



# Sustainable Finance Framework

**April 2024**

Itaú Unibanco Holding S.A.

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# About Itaú Unibanco

Itaú Unibanco Holding S.A. (“Itaú Unibanco”) is Brazil’s largest private bank, Latin America’s largest financial institution, and one of the world’s largest banks in terms of market capitalization. We were created in 2008 through the merger of Banco Itaú S.A. and Unibanco – União de Bancos Brasileiros S.A. to become one of the largest financial conglomerates in the region<sup>1</sup>.

Our mission is to be the leading bank in sustainable performance and customer satisfaction, based on the creation of shared value for employees, clients, stockholders, and society, thus ensuring the perennial nature of our business. In this context, we have important competitive advantages: we relate with a large client base with a wide range of profiles, and we are a universal bank, offering all the financial products and services that our clients need.

By implementing a universal business strategy, we distinguish ourselves in Brazil and abroad<sup>2</sup>, operating in all fields of economic activities and with a leading position across a range of segments within the industry. Below we included some of our main highlights:

- **101,000+** employees in Brazil and abroad;
- **4,300+** Branches and Client Service Branches in Brazil and abroad;
- **43,000+** ATMs<sup>3</sup> in Brazil and abroad;
- A Brazilian multinational company;
- An important source of credit for the expansion of Brazilian companies.

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› <http://bitly.com/relaçõesri> →

You can find more detailed information about Itaú Unibanco on our Investor Relations website

1) Predecessor Banco Itaú was founded in 1943 as Banco Central de Crédito S.A. in the State of São Paulo. Predecessor Unibanco was founded in 1924 as Seção Bancária da Casa Moreira Salles in the State of Minas Gerais, totaling almost 100 years of history.

2) Data from December 2021.

3) Includes electronic banking service centers (PAEs), representative offices in third-party facilities and 24- hour banking.



# Commitment to Sustainable Development

As a financial institution, we recognize our role as agents of transformation and promoters of sustainable development. In this context, we seek to contribute to the implementation of the United Nation's ("UN") 2030 Agenda and the 17 Sustainable Development Goals ("SDGs"). In line with this objective, we have prioritized 14 SDGs in our strategy.

Our sustainability strategy aims to create a positive impact through our businesses. Since 2019, we have been presenting our Positive Impact Commitments (as presented below), which we believe help to overcome increasingly complex environmental and social challenges, promoting opportunities for a greener and more inclusive economy, and strengthening global collaboration to reduce negative impacts on society.

Those commitments are intended to: 1 - increase the financing for positive impact industries (agriculture, infrastructure, pulp and paper, renewable energy and services, health and education); 2 - support clients in the net zero carbon economy transition; 3 - increase the inclusion of environmental, social and governance metrics into our investment decisions; 4 - increase the access to financial services to a broader range of clients and offer them tools to support healthier financial decisions; 5 - increase the financial inclusion of micro, small and medium entrepreneurs; and 6 - strengthen our pact with Brazilian society through private social investments.

Our Positive Impact Commitments are in line with the 14 prioritized SDGs.<sup>4</sup>

4) 14 SDGs prioritized: 1- No poverty, 2- Zero hunger, 4- Quality education, 5- Gender equality, 7- Affordable and clean energy, 8- Decent work and economic growth, 9- Industry, innovation and infrastructure, 10- Reduced inequalities, 11- Sustainable cities and communities, 12- Responsible consumption and production, 13- Climate action, 15- Life on land, 16- Peace, justice and strong institutions and 17- partnerships for the goals.



**Aware of the global climate emergency, we committed to align our corporate efforts with the Paris Agreement, which is aimed at limiting global warming to well below 1.5oC. We support the Task Force on Climate-Related Financial Disclosures (TCFD) since 2019 and have already incorporated 100% of the recommendations of the initiative in our reports. We have also adhered to the industry-led, UN-convened Net-Zero Banking Alliance<sup>5</sup>, committing to become net zero by 2050<sup>6</sup>.**

Therefore, our sustainable finance framework is not directly related only to the Positive Impact Commitments, more precisely to the commitment to financing in positive impact industries, but also to the financing of carbon reduction and removal projects and the commitment to inclusion and entrepreneurship, as follows:

- **Allocate R\$ 400 billion, through products and services, to positive impact industries by 2025<sup>7</sup>.**
- **Align our credit portfolio to a carbon neutral economy, becoming a net zero carbon bank by 2050 with intermediate targets<sup>8</sup>.**
- **Increase the credit volume for women-led small and medium-sized businesses, reaching R\$ 17 billion in credit by 2025 (24% of total portfolio).**

In this context, in 2020, reinforcing its commitment to sustainability and good market practices, Itaú launched its Financial Sustainability Framework (“Framework”). The Framework can be applied to financing initiatives considered green, social, climate-related or a combination of all three (sustainable) that can be carried out in both the capital markets (using bonds and other securities) and in the bilateral market (deposits, loans, etc.) by Itaú Unibanco and its Affiliates<sup>9</sup>.

This second version of the Framework presents a review of the content and expansion of the initiatives that may be considered in the future, in view of the current market and trends observed in ESG and Climate agendas. With this review, we expect to be able to further contribute to the development of sustainable financing solutions, raising funds for new and existing projects with environmental or social benefits.

5) The Net Zero Banking Alliance (“Alliance”) is convened by the UN Environment Programme Finance Initiative and is accredited by the Race to Zero. In addition, the Alliance also executes coordinated advocacy and alignment as the “banking element of the” Glasgow Financial Alliance for Net Zero” and the climate-focused element of the” Principles for Responsible Banking.

6) More information about Net Zero Itaú can be found on: <https://www.itaú.com.br/download-file/v2/d/42787847-4cf6-4461-94a5-40ed237dca33/367d8403-17f3-5a1c-37ef-f5cf71a83f37?origin=2>

7) We have elected economic sectors of our loan portfolio according to internationally and locally known taxonomies, such as the EU Taxonomy, Climate Bond Initiative, International Capital Markets Association and Estudo de Economia Verde FEBRABAN (Brazilian Federation of Banks (FEBRABAN) Green Economy Study), selecting industries that are considered by the academy and the market as ESG or pure play for their clear contribution to generating positive impact through business. The selected industries will be the basis for Itaú Unibanco’s proprietary issuances in the Capital Markets, mitigating the possibility of financing brown or transition industries under this Framework.

8) More information about Net Zero Itaú can be found on: <https://www.itaú.com.br/relacoes-com-investidores/Download.aspx?Arquivo=6EgNh4cGxN+Tvh1MKj3iMQ==&linguagem=pt>

9) Affiliate means any company that, directly or indirectly, through one or more intermediaries, controls, is controlled by, or is under common control with Itaú Unibanco Holding S.A.

# Alignment with our Strategy

In acknowledgement of our joint responsibility to uphold the sustainable financial market and make the significant efforts necessary for the transition to a sustainable economy, we decided to establish this Framework, linking our financing efforts to an attempt to protect the planet and its people. This Framework replaces the one launched in 2021 and applies to Itaú Unibanco as well as any of its Affiliates.

With our constant and growing commitment to sustainability, linking our financing to our ESG targets was a natural path. Accordingly, this Framework will: (i) enable us to align our funding strategy with our business objectives, mission and targets; (ii) allow and facilitate the channeling of resources from institutional investors, clients and multilateral and other funding providers into financing our clients with an ESG mindset; (iii) foster investments across all of our businesses in initiatives and projects that contribute to a sustainable economy; and (iv) enable us to contribute to the global development of

the sustainable financial market, emphasizing the importance of the financial industry in the implementation and achievement of the UN Sustainable Development Goals.

We intend to use this Framework as a unified suite of ESG Financial Instruments (“ESG-FIs”) for the market, including, green, social, blue and/or sustainable financial debt instruments. The ESG-FIs contemplated will include loans, securities, deposits, repurchase agreements, securitization and any other funding source, derivatives, and letters of credit. Our ESG-FIs will be applied to finance or refinance, in part or in full, new or existing assets.

With this Framework and the issuance of any ESG-FIs, we expect to foster best ESG practices, inspiring other companies (and financial institutions) to follow a similar path, integrating finance with sustainable goals. Additionally, we also seek to encourage

our funding providers, investors, partners, stockholders, employees, and stakeholders in a broader sense to invest in sustainable development and promote sustainable finance.

Please note that this Framework provides a high-level approach to our ESG-FIs and counterparties should always refer to the relevant documentation for any specific funding instrument characteristics and allocation.





## Alignment with the Relevant Principles

This Framework has been established in accordance with (i) the **Sustainability Bond Guidelines of 2021** (“SBG”), the **Social Bond Principles of 2021** (“SBP”) and the **Green Bond Principles of 2021** (“GBP” and together with the SBG and the SBP, simply “Bond Principles”), administered by the International Capital Markets Association (“ICMA”) aimed at encompassing future issuances in the capital markets and (ii) the **Green Loan Principles of 2023** (“GLP”) and the Guidance on **Social Loan Principles of 2023** (“SLP” and together with the GLP, the “Loan Principles”) published by the **Loan Markets Association** (“LMA”) aimed at encompassing bilateral or syndicated loans with financial institutions and/or multilateral agencies .

We will structure our ESG-FIs in alignment with all the Principles established. Furthermore, the ESG-FI will follow blue finance guidelines: **IFC Guidelines for Blue Finance** published in 2022 (“IFC Guidelines”) and Guidance to Finance the Sustainable Blue Economy (“**Blue Guidance**”) of 2023 , published by ICMA to support investments in the Sustainable Blue Economy (SBE) and ocean health. Both guidelines will be used in conjunction with the Principles.

Additionally, any ESG-FI intended for the Brazilian debt capital market will also take into consideration the alignment with “**Guia para Ofertas de Títulos ESG**”, published by the Brazilian Financial and Capital Markets Association (“ANBIMA”) in December 2022, which provide best practices for ESG issuances for Brazilian companies (“Brazilian Best Practices”).

The Bond Principles, the Loan Principles and the Brazilian Best Practices (simply referred as “Principles”) are voluntary process guidelines that should be used when issuing ESG-FIs and as such they recommend transparency and disclosure, underpinning integrity in best practices when raising funds with ESG-FIs.

Our Framework is in line with the four core components of the Principles, namely: (1) Use of Proceeds, (2) Process for Project Evaluation and Selection, (3) Management of Proceeds and (4) Reporting. It is also in line with the recommendation to have a Framework and an independent verification of the components listed in items 1-4 above.

# Use of Proceeds

We will allocate an amount equal to the net proceeds from any ESG-FI to the financing or refinancing, in whole or in part, of existing and/or future green and/or social assets/investments (together “Eligible Investments” or individually “Eligible Green Investment”, “Eligible Social Investments” or “Eligible Blue Investments”) within the categories outlined below (“Eligible Categories”), to be funded by Itaú Unibanco and/or its Affiliates. Remembering that Sustainable categories combine green and social eligible criteria.

All Eligible Investments will be subject to compliance with applicable laws, regulations and Itaú Unibanco’s policies, including fair lending requirements and Itaú Unibanco’s loan policy.

Each Eligible Category is intended to be in line with one or more targets of the SDGs, as defined by the UN. Eligible Investments may include assets/investments to be funded by Itaú Unibanco or its Affiliates within 24

months prior to the ESG-FI issuance date or 24 months later.

The Eligible Investments may include the development, acquisition, maintenance, renovation, installation, expansion, and operation we finance through transactions with our clients, or proprietary capital expenditures and/or investments of Itaú Unibanco and its Affiliates in our own facilities and operations.

 | Eligible Green Categories

 | Eligible Social Categories

 | Eligible Blue Categories












An aerial photograph of a dense tropical forest. The majority of the trees are a vibrant green, but several large, rounded tree canopies are a distinct yellow, standing out against the green. The forest extends to the horizon, with a slight mist or haze in the distance.

# Green Categories




# Eligible Green Categories

Eligible Green Categories	Eligibility Criteria	Notes	SDGs
<b>Renewable Energy and Energy Efficiency</b>	<ul style="list-style-type: none"> <li>Renewable energy, such as: wind, solar, hydro (&lt; 30 MW).</li> </ul>	<p>The increase in energy sources such as wind and solar in the generation of electric energy and the increase in the supply of biomass from sugarcane and biodiesel contributed to maintaining the Brazilian energy matrix at a renewable level that is much higher than the level observed in the rest of the world. The public policies adopted in recent years favored the entry of renewable sources, such as biodiesel, whose consumption has grown year by year in Brazil. Hydraulic power generation, the main source of electricity generation in Brazil, together with other renewable energy, represented 82% of all national generation in 2022 according to the Ministry of Mines and Energy of Brazil.</p>	
	<ul style="list-style-type: none"> <li>Biomass projects since they have third-party certification or evidence regarding low environmental impact and sustainable sourcing.</li> </ul>	<p>For operations in this category, you must meet the limit of emission threshold of 100g of CO2e per kWh and non-waste feedstock will be certified by the following recognized and credible third-party standards: Roundtable on Sustainable Biomaterials (RSB), International Sustainability &amp; Carbon Certification (ISCC) EU, Bonsucro, and Roundtable on Responsible Soy (RTRS).</p>	
	<ul style="list-style-type: none"> <li>Investment in energy projects that generate or transmit renewable energy, including: offshore wind, offshore solar, tidal, wave or ocean thermal energy that does not impact marine ecosystems and may include additional measures that promote marine biodiversity.</li> </ul>	<p>Offshore operations must include additional measures to promote marine biodiversity (e.g. fishing sanctuaries for juveniles, non-fishing zones and artificial reefs) that contribute to the conservation of natural resources and the diversity of species, and present Environmental Impact Assessment Studies during the implementation of the project, in addition to regular environmental monitoring of the area in the operation phase.</p>	
	<ul style="list-style-type: none"> <li>Equipment or technology that reduces energy consumption/increases energy savings by at least 20 % over the baseline provided that this equipment, and/or technology are not being used in fossil-fuel intensive processes.</li> </ul>		



# Eligible Green Categories

Eligible Green Categories	Eligibility Criteria	Notes	SDGs
Renewable Energy and Energy Efficiency	<ul style="list-style-type: none"> <li>Energy transmission lines and distribution networks with the purpose of increasing renewable energy from wind and/or solar and/or hydro sources</li> </ul>	<p>Transmission lines are fundamental elements to give stability to the electrical system of Brazil, with a large share of renewable energy that is, by nature, intermittent and interdependent. The increase in the share of renewable energy in the Sistema Interligado Nacional (SIN) (Interconnected National System) must be accompanied by the expansion of transmission systems to reduce losses and congestion, as well as to guarantee energy flow and security. The distribution systems are responsible for connecting the transmission to final consumers, and are also important elements to ensure that the sources reach users in a safe way (EPE, 2017 (<a href="https://goo.gl/Z8XmKf">https://goo.gl/Z8XmKf</a>); IEEFA, 2018 <a href="https://bit.ly/2Ch6hDb">https://bit.ly/2Ch6hDb</a>). Therefore, in Brazil's local context, there is no chance that the investments made in electric energy transmission lines will distribute electric energy from carbon intensive sources at rates that are higher than the renewable energy under usual conditions.</p>	
	<ul style="list-style-type: none"> <li>Biofuel Projects</li> </ul>	<p>The life cycle emissions of the project will be required during the analysis process (at least 65% shorter than baseline fossil fuel) and non-waste feedstock will be certified by the following recognized and credible third-party standards: Roundtable on Sustainable Biomaterials (RSB), International Sustainability &amp; Carbon Certification (ISCC) EU, Bonsucro, and Roundtable on Responsible Soy (RTRS).</p>	
	<ul style="list-style-type: none"> <li>Supply chain facilities: manufacturing facilities wholly dedicated to marine renewable energy development such as wind turbines and platforms, vertical and horizontal axis turbines, instream generators, among others, dedicated storage, distribution, installation, wholesale, and retail.</li> </ul>		








# Eligible Green Categories

Eligible Green Categories	Eligibility Criteria	Notes	SDGs
Clean Transportation	<ul style="list-style-type: none"> <li>Charging stations for clean energy vehicles.</li> <li>Structure for the public use of clean transportation (e.g. bicycle lanes, retrofit of infrastructure that provide support for clean transportation, bicycle sharing stations, docking stations, charging stations and parking stations intended to expand structures for electric and hybrid cars).</li> <li>Manufacture or acquisition of nonmotorized vehicles, spare parts and accessories, such as bicycles and tricycles.</li> <li>Transportation Companies in general, to finance the manufacturing of low carbon emissions vehicles, electrified or hybrid vehicles.</li> </ul>	<p>Other non-carbon intensive vehicles, such as hybrid vehicles, are eligible if the intensity of emissions is &lt;75g CO2/passenger km (for passenger cars)) and freight road transportation vehicles that have at least 50% lower emission intensity per tonne-kilometer compared to average emissions (at country level) by truck type.</p>	  








# Eligible Green Categories

Eligible Green Categories	Eligibility Criteria	Notes	SDGs
<b>Water and Wastewater Management</b>	<ul style="list-style-type: none"> <li>Water treatment plants.</li> </ul>		
	<ul style="list-style-type: none"> <li>Sewage treatment plants.</li> </ul>		
	<ul style="list-style-type: none"> <li>Systems to minimize water usage (including water reuse but excluding wastewater systems derived from fossil-fuel operations).</li> </ul>		
	<ul style="list-style-type: none"> <li>Biogas plants for electric energy conversion derived from waste management of production processes.</li> </ul>	<p>The use of biogas, i.e., methane gas and carbon dioxide, a product from the organic anaerobic decomposition that can be obtained from food production, handling of organic solid waste and wastewater treatment. Biogas plants will be considered for bond issuance if they comply with an emissions threshold of 100g of CO2e per kWh of energy generated. For Crop-based Feedstock related criteria only loan operations will be considered with traceability confirming its environmentally sustainable management or origination in line with the best practice, the following certifications will be accepted RSB/ISSC EU/BONSUCRO /RTRS. Biomass projects based on animal waste will be excluded.</p>	
	<ul style="list-style-type: none"> <li>Reuse of sewage sludge for application in civil construction.</li> </ul>	<p>The life cycle emissions of the project will be required during the analysis process.</p>	
<ul style="list-style-type: none"> <li>Composting.</li> </ul>			



# Eligible Green Categories

Eligible Green Categories	Eligibility Criteria	Notes	SDGs
<b>Pollution Prevention and Control</b>	<ul style="list-style-type: none"> <li>Co-processing of organic solid waste.</li> </ul>	<p>We will request control of the Paris Agreement, which guarantees scenarios of 2°C or 1.5°C.</p>	
	<ul style="list-style-type: none"> <li>Recycling, including electronic waste.</li> </ul>	<p>For electronic waste, the development of waste management processes will be required. Only mechanical recycling will be considered in this framework. We will request control of the Paris Agreement, which guarantees scenarios of 2°C or 1.5°C.</p>	
	<ul style="list-style-type: none"> <li>Energy cogeneration powered by renewable sources.</li> </ul>	<p>We will request control of the Paris Agreement, which guarantees scenarios of 2°C or 1.5°C.</p>	
	<ul style="list-style-type: none"> <li>Recovery of heat and steam.</li> </ul>	<p>We will request control of the Paris Agreement, which guarantees scenarios of 2°C or 1.5°C.</p>	
	<ul style="list-style-type: none"> <li>Development, operation and increased efficiency of recycling plants and waste-to-energy conversion plants.</li> </ul>	<p>We will request control of the Paris Agreement, which guarantees scenarios of 2°C or 1.5°C.</p>	
<b>Environmentally sustainable management of living natural resources and land use</b>	<ul style="list-style-type: none"> <li>Restoration, regeneration or management of native forests and natural landscapes</li> </ul>	<ul style="list-style-type: none"> <li>Investments for preservation or/and restoration of native and high conservation value forests.</li> <li>Remediation/decontamination of soil provided that it has not been originally caused by the client.</li> </ul>	
	<ul style="list-style-type: none"> <li>Environmentally sustainable forestry:</li> </ul>	<ul style="list-style-type: none"> <li>Production, purchase, investments and expenditures of sustainable forestry projects certified by the Forest Stewardship Council (FSC), Programme for the Endorsement of Forest Certification (PEFC) or Cerflor (Programme developed by INMETRO, Brazil). Farmers who do not have of FSC, PEFC or Cerflor certification can submit a plan comply through an independently reviewed sustainable forest management.</li> </ul>	
	<ul style="list-style-type: none"> <li>Environmentally sustainable agriculture</li> </ul>	<ul style="list-style-type: none"> <li>Planting, cultivating or managing crops, provided that the production system is certified and follows Brazil's legislation. Accepted certifications: Rainforest Alliance Certified, Bonsucro, RTRS, ProTerra, 4C .</li> <li>Farmers who are not certified but who present an independently reviewed sustainable agriculture management plan.</li> </ul>	

# Eligible Green Categories

Eligible Green Categories	Eligibility Criteria	Notes	SDGs
<p><b>Environmentally sustainable management of living natural resources and land use</b></p>	<ul style="list-style-type: none"> <li>Low -carbon agriculture</li> </ul>	<ul style="list-style-type: none"> <li>Investments in soil recovery and restoration of degraded pasture areas.</li> <li>Adaptation or regularization of rural properties considering environmental legislation, including recovery of legal reserves, permanent preservation areas, recovery of degraded areas and implementation/improvement of sustainable forest management plans.</li> <li>Financing for farmers who preserve Legal Reserve surpluses.</li> <li>Biological nitrogen fixation.</li> <li>Projects to reduce the use of synthetic fertilizers and/or projects to minimize the use of pesticides.</li> <li>Low-carbon agricultural technologies that improve planting efficiency and productivity.</li> </ul>	  
<p><b>Green Buildings</b></p>	<ul style="list-style-type: none"> <li>Buildings that have received a certification in the following programs and levels: LEED (Gold or Above), EDGE IFC or Aqua-HQE (Excellent or above) and Green Building Council Brasil (“GBC Brasil”) Condomínio and Casa (Gold or Above), GBC Brasil’s Zero Energy.</li> </ul>	<p>GBC Brazil Zero Energy certification will only be used as a complement scheme to the listed certifications.</p>	 
<p><b>Climate Change adaptation</b></p>	<ul style="list-style-type: none"> <li>Installation of climate observation and data systems or infrastructure designed to protect against flooding or extreme climate events.</li> </ul>	<p>The development of a vulnerability assessment and an adaptation plan may be required for projects financed following this criterion.</p>	 

# Eligible Green Categories

Eligible Green Categories	Eligibility Criteria	Notes	SDGs
Climate Change adaptation	<ul style="list-style-type: none"> <li>Reforestation and Regeneration: projects aimed at maintaining biomes such as the Amazon and Atlantic Forest. These projects will use tree species that are well-adapted to site conditions and there will be a sustainable management plan in place while developing the projects.</li> </ul>		 
	<ul style="list-style-type: none"> <li>Microalgae carbon sequestration projects.</li> </ul>		
	<ul style="list-style-type: none"> <li>Green hydrogen development projects.</li> </ul>	<p>Green hydrogen will be produced from water electrolysis and will be powered by renewable energy.</p>	
	<ul style="list-style-type: none"> <li>Financing, trading and enabling carbon credit purchases with high offset quality for projects and have obtained at least one of these certifications: Verified Carbon Standard (VCS) and/or Gold Standard.</li> </ul>	<p>The activity will only be eligible if the client has emission reduction plans, alignment strategies and/or net-zero targets in place and will be limited to 5-10% of the total proceeds of the FI-ESG.</p>	







# Social Categories

# Eligible Social Categories

Eligible Social Categories	Eligibility Criteria	Notes	SDGs
<p><b>Inclusive Finance</b></p> <p>Investments seeking social development and inclusion that may be related to job maintenance or creation, revitalization of economically depressed areas, inclusion of minority groups, inclusion of groups with no access to financial services and economic opportunities. The eligible investments must be related to the following criteria:</p>	<ul style="list-style-type: none"> <li>• Micro and small enterprises.</li> </ul> <hr/> <ul style="list-style-type: none"> <li>• Micro, small and medium-sized enterprises that additionally meet one of the following requirements:                             <ul style="list-style-type: none"> <li>a) Are women-owned business enterprises</li> <li>b) Located primarily in North and Northeast Brazil or in municipalities or states with a Human Development Index (HDI) below Brazil’s total average HDI .</li> <li>c) Have restricted access to credit.</li> <li>d) Financing for farmers, rural producers, family farmers and rural production cooperatives supported by national development programs.</li> </ul> </li> </ul>	<p>According to the IFC’s definition of micro and small companies, the annual revenue threshold for this segment is US\$3 million. These companies may face challenges related to limited access to financial services, such as affordable loans and payment solutions due to the absence of guarantees or minimum use of access to technology.</p> <hr/> <p>According to the IFC’s definition of medium-sized enterprises, the annual revenue threshold for this segment is between US\$3 million and US\$15 million. Medium-sized companies in Brazil face similar issues as micro and small enterprises in terms of access to financial services, in particular in some regions in Brazil that lack infrastructure and economic opportunities.</p> <p>A) According to the IFC’s definition, a company qualifies as a woman-owned business enterprise if: (a) ° 51% is owned by a woman/women; or (b) ° 20% is owned by a woman/women; and (i) it has ° 1 woman as CEO/COO (President/Vice President); and (ii) ° 30% of the board of directors is composed of women where a board exists. Entrepreneurship is a form and an alternative for poor families and minority groups to ensure income and it also benefits the surrounding communities.</p> <p>B) According to the UN development agency, Brazil’s HDI in 2019 was 0.765.</p> <p>C) A company with restricted access to credit is any company that has less than US\$1 million in loans with a bank. Small and medium-sized enterprises have the potential to drive the much-needed job creation and economic growth, but considering their size, they have little access to the capital they need to thrive. Improving the access of these companies to credit could expand their businesses, creating a significant number of jobs and providing essential goods and services to the local population. Also, financing these companies is in line with the concept of IFC’s Inclusive Business concept, whereby we seek to bring the underserved into value chains as suppliers, distributors, retailers, or customers by creating better conditions for them to achieve commercial viability.</p>	 



# Eligible Social Categories

Eligible Social Categories	Eligibility Criteria	Notes	SDGs
Affordable Housing	<ul style="list-style-type: none"><li>Construction of affordable urban and rural housing.</li></ul>	Low-and medium income individuals and families as defined by housing policies of the municipalities, states or federal government, where there are no defined policies in the municipalities or states.	 
Digital Inclusion	<ul style="list-style-type: none"><li>Financing of telecommunication infrastructure projects.</li></ul>	In areas that are not connected or underserved or regions with numbers below the Brazilian average in the Human Development Index (HDI).	 






# Blue Categories




# Eligible Blue Categories

Eligible Blue Categories	Eligibility Criteria	Notes	SDGs
Water resources protection	<ul style="list-style-type: none"> <li>Efficient water use:                             <ol style="list-style-type: none"> <li>More sustainable desalination plants that help protect groundwater depletion and wetlands and avoid hypersaline pollution of the environment .</li> <li>Water efficiency technologies and equipment and water management activities that reduce water footprint. This includes the financing or refinancing of technologies (e.g. drip irrigation, water recycling solution.</li> </ol> </li> </ul>	<p>Desalination plants will be considered for bond issuance if they are renewable or if they comply with the limits &lt; 100g CO2e/kWh and present an appropriate waste management and brine disposal plans in place.</p> <p>The manufacturers show the respective substantial water efficiency benefits or a documented reduction in water consumption in land-based aquaculture, agriculture and irrigation, and residential, commercial, and industrial uses.</p> <p>Equipment or methods dependent on fossil fuels and hard-to-abate industries, such as fossil fuel operations, fracking, nuclear, mining or industrial-scale livestock farming, will be excluded from the category.</p>	
	<ul style="list-style-type: none"> <li>Water Pollution prevention:                             <ol style="list-style-type: none"> <li>Research, design or manufacturing of essential components of the value chain of alternative low carbon and biodegradable materials . Ex: Lyocell, lignin, biocellulose and microfibrillated cellulose, all certified by FSC or PEFC.</li> <li>Research, design or manufacturing of biodegradable plant-based products or compostable products.</li> <li>Infrastructure that prevents runoff of agrochemicals, industrial chemicals, mercury, plastics e solid wastes into areas connected to rivers or coastal water basins .</li> </ol> </li> </ul>	<p>This category excluds equipment, products, components, methods dependant on fossil fuels and technologies that are used in hard-to-abate industries such as fossil fuel operations, fracking, nuclear, mining or industrial-scale livestock farming.</p> <ol style="list-style-type: none"> <li>No additional information required.</li> <li>The financing will be limited to plastics that i) have at least 90% mechanically recycled or bio-based input that is sustainably sourced and ii) at least 90% of the production is not intended for single-use products and all the bio-based input will be certified by ISCC or RSB.</li> <li>The infrastructure will not be used in hard-to-abate industries including industrial scale agriculture, mining, nuclear and fracking.</li> </ol>	

# Eligible Blue Categories

Eligible Blue Categories	Eligibility Criteria	Notes	SDGs
<b>Water resources protection</b>	<ul style="list-style-type: none"> <li>Water Pollution prevention:</li> </ul> <p>4) Reduction per unit of product or replacement of phosphate-based or nitrogen-based synthetic fertilizers with alternative sustainable and biodegradable fertilizers and supplements in areas connected to rivers or coastal water basins.</p>	4) This category exclude manure from industrial livestock operations.	
<b>Sustainable water management</b>	<ul style="list-style-type: none"> <li>Water treatment</li> </ul> <p>1) Construction, upgrade or expansion of sustainable infrastructure for drinking water.</p> <p>2) Construction, upgrade or expansion of sewerage systems to improve wastewater management.</p>	This category exclude any project from sectors in hard-to-abate sectors including fossil fuel operations, fracking, nuclear, mining or industrial-scale livestock farming across.	
<b>Blue Economy</b>	<ul style="list-style-type: none"> <li>Maritime transport:</li> </ul> <p>1) Investments in ballast water treatment and shipping vessels to avoid spread of invasive alien species.</p> <p>2). Investments in bilge water treatment in shipping vessels. Investments in shipping vessels to reduce their contribution to maritime air and noise pollution.</p>	This category excludes ships that operate only with heavy oil. Eligible ships will be either ither be LNG or dual-fuel ships with LNG + another low carbon fuel'.	

# Eligible Blue Categories

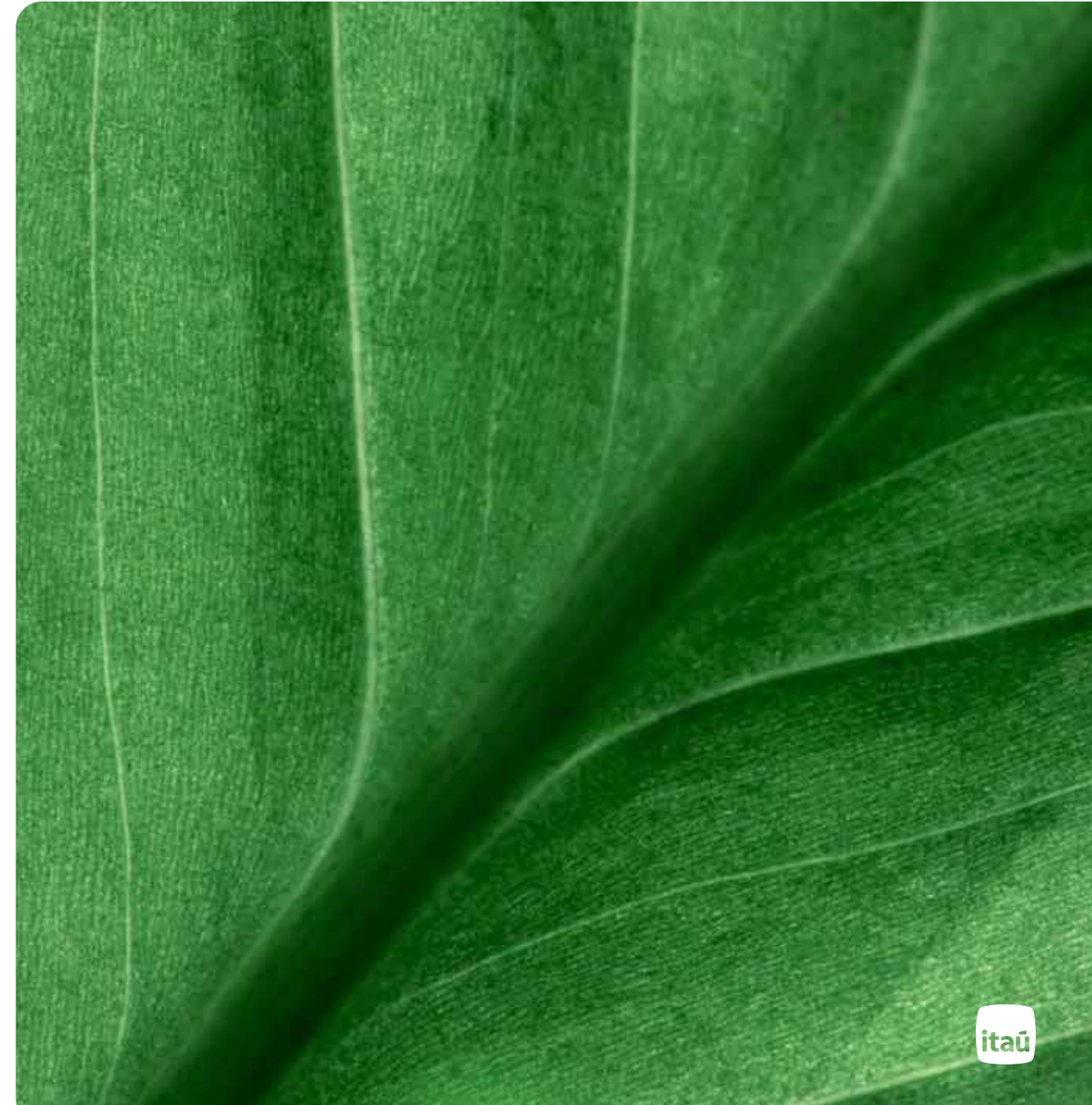
Eligible Blue Categories	Eligibility Criteria	Notes	SDGs
Blue Economy	<p>Fisheries, aquaculture, and seafood value chain</p> <p>1) Sustainable aquaculture of high-value niche products such as crustaceans, sea urchins, ornamental corals, bivalves, fish and algae for food, feed, pharmaceuticals, cosmetics and products with bio-technological applications.</p> <p>2) Small- to medium-scale biorefineries for fish processing byproducts (e.g., oil, collagen, amino acid, mineral production) in jurisdictions with enforced sustainable fishing quotas.</p> <p>3) Investments in fisheries or aquaculture to meet, keep, or exceed the sustainable certification standards such as Marine Stewardship Council (MSC) and Best Aquaculture Practices (BAP) 2 stars or above.</p>	<p>2) This category excludes non-certified raw materials.</p> <p>Accepted certifications: Marine Stewardship Council and Best Aquaculture Practices 2 Star or above.</p>	  



# Excluded Activities

We will not knowingly allocate the proceeds from any issuance of ESG-FIs to assets associated with the following activities:

- production or trading of weapons, ammunition, radioactive materials, asbestos or tobacco;
- exploration or production of fossil fuels (e.g., coal, oil and gas);
- consumption of fossil fuels for the purpose of power generation ;
- nuclear power plants;
- Developments in the mining sector that incorporate basic process of mining
- Activities on embargoed rural properties
- indigenous lands
- Purchase of animals for resale
- Activities involving exploitation of human rights, modern slavery (e.g., forced labor or human trafficking), child labor; or sexual exploitation
- Gambling
- Motels, saunas, and adult entertainment establishments
- Religious entities
- Political parties
- Feedlots
- Any other activity that we determine is ineligible for the allocation of proceeds at the time of allocation.





# Process for Project Selection and Evaluation

Eligible Investments financed under this Framework will be analyzed according to the eligibility criteria as described in the “Use of Proceeds” Section. These eligibility criteria can be used to both (i) qualify a given credit line offered by us to our clients (and, therefore, all clients that use that specific line are automatically eligible based on the filters applied for using the line ) or (ii) qualify a specific investment proposed (on a case by case basis).

For projects that have a broader scope (or require a project-by-project approach), the Technical team involved with ESG themes will be responsible for assessing the eligibility according to the Eligible Categories. To ensure that all the necessary information regarding the potential asset is considered, the Sustainability team will consult with other departments, such as (but not limited to): Finance, Commercial, Risk, Credit, Treasury, Products, Planning and ESG Business.

We have a robust governance structure composed of committees, policies, rules, and procedures that allows environmental and social risks to be properly identified, measured, mitigated, monitored and reported . All Eligible Investments will

undergo an opportunity analysis (regarding the Eligibility Criteria) but also a risk analysis, which must confirm the eligibility.

Regardless of segment or industry, all our clients are subject to our exclusion list, which consists of forced or child labor, and the exploitation of prostitution. Furthermore, we conduct a robust assessment of social, environmental and/or climate risk for large clients that are involved in activities with greater potential to suffer or cause impacts of this nature, allowing us to have an individualized and more diligent view of clients in sensitive sectors, such as power and mining, and bringing more comfort while granting credit and pricing loans.

Methodologies applied are composed of a fixed set of questions to cover governance, climate change and controversial history, and the industry-specific set of questions that may include the assessment of biodiversity, supply-chain management, worker health and safety etc. Topics covered vary according to their relevance to that specific industry in which the client operates. Responses

are updated at least annually and are based both on public information and, where applicable, evidence provided by clients. Specifically for large agricultural producers, we have adopted a different methodology based on a geospatial report provided by a third part that bring us information on, among others, recent deforestation on our client’s farm.

Besides the above, we also conduct a E&S assessment for certain types of structured loans, such as project-related finance (including real estate projects) and tailor-made transactions subject to the Wholesale Products Committee. In some cases, the assessment includes an action plan formalized on the agreement document that will be monitored during the whole life of the transaction.





## Management of Proceeds

As long as any ESG-IF remains outstanding, our internal records will show the portion of an amount equal to the net proceeds from this ESG-IF as allocated to Eligible Investments, which may include assets funded by us or any of our Affiliates. If, for any reason whatsoever, the amount of the green, social, blue or sustainable investment is lower than the total amount of the bond issuance and/or loan disbursement under ESG-IFs, we undertake to invest the proceeds not allocated in cash or cash equivalents.

Internal instruments and procedures will be used to account for and monitor contracts and disbursements of funds obtained from ESG-IFs. If any Eligible Investments receiving allocations from Affiliates as described above are prepaid and the ESG-IF is outstanding, we intend to reallocate an equivalent amount to other Eligible Investments.

Funds from ESG-IFs will be managed and monitored by our Treasury Department together with different internal departments as appropriate (which include, but is not limited to, Planning, Commercial, Finance, Credit, ESG, Risk, etc.). In case loans are no longer eligible, we will replace them and report information regarding changes to the portfolio (asset divestment, postponement or replacement) in its next annual report.

The payment of the principal amount and interest for each ESG-IF will be made from our general funds and will not be directly linked to the performance of any Eligible Investments.

# Reporting

We will publish a consolidated report on our website with the information described below with respect to all ESG-FIs outstanding. We intend to annually publish such report until the ESG-FIs have been fully allocated to Eligible Investments (“Annual Report”) and as we find necessary thereafter.

The Annual Report will include (i) the Allocation Information (as described below) and (ii) the applicable Impact Metrics (as described below) as well as all relevant details as we deem practicable based on commercial, confidentiality and other relevant considerations.

## Allocation Information

All Annual Reports will include at least the following:

- 1) The total amount of ESG-FIs allocated under each Eligible Investments.
- 2) Whenever possible and subject to confidentiality considerations, one or more case studies on Eligible Investments with additional information on specific investments.

3)The number of ESG-FIs outstanding and their balances.

4)The percentage of net proceeds from each ESG-FI (i) allocated to Eligible Investments and (ii) pending allocation.

5)The proportion of financed vs. refinanced Eligible Investments.

The Annual Reports will be reviewed by an independent accountant or an independent third-party consultant with experience in ESG research and analysis who will provide an assurance report.

## Impact Metrics

Whenever possible, we will include qualitative and quantitative environmental and social performance indicators. We will seek to report impact metrics by target population for Eligible Social Investments to show how financing and investments are enhancing access to the stated target population. This is in line with the [ICMA Harmonized Framework for Impact Reporting as of December 2020](#).

Performance indicators may change year-on-year. The Annual Report may include, for each ESG-FI, some of the following data for Eligible Investments:

Examples of impact metrics:

Green Categories	Potential Impact Reporting Data
Renewable Energy and Energy Efficiency	<ul style="list-style-type: none"> <li>• Installed capacity in MW</li> <li>• Annual renewable energy generation in MWh</li> <li>• Average energy generation increased (%)</li> <li>• Averaged energy usage decreased (%)</li> <li>• Annual GHG emissions reduced/avoided in metric tons of CO<sub>2</sub> equivalent</li> </ul>
Clean Transportation	<ul style="list-style-type: none"> <li>• Annual GHG emissions reduced/avoided in metric tons of CO<sub>2</sub> equivalent</li> <li>• Annual fuel reduction (liters)</li> </ul>
Sustainable Water and Wastewater Management	<ul style="list-style-type: none"> <li>• Annual water savings after the project in m3</li> <li>• Number of people who now have access to water supply and wastewater services</li> <li>• Annual gross amount of treated, reused or avoided effluents before and after the project in m3</li> <li>• Annual energy generation in MWh</li> <li>• Waste collected and treated, disposed or recycled in m3</li> </ul>

# Reporting

Green Categories	Potential Impact Reporting Data	Social Categories	Potential Impact Reporting Data
Pollution Prevention and Control	<ul style="list-style-type: none"> <li>Annual energy generation in MWh</li> <li>Waste collected and treated, disposed or recycled in m3</li> <li>Annual GHG emissions reduced/avoided in metric tons of CO<sub>2</sub> equivalent</li> </ul>	Inclusive Finance	<ul style="list-style-type: none"> <li>Number of loan beneficiaries</li> </ul>
Environmentally Sustainable Management of Living Natural Resources and Land Use	<ul style="list-style-type: none"> <li>Planted, cultivated or reforested area, in ha.</li> <li>Annual GHG emissions reduced/avoided in metric tons of CO<sub>2</sub>e</li> <li>Carbon sequestration in metric tons of CO<sub>2</sub>e</li> </ul>	Affordable Housing	<ul style="list-style-type: none"> <li>Number of people or families who receive homes</li> <li>Number of people or families who benefit from the recipients</li> </ul>
Green Buildings	<ul style="list-style-type: none"> <li>Number of Buildings &amp; Building Certification</li> <li>Annual GHG emissions reduced/avoided in metric tons of CO<sub>2</sub>e</li> </ul>	Digital Inclusive	<ul style="list-style-type: none"> <li>Number of people connected</li> <li>Number of people with access to remote services</li> </ul>
Climate change adaptation	<ul style="list-style-type: none"> <li>Annual GHG emissions reduced/avoided in metric tons of CO<sub>2</sub>e</li> <li>Annual GHG emissions captured in metric tons of CO<sub>2</sub>e</li> <li>Number of people/families/cities impacted by the implemented adaptation solution</li> </ul>	Blue Categories	Potential Impact Reporting Data
		Water resources protection	<ul style="list-style-type: none"> <li>Annual water savings after the project in m3</li> <li>Number of people who now have access to water supply and wastewater services</li> <li>Annual gross amount of treated, reused or avoided effluents before and after the project in m3</li> <li>Number of municipalities served.</li> <li>water loss index.</li> <li>percentage of water quality.</li> </ul>
		Sustainable water management	<ul style="list-style-type: none"> <li>Annual water savings after the project in m3</li> <li>Number of people who now have access to water supply and wastewater services.</li> </ul>

# Reporting

Blue Categories	Potential Impact Reporting Data
Sustainable water management	<ul style="list-style-type: none"> <li>Annual gross amount of treated, reused or avoided effluents before and after the project in m3</li> <li>Waste collected and treated, disposed or recycled in m3</li> <li>Number of people who now have access to the sewage system.</li> <li>Percentage of water quality.</li> </ul>
Maritime transport	<ul style="list-style-type: none"> <li>Ships with new sustainable measures (number)</li> <li>Total GHG emissions reduction (tCO<sub>2</sub>e/year) (outcome)</li> <li>Annual gross amount of treated, reused or avoided effluents before and after the project in m3</li> <li>Percentage of water quality.</li> <li>Percentage of efficiency of the technology used.</li> </ul>
Fisheries, aquaculture, and seafood value chain	<ul style="list-style-type: none"> <li>Revenue to fishers increased (\$)</li> <li>Reduced and/or avoided GHG emissions (tCO<sub>2</sub>e /year)</li> <li>Savings in water consumption of the project (Thousands of USD)</li> <li>Volume of fishery and aquaculture products produced under sustainability certifications (tons/year)</li> <li>Number of beneficiaries</li> <li>Reduction of nutrient concentrations in marine waters (% or mmol)</li> </ul>

# External Review

## Second-Party Opinion

We have obtained and made publicly available on our [investor relations website](#) a “second-party opinion” from a consultant with renowned environmental and social expertise on the alignment of this Framework with the relevant Principles.

We will review this Framework from time to time, including its alignment with updated versions of the relevant Principles as and when they are released, for the purpose of adhering to the best practices in the market. We will also review this Framework in the event of material changes in the perimeter and categories selected. Such review may result in this Framework being updated and amended. The updates, if not minor in nature, will be subject to the prior approval of a qualified second-party opinion provider.

Any future updated version of this Framework that may exist will either keep or improve the current levels of transparency and reporting, including the corresponding review by an external verifier. The updated Framework, if any, will be published on our website and will replace this Framework.

## Verification

As described above, until an amount equal to the net proceeds from a particular ESG-FI is fully allocated, and as necessary thereafter in the event of material developments, the information provided in our Annual Report will have an independent and external verification provided by a qualified independent external reviewer (“External Reviewer”). The External Reviewer will deliver an assurance letter to the Annual Report (“Assurance Letter”) which will be made publicly available in our website to easily be accessible by all capital providers.

We may also nominate an independent third party to conduct a compliance review so that all allocations can satisfy the Eligibility Criteria in accordance with our stated use of proceeds.

