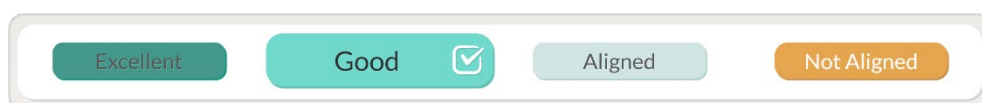


Banco do Brasil S.A.

Second-Party Opinion – Sustainability-Linked Finance Framework

Banco do Brasil S.A. is a financial institution controlled by the Brazilian federal government. In June 2026, it updated its sustainability-linked finance framework, which includes four KPIs and their respective sustainability performance targets (SPTs). Transactions issued under the framework are aligned with the core pillars of the ICMA Sustainability-Linked Bond (SLB) Principles and the LMA, LSTA and APLMA Sustainability-Linked Loan (SLL) Principles.



Pillar	Alignment	Key Drivers
KPI Selection	Good	- Sustainable Fitch considers the KPIs included in Banco do Brasil's framework to be relevant and material to its business and sustainability strategy. - All KPIs selected are measurable and verifiable. KPIs 1 (sustainable loan credit) and 2 (expansion of the sustainable agribusiness portfolio) are based on an internal methodology, which limits their comparability with international benchmarks and peers. KPIs 3 (financed emissions intensity) and 4 (gender and racial diversity in leadership) are based on recognised external standards, in line with market best practices. - The bank has disclosed historical data on the KPIs, which enhances transparency and allows its performance trajectory to be assessed over time. - The baselines for KPIs 1, 3 and 4 have not been externally verified, which weakens their reliability.
Performance Targets	Good	- We consider the ambition of SPT 4, which covers gender and racial diversity in leadership, as high compared to the bank's historical performance, while we consider the ambition of the other SPTs as moderate. - The bank has established observation dates for each SPT. Verification may occur at different stages of the instruments' tenure, depending on each instrument's issuance and maturity dates.
Instrument Features	Good	- Specific financial and structural characteristics will be detailed in each transaction's documentation. - The framework includes mechanisms that allow for the recalculation of baselines and restatement of sustainability targets or pro forma adjustments, in line with market best practices.
Reporting	Good	The bank commits to reporting KPI performance at least annually. It will also disclose updates on its sustainability strategy, KPI governance, and other information relevant to the KPI and SPT analysis.
Verification	Good	Banco do Brasil commits to independent external verification of performance against each KPI and SPT at least annually and on any relevant observation date that may trigger financial and/or structural adjustments. Verification results will be publicly available on its website.

Framework Type	Sustainability-Linked
Alignment	✓ Sustainability-Linked Bond Principles 2024 (ICMA) ✓ Sustainability-Linked Loan Principles 2025 (LMA/LSTA/APLMA)
Date assigned	20 July 2026
SPO Methodology	
See Appendix B for definitions.	

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KPI and Target Summary

Base Number Date	Current Number Date	Target Number Date	Benefit	Penalty	SDG
KPI 1: Sustainable loan credit (BRL)					
BRL343.1 billion 31 December 2023	BRL415.1 billion 31 December 2025	BRL500 billion 31 December 2030	To be specified in each instrument's documentation.	To be specified in each instrument's documentation.	2  ZERO HUNGER
					4  QUALITY EDUCATION
					7  AFFORDABLE AND CLEAN ENERGY
					8  DECENT WORK AND ECONOMIC GROWTH
					10  REDUCED INEQUALITIES
					11  SUSTAINABLE CITIES AND COMMUNITIES
KPI 2: Expansion of sustainable agribusiness portfolio (BRL)					
BRL157.3 billion 31 December 2023	BRL171.2 billion 31 December 2025	BRL200 billion 31 December 2030	To be specified in each instrument's documentation.	To be specified in each instrument's documentation.	2  ZERO HUNGER
KPI 3: Financed GHG emissions (Scope 3) intensity from the corporate loan portfolio (million tCO₂e per BRL1 billion of loans granted)					
0.1196 31 December 2021	0.1114 31 December 2024	0.069368 (42% reduction compared to baseline) 31 December 2040	To be specified in each instrument's documentation.	To be specified in each instrument's documentation.	13  CLIMATE ACTION
KPI 4: Gender and racial diversity in leadership (%)					
Gender diversity: 25.9 31 December 2023	Gender diversity: 28.9 31 December 2025	Gender diversity: 50 31 December 2030	To be specified in each instrument's documentation.	To be specified in each instrument's documentation.	5  GENDER EQUALITY
Race diversity: 26.4 31 December 2023	Race diversity: 30.5 31 December 2025	Race diversity: 50 31 December 2030			10  REDUCED INEQUALITIES

Source: Sustainable Fitch, Banco do Brasil sustainability-linked finance framework 2026

Framework Highlights

We consider Banco do Brasil's sustainability-linked finance framework to be aligned with the ICMA SLB Principles and the LMA, LSTA and APLMA SLL Principles. The framework incorporates all five core components of these sustainable principles, including KPI selection, SPT calibration, bond characteristics, reporting and verification. In our opinion, the framework's alignment with these principles is 'Good'.

Banco do Brasil updated its sustainability-linked finance framework in 2026 (first published in 2024); this framework enables the issuance or contracting of bonds, loans or other financing instruments for general corporate purposes, with financial characteristics linked to the achievement of predefined SPTs.

The applicable KPIs will be selected on a transaction basis and set out in each instrument's final terms. Step-up and/or step-down interest rate or margin adjustments may apply depending on SPT performance, with the specific financial characteristics to be defined in the relevant instrument documentation.

The framework includes four KPIs. KPI 1 focuses on increasing the bank's sustainable credit portfolio; KPI 2 focuses on expanding the bank's sustainable agribusiness portfolio; KPI 3 focuses on reducing financed GHG emissions intensity from the corporate loan portfolio; and KPI 4 focuses on increasing gender and racial diversity in senior leadership. We view all KPIs as material and relevant to Banco do Brasil's activities, and the ambition of all the predefined SPTs to improve the bank's sustainability performance.

The framework includes fallback mechanisms that allow for a potential recalculation of the baseline figures if the SPTs cannot be calculated due to potential exceptional events such as a significant change in perimeters through material organisational restructuring, merger or acquisition of companies, or other extreme events such as regulatory changes. These mechanisms are intended to maintain the relevance and applicability of the targets over time.

We expect the SPTs to directly contribute to the UN Sustainable Development Goals (SDGs), particularly SDGs 2 (zero hunger), 4 (quality education), 5 (gender equality), 7 (affordable and clean energy), 8 (decent work and economic growth), 10 (reduced inequalities), 11 (sustainable cities and communities) and 13 (climate action).

The text in the company material section of this report is not necessarily the original text of the framework; we may have summarised parts of the original text. The content has been approved by Banco do Brasil prior to the publication of the report.

Source: Sustainable Fitch, Banco do Brasil sustainability-linked finance framework 2026

Entity Highlights

Banco do Brasil is a Brazilian publicly traded financial institution. It is controlled by the Brazilian federal government, which held 50% of its shares as of end-2025. The bank had a broad presence in the country's municipalities by that time, with 56,800 service points.

The bank's sustainability strategy is led by its Agenda 30 Banco do Brasil sustainability plan. This plan covers 2025 to 2027 and includes 100 actions to promote the development of a sustainable business. These actions are linked to 20 material topics, including climate change and decarbonisation, financial inclusion and financial health, and corporate governance and transparency. The implementation of these actions is monitored annually by the board of directors.

Banco do Brasil also established 10 sustainability commitments for its business, structured around three strategic pillars: sustainable finance; environmental, social and climate governance; and positive impacts on the value chain. The commitments include having 50% of leadership positions be held by women by 2030; helping conserve or reforest 2 million hectares by 2030; and investing BRL1 billion (USD193 million) in education, environmental care, inclusion, humanitarian aid, volunteerism and social technologies through Fundação Banco do Brasil by 2030.



The bank also established an executive sustainability committee in 2021, which aims to guide the implementation of sustainability initiatives and monitor the Agenda 30 Banco do Brasil sustainability plan. The bank's sustainability governance structure also includes the sustainability forum, composed of executive managers from Banco do Brasil and Fundação Banco do Brasil, and the ESG unit, linked to the vice president of government, corporate business and sustainability.

The bank annually measures its sustainable loan portfolio, which comprises loan lines and activities that it categorises as sustainable. This portfolio reached BRL415.1 billion as of end-2025, split into low-carbon agriculture, social and environmental best practices, social businesses and other corporate operations.

Source: Sustainable Fitch, Banco do Brasil sustainability-linked finance framework 2026, annual reports (2024, 2025)

KPI Selection

Alignment: Good

Company Material

Sustainable Fitch's View

KPI 1: Sustainable loan credit (BRL)

- | | |
|---|--|
| <ul style="list-style-type: none"> The sustainable business portfolio of Banco do Brasil comprises lending operations and credit lines aimed at financing activities with positive social and environmental impacts, structured into four main categories: <ul style="list-style-type: none"> low-carbon agriculture; social and environmental best practices; social businesses; and corporate. Banco do Brasil considers its sustainable business portfolio to generate significant positive impacts, based on assessments of the positive social and environmental externalities associated with the credit operations included in its sustainable credit portfolio. The method used to assess the portfolio was based on the ICMA Green Bond Principles, the Climate Bonds Standard, the EU taxonomy, the ICMA Social Bond Principles, The Coolest Bonds, the Brazilian Federation of Banks' Green Taxonomy and other internationally recognised sustainability standards. Based on the categories of projects, assets and economic activities that generate credible and tangible social and environmental benefits, the methodology structures the portfolio classification into two stages: first, the evaluation of the items or projects financed by the credit lines that make up Banco do Brasil's portfolio; and finally, the evaluation of the portfolio as a whole. For the evaluation of the funded items and projects, the alignment is classified into the following options: full alignment with environmental criteria, partial alignment with environmental criteria, full alignment with social criteria, partial alignment with social criteria, or no alignment. For the evaluation of the operations financed, inspired by the classification standards for the green and social sectors and activities above, Banco do Brasil evaluates the operations in an integrated way, classifying them according to their level of ESG additionality. Thus, each credit line was classified according to the level of social and environmental benefit generated, and can be classified as high, moderate, limited and insufficient. The assessments of the social and environmental additionality of the credit lines and activities that comprise the sustainable credit portfolio indicate that the majority of the outstanding balance was associated with financial instruments displaying high social and/or environmental additionality in 2025, thereby demonstrating their positive impact on sustainable development and on the transition to a low-carbon and inclusive economy. The portfolio is calculated based on the year-end balance as of 31 December for each year. In 2025, Banco do Brasil's sustainable credit portfolio reached BRL415.1 billion in credit operations associated with positive social and environmental externalities. The BB 2030 Commitments for a More Sustainable World under the Agenda 30 Banco do Brasil sustainability plan are directly related to the expansion of Banco do Brasil's sustainable business portfolio, as reflected in the following commitments: <ul style="list-style-type: none"> BRL200 billion for sustainable agriculture; BRL30 billion for renewable energy; BRL5 billion for the bioeconomy; BRL100 billion for state- and municipal-level efficiency projects; BRL30 billion in sustainable investment funds; and BRL100 billion in sustainable funding raised. These all have a target date of 2030. Banco do Brasil has strategies and instruments that contribute to the generation of sustainable business, supported by 100 strategic actions | <ul style="list-style-type: none"> The ICMA SLB Principles and the LMA, LSTA and APLMA SLL Principles recommend that KPIs be relevant, essential and material to the issuer's operations. KPIs should also be measurable, verifiable and comparable with the company's own performance or with an external benchmark. We consider KPI 1 to be aligned with the ICMA SLB Principles and the LMA, LSTA and APLMA SLL Principles, as it meets these criteria. KPI 1 aims to expand Banco do Brasil's sustainable business portfolio. We deem that the most significant positive or negative impacts for a financial institution are materialised through its lending portfolio, as this is the primary channel through which the institution allocates capital and influences economic activities. The bank can effectively promote sustainable development and mitigate adverse impacts by directing resources towards sectors and projects with social and environmental relevance. Banco do Brasil's sustainable credit portfolio aims at financing activities that generate positive social and environmental impacts, thereby promoting social inclusion and sustainable development. In 2025, the bank's sustainable credit portfolio reached BRL415.1 billion, representing around 32% of the total loan portfolio. Credit lines included in the sustainable credit portfolio comprise products such as: <ul style="list-style-type: none"> BB Crédito Imobiliário and Minha Casa Minha Vida, which focus on reducing the housing deficit; Microcrédito Produtivo Orientado, a microcredit line that supports entrepreneurs; BB Crédito Acessibilidade, which facilitates the acquisition of assistive technologies for the inclusion of people with disabilities; and BB Crédito Energia Renovável, which finances renewable energy projects. The KPI is closely aligned with the bank's sustainability strategy, as outlined in its Agenda 30 Banco do Brasil sustainability plan. We positively view that the bank has made public commitments, such as the expansion of its sustainable agriculture portfolio, that support the achievement of this KPI. The fulfilment of these commitments contributes directly to the improvement of the KPI, reinforcing the bank's strategic focus on sustainability and its dedication to advancing its sustainable business portfolio. The KPI is a well-defined internal metric. Banco do Brasil developed a methodology for assessing its sustainable credit portfolio in 2021, which classifies the bank's financed activities and credit lines according to the level of social and environmental benefit generated. Credit lines may be classified as having high, moderate, limited or insufficient additionality. The bank considers credit lines classified as having high, moderate and limited additionality to be within the scope of KPI 1. The methodology was reviewed by an external third party, enhancing its reliability. We also positively view that the developed methodology is based on externally recognised standards, such as the ICMA Green Bond Principles, Climate Bonds Standards and the EU taxonomy. However, this is a proprietary methodology, so direct comparison with international benchmarks or peers is challenging, which somewhat limits its comparability. Banco do Brasil has disclosed its sustainable credit portfolio for recent years, which we view positively for providing traceability and transparency and enabling stakeholders to monitor progress over time. The bank disclosed 2023, 2024 and 2025 data regarding the sustainable credit portfolio in its annual reports, which have been externally verified by a third party. However, it is not clear whether the KPI was specifically |
|---|--|

KPI Selection

Alignment: Good

Company Material	Sustainable Fitch's View
anchored in the Agenda 30 Banco do Brasil and the 2025–2027 sustainability plans. - The achievement of the target may face challenges related to market and macroeconomic conditions, the scalability of financial solutions and business models that incorporate ESG aspects, regulatory and methodological developments, and client engagement in sectors undergoing transition, among other factors. - Since 2021, Banco do Brasil has had a methodology for measuring its sustainable business portfolio, developed by Environmental Resources Management. - The measurement is based on the amount contracted in credit lines with high, moderate and limited environmental and/or social additionality or allocated to finance activities and/or segments with positive socio-environmental impacts in the sectors of renewable energy, energy efficiency, sustainable construction, transportation, tourism, water, fisheries, forestry, sustainable agribusiness, waste management, education, health, and local and regional development. - All credit lines included in the sustainable credit portfolio are fully considered within the scope of KPI 1. - The external verification of Banco do Brasil's sustainable business portfolio is directly conducted by Environmental Resources Management, with an independent opinion being annually published on the bank's website. - Banco do Brasil compares its historical performance on the indicator through the measurement of the sustainable business portfolio in recent years. - In addition, some Brazilian banks have been advancing efforts to measure portfolios linked to activities with positive social and environmental impacts.	verified as part of this third-party verification, which negatively affected our assessment.
KPI 2: Expansion of sustainable agribusiness portfolio (BRL)	
- Banco do Brasil is the largest agribusiness financier in the country, providing support across the entire value chain to foster the adoption of more sustainable practices. The bank reached around BRL171.2 billion in outstanding sustainable agriculture balance in 2Q25. - The methodology for classifying sustainable agribusiness operations follows the same criteria presented in the KPI 1. All agribusiness credit lines considered sustainable were evaluated, namely: the ABC Plan; the No-Till Farming – Costing credit line; the National Programme for Strengthening Family Farming (PRONAF); and the Rural Socio-Environmental Programme. - The ABC Plan has 10 distinct financing lines, and the No-Till Farming – Costing credit line includes two financing options designed to cover operating expenses in no-till farming systems. These programmes can finance expenses such as inputs, crop management and harvesting throughout the crop production cycle, as well as the production of certified and inspected seedlings and seeds. - PRONAF is a financing programme for family farming, aimed at establishing, expanding or modernising production, processing, industrialisation and service infrastructure on rural farms or in nearby rural community areas. - The Rural Socio-Environmental Programme brings together a set of financing lines and programmes aligned with the good agricultural practices defined by the bank. - Banco do Brasil is responsible for 48.3% of the financing directed to the agribusiness sector in Brazil. The bank allocated BRL230 billion for the 2025/26 Plano Safra, the Brazilian government's annual agricultural financing programme, a volume 2% higher than announced in the previous season. - In December 2025, sustainable agriculture operations accounted for 42.4% of the total agribusiness portfolio.	- The KPI is aligned with the ICMA SLB Principles and the LMA, LSTA and APLMA SLL Principles. - KPI 2 aims to expand Banco do Brasil's sustainable agribusiness portfolio. As mentioned in our view for KPI 1, the most significant positive or negative impacts of a financial institution are realised through its lending portfolio, as the allocation of capital can directly influence the adoption of sustainable practices in the sector. - The bank is the largest financier of the agribusiness sector in the country, and its total agribusiness portfolio accounted for BRL406.1 billion in 2025, representing around 31.2% of the total loan portfolio. It reached BRL172.1 billion in sustainable agribusiness financing in the same year, representing 43% of the total agribusiness portfolio. This demonstrates Banco do Brasil's significant role in supporting the transition to more sustainable agricultural practices at a national level. - Agricultural activities are fundamental to the Brazilian economy, driving exports, generating employment and supporting economic growth across the country. In addition to large-scale producers, family farmers play a vital role in ensuring food security and fostering regional development. - However, these activities may cause several negative environmental impacts, such as GHG emissions from nitrogen fertilisers, high energy and water consumption, soil and water pollution, and impacts related to the transportation and distribution of products. Financing the adoption of sustainable practices is essential to mitigate these environmental risks and enhance long-term productivity. - KPI 2 is also aligned with the Agenda 30 Banco do Brasil sustainability plan, particularly the bank's commitments that include a target directly related to the expansion of credit for sustainable agriculture. - Banco do Brasil's sustainable agribusiness portfolio is part of its sustainable credit portfolio. Therefore, KPI 2 is included in the scope of

KPI Selection

Alignment: Good

Company Material	Sustainable Fitch's View
- The BB 2030 Commitments for a More Sustainable World include a target to expand its sustainable agribusiness portfolio balance to BRL200 billion by 2030. - Financing related to low-carbon agriculture requires the submission of a technical project that is signed by a qualified professional with a descriptive sketch, production system such as no-till farming system or conventional system, and a history of the use of the project area to be financed. - The information contained in the technical project, including costing proposals, will be verified and must be aligned with the Referencial Técnico Agropecuário System, a comprehensive corporate system and evaluation methodology used primarily in Brazil. - This system features different structures depending on the type and level of technology implemented, considering the crop, geographic location and type of operation (mechanised or non-mechanised). It maintains data on production costs, historical prices and productivity by crop and municipality, and monitors the effects of climate-related phenomena. - The project must present a minimum of four points on the perimeter of the mentioned area (using GPS coordinates) that will be recorded in the Central Bank of Brazil's rural credit operations system, after verification of the location of the plot in the municipality where the respective property is situated as well as of the compatibility between the area calculated using geodesic coordinates and the financed area specified in the credit agreement. - The bank tracks the indicator over time internally by checking the bank's credit balance related to sustainable agribusiness operations. - Some Brazilian banks finance sustainable agriculture and measure the amounts disbursed to related activities within their portfolios. - In addition, the Brazilian banks financing agribusiness through rural credit lines are required to report the financing amounts to the Central Bank of Brazil. These data are made publicly available through the Rural Credit Data Matrix, a database managed by the Central Bank of Brazil that consolidates publicly available data on rural credit operations, enabling a segmented view by financial institution. - Furthermore, the Central Bank of Brazil is implementing the green rural credit bureau system, which is aimed at enhancing the verification of socio-environmental criteria in the granting of agribusiness financing. This initiative is likely to enable a more granular comparison of the volumes allocated to sustainable agribusiness within rural credit by each bank.	KPI 1 because sustainable agribusiness loans are included in the broader sustainable loan portfolio, which may cause an overlap of the two KPIs. - As mentioned in our view for KPI 1, Banco do Brasil developed a methodology for assessing its sustainable credit portfolio in 2021, which is externally reviewed by a third party, enhancing its reliability. However, this is an internal methodology, so it does not allow for direct comparison with international benchmarks or peers. This limitation may affect the transparency and comparability of the bank's sustainability performance in a global and regional context. - Credit lines classified under this methodology include those related to low-carbon agriculture, such as credit lines associated with the PRONAF that provides subsidised rural credit and financial support to smallholder farmer, and other initiatives related to low-carbon agriculture and sustainable practices. - Additionally, credit lines related to financing projects that promote strong social and environmental practices are also classified under Banco do Brasil's methodology as sustainable agribusiness portfolio. - The bank has a well-defined process to finance sustainable agribusiness operations, which includes assessment from a qualified professional and an analysis of the project area to be financed. We view this positively, as it supports the credibility and effectiveness of the bank's sustainable finance initiatives. - Banco do Brasil has disclosed its sustainable agribusiness portfolio since 2020, which we view positively as this provides traceability and transparency and enables stakeholders to monitor progress over time. - The bank obtained third-party assurance for the data in recent years, and for the 2023 baseline, which is in line with market best practices. This commitment to transparency and external verification strengthens stakeholder confidence in the bank's sustainability reporting.
KPI 3: Financed GHG emissions (Scope 3) intensity in the corporate loan portfolio (million tCO₂e per BRL1 billion of loans granted)	
- Among Banco do Brasil's commitments, particular emphasis is placed on the target to reduce the GHG emissions intensity associated with financed activities (Scope 3 category 15 emissions), which encompasses emissions from the credit portfolio. - Targets in the BB 2030 Commitments for a More Sustainable World include achieving 100% offset of Scope 1 emissions from 2021 and a 42% reduction in these emissions by 2040, along with the target of using 100% renewable energy (Scope 2 emissions) from 2023. - However, the most relevant emissions for a financial institution are those stemming from its portfolio. - The significance of Scope 3 emissions is due to financial institutions having the capacity to invest in or limit investments for carbon-intensive companies and sectors; hence, they can incentivise mitigating activities. - The measurement covers emissions associated with the corporate loan portfolio, which consists of loans to companies with annual revenue exceeding BRL200 million. - Banco do Brasil established actions aimed at developing sector-specific decarbonisation targets for the portfolio and identifying opportunities to reduce GHG emissions in more carbon-intensive sectors.	- The KPI is aligned with the ICMA SLB Principles and the LMA, LSTA and APLMA SLL Principles. - KPI 3 is aimed at reducing Banco do Brasil's financed GHG emissions intensity in its corporate loan portfolio. We consider financed emissions to be one of the most material environmental impacts for a financial institution, as a bank's most significant influence on climate outcomes arises through its lending activities rather than through its own operational emissions. - Financial institutions can play an important role in supporting the transition to a low-carbon economy by allocating capital towards lower-carbon activities and engaging with more carbon-intensive sectors. - The KPI covers emissions associated with Banco do Brasil's corporate loan portfolio, defined as loans to companies with annual revenue above BRL200 million. - We view the focus on financed emissions positively, as it addresses a core sustainability issue for the banking sector and is clearly linked to the bank's principal business activity. However, the KPI's perimeter is limited to 42.28% of its total corporate loan portfolio and only amounts



KPI Selection

Company Material

- In addition, the bank set a target to allocate BRL30 billion to renewable energy financing, directly contributing to the reduction of Scope 3 emissions.
- Banco do Brasil also operates its agroenergy programme, which seeks to promote the use of renewable energy sources in rural areas through financing for micro and/or mini power generation facilities.
- Banco do Brasil has established indicators, actions and plans that are aimed at the mitigation and reduction of GHG emissions associated with its financed activities, which fall under Scope 3 emissions.
- Banco do Brasil has been measuring the emissions of its corporate loan portfolio since 2023, using the Partnership for Carbon Accounting Financials (PCAF) methodology, specifically for the “business loans and unlisted equity” asset class. Emissions are estimated using a combination of PCAF-provided datasets, publicly available data sources and GHG inventories disclosed in official emissions registries, applied as proxies where primary data is not available.
- In accordance with PCAF requirements, emissions are calculated based on the portfolio outstanding as of 31 December of each reporting year.
- The measurement is conducted internally by the bank’s relevant departments and audited by independent verifiers.
- Banco do Brasil has already measured its financed emissions, allowing for external verification of the indicator.
- The target of reducing the bank’s financed GHG emissions will be submitted to the Science Based Targets initiative (SBTi).
- Several Brazilian banks disclose their emissions through the GHG Protocol, and it is likely that an increasing number of financial institutions will account for Scope 3 emissions.

Alignment: Good

Sustainable Fitch’s View

- to 12% of the bank’s total lending operations, which constrains its overall representativeness of its full credit portfolio.
- The KPI is aligned with Banco do Brasil’s sustainability strategy, particularly its commitments to develop sector-specific decarbonisation targets and identify opportunities to reduce emissions in more carbon-intensive sectors, which are directly linked to the reduction of financed emissions intensity.
- Banco do Brasil’s related business commitments, such as allocating BRL30 billion to renewable energy financing and promoting renewable energy generation through the agroenergy programme, are more indirectly linked to the KPI but they support the bank’s broader climate agenda and reinforce its strategic relevance.
- We consider the KPI to be a well-defined metric. Banco do Brasil measures financed emissions using the PCAF methodology, which is a recognised external standard for accounting for financed emissions and is widely used in the financial sector. We view it positively that the methodology is clearly defined and based on an established market standard, which enhances the KPI’s robustness and credibility.
- We view it positively that the bank intends to submit its financed emissions-reduction target to the SBTi by 2027, which would further strengthen the ambition and external alignment of the target if validated. However, the framework does not include a commitment to update the target if a different one is validated by the SBTi; updating the target would align with market best practices.
- Banco do Brasil has measured its financed emissions since 2021 and has disclosed historical information every year since, which we view positively because it provides transparency and allows stakeholders to track performance over time.
- The 2021 baseline has not been externally verified, which weakens the robustness of the KPI assessment. The data for 2023 and 2024 were externally verified, supporting the reliability of more recent performance data, but having an independent verification for the baseline would benefit our assessment.

KPI 4: Gender and racial diversity in leadership (%)

- Banco do Brasil aims to increasingly align its strategy with the promotion of diversity and inclusion measures within its banking activities, which does not include other subsidiaries of its financial conglomerate.
- KPI 4 aims to enhance gender and racial diversity in the bank’s leadership, which includes positions corresponding to the first, second, third and fourth management levels in strategic units (director and general manager, executive manager, solution managers and team managers); first- and second-level managers in tactical, support and collections units (state superintendents, tactical unit managers); and first-level managers in business units.
- The Brazilian Federation of Banks reinforces the importance of promoting diversity initiatives in the banking sector through the creation of its diversity enhancement programme in the banking sector.
- Diversity, equity and inclusion are also a strategic priority for Banco do Brasil, and is considered a material topic for the bank.
- The relevance of this theme for Banco do Brasil is particularly significant in the context of its financed operations, as these involve companies and projects with a large workforce.
- Banco do Brasil launched its diversity programme in 2023, which encompasses five affinity groups of gender, generation, LGBTQIAPN+, people with disabilities and races or ethnicities, with a cross-cutting geographical-cultural dimension in all groupings.
- A multidisciplinary working group under the coordination of the bank’s directorate of culture and people management and the directorate of strategy and organization was formed to implement the programme, with representatives from various affinity groups.
- The KPI is aligned with the ICMA SLB Principles and the LMA, LSTA and APLMA SLL Principles.
- The aim of KPI 4 is to increase gender and racial diversity in Banco do Brasil’s leadership. The KPI covers leadership positions within its banking activities, including the first management level of all units; the second management level of strategic, supporting and tactical units; and the third and fourth management levels of strategic units.
- We consider diversity, equity and inclusion to be an important social topic for Banco do Brasil and for the banking sector more broadly, particularly given the sector’s role as a major employer and its influence on corporate culture, governance and decision-making.
- In our view, this KPI is aligned with Banco do Brasil’s sustainability strategy. The bank launched its diversity programme in 2023, which covers five affinity groups, and complements its female leadership programme that was created in 2018.
- We also consider it positive that Banco do Brasil has joined and supported broader market initiatives, including the UN Global Compact Network Brazil’s Women Lead 2030 and Race is a Priority movements, as well as the Pact for Diversity, Equity and Inclusion. These initiatives demonstrate that diversity and inclusion are embedded in the bank’s strategic agenda and support the achievement of this KPI.
- We also consider it positive that the KPI contributes to SDGs 5 and 10. In our view, greater diversity at leadership level can enhance decision-making, strengthen risk management, and improve the bank’s ability to respond to the needs of a diverse stakeholder base.
- Banco do Brasil has also demonstrated progress in representation at the highest levels of governance. We view it positively that women account

KPI Selection

Alignment: Good

Company Material	Sustainable Fitch's View
- The proposal aims to integrate employees and senior management to accelerate the focus and management of diversity, equity, inclusion and belonging. - The diversity programme complements the bank's female leadership programme, created in 2018 as a training project to identify, train and empower female leadership in the bank. - Also in 2023, Banco do Brasil became an ambassador of initiatives under the UN Global Compact Network Brazil, including the Women Lead 2030 (Elas Lideram 2030) and Race is a Priority (Raça é Prioridade) movements. - In 2024, the institution joined the Pact for Diversity, Equity and Inclusion, in partnership with the Brazilian Ministry of Management and Innovation in Public Services and other state-owned enterprises. - The bank achieved 50% female representation on its board of directors and 44% on the executive board as a result of these efforts. In 2025, the bank appointed its first female president. - Two executive board members and one board of directors member identify themselves as Black. Two other executive board members and one board of directors member identify themselves as belonging to the LGBTQIAPN+ community. The board of directors also includes one member who identifies themselves as a person with disability. - The bank has data on diversity within the total number of employees and within managerial positions. The groups included in the diversity breakdown are Black, Brown, Indigenous, people with disabilities and women. - The bank verifies the number of employees belonging to minority groups in leadership positions through their self-declaration. - Other Brazilian financial institutions adopt similar practices by considering broad diversity metrics across their workforces, including gender, age group, race or ethnicity, people with disabilities and LGBTQ+ people.	for 50% of members on the board of directors and 44% on the executive board, and that the bank appointed its first female president in 2025. - We deem the presence of self-identified Black, LGBTQIAPN+ and disabled members on the board of directors and the executive board to be evidence of the bank's diversity efforts. The KPI focuses on gender and racial representation, which are key dimensions in Brazil; the inclusion of additional groups such as people with disabilities or other underrepresented minorities could further strengthen its relevance over time. - The KPI is a measurable internal metric based on employee data and self-declared demographic information. Banco do Brasil tracks diversity across its workforce and management positions, including groups such as women, Black employees, Brown employees and Indigenous employees. - We consider this positively, as it supports the measurability of the KPI and allows the bank to monitor progress over time. The KPI also allows comparison with external references, such as the diversity indicators of the Global Reporting Initiative reporting standards. - Banco do Brasil has disclosed historical data on the participation of women and underrepresented racial groups in leadership positions since 2022, which we view positively. This historical disclosure enhances transparency and allows the bank's trajectory to be assessed over time. - The 2023 baseline has not been externally verified, which weakens the robustness of the KPI assessment. The performance data for 2024 and 2025 were externally verified, supporting the reliability of more recent performance data, but having an independent verification for the baseline would benefit our assessment.
Source: Banco do Brasil sustainability-linked finance framework 2026	Source: Sustainable Fitch

Performance Targets

Alignment: Good

Company Material	Sustainable Fitch's View
SPT 1: Achieve BRL500 billion credit balance for sustainable loan portfolio by 2030	
- SPT 1, which is related to KPI 1 to increase sustainable loan credit, is to disburse BRL500 billion to the sustainable loan portfolio by 2030, in comparison with the baseline of BRL343.1 billion in 2023. - In 2025, Banco do Brasil's sustainable business portfolio totalled BRL415.1 billion. - The bank sets specific targets to promote sustainable business through its sustainability commitments. These commitments were updated in 2025, expanding relevant targets and establishing new commitments aimed at strengthening support for individuals, companies and governments in achieving meaningful and sustainable outcomes. - The bank's sustainable loan portfolio recorded a growth of around 21% compared to the 2023 base year. The bank assessed this observed evolution as being broadly consistent with the growth trajectory required to achieve the long-term target of reaching a sustainable lending portfolio of BRL500 billion by 2030, which implies an expected average growth rate of around 20.5% through to 2030. - A key factor that may affect the target's achievement is the misalignment between the Brazilian Sustainable Taxonomy's scope and Banco do Brasil's sustainable business portfolio, which is beyond the bank's direct control. - Similar targets were consulted for other Brazilian banks classified by the Brazilian Financial and Capital Markets Association as in the same segment of the national financial system as Banco do Brasil. The targets	- The ICMA SLB Principles and the LMA, LSTA and APLMA SLL Principles recommend that SPTs represent a significant improvement over the company's performance, are benchmarked against the company's historical measures, and are aligned with its sustainability strategy. - We view the overall ambition associated with SPT 1 as moderate when compared to Banco do Brasil's historical performance. Its sustainable loan portfolio had grown by around 20.5% by end-2025 compared to the 2023 base year, which equates to around 10% annually. The expected average growth rate to achieve the long-term target of a BRL500 billion sustainable loan portfolio by 2030 is around 4% annually to 2030. This indicates a deceleration in the growth rate compared to recent years. - We do not expect a significant increase in the share of the sustainable credit portfolio relative to the total credit portfolio by the time the target is reached. In 2023, the baseline year, the sustainable credit portfolio accounted for 30% of the total credit portfolio, and it represented 32% in 2025. - Banco do Brasil established targets related to increasing its sustainable loan portfolio in previous years. We consider this relevant for assessing the bank's historical performance, as the growth of around 20.5% compared to the 2023 base year occurred due to the bank's targeted efforts towards this objective. This increase could have been lower under a business-as-usual scenario, as there was already a strategic intention to expand the portfolio.



Performance Targets

Company Material

- established by Banco do Brasil's peers for the volume disbursed in sustainable loans range between BRL450 billion and BRL1.25 trillion. In general, these targets consider an implementation horizon up to 2030, with the exception of Banco Bradesco with a target year of 2026.
- The performance of Banco do Brasil's sustainable portfolio does not differ significantly from that observed among its peers, based on the most recent available data in 2024: BRL853.7 billion at Caixa Econômica Federal, BRL469 billion at Itaú Unibanco S.A., and BRL305 billion at Banco Bradesco. Banco do Brasil positions itself slightly below the average performance of its peers, while still presenting a consistent sustainable credit portfolio.
 - Banco do Brasil adopts a proprietary and rigorous methodology to classify its sustainable credit portfolio, being the only institution among its peers to publicly disclose this methodology. In addition, the process includes the annual issuance of a second-party opinion aimed at validating the additionality of the portfolio.
 - Banco do Brasil's target is consistent with the scale and maturity of the Brazilian market, which the Climate Bonds Initiative reports has consolidated itself as the leading market in LatAm, reaching USD67.8 billion in cumulative volume by 1H26, supported by accelerated growth, increasing diversification of instruments and a significant expansion in the number of issuers. This context reinforces the feasibility of absorbing substantial volumes of sustainable finance, particularly through large financial institutions.
 - From a climate science perspective, the Climate Bonds Initiative highlights that current sustainable finance flows remain insufficient relative to the investment needs required to align with the Paris Agreement, and calls for a continuous expansion of financing to key transition sectors.
 - Recent developments in the Brazilian market illustrate the central role of financial institutions as key catalysts of sustainable finance expansion, both through direct credit origination and through their inducement effect on clients and value chains.
 - Banco do Brasil's target of BRL500 billion by 2030 falls within the range observed among its peers, without standing out as significantly more ambitious, while remaining consistent with sector standards.
 - An analysis of recent performance indicates that Banco do Brasil's sustainable portfolio presents volumes comparable to those of its peers, although slightly below the average.
 - Banco do Brasil's methodology encompasses different levels of alignment of credit lines with national and international standards, incorporating specific criteria to define the additionality of the financed projects, assets and/or activities.
 - In the early years, the measurement methodology underwent relevant revisions, including the incorporation of new credit lines, which substantially boosted portfolio growth. No additional eligible credit lines could be incorporated as of 2023, meaning that portfolio expansion has relied exclusively on the origination of new operations, while also taking into account the discontinuation of specific credit lines.
 - The target is lower than that of some of Banco do Brasil's peers in terms of volume; however, it is supported by a consistent historical performance, even considering a more narrowly scoped portfolio.

SPT 2: Expand sustainable agribusiness credit operations to achieve a balance of BRL200 billion by 2030

- SPT 2, which is related to the KPI 2 to expand the bank's sustainable agribusiness portfolio, is to expand this portfolio to achieve a balance of BRL200 billion by 2030 in comparison with the baseline of BRL157.3 billion in 2023.
- Banco do Brasil is the main financier of the agricultural sector in Brazil and has steadily increased the volumes of resources allocated to sustainable agribusiness over the years. The growth in 2025 was not

Alignment: Good

Sustainable Fitch's View

- As mentioned in the comments for KPI 1, credit lines may be classified as having high, moderate, limited or insufficient additionality. The inclusion of credit lines classified as having high, moderate and limited additionality within KPI 1's scope allows some flexibility for considering financed activities that might not have proven environmental benefits and are not directed towards vulnerable populations for achieving the target.
- Our view is that including only credit lines classified as having high additionality would be more ambitious.
- We positively view that the framework assesses its SPT against peer targets. Peer benchmarking is challenging because the KPI calculation is based on an internal methodology that may not be directly comparable to peers. Nevertheless, this has not adversely affected our assessment as we have access to historical data to assess the SPT on a year-by-year basis.
- The ICMA SLB Principles and the LMA, LSTA and APLMA SLL Principles recommend that SLBs and SLLs disclose timelines for achieving targets, including observation dates, any trigger events and measurement frequency.
- Banco do Brasil established that the observation date will be 31 December 2030. Verification may occur at a different stage of the instruments' tenure, depending on each instrument's issuance and maturity dates. This limited our assessment.
- We view the practice of setting the observation and verification date between 30% and 70% of the instrument's life as aligned with market best practices, as it allows penalties for non-compliance to be applied for a reasonable period, considering the instrument's term.

Performance Targets

Company Material

- significant; however, annual disbursement volumes remain high, particularly compared to Banco do Brasil's peers and competitors.
- The volume of credit for sustainable agribusiness activities within Banco do Brasil's portfolio recorded a growth of around 9.4% compared to the 2023 base year. The bank considers this evolution as consistent with the growth trajectory required to achieve the long-term target of reaching BRL200 billion in sustainable agribusiness credit operations by 2030, which implies an expected growth rate of around 16.2% to 2030.
 - The key factors beyond the bank's direct control that may affect the achievement of the target are related to the misalignment of its sustainable portfolio with the Brazilian federal government's primary annual rural credit policy Safra Plan and the occurrence of extreme weather events, which can make loans less attractive compared to other financial products, such as insurance.
 - Banco do Brasil maintains a significant level of exposure to agribusiness, both in terms of scale and strategic relevance, which implies an inherent sensitivity to the sector's specific dynamics and risks.
 - Many banks have outlined specific actions to increase financing in themes such as sustainable agribusiness, but there are few targets specifically focused on expanding credit for these operations with well-defined values. Banco do Brasil has already outperformed its peers; hence, for the target to be ambitious, it must exceed its own performance.
 - The "The Impact of Sustainable Rural Credit on Greenhouse Gas Emissions: Evidence for Brazilian Agricultural Sustainability" study by the Institute of Applied Economic Research highlights credit provision as one of the evolving essential tools in Brazil to promote sustainable agricultural practices.
 - This view is further supported by broader market analyses, such as the roadmap published by the Climate Bonds Initiative, which estimates a potential investment pipeline of around BRL692.4 billion by 2030 to enable the transition of Brazil's agribusiness sector towards low-carbon practices, including sustainable agriculture, the recovery of degraded pastures and integrated production systems.
 - Banco do Brasil commits to the target of reaching a balance of BRL200 billion in credit operations for sustainable agriculture by 2030, contributing to a growth of around 27% compared to the baseline of BRL157.3 billion in 2023.
 - For 2026, the bank expects its agribusiness portfolio to grow in the range of -2% to 2%, indicating a broadly stable outlook for the period. The main challenges to the growth of the sustainable agriculture portfolio are related to the volatility of agricultural commodity prices, rising production costs and high interest rates for a typically leveraged sector, debt renegotiations within the sector, and geopolitical and climate-related impacts affecting Brazilian producers.
 - Most of these operations are short term (about 12 months), predominantly working capital loans, which require annual renewal to maintain the portfolio balance estimated at around BRL57 billion. This context is further compounded by the growth of alternative funding instruments, such as the rural product certificate, which compete with these credit lines.

Alignment: Good

Sustainable Fitch's View

- The expected cumulative growth rate to achieve SPT 2 is around 16.2% through 2030, or about 3.2% annually. This indicates that the required pace of growth to meet SPT 2 is lower than the recent historical average.
- However, as previously mentioned in our analysis of SPT 1, Banco do Brasil established targets related to increasing its sustainable agribusiness portfolio in previous years. This is relevant for assessing the bank's historical performance, as the growth of around 9.3% compared to the 2023 base year was driven by the bank's strategic efforts to expand this portfolio. It is likely that this increase would have been lower under a business-as-usual scenario, given the pre-existing intention to grow the portfolio.
- The bank expects the agribusiness portfolio to grow in the range of -2% to 2% in 2026. This stable growth expectation considers the volatility of agricultural commodity prices, rising production costs, and high interest rates for a typically leveraged sector, debt renegotiations within the sector, and geopolitical and climate-related impacts affecting Brazilian producers. These factors create a challenging and unstable environment; potential for sudden changes in market conditions and external shocks increases the uncertainty around portfolio growth.
- Credit lines for low-carbon agriculture, including those supporting practices such as no-till farming, are included in this KPI. However, some of these practices may not fully align with the most rigorous market standards for sustainable agriculture, such as the Climate Bonds Initiative, and their environmental benefits can be difficult to measure. A more ambitious target would prioritise financing activities that clearly meet robust sustainability criteria and demonstrate measurable positive environmental impacts.
- In our view, referencing the bank's internal performance is aligned with market best practices, particularly given the KPI calculation is based on a proprietary methodology that may not be directly comparable to peers. The lack of peer comparison has not adversely affected our assessment as we have access to historical data to assess the SPT on a year-by-year basis.
- Banco do Brasil established that the observation date for this SPT will be 31 December 2030. Verification may occur at a different stage of the instruments' tenure, depending on each instrument's issuance and maturity dates.
- We view the practice of setting the observation and verification date between 30% and 70% of the instrument's life as aligned with market best practices, as it allows penalties for non-compliance to be applied for a reasonable period, considering the instrument's term.

SPT 3: Reduce financed GHG emissions intensity from the corporate loan portfolio by 42% by 2040

- SPT 3, which is related with KPI 3 to reduction the intensity of GHG emissions financed in the credit portfolio, aims at the reduction of 42% of financed GHG emissions by 2040 in comparison to the baseline of 2021 of around 0.1196 million tCO₂e for every BRL1 billion in loans granted.
- The calculation of financed emissions follows the methodology of the PCAF, while the targets are established in accordance with the criteria of the SBTi.
- The SPT is aligned with the ICMA SLB Principles and the LMA, LSTA and APLMA SLL Principles.
- We view the overall ambition associated with SPT 3 as moderate when compared to Banco do Brasil's historical performance. The bank reported financed emissions intensity of 0.1196 million tCO₂e per BRL1 billion in loans granted in 2021, which decreased to 0.1114 million tCO₂e per BRL1 billion in 2024. This represents a reduction of about 6.9% over the period, or about 2.3% per year on average.



Performance Targets

Company Material

- The financed emissions in the first year of reporting in 2021 amounted to around 13.4 million tCO₂e, corresponding to an emissions intensity of around 0.1196 million tCO₂e per BRL1 billion in loans granted. The financed emissions decreased to around 11.8 million tCO₂e in 2022, with an emissions intensity of around 0.096 million tCO₂e per BRL1 billion in loans granted.
- In 2023, following the revision of the SBTi short-term criteria for financial institutions released in May 2024, the bank's financed emissions reached around 14.7 million tCO₂e within a corporate loan portfolio totalling around BRL130 billion. This corresponds to an emissions intensity of around 0.113 million tCO₂e per BRL1 billion in loans granted.
- In 2024, the financed emissions reached 16.4 million tCO₂e within a corporate loan portfolio totalling BRL146.5 billion, corresponding to an emissions intensity of around 0.1114 million tCO₂e per BRL1 billion in loans granted.
- The variations observed over the period indicate that the emissions intensity was reduced by around 6.4% between 2021 and 2024.
- The key factor beyond the bank's direct control that may affect the achievement of the target is the level of demand for carbon market regulation that is currently under development, mainly for carbon-intensive sectors such as steel, transport, and oil and gas.
- Itaú Unibanco, Banco Bradesco and Banco do Brasil all adhere to the PCAF methodology for calculating their emissions.
- Itaú Unibanco established the following sectoral decarbonisation targets for its portfolio.
 - Electricity generation: 63% reduction in GHG emissions intensity by 2030 to 38gCO₂e/kWh from 103gCO₂e/kWh in 2021.
 - Agribusiness: reduction of financed GHG emissions intensity by 36% for corn, 25% for soy and 12% for livestock. These correspond to emission intensities of 0.07tCO₂e per tonne of corn, 0.15tCO₂e per tonne of soy and 2.72tCO₂e per head of cattle by 2030.
- Banco Bradesco focuses on a sectoral strategy for reducing financed emissions, defining a 63% reduction in emissions intensity by 2030 to 23kgCO₂e/MWh from 60.7kgCO₂e/MWh in 2021 for the power generation sector, without specifying absolute emissions reduction targets.
- In addition, Banco Bradesco proposes initiatives to divest from coal by 2030 and to advance the assessment of emissions in the agribusiness sector, with the aim of developing emissions factors and national decarbonisation scenarios for soy, corn and cattle, in order to estimate financed emissions and define future targets.
- These initiatives focus on a sectoral strategy, directing efforts to reduce the emissions intensity of the portfolio in key sectors. Banco do Brasil addresses its corporate loan portfolio comprehensively, covering various sectors while directing efforts to reduce the GHG emissions intensity in companies with annual revenue exceeding BRL200 million.
- In the context of signing the Business Ambition for 1.5°C Commitment Letter, Banco do Brasil established its target to reduce the intensity of financed emissions from the corporate loan portfolio following the guidelines of the SBTi for financial institutions, aligned with the well-below 2°C scenario.
- Banco do Brasil committed to achieving emissions neutrality by 2050. The bank set a target to reduce the emissions intensity of its corporate loan portfolio by 25% over a 10-year period, using a baseline of 0.1196 million tCO₂e per BRL1 billion in 2021.

SPT 4: Attain 50% representation of women and 50% representation of Black, Brown, Indigenous and other underrepresented ethnicities in leadership roles by 2030

- SPT 4, which is related to KPI 4 to increase gender and racial diversity in leadership, aims to attain 50% representation of women and 50%
- The SPT is aligned with the ICMA SLB Principles and the LMA, LSTA and APLMA SLL Principles.

Alignment: Good

Sustainable Fitch's View

- Banco do Brasil would need to reduce emissions intensity by around 2.36% per year to achieve the target of reducing financed emissions intensity by 42% by 2040 relative to the 2021 baseline, equivalent to 0.0694 million tCO₂e per BRL1 billion in loans granted. In our view, this indicates a moderate improvement over past performance.
- We view it positively that the target is linked to a highly material sustainability issue for the banking sector, namely financed emissions, and that it is aligned with Banco do Brasil's broader climate strategy.
- The bank stated that financed emissions are calculated using the PCAF methodology, while targets are established in accordance with SBTi criteria for financial institutions.
- Banco do Brasil has related transition initiatives, including actions to develop sector-specific decarbonisation targets and commitments to support renewable energy financing. These elements support the SPT's credibility and strategic relevance. However, the target has not yet been validated by the SBTi, which somewhat limits our assessment of its external robustness.
- Banco do Brasil's historical performance shows some volatility in financed emissions intensity over time. After declining to around 0.096 million tCO₂e per BRL1 billion in loans granted in 2022 from around 0.1196 million tCO₂e per BRL1 billion in loans granted in 2021, the indicator increased to around 0.113 million tCO₂e per BRL1 billion in loans granted in 2023 and then improved slightly to around 0.1114 million tCO₂e per BRL1 billion in loans granted in 2024.
- We therefore positively view that the SPT is anchored in the bank's own historical performance, as this allows for a direct assessment of improvement against its established baseline and trajectory.
- In our view, referencing the bank's internal performance is aligned with market best practices, particularly given differences in portfolio composition and the fact that peers often disclose sector-specific financed emissions targets rather than targets for a broader corporate loan portfolio.
- Banco do Brasil established that the observation date for this SPT will be 31 December 2040. Verification may occur at a different stage of the instruments' tenure, depending on each instrument's issuance and maturity dates.
- We view the practice of setting the observation and verification date between 30% and 70% of the instrument's life as aligned with market best practices, as it allows penalties for non-compliance to be applied for a reasonable period, considering the instrument's term.

Performance Targets

Company Material

- representation of Black, Brown, Indigenous and other underrepresented ethnicities in leadership roles by 2030.
- Historical data indicate that Banco do Brasil's performance in terms of the representation of women and underrepresented ethnic groups in leadership positions has been steadily improving, with increases of 4.9% and 6.2%, respectively, compared to the 2022 baseline year. These advances point to a trajectory consistent with the achievement of the established targets.
 - The key factor beyond the bank's direct control that may affect the achievement of the target is the composition of the staff available at the bank for job-advancement, considering that it is a public company and relies on public tenders to hire new employees. The other factor is the availability and interest of these staff members to take on leadership positions, considering that they will have to relocate to cities where the bank has its headquarters.
 - Itaú Unibanco defined targets with a horizon up to 2025, setting between 35% and 40% of women in leadership positions and racial diversity objectives of between 27% and 30% Black representation within the organisation.
 - Banco Bradesco established targets up to 2025 of between 34% and 40% of women in leadership positions and between 20% and 30% of Black individuals in management roles, levels that remain below the thresholds defined by Banco do Brasil.
 - Caixa Econômica Federal set a target of 36% female representation in leadership positions by 2030, without introducing objectives related to racial diversity.
 - Banco do Brasil reported 28.9% gender representation and 30.5% racial representation in leadership positions in 2025, which are broadly in line with the average levels observed among its main peers.
 - Research by the Brazilian Financial and Capital Markets Association on diversity and inclusion in the Brazilian financial market in 2025 stated that there is a greater gender balance in the banking segment, with women accounting for 43.4% of total representation. Banks are institutions with a large absolute number of employees, so this figure points to a relatively positive scenario.
 - In contrast, indicators related to racial diversity follow a less balanced trajectory. The representation of Black and Brown individuals corresponds to 23.8% of the workforce, while individuals of Asian descent account for 3.6% and Indigenous people represent only 0.3% within the banking segment.
 - The UN Global Compact Network Brazil was established in 2003 by the UN to align the companies' strategies and operations in the areas of human rights, labour, environment and anti-corruption. It instituted the Equidade é Prioridade (Equity is a Priority) movement in 2020. This movement gave rise to two other programmes with specific focuses:
 - Equidade é Prioridade: Gênero (Equity is a Priority: Gender) and
 - Equidade é Prioridade: Étnico Racial (Equity is a Priority: Ethnic Racial).
 - These programmes are set up so that companies set ambitious targets regarding these two themes, integrating women and underrepresented ethnicities in leadership positions.
 - The goal of reaching 50% by 2030 implies an increase of around 28pp in female representation compared to the 22% baseline recorded in 2022, as well as an increase of about 26.8pp in the representation of Black, Brown and other underrepresented ethnic groups relative to the 23.2% baseline observed in 2022.

Source: Banco do Brasil sustainability-linked finance framework 2026

Alignment: Good

Sustainable Fitch's View

- SPT 4 aims to reach 50% representation of women and 50% representation of Black, Brown, Indigenous and other underrepresented ethnicities in leadership roles by 2030. This implies a 24.1% increase for women and 23.6% for underrepresented ethnic groups based on the bank's disclosed baseline of 2023. Banco do Brasil reported that representation had risen to 28.9% for women and 30.5% for underrepresented ethnic groups in leadership positions by 2025.
- The KPI reflects a highly ambitious target relative to the 2023 baseline. Our analysis indicates that the SPTs imply annual growth rates of around 14.6% for gender diversity and 12.8% for racial and ethnic diversity, both of which are materially above the bank's observed year-on-year improvements since the baseline period. Therefore, in our view, the SPTs represent a transformative improvement relative to a business-as-usual trajectory.
- We consider positively that the SPT is aligned with Banco do Brasil's diversity, equity and inclusion strategy. The target is supported by the bank's diversity programme launched in 2023, as well as by the female leadership programme created in 2018.
- We also positively view Banco do Brasil's participation in broader initiatives such as Women Lead 2030; Race is a Priority; and the Pact for Diversity, Equity and Inclusion. In our view, these initiatives provide a strategic foundation for the target and support its implementation. We deem the SPT to contribute to SDGs 5 and 10 and support vulnerable populations.
- We view positively that the SPT is referenced against Banco do Brasil's own historical performance. In our view, using the bank's past trajectory allows for a direct evaluation of improvement from its baseline. The peer information offers useful context, but targets disclosed by other financial institutions may differ in scope, employee perimeter and time horizon, which limits direct comparability. Our assessment relies primarily on Banco do Brasil's own historical performance and the additional progress required to achieve the target by 2030.
- Banco do Brasil established that the observation date for this SPT will be 31 December 2030. Verification may occur at a different stage of the instruments' tenure, depending on each instrument's issuance and maturity dates.
- We view the practice of setting the observation and verification date between 30% and 70% of the instrument's life as aligned with market best practices, as it allows penalties for non-compliance to be applied for a reasonable period, considering the instrument's term.

Source: Sustainable Fitch

Instrument Features

Company Material	Alignment: Good Sustainable Fitch's View
- A fundamental characteristic of SLBs or SLLs is that the economic outcome from the financial instrument is associated with the fulfilment or non-fulfilment of predefined selected targets. For example, the interest rate on the security or the margin under the loan agreement may be reduced if Banco do Brasil meets a predefined target, in a process called step-down. - The bank may be subject to another type of variation: the step-up. This means that Banco do Brasil would be subject to an increase in the interest rate on the security or under the loan agreement in the event of non-compliance with any of the predefined SPTs. The SPTs will be deemed as not achieved and the related trigger events will occur if there is no report referring to the agreed observation date, or the SPTs cannot be calculated or observed by the bank or a qualified external reviewer. - Fallback mechanisms applicable to any sustainability-linked finance instrument issued under the framework include a potential recalculation of the baseline figures in the event the SPTs cannot be calculated or observed in a satisfactory manner, considering the following events: - potential exceptional events, such as a significant change in perimeters through material organisational restructuring, merger or acquisition of companies; and - extreme events, including drastic changes in the regulatory environment that could substantially affect the calculation of the performance indicator. - Potential regulatory changes that may require a reassessment of the established targets encompass, but are not limited to, shifts in national policies related to agricultural credit and alterations in environmental regulations. - An additional layer of potential impact involves the Brazilian Sustainable Taxonomy that was published in December 2025. It presents examples of criteria that may influence Banco do Brasil's approach to its sustainable business portfolio. Adaptability to evolving standards remains paramount. - In this case, Banco do Brasil may require the restatement of the SPTs and/or their pro forma adjustments of baselines or performance indicator scope. Any recalculation of the baseline will be reported in the immediately following sustainability-linked finance progress report, and verified by a qualified external reviewer or a similar party with the relevant expertise. - The dates applicable to the SPT satisfaction notification and the performance report publication dates may vary depending on the specific characteristics of each transaction. In this context, Banco do Brasil commits to establishing and disclosing the dates applicable to each individual financing through the relevant contractual documentation of each instrument issued under the framework in a clear and transparent manner.	- We view positively that all debts issued or loans contracted under the framework will comply with the ICMA SLB Principles and the LMA, LSTA and APLMA SLL Principles. - Banco do Brasil may issue SLBs and SLLs under the framework, with the specific financial and structural characteristics detailed in each transaction's documentation. - These characteristics may include step-up or step-down mechanisms linked to performance against the applicable SPTs, with the size and nature of any penalties or incentives determined at issuance. This lack of definition limits our assessment; however, we assume that such adjustments will be aligned with standard market practice at a minimum. - In our view, setting the KPIs and SPTs for each transaction in the relevant documentation aligns with standard market practice and supports accountability by linking sustainability objectives to each issuance. - The framework also provides that financial and/or structural adjustments may be triggered if no report is available for the relevant observation date, or if the SPTs cannot be calculated or observed by Banco do Brasil or a qualified external reviewer. We view this positively, as it reinforces investor confidence in the bank's commitment to transparency and performance. - Banco do Brasil includes fallback mechanisms that allow for recalculation of baselines and, where relevant, restatement of sustainability targets or pro forma adjustments to baselines or KPI scope, which is aligned with market best practices. We view this positively, as it supports the continued relevance of the SPTs over time. - Any recalculation of the baseline will be disclosed in the subsequent sustainability-linked finance progress report and verified by an external reviewer or similarly qualified party. This supports transparency around changes that may affect performance assessment, which we assess positively.
Source: Banco do Brasil sustainability-linked finance framework 2026	Source: Sustainable Fitch

Reporting

Company Material	Alignment: Good Sustainable Fitch's View
- Banco do Brasil commits to publishing and keeping the following information readily available and easily accessible. - Up-to-date information on the performance of the selected KPIs, including baselines where relevant. This includes a verification assurance report of the SPTs that describes their performance and the related impact. - Any information enabling investors to monitor the ambition level of the SPTs, such as updates on Banco do Brasil's sustainability strategy or KPI governance, and any relevant information for KPI and SPT analysis.	- Banco do Brasil's reporting commitments are aligned with the ICMA SLB Principles and the LMA, LSTA and APLMA SLL Principles guidance. - The bank commits to reporting KPI performance at least annually in its ESG databook, including relevant baselines, and on any dates or periods used to assess SPT performance that may trigger financial or structural adjustments under the transaction. We view this positively, as it aligns with standard market practice and supports investor monitoring. - Banco do Brasil will also disclose updates on its sustainability strategy, KPI governance and other information relevant to KPI and SPT analysis.

Reporting

Alignment: Good

Company Material	Sustainable Fitch's View
– Illustration of the positive sustainability impacts of performance improvement, when feasible and possible. • This information will be published by the ESG department in the bank's ESG databook at least annually and on any relevant date or period to assess SPT performance, potentially leading to adjustments in the financial and/or structural characteristics of the SLB or SLL.	This supports transparency around the ongoing relevance of the sustainability-linked structure.
Source: Banco do Brasil sustainability-linked finance framework 2026	Source: Sustainable Fitch

Verification

Alignment: Good

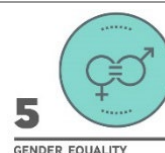
Company Material	Sustainable Fitch's View
• Banco do Brasil affirms the credibility of the pre-issuance document through a second-party opinion from an independent ratings agency. • The bank's performance for each KPI and SPT will be independently assessed by a qualified external reviewer, such as an auditor, environmental consultant and/or independent ratings agency, at least annually and on any relevant date or period to evaluate SPT performance, leading to potential adjustments in the financial and/or structural characteristics of the SLB or SLL until the last triggering event of the SPT has been achieved. • The performance verification related to SPTs and the respective impact, and timing of such impact, on the bond financial and/or structural characteristics will be made publicly available on Banco do Brasil's institutional website. • Unlike pre-issuance external reviews, such as a second opinion, which is recommended, post-issuance verification is a necessary element of the SLB Principles and the LMA, LSTA and APLMA SLL Principles. As such, Banco do Brasil considers the ICMA Guidelines for External Reviews for bonds and the LSTA External Review Guidance for Green, Social and Sustainability-linked Loans for loans.	• Banco do Brasil's verification process is aligned with the ICMA SLB Principles and the LMA, LSTA and APLMA SLL Principles. These principles recommend that issuers obtain external and independent verification of each KPI's performance in relation to the defined objectives. The verification must be carried out at least once a year and be performed by a reviewer with technical expertise. • Banco do Brasil commits to independent external verification of performance against each KPI and SPT at least annually and on any relevant observation date that may trigger financial and/or structural adjustments under the SLB or SLL. This is consistent with standard market practice and supports the integrity of the sustainability-linked structure. • Banco do Brasil commits to keep verification results publicly available on its website. This supports transparency and investor monitoring.
Source: Banco do Brasil sustainability-linked finance framework 2026	Source: Sustainable Fitch

Relevant UN Sustainable Development Goals

- **2.3:** By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.
- **2.4:** By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.
- **4.3:** By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.



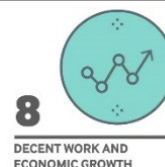
- **5.5:** Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life.



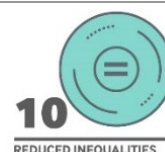
- **7.2:** By 2030, increase substantially the share of renewable energy in the global energy mix.



- **8.3:** Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services.



- **10.2:** By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status.



- **11.1:** By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums.



- **13.2:** Integrate climate change measures into national policies, strategies and planning.



Source: Sustainable Fitch, UN



Appendix A: Principles and Guidelines

Type of Instrument: Sustainability-Linked

Five Pillars

1) KPI	Yes
2) Sustainability Performance Target (SPT)	Yes
3) Characteristics	Yes
4) Reporting	Yes
5) Verification	Yes

Structure of the Instrument

A step-up structure	Yes
A variable redemption structure	No

Independent External Review Provider

Second-party opinion	Yes
Verification	Yes
Certification	No
Scoring/rating	No
Other	n.a.

1) KPI

KPIs/List of KPIs

KPI #1	Sustainable loan credit
KPI #2	Credit for sustainable agribusiness portfolio
KPI #3	Financed GHG emissions (Scope 3) intensity in the corporate loan portfolio
KPI #4	Gender and racial diversity in leadership

KPIs/Definition, Scope and Parameters

Clear definition of each selected KPI	Yes
Clear calculation methodology	Yes
Other	n.a.

KPIs/Relevance, Robustness and Reliability of the Selected KPIs

Credentials that the selected KPIs are relevant, core and material to the issuer's sustainability and business strategy	Yes
Credentials that the KPIs are measurable or quantifiable on a consistent methodological basis	Yes
Evidence that the KPIs are externally verifiable	Yes
Evidence that the KPIs can be benchmarked	Yes
Other	n.a.

2) Sustainability Performance Target (SPT)

SPTs/Rationale and Level of Ambition

Evidence that the SPTs represent a material improvement	Yes
Evidence that SPTs are consistent with the issuer's sustainability and business strategy	Yes
Credentials on the relevance and reliability of selected benchmarks and baselines	Yes
Credentials that the SPTs are determined on a predefined timeline	Yes

Type of Instrument: Sustainability-Linked (Cont.)

Other	n.a.
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SPTs/Benchmarking Approach

Issuer's own performance	Yes
Issuer's peers	Yes
Reference to the science	Yes
Other	n.a.

SPTs/Additional Disclosure

Framework includes description of potential recalculations or adjustments	Yes
Issuer's strategy to achieve the SPTs	Yes
Identification of key factors that may affect the achievement of the SPTs	Yes

3) Characteristics

Instrument Characteristics/Financial impact

Variation of the coupon	Yes
Other	n.a.

Instrument Characteristics/Structural Impact

Other	n.a.
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4) Reporting

Reporting/Information Reported

Performance of the selected KPIs	Yes
Level of ambition of the SPTs	Yes
Verification assurance report	Yes
Other	n.a.

Reporting/Frequency

Annual	Yes
Semi-annual	No
Other	n.a.

Reporting/Means of Disclosure

Information published in financial report	No
Information published in ad hoc documents	Yes
Information published in sustainability report	No
Reporting reviewed	Yes
Other	n.a.

Reporting/Level of Assurance on Reporting

Limited assurance	Yes
Reasonable assurance	No
Other	n.a.



Type of Instrument: Sustainability-Linked (Cont.)

5) Verification

Verification (Post-Issuance)/Information Reported

Limited assurance	No
Reasonable assurance	No
Other	The framework states the performance for each KPI and SPT should be independently assessed by a qualified external reviewer, such as an auditor, environmental consultant and/or independent ratings agency

Verification (Post-Issuance)/Frequency

Annual	Yes
Semi-annual	No
Other	n.a.

Verification (Post-Issuance)/Material Change

Perimeter	Yes
SPTs calibration	Yes
KPI methodology	Yes

Note: n.a. – not applicable.

Source: Sustainable Fitch, ICMA, LMA, LSTA, APLMA

Appendix B: Definitions

Term	Definition
Debt types	
Green	Proceeds will be used for green projects and/or environmental-related activities as identified in the instrument documents. The instrument may be aligned with the ICMA Green Bond Principles or other principles, guidelines or taxonomies.
Social	Proceeds will be used for social projects and/or social-related activities as identified in the instrument documents. The instrument may be aligned with the ICMA Social Bond Principles or other principles, guidelines or taxonomies.
Sustainability	Proceeds will be used for a mix of green and social projects and/or environmental and social-related activities as identified in the instrument documents. The instrument may be aligned with the ICMA Sustainability Bond Guidelines or other principles, guidelines, taxonomies.
Sustainability-Linked	Financial and/or structural features are linked to the achievement of pre-defined sustainability objectives. Such features may be aligned with the ICMA Sustainability-Linked Bond Principles or other principles, guidelines or taxonomies. The instrument is often referred to as an SLB (sustainability-linked bond) or SLL (sustainability-linked loan).
Conventional	Proceeds are not destined for any green, social or sustainability project or activity, and the financial or structural features are not linked to any sustainability objective.
Other	Any other type of financing instrument or a combination of the above instruments.
Standards	
ICMA	International Capital Market Association. In the Second-Party Opinion we refer to alignment with the ICMA Bond Principles: a series of principles and guidelines for green, social, sustainability and sustainability-linked bonds.
LMA, LSTA and APLMA	Loan Market Association (LMA), Loan Syndications and Trading Association (LSTA) and Asia Pacific Loan Market Association (APLMA). In the Second-Party Opinion we refer to alignment with the Sustainable Finance Loan Principles: a series of principles and guidelines for green, social and sustainability-linked loans.
EU Green Bond Standard	A set of voluntary standards created by the EU to “enhance the effectiveness, transparency, accountability, comparability and credibility of the green bond market”.

Source: Sustainable Fitch, ICMA, UN, EC Platform on Sustainable Finance

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