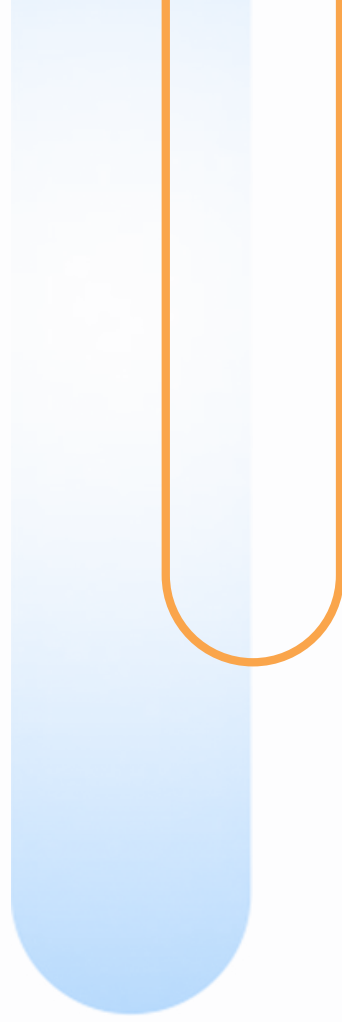




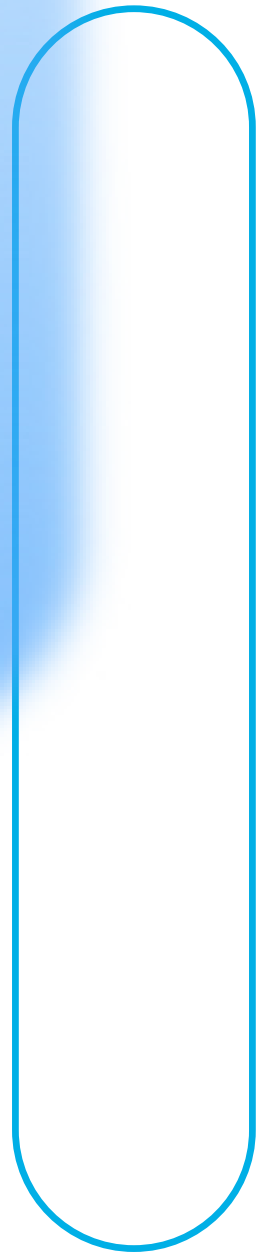
ANNUAL  
REPORT  
2020

[B]<sup>3</sup>



# CONTENTS

About our Annual Report	2	Responsible Market Infrastructure	49
Materiality	4	Operational Performance	58
Message from the Management	7	Social Responsibility & People Management	65
Highlights & Acknowledgements	14	Climate Change & Natural Resources Management	86
B3	17	Assurance Report	92
Strategy	22	GRI & SASB Summaries	94
Corporate Governance & Fostering ESG Best Practices	37	Credits	105



This report explains our strategy and how our business has progressed and performed in 2020. In addition to economic and financial aspects, it encompasses environmental, social and corporate governance (ESG) issues<sup>1</sup> and also includes the financial statements examined by our independent auditors Ernst & Young. [102-56]

We have published annual reports since 2008, and in this edition, we take another step towards governance of data disclosed, adding even more transparency when rendering accounts to our stakeholders. The information we now provide will be subject, for the first time, to an external audit, in line with market best practices. [102-49; 102-56]



**Financial Capital**



**Human Capital**



**Intellectual Capital**



**Manufactured Capital**



**Natural Capital**

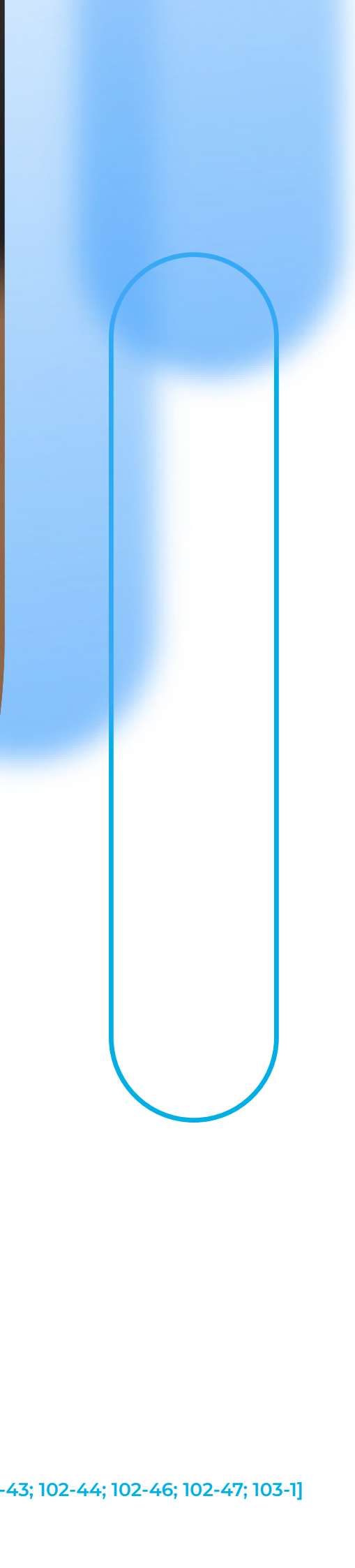


**Social and Relationship Capital**

We have also addressed information related to the **United Nations (UN) Sustainable Development Goals (SDG)**. The initiatives we developed aim at contributing to achievement of these goals and at correlating our actions with the SDGs, both in our materiality (find out more on page 5), and in the GRI Content Index.

The changes made in this report are part of our efforts to continuously improve its content. And you can also help us in this journey. If you have any suggestions or comments, or need other information about any of the points herein addressed, please contact us at [sustentabilidade@b3.com.br](mailto:sustentabilidade@b3.com.br). [102-53]

1. Some of the images contained in this document were produced before the coronavirus pandemic.



We select the subjects in this Annual Report according to their relevance to the business and our stakeholders. Our materiality matrix identifies aspects related to the economic, environmental, social and governance impacts of B3 and which substantially influence stakeholders' decisions or assessments regarding the company.

In 2020, we carried out a new materiality study for which we consulted our priority stakeholders, defined on the basis of our relationship and internal policies. This group includes Customers, Suppliers, Employees, Investors, Regulators and Society and the process comprised the following stages:

1- Initial gathering of potentially material subjects, based on global, national and sector trends, as well as benchmarking with other exchanges and B3's 2019 materiality.

2- Checking the relevance of subjects identified in the first stage, which entailed:

- Online research by gathering opinions about the relevance of ESG questions for the sector.
- Secondary research, which identified spontaneous mention of subjects in our dialog and engagement routine.
- Consideration of B3 S.A.'s Strategy and its Sustainability Strategic Plan.
- Subjects discussed at Board of Directors meetings in 2020.




Inputs from the second stage were mathematically categorized, enabling selection of subjects by their relevance to our priority stakeholders and the Company.

Senior management analyzed and approved the study's results at an Executive Board meeting comprised of our CEO and Vice-Presidents.

Understanding the priorities that matter for our stakeholders provides us support in drafting this report, and also enables us to identify risks and opportunities, calibrate our strategies and improve our services and processes. It also helps us identify the Sustainable Development Goals (SDG) of the UN 2030 Agenda that are most significant for our business.

# Material topics and their relationship with the strategic pillars of the UN Sustainable Development Goals (SDG)

## Sustainability Strategy

-  I. Be a company aligned with sustainability best practices.
-  II. Foster ESG best practices in the Brazilian market.
-  III. Strengthen the portfolio of products and open new ESG market fronts.

## Material topics

### Customer Centricity

Integrated management of customer demands, operating improvements, innovation, and development of new products, including those related to ESG. Promotion of Financial Education and of transparency in the dissemination of concepts and opportunities related to the use of our services. Quality and expertise in our deliveries and solutions.



### Corporate Social Responsibility & People Management

Contribution to the development of our people through respect for labor laws; programs and initiatives to value human capital; promotion of equal opportunities for professional development and a favorable environment; and building a diverse company. Contribution to society through voluntary and planned distribution of private or incentivized funds to social, environmental and cultural projects in the public interest.



### Corporate Governance & Fostering ESG Best Practices in the Market

Adoption of robust management practices that encompass governance structures and policies. Adoption of policies and procedures to manage our activities, thus encouraging the market to include ESG best practices in its routines, generating a positive impact for itself and society as a whole.



### Responsible Market Infrastructure

Internal practices, rules and procedures that strengthen responsible management, encompassing righteous operation; management of conflicts of interest; assurance of compliance with local regulations; and anti-corruption practices. Resilience of platforms and operating infrastructure. Information security for company and customers. Integrity and confidentiality of individuals' data. Cyber-attack prevention. Effective and precise disclosure of financial and non-financial information, as well as promotion of best market practices in financial reporting.





[B]<sup>3</sup>

BRASIL  
BOLSA  
BALCÃO

# MESSAGE FROM THE MANAGEMENT





Contents

About our  
Annual Report

Materiality

Message from  
the Management

Highlights &  
Acknowledgements

B3

Strategy

Corporate  
Governance &  
Fostering ESG  
Best Practices

Responsible  
Market  
Infrastructure

Operating  
Performance

Social Responsibility  
& People  
Management

Climate Change &  
Natural Resource  
Management

Assurance  
Report

GRI & SASB  
Summaries

Credits

We published this Annual Report during the Covid-19 pandemic - one of the most dramatic moments for the world and especially for Brazil. Therefore, speaking solely about a positive operating and financial performance and the business opportunities we envisage for B3 would not be enough, even though this is an accountability document.

In 2020 and the first months of 2021 we went through a period in which helping others, collaboration, social responsibility and empathy have been fundamental in the activities of any company. I then begin this message by expressing our deepest condolences for the thousands of victims and to the families whose lives have been affected by this tragic pandemic.

The breadth and reach of the pandemic hit everyone unexpectedly, leading to changes in patterns of social interaction, including work relations, and above all, challenges in the health, educational and social assistance systems and impacting the business environment in place. In this sense, the crisis required timely response from individuals in the public and private sectors.

The seriousness of the crisis also presented innumerable operating challenges for the participants the financial system and for B3. After all, we are responsible for managing a complex and central market infrastructure. The Company was rapidly able to absorb a surge in activity from its customers, in a high-volatility environment exposed to cyber risk, while simultaneously performing an unprecedented transition to remote working to protect its people and to adapt to the protocols established by health authorities. Around 90% of our employees switched to remote working, safely and efficiently.

In retrospect, the Company's structured strategic planning process was critically important for its ability to adapt within such a short period of time and in extremely adverse conditions. The strategic decisions and investments of recent years allowed B3 to deliver resilience, improved operating capacity and, chiefly, safety to the Brazilian market in an environment of extreme uncertainty and elevated risks. In this sense, B3 contributed to mitigating the pandemic's adverse impact on the economy, as the financial system continued to work at full scale throughout the period.

On the other hand, we saw the Company's social activity grow and mature and took significant steps in our environmental, social and governance agendas. Success in service provision activities is closely linked to the ability to attract, develop and maintain talents. We are developing an agile, responsible, collaborative and open culture to engage our employees and face the growing competition in the markets in which we operate. This is why we also recognize the need to increase diversity at all levels of the Company as an essential element of our strategy and as take on increasingly more responsibility before our society. We progressed through 2020 knowing this is a long-term journey and that we still have a lot to do towards greater inclusion and equality.

Also worthy of note is B3's significant actions to minimize the impact of the pandemic across less privileged groups in society. We responded to the hospitalization emergency by earmarking funds for the purchase of PPE, supported two vaccine factories, two surveys to increase mass testing capacity, and the development of lung ventilators. We also promoted food security actions for the socio-economically vulnerable, income transfers, and credit for micro and small businesses. These actions reached more than 700,000 individuals. In total, an amount of BRL 50 million was donated over 2020.

Contents

About our  
Annual Report

Materiality

Message from  
the Management

Highlights &  
Acknowledgements

B3

Strategy

Corporate  
Governance &  
Fostering ESG  
Best Practices

Responsible  
Market  
Infrastructure

Operating  
Performance

Social Responsibility  
& People  
Management

Climate Change &  
Natural Resource  
Management

Assurance  
Report

GRI & SASB  
Summaries

Credits

Despite the innumerable challenges we all faced in 2020, B3's customers continued to trust us and we doubled our focus on serving them. This approach, combined with the Company's operating excellence, allowed us to successfully navigate the stormy economic waters and to generate expressive financial results. We also distributed record earnings to our shareholders. Our revenues, recurring EBITDA and recurring net income grew by 41.9%, 49.9% and 38.1%, respectively in relation to 2019, and dividends reached BRL 6.228 million (including a BRL 886 million repurchase of shares issued by B3).

Finally, I wish to highlight the partnership between the Board of Directors, which continues to comprise of independent members, and the management team, which has allowed us to face increased volatility and market stress in a transparent, technical and timely manner.

In 2021, we will remain focused on meeting the needs of our customers, on the wellbeing of our employees, on our regulatory responsibilities and on actions to mitigate the deepening of the immense inequalities that haunt our society.

We believe that with our investment made in 2020 we will be well positioned to meet the expectations of our shareholders for another year of good results.

**Antonio Quintella**

**Chairman of the Board of Directors of B3**

Contents

About our Annual Report

Materiality

Message from the Management

Highlights & Acknowledgements

B3

Strategy

Corporate Governance & Fostering ESG Best Practices

Responsible Market Infrastructure

Operating Performance

Social Responsibility & People Management

Climate Change & Natural Resource Management

Assurance Report

GRI & SASB Summaries

Credits



Attempts to define and explain 2020 and its vast and varied impacts inevitably fail to reflect everything that we went through. For B3, it was a year in which we tested our ability to adapt at an unprecedented speed and to an unprecedented degree. It was a year in which the way we worked changed radically, a year of intense market volatility, which tested our operating capacity and the resilience of our systems. It was year of record numbers of new investors and new companies. We were able to meet these challenges thanks to our people and to our partnership with customers, the market and the regulators.

At the peak of the Covid-19 pandemic, as of March, we migrated around 90% of our employees to remote working. We protected our people by expediting a new way of work we had already introduced back in 2018.

In this same period, circuit breakers were activated six times and there was a significant increase in trading volumes, particularly in the listed segment. On a single day, we obtained a record 12.1 million trades, double of the previous record of 6 million. Even with volumes of this magnitude, our platforms remained around 100% available over the year. This underscores our commitment to the operating integrity and robustness we deliver to our customers, which has been intensified in recent years through infrastructure and cutting-edge technology investments.

This means that coordination with the Brazilian Securities Commission (CVM) and the Central Bank of Brazil (BCB) was particularly important for the markets to function at full pace. It also helped us introduce products such as Guaranteed Financial Bills (LFG), which allowed us to provide liquidity to the system and thus timely support the real economy.

Contents

About our  
Annual Report

Materiality

Message from  
the Management

Highlights &  
Acknowledgements

B3

Strategy

Corporate  
Governance &  
Fostering ESG  
Best Practices

Responsible  
Market  
Infrastructure

Operating  
Performance

Social Responsibility  
& People  
Management

Climate Change &  
Natural Resource  
Management

Assurance  
Report

GRI & SASB  
Summaries

Credits

In one of B3's most remarkable decisions, it ramped up social assistance and assured a position for the Company far beyond its traditional position as a market infrastructure. Over BRL 50 million was donated towards health, food and income actions, including the purchase of medical equipment and PPE for public hospitals; financing to emergency support projects for small companies headed by black women, and small rural producers; and well as food distribution throughout Brazil. In this regard, I would like to give a special mention to B3's team - the people who make this company what it is. More than 1,000 employees contributed to mobilization campaigns such as donating food baskets, which totaled 35,913 units.

B3 provides an essential service at the center of the capital market. We are integrant part of Brazil's development process and it was an remarkable experience to see how our teams' commitment extends beyond our mission as a company. In 2020, our robust operation helped the country get through an enormous financial crisis, but our legacy this year says much more about what our values and our mission are. I believe that we were able to connect, develop and support beyond our core business.

When we look at the markets in which B3 operates, the internal scenario of low interest rates, inflation under control and a reform agenda (in which the most significant

advance was the approval of a new Social Security model), as well as the intense, broad and coordinated action of different governments in programs to support the economy, all contributed to getting around the initial slowdown in companies debuting on the Exchange.

Investors seeking higher returns and less risk-averse combined with simplified investors' access arose from the brokerages' investments in technology and modernization, resulted in unprecedented figures in 2020. We had a record of 28 IPOs and 25 follow-ons in the period, which jointly raised BRL 117.7 billion. We also recorded 94% growth in the number of accounts in the equities depository in the period and a very significant increase in the total number of individual investors, at 2.6 million at the end of 2020, up 91% on the previous year. In this background we expanded our activity in financial education, frequently in partnership with the market, bringing new content and pathways to knowledge to individual investors, who had free and organized access to our **Education Hub**.

Contents

About our Annual Report

Materiality

Message from the Management

Highlights & Acknowledgements

B3

Strategy

Corporate Governance & Fostering ESG Best Practices

Responsible Market Infrastructure

Operating Performance

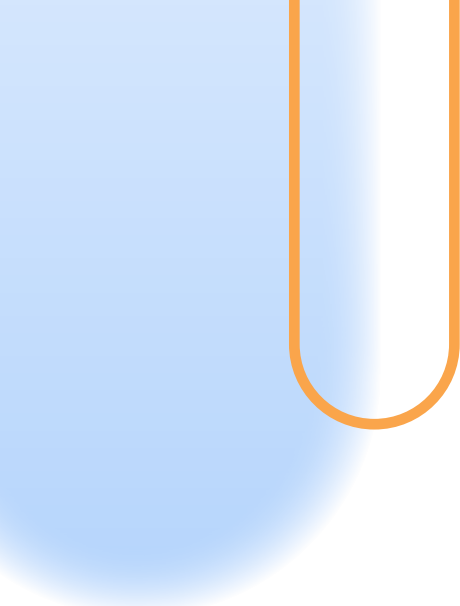
Social Responsibility & People Management

Climate Change & Natural Resource Management

Assurance Report

GRI & SASB Summaries

Credits



We responded rapidly to the demand for portfolio sophistication and diversification. Our principle of proximity with our customers allowed us to speed up product and service development, meaning more than 80 deliveries in the period. We also persisted in our strategic vision of joining up adjacent markets, such as energy, insurance and real estate credit.

The pandemic also placed the ESG agenda on investors' radars once and for all. B3 has been working on this front for a long time, either internally, by neutralizing its GHG emissions for nine years, or providing the market with indices such as ISE B3 - the fourth sustainability index launched in the world and one of the most relevant in the Brazilian market. This year, we reviewed ISE B3 criteria to make it more significant, with a sector-specific questionnaire and more emphasis on information on diversity. We launched new products and submitted a Sustainability strategic planning for discussion by the Board of Directors, being currently underway.

We also reaffirmed our commitment to the UN Global Compact, to which we were the world's first signatory exchange, in 2004, and which has an agenda of human rights, decent work, the environment, and combatting corruption.

In 2020, we were able to deliver value to society and return to our shareholders. More than that, we strengthened the vision that focusing on customers, listening to the market and working jointly will allow B3 to always be the customers' first choice. We do this with an experienced and competent team that is always willing to go one step further, impacting not only our business but the entire ecosystem in which we operate.

**Gilson Finkelsztain**  
**CEO B3**

Contents

About our Annual Report

Materiality

Message from the Management

Highlights & Acknowledgements

B3

Strategy

Corporate Governance & Fostering ESG Best Practices

Responsible Market Infrastructure

Operating Performance

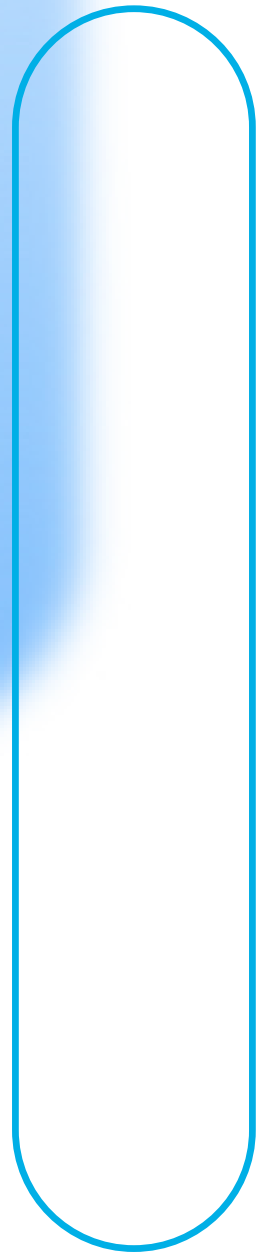
Social Responsibility & People Management

Climate Change & Natural Resource Management

Assurance Report

GRI & SASB Summaries

Credits



# HIGHLIGHTS & ACKNOWLEDGEMENTS

+ 80 new products and services.

28 IPOs and 25 Follow-ons,  
with BRL 117.7 billion raised.

73.9% growth  
to average daily trading volume in the cash equities market.

72.2% growth  
to the volume of equity index futures contracts.

69% more  
companies participating in the process for the  
Sustainability Index (ISE B3).

91% growth to the base  
of individual investors at the equities depository.

420,000 accesses  
to the Financial Education Hub.

+ 80 actions  
related to Diversity & Inclusion.

Donation of BRL 50 million  
to social projects.



9 years **Carbon Neutral.**

## Global Exchange of the Year

for the second consecutive year – **FOW Awards 2020**, organized by UK magazine Futures and Options World (FOW).

## 1<sup>st</sup> Place

in the **Financial Companies** sector of the *Melhores da Dinheiro 2020* yearbook.

## Top 10

**financial sector companies in Innovation** according to the *Prêmio Valor Inovação Brasil* award of the Valor Econômico financial daily.

## Top 10

in the GPTW – *Melhores Empresas Para Pessoas Com Deficiência*, for best practices for the disabled in companies.

## Among the 50 companies

**MOST LOVED** by **GLASSDOOR** – out of a total of 100,000 Brazilian companies, based exclusively on the opinion of employees.

## 2020 Transparency Trophy

24<sup>th</sup> ANEFAC, FIPECAFI award in the category of companies with net revenue of up to BRL 8 billion. And it is the **11<sup>th</sup> time we have been recognized** among the companies that publish financial reports in a clear and transparent way.

## Women on Board (WOB),

seal that recognizes commitment to the diversity agenda in the form of female participation on the Board of Directors (more information [here](#)). We are the second company in the Brazilian financial market to have received this recognition.

## FTSE4Good Latin America

For the fourth consecutive year we were selected to be part of the FTSE4Good Latin America index, which assesses the performance of companies in relation to environmental, social and corporate governance policies.

Contents

About our  
Annual Report

Materiality

Message from  
the Management

Highlights &  
Acknowledgements

B3

Strategy

Corporate  
Governance &  
Fostering ESG  
Best Practices

Responsible  
Market  
Infrastructure

Operating  
Performance

Social Responsibility  
& People  
Management

Climate Change &  
Natural Resource  
Management

Assurance  
Report

GRI & SASB  
Summaries

Credits



**[B]<sup>3</sup>**

## Covid-19

The coronavirus pandemic and its challenges heavily influenced our activity in 2020. We made quick decisions and adopted measures to deal with the new context:

### Our people's safety

Around 90% of our employees were able to work remotely. For this to happen, we stepped up a series of actions linked to forms of remote access and available IT tools, as reported [here](#). In this context, the health and safety of our people became priorities. We adopted several protocols, strengthened the medical care we already provided, and developed an agenda to support our employees in this period. This included a series of livestreams on mental health issues. Seeking to impact people even further, we opened the access to this content to society, making it available on our social networks.

### Business continuity

The constant investments we have made in technology in recent years means we were prepared for the operating and technological challenges that arose. We obtained solid operating resilience results and maintained the availability of our platforms. [Here](#) you can find more information about the measures adopted.

### Financial sustainability

Responsible management of business also prepared us to deal with market volatility and to take the next steps in or projects' delivery schedule. By maintaining our commitments and the engagement of our teams, our business proved resilient and grew. See our results [here](#).

### Supporting society

We took several actions to minimize the impact of the pandemic on more vulnerable communities. Led by B3 Social, the initiatives were aimed at food, health and income. We also promoted internal mobilization through the #UmSóTime campaign and made donations that totaled BRL 50 million. Get to know the initiatives [here](#).

# Profile

We provide market infrastructure, with products and services that connect, enable and develop the capital and financial markets. We operate as a stock, commodities and futures exchange, we have a private securities clearinghouse, and we are a fixed income and equities depository.

Our activities, therefore, encompass securities trading, post-trading, clearing, settlement, depository and registration, being managed by a structured and strict combination of standards and rules. We also have robust risk management and governance, which guarantees solidity, agility and credibility to the services we provide to customers, including banks, brokerage houses, companies, asset managers, high-frequency traders, individual investors and pension funds, among others. [\[102-2; 102-6\]](#)

Our business is conducted on four fronts: [\[102-1; 102-2\]](#)

**Listed:** provision of services via trading, clearing, settlement and depository platforms for exchange market participants. Among the products traded in these environments are equities, and derivatives in interest rates, forex and commodities.

**OTC:** infrastructure for the registration, clearing, settlement and custody of over-the-counter transactions. The main products are financial instruments such as bank CDs; corporate debt instruments; government bonds; and OTC derivatives.

**Financing Infrastructure:** an electronic system to enter liens on financing operations and for the electronic transmission of contract information to traffic authorities or the companies they accredit. We also provide an electronic registration service for real estate credit agreements.

**Technology and data:** systems, solutions, products and services for market participants and issuers, based on the data that pass through their systems.

We are a publicly-held company with more than 98% of our shares traded in our exchange environment's Novo Mercado listing segment, where companies commit to Corporate Governance best practices. [\[102-5\]](#)

We are headquartered in São Paulo city, with units in Rio de Janeiro (RJ) and Alphaville (SP). Overseas, we have offices in London (UK), Shanghai (China) and Chicago (United States) dedicated to assisting customers with activities in these markets and to disclosing products and services to potential investors. We also have stakes in stock exchanges in Chile, Colombia and Peru. [\[102-3; 102-4; 102-7\]](#)



# Culture

Every year we further consolidate our cause and our values, which underpin our corporate culture and serve as a parameter for defining priorities, selecting talents, and guiding our performance and reward metrics. As a result of our employees' engagement with these guidelines, our journey has evolved in line with our business strategy.



## Building Blocks of the New Culture

2020

### New Attitudes

Intra-Entrepreneurship  
Agility

2019

### New Mindsets

Sense of ownership  
Innovation  
Status quo challenger

2018

### New Values

Customer-centricity  
Collaborative and open work  
Conditions created for development while upholding ethics and excellence

2017

### Counter Limiting Values

Red tape  
Hierarchy Silos and fiefdoms  
Internal Competition

# Our cause

We work to enable, connect and develop the financial and capital markets. We boost Brazil's growth alongside our customers and society a whole.

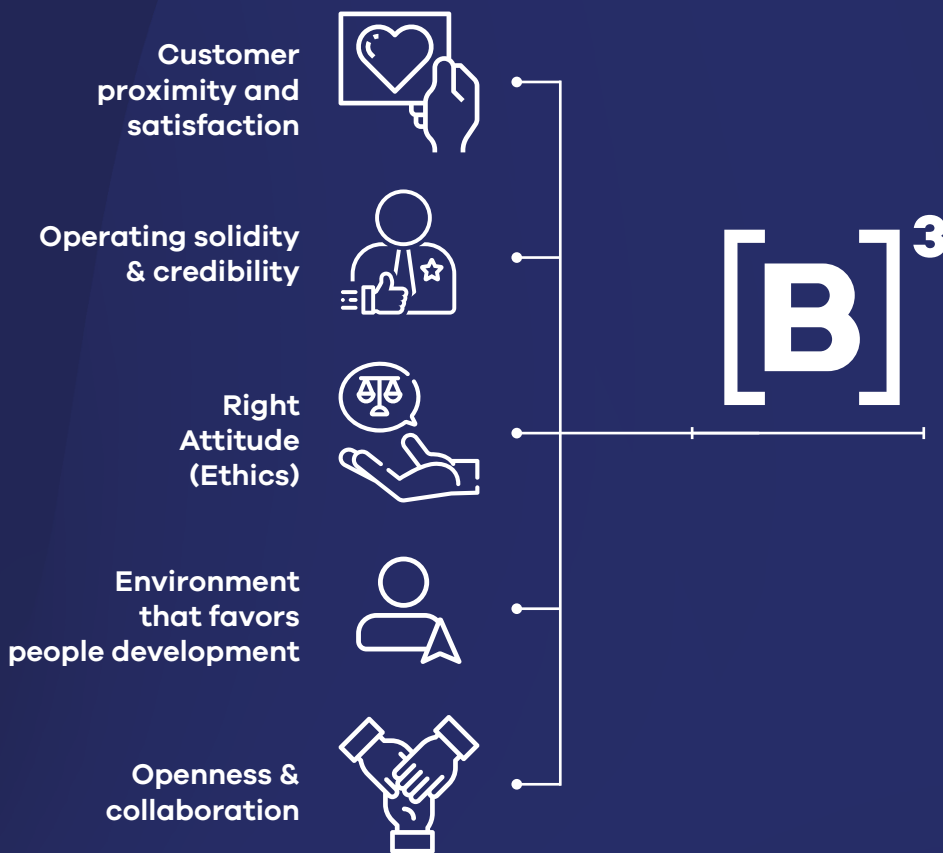
# Our values

[102-16]

- **Openness and Collaboration:** We listen empathetically and set out arguments clearly and respectfully, valuing diversity of opinion. We are available to assist and ask for assistance when necessary.
- **An environment that allows people to develop:** Our professionals are the protagonists of their own careers. They take advantage of the development opportunities available and create a network to knowledge multipliers.
- **Right attitude today, tomorrow and always:** We operate in alignment with our cause/values and act upon unethical attitudes or unethical conduct. We make decisions looking to the long term and considering impacts on the stakeholders.
- **Client proximity and satisfaction:** We put ourselves in the customers' place to understand their needs and foresee solutions that create value.
- **Operational solidity and credibility:** We guarantee the best deliveries, from decisions based on data, material information and the exchange of knowledge. We always map out, assess and manage risks.

Externally

**A company**  
centered on the customer,  
**and which guarantees**  
solidity  
and credibility  
**to the market...**



**... collaboratively**  
with conditions  
for people  
to develop...

Internally

Contents

About our Annual Report

Materiality

Message from the Management

Highlights & Acknowledgements

B3

Strategy

Corporate Governance & Fostering ESG Best Practices

Responsible Market Infrastructure

Operating Performance

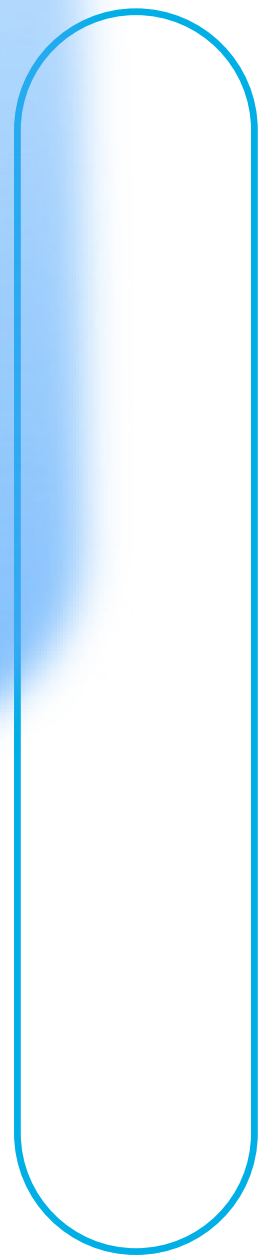
Social Responsibility & People Management

Climate Change & Natural Resource Management

Assurance Report

GRI & SASB Summaries

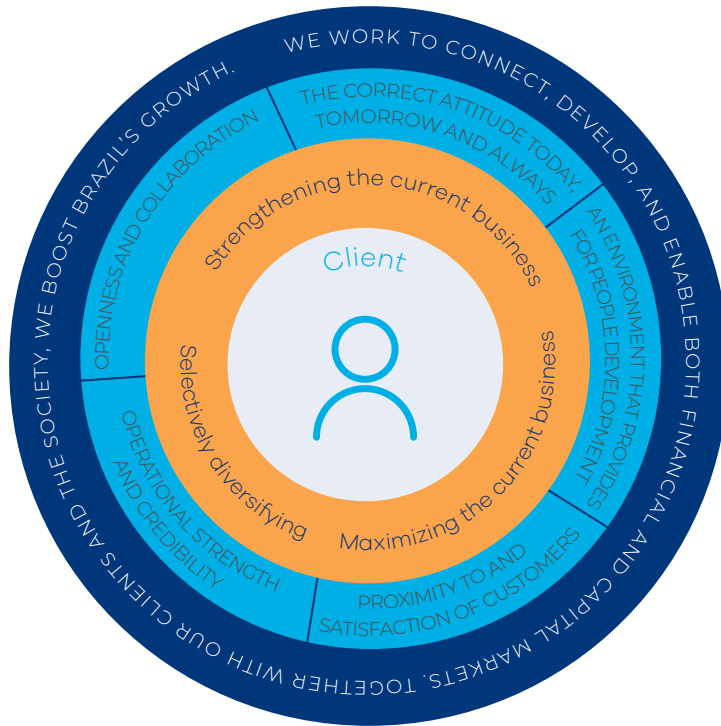
Credits



STRATEGY



We work to connect, develop and enable the financial and capital markets. This is our cause and we believe that we will only be successful on this journey if we constantly have the customer at the center of our actions.



- B3'S CAUSE
- B3'S VALUES
- STRATEGIC PILLARS

Our drivers consist of strengthening and maximizing the core of our business and growing into its adjacent spaces, thus increasing our activity in the financial and capital markets. In this strategy, we highlight advances in the following six categories:

- 1. Customer Centricity**
- 2. Products and Services**
- 3. Operating Robustness and Excellence**
- 4. Fee Structure and Incentives**
- 5. Partnerships and M&A**
- 6. Sustainability**

Contents

About our Annual Report

Materiality

Message from the Management

Highlights & Acknowledgements

B3

Strategy

Corporate Governance & Fostering ESG Best Practices

Responsible Market Infrastructure

Operating Performance

Social Responsibility & People Management

Climate Change & Natural Resource Management

Assurance Report

GRI & SASB Summaries

Credits



# Customer Centricity

We are committed to meeting customers' demands and establish constant interactions to keep them central to our decision-making. We have specific, qualified teams that map out customers' needs and we work towards improving their perception of our services and deliveries, always aligning expectations.

Among the actions we have been developing to strengthen processes and obtain greater efficiency and proximity with customers, the following are worthy of note:

**Simplifica B3:** Created in 2020, this initiative seeks agile processes, less red tape, and optimized interaction with customers. Its collective work on solutions values our employees' inputs. This format brought more than 500 ideas to the fore over the year, all of which were analyzed by a multidisciplinary group and selected by criteria of relevance and of positive transformation of the customers' experience. We selected 70 initiatives, covering subjects such as guidelines, hard copy document elimination, products, financial flows, and others.

**ATENDE B3:** A customer interface channel made up of 13 call centers specialized in the different focal verticals of the business, coordinated by the Customer Experience superintendence.

**Agile Methods:** We have expedited this working format, which has resulted in shorter product and service delivery deadlines, and in benefits with Minimum Viable Products (MVP). It has also helped us to identify problems faster and anticipate solutions for backlogs and dependencies. The adoption of agile methods is reflected in our collaborations with customers for solutions, in management of efforts and budgets, focusing on value for the customer, and in more efficient information technology processes (DevSecOps). In 2020, we involved approximately 700 people and more than 60 squads.

**Customer Centricity Area:** Created in 2020, with the purpose of coordinating and prioritizing our services to meet our customers' demands. In this regard, it is responsible for connecting relationship, product and solution development areas, maximizing swifter delivery of value. It is also responsible for customer experience and satisfaction surveys regarding our products and services.

## Individual Investor

To stimulate the economy in a year of pandemic, central banks around the world cut interest rates and injected more liquidity into the markets. In Brazil, this trend contributed to investment diversification, particularly in equities, with a marked increase in the number of individuals investing in B3. We recorded a 94% increase in the number of accounts in the equities depository compared to the previous year, ending 2020 with more than 2.6 million individual investors.

To gain a better understanding of this audience, we published a study<sup>2</sup> about the profile and behavior of more than 2 million individuals who began their investment journey at B3, both in fixed income and in equities, between April 2019 and April 2020. Here are some of the characteristics of these new investors:



## 32-year average



Check the full survey at [our website](#).

2. The survey into the profile and behavior of investors considers updated data of our equities depository and information gathered in interviews with 1,371 investors throughout Brazil, aged 18 to 65, from social classes A, B and C, who invested at B3 for the first time between April 2019 and April 2020.

To foster individual investors' access to the capital markets even further, we also made deliveries such as:

**Un-sponsored BDRs for retail investors:** unqualified investors gained access to Brazilian Depositary Receipts (BDRs), securities traded at B3 that represent shares in companies listed abroad. This option was previously limited to investors with more than BRL 1 million and was broadened to include individuals after CVM made rule changes. This has made it possible to meet the growing demand for portfolio diversification and exposure to foreign assets, which is a trend confirmed by the numbers: individual investors, who previously responded for 9% of trading became 20% of trades in 2020 after retail was allowed.

**Fee Structure Incentive:** we created a financial education incentive program in 2020, aimed at mini futures contracts in order to encourage market participants to carry out education initiatives, reaffirming our commitment to the sustainable development and expansion of the capital market for individual investors. This measure comes alongside several other fee structure incentive programs that we have been developing, such as the one related to Treasury Direct, whose metrics are based on a growing investor base and balance in custody.

# Products and Services

[102-6]

## Main deliveries in 2020

To meet the growing demand for local market sophistication, we created products and functionalities in different business areas. The new products are available in both the core area and in adjacent business, with the highlight being our debut in the insurance, energy and credit markets. Access [our website](#) and check out our more than 80 deliveries, chiefly among them:

Contents

About our Annual Report

Materiality

Message from the Management

Highlights & Acknowledgements

B3

Strategy

Corporate Governance & Fostering ESG Best Practices

Responsible Market Infrastructure

Operating Performance

Social Responsibility & People Management

Climate Change & Natural Resource Management

Assurance Report

GRI & SASB Summaries

Credits

Product	Description
<b>Listed</b> Electronic Securities Lending	Electronic platform for institutional customers to trade their lending positions. These trades were previously performed only by telephone, with subsequent registration in our system.
<b>Listed</b> COPOM Option	A product that allows customers to take on financial positions linked to the interest rate decisions of COPOM meetings, increasing the diversity of financial instruments that we offer.
<b>OTC</b> Trade and Service Bills	Implementation of the inter-operability model among registrars, with DLT blockchain technology.
<b>OTC</b> Guarantee Financial Bills	Registration adjustments for Financial Bills and collateral, whereby we worked with the Central Bank of Brazil on a solution to facilitate access to credit during the pandemic.
<b>OTC + Listed</b> Integra Bloqueios Judiciais (BacenJud)	A platform that introduces an integrated vision of the investor's portfolio in custody in our systems; in addition to automations of Financial Institutions' processes for handling of court orders.
<b>Financing Infrastructure</b> Integra+	Product adjustments to meet the regulatory changes resulting from Resolution 689 of the National Traffic Council (Contran).
<b>Financing Infrastructure</b> 4.088	We became a provider of the Integration 4.088 service for the Caixa Econômica Federal Savings Bank.

Product	Description
<p><b>Financing Infrastructure</b> Assessment Platform</p>	<p>A platform that connects banks and real estate appraisers with data intelligence, modernization of the real estate appraisal process and more efficient management of the process.</p>
<p><b>Adjacent Business</b> Insurance</p>	<p>A platform for the registration of insurance, reinsurance, open-end private pension and savings bonds transactions. It registers information from the Brazilian insurance market in accordance with Superintendence of Private Insurance (Susep) regulations. Further information is available on our <a href="#">website</a>.</p>
<p><b>Adjacent Business</b> Energy</p>	<p>An energy platform that gathers, processes and provides information that contributes towards transparency, price formation and risk management in the free energy market, based on data on negotiation of contracts and financial transactions of companies registered with us. Further information is available on our <a href="#">website</a>.</p>
<p><b>Adjacent Business</b> DADOS – DataWise Insights</p>	<p>A platform that consolidates data from markets that we serve from other sources, providing added value information that supports strategic questions such as: market overview, regions with greater investor capturing potential, investor pathways, regional segmentations and others. Further information is available on our <a href="#">website</a>.</p>

## Auctions and bidding processes

Auctions and bidding processes were another advance in 2020, aligned with our goal of boosting Brazil's growth. More than 50 new projects were contracted, with the highlight being the execution of all infrastructure initiatives selected in the Investment Partnerships Program of the Economy Ministry and the signing of the advisory contract with the Project Structuring Fund (FEP), managed by the Caixa Econômica Federal Savings Bank, with a term of five years. The contract foresees our participation in 30 public-private partnership (PPP) projects. Also in this period, a five-year advisory contract was signed to execute ten projects in the State of São Paulo.

- + 50 new projects contracted in 2020 for auctions in 2020/2021
- 25 Auctions held in 2020, with biddings for more than 35 projects
- + 15 Brazilian States impacted by the auctions held

## ESG Products and Services

[102-15; 201-2; FN-EX-410a.4]

We also have as a priority the strengthening of our current ESG products and the development of new markets on these fronts. In this regard we have reviewed the methodology of the Corporate Sustainability Index (ISE B3) and of the Carbon Efficient Index (ICO2 B3) and provided the emissions trading and registration platform for Decarbonization Credits (CBIOS).

These developments demonstrate our engagement as a driver of ESG practices in the market, with a special emphasis on climate questions. They also show our effort to perfect and broaden the portfolio of products, making it even more replicable and aligned with the needs of the market and more attractive to the investors. Our ESG products are available on the listed and OTC markets:

### Listed

We have eight indices on this front:

- Corporate Sustainability Index (ISE B3). In 2020 we had a record number of companies registering for the process: 78, considering the eligible ones and those that answered the it *Simulado*, an alternative the access to which became public and free for publicly and closely held companies, so that they could use the questionnaire as a best practices reference point. The number of companies increased by 69% against the total for the previous year. ISE B3 celebrated its 15<sup>th</sup> anniversary in 2020 with a review and restructuring of the index. As of the January 2022 portfolio, companies that join the ISE B3 will have to answer a sector questionnaire, according to the segment's materiality. Furthermore, the composition of the indicator will be weighted by ESG criteria.

- Carbon Efficient Index (ICO2 B3). After a methodology review, the scope of ICO2 B3 widened in 2020. Considering related global trends and events, companies in the IBrX 100 were invited to join the ICO2 B3 portfolios that came into effect in 2021. This broadened the scope of eligible companies, which had previously been restricted to those in the IBrX 50. In 2021, the ICO2 will undergo other reviews to make it even more attractive to investors and listed companies.
- S&P/B3 Brasil ESG Index. Launched in September 2020 in partnership with S&P, it uses criteria based on environmental, social and governance practices to select Brazilian companies for its portfolio. The methodology considers the universe of listed companies in our exchange environment and which comprise the S&P Brazil Broad Market Index (BMI), except for those that have not adhered to the principles of the Global Compact or which are a part of specific sectors (weapons, tobacco and thermal coal, for example).
- Differentiated Corporate Governance Equity Index (IGC B3). Its portfolio comprises shares of companies listed on Level 1, Level 2 and the Novo Mercado.
- Novo Mercado Corporate Governance Index (IGNM B3). Its portfolio comprises companies whose shares are traded in the Novo Mercado, a listing segment including companies that voluntarily commit to adopt higher corporate governance practices than required by law.

- Corporate Governance Trade Index (IGCT B3). This comprises companies listed on the Novo Mercado, Level 1, or Level 2. In addition to considering the governance levels of listed companies, it has even stricter liquidity criteria, to guarantee replicability. It not only shows the price variations of the index's securities, but also the impact caused by companies' earnings distributions.
- Differentiated Tag-Along Stock Index (ITAG). Comprises shares of companies that provide better conditions for minority shareholders, in the case of ownership transfer.
- Index in partnership with Great Place to Work (GPTW). A new index that is still being developed and will bring together companies that are part of the ranking of best places to work, as disclosed by GPTW, and which trade their securities on our listing environments.

Find out more about the Family of ESG indices and respective portfolios at [B3 website](#).



## OTC

We also made advances in the OTC segment in 2020, with the provision of ESG services and solutions:

- **Themed Securities (green, social, or sustainable)**  
Green, social, or sustainable securities (socio-environmental) issues have been present in our trading environment since November 2018. At the end of 2020 there were 20 instruments – 14 debentures and six Agribusiness Receivables Certificates (CRAs) – in our systems, totaling an issuance amount of BRL 6 billion.
- **CBIOs**  
Decarbonization Credits (CBIOs) gained an emission registration and a specific trading platform, reaffirming our engagement with and contribution to climate questions. In 2020, more than 18 million CBIOs issued were registered at B3, 14.6 million of which were retired to meet the year's decarbonization target. The National Biofuels Policy (RenovaBio) created this instrument through Law 13.576, to contribute to the decarbonization targets taken on by Brazil in the scope of the 2015 Paris Agreement. These targets include an increased biofuel share of the Brazilian energy matrix to approximately 18% by 2030.
- **COEs**  
Bank funding instruments that combine fixed income and equity elements in a single product. COEs have a term, minimum allocation amount, an indexer and loss and gain scenarios that the Issuer defines for different investor profiles. It is one of the newest products on the Brazilian market and allows diversification and access to new markets and tendencies. A COE can be related to assets or indices that track environmental, social and governance principles. In 2020 around 42 ESG-themed COEs were issued, totaling BRL 250 million. Compared with 2019, the figures surpassed by 68% the number of certificates issued and 78% of the volume raised.

Contents

About our  
Annual Report

Materiality

Message from  
the Management

Highlights &  
Acknowledgements

B3

Strategy

Corporate  
Governance &  
Fostering ESG  
Best Practices

Responsible  
Market  
Infrastructure

Operating  
Performance

Social Responsibility  
& People  
Management

Climate Change &  
Natural Resource  
Management

Assurance  
Report

GRI & SASB  
Summaries

Credits



# Operating Robustness and Excellence

[103-2; 103-3; 203-1; FN-EX-550a.3]

Excellence in execution and service is just as important as launching products that meet the customers' demands and track market trends. It is essential for our platforms to be prepared for the operating and technological challenges that arise with the evolution of the market in which we operate.

We had the biggest resilience test in our history in 2020, from the operating standpoint. The effects of the novel coronavirus pandemic on the financial and capital market and on society sparked a triple stress test. We faced volatility, a record number of transactions (and consequent processing capacity) and the challenge of intensifying remote work.

## Triple operational resilience test

**6 triggerings** of the circuit breaker in March, five of which halted trading for 30 minutes and one for an hour. Before this, the mechanism had been triggered 17 times since its creation in 1997. [FN-EX-410a.1]

**12.1 million** transactions on a single day. The previous record was 6 million, half of the 2020 figure.

**90%** of employees relocated to remote working.

All systems worked resiliently throughout 2020. We maintained platform availability, at a 99.980% annual rate for trading systems and 99.911% for the Clearinghouse's systems, which surpassed our operating targets and the regulatory requirements. [FN-EX-550a.1]

The results we obtained reflect the constant investment that has been made in technology in recent years to prepare our platforms for operating and technological challenges.

Contents

About our Annual Report

Materiality

Message from the Management

Highlights & Acknowledgements

B3

Strategy

Corporate Governance & Fostering ESG Best Practices

Responsible Market Infrastructure

Operating Performance

Social Responsibility & People Management

Climate Change & Natural Resource Management

Assurance Report

GRI & SASB Summaries

Credits

To ensure business continuity we have adopted the following timely measures:

- Capacity and operating indicator monitoring.
- Operating enhancement prioritization.
- Business continuity management.
- Increased trading, clearing and depository systems capacity.
- Enhancement of Capacity Management processes, encompassing stronger monitoring of environments and current governance, making the process cyclical and continuous.
- Drafting of the capacity rule, establishing concepts, guidance, guidelines, rules and responsibilities for managing process and monitoring the capacity of our systems.

In relation to the technologies adopted:

- Virtual Private Network (VPN) access to our network, which allows the remote working access experience to be the same as that of employees working at our facilities. This gives us one of the most secure forms of connection and allows monitoring of the environment.
- Exchange of desktops for notebooks for 100% of employees and interns.
- Distribution of headsets with a noise reducer, keyboards and mice for greater comfort.
- Implementation of an additional security factor: the token (CA), an extra authentication layer.
- Adoption of tools for holding virtual meetings (TEAMS and Webex) and evolution of remote access, so that video can run while the tools are being used.

Efforts to guarantee and maintain operational resilience are also strengthened by information security and cyber security initiatives, which can be seen in their entirety in the **Information Security** chapter.

Contents

About our Annual Report

Materiality

Message from the Management

Highlights & Acknowledgements

B3

Strategy

Corporate Governance & Fostering ESG Best Practices

Responsible Market Infrastructure

Operating Performance

Social Responsibility & People Management

Climate Change & Natural Resource Management

Assurance Report

GRI & SASB Summaries

Credits

# Fee Structure and Incentives

In line with our client-oriented approach, we adopt a philosophy to share economies of scale and operational leverage with the market by efficiently using price mechanisms, encouraging increased volumes and a larger investor base.

At the start of 2020 we reviewed OTC and equities market pricing structures, and reduced securities lending fees. We also disclosed a new equities market pricing model, based on progressive discounts for investors with larger traded volumes, and on increased market liquidity and sophistication.

Once the full implementation of the new model required adjustments to the technology systems of the entire market, which has been

severely impacted by the pandemic scenario that brought several other systemic challenges and priorities – we therefore established an intermediary model, implemented in February 2021, which allowed the capture of around 2/3 of the initially foreseen benefits.

This intermediary model highlights are reduced fees, substituting the progressive discount model based on global Average Daily Traded Volume (ADTV), and adjustments to day trade fees on trading and post-trading transactions. We hope that these reductions will allow sustainable growth in volumes, especially from high-frequency traders (HFT), which in 2020 accounted for 25.9%<sup>3</sup> of ADTV, 6.5 p.p. higher than the 19.4% of 2019. Regarding our depository services, the model eliminates the fixed maintenance fee and adjusts charges to a regressive percentage of the amount in custody, granting full exemption for accounts in amounts under BRL 20,000. This reaffirms our commitment to market development and to sustainable growth of the individual investor base. In 2021 we will continue dialog with the market to conclude implementation of the new pricing model that we announced in 2020, seeking to fully capture all the benefits that it seeks to offer. [\[FN-EX-410a.2\]](#)

3. Considers the trading volume of investors that trade in the exchange environment using Co-location services. Calculation is based on ADTV for the following products: Cash Market; Forward Market; and Options Market. This data does not include the participation of HFTs in index derivatives.





# Partnerships and M&A

In order to execute on or speed up our growth strategy, we have been working on partnerships with adjacent businesses to execute and expedite our growth strategy. These adjacent businesses contribute new technology, know-how, enhancements, and process efficiency. In 2020, we analyzed 58 projects, from partnerships to M&As, for several of our segments, encompassing OTC, listed, data, crypto-currencies, real estate, PIX/ payment methods, insurance, know-your-client (KYC), prevention of money laundering and counter terrorism financing (AML-CTF), Sinacor, and individual investors, among others. Of the projects analyzed, 19 projects were concluded, with the highlight being two acquisitions:

- *Central de Exposição a Derivativos (CED)*, a company that provides greater transparency to capital markets regarding derivatives positions contracted in Brazil, allowing financial institutions to improve the assessment when granting credit to companies in this type of transaction.
- *BLK Sistemas Financeiros*, one of the leading companies in electronic & algorithmic trading in Brazil. We already owned 75% of the company and in 2020 we acquired the remaining stake.

Contents

About our Annual Report

Materiality

Message from the Management

Highlights & Acknowledgements

B3

Strategy

Corporate Governance & Fostering ESG Best Practices

Responsible Market Infrastructure

Operating Performance

Social Responsibility & People Management

Climate Change & Natural Resource Management

Assurance Report

GRI & SASB Summaries

Credits

# Sustainability

Together with the Executive Board, we approved the 2020-2021 Strategic Sustainability Plan to leverage our strategic objectives and promote a resilient business environment in harmony with environmental, social and governance (ESG) best practices. Execution of the Plan is being conducted by the Sustainability area, which is part of the People, Marketing, Communication and Sustainability Department. It is based on three pillars: [\[102-20; 102-26\]](#)

## 1. Be a company aligned with sustainability best practices

With this pillar we focus on ourselves, seeking to identify opportunities for improvement so that we can move forward with our ESG practices.

To be a company aligned with sustainability best practices, we promote solid internal actions that aim for responsible management of our activities and to generate value for society. This pillar's actions involve a range of measures to engage our employees, as well as practices related to environmental management and climate change, operational solidity, ESG policies, Corporate Governance, and the promotion of transparency. See the advances we have made regarding this pillar in the chapters **Corporate Governance Practices** adopted by B3, **Social Responsibility & People Management** and **Climate Change & Natural Resource Management**.

## 2. Foster ESG best practices in the Brazilian market

The role of market infrastructure includes fostering sustainability best practice among our stakeholders. In this way, in partnership with several players, we promoted opportunities to support our customers in advancing their practices and to highlight those that are already consolidated, thus fostering a broad exchange of experiences in the market. Find out more on page [43](#).

We are also represented at national and international forums on ESG issues. Furthermore, we are signatories to voluntary commitments that seek generation of positive impacts. See the deliveries related to these matters on pages [47](#) and [48](#). [\[FN-EX-410a.4\]](#)

## 3. Strengthen the portfolio of products and open new ESG market fronts

We want to strengthen products that are already available and identify new activity opportunities, promoting the development and launch of alternatives that underpin the ESG agenda with companies and investors. Find out more at [Products and Services](#). [\[102-15; 201-2; FN-EX-410a.4\]](#)

Contents

About our Annual Report

Materiality

Message from the Management

Highlights & Acknowledgements

B3

Strategy

Corporate Governance & Fostering ESG Best Practices

Responsible Market Infrastructure

Operating Performance

Social Responsibility & People Management

Climate Change & Natural Resource Management

Assurance Report

GRI & SASB Summaries

Credits



# CORPORATE GOVERNANCE & FOSTERING ESG BEST PRACTICE



We are fully aware of our leading role in the capital market and have adopted policies and procedures that are in line with the highest governance standards. Transparency, equity, robust controls, and corporate and socio-environmental responsibility guide our operation.

We work on corporate governance in two ways:

- As a publicly-held company, adopting sustainable and long-term best practices, generating and sharing value to shareholders and other stakeholders, in a sustainable manner over time.
- As a driver for best practices, engaging the companies whose shares are traded in our exchange environment to include these principles in the management of their business.

# Corporate governance practices adopted by B3

## Structure [102-18]

We base our Corporate Governance model on three pillars: a shareholder forum; management, inspection and control bodies, in addition to the Executive Board. The composition of the bodies, as well as the details of the responsibilities and profiles of the board members, committee members and statutory executive officers are available at the [Investor Relations website](#). More details about our governance mechanisms are also reported in the [Reference Form](#). [102-22; 102-23; 102-26]

In view of the coronavirus pandemic scenario, we incorporated video conference for meetings of the Board of Directors, Advisory Committees and Executive Board, enabling in-person or remote participation, always in compliance with the guidelines published by the World Health Organization (WHO) and by the Brazilian Health Ministry. This decision is in line with our commitment to the health and safety of our shareholders, employees, and society as a whole.

## Shareholder Forum

Annual and/or Extraordinary Shareholder's Meetings: opportunities in which we inform shareholders of our strategies, deliveries and results and which provide a space for the shareholders to express themselves. This is also the forum for electing members of our Board of Directors.

In 2020, also due to the pandemic, we held a hybrid annual shareholders' meeting in April in line with the instructions of the Brazilian Securities Commission (CVM). By promoting this model, we aimed to allow the interested investors to participate remotely.

## Management, Inspection and Control Bodies

Board of Directors: its mission is to protect and increase the value of our equity, ensure our continuity, guide our business, and decide on strategic matters. As part of its responsibilities, it:

- Establishes business guidelines and targets, which includes the annual review and update of our Strategic Planning jointly with the Executive Board; [\[102-26; 102-31\]](#)
- Resolves on calling the Annual General Meeting;
- Proposes the allocation of profits;
- Elects, removes and monitors Vice-Presidents and Executive Officers;
- Selects independent auditors;
- Supervises internal control systems, especially those used in risk management; and
- Approves and controls the annual budget.

At the end of 2020, we had 11 members on our Board of Directors, all of whom were independent and seven of whom were unbound. This format reflects our widely spread stock ownership, in which there is no controlling shareholder. All the board members were elected at the annual shareholder's meeting held in April 2019, for an unified two-year term, being eligible for re-election. None of them hold executive positions at B3, nor can they be nominated as senior management at subsidiaries. The professional experience of each member is available at the [Investor Relations website](#). [\[102-23; 102-24; 102-26\]](#)



It is also not permitted for any members of the Board of Directors to participate in the resolutions of the Board of Directors or other Management bodies or subsidiaries upon matters conflicting with the interests of B3. This requirement, established in our Bylaws, also prohibits these professionals from intervening in these events, directly or indirectly. These and other situations of potential conflict of interest are also covered in our **Code of Conduct** and in the **Policy for Transactions with Related Parties**. [\[102-25; FN-EX-510a.2\]](#)

We also have a Senior Management monitoring process, established to identify, assess and deal with potential conflicts of interest involving these professionals. It includes a preventative assessment, prior to nomination for a position, and detective control conducted during the exercise of the respective terms of office.

**Audit Committee:** controls our accounts, independently inspecting the activities of the management and compliance with the legal and statutory obligations.

**Advisory Committees:** five committees support our Board of Directors in analyzing specific subjects and decision-making regarding the following: Auditing, Corporate Governance and Nomination, Products and Pricing, Personnel and Compensation, Risks and Financial. The Board of Directors governs the composition, operation and compensation of the Committees. [\[102-22\]](#)



Contents

About our Annual Report

Materiality

Message from the Management

Highlights & Acknowledgements

B3

Strategy

Corporate Governance & Fostering ESG Best Practices

Responsible Market Infrastructure

Operating Performance

Social Responsibility & People Management

Climate Change & Natural Resource Management

Assurance Report

GRI & SASB Summaries

Credits

## Executive bodies

**Executive Board:** Responsible for the good performance of our business, for meeting and monitoring the strategic guidelines defined by the Board of Directors, and for establishing operational, socio-economic and sustainability activity guidelines. [\[102-18\]](#)

**Internal Advisory Committees to the CEO and to the Executive Board:** Assist with matters that are relevant to the business, based on specific rules and norms. This activity is divided among eight committees, which deal with the following subjects: Prevention and Combat to the Financing of Terrorism, Money Laundering and Concealment of Assets, Rights and Valuables; Corporate Risks; Conduct and Ethics; Certification of the Operational Qualification Program (PQO); Pricing; Projects; Sustainability; and Central Counterparty (CCP) Risk.

**Advisory Committees:** Comprised of market participants, these are spaces for discussing opportunities

to improve the products and services that we provide. There are nine of these Chambers: Commodities; Fixed Income, FX and Derivatives; Equities; Companies and Underwriting; Risk Analysis; Norms; Trading; Post-Trading; and Financing.

Differentiated Corporate Governance practices:

- 100% of the members of the Board of Directors are independent.
- All board members are market specialists.
- Of the 11 members, two are women in line with the commitment we undertook when we became signatories to Woman on Board (WOB), an initiative that aims to engage the Board of Directors in the discussion on diversity issues. [\[405-1\]](#)
- Annual assessment of the Board of Directors and a compensation policy with a long-term component.

## Compensation

All board members receive monthly fees. They are also paid a monthly amount for their participation in the Advisory Committee, regardless of the number of meetings held in the period, and a fixed long-term component paid in shares issued by B3, which is not linked to any performance metric of the company. Further information on the subject is available in item 13 of the [Reference Form](#). [\[102-35; 102-36\]](#)

Contents

About our Annual Report

Materiality

Message from the Management

Highlights & Acknowledgements

B3

Strategy

Corporate Governance & Fostering ESG Best Practices

Responsible Market Infrastructure

Operating Performance

Social Responsibility & People Management

Climate Change & Natural Resource Management

Assurance Report

GRI & SASB Summaries

Credits

# Annual assessment

We perform an annual, formal and structured assessment of the Board of Directors and its members, as part of our work on the continuous enhancement and effectiveness of the practices adopted. The Corporate Governance and Nomination Committee conducts the assessment, which is comprised of two dimensions, and after which a meeting of the body consolidates and discusses the results that will underpin an action plan for improvements:

- Overall Board Activity, which assesses six categories: engagement with the long-term strategic agenda; quality and efficiency of the advisory committees; strategic focus of the Board of Directors; knowledge of and information about the business; in addition to independence, organization and operation.
- Individual Assessment between members, which assesses impartiality, effective contributions to the decision-making process, and the assertiveness of these contributions. This assessment is the basis of a plan of action for continuous improvement of the Board of Directors. [\[102-28\]](#)

# Policies

Our Corporate Governance practices and procedures are driven by 18 specific policies, which orientations and guidelines shall be observed by all the managers, employees, interns and, as applicable, to the suppliers, service providers and associates. Such policies comprise, in addition to B3, our controlled companies overseas, as well as Banco B3, BSM, Cetip Info Tecnologia S.A., B3 Social and other associations. In addition, we also have a policy for the other controlled companies which have certain characteristics which justify having a specific governance.

One of the policies, which applies specifically to **Reporting and the Company's Information**, which contains, among its subjects, orientations on the disclosure of material facts and notices to the market.

We also highlight the **Socio-Environmental Responsibility Policy**. Such document reaffirms the strategic importance that the subject represents to us, and it establishes our role as a Brazilian market fomenter, promoting practices on our chain of value, function that is complemented by the initiatives that we promote internally on the company, so that we can also advance on this agenda. [\[FN-EX-410a.3\]](#)

Get to know the policies on our [IR website](#).

Contents

About our Annual Report

Materiality

Message from the Management

Highlights & Acknowledgements

B3

Strategy

Corporate Governance & Fostering ESG Best Practices

Responsible Market Infrastructure

Operating Performance

Social Responsibility & People Management

Climate Change & Natural Resource Management

Assurance Report

GRI & SASB Summaries

Credits



# Fostering ESG Best Practices in the Market

In order to effectively help publicly-held companies to advance in their ESG practices, we develop initiatives intended to principles and guidelines related to corporate governance and respect for the environment, in addition to social responsibility, where we emphasize education actions aimed at investors and other market participants.

## Novo Mercado

A differentiated listing segment for shares, comprised of issuing companies that commit to spontaneously adopt stricter governance practices than required by the prevailing legislation. In this self-regulation initiative, we establish norms to make accessing information more democratic and prioritize structures that seek to mitigate risks to shareholders.

In 2020, Novo Mercado celebrated its 20<sup>th</sup> anniversary with a total of 165 listed companies. This is also the preferred trading environment for companies debuting on the Exchange. Among the 28 IPOs in the period, 26 were in the Novo Mercado.

## Market and Regulators

We are actively involved in discussions and joint work with the regulators and with other audiences to contribute to financial and capital market development. We follow the evolution and maturation of companies until they go public, for example. For those already listed on the exchange, and given the context of pandemic, we have enacted measures to relax certain rules established in our regulations. For example, we postponed to August 2022 the deadline for companies to adjust to Novo Mercado Regulations. The previous deadline was the annual general meeting (AGO) for 2020 financial statements approval.

We also contribute through the Market Arbitration Chamber. This was created in 2001 as a specialized environment for resolving capital market disputes, particularly corporate conflicts and conflicts regarding companies in B3's special listing segments (Novo Mercado, Level 2, Bovespa Mais and Bovespa Mais Level 2). Over almost 20 years of activity, the Chamber has dealt with approximately 200 arbitration cases and moved more than BRL 39 billion.

Contents

About our Annual Report

Materiality

Message from the Management

Highlights & Acknowledgements

B3

Strategy

Corporate Governance & Fostering ESG Best Practices

Responsible Market Infrastructure

Operating Performance

Social Responsibility & People Management

Climate Change & Natural Resource Management

Assurance Report

GRI & SASB Summaries

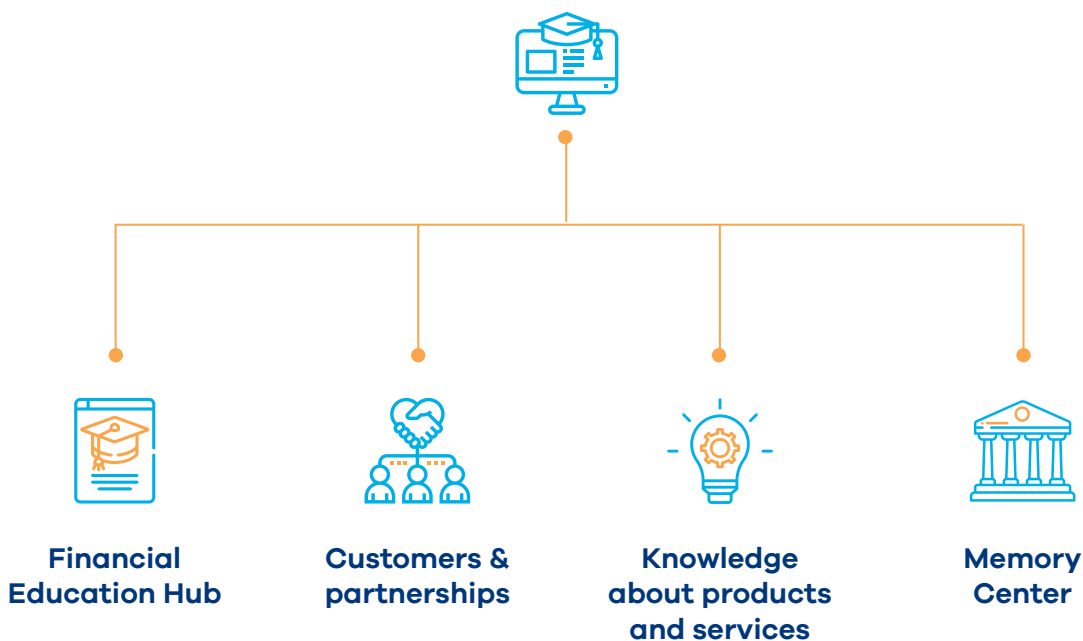
Credits

Regarding regulators, we have contributed important measures to the capital market by removing obstacles and cutting costs so that more companies can access it. Some initiatives developed in 2020:

- Review of CVM Instruction 461 and 505:
  - We took part in a public hearing held by the Brazilian Securities Commission (CVM), in which a new rule was proposed for the securities trading environment in Brazil. The regulation under discussion are likely to substitute CVM Instructions 461 and 505, which currently govern, among other issues, internalization of large lots, self-regulation and best execution rules.
  - Talks progressed over the year, where market participants expressed their opinion about the proposed changes and the subject remains on the regulatory agenda for 2021 announced by CVM. Our position is based on innovation, development and competitiveness, without sacrificing the strictness and security in the markets where we operate.
- Review of CVM Instruction 480:
  - In 2020, as coordinators of the Transparency Subgroup of CVM's Financial Innovation Laboratory (LAB), we reviewed CVM Instruction 480 at a pre-public consultation seeking to change items of the Reference Form to reduce the regulatory compliance cost and to enhance the provision of information linked to ESG matters. For more information [click here](#).
- Retail Liquidity Provider (RLP):
  - A solution that the brokerage house or its authorized participant can use to match inbound retail orders that pass through the brokerage house.
  - RLP proved to be a tool that delivers benefits to the entire market: it allows the brokerage houses to capture the value of the flow of retail orders, provides investors with a mechanism to improve price when the spread is open and guarantees transparency and monitoring of transactions for the regulators, while safeguarding the market's operation and preserving its price formation.
  - This innovation results from our work and support for the market and regulators (established by a public consultation process), seeking to enhance the Brazilian capital market's operation and to promote liquidity. In 2020, the regulator approved extending tests with the product to other assets, including equities.

## B3 Educação [203-2]

We have evolved with the market and we are now focused on connecting education to our business. To this end, we have developed actions considering four strategic pillars:



### Financial Education Hub

In this space, we curate knowledge drawn up by the market and organize knowledge trails from content produced by partners, customers and academia, and from original content. We also encourage the production of new content based on our guidelines. All of this is to help individuals learn about the world of investments.

Launched in April 2020, the **Financial Education Hub** had 45 courses at the end of the year, more than 400 pieces of content and 100,000 registered users, as well as 420,000 accesses registered. The most accessed content dealt with subjects such as how the exchange works, the equities market, and financial organization.

## Customers & partnerships

We heightened the effort and reach of financial education actions through partnerships with customers and other institutions.

- We encourage the professional qualification of our customers' teams by providing on-demand training about our systems. We also establish the knowledge to be tested in the professional certification of the Operational Qualification Program (PQO), executed by the National Association of Brokers and Distributors of Securities, Foreign Exchange & Commodities (Ancord).
- We keep a list of ready-to-go courses with partner schools, in which our employees can obtain discounts. We are in permanent discussions with academia to identify joint knowledge production opportunities.
- We are committed to the financial education of society and, through joint actions with CVM, the Central Bank of Brazil and Anbima, we engage the market in mobilization actions around the subject, such as ENEF (National Financial Education Strategy) Week and World Investor Week.

20,000+  
**People impacted by in-company training**

1,000+  
**New professionals certified by the Operational Qualification Program (PQO)**

≈ 5,000  
**People reached from actions developed in partnership with CVM**

66,000+  
**reached by initiatives in partnership with the market and academia**

Contents

About our Annual Report

Materiality

Message from the Management

Highlights & Acknowledgements

B3

Strategy

Corporate Governance & Fostering ESG Best Practices

Responsible Market Infrastructure

Operating Performance

Social Responsibility & People Management

Climate Change & Natural Resource Management

Assurance Report

GRI & SASB Summaries

Credits

## Knowledge about products and services

We support the development of the market through education about our products and services. We produce educational content in a range of formats, to be used when required or in knowledge trails. We also offer white label material and training courses to the market, with a focus on launching and sustaining products.

## Memory Center

Our collection of more than 100,000 items includes documents, videos, photos and objects. It preserves not only our memories but those of Brazil's financial and capital markets. In 2020, we made an inventory of the entire collection of the Memory Center and established an action plan to include items from the Rio de Janeiro Stock Exchange.

We are working on the development of a museum with funds from the Federal Law for the Promotion of Culture, which will be part of the tourist itinerary of Downtown São Paulo. In this space we will tell the story of the market, a story that is able to reach the widest range of publics

## Institutional Partnerships

[102-12; 102-13]

We are a signatory to, and/or member of institutions and commitments that focus on ESG discussions, so as to contribute to and monitor trends and possible regulations that could impact our operations and stakeholders, and transform discussions into subsidies for the creation of new products and services.

- The first Exchange to be a signatory to the UN Global Compact, in 2004. We are also members of the initiative's board (Global Compact Network Brazil – CORB) and the local committee.
- Signatory to the Principles for Responsible Investment (PRI) since 2010.
- Founding signatory to the Sustainable Stock Exchanges (SSE) in 2012.
- Member of the Sustainability Working Group of the World Federation of Exchanges (WFE), since 2014.
- Member of the Advisory Committee of CDP Latin America.
- Member of the Intrasector Sustainability and Environment Committee of the Brazilian Federation of Banks (Febraban).
- Member of the Impact Financial Instruments and Investments, Fintech, Green Finance, ESG Risk Management and Transparency Working Groups of the CVM's Financial Innovation Laboratory (LAB).
- Member of the Capital Market Initiative (IMK) of the Economy Ministry.
- Supporter of the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) of the Financial Stability Board (FSB).

Find out more on our [website](#).





Still in the scope of ESG, in 2020 we continued to promote a series of themed events with market participants, to support our customers in this evolution. Some highlights:

- Three “ISE B3” and “ISE Fórum 15 Anos” dialogs covering issues such as advances in restructuring the indices so that all stakeholders can be involved in the review process.
- Webinar for the launch of ICO2 B3, with a debate about the importance of the climate agenda connected to companies’ strategies, as well as investors’ views on the subject.
- A series of three webinars about Green, Social and Sustainability Bonds, in partnership with the Inter-American Development Bank (IDB), CVM, and the Sustainable Stock Exchanges (SSE). This series discussed the workings and stages for the issuance of themed securities, in addition to Brazil’s current situation, trends and opportunities.

- Green Finance webinar in partnership with CDP, which dealt with how the private sector is preparing to link its post-Covid -19 strategies to a green recovery plan, suggesting sustainable investments as a way out of the economic crisis.
- A webinar in partnership with the Climate Commitment Platform about the importance of companies establishing a climate strategy and about the workings of the voluntary carbon market in Brazil. It also dealt with the outcomes of the regulated market.

Contents

About our Annual Report

Materiality

Message from the Management

Highlights & Acknowledgements

B3

Strategy

Corporate Governance & Fostering ESG Best Practices

Responsible Market Infrastructure

Operating Performance

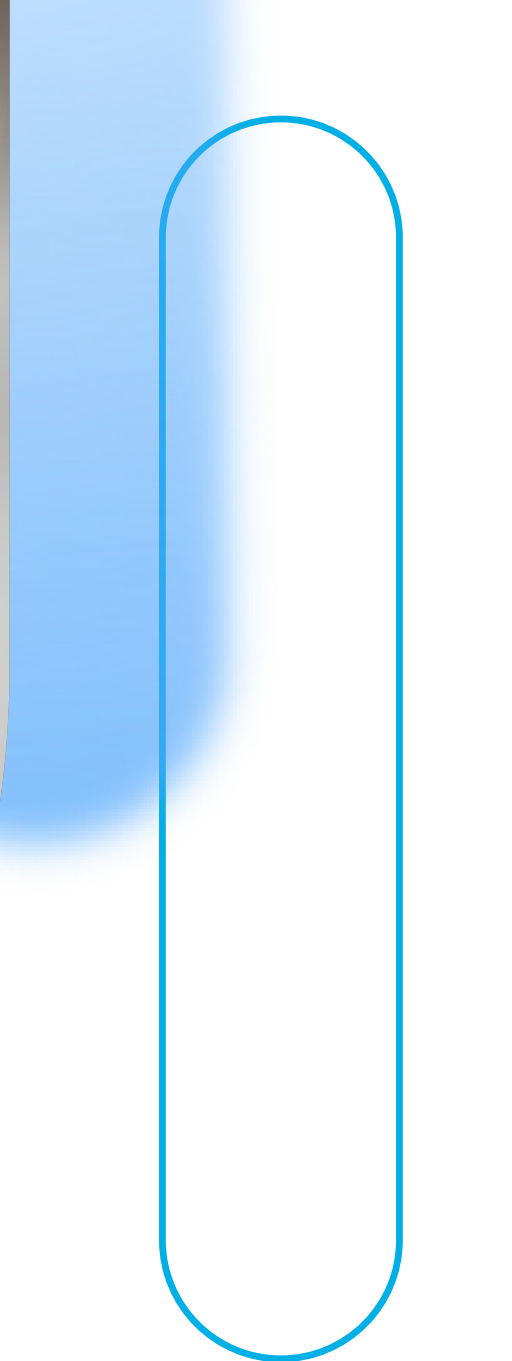
Social Responsibility & People Management

Climate Change & Natural Resource Management

Assurance Report

GRI & SASB Summaries

Credits



# RESPONSIBLE MARKET INFRASTRUCTURE



We are committed to the market's development. With this in mind, we have adopted practices, norms and procedures to strengthen the responsible management of our business. This includes assuring the integrity and security of company and customers' information, compliance with local regulations, and resilience of our platforms and operating structure, among others.

# Ethical Conduct

We know that to contribute to the market's growth in a responsible manner, we must guarantee that our activities are performed ethically, combatting practices such as corruption and fraud. In our **Code of Conduct and Ethics**, we provide our managers, employees and interns with guidance on the standards and rules of behavior that we expect, both in the work environment and in the relationship with customers and other stakeholders. The document is based on our cause and values, which are aspects that guide our organizational culture. [\[102-16\]](#)

Our employees and interns are informed of and have access to the content of the Code as soon as they join the Company. And this knowledge is formalized through signing an instrument in which they also commit to compliance with the document's guidelines. There are also periodical internal publicity campaigns, which were stepped up in 2020, through videos, communications and posts on the intranet. All recent hires also take part in onboarding training, where they are introduced to the Code. In addition to these initiatives, other awareness-raising mechanisms such as training courses and lectures are provided. We also offer a mandatory annual online course on the Code of Conduct, to all employees.

One of the subjects dealt with in the Code of Conduct is contributions to political candidates or parties. The prevailing legislation prohibits this by the Company and senior management but allows it by employees and interns if they comply with the appropriate legal provisions. In 2020, there were no reports to the Ethical Conduct Committee in this regard. [\[103-2; 103-3; 415-1\]](#)

Contents

About our Annual Report

Materiality

Message from the Management

Highlights & Acknowledgements

B3

Strategy

Corporate Governance & Fostering ESG Best Practices

Responsible Market Infrastructure

Operating Performance

Social Responsibility & People Management

Climate Change & Natural Resource Management

Assurance Report

GRI & SASB Summaries

Credits

Promoting an ethical environment also entails mechanisms to prevent illegal activity, while always complying with Brazilian and international laws and best practices for the combat of corruption and fraud. The principles and actions that we adopt to prevent such cases are contained in the **Anti-Corruption and Fraud Prevention Policy** and in the Anti-Corruption Rule. All managers, employees and interns must mandatorily take part in online training on these subjects. On these occasions they are informed about the actions

that must be taken in situations of noncompliance with the above documents. To December 2020, 100% of managers, employees and interns had taken part in the training<sup>4</sup>. [\[103-2; 103-3; 205-1; 205-2\]](#)

In 2020, we were not subject to any legal proceedings related to this issue, there were no cases of corruption registered, and there were no disciplinary and contractual measures involving employees or business partners. [\[205-3\]](#)

## Whistleblower Channels [\[102-17\]](#)

In 2020, with the support of managers, employees and interns, we changed the name of our Whistleblower Channel to Alô, Compliance! We also reviewed and simplified the processes for handling reports.

Alô, Compliance! is a channel for anonymously or openly reporting employees, interns and/or legal representatives who appear to be in breach of our Code of Conduct and Ethics, our Bylaws, legal and regulatory provisions, and our internal rules and policies. It also allows identification of internal fraud.

Several enhancements were made to the channel in 2020, among which we highlight:

- Website improvement, with an updated layout and enhanced visual identity. The portal also received a new Q&A section;
- Review and update of types of reports;
- Automation of answers sent to the whistleblowers;
- Improvements to the report investigation process, seeking to reduce individual processing time; and
- Training and qualification of the teams responsible for investigating the reports.

4. Encompasses the companies B3 S.A., Banco B3, Cetip Info, Cetip Lux, CED and BSM. The training was reformulated, and the new version, launched in December 2020, is 30% concluded.

Alô Compliance! registers information and sends it to an outsourced specialized company, which analyzes the report and forwards it to our Compliance team. The Audit and People teams then investigate the information reported. Once the investigation has been concluded, the case is put before the Conduct and Ethics Internal Committee.

Once in the possession of the reports on the occurrence, the committee then resolves on appropriate measures to deal with the report. After the Committee has taken all the appropriate measures, the occurrence will be closed/filed, with communication to the whistleblower.

Reports can be made by telephone on 0800-202-2863, Monday to Friday, from 8:00 a.m. to 8:00 p.m., or by email to [linhadiretab3@br.ictsglobal.com](mailto:linhadiretab3@br.ictsglobal.com)<sup>5</sup>.

	2018	2019	2020
<b>Number of complaints received</b>	34	41	33
<b>Number of sanctions applied</b>	25	26	21

Any suspected cases of internal fraud and corruption identified through Alô Compliance!, regardless of their relevance, are escalated to the Audit Committee, which, in turn, reports them to the Board of Directors, and, when appropriate pursuant to the applicable legislation, to the Central Bank of Brazil. The volume of reports classified as high and/or extreme risk received monthly by Alô Compliance! is contained in the report on B3's risk tolerance indicators, which is submitted to the Corporate Risk Internal Committee and to the Board of Directors' Risk and Financial Committee.

Furthermore, our Audit Committee Channel receives internal and external reports about the quality and integrity of our financial statements, the appropriateness of transactions with related parties, and conflicts of interest. It can be accessed at [auditoria.interna@b3.com.br](mailto:auditoria.interna@b3.com.br).

For clarifications, complaints, praise, suggestions or other information about the products and services that we provide, our stakeholders can access the specialized contact channels.

5. Provided to all subsidiaries of B3 S.A. Banco B3 S.A. (Banco B3).

# Risk Management [102-11; FN-EX-550a.3]

Our governance structure has four lines of defense:

**1<sup>st</sup> Line** – Business areas, which are primarily responsible for managing internal risk and controls so as to guarantee that operating and strategic goals are met.

**2<sup>nd</sup> Line** – Corporate areas and Governance and Integrated Management Department, which support business areas and our management in decision-making by determining guidelines and providing internal control, risk, and compliance assessments.

**3<sup>rd</sup> Line** – Internal Audit, which provides the Board of Directors, Audit Committee and Executive Board with independent, impartial, and timely assessments, advisory and insights. These cover the effectiveness of risk management and governance practices, the adequacy of controls, and compliance with the rules and regulations associated with our activity.

**4<sup>th</sup> Line** – Independent External Audit, which reviews the financial statements to ensure that they do not contain material distortions and are drafted in accordance with an appropriate structure. Also, the regulatory surveillance bodies, particularly the Central Bank of Brazil (BCB) and the Brazilian Securities Commission (CVM), which assess whether we have an adequate infrastructure for the execution of systemic activities and for compliance with the existing rules.

Our company and its management view continuous improvements to corporate governance structures and enhancements to the internal controls environment as strategic targets. For this reason, we permanently invest in people, infrastructure, and technology solutions to implement best practices for internal controls.

With our strategic goals guiding us, the Governance and Integrated Management Department manages corporate risk based on the tolerance and appetite established by the Board of Directors. The guidelines, for their part, are determined in the Corporate Risk Management Policy.

Contents

About our  
Annual Report

Materiality

Message from  
the Management

Highlights &  
Acknowledgements

B3

Strategy

Corporate  
Governance &  
Fostering ESG  
Best Practices

Responsible  
Market  
Infrastructure

Operating  
Performance

Social Responsibility  
& People  
Management

Climate Change &  
Natural Resource  
Management

Assurance  
Report

GRI & SASB  
Summaries

Credits

# Corporate Risk

The corporate risks to which we are exposed are divided into four macro categories: [102-15]

- Strategic: the possibility of implementing an unsuccessful or inefficient strategy, which fails to obtain the intended return.
- Regulatory: changes to the regulations, and actions by Brazilian or international regulatory bodies, that could result in growing competitive pressure and significantly impact efficient business administration.
- Operating: the possibility of losses resulting from failure, deficiency, or inadequacy of internal processes, people, or technological environment, or due to external events. This includes legal risk associated with the inadequacy or deficiency of contracts that we sign. [205-1]
- Financial: the possibility of publishing incomplete, inexact or late financial, management, regulatory, tax, statutory and sustainability reports, making us liable for fines, penalties and other sanctions.

We have two approaches to identify these corporate risks:

- Top down, which reflects the high-level risks that might impact us as a company, in the view of Management (including the president, vice presidents and officers) regarding the business model's main exposures and their causes and consequences.
- Bottom up, which looks at the subject from another perspective: the detailed context of the parties responsible for executing the processes and controls.

# Internal controls

The structure for internal controls focuses on operational effectiveness and efficiency, on integrity in information and data registration, and on compliance with the risk-based approach. The structure's procedures reduce the likelihood of financial losses and deterioration to the institutional image.

Another duty is to improve the quality of accounting information and to safeguard compliance with the prevailing legislation and regulations.

The internal controls system assessment and monitoring is the responsibility of a specific area, whose work is based on the Compliance and Internal Controls Policy, available [here](#).

Contents

About our Annual Report

Materiality

Message from the Management

Highlights & Acknowledgements

B3

Strategy

Corporate Governance & Fostering ESG Best Practices

Responsible Market Infrastructure

Operating Performance

Social Responsibility & People Management

Climate Change & Natural Resource Management

Assurance Report

GRI & SASB Summaries

Credits

# Information and Cyber Security [FN-EX-550a.3]

The management of large volumes of information is intrinsic to our activity. To ensure that we adopt the best practices regarding cyber and information security, we have a specific operating structure dedicated to the matter. It is led by the Cyber Security Superintendency, which reports directly to the Chief Information Officer (CIO) and, on a dotted-line basis, to the Integrated Governance Department. Activities are developed based on a normative structure comprising the **Security Policy** and internal guidelines.

One of the principles underlying our routines is a guarantee that information will only be accessed by and available to authorized persons, when necessary. We also guarantee that information will be full, with no unauthorized changes made during its life cycle. In 2020, there were no reported breaches of the General Data Protection Law (LGPD) that would have resulted in data leaks, thefts, or losses of impact for B3's customers, as set forth in the applicable legislation. [\[103-2; 103-3; 418-1\]](#)

Among the actions developed on this front in 2020, the highlights were:

- Internal communication and engagement agenda about secure behaviors, which includes Security e-learning for leaderships and campaigns on Phishing, among other initiatives. Training related to the subject totaled 1,421 hours.
- Technology protection projects validated by the Cyber Security Technical Assessment, which covered in detail our architecture, technology, processes, and adequacy to the NIST framework, used as a reference by the Cyber Security area.
- Adoption of measures to comply with the General Data Protection Law (LGPD). This encompassed developing a privacy framework to guarantee that all flows and processes involving personal data comply with the new rules. There were also appropriate security safeguards developed, respecting individual rights to privacy.





# Supply Chain

The nature of our activity means our main suppliers work in product and technology development. They provide hardware and software solutions such as servers, network equipment and mainframes, as well as equipment maintenance, technical support, and specialized manpower for specific projects. [102-9]

In 2020, we funneled BRL 754 million into contracts with 768 suppliers, of which 95% are local in the sense of operating within Brazil. There were no significant changes to the supply chain structure in the year. However, 103 companies were contracted for the continued retrofitting of buildings in the center of the city of São Paulo. [102-10]

When we hired these partners, we informed them of the “General Conditions for the Execution of Works”. In this document the hired company takes responsibility for organizing and cleaning work areas, for managing the solid waste they generate and disposing it in compliance with the legal requirements.

Management of the relationship with our suppliers includes:

## Code of Conduct for suppliers, service providers and partners

This document contains the guidelines for our partnerships, encompassing:

- Non-compliance with labor and social security obligations and provisions prohibiting child labor, forced labor and slavery-like conditions shall entail immediate unilateral termination of the agreement.
- Diversity.
- Combatting prejudice, discrimination and harassment.

Contents

About our Annual Report

Materiality

Message from the Management

Highlights & Acknowledgements

B3

Strategy

Corporate Governance & Fostering ESG Best Practices

Responsible Market Infrastructure

Operating Performance

Social Responsibility & People Management

Climate Change & Natural Resource Management

Assurance Report

GRI & SASB Summaries

Credits

- The environment and respect for environmental legislation.
- Incentives for the supplier to adopt sustainable practices.
- Combat and Prevention of Corruption, Money Laundering and Fraud.
- Information Security.

## Approval processes

[103-2; 103-3; 308-1; 414-1]

In 2020, 152 suppliers went through the approval process and 93% met the registration, reputational, economic, financial, labor and social security analysis criteria. No negative socio-environmental impact was recorded.

At this stage, suppliers sign a formal acceptance of our Code of Conduct, which among other things requires compliance with environmental legislation. Suppliers considered critical in terms of procurement, compliance, information security, business continuity or ESG best practices, answer a specific questionnaire about these issues, depending on the type of contract involved. Standard contracts also include specific clauses about labor, socio-environmental and social security issues.

In the approval process we also perform a reputation check to identify critical points regarding Politically Exposed Persons (PEP), negative media, related parties, and former employees.

## Periodic reassessments

During service provision, we periodically reassess the status of the contracted parties, using the same criteria as in the approval phase. In 2020, no suppliers were identified who were exposed to the risk of child labor or slavery-like conditions. [103-2; 103-3; 408-1; 409-1]

Contents

About our Annual Report

Materiality

Message from the Management

Highlights & Acknowledgements

B3

Strategy

Corporate Governance & Fostering ESG Best Practices

Responsible Market Infrastructure

Operating Performance

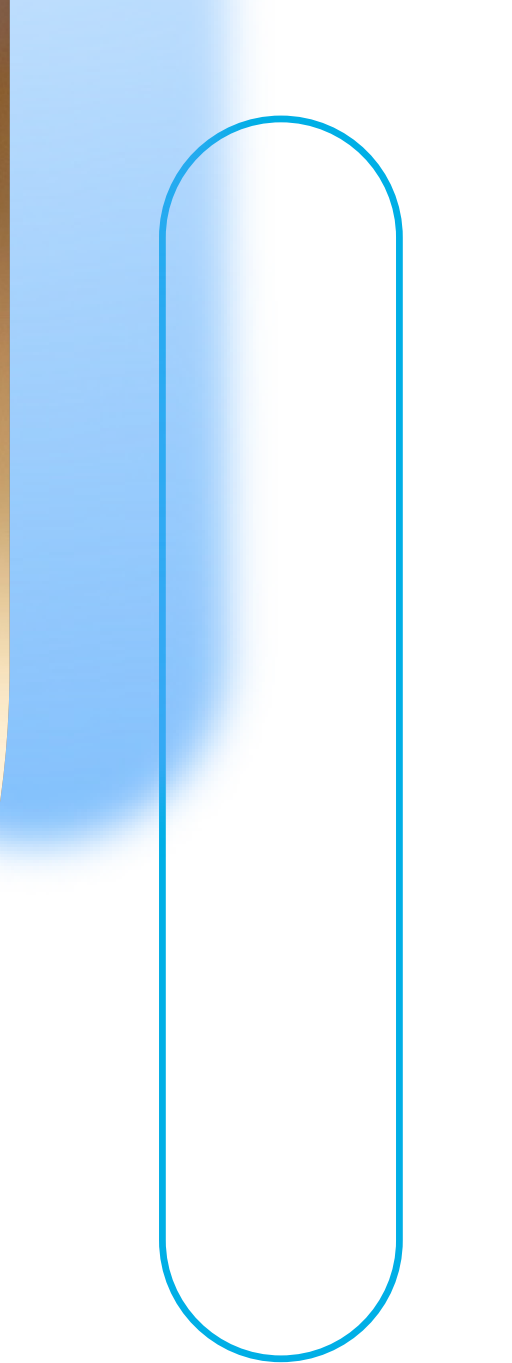
Social Responsibility & People Management

Climate Change & Natural Resource Management

Assurance Report

GRI & SASB Summaries

Credits



# OPERATIONAL PERFORMANCE

[201-1]



# Statement of Value-Added (DVA)

[102-7; 201-1; 103-2; 103-3]

The value-added by B3 for the fiscal year ended 2020 amounted to R\$9.4 billion. The distribution of that value-added among our diverse stakeholders is shown in the table below. Of this, R\$4.1 million went on to the payment of Interest on Equity Capital to shareholders in 2020 and R\$906.3 million went on staff and related costs. The tax line also increased, reflecting higher revenue in 2020.

	2019	2020
<b>Revenues</b>	R\$ 6,688,355	R\$ 9,463,674
<b>Distribution of added value</b>	R\$ 5,357,395	R\$ 7,850,848
<b>Taxes</b>	R\$ 1,307,716	R\$ 2,321,028
<b>Personnel</b>	R\$ 876,744	R\$ 906,332
<b>Shareholders</b>	R\$ 2,714,166	R\$ 4,152,304
<b>Third Parties</b>	R\$ 459,731	R\$ 472,773

## Results in 2020

As previously reported to the market, since the first quarter of 2019 we adopted a new way to segment our revenues in different markets and services. The reconciliation of these changes and the historical bases are available at the [Investor Relations](#) website. All comparisons in this document are in relation to 2019, unless when otherwise indicated.

Contents

About our Annual Report

Materiality

Message from the Management

Highlights & Acknowledgements

B3

Strategy

Corporate Governance & Fostering ESG Best Practices

Responsible Market Infrastructure

Operating Performance

Social Responsibility & People Management

Climate Change & Natural Resource Management

Assurance Report

GRI & SASB Summaries

Credits

# Listed Products

[203-2, 413-1]

## Listed

Equities

		2020	2019	2020/ 2019 (%)
Cash Market	ADTV (R\$ millions)	29,112.7	16,738.7	73.9%
	Margin (bps)	3.988	4.335	-0.347 bps
Average Market capitalization	(R\$ billions)	4,167.4	4,060.8	2.6%
Turnover Velocity	Annualized (%)	173.9%	102.2%	7,172 bps
Options market (stocks/indices)	ADTV (R\$ millions)	703.8	338.9	107.7%
	Margin (bps)	11.527	14.139	-2.612 bps
Forward Market	ADTV (R\$ millions)	212.2	184.9	14.8%
	Margin (bps)	12.999	12.968	0.031 bps
Future stock indices	ADV (thousands of contracts)	2,538.9	1,474.7	72.2%
	Average RPC (R\$)	1.001	1.004	-0.2%
Investors number	Average (thousands)	2,690.8	1,256.2	114.2%
Securities lending	Average open position (R\$ billions)	74.0	59.3	24.9%

Note: ADTV stands for Average Daily Trading Volume; ADV stands for Average Daily Volume; RPC stands for Revenue per Contract); bps stands for basis point; turnover velocity results from dividing cash market trading volume in the period by average market cap in the year.

In the equities segment, the highlights were the 73.9% growth in the cash equities market's ADTV and 72.2% increase in stock indices futures contracts' volumes. In the cash equities market, the increase reflects the volatility from uncertainties about the pandemic and the higher turnover velocity, which reached 173.9% in the year 2020, while average market capitalization remained at the same levels as in 2019. For the stock indices futures contracts' market, the performance can be attributed to the continued growth in trading of mini contracts, particularly by individual investors and by High Frequency Traders (HFT).

The trading/post-trading margin in cash equities market was 3.988 bps.

The 0.347 bps decrease is mostly explained due to (i) discounts given to the market according to the Company's pricing policy<sup>6</sup> and (ii) the increased share of local institutional investors and day traders, who pay lower fees. The average RPC for stock indices futures contracts was R\$1.001, in line with the previous year.

The average number of active investors in the equities depository grew 114.2%, mainly due to the increased interest in diversifying investments in a lower interest rate environment. In 2020, B3 supported brokerage firms focused on attracting new customers to this market, through incentive programs and pricing mechanisms.

## Interest rates, forex & commodities

		2020	2019	2020/ 2019 (%)
<b>Interest rates in BRL</b>	ADV (thousands of contracts)	3,058.1	2,811.7	8.8%
	Av. RPC (R\$)	0.891	0.876	1.7%
<b>Interest rates in USD</b>	ADV (thousands of contracts)	288.5	349.4	-17.4%
	Av. RPC (R\$)	2.291	1.742	31.5%
<b>FX rates</b>	ADV (thousands of contracts)	953.9	750.4	27.1%
	Av. RPC (R\$)	5.207	3.877	34.3%
<b>Commodities</b>	ADV (thousands of contracts)	14.1	9.3	51.9%
	Av. RPC (R\$)	2.187	2.241	-2.4%
<b>Total</b>	ADV (thousands of contracts)	4,314.6	3,920.8	10.0%
	Average RPC (R\$)	1.943	1.531	26.9%

6. According to the prevailing fee table in the first half of 2020, marginal discounts are granted to the whole market whenever ADTV in the month surpasses BRL 9 billion, BRL 11 billion and BRL 13 billion.

In 2020, the average daily traded volume totaled 4.3 million contracts, up by 10%, reflecting a rise in traded volumes for all products, except for interest rate contracts in USD. Average RPC increased by 26.9% in the period, primarily influenced by a 28.9% appreciation of the USD against the BRL, which had a

positive impact on the RPC of FX rates and Interest rates contracts in USD, since they are priced in US dollar, an increase in the share of FX rates contracts in the mix of products during the period, and an increase in longer-term Interest rates contracts in BRL, which have a higher RPC.

# OTC Products

## Fixed Income Instruments

		2020	2019	2020/ 2019 (%)
Issues	Bank funding (total in R\$ billions)	12,195.9	9,197.9	32.6%
	Other (total in R\$ billions)	704.8	534.9	31.8%
Outstanding Balance	Bank funding (average in R\$ billions)	1,927.1	1,423.5	35.4%
	Corporate debt (average in R\$ billions)	689.6	625.1	10.3%
	Other (average in R\$ billions)	714.5	622.3	14.8%
Treasury Direct	Number of investors (average in thousands)	1,305.6	1,057.6	23.4%
	Stock (average in R\$ billions)	66.3	63.6	4.3%

The volume of new issues and the outstanding balance in bank funding instruments increased by 32.6% and 35.4%, respectively, primarily due to the increase in Bank Deposit Certificates and Interbank Deposit Certificates issues, which represented 63.2% and 33.0% of new issues in 2020, with financial institutions capitalizing themselves to finance the expansion of credit

and reinforce their balance sheets. Likewise, the average outstanding balance of corporate debt increased by 10.3%, highlighting the growing importance of local debt and capital markets as a funding source for companies in Brazil, with debentures of leasing companies accounting for 29.0% of the average outstanding balance of corporate debt in 2020 (vs. 34.0% in 2019).

Another highlight of the fixed income market was the continued growth of Treasury Direct, with an increase of 23.4% and 4.3% in the number of investors and stock, respectively. B3 offers an incentive program for brokerage firms to increase their number of investors and outstanding positions in this

product. This incentive program is revised on a yearly basis, and the targets set for the year were adjusted to consider the results achieved in 2019. Additionally, B3 and the National Treasury announced in Jul/20 that, as of Aug/20, Treasury Selic custody fee will be waived for the first R\$10 thousand invested.

## OTC Derivatives and Structured Operations

		2020	2019	2020/2019 (%)
<b>Issues</b>	(total in R\$ billions)	12,989.1	10,734.9	21.0%
<b>Outstanding Position</b>	(average in R\$ billions)	4,039.4	2,620.8	54.1%

The registration of new issues on the OTC derivatives and structured notes market recorded a 21.0% growth, concentrated in Swaps and FX rate contracts, which were in high demand due to the volatility in exchange rate during the year.

In addition to the growth in volume of new issues registered, the average outstanding balance increased by 54.1% in the period, since most of these contracts are referenced in U.S. dollar.

# Infrastructure for Financing

		2020	2019	2020/2019 (%)
<b>SNG</b>	Number of vehicles sold (thousands)	15,919.8	18,586.9	-14.3%
	Number of vehicles financed (thousands)	5,529.2	6,113.7	-9.6%
	% Vehicles financed /vehicles sold	34.7%	32.9%	1.8 pp
<b>Contracts System</b>	Contracts added (thousands)	3,186.8	3,617.9	-11.9%
	% Transactions/vehicles financed	57.6%	59.2%	-1.5 pp



In 2020, the number of inclusions in the National Liens System (SNG) decreased by 9.6%, especially due to the impact of the Covid-19 pandemic on the auto market, as reflect by a 61.0% fall in vehicles sold in second quarter of 2020 against second quarter of 2019. Despite the contraction of business in the sector in the year, data for the second half show signs of recovery in this market, particularly in 4Q20, when the

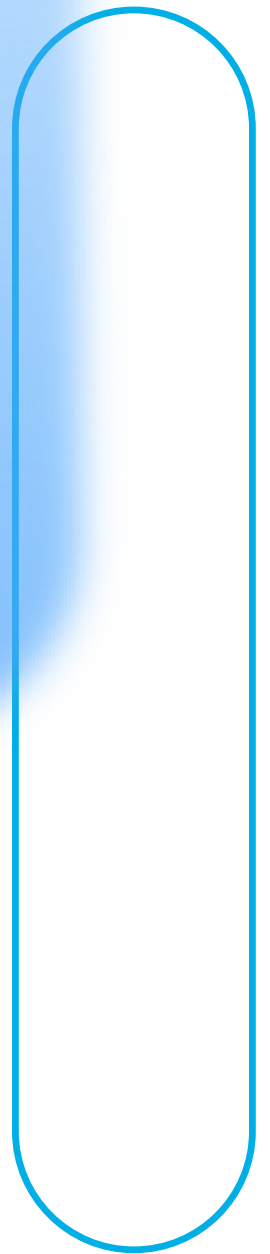
number of vehicles financed grew 3.1% against 4Q19, driven by an 11.5% rise in the number of vehicles sold in that same period.

In the Contracts System, the number of transactions was 11.9% lower in the year, reflecting the decrease in the number of vehicles financed, combined with a reduction in B3's market share of this service, which totaled 57.6% in the period.

# Technology, Data and Services

		2020	2019	2020/2019 (%)
<b>Monthly Utilization</b>	Average number of customers	14,124	13,302	6.2%
<b>CIP</b>	Number of electronic TEDs processed (thousands)	1,331,734	839,526	58.6%

The average number of customers of the service for monthly use of B3's OTC systems increased by 6.2%, mainly due to growth in the funds industry in Brazil. The number of processed TEDs (fund transfers) grew by 58.6%, due to banking customers' changed habits during the Covid-19 pandemic.



SOCIAL  
RESPONSIBILITY  
& PEOPLE  
MANAGEMENT



# People Management

## Health, Safety, & the well-being of our people

### Combating Covid-19

One of the four pillars of the anti-coronavirus initiatives that we adopted in this pandemic year was to guarantee the safety of our people.

Remote working had already been reality for us since 2018. This meant we were prepared to move most of our people – around 90% of our employees – to this format. We invested even more in technology to improve the experience of every employee in this atypical period.

The coronavirus pandemic led us to develop actions to protect the health of our employees and keep them informed on the subject. We created, for example, a specific intranet page to keep all information in a single place. We carried out frequent surveys to accompany and support everyone in facing the challenges that arose in this context.

The actions developed to take care of our people included:



#### Transport cost assistance

professionals who had to be physically present at our offices between March 2020 and January, 2021.



#### Option of flu vaccine reimbursement

for employees and interns who did not take part in the internal campaign.



#### Cancellation of business trips,

national and international, for an indefinite period.



#### Distribution of PPE

for those physically present at our installations (mask, hand sanitizer and iron finger).



#### Reinforced sanitation of our buildings,

especially in common areas.



#### Installation of hand sanitization totems

for our office environments, pedal operated.

We also adopted a quarantine flexibilization plan, with initiatives aimed at employees who opted to return to in-person work. This included a guide on the new rules of coexistence in buildings, and security protocols, rapid immunity testing and mandatory training. More than 78%<sup>7</sup> of employees who were working in-person in 2020 took part in this training. Our installations are signposted to guide everyone about social distancing, occupation of spaces, and prevention measures. Risk groups and employees aged under 18 will only return when all restrictive measures are suspended and, therefore, the pandemic has been brought under control.

We also offered all employees quick coronavirus testing to identify whether they have had contact with the virus. Thus, if they have been infected, they can discover whether they have developed immunity. The information is also passed on to our medical team, so that they can guide our employees.

## Health and Safety at Work [103-2; 103-3; 403-6; 403-10]

To care for the health and safety of our employees and interns, we comply with the applicable occupational health and safety regulations. We also constantly adapt our installations to create healthy working environments.

These issues are also under managed by an Occupational Safety and Medicine team, which seeks to identify and prevent environmental risks, suggest actions to make the workplace safer and assure compliance with the applicable internal rules. We also have an infrastructure for emergencies, with a 24-hour ambulance service and mobile ICU, in addition to outpatient units at our XV and Praça buildings and medical service rooms at our Florêncio and Líbero buildings.

We also have an Internal Accidents Prevention Committee (CIPA) to observe and report workplace accident risks and request measures to minimize them. Its duties include offering guidance to employees about prevention measures. In 2020, CIPA had 26 members, 13 of whom elected by the employees, and 13 appointed by us. Everyone who works at B3 is represented by formal health and safety committees.

Employees have access to the “Best Practices Booklet” drawn up by CIPA to raise awareness about the influence of individual attitudes on work routines. We also provide online training that covers subjects such as ergonomics, firefighting and fire prevention.

7. Employees that have not yet attended the training include new hires, who have up to 30 days to take the course.

Nearly all our activities are administrative, which cuts the rate of workplace accidents or occupational disease. We registered two accidents in 2020, both of which occurred on route to work. As they were caused by external factors, we took no specific measures. There were no psychological leave-of-absences registered in the period.

## Equilíbrio B3: Quality of Life

B3's employees<sup>8</sup> have more than 40 benefit options, which is more than required by law. This extensive range of alternatives is in line with our commitment to provide for employees' well-being, which is part of our culture and also of the Equilíbrio B3 | Quality of Life program, which is structured into three pillars: +Work-Life Balance, +Health +Leisure and Culture. [103-2; 103-3; 401-2]

Check some of the actions:



- **Physical activity incentive:** 70% gym reimbursement, limited to BRL 100.



- **Dress Code:** Employees dress according to their personal choice.



- **Remote Working:** Flexibility so the employee can work remotely from home or elsewhere. See more about how remote work operated in 2020 on page 66.



- **Birthday off:** A day gifted in the birthday's month.

8. Offered to employees who work full time and part time.



- **Social security medical leave:** Early payment and topping up of sickness benefit.



- **Personal Support Program:** Psychological, social, legal and financial guidance.



- **Emergency loan:** Access made easier to funds in the case of unforeseen circumstances.



- **Comp time:** Rest for overtime worked.



- **Pension Plan:** Voluntary and open to all employees. Participants contribute 1% to 7% of their monthly salary, which we match 100%. Equity to cover the plan is completely segregated from the Company and managed by the Itaú Fundo Multipatrocinado (IFM) fund. [\[201-3\]](#)



- **Baby on the way (biological or not):** We are part of the *Empresa Cidadã* program, which allows us to increase maternity leave from 120 to 180 days, in accordance with Law 11.770/08, if this is the employees' choice. The extension is also valid for mothers who adopt or gain legal custody for adoption purposes. In the case of paternity leave, there are five days of remunerated leave after birth, adoption or legal custody, extendable for another 15 days to 20 days, upon completion of a specific paternity course.

Contents

About our Annual Report

Materiality

Message from the Management

Highlights & Acknowledgements

B3

Strategy

Corporate Governance & Fostering ESG Best Practices

Responsible Market Infrastructure

Operating Performance

Social Responsibility & People Management

Climate Change & Natural Resource Management

Assurance Report

GRI & SASB Summaries

Credits

## Maternity/paternity leave [401-3]<sup>9</sup>

		2018	2019	2020
Employees who had the right to maternity/paternity leave	men	62	51	52
	women	52	21	27
Employees who took maternity/paternity leave	men	62	51	52
	women	52	21	27
Employees who returned to work after maternity/paternity leave ended	men	62	51	52
	women	52	21	27
Employees who returned to work after maternity/paternity leave and who were still employed 12 months after returning to work	men	40	57	46
	women	27	34	13
Return rate	men	100%	100%	100%
	women	100%	100%	100%
Retention rate <sup>10</sup>	men	95%	92%	90%
	women	77%	65%	62%

9. Considers only B3 S.A.

10. Retention Rate: Percentage of employees who returned from leave in the previous year and remained in the company for 12 months or more/Number of employees who remained 12 months or more, considering return from maternity leave in the previous year/total number of leaves in the previous year.

# Diversity & Inclusion [103-2; 103-3]

We believe that diversity and inclusion are strong competitive differentials that contribute to the evolution of our culture. We know that to work with these issues is to be on track with the future of our company and that it will result in greater sustainability for the business. In this sense, every year we move forward towards maturing diversity and inclusion affirmative actions.

Our commitment to this agenda is formalized by a manifesto on the subject. We operate with a clear strategy that was approved by the Executive Board, based on studies and market data, and which was jointly constructed with partners specialized in the field. We also count on Diversity Nucleuses, which are groups of employees from different areas and positions in the hierarchy, representing our five fronts for priority activity: gender, race and ethnicity, LGBTQIA+, people with disability, and generations. In parallel, we value an openness that allows dialog and clarification about the issues.

## Diversity & Inclusion advances in 2020

### 100% conclusion

of the Roadmap for Diversity & Inclusion actions that the organization took on as a corporate target, with +80 actions executed over the year.

### 100% of the organization

reached through the publication of a guide and through online training, in game format, focused on presenting and deepening knowledge about the subject and related guidelines.

### Dashboard

for the monitoring of indicators related to the subject, also followed by management.

### Application

of the 2<sup>nd</sup> Diversity Census, an important diagnosis tool that guides strategy on the issue, through surveying the demographic profile of our organization and mapping out specific challenges.

### +600 hours

of training for managers about diversity and inclusion, in which they learned to assess the impact of unconscious bias in everyday management.

### +20 internal actions

for raising awareness and round tables in the different subjects under discussion, bringing greater knowledge and proximity about the matter to employees.

### Disclosure

of the subject in the agenda for onboarding new employees and in specific development actions.

Contents

About our  
Annual Report

Materiality

Message from  
the Management

Highlights &  
Acknowledgements

B3

Strategy

Corporate  
Governance &  
Fostering ESG  
Best Practices

Responsible  
Market  
Infrastructure

Operating  
Performance

Social Responsibility  
& People  
Management

Climate Change &  
Natural Resource  
Management

Assurance  
Report

GRI & SASB  
Summaries

Credits



Main initiatives in 2020:

## Development for Disabled People (PCD)

We launched the PlurALL program to hire disabled professionals via a three-month immersion at our company. The program aims to familiarize these professionals with the challenges of the organization and all its areas and to make them better prepared and more confident about performing their jobs.

The 28 professionals who took part in the program in 2020 went through several stages, from the selection process to the start of their professional activity. There were 5,000 hours of development in all, at an average of 150 hours per person.

At the end of the development program, each class made a group presentation of solutions to three challenges about issues of relevance to us.

Alongside the PlurALL Program, in 2020 we focused on the development of other disabled professionals who work with us. We offered a specific trail with more than 360 hours of development and content, dealing with subjects such as self-management and support. The participants' managers took part in workshops related to accessibility and inclusive management.

## Internship Program aimed at Young Black People

Our Internship Program intensified its focus on attracting and developing the careers of young black people. Through clearer and specifically focused communication, working with specialized partners and participating in exclusive events, we were able to double the number of young black people interested in internship vacancies, compared with 2019.

After being hired, the young people take part in a specific development trail jointly built with the Race and Ethnicity Nucleus and which encompasses a mentoring program with our leaders. They can also access an on-line platform for learning a second language.

With this initiative, we expedited the development of these young professionals and increased the network of allies in Diversity, through our leaders acting as mentors.

Contents

About our Annual Report

Materiality

Message from the Management

Highlights & Acknowledgements

B3

Strategy

Corporate Governance & Fostering ESG Best Practices

Responsible Market Infrastructure

Operating Performance

Social Responsibility & People Management

Climate Change & Natural Resource Management

Assurance Report

GRI & SASB Summaries

Credits

## More Women in I.T.

We began an effort focused on getting a greater share of the female public into our tech careers. We held our first internal hackathon, which brought together women and men from our teams. They were divided into eight groups and dedicated a week to studying, discussing and prototyping viable solutions. The winner is already in development.

The women in I.T. initiative also encompasses fostering and training a stronger base of women programmers. With this in mind, B3 Social, offered 300 study grants aimed at developing programming languages for young people, through partnerships with PrograMaria, Reprograma and Generation Brasil.

## Other diversity and inclusion initiatives that we support

- Ring the Bell for Gender Equality, a global initiative from Sustainable Stock Exchanges (SSE), to which we are founding signatories. This is a drive to raise awareness about the private sector's role in gender equality advances in the workplace, in the market and in society. Held since 2017 at our trading floor, it is a partnership with the Global Compact, UN Women, International Finance Corporation (IFC), Women in ETFs (WE) and the World Federation of Exchanges (WFE).
- Women's Empowerment Principles (WEPs), a UN Women and Global Compact initiative that helps the private sector to promote gender equality in the workplace, the market and the community. We have been signatories to WEPs since 2017, to encourage other listed companies to become involved in this agenda. This made us one of the first exchanges in the Americas and the sixth in the world to be a signatory.
- The Young SDG Innovators Programme of the UN Global Compact, which seeks to accelerate innovative projects within the UN Global Compact Network Brazil. We were selected out of 35 registered companies to participate in the acceleration program, with our Mentoring for Women program, which aims to increase the representation of women in leadership roles. The program was created by three of our young women, in the Innovation, People, and Sustainability areas, and is sponsored by one of our female executives, for implementation in our work routines.
- Be Together, a drive we created to gather women in the financial market representing our customer companies. It aims for mutual learning and the exchange of best practices in companies, to promote the presence of women in the financial market and contribute to a fairer, more diverse, equal environment that is attractive to women.
- OUTstand, we are participants in this network of financial market professionals that encourages and mobilizes reflections on LGBTQIA+ matters in companies in our segment, promoting diversity and inclusion.
- We support the Programa Diversidade em Conselho (Diversity on the Board Program), headed by the Brazilian Corporate Governance Institute (IBGC), Women Corporate Directors (WCD) and the IFC. Its purpose is to increase the presence of women on companies' Boards of Directors.
- WOB – Woman on Board – an initiative that aims to engage companies' Senior Management with the diversity agenda. As a signatory, we must ensure the presence of at least two women on our Board of Directors.

# Performance Management

We launched a new Performance Management model in 2020. It assesses three dimensions:

- **Targets:** encompassing agreed deliveries for the period, in monthly, quarterly, six-monthly or annual cycles.
- **Core of the position:** the expected delivery from each position in terms of impact, communication, innovation, knowledge, and management (management level and above).
- **Values and Behavior:** the values and behavior expected at every job level, in line with our Culture, and which generate positive impacts.

One of the differentials of this new performance management is a broader assessment, which is the

The targets' structure has three dimensions, which seek integration of the company's objectives with those of the areas and individuals:

## ✓ Corporate Targets

- Agreed with the Board of Directors and Compensation Committee as being the Company's main challenges.

## ✓ Area Targets

- Impact each area or department.
- May be delivered in projects, new products, and process improvements, for example.

formalization of the perceptions of peers and superiors from other areas about the performance of all our employees. This contributes to a more complete and all-encompassing performance assessment, stimulating a feedback culture and promoting an even more favorable environment for the development of people.

This new performance management model is also aligned with a context of agile teams, by enabling targets to be established for each team. Participants may then share the same targets, offer continuous feedback from any level to any level, and register in the system achievements that are in line with the agreed targets. In the period, 100% of employees<sup>11</sup> received performance and career development analyses. [\[404-3\]](#)

## ✓ Individual Targets

- Agreed with the individual.
- Related to position and job.
- Competences are considered.

We call attention to the diversification in our corporate targets, including issues related to diversity.

<sup>11</sup>. Does not include interns.

## Corporate targets that reflect our priorities



### Value Leverage

### Target Examples

Operating credibility and solidity



% of minimum availability of the platforms

Client satisfaction and proximity



NPS target

Products/functionalities



Development and delivery of products

Growth of the business



Management driven revenues; total rev.; adjusted expenses

People & corp. culture



Engagement surveys, diversity plan indicators

## Career development and training actions [103-2; 103-3; 404-2]

Our employees and interns have a wide range of development opportunities. In 2020, more than 380 training sessions were held, resulting in more than 9,672 participations and more than 39,068 hours of training. Most actions were carried out virtually, adapting to the exceptional circumstances. The number and average hours were lower than in the previous year because online actions tend to have fewer hours in relation to in-person ones.

### Average training hours of employees and interns by gender and functional category [404-1]

Gender	2018	2019	2020
Men	19.9	21.9	14.7
Women	21.3	28.1	22.7
Total	20.4	24.0	17.4

Contents

About our Annual Report

Materiality

Message from the Management

Highlights & Acknowledgements

B3

Strategy

Corporate Governance & Fostering ESG Best Practices

Responsible Market Infrastructure

Operating Performance

Social Responsibility & People Management

Climate Change & Natural Resource Management

Assurance Report

GRI & SASB Summaries

Credits

Functional Category	2018	2019	2020
Officers	24.3	24.3	3.4
Superintendents	9.4	24.1	9
Managers	39.6	42.1	16.1
Coordinators <sup>12</sup>	-	17.8	21.3
Teams	18.2	21.4	17.3
Interns	18.8	39.8	26.1
<b>Total</b>	<b>20.4</b>	<b>24.0</b>	<b>17.4</b>

12. Data for 2018 were accounted for in the "teams" category.

Three actions stood out in 2020:

- **Masterclass:** Online training offered to all employees, covering subjects presented by inspirational guests. More than 1,200 employees took part in the action.
- **Survey on Development Needs (LND):** Aimed at identifying the specific technical development needs of the areas. This is a joint action built with representatives of each area and validated by the leadership. The process is complemented by a training agenda drawn up in accordance with the criticality of each action. More than 880 employees were developed, up 78% on the previous year.
- **Training for Interns:** Training and qualification hours dedicated to interns grew by 112% in the period, while the number of participations grew by 84% in relation to 2019, reaching 782. Advances also included building knowledge trails with interns, creating partnerships with internal facilitators, and structuring and implementing interns' projects in the areas where they operate.

## Mandatory training

We have a permanent mandatory training agenda, which addresses topics related to fostering safe conducts at B3 in order to reinforce the principles established in our internal codes and manuals and in the directives of the regulatory bodies. We thus seek to mitigate any risks in atypical and/or suspicious situations and to comply with the directives of the market in which we operate. [103-2; 103-3]

## % of employees who carried out mandatory training<sup>13</sup>

Training	2019	2020
Anticorruption	98%	100% <sup>14</sup>
Business Continuity	98%	98%
Anti-Money Laundering	97%	98%
Information Security	97%	98%
Data Privacy <sup>15</sup>	-	97%
Code of Conduct <sup>15</sup>	-	100%

13. Some percentages do not total 100% as there may be cases of new hires, who have up to 30 days to carry out training, and of professionals who are on leave of absence or vacation.

14. The training was reformulated and the new version, launched in December, 2020, is 30% concluded.

15. Data Privacy and Code of Conduct training were launched in 2020.

## #MinhaCarreira

Seeks to develop people in accordance with the challenges of their current job, or onto the next step of their career ladder (internal mobility, vertical and/or horizontal). #MinhaCarreira brought in a new catalog of development actions aimed at the business, culture and core of the function, so that employees can plan their own development. In 2020, 183 plans were concluded and 366 targets registered.

## Leadership Development

In the period, 640 leaders participated in the development agenda, up 81% on the previous year. Among the subjects covered were recognition, feedback and communication. We also launched the “Leadership Meeting Point” knowledge repository and discussion forum. Another development was the creation of the “Be a Manager for Coordinators” program.

Contents

About our Annual Report

Materiality

Message from the Management

Highlights & Acknowledgements

B3

Strategy

Corporate Governance & Fostering ESG Best Practices

Responsible Market Infrastructure

Operating Performance

Social Responsibility & People Management

Climate Change & Natural Resource Management

Assurance Report

GRI & SASB Summaries

Credits

## Internal Facilitation

This initiative values and encourages the internal reproduction of knowledge, by allowing professionals themselves to take charge of training in subjects at which they are experts. In 2020, the initiative totaled 1,613 participants, 14% more than in the previous year. Of this number, 23 were new facilitators, who subsequently shared with colleagues training in technical, behavioral and knowledge management matters.

## Compensation [102-36; 103-2; 103-3; 202-1; 405-2]

All our employees, at every level excluding interns, are eligible for a portion of variable compensation in addition to fixed compensation. Variable compensation is determined by our results and is a measure that promotes a sense of equality between employees and executives. In 2020, the calculation of these amounts was based on:

- Fixed portion: We use “3P’s Total Compensation” concept for integrated management of compensation of our people. This model aligns three variables: Performance, People and Position. Our compensation strategy aims to recognize, engage and retain talents in a clear and transparent manner, upholding best market practices, internal consistency, and external competitiveness. To define the fixed compensation for job positions, we take part in an annual salary survey, which ensures that the Company is in line with the competitive market. The difference in salaries paid to women in senior management positions is 1.2 times that of total compensation paid to men.
- Profit sharing (PLR): adjusted to the employee’s performance, calculated in an assessment that considers corporate targets and adherence to the Company’s values.
- Long-term incentive programs: aimed at leaderships as of manager level, where the beneficiary may use a certain portion of their PLR to buy shares in B3 S.A., which for its part will pay an amount to the employee on expiration of the four-year vesting period. This is conditional on the employee maintaining ownership of their own shares during the period and remaining in the Company on these expiration dates.

Find out more in the [Reference Form](#).

Contents

About our  
Annual Report

Materiality

Message from  
the Management

Highlights &  
Acknowledgements

B3

Strategy

Corporate  
Governance &  
Fostering ESG  
Best Practices

Responsible  
Market  
Infrastructure

Operating  
Performance

Social Responsibility  
& People  
Management

Climate Change &  
Natural Resource  
Management

Assurance  
Report

GRI & SASB  
Summaries

Credits

## Our People in Numbers

Our staff numbers grew by 4% in 2020, ending the year at 2,251 professionals. The majority were men, at 67%. The largest age group was between 30 and 50, at 63%. A highlight in the staff data below is the larger number of black employees, at 14% of the total in 2020 from 11% in 2019.

### Number of employees per type of contract and gender [102-8]

Type of contract	2018			2019			2020		
	Women	Men	Total	Women	Men	Total	Women	Men	Total
Fixed period	46	68	114	47	84	131	43	85	128
Indefinite period	613	1,254	1,867	667	1,364	2,031	705	1,418	2,123
<b>Total</b>	<b>659</b>	<b>1,322</b>	<b>1,981</b>	<b>714</b>	<b>1,448</b>	<b>2,162</b>	<b>748</b>	<b>1,503</b>	<b>2,251</b>

### Number of employees by age group [102-8]

Age group	2018	2019	2020
Under 30	584	675	684
30 to 50	1,282	1,362	1,428
Over 50	115	125	139
<b>Total</b>	<b>1,981</b>	<b>2,162</b>	<b>2,251</b>

### Number of employees by ethnicity [405-1]

Ethnicity	2018	2019	2020
Asian	74	83	84
White	1,696	1,831	1,827
Indigenous	1	1	1
Black	209	247	319
Not given <sup>16</sup>	1	0	20
<b>Total</b>	<b>1,981</b>	<b>2,162</b>	<b>2,251</b>

16. Optional field upon hiring.



## Number of employees per functional category [102-8]

Functional category	2018	2019	2020
Officers	30	34	33
Superintendents	114	113	111
Managers	234	254	248
Coordinators	131	162	214
Teams	1,370	1,472	1,527
Interns	102	124	118
<b>Total</b>	<b>1,981</b>	<b>2,162</b>	<b>2,251</b>

## Number and rate of new hires by gender [401-1]

Gender	2018		2019		2020	
	Total	Rate	Total	Rate	Total	Rate
Men	207	0.16	266	0.18	271	0.18
Women	114	0.17	164	0.23	129	0.17
<b>Total</b>	<b>321</b>	<b>0.16</b>	<b>430</b>	<b>0.20</b>	<b>400</b>	<b>0.18</b>

## Number and rate of new hires by age [401-1]

Age	2018		2019		2020	
	Total	Rate	Total	Rate	Total	Rate
Under 30	189	0.32	253	0.37	261	0.38
30 to 50	125	0.10	177	0.13	137	0.10
Over 50	7	0.06	0	0.00	2	0.01
<b>Total</b>	<b>321</b>	<b>0.16</b>	<b>430</b>	<b>0.20</b>	<b>400</b>	<b>0.18</b>

## Total number and rate of employees leaving the company by gender [401-1]

Gender	2018		2019		2020	
	Total	Rate	Total	Rate	Total	Rate
Men	183	0.14	156	0.11	221	0.15
Women	92	0.14	116	0.16	97	0.13
<b>Total</b>	<b>275</b>	<b>0.14</b>	<b>272</b>	<b>0.13</b>	<b>318</b>	<b>0.14</b>

## Total number and rate of employees leaving the company by age [401-1]

Age	2018		2019		2020	
	Total	Rate	Total	Rate	Total	Rate
Under 30	73	0.13	86	0.13	170	0.25
30 to 50	178	0.14	171	0.13	131	0.09
Over 50	24	0.21	15	0.12	17	0.12
<b>Total</b>	<b>275</b>	<b>0.14</b>	<b>272</b>	<b>0.13</b>	<b>318</b>	<b>0.14</b>



# B3 Social

[103-2; 103-3; 203-2, 413-1]

B3 Social is a nonprofit association that was founded in 2007. It is responsible for integrating and coordinating our private social investment projects. Its activity is based on strengthening civil society organizations, with a focus on structural improvements in Brazilian public education and contributing to decreasing inequalities in our country. To this end, it promotes welfare and/or emergency actions that meet the underlying needs of more vulnerable populations.

The projects operate on two fronts:

**1. Private Social Investment:** financing successful initiatives for equitable, high-quality public education. This front also manages the Professionalizing Association, which promotes the productive inclusion of young people in the labor market. Funds from the private social investment area are allocated via direct donations or donations made through tax incentive laws.

**2. Volunteering:** social mobilization of employees to strengthen our commitment to the community/society and encouraging individual philanthropy.

## Actions in 2020

B3 Social headed actions to minimize the impacts of the pandemic on society, which included mobilizing employees to take part in these efforts. In parallel, it maintained the activities of the Professionalizing Association and adapted volunteering initiatives to the context of Covid.

### Emergency actions to combat the impacts of Covid-9

In the context of the pandemic, our responsibility went beyond ensuring the safety of our employees and guaranteeing business continuity and financial sustainability. Given the emergency, allocated most of our social investments into actions to combat the impacts of the pandemic in Brazil.

Our #UmSóTime campaign defined food, health and income hubs as strategic lines. In all, 125 projects were supported, benefiting more than 700,000 people in 24 states. Overall, B3 S.A. and *Associação Bovespa* donated BRL 50 million, which were managed by B3 Social.

# #UmSóTime

a support campaign for projects to combat the impacts of the pandemic, developed on the food, health and income fronts

## Food

Promoting food security for people in a vulnerable socio-economic situation

621,000

people supported:

122,000 meals

distributed, of which 57,000 around our building in the center of São Paulo.

150,000 food parcels

distributed, of which 3,000 around our installations in the city of São Paulo.

56,000 food cards

distributed to socio-economically vulnerable public-school students and their families.

## Income

Income transferred and credit granted to micro and small entrepreneurs

366 organizations

benefited from emergency lines of credit, including impact businesses, single mothers, small producers, rural cooperatives, and black entrepreneurs.

16,085 people

benefited directly from the support of these organizations.

Contents

About our Annual Report

Materiality

Message from the Management

Highlights & Acknowledgements

B3

Strategy

Corporate Governance & Fostering ESG Best Practices

Responsible Market Infrastructure

Operating Performance

Social Responsibility & People Management

Climate Change & Natural Resource Management

Assurance Report

GRI & SASB Summaries

Credits



## Health

**Boosting emergency help at public hospitals, acting on the forefront of the fight against Covid-19**

Support for

**44 hospitals**

(public) and one field hospital in the purchase of hospital equipment.

**+ 7,000 health professionals**

protected with the purchase of personal protective equipment (PPE).

Support for

**2 vaccine factories**

and two research studies to increase mass testing capacity.

Support in the development of

**1,000 ventilators**

produced at a low cost by the Polytechnic School of the University of São Paulo, for distribution at SUS public hospitals.

**50,000 blankets**

donated in partnership with Lojas Renner to São Paulo State Government initiatives for homeless people, people living in shelters and for hospital patients.

### Internal mobilization campaigns

In 2020, 1,032 employees took part in the internal mobilizations of the #UmSóTime campaign. In April, there was a crowdfunding campaign for food parcels. With this, we matched at a fivefold rate each food parcel donated by an employee, reaching 35,000 food parcels distributed in highly socially vulnerable regions in São Paulo and Rio de Janeiro. In addition to this, employees nominated 86 civil society organizations which received direct donations from B3 Social to carry out projects to combat the pandemic, benefiting 162,000 people in nine states.

Contents

About our Annual Report

Materiality

Message from the Management

Highlights & Acknowledgements

B3

Strategy

Corporate Governance & Fostering ESG Best Practices

Responsible Market Infrastructure

Operating Performance

Social Responsibility & People Management

Climate Change & Natural Resource Management

Assurance Report

GRI & SASB Summaries

Credits

## Professionalization Association and Volunteering

B3 Social continued its Professionalizing Association and Volunteering Program actions alongside the #UmSóTime campaign.

**Professionalization Association:** Around 700 students benefited: 321 from study grants in IT courses and 404 from mentoring to build a life project and prepare to enter the labor market. Furthermore, in partnership with Fundação Arymax and Instituto Veredas, B3 Social helped draft an unprecedented study **“The future of Productive Inclusion post pandemic”**.

**Volunteering Program:** Given the isolation measures imposed, our volunteering actions aimed at remote action through mentoring and donation campaigns, with employees engaged in a safe and flexible way. Approximately 48% of the company took part in some form of volunteering or donation action over the year, totaling 1,155 volunteers and donators, 30 actions and a total of 2,426 hours contributed by employees.

We also took part in the *Amigo de Valor* and *Parceiro do Idoso* programs, promoted by Banco Santander. These take financial funds from donations and from income tax owed by individuals and corporations and channel them into the Municipal Councils to Guarantee the Rights of Children, Adolescents and the Elderly. More than BRL 1 million in donations from employees and B3 went to this end. Accordingly, six social projects were benefited and will impact more than 500 children and adolescents who have had their rights violated or threatened. In turn, the contribution to the Partnership with the Elderly Program meant it was possible to benefit two social projects that attended to 240 socially vulnerable elderly people.

## Private Social and Cultural Investment in 2020

Considering the donations of the #UmSóTime campaign and of other funds destined for social and cultural investment, we invested more than BRL 62 million, supporting 156 projects.

	Number of projects supported	Value Invested	Incentivized	Not Incentivized
Health	37	R\$ 30,861,254.00	R\$ 9,131,254.00	R\$ 21,730,000.00
Food	77	R\$ 13,695,000.00	R\$ 250,000.00	R\$ 13,445,000.00
Income	9	R\$ 5,030,000.00	-	R\$ 5,030,000.00
Third Sector Reinforcement	2	R\$ 329,536.00	-	R\$ 329,536.00
Productive Inclusion	6	R\$ 958,147.09	-	R\$ 958,147.09
Culture	12	R\$ 8,652,762.50	R\$ 8,652,762.50	-
Sports: Education	3	R\$ 1,446,150.00	R\$ 1,446,150.00	-
Sports: Events	2	R\$ 820,000.00	R\$ 820,000.00	-
Child, adolescent and elderly rights	8	R\$ 568,000.00	R\$ 568,000.00	-
<b>Total</b>	<b>156</b>	<b>R\$ 62,360,849.59</b>	<b>R\$ 20,868,166.50</b>	<b>R\$ 41,492,683.09</b>

About our Annual Report

Materiality

Message from the Management

Highlights & Acknowledgements

B3

Strategy

Corporate Governance & Fostering ESG Best Practices

Responsible Market Infrastructure

Operating Performance

Social Responsibility & People Management

Climate Change & Natural Resource Management

Assurance Report

GRI & SASB Summaries

Credits



CLIMATE  
CHANGE  
& NATURAL  
RESOURCE  
MANAGEMENT



We have an internal work agenda that focuses on minimizing our operations' impact on climate change. In addition to processes to manage consumption of natural resources, such as water and energy, we monitor our greenhouse gas emissions. In this specific regard, we offset our

emissions, which grants us the status of carbon neutral company. Our commitment to best practices in these matters also translates into #MovimentoB3, which is reformulating our physical facilities to favor solutions that reduce the consumption of natural resources.

# #MovimentoB3

The quest for continuous improvement led us to create MovimentoB3. It has been in effect since 2018 and encompasses a retrofit project for our main buildings at Antônio Prado Square and XV de Novembro Street, in downtown São Paulo. Movimento B3 is reformulating the entire layout to meet the needs of the of company and its people, creating more comfort, and modernizing and adapting spaces to new ways of working.

## Deliveries in 2020

**The work of #Movimento B3 did not stop during the pandemic. Quite the contrary. Important deliveries were made in 2020:**

- **14 floors at the Líbero, XV and Praça buildings.**
- **Reinauguration of Espaço B3, which hosts the Exchange's traditional display monitor for stock prices, now in a modernized version. It is situated on the ground floor, between XV de Novembro and Álvares Penteadó streets in downtown São Paulo, and is open to the public, respecting the safety and social distancing protocols.**

**A lot of our employees are still working remotely because of the pandemic. When they return physically, they will find different, dynamic, integrated spaces that are in alignment with our culture.**

The initiative collaboratively constructs the B3 experience: from the culture to the environment and dynamics of work; from what our discourse is to how we welcome people; from history to the visitation experience.

This initiative also stands out for its concern with minimizing the impact of the company's operations on the environment. For this reason, we adopt measures to contribute to saving natural resources and to making operations even more sustainable. Some examples:



## Rational use of water

- Devices to limit water flow at valves and pipes, reducing consumption.
- Use of low-flush toilet valves.
- Reuse of water (groundwater) to supply toilets and urinals.

## Energy efficiency

- Low-consumption (LED) fixtures.
- Strategy to take advantage of natural lighting in work areas.
- Use of high COP air conditioning.
- Automatic lighting and air conditioning system (timed programming).
- Sectorized energy measurement for outsourced areas (restaurant and café), so that bill payment can be based on actual rather than proportional consumption.

## Lower greenhouse gas (GHG) emissions

- Localization with a lot of public transport, which makes car use less necessary.
- No parking spaces within the building, which encourages the use of other forms of transport.

## Waste

- Emphasis on disclosures about best waste disposal practices and more bins on the floors for the correct separation of recyclables.
- BRL 750,000 saved in the project, with the reuse of material that otherwise would have been thrown away.
- 1,304 tons recycled in works related to #MovimentoB3.
- 3.5 tons of confidential documents shredded and sent for recycling.

The completion of the works, foreseen for 2020, was impacted by the pandemic. The forecast date is now around the middle of 2021.

# Natural Resource & Waste Management

We monitor and control major environmental indicators such as consumption of natural resources (water and energy) paper and waste generation, through an Environmental Management System.

## Energy [103-2; 103-3; 302-1, 302-4]

Management of energy consumption encompasses

monthly measurements to identify waste, to propose improvements and to obtain reductions. In 2020, total energy consumption was 93,993 GJ, 4.5% lower than in 2019. This was mainly due to expediting remote working, because of the pandemic, and to the Praça building being vacant during the still-ongoing building works.

Energy Consumption (GJ)	2018	2019	2020
Fuel from non-renewable sources (diesel oil)	485	289	639 <sup>17</sup>
Electricity	102,135	98,181	93,354 <sup>18</sup>
Total energy consumed	102,621	98,470	93,993

### LEED certification

The B3 Data Center design is LEED certified. LEED (Leadership in Energy and Environmental Design) is a sustainable construction seal that distinguishes constructions that meet the right environmental criteria, such as rational water and energy use. This certification is granted by the NGO U.S. Green Building Council (USGBC). The Data Center was inaugurated in 2014 in Santana de Parnaíba (SP).

17. Includes consumption at the Praça Antonio Prado, XV de Novembro, Florêncio, Santana de Parnaíba and Alphaville buildings. Furthermore, there was consumption of 81 GJ of renewable fuel referring to the percentage of biodiesel mixed in diesel oil (11.33%), up by 135% in relation to 2019, due to MovimentoB3 retrofitting.

18. Includes consumption at the following buildings: Ipiranga – Santos Lab – Office, Rio de Janeiro – Rua do Mercado Office, Rio de Janeiro – República do Chile Office, Florêncio, XV de Novembro, Praça Antônio Prado, Líbero Badaró, Santana de Parnaíba, APBMF – Brás, Alphaville – Office, Faria Lima – 2<sup>nd</sup> floor Office, Faria Lima – 9<sup>th</sup> floor Office. The subsidiaries of B3 S.A. at these buildings are BSM, Banco B3, Associação and Instituto B3.

## Water [103-2; 103-3; 303-5]

Water consumption fell 16.2% in 2020 compared with 2019. Once again, this was due to remote working implemented because of the

pandemic, and because the works at the building made it non-operational in the period.

Water consumption (m <sup>3</sup> )	2018	2019	2020
	38,567	41,643	34,859 <sup>19</sup>

## Waste [103-2; 103-3; 306-3]

Our waste management includes electronic waste. The retrofit created incentives for correct disposal, whose policies on space for keeping personal objects resulted in increased volume intended for recycling. The nature of our activities means the waste produced at our facilities is not classified as hazardous, as it comprises office material.

As was the case with lower water and energy consumption, we generated less waste in 2020 because our employees worked remotely due to the pandemic and because the Praça building was vacant as a result of the works.

Funds obtained from the sale of recyclable material go to B3 Social. In 2020, the amount raised totaled BRL 3,385.71.

### Total waste generated in Kg<sup>20</sup>

Type of Waste	2018	2019	2020	
Recyclable	Paper	18,254	20,234	7,589
	Carboard	9,320	11,413	7,785
	Plastic	15,571	15,590	6,707
	Metal	401	1,123	544
	Glass	553	668	116
	Vegetable oil	40	0	0
	Cigarette butts	13	22	8
Organic waste	83,205	88,620	38,691	
<b>Total</b>	<b>127,357</b>	<b>137,671</b>	<b>61,444</b>	

19. Includes consumption at the following buildings: Ipiranga – Santos Laboratory – Office, Rio de Janeiro – Rua do Mercado Office, Rio de Janeiro – República do Chile Office, Florêncio, XV de Novembro, Praça Antônio Prado, Líbero Badaró, Santana de Parnaíba, APBMF – Brás, Alphaville – Office, Faria Lima – Office. The B3 S.A. subsidiaries at these buildings are BSM, Banco B3, Associação and Instituto B3.

20. Includes consumption at the Praça, XV, Florêncio de Abreu, and Brás buildings in 2018 and 2019; in 2020, the Praça, XV, Florêncio de Abreu, and Santana de Parnaíba buildings.

About our  
Annual Report

Materiality

Message from  
the Management

Highlights &  
Acknowledgements

B3

Strategy

Corporate  
Governance &  
Fostering ESG  
Best Practices

Responsible  
Market  
Infrastructure

Operating  
Performance

Social Responsibility  
& People  
Management

Climate Change &  
Natural Resource  
Management

Assurance  
Report

GRI & SASB  
Summaries

Credits

# Climate Change

[103-2; 103-3; 305-1; 305-2; 305-3; 305-5]

One of our initiatives to minimize the impact of our operations on the environment is to manage and offset greenhouse gas emissions. To handle this question, since 2010 we have drawn up a GHG Emissions Inventory. This document is verified by a third party and is integrated into the Public Registry of Emissions of the Brazilian GHG Protocol Program.

Emissions per scope (tCO <sub>2</sub> e)	2018	2019	2020
Scope 1 Direct emissions	241.56	1,135.06	99.60
Scope 2 Indirect emissions (electricity)	2,134.39	2,183.22	1,933.73
Scope 3 Other indirect emissions	1,496.22	1,635.69	363.25
<b>Total emissions</b>	<b>3,872.17</b>	<b>4,953.97</b>	<b>2,396.57</b>

We had a 369.90% increase in 2019 compared to 2018, due to the higher volume of cooling gases in the heating, ventilation and air conditioning (HVAC) system at B3's units. In 2020, there was a 51% reduction to total emissions compared with 2019, due to Covid. Among other things, the pandemic resulted in the temporary closure of some buildings, in remote working that impacted employee transport emissions, in fewer business trips, and in lower energy purchases.

Since 2013 (2011 and 2012 base years) we have offset our GHG emissions that we cannot reduce, making us a carbon neutral company. In 2019, we joined the Climate Commitment Program, a platform to connect companies that want to offset carbon emissions through projects that generate positive environmental and social actions across Brazil. It was the first year in

which B3 offset its emissions via this platform, in relation to 2018. In 2020, we offset 5,000 Verified Emission Reductions (VERs) / tCO<sub>2</sub>e (total offset – Scopes 1, 2 and 3), in relation to 2019 (4,953.97 tCO<sub>2</sub>e). The selected project was the Malhas Menegotti Indústria Têxtil – Fuel Switch Project. This initiative meets thermal energy (steam) needs in knitwear manufacturing at the Jaguará do Sul factory (Santa Catarina state). [\[103-2; 103-3; 201-2\]](#)

Since 2009, we have answered the CDP Latin America questionnaire, where we aim to provide transparent information and to establish internal processes that identify climate change risks. In 2020, our answers both as a listed company and as market facilitator raised B3's score from C to B (on a scale of D- to A). [Access the report in English here.](#) [\[201-2\]](#)

# Assurance Report



São Paulo Corporate Towers  
Av. Pres. Juscelino Kubitschek, 1909  
Torre Norte - 9º andar – Itaim Bibi  
São Paulo - SP - Brasil

Tel: +55 11 2573 3000  
ey.com.br

A free-translation from Portuguese into English of Auditors' Report on non-financial statements (Annual Report) originally prepared in Portuguese and in Brazilian currency (R\$).

## Independent Auditors' Limited Assurance Report on the B3's Annual Report based on GRI – Standards (In accordance – “Core”) and Sustainability Accounting Standards Board (SASB).

To the Administrators and Shareholder of  
**B3 S.A – Brasil, Bolsa, Balcão**  
São Paulo – SP

### Introduction

We were engaged by B3 S.A (“B3”) management to present our limited assurance report on the information contained in the Annual Report based on Global Reporting Initiative (“GRI”) – Standards and Sustainability Accounting Standards Board (SASB), for the twelve-month period ended December 31, 2020 (“Report”).

### B3's management responsibilities

B3's management is responsible for preparing and presenting appropriately the information contained in Report in accordance with criteria, assumptions and requirements of the GRI guidelines (In accordance – “Core”), Sustainability Accounting Standards Board (SASB), and for the internal controls as management determines is necessary to enable the preparation of information free from material misstatement, whether due to fraud or error.

### Independent auditors' responsibility

Our responsibility is to express a conclusion on the B3's Report information, based on the limited assurance work conducted in accordance with Technical Notice of Ibracon № 07/2012, approved by the Brazil's National Association of State Boards of Accountancy (CFC) in light of NBC TO 3000 (Assurance Work Other Than Audit or Review), issued by the CFC, which is equivalent to international standard ISAE 3000, issued by the International Federation of Accountants, applicable to non-historical information. These standards call for compliance with ethic requirements, including independence and work carried out to obtain limited assurance that the Report is free of material misstatement.

A limited assurance work conducted in accordance with NBC TO 3000 (ISAE 3000) consists mainly of inquires of management and other professionals from B3 who were involved in the preparation of the Report, as well as of the application of additional procedures deemed necessary to obtain evidence which enables us to conclude on the limited assurance on the Report. A limited assurance work also requires additional procedures, as the independent auditor becomes aware of matters that lead him to believe that the Report information may contain material misstatement.

The selected procedures relied on our understanding of the aspects concerning the compilation and presentation of the Report information in accordance with criteria, assumptions and own methodologies from B3. The procedures comprised:

- the planning of the work, considering the materiality, the volume of quantitative and qualitative information and the operating and internal control systems which supported the preparation of the Report;
- the understanding of the calculation methodology and the procedures for preparation and compilation of the Report through interviews with management in charge of preparing the information;
- the application of analytical procedures on quantitative information and sample verification of certain

Contents

About our  
Annual Report

Materiality

Message from  
the Management

Highlights &  
Acknowledgements

B3

Strategy

Corporate  
Governance &  
Fostering ESG  
Best Practices

Responsible  
Market  
Infrastructure

Operating  
Performance

Social Responsibility  
& People  
Management

Climate Change &  
Natural Resource  
Management

Assurance  
Report

GRI & SASB  
Summaries

Credits



A free-translation from Portuguese into English of Auditors' Report on non-financial statements (Annual Sustainability Report) originally prepared in Portuguese and in Brazilian currency (R\$).

evidence supporting the data used for the preparation of the Report;

(d) comparison of the financial indicators with the financial statements and/or accounting records.

The procedures applied in this limited assurance work also comprised compliance with the guidelines of the structure for development of the GRI and Sustainability Accounting Standards Board (SASB), applicable in the preparation of the information contained in the Report.

We believe that the evidence obtained in our work was sufficient and appropriate to provide a basis for our limited conclusion.

### Scope and limitations

The procedures applied in a limited assurance work are substantially less in scope than those applied in an assurance work aimed at issuing an opinion on the Report information. Consequently, we are not in a position to obtain assurance that we are aware of all matters which would be identified in an assurance work aimed at issuing an opinion. Had we carried out a work to issue an opinion, we could have identified other matters or misstatements in the Report information. Accordingly, we did not express an opinion on this information. In addition, B3's internal controls were not part of our limited assurance scope.

The non-financial data is subject to further inherent limitations than financial data, given the nature and diversity of methods used to determine, calculate or estimate such data. Qualitative interpretations of materiality, significance and accuracy of data are subject to the individual assumptions and judgments. Also, we did not carry out any work on data reported for prior periods nor in relation to future projections and goals.

### Conclusion

Based on the procedures performed and herein described, nothing came to our attention that makes us believe that the GRI and SASB KPIs presented on the Report, for the twelve-month period ended December 31, 2020, was not prepared, in all material respects, in accordance with criteria, assumptions and methodologies for the preparation of the KPI's based on requirements of the Global Reporting Initiative – Standards (In accordance – "Core") and Sustainability Accounting Standards Board (SASB).

São Paulo (SP), April 23rd, 2021.

ERNST & YOUNG  
Auditores Independentes S.S  
CRC 2SP015199/O-6

  
Leonardo Masseli Dutra  
**Expert group: Technical Reviewer**

  
Flávio A. Machado  
**Quality Review Partner - CRC – 1MG 065.899/O-2**



# GRI & SASB

# GRI content index [102-55]

## Standards Core option

GRI 101: 2016 Foundation				
GRI 102: General disclosure 2016	Disclosure	Comments, page and/or omission	Global Compact	SDG
<b>Organizational profile</b>				
	102-1: Name of the organization	<u>19</u>		
	102-2: Activities, brands, products and services	<u>19</u>		8.3
	102-3: Location of headquarters	<u>19</u>		
	102-4: Location of operations	<u>19</u>		
	102-5: Ownership and legal form	<u>19</u>		
	102-6: Markets served	<u>19, 26</u>		
	102-7: Scale of the organization	<u>19, 59</u>		
	102-8: Information on employees and other workers	<u>79, 80</u>	6	8.5, 8.6
	102-9: Supply Chain	<u>56</u>		
	102-10: Significant changes to the organization and its supply chain	<u>56</u>		
	102-11: Precautionary principle or approach	<u>53</u>		16.6
	102-12: External initiatives	<u>47</u>		17.17
	102-13: Membership of associations	<u>47</u>		17.17
<b>Strategy</b>				
	102-14: Statement from senior decision maker	<u>7</u>		
	102-15: Key impacts, risks and opportunities	<u>29, 36, 54</u>		16.6

Contents

About our Annual Report

Materiality

Message from the Management

Highlights & Acknowledgements

B3

Strategy

Corporate Governance & Fostering ESG Best Practices

Responsible Market Infrastructure

Operating Performance

Social Responsibility & People Management

Climate Change & Natural Resource Management

Assurance Report

GRI & SASB Summaries

Credits



GRI 101: 2016 Fundamentals				
GRI 102: General publication 2016	Disclosure	Comments, page and/or omission	Global Compact	SDG
<b>Ethics and integrity</b>				
	102-16: Values, principles, standards and codes of behavior	<u>20</u> , <u>50</u>	10	16.5, 16.6
	102-17: Mechanisms for advice and concerns about ethics	<u>51</u>	10	16.5, 16.6
<b>Governance</b>				
	102-18: Governance structure	<u>38</u> , <u>41</u>		
	102-20: Executive-level responsibility for economic, environmental, and social topics	<u>36</u>		
	102-22: Composition of the highest governance body and of its committees	<u>38</u> , <u>40</u>		5.5, 16.7
	102-23: Chair of the highest governance body	<u>38</u> , <u>39</u>		
	102-24: Nominating and selecting the highest governance body	<u>39</u>		
	102-25: Conflicts of interest	<u>40</u>		16.5, 16.6
	102-26: Role of the highest governance body in setting purpose, values and strategy	<u>36</u> , <u>38</u> , <u>39</u>		
	102-28: Evaluating the highest governance body's performance	<u>42</u>		16.6
	102-31: Review of economic-environmental and social topics	<u>39</u>		
	102-35: Remuneration policy	<u>41</u>		16.6
	102-36: Process for determining remuneration	<u>41</u> , <u>78</u>		16.6

GRI 101: 2016 Fundamentals				
GRI 102: General publication 2016	Disclosure	Comments, page and/or omission	Global Compact	SDG
<b>Engagement of interested parties</b>				
	102-40: List of groups of stakeholders		4	
	102-41: Collective bargaining agreements	All employees are covered by collective bargaining	3	8.8
	102-42: Identification and selection of stakeholders		4	
	102-43: Stakeholder engagement approach		4	16.6
	102-44: Key topics and concerns raised		4	
<b>Practices of the report</b>				
	102-45: Bodies included in consolidated financial reports	<b>Financial Reports</b>		
	102-46: Definition of the content of reports and of the limits of topics		4	12.6, 16.6
	102-47: List of material topics		4	
	102-48: Reformulation of information		3	
	102-49: Changes to the report		3	
	102-50: Period covered by the report	January 1 <sup>st</sup> to December 31 <sup>st</sup> , 2020		
	102-51: Date of the most recent report	2019 Annual Report, published in 2020		
	102-52: Report publication cycle	Annual		
	102-53: Contact for questions about the report		3	
	102-54: Report declarations in compliance with GRI Rules		3	
	102-55: GRI content summary		95	
	102-56: External verification		3	16.6

Specific Content				
Topic boundaries	Disclosure	Comments, page and/or omission	Global Compact	SDG
Internal and external	<b>Material Topic: Customer Centricity</b>			
	<b>GRI 103: Management approach 2016</b>			
	103-1: Explanation of the material topic and its limit	4		9.3, 10.2, 13.2, 16.6
	103-2: Form of management and its components	32, 59		
	103-3: Assessment of form of management	32, 59		
	<b>GRI 201: Economic performance 2016</b>			
	201-1: Direct economic value generated and distributed	58, 59		
	201-2: Financial implications and other risks and opportunities related to climate change	29, 36, 91		
	201-4: Financial assistance received from the government	During 2020 there was no financial assistance received from the government		13.2
	<b>GRI 203: Indirect economic impacts 2016</b>			
	203-1: Investment offered in infrastructure and services	32		9.3
	203-2: Significant indirect economic impacts	45, 60, 82		10.2, 16.6
Internal & External	<b>Material Topic: Corporate Governance and Fostering ESG good practices in the Market</b>			
	<b>GRI 103: Management approach 2016</b>			
	103-1: Explanation of the material topic and its boundary	4		12.2, 12.6, 12.8, 13.2, 16.6, 17.17
	103-2: Management approach and its components	50, 89, 90, 91		
103-3: Evaluation of the management approach	50, 89, 90, 91			

Specific Content				
Topic boundaries	Disclosure	Comments, page and/or omission	Global Compact	SDG
Internal and External	<b>GRI 201: Economic performance 2016</b>			
	201-1: Direct economic value generated and distributed	<u>58, 59</u>		16.6
	201-2: Financial implications and other risks and opportunities due to climate change	<u>29, 36, 91</u>		13.2
	201-4: Financial assistance received from the government	During 2020 there was no financial assistance received from the government		
	<b>GRI 302: Energy 2016</b>			
	302-1: Energy consumption inside the organization	<u>89</u>		12.2, 13.2
	302-4: Energy consumption reduction	<u>89</u>		12.2, 13.2
	<b>GRI 303: Water and effluents 2018</b>			
	303-5: Water consumption	<u>90</u>		12.2
	<b>GRI 305: Emissions 2016</b>			
	305-1: Direct GHG emissions – Scope 1	<u>91</u>		12.2, 13.2
	305-2: Indirect GHG emissions – Scope 2	<u>91</u>		12.2, 13.2
	305-3: Other indirect GHG emissions – Scope 3	<u>91</u>		12.2, 13.2
	305-5: Reduction of GHG emissions	<u>90, 91</u>		12.2, 13.2

Specific Content				
Topic boundaries	Disclosure	Comments, page and/or omission	Global Compact	SDG
Internal and External	<b>GRI 306: Waste 2020</b>			
	306-3: Waste generated	<u>90</u>		12.2, 13.2
	<b>GRI 415: Public policies 2016</b>			
	415-1: Contributions to political parties	<u>50</u>		
Internal	<b>Material Topic: Responsible Market Infrastructure</b>			
	<b>GRI 103: Management approach 2016</b>			
	103-1: Explanation of the material topic and its limit	<u>4</u>		12.6, 12.7, 16.5, 16.6
	103-2: Form of management and components thereof	<u>51, 55, 57</u>		
	103-3: Assessment of the form of management	<u>51, 55, 57</u>		
	<b>GRI 205: Anticorruption 2016</b>			
	205-1: Operations assessed in regard to anticorruption risks	<u>51, 54</u>		16.5, 16.6
	205-2: Communication and training about anticorruption policies and procedures	<u>51</u>		16.5, 16.6
	205-3: Confirmed cases of corruption and measures taken	<u>51</u>		16.5, 16.6
	<b>GRI 308: Environmental assessment of suppliers 2016</b>			
	308-1: New suppliers selected based on environmental criteria	<u>57</u>		12.7, 16.6
	<b>GRI 408: Child labor 2016</b>			
	408-1: Operations and suppliers identified as a child labor risk	<u>57</u>		16.6

Specific Content					
Topic boundaries	Disclosure	Comments, page and/or omission	Global Compact	SDG	
Internal	<b>GRI 409: Forced labor or slavery-like conditions 2016</b>				
	409-1: Operations and suppliers identified as being significant risks for forced labor or slavery-like conditions	<u>57</u>		16.6	
	<b>GRI 414: Social assessment at suppliers 2016</b>				
	414-1: New suppliers that were screened using social criteria	<u>57</u>		12.7, 16.6	
	<b>GRI 418: Customer privacy 2016</b>				
	418-1: Proven complaints about violations of privacy and the loss of customers' data	<u>55</u>		16.6	
<b>GRI 419: Socio-economic compliance 2016</b>					
	419-1: Noncompliance with the laws and regulations in the economic and social areas	Regulatory Documents "FRE 2020" File, page 29: <a href="https://ri.b3.com.br/pt-br/documentos-regulatorios/">https://ri.b3.com.br/pt-br/documentos-regulatorios/</a> .			
<b>Material Topic: Social Responsibility &amp; People Management</b>					
<b>GRI 103: Management approach 2016</b>					
Internal and External	103-1: Explanation of the material topic and its limit	<u>4</u>		3.d, 4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4.b, 4.c, 5.5, 8.5, 10.2, 17.17	
	103-2: Form of management and its components	<u>67, 68, 71, 75, 77, 78, 82</u>			
	103-3: Assessment of the form of management	<u>67, 68, 71, 75, 77, 78, 82</u>			
	<b>GRI 201: Economic performance 2016</b>				
	201-3: Defined benefit plan obligations and other retirement plans	<u>69</u>		8.5	
<b>GRI 202: Market presence 2016</b>					
	202-1: Variation of the proportion of lowest wage, by gender, compared with the local minimum wage	<u>78</u>		8.5	

About our Annual Report

Materiality

Message from the Management

Highlights &amp; Acknowledgements

B3

Strategy

Corporate Governance &amp; Fostering ESG Best Practices

Responsible Market Infrastructure

Operating Performance

Social Responsibility &amp; People Management

Climate Change &amp; Natural Resource Management

Assurance Report

GRI &amp; SASB Summaries

Credits

Specific Content				
Topic boundaries	Disclosure	Comments, page and/or omission	Global Compact	SDG
Internal and External	<b>GRI 203: Indirect economic impacts 2016</b>			
	203-2: Significant indirect economic impacts	<u>45</u> , <u>60</u> , <u>82</u>		17.17
	<b>GRI 401: Employment 2016</b>			
	401-1: New hires and turnover	<u>80</u> , <u>81</u>		8.5, 8.6, 10.2
	401-2: Benefits granted to full-time employees that are not offered to part-time or half-time workers	<u>68</u>		8.5
	401-3: Maternity/paternity leave	<u>70</u>		8.5
	<b>GRI 402: Labor relations 2016</b>			
	402-1: Minimum window for notification about operating changes	We communicate possible changes as much in advance as possible to minimize the impact and guarantee that the information is shared at every level. The Collective Agreement stipulates a 60-day minimum period for disclosing data.		8.5
	<b>GRI 403: Health and safety 2018</b>			
	403-6: Promoting workers' health	<u>67</u>		3.d
	403-10: Work-related health problems	<u>67</u>		3.d

Specific Content				
Topic boundaries	Disclosure	Comments, page and/or omission	Global Compact	SDG
Internal and External	<b>GRI 404: Training and education 2016</b>			
	404-1: Average number of training hours per year and per employee	<u>75</u>		8.5, 8.6
	404-2: Programs to improve employees' knowledge, and career transition programs	<u>75</u>		8.5, 8.6
	404-3: Percentage of employees who regularly receive performance and career development analyses	<u>74</u>		8.5, 8.6
	<b>GRI 405: Diversity and equal opportunities 2016</b>			
	405-1: Diversity of groups responsible for governance and diversity among collaborators	<u>41, 79</u>		5.5, 8.5, 10.2
	405-2: Mathematic ratio of the minimum wage and remuneration between women and men	<u>78</u>		5.5, 8.5
	<b>GRI 413: Local communities 2016</b>			
	413-1: Operations with engagement programs in the local community, impact assessments, and local development	<u>60, 82</u>		4.1, 4.2, 4.3, 4.4, 4.5, 4.6, 4.7, 4.b e 4.c



# SASB content summary - Financials Sector

## Securities (Security & Commodity Exchanges)

SUSTAINABILITY DISCLOSURE TOPICS		
Content		Comments and page
<b>Promoting Transparent &amp; Efficient Capital Markets</b>		
	FN-EX-410a.1 Number and average duration of stoppages related to public reporting, and of suspensions due to volatility	<u>32</u> . More information available in the <b>Trading Procedures Manual</b> .
	FN-EX-410a.2 Percentage trades generated from by automated trading systems	<u>34</u>
	FN-EX-410a.3 Description of alert policy regarding timing and nature of public release of information	<u>42</u>
	FN-EX-410a.4 Description of policy to encourage or require listed companies to publicly disclose environmental, social, and governance (ESG) information	<u>29, 36</u>
<b>Managing Conflicts of Interest</b>		
	FN-EX-510a.2 Discussion processes for identifying and assessing conflicts of interest	<u>40</u>
<b>Managing Business Continuity &amp; Technology Risks</b>		
	FN-EX-550a.1 Number of significant market disruptions and duration of downtime	<u>32</u>
	FN-EX-550a.3 Description of efforts to prevent technology errors, security breaches, and market disruptions	<u>32, 53, 55</u>
<b>Activity Metric</b>		
	FN-EX-000.A Average daily number of trades executed, by product or asset class	<b>Results Center</b> Results Presentation file, <u>page 5</u>
	FN-EX-000.B Average daily volume traded, by product or asset class	<b>Results Center</b> Results Presentation file, <u>page 5</u>

Contents

About our  
Annual Report

Materiality

Message from  
the Management

Highlights &  
Acknowledgements

B3

Strategy

Corporate  
Governance &  
Fostering ESG  
Best Practices

Responsible  
Market  
Infrastructure

Operating  
Performance

Social Responsibility  
& People  
Management

Climate Change &  
Natural Resource  
Management

Assurance  
Report

GRI & SASB  
Summaries

Credits

# Credits

## Coordination

Sustainability

## Assistance

Communications

Investor Relations Area

## Consulting, graphic design, editing

TheMediaGroup

## Text

Soraia Duarte (Aiurú ESG)

## Photography

B3 Image Bank

Contents

About our  
Annual Report

Materiality

Message from  
the Management

Highlights &  
Acknowledgements

B3

Strategy

Corporate  
Governance &  
Fostering ESG  
Best Practices

Responsible  
Market  
Infrastructure

Operating  
Performance

Social Responsibility  
& People  
Management

Climate Change &  
Natural Resource  
Management

Assurance  
Report

GRI & SASB  
Summaries

Credits