

SUSTAINABLE FINANCE AND ADVISORY POLICY (BRAZIL)

1. PURPOSE

The Sustainable Finance and Advisory Policy (Brazil) sets out the guidelines on and responsibilities for the integration of sustainability criteria into operations, taking into consideration environmental (including climate), social and governance aspects in the ESG advisory, origination and structuring activities carried out by Itaú BBA and associates ("Itaú BBA" or "Bank"), in order to support the transition to a more sustainable economy.

2. TARGET AUDIENCE

This policy is applicable to Itaú Unibanco Holding S.A. and its subsidiaries.

3. INTRODUCTION

In compliance with Itaú Unibanco's sustainability strategy, sustainable finance parameters recognized nationally and internationally by the market have been adopted to guide our relationships with clients and enable structured and financed ESG transactions in the promotion of positive impact on society and the environment. Sustainable finance parameters used include, but are not limited to:

- Green Bond Principles ("GBP"), Social Bond Principles ("SBP"), Sustainable Bond Guidelines ("SBG"), Sustainability-Linked Bond Principles, Climate Transition Finance Handbook, Bonds to Finance the Sustainable Blue Economy, as issued and updated by the International Capital Market Association ("ICMA");
- Green Loan Principles ("GLP"), Social Loan Principles ("SLP") and Sustainability-Linked Loan Principles ("SLLP"), as issued and updated by the Loan Market Association ("LMA");
- European Union Taxonomy;
- Climate Bond Initiative ("CBI") taxonomies and methodologies;
- Guidelines for Blue Finance ("GBF") of the International Finance Corporation ("IFC"); Guide for Offering ESG Securities from the Brazilian Financial and Capital Markets Association ("Anbima");
- Sustainable Finance Framework issued by Itaú Unibanco.

These parameters are updated periodically and attest to good practices for the origination and structuring of ESG transactions, involving aspects of green, social, governance and climate risks and opportunities, which cover, but are not limited to:

- **Green aspects:** take into consideration the companies' environmental practices, including waste management, energy efficiency, use of renewable energy, and protection of biodiversity, among others. These aspects also include **climate criteria** for the management of greenhouse gas (GHG) emissions, transition to a net zero economy aimed at climate adaptation, mitigation and resilience, and new technologies, among others.
- **Social aspects:** comprise the company's relationship with clients, suppliers and other stakeholders, including fair labor practices, community relations, working and safety conditions, and supply chain management, among others.
- **Governance aspects:** refer to the management of a company and its ethics and integrity practices and other compliance aspects, including the structure of the board of directors, risk management, and anti-corruption policies, among others.

4. SCOPE

In order to support the transition to a more sustainable and inclusive economy for its clients, Itaú BBA identifies whether these aspects are in place in the business, in any potential impacts for the institution and in its decision-making process, in addition to defining actions to be taken and possible consequences, for mitigation and adaptation purposes. This policy reflects the Bank's commitment to including ESG criteria in the origination, advisory and structuring stages of ESG transactions, according to the scopes listed below:

- **Advisory:** for purposes of this policy, advisory services comprise **(i)** supporting clients in the identification, origination and structuring of sustainable finance opportunities, including capital market operations (securitizations included) and bilateral operations; **(ii)** providing training and

disseminating knowledge on sustainability risks and opportunities; and **(iii)** developing strategic partnerships on the ESG agenda.

- **ESG transactions:** offering the best financial product for the client's needs and for compliance with sustainable finance standards, according to the client's ESG maturity, projects and assets.

Financial operations include, but are not limited to: **(i)** capital market products, such as debentures, commercial notes and securitized products (such as Real Estate Receivables Certificate, and Agribusiness Receivables Certificate), among other types of securities in local and international markets; and **(ii)** bilateral banking products, such as working capital and advance on exports.

ESG transactions can be broken down into two categories, according to the criteria described in item 3:

- Defined use of proceeds: all funds raised must be allocated to finance projects, assets and/or investments with clear environmental and/or social benefits. These can be green, social, sustainable and/or transition transactions. Subcategories, such as blue (a subcategory of green loans) and gender (a subcategory of social loans), are also eligible, as long as they meet internationally and nationally recognized criteria.
- ESG target-linked: there is no specific use for the proceeds of the transaction. However, the structural and financial features of the transaction may vary depending on whether one or more ESG targets are achieved, which is measured against previously set indicators to be verified on a specific date. These transactions are categorized as "target-linked" and may be aligned with "transition" criteria.

An ESG transaction can have both features (defined use of assets and ESG-linked) in the case it meets both definitions simultaneously.

These concepts are in line with the eligible categories of sustainable finance defined in the parameters stated in item 3 of this document, notably those issued by the International Capital Market Association and the Loan Market Association.

5. CLIENT DUE DILIGENCE (CDD) PROCESS

Taking into consideration that environmental, social and climate risks can cause losses for the institution, including reputational ones, Itaú BBA's CDD process includes the identification of environmental, social and climate events based on public information disclosed by clients, media outlets or public bodies and/or top institutions, in addition to data provided directly by the clients themselves or hired third parties. The depth of the due diligence applied is directly proportional to how material the client's risk is, based on indicators such as its sector of activity and size, and/or the risk associated with the loan operation, such as characteristics of the product and use of proceeds.

Further information on the environmental, social, climate and governance guidelines and factors integrated into Itaú Unibanco's risk management process is found in the Environmental, Social and Climate Risk Policy and the Environmental, Social and Climate Risk Procedure – Clients and Credit Risk Operations.

5.1. EXCLUDED ACTIVITIES

Itaú BBA adopts a list of excluded activities comprising those in disagreement with the bank's principles and values, namely: exploitation of prostitution, use of child labor in disagreement with legislation (according to the International Labor Organization), and use of compulsory labor (according to the Universal Declaration of Human Rights). Accordingly, we usually check the Register of Employers for any clients who have subjected workers to compulsory labor (established by Interministerial Ordinance MTPS/MMIRDH No. 4 of May 11 2016).

6. ESG ADVISORY

Itaú BBA keeps constant dialogue and engages its clients to identify environmental, social, governance and climate opportunities, supporting these clients by providing financial products, services and solutions.

This engagement is based on the use of public data and different sources, consolidated in an internal tool for the mapping of the ESG maturity of clients. The outcome of this assessment and the client's ESG rating

is used as a starting point for an in-depth technical analysis, pervading the ESG advisory process and being used by different departments such as business, risks, credit and finance.

ESG advisory services are provided in the following fronts:

Sustainable Finance:

- Providing an in-depth analysis of clients' ESG practices, sharing with clients the main risks and opportunities on the agenda, according to their maturity, projects and sector;
- Assisting in the origination and structuring of financial operations involving ESG criteria, supporting clients prior to and after any bond issuance;
- Developing new products and services to drive a more sustainable economy;
- Providing clients with solutions to enable the reduction, removal and offset of their GHG emissions, through products, services and knowledge and innovation solutions designed to meet the needs of each sector and client.

Sharing information:

- Offering content with market data and significant news about environmental, social and climate issues that may impact clients, such as bond issuances by Brazilian companies in local and international markets, regulatory scenario, climate solutions and innovations in the ESG ecosystem;
- Holding training events for companies from different sectors focused on the sustainable finance and carbon market agenda, including cases and best market practices.

Partnerships:

- Providing clients with knowledge and innovation solutions designed to meet the needs of each sector and client;
- Facilitating and connecting clients with strategic partners, including NGOs, other financial institutions and startups.

7. ESG TRANSACTIONS

Itaú BBA operates in the origination and structuring of ESG transactions, as defined in item 4, which (i) are customized for clients according to their maturity, sector, projects, assets and/or investments, and (ii) can be accessed through a previously defined shelf of ESG products.

7.1. CUSTOMIZED ESG TRANSACTIONS

Customized ESG transactions are carried out through the following steps:

1. **Definition of the ESG Rationale:** in-depth analysis of each client regarding their targets and/or projects, assets and/or investments in order to assess their potential ESG framework. Based on this initial diagnosis, business teams operate to structure the operation by aligning ESG requirements with those of the product or financial instrument.
2. **ESG Framework:** structuring the transaction according to sustainable finance market methodologies and parameters, as stated in item 3. Furthermore, all capital market transactions (including securitizations) are evaluated by an independent consultant experienced in sustainable finance to validate whether the transaction is in line with the guidelines applicable to each type of ESG bond ("Second-Party Opinion").
3. **Risk Assessment:** in addition to the Due Diligence process stated in item 5, all clients with ESG transactions undergo an environmental, social and climate risk assessment.
4. **Formalization and Monitoring:** financial instruments are formalized according to ESG criteria and obligations, following the applicable ESG format and supported by a monitoring and reporting structure aligned with the product requirements.

7.2. OFF-THE-SHELF ESG TRANSACTIONS

For off-the-shelf ESG transactions involving individuals or companies:

1. **Framework and creation of the ESG Rationale:** analysis and structuring of the transaction according to the purpose intended and to the methodologies and parameters adopted in the

sustainable finance market, as stated in chapter 3 hereof. Adaptations are also carried out to some wholesale basic products, such as rural product notes, rural loans, working capital, and loans under the scope of Law No. 4,131/1962, with the inclusion of features such as monitoring, management of consequences and adjustments to drafts required to ensure compliance with the ESG framework.

2. **Approval in the Governance of ESG Rationale:** approval in the governance established for the creation of the ESG Rationale, with joint assessment for the purpose of follow-up and good standing of the rationale, based on the opinions of the Sustainability, Environmental, Social and Climate Risk, and ESG Legal departments.
3. **Transactions entered into:** transactions are prospected and entered into by following the standard process for financial products already in place at Itaú BBA.
For ESG agribusiness products, additional environmental, social and climate risk criteria may be required depending on the specific ESG topic of the credit line.
4. **Formalization and Monitoring:** Obligations associated with the transactions are controlled and submitted to the approved consequence management in the case of non-compliance. Metrics approved by the ESG Rationale Governance are reported.

8. ROLES AND RESPONSIBILITIES

The ESG advisory and structuring services are carried out by Itaú BBA's commercial and structuring departments, supported by the risk, credit, planning and other departments, in accordance with internal procedures.

9. RELATED INTERNAL RULES

- Environmental, Social and Climate Responsibility Policy ("PRSAC", in Portuguese)
- Environmental, Social and Climate Risk Policy
- Sustainable Finance Framework
- Environment, Social and Climate Risks – Clients and Credit Risk Operations
- Debt Capital Market Procedure (Fixed Income) (Brazil)

10. BODIES RESPONSIBLE FOR PREPARING THE DOCUMENT

Stage	Department in charge
Prepared by	Coordination of Business Sustainability
Approved by	Institutional Relations and Sustainability Office
Office in charge	Institutional Relations and Sustainability Office