

# Sensitive industries and restricted industries\_

## governance and management

We consider Environmental, Social and Climate Risks as the possibility of losses arising from environmental, social and/or climate events related to our activities, whether they arise from dealings with counterparties, relationships with suppliers, events linked to the transition to a low carbon economy, or physical changes in weather patterns. These risks materialize through traditional risks, such as credit, market, liquidity and operational risks, which may lead to financial losses, and damages to our reputation. The environmental, social and climate factors are relevant to our business since they can affect shared value creation in the short, medium and long terms.

Itaú incorporates the Environmental, Social and Climate Risks management in an integrated and cross-cutting governance, being addressed in different seniority levels (strategic, tactic, operational, control and compliance).

## Assessment of Environmental, Social and Climate Risks

Some industries represent material Environmental, Social and Climate Risks, thus Itaú requires an individual assessment of clients operating in these industries. This assessment includes environmental, social, physical and transition climate criteria, and also governance aspects. The methodology also addresses qualitative and quantitative aspects, taking into consideration the possibility of affecting both the reputation and the financial performance and sustainability of the clients' business.

Based on the relevance and proportionality principles, the assessment is applied to Large Companies (companies with revenue higher than R\$500 million) and agricultural or livestock producers at credit approval and renewing, strengthening decision making processes integrated into credit granting and pricing.

Industries considered sensitive are as follows:

- Pesticides and Fertilizers
- Bovine Slaughterhouse
- Energy
- Real estate
- Wood
- Mining
- Metal and steel industry
- Oil and Gas
- Pulp and Paper
- Agriculture and Livestock
- Chemical and Petrochemical
- Textiles Industry

## Specific rules

Bovine slaughterhouses, with activities in the states comprehended by Legal Amazon and state of Maranhão, are subject to an additional methodology aimed at curbing the financing of clients which purchase cattle from illegal deforestation areas (direct and indirect suppliers up to the first level), aligned with Itaú's protocol in compliance with autoregulation SARB 26.

Additionally, for the Tobacco and Arms industries, we apply specific rules for credit granting and, in 2020, we approved a strategy that implies in a gradual reduction, by 2025, of Itaú's credit exposure to clients whose activities are related to tobacco, such as agricultural producers that are exclusively dedicated to this crop and cigarette manufacturers.

Since 2022, in line with our Net Zero commitment, we established the goal of promoting the responsible exit from thermal coal operations – coal-fired thermal power generation, coal mining and associated infrastructure – by 2030, and banned the financing of unconventional Oil and Gas projects in oil sands and in the Arctic. We are also working on establishing industry decarbonization goals to our portfolio in line with scientific scenarios

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about Environmental, Social and Climate Risks in the [2023 ESG Report](#) and in the [Climate Report](#).

