

BANCO DO BRASIL – SUSTAINABLE FINANCE FRAMEWORK

Introduction

Banco do Brasil Overview

Banco do Brasil (BB) was the first bank founded in Brazil in 1808 and since has actively contributed to the development of Brazil. Today BB is one of Latin America’s largest banks and is present in 99.2% of Brazilian municipalities, servicing over 70,2 million customers at 4.356 branches.

BB is a publicly traded company controlled by the Brazilian Federal Government, which holds 50.0% of shares, as of 31/Dec/2019¹. The remaining shares are held by domestic (24.7%) and foreign investors (25.3%). The bank maintains high corporate governance standards, as it is part of *Novo Mercado* of the Brazilian Stock Exchange B3. It is also included in the Brazil’s Corporate Sustainability Index of B3 (ISE), the FTSE4 Good Index Series of the London Stock Exchange and the Dow Jones Sustainability Emerging Markets Index (DJSI), integrated in the DJSI’s “World” portfolio, reaching second place in the “Banks” sector. The bank also holds a Level 1 Seal, with maximum score, in the Governance Indicator of the Department of Coordination and Governance of State-Owned Companies (IG-SEST). The bank was also considered the most sustainable bank in the 100 global ranking of Corporate Knights in 2019, as announced during the World Economic Forum in Davos, Switzerland.

Banco do Brasil’s Sustainability Strategy and Governance

Banco do Brasil’s vision is *“to be the company that provides the best experience for people and that promotes society’s development in an innovative, efficient and sustainable way”*.

The bank’s sustainability strategy is focused on improving performance across its economic, social and environmental dimensions, since the generation of sustainable returns in the long term go beyond short-term financial issues and traditional risks.

Aligned with the global sustainable development agenda, Banco do Brasil enacted an action plan in 2005 promoting social and environmental responsibility. Until 2016, this plan was titled *Agenda 21 BB* in alignment with Agenda 21 Global, a commitment for this century that sought to promote actions that integrated economic growth, social justice and protection of the environment.

In 2019, the Banco do Brasil Sustainability Plan – *Agenda 30 BB* was updated for the seventh time, as presented in Appendix 1. This plan was inspired by the United Nations (UN) Sustainable Development Goals (SDG) launched in 2015, providing a global agenda for 2030 sustainable development targets.



¹ It does not consider treasury shares.

The BB's Board of Officers, with the opinion of the Executive Business Committee, approved the Sustainability Plan - *Agenda 30 BB* for the three-year period 2019 to 2021 with 50 actions to be developed, enhancing sustainability governance, promoting initiatives for social and financial inclusion in the context of the green economy and adopting sustainable projects and solutions. The actions were linked to addressing the 21 sustainability challenges identified by the organization and to those prioritized by BB's stakeholders when updating the *Agenda 30 BB*.

Practically all the strategic units of the Bank are involved in the execution of the actions included in the Sustainability Plan - *Agenda 30 BB*. Since 2008, the Board of Directors and the Executive Board has monitored the implementation of the actions through annual and semiannual meetings, respectively.

BB has a Risk and Capital Committee approved by the Board of Directors in 2017, to advise them in risk management, including environmental and social risk. The bank also created two sustainability-related strategic units: one directly linked to the CFO for corporate sustainability issues and another one for E&S risk management in the Risk Management Division.

In addition, it created a Sustainability Forum that gathers executives from BB and its corporate foundation - Fundação Banco do Brasil - aiming to support the process of incorporation, alignment and dissemination of the principles and practices of sustainability of BB; and to accompany the E&S initiatives and the implementation of the actions set forth in *Agenda 30 BB*. The Sustainability Forum holds quarterly meetings and is subordinated to the Executive Business Committee.

Indicators ranging from the strategic level to the operational level evaluate sustainability performance. The institution demonstrates its engagement to sustainability for example, by linking the variable compensation of management and employees to performance indicators of efficient use of resources (water, energy, paper) and products and services with a social focus (social businesses).

Banco do Brasil's Engagement to Low Carbon Agriculture and Forestry

Banco do Brasil is recognized as one of the main agents driving agribusiness development in Brazil, supporting the sector through all stages of its production chain and promoting sustainability.

Banco do Brasil is the main Brazilian agribusiness financing bank, with a market share of 59,3% as of June 2019² and the main lender of Low Carbon Agriculture Plan (ABC Plan)³, with a market share of 80% and the only one to use own capital to finance the ABC Plan⁴. The ABC Plan is one of strategies the Brazilian Government relies on to achieve the country's Nationally Determined Contributions (NDC)⁵. Banco do Brasil has played an important role in the launch of the program, disseminating it through meetings, speeches and communication materials.

² MD&A Q2 2019, available at <https://ri.bb.com.br/en/financial-information/results-center/>.

³ The ABC Plan is one of the sectorial plans elaborated in accordance with Article 3 of Decree No. 7,390/2010 and its purpose is to organize and plan the actions to be taken for the adoption of sustainable production technologies, selected with the objective of GHG emission reduction commitments in the agricultural sector assumed by the country. The sectorial plan is available at: <http://www.agricultura.gov.br/assuntos/sustentabilidade/plano-abc/arquivo-publicacoes-plano-abc/download.pdf>

⁴ Source: Annual Sustainability Report 2019.

⁵ Brazil's NDC comprises the commitment to reduce greenhouse gas emissions by 37% below 2005 levels in 2025 and by 43% below 2005 levels in 2030. In the agriculture sector, the country intends to strengthen the Low Carbon Emission Agriculture Program (ABC) as the main strategy for sustainable agriculture development, including the restoration an additional 15 million hectares of degraded pasturelands by 2030 and enhancing 5 million hectares of integrated cropland-livestock-forestry systems (ICLFS) by 2030.

BB has sustainability guidelines for credit operations that include specific actions for agricultural and forestry sectors, such as to require proof of legal and sustainable origin of forestry products through evidence of proper environmental licensing and to foster best practices required by certifications in agriculture and forestry.

Banco do Brasil's Engagement to Foster Renewable Energy in the Country

As one of the main financiers of the agribusiness sector in Brazil, Banco do Brasil understands the need of the different productive chains to accessible and clean energy. BB's Agri-energy Program focuses on reducing production costs, allowing self-sufficiency in energy generation in rural areas, technology transfer to the countryside, income stability for rural producers and businesses expansion via implementation of solar, biomass and wind micro or mini power plants. Banco do Brasil's actions to foster renewable energy in the country go beyond the primary sector. As of May 2019, the bank's project pipeline of renewable energy was BRL 6.3 billion in 1 small hydro, 4 solar and 8 wind power plants across the country, with a potential installed capacity of 1.7 GW.

In addition, BB provides credit for biofuel production, especially ethanol, stimulating best practices and certifications of crops, as well as protecting areas in accordance with the sugarcane agro ecological zoning and excluding new sugarcane areas in the Amazon, Pantanal and Alto Paraguai river basin biomes.

The year of 2018 marked BB's entry into the Free Energy Contracting Environment (ACL), also known as Free Market, which stimulates the expansion of renewable energy generation such as Small Hydropower Plants, Biomass, Wind and Solar. The contracting of energy supply by BB involved the three towers of the bank's headquarters buildings, in Brasília - Distrito Federal. In addition, 25 other units will migrate to the Free Market by 2020. Several actions were developed in 2018 to optimize energy consumption and costs, consequently, reducing GHG emissions, including: the energy contracting from distributed generation of solar energy to supply 88 branches in the State of Minas Gerais, and planned expansion for additional 100 branches in the same State; the implementation of an automated energy management system and the replacement of 600,000 lightbulbs for new LED models.

Banco do Brasil's Engagement Towards Social Projects

One of the key challenges of the bank's *Agenda 30 BB* consists in reinforcing its initiatives for productive development, entrepreneurship and promotion of social and financial inclusion, including social businesses.

As of December 2018, BB has a credit portfolio balance over BRL 108 billion in social projects and SME lending, including: governmental programs such as the *Minha Casa Minha Vida* (MCMV) providing affordable housing for low income segments; microcredit loans supporting micro entrepreneurs; the National Program for Rural Family Strengthening (*Pronaf*) supporting family farmers; the modernization of the productive system and the strengthening of the rural family producers (the program includes 12 types of credit lines, including financing for women in rural family productive activities and microcredit); the BB Accessibility Credit that aims at financing technological goods and services for persons with disabilities; and the FIES, a governmental program for higher education financing.

Rationale for Banco do Brasil's Sustainable Finance Framework

In alignment with BB's Environmental and Social Responsibility Policy (PRSA) and Sustainability Plan, the bank works to continuously develop financial solutions and business models that promote the transition to an inclusive green economy. In this context, Banco do Brasil aims to raise funds through green, social or sustainability bonds and loans and presents its Sustainable Finance Framework, which was developed in accordance with the Green Bond Principles⁶ (GBP), the Social Bonds Principles⁷ (SBP), the Sustainability Bonds Guidelines⁸ (SBG) and the Green Loan Principles⁹ (GLP) and its guidelines (2018 version):

- i. Use of Proceeds
 - a) Eligible Green Categories
 - Environmentally Sustainable Management of Living Natural Resources and Land Use
 - Renewable Energy
 - b) Eligible Social Categories
 - Affordable Housing
 - Micro and Small Financing and Microfinance
 - Socioeconomic Advancement & Empowerment
 - Access to Essential Services
- ii. Process for Project Evaluation and Selection
- iii. Management of Proceeds
- iv. Reporting

I. Use of Proceeds

Objectives

The financial sector plays an important role in the transition towards an Inclusive Green Economy¹⁰, directing financial flows to sectors having more environmental and socially positive impacts and mitigating risks from its operations. Since 2014, the Brazilian Banking Federation (FEBRABAN) has been working to measure how much capital has been invested by banks in Brazil to promote an Inclusive Green Economy.

In 2018, 15 Brazilian banks (including BB), responsible for 86.6% of loans for companies in the country, participated in the assessment of their contribution for a Green Economy¹¹. The results indicate that BRL 412 billion (27.6% of the total loans destined to companies in Brazil) were directed to the sectors related to a greener economy. Sustainable agriculture (25.0%) and renewable energy (24.6%) were the most financed sectors.

In 2018, BB contributed BRL 189.6 billion to the Green Economy, according to Febraban's methodology. BB's low carbon agriculture¹² portfolio reached BRL 43.5 billion; sustainable

⁶ Available at: <https://www.icmagroup.org/green-social-and-sustainability-bonds/green-bond-principles-gbp/>

⁷ Available at: <https://www.icmagroup.org/green-social-and-sustainability-bonds/social-bond-principles-sbp/>

⁸ Available at: <https://www.icmagroup.org/green-social-and-sustainability-bonds/sustainability-bond-guidelines-sbg/>

⁹ Available at: <https://www.lma.eu.com/documents-guidelines/documents/category/green--sustainable-finance#>

¹⁰ The United Nations Environmental Program (UNEP) defines "Green Economy" as a structure that enhances society's well-being and promotes equality, at the same time that reduces environmental risks and ecological scarcity, using lower carbon emissions, natural resources use efficiency and social inclusion as pillars. Renewable energy, energy efficiency, sustainable construction, sustainable transportation, water, fishing, forestry, sustainable agriculture, agribusiness, waste management, education, health, productive inclusion, and regional development are the sectors considered in the path for a Green Economy.

¹¹ Available at: <https://cmsportal.febraban.org.br/Arquivos/documentos/PDF/MENSURACAO%20DE%20RECURSOS%20-%20AGOSTO%202018.pdf>

¹² Defined as per the governmental ABC Plan.

agriculture practices¹³, BRL 50.9 billion; social products¹⁴, BRL 63.9 billion; and BRL 31.1 billion for other operations.

As one of Latin America’s largest banks, Banco do Brasil aims to contribute decisively to Brazil’s transition towards a Green Economy. This Sustainable Finance Framework marks one of the bank’s efforts to diversify its funding possibilities to finance environmentally and socially positive projects.

Eligible Categories

This section presents the categories of eligible assets that generate environmental and social benefits that can constitute a basis for green/social/sustainability bonds and loans raised by BB.

Any green/social/sustainability bond or loan raised by Banco do Brasil will be based on the current green and social credit portfolio and new projects that adhere to the practices established by this framework. We also highlight that the selected projects to be financed with proceeds from BB’s green/social/sustainability bonds and loans should contribute to one or more of the UN’s SDGs.

Nevertheless, it is important to underline that the contributions to the SDGs indicated in this framework imply the projects support, in some extent, the achievement of some of its respective targets and do not intend to fulfill the objective entirely by themselves.

a) Green Categories

Green Projects should fit into one of the following categories of the Green Bond Principles (GBP) 2018 and the Green Loan Principles (GLP) 2018: “Environmentally Sustainable Management of Living Natural Resources and Land Use” – including climate change adaptation projects – and “Renewable Energy”. The following types of projects and technologies will compose BB’s green credit portfolio.

GBP/GLP categories	Types of eligible assets	Definition	Environmental benefits	
Environmentally Sustainable Management of Living Natural Resources and Land	No-till farming systems	No-till farming systems investments	<ul style="list-style-type: none"> • Biodiversity preservation and protection of terrestrial ecosystems • Climate change mitigation • Soil erosion reduction • Water pollution prevention 	
	Low Carbon Agriculture (contributing to the ABC Plan)	Soil recovery and restoration		Soil recovery and restoration of degraded pasture investments
		Integrated cropland-livestock-forestry systems and Agroforestry systems		Integrated forest, pasture and crops systems using with sustainable forest management practices

¹³ Defined in accordance with UNEPFI Green Economy definition.

¹⁴ Defined in accordance with UNEPFI Green Economy definition.

	Biological Nitrogen Fixation	Processes that transform atmospheric nitrogen in assimilable forms for plants by microorganisms	• Resilience and adaptive capacity to climate-related hazards and natural disasters
	Animal Waste Treatment	Biodigestion and composting of animal waste, including energy generation	
	Other projects	Adaptation of productive systems and projects in the ecological buffering of climate impacts and risk management in agriculture, including water or microclimate management, such as drip irrigation and protected agriculture, and weather monitoring systems, vulnerabilities mapping and modelling ¹⁵	
	Forestry	Commercial forests and sustainable forest management certified by FSC or PEFC; and recovery of legal reserve, riparian forests and environmental preservation areas	
Renewable Energy	Solar Power Plants	Construction, development, operation and maintenance of solar-powered electric energy generation plants ¹⁶	• Climate change mitigation • Air pollution reduction
	Wind Power Plants	Construction, development, operation and maintenance of	

¹⁵ Except for vulnerabilities mapping and modelling projects already eligible, adaptation needs for project eligibility in this category will be assessed based on the AdaptaClima governmental tool (<http://adaptaclima.mma.gov.br>).

¹⁶ Includes electric energy generation units up to 75 KW (micro generation) or between 75 KW – 5 MW (mini generation) under a distributed energy system, as defined by Resolution nº 482/2012 from the National Agency for Electric Energy (ANEEL). Available at: <http://www2.aneel.gov.br/cedoc/bren2012482.pdf>.

	wind-powered electric energy generation plants ¹⁷
Biomass Power Plants	Construction, development, operation and maintenance of waste biomass (residues) to electricity ¹⁸
Associated Equipment	Installation of necessary equipment systems and technology for the implementation of the micro or mini generators, including dedicated transmission infrastructure.
Biofuels	Ethanol production ¹⁹ in compliance with: <ul style="list-style-type: none"> a. Sugarcane Agroecological Zoning²⁰ b. BONSUCRO or Greenhouse gases (GHG) emissions threshold established by Climate Bonds Initiative's Bioenergy criteria²¹ and the GHG calculation methodology adopted by RenovaBio²² (RenovaCalc).

Low Carbon Agriculture

Appendix 2 presents a description of the agricultural techniques and its benefits. Examples of the types of crops that benefit from low carbon agriculture techniques include: soy, corn, wheat, beans, apple, yucca, garlic, rice, oat, potato, coffee, barley, grass, hay, orange and sugarcane (in accordance with the Sugarcane Agroecological Zoning, instituted by Decree 6.961 of 09/17/2009 and with BONSUCRO). Examples of types of activities related to soil recovery and restoration include: poultry, swine, cattle, goat, horse and buffalo breeding.

¹⁷ Includes electric energy generation units up to 75 KW (micro generation) or between 75 KW – 5 MW (mini generation) under a distributed energy system, as defined by Resolution nº 482/2012 from the National Agency for Electric Energy (ANEEL). Available at: <<http://www2.aneel.gov.br/cedoc/bren2012482.pdf>>.

¹⁸ Includes electric energy generation units up to 75 KW (micro generation) or between 75 KW – 5 MW (mini generation) under a distributed energy system, as defined by Resolution nº 482/2012 from the National Agency for Electric Energy (ANEEL). Available at: <<http://www2.aneel.gov.br/cedoc/bren2012482.pdf>>.

¹⁹ Ethanol production fully compliant with the Brazilian Forest Code, that do not compete with food production neither deplete existing terrestrial carbon pools, mainly sugarcane ethanol originated from plantations with mechanized harvest, that do not employ pre-harvest burning practices, that are in compliance with Sugarcane Agroecological Zoning, instituted by Decree 6.961, of 09/17/2009.

²⁰The sugarcane Agroecological Zoning aims at supporting the development of public policies and the sustainable production of the crop in the Brazilian territory, limiting potential lands for crop expansion mainly to pastures lands. The agroecological zoning is based on soil, climate and crop data that is collected, systematized and incorporated into agrometeorological, geoprocessing and remote sensing models and digital processing techniques.

²¹ <https://www.climatebonds.net/files/files/Bioenergy%20Criteria%20Document%20July%202019%20-%20Phase%201.pdf>

²² Created by Law 13.576/2017, RenovaBio is the new Biofuel National Policy to foster biofuel production based on environmental, social and economic sustainability, aiming at GHG emissions reductions in the country.

Activities in this category that can be financed include: elaboration of technical project, georeferencing of rural area and environmental regularization, technical assistance, biofertilization, soil recovery, acquisition of seeds and seedling for pasture and forests, relocation of roads within private properties for environmental adequacy, inputs acquisitions and services for project implementation and maintenance, acquisition, transportation, application and incorporation of agricultural rectifiers (limestone and others), delimitation and building of terraces and implementation of conservationist soil practices, acquisition of national machinery, construction and modernization of rural property, and labor expenses linked to the main investment financing²³. The ABC Plan financed activities do not contemplate expansion or opening of farming areas.

Renewable Energy

The renewable energy projects include micro and mini power generation for the primary sector (Agri-energy credit lines) and power generation for industry, commerce, services and households, including associated equipment and technology for their proper functioning. Dedicated transmission lines to connect these renewable energy powerplants to the national grid system and projects that support the expansion of production of sustainable biofuels are also considered.

Investments for the purchase and implementation of micro and mini generators for agricultural and livestock activities, including associated equipment and technology for their proper usage and other installation costs, are covered by this category. BB's Agri-Energy Program comprehend financial operations in credit lines such as "Pronaf Eco", "Pronaf Agroindústria", "Prodecoop", "Inovagro", "Investe Agro", "Pronamp Investimento" and "FCO Rural Investimento Agropecuário".

b) Social Categories

Social Projects should fit into one of the following categories of the Social Bond Principles (SBP): "Affordable housing", "Employment Generation Including through the Potential Effect of SME Financing and Microfinance", "Socioeconomic Advancement and Empowerment" and "Access to essential services". The following types of projects will compose BB's social credit portfolio.

SBP Categories	Types of Eligible Assets	Definition	Social Benefits
Affordable Housing	Affordable Housing	Housing units included in the governmental program <i>Minha Casa Minha Vida</i> for families with monthly income up to BRL 7,000 ²⁴	• Safe and affordable housing

²³ The Rural Credit Manual (*Manual de Crédito Rural - MCR*) allows for the financing of other types of investments in rural activities within established limits of the total amount financed: <https://www3.bcb.gov.br/mcr/manual/09021771806f5013.pdf>

²⁴ Equivalent to USD 3,500 (2018's PPP, available at <https://data.oecd.org/conversion/purchasing-power-parities-ppp.htm>) and to seven times the 2019's minimum wage (R\$ 998).

SME Financing and Microfinance	Micro and Small Enterprise Financing and Financial Inclusion	Companies, cooperatives and institutions with annual revenues up to BRL 5 Million ²⁵	<ul style="list-style-type: none"> • Employment generation • Financial inclusion
Socioeconomic Advancement & Empowerment	Family Rural Production	Small rural producers with annual revenues up to BRL 415,000 ²⁶ in selected subprograms such as ²⁷ : <i>Pronaf Mais Alimentos, Pronaf Agroindústria Familiar, Pronaf Cotas-Partes, Pronaf Mulher - agricultores familiares, Pronaf Agroecologia, Pronaf Eco and Pronaf Eco - Dendê²⁸/Seringueira</i>	<ul style="list-style-type: none"> • Empowerment and socioeconomic advancement of low-income rural communities and women • Food security
	Accessibility Technology	Technological goods and services for persons with disabilities ²⁹	<ul style="list-style-type: none"> • Empowerment and socioeconomic advancement of persons with disabilities
Access to Essential Services	Healthcare Facilities and Equipment	Health clinics and dentistry facilities and equipment located in municipalities with human development index (HDI) below the total of Brazilian municipalities' HDI average ³⁰	<ul style="list-style-type: none"> • Access to health services

II. Process for Project Evaluation and Selection

The selection of projects that will constitute the institution's portfolio backing green / social / sustainability to verify the adherence of projects to the Framework project's eligibility categories; the evaluation of the environmental and social benefits of the projects and the alignment with the social and environmental responsibility policy and exclusion criteria of the Institution will be carried out by the management areas of the Sustainable Finance Framework, being the Finance Division and the Investor Relations Unit and Sustainability and other Strategic Units, as needed. The deliberation of these subjects will occur, at least, in the Unit's'

²⁵ According IFC's definition of micro and small companies, the annual revenue threshold for this segment is USD 3 million (https://www.ifc.org/wps/wcm/connect/industry_ext_content/ifc_external_corporate_site/financial+institutions/priorities/ifcs+d+efinitions+of+targeted+sectors)

²⁶ As established by the governmental Rural Credit Manual.

²⁷ The selected subprograms are financed with Banco do Brasil's own funding.

²⁸ Credit approval is subject to compliance with ZARC (Climate Risk Agricultural Zoning), determined by the Ministry of Agriculture since 1996 with approved methodology by EMBRAPA (Brazilian Agricultural Research Corporation).

²⁹ Financing of wheelchairs, hearing aids, orthosis, prosthesis, walkers, housing adaptations and other Technologies for disability assistance.

³⁰ According to Brazil's latest HDI Report, the HDI municipalities average was 0.659 in 2010 (Source: <http://www.br.undp.org/content/brazil/pt/home/idh0/rankings/idh-global.html>)

Committees of Management, composed by Executive Managers and Directors, or in Strategic Collegiate of BB (superior instance).

The actions and results of the Sustainable Finance Framework will be monitored, periodically, by the BB Sustainability Forum, composed of Executive Managers from several Strategic Units. In turn, semi-annual accounts are given for the matters discussed in the Sustainability Forums to the Executive Business Committee and to the Board of Officers.

The Sustainable Finance Framework is approved by the Executive Business Committee, composed of BB's Vice Presidents and Directors.

Portfolio Categorization

BB has a credit portfolio funded by direct deposits and other treasury instruments that covers several items highlighted in section I (Use of Proceeds). The financing lines with which the bank currently works and others that may arise can finance projects that compose its portfolio of sustainable projects, provided that they meet the eligibility, categorization and evaluation criteria established in this document.

The proceeds raised through green/social/sustainability bonds or loans will be allocated to (i) reimbursement of projects originated before any issuance, considering the remaining balance of the contract originated up to 24 months prior to issuance; and (ii) projects that will be financed by BB after any issuance, up to the total amount of the financing.

Environmental and Social Risk Management

BB's Environmental and Social Risk Management (ESMS) is in compliance with the requirements of CMN Resolution 4327/2014 and Febraban's self-regulatory norm SARB 14/2014, and has the objective to identify, measure, mitigate and monitor the direct and indirect risks related to E&S issues of the Bank's processes, products and businesses.

In addition, the bank has developed sustainability guidelines for lending to agribusiness and forestry activities³¹ as well as electric energy.³² The guidelines observe environmental, labor, health and safety legislation and adoption of best practices, such as water, soil and forestry sustainable management, rational use of pesticides and care for animal well-being for the agricultural sector and fostering a low-carbon economy and providing special conditions to renewable energies for the electric sector.

For agricultural operations, the bank is also required by law to demand the Rural Environmental Registry (CAR)³³ of farmers in order to provide credit. The CAR is a mandatory electronic registry for all rural properties with the goal of building a strategic database for the control, monitoring and remediation of deforestation in Brazil, as well as for environmental and economic planning of rural properties. The producer also informs the polygonal of the financed area and the bank sends this information to the Central Bank of Brazil for area and credit control.

³¹ <https://www.bb.com.br/docs/pub/siteEsp/uds/dwn/agronegocio.pdf>

³² <https://www.bb.com.br/docs/pub/siteEsp/uds/dwn/energia.pdf>

³³ The Rural Environmental Registry (CAR), created by Law 12,651/12 (the Forest Code), includes data of the owner or person directly responsible for the rural property, the georeferenced map of the perimeter of the property, areas of social and public utility, information on the location of remnants of native vegetation, consolidated areas, Permanent Preservation Areas (APP), Areas of Restricted Use (AUR) and Legal Reserves (RL). The CAR is managed by Brazilian Forest Service – SFB, a Government agency responsible to manage public forests, with the mission to promote knowledge, sustainable use and expansion of forest cover, making the forest agenda strategic for the country's economy. Its duties include supporting the implementation, management and integration of the Rural Environmental Registry (CAR) databases.

For investment projects defined within the ABC Plan and other lines that withhold resources that fall into the Renewable Energy category for agriculture (Agri-energy), the bank has internal procedures of project evaluation that comprises a technical review by qualified agronomists who are BB employees. For energy projects, BB incorporates social and environmental mitigation and compensation measures to the financing conditions according to the operation's size and impacts.

BB has also internal guidelines for controversial activities, listed in Appendix 3, restricting financing to activities as follows:

- **Excluded Activities:** activities that do not abide to the law or the principles and values of Banco do Brasil, in which the bank does not invest or finance;
- **Restricted activities:** activities that have environmental impacts and that require impact assessment studies (EIA and RIMA) in its process of licensing, as well as the environmental license;
- **Alert list:** activities that present potential environmental impact and are subject to environmental licensing (CONAMA Resolution 237/1997) and additional requirements by the Brazilian States.

BB is the only bank that joined the Soybean Moratorium, a multi-stakeholder agreement to avoiding the commercialization of soybeans from deforested areas of the Amazon biome. The bank is also a member of the Brazilian Round Table on Sustainable Livestock (GTPS) and signatory of the PRI, Equator Principles, UN Global Compact, Anti-Slavery Pact, and Carbon Disclosure Project.

Given the existence of E&S risk procedures, projects classified as low E&S risk will automatically be eligible if they fall within one of the categories of section I, while higher risk projects will have to be evaluated individually by the Sustainable Finance Framework Management Areas.

Exclusionary Criteria

Projects or credit operations that fall into one or more exclusion criteria described below cannot be allocated to the green/social/sustainability bonds and loans by Banco do Brasil:

- Working capital lending;
- On-lending credits using funds from Development Banks and Multilateral Agencies;
- Credits that have been allocated to other funding sources, such as Multilateral Agencies;
- Projects with first disbursement before 24 months prior to issuance;
- Projects whose financing maturity is in the same year of issuance;
- Tobacco and cotton crops;
- Firearm weapons production or trade;
- Alcohol production or trade;
- Activities or production on the lands owned, or claimed under adjudication, by Indigenous People, without full documented consent of such peoples;
- Production of wood or other forestry products other than from certified sustainably managed forests;
- Businesses directly linked to fossil fuel and tobacco production, distribution or commercialization;
- Agricultural activities in municipalities located in the Amazon biome;

- Soy production in municipalities located in the MATOPIBA region³⁴.

In addition, according to BB's guidelines for controversial activities, the following cannot be financed:

- Companies that have legal restrictions or affect the bank's reputation;
- Activities that are proven to practice sexual exploitation of under-aged people and/or child labor;
- Gambling;
- Clients that submit workers to degrading working conditions or maintain them in conditions similar to slavery;
- Sugarcane plantation for ethanol production and other derivatives located in areas prohibited by the Sugarcane Agro-ecological Zoning or new sugarcane areas after October 28th, 2009 in the Amazon and Pantanal biomes or the Alto Paraguai basin.

III. Management of Proceeds

Funds raised from green/social/sustainability bonds and loans by Banco do Brasil will be managed by the Bank's Finance Division to finance new or existing projects. The proceeds will be received in the Bank's cash account and kept, until the actual allocation, in this account and/or high liquidity and low risk instruments, such as government bonds. The proceeds, in any case, will not be used in investments that are not considered to be aligned with green/social/sustainability bonds and loans goals, as per the eligibility and exclusionary criteria of this Framework.

We reiterate that proceeds obtained from any green/social/sustainability bond or loan will be used exclusively to finance projects that meet the eligibility criteria described in this document. In addition, the allocation of proceeds used will be reviewed by annual external audit.

The bank currently has internal procedures for managing and marking operations backed by governmental funds. Similar procedures will be used for marking the green/social/sustainability bonds and loans portfolios. The tracking of projects and accounts backing these bonds and loans will be executed by the Strategy and Organization Division that will keep an updated database including account number, client name, use of proceeds, contracted amount, amount outstanding, loan maturity and other information to record the allocation of proceeds.

The monitoring process will ensure that the total funding required for eligible projects is greater than the outstanding principal amounts due on green/social/sustainability bonds and loans and that eligible projects are not securing other 'use of proceeds' obligations.

The bank has internal procedures to verify the allocation of proceeds to designated projects that involves field credit audit performed by a specialized technician of the bank.

BB aims to fully allocate the proceeds from each issuance or loan within 18 months.

³⁴ Defined as per the official order of the Ministry of Agriculture, Livestock, and Food Supply - Portaria 244/2015 available at <http://pesquisa.in.gov.br/imprensa/jsp/visualiza/index.jsp?data=13/11/2015&jornal=1&pagina=8&totalArquivos=336>

IV. Reporting

Allocation Report

Banco do Brasil will annually disclose the use of proceeds of issued green/social/sustainability bonds and loans until their redemption, indicating:

- The number of beneficiaries;
- The average loan amount;
- The disbursement amount for each green/social/sustainability category that composes the portfolio;
- The amount of unallocated proceeds;
- The regional distribution of proceeds.

The report will also demonstrate whether proceeds have been allocated to existing projects in the green/social/sustainability portfolio at the date of issuance or in projects contracted at a later date. The annual reported values and allocations will be validated by external audit. The report will be available at BB's IR website (www.bb.com.br/ir).

Impact Report

Banco do Brasil will also report annually the aggregated impacts per use of proceeds category, presenting selected indicators and relevant case studies when available. Greenhouse gases reductions or capture and other environmental or social benefits will be estimated with proper methodology disclosed. The outcome and impact indicators will be selected from the list below.

Eligible category		Eligible Assets	Output Indicators	Impact Indicators
Green	Environmentally Sustainable Management of Living Natural Resources and Land Use	No-till farming systems	<ul style="list-style-type: none"> • Farming area subject to sustainable practices (ha) • Number of benefited producers 	<ul style="list-style-type: none"> • GHG avoided (t CO₂ eq.)
		Soil recovery and restoration	<ul style="list-style-type: none"> • Soil and pasture recovered area (ha) • Number of benefited producers 	<ul style="list-style-type: none"> • GHG captured (t CO₂ eq.)
		Integrated cropland-livestock-forestry systems and Agroforestry systems	<ul style="list-style-type: none"> • ISLFS/AFS area (ha) 	<ul style="list-style-type: none"> • GHG captured /avoided (t CO₂ eq.)
		Biological Nitrogen Fixation	<ul style="list-style-type: none"> • Reduction in fertilizer consumption (t) 	<ul style="list-style-type: none"> • GHG avoided (t CO₂ eq.)
		Animal Waste Treatment	<ul style="list-style-type: none"> • Treated waste (t) • Generated biogas (m³) • Generated biofertilizer (t) 	<ul style="list-style-type: none"> • GHG avoided (t CO₂ eq.)
		Forestry	<ul style="list-style-type: none"> • Forest area (ha) 	<ul style="list-style-type: none"> • GHG captured

				(t CO ₂ eq.)
		Other projects	<ul style="list-style-type: none"> • Benefited farming area (ha) 	<ul style="list-style-type: none"> • Avoided financial losses
	Renewable Energy	Solar, wind, biomass	<ul style="list-style-type: none"> • Renewable energy installed capacity (MW) 	<ul style="list-style-type: none"> • GHG avoided (t CO₂ eq.)
		Biofuel	<ul style="list-style-type: none"> • Biofuel production volume (m³) 	<ul style="list-style-type: none"> • GHG avoided (t CO₂ eq.)
Social	Affordable Housing	Affordable housing	<ul style="list-style-type: none"> • Number of residencies financed 	<ul style="list-style-type: none"> • Number of beneficiaries
	SMEs Financing	Micro and small enterprise financing and financial inclusion	<ul style="list-style-type: none"> • Number of beneficiaries 	<ul style="list-style-type: none"> • Estimated number of jobs supported
	Socioeconomic Advancement & Empowerment	Family rural production	<ul style="list-style-type: none"> • Number of benefited producers • Number of women producers financed 	<ul style="list-style-type: none"> • Estimated annual revenue generated for rural families
		Accessibility technology	<ul style="list-style-type: none"> • Number of equipment financed 	<ul style="list-style-type: none"> • Number of beneficiaries
	Access to Essential Services	Healthcare facilities and equipment	<ul style="list-style-type: none"> • Number of healthcare units financed 	<ul style="list-style-type: none"> • Estimated number of beneficiaries

External Review

A recognized Second-Party Opinion (SPO) provider will review BB's Sustainable Finance Framework. The SPO will be published in the institution's investor relations' website (www.bb.com.br/ir). The bank will also receive post-issuance assurance by a recognized service provider. The post issuance report will be published within 12 months of the issuance of bonds and/or loan approval and annually until the end of maturity in BB's IR website.

APPENDIX 1 – Agenda 30 BB Challenges in Sustainability

PROSPERITY	PARTNERSHIP	PEOPLE	PLANET	PEACE
Challenge 1: Align Banco do Brasil's governance with best practices in order to strengthen the role of senior management in the sustainability strategy.	Challenge 6: strengthen the Banco do Brasil initiatives that promote productive development, entrepreneurship and social and financial inclusion, including social business.	Challenge 9: ensure greater proportionality of gender and racial representation in all hierarchical levels of Banco do Brasil.	Challenge 14: develop financial solutions and business models that promote the transition to a green and inclusive economy.	Challenge 18: develop socio-environmental due diligence process (including human rights and labor practices) to assess impacts of Banco do Brasil's operations and business relations.
Challenge 2: identify and manage non-financial and emerging medium and longterm risks that could have significant impacts on Banco do Brasil's business.	Challenge 7: strengthen sustainability management in Entities Linked to Banco do Brasil.	Challenge 10: strengthen sustainability education and awareness for the internal public and society.	Challenge 15: improve governance and management of risks and opportunities relating to climate issues.	Challenge 19: improve Banco do Brasil's sustainability performance management and reporting processes.
Challenge 3: identify innovations in the financial sector (business models and technologies) and anticipate trends to guarantee Banco do Brasil's continuity and longevity.	Challenge 8: Improve Banco do Brasil's guiding role in financial education.	Challenge 11: Improve the variable remuneration model for employees, including senior management, broadening The socio-environmental criteria and contemplating individual performance.	Challenge 16: improve the Environmental Management System EMS and ecoefficiency practices in order to reduce Banco do Brasil's ecological footprint.	Challenge 20: improve integration between Private Social Investment and business strategy
Challenge 4: improve customer relationship		Challenge 12: strengthen Banco do Brasil's	Challenge 17: improve socioenvironmental risk	Challenge 21: Guarantee transparency in

<p>management and increase the satisfaction and retention rates.</p>		<p>actions in relation to human capital, including health, safety and wellbeing management, development and retention of talent.</p>	<p>management in the supply chain, in lending, in financing, in own investments, and in third-party asset management, while also considering controversial issues.</p>	<p>communication and in sales of products and services.</p>
<p>Challenge 5: improve Banco do Brasil's tax strategy management , with a focus on governance, tax risks, and transparency.</p>		<p>Challenge 13: strengthen the work of Banco do Brasil in relation to ethics and practices to combat corruption, unlawful acts and money laundering.</p>		

APPENDIX 2 – Low Carbon Agriculture Techniques

No-till Farming Systems

According to the Brazilian Agricultural Research Agency (Embrapa), no-till farming systems (Sistema de Plantio Direto) are characterized by a set of technologies, processes, products and services that provides a lesser degree of disturbance in the productive agricultural system, when compared to other forms of management that employ soil mobilization. It is based on the diversification of species, less soil mobilization (only in the sowing line or pit), permanent maintenance of soil cover and minimization of the interval between harvest and sowing, aiming to establish the continuous harvest-sowing process. This technique requires fewer machines and equipment, less labor power and less fossil energy and favors the biological activity of the soil and the biological control of pests, diseases and weeds. In addition, it virtually eliminates erosion, improves fertilizer use, increases flocculation and soil aggregation, and reduces organic matter decomposition, establishing synchronization between nutrient availability and the growth of life forms present in soil.

According to the Portfolio of Good Agricultural Practices – Water Brazil Program (Banco do Brasil and WWF, 2015), no-till farming systems provide the following benefits:

- Reduction of soil loss by erosion, since it is protected by a layer of straw. The straw makes the water seep into slowly and prevents silting;
- Conservation and increase of organic matter content in the soil by reducing plowing and grilling and providing an accumulation of organic matter. Associated with this, when the straw is maintained, the degradation of this material increases the soil fertility content;
- Conservation of water in the system, since the straw decreases evaporation;
- Lower soil temperature because it is not exposed to radiation even at warmest times of the day;
- Reduced production cost, mainly of due to the decrease in plowing, grading and labor used in these processes;
- More time to sow, since the soil is kept moist by longer time after raining;
- Greater stability and balance of physical, chemical and biological properties of soil, since it is less mobilized;
- Productivity increase associated with higher moisture, mainly during of prolonged drought;
- Increase in carbon storage in the soil.

Soil Recovery and Restoration of Degraded Pasture

Soil fertilization and correction are fundamental for the national agribusiness to reach the necessary productivity to produce food without opening new areas. In livestock farming, liming and soil repair practices, combined with good management of pasture and fertilization, allow longer pasture longevity and increase in the production of meat and milk per hectare. It is estimated that, for each hectare recovered pasture, about two hectares are preserved from deforestation³⁵.

Benefits of the activity include:

- Improvement of fodder production;
- Improvement in milk or meat production;
- Soil conservation and erosion prevention, with better soil cover;
- Decrease in pressure to expand pasture productive areas;
- Reduction of erosive processes, because it improves the soil cover.

³⁵ <https://www.infoteca.cnptia.embrapa.br/infoteca/bitstream/doc/1042092/1/DOCUMENTOS418.pdf>

Integrated Cropland-livestock-forestry Systems (ICLFS) and Agroforestry Systems (AFS)

The Brazilian Agricultural Research Agency (Embrapa) defines Integrated Cropland-livestock-forestry Systems as production systems that integrate trees, pasture and crops in either rotation, combination or succession in one same area.³⁶

Agroforestry systems are defined as systems with collective use of land, with woody perennials (like trees, shrubs, palms and others) and agricultural crops and/or animals. This can happen with only crops and forestry (agrosilvicultural systems); forestry and animals (silvopastoral systems) or the three elements combined (agrosilvopastoral systems). Thus, agroforestry systems are comprised in the Integrated Cropland-livestock-forestry Systems concept.³⁷

Benefits of the activity include:

- Recovery of degraded areas and the ability to exploit the soil economically all year long;
- Reduces the need for deforestation and favors increase in grain, meat and milk yield at lower costs because of the combined effect of the activities;
- Reduction of methane emissions through bovines, due to trees aid in emission neutralization;
- Reduction of nitrous oxide due to reduced need for fertilization and tillage.

Biological Nitrogen Fixation

According to Embrapa, Biological Nitrogen Fixation is a process that transforms atmospheric nitrogen in assimilable forms for plants, a mechanism that can be used to obtain nitrogen for plant nutrition. The process is carried out by microorganisms with the enzyme nitrogenase, transforming nitrogen in water soluble ammonia absorbed by plants. The use of the technique reduces nitrous oxide (GHG) emissions, due to more effective fertilization and reduced fertilizer use.³⁸

Animal Waste Treatment

Animal Waste Treatment combines techniques such as biodigestion and composting. The biodigestion of the waste, conducted by microorganisms in an environment without oxygen, results in biofertilizer and biogas. The latter can be combusted to further reduce its warming potential (further reducing the amount of methane in its composition) with an open or confined flare, or used to generate energy. The composting of the waste, also conducted by microorganisms but in an environment with oxygen, results in compost (nutrient-rich soil-additive) and biofertilizer. The techniques provide reduction of the waste's GHG emissions and polluting potential and reduction of use resources for fertilization.³⁹

³⁶ <https://www.embrapa.br/en/tema-integracao-lavoura-pecuaria-floresta-ilpf/nota-tecnica>.

³⁷ <http://www.fao.org/forestry/agroforestry/80338/en/>

³⁸ <https://www.embrapa.br/en/tema-fixacao-biologica-de-nitrogenio>





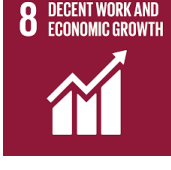

³⁹ <https://www.embrapa.br/documents/1355242/0/Biog%C3%A1sFert+-+Tecnologias+para+o+tratamento+de+res%C3%ADduos+de+animais.pdf>






APPENDIX 3 – Environmental and Social Controversial Activities Procedures

Excluded Activities	Restricted Activities	Alert List
<p>Activities that do not abide to law or principles and values of Banco do Brasil, in which the bank does not invest or finance.</p> <ol style="list-style-type: none"> 1. Companies with legal restrictions and/or which may harm the bank's image. 2. Companies with evidences of sexual exploration of minors, and/or child labor exploration. 3. Clients that maintain their employees in degrading labor conditions and similar to modern slavery 4. Clients connected with betting, gambling and/or speculative and unregulated games 5. Planting, renovation and defrayal of tillage or sugar cane industrial processing to produce ethanol and other sugar cane byproducts at: <ul style="list-style-type: none"> • Prohibited areas according with the agro ecological zoning of sugar cane; • New areas of sugarcane from October 28, 2009 in the 	<p>Activities that have environmental impacts and that require impact assessment studies (EIA and RIMA) in its process of licensing, as well as the environmental license.</p> <ol style="list-style-type: none"> 1. Roads with two or more traffic lanes. 2. Railways. 3. Ports and freight terminals of ore, oil and chemical products. 4. Airports according to the subsection I, article 48, from Decree-law 32 of November 18, 1966. 5. Oil pipeline, gas pipeline, slurry pipeline, collection trunk and sanitary sewages pipelines. 6. Electrical transmission lines above 230 kW. 7. Hydraulic Works to explore hydric resources like hydroelectric dam, above 10 MW, sanitation or irrigation, opening of shipping channel, drainage and irrigation, correction of waterways, opening of bars and mouth, basins transposition, dykes. 8. Fossil fuel extraction (oil, shale, coal) 9. Ore mining, including class II defined in the mining code 10. Landfills, processing, and final destiny of toxic and hazardous waste 11. Electricity generation plant, whatever is the primary energy source, above 10MW 12. Industrial and Agro industrial sites and units (petrochemical, steel, chlorochemical, alcohol 	<p>Activities that present potential environmental impact and are subject to environmental licensing (CONAMA Resolution 237/1997) and additional requirements by the Brazilian States.</p> <ol style="list-style-type: none"> 1. Extraction and treatment of minerals 2. Non-metallic minerals industry 3. Mechanic/metallurgical industry 4. Communication, electrical and electronic industry 5. Transport material industry 6. Wood, paper and cellulose industry 7. Rubber/leather and fur industry 8. Chemical industry 9. Plastic products industry 10. Textile, clothing, shoe and fabric artefacts industry 11. Food and drink industry 12. Smoke industry 13. Manufacturing of concrete/asphalt and electroplating services. 14. Civil Works 15. Utility service 16. Transport, terminals and storage 17. Tourism 18. Various activities (land, district and industrial hub subdivision) 19. Farming activities 20. Use of natural resources: forestry/wood, exotic fauna/wild fauna/ natural genetic patrimony/living aquatic/exotic species or genetically modified, biological diversity by biotechnology.

<p>Amazon, Pantanal and <i>Alto Paraguai</i> river basin biomes.</p>	<p>distilleries, coal, extraction and cultivation of hydric resources)</p> <ol style="list-style-type: none"> 13. Industrial districts and strictly industrial zones (ZEI) 14. Economic timber and firewood harvesting, in areas above 100 hectares or smaller - when it affects relevant environmental interest areas in percentage terms or importance by the environmental point of view. 15. Urban projects above 100 hectares or in areas considered relevant by the environmental point of view (IBAMA and other local agencies criteria) 16. Any activity that uses vegetal coal, derivatives or similar products in quantities exceeding 10 tons 17. Agricultural projects covering areas over 1000 hectares 	
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APPENDIX 4 – SDG and Specific Targets Supported by the Sustainable Finance Framework

SDG	Specific targets supported by eligible projects	Eligible Category
 <p>1 NO POVERTY</p>	<p>1.4. By 2030, ensure that all men and women, in particular the poor and the vulnerable, have equal rights to economic resources, as well as access to basic services, ownership and control over land and other forms of property, inheritance, natural resources, appropriate new technology and financial services, including microfinance</p> <p>1.5. By 2030, build the resilience of the poor and those in vulnerable situations and reduce their exposure and vulnerability to climate-related extreme events and other economic, social and environmental shocks and disasters</p>	<ul style="list-style-type: none"> • Affordable housing • SMEs financing • Family rural production • Accessibility technology • Healthcare facilities and equipment
 <p>2 ZERO HUNGER</p>	<p>2.4. By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality</p>	<ul style="list-style-type: none"> • Low carbon agriculture • Family rural production
 <p>3 GOOD HEALTH AND WELL-BEING</p>	<p>3.8. Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all</p> <p>3.c. Substantially increase health financing and the recruitment, development, training and retention of the health workforce in developing countries, especially in least developed countries and small island developing States</p>	<ul style="list-style-type: none"> • Healthcare facilities and equipment
 <p>7 AFFORDABLE AND CLEAN ENERGY</p>	<p>7.1. By 2030, ensure universal access to affordable, reliable and modern energy services</p> <p>7.2. By 2030, increase substantially the share of renewable energy in the global energy mix</p>	<ul style="list-style-type: none"> • Renewable energy
 <p>8 DECENT WORK AND ECONOMIC GROWTH</p>	<p>8.3. Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services</p> <p>8.5. By 2030, achieve full and productive employment and decent work for all women and men, including for young people and persons with disabilities, and equal pay for work of equal value</p>	<ul style="list-style-type: none"> • SMEs financing • Family rural production
 <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>	<p>9.1. Develop quality, reliable, sustainable and resilient infrastructure, including regional and transborder infrastructure, to support economic development and human well-being, with a focus on affordable and equitable access for all</p> <p>9.3 Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.</p> <p>9.4. By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and</p>	<ul style="list-style-type: none"> • Renewable Energy • SMEs financing

	environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities	
	10.2. By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status	<ul style="list-style-type: none"> • Family rural production • Accessibility technology
	11.1. By 2030, ensure access for all to adequate, safe and affordable housing and basic services and upgrade slums 11.3. By 2030, enhance inclusive and sustainable urbanization and capacity for participatory, integrated and sustainable human settlement planning and management in all countries	<ul style="list-style-type: none"> • Affordable housing
	12.2. By 2030, achieve the sustainable management and efficient use of natural resources	<ul style="list-style-type: none"> • Low carbon agriculture • Forestry • Renewable Energy
	13.1. Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries	<ul style="list-style-type: none"> • Low carbon agriculture • Forestry • Renewable Energy
	15.1. By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements 15.2. By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally 15.3. By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world 15.5. Take urgent and significant action to reduce the degradation of natural habitats, halt the loss of biodiversity and, by 2020, protect and prevent the extinction of threatened species 15.A. Mobilize and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems 15.B. Mobilize significant resources from all sources and at all levels to finance sustainable forest management and provide adequate incentives to developing countries to advance such management, including for conservation and reforestation	<ul style="list-style-type: none"> • Low carbon agriculture • Forestry