

BB Commitment to
climate change

Context



Sustainability and environmental, social, and governance (ESG) issues have been gaining more and more relevance over the last few decades. The concern with achieving a model of economic development, production and consumption that is in harmony with environmental limits and, at the same time, contributes to the reduction of inequalities is global and shared by governments, companies, non-governmental entities and civil society in general.

When ESG aspects are considered in business strategy, the sector can offer new financial instruments to the market, such as capital for new technologies, emissions trading platforms, and green loans, taking advantage of the opportunities of shared value. Thus, sustainability becomes a long-term strategic asset in the creation of value for companies.

Climate change remains one of humanity's great challenges. The emission of Greenhouse Gases (GHG) caused by human activities and their possible impacts on economic and ecological processes, based on strong scientific evidence, has been presenting a disruptive potential for economic and social processes.

More and more companies and global conglomerates are seeking to adopt policies and implement practices to face the climate-related challenges, becoming more attractive by generating sustainable value in their strategies and incorporating non-financial performance indicators or with the cost of capital directly linked to environmental performance.

In 2015, during the United Nations Framework Convention on Climate Change (COP 21), in France, 196 countries signed the Paris Agreement, a document by which they committed themselves to adopt targets for reducing greenhouse gas emissions, aiming to reduce emissions from their production processes, in an attempt to combine efforts for the benefit of a low-carbon future, in which the global average warming does not exceed 2°C above pre-industrial levels.

To achieve the ultimate goal of the Agreement, governments have been involved in the construction of their own commitments, based on the so-called Nationally Determined Contributions (NDCs). Through the NDCs, each nation presented its contribution to reducing greenhouse gas emissions, following what each government considered feasible based on the local social and economic scenario. Initially, the Brazilian government committed to reducing greenhouse gas emissions by the year 2025 by 37% below 2005 levels, with a subsequent indicative contribution of reducing greenhouse gas emissions by 43% below 2005 levels by 2030.

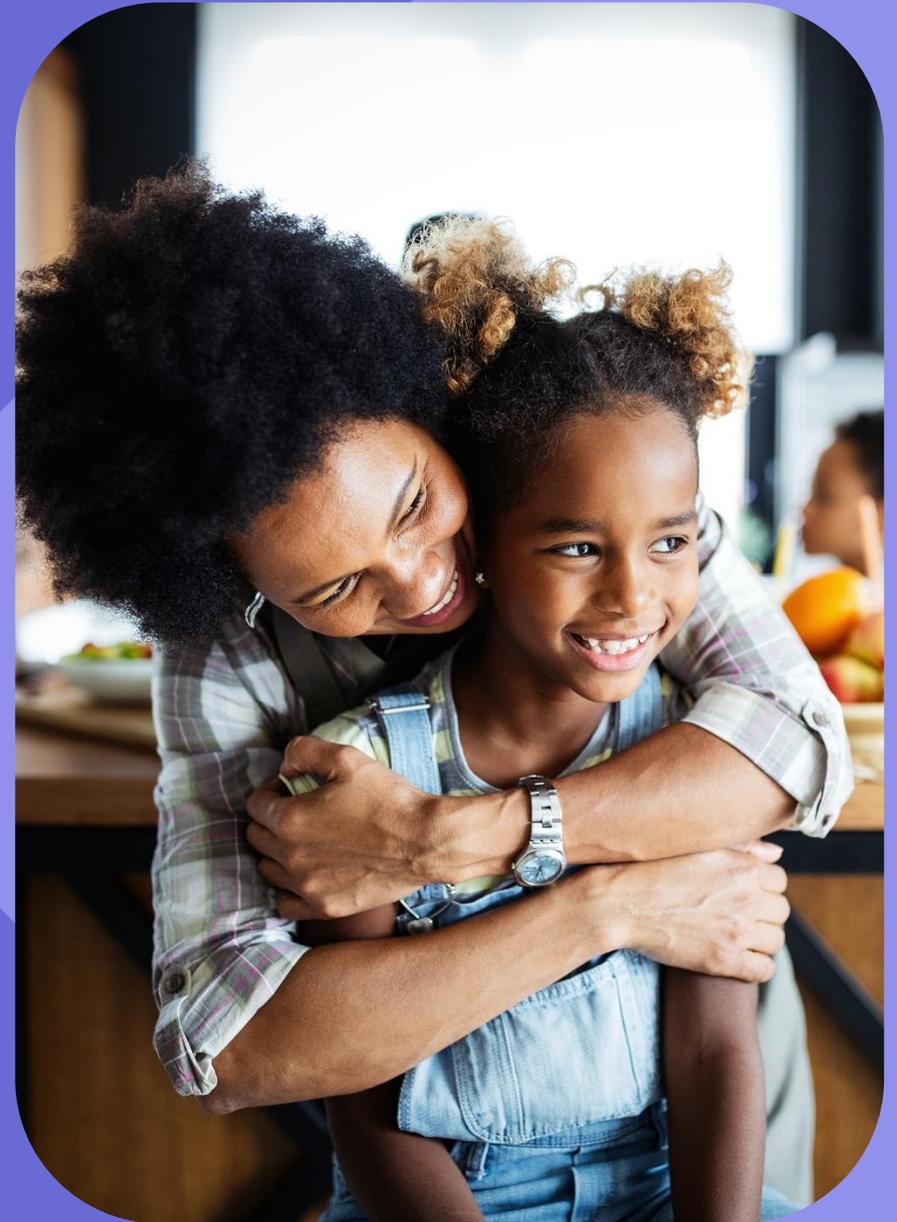
In 2022, the Ministry of Environment (MMA) updated the Brazilian GHG emissions target in the context of the 26th Conference of the Parties to the Framework Convention (COP 26) in which it was suggested that countries revisit their short-term climate ambition and consider new actions to reduce emissions by 2030, including methane. In this new version, reduction percentages of 37% by 2025 and 50% by 2030 were set, in addition to making a commitment to neutralize Brazil's emissions by 2050. For this objective to be achieved, it will be necessary to have greater engagement with the various actors of civil society, including Banco do Brasil.

The Global Risks Report 2024¹, developed in collaboration with Marsh McLennan and Zurich Insurance Group, explores some of the most serious risks we may face in the next decade.

Against a backdrop of rapid technological change, economic uncertainty, a warming planet, and conflicts, climate-related risks dominate experts' concerns. In 2022, the Intergovernmental Panel on Climate Change (IPCC) released the IPCC's Sixth Assessment Report, in which it reinforces that climate change already affects all parts of the world, and much more severe impacts may be waiting for us if we do not reduce greenhouse gas emissions by half in this decade and do not immediately start scaling up adaptation measures.

The IPCC predicts that climate risks will blend into one another as several catastrophes occur at the same time and in the same areas. In tropical regions, for example, the combined effects of heat and drought can trigger sudden and significant losses in agricultural yields.

As early as March 2023, the Synthesis Report of the Sixth Assessment Cycle was emphatic in stating that climate change causes harm, but some people and places are hardest hit, with widespread and rapid changes to our planet already affecting weather and weather extremes in all regions, causing adverse impacts, loss and damage to nature and people. Vulnerable communities that have historically contributed the least to climate change are being disproportionately affected.





TCFD

Task Force on Climate-Related Financial Disclosures

The Financial Stability Board (FSB)² was created in 2009 by the Group of 20 (G20), a group made up of economy ministers and central bank governors from the 19 most developed economies in the world, plus the European Union. The FSB is the international body that monitors and makes recommendations on the global financial system. In 2015, it announced the establishment of a task force, the Task Force on Climate-related Financial Disclosures (TCFD), to develop a consistent way of reporting financial risks related to climate change and contribute to directing investments to low-carbon activities.

The TCFD makes recommendations on climate change management disclosures, including four core topics: the organization's governance framework and processes on climate-related risks and opportunities; risk and opportunity management strategy; identification of climate risks; the evaluation metrics used, and the goals defined for management in the short, medium and long term.

In this sense, companies should develop a governance model for the topic of climate change containing strategy, risk and opportunity management, and management indicators, aiming to provide information on the potential impact of climate change to customers, investors, insurers, and other stakeholders regarding the impacts of physical risks, transition, and business opportunities for the transition economy.

According to the TCFD³ report, one of the most significant risks facing organizations today is related to climate change. While it is widely recognized that continued greenhouse gas emissions are exacerbating global warming and this could lead to economic and social damage, the exact timing and severity of the physical effects are difficult to estimate, making the problem a unique challenge, especially in the context of economic decision-making.

The impacts are not only physical and do not manifest themselves only in the long term. Reducing GHG emissions implies reducing the use of fossil fuels and related physical assets, with the consequent loss of profitability of related activities. On the other hand, the transition to a low-carbon economy generates opportunities for solutions in mitigating emissions and adapting to the consequences of climate change, such as increasing clean and more efficient technologies, targets for reducing resource consumption (energy, fuels, paper), financing low-carbon agricultural techniques, prioritizing photovoltaic and wind energy sources, increasing the resilience of city infrastructure, among others.

The losses caused by extreme weather events make tangible the way global warming acts on the economy. According to the 2023 Status Report⁴, in 2022, natural disasters resulted in economic losses of 284 billion USD, of which less than half – USD 125 billion – were covered by insurance. Since 2017, the annual average of insured losses from natural disasters has totaled US\$ 110 billion, more than double the average of the last 5 years, which was US\$ 52 billion.

Banco do Brasil, aware of the relevance and urgency of the issue of climate change and the importance of engaging governments, the private sector and society in efforts to reduce greenhouse gases and adapt communities to areas of climate vulnerability, is committed to the transition to a low-carbon economy and to the leadership role that Brazil can assume in this area.



² The Financial Stability Board (FSB) was established by the Group of Twenty (G20) in April 2009, succeeding the Financial Stability Forum (FSF), which was in turn established by the Group of Seven (G7) ten years earlier, in 1999.

³ Recommendations of the Task Force on Climate-related Financial Disclosures. Available at: <https://assets.bbhub.io/company/sites/60/2020/10/FINAL-2017-TCFD-Report-11052018.pdf>

⁴ TCFD- Available in <https://assets.bbhub.io/company/sites/60/2023/09/2023-Status-Report.pdf>

BB's adherence to **TCFD**

On 05/28/2021, Banco do Brasil formalized its adherence to the TCFD recommendations, thus assuming the commitment to identify and report to its stakeholders the exposure of its portfolio to carbon-intensive sectors, its consequences and impacts on financial results, allowing for more accurate asset pricing, risk measurement and more efficient capital allocation. reducing vulnerability to abrupt impacts on the real economy from climate change. About 4.9 thousand institutions joined the initiative.

Compliance with the recommendations of the Task Force contributes to BB's better performance in corporate sustainability indices and facilitates access to capital, with increased confidence among leaders and investors, allowing BB to measure how climate change may impact its business, in addition to favoring an alignment of BB's climate risk management actions with the guidelines of the new Bacen regulations relating to social, environmental and climate risks.

The commitments made with adherence to the TCFD were addressed in a context-specific Action Plan aligned with the strategy of the company, to the Environmental, Social and Climate Responsibility Policy of Banco do Brasil (PRSAC), the BB Sustainability Plan - Agenda 30 and

the recommendations of the TCFD itself, in addition to alignment with prudential regulation.

The Action Plan (2021-2023) with 40 actions, was completed at the end of 2023 and among the deliveries, the following stand out:

- Publication of the Environmental, Social and Climate Risks and Opportunities Report (GRSAC), a document in which the Bank demonstrates its commitment to the transition to a low-carbon economy, demonstrating the incorporation of social, environmental and climate issues in Governance, in the development of the strategy, as well as the improvement of the management processes of the RSAC and opportunities, and the strengthening of governance related to the theme.
- Development of climate change scenarios with the objective of identifying potential vulnerabilities of the Institution in relation to the exposure of its credit portfolio in economic sectors that are more sensitive to climate risk. In this sense, potential impacts of climate change (sensitivity to climate risk) on the country's agriculture and other economic sectors were evaluated.
- Development of a feasibility study for the RSAC Stress Test that resulted in the availability of a scenario narrative.
- Carrying out an Integrated Stress Test, considering the Physical Climate Risk scenario.





What Guides us?

At Banco do Brasil, Corporate Social and Environmental Responsibility (RSAE) is expressed in policies and in the various voluntary commitments assumed over time. The main objective of governance in RSAE is to manage BB's social and environmental performance, which occurs after the implementation and dissemination of the Social, Environmental and Climate Responsibility Policy (PRSAC) in July 2022 and revised on 11.21.2023, which considers, in an integrated manner, the economic, social, environmental and climate dimensions in business and in the ethical and transparent relationship with stakeholders.

Climate change is included in the Environmental, Social and Climate Responsibility Policy (PRSAC), in the Specific Policies and in the BB Sustainability Guidelines for Credit, which include the Restrictive List and the Exclusion List. Between September and October 2021, the Central Bank issued the following rules, which have an impact on BB's management of socio-environmental and climate risks:

- a) CMN Resolution 4.943, of September 15, 2021, which amends CMN Resolution 4,557, of February 23, 2017, and improves

the rules for managing Social, Environmental and Climate Risks, applicable to financial institutions.

- b) CMN Resolution 4.945, of September 15, 2021, which establishes new rules on the Environmental, Social and Climate Responsibility Policy (PRSAC) and on the actions for its effective implementation by the SFN institutions.

In view of the requirements of these regulations, BB has drawn up a new Environmental, Social and Climate Responsibility Policy (PRSAC) seeking to regulate the way in which information on social, environmental and climate risks and opportunities are disclosed that should be adopted by BB's Prudential Conglomerate in the coming years.

The new PRSAC rules came into force in July 2022 with a focus on addressing the possibility of losses for regulated institutions. The policy redefined social risk, related to practices that violate fundamental rights and guarantees or acts harmful to common interests, and environmental risk, associated with environmental degradation, including the

excessive use of natural resources. In addition, the concepts of transition climate risk, related to the transition process to a low-carbon economy, and physical climate risk, related to the occurrence of frequent and severe weather or long-term environmental changes, which may be associated with changes in weather patterns, are introduced.



The PRSAC and the Specific Risk and Capital Management Policy, which addresses Climate Risk Management, establish guidelines for proactive action, aimed at managing this risk, as well as taking advantage of opportunities related to climate issues.

Other policies also contemplate various socio-environmental and climate aspects to be considered in business and administrative practices, such as credit and investment operations, and relationships with suppliers and employees. Due to their relevance, these guidelines are replicated in the Sustainability Guidelines for Credit for different sectors of activity.

The BB Sustainability Guidelines for Credit aim to publicize and improve the practices adopted by Banco do Brasil in the analysis and granting of credit, reinforcing compliance with internal regulations and current

legislation, and in compliance with the principles of social, environmental and climate responsibility contained in our general and specific policies. As socio-environmental guidelines, the Guidelines address strategic topics such as Forest & Biodiversity, Water Resources, Human Rights and Climate Change and are applicable to individuals and legal entities. In 2024, the Sustainability Guidelines for Credit were updated considering new legal, economic, social, environmental and climate aspects.

Within the scope of the Sustainability Guidelines, we have the Restrictive List and the Exclusion List. In the Restrictive List, we include activities in which the Bank assumes credit risk under certain conditions, applying differentiated rigor in the analysis, granting and monitoring of credit. The Exclusion List lists the activities in which the Bank

does not assume credit risk due to legal impediments or because they are not in alignment with its guidelines. In the Exclusion List, the activities of Mineral Coal Extraction and Thermoelectric Power Generation from Mineral Coal were included, and financial support to companies or investment projects aimed at these activities is prohibited, except when the purpose is the transition of their activities to a low-carbon economy or energy efficiency.

BB also declared that it does not assume credit risk and currently does not have in its portfolio operations in the following activities in the unconventional oil and gas sector: shale, tar sands and exploration in the Arctic⁵.

⁵ Activities related to the value chain of the oil and unconventional gas sector, including exploration, extraction, refining, distribution and infrastructure, according to the Exclusion List in the Sustainability Guidelines for Credit.



The Sustainability Plan

Agenda 30 BB



Banco do Brasil's Sustainability Plan contributes to the improvement of business and processes by consolidating actions with a socio-environmental and climate bias. Reviewed every two years and ordered on sustainability challenges prioritized by senior management, it breaks down into commitments established for a three-year period, covering the entire company. As of 2017, the Plan was renamed BB Agenda 30. Reflecting the premises of the global 2030 Agenda and inspired by the Sustainable Development Goals (SDGs), heeding the global call for the construction of a world driven by proper management of natural resources, respect for human rights and generation of sustainable results.

BB Agenda 30 ensures that internal processes are adopted in a robust manner, agreeing on commitments and actions that have an impact on the business as a whole. With increasingly sustainable business and administrative practices, BB disseminates to its entire value chain the importance of incorporating the principles of sustainability in the planning and execution of actions.

Sustainability is one of the dimensions present in the BB Corporate Strategy 2024-2028 and is presented as one of the objectives in the Bank's strategic map, which has its leaders committed to the challenge of reconciling business competitiveness with the construction of a more sustainable world.

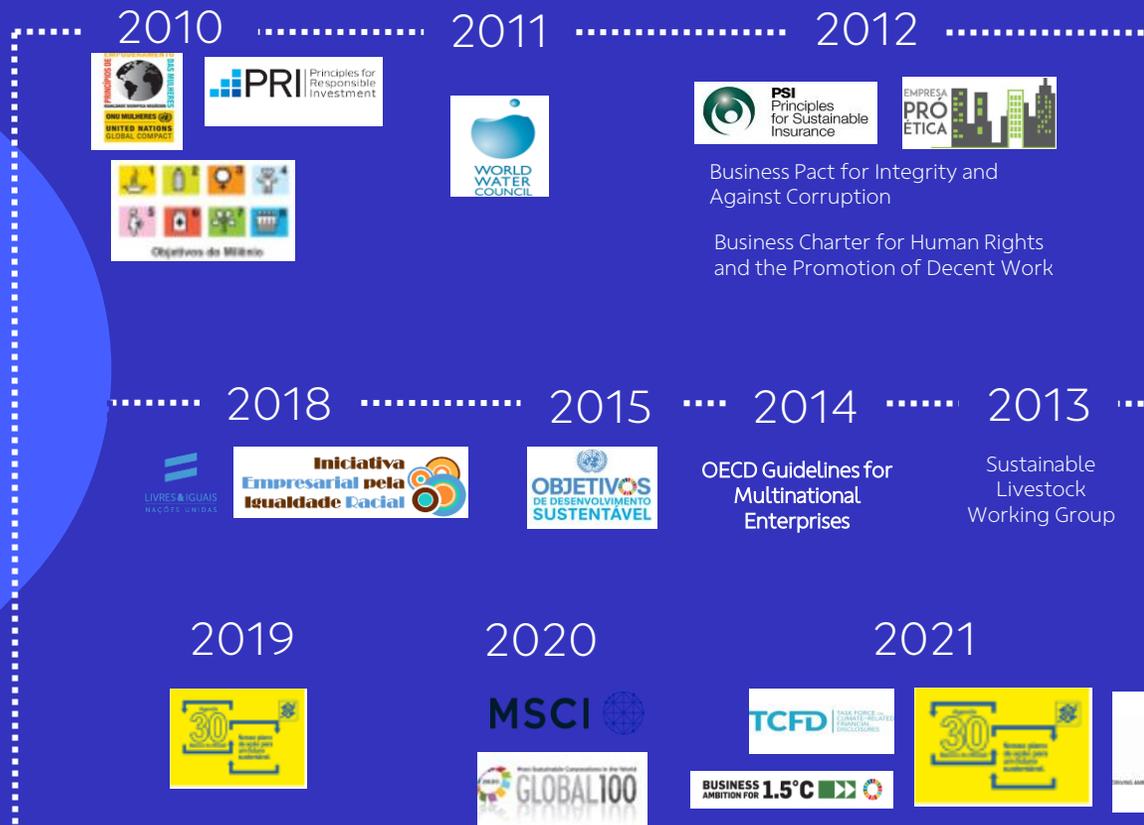
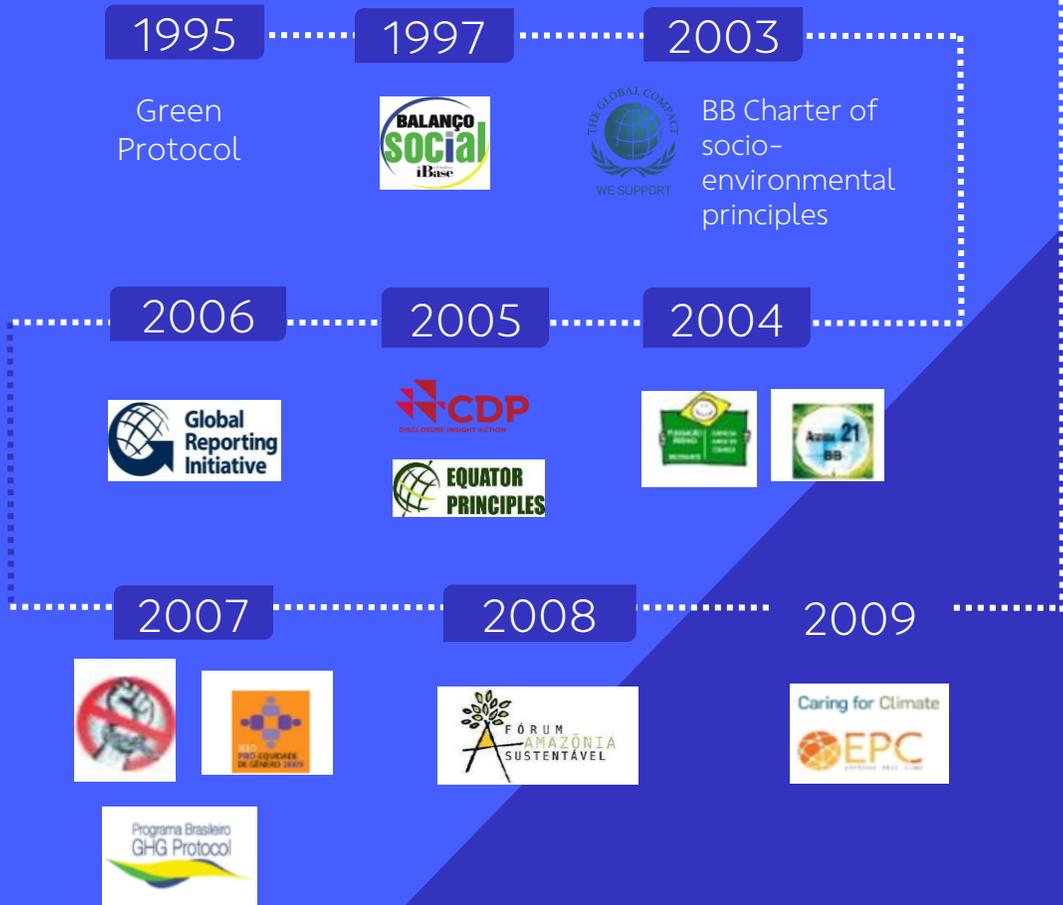
In 2023, the Sustainability Plan – BB Agenda 30 2023-2025 was approved. Climate issues are included in the challenge: "Improve governance and management of risks and opportunities related to climate issues, providing transparency to Banco do Brasil's commitments and practices in relation to the topic". BB's Annual Report provides an account of the actions developed in the previous period and of the actions that will be developed in the coming years. Agenda 30 is going through the review process, updating metrics and incorporating new trends. The new document is expected to be completed by the middle of the second half of 2024.



Voluntary

Pacts and Commitments

For almost three decades, Banco do Brasil has been participating in various Forums and Initiatives in the governmental and private spheres.



Among the voluntary commitments and pacts assumed over time, several address the topic of climate change directly or transversally, such as the following:

- Caring for Climate – The Global Compact
- Carbon Disclosure Project – CDP
- Companies for the Climate – EPC
- Sustainable Development Goals – SDGs
- Equator Principles
- Brazilian GHG Protocol Program
- Task Force on Climate-Related Financial Disclosures – TCFD
- Business Ambition for 1.5°C



Climate Changes

By adhering to the TCFD recommendations, BB has made a commitment to implement high levels of transparency in its disclosures of financial information related to climate risks and opportunities. The disclosure of this information in a clear and concise way helps financial institutions to find the best way to measure the impacts of the climate on business and stakeholders.

BB's main financial information was structured according to the disclosure pillars recommended by the TCFD, as shown in the figure below:



Fonte: Adapted from TCFD

Governance and Social, Environmental and Climate Risk Management Strategy

Corporate Social and Environmental Responsibility (RSAE) permeates the organizational structure and is expressed in the policies and in the various voluntary commitments assumed. The main objective of governance in CSR is to manage social, environmental and climate performance based on the Environmental, Social and Climate Responsibility Policy (PRSAC) that considers, in an integrated manner, the economic, social, environmental and climate dimensions in business and in the ethical and transparent relationship with stakeholders.

The governance structure, social, environmental and climate risk management strategies and physical and transition risk scenarios can be consulted in our GRSAC Report, Annual Report and ESG Notebook.



Metrics and Goals

Understanding the role of BB and the financial market as protagonists in boosting the country's economic growth on a sustainable basis. In 2023, the Bank updated its BB 2030 Commitments for a more sustainable world, in line with the global goals (Paris Agreement and Sustainable Development Goals – SDGs), where we can highlight:

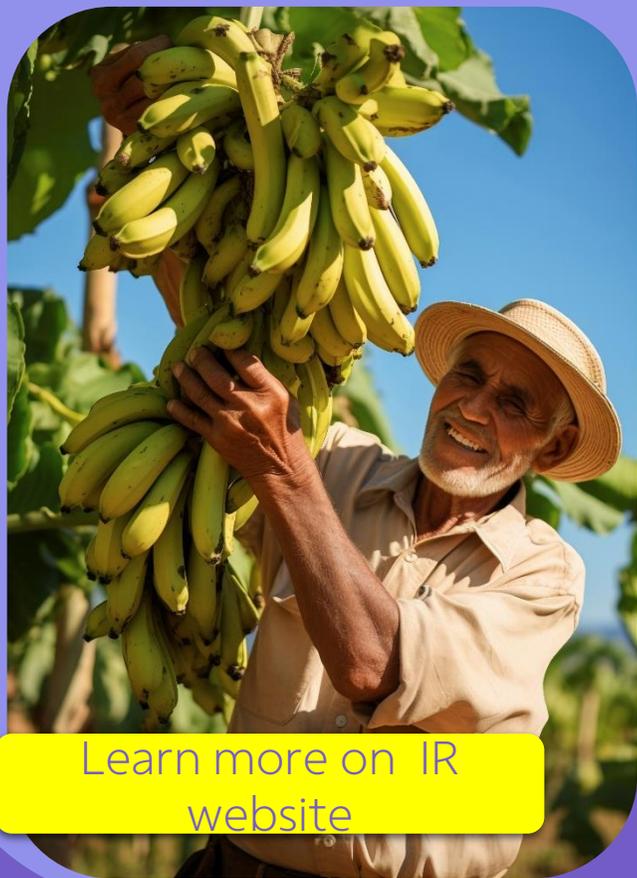
Direct GHG emissions:

- Reduce direct emissions (Scope 1) by 42% by 2030;
- Offset 100% of Scope 1 and 2 emissions;
- Achieve 100% use of renewable energy – own plants, free market and RECs;

Since 2021, BB has been a signatory to the Business's Ambition for 1.5°C initiative, which served as a basis for the definition of Greenhouse Gas reduction targets, which contribute to limiting global warming to 1.5°C above pre-industrial levels, in addition to supporting BB in the quest to achieve carbon neutrality in the value chain by 2050, according to the SBTi (Science-Based Targets initiative).



Business Opportunities



Learn more on IR website

With regard to the opportunities arising from climate change, the Bank supports initiatives aimed at mitigation, such as the Financing Program for Sustainable Agricultural Production Systems – RenovAgro (the new name for the Low Carbon Agriculture Program), which represents an opportunity for both BB and rural producers.

RenovAgro has the potential to contribute to the achievement of the environmental goals of the Paris Agreement (NDCs). Its role is especially relevant, since Brazil presented goals that were not conditional on the receipt of international resources, which further justifies the need to strengthen and align it with the objectives of mitigating greenhouse gas emissions.

Since its launch in 2010, BB has been leading the initiative, which finances sustainable agricultural production systems, with a recognized capacity to reduce or sequester GHG emissions and promote the production of vegetation/biomass and food, as well as the preservation of the environment.

Initiatives aimed at reducing CO2 emissions in agricultural activity are supported by RenovAgro. Through it, positive financial implications are identified with the contracting of operations, whose balance reached R\$9.38 billion in December 2023⁶. Customers also have at their disposal a portfolio of products that includes Agricultural Insurance, Agricultural Insurance Billing, Proagro and Proagro Mais. In 2023, 58% of all agricultural costs, in the amount of R\$ 40 billion, were covered by Agricultural Insurance and PROAGRO to mitigate the risk of loss of production due to extreme weather events⁷.

During 2023, the Bank reviewed the credit lines that made up the Sustainable Credit Portfolio, in accordance with Febraban's methodology and BB's Sustainable Finance Framework, which has a second opinion from Sustainalytics.

The result of the work was once again submitted to the independent evaluation of ERM/NINT, an important and recognized organization with a global reach, which classified the operations according to their contribution to sustainability and reaffirmed in its opinion the mostly transformational contribution of the portfolio.

The identification of credit lines eligible to make up BB's Sustainable Business Portfolio is based on the methodology developed by the Brazilian Federation of Banks (Febraban) and published in the study Measuring Financial Resources Allocated in the Green Economy, and also on Banco do Brasil's Sustainable Finance Framework, prepared in accordance with the main international standards, such as the Green Bond Principles (GBP) and the Principles for Green Bonds Social Bond Principles (SBP), among others.

In December 2023, BB's Sustainable Business Portfolio had a balance of R\$343.1 billion. It is made up of credit operations related to investments and loans for the sectors of renewable energy, energy efficiency, sustainable construction, sustainable transport, sustainable tourism, water, fishing, forest, sustainable agriculture and waste management. Companies receiving credits that are inserted in segments whose performance generates effective transformational social and environmental impacts are also considered.

⁶ Costs related to the contracting of operations under the RenovAgro Program in the order of R\$ 719.9 thousand in 2023, not including expenses arising from the management and conduct of contracts.

⁷ Costs related to the contracting of the Agricultural insurance modality of around R\$ 1.1 million in 2023.



In October 2020, BB approved its sustainable finance model, which establishes parameters and management for raising funds for projects classified as sustainable in the global market. Funding resources of this type can be used to finance projects capable of offering financial returns and linked to Environmental, Social and Governance (ESG) benefits.

The process began with the Technical and Financial Cooperation Agreement between Banco do Brasil and the Inter-American Development Bank (IDB), and had the technical support of the consulting firm Sitawi Finanças do Bem (currently ERM/NINT), resulting in the elaboration of the "Sustainable Finance Framework", whose green and social categories are contemplated. The Framework has been approved by Sustainalytics, one of the world's leading independent Second Opinion (SPO) firms, following a set of international standards and guidelines.

In 2021, the model was revised and updated, with the inclusion of the Energy Efficiency, Green Buildings, Clean Transport and Sustainable Waste and Effluent Management categories, in addition to the social modality, in the borrowing via loan.

Seeking to expand funding sources, BB LCA Verde was launched in June 2021, through which resources are directed to credit lines that meet environmental criteria with a focus on reducing the greenhouse effect, pasture recovery, renewable energy and operations aimed at family farming, such as Pronaf. As a result of this funding model, BB concluded, among other things, the issuance of the first sustainable bond, in the amount of US\$ 750 million. The funding aims to promote projects

with a positive social impact and support micro and small companies to overcome the challenges imposed by the pandemic.

With the objective of expanding and reinforcing its sustainable commitments to the market and observing new business opportunities, BB launched in early 2024 its second sustainable finance framework linked to sustainability goals, the Sustainable Linked Finance Framework (SLFF). The document also has a Second-Party Opinion from ERM/NINT as part of BB's governance process.

The objective of this business model is to carry out sustainable funding based on BB's sustainability journey, where investors can support four major ESG goals for 2030, in line with the objectives and other commitments already assumed by BB, such as increasing the portfolio of sustainable businesses; increased credit for sustainable agriculture; reduction of GHG emissions in the financed portfolio and increase of gender and race diversity in senior leadership.

As a result, BB entered into a US\$100 million funding operation with Banco Natixis called "Triple Green", in which the funding provided a guarantee consisting of green bonds; linking BB's sustainability goals and financing of social housing.





Carbon Market

Aware of its role, BB wants to help its customers and investors in the transition to a greener and more inclusive economy. To this end, it proposes to play a transformative role in society, supporting its clients to enter the voluntary carbon market through the generation of new projects, combining care for the environment, climate change mitigation practices and sustainable financial return.

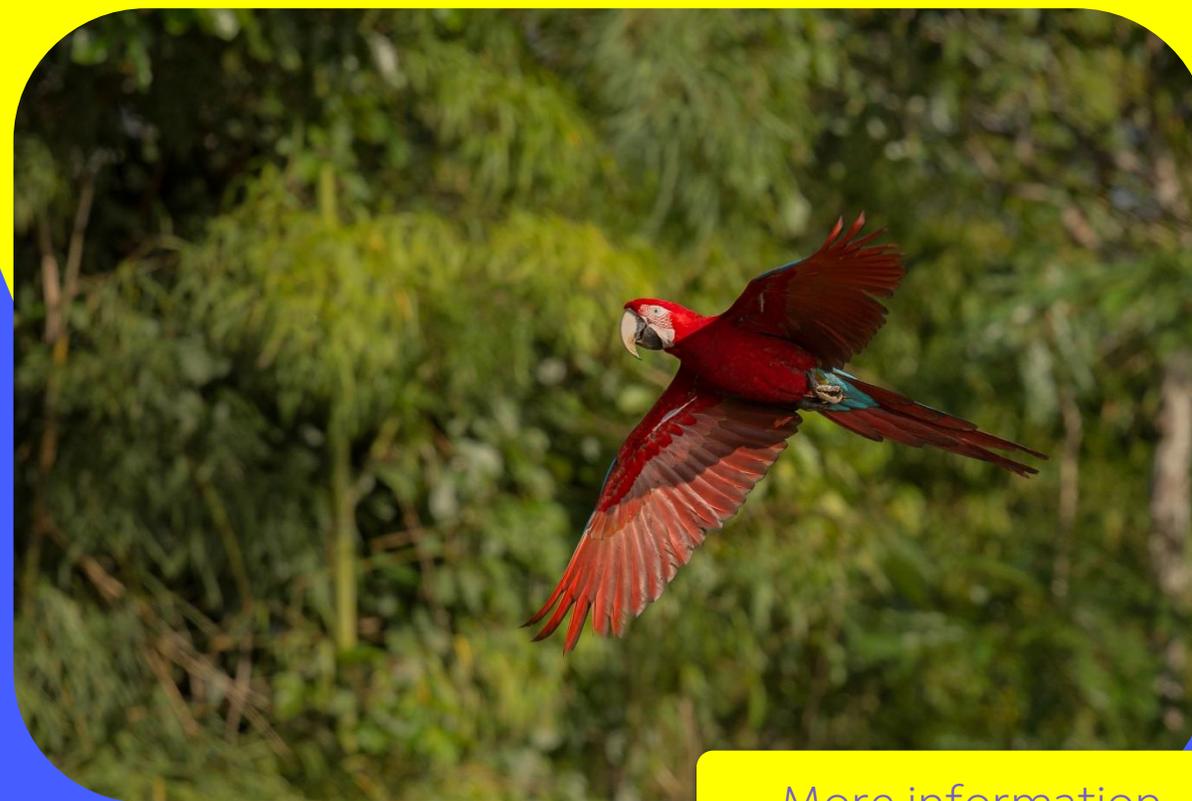
To support companies that have voluntarily assumed the commitment to net zero, we have identified opportunities for BB to operate considering three pillars:

Consulting and advisory: advising on the preparation of emission inventories and decarbonization plans, in addition to offering alternatives for the purchase of carbon credits from projects with relevant integrity and social and environmental impact;

Project development: support to clients from the most diverse segments in the development of projects that generate carbon credits in the voluntary market, based on the main methodologies available, such as forest conservation, reforestation, soil carbon and renewable energy;

Climate financing: finance the adoption of decarbonization practices, through the offer of credit lines with environmental attributes and differentiated conditions for renewable energy, energy efficiency and low-carbon agriculture projects, among others that allow the client to reduce its carbon footprint and its impact on the environment;

Trading of carbon credits: the Bank has a broad portfolio of proprietary and partner carbon credits, generated from high-integrity projects, and which are available to companies that wish to offset their GHG emissions from net zero commitments made.



[More information](#)

As an agent of the financial system, BB assumes a crucial responsibility: to direct the application of resources and assist in the transition from a high-impact economy to a green, low-carbon and inclusive economy, with adequate risk management and the development of innovative fundraising models.

We consider the issue of climate change in our planning and prioritize businesses that take advantage of the opportunities of a low-carbon economy. In addition, we have identified sustainable production chains that can foster the green economy, especially to meet the emission reduction needs assumed by Brazil at the Paris Conference.



Eco-efficiency

The management of eco-efficiency provides a reduction in the consumption of natural resources, such as water and energy, minimizing the environmental impact, in addition to expenses with the acquisition of these inputs. With the same objective, GHG emissions and the consumption of materials such as paper, toner and fuel were rationalized, reducing the generation of solid waste.

The premises of GABBi (Banco do Brasil's Environmental Management) include continuously improving management; recognise and consider the expectations and priorities of stakeholders in environmental management; disseminate concepts and practices for the efficient consumption of natural resources and prevent pollution, seeking engagement and strengthening of the culture in Social, Environmental and Climate Responsibility; and to train internal and external stakeholders, aiming to improve skills in environmental management

Operational Eco-Efficiency Index

In order to rationalize the consumption of water, energy and paper, expand the coverage of the Selective Collection Program and intensify the reduction of GHG emissions, we have adopted the Operational Eco-Efficiency Index (IEO), an instrument by which all units are evaluated in the following aspects:

- water/electricity: evaluation by the accumulated average of the unit's monthly consumption records, with a consumption target equal to or lower than the established regional standard;
- paper: target of a linear reduction of 4% in consumption compared to the lowest consumption between the two previous semesters; and
- selective collection: evaluation by monthly record of the volume of waste discarded selectively (paper, plastic, metal and glass) and sent for recycling.

Certification

At the end of 2023, we maintained the following certifications, which attest to our commitment to environmental preservation.

Leadership in Energy and Environment Design (LEED), a seal related to sustainable construction and granted by the Green Building Council, in the United States, at our headquarters in Brasília (DF) and São Paulo (SP).

ISO 14001 of the Environmental Management System in operation at the BB Headquarters Building, in Brasília (DF), CCBB (DF) and Torre Matarazzo Building, in São Paulo (SP). Banco do Brasil's Environmental Management (GABBi) is verified by internal and external audits that attest to the requirements of the standard and prove the effectiveness of environmental actions related to the consumption of water, electricity, selective collection and services and the involvement of the more than eight thousand people living in the places.





Energy

In 2023, BB renewed its targets to be achieved by 2030. This movement resulted in the formulation of the BB 2030 Commitments for a Sustainable + World. There are 12 commitments structured in four axes. In the ESG and Climate Management axis, we are committed to using 100% renewable energy from 2023. In this sense, we are already consuming energy generated from 15 solar plants, which brought savings of R\$ 19.3 million between 2020 and 2023. Another 11 plants from renewable sources are under construction and six are under contracting, totaling 32 plants by 2024. When all are in operation, they will generate enough energy to serve 1,700 branches, allowing the institution to save R\$ 603.8 million over 15 years.

Continuing the strategy of increasing operations in the free

energy market, we currently have 74 buildings migrated. In parallel, we are implementing the migration study of another 1,600 consumer units by 2025. The performance in the free market resulted in savings of R\$ 70 million, with the expectation of reaching an accumulated result of R\$ 97 million by 2024.

Within the strategy for climate change management, currently 20% of the Bank's total consumption comes from the Free Energy Market, while 16% comes from photovoltaic plants. As of 2021, we also started to have the acquisition of Renewable Energy Certificates (RECs) as a ballast for energy consumption, while projects to expand operations in the free energy market and distributed generation are being implemented. In this way, the Bank guarantees that 100% of the

energy consumed by the company is linked to renewable energy sources. Supporting this strategy, RECs linked to energy consumption in 2023 were acquired on the REC-FY platform, developed by Furnas in DLT – Distributed Ledger Technologies/ Blockchain technology, which allows consumers to acquire the certificate of energy from a traced renewable source, in addition to the consumption of photovoltaic energy generated in the 15 plants, totaling the 520.54 GWh consumed in 2023. The action is part of one of the Sustainable Commitments assumed by BB, the "Promotion of Renewable Energy".

Photovoltaic power plants



Photovoltaic energy generation is scheduled for 15 years. The purchase of renewable energy in the deregulated market takes place every five years. In 2023, we totaled 15 photovoltaic power plants in operation serving 931 branches:

Photovoltaic power plant	FU
Caetité	BA
Xique-Xique	BA
Capão Seco	DF
Murucuci	ES
Iaciara	GO
Porteirinha	MG
Rio Parnaíba	MG
Naviraí	MS
Juína	MT
São Domingos do Araguaia	PA
Loanda	PR
Uruguiana	RS
São Lourenço do Oeste	SC
Lins	SP
Rancharia	SP

Juína and Caetité plants had their operational reports signed in December 2023. Thus, the generation of energy and the subsequent compensation at Banco do Brasil's branches will be accounted for as of January 2024.

For 2024, we plan to implement 17 more plants, 10 of which are already in the process of implementation.

Photovoltaic power plant	FU
São Caetano	PE
Andradina	SP
Sapucaia	RJ
Saudade do Iguaçu	PR
São Roque	SP
Lagoinha do Piauí	PI
Riacho da Cruz	RN
Piancó	PB
São Lourenço do Oeste II	SC
Pedra Branca	CE

In addition, our distributed energy generation contracts provide for social counterpart on the part of suppliers. In 2023, nine social projects linked to the construction of the plants were delivered:

- Installation of a power generation system in the Cancer Fighting Network in Rancharia (SP);
- Installation of an energy generation system at the Walter Bini Dom Municipal School in Lins (SP);



- Technical courses (residential painter, gardening and landscaping) for juvenile offenders at the São Sebastião Internment Unit in Brasília (DF);
- Installation of a power generation system at the Marília Sanchothene Felice Municipal School in Uruguiana (RS);
- Installation of a power generation system at the Maria Clementina Velloso Santos Municipal School in Montanha (ES);
- Installation of a photovoltaic panel system at the municipal school of Loanda (PR);
- Installation of a photovoltaic panel system at the municipal school of Iaciara (GO);
- Installation of a photovoltaic panel system at the municipal school of Rio Parnaíba (MG); and
- Installation of a photovoltaic panel system at the municipal school of Xique-Xique (BA).



Water

In relation to water – an input from public utilities – regionalized parameters of efficient consumption are also adopted. Management takes place through the establishment of actions for units that have water consumption above the established goals. In this sense, inspections of hydraulic installations stand out, to detect the causes of high consumption.

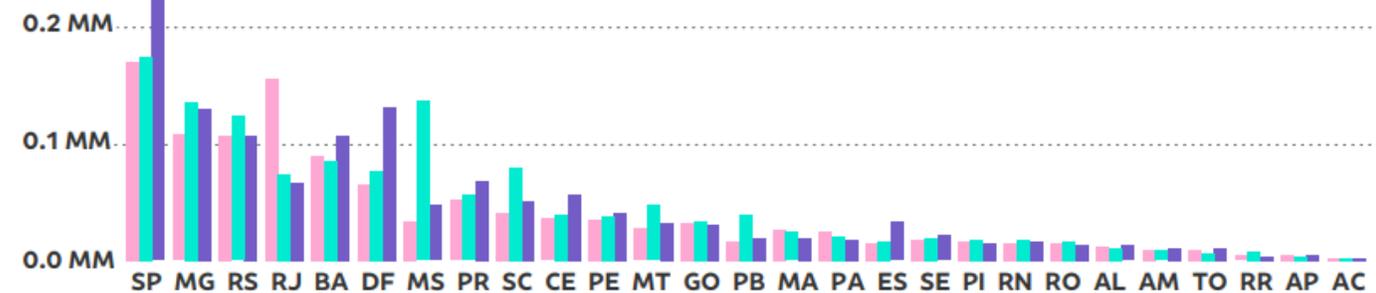
The water supply is carried out by the concessionaires, recycled water is not used in the units. Water consumption in 2023 was obtained based on expenditure on water bills. The model used estimated the percentage of buildings served by the sewage network based on 16 thousand water bills recorded by a contracted company. Next, the consumption was estimated considering the tariff of the most representative concessionaire of each state.

The result of this analysis shows that, in the year, there was an increase of 15.33% in consumption compared to 2022. This growth is due to the El Niño weather phenomenon that has caused significant impacts on the climate. According to the National Institute of Meteorology (Inmet), 2023 was the hottest year in history in Brazil. This led to the intensification of the use of air conditioning systems, which use water as a refrigerant and condensation medium, thus increasing our consumption of this resource.

According to the analysis carried out, our facilities located in the states of São Paulo, Espírito Santo, Bahia, Ceará, Pernambuco, Amazonas, Tocantins, Paraná and the Federal District were the ones with the most significant increase in consumption compared to 2022.

Water Consumption (CM)

Year ■ 2021 ■ 2022 ■ 2023



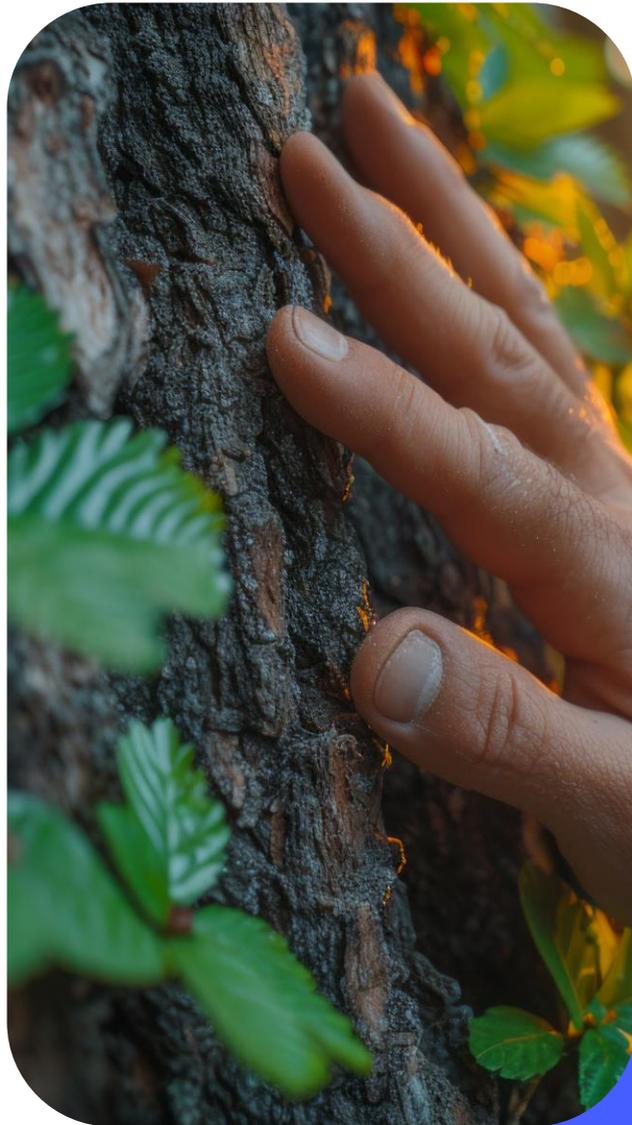
Our strategy to improve water consumption from 2024 includes forwarding, for bidding, in December 2023, the process for hiring a specialized company to provide technical services for water consumption management, including:

- management of water and sewage bills for BB's facilities (approximately 4,600 consumer units) including: reading, registration, control, data mapping, studies, invoice analysis, representation with concessionaires and, if necessary, search for missing invoices;
- Pilot project for the supply and installation of an intelligent monitoring solution (IoT) of water consumption in 14 corporate buildings (large size) for management, monitoring, waste control and generation

of alerts;

- Supply and installation, with the objective of reducing consumption in facilities with older infrastructures, of items such as aerators, flow regulator register and double activation button for coupled box.

From these points, we have a goal, from 2024 to 2028, of a reduction of 1% per year, totaling 4% in four years, which can be revisited as the actions progress.



Paper

The BB Zero Paper program aims to make paper obsolete in our processes and is applied in all units. The reduction in paper consumption not only contributes to the mitigation of impacts on the environment, but also reduces expenses with printing and posting documents, maintenance, transportation and storage services, as well as other related inputs such as toner, reels, pouches and various materials and furniture for archiving paper documents.

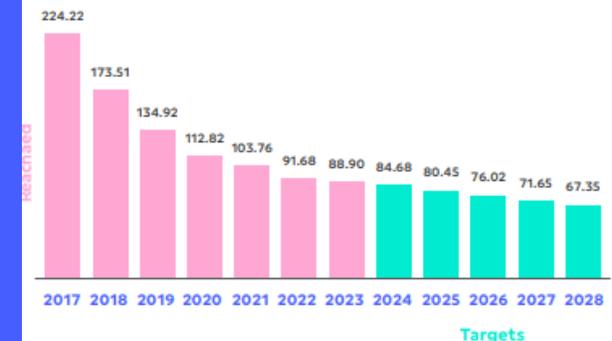
In recent years, we have achieved significant results. In 2022, the reduction in this volume was in the order of 12.75 million documents, a drop of 12.3% in total printing. In 2023, we had a drop of 2.32%, showing a

reduction of around 2.1 million documents consumed. For 2025, our goal remains at a decrease of 12.75% based on 2022 data.

Continuing our commitment to the consistent reduction of paper consumption, with the review of internal and business processes, aware that there are legal requirements and relationships with our customers that must always be considered, we are committed to carrying out, by 2028, a 70% reduction in paper consumption, based on the quantities printed in 2017.

Monitoring	Year	Target or effective reduction (%)
Reached	2017	--
Reached	2018	23%
Reached	2019	22%
Reached	2020	16%
Reached	2021	8%
Reached	2022	12.30%
Reached	2023	2.30%
Targets	2024	4.25%
Targets	2025	4.50%
Targets	2026	5.50%
Targets	2027	5.75%
Targets	2028	6.00%

Reached/Targets





Solid Wastes

Since 2015, our Sustainability Plan – BB Agenda 30 has contributed to the improvement of sustainable business and practices. In 2021, after assessing the risks, opportunities and trends in solid waste management, we included an action in BB's Agenda 30, whose objective was to reformulate BB's Selective Waste Collection program, in order to expand its scope and effectiveness.

The Selective Collection Program, which was in practice until November 2023, aimed at the correct disposal of non-hazardous, recyclable and non-recyclable solid waste produced on our premises, which have standardized colored collectors for correct separation.

The dependencies located in municipalities where there are cooperatives or associations of waste pickers volunteered to be part of the program, accrediting the organizations and sending them their recyclable waste (paper, plastic, metal and glass), while the organic and non-recyclable waste go to public collection. In relation to the facilities that did not participate in the program, the waste was sent for public collection, in colored bags that indicate the type of waste discarded. In view of the commitment declared in Agenda 30, the restructuring of the Selective Collection Program and its replacement by the BB Zero Waste Program began. The new program changes the focus that was previously concentrated on waste separation and expansion of the number of participating facilities, to a broader and more structural essence, which is to move towards an integrated waste management system aligned with the principles of circular economy.

The action plan for the implementation of the new program began in 2022 with the development of several actions that culminated in the national launch of the BB Zero Waste Program in November/23, through dissemination at the News Agency and live marketing action at the BB Brasília Building.

The BB Zero Waste Program has as its main objective to reduce the negative environmental impacts of BB's activities and to contribute to our social function by promoting work and dignity for collectors of recyclable materials. It also proposes to solve various problems detected in BB's waste management, such as: simplifying the process of voluntary adherence of the units to the program, making it possible to measure and trace the types/quantities of waste generated, monitoring the final destination of the waste produced at the Bank, and improving BB's relationship with the cooperatives of recyclable material collectors.

In 2024, it is expected to conclude the hiring of Ancat – National Association of Waste Pickers and start implementing the new solid waste management model in at least 600 Banco do Brasil units. Below is the data relating to participants in the waste management program in 2023.

Selective Waste (Recycling) Collection Program	2020	2021	2022	2023	Change 2022-2023
Units with selective waste (recycling) collection implemented ¹	1.849	1.860	2.701	4.011	48.50%
New units implementation target ²	100				

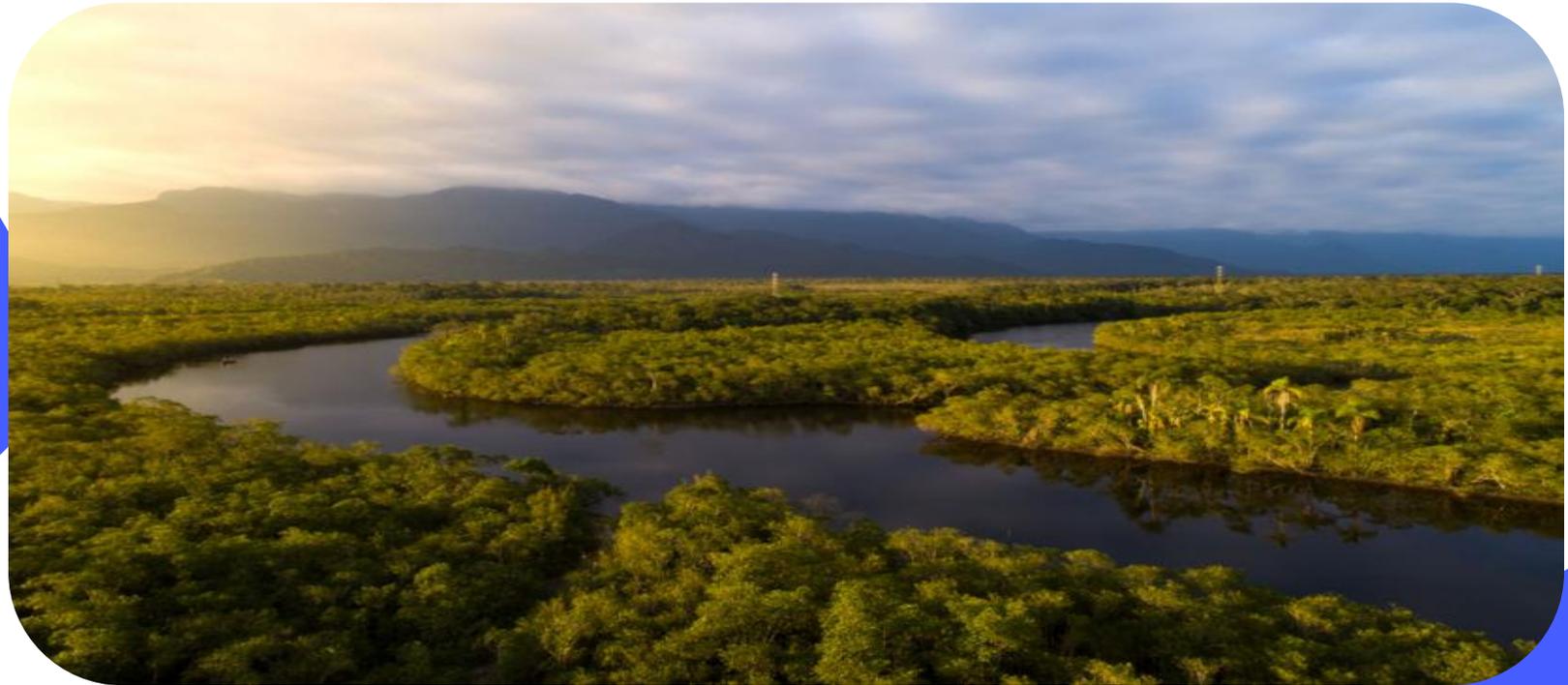
¹ Regarding the number of units with selective waste collection implemented, the understanding of the scope of the Solid Waste Management Program initiatives within the Bank was revised, with the conclusion that 100% of BB's premises have access to both the Moveable Goods Disposal Process and the Selective Waste (Recycling) Waste Program, upon request to collect goods or to join the program. Accordingly, all premises that had requests for goods disposal and the ones that had joined the Selective Waste Collection (Recycling) Program in 2023 were cross-referenced, thus increasing the number of premises in the Selective Waste Collection (Recycling) Program.

² The target of including new branches was withdrawn in 2021, due to the decision to overhaul the Selective Waste Collection (Recycling) Program.

Since 2020, we have signed contracts for the process of disposal of movable assets (collection, transportation, storage, decharacterization and treatment of waste). The contracted service allows the traceability of the collected material. In this process, in 2023, 157,044 unserviceable goods were disposed of in an environmentally appropriate manner and were recycled. We use an internal application for the reuse of idle assets, with a user-friendly interface and features

that encourage the reuse of assets with clear procedures about the process. In 2023, 37,634 goods were reused. To promote the reuse of unserviceable assets to the Bank, processes are carried out to donate assets to public institutions, non-profit civil organizations and NGOs. In 2023, the Bank donated 11,786 goods, benefiting 332 public organizations or non-profit civil institutions.

Zero Plastic



In July 2020, we joined the global #julhosemplastico movement and made a commitment to be inductors in the adoption of the circular and sustainable economy, transforming our relationship with people and the environment. On that occasion, we launched the BB#PlasticoZero initiative, with the objective of reducing the consumption of plastic material in the Bank's processes and products and of eliminating our use of disposable plastic cups. The commitment extended to suppliers: all our coffee and snack contracts had plastic disposable cups suppressed in 2020. In 2021, a strategy was implemented to purchase other types of disposable cups to be used for customers, excluding traditional plastic cups, with the option

of paper cups and oxo-biodegradable cups. The following year, Banco do Brasil zeroed out the supply of disposable plastic cups to its premises, replacing them with paper items. In 2023, we maintained the internal communication process to raise awareness and engage employees on this topic and managed to reduce the consumption of disposable cups by 64%, compared to 2022. With the Zero Plastic initiative and the replacement of disposable plastic cups with paper cups, Banco do Brasil avoided the generation of approximately 34.8 tons of plastic waste in 2023.

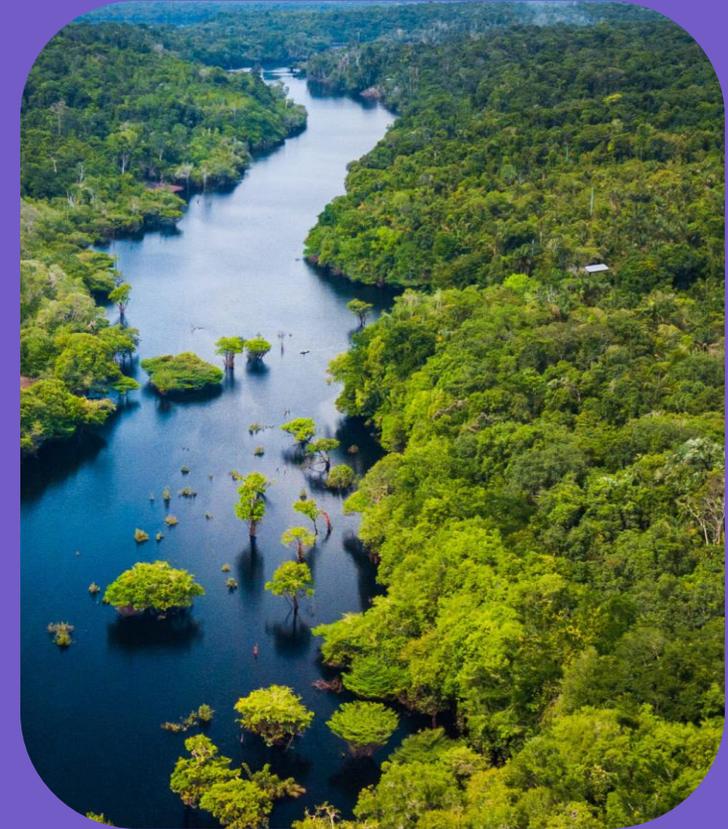
Carbon Management

BB's GHG Emissions Inventory is one of the main tools for carbon management at the Bank and is based on the methodology of the GHG Protocol Program. The inventory is built under the Operational Control approach, considering the more than 6,000 branches throughout the country (retail, wholesale and government agencies, regional units and strategic units).

The Bank's GHG emissions calculation takes into account the gases emitted by its direct Scope 1 activities (stationary combustion, mobile combustion, and fugitive emissions), indirect emissions from Scope 2 electricity consumption (location-based approach and choice-to-

purchase approach), and indirect emissions from activities it influences in Scope 3 (Purchased Goods and Services, Fuel and Energy Activities, upstream transportation and distribution, solid and liquid waste from the operation, business travel, employee commuting. Every year, BB's GHG emissions data undergo external verification carried out by a company specialized in environmental audits, in accordance with the specifications of NBR ISO 14064:3 and the GHG Protocol methodology. Verification certifies that the information contained in the inventory is complete, accurate, consistent and transparent. BB's GHG inventory has also been

certified with the Gold Seal of the GHG Program since 2010. After verification, the inventory is published on the FGVces Public Emissions Registry platform. The information is also made available to the market via the CDP (Carbon Disclosure Project) and BB's Annual Report, in addition to being part of the reports of national Social and Environmental Indexes, such as the Corporate Sustainability Index – ISE, of B3, and international ones, such as the Dow Jones Sustainability Index – DJSI, of the New York Stock Exchange





Internal Carbon Pricing

Based on the average prices of projects qualified to compose the portfolio for offsetting our emissions, in June 2024, we approved the internal carbon pricing, with the adoption of R\$ 45.64/tCO₂e or US\$ 8.39/tCO₂e (PTAX = R\$ 5.44/US\$ on 06/21/2024), obtained by calculating the average of the prices per ton of carbon recorded in the voluntary and regulated markets in Brazil and worldwide.

The definition of the internal carbon pricing methodology and the internal carbon price aims to guide the process of acquiring credits to offset our emissions related to scopes 1 and 2, and to evaluate investments in the institution's own structure.

Carbon pricing also allows directing investments to less carbon-intensive solutions through the internalization of part

of the externalities represented by emissions, that is, that companies can incorporate these external costs into their business decisions and seek alternatives to minimize their effects.

In addition, it enables the calculation of possible financial implications⁸ and costs of actions⁹ for risks driven by changes in regulation, considering that, to date, there is no regulated carbon market in Brazil.

BB believes that the sectoral definition of targets for reducing greenhouse gas (GHG) emissions or their possible taxation by the Brazilian government for sectors financed by BB could impact the financial results of companies that benefit from these services.

This would be due to the need for investments to promote the reduction of emissions and the possible increase in

production costs and reduction of profit, changing the assessment of the ability to repay loans.

To manage risk, BB operates on the following fronts:

- (i) Internal Carbon Pricing;
- (ii) Emission reduction and compensation targets and (iii) Economic and Social and Environmental Impact Assessment and Measurement Model.

⁸ The estimated financial implications of the risk of carbon market regulation, before taking action, would be R\$ 3,400,556.13, based on the amount of emissions for Scopes 1 (18,494.35 tCO₂e) and 2 (zero) in 2023 and the carbon price in a pessimistic scenario at R\$ 183.87 per tCO₂e (US\$ 33.80 x 5.44 (Ptax R\$/US\$ 21/06/24), referring to the approximate price traded on the Korean and European Emissions Trading Markets (average of values as of 12/31/23).

⁹ The cost of R\$ 844,082.13 (18,494.35 tCO₂e x R\$ 45.64 / tCO₂e) is estimated based on the internal carbon price and the commitment to offset emissions from Scopes 1 and 2 of the BB Inventory.



CDP assessment score increment

In mid-2020, Banco do Brasil joined CDP's Benchmark Club, seeking support from the entity to improve its participation in CDP's Climate Change Program. In January 2024, CDP released the result of the 2023 cycle of the Climate Change Program. In this edition, we maintain our performance in line with the Brazilian financial market, with a B score.

With the score achieved in 2023, BB continues to be eligible to be included in the CDP Brazil Climate Resilience Index (I-CDPR70) in 2024, which measures the performance of the shares of companies with climate management practices, in line with global trends and recommendations of international agreements such as the Task-Force for Climate-Related Financial Disclosures (TCFD), which facilitates the disclosure of climate-related financial information by companies around the world.

The evaluation of the companies takes place through the analysis of an extensive questionnaire that includes the main parameters related to the topic of climate change: Governance (policies and guidelines); Engagement of senior management; Risks and opportunities; Business strategy; Goals and performance; Emissions methodology; Verification; Carbon pricing. In addition, in 2023 the score obtained in the CDP continues to be a prerequisite in the evaluation of companies to integrate the ISE/B3 portfolio, in which BB has been listed since its creation in 2005.

Suppliers

In order to manage GHG emissions from Scope 3 of its Inventory, BB promotes actions to mitigate social and environmental risks in its supply chain within a broader scope, under the optimum of various instruments that govern this relationship, such as: Code of Ethics, Third Party Relations Policy, Internal Regulations, among others.

The Internal Regulations include specific rules for sustainable contracting, which include the Sustainable Procurement and Disposal Standard document available on the BB Portal for consultation, in compliance with legal requirements and the social and environmental commitments assumed. Documentary due diligence procedures are also carried out, covering the Environmental, Human Rights and Integrity dimensions.

As part of our Agenda30 sustainability plan, the Bank is committed to climate change mitigation. By 2025, we plan to diagnose and quantify our suppliers' involvement in climate action. In addition, we intend to establish a process for engaging, measuring, and reporting on the greenhouse gas emissions of our strategic suppliers.





Transparency of our actions

IC02 B3 Index

On June 17, 2010, BB joined the IC02 of B3, the São Paulo Stock Exchange and was listed in all the last editions. The IC02 is composed of shares of the companies participating in the IBrX-50 index and considers in its weighting not only the free float of the companies' shares, but also the degree of efficiency of Greenhouse Gas emissions, identified through the analysis of emission inventories.

With this, BB has been demonstrating to the market its commitment to transparency, as well as its willingness to seek alignment with the best practices regarding business eco-efficiency and the contribution to a low-carbon economy, consistent with the provisions of its strategy and its Environmental and Climate Social Responsibility Policy (PRSAC).

Our commitment with Climate Change

We, at Banco do Brasil, seek to constructively and transparently face the challenges of reconciling business competitiveness with the construction of a more sustainable and socially just world, and for this reason, the topic of Climate Change is of great relevance in our company.

Aiming to move forward in this direction and attentive to the international scenario and the needs of our country, as well as to the direction of the financial sector, we worked, with our BB Agenda 30, to connect our business strategies with global priorities. We seek innovative solutions to challenges, maintaining a sustainable operating model, which combines financial performance with social, environmental and climate responsibility, in line with our history.

In this way, we seek to act proactively and innovatively in the creation and improvement of financial solutions that stimulate and assist governments, companies and people to implement actions to reduce greenhouse gas emissions and adapt to the current and expected effects of climate change, collaborating in the transition to a low-carbon economy.

To this end, we have made efforts to increase financing and/or investments to:

- renewable energy generation, distribution and consumption projects, including decentralized

microgeneration;

- energy efficiency projects for industries, aiming at replacing them with more efficient machinery and equipment, and for commercial and residential real estate developments;
- low-carbon agriculture projects and for the adoption of sustainable agricultural practices;
- sustainable timber and non-timber forest management projects and the reforestation of native and commercial forests;
- urban mobility, energy efficiency, and mitigation and adaptation of cities and their citizens to the effects of climate change;
- access of investors and companies to capital directed to the low-carbon economy via capital market instruments;
- projects and economic and financial instruments that support the implementation of the National Policy on Climate Change and the National Policy for Emission Reduction;
- engagement with governments, academia, companies and the third sector to jointly promote actions that contribute to the transition to a low-carbon economy.

We hope to continue generating long-term value for

both shareholders and society and building, little by little, a fairer and more humane world for generations to come.





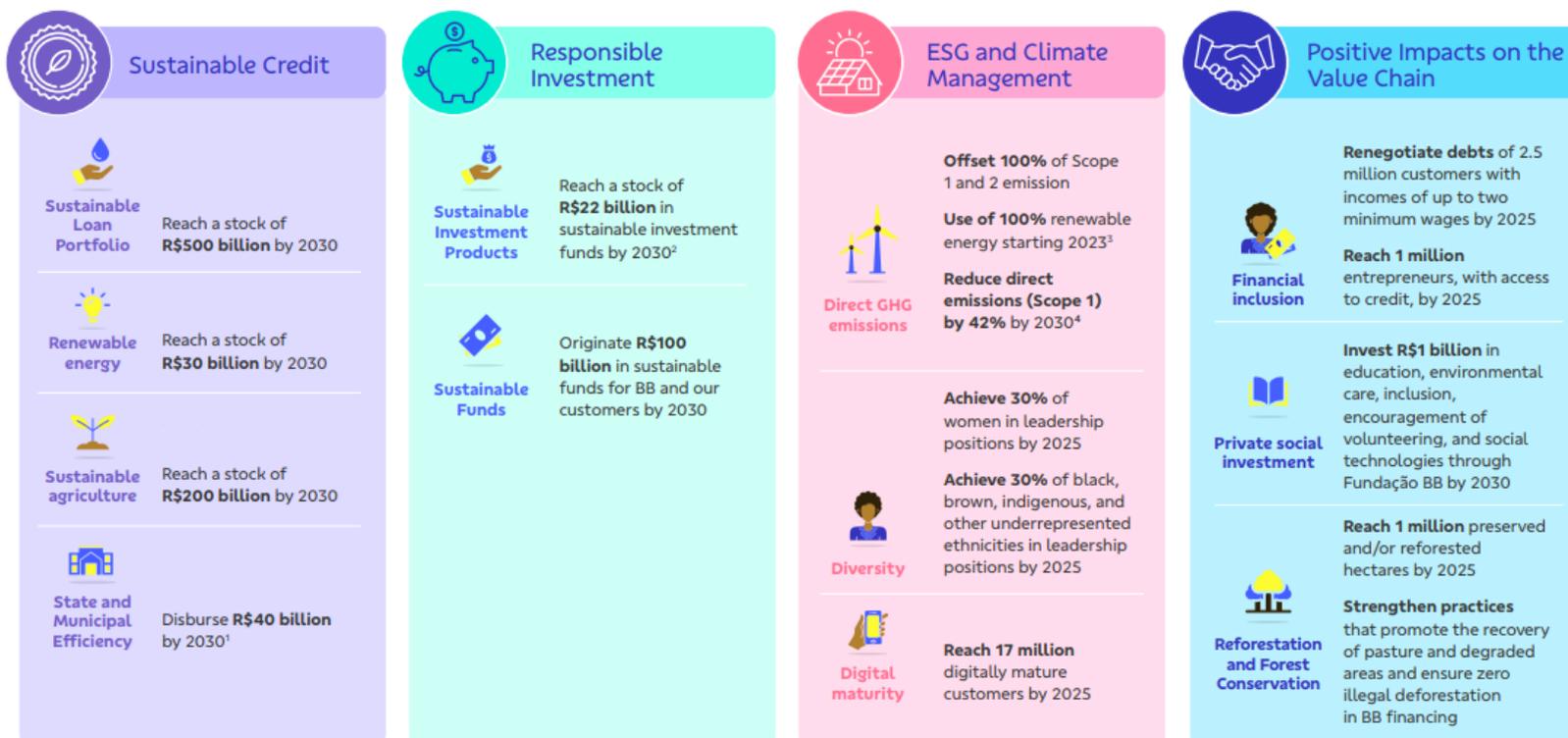
The topic of sustainability is strategic for Banco do Brasil. Attentive to the international scenario and the financial sector, we work to promote a more sustainable economy in all senses.

In 2023, we revised the BB 2030 Commitments for a Sustainable + World. There are 12 commitments that seek to assist our clients in the transition to a more sustainable portfolio; help investors direct resources to companies that generate social and environmental externalities; promote ESG best practices and reduce climate impacts; and drive economic transformation to generate value for society and the environment.

All commitments are aligned with global goals, such as the

Paris Agreement and the SDGs (Sustainable Development Goals).

The document is reviewed every two years through risk analysis; studies of opportunities and trends; benchmarking with national and international peers; analysis of indices and market rankings; and the perception of our various stakeholders. After the update, it now has 40 actions that are measured in 100 indicators linked to more than 20 sustainability challenges:



Environmental and social impacts of operations/activities

Challenge: Assess and measure environmental, social and economic impacts (externalities) generated by BB's products, services and activities so as to maximize positive impacts and reduce negative impacts on the environment and society.

- Action:** Measure the environmental, social and economic impacts (externalities) of BB's products, services and activities.
- Indicator:** Measure the impacts of activities, products, services or projects by June 30, 2023.
- Accountability:** Update and increase the coverage of the analysis of the economic, environmental and social impacts arising from BB's operational and commercial activities.

Impacted SDGs:

Environmental, Social and Climate Risk

Challenge: Strengthen environmental, social and climate risk management in Banco do Brasil's business, processes and commercial relations.

- Action:** Review BB's credit process from the environmental, social and climate risk standpoint.
- Indicator:** Review and publish BB's Sustainability Guidelines for Credit and Environmental and Social Guidelines – Restrictive List and Exclusion List by December 31, 2023.
- Accountability:** Review and publication of BB's Sustainability Guidelines for Credit and of the Restrictive and Exclusion lists on BB's Investor Relations website.

Impacted SDGs:

Sustainable Business

Challenge: Develop and offer financial solutions and business models that incorporate ESG (environmental, social and governance) aspects so as to foster the transition to a low-carbon and inclusive economy.

- Action:** Issue and originate a sustainable bond.
- Indicator:** Prepare and disclose the Sustainability-Linked Finance Framework (SLFF) by December 31, 2023.
- Accountability:** Approval of BB's Sustainability-Linked Finance Framework (SLFF).

Impacted SDGs:

Talent attraction, retention, satisfaction and development

Challenge: Promote programs and initiatives related to attracting and retaining talents and developing human capital so as to increase business competitiveness and employee satisfaction.

- Action:** Strengthen initiatives whose reward is impacted by individual performance evaluation.
- Indicator:** Maintain 100% of employees covered by the multidimensional performance evaluation, considering the environmental, social and climate aspects, which has an impact on compensation by December 31, 2023 (find out more on page 79).
- Accountability:** Achievement of 100% of employees covered by the multidimensional performance evaluation, considering the environmental, social and climate aspects, which has an impact on compensation.

Impacted SDGs:

Innovation and Technology

Challenge: Anticipate market trends and promote the innovation necessary so as to ensure Banco do Brasil's competitiveness.

- Action:** Innovate, with the help of new technologies, BB's business models, products and services.
- Indicator:** Indicator: Have 10.6 million customers with high digital maturity by December 31, 2023.
- Accountability:** Achievement of around 12 million customers with high digital maturity.

Impacted SDGs:

Sustainable Business

Challenge: Develop and offer financial solutions and business models that incorporate ESG (environmental, social and governance) aspects so as to foster the transition to a low-carbon and inclusive economy.

- Action:** Increase the balance of sustainable investment products or products that integrate ESG aspects.
- Indicator:** Develop sustainable investment funds/products or funds/products that integrate ESG factors, in line with the rules of CVM Resolution No.175 of December 31, 2022 by December 31, 2024.

Impacted SDGs:

Talent attraction, retention, satisfaction and development

Challenge: Promote programs and initiatives related to attracting and retaining talents and developing human capital so as to increase business competitiveness and employee satisfaction.

- Action:** Improve talent recruitment and selection processes with a focus on diversity.
- Indicator:** Establish parameters in professional advancement processes that factor in diversity and contribute to reducing unconscious biases by June 30, 2024.

Impacted SDGs:

Innovation and technology

Challenge: Anticipate market trends and promote the innovation necessary so as to ensure Banco do Brasil's competitiveness.

- Action:** Innovate, with the help of new technologies, BB's business models, products and services.
- Indicator:** Enter into at least two strategic partnerships aimed at developing sustainable businesses by December 31, 2024.
- Action:** Improve processes and initiatives that contribute to the management of ESG data and information.
- Indicator:** Include information on BB's sustainability documents in the automated customer service chatbot on the IR website by June 30, 2024.

Impacted SDGs:

Climate Change

Challenge: Improve governance and the management of risks and opportunities related to climate issues, giving transparency to Banco do Brasil's commitments and practices with respect to this topic.

- Action:** Reinforce the management and transparency of climate issues.
- Indicator:** Improve climate-related information in financial reports by June 30, 2023.
- Accountability:** Publication of information related to climate issues in BB's financial and non-financial reports, such as Performance Analysis, Management Report, Annual Report, ESG Databook and Reference Form.

Impacted SDGs:

Climate Change

Challenge: Work towards the decarbonization of BB's own emissions, financed emissions and investments, in line with the best market practices and investor expectations.

- Action:** Develop initiatives for the decarbonization of BB's financed emissions and investments.
- Indicator:** Submit a proposal for intermediate GHG and/or net zero targets to the applicable body, including a business approach and funding guidelines, based on the Science Based Targets initiative (SBTI) criteria and recommendations, by December 31, 2023.
- Accountability:** Approval of the proposal for financed GHG emissions reduction targets for the Corporate Loans segment and the inclusion of Environmental and Social Guidelines for the activities of mineral coal extraction and mineral coal-fired thermal power generation.

Impacted SDGs:



Customer Relationship and Satisfaction

Challenge: Improve customer relationship management and increase the satisfaction and retention indices.

- Action:** Strengthen the sustainability culture in customer relationship by engaging and training employees in ESG products/services.
- Indicator:** Offer ESG products and services to customers that are prone to consume these products by December 31, 2023.
- Accountability:** Adoption of strategies to make the offer to target customers, taking into consideration the Retail, Wholesale and Government pillars.
- Impacted SDGs:**

Challenge: Promote financial education initiatives and solutions so as to contribute to the digital inclusion and financial decisions of BB's customers.

- Action:** Improve financial education initiatives with a view to expanding the knowledge about products and services.
- Indicator:** Carry out a debt renegotiation program involving vulnerable/over-indebted customers so as to bring customers back into the credit market by December 31, 2023.
- Accountability:** Adherence to and implementation of the debt renegotiation program called Desenrola Brasil (Renegotiate Brazil), which enabled the offer of many special conditions.
- Impacted SDGs:**

Diversity

Challenge: Promote diversity and fight any form of discrimination in the workplace and in the relationship with stakeholders.

- Action:** Promote diversity in the workplace.
- Indicator:** Define and disclose targets to increase the number of People with Disabilities (PwD) in the workforce by June 30, 2024.
- Indicator:** Define and publish targets to increase the number of women in /promote women to positions such as: junior management, middle management, senior management and technology (Stem) by December 31, 2024.
- Impacted SDGs:**

Environmental, social and climate risk

Challenge: Strengthen environmental, social and climate risk management in Banco do Brasil's business, processes and commercial relations.

- Action:** Incorporate ESG criteria into the development of banking products and services.
- Indicator:** Improve the criteria for assessing environmental, social and climate impacts on the product development and revitalization process by June 30, 2024.
- Impacted SDGs:**

Challenge: Develop initiatives aimed at reducing deforestation and increasing the financing of projects of conservation of Brazilian biomes, in particular the Amazon.

- Action:** Support the combat of deforestation and the implementation of actions that promote environmental preservation.
- Indicator:** Increase the recovery of degraded areas through good farming practices financed by BB in relation to the previous year by December 31, 2024.
- Impacted SDGs:**

Ethics and compliance

Challenge: Strengthen Banco do Brasil's performance with respect to ethics and compliance in its business and processes, with the adoption of increasingly efficient internal controls.

- Action:** Strengthen ethical and responsible communication and marketing practices.
- Indicator:** Include in the "Manual of relationship with advertising agencies" assumptions related to the identification and prevention of greenwashing practices by June 30, 2024.
- Impacted SDGs:**

Climate change

Challenge: Improve governance and the management of risks and opportunities related to climate change, giving transparency to Banco do Brasil's commitments and practices with respect to this topic.

- Action:** Implement initiatives to strengthen BB's operation in the carbon credit market.
- Indicator:** Provide a tool for customers in the SME segments to be able to measure their carbon footprint and purchase carbon credits for the corresponding neutralization by December 31, 2024.
- Impacted SDGs:**

Challenge: Work towards the decarbonization of BB's own emissions, financed emissions and investments, in line with the best market practices and investor expectations.

- Action:** Develop initiatives for the decarbonization of BB's financed emissions and investments.
- Indicator:** Measure scope 3 category 15 financed emissions (absolute and intensity) in relation to the 2023 fiscal year by June 30, 2024.
- Impacted SDGs:**

Sustainability culture

Challenge: Foster the sustainability culture through the implementation of policies, programs, commitments and actions that encourage a behavior change with BB's stakeholders.

- Action:** Foster a sustainability culture and recognize the sustainable performance and initiatives of BB employees and society.
- Indicator:** Include sustainability targets (reduction of energy and water, increase of ESG business, etc) in the induction instruments of all premises by December 31, 2024.
- Action:** Promote awareness-raising and the training of BB employees and Senior Management in sustainability.
- Indicator:** Assess the need to provide and/or update an educational solution to train employees on new opportunities related to environmental assets (carbon market, renewable energy, among others) and, depending on the need identified, implement them by December 31, 2024.
- Impacted SDGs:**

Customer relationship and satisfaction

Challenge: Promote financial education initiatives and solutions so as to contribute to the digital inclusion and financial decisions of BB's customers.

- Action:** Improve financial education initiatives with a view to expanding the knowledge about products and services.
- Indicator:** Improve the Financial Education Program for BB's customers and society (over-indebted, vulnerable, university students, among others) by June 30, 2024.
- Impacted SDGs:**

The commitments made with adherence to the TCFD were addressed in a specific context-specific Action Plan aligned with the company's strategy, Banco do Brasil's Environmental, Social, and Climate Responsibility Policy (PR SAC), the Sustainability Plan – BB Agenda 30 and the recommendations of the TCFD itself. The Action Plan (2021-2023) with 40 actions, was completed at the end of 2023.

Among the actions completed, regarding the theme "adaptation to physical climate risks", we highlight the following actions:

Define a system (flow and stakeholders) for monitoring and supervising the progress of goals related to climate change, seeking synergy with the ESG Panel, BB Sustainability Commitments and induction instruments.

- Develop a reporting process for periodic monitoring of physical risks related to agribusiness portfolios regarding the risk of climate change.
- To determine the exposure and significant concentrations of the Bank's portfolio from the perspective of climate, physical and transition risk, including geographic region and sector information.
- Determine the Bank's exposure to the location of its own physical facilities

and "for use" from the perspective of climate risk, including vulnerability analysis.

- To determine the Bank's exposure to suppliers from the perspective of climate risk, including vulnerability analysis.
- Develop a periodic process of specific analysis of climate risk for the Bank's largest credit exposures.
- Coordinate the process of elaboration of scenarios related to climate change, aiming to support the Corporate Strategy of Banco do Brasil (ECBB), in the various time horizons, as well as assess the resilience of strategic definitions.
- Establish dynamics for periodic discussion in the scenario forum in order to identify potential threats arising from climate risk.
- Develop analyses of the impact of scenarios related to climate change on BB's portfolio and on the sectors monitored.
- Coordinate the description of opportunities related to climate change on the business, strategy and financial planning of the organization, aiming at disclosure to the market.

- Coordinate the description of processes to manage risks related to climate change, including how they make decisions to mitigate, transfer, accept or control such risks, prioritizing climate-related risks, including how materiality is determined within the organization, aiming at disclosure to the market.

The results achieved with the commitments made and policies established are published in BB's Annual Reports, ESG Notebook, quarterly results disclosures and in the Social, Environmental and Climate Risks and Opportunities Report (GRSAC).





Financed Emissions



In line with our adherence to the Business Ambition for 1.5°C and supported by the SBTi¹⁰ sector guidelines, we have committed to emissions neutrality by 2050 and have a goal of reducing the intensity of emissions from our corporate loan portfolio¹¹ by 25% in 10 years, considering the base year of 2021.

The calculation of financed emissions follows the PCAF (partnership of carbon accounting financials) methodology, and the targets are established in the criteria of the Science-Based Targets Initiative (SBTi).

In 2023, from the revision of the short-term criteria for financial institutions, released by the SBTi, in May 2024, financed emissions reached 14.571 MtCO₂eq in a corporate loan portfolio of R\$130.059 billion, which is equivalent to an emission intensity of 0.1120 million tCO₂eq per R\$1 billion of loans granted.

¹⁰ Banco do Brasil has been following the construction of the Standard Conceptual Framework for Financial Institutions of the SBTi and as soon as the guidelines are published, it will submit its goals for validation.

¹¹ The Corporate Loan Portfolio is composed of loans to companies with annual revenues of more than R\$200 million and represented, in 2023, 42.32% of the Corporate Extended Loan Portfolio.

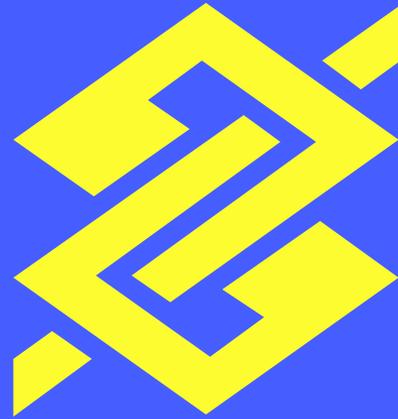
¹² The divestment provides for a phase of exposure reduction with the restriction of new operations with coal extraction companies; a transition phase, with an incentive to transition to thermoelectric power generation companies; and the Phase-out phase, starting in 2030, with the total divestment of companies with more than 15% of their revenue coming from coal-fired electricity generation. Customers with less than 15% of the revenue will only be financed projects not linked to coal.

For 2022, the emissions financed were 11.802 MtCO₂eq and 0.0957 million tCO₂eq per R\$ 1 billion of loans granted for emission intensity, and for 2021, the financed emissions reached 13.266 MtCO₂eq and 0.1181 million tCO₂eq per R\$ 1 billion of loans granted for emission intensity, representing a reduction in emissions intensity of 5.1% for the period 2021–2023, reaching the pre-established goal of 5%.

In addition, in line with its commitment to reduce financed emissions, Banco do Brasil commits to fully divest¹² its credit exposure and proprietary investments in coal by 2030, both for mining, power generation or associated infrastructure, both for new and existing projects.

Thus, deadlines and intermediate goals were established, with the following phases:

- Exposure Reduction Phase (2024–2025): no new lending to coal mining companies;
- Transition Phase (2024–2029): support for thermoelectric generation companies that wish to carry out the transition, prioritizing electricity generation from renewable sources;
- Divestment (Phase-Out until 2030): total divestment of its credit exposure and proprietary investments in coal, for mining, power generation or associated infrastructure, in new or existing projects.



BB Commitment
to Climate Change