance, we supervise employees' personal investments, carry out due diligence in partner offices, conduct reputational analyses and promote an annual campaign to update the Know Your Employee Form.

In addition, the Personal Investment Policy defines rules for employees' personal investments, avoiding legal, regulatory and image risks related to the use of privileged information. The tool evaluates the portfolio and alerts advisors about any misalignment with the investor's profile.





Tax approach

GRI 207-1 | 207-2 | 201-4

We adopt a tax approach based on strategies to ensure rigor, correct calculation and declaration of taxes to the tax authorities, in all jurisdictions in which the group has operations, including units domiciled outside Brazil. The process is guided by a group of tax experts who work in Tax Legal and Tax Compliance.

The topic's governance structure is complemented by the Fiscal Committee, which validates the strategies that are disseminated across the different business lines and must be observed in all company products and services. We therefore seek the best tax design and, at the same time, act to prevent and address risks of illicit or unethical behavior in relation to taxes. In case of a relevant impact, tax issues are taken to the Executive Board.

In 2023, we will use tax incentive laws that allow us to direct part of our income tax to social projects in the areas of sport and culture, among others. For the same purpose, in some cases, we also made use of tax incentive laws on taxes on services.

Legal actions

GRI 206-1

In 2023, XP was not exposed to legal actions involving unfair competition practices. A process initiated in August 2022 by CADE (Administrative Council for Economic Defense) to investigate allegations of infringement related to the investment distribution market, made by interested third parties and competitors of XP, was archived in March 2024. CADE determined that there was no evidence of anticompetitive conduct by XP.

Monetary losses resulting from legal proceedings

FN-CB-510a.1 | FN-AC-510a.1 | FN-IB-510a.1

In 2023, we recorded three cases of monetary losses resulting from financial sector regulations. As a preventive measure, we adopted process improvements to avoid exposure to risks in this area.

- A fine of R\$25 thousand applied for delay in sending the declaration of Foreign Capital to the Central Bank in October 2022. The measure adopted next was the review of control flows for exchange rate reporting.
- In view of the analysis of full compliance with the Offer Code, carried out by Anbima within the scope of Process No. OP002/2022, XPI CCTVM SA presented a Proposal for a Term of Commitment and paid a fine in the amount of R\$222,000.00.
- Within the scope of BSM Supervisão de Mercado's Operational Quality Program, the absence of prior orders from XPI CCTVM SA resulted in the signing of a Term of Commitment and payment of a fine of R\$30 thousand.

Advisor Governance

Fostering an ethical and compliance culture in the network made up of 14 thousand investment advisors, in addition to insurance and pension brokers and banking correspondents, we have an area dedicated to closely monitoring the activity of these professionals, from onboarding the maintenance of partners and collaborators who perform these duties.

Advisors are required to comply with capital market rules, policies and procedures established in the Code of Ethics and Conduct for Investment Advisors. The document defines behavioral standards and practices to resolve conflicts of interest, guarantee the security and confidentiality of information and promote practices to prevent and combat illicit activities.

In an effort to improve this process, in 2023 we updated the Investment Advisor Compliance Manual, which consolidates, in a single document, all the policies and guidelines to be followed by companies and professionals who provide services to our clients. Adherence to the Manual is formalized at the time of establishing a contractual relationship.

The advisor governance team uses data and analysis to identify atypical events in the operations and services provided to clients by advisors, monitors, audits and performs due diligence to ensure compliance with good business practices. Issues alerts to the different compliance cells and adopts punitive measures, when appropriate. It also works to raise awareness, train and guide professionals.

Governance and Integrity Seal

We have a qualification program for investment advisory offices that periodically diagnoses advisors and awards the Governance and Integrity Seal to those who perform well in the following criteria:

- Internal controls and best corporate governance practices (self-assessment).
- Integrity in activities and relationships in the twelve months prior to the assessment carried out by Compliance.
- Engagement in the training carried out (presence and grades from advisors in assessments).

The initiative aims to mitigate possible risks and engage the network of advisors, on an ongoing basis, in legal compliance and compliance with the rules, internal policies and guidelines of XP Investimentos.



Advisors trained in compliance, participated in the assessment process and were certified

Year	Participant Offices	Offices with Seal	Trained Advisors
2021	263 (69.5% of the network)	49 (12% of the network)	5,495 (53% of the network)
2022	270 (71% of the network)	44 (11% of the network)	6,573 (64% of the network)
2023	253 (65% of the network)	80 (21% of the network)	7,523 (60% of the network)

Suitability

The profile of investors is identified through a questionnaire filled out by the customer when opening their account and the analysis of registration information, including financial situation, assets and regular income maintained by the client. Based on this data, risk scores are assigned and the investor is classified as conservative, moderate or aggressive, according to Anbima rules and CVM Resolution 30/2021, delimiting the products recommended to them.

The questionnaire can be updated by the customer at any time. Furthermore, we periodically re-evaluate product recommendations and maintain a public Suitability Policy that explains, step by step, our analysis methodology. Learn more about the Policy on the XP website.



Anti-corruption practices

GRI 205-1 | GR 205-2 | GRI 205-3 | GRI 3-3

The Code of Ethics and Conduct, the Anti-Corruption Policy and other company policies establish clear rules for combating bribery, kickbacks, extortion and other forms of corruption. In 2023, no cases of this type were registered in the group's companies.

The policies apply to XP Inc. companies and subsidiaries, its employees, independent investment agents, third parties and business partners. As part of the Compliance Program, we evaluate the reputation of everyone involved in business with group companies, including customers. The objective is to avoid discrediting situations in terms of reputational, competitive, socio-environmental risk and corruption.

Employees also comply with rules for receiving gifts, sponsorships, participation in external events and relationships with the Government, and receiving any improper invitations that could be characterized as bribery and corruption are prohibited.

In compliance with Brazilian law, the US Foreign Corrupt Practices Act, and the UK Bribery Act, among others, we also carry out work to assess corruption risks in the Know Your Customer (KYC), Know Your Employee (KYE) and Know Your Partner (KYP) reputational analysis flows and in evaluating relationships with politically exposed people.

Likewise, operations involving public entities are evaluated and monitored within money laundering prevention flows. The data is reported to regulatory bodies.

The anti-corruption topic is reinforced annually as part of the regulatory training track, so that employees, investment advisors and professionals from partner offices are periodically trained on these issues. In addition, we make an effort to raise awareness, with 37 communication actions carried out in 2023, including communications on regulatory issues, awareness pills and reinforcement of guidance.



Total number and percentage of members of the governance body to whom the anti-corruption policies and procedures adopted by the organization were communicated **GRI 205-2**

2021		2022		2023	
Number	%	Number	%	Number	%
11	92%	10	91%	12	89%
1	8%	1	9%	1	11%
12	100%	11	100%	9	100%

Total and average number of hours of training in anti-corruption practices carried out by the organization's employees **GRI 205-2**

2021		2022		2023	
Total number of hours	Average/h	Total number of hours	Average/h	Total number of hours	Average/h
14,907	2	5,246	2	15,231	3

Note: We do not control by gender and employment category

Total number and percentage of employees to whom the anti-corruption policies and procedures adopted by the organization were communicated, broken down by region **GRI 205-2**

Employees reported, by region	2023	
	Number	%
North	57	0.85%
Northeast	409	6.13%
Midwest	169	2.53%
Southeast	5,591	83.86%
South	345	5.17%
Abroad*	16	0.24%
Not applicable**	80	1.20%
Total	6,667	100.00%

*Abroad = considered as any XP employee who does not have their main home in Brazil.

**Offshore employees, who work in the New York and Miami units, are subject to United States labor legislation and exempt from responding to the census upon hiring.



Technology and information security FN-CB-230a.2

We have more than 40 standards, policies and procedures that guide the company's and our customers' information security, data protection and privacy processes. This framework is reinforced by daily awareness and training that seeks to engage 100% of our employees and business partners in a strong cybersecurity culture, which supports the success and sustainability of the business in the long term.

Our Technology and Information Security area includes over 1,400 professionals who are dedicated to protecting our information assets against internal and external threats, ensuring the confidentiality, integrity and availability of data. This process is supported by adequate controls at all levels of the IT infrastructure, regular risk and vulnerability assessments, prevention, detection and incident response measures.

Another approach is the use of technology to transform businesses. In this sense, in 2023, a Technology Governance and Information Security team was created and a mapping of competencies to be developed in the coming years was carried out to further increase the company's maturity and capabilities in this area.

We have also evolved in the formalization of data processes and made progress in technological risk management, financial management and service level. One of the highlight projects of the year was the preparation of our platform to process, in an integrated manner, products and services from our own brands, such as XP, Rico and Clear, and from business partners. The initiative brought about agility, cost reduction and improved customer experience.

Main standards and policies

- Information Security Policy
- Data Privacy Policy for employees
- Data Privacy Policy for customers
- Information Security and Data Privacy Policy for Suppliers and Business Partners
- Standard for Acceptable Use of Assets

Visit the XP Investor Relations page to learn more about public policies.

Training and engagement of employees, customers and suppliers

Onboarding of new employees includes content on information security and data privacy. Upon arriving at the company, everyone signs an employment contract with confidentiality clauses and specifications of responsibilities.

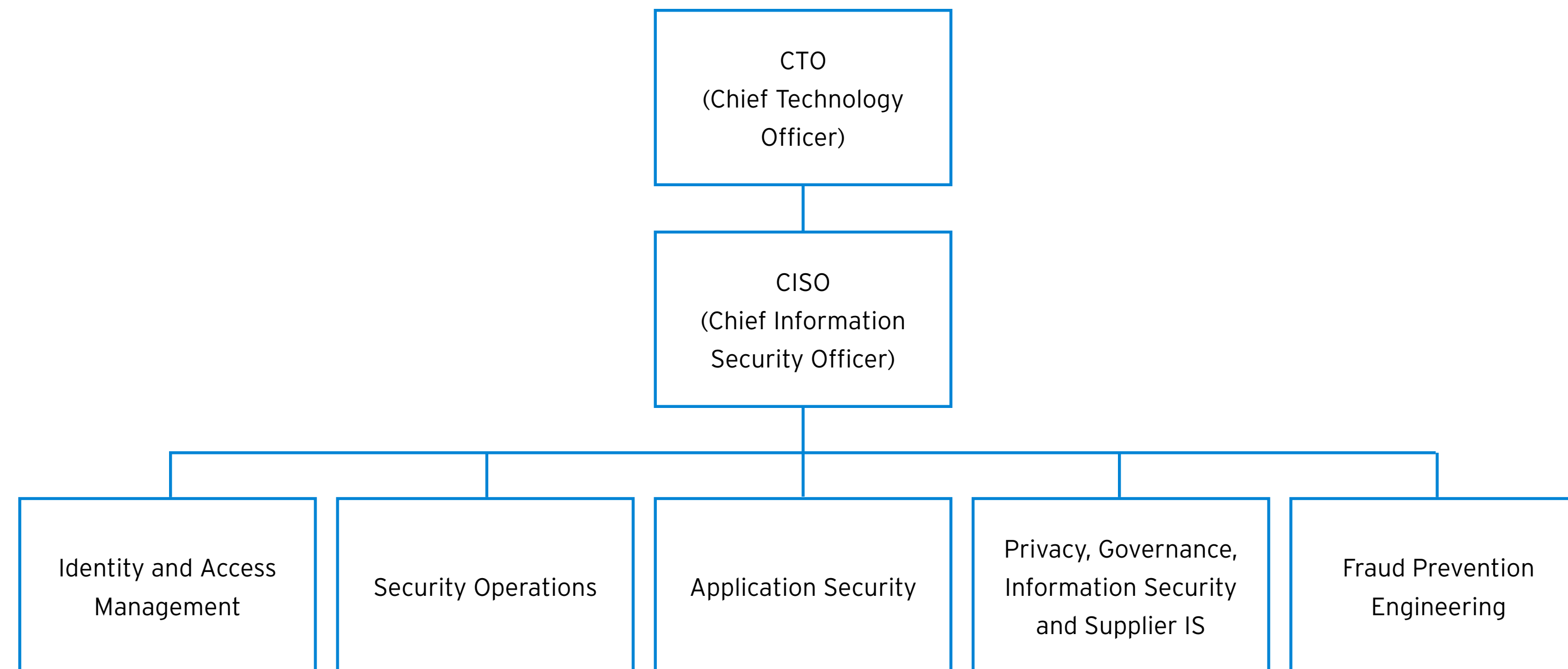
Employees follow a training routine provided by the Compliance area and regularly receive information on the subject through our communication channels. Phishing simulations are also carried out in order to identify and mitigate potential risks. Another initiative is the Security Champions Program, which trains system developers to apply secure techniques.

Our business partners and IT service providers undergo an information security and data privacy assessment by a forum of experts. The contract contains clauses that require compliance with requirements and the adoption of controls, processes and care regarding the topic.

We also maintain a monthly flow of communication with customers, informing them about the main types of scams and frauds and how to prevent them. In addition, we disclose features that contribute to the security of personal data, such as hiding assets in the application, blocking access, facial biometrics and others. We provide a page with specific content on the XP website.



Structure of the information technology and security area



Identity and access management

We have a group that takes care of granting, changing and revoking access in all XP environments, defining policies and controlling user access to systems, applications and data, in an integrated manner with XP's security and identity management systems. Performs audits and adopts security measures to protect users' identity data against unauthorized access, theft or compromise.

Security operations

The area tests, designs, implements and continuously monitors the security of the organization's infrastructure, networks and systems. Identifies and responds quickly to incidents, implements security and traffic control measures, and performs analysis to identify suspicious activity or anomalies that may indicate a security breach.



Application security

The team works to ensure that projects, systems and APIs are planned, built and delivered in accordance with information security requirements. In addition to guiding developers to create secure code that adheres to best security practices, it reviews code, carries out tests to identify vulnerabilities in applications and systems and coordinates correction.

Privacy and information security governance

Area focused on actions to meet data privacy requirements (LGPD) at XP in our service providers. The team manages regulatory compliance and security guidelines by measuring performance indicators and continuous improvement, maintaining policies and standards for suppliers and affiliates.

Fraud prevention engineering

Responsible for developing and implementing models, algorithms and systems to detect and prevent fraudulent activities. It analyzes large volumes of data, develops rules and heuristics and implements real-time detection systems. Continuously tests and validates detection models and mitigation strategies, and keeps the company up to date on trends in fraud and prevention technologies.

Critical incident reporting

In 2023, we did not record any data breaches or damage to our environment from cyber-attacks or any other means. We adopt an incident response plan with clear and objective guidelines for quickly and effectively carrying out actions to contain problems in the event of crises.

Total number of substantiated complaints regarding violation of privacy and loss of customer data GRI 418-1

	2021	2022	2023
Complaints received from independent parties and substantiated by the organization	42	34	0
Complaints from regulatory agencies	15	3	3
Total number of substantiated complaints regarding breaches of customer privacy	-	-	0
Total number of leaks, thefts or losses of customer data that were identified.	0	0	0
If the organization has not identified any substantiated complaints, a brief statement of that fact will suffice.	N/A	N/A	0



RISKS

We adopt centralized management of financial and non-financial risks, which covers all our activities, processes, products and services, business partners and strategic suppliers.



Integrated Risk Management

The main risks associated with the industry in which we operate are the volatility of domestic and international financial, bond and equity markets, funds and other asset classes, in addition to intense competition, extensive regulation and litigation risk. We are not subject to emerging risks. [GRI 201-2](#)

Another risk inherent to the financial market is related to the poor performance of investment products recommended or sold by our advisors or distributed through our platform. We are also exposed to substantial fluctuations in the volume and price level of securities and dependence on the solvency of various parties and third parties.

Our Integrated Risk Management Policy establishes the principles and guidelines to foster a risk culture in the organization, defining the processes for identifying, measuring, evaluating, monitoring, reporting, controlling and mitigating risks. The Risk Appetite Statement establishes acceptable levels of risk that we are willing to assume.

In 2023, we reinforced risk management as a responsibility for all employees, expanding internal communication actions and at corporate events. Every month, we release a Risk videoclip newsletter, with information and guidance and the topic is part of Compliance Week ([page 109](#)). The CEO of XP Inc. included the Risk Mitigation Index in his personal goals, moving the company around the topic. The indicator allows not only the mitigation, but also the maturity of the risks in each area of the company.



5.077 professionals trained in risk and compliance in 2023



Lines of defense

● First line

Business and support areas. They are responsible for identifying, evaluating, reporting and controlling the risks inherent to their activities.

● Second line

Control areas. They are responsible for defining the risk management strategy and structure, analyzing and monitoring operational risk limits and challenging first-line functions.

● Third line

Internal Audit. Independent assessment of the risk management structure, governance and internal controls.

Risk governance

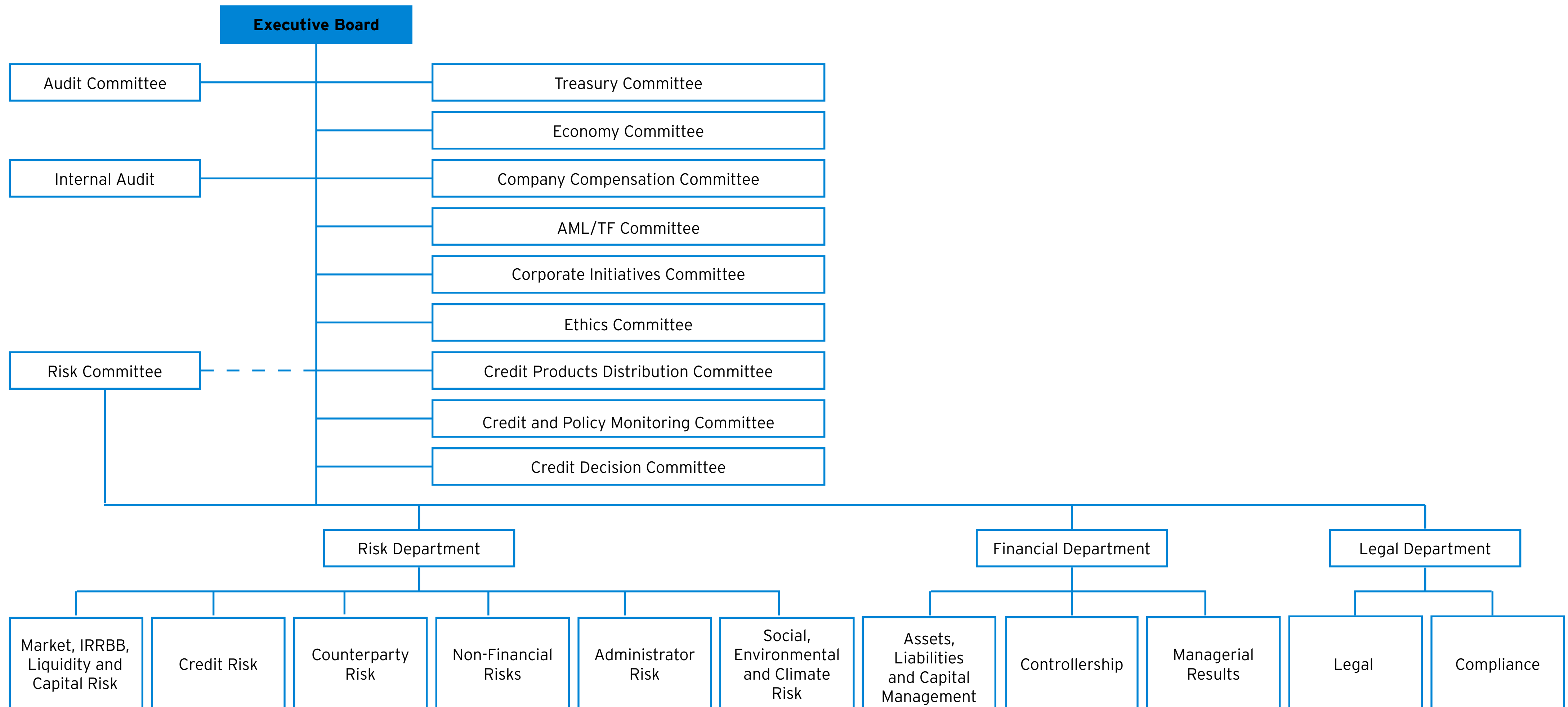
The highest decision-making body for risk is the Executive Board, supported by the Audit and Risk Committee, which advises the Board of Directors, Internal Audit and nine committees that are under the management of these areas. The Risk, Financial and Legal departments join forces in risk prevention and mitigation initiatives, with regular reporting of these initiatives and decisions to the Risk Committee.

The Risk Department has six structures dedicated to the management of each of the following risks: market, interest rate risk of banking book, credit, counterparty, non-financial, administrator and social, environmental and climate risk. The Financial Department is responsible for risks related to the management of assets, liabilities and capital, controllership and financial results. The Legal Department, in turn, is responsible for legal and compliance risks.





Executive Risk Board



Our main risks

Credit risk

It is the possibility of losses associated with non-compliance by the borrower or counterparty. The non-compliance may be due to the respective financial obligations under the agreed terms, the devaluation of the credit contract resulting from the deterioration in the borrower's risk classification, the reduction in earnings or compensation, the advantages granted in the renegotiation and the recovery costs.

Credit Risk also covers other risks, including:

- **Counterparty Credit Risk:** possibility of non-compliance, by a given counterparty, with obligations relating to the settlement of operations involving the trading of financial assets, including those relating to the settlement of derivative financial instruments. regulatórios inerentes das atividades da instituição, gerando assim possíveis riscos de sanções legais ou regulatórias, multas ou penalidades, perda financeira ou danos à reputação resultantes do descumprimento de leis, regulamentos, regras ou requisitos regulamentares.
- **Country Risk:** possibility of losses associated with non-compliance with financial obligations under agreed terms by a borrower or counterparty located outside the country, as a result of actions carried out by the government of the country where the borrower or the counterparty is located, and Transfer Risk understood as the potential for obstacles occurring in the exchange rate conversion of amounts received.
- **Concentration Risk:** the possibility of losses associated with significant exposures to the same counterparty; to counterparties operating in the same economic sector, geographic region or product and service segment; to counterparties whose revenues depend on the same type of merchandise or activity; to financial instruments whose risk factors, including currencies and indexes, are significantly related; to the same type of financial product or service, and whose risk is mitigated by the same type of instrument.

Liquidity Risk

Liquidity risk is associated with the possibility that the institution will not be able to efficiently honor expected and unexpected, current and future obligations, including those arising from binding guarantees, without affecting daily operations and without incurring significant losses. Or, even, that the institution will not be able to negotiate a position at market price, due to the large size in relation to the volume normally traded or due to some discontinuity in the market.

Market Risk

Market risk is the potential for loss resulting from fluctuations in the market values of proprietary positions. The risks involved are variations in interest rates, share prices, exchange rate variations and commodity prices for instruments classified in the Trading Book and Banking Book.

Social and Environmental Risk

Social and environmental risk is the probability of losses resulting from exposure to environmental and social events related to the Company's activities.

Climate Risk

It is understood as the possibility of losses caused by the emergence of physical risks, including extreme events and chronic changes in climate patterns, or transition, including reputational, legal and market risks, which may manifest themselves as a consequence of the transition of a low-carbon economy.

Regulatory and Compliance Risk

Regulatory and Compliance Risk refers to potential litigation, investigations and regulatory processes inherent to the institution's activities, thus generating possible risks of legal or regulatory sanctions, fines or penalties, financial loss or damage to reputation resulting from non-compliance with laws, regulations, rules or regulatory requirements.

Business Continuity Management

Business Continuity Management is a comprehensive process that identifies potential threats to XP and the possible impacts on our operations if the threats materialize. Its objective is to build and continually improve organizational resilience, so that the company is able to respond effectively to risks and safeguard the interests of the parties involved, its reputation, brand and value-added activities. The process is divided into five macro stages: identify, analyze, define, perform and monitor.



Social, Environmental and Climate Risk GRI 201-2

For us, social and environmental risk represents the probability of losses resulting from exposure to events related to these topics in the company's activities. Climate risk is understood as the possibility of losses caused by the materialization of physical risks, including extreme events and chronic changes in climate patterns, or transition, including reputational, legal and market risks, which may manifest themselves as a consequence of the transition of a low carbon economy.

In this sense, we manage these risks in our activities and operations, in our customers and suppliers and in our products, including the steps for identifying, classifying, analyzing, monitoring, mitigating, controlling and recording the occurrence of losses related to social, environmental and climate aspects.

Recognizing the importance of effectively managing these risks in business, we created the ESG & Social, Environmental and Climate Risks area in 2020 directly linked to the Legal, Compliance and ESG Department. Governance related to these topics is shared and integrated, at the executive level, by the Executive Risk Committee through the Social, Environmental and Climate Risk Committee and the Social, Environmental and Climate Risks and Responsibility Committee. Within the scope of the Board of Directors, governance is formed by the Risk, Credit and ESG Committee and the Audit Committee.

Additionally, we have a Social, Environmental and Climate Responsibility Policy (PRSAC) that aims to reinforce the principles and guidelines applied to our business, activities, processes and relationships with stakeholders. PRSAC seeks to prevent and mitigate negative impacts and increase positive impacts on the environment and society, based on the principles of relevance and proportionality and our other specific internal policies.

We also have the Social, Environmental and Climate Risk Procedure (RSAC), which establishes and documents the guidelines, rules and procedures for analyzing and managing social, environmental and climate risk, directing our practices for identifying and managing risks and opportunities.

The guidelines take into account the principles of relevance and proportionality of these risks, with a synergistic vision of all activities and businesses. This process is supported by the Compliance Platform ([page 111](#)), which integrates information about clients, suppliers and investment advisors and assigns a risk score to each individual or company that interacts with us.



100% of customers, suppliers and products subjected to RSAC analysis

Prohibited and restricted sectors

We prohibit any type of link or relationship with companies involved in slave labor or slavery, child labor and prostitution. Furthermore, all operations carried out with companies in restricted sectors are subject to a detailed assessment by the ESG & Social, Environmental and Climate Risk area.

Restricted sectors

- Weapons and Ammunition
- Tobacco and smoke products
- Asbestos
- Coal
- Slaughterhouses
- Mining
- Wood
- Steel industry
- Agribusiness
- Petrochemicals
- Radioactive materials



How the social, environmental and climate risk analysis cycle works

During Client Onboarding, the first filter is automated, following the rules defined by the Compliance Platform ([page 111](#)). This filter layer also identifies the client's sector and, if it fits into the list of restricted sectors, it is sent to the ESG & Social, Environmental and Climate Risk team for analysis. The same happens when negative situations are verified, such as discrediting media, inclusion on restrictive lists and judicial or administrative proceedings related to social, environmental or climate issues.

The impacts of new operations, such as the creation of Project Finance at the Wholesale Bank, are also analyzed, establishing the operational requirements necessary for a safe implementation from an ESG point of view. We therefore ensure that products are launched in a responsible and ethical manner. In the same way, we evaluate our product and service providers and foreign exchange operations.

In credit, we adopt an automated process that signals the need or not for in-depth analysis, in accordance with the pre-established credit policy for each company. It is mainly used for collateralized credit operations, in which the company's investment is given as collateral. As the credit risk is low in these cases, approval is usually quick, except for companies in sectors of attention, which are automatically directed to a social, environmental and climate risk analyst.

The second stage of the process is formed by a more in-depth analysis of the company or operation, which is subsequently submitted for analysis by the Credit Committee, which has veto power. More complex cases are addressed to the executive board and, if necessary, to higher decision-making bodies.



Analysis methodology

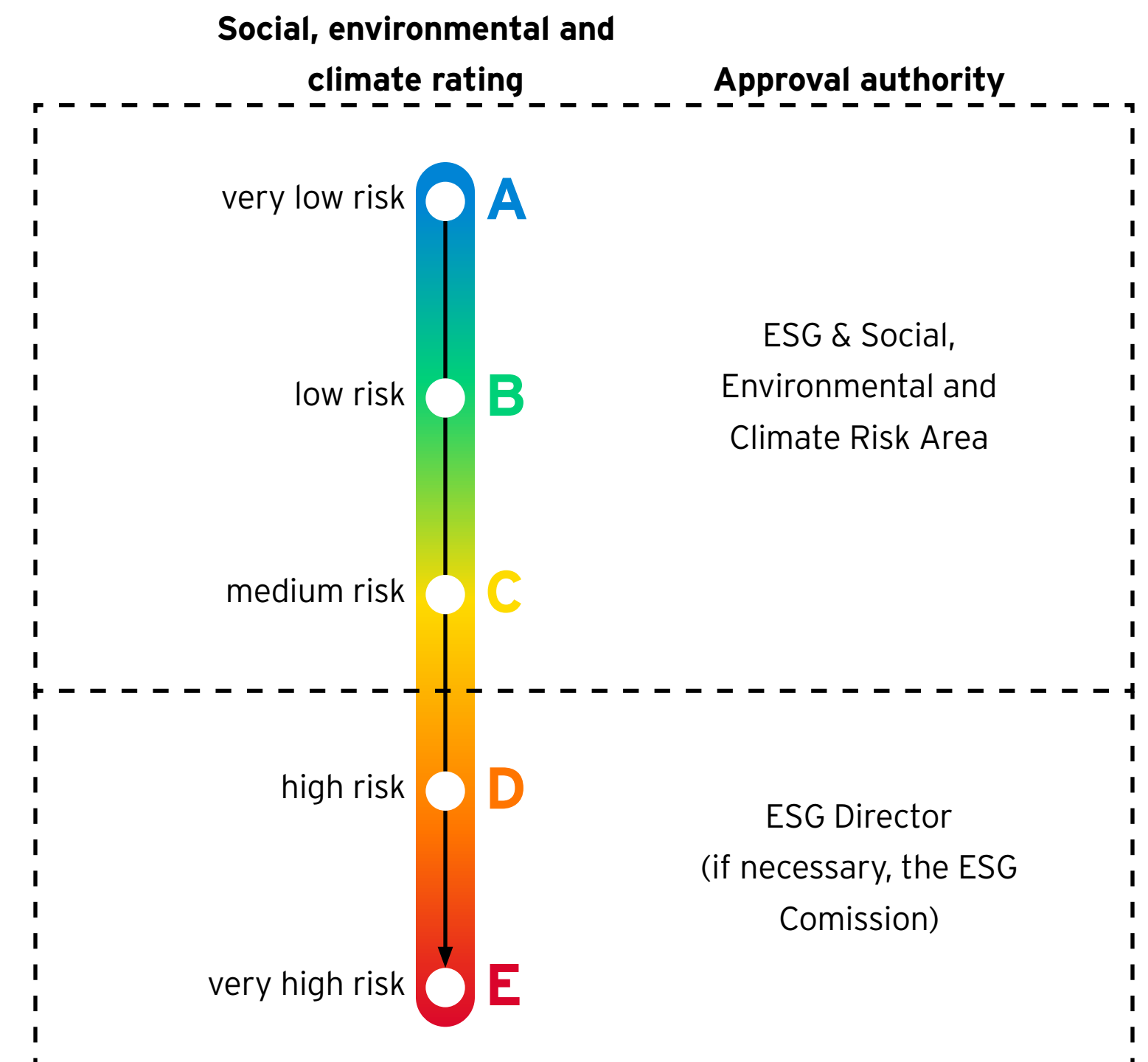
Our proprietary methodology considers the potential social, environmental and climate impact of customers and product and service suppliers and the capacity they have to manage these topics. There is also a pillar on controversial notes and sectors, which involves scanning media, lists and administrative and judicial processes to identify possible situations that discredit the companies with which we interact.

The analysis is applied to 100% of relationships and products, such as foreign exchange, credit to individuals and legal entities and Investment Banking operations, such as Debt Capital Markets (DCM) and Equity Capital Market (ECM) issues.

Potential social, environmental and climate impact	Social, environmental and climate management capacity	Controversial notes and sectors
We use the Febraban Green Taxonomy, the Categorization List of the European Bank for Reconstruction and Development (Categorization List from the European Bank for Reconstruction and Development - EBRD), CONAMA Resolution 237 and Cetesb's W Complexity Factor to classify the risk potential.	We make a qualitative assessment of the company's ability to manage the key social, environmental and climate risks inherent to its activity. To do this, we use public information disclosed in sustainability reports, websites and ESG rating agencies, among others.	We use research in media bureaus, lists and administrative and judicial processes brought together by the Money Laundering Prevention area to carry out a qualitative assessment of social, environmental and climate-related violations in which the client is involved. In the assessment processes, identification of negative media, administrative or judicial processes and lists of a restrictive nature are also considered, such as slave-like work, child labor, prostitution, illegal deforestation, environmental crimes, pollution, contaminated areas, embargoed areas (IBAMA and ICMBio), activities in indigenous and traditional communities, and human rights issues, among others.

Risk matrix

Based on the assessment of the three aspects of our social, environmental and climate risk analysis methodology, we generate a report for the client company or supplier of products and services along with their respective ratings. Risks can be classified into five levels, from A to E; the higher the level, the higher the required approval authority.





Application on business areas

We implement social, environmental and climate risk analysis processes in all business areas, from opening checking accounts or investments for individuals and companies to issuing debt securities. In all of them, the final decision on acceptance of the client or the operation rests with the ESG Officer, if the ESG & Social, Environmental and Climate Risk area disagrees with the approval. See below the scope of actions in the different business processes.

Customer Onboarding

Since 2021, we have incorporated social, environmental and climate topics into the onboarding process for individuals and legal entities, and adopted specific criteria for customer acceptance. Analysis is carried out on all new accounts opened, following the guidelines for prohibited activities and restricted sectors. The assessment also covers the identification of negative media, administrative or judicial processes and lists of a restrictive nature (see the “Notes and controversial sectors” pillar, on [page 129](#)).

New products and services process

New businesses and products are assessed using the TAC-NAC (Transaction Approval Committee-New Activities Committee) Governance Process, which considers ESG and social, environmental and climate risk criteria. These factors are also observed by the Corporate Initiatives Committee, responsible for deliberating on requests to implement new strategic projects, such as the creation of products and services, businesses, platforms, channels and experiences.

Supplier Certification Process

All of our suppliers undergo a mandatory social, environmental and climate risk analysis, following the guidelines for prohibited activities and restricted sectors, in addition to our proprietary analysis methodology.

Suppliers classified as having low impact potential in these areas go through a simplified and automated flow, which involves negative media research, administrative and judicial processes and restrictive lists (see the “Notes and controversial sectors” pillar, on [page 129](#)). On the other hand, suppliers classified as having medium and high impact potential must also respond to the ESG questionnaire.

At the end of the analysis, a social, environmental and climate rating is assigned to the supplier. The final decision on its acceptance is made based on the level at which it has been classified in our risk matrix ([page 129](#)). Those with higher risk are subject to higher approval levels than those of the ESG & Social, Environmental and Climate Risk area.

Foreign exchange operations

All of our foreign exchange operations are subject to scrutiny for prohibited activities and restricted sectors and go through the automated flow of negative media research, administrative and judicial processes, and social, environmental and climate restrictive lists (see the “Controversial Notes and Sectors” pillar on [page 129](#)).

Those related to the wood, mining (mainly linked to the extraction of gold, diamonds and other precious stones), tobacco, weapons and ammunition sectors are subjected to detailed manual analysis. For companies in these sectors, environmental licenses, authorizations from the National Mining Agency (ANM), Kimberley Certification (specific to diamonds), FSC Certification and a list of suppliers, among others, are required.

We are thus able to eliminate the risk of foreign exchange transactions related, for example, to possible illegal practices and money laundering, and the export of illegal wood and ores extracted from protected areas.

The final decision on approving the operation is made based on these assessments, and operations denied by the ESG & Social, Environmental and Climate Risk area are decided by the ESG Officer.



Credit Transactions

Since 2021, 100% of our credit operations have been subjected to social, environmental and climate risk analysis. We follow the guidelines for prohibited activities and restricted sectors, and assess the potential impact, the company's social, environmental and climate management capacity, socio-environmental notes and controversial sectors ([page 129](#)).

All operations are also subject to detailed analysis by the ESG & Social, Environmental and Climate Risk team. Often, at this stage, meetings are held with the credit team and the client to clarify labor, supply chain and other aspects.

The social, environmental and climate rating assigned to the company or operation is integrated into the qualitative credit rating calculation model, which may even impact credit rates and pricing.

DCM Operations

Debt Capital Markets operations have been subject, in their entirety, to the social, environmental and climate risk analysis process since 2022. We follow the guidelines for prohibited activities and restricted sectors and our proprietary analysis methodology, which measures the potential impact of the company, its ability to manage these topics, socio-environmental notes and controversial sectors ([page 129](#)), with application of the risk matrix.

Additionally, if there is any urban or rural property offered as collateral in the operation, we assess the regularity of environmental licensing and the Rural Property Registry (CAR), the list of embargoed areas from IBAMA and ICMBio, illegal deforestation activities, presence on the dirty list of work similar to slavery, public civil actions, presence in "quilombola" and indigenous territories and integral protection units, soil contamination and other topics.

ECM Operations

Our Equity Capital Market operations have been undergoing social, environmental and climate risk analysis since 2022. All clients listed in restricted and attention sectors, such as weapons industries, mining and agribusiness, are subjected to detailed analysis. The assessment also covers the list of prohibited activities and information checks in internal bureaus.

Other operations and activities analyzed

Other operations for which technical opinions on social, environmental and climate risk are issued are the issuance of Financial CPR (Rural Producer Certificate) and CCB (Bank Credit Certificate), the sale of energy, the constitution of XP Asset's funds and fund management, and asset issuances on our investment platform. We also analyze donations and partners benefiting from them.

Training in social, environmental and climate risk

We carry out periodic training on the topic of ESG and social, environmental and climate risk across the company. This topic is present in the customer and supplier onboarding training trail carried out by employees at all levels at the beginning of the relationship with XP.

Additionally, between 2020 and 2023, we carried out a series of training courses on the subject for the areas of Risk, Compliance, Audit, Credit, Legal and Commercial, in addition to workshops and lectures for different stakeholders. Last year, we also developed the Advisor Trail, a mandatory annual training for all investment advisors in our network, which will begin to be applied in 2024.



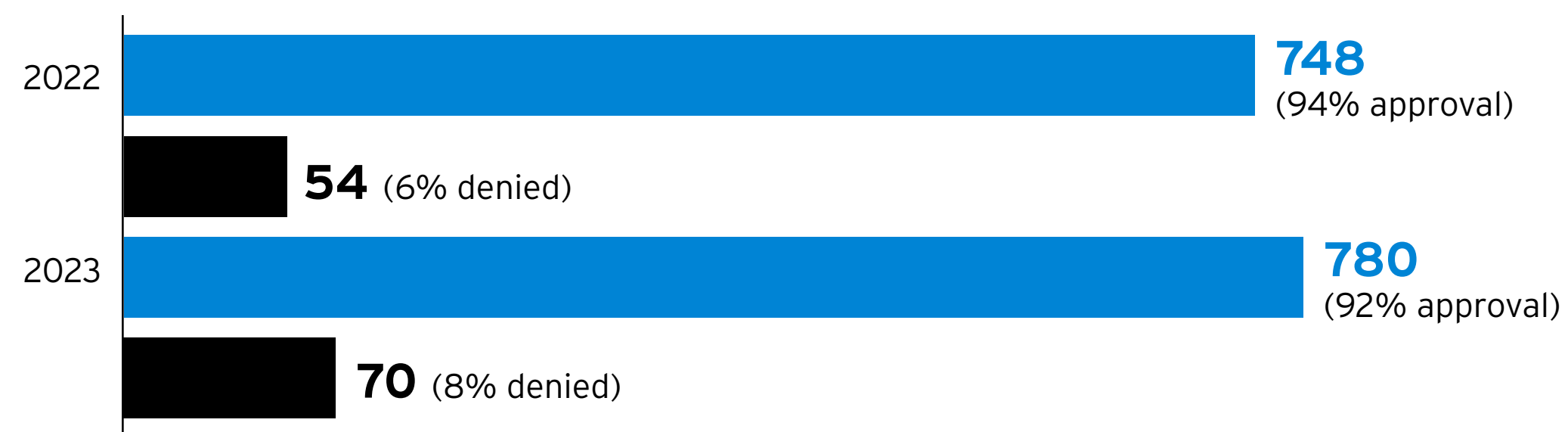
Social, environmental and climate risk analysis indicators

In 2023, we increase the volume of manual assessments carried out by almost 5% compared to the previous year. 780 companies and individuals were the subject of social, environmental and climate scrutiny, in the onboarding, foreign exchange, DCM, ECM, capital markets and energy trading processes, among others.

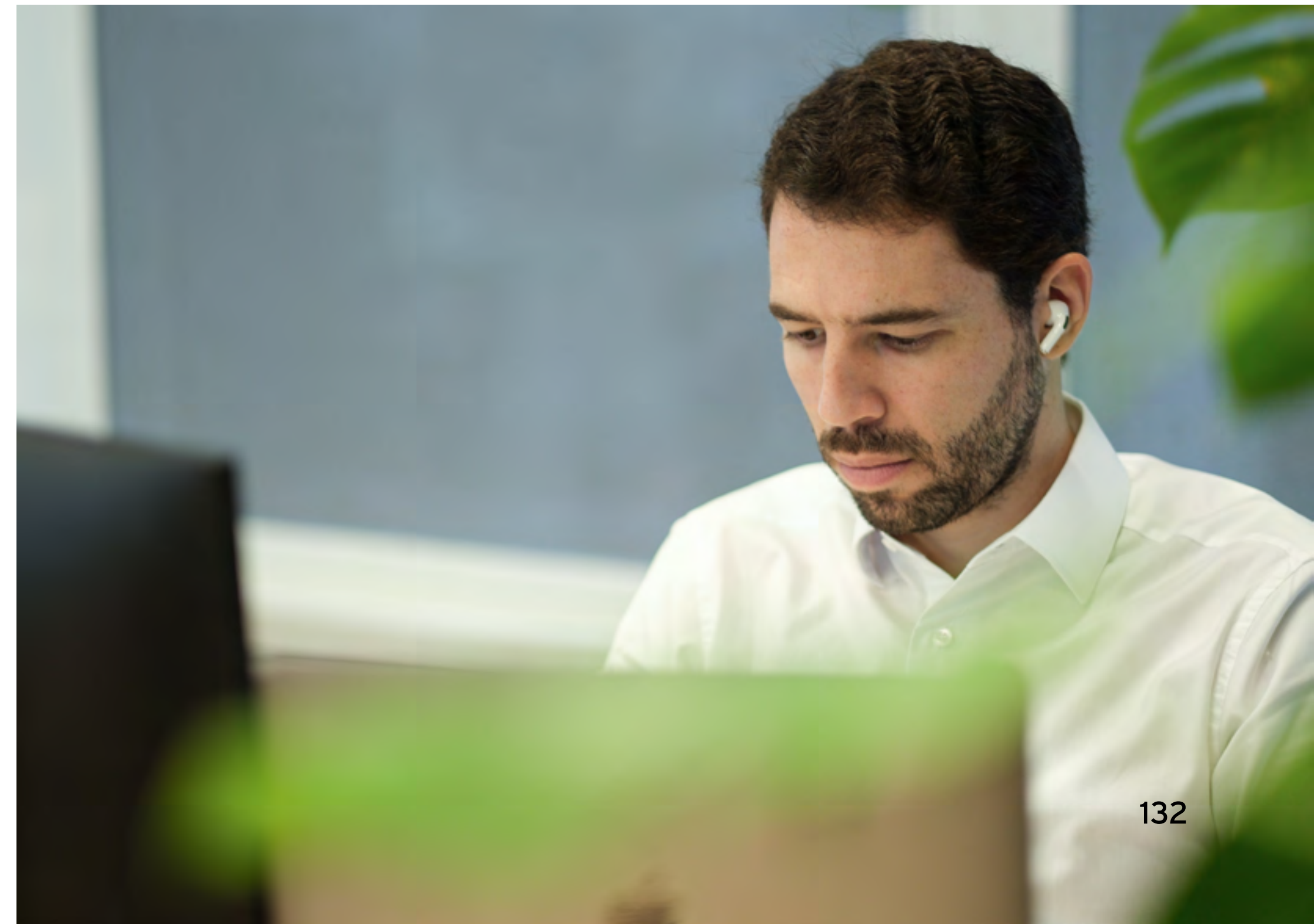
Of this total, 8% were denied due to social, environmental or climate issues or, in other words, the relationship with XP did not move forward. In 2022, the denial rate was 6%. The increase is related to the improvement of risk processes.

Additionally, in 2023, we carried out 768 analyses for the Credit Decision and Credit Product Distribution committees, which included derivatives, ACC, CRI, CRA and Debentures operations.

Number of analyses of individuals and legal entities



Number of analyses for the credit decision and credit product distribution committees





Emblematic cases GRI 201-2

The social, environmental and climate risk analysis processes have made it possible to anticipate risks and prevent XP from being exposed to negative situations related to disrespect for human rights, the protection of indigenous territories, the deforestation of protected areas, among other issues that may violate our ethical and responsible policies and conduct. Additionally, they have helped to mitigate potential reputational, legal and credit risks related to these topics and to prevent money laundering.

One of our focuses is foreign exchange operations requested by companies in the mining sector, with a close eye on the risk of illegal mining of precious stones in protected areas. In 2022, for example, we blocked a transaction with a company that exports gold. In April 2023, an operation carried out by the Federal Police identified the company's involvement in illegal practices.

Another example was the work of the ESG and Social, Environmental and Climate Risk area in preventing credit loss and reputational risk with the denial of credit, in 2023, to an agro-industrial company that was later exposed for alleged criminal activities in indigenous and "quilombola" areas and, as a result, it filed a request for judicial recovery.

We also blocked a DCM transaction with a supermarket chain that, despite its compliance, had signs of land grabbing regarding the property given as collateral, mitigating potential image, collateral and legal risks.

Periodic risk monitoring FN-IB-410a.3 | FN-CB-410a.2

Since 2022, we have periodically monitored the social, environmental and climate risk of our customers and operations, in three layers.

1 Automated daily monitoring

Of customers, through the Compliance Platform, to monitor possible negative media, administrative and judicial processes, and inclusion in restricted lists, such as slave labor and embargoed areas, among others. When a social, environmental and climate issue is identified, we make an in-depth assessment and change the classification and opinion, which may result in the maintenance of the operation or relationship, change in client's risk, blocking of the operation and limits and, finally, the termination of the relationship.

2 Semi annual monitoring

Of the credit portfolio of legal entities, running 100% of the portfolio in the social, environmental and climate risk module of the Compliance Platform and reclassifying it. Customers reclassified with a "D" or "E" rating are reassessed on a case-by-case basis, with a new opinion being issued and analyzed by the relevant authority. The opinion may recommend maintaining the customer's operations and limits, blocking possible operations and limits and, finally, requesting the termination of the relationship with the customer.

3 Hand-to-hand monitoring

In the last layer, we carry out a closer monitoring of credit portfolio customers with a "D" or "E" social, environmental and climate rating (high and very high risk, respectively), with a manual and more detailed monitoring of each of them.



Social, environmental and climate risk management

GRI 201-2 | FN-AC-410b.3 | FN-CB-550a.2 | FN-IB-550a.2

We manage the social, environmental and climate risk associated with our activities, customers, operations, suppliers and products, including the stages of identification, classification, analysis, monitoring, mitigation, control and recording of loss occurrences. The objective is to maintain exposure to social, environmental and climate risk within the tolerances pre-established in our RAS.

The evolution of the monitored management indicators is reported quarterly to the Risk Department, and every six months to the Audit, Risks, Credit and ESG Committees and to the Board of Directors, following the guidelines of the Social, Environmental and Climate Responsibility Policy, the Integrated Risk Management Policy, and the Social, Environmental and Climate Risk Procedure.

Management Indicators

- Exposure to sectors with high potential for social, environmental and climate impact of the corporate credit portfolio
- Financed emissions from the corporate credit portfolio
- Credit exposure to green economy sectors

RAS indicators

- Social, environmental and climate quality of the corporate credit portfolio
- Climate sensitivity of the corporate credit portfolio

In 2022, we included climate variables in the definition of the social, environmental and climate rating, such as the potential physical or transition risk of the sector; history of extreme weather events; and the company's climate management capacity, using information on eco-efficiency targets, public climate commitments, disclosure of Greenhouse Gas Emissions, climate targets, incorporation of TCFD recommendations, existence of a climate change policy, and targets or guidelines for addressing climate risk.

That year, we also became signatories to the PCAF and adhered to Febraban's Climate Sensitivity Rule, starting to measure, monitor and manage the exposure of the credit portfolio based on two managerial climate indicators: climate sensitivity and financed emissions ([page 88](#)).

Monitoring these indicators allowed us to establish, in 2023, our climate risk appetite metrics, with subsequent definition, together with the Social, Environmental and Climate Risk Commission, which is linked to the Executive Risk Committee, of targets for reducing the intensity of financed emissions and the portfolio's climate sensitivity. This year, we began to assess the resilience to potential climate risks of the credit portfolio, based on the worsening of specific revenues from businesses exposed to the climate.

We ended 2023 with just 2.2% of the risk allocated to companies with high and very high social, environmental and climate risk in the credit portfolio, that is, within our risk appetite limits. The financed emissions indicator had an intensity of 6.24 tCO₂e/R\$ MM, with a reduction of 48.22% between 2021 and 2023. Only 12.72% of the risk allocated had a high climate sensitivity classification, being within our RAS limits, with a reduction of two percentage points between 2021 and 2023. These indicators show that our credit portfolio has grown together with the social, environmental and climate quality of the portfolio.



Main climate risks and impacts for XP, with their possible materialization deadlines and actions taken to mitigate such risks FN-CB-550a.2 | FN-IB-550a.2

	Climate Risks	Impact	Materialization in other risks
SHORT TERM	Transition Risk: Regulatory	Possibility of fines resulting from non-compliance with regulatory requirements.	Legal Risk Operational Risk Reputational Risk Credit Risk Reputational Risk Legal Risk
		Need for climate adaptation measures.	Operational Risk Credit Risk
		Costs with regulatory compliance.	Operational Risk
		Possibility of enforcements related to the reduction of Greenhouse Gas Emissions.	Credit Risk
		Possibility of pricing and/or carbon taxation.	Credit Risk
		Possibility of increased operating costs, with changes in prices due to structural changes or supply shocks.	Credit Risk

	Climate Risks	Impact	Materialization in other risks
MEDIUM TERM	Transition Risk: Market	Possibility for the institution of losing market share due to changes in consumer behavior.	Credit Risk Market Risk
		Possibility for client-companies of losing market share due to changes in consumer behavior.	Market Risk Reputational Risk
		Possibility of losing market share due to the imposition of economic barriers.	Credit Risk Market Risk
		Possibility of change in the demand and supply of products.	Credit Risk Market Risk
SHORT TERM	Transition Risk: Legal	Possibility of climate litigation unfavorable to the company.	Legal Risk Reputational Risk Credit Risk Operational Risk
		Risk of greenwashing.	Reputational Risk Legal Risk Credit Risk
SHORT TERM	Transition Risk: Reputational	Possibility of increasing climate responsibility when taking actions for decarbonization.	Reputational Risk Legal Risk Operational Risk Credit Risk



	Climate Risks	Impact	Materialization in other risks
SHORT TERM	Transition Risk: Technological	Need to incorporate new technologies with increased competitiveness and production costs.	Credit Risk Market Risk
		Need to invest in new technologies.	Credit Risk Operational Risk
MEDIUM TERM	Acute Physical Risk (Extreme Climate Events)	Possibility of client-companies losing productivity due to business interruption or asset idleness.	Credit Risk
		Possibility of damage or repricing of family and business assets.	Credit Risk Operational Risk
		Possibility of loss of/reduction in family income.	Credit Risk
		Possibility of reduction in productivity of the agricultural sector.	Credit Risk
	Chronic Physical Risk (Long-Term Changes)	Possibility of reduction in productivity of the agricultural sector.	Credit Risk
		Possibility of impact on supply chains.	Credit Risk
		Possibility of impact on company productivity.	Credit Risk

How we manage risks

- ESG and social, environmental and climate risks governance implemented at the institution.
- Periodic monitoring of the climate-related regulatory agenda.
- Management and monitoring of legal and regulatory compliance.
- Social, environmental and climate risk analysis process implemented in the onboarding, suppliers, foreign exchange, credit, DCM and ECM processes, where we assess, among other factors, the regulatory compliance related to social, environmental and climate topics, in addition to possible processes and fines related to the topic.
- Social, environmental and climate monitoring process implemented for customers.
- Social, environmental and climate risk management process in the institution's portfolios.
- Monitoring possible losses related to social, environmental and climate events.
- Contingency plan that considers climate events.
- Monitoring of the credit portfolio's climate sensitivity indicator.
- Monitoring the intensity of financed emissions from the credit portfolio.



Process for recording losses due to social, environmental and climate issues

We have established a detailed process for recording losses arising from social, environmental and climate damage, both relating to administrative and judicial proceedings (operational risk), or relating to credit operations (credit risk).

The methodology follows the guidelines of Febraban's "Guide for Recording Losses resulting from Socio-Environmental Damage." In the case of losses related to administrative or judicial proceedings, we mark the proceedings that result in provisions and/or disbursements arising from the following topics:

- Inadequate discharge of solid waste by XP Inc., including disposal, recycling and reverse logistics.
- Inadequate discharge of solid waste by the customer and/or supplier, including disposal, recycling and reverse logistics.
- Failure to comply with environmental legislation in accordance with law 6.938 by XP Inc.
- Environmental crime committed by XP, in accordance with law 6.938/1981.
- Non-compliance with environmental regulations in accordance with law 6.938/1981 by the customer and/or supplier.
- Environmental crime committed by the customer and/or supplier in accordance with law 6.938/1981.
- Areas and assets with restricted use and/or land occupation and areas of special preservation interest, including historical, archaeological and cultural heritage.
- Environmental licensing, including lack of licensing or non-compliance with conditions set by environmental agencies and legislation.
- Discrimination or prejudice in the work environment carried out by XP Inc.
- Discrimination or prejudice in the work environment carried out by customers or suppliers.
- Customer or supplier working with slave labor.
- Customer or supplier working with child labor.

- Slave labor at XP Inc.
- Child labor at XP Inc.
- Criminal profit from prostitution.
- Contamination carried out by XP Inc.
- Contamination carried out by a customer or supplier.
- Climate litigation.

For credit operations, for example, events related to environmental licensing, illegal deforestation, slave labor, environmental fines, indigenous lands, among others, are considered. Furthermore, we carry out a process of marking losses in three phases: identification of operations with credit loss; social, environmental and climate verification of the companies involved; and analysis of the relationship between credit loss and social, environmental and climate issues, thus ensuring adequate recording of losses resulting from these damages.

This approach aims to promote XP's responsibility and transparency in relation to the social, environmental and climate impacts of our operations and improve the social, environmental and climate risk management process. It is worth highlighting that we did not record any losses relating to events of this type in 2023, which demonstrates the company's adequate management of these social, environmental and climate risks.

We did not record any losses related to such events in 2023, which demonstrates the proper management of the company's Social, Environmental, and Climate Risks.



GRI and SASB index

Summary of GRI disclosures

This report complies with the GRI Standards (GRI 1: Foundation 2021), for the period from January 1 to December 31, 2023.

Metric	Description	Response location	Status	Comment
GRI 2: The organization and its reporting practices (General Disclosures 2021)				
2-1	Organizational details			
2-2	Entities included in the organization's sustainability report	About this Report, page 3		
2-3	Reporting period, frequency and point of contact	About this Report, page 3		
2-4	Information restatements	Materiality, page 9		
2-5	External assurance		Not verified	
GRI 2: Activity and workers (General Disclosures 2021)				
2-6	Activities, value chain and other business relationships	Value creation, page 17		
2-7	Employees	Employees, page 61		
2-8	Workers who are not employees	Employees, page 62		

Metric	Description	Response location	Status	Comment
GRI 2: Governance (General Disclosures 2021)				
2-9	Governance structure and composition	Governance structure, page 98		
2-10	Appointment and selection to the highest governance body	Governance structure, page 99		
2-11	Chair of the highest governance body	Governance structure, page 99		
2-12	Role of the highest governance body in overseeing the management of impacts	Governance structure, page 99		
2-13	Delegation of responsibility for managing impacts	Corporate Governance, page 101		
2-14	Role of the highest governance body in sustainability reporting	About this Report, page 3		
2-15	Conflicts of interest	Compliance, page 106		
2-16	Communication of critical concerns	Compliance, page 106		
2-17	Collective knowledge of the highest governance body	Governance structure, page 98		



Metric	Description	Response location	Status	Comment
2-18	Assessment of the performance of the highest governance body	Corporate Governance, page 100		
2-19	Compensation policies	Governance structure, page 100		
2-20	Process for determining compensation	Governance structure, page 100		
2-21	Total annual compensation ratio		Not reported	
GRI 2: Estratégia, políticas e práticas (Conteúdos Gerais 2021)				
2-22	Statement on sustainable development strategy	Letter from the CEO, page 5		
2-23	Policy commitments	Materiality, page 9		
2-24	Incorporation of policy commitments	Compliance, page 106		
2-25	Processes to remediate negative impacts	Compliance, page 106		
2-26	Mechanisms for seeking advice and raising concerns	Compliance, page 106		

Metric	Description	Response location	Status	Comment
2-27	Compliance with laws and regulations		Not applicable	No significant cases of non-compliance were identified to be reported, as there were no fines applied or important non-monetary sanctions to detail.
2-28	Membership associations	Value creation, page 23		
GRI 2: Stakeholder engagement (General Disclosures 2021)				
2-29	Approach to stakeholder engagement	Quality in relationships, page 4 e 58 . NPS - Net Promoter Score, page 60 .		
2-30	Collective bargaining agreements	Collective bargaining agreements, page 73		
GRI 3: Material Topics 2021				
3-1	Process to determine material topics	Materiality, page 9		
3-2	List of material topics	Materiality, page 10		
3-3	Management of material topics	Materiality, page 9		
GRI 201: Financial Performance 2016				
201-1	Direct economic value generated and distributed	Value creation, page 18 . Distribution of added value, page 22		



Metric	Description	Response location	Status	Comment
201-2	Financial implications and other risks and opportunities due to climate change	Financed emissions page 88 Social, environmental and climate risk management, page 134		
201-3	Defined benefit plan obligations and other retirement plans		Not applicable	There are no retirees
201-4	Financial assistance received from the government	Tax approach, page 114		
GRI 202: Market presence in 2016				
202-1	Ratios of standard entry level wage by gender compared to local minimum wage		Not reported	
GRI 203: Indirect Economic Impacts 2016				
203-1	Infrastructure investments and services supported		Not applicable	There are no investments in infrastructure and support for services
203-2	Significant indirect economic impacts		Not applicable	There are no significant indirect economic impacts
GRI 204: Procurement Practices 2016				
204-1	Proportion of spending on local suppliers	Suppliers page 74		

Metric	Description	Response location	Status	Comment
GRI 205: Anti-corruption 2016				
205-1	Operations assessed for risks related to corruption	Compliance, pages 106 e 116		
205-2	Communication and training on anti-corruption policies and procedures	Compliance, pages 106 , 109 e 117		
205-3	Confirmed incidents of corruption and actions taken	Compliance, page 116		
GRI 206: Anti-competitive Behavior 2016				
206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices			
GRI 207: Tax 2019				
207-1	Tax approach	Tax approach, page 114		
207-2	Tax governance, control, and risk management	Tax approach, page 114		
GRI 301: Materials 2016				
301-1	Materials used, by weight or volume		Not applicable	There is no representative use of materials



Metric	Description	Response location	Status	Comment
301-2	Raw materials or recycled materials used		Not applicable	There is no representative use of materials
GRI 302: Energy 2016				
302-1	Energy consumption within the organization	Energy, page 93		
302-2	Energy consumption outside the organization		Not applicable	There is no energy consumption outside the company
302-3	Energy intensity		Not reported	
302-4	Reduction in energy consumption		Not applicable	There was no reduction in energy consumption
GRI 303: Water and effluents 2018				
303-1	Interactions with water as a shared resource	Water, page 94		
303-2	Management of water discharge-related impacts		Not applicable	There is no discharge of effluents
303-3	Water intake		Not applicable	There is no water intake
303-4	Water discharge		Not applicable	There is no water discharge
303-5	Water consumption	Water, page 94		

Metric	Description	Response location	Status	Comment
GRI 304: Biodiversity 2016				
304-2	Significant impacts of activities, products and services on biodiversity		Not applicable	There are no significant impacts of activities, products and services on biodiversity
304-3	Protected or restored habitats		Not applicable	There are no protected or restored habitats
GRI 305: Emissions 2016				
305-1	Direct (Scope 1) GHG emissions	Greenhouse Gas Emissions, page 86		
305-2	Energy indirect (Scope 2) GHG emissions	Greenhouse Gas Emissions, page 86		
305-3	Other indirect (Scope 3) GHG emissions	Greenhouse Gas Emissions, page 86 Financed emissions, page 88 Climate sensitivity of the credit portfolio, page 91		
305-4	GHG emissions intensity		Not reported	
305-5	Reduction of GHG emissions		Not applicable	There was no reduction of Greenhouse Gas Emissions



Metric	Description	Response location	Status	Comment
GRI 306: Waste 2020				
306-1	Waste generation and significant waste-related impacts		Not applicable	We did not identify significant impacts related to waste generated in our operations during the year.
306-2	Management of significant waste-related impacts		Not applicable	We did not identify significant impacts related to waste generated in our operations during the year.
306-3	Waste generated	Waste, page 94		
306-4	Waste diverted from disposal	Waste, page 95		
306-5	Waste directed to disposal	Waste, page 94		
GRI 308: Supplier Environmental Assessment 2016				
308-1	New suppliers that were screened using environmental criteria	Suppliers, page 74		
308-2	Negative environmental impacts in the supply chain and actions taken		Not applicable	We have not identified negative environmental impacts from our supply chain.

Metric	Description	Response location	Status	Comment
GRI 401: Employment 2016				
401-1	New hires and employee turnover	New hires and job turnover, page 63		
401-2	Benefits provided to full-time employees that are not provided to temporary or part-time employees	Physical, mental and financial well-being, page 72		
401-3	Parental leave	Physical, mental and financial well-being, page 73		
GRI 403: Occupational Health and Safety 2018				
403-1	Occupational health and safety management system	Physical, mental and financial well-being, page 72		
403-2	Hazard identification, risk assessment and incident investigation		Not applicable	There is no hazard identification, risk assessment or incident investigation
403-3	Occupational health services	Physical, mental and financial well-being, page 72		
403-4	Worker participation, consultation, and communication on occupational health and safety	Physical, mental and financial well-being, page 72		



Metric	Description	Response location	Status	Comment
403-5	Worker training on occupational health and safety		Not applicable	
403-6	Promotion of worker health	Physical, mental and financial well-being, page 72		
403-7	Prevention and mitigation of occupational health and safety impacts directly linked by business relationships	Physical, mental and financial well-being, page 73		
403-8	Workers covered by an occupational health and safety management system	Physical, mental and financial well-being, page 72		
403-9	Work-related injuries	Physical, mental and financial well-being, page 73		
403-10	Work-related ill health			There were no reported deaths, work accidents or occupational illnesses of employees or non-employed workers

Metric	Description	Response location	Status	Comment
GRI 404: Training and Education 2016				
404-1	Average hours of training per year, per employee	Training and awareness, page 109		
404-2	Programs for upgrading employee skills and transition assistance programs	Qualification and training, page 67		
404-3	Percentage of employees receiving regular performance and career development reviews	360° assessment, page 64		
GRI 405: Diversity and Equal Opportunity 2016				
405-1	Diversity of governance bodies and employees	Diversity and inclusion, page 70		
405-2	Ratio of basic salary and compensation of women to men	Compensation and incentives, page 66		
GRI 406: Non-Discrimination 2016				
406-1	Incidents of discrimination and corrective actions taken	Compliance, page 107		



Metric	Description	Response location	Status	Comment
GRI 407: Freedom of association and collective bargaining 2016				
407-1	Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	Freedom of association and trade unions, page 72		
GRI 408: Child labor 2016				
408-1	Operations and suppliers at significant risk for incidents of child labor	Operações e fornecedores com risco significativo de casos de trabalho infantil, page 76		
GRI 409: Forced or compulsory labor 2016				
409-1	Operations and suppliers at significant risk for incidents of forced or compulsory labor	Operations and suppliers at significant risk for incidents of forced or compulsory labor, , page 76		
GRI 410: Security practices 2016				
410-1	Security personnel trained in human rights policies or procedures	Training and awareness, page 109		

Metric	Description	Response location	Status	Comment
GRI 411: Rights of indigenous peoples 2016				
411-1	Incidents of violations involving rights of indigenous peoples		Not applicable	There were no cases of violation of the rights of indigenous peoples
GRI 413: Local Communities 2016				
413-1	Operations with local community engagement, impact assessments, and development programs	Society, pages 76 e 83		
413-2	Operations with significant actual and potential negative impacts on local communities		Not applicable	No operations with significant actual or potential negative impacts on local communities were identified.
GRI 414: Supplier Social Assessment 2016				
414-1	New suppliers that were screened using social criteria	Suppliers, page 74		
GRI 415: Public Policy 2016				
415-1	Political contributions		Not applicable	There were no political contributions



Metric	Description	Response location	Status	Comment
GRI 416: Consumer health and safety				
416-1	Assessment of the health and safety impacts of product and service categories		Not applicable	Our products and services do not generate direct impacts on the health and physical safety of customers
416-2	Incidents of non-compliance concerning the health and safety impacts of products and services		Not applicable	No cases of non-compliance were identified in relation to impacts on health and safety caused by products and services.
GRI 417: Marketing and Labeling 2016				
417-1	Requirements for product and service information and labeling	Customers, page 59		
417-2	Incidents of non-compliance concerning product and service information and labeling		Not applicable	There were no incidents of non-compliance relating to information and labeling of products and services
417-3	Incidents of non-compliance concerning marketing communications		Not applicable	There were no cases of non-compliance in relation to marketing communications

Metric	Description	Response location	Status	Comment
GRI 418: Customer Privacy 2016				
418-1	Substantiated complaints concerning breaches of customer privacy and losses of customer data	Total number of substantiated complaints regarding breaches of privacy and loss of customer data, page 120		

SASB index

We report information applicable to our materiality in accordance with SASB Financial Sector standards, for the segments: Commercial Banking (CB); Asset Management and Custody Activities (AC); and Investment Banking and Brokerage (IB).

Code	Metric	Page	Comment
Data security			
FN-CB-230a.2	Description of the approach to identify and resolve data security risks.	Technology and Information, page 118	

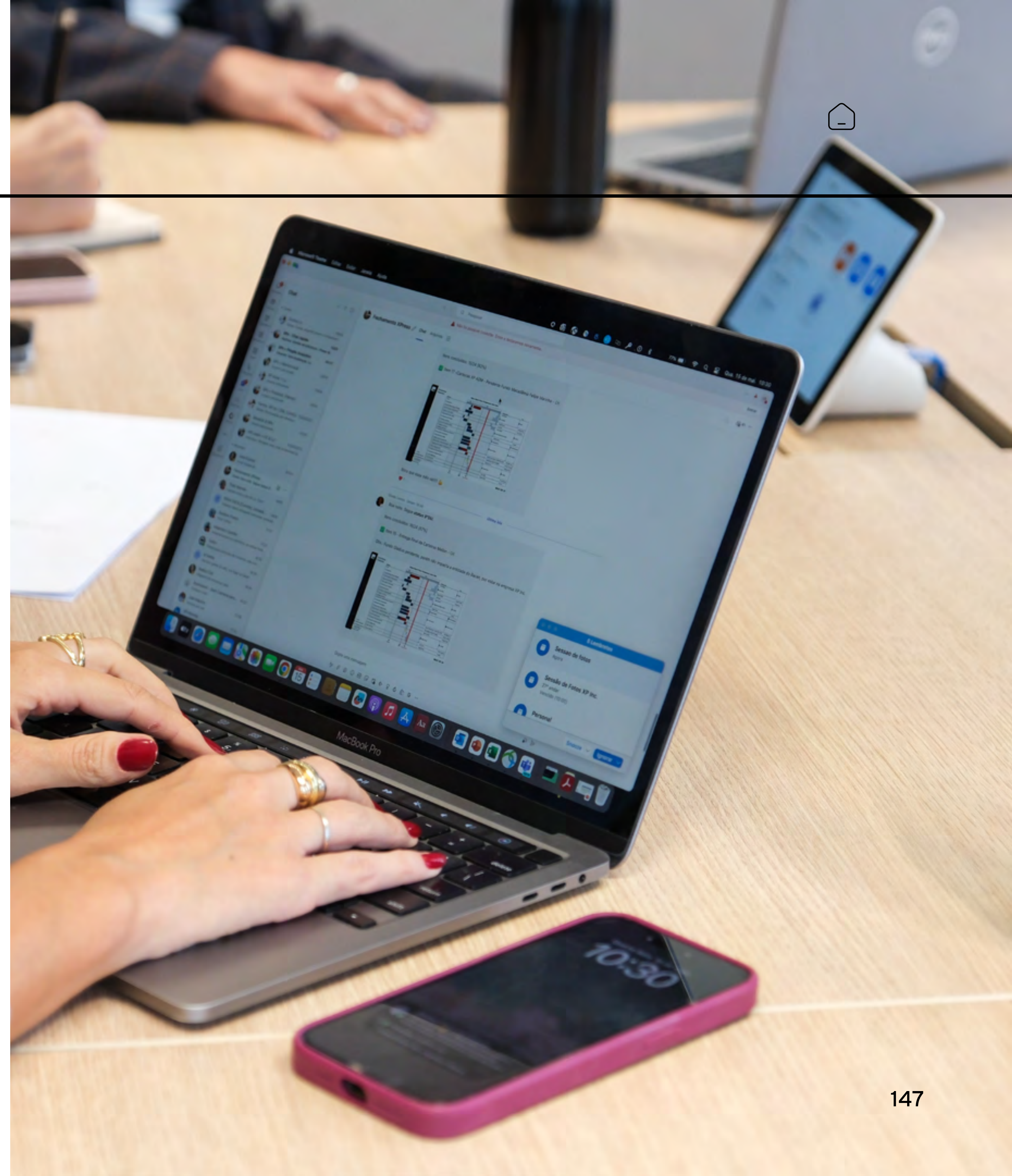


Code	Metric	Page	Comment
Transparent information and fair advice for customers			
FN-AC-270a.3	Description of the approach to inform customers about products and services	XP Gênio, the suitability tool that supports investment decisions, page 59	
Diversity and inclusion of employees			
FN-AC-330a.1 FN-IB-330a.1	Percentage of representation of gender and diversity groups in executive management, non-executive management, technical positions and all other employees.	Diversity and inclusion, page 70 Employee profile, page 61	
Incorporation of environmental, social and governance factors in credit analysis			
FN-CB-410a.2	Description of the approach to embed environmental, social and governance (ESG) factors to credit analysis.	Sustainable Business, page 48 Periodic risk monitoring, page 133	
Incorporation of environmental, social and governance factors into investment management and advisory services			
FN-AC-410a.1	Value of assets under management, by asset class, that use integration of environmental, social and governance (ESG) issues, thematic sustainability investment, and screening.	Sustainable Business, page 48 ESG Funds, pages 52 e 53	

Code	Metric	Page	Comment
FN-AC-410a.2	Description of the approach to incorporate environmental, social and governance factors into investment and/or wealth management processes and strategies.	Sustainable Business, page 48 ESG Funds, pages 52 e 53	
Incorporation of environmental, social and governance factors into investment banking and brokerage activities			
FN-IB-410a.1	Revenues from underwriting, advisory and securitization operations that include environmental, social and governance (ESG) factors, by sector.	Sustainable Business, page 48	
FN-IB-410a.2	Number and total value of investments and loans that include environmental, social and governance (ESG) factors, by sector.	Sustainable Business, page 48 ESG Funds, pages 52 e 53	
FN-IB-410a.3	Description of the approach to include environmental, social and governance (ESG) factors in investment banking and brokerage activities.	Sustainable Business, pages 48 e 49 Periodic risk monitoring, page 133 ESG Funds, pages 52 e 53	
Financed emissions			
FN-AC-410b.3	Percentage of total assets under management (AUM) included in the calculation of financed emissions.	Social, environmental and climate risk management, page 134	



Code	Metric	Page	Comment
FN-AC-410b.4 FN-CB-410b.4	Description of the methodology used for calculating financed emissions	Financed emissions, pages 88 e 90	
Business ethics			
FN-CB-510a.1 FN-AC-510a.1 FN-IB-510a.1	Total amount of monetary losses arising from lawsuits associated with fraud, insider trading, antitrust, anti-competitive conduct, market manipulation, mismanagement or other related rules or regulations of the financial sector.	Monetary losses arising from legal proceedings, page 114	
FN-CB-510a.2 FN-AC-510a.2 FN-IB-510a.2	Description of reporting policies and procedures.	Reporting channel page 107	
Systemic risk management			
FN-CB-550a.2 FN-IB-550a.2	Description of the approach to incorporate the results of mandatory and voluntary stress tests in capital adequacy planning, long-term business strategy and other business activities	GSocial, environmental and climate risk management, , page 135	





Distribution of taxes by sphere of government R\$	2022	2023
Federal	787,390.00	1,279,840.00
State	3,770.00	2,308.00
Municipal	229,817.00	241,261.00
Deferred	-396,437.00	-555,062.00

Distribution of value added (R\$/million) <small>GRI 201-1</small>	2021	2022	2023
DIRECT ECONOMIC VALUE GENERATED (revenue)			
Provision of services (before taxes)	6,801,679	6,508,756	7,153,640
Result of operations with financial instruments	5,997,072	7,527,333	8,572,322
Other net operating revenues (expenses)	324,354	256,944	10,638
Reversal (supplementation) of the allowance for doubtful accounts	-92,560	-94,159	-360,859
Total Revenues	13,030,545	14,198,874	15,375,741
Inputs acquired from third parties			
Operating Costs	3,657,592	4,009,818	4,568,409
Communication and data processing	-327,522	-713,022	-771,381
Loss and recovery of asset values	-4,377	-	-
Other administrative expenses	-	-693,163	-620,048
Gross value added	9,041,054	8,782,871	9,415,903
Depreciation and Amortization	-231,730	-205,877	-252,413
Net value added produced	8,809,324	8,576,994	9,163,490
Value added received from transfer			
Equity accounting	-7,710	-12,165	73,507
Total value added received from transfer	-7,710	-12,165	73,507
Total value added to be distributed	8,801,614	8,564,829	9,236,997

Distribution of value added (R\$/million)	2021	2022	2023
Personnel and charges	3,283,457	3,943,284	3,728,125
Direct compensation	1,416,247	1,597,229	1,371,973
Employees' profit sharing	1,362,046	1,640,904	1,680,754
Benefits	130,187	195,763	223,694
Social security charges	358,878	487,237	437,377
Other	16,099	22,151	14,327
Taxes, fees, and contributions	1,773,467	624,54	968,347
Federal	1,128,707	787,39	1,279,840
State	2,516	3,77	2,308
Municipal	259,053	229,817	241,261
Deferred taxes	383,191	-396,437	-555,062
Compensation on third-parties capital	152,23	416,794	641,134
Financial expenses	135,732	402,303	617,478
Rents	16,498	14,491	23,656
Compensation on equity	3,592,460	3,580,211	3,899,391
Non-controlling shareholder's interests	3,044	1,161	689
Retained earnings (losses) of shareholders	3,589,416	3,579,050	3,898,702
Distribution of value added	8,801,614	8,564,829	9,236,997

Acknowledgments

General coordination

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