

## Environmental Preservation Strategy

Banco do Brasil is at the forefront of the debate on the impact of its operations on social, environmental and climate issues. We are committed to a continuous and rigorous process of internalizing practices and measures that reinforce our firm position on sustainability, especially in rural credit. Our performance is historical and is one of the pillars of our corporate strategy and permeates the entire Organization and the resulting initiatives.

The economic and social importance of rural credit and BB's relevance and leading role in the development of agribusiness and family farming, contributing to the generation of employment, income and quality of life for the population, without neglecting the preservation of natural resources, are fundamental for the sustainability of the business, making it a reference and recognition by the market for its positive externalities.

Through its actions in Bio-economy, Banco do Brasil's main objective, especially in the legal Amazon region, is to contribute to the economic and social growth of the entire region. We finance initiatives that have an impact on income generation and contribute to reducing carbon emissions, including efforts to combat deforestation, conserve biodiversity, make sustainable use of soil and natural resources, support projects to generate energy from renewable sources and improve connectivity in urban, rural and forest areas of the Legal Amazon, with priority given to isolated locations. The aim is to accelerate the energy transition and reduce connectivity gaps in the region, especially in rural and forest areas where fossil fuel sources are still used, promoting their replacement with photovoltaic solar energy.

When granting credit, in addition to complying with the relevant laws and regulations, specific policies and initiatives are adopted that reinforce BB's commitment and practices regarding socio-environmental responsibility, such as compliance with CMN Resolution 5,081, of June 29, 2023, effective as of Jan/24, considering the procedures below:

**Rural Environmental Registry (Cadastro Ambiental Rural – CAR):** to determine the overlap with protected areas and embargoes, the Bank assesses the overlap with the CAR presented in the credit proposal;

**Protected areas:** financing is prohibited for projects in which the CAR overlaps with Indigenous Lands, lands occupied and titled by remnants of quilombo communities, Type B Public Forests and Conservation Unit areas.

**Area with an embargo from the competent environmental agency:** financing is prohibited for projects whose CAR is linked to environmental embargoes. All types of environmental embargoes available are considered when analyzing the granting of credit, including embargoes for the use of fire.

In the Amazon Biome, the applicant is also required to have an Embargo Clearance Certificate (Ibama), as a complement to the requirement to verify the regularity of the property benefiting from the credit.

BB checks Deforestation Alerts and requests documentation and information when there is an indication of a deforested area, avoiding financing in areas with illegal deforestation.

It also considers in the credit analysis and granting process the external regulations and market guidelines on deforestation and other environmental impacts that could hinder the commercialization of production.

BB also uses information from the “restrictive list” of slave labor and does not assume credit risk with listed clients, in addition to adopting a specific analysis for loan applicants with a negative history.

To ensure compliance, Banco do Brasil has a robust and automated process, using analytical solutions that check whether the area to be financed has legal restrictions or regulatory prohibitions, using 27 public databases nationwide. Since 2019, operations have been submitted to the Geo Socio-Environmental Diagnosis tool, with case-by-case verification, which prevents the operation from being contracted if it overlaps with the impeding geographical bases.

In a diligent manner, as provided for in the rural credit regulations and in line with our Social, Environmental and Climate Responsibility Policy (PRSAC), BB also carries out constant monitoring and inspection of rural credit operations to verify the adequacy of the conduct of the enterprise by the borrower. This monitoring and inspection process seeks to identify operations with signs of irregularities and prevent possible deviations from the purpose of contracting and conducting the financed projects.

BB is also a signatory to SARB – Febraban's Banking Self-Regulation System and under SARB 26, which regulates the credit relationship with slaughterhouses and meat-packing plants located in the Legal Amazon and Maranhão that are free of illegal deforestation, as well as seeking to promote the adoption of best practices in the sector, implemented the More Sustainable Livestock Program, mainly encouraging the recovery of degraded areas, more qualified management of the enterprise, the adoption of technologies and good practices, the welfare and traceability of animals and production, strengthening the sustainability of the activity.

It is worth highlighting that we have the BB 2030 Commitments for a More Sustainable World, which set out 12 objectives on four fronts, including sustainable credit, responsible investment and covering our performance in ESG and climate management, seeking to generate positive impacts in the value chain.

In this context, BB is committed to achieving a portfolio volume of R\$ 500 billion in sustainable credit by 2030, of which R\$ 200 billion in sustainable agriculture, as well as R\$ 30 billion in renewable energy financing. The Bank is also committed to achieving 1 million hectares conserved and/or reforested by 2025.

Banco do Brasil reaffirms its commitment to mitigating social, environmental and climate risks in its rural credit operations. By continuously improving its analysis and monitoring tools, the Bank not only ensures compliance with regulations, but also plays a crucial role in reducing negative impacts on the environment.

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<sup>1</sup> Established by Law 1.806/1953, it covers all eight states (Acre, Amapá, Amazonas, Mato Grosso, Pará, Rondônia, Roraima and Tocantins) and part of the state of Maranhão.