

Integrated Annual Report 2022

XP  inc.

Summary

03 – About this Integrated Report

- Introduction to the Report
- Responsibilities in Preparing the Report

04 – Organizational Vision

- 04 – Message from our Leadership
- 06 – 2022 Highlights
- 08 – Materiality
- 09 – Relevant topics
- 09 – Voluntary Commitments

10 – XP Inc.

- 11 – Our History
- 14 – Our Culture, Values and Purpose
- 15 – Our Employee Value Proposition
- 18 – Our Business Model
- 22 – Our Performance in 2022

24 – Our Strategy

- 25 – Client Focus
- 30 – People
- 38 – Diversity & Inclusion
- 42 – Our Positive Impact

48 – Environmental, Social and Governance Performance

- 49 – Our ESG Commitments
- 51 – Our ESG Governance
- 53 – Our Environmental Responsibility
- 56 – ESG-related Products and Services
- 62 – ESG Initiatives

66 – Governance

- 67 – Corporate Governance
- 72 – Ethics and Corporate Policies
- 76 – Data Privacy and Information Security
- 77 – Advisor Governance
- 78 – Channels for Statements

80 – Risks and Opportunities

- 81 – Risks and Opportunities
- 82 – Social, Environmental and Climate Risks
- 87 – Our Climate Responsibility

91 – Exhibits

105 – Summary of Methodologies

- 106 – International <IR> Framework
- 107 – SASB
- 108 – GRI

About this Integrated Report

Introduction to the Report

GRI 2-1 | 2-3 | 2-14

Welcome to XP Inc.'s Integrated Annual Report, which provides an overview of our business, strategy, and performance for 2022. Throughout this report, XP Inc. may be referred to as the "Company" or "XP Group", an organization established in the Cayman Islands and listed on the Nasdaq in the United States. Our primary office and headquarters, as of December 31st, 2022, was in São Paulo. We also have offices in Miami and New York.

XP Inc.'s Integrated Annual Report for 2022 demonstrates our commitment to transparency and the creation of long-term value for our stakeholders. We remain dedicated to providing exceptional service and to continuously improving our environmental, social and governance (ESG) responsibility.

This report presents XP Inc.'s financial and non-financial information, along with our strategic vision, which enables us to create long-term value. Our main goal is to promote transparency and to explain how we create value for society and our stakeholders through our brands, business model, and performance. We strive to transform the financial markets in order to improve people's lives by investing our time and making every effort to deliver exceptional results.

We used the International Integrated Reporting Framework as a guide to develop our Integrated Report. Additionally, we adhered to the essential standards of the Global Reporting Initiative (GRI) and relevant standards of the Sustainability Accounting Standards Board (SASB) that apply to the financial sector.

Our financial information includes XP Inc. and its subsidiaries, as identified on form 20-F, which is available on XP Inc.'s Investor Relations website and the US Securities and Exchange Commission (SEC). We comply with SEC standards to provide accurate and reliable financial information.

XP Inc. is committed to improving its ESG and climate change responsibility, and as a result, we continue to implement the recommendations from the Task Force on Climate-related Financial Disclosures (TCFD).

The Exhibits and Summary of Methodologies, which are based on GRI and SASB indicators, can be found at the end of this report.

Responsibilities in Preparing the Report

The Board of Directors of XP Inc. and the Environmental, Social and Climate Commission are responsible for the content, accuracy and completeness of this Integrated Report and our materiality. In our opinion, it represents a fair and balanced impression of the Company's performance, strategy and management, as well as its ability to create value for stakeholders. The Report also addresses important opportunities and risks arising from our strategy.

Report profile
period

from January 1st to December 31st, 2022

contact
ir@xpi.com.br

Organizational Vision

Message from our Leadership

GRI 2-22

Letter from our CEO

To all our stakeholders,

Since XP was founded back in 2001, it has deeply transformed the historically concentrated Brazilian financial industry. We have always believed that to improve people's lives we had to actively seek transformation and change the status quo.

Fast forward to 2022, the story was no different: we continued to offer best-in-class products and services to our clients, while taking a few steps further in the completion of our platform. Throughout the year, we have launched debit cards in XP and Rico brands, expanded credit card offering to Rico clients, launched the international investments platform, launched our digital assets trading platform, among other relevant developments of our existing products and services.

In addition to the relevant impact on financial markets and clients' experience with investments over 20 years, we are aware of our role in the Brazilian society. We recognize the long-term journey we are going through to integrate environmental, social and governance matters into our business and contribute to an increasingly sustainable planet. In 2022, we continued to advance on the ESG agenda through our four pillars of action: **sustainable investment solutions, sustainable transition, diversity and inclusion goals, and democratization of financial education.**



In the sustainable investment solutions front, we have one of the largest offerings of sustainable investment products in Brazil, with over R\$12 billion in ESG-related Client Assets. Such products are distributed among ESG-themes funds, structured notes, and fixed income products. Allocation to ESG investments stood at 1.3% of Client Assets and surpassed 227 thousand active clients. We believe there is still a large opportunity to develop sustainable investments in XP's platform.

On the sustainable transition, we continued to adhere and support voluntary commitments, and international covenants, such as UN Global Compact, UN Women, Pact for the Promotion of Racial Equity, Carbon Disclosure Program (CDP), Partnership for Carbon Accounting Financials (PCAF), and Principles of Responsible Investment (PRI). Besides, we continued to implement governance processes and environmental and climate transition methodologies into our daily activities.

We have further advanced on our diversity and inclusion goals in 2022. The percentage of female employees increased from 26% in 2020 to 35% in 2022, while the percentage of black employees increased from 17% in 2020 to 21% in 2022. Additionally, the percentage of employees with disabilities increased from 0.7% in 2020 to 1.7% in 2022, while the percentage of LGBTQAI PN+ employees increased from 3.9% to 6.0% between 2020 and 2022. We are proud of the recent diversity and inclusion milestones and reinforce our commitment to continually evolve over the next years.

Finally, regarding the democratization of financial education, XP Institute was founded in March 2021 with the mission to transform financial education to improve people's lives and build a better country. Our main goal is to provide financial education to 50 million people over the next 10 years. In 2022, Instituto XP positively impacted the communities in which we operate, with projects such as Educação Financeira Transforma, as well as relevant partnerships with Instituto Anima to develop Finlab, Instituto Kondzilla, Nova Escola, iFood, and others that are detailed throughout this integrated report.

As I look into the future, I see a long journey ahead, and I am very proud of the ecosystem we have created so far. I believe our long-term corporate strategy is based on three main pillars: leadership in investments, cross-sell, and differentiation through premium quality and service levels.

We will continue to leverage on the new features and products of our ecosystem to expand our leadership in our core: Investments. XP currently has 8% of total Client Assets in Brazil, having gained almost 4% of market share since the beginning of 2020. We believe we have the most complete and advanced platform in the market and the largest and most well-prepared financial advisory network in Brazil, and we continue to build upon this competitive advantage.

Furthermore, we have a great opportunity to unlock more value through the cross-sell of additional products into our client base. While this is still very incipient, we can already see that the adoption of new products, such as cards, digital accounts, and insurance, have helped us gain more share of wallet from our clients and improve their satisfaction levels. XP will continue to focus on serving an increasing portion of our clients' financial lives and meet all their financial needs. We believe this strategy will allow us to break the relationships that clients still have with the legacy banks.

And finally, we continue to differentiate ourselves from competitors with premium quality and service levels across the entire ecosystem. As the main investment platform in the market, we have a great responsibility of always providing our clients with superior experience when they engage with XP, delivering them the best value proposition.

We remain focused on maintaining our competitive advantages and strong culture as we continue to position ourselves as one of the challengers in the Brazilian financial markets in the years to come. This integrated report further elaborates on our most recent milestones achieved in 2022.

Hope you enjoy your reading.

Thiago Maffra
CEO

2022 Highlights

GRI 2-6

New Products

- Launch of verticalized **life insurance** product in both XP and Rico brands
- Launch of **International Investments Platform**
- Launch of **XTAGE**, our digital assets trading platform
- Official launch of our **Digital Account**, in both XP and Rico
- Official launch of **Debit Cards**, in both XP and Rico



ESG Agenda

- **125+** companies and recommended ESG portfolio disclosure
- **R\$12+ Billion** in ESG-related Client Assets
- **45** ESG-labeled funds
- **3** ESG ETFs on B3
- **9** ESG structured notes
- **7** Sustainable-themed Fixed Income securities issued

2022 Highlights

GRI 2-6

Financial Highlights

Gross Revenue

R\$14.0 Bn

+10% YoY

Gross Profit

R\$ 9.4 Bn

+10% YoY

EBT

R\$ 3.4 Bn

-10% YoY

Net Income

R\$ 3.6 Bn

+0% YoY

Net Margin

26.8%

-292 bps YoY

KPIs

Total Client Assets

R\$ 946 Bn

+16% YoY

Credit Portfolio¹

R\$ 17.1 Bn

+67% YoY

Retirement Plans Client Assets

R\$ 61 Bn

+27% YoY

Cards' TPV

R\$ 24.9 Bn

+140% YoY

NPS 73

Notes: (1) Gross of provisions, does not include Intercompany or credit related to Credit Card operations.

Materiality

GRI 2-12 | 2-29 | 3-1

XP Inc. believes that the financial sector has a unique role in addressing environmental, social, corporate governance, and political-economic issues in the current context, particularly due to its influence over clients, shareholders, and the market as a whole.

The methodology behind XP Inc.'s materiality research considered the direct impacts of its activities, the indirect impacts of its operations, the perspective of management and its main stakeholders in analyzing and identifying relevant ESG issues for the Company.

In this sense, roles, responsibilities, and guidelines for monitoring commitments, goals, and indicators are defined by formalized and internal procedures.

Materiality was listed in order to prioritize issues that support the company's strategy and culture, "core business" and the engagement with all our stakeholders. With this, we categorized the issues according to their level of priority, relevance to internal and external audiences, and indicated which Sustainable Development Goals ("SDGs") they relate to, not categorized in any special order within each prioritization band.

Stages of the materiality process

1. Review of methodologies and international references such as SASB, GRI, and Sustainability indexes (ISE and DJSI), along with the positioning and materiality matrix of banks and asset managers operating in the Brazilian and international markets;
2. Analysis of supplier profiles and criticality in ESG issues, based on the Institutional ESG positioning project, which also considered the perspective of this stakeholder group;
3. Interviews with our leaders and key professionals in various business areas to identify XP Inc.'s key material topics, which considered aspects of organizational culture, corporate strategy, and business vision;
4. Consultation and electronic surveys regarding the awareness and relevance of ESG issues among our clients and key stakeholders;
5. Validation of prioritized, highly relevant, and less relevant topics by the company's executive board.

Stakeholders' engagement

Contacting and consulting with our stakeholders provides an understanding of the most significant impacts of our activities, products, services, and socio-environmental interactions both within and outside of XP Inc. In this sense, we can highlight several stakeholder engagement actions promoted by the company.

Our main stakeholders are our shareholders, clients, employees, creditors, independent financial advisors, suppliers, among others.

We promote several interactions throughout the year with our main stakeholders, such as: our quarterly earnings calls, in which we discuss our financial results for the quarter; sporadic thematic events with our retail, corporate and institutional clients; our main annual event EXPERT, which we consider to be the largest financial conference in Latin America, reuniting clients, independent financial advisors, and other relevant stakeholders; among others.

Moreover, our research department engages with our stakeholders by publishing thematic analyses covering topics such as ESG, market trends, economic sectors, inflation, interest rates, and company analyses. Among the publications, we have the ESG recommended portfolio, which selects the 10 best stocks from companies with relevance and prominence in ESG aspects.

Relevant Topics

GRI 3-2

Priority Topics

- ESG integration into XP Inc.'s products and services
- Financial Education
- Diversity & Inclusion
- Our Customers' Data Privacy and Security



Topics with High Relevance

- Ethics in Business
- Relationship with our Employees
- Working with our Clients
- Transparency in Business Practices and Communication of Conditions for Products and Services
- Risk Management Processes and Practices
- Monitoring the Regulatory Environment
- Impacts of Climate Change
- Social Action



Topics with Medium Relevance

- Management of Environmental Impacts (use of natural resources and waste management)
- Relationship with our Suppliers



Voluntary Commitments

XP Inc. believes that for a stronger environmental, social, and corporate governance strategy, it is essential to adhere to and support voluntary commitments, programs, and international covenants. As a result, we were able to strengthen Environmental, Social and Climate practices in our business decisions and internal practices

XP Inc. is a signatory to the following initiatives:

Diversity & Human Rights



Sustainable Development



Sustainable Businesses



Climate and Environmental Changes





XP Inc.

- [_Our History](#)
- [_Our Culture, Values and Purpose](#)
- [_Our Employee Value Proposition](#)
- [_Our Business Model](#)
- [_Our Performance in 2022](#)

Our History

GRI 2-1 | 2-6

2001 – 2009

Building our Pillars: the beginning of the impossible



2001 Founding of XP Investimentos

We started as an Independent Financial Advisor in a 25 m² office in Porto Alegre.

2002 Creation of XP Educação

Financial education was and still is one of our main pillars to improve people's lives. In 2002, we created our first course to teach people how to invest in equities "Learn to Invest in the Stock Exchange for a price of BRL 300."

2006 Founding of XP Asset Management

We founded our own asset manager, seeking to offer an increasingly complete portfolio of products for institutional investors and individuals seeking independence, robustness and consistency in their investments.

2007 We became a Broker Dealer

We took our first step towards becoming the largest broker dealer in Brazil, through the acquisitions of Manchester CTVM and AmericalInvest CTVM.

2009 #1 in the B3 ranking

We reached #1 on the BM&FBovespa volume ranking among independent broker dealers



2010 – 2018

Gaining Scale

2010

Actis Investment

We received our first R\$100 million investment from Actis, a British Private Equity fund, valuing XP at R\$500 million.

2011

Acquisition of Infomoney

Infomoney is the largest investment website in Latin America. It reached approximately 8 million monthly unique visitors in 2022.

2012

Investment from General Atlantic and Dynamo

General Atlantic and Dynamo become our shareholders, with a check for R\$430 million, valuing XP at R\$1.4 billion.

2014

Acquisition of Clear

With an innovative digital proposal, Clear is our brand focused on trader investors, offering a 100% digital experience at low costs. With a simple and intuitive Home Broker, Clear is integrated with the best trading platforms on the market and was the first broker dealer to set brokerage fees to zero in Brazil, back in 2018.



2014

Launch of XP Securities in Miami

That same year, we took our first step into the American market, further expanding the investment options for our customers.

2016

We became the largest independent broker dealer in Brazil

At the time the second largest broker dealer in the country, Rico became our brand focused on self-served customers, with an accessible and 100% virtual platform. Rico has a proposal for asset allocation and portfolio diversification, in addition to promoting several educational contents on investments for beginners and professional investors.



2017

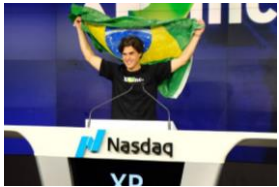
Investment by Itaú Unibanco

Valuing our business at R\$12 billion, Itaú acquired 49% of XP's shares, further validating our disruptive business model.

2019 – Present

Expansion to new horizons

2019



IPO on Nasdaq

Valuing XP at R\$63 billion, we had the largest IPO of a Brazilian company at the time.

2020

XP Bank and reduction of brokerage fees

We launched XP Bank's first credit products, with competitive fees and providing a better experience for our customers. We have further reduced brokerage fees.

2021

Launch of XP Inc. BDRs

The spin-off event with Itaú Unibanco took place in October 2021, alongside with the launch of our BDRs on B3, democratizing access to XP shares for Brazilian investors.



2021

XP Credit Card

Launching of our Visa Infinite Credit Card, the first with investback, no fees and no extra costs.

Just two years after the first launch, we would be recognized as Brazil's best credit card by *Melhores Cartões*.



2021



Instituto XP

During Expert ESG, the largest ESG event in Brazil, we announced the launch of its Instituto XP. Its goal is to bring financial education to 50 million people in 10 years.

Sponsor-investor of COB

XP as sponsor-investor of the Brazilian Olympic Committee and Team Brazil: investing on Tokyo Olympic Games, 2022 Winter Olympics, 2023 Pan and 2024 Paris Olympic Games.

2022

Digital Account, Rico Cards and more

In 2022, we launched our digital account, expanding banking services available to our XP and Rico clients. In the same year, we launched our Visa Infinite Credit Card in the Rico brand.

In 2022, we also launched XP's own life insurance, international investment platform for retail investors, and XTAGE, our digital assets trading platform.

Sponsor-investor of Aston Martin F1

In 2022, we kept investing in Brazilian sport through our sponsorship of Aston Martin F1.



Our Culture, Values and Purpose

GRI 2-1 | 2-23 | 2-6

Since our foundation in 2001 in a small office of independent financial advisors in Porto Alegre, the culture and purpose of our company are experienced daily. **We strongly believe that we have such a strong culture that is lived daily by our employees and that is an important factor on our successful history until today.**

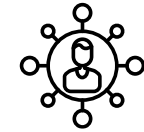
Our purpose of improving people's live and our four values are what drives our day-to-day attitudes. As we have grown a lot in recent years, we have updated what we expect from each one of our values, so they connect even more with our employees and XP Inc.'s new challenges.

This was a simple change, but one that has the potential to greatly impact how we create and maintain a strong and aligned team to go even further.



Big Dream

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



Client Focus

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



Open Mind

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



Entrepreneurial Spirit

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

Our Employee Value Proposition

We drive our culture based on our people

GRI 2-23

In 2022, we have developed our Employee Value Proposition. This is how we translate our identity into attributes capable of engaging and attracting talents to our company. It also works as a criterion to offer the best version of XP Inc. as a place to work.

This is what brings clarity and coherence to our actions and strengthens our employer brand inside and outside the company.

Based on a diagnosis built with groups of employees, potential new talents and our leadership, we've come to four foundations that translate our attributes.

We are trailblazers

We know that our tomorrow is great, because we build our future with our own hands, tirelessly. We're proud of what we have done and even more proud of what's to come.

We are transformers

Anyone who wants to change the financial market must follow what happens in the world. Adapting to the new without measuring efforts. It's about the paths we're going to open. About the challenges we will overcome.

We are determined

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

We are powerful teams

What moves us in the same direction is our ambition to do more and better. We are resilient and strong-willed people. We are a high-performance team driven by non-conformist people.

We put our client's interests as a priority. We aim for the impossible, build the paths together and get there.

We are open to innovation always based on facts and data, with no fear of making mistakes and willing to correct. We take a leading role in decision-making and **focus our time on long-term generation**. This is how we define our values.

And how do we manage this culture? How do we ensure that everyone is following what we call the XP Inc.'s Culture Code? With metrics and data, but also with examples to be followed.

We know that an attentive look at the company's culture is what leads us even further, with team spirit, persistence, and resilience. That is why we have tools on which we rely on to manage our culture. In 2022, we kept the same initiatives so we can look at the background of each employee's journey at XP Inc.

Market Survey:

A systemic quantitative and qualitative view with a comparative basis within the financial services, technology and startups market in Brazil and worldwide, carried out every two years.

360 Appraisal:

Takes place every six months with the objective of measuring the cultural alignment of our employees with an appraisal of their leaders, peers, team and stakeholders (on average 20 appraisers per employee). This appraisal is used in the performance and meritocracy cycle and directly impacts each employee's compensation.

Pulse Survey:

Carried out monthly, it has 3 dimensions – leadership, company, and team. Pulse is the basis for all improvement action plans carried out by the People & Management area, as well as the leaders of XP Inc.'s areas, with the support of its HR Business Partners.

e-NPS:

The Employee Net Promoter Score and the Leadership Net Promoter Score are measured systematically throughout the year. The eNPS, measured monthly, is a final goal present in the People & Management team up to the top leadership, as well as part of our CEO's goal.

Glassdoor:

Follow-up, monitoring, and analysis of comments on the platform, regarding points that mention XP Inc.'s culture.

XP+

The new era of hybrid work: How XP has overcome the challenge of a new way of working

With the pandemics left behind, and many learnings from the 100% remote work period (XP Anywhere), it was time to unite both worlds. Hybrid work has become a reality, and XP once again took the first step towards the future: hiring people from all around the globe remotely at the same time we accommodate in our spaces the ones with best performance in-office. The result was 'XP+', a new program to give guidance about how we work, focusing on delivering more flexibility and productivity for the diverse and strong team we have.

Our premises:

- + **Freedom** with responsibility
 - + **Wellness** with possibilities
 - + **Performance** with self-management
-



Our Business Model

XP Business Model

GRI 2-6 | 2-7

We are a Brazilian holding company with more than 20 years of history, owner of technological platforms for investments, financial services, financial education and financial-related media and content platforms, encompassing brands such as XP, Rico, Clear, InfoMoney and XP Educação. We are dedicated to being transparent, focusing on our clients, through innovation and technology, providing financial education, sustainable growth, and a robust business ecosystem through a high-performance team aligned with our big dream of transforming the financial markets to improve people's lives.

In order to deliver the best solutions for our clients, we need to go beyond and offer solutions that leave a positive legacy for our society. To build our business and compete with the major Brazilian banks, we seek to leverage state-of-the-art technologies that bring differentiation and operational efficiencies to scale our business. In recent years, we have been able to consistently innovate, develop our own technological solutions and evolve our business model in several integrated phases that complement each other and increase our capabilities. We believe that this evolution has enabled us to achieve consumer confidence in XP Inc.'s brands and companies, contributing to the revolution in the way financial services are offered in Brazil.



Our Brands

Financial Services



XP Investimentos was how we first started and is still our main brand up to this day. With transparency and a wide variety of investment products, XP offers the best solutions aligned with the interests and profile of each individual investor. Besides investment products, the XP brand also offers banking products, like our credit card and digital account. This is the brand available for Independent Financial Advisors linked to XP Inc.



The first broker dealer in Brazil specialized in Equities. The traders' preferred brand, it is the one that most leads Brazilians to invest in the Stock Exchange. Clear, which became part of XP Inc. in 2014, was the first broker dealer to offer zero brokerage fees in Brazil.



Rico is our 100% digital investment platform. We offer simple and uncomplicated content about the universe of investments, as well as a complete portfolio of products for clients to invest more and better. Since 2020, brokerage fees are not charged for online stock trading at Rico, reinforcing the commitment to democratization of investments in Brazil.



Education

XP Educação is our technology and financial education school. Our goal is to combine education with career development in order to develop exceptional professionals. In 2022, we launched our first undergraduate application process, resulting in one of the most competitive entrance exams in Brazil, with over 127,000 applicants.



Instituto XP has a big dream of transforming people's lives through financial education because it believes that it is possible to have a healthier relationship with money. The organization's primary focus is to implement programs and projects that benefit minority groups, with a particular emphasis on young people, students from public schools, and women. We are committed to providing all of our courses and projects to beneficiaries at no cost.



Media

InfoMoney, acquired in 2011, is the largest investment website in Latin America. It reached approximately 8 million monthly unique visitors in 2022.

Our Products and Services

We distribute a wide range of financial products and services, seeking to offer our clients solutions with a differentiated value proposition compared to the offers from traditional banks in Brazil. Among the main solutions we offer, the following stand out: (1) Financial Advisory Services, (2) Open Financial Product Platform, and (3) Financial Education and Digital Content Platform.



Financial Advisory Services

Our experts advise and support our clients in a variety of activities related to the financial universe. Such services include, for example, advisory services for retail and institutional clients, private banking for high income clients, international financial services, and structuring and issuance of financial products for corporate clients and issuers.

Open Product Platform

We offer an open financial product platform to our clients, encompassing both proprietary and third-party products. The open nature of our platform was the first of its kind in Brazil, and a key driver of XP Inc.'s success.

Investors may access our services through different channels: via direct channels of XP Inc. companies (XP, Rico or Clear) or via our Independent Financial Advisors, which stood at approximately 12,300 in December 2022, located in more than 2,550 offices in 242 cities in Brazil.

Financial Education and Digital Content Platform

XP Educação is one of the leading financial education platforms in Brazil. It offers courses, MBAs and learning tools that seek to teach its students about a variety of topics related to the investment world, from basics to most sophisticated techniques and advanced strategies.

In addition, we have a variety of digital contents aimed at educating our clients and providing democratic access to information about the financial markets in Brazil. This universe includes the Infomoney, EXPERT (digital platform and annual conference) and group Primo, for example.

Our Main Products

Product	Description	Clients
Equities	Hundreds of stocks, options, futures, structured products and listed funds	Retail, Corporate and Institutional
Fixed Income	Both primary and secondary markets of CDs, Government Debt, and Corporate Credit Securities	Retail, Corporate and Institutional
Funds Platform	200+ XP Asset Management funds, 500+ third-party funds from 160+ asset managers	Retail, Corporate and Institutional
Retirement Plans	R\$60+ billion in Client Assets from both XP Vida & Previdência and third-party asset managers	Retail
Cards	688 thousand active credit and debit cards in brands XP and Rico	Retail
Credit	R\$17.1 billion in Credit Portfolio in 2 years, 90%+ collateralized with investments in our platform and 0.1% NPL	Retail and Corporate
Insurance	Distribution of P&C and life insurance products from third-parties and proprietary life insurance	Retail

Our Performance in 2022

Main KPIs (in R\$ bn, unless stated otherwise)

	2022	2021	Δ YoY
Total Client Assets	946	815	+16%
Total Net Inflow	155	230	-33%
Active Clients (in '000s)	3,877	3,416	+14%
IFAs (in '000s)	12.3	10.3	+20%
Retail DATs (in mn)	2.4	2.7	-11%
Cards' TPV	24.9	10.4	+140%
Credit Portfolio ¹	17.1	10.2	+67%

Notes: (1) Gross of provisions, excludes intercompany and credit card related loans.

- Total Net Inflow was **R\$155 billion**, or R\$12.9 billion per month, despite a tough year, with interest rates in Brazil increasing by 450bps, reaching 13.75% at year end.
- Throughout 2022, over two thousand advisors were added on a net basis, resulting in **12.3 thousand IFAs**, demonstrating the strength of our value proposition, and that the quality of the platform continues to attract entrepreneurs even during tougher cycles for investment activity.
- Total TPV was **R\$25 billion**, a growth of 141% YoY, with an increase in penetration and in total eligible client base.
- Total Credit portfolio reached **R\$17.1 billion** as of December 2022, +67% YoY. Over 90% of our credit portfolio is collateralized with investments in our platform. The 90-day Non-Performing Loan (NPL) ratio was 0.1%.

Our Performance in 2022

Main KPIs (in R\$ bn, unless stated otherwise)

	2022	2021	Δ YoY
Gross Revenue	14,036	12,799	+10%
Gross Profit	9,382	8,555	+10%
Gross Margin (in %)	70.3%	70.8%	-54bps
EBT	3,445	3,815	-10%
EBT Margin (in %)	25.8%	31.6%	-578bps
Net Income	3,580	3,592	0%
Net Margin (in %)	26.8%	29.7%	-292bps

- Gross Revenue totaled **R\$14 billion** in 2022, up 10% versus 2021 and reinforcing the increased resilience of our business model. In a challenging scenario for Retail Equity and Issuer Services revenues, the main positive drivers were (i) Institutional, (ii) Corporate and (iii) Fixed Income, Float and Cards within Retail.
- Gross Margin was **70.3%**, a decrease of 50bps YoY, mainly related to the positive performance of Cards revenue and its associated investback charge.
- Overall, after a tough year, with rising interest rates and political turmoil, Net Income was **R\$3.6 billion**, relatively flat YoY, despite the challenging scenario.



Our Strategy

- _ Client Focus
- _ People
- _ Diversity & Inclusion
- _ Our Positive Impact

Client Focus

Value Generation

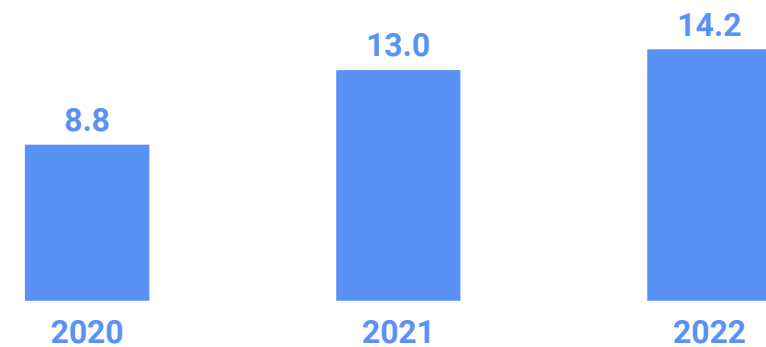
GRI 3-3 / 201-1

SASB FN-EX-550A.3 / FN-AC-270A.3

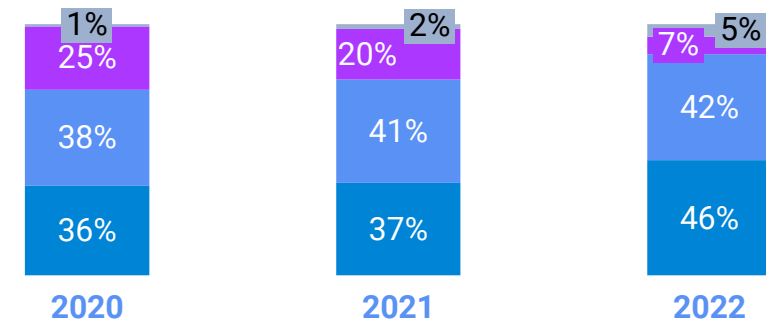
Our purpose is to transform the financial markets in order to improve people's lives. In order to do so, we constantly seek to generate value for all of our stakeholders. In 2022, we generated a total of R\$14.2 billion in revenue, and distributed R\$8.6 billion, with 46% of that being distributed to our employees through direct compensation, profit sharing, social security charges and other benefits. Approximately R\$625 million were distributed back to society, in the form of federal, state and municipal taxes paid by XP Group. Compensation on third-parties capital was approximately R\$417 million and compensation on equity was close to R\$3.6 billion, representing 42% of total distributed value added.

We remain committed to creating more value and, most importantly, distributing the value we create back to our stakeholders and overall society.

Direct Economic Value Generated (R\$ billion)



Distribution of Value Added – 2022 (R\$ billion)



■ Personnel and charges ■ Taxes, fees and contributions
■ Compensation on equity ■ Compensation on third-parties capital

NPS

At XP Inc., our unwavering focus over the past 21 years has been to enhance the lives of our clients. We have continuously strived to innovate across various fronts, guided by our commitment to delivering exceptional client experiences.

A significant testament to our dedication to client satisfaction is our steadfast emphasis on the Net Promoter Score (NPS), a well-recognized metric used to evaluate loyalty and customer satisfaction. The NPS measures the likelihood of clients recommending our company or its products/services to others.

In line with our commitment to transparency, we regularly publish our NPS on a quarterly basis, providing insights into our clients' satisfaction over the preceding six months. As of December 2022, our NPS stood at an impressive 73.

We diligently track our NPS across all our brands and channels on a daily basis, enabling us to glean valuable insights into client perceptions and their overall satisfaction with our offerings. Moreover, the NPS metric carries significant weight within our CEO's goals dashboard, highlighting its integral role in shaping our organizational priorities.

Maintaining a high NPS score remains a priority for XP, as our business model is built around customer experience.



We demonstrate our commitment to continuously improving our clients' experiences and take our customers' satisfaction very seriously, from the ideation of new products to the implementation of each project in practice.



Transformation

We intend to fulfill our purpose of transforming the financial markets to improve people's lives, continuing our history as a revolutionary and transforming company. In this journey, we will ensure the best experience for our clients and partners, encourage entrepreneurship, build the best company for our employees, and generate even more value for our shareholders.

We understand that there are important developments calling for great effort and coordination from our team, but that can make all the difference in achieving our big dream. Therefore, we have structured a Transformation Program that strikes these evolutions through the following main pillars: (i) Strategy; (ii) Client Vision; (iii) Culture and People; (iv) Operating Model; (v) Digitalization; (vi) Evolution of Tech, Operations, and Data.

In October 2021, we launched our company-wide Transformation Program and by the end of 2022 we have implemented the new operating model across 100% of the company.

The main purpose of this new operating model is achieving greater agility, client focus and efficiency. We have applied modern concepts of organizational structure and restructured the company into Business Units. These units combine all different capabilities needed to deliver a mission focused on our clients. Consequently, the teams have better communication, greater autonomy, and higher quality decisions as everyone that matters has a seat at the table.

Beyond the operating model, we will continue our Transformation journey throughout 2023, focusing on the remaining pillars, such as in reimagining our processes and building the required capabilities.

XP Educação: Finance and Technology

GRI 2-6 | 2-7

XP Educação was born from the integration of two schools: IGTI, a reference in technology education, and Xpeed, XP's finance school. We are transforming the traditional educational model and reversing the logic of education: we already embody the DNA of innovation and audacity from XP, and now we are bringing all of our companies' expertise into the classroom. In 2022, we had approximately 10,000 students in graduation, postgraduate and courses.



Finance

The finance and investments knowledge brings awareness of our personal finance, enabling us to manage our choices better and realize dreams faster. The school goes beyond and prepares investment enthusiasts for a career as an investment advisor.

To support students in the face of the challenges of starting or transitioning their career, we have gathered the best-performing advisors to teach them the safest and fastest ways to achieve the best results.

In 2022, we had approximately 140 students enrolled in postgraduate courses focused on Investment Advisory, MBA in Stocks and Stock Picking, and MBA in Investments and Private Banking. Additionally, we had over 7,000 students subscribed to various courses in finance and technology.

Technology

In the next few years, jobs in the tech industry are expected to grow exponentially. The technology professional must be open to continuously learning and connected to new technologies and market challenges.

Our Technology School has more than 80 courses focused on technology and 100% of teachers working in the market. We adopt a practical, immersive and interactive teaching model to offer professional training aligned with the demands of the new digital economy, in a unique educational ecosystem.

In 2022, we had approximately 2,800 students enrolled in postgraduate courses focused on technology, including Data Science, Business Intelligence, Data Engineering, Data Analytics, Machine Learning, Cybersecurity, Innovation and Digital Transformation, among others. Additionally, we had over 7,000 students subscribed to various courses in finance and technology.

Digital Content

InfoMoney is currently the largest success case of digital financial journalism in Brazil. A benchmark in technology, editorial content and distribution of innovative products such as the Top Finance and Business Podcasts in the country: From Zero to Top, Stock Pickers, as well as events, forums, guides, among others.

2022 in Big Numbers

77+ million website visits

377+ million pages visited

Infomoney is available on all the main content platforms:

37+ million views on Instagram

8.6+ million views on YouTube

8.0+ million monthly unique views on Infomoney

5.0+ million podcasts downloaded



People

GRI 2-19 | 401-2 | 401-3

At XP Inc., we value open and equal communication, and encourage the sharing of new ideas and opinions. We believe in learning and growing quickly, through experience, making mistakes, and continuously improving. We do not conform to the status quo, and instead propose practical and simple improvements to drive our business forward. We seek challenges that are beyond our abilities and strive to deliver exceptional results.

We recognize that health and wellness are increasingly important topics in today's world. That's why at XP Inc., we are carefully examining this issue. We are raising this topic to our leadership, reassessing our benefits, and redesigning our wellness strategy as a whole. Our goal is to encourage our employees to seek sustainable balance and quality of life. While we recognize that there are several challenges ahead, we are committed to evolving our approach to this agenda in 2022 and beyond.

Preserve your health

- Health and Dental plans, *Gympass* and access to *Optum*, a program to psychological, financial, social and legal support.

Save money

- Meal voucher, food voucher, day care allowance, exclusive investment advice and access to exclusive investment opportunities.

Optimize time

- Six-month maternity leave, 20-day paternity leave, breastfeeding support room, bike parking with locker room

Invest in yourself

- XP Educação courses free of charges or with up to 80% discounts, partnership with Udemy Academic for learning and development programs, with openings allocated by class following internal criteria, exclusive investment advice and access to exclusive investment opportunities.

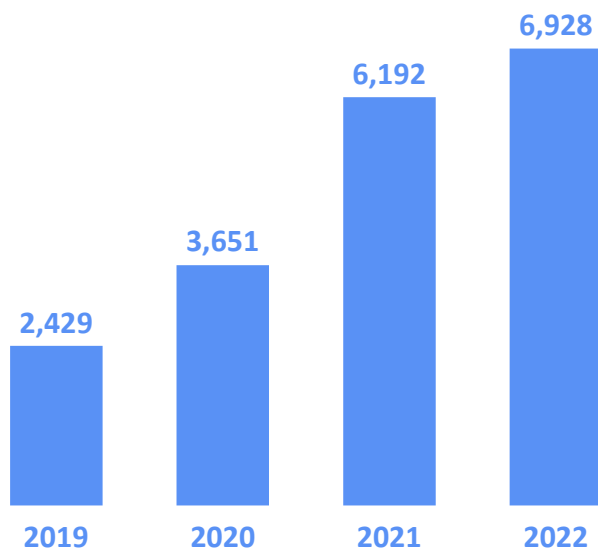


Employees Profile

GRI 2-7 | 2-8 | 2-30 | 405 | 405-2

SASB FN-AC-330a.3 | SASB FN IB-330a.3

GRI 2-7 | Total Employees



GRI 405-2 Mathematical ratio of base salary and compensation for women in relation to men in the company

	2020	2021	2022
Average of women's compensation to men	95%	93%	97%

GRI 2-8 | Information about employees and other workers¹

	2021			2022		
	Men	Women	Total	Men	Women	Total
Employees ex-interns and apprentices	3,986	1,975	5,961	4,365	2,280	6,645
Interns and Summer Students	132	88	220	163	117	280
Apprentices	2	9	11	1	2	3
Total Employees	4,120	2,072	6,192	4,529	2,399	6,928
<i>Third-Party Service Providers</i>	717	534	1,251	688	592	1,280

GRI 2-30 | Collective bargaining agreements

All employees in Brazil have collective wage agreements, however, for employees who work in other offices outside the country, local laws are followed.

Notes: (1) XP Inc. does not have temporary employees (up to 6 months) or part-time employees (up to 4 hours). All reported service providers are temporary (up to 6 months).

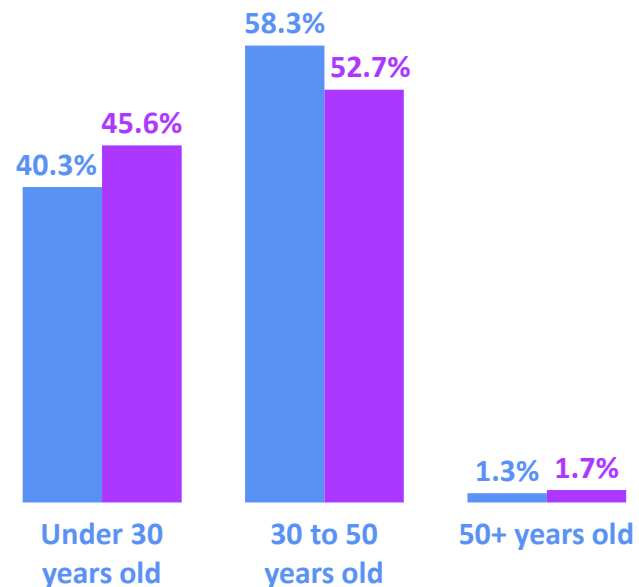
Employees Profile

GRI 2-8 | 3-3 | 405 | 405-1

SASB FN-AC-330a.3 | SASB FN IB-330a.3

GRI 405-1 Age Groups

2021 2022



GRI 405-1 | Diversity in governance bodies and employees

	Under 30 years old		30 to 50 years old		50+ years old		Men		Women	
	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022
Composition of the Board of Directors	0	0	10	9	2	2	92%	91%	8%	9%
Composition of the Executive Board	0	0	12	11	1	2	92%	100%	8%	0%

GRI 2-8 | Information about employees and other workers¹

	Under 30 years old	30 to 50 years old	50+ years old	Men	Women	Total
Superintendent / VP	0	52	12	61	3	64
Manager / General Manager	87	980	54	661	460	1,121
Coordinator / Consultant	193	751	22	636	330	966
Technician / Analyst / Supervisor	1,933	1,579	17	2,441	1,088	3,529
Operational	670	284	11	566	399	965
Interns	275	5	0	163	117	280
Apprentices	3	0	0	1	2	3
Total Employees	3,161	3,651	116	4,529	2,399	6,928

Notes: (1) XP Inc. does not have temporary employees (up to 6 months) or part-time employees (up to 4 hours). All reported service providers are temporary (up to 6 months).

Social Performance

GRI 2-7 | 3-3 | 401 | 401-1

Monitoring admission and dismissal rates allows us to identify opportunities for improvement in our internal processes, as well as the establishment of targets for improving these indicators. As part of these efforts, we have implemented exit interviews to understand potential motivations behind voluntary exits. Additionally, we conduct bi-monthly “Pulse Engagement Surveys” to recognize the needs and areas of concern among our employees. These measures are taken to enhance employee engagement and address any potential issues.

Voluntary and involuntary exits by gender

Voluntary exits			Involuntary exits		
Men	Women	Total	Men	Women	Total
547	238	785	521	296	817

GRI 401-1 | New hires and employee's turnover

	2021					2022				
	Men	Women	Under 30 years old	30 to 50 years old	50+ years old	Men	Women	Under 30 years old	30 to 50 years old	50+ years old
Hired Employees	2,035	1,335	1,587	1,721	45	1,487	851	1,357	952	29
Employees	4,838	2,606	2,657	3,359	84	4,365	2,277	2,882	3,611	114
Termination	656	245	344	535	16	1,068	534	557	1,007	38
New hire rate	42%	51%	60%	51%	54%	34%	37%	47%	26%	25%
Turnover	14%	9%	13%	16%	19%	24%	23%	19%	28%	33%

Notes: (1) XP Inc. does not consider interns and apprentices to calculate the turnover.

Goals & Performance

GRI 2-20

- ▶ At XP Inc., we breathe meritocracy and have a robust meritocracy cycle. The topic is key to our culture and is one of the pillars underpinning the way we think about people in the company.

- ▶ Thus, we use well-defined and unfolded goals within the teams, ensuring the Company's good direction, constant results, continuous improvement and transparency about the results that need to be achieved.

- ▶ At XP Inc., we rely on a 360 Appraisal to understand how much people live our purpose and values every day, and we measure the most important aspects we look for in the performance of our leaders. Resulting in a meritocratic appraisal that seeks to recognize those who have achieved their goals and are in line with the company's culture.

- ▶ We also have "People's Forums," which calibrate the performance of the 360 appraisals and goal scores, improving accuracy of the process. As a result, we remove appraisal biases and the impact of external factors (such as the market or a crisis) on performance.

Onboarding

GRI 404 | 404-1

New employee onboarding is the process of integrating a new team member into our company and its culture, providing them with guidance and training on tools and processes.

At XP Inc., we strive to innovate every day and ensure our employees have the best possible experiences. Our new employees should be aligned with our culture, purpose, way of working, customer-centricity, diversity, ecosystem, history, practical knowledge, and be inspired.

In 2021, our onboarding process transitioned from a one-day program to a 4-day immersion program, with each day dedicated to one of XP Inc.'s core purposes, incorporating a mix of synchronous and asynchronous moments.

In 2022, XP transformed the 4-day onboarding into a 90-day program, extending the experience to the first 90 days of the employee's journey. In addition to the 4 days of "Welcome", new hires receive communication guidelines with an emphasis on culture, business, and people practices, and participate in monthly meetings such as "Chat with XP Partners".

We believe that a well-structured onboarding process contributes to a better internal experience and serves as a ramp-up lever. As a result, we achieved an average NPS score of 97 in 2022 and satisfactory numbers in mitigating turnover within the first 3 months of employment.

GRI 404-1 Total and average hours of onboarding training per year per new employee

Onboarding Training	2020	2021	2022
Total hours	4,806	36,102	28,380
Average hours	2.7	10.9	10.8

Leadership

GRI 3-3 | 404 | 404-1

Leadership plays a crucial role in the success of XP Inc., and as such, the Company places a strong emphasis on providing developmental opportunities for our high-performing leaders.

In addition to roundtable discussions and lectures, we have implemented four initiatives.

The **XPponential Program**, aimed at delivering a unique and comprehensive development experience for our high-potential leaders. This initiative is designed to exponentially enhance the leadership capacity of managers who are recognized as talents and hold relevant positions within our organization, as we firmly believe they represent the future of XP Inc.



The **Shift program** is a leadership development initiative for squad leaders at XP Inc. It focuses on developing their skills in leading multidisciplinary teams and managing digital products. This program equips leaders with the competencies needed to excel in their roles, navigate challenges, and drive success in XP Inc.

The **Leader Academy** is a leadership development initiative at XP Inc. that aligns leaders with their roles in the company and provides training in People and Management practices. This program equips leaders with the skills needed to fulfill their responsibilities and contribute to the company's success.

The last one of our key initiatives for leadership development is the annual **Leadership Offsite**, organized by our People & Management team. This face-to-face event brings together our company's leaders to share our organization's strategy, conduct integration activities, and promote team cohesion and growth. It serves as a valuable platform for leaders to exchange ideas, enhance their leadership skills, and contribute to the overall success of XP Inc.

In the past year, our leaders have shown a strong commitment to their development, with an average of 18 hours per leader spent in leadership programs.

GRI 404-1 Total and average hours of leadership training per year per leader

Leadership Training	2020	2021	2022
Total hours	3,721	15,256	19,800
Average hours	6	15	18

Qualification and Training

GRI 3-3 | 404 | 404-1 | 404-2

At XP Inc., employees have access to specific materials and training on culture, compliance and internal policies. After joining the company, several training courses are organized to prepare new employees for an environment of constant feedback and performance analysis, with emphasis on Goal Training, Feedback Training and Field Day.

XP Campus

XP Inc. also offers XP Campus, which has been restructured from a client focus approach to [building an end-to-end learning ecosystem](#).

The initiative covers all employees of XP Inc. and has a portfolio of regulatory content, but mainly focuses on offering content that accelerates the employees' career and the development of essential skills for the future of XP Inc.

Through these initiatives, employees have access to institutional initiatives and workspaces segmented by area or project. We currently have 24 workspaces on different topics.

Indicator	XP Campus Results
Monthly active users (% of total employees)	84%
Average monthly access per user (# of sessions)	2 sessions

Every week new content is uploaded (soft and hard skills) to enable employees to keep evolving, and encourage continuous learning within the company, making employees play leading roles in their own careers.

Udemy Business

At the end of 2021, we established a partnership with Udemy Business, in which a limited number of licenses of the online course platform are distributed to XP Inc. employees. We had two groups of six months each, providing access for over 1,200 employees.

The objective was to encourage even more autonomy and protagonism among our talents. We developed a scalable "learning and development program", which offers personalized training for our employees wherever they are.

Some relevant highlights about the first two groups that participated:

Indicator	Udemy Results
Total number of hours consumed	12,987 hours
Average hours consumed per user	14.5 hours
Active users (% of users)	86%

In 2023, we will continue with the initiative, making minor improvements in the dynamics, and encouraging continuous learning by employees and fostering their development.

Corporate Programs

GRI 3-3 | 404 | 404-1 | 404-2

At XP Inc., we use technology as a lever for growth and development. In 2022, we had different corporate programs for our interns, training of developers through our partnership with Trybe, and training of new financial advisors through our innovative XP Future program.

Internship Program

In 2021, we had the first XP Inc. Internship Program, with over **10,000 applicants** and **85 interns hired**. In 2022, there were more than **25,000 applicants** in our internship programs, which represents a 150% increase year-over-year, with **210 hired interns**. The new interns will be taking part in more than 20 specialties and will help us build XP's future together. Through synchronous and asynchronous stages, our selection process focused on identifying and prioritizing culture and learning ability, while choosing the best people for our challenges.

XP Inc.'s internship program had a 6-month journey with a complete development experience of soft skills and hard skills accompanied by our development team.

Interns	2021	2022
Women	42%	47%
Black people	44%	37%
LGBTQAIPN+	12%	14%
PwDs	4%	3%

Developer Training Program

In 2022, we invested in the training of software development professionals, through a program in partnership with Trybe, technology school that is a reference in the training of professionals in the area.

This program encompasses a class of 300 people, for which XP paid for 50% of the course for all students and offered an allowance of one salary for 50 students. The class is made up of 40% women and 49% black people, and from this group, 151 people were hired in September 2022.

XP Future

XP Future is an institutional program for professionals with an already established career in the commercial area of other industries who are looking for a career transition to the financial markets, which involves selecting the best talent from different industries in the market and providing a platform to facilitate their career transition into financial advisors.

In this program, we have in-person training in São Paulo; commercial management structure in all states and regions of Brazil; participation in the XP University for technical training; touch points with the company's top executives and access to a hands-on track for improving commercial techniques and preparation with the best market specialists.

During 2022, we have trained over 50 professionals in all regions of Brazil and have over 200 professionals still in the training process, with plans to expand to more than 200 new professionals in 2023.

Through XP Future, we provide professionals from different industries in Brazil with the opportunity to achieve their professional dreams, providing the best possible ecosystem of training, culture and work tools.

Diversity & Inclusion

GRI 3-3 | 401 | 405

In 2022, XP Inc. has continued to develop initiatives related to its ESG strategy. Our goal remains to impact more than 500 thousand people by 2025, with an investment of R\$35 million in diversity. The idea is to reach the entire financial market with different actions, including the encouragement to quality training in technology and data analysis.



Diversity Strategy

At XP Inc., the Diversity & Inclusion ("D&I") theme is always focused on encouraging an inclusive and healthy work environment, with a focus on improving people's lives.

- The Diversity Commission brings together members of the Executive Board to monitor the development of this agenda in the Company.
- Affinity groups foster advancement in the D&I theme:

MLHR3

is the women's collective

INCLUIR

is the collective for the inclusion of people with disabilities and accessibility;

BLACKS

is the collective of black people

SEJA

is the collective for the creation of a safe and diverse environment for LGBTQIA+ persons.

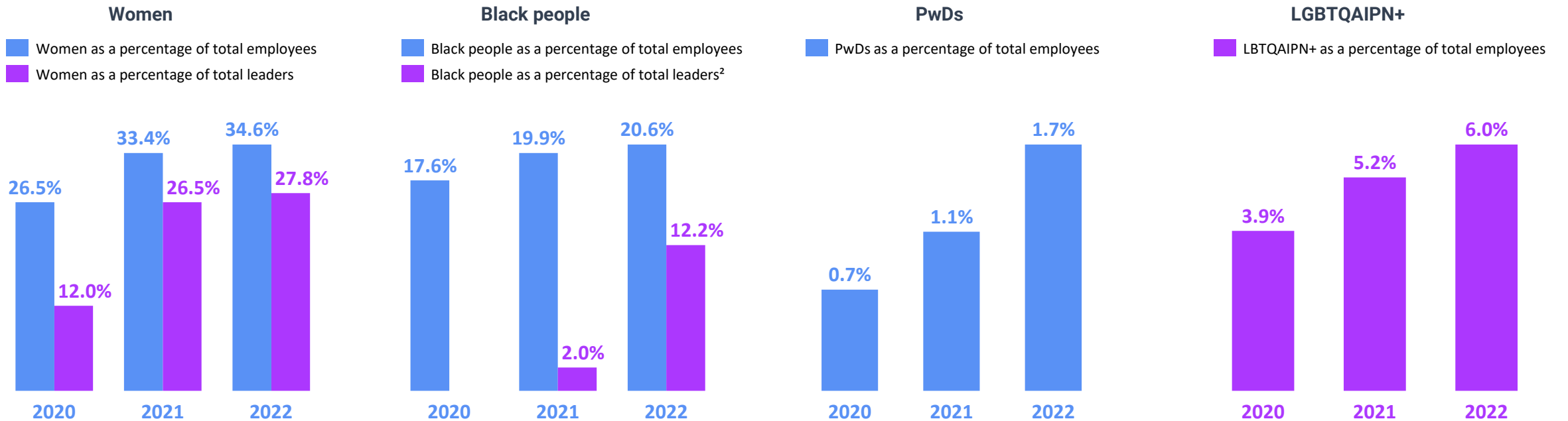
XP Inc. partnered with institutions already recognized for their work on the racial equality issue, as well as with other institutions focused on the development of a more inclusive environment and professionally training persons with disabilities.

Diversity Metrics

GRI 3-3 | 404 | 405

Main numbers and initiatives¹

We have further advanced in our diversity and inclusion metrics in 2022, as seen in the charts below:



Notes: (1) Data considers own employees, including interns and apprentices. Numbers are based on a census on the diversity of internal employees (not considering service providers). (2) We started to track the metric black people as a percentage of total leaders only in 2021.



Diversity Initiatives

In 2022, we created XP Inc.'s **Working Groups**, who have helped to develop actions to improve the level of representativeness in the company. These groups were held by the D&I team along with leaders of Affinity Groups.

- We started 2022 with the "Women that transform" campaign (in Women's Month), supported by the women collective MLHR3, followed by the "Just be" campaign, from the LGBTQIAP+ collective. We also had a month focused on the Person with Disabilities inclusion (with Incluir collective) and Black November (from Blacks collective). All actions had talks with external guests, videos, lives, posts on social media platforms (Teams, LinkedIn, and Instagram) and collaborations with some allies of Affinity Groups;
- Mentoring program exclusively for Affinity Groups members;
- Alongside with Affinity Groups nominees, we developed a "Safe Space" survey to learn more about the XP journey of our diverse team inside the company;
- Other activities held over the year: Blacks Meeting with Rachel Maia, Chat with Women, Talk Incluir, and Seja Happy Hour;
- Partnering with Talent Acquisition team, we had frequent job positions notices (affirmative ones) to support our main programs.

This year, we also launched other programs:

- In May, the Treasury Training Program had diversity as one of its premises in the recruitment process;
- XP Educação started off its free and online under graduation program with 5 courses related to tech areas;
- We also launched the Afrolab Preta Poupa, featuring PretaHub. It's an immersive program focused on supporting and fostering financial education to Brazilian black and native people entrepreneurs;
- XP Inc. has made a partnership with UXPM to kick off the PretaOn program, exclusively for women, enabling them to make a career transition with trainings costs 100% on XP.

Besides these programs and partnerships, we also had many affirmative positions opened in different departments aiming to bring more diverse people to XP Inc.

Voluntary Commitments

GRI 3-3 | 401 | 405

In 2022, we maintained our commitments with some of the most important partnerships we already had relationship with during the past years. These organizations provided us different benchmarks in racial equality, inclusion and good ESG practices, supported and organized projects dedicated to the theme and were recognized in relation to our D&I practices.

➤ Rodrigo Mendes Institute

Is a non-profit organization whose mission is to help every person with a disability to have a quality education in an ordinary school. XP Inc. supports its Endowment Fund to reinforce actions for Inclusive Education. As a result, the Company received the Inclusive Education Seal.

➤ MOVER

For the second year, XP Inc. is one of the signatory companies to the movement, whose main pillars are: Leadership, Awareness, Employment, and Training. The main goals of the group include the generation of 10,000 new positions for black people in leadership positions by 2030. By participating in MOVER, a public commitment was made as agents of transformation to collectively evolve in an anti-racist journey.

➤ Pact for Racial Equality

XP Inc.'s adhesion has happened in 2021 and has the length of 2 years. This Pact encourages the voluntary adhesion of companies interested in meeting social demands for greater racial equality, social awareness and transparency.

➤ Pact for Inclusion of People with Disabilities

XP Inc.'s adhesion since 2021, and as a result, assumed commitments to promote the rights of Persons with Disabilities.





Our Positive Impact

Voluntary Commitments

GRI 2-29 | 3-1 | 203-2 | 413-1

Instituto XP was founded in March 2021, with the purpose of driving the transformation of financial education in Brazil, empowering people to choose the life they want for themselves. So that everyone – from an early age – understands the influence of finance in their own life, learning to take care of their money, themselves, and their future.

Its goal is **to provide financial education to 50 million Brazilians** in a situation of financial vulnerability within a period of ten years, and for this, it relies on an ecosystem of strategic partnerships capable of educating, inspiring, mobilizing and acting on different fronts. The entity acts as a grant maker to support civil society programs and organizations whose **final beneficiaries are minority groups, primarily children and youth, public school students and women**. All initiatives of the XP Institute - including online courses, in-person activities, educational games, contests, among others - are free for the public.

Instituto XP is dedicated to provide financial education to Brazilians, contributing to the **achievement of several Sustainable Development Goals (SDGs)**. Our work is aimed at empowering people to live more dignified lives with greater freedom of choice and better conditions to fulfill their dreams and contribute to society.

We aspire to transform Brazil into a financially educated nation, where everyone has the knowledge and skills to manage their finances effectively. Our mission is to empower individuals and communities through financial education, **creating a more equitable and prosperous society**. We believe that financial education has a profound impact on people's lives, from their personal finances to their mental health.

We know that **financial education can transform lives**. People with knowledge about financial education can budget, manage day-to-day expenses, save and invest resources, and achieve their dreams. Our work aims to provide Brazilians with the tools to improve their financial well-being and contribute to a more prosperous society.

Instituto XP pillars

Confronted with such a significant challenge, the XP Institute aims to promote financial education in Brazil through a strategy based on the following four pillars:

EDUCATE

Rolling up our sleeves with the right partners to develop educators and foster and disseminate financial skills for all.

INSPIRE

By supporting initiatives and real cases, Instituto XP shows that this transformation is possible and necessary. The focus is sensibilization for bring close even who think this cause is not for them. Engaging employees, educators, researchers, social, and private leaders, organizations, entrepreneurs, customers, volunteers, and society as a whole.

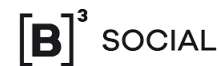
MOBILIZE

Acting in partnership and network. Instituto XP encourages people, social organizations – public and private – and all their knowledge to co-create innovative solutions and drive new practices and policies for a single purpose.

ACT

Based on professional management, we establish clear goals and results to act consistently and give the movement a long life.

Further below, we provide additional details and noteworthy highlights of our main projects and partners:



Main numbers and goals

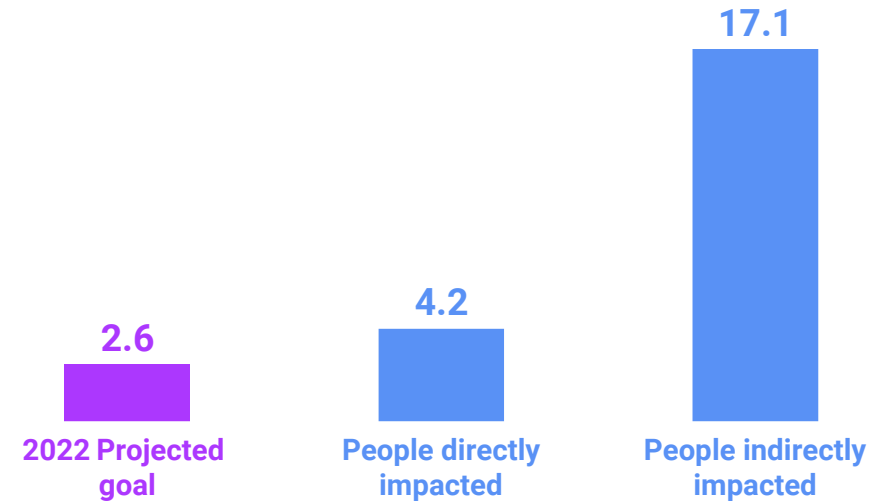
GRI 2-29 | 3-1 | 203-2 | 413-1

We aim to provide financial education to 50 million individuals in 10 years fostering knowledge, understanding, and empowerment in the realm of personal finance and investment. We are committed to implementing a comprehensive range of initiatives to reach its ambitious goal of 50 million individuals educated, which includes: Educational Programs and Resources, Workshops and seminars, Online Platforms and Context, Partnerships and Collaborations.

Since 2021, we have been monitoring the evolution of this goal, measuring the indicator of people directly impacted by the initiatives of "Instituto XP", we started impacting around 290,000 people.

In 2022, we defined projected goals to monitoring our evolution and started monitoring the indicator of people indirectly impacted as well, even if this indicator is not considered in our public goal of directly impacting 50 million people with financial education.

Total number of people impacted in 2022 (in millions)



Instituto XP Projects

GRI 405

Financial Education Tournament

The Financial Education Tournament is a gamified course that spans 10 hours of learning and is conducted on WhatsApp, utilizing artificial intelligence to provide customized tracks for students ranging from 6th grade in Elementary School to 12th grade in High School. The primary objective of this tournament is to foster accessible knowledge on financial education for both teachers and students alike. At the conclusion of the tournament, prizes such as notebooks, Kindles, and XP courses are awarded to both students and teachers.

- In its 2nd edition, the tournament received over 35,000 registrations from all regions of Brazil.
- The average score of the project among students and teachers was 82.

Educação Financeira Transforma Award

The Educação Financeira Transforma Award, the largest of its kind in Brazil, is an initiative of Instituto XP to inspire, recognize, connect, and empower individuals and organizations that are actively working to transform financial education in the country. In addition to the awards and recognition presented during an in-person ceremony, the finalists also become part of the Instituto XP's Financial Education Network.

- A total of R\$480 thousand in prizes are awarded, with R\$30 thousand awarded to the winners and R\$10 thousand to the other finalists.
- There are 8 recognized categories: Nano and Micro-influencers, Teachers, Researchers, Students, NGOs, Digital Solutions, and the XP Ecosystem.
- In its 2nd edition, there were over 600 registrations and approximately 400,000 votes in the popular voting stage.
- The judging panel featured renowned experts in finance and entrepreneurship, such as Nathalia Arcuri (Me Poupe), Thiago Nigro (Primo Rico), Konrad Dantas (Kondzilla), Edu Lyra (Gerando Falcões), along with the Editor-in-Chief of InfoMoney, Raquel Balarin.



Instituto XP Partnerships

GRI 405

Tino Econômico e Joca

As defined as the "Financial Times" for young people, Instituto XP in partnership with Magia de Ler has launched Tino Econômico, a free financial education newspaper distributed in public and private schools for children and teenagers. Additionally, the newspaper has an online portal version for access.

Instituto XP also has a financial education column in Jornal Joca, with a focus on children. The goal is to provide important information in an accessible way, promoting the formation and engagement of students with financial education.

- Over 119,000 printed copies of Jornal Tino Econômico have been distributed to schools throughout Brazil, reaching over 480,000 students.

Teacher Training

Instituto XP has partnered with Nova Escola, a leading social education platform and the most recognized brand among Basic Education teachers in Brazil. The partnership involves the production and availability of free content, courses, and lesson plans to strengthen the performance of teachers in public schools throughout Brazil.

- In 2022, 479,497 teachers were reached with lesson plans and content.



Instituto Kondzilla

Instituto XP and Instituto Kondzilla have launched a partnership to provide financial education to youth through the web series "Vai Pagar para Ver," in which MCs were interviewed to discuss money-related topics. Additionally, various content was created and published on social media with influencers to raise awareness about financial education in a light and engaging manner. The jointly created content has already reached over 2 million people on social media.

Instituto XP is also a co-creator of the "Escola de Criadores" initiative developed by Instituto Kondzilla. The aim of this initiative is to prepare young people for the job market through classes on various topics, such as audiovisual production, entrepreneurship, and financial education.

FinLab

Instituto XP has partnered with Instituto Anima to develop an Innovation Laboratory in Educational Policies, which focuses on designing, implementing, monitoring, and evaluating evidence-based programs and projects. This partnership aims to introduce the first integrated methodology (Finland + Stanford) for financial education in Brazilian public schools.

The project's mission is to transform the financial habits and attitudes of young Brazilians and their relationship with money, emphasizing the importance of financial decision-making and its implications throughout adulthood, such as financial vulnerability, exposure to fraud, participation in informal financial systems, unconscious consumption, debt, and savings. The initiative aims to become an innovative system that develops the student journey aligned with BNCC and contributes to the professional development of teachers and public administrators.

Instituto XP Partnerships

GRI 405

Partnership with iFood

Instituto XP has partnered with iFood to provide financial education to accredited delivery drivers and restaurant employees, ranging from small to large establishments, on the iFood platform. Through this partnership, we offer the online course "Equilíbrio Financeiro" (Financial Balance) for free on iFood's Decola platform, a content portal aimed at professional development of delivery drivers and business growth..

Escola do Trabalhador 4.0 Course

Instituto XP, in partnership with Microsoft Brasil, offers free financial education through the Escola do Trabalhador 4.0, a project by the Ministry of Labor and Social Security in collaboration with Microsoft Brasil that provides free courses on digital skills as part of the Programa Caminho Digital. The course "Financial Education Using Excel" offered by Instituto XP covers basic fundamentals of budgeting, expense tracking, debt prevention, saving, and getting started with investing.

Já_É! Program

In partnership with Artemísia, Instituto XP supports the Já_É! Program, which promotes open platform models to scale impact businesses' solutions, validate market opportunities, and foster innovation.

Games: Piquenique e Bons Negócios

The Instituto XP supported the Instituto Brasil Solidário (IBS) to boost the distribution of financial education games to 100,000 children, from Oiapoque to Chuí. The games, "Piquenique and Bons Negócios", created by IBS, contribute to financial education for children and youth in a playful and accessible way. "Piquenique" is a board game that teaches financial planning and entrepreneurship, while "Bons Negócios" is a card game that teaches concepts of negotiation and investment.

- With the support of Instituto XP, the initiatives have impacted 387 public schools, 6422 teachers and 102,194 students.



Free online courses

Instituto XP offers a bundle of free online courses on Financial Education in EAD format on the XP Educação platform. There are 5 courses that cover basic behavioral finance content for youth, adults, couples, and even beginner investors.

A person wearing a white jacket is seen from behind, looking out at a row of five wind turbines illuminated with warm orange lights at night. The scene is set on a dark, reflective surface, possibly water or a wet road, with city lights visible in the background.

Environmental, Social and Governance Performance

- _Our ESG Commitments
- _Our ESG Governance
- _Our Environmental Responsibility
- _ESG-related Products and Services
- _ESG Initiatives

Our ESG Commitments

GRI 2-22 | FN-IB-410a.3

XP Inc. recognizes that the ESG agenda is a journey. To move consistently in this direction, our Company is engaged in integrating ESG issues into both our internal activities and our business, contributing to the transition to a more sustainable world.

ESG Positioning

XP Inc. ESG Statement

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

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

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

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

Make investments your voice.

XP Inc.



Our Pillars

XP Inc. wants to be a company that takes responsibility for its legacy and that inspires others to also follow this path. Therefore, throughout our entire business ecosystem, we seek to be protagonists and lead the ESG agenda.

In 2022, XP continued to advance our ESG agenda through our four pillars of action:

1

Provide sustainable investment solutions

- Structuring and distribution of ESG-labelled products
- ESG education for stakeholders
- Dedicated ESG Research team

2

Prioritize our sustainable transition

- Search for recognition from third parties with international visibility
- Adherence to Commitments, Pacts and Working Groups
- Implementation of governance processes and ESG methodologies
- Offsetting our carbon footprint

3

Achieve diversity & inclusion goals

- Internal goals to become a more diverse company
- Creation of inclusive programs and job opportunities
- Support to affinity groups and creation of the Diversity Commission
- Projects with a network of partners and reference institutions on the subject

4

Democratize financial and technological education

- Impact 50 million people through financial education with Instituto XP
- Partnerships with local players focused on educational solutions
- National Award and Financial Education Tournament
- Provide free technology education programs

Our ESG Governance

GRI 2-6 | 2-12 | 2-13 | 2-14

SASB FN-EX-410A.4

Roles and Responsibilities

At XP Inc., we recognize that we must be responsible for our legacy. That is why, throughout our business, we seek to be protagonists and lead the Environmental, Social and Governance Agenda, or “ESG Agenda”. We believe that companies play a key role in solving ESG challenges and we strive to implement events for ESG practices both internally and externally.

We refer our corporate governance to the best market practices, maintaining our entrepreneurial culture and autonomy in the performance of our teams. We have a specific governance structure to address ESG issues, where the Executive Board is responsible for overseeing and monitoring ESG strategies and the implementation and compliance of our Social, Environmental and Climate Responsibility Policy (PRSAC).

We have an Executive Director responsible for the company's PRSAC, with responsibility for implementing actions for the PRSAC transition, monitoring and evaluating integrated actions and advising the Executive Board and the Board of Directors.

We also have (i) a Diversity and Inclusion Commission, responsible for supporting the evolution of diversity and inclusion issues in XP Inc. companies, validating and directing the action plans of this agenda in the company, (ii) an ESG Committee, composed by XP Inc. CEO and Executive Board of XP Inc., responsible for deliberating on operations with a high degree of socio-environmental and climate risk, mainly in cases of controversy, and (iii) in 2022, we increased the robustness of our Risk governance with the implementation of the Risk Committee Social, Environmental and Climate Risk, responsible for monitoring the institution's actions exposure to social, environmental and climate risks, deliberating on the exposure/appetite limits for social, environmental and climate risks and monitoring progress towards social, environmental risk targets and climate.

In addition, we understand that the ESG agenda should not be distant from the other areas of the Company and, therefore, we also have technical specialists within some of our internal areas and controlled companies, who monitored the ESG Chapter. This template supports the integration of the theme into the company's business practices.



Board of Directors

Monitors the evolution of the ESG agenda and Social, Environmental and Climate Risk, through periodic agendas and pre-defined guidelines on the subject.

Audit Committee

Responsible for receiving semi-annuals reports on the evolution of ESG agendas and Social, Environmental and Climate Risks, monitoring the development of the subject issues.

Executive Board

Responsible for (i) approving the Social, Environmental and Climate Responsibility Policy, ensuring its compatibility and integration with the other group policies, (ii) assessing the degree of adherence of the actions implemented to the Social, Environmental and Climate Responsibility Policy and (iii) supervise and monitor the ESG strategy and policy implementation and compliance.

Social, Environmental and Climate Risk Commission

Linked to the Risk Committee, it is responsible for (i) Monitoring our exposure to social, environmental and climate risks and deciding on the definition of exposure/appetite limits, (ii) Monitor social, environmental and climate risk management indicators, (iii) Monitor adherence to regulations and self-regulations related to social, environmental and climate risks, (iv) Discuss and approve policies and procedures for managing social, environmental and climate risks and the possible definition of restrictive or prohibited sectors, (v) Decide on the establishment of goals related to management of climate risk in the portfolio, as well as on the definition of climate transition plans, (vi) Track progress against climate risk targets, (vii) Integrate social, environmental and climate risk issues.

ESG Commission

Responsible for deliberating on operations with a high degree of social, environmental and climate risk, especially in cases of controversy, being able to call for support from an impartial external opinion on the operation. If a consensus decision cannot be reached, the CEO of XP Inc. will have a final decision on whether or not to proceed with the operation.

Diversity and Inclusion Commission

Responsible for supporting the evolution of the diversity and inclusion theme XP Inc.'s subsidiaries, validating and directing action plans for this agenda in the company.

Our Environmental Responsibility

Eco-efficiency in our operations

GRI 302-1 | 303-2 | 303-5

Our responsibility extends not only to integrating ESG aspects into our products and services. In order to minimize our environmental impact, we seek to guide the activities of our employees, partners, and representatives, thus promoting good practices in our corporate environment. We have incorporated the environmental variable into XP Inc.'s risk analysis and management, and we seek to reduce the negative impacts of our direct activities by promoting the efficient use of resources through the use of equipment that allows for reduced consumption, proper waste and effluent management, and the promotion of sustainable practices. We also enable flexible work within a hybrid model to reduce the environmental footprint of our direct activities. However, we prioritize the rental and use of building infrastructures with environmental certifications, such as our main office located in São Paulo, which was the first Brazilian project to achieve the highest Leed pre-certification for its alignment with the requirements of the U.S Green Building Council.

Energy

The data considers energy consumed in our offices located in Brazil, including São Paulo, Rio de Janeiro, and Belo Horizonte. We highlight that the energy sources used in our offices are mostly large-scale hydropower, and around 30% of the common areas of the Belo Horizonte office use photovoltaic energy.

GRI 302-1 Energy consumption within the organization

	2020	2021	2022
Energy (kWh)	2,159,384	1,641,476	1,586,193

Water

The data considers water and sewage consumed in our main office, which includes most of our operations. In the main office building, there are individual water meters, which allows the condominium to measure the individual water and sewage consumption of each of our floors on a monthly basis. Thus, the expense allocation value is sent, and the average value consumed during the year is estimated.

GRI 303-5 Water consumption by source

	2020	2021	2022
Water (m ³)	4,080	3,003	5,229
Sewage (m ³)	3,911	2,771	5,475

Waste management

GRI 301-2 | 306-1 | 306-2 | 306-3 | 306-4 | 306-5

The data considers waste generated in our main office in São Paulo, which includes most of our operations. The building is responsible for collecting and controlling waste generated per floor, which is accounted for monthly by the number of bags. This enables us to measure how much waste we generate in our office and take possible measures to reduce waste generation. We value the use of recyclable materials and proper waste disposal, and thus have separation and sorting of rejects. In order to mitigate the use of plastic material in the offices, we implemented actions to deliver mugs and squeezes to all employees during our onboarding process.

GRI 306-3 Generated Waste

	2020	2021	2022
Non-Hazardous Waste (100L Bag)	17,323	22,691	16,049
Recycling	9,025	14,563	7,050
Organic	8,298	8,128	8,999

GRI 306-4 | 305-5 Waste by type and disposal method

Disposal Method	Waste by type	2022
Landfill	Organic	8,999
	Paper	3,925
Recycling	Plastic	2,684
	Metal	300
	Glass	151
	Total	16,059

Electronic Waste Disposal

Since 2020, XP Inc. has been performing reverse manufacturing and environmentally correct disposal of its non-environmentally classified electronic waste, i.e., its obsolete IT equipment such as desktops, monitors, and peripheral cabling, in partnership with a company specialized in technological waste management¹. Such disposal resulted in the planting of 83 seedlings in 2020, 64 seedlings in 2021, and 38² seedlings in 2022, resulting in the planting of 185 native tree seedlings for the “Amigos da Mata” project through the “Instituto Refloresta”. The project aims to restore degraded and sensitive ecological areas, such as riverbanks and springs, deforested in the Atlantic Forest Biome.

Notes: (1) Manuversa is a company that manages processes for the disposal of technological waste from IT, Telecom and Data Center environments interpreted by CETESB as without hazardous classification in post- or pre-consumption processes, when companies go through their rollout processes (replacement of their technology park) or discard for some quality/obsolescence issue.

(2) Sales of obsolete assets were lower in 2022 compared to 2021, which is why the number of seedlings is lower.

Carbon Footprint

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

Since 2019, XP Inc. has been conducting its Greenhouse Gas (GHG) inventory with the goal of identifying opportunities to reduce its emissions based on a comparative baseline from that year. Our direct emissions (scope 1) and indirect emissions (scope 2) have been offset since then. Scope 3 emissions, although offset since 2019, only considers liquid effluent treatments, solid waste treatments, employee commuting to the workplace, business travel by aircraft, business travel by rental car, upstream services, and home office.

For 2019 and 2020, XP Inc. neutralized its scope 1, 2 and 3 emissions with the acquisition of carbon credits from conservation projects (REDD+), in partnership with company “Biofilica”. In 2021, the Company also neutralized its emissions with conservation projects (REDD+) for scope 1 and 2, and with biogas recovery projects for scope 3. In 2022, we neutralized our total emissions of 6,597 tCO2e through conservation projects (REDD+) for scope 1 and 2, and renewable energy projects for scope 3, in partnership with Future Carbon.

Compiling data from headquarters, branches, and employees, from scopes 1, 2, and 3, as defined earlier, XP Inc.'s GHG footprint in 2022 increased compared to 2021, mainly due to the increase in direct emissions, scope 1, by approximately 10%, which includes our fugitive emissions from air conditioning units and fire extinguishers in our offices, which can be justified by the reduction of employees in the work from home model and the increase in the use of offices. In addition, there was an increase in scope 3 emissions by about 20%, mainly related to the increase in demand for business travel. Despite significantly increasing the number of employees between 2020 and 2022, given the high growth of the company, our emissions decreased mainly because we adopted the hybrid work model, reducing our direct emissions.

	2019	2020	2021	2022
Scope 1 (tCO2e)	2,649	5,083	2,927	3,238
Scope 2 (tCO2e)	245	22	270	143
Scope 3(tCO2e)	3,613	2,010	2,660	3,214
Total Greenhouse gas emissions (tCO2e)	6,508	7,315	5,858	6,597

ESG-related Products and Services

GRI 2-6 | 2-28

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

ESG integration into XP Inc.'s business lines continues to grow. During 2021 and 2022, XP Inc. dedicated an area to develop, originate, structure, and distribute a range of national and international financial products labeled as ESG, including investment funds, fixed income assets and structured notes, in order to foster the Sustainable Investments ecosystem. In this way, our broad portfolio of ESG products is based on international sustainable finance classification references, such as the European Union's Green Finance Taxonomy, and on the self-regulation of the Brazilian Association of Financial and Capital Market Entities (ANBIMA). In this sense, investments labeled as ESG are subject to an internal due diligence process with experts in the field.

Some highlights of our sustainable investment solutions

- Wide range of **ESG products** available on our platform with the **best managers** and coordination of **various issues aligned with sustainability**.
- ESG analysis on the sell side: **125+ companies** and recommended ESG portfolio disclosure.
- **ESG Education** available to investors, advisors and employees.

Largest offering of sustainable investment products in Brazil, with 45 ESG-related investment funds available on our platform, including equity, fixed income, hedge funds, index funds, private equity, and retirement plans funds, with both local and global strategies.

3 ESG ETFs on B3: ESGE11, ESGD11, and ESGU11 offer exposure to the equity performance of companies around the world with ESG best practices, as measured by MSCI.

In structured notes, we have issued almost ten ESG-labeled products throughout the past three years. In 2022, we have launched **XP Refloresta**, **XP Carbono** and **XP Lithium**.

In 2022, we participated in **7 fixed income sustainable thematic issues**, in both local and international debt markets, **representing almost R\$7 billion in volume issued**. We also monitored **18 operations** by companies in sectors of the green economy that have good ESG practices, in line with XP Inc.'s proprietary methodology, **representing R\$14 billion in volume issued**.

We ended December 2021 with **R\$8.8 billion in ESG-related Client Assets**, representing roughly 1.0% of XP's total Client Assets and **approximately 180,000 clients allocated to ESG products**. In December 2022, we increased to **R\$12.3 billion in ESG-related Client Assets**, representing 1.3% of XP's total Client Assets and **approximately 227,000 clients allocated to ESG products**.



XP Asset Management

A XP Asset and XPA, XP Inc.'s third-party asset management companies, keep doing significant progress in 2022 regarding the ESG theme.

Our **XP Asset Responsible Investment Policy** became public in 2021, covering equities, fixed income, real estate, infrastructure, passive funds and funds of funds (FoF) strategies, meeting the commitment established when we became signatories to the Principles for Responsible Investments (PRI) in 2020.

Since 2021, we have established a process for integrating ESG factors into XP Asset's fund management, with practices to be incorporated by the teams from the manager's various areas. We hired an international consultancy company to support managers to integrate the ESG process into the analysis of equities and fixed income assets. We are aligned with the guidelines of the PRI and **have presented over 50% of XP Asset's AuM subject to ESG analysis.**

The Real Estate Funds area of XP Asset hired a specialized consulting company to support the team in the ESG theme. We analyzed our real assets portfolio for ESG issues and decided to submit for the first-time part of our portfolio for the **GRESB assessment (Global Real Estate Sustainability Benchmark)**, which is an international institution that performs benchmarks between real estate funds, analyzing different ESG topics and promoting improvements in the real estate market. As of December 31st, 2022, **100% of our fund assets portfolio that are submitted to GRESB are assessed for ESG issues.**

Based on this diagnosis, we set goals to be worked on from 2022 onwards to improve assessment and benchmarking according to GRESB criteria. In addition, we developed an ESG Due Diligence Questionnaire (DDQ) for new real estate transactions, ESG guides to share internally and with partners, green lease clauses for new contracts, and published our first **Real Estate Sustainability Report for XP Asset**, which can be found on XP Asset website.

Investment Funds

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

We have a wide range of investment funds labeled as ESG on the XP platform, including national and international products with different strategies and profiles. In 2022, the following resource managers were our partners on this front:

ESG Fund Managers on XP Platform

Aqua Capital	Mag Global Group
Aviva Investors	Mapfre Group
BlackRock Asset Management	Morgan Stanley Investment Management
Bradesco Asset Management	Nordea Asset Management
Brasil Capital	Osmosis Investment Management
Bridgewater Associates	Pandhora Investimentos
Compass Group	SulAmérica Investimentos
EB Capital	Systematica Investments
Fama Investimentos	Vinci Partners
Indie Capital	Wellington Asset Management
JGP Investimentos	XP Advisory
J.P. Morgan Asset Management	XP Asset Management

Highlights

▪ SulAmérica Crédito ESG

SulAmérica Investimentos recognizes the need to support the market's transition to an environmentally responsible, socially fair and economically transparent economy.

Therefore, *SULAMÉRICA CRÉDITO ESG* fund aims to invest in credit assets, such as debentures, Real Estate Receivables Certificates and Receivables Investment Funds - FIDC, in which the allocation of resources is aligned with the best ESG practices, promoting positive contributions to the sustainable development agenda.

The fund's allocation priority is in ESG-themed and sector and companies that generate positive contributions to sustainable development. It has **an equity of R\$442,016,890 million** and an **accumulated return of 14.74%** in 2022.

▪ Mirova Global Sustainable Equity Advisory FIA

Mirova is a dedicated pioneer of sustainability in the financial sector, striving for positive social and environmental impact.

Mirova Global Sustainable Equity Strategy fund aims to invest in companies that qualify as sustainable investments and whose economic activity positively contributes to or does not significantly hinder the achievement of one or more of the United Nations' Sustainable Development Goals (SDGs) and/or reduce the risk of not reaching one or more of the SDGs, ensuring that portfolio companies adhere to good governance practices.

The fund's allocation priority is allocating capital to sustainable economic models with environmental and/or social benefits. It has **an equity of R\$27,945,810 million** and an **accumulated return of 8.41%** in 2022.

FN-IB-410a.2 Number and total value of investments and loans incorporating integration of environmental, social and governance (ESG) factors, by sector

Issuer/Manager	Product Name	Equity	Issuer/Manager	Product Name	Equity
Morgan Stanley	MS GLOBAL OPPORTUNITIES DÓLAR ADV INVESTIMENTO NO EXTERIOR FIC AÇÕES	R\$ 538,528,356	Nordea	NORDEA GLOBAL STARS ADV INVESTIMENTO NO EXTERIOR FIA	R\$ 18,768,825
SulAmérica	SULAMÉRICA CRÉDITO ESG INVESTIMENTO SUSTENTÁVEL FI RF CP LP	R\$ 442,016,890	Schroder	SYSTEMATICA BLUE TREND DÓLAR ADV INVESTIMENTO NO EXTERIOR FIC MULTIMERCADO	R\$ 18,607,710
Mongeral Aegon Investimentos	MAG CP30 FI RF CP LP	R\$ 330,818,714	Bradesco Asset Management	BRADESCO IS SUSTENTABILIDADE EMPRESARIAL FIA	R\$ 18,604,951
Schroder	SYSTEMATICA BLUE TREND ADV INVESTIMENTO NO EXTERIOR FIC MULTIMERCADO	R\$ 240,20,7286	Wellington	WELLINGTON US BDR ADV DÓLAR FIC FIA BDR NÍVEL I	R\$ 15,499,198
Compass Group Investimentos	COMPASS ESG CREDIT SELECTION FIC RF CP LP	R\$ 190,157,898	JP Morgan	J EMERGING MARKETS ADV INVESTIMENTO NO EXTERIOR FIA	R\$ 15,252,070
XP Asset Management	TREND ESG GLOBAL FIM	R\$ 142,749.9	Wellington	WELLINGTON EMERGING MARKET DEVELOPMENT ADV INVESTIMENTO NO EXTERIOR FIA	R\$ 15,050,114
BlackRock Investimentos	BLACKROCK GLOBAL EVENT DRIVEN INVESTIMENTO NO EXTERIOR FIC MULTIMERCADO	R\$ 138,929,132	Brasil Capital	BRASIL CAPITAL SB ADV FIC FIA	R\$ 14,727,390
MAPFRE Invetimentos	MAPFRE FI RF	R\$ 116,851,054	XP Asset Management	TREND LIDERANÇAS FEMININAS FI MULTIMERCADO	R\$ 14,092,696
Fama Investimentos	FAMA FIC AÇÕES	R\$ 116,712,105	XP Asset Management	XPA ESG FIC MULTIMERCADO	R\$ 13,245,903
Vinci	VINCI IMPACTO E RETORNO ADV FIP MULTI	R\$ 75,300,312	XP Asset Management	TREND ENERGIAS RENOVÁVEIS FI MULTIMERCADO	R\$ 10,251,926
Mongeral Aegon Investimentos	MAG GLOBAL SUSTAINABLE INVESTIMENTO NO EXTERIOR FIC FIM	R\$ 59,961,635	Gama Investimentos	LYXOR BRIDGEWATER ALL WEATHER SUSTAINABILITY DÓLAR ADV INVESTIMENTO NO EXTERIOR FIC FIM	R\$ 6,718,167
Aqua Capital	AQUA CAPITAL PIVATE EQUITY AGRO 7 FIP MULTISTRATÉGIA	R\$ 50,503,614	EB Capital	EB FUTURO SUSTENTÁVEL FIP MULTISTRATÉGIA	R\$ 6,342,484
XP Asset Management	TREND ESG GLOBAL DÓLAR FIM	R\$ 39,872,026	Morgan Stanley	M GLOBAL BDR ADV FIC FIA BDR NÍVEL I	R\$ 6,289,105
Nordea	NORDEA ALFA 10 ADV INVESTIMENTO NO EXTERIOR FIC FIM	R\$ 33,394,909	Gama Investimentos	LYXOR BRIDGEWATER ALL WEATHER SUSTAINABILITY ADV INVESTIMENTO NO EXTERIOR FIC FIM	R\$ 6,219,631
XP Asset Management	TREND CARBONO ZERO FIM	R\$ 28,353,939	BB Asset Management	BB ASSET NORDEA GLOBAL CLIMATE AND ENVIRONMENT INVESTIMENTO NO EXTERIOR FIC FIA	R\$ 5,541,094
Mirova	MIROVA GLOBAL SUSTAINABLE EQUITY ADVISORY IS INVESTIMENTO	R\$ 27,945,810	Indie Capital	INDIE 2 FIC AÇÕES	R\$ 5,524,369
Aviva Investors	AVIVA GLOBAL HIGH YIELD ADV INVESTIMENTO NO EXTERIOR FIC MULTIMERCADO CP	R\$ 25,847,908	JGP Asset Management	JGP ESG INSTITUCIONAL ADV FIC FIA	R\$ 4,834,489
Western Asset Management	WSTERN ASSET ESG LEADERS HEDGED SUSTENTÁVEL IS FIA BDR NÍVEL I	R\$ 25,605,092	Blackrock	BLACKROCK GLOBAL IMPACT ADV INVESTIMENTO NO EXTERIOR FIA	R\$ 3,904,198
Aviva Investors	XP AVIVA INVESTORS GLOBAL CREDIT ESG INTEGRATED DÓLAR ADV INVESTIMENTO NO EXTERIOR FIC FIM CP	R\$ 24,419.40	XP Asset Management	SELECTION ESG FIC FIA	R\$ 3,848,706
Aviva Invertors	AVIVA INVESTORS GLOBAL CREDIT ESG INTEGRATED ADVISORY FIC FIM CP IE	R\$25,847.91	Blackrock	BLACKROCK ESG MULTI-ASSET DÓLAR ADV INVESTIMENTO NO EXTERIOR FIC FIM	R\$ 3,123,960
Nordea	NORDEA ALFA 10 DÓLAR INVESTIMENTO NO EXTERIOR FIC FIM	R\$ 21,333,021	Blackrock	BLACKROCK ESG MULTI-ASSET ADV FI EXTERIOR FIC FIM	R\$ 2,977,830
Nordea	NORDEA GLOBAL STARS DÓLAR ADV INVESTIMENTO NO EXTERIOR FIC FIA	R\$ 20,891,849	XP Asset Management	TREND ÁGUA TECH FIM	R\$ 2,403,601
			Osmosis	OSMOSIS GLOBAL EQUITY DÓLAR ADV INVESTIMENTO NO EXTERIOR FIC FIA	R\$ 1,800,572

Structured Notes

SASB FN-IB-410a.2

FN-IB-410a.2 Number and total value of investments and loans incorporating integration of environmental, social and governance (ESG) factors, by sector

Total Structured Notes Client Assets (in R\$ million)

Product Name	2021	2022
XP ESG: Futuro Sustentável	145.6	258.6
XP GIO Energia Renovável	56.9	56.1
XP Energia Renovável	23.1	22.5
XP PRIVATE ESG: Futuro Sustentável	3.9	17.2
XP Private Energia Limpa	2.0	1.9
XP Private Financiado Energia Limpa	14.4	14.4
XP ESG #Refloresta	-	92.5
XP Carbono	-	0.7
XP Lithium	-	0.6

2022 Highlights

XP ESG #Refloresta

Advantage of exposure to a proprietary ESG index, the SOLXPESG Index, which tracks the performance of a basket of ETFs, DSI (iShares MSCI KLD 400 Social), PHO (Invesco Water Resources), and ICLN (iShares Global Clean Energy), with unlimited upside and no currency risk.

For **every R\$5,000 invested** in XP ESG #Refloresta structured note, XP will **donate resources to the “Instituto Terra” to plant native trees in the Rio Doce Basin region**, contributing to the reduction of carbon emissions and supporting local biodiversity.

The investor receives a Planting Certificate, and XP monitors the planting and growth of the trees planted and ecological impacts together with the Terra Institute.

XP Carbono Zero

Advantage of exposure to an index that tracks the price of the most traded carbon credit futures contracts in Europe and the United States, the Carbon Strategy ETF (KRNB) of the Markit IHS Global Carbon Index.

XP Lithium

Advantage of exposure to an index that tracks the performance of the largest and most liquid active listed companies in lithium exploration and/or mining or in the production of lithium batteries, the Global X Lithium Battery Tech ETF (LIT US EQUITY) ETF traded in dollars, which follows the Solactive Global Lithium Index.

Fixed Income

SASB FN-IB-410a.1

In 2022, XP Inc. coordinated a series of issuances aligned with sustainability, within the scope of investment banking. We consider two categories to regard an operation as aligned with the ESG theme:

Thematic issuances: considers fixed income issuances labeled as green, social, sustainable, sustainability linked or transition, based on internationally accepted methodologies (e.g., ICMA Principles and Climate Bonds Initiative, among others).

XP Inc.'s proprietary methodology: we started to monitor transactions aligned with the green economy based on a proprietary methodology, which is based on the green economy sectors of FEBRABAN taxonomy and high scores in the Social Environmental & ESG Risk Rating.

Below, we list some theme-aligned transactions coordinated by XP Inc. in 2022:

BRK Maceió

In November 2022, BRK Ambiental issued debentures encouraged by Law 12,431. The issuance was the first public offering of sustainable and private blue debentures by a private company in Latin America. The blue label is in line with the Green Bond Principles and includes funding for activities that address sustainable water management and protection of the oceans. The funds raised (R\$1.9 billion) were used for the future payment or reimbursement of expenses, expenses or debts related to the implementation of a project owned by the Issuer.

Raízen

In April 2022, Raízen issued debentures via CVM Instruction 400, with a total volume of R\$1.1 billion. Such resources will be used to meet the company's internal goals set for March 2026, where the focus is on i) obtaining Bonsucro certification, a seal that attests to good environmental and social practices in sugarcane plantations, for 94% of its operating units; and ii) increase the participation of women in leadership positions to 30%.

Aguas de Teresina (AEGEA)

In May 2022, AEGEA Aguas de Teresina issued Incentive Debentures (12,431) via ICVM 476. of the sanitary sewage system in the Municipality of Teresina, in the State of Piauí, within the scope of the Sub-concession through various interventions, and also in the reimbursement of expenditures, expenses and investments related to the Sub-concession and incurred in a period equal to or less than 24 months prior to the offer closing date. The offer relied on Sitawi's independent opinion, attesting to the project's inclusion in the Sustainable Bonds Framework.

São Martinho

In March 2022, São Martinho issued a green debenture, in two series, with a total offer volume of R\$1.1 billion. The funds raised will be used for the production and storage of biofuels and their biomass

ESG Initiatives

XP Private

XP Private, focused on high-income customers, has advanced in its journey to integrate in an increasingly systematic manner the environmental, social, and governance dimensions in its way of managing investments.

2022 ESG Letter | XP Private

The 2022 ESG Letter focused on addressing some of the main trends that are expected to impact society, companies, and investments in the current moment and in the coming years. The letter also highlights the importance of understanding these trends, as they are not predictions but rather changing movements that have evolved over time to become widely observable forces, thus having a high probability of transforming sectors, industries, and behaviors. Ten trends were mapped out for the coming years, and potential implications or opportunities for Brazilian investors were highlighted.

The trends include:

- A vision for a significant reduction in emissions and the neutralization of GHGs, thus following the Race to Zero campaign.
- Modification of agribusiness and investments in the food sector due to the movement to seek multiple alternatives to animal protein.
- Substantial reduction in the use of fossil fuels, redirecting public and private investments to make the energy transition viable.
- Rethinking business models and investing in competitive advantages and conscious consumption.
- Prioritizing mechanisms to reduce disparities both for ethical reasons and for economic interests.

Institutional Investors

XP Institutional Investors is a channel within the structure of XP Wholesale Bank, acting as a generator of products and initiatives, seeking to implement ESG controls in investment processes to contribute increasingly to the growth of the ESG agenda. In addition, there is pressure from our investors that are increasingly driving ESG requirements and demands.

Retirement Plans

In 2021, we designed the first ESG credit fund of funds portfolio for a retirement fund, allocating R\$200 million, while throughout 2022 the strategy grew and reached R\$320 million. This growth in assets reflected in the allocated managers, generating greater engagement among managers who began to improve management models and include ESG aspects, as well as designing dedicated products with more transparent investment processes.

Insurance

In order to maintain our commitment to the topic, we hold a recurring agenda with PREVIC, SUSEP, and Abrapp – regulators and associations for market best practices and knowledge about the new paths and adaptations of the ESG agenda to the market of foundations and insurers. We also have the “Insurance Week,” an event dedicated to insurers on the new SUSEP sustainability circular. In 2022, XP Advisory launched a dedicated fund framed for the resolution of Insurers (allocation of insurance reserves) and raised over R\$50 million in just 3 months.

Research ESG

Launched in June 2020, the Research ESG team is responsible for analyzing the ESG performance of Brazilian listed companies in XP's Research coverage, serving both individual and institutional investors that incorporate environmental, social and governance issues as criteria in their analysis.

In 2022, we further advanced with our Research ESG efforts, delivering content to best guide investors about equity analysis and differentiated products:

- Over **125 companies under XP Research coverage** with ESG proprietary analysis;
- ESG page with **~16k views/month** on the platform and **rated 4.5** (maximum is 5.0);
- Daily ESG newsletter with **~3k subscribers** and an average of **6 thousand views/month**;
- **XP ESG Brazil Portfolio** – with the **top 10 picks of Brazilian equities** that combines high ESG standards and solid fundamentals – and ESG BDRs selection;
- Launch of **+20 thematic reports** in 2022.

ESG Coffee

Is a daily morning report published by XP's Research ESG team. It seeks to bring the latest news from Brazil and around the world on the subject, focusing on updates in the political and corporate sectors. In addition to discussing the historical performance of the main ESG indices in different countries, it also compares the performance of the Ibovespa vs. ISE (Corporate Sustainability Index of B3).

ESG Brunch

Is a report published every Saturday by XP's Research ESG team. It aims to highlight the main topics on the agenda during the week to assist investors in decision-making and keep them updated on the most relevant events in Brazil and abroad during the past week, including: (i) an overview of the main ESG news; (ii) the performance of the main ESG indices in different countries; and (iii) a comparison of the performance of the Ibovespa vs. the ISE.



Events

Brazil Advisor Awards

The Brazil Advisor Awards is an annual event that celebrates excellence in the independent financial advisory and wealth management sector in Brazil, with a focus on our IFA offices. The awards recognize the most outstanding performers in the industry, assessing nominees based on their financial performance, client satisfaction, and service quality. The awards program features various categories, including "ESG Products," which was introduced for the first time in 2022. This category recognized three of the top 15 offices that demonstrated excellence in promoting ESG products.

ESG Products Ranking

The ESG Products Ranking is an award established by XP to recognize the top 15 offices that excelled in promoting ESG Products within a specific period of one year. The ranking is based on general criteria that include various factors, such as the office's custody and ESG custody, average ticket, percentage of clients investing in ESG products, percentage of commercial advisors working with ESG products, and the total number of new accounts activated with investments in ESG products.

Each criterion is evaluated individually, with partial rankings calculated on a monthly basis and the average of monthly scores being considered. At the end of the one-year cycle, the ranking results are determined, and the top 15 offices are awarded.

Our eligibility analysis of the offices utilizes a proprietary methodology for evaluating Environmental, Social, and Climate Risk. It involves analyzing ESG socio-environmental notes and controversial themes, including media and processes surveys, and restrictive lists. Then, we identify the offices that demonstrate the highest level of excellence in promoting ESG Products.

The top 15 offices are recognized and invited to participate in the "ESG Incubator" project, which aims to provide mentorship to advisors on topics such as ESG products, Environmental, Social, and Climate Risk, Green Emissions in Fixed Incomes and promote the visit of one advisor per office to XP office in São Paulo.



Events

Expert

XP Expert, the world's largest investment conference, took place in August 2022, connecting key authorities from senior management from top tier Brazilian corporate, global equity and fixed income institutional investors, coupled with keynote speakers within ESG theme, with several panels about the agenda during the event.

3 Days of Event

160+ Sponsors

250+ Speakers

67+ Hours of content

8 Simultaneous stages

34,000 In-person attendees

400,000 Single users logged

Keynote ESG speakers



Carlos Takahashi

There is no trade-off between return and sustainability



Verônica Hipólito

Diversity vs. Innovation: How does plurality maximize results?



Gustavo Montezano

Brazil's potential to lead the energy transition



Andrea Bottcher

ESG investing affects financial performance



Ricardo Harris

Regulatory bodies should facilitate solutions



Isabella Nunes

Sustainable investing: why are they relevant?



Governance

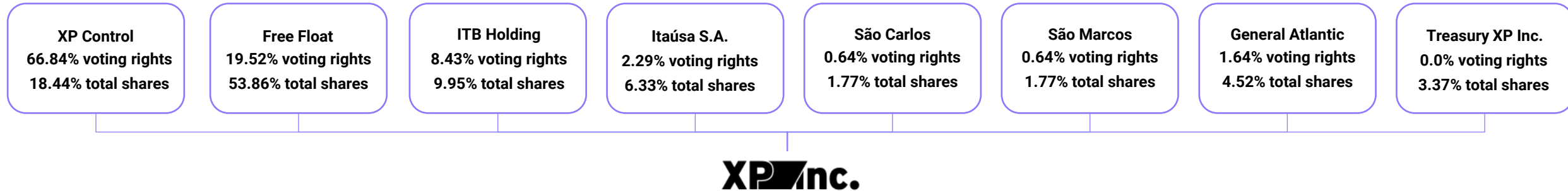
- _Corporate Governance**
- _Ethics and Corporate Policies**
- _Data Privacy and Information Security**
- _Advisor Governance**
- _Channels for Statements**

Corporate Governance

Ownership Structure

GRI 2-9 | 2-10 | 2-11

As of December 31st, 2022.



Board of Directors

Thiago Maffra - CEO

Audit Committee

10 Executive Directors

Executive Committees

Compliance & Ethics	Compensation	Strategic	Risk	Security	MLP ¹	Treasury	Funds	Credit Products
---------------------	--------------	-----------	------	----------	------------------	----------	-------	-----------------

External Auditors

Regulators

Notes: (1) Prevention of money laundering and combating the financing of terrorism.

Board of Directors

GRI 2-9 | 2-10 | 2-11 | 2-12 | 2-17

As of December 31st, 2022.

As of December 31st, 2022, our Board of Directors was composed of the following members, whose unified terms of office are of 2 years, until December 2023*:



Guilherme Benchimol,
Chairman of the Board of
Directors



Bruno Constantino,
currently also Chief
Financial Officer ("CFO") of
XP Inc



Gabriel Leal, currently also
People and Management
officer at XP Inc



Fabricio Almeida, currently
also General Counsel of
XP Inc



Guilherme Sant'Anna,
currently also Channels'
Officer at XP Inc



Bernardo Amaral,
currently also Chief Risk
Officer ("CRO") of XP Inc



Martin Emiliano Lifchitz,
board member



Geraldo Carbone
board member



Cristiana Pereira,
independent board
member and Chairwoman
of the Audit Committee;



Guy Almeida de Andrade,
independent board
member and independent
member of the Audit
Committee



Luiz Felipe Calabró,
independent board
member and independent
member of the Audit
Committee

Notes: It is important to note that the members of the Board of Directors who also hold executive positions at XP Inc. do not receive compensation for the positions they hold on the Board of Directors, hence they are not paid double compensation for their executive duties.

Executive Directors

GRI 2-9 | 2-10 | 2-11 | 2-12 | 2-17

XP Group's Executive Board is composed of members with specific competences, who lead the main operation fronts of XP Groups' activities, assessing goals, projects, and policies. The main executives leading XP Group's operation fronts are:



Thiago Maffra

CEO of XP Inc.

As of December 31st, 2022.



Bruno Constantino

CFO of XP Inc.



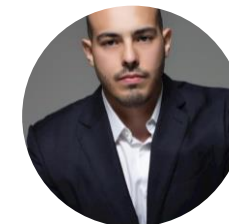
Gabriel Leal

People & Management



José Berenguer

CEO of Banco XP



Victor Mansur

Treasury



Gustavo Pires

Asset Management Services



Lucas Rabechini

Institutional and Products



Renato Cunha

Strategy, Transformation & Operations



Bernardo Amaral

CRO



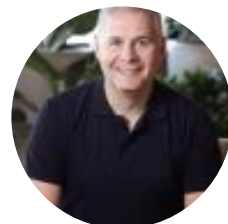
Guilherme Sant'Anna

Channels & Marketing



Fabricio Almeida

General Counsel of XP Inc.



Marino Aguiar

CTO at XP Inc.



Lisandro Lopez

Marketing

Committees

GRI 2-10 | 2-16

Audit Committee

The Audit Committee is a corporate body with an advisory role, which advises the Board of Directors in supervising our accounting and financial processes and in the process of auditing our financial statements. Furthermore, it is directly responsible for recommending the engagement, as well as the supervision, of the Company's external auditors. The composition of the Audit Committee is defined by XP Inc.'s Board of Directors, and one of its members must be considered a financial expert*. The Audit Committee conducts a self-assessment annually.

Currently, the Audit Committee is composed of the following members, all of whom are independent**:

- ▶ **Cristiana Pereira (President)**
- ▶ **Guy Almeida de Andrade**
- ▶ **Luiz Felipe Calabró**

*As defined in US regulation and legislation.

**Members of the Audit Committee also assume the role of independent members of the Board of Directors.

Personnel and Compensation Committee

The Personnel and Compensation Committee is a corporate body with advisory role, which assists the Board of Directors in reviewing and approving the Company's compensation structure, especially in relation to Directors and Executive Officers. Among the topics evaluated by this Committee, we highlight the compensation and stock plans.

Currently, the Personnel and Compensation Committee is composed of the following members:

- ▶ **Guilherme Benchimol (President)**
- ▶ **Bruno Constantino**
- ▶ **Gabriel Leal**
- ▶ **Martin Emiliano Lifchitz**

Compensation and Incentives

GRI 2-18 | 2-19 | 2-20

Employee Compensation and Incentives

Meritocracy is one of the pillars underpinning the way we think about People in the Company. To attract and retain the best talent, we reward extraordinary people according to their commitment, culture and results they bring to the company. Our compensation consists of a fixed monthly salary and a semi-annual variable compensation, defined in accordance with our 360 evaluation cycle and meritocracy. All our employees participate in the 360 assessments every six months, and are evaluated by leaders, peers and stakeholders based on two main vectors: performance and culture. **In 2022, our variable compensation, including Total Bonuses and Share Based Compensation, accounted for more than 60% of our employees' compensation for the year.**

Furthermore, our greatest incentive for our employees today is the **possibility of joining our partnership through the Restricted Share Units (RSUs) and Performance Share Units (PSUs) model, with a vesting period of at least five years.** The selection process for new partners takes place once a year and all employees are eligible for the partnership program.

At XP Inc., employees are, in fact, the owners of the Company:

- + 600 employees are partners
- 20 years is the age of the youngest person to become a partner of the Company
- 30% of the Company's partners do not hold leadership positions
- 2.5 years is the average time to become a partner in the Company
- 26% of the Company's partners are people from corporate areas

Compensation of Executives and Board of Directors

Our Board of Directors is currently composed of eleven members, three of whom are independent. Three out of these eleven members are part of the Audit Committee and another four are part of the Compensation Committee. The annual compensation of our Board of Directors is fixed, being a base compensation for all members, and an additional compensation for members and chairpersons of the Audit or Compensation Committees. Our Executives, as well as the rest of the company, are also evaluated semi-annually by the leaders, peers, and stakeholders, based on culture and results. The goals dashboard for all our directors is made up of KPIs related to: (i) the company's financial results; (ii) our customers satisfaction; and (iii) culture. Our goals system was designed to align all employees of the company, scaling goals across the company. Our CEO's goals, as of December 31st 2022, were composed of two financial targets (EBITDA and Net Income), two operational targets (Net Inflows and transformation score¹) and two satisfaction/cultural targets (NPS and eNPS). The CEO's goals break down into specific goals for each director, depending on their focus, and the director' goals, in turn, break down into specific goals for each employee and/or area beneath them.

Notes: (1) XP Transformation Project Inc. is a goal that measures management maturity and the evolution of XP Inc's transformation initiatives. It is measured through practices comprising strategy, performance, people, operating model, technology and customer vision.

Ethics and Corporate Policies

GRI 2-15 | 2-16 | 2-23 | 2-24 | 2-25 | 3-3 | 406-1 | 412-2

SASB FN-EX-510a.2 | FN-AC-510a.2

XP Inc.'s premise is to ensure responsible, ethical, transparent behavior and mutual respect with our employees and society. Our conduct is guided by common sense, transparency and truth, aiming to avoid conflicts and ethical deviations.

Code of Ethics

The **Code of Ethics** is the basis of our Company, as it defines the guidelines that guide our purposes, values and daily, internal, and external actions. Said document was duly approved by XP Inc.'s Board of Directors and applies to all Managers, members of the Fiscal Council, if installed, or of other bodies with technical or advisory functions, partners, employees, interns, business partners, third-party service providers, independent financial agents, representatives, consultants, and/or XP Inc. suppliers. It can be found in both XP Inc.'s internal system (intranet) as well as on the Investor Relations website

Our Code of Ethics is the benchmark for several other themes linked thereto, namely: Information Security, Anticorruption, Anti-money laundering, Conflict of Interests, Customer Allocation and Operations, among others.

In our business operations, we deal fairly and equitably with our customers, co-workers and suppliers.

Human Rights

We keep accurate business records and comply with laws and regulations regarding financial disclosures and audits. We give special attention to human rights, repudiating any practice that disrespects the minimum rights of each individual, including, but not limited to, any discriminatory act, whether oral or written, or acts of physical harassment that violates dignity and integrity.

XP Inc. determines through its Code of Ethics and Conduct that all decisions and professional activities of the company must be supported by equality of rights, treatments, and opportunities. It is not permitted for any employee to engage in acts that could be classified as retaliation, abuse of power, disrespect, granting unjustified benefits, any form of racial, sexual or religious discrimination, or that are related to disabilities, violence, or that could offend their colleagues or provoke a situation that could lead to physical or verbal confrontation or moral or sexual harassment.

We have trained 100% of our employees in procedures related to human rights aspects relevant to our operations, which are included in our regulatory training.

In the event of violations involving non-compliance with the values set forth in XP Inc. Code of Ethics, the Ethics Committee will determine the actions to be taken, including conducting any necessary investigation and recommending appropriate disciplinary measures. It is worth mentioning that the Committee is chaired by the Legal/Compliance Director and has the support of the Compliance, Internal Audit area and Human Resources to monitor cases.

In 2022, there were 4 cases of discrimination/moral harassment and, the actions taken involved both guidance and dismissal of employees.

Conflict of Interest

We believe that educating our employees, partners, and investment advisors is the most influential factor in driving change. Through the adoption of an efficient training system and internal controls, we ensure ethical responsibility and the dissemination of our culture throughout the network of employees, preventing conflicts before they occur.

Therefore, as established in the Code of Ethics and Conduct, employees cannot engage in external business or other activities that may interfere with their exercise of good judgment in conducting the business of the XP Inc. Group, according to internal policy. Everyone has a duty to report any transaction or personal relationship that could reasonably create a conflict of interest with XP Inc. Group companies, such as (i) relationships between XP Inc. employees; (ii) relationships with suppliers; (iii) relationships with listed companies; (iv) relationships with advisors and partners; (v) activities and equity holdings. The Compliance area is responsible for mapping, managing, and applying mitigating measures for any potential risks.

- **The Related Party Transactions Policy:** aims to **establish the rules and procedures to be followed in situations involving a potential conflict of interest**, providing transparency on such procedures to its shareholders, investors and other stakeholders, and ensuring compliance with the best corporate governance practices. Without prejudice to the disclosure of Related Party Transactions required by US regulations, XP Inc. it is also required to disclose transactions with related parties pursuant to Article 247 of Law No. 6.404/76, CVM Resolution No. 642, in addition to accounting standards. In addition to maintenance of registration records of Related Parties by Compliance area, the information pertaining to Related Parties and respective Transactions will be included in the notes to the financial statements of XP Inc., in compliance with the rules under the relevant legislation.

XP Inc. does not make donations to political parties or candidates. We respect our employees' right to join parties and make donations to such entities, if they wish to. Donations must always be made in their own name, not on behalf of XP Inc. or any of its subsidiaries or affiliates. Donations made must be reported and approved by the employees of the respective Compliance Departments of the Subsidiaries.

XP Inc. monitors actions and public statements of our employees, in order to identify any undue standpoint on the subject which links personal to professional image.

XP Inc. has a **Policy on Investments and Interest in Third Party Companies**, in which we adopt a set of rules and restrictions that must be followed by all employees in order to make direct and/or indirect personal investments in privately held Brazilian or foreign companies that are not part of the Company. They are restricted to, for example, having the position of officer, managing partner, member of the board of directors or supervisor, manager and/or administrator. Any exception must be submitted for approval by the Compliance area.

Further, XP Inc. performs supplier evaluations, to identify possible family or corporate ties with our employees and related parties. On any indication of a potential conflict of interest, our Compliance area will assess and adopt the necessary procedures.

Finally, XP Inc., through its Compliance area, analyzes sponsorships and events with third parties, establishing parameters for maintaining integrity in all business relationships, guiding the behavior of our employees and partners.

Regarding the ESG risks and opportunities agenda, **XP Group's ESG Policy aims to reinforce the commitment to social environmental responsibility in our activities, business and relationship with stakeholders, in compliance with the requirements of regulators.** In this Policy, we address the management of socio-environmental risk and business opportunities, to prevent negative social environmental impacts and expand positive impacts on environment and society, based on the principles of relevance, proportionality, and taking into account the other specific internal policies of the Company.

Compliance

GRI 2-24 | 2-26 | 205-1

XP Inc. has a robust compliance area that is responsible for ensuring that the company’s operations are in line with regulatory requirements and internal policies. The compliance team oversees various areas, including anti-money laundering, market abuse prevention, data privacy, and information security. They work closely with other departments to identify and mitigate risks, implement controls, and provide training to employees. The compliance area at XP Inc. is committed to maintaining the highest standards of integrity and ethics in all aspects of the company’s business.

Due Diligence tools to our Onboarding process

Due Diligence tools	
AML Consulting (Anti-money Laundering)	Our AML process is designed to comply with regulatory requirements, protect our customers, and safeguard the integrity of our business. It help us identify negative media and identify potential risks more effectively.
Neoway	Our Neoway process provides us a comprehensive view of our customers, allowing us to better understand their behaviors, activities, and potential risks related a legal or administrative proceedings.

AML

We ensure client acceptance and monitor clients for anti-money laundering and counter-terrorism financing compliance.

Monitoring and Trade Surveillance

We monitor client and treasury operations in accordance with market abuse prevention and anti-money laundering regulations.

Regulatory and Control Room

We prioritize our partners’ reputational controls, asset controls, brokerage information barriers, and ensure compliance with new XP company regulations.

Advisor Governance

We provide risk-based guidance, supervision, and support to our network of independent agents, correspondents, brokers, and internal advisors.

Environmental, Social and Climate Risk

We ensure that our ESG processes, procedures, and policies are in compliance with current regulations.

Squad Compliance

We delivery technological solutions for monitoring and innovation, as well as the development of monitoring and process automation tools that combat anti-money laundering activities.

Anti-corruption

GRI 2-24 | 205-2 | 205-3 | 404-1

XP Inc. has an Anti-Corruption Policy that encompasses (i) guidelines and rules to be adopted by XP Inc. companies with the aim of preventing corrupt practices and violations of the law (including the U.S. Foreign Corrupt Practices Act, Acts against the Public Administration, in accordance with Brazilian law and any other applicable anti-corruption laws) within XP Inc.

As control measures, XP Inc. provides mandatory training on the subject – during onboarding and annually through training refreshers for all employees and directors. The training covers laws and regulations as well as practical situations and how to avoid them.

Regarding the relationship with partners and suppliers, XP Inc. has mandatory anti-corruption clauses that guide the establishment of partnerships, which can be terminated in case of non-compliance.

GRI 404-1 Total and average hours of regulatory training per year per employee

Regulatory Training	2020	2021	2022
Consolidate (h)	8,711	14,907	5,246
Average (h)	2.4	2.2	2



Data Privacy and Information Security

GRI 418-1 | SASB FN-CB-230a.2 | FN-EX-550a.3

As a financial services company, we have specific responsibilities to keep our customers' information and the company's proprietary information confidential. For this reason, XP Inc. has information security controls and data privacy protection through robust processes and technologies. **In 2022, XP Inc. suffered no leaks, theft or loss of client data.**

Our Privacy Policies are public, and their main objective is to convey, in a clear and transparent way, the purposes for which client data is collected. All information processed in our environment has well-defined purposes and related legal bases, thus ensuring that it is processed respecting the pillars of data privacy.

Our documents also detail the rights of data subjects and the main channels and ways of exercising such rights, under the terms of the Brazilian General Personal Data Protection Law ("LGPD").

The Board of Directors and executives becomes aware of information security and data privacy risks through the recurring agendas in the Risk and Audit Committee, with the purpose of:

- Promoting **timely decision-making** on risks by monitoring the company's exposure to data security and privacy threats;
- Monitoring the security and privacy performance by using **timely and accurate information**;
- **Reporting** the status to the stakeholders.

Thus, the company's Board of Directors and executives support the Superintendent of Information Security (CISO) in establishing the overall business-oriented security and privacy strategy, including protection requirements in the company's business planning processes and allocating appropriate resources.

Awareness actions and training on Information Security and Data Privacy are periodically carried out as a way of ensuring that all employees are aware of their responsibilities in relation to the subject.

Some examples of actions aimed at employees:

- Monthly phishing campaigns, simulating real scenarios of ransomware attacks;
- Sending of security bulletins, publishing and disseminating awareness videos, and making specific training available on the intranet;
- Carrying out internal audit tests (resilience against ransomware and mobile app resiliency), which simulates different scenarios of attacks against the XP Group environment and exercises the teams' response to these "invasions".

We have improved the implementation of the information classification project, with the main objective of mitigating the risk of data leaks or improper access to sensitive information produced internally.

XP Inc. implemented information security controls and data privacy protection through processes and technologies, as well as systems for monitoring actions carried out in the internal environment. These controls are constantly assessed to ensure that they have been correctly implemented and are used according to best market practices. We have a structured area responsible for monitoring and responding to malicious actions, with teams working 24x7, as well as reviewing implemented controls based on lessons learned.

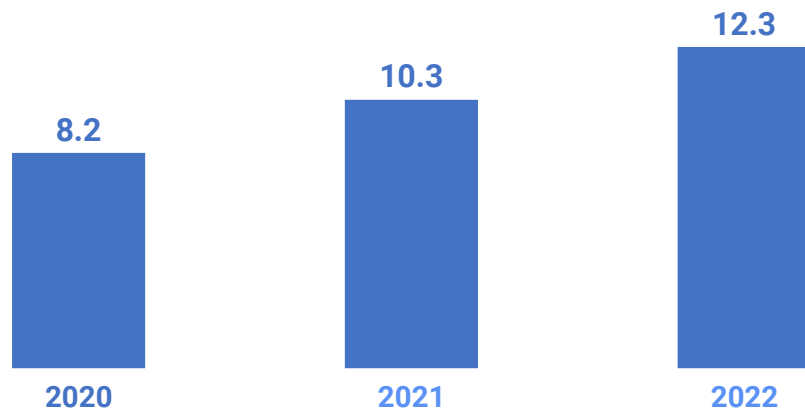
Advisor Governance

GRI 2-24

XP Inc. has an Advisor Governance area, responsible for supervising our Independent Financial Advisers ("IFAs"), to prevent discreditable situations with our clients. The area has controls aligned with the financial and capital market regulatory and self-regulatory bodies' best practices, as well as a search for several initiatives to foster a compliance environment among the network of advisors.

The interest of XP Inc. and all its partners is always to help Brazilians to invest better, offering quality products and services and always aiming at customer's benefit. Any action other than that would not be in line with our culture and would not be sustained in an environment in which we work every day to offer better investment conditions to clients.

Total IFAs (in thousands)



Network Engagement Action

In 2021, the Advisor Governance area launched the Governance and Integrity Seal, which consists of recognizing the best practices adopted by accredited offices that had the best performance within XP's compliance rules, considering pillars such as Governance, Integrity, and Education.

The Seal initiative fostered a positive impact among the accredited offices, with adhesion of approximately 70% of the network. From this percentage, in 2021 we had 13% of the offices were classified and, in 2022 we evolved to 30% of the offices classified as eligible for the Seal, i.e., those that have the highest level of governance and integrity among the aspects analyzed during the program.

Being adherent to regulation is not a simple task, but remaining in compliance is a fundamental assumption for a good business partnership. Therefore, this action is of the essence to raise the bar of excellence and reliability of the advisor network, challenging and engaging accredited offices in achieving robust and resilient governance.

Channels for Statements

Confidential Reporting Channel

GRI 2-16 / 2-26

XP Group's Confidential Reporting Channel can be used by all employees, partners, customers and suppliers, including in anonymous and secure manner. It works 24/7 with electronic service (English and Portuguese), from 9:00 a.m. to 5:00 p.m. Monday to Friday, with analysts for personal assistance. The Audit Committee monitors and ensures the proper operation of the Channel, with regard to the receiving, retention and handling of the reports received and related especially, but not limited to, accounting issues, internal controls, audit, and fraud. The report is initially received by the Compliance team, which assesses the content independently, preserving the identity of the reporting party and, later, forwards it for the respective resolution and presentation to the Audit Committee. In the event of violations involving non-compliance with the values set forth in XP Inc. Code of Ethics, the Ethics Committee will determine the actions to be taken, including conducting any necessary investigation and recommending appropriate disciplinary measures.

	2020	2021	2022
Total Statements received in the year	216	281	313
Received and completed in the same year	216	264	283

Type - Completed	2020	2021	2022
Human Resources	25	48	55
Advisor Governance	90	93	71
Others ¹	101	140	157

Notes: (1) Includes Ombudsman's Office, Legal, Compliance, Registration, and Technology.



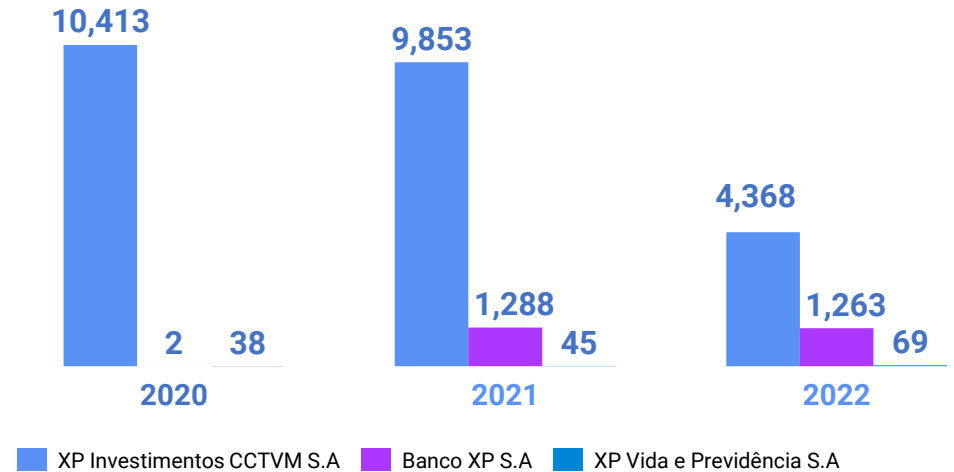
Ombudsman's Office

GRI 2-16 / 2-25

XP offers various communication channels for information, inquiries, requests, suggestions, and complaints, including call centers via telephone, Customer Service (SAC), the internet (website, FAQ, social networks, chat), "Talk to Guilherme," and the Ombudsman's Office. Each XP Inc. brand has a dedicated call center to provide specialized support to customers.

XP Inc. has an Ombudsman area whose mission is to represent the interests of customers impartially and ensure excellent service. The Ombudsman provides a last resort service to customers who are dissatisfied with the solution presented in the primary channels of XP Inc. and acts promptly to resolve claims received within the established time frame according to current regulations. Access is available via telephone or through a specialized form available on our websites. The Ombudsman's Office is an essential component of XP Inc.'s commitment to providing excellent customer service and ensuring customer satisfaction.

Number of requests



Compared to previous years, XP Investimentos CCTVM has seen a reduction in the volume of cases, thanks in part to our diligent handling of client complaints. Banco XP began operations for its entire customer base in 2021, leading to an exponential growth of cases, but we have maintained similar numbers in 2022. The number of demands related to XP Vida e Previdência has increased, but still relatively lower than the growth of our client base. We remain committed to providing prompt and effective solutions to any customer concerns and are continuously improving our processes to ensure the best possible experience for our clients.

We emphasize that the ombudsman follows a specific **Service Level Agreement** (SLA) deadline for each regulator it works with, and this was met in 100% of cases.



Risks and Opportunities

- Risks and Opportunities
- Social, Environmental and Climate Risks
- Our Climate Responsibility

Risks and Opportunities

Main Risks

GRI 2-12 | 2-23 | 2-25 | 3-3

SASB FN-CB-410a.2

Risks related to our Business and Industry

- If we cannot make the necessary investments to keep pace with rapid developments and change in our industry, the use of our services could decline, reducing our revenues. The financial services market in which we compete is subject to rapid and significant changes, and in order to remain competitive and maintain and enhance customer experience and the quality of our services, we must continuously invest in projects to develop new products and features.
- Substantial and increasingly intense competition within our industry may harm our business. The financial services market is highly competitive. Our growth will depend on a combination of the continued growth of financial services and our ability to increase our market share. Our primary competitors include traditional financial services providers.

Risks related to Brazil

- Economic uncertainty and political instability in Brazil may harm us and the price of our Class A common shares. Brazil's political environment has historically influenced, and continues to influence, the performance of the country's economy. Political crises have affected and continue to affect the confidence of investors and the general public, which have historically resulted in economic deceleration and heightened volatility in the securities offered by companies with significant operations in Brazil.
- Inflation and certain measures by the Brazilian government to curb inflation have historically harmed the Brazilian economy and Brazilian capital markets, and high levels of inflation in the future would harm our business and the price of our Class A common shares.

Note: For more information regarding Risk Factors and Main Opportunities related to our business, please refer to Form 20-F, available on the SEC and on XP Inc's Investor Relations website.

Main Opportunities

We believe there is a large addressable market opportunity remaining in our core business and significant market share to win, since our Client Assets accounts for only 8% of a R\$ 11.4 trillion market, according to our internal estimates. We intend to leverage our competitive strengths and continue to enhance the strategic advantages we have created in order to continue to grow and expand our business. We intend to pursue these strategies organically, through our in-house initiatives and development of our distribution capabilities and inorganically, by selectively making acquisitions of strategic assets. Most importantly, we intend to remain focused on our core mission of improving people's lives by empowering them to become investors and entrepreneurs, and we will nurture our mission-driven culture so that it can continue to guide our firm. Based on these principles, we plan to continue growth our firm by:

- **Protecting and Expanding Our Core Business:** we will continue to seek a greater share of the total Client Assets and trading volumes from our clients, who often keep assets in different accounts and may use the services of several firms, and we will seek to sell additional products and services to our clients. We believe that our strong value proposition and client-centric approach will continue to enhance our client loyalty and enable us to grow our share of wallet from our current customer base.
- **Building XP's Future:** we believe the self-reinforcing ecosystem provides a strong and highly differentiated advantage to XP, enabling us to reach, engage and empower clients across numerous channels. We intend to expand our ecosystem by: (i) expanding our omni-channel distribution network, (ii) growing our XP platform offering, and (iii) entering into new verticals beyond investments, which would tend to be easier to penetrate and have much lower switching costs versus the investment services industry. According to our estimates, we believe the total addressable market size, including adjacent markets that could be complementary to XP, such as insurance, credit and debit cards and other loans was close to **R\$500 billion in gross revenues in 2022.**

Social, Environmental and Climate Risk

Social, Environmental and Risk Management

GRI 2-23 | 2-25 | 2-6 | 3-3 | 201-2 | 204-1 | 308-1 | 308-2 | 412-1 | 414-2

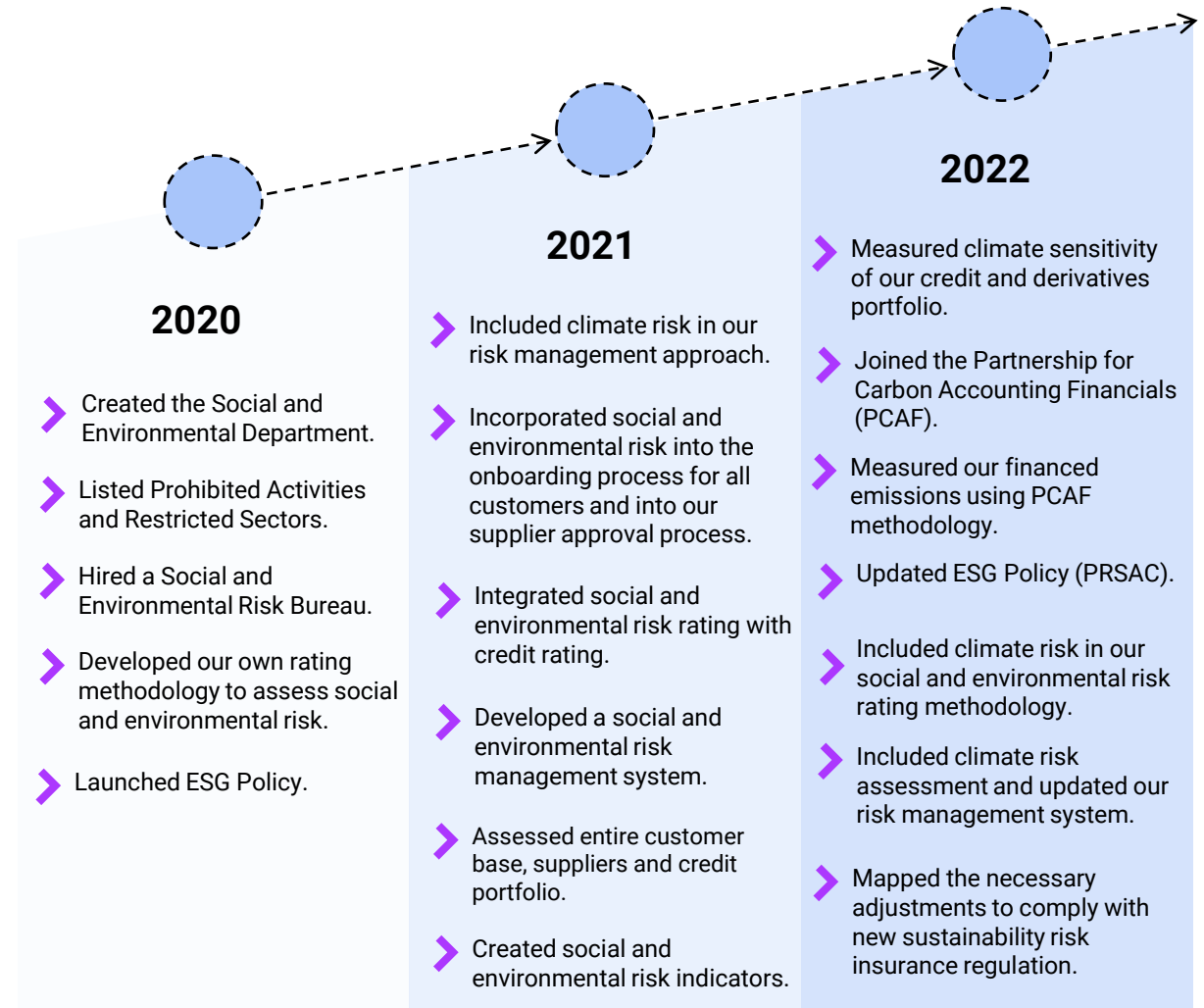
For XP Inc., social and environmental risk refers to the likelihood of incurring losses resulting from exposure to social and environmental events related to the company's activities. We also understand climate risk as the possibility of losses caused by the materialization of physical risks, including extreme weather events and chronic changes in climate patterns, or transition risks, including reputational, legal, and market risks that may arise because of transitioning to a low-carbon economy.

Recognizing the importance of effectively managing these risks in our business, we have established a Social, Environmental and Climate Risk Department since 2020. This department is seamlessly integrated into our Risk and Compliance Executive Board, with governance overseen by the organization's Risk Committee.

We proactively manage social, environmental, and climate risk associated with our activities, customers, operations, suppliers, and products. This includes comprehensive risk management stages such as identification, rating, analysis, monitoring, mitigation, and control.

Since 2022, we have taken responsibility for Banco XP's compliance with the new Central Bank regulations and for XP Seguros' adherence to the new regulations on sustainability risk. Additionally, we actively record and manage any losses that may arise from social, environmental and climate risk.

In 2022, we updated our ESG Policy to our Social, Environmental and Climate Responsibility Policy (PRSAC), which aims to reinforce the social, environmental, and climate principles and guidelines applied to our business, activities, processes, and relationships with stakeholders, seeking to prevent and mitigate negative impacts and expand positive impacts on the environment and society.



Onboarding Process

GRI 2-23 | 2-25 | 2-6 | 3-3 | 201-2 | 204-1 | 308-1 | 308-2 | 412-1 | 414-2

XP Inc. has implemented a comprehensive social, environmental, and climate risk analysis as an integral part of our account opening process since 2021, encompassing individuals as well as companies. We are dedicated to evaluating 100% of our clients and suppliers, employing specific criteria that prioritize social, environmental, and climate considerations when approving relationships. One crucial aspect of our evaluation is the adherence to our Prohibited Activities List, which guarantees that XP Inc. abstains from engaging in any associations with entities or individuals included therein. By adopting this rigorous approach, we actively uphold our core values and principles, reinforcing our unwavering commitment to promoting responsible business practices.

List of Prohibited Activities

Prohibited: Any type of relationship

- Work under conditions similar to slavery
- Child labor in disagreement with the legislation
- Illegal or banned substance (drugs, pesticides, herbicides, PCBs, ozone lay destroyers).
- Trade of wild or endangered animals
- Commercial exploitation of rainforests

In addition to our List of Prohibited Activities, our Onboarding process incorporates a comprehensive search system that encompasses news, restricted lists, and administrative and legal actions. If any information pertaining to social, environmental, or climate concerns arises during this process, our dedicated team, the Social, Environmental, and Climate Risks team, is engaged to provide their expert evaluation regarding the continuation of the relationship. This approach ensures the preservation of our steadfast commitment to responsible business practices while prioritizing partnerships with like-minded entities that share our values.

In 2022, **we took a firm stance and declined involvement with 54 companies and individuals who were associated with activities on the List of Prohibited Activities or who exhibited significant social and environmental issues.** This demonstrates our unwavering dedication to upholding our principles and reinforces our commitment to maintaining responsible and ethical business conduct.

Credit and Investment Banking Transactions

GRI 2-23 | 2-25 | 2-6 | 3-3 | 201-2 | 204-1 | 308-1 | 308-2 | 412-1 | 414-2

Since 2020, we have implemented our proprietary methodologies to comprehensively evaluate and classify social, environmental, and climate risks associated with our credit operations. Our methodology meticulously assesses and categorizes the socio-environmental and climate risk of each operation, primarily considering four key evaluation factors: potential sectoral risk; social, environmental, and climate management capacity; social, environmental, and climate performance, and controversial ESG issues. By analyzing these qualitative factors, we generate a Social, Environmental, and Climate Rating, which is classified into five levels:

- Rating A (indicating very low social and environmental risk)
- Rating B (reflecting low social and environmental risk)
- Rating C (indicating an average level of social and environmental risk)
- Rating D (representing a high level of social and environmental risk)
- Rating E (indicating a very high level of social and environmental risk)

Since 2021 we analyze all our DCM operations for Social and Environmental Risk. In 2022, we integrated the Social, Environmental, and Climate Rating into XP Inc.'s Credit Rating model, ensuring that the evaluation of a company's social, environmental, and climate performance also contributes to the assessment of its economic and financial performance.

The Social, Environmental, and Climate Rating not only influences the company's Credit Rating but also has a direct impact on the approval levels and validity of risk assessments for each operation. Operations with significant exposure to socio-environmental and ESG risks are subject to more stringent approval governance through the ESG Committee, as detailed in the ESG Governance section.

Furthermore, our risk assessment process incorporates a Restricted Sector List that imposes specific restrictions based on the nature of the relationship between XP Inc. and the client. For credit operations and all DCM operations, companies operating in these sectors are prohibited from engaging in transactions with us:

List of Restricted Segments

Prohibited: Credit, derivatives, distribution coordinator/structurer

Allowed: Account opening, investment, FX, distribution of XP Platform

Industry and trade of weapons and ammunition

Cultivation, industry and marketing of tobacco

Production or trade of alcohol beverages (excluding beer or wine)

Production or trade of asbestos

Uncertified wood and forest products

Production and trade of radioactive materials

Gambling, casinos, and equivalent companies

Ocean fishing with nets longer than 2.5 km.

Supplier Certification Process

GRI 2-23 | 2-25 | 2-6 | 3-3 | 201-2 | 204-1 | 308-1 | 308-2 | 412-1 | 414-2

Our supply chain. it is mainly composed of 3 macro categories:

1. Technology;
2. Marketing;
3. Corporate.

From an ESG point of view, **100% of our suppliers are evaluated from a social, environmental and climate perspective**, and those classified as having low potential for impact undergo a simplified evaluation process through a survey of media reports, administrative processes and lawsuits and banned lists.

Suppliers classified as having medium and high impact potential undergo a more complex evaluation process, which has its own methodology for evaluating and classifying socio-environmental and climate risks. This methodology includes an ESG questionnaire and takes into account a series of topics such as diversity, environmental compliance, labor relations, certifications, among other factors.

In addition to our rigorous evaluation process, we also have contractual clauses that guarantee us the right to terminate the relationship with any supplier that may be involved with issues related to sexual exploitation, disrespect for the environment, diversity and free union association, slave and child labor and corruption, among others. Through these efforts, we understand that we can contribute to a responsible supply chain that promotes business practices and positive social and environmental outcomes.

New Products Process

The New Product Policy at XP covers new products or activities in which the Firm may choose to engage. Generally, new business lines or new markets that materially impact the Firm's risk profile, impose new substantive regulatory obligations, or require major process and/or technological changes would require approval under this procedure.

Each new product has a Sponsor. The Sponsor, often the individual proposing the new activity, oversees the new product's progress throughout the approval process. Once all the supporting documentation is completed, the activity undergoes the Assessment stage. The assessment serves as a consolidated data source where all impacted teams such as Risk, Operations, Finance or Legal, can provide input and identify any concerns or relevant information that would enable an informed decision to be made on the approval or denial of the new product.

In this context, we performed a social, environmental, and climate risk analysis for the prospected product, thus identifying potential impacts that may be generated, as well as material, reputational, or legal risks from an ESG perspective.

Finally, the Sponsor compiles the information for presentation to the New Activity Committee, made up of the CEO and board of XP's Directors.

Our Exposure to Social Environmental Risk

GRI 2-28 / 3-3 / 201-2

In 2021, we have developed our Social, Environmental and Climate Risk System. It takes into account our methodology for Assessing and Classifying Socio-environmental and ESG Risks, as well as the sectoral classifications of the Green Taxonomy, developed by the Brazilian Federation of Banks (Febraban).

In 2022, we updated our system with several improvements, such as the inclusion of climate criteria in the evaluation methodology. The implementation of our proprietary system allowed us to carry out individual analysis of both individuals and companies, and mass classification of XP Inc. economy sector.

With the analysis and classification of the entire client base (individuals and companies), suppliers and XP Inc.'s credit portfolio, several socio-environmental and climate quality indicators of our portfolios could be developed. These indicators are periodically monitored by the Socio-environmental and Climate Risk area through our ESG Dashboard, making it possible to assess and monitor the degree of exposure to socio-environmental and climate risk of the company's portfolios. As of December 31st, 2022, our loan portfolio had only 4% of risk allocated to companies with high and very high socio-environmental risk.

We understand that the socio-environmental and climate risk system is essential for us to evolve in portfolio management and in the identification of socio-environmental and climate risks and opportunities for XP Inc.

Membership Associations

We continue to participate in various committees and working groups related to socio-environmental and climate risks. Within the scope of the Brazilian Federation of Banks (Febraban), we participate in the ESG Committee and in four specific working groups:

- **Climate Squad:** seeks to discuss methodologies developed globally from the perspective of climate risks. We aim to develop and implement tools for climate finance management, applicable to the Brazilian reality of banks. Among the topics discussed is the assessment of physical risk and tropicalized transition risk scenarios, as well as the measurement of climate sensitivity and financed emissions of the credit portfolio.
- **Regulation Squad:** seeks to deal specifically with regulations recently published by BACEN, thus discussing adaptations to new standards. Among the topics addressed in the working groups, there is the implementation of the loss base and stress test.
- **Sustainable Finance Squad:** seeks to expand the knowledge of banks in sustainable finance, promoting training on sustainable debt instruments for investment banking and corporate credit areas.
- **Deforestation Squad:** The purpose of the working group was to mobilize commitments to discuss the implementation of deforestation risk management in agricultural chains in different segments of banking operations.

At ABBC, we are coordinators of the Socio-Environmental and Climate Risk Commission. At the Financial Innovation Lab, we participate in the ESG Risks working group.

Our Climate Responsibility

GRI 2-1 | 2-23 | 2-6 | 201-2

XP Inc. is fully aware of its responsibility to invest in the transition towards a low carbon economy, actively working to minimize both its direct and indirect environmental impacts and mobilize its entire ecosystem towards this transformative path.

We recognize that climate change will have far-reaching consequences for society and the economy, presenting both risks and opportunities. Understanding the gravity of this issue, we believe that fulfilling our purpose of "improving people's lives" necessitates a committed and responsible approach to addressing the challenges posed by climate change. Notably, data from the Intergovernmental Panel on Climate Change (IPCC) underscores the heightened vulnerability of Brazil and Latin America to the impacts of a global temperature rise exceeding 2°C. Furthermore, regulatory pressures, exemplified by the Central Bank of Brazil's initiatives and new regulations on Social, Environmental, and Climate risks, reinforce the need for proactive action.

XP Inc. firmly believes that achieving the objectives outlined in the Paris Agreement demands collective efforts, with the financial system playing a crucial role. Accordingly, we accord great importance to this topic in our business agenda and are consistently advancing in our journey to effectively manage climate risks and capitalize on opportunities. We are diligently assessing our exposure to climate risks through our participation in initiatives such as the Carbon Disclosure Project (CDP) and the Partnership for Carbon Accounting Financials (PCAF). Our objective is to develop a comprehensive transition strategy and proactively prepare for forthcoming regulatory requirements in this domain. We remain committed to comprehensively examining the potential impacts of climate change on XP Inc.'s business, as detailed in the social, environmental, and climate risk section above.

Moreover, we are progressively prioritizing products that make positive contributions to the climate agenda. By doing so, we aim to encourage our customers and stakeholders to duly consider the climate-related aspects when making their choices and investments.

Climate Risk

We understand climate risk as the possibility of losses caused by the materialization of physical risks, including extreme weather events and chronic changes in climate or transition patterns, including reputational, legal, market risks, among others, that may materialize as a consequence of the transition towards a low carbon economy. Climate risks represent a systemic challenge for the global economy, as they can interact with risks that traditionally affect the financial system and raise new questions. In 2022, we expanded the scope of our work on climate risks and strengthened this variable in our social, environmental and climate assessments, where we adopted the Green Taxonomy developed by Febraban to identify the sectors most exposed to climate change and through our Social, Environmental and Climate, we assess our clients on their practices for identifying and managing climate risks, as well as their greenhouse gas emissions, as both practices can impact the Social, Environmental and Climate Risk Rating and, consequently, the pricing of transactions.

Climate Sensitivity

We measure the climate sensitivity of our credit portfolio, applying the Climate Risk Sensitivity Tool, developed by Febraban. The methodology combines relevant variables – sectorial rating and credit rating – and proportionality – representativeness in the portfolio and weighted average term of transactions – to define the most sensitive clients in our portfolio. As of December 31st 2022, **12.7% of our credit portfolio was allocated to customers with high sensitivity to climate risks**, down 2% versus 2021.

It is important to highlight that, at the time of the analysis, **84% of clients with high sensitivity had a Social, Environmental and Climate Rating of A or B**, that is, clients who, despite being exposed to climate risk, already have environmental and climatic risk management practices. Despite their higher sensitivity, these clients also have good credit quality.

TCFD Recommendations

Published in 2017, the recommendations of the Financial Stability Board’s Task Force on Climate-Related Financial Disclosures (TCFD) aim to encourage the disclosure of financial information related to climate risks and opportunities, allowing investors to make more informed decisions. XP Inc. recognizes the relevance of the TCFD and is working to ensure greater adherence to the recommendations that have a high degree of synergy with the new Socio-environmental and Climate risk regulations.

In order to ensure greater transparency and greater adherence to market initiatives, since 2021 XP Inc. also actively participates in the Febraban Climate Squad, which aims to assist Brazilian financial institutions in the process of incorporating TCFD recommendations.

The table below summarizes the launched and ongoing initiatives for joining the TCFD:

TCFD Pillar	Actions Taken and in progress
Governance	<ul style="list-style-type: none"> • Social Environmental & Climate Risk area that reports to our CRO and our ESG Chapter. • Social, Environmental and Climate Risk Commission; • Inclusion of the theme in the agendas of the Board and Audit Committee of the Board of Directors.
Strategy	<ul style="list-style-type: none"> • Mapping our exposure to weather risks and potential impacts for XP Inc. • Participation in working groups related to the theme. • Development of products and services related to the climate theme and working to stimulate the carbon market. • Measure and neutralize 100% of greenhouse gas emissions from our activities and assess. • Monitoring our exposure to climate risks through our risk management processes and climate indicators.
Risk Management	<ul style="list-style-type: none"> • Engagement of our clients to reduce the impact of climate change on our institution's business. • The climate variable is present in our social, environmental and climate risk assessment for customers and operations. • Specific metrics and indicators on the climate risk of our portfolios, monitoring these indicators on a quarterly basis.
Metrics and Goals	<ul style="list-style-type: none"> • Measuring scope 1, 2 and 3 emissions from our activities and a goal of neutralizing 100% of these emissions. • Measuring of our financed emissions and metrics for monitoring the evolution of the issuance intensity of our credit portfolio. • Report our sensitivity to climate risks, our direct emissions and financed emissions under the TCFD.

In order to identify the most relevant climate-related issues for our clients that could pose risks for XP Inc. in the short, medium, and long term, we analyze public information from over 100 Brazilian companies that respond to the CDP. The risks are categorized based on their climate nature (physical or transitional) and their potential to materialize in the near, mid, and long-term. By conducting this assessment, we not only diagnose relevant issues for our portfolio and the economy as a whole, but also strengthen the integration of the climate variable in our risk assessment processes.

Climate Event	Climate Risk Category	Potential Impact		
		Short Term	Medium Term	Long Term
Change in consumer behavior and failure to manage climate risks affecting the companies' reputation	Transition Risk	High	Very High	Very High
Changes in climate patterns affecting production capacity, working conditions or the supply chain and directly affecting the production capacity of companies	Physical Risk	High	High	High
Water crisis raising the cost of water	Physical Risk	Medium	Medium	Medium
Extreme events affecting production capacity, working conditions or the supply chain and directly affecting the production capacity of companies	Physical Risk	High	High	Very High
Extreme events, in particular heavy rains and droughts, affecting the companies' physical assets and buildings, leading to an increase in cost overruns	Physical Risk	High	High	High
New climate regulations and NDCs imposing limits on pollutant emissions or adaptation measures, and leading to fines or making it difficult to obtain permits	Transition Risk	Low	High	High
Carbon pricing or offset requirements leading to higher operating costs	Transition Risk	High	High	Very High
Risk of sunken assets or with loss of value in view of climate risks, especially transition	Transition Risk	Remote	Low	Medium
Physical and transitional risks reducing generation capacity and increasing energy and fuel costs or leading to penalties	Physical and Transition Risk	High	High	Medium
Physical and transition risks elevating credit risk and leading to losses in financial institutions	Physical and Transition Risk	Medium	High	High
Climate litigation	Transition Risk	Low	Medium	High

Financed Emissions

In 2022, we demonstrated our commitment to environmental responsibility by joining the Partnership for Carbon Accounting Financials (PCAF). Through this partnership with other financial institutions, we developed harmonized methodologies for measuring financed emissions, specifically scope 3, category 15 emissions. We applied this methodology to our wholesale loan portfolio and identified that throughout 2022, we contributed to the issuance of approximately 64,621 tCO₂e. This corresponds to an average intensity of 9.2 tCO₂e for every R\$1 million in credit operations. Despite the increase in total emissions by 74% compared to 2021, mainly due to the considerable growth of our loan portfolio, the average intensity of our emissions decreased by 24%. This reduction demonstrates the improved climate quality of our credit portfolio and our commitment to sustainability.

Sector	Financed Emissions (tCO ₂ e)
Agriculture, Food and Beverage Industry	28,209.40
Construction and Furniture	7,239.10
Energy	6,006.32
Mining	2,626.37
Holdings	1,814.15
Transport	1,406.32
Paper, Pulp and Forestry Products	959.42
Others	809.25
Total	64,621
Intensity (tCO₂e/R\$ MM)	9.23
Score	4.58

As part of our commitment to environmental responsibility, we have implemented the PCAF methodology to calculate our financed emissions score. This methodology assigns a score from 1 to 5, with a score closer to 1 indicating a more accurate calculation. Due to our loan portfolio consisting mainly of small and medium-sized privately held companies that do not typically disclose their emissions data, we achieved a score of 4.58. While we have improved our score by approximately 0.3 points, we recognize the importance of promoting engagement with our customers to encourage them to measure and disclose their emissions. This will allow us to increase our score and improve the accuracy of our calculations.

We understand that socio-environmental and climate risks are a significant concern for our institution, and we remain committed to developing better management practices to address these issues.

Facilitated Emissions

Financed emissions are intrinsically linked to investments and loans recorded on a financial institution's balance sheet, including equities, corporate loans, project financing, real estate credit, and vehicle financing. However, there are transactions that, despite being structured by the financial institution, are not recorded on their balance sheet, such as IPOs, capital market transactions, and derivatives. These transactions result in facilitated emissions, which are not currently accounted for in our calculations.

As members of the Partnership for Carbon Accounting Financials (PCAF), we are committed to supporting the development of a methodology to calculate facilitated emissions. This will be particularly relevant for XP Inc., as it should represent a significant portion of our operations. We will work closely with the PCAF to develop and apply this methodology to our operations once it becomes available.

We recognize the importance of addressing social, environmental, and climate risks in our operations and are committed to developing best management practices to manage and mitigate these risks.

Exhibits



Exhibits: Indicators Booklet

The following tables, information and KPIs bring together the main indicators of environmental, social and governance ("ESG") topics presented in our Integrated Report and additional information. We seek to be as transparent as possible with all our stakeholders, including investors, customers, employees and partners. For further information about the Company and its results, access the XP Inc. website, in the "Investor Relations" tab.

SASB

FN-AC-510a.1 Total amount of monetary losses as a result of lawsuits associated with fraud, insider trading, antitrust, anticompetitive behavior, market rigging, bad practice, other financial industry laws or regulations.

In the Loss Reimbursement Mechanism ("MRP"), also managed by BSM, a payment of BRL 1,043,739.42 was made, referring to the order imposed by the self-regulator. The proceedings paid had been commenced in 2021.

The CVM commenced an administrative proceeding against XP Investimentos CCTVM S.A. to examine the complaints received from investors regarding instabilities/unavailability that occurred on the Clear trading platforms in 2019 and 2020. XP proposed the execution of a Settlement Agreement. After discussions with the CVM, the Settlement Agreement, in the amount of BRL 5 million, was accepted and signed. After complying with all obligations provided for in the Settlement Agreement (which are still ongoing), the administrative proceeding will be permanently filled.

FN-CF-220a.1 Number of account holders whose information is used for secondary purposes; and FN-CF-220a.2 Total amount of monetary losses as a result of legal proceedings associated with customer privacy

Personal information collected through XP Group channels is used for the purposes set out in the Privacy Policy. We are not aware that this information is used for secondary purposes that were not previously consented to by the subjects. We had no monetary losses resulting from legal proceedings.

GRI

2-6 Significant changes in the organization and supply chain

On November 26, 2020, Itaú Unibanco announced to the market that the spin-off with XP Inc. was approved, through the spin-off of its shares (about 41% of the company's capital on September 30, 2020) to the vehicle XPart, merged on May 31, 2021. On February 1, 2021, we publicly announced our intent to merge XPart with XP Inc., to improve our corporate governance and capital structure to shareholder level.

On October 1, 2021, the spin-off event with Itaú Unibanco was carried out through the approval of the merger of XPart with XP Inc., whereby 225,796,528 Class A shares were issued, including as BDRs, to shareholders of XPart. On October 4, 2021, our BDRs started to be traded on B3, under the ticker "XPBR31," and we started to have a shareholding base of more than 200,000 institutional investors and individuals.

2-16 Communicating Critical Concerns

XP Inc. is concerned to disclose material information relating to its business consistently, completely and fairly, according to requirements of the Securities and Exchange Commission ("SEC"), the National Association of Securities Dealers Automat Quotations ("NASDAQ") and applicable legislation.

It is the policy of XP Inc. that all disclosures made by the Company to bond holders, the investor community or the press (i) are accurate and complete, (ii) fairly present the financial condition and operating results and business of XP Inc. in all material aspects, and (iii) are made in a timely manner, as required by the SEC, NASDAQ and applicable law. XP Inc. adopted the Disclosure Controls and Procedures Policy to ensure that information required to be disclosed by the Company in reports submitted to the SEC under the Securities Exchange Act of 1934 is recorded, processed, summarized and reported within the period specified by that regulatory institution.

All employees are expected to comply with the Disclosure Controls and Procedures Policy, and failure to do so subjects the employee to disciplinary action and may be grounds for dismissal. Employees are encouraged to report possible violations of this Policy to the Investor Relations Area or through the Confidential Reporting Channel.

Exhibits: Indicators Booklet

201-1 Direct economic value generated and distributed (DVA)

XP Inc. and subsidiaries

Statement of value added for the years ended December 31, 2021, and 2022 (unaudited)

(In thousands of reais)

Breakdown of value added (R\$ million)	2021	2022
Direct Economic Value Generated		
Revenue		
Provision of services (gross of taxes)	6,801,679	6,508,756
Result of operations with financial instruments	5,997,072	7,527,333
Other net operating revenues (expenses)	324,354	256,944
Reversal (supplementation) of the allowance for doubtful accounts	(92,560)	(94,159)
Total Revenues	13,030,545	14,198,874
Inputs acquired from third parties		
Operating Costs	(3,657,592)	(4,009,818)
Communication and data processing	(327,522)	(713,022)
Loss and recovery of assets values	(4,377)	-
Other administrative expenses	-	(693,163)
Gross value added	9,041,054	8,782,871
Depreciation and Amortization	(231,730)	(205,877)
Net value added produced	8,809,324	8,576,994
Value added received from transfer		
Equity accounting	(7,710)	(12,165)
Total value added received from transfer	(7,710)	(12,165)
Total value added to be distributed	8,801,614	8,564,829

Distribution of Value Added (R\$ million)	2021	2022
Personnel and charges	3,283,457	3,943,284
Direct compensation	1,416,247	1,597,229
Employees' profit sharing	1,362,046	1,640,904
Benefits	130,187	195,763
Social security charges	358,878	487,237
Other	16,099	22,151
Taxes, fees, and contributions	1,773,467	624,540
Federal	1,128,707	787,390
State	2,516	3,770
Municipal	259,053	229,817
Deferred taxes	383,191	(396,437)
Compensation on third-parties capital	152,230	416,794
Financial expenses	135,732	402,303
Rents	16,498	14,491
Compensation on equity	3,592,460	3,580,211
Non-controlling shareholder's interests	3,044	1,161
Retained earnings (losses) of shareholders	3,589,416	3,579,050
Distributed value added	8,801,614	8,564,829

Exhibits: Indicators Booklet

204-1 Proportion of expenses with local vendors

The proportion of XP Inc.'s spending with suppliers was as follows:

	2021	2022
São Paulo	83.8%	52.0%
Rio de Janeiro	5.0%	8.0%
Minas Gerais	1.7%	0.4%
Nova York	-	5.0%
Miami	-	1.0%

It should be noted that we prioritize local suppliers, especially our main office, in terms of business and employees, located in São Paulo.

205-3 Confirmed cases of corruption and adopted measures

	2021	2022
Total number of confirmed cases where own employees were punished or fired	0	0
Termination or non-renewal of contracts with partners	0	0
Involvement in investigations and/or legal proceedings for possible involvement in corruption cases	0	0
Total number of confirmed cases of corruption	0	0

We had no adverse judgments related to the duty of care by XP Group representatives, nor cases of mediation and arbitration in which professional integrity was the subject of analysis.

Exhibits: Indicators Booklet

308-1 and 308-2 New suppliers selected based on environmental criteria and negative environmental impacts on the supply chain and actions taken

	2021	2022
Number of suppliers classified as critical, i.e. suppliers that generate potential or actual negative impact	11	11
What are the main potential or actual negative impacts generated by these suppliers	Companies where the sector has greater potential for degrading work in the value chain or deforestation.	Companies where the sector has greater potential for degrading work in the value chain or deforestation.
Total number of suppliers submitted to environmental impact assessments	1,883	2,797
Percentage of suppliers submitted to environmental impact assessments	1	1
Number of new suppliers selected based on environmental criteria	1,261	1,261
Percentage of new suppliers selected based on environmental criteria	1	1
Number of suppliers with whom improvements were agreed as a result of these assessments	1	0
Number of suppliers with whom the relationship was terminated due to these issues	1	0

Exhibits: Indicators Booklet

408-1 and 409-1 Operations and suppliers with significant risk of child labor and forced or compulsory labor

	2021	2022
Number of operations with risk of child labor	1.6% of total Active Customers	4% of the credit portfolio allocated to companies with high and very high social, environmental and climate risk.
Number of operations with risk of having workers exposed to hazardous work	0.5% of total Active Customers	4% of the credit portfolio allocated to companies with high and very high social, environmental and climate risk.
Number of suppliers with risk of child labor	0.5% of the total Active Suppliers	0.10% of the total active suppliers

Measures taken by the organization during the reporting period to contribute to the elimination of all forms of child labor

Since 2020, we have developed a social, environmental and climate risk assessment process for credit transactions, reinforcing our diligence on the topic of child labor. Additionally, we formalized the impediment to any level of relationship with companies that maintain practices of exploitation of child labor in our List of Prohibited Activities. In 2021, XP Inc. has implemented a comprehensive social, environmental, and climate risk analysis as an integral part of our account opening process, encompassing individuals as well as companies. We are dedicated to evaluating 100% of our customers and suppliers, employing specific criteria that prioritize social, environmental, and climate considerations when approving relationships.

Exhibits: Indicators Booklet

408-1 and 409-1 Operations and suppliers with significant risk of child labor and forced or compulsory labor

	2021	2022
Number of operations with risk of forced or slave-similar labor	2.9% of the total Active Customers	4% of the credit portfolio allocated to companies with high and very high social, environmental and climate risk.
Number of suppliers with risk of forced or slave-similar labor	0.9% of the total Active Suppliers	0.10% of the total active suppliers

Measures taken by the organization during the reporting period to contribute to the elimination of all forms of forced or slave-similar labor

Since 2020, we have developed a social, environmental and climate risk assessment process for credit transactions, reinforcing our diligence on the topic of child labor. Additionally, we formalized the impediment to any level of relationship with companies that maintain practices of exploitation of child labor in our List of Prohibited Activities. In 2021, XP Inc. has implemented a comprehensive social, environmental, and climate risk analysis as an integral part of our account opening process, encompassing individuals as well as companies. We are dedicated to evaluating 100% of our customers and suppliers, employing specific criteria that prioritize social, environmental, and climate considerations when approving relationships.

Exhibits: Indicators Booklet

412-1 New suppliers selected based on social criteria and negative social impacts on the supply chain and actions taken

Assessment of Impacts on Human Rights	2020	2021	2022
Number of suppliers classified as critical, i.e. suppliers that generate potential or actual negative impact	12	8	22
What are the main potential or actual negative impacts generated by these suppliers	Degrading work in the value chain	Companies where the sector has greater potential for degrading work in the value chain	Companies where the sector has greater potential for degrading work in the value chain
Total number of suppliers submitted to human rights impact assessments (Assessments can be informed by audits, contractual reviews, documentation review at certification times, certification updates, involvement of both parties and complaints and complaint mechanisms)	0	1,883	2,797
Percentage of suppliers submitted to human rights impact assessments	0%	100%	100%
Number of <u>new</u> suppliers selected based on human rights criteria Human rights criteria may include: - Child labor - Discrimination - Forced or slave-like labor - Indigenous rights	-	1,261	1,261
Percentage of new suppliers selected based on human rights criteria	0%	100%	100%
Total number of suppliers submitted to human rights impact assessments (Assessments can be informed by audits, contractual reviews, documentation review at certification times, certification updates, involvement of both parties and complaints and complaint mechanisms)	0	1,883	1,883
Percentage of suppliers submitted to human rights impact assessments	0%	100%	100%

Exhibits: Indicators Booklet

414-1 and 414-2 New suppliers selected based on social criteria and negative social impacts on the supply chain and actions taken

Assessment of Impacts on Labor Practices	2020	2021	2022
Number of suppliers classified as critical, i.e. suppliers that generate potential or actual negative impact	12	8	22
What are the main potential or actual negative impacts generated by these suppliers	Exploitative labor practices across the value chain	Companies in sectors with a higher risk of labor exploitation along the value chain	Companies where the sector has greater potential for degrading work in the value chain
Total number of suppliers submitted to labor practice impact assessments (Assessments may be informed by audit results, contractual reviews, involvement of both parties and complaint and complaint mechanisms)	-	116	0
Labor criteria may include: Employment practices; Health and safety practices; Number of Incidents (oral, psychological, physical, sexual abuse, coercion or harassment); Salaries and compensation and Working Hours			
Percentage of suppliers submitted to labor practice impact assessments	0%	6%	0%

Exhibits: Indicators Booklet

414-1 and 414-2 New suppliers selected based on social criteria and negative social impacts on the supply chain and actions taken

Assessment of Impacts on Society	2020	2021	2022
Number of suppliers classified as critical, i.e. suppliers that generate potential or actual negative impact	22	11	22
What are the main potential or actual negative impacts generated by these suppliers	Sensitive input, relationship with deforestation	Companies where the sector has greater potential for degrading work in the value chain or deforestation	Companies where the sector has greater potential for degrading work in the value chain
Total number of suppliers submitted to impact on society assessments (This assessment is mainly linked to impacts on local society, community)	-	1,883	2,797
Percentage of suppliers submitted to impact on society assessments	0%	100%	100%
Number of <u>new</u> suppliers selected based on impact on society criteria	-	1261	962
Percentage of new suppliers selected based on impact on society criteria	0%	100%	100%
Number of suppliers with whom improvements were agreed as a result of these assessments	-	0	0
Number of suppliers with whom the relationship was terminated due to these issues	-	1	0

Exhibits: Indicators Booklet

418-1 Proven complaints concerning breaches of customer privacy and loss of customer data

Total number of proven complaints regarding breaches of customer privacy, categorized	2021	2022
i. Complaints received from external parties and proven by the organization:		
Total Complaints:	42	34
Recurring complaints (same subject complaining at other times):	15	3
Total number of requests received from data subjects:	25,902 (directly from subject, queries and complaints)	33,766 (directly from subject, queries and complaints)
ii. Complaints from regulatory agencies:		
Total number of leaks, thefts or losses of customer data that have been identified:	0	0
If the organization has not identified any proven complaints, a brief statement to that effect will suffice.	N/A	N/A

Exhibits: Indicators Booklet

Financial Statements

Managerial Income Statement (R\$ million)	2021	2022
Total Gross Revenue	12,799	14,036
Retail	9,793	10,157
Institutional	1,277	1,919
Issuer Services & Corporate	1,213	1,295
Other	516	666
Net Revenue	12,077	13,347
COGS	(3,523)	(3,965)
Gross Profit	8,555	9,382
<i>Gross Margin</i>	70.8%	70.3%
SG&A	(4,364)	(5,317)
D&A	(232)	(206)
Interest expense on debt	(136)	(402)
Share of profit or (loss) in joint ventures and associates	(8)	(12)
EBT	3,815	3,445
<i>EBT Margin</i>	31.6%	25.8%
Tax Expense (Accounting)	(223)	135
Tax expense (Tax Withholding in Funds) ¹	(567)	(754)
Effective tax rate (Normalized)	-18.0%	-14.7%
Net Income	3,592	3,580
<i>Net Margin</i>	29.7%	26.8%
Adjustments	411	494
Adjusted Net Income²	4,003	4,075
Adjusted Net Margin	33.1%	30.5%

Notes: (1) Tax adjustments are related to tax withholding expenses that are recognized net in our gross revenue.

(2) See appendix for a reconciliation of Adjusted Net Income.

Accounting Income Statement (R\$ million)	2021	2022
Total revenue and income	12,077	13,347
Net revenue from services rendered	6,196	5,940
Brokerage commission	2,465	2,103
Management fees	1,490	1,581
Securities placement	1,917	1,631
Insurance brokerage fee	133	153
Educational services	71	27
Banking fees	193	564
Other services	532	449
Taxes and contributions on services	(605)	(568)
Net income from financial instruments measured at amortized cost and at fair value through other comprehensive income	(1,559)	1,145
Net income from financial instruments at fair value through profit or loss	7,440	6,262
Operating costs and expenses	(8,262)	(9,903)
Operating costs	(3,430)	(3,871)
Selling expenses	(227)	(139)
Administrative expenses	(4,693)	(5,641)
Other operating income (expenses), net	324	257
Expected Credit Losses	(93)	(94)
Interest expense on debt	(136)	(402)
Share of profit or (loss) in joint ventures and associates	(8)	(12)
Income before income tax	3,815	3,445
Income tax expense	(223)	136
Net income	3,592	3,580

Exhibits: Indicators Booklet

Financial Statements

Balance Sheet (R\$ million)	2021	2022
Cash	2,486	3,553
Financial assets	127,745	177,682
Fair value through profit or loss	69,124	96,730
Securities	58,180	87,513
Derivative financial instruments	10,944	9,217
Fair value through other comprehensive income	32,332	34,479
Securities	32,332	34,479
Evaluated at amortized cost	26,289	46,473
Securities	2,239	9,272
Securities purchased under agreements to resell	8,895	7,604
Securities trading and intermediation	1,406	3,271
Accounts receivable	469	598
Loan operations	12,820	22,211
Other financial assets	462	3,517
Other assets	4,688	5,761
Recoverable taxes	153	163
Rights-of-use assets	285	258
Prepaid expenses	3,983	4,240
Other	268	1,099
Deferred tax assets	1,273	1,612
Investments in associates and joint ventures	2,013	2,272
Property and equipment	314	311
Goodwill and Intangible assets	821	844
Total assets	139,340	192,035


Balance Sheet (R\$ million)	2021	2022
Financial liabilities	91,358	127,709
Fair value through profit or loss	14,573	22,135
Securities	2,665	13,529
Derivative financial instruments	11,908	8,605
Evaluated at amortized cost	76,785	105,574
Securities sold under repurchase agreements	26,281	31,790
Securities trading and intermediation	15,598	16,063
Financing instruments payable	24,429	43,684
Market funding operations	20,122	38,094
Debt securities in issue	4,307	5,590
Accounts payables	868	617
Borrowings	1,929	1,866
Other financial liabilities	7,680	11,554
Other liabilities	33,534	47,173
Social and statutory obligations	1,022	968
Taxes and social security obligations	550	365
Retirement Plans liabilities	31,921	45,734
Provisions and contingent liabilities	29	44
Other	11	62
Deferred tax liabilities	29	111
Total liabilities	124,921	174,992
Equity attributable to owners of the Parent company	14,417	17,036
Issued capital	0	0
Capital reserves	14,923	19,156
Other comprehensive income	(335)	(134)
Retained earnings	0	0
Treasury shares	(172)	(1,987)
Non-controlling interest	3	6
Total equity	14,420	17,042
Total liabilities and equity	139,340	192,035

Exhibits: Indicators Booklet

Financial Statements

Cash Flow (R\$ million)	2021	2022
Operating activities		
Income before income tax	3,815	3,445
Adjustments to reconcile income before income taxes		
Depreciation of property, equipment and right-of-use assets	69	111
Amortization of intangible assets	163	96
Loss on write-off of property, equipment and intangible assets and lease, net	20	21
Share of profit or (loss) in joint ventures and associates	8	(62)
Income from share in the net income of associates measured at fair value	-	128
Expected credit losses on financial assets	93	94
(Reversal of) Provision for contingencies, net	5	(3)
Net foreign exchange differences	507	(292)
Share based plan	561	585
Interest accrued	182	373
Loss on disposal of investments	-	-
Changes in assets and liabilities		
Securities (assets and liabilities)	(21,904)	(28,309)
Derivative financial instruments (assets and liabilities)	675	(1,550)
Securities trading and intermediation (assets and liabilities)	(5,086)	(1,424)
Securities purchased (sold) under resale (repurchase) agreements	(7,827)	7,445
Accounts receivable	37	(157)
Loan operations	(8,919)	(9,417)
Prepaid expenses	(2,589)	(258)
Other assets and other financial assets	(675)	(3,358)
Accounts payable	(134)	(309)
Financing instruments payable	14,409	17,611
Social and statutory obligations	355	(54)
Tax and social security obligations	279	(91)
Private pension liabilities	18,533	13,813
Other liabilities and other financial liabilities	4,271	3,939
Cash from operations	(3,153)	2,376
Income tax paid	(784)	(371)
Contingencies paid	(3)	(3)
Interest paid	(81)	(198)
Net cash flows from (used in) operating activities	(4,020)	1,805

Cash Flow (R\$ million) (continuation)	2021	2022
Investment activities		
Acquisition of property and equipment	(135)	(45)
Acquisition of intangible assets	(218)	(83)
Acquisition of subsidiaries, net of cash acquired	(41)	(69)
Acquisition of associates and joint ventures	(757)	(175)
Disposal of investments	-	-
Net cash flows used in investing activities	(1,151)	(372)
Financing activities		
Proceeds from borrowings	1,571	-
Acquisition of treasury shares	-	(1,815)
Acquisitions/payments of debt securities in issued	4,191	(176)
Payments of borrowings and lease liabilities	(76)	(102)
Payment of debt securities issued	(178)	-
Proceeds from issuance of debentures	-	3,755
Dividends paid to owners of the parent	-	-
Proceeds from capital contributions, net	-	-
Transactions with non-controlling interests	(0)	4
Dividends paid to non-controlling interests	(3)	(2)
Proceeds from SPAC issuance of shares	1,135	-
Net cash flows from financing activities	6,639	(200)
Net increase (decrease) in cash and cash equivalents	1,468	1,232
Cash and cash equivalents at the beginning of the period	2,660	16,858
Effects of exchange rate changes on cash and cash equivalents	(377)	(17)
Cash and cash equivalents at the end of the period	3,752	18,074
Cash	2,486	12,620
Securities purchased under agreements to resell	1,071	3,705
Interbank certificate deposits	195	931
Other deposits	-	817
Reconciliation of Adjusted Net Income (R\$ million)	2021	2022
Net Income	3,592	3,580
(+) Share Based Compensation	658	793
(+/-) Taxes	(247)	(299)
Adjusted Net Income	4,004	4,075



Summary of Methodologies

Summary of Methodologies

International <IR> Framework

Content Elements	Section	Page
4A. Organizational Overview and External Environment	Organizational Overview	4
4B. Governance	Governance	67
4C. Business Model	XP Inc.	19
4D. Risks and Opportunities	Risks and Opportunities	82
4E. Strategy and Resource Allocation	Our Strategy	25
4F. Performance	Our Performance	23
4G. Outlook	Our Strategy	25
4H. Basis of preparation and presentation	About this Report	3

Summary of Methodologies

Sustainability Accounting Standards Board (SASB)

Indicator	Section	Page
FN-EX-510a.2 Discussion of processes to identify and assess conflicts of interest	Ethics and Corporate Policies	73
	Client Focus	26
FN-EX-550a.3 Description of efforts to prevent technology errors, security breaches, and market disruptions	Data Privacy and Information Security	77
	Exhibits: Indicators Booklet	94
FN-EX-410a.4 Description of the policy encouraging or requiring listed companies to publicly disclose environmental, social and governance (ESG) information	ESG Governance	52
FN-AC-270a.3 Description of approach to inform customers about products and services	Client Focus	26
FN-AC-510a.1 Total amount of monetary losses as a result of lawsuits associated with fraud, insider trading, antitrust, anticompetitive behavior, market rigging, bad practice, other financial industry laws or regulations.	Exhibits: Indicators Booklet	94
FN-AC-510a.2 Description of Policies and Procedures for whistleblowers	Ethics and Corporate Policies	73
FN-IB-330a.1 Percentage of gender and racial/ethnic group representation in (1) executive management, (2) non-executive management, (3) professionals, and (4) all other employees.	Diversity & Inclusion	39
FN-IB-410a.2 (1) Number and (2) total value of investments and loans incorporating integration of environmental, social and governance (ESG) factors, by sector	Exhibits: Indicators Booklet	94
FN-IB-410a.3 Description of approach to incorporate environmental, social and governance (ESG) factors into investment banking and brokerage activities	Our ESG Commitments	50
FN-IB-510b.1 (1) Number and (2) percentage of employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigation, or other regulatory proceedings.	Zero	
FN-IB-510b.2 Number of mediation and arbitration cases associated with professional integrity, including duty of care, on the part of	Zero	
FN-IB-510b.3 Total value of monetary losses as a result of legal proceedings associated with professional integrity, including duty of care.	Zero	
FN-CB-410a.2 Description of approach to incorporate environmental, social and governance (ESG) factors into credit analysis.	Risk Management	83
FN-CF-220a.1 Number of account holders whose information is used for secondary purposes	Exhibits: Indicators Booklet	94
FN-CF-220a.2 Total amount of monetary losses as a result of legal proceedings associated with customer privacy, Customer Privacy	Exhibits: Indicators Booklet	94

Summary of Methodologies

Global Reporting Initiative (GRI)

Indicator	Content	Section/Information	Page
GRI 1	2021 Fundamentals		
2-1	Organizational Details	Introduction to the report Our History Our Culture, Values and Purpose	3 11 14
2-2	Entities included in the organization's sustainability reporting	Direct Subsidiaries XP Investimentos S.A. We have 47 indirect subsidiaries that are describe on page 99 of our 20F report	-
2-3		Introduction to the report	3
2-4	Restatements of information	There has been an update to our proprietary methodology for analyzing Social, Environmental, and Climate Risk, as well as assigning ESG ratings, including the climate variable in credit and investment banking analysis. In addition, there has been a change in the calculation of climate sensitivity, with collateralized credit and derivatives portfolios being considered in 2021, while only the collateralized credit portfolio was considered in 2022. The preparation of the Integrated Annual Report did not go through an external verification process, given that our internal policies do not require obtaining external verification, only the involvement of the highest governance body and executives. Despite this, since 2021 the ESG Report has become an Integrated Report, considering the <IR> Framework of the International Integrated Reporting Council (IIRC)	
2-5	External Assurance	2022 Highlights Our History Our Culture, Values and Purpose Our Business Model	6 11 14 18
2-6	Activities, value chain, and other business relationships	XP Educação: Finance and Technology Our ESG Governance ESG-related Products and Services Social, Environmental and Climate Risk Our Climate Responsibility	28 51 56 82 87
2-7	Employees	Employees Profile Social Performance	31 33
2-8	Workers who are not employees	Employees Profile	31, 32

Summary of Methodologies

Global Reporting Initiative (GRI)

Indicator	Content	Section/Information	Page
GRI 1	2021 Fundamentals		
2-8	Workers who are not employees	Employees Profile	31, 32
		Our ESG Governance	51
2-9	Governance structure and composition	Ownership Structure	67
		Board of Directors	68
		Executive Board	69
2-10	Nomination and selection of the highest governance body	Ownership Structure	67
		Board of Directors	68
		Executive Board	69
		Committees	70
2-11	Chair of the highest governance body	Ownership Structure	67
		Board of Directors	68
		Executive Board	69
2-12	Role of the highest governance body in overseeing the management of impacts	Materiality	8
		Our ESG Governance	51
		Board of Directors	68
		Executive Board	69
2-13	Delegation of responsibility for managing impacts	Main Risks	81
2-14	Role of the highest governance body in sustainability reporting	Our ESG Governance	51, 52
2-15	Conflicts of interest	Our ESG Governance	51, 52
		Ethics and Corporate Policies	72, 73
2-16	Communication of critical concerns	Ethics and Corporate Policies	72, 73
		Confidential Reporting Channel	78
		Ombudsman's Office	79
2-17	Collective knowledge of the highest governance body	Board of Directors	68
		Executive Board	69
2-18	Evaluation of the performance of the highest governance body	Board of Directors	68
		Executive Board	69
2-19	Remuneration policies	Compensation and incentives	71
		People	33
2-20	Process to determine remuneration	Compensation and incentives	71
		Goals & Performance	34
2-21	Annual total compensation ratio	Compensation and incentives	71
		Due to confidentiality restrictions, we do not disclose the annual compensation of the highest-paid individual in the company.	-
2-22	Statement on sustainable development strategy	Message from our Leadership	4
		Our ESG Commitments	49
2-23	Policy commitments	Ethics and Corporate Policies	72, 73
		Main Risks	80

Summary of Methodologies

Global Reporting Initiative (GRI)

Indicator	Content	Section/Information	Page
GRI 1	2021 Fundamentals		
2-24	Embedding policy commitments	Ethics and Corporate Policies Compliance Anti-corruption Advisor Governance	72,73 74 75 77
2-25	Processes to remediate negative impacts	Ethics and Corporate Policies Confidential Reporting Channel Ombudsman's Office	72, 73 78 79
2-26	Mechanisms for seeking advice and raising concerns	Main Risks Compliance Confidential Reporting Channel	80 74 78
2-27	Compliance with laws and regulations	During the reporting period, no cases of non-compliance with laws and regulations were recorded.	-
2-28	Membership in associations	ESG-related Products and Services Our Exposure to Social Environmental Risk	56 86
2-29	Approach to stakeholder engagement	Materiality Main Numbers Goals Our Positive Impact	8 42 44
2-30	Collective bargaining agreements	Employees Profile	31
	Material themes		
3-1	Process to determine material topics	Materiality Voluntary Commitments Main Numbers Goals	8 42 44
3-2	List of material topics	Relevant Topics	9
	Economic Performance		
201-1	Direct economic value generated and distributed	Value Generation Exhibits: Indicators Booklet	25 93
201-2	Financial Implications and other risks and opportunities resulting from climate change	Social, Environmental Risk Management Our Exposure to Social Environmental Risk Our Climate Responsibility	82, 83, 84, 85 86 87
	Indirect Economic Impacts		
203-2	Significant indirect economic impacts	Voluntary Commitments Main Numbers Goals Social, Environmental Risk Management	42 44 82, 83, 84, 85
204-1		Our Exposure to Social Environmental Risk Exhibits: Indicators Booklet	86 94

Summary of Methodologies

Global Reporting Initiative (GRI)

Indicator	Content	Section/Information	Page
	Material themes		
	Anti-Corruption		
205-1	Operations evaluated for risks related to corruption	Compliance	74
205-2	Communication and training in anti-corruption policies and procedures	Anti-corruption	75
205-3	Confirmed cases of corruption and adopted measures	Anti-corruption Exhibits: Indicators Booklet	75 102
	Operational Eco-efficiency		
301-1	Materials used, broken down by weight or volume	The process is coordinated by the condominium, and we do not have access to the information	-
301-2	Raw materials or recycled materials used	Waste Management	54
302-1	Energy consumption within the organization	Eco-efficiency in our operations	53
302-2	Energy consumption outside the organization	Indicator is not managed by the company	-
302-3	Energy intensity	Indicator is not managed by the company	-
302-4	Reduction of energy consumption	Indicator reporting is not applicable, as we do not have emission reductions, only avoided emissions reporting	-
303-1	Interactions with water as a shared resource	Indicator is not managed by the company	-
303-2	Management of impacts related to water disposal	Eco-efficiency in our operations	53
303-3	Water catchment	The process is coordinated by the condominium, and we do not have access to the information	-
303-5	Water consumption by source	Eco-efficiency in our operations	53
305-1	Direct emissions of greenhouse gases (GHG) (Scope 1)		
305-2	Indirect emissions of greenhouse gases (GHG) (Scope 2)	Carbon Footprint	55
305-3	Other indirect emissions of greenhouse gases (GHG) (Scope 3)		
305-4	Intensity of greenhouse gas (GHG) emissions	Indicator is not managed by the company	-
305-5	Reduction of greenhouse gas (GHG) emissions	Indicator reporting is not applicable, as we do not have emission reductions, only avoided emissions reporting	-
305-6	Emissions of ozone-depleting substances (ODS)	Indicator reporting does not apply to the company's activities	-
305-7	NOX, SOX and other significant atmospheric emissions	Indicator reporting does not apply to the company's activities	-
306-1	Waste management and significant impacts related to waste		
306-2	Waste by type and disposal method		
306-3	Waste generated	Waste Management	54
306-4	Waste not intended for final disposal		
306-5	Waste destined for final disposal		
	Environmental Assessment of Suppliers		
308-1	New suppliers selected based on environmental criteria	Social, Environmental Risk Management Our Exposure to Social Environmental Risk Our Climate Responsibility Exhibits: Indicators Booklet	82, 83, 84, 85 86 87 95 95
308-2	Negative environmental impacts in the supply chain and actions taken		

Summary of Methodologies

Global Reporting Initiative (GRI)

Indicator	Content	Section/Information	Page
	Material themes		
	Employment		
401-1	New employee hires and employee turnover	Social Performance	33
401-2	Benefits offered to full-time employees that are not offered to temporary or part-time employees	People	30
401-3	Maternity/paternity leave		
	Training and Education		
404-1	Average hours of training per year per employee	Leadership Qualification and Training Corporate Programs Anti-corruption	35 36 37 75
404-2	Programs for employee skills development and career transition assistance	Qualification and Training Corporate Programs	36 37
	Diversity		
405-1	Diversity in governance bodies and employees	Employees Profile	32
405-2	Mathematical ratio of base salary and compensation for women in relation to men	Employees Profile	31
	Non-discrimination		
406-1	Number of discrimination cases and corrective measures taken	Ethics and Corporate Policies	72
	Child Labor		
408-1	Operations and suppliers identified as at risk for cases of child labor	Exhibits: Indicators Booklet	96
	Forced or Slave Similar Labor		
409-1	Operations and suppliers identified as at risk for cases of forced or slave-similar labor	Exhibits: Indicators Booklet	96, 97
	Human Rights Assessment		
412-1	Operations subject to human rights impact analysis or assessment	Ethics and Corporate Policies Social, Environmental Risk Management Our Exposure to Social Environmental Risk Exhibits: Indicators Booklet	82, 83, 84, 85 86 98
	Local Communities		
413-1	Operations with local community engagement, impact assessments and development programs	Voluntary Commitments Main Numbers Goals	42 44
	Social Assessment of Suppliers		
414-1	New suppliers selected based on social criteria		
414-2	Negative social impacts on the supply chain and actions taken	Exhibits: Indicators Booklet	99, 100
	Customer Privacy		
418-1	Proven complaints concerning breaches of customer privacy and loss of customer data	Exhibits: Indicators Booklet	101

XP  inc.