



# **Social, Environmental and Climate Risks and Opportunities Report**

**2025**



# Introduction



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The Social, Environmental and Climate Risks and Opportunities Report (GRSAC) 2025 reaffirms Banco do Brasil's commitment to increasingly integrated, consistent risk management aligned with best regulatory and market practices. Throughout this document, the advances in governance, strategies and processes for managing Social, Environmental and Climate Risk (RSAC) are presented in a structured way, reflecting the updating of the topic within the Prudential Conglomerate.

The depth of the topics consolidated here demonstrates the effective incorporation of social, environmental and climate factors into risk management, highlighting the continuous evolution of indicators, methodologies and monitoring instruments, in line with the regulator's guidelines and international disclosure benchmarks. The report also highlights a cross-cutting view of RSAC, integrating different areas and processes, promoting an approach that balances solidity, transparency and a long-term vision.

In addition to meeting regulatory requirements, this report reflects the truth that the responsible management of social, environmental, and climate risks is also a significant source of opportunities. By strengthening its resilience and fostering sustainable financial solutions, Banco do Brasil reaffirms its role as an agent of transformation, contributing to the development of a more inclusive, resilient economy prepared for the challenges of the future. We remain steadfast in our purpose of transforming risks into opportunities, with responsibility, strategic vision, and commitment to the continuity of our businesses and to society.



For the preparation of the GRSAC, we relied on the supervisor's guidelines, reflected mainly through [CMN Resolution no. 4,943/2021](#), [BCB Resolution no. 139/2021](#) and [BCB Normative Instruction no. 153/2021](#), on best market practices, and we adopted as a reference the international climate disclosure standards consolidated by the International Sustainability Standards Board (ISSB), which incorporate the recommendations originally developed by the Task Force on Climate-related Financial Disclosures (TCFD).

We emphasize that the data disclosed covers the activities of our Prudential Group, as defined in [CMN Resolution no. 4,950](#), of September 30, 2021, and the content addresses aspects of Governance, Strategies, Risk Management Processes, Indicators and Opportunities associated with social, environmental and climate issues.



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# GVT Table: Governance of social, environmental and climate risk management

Description of the RSAC management governance (RSAC).



## BB governance bodies with responsibilities in the management of Social, Environmental and Climate Risk (RSAC)

Our governance structure establishes guidelines for building a more sustainable business portfolio with a better balance between risks and returns. Aligned with our [Social, Environmental and Climate Responsibility Policy \(PRSAC\)](#), we integrate the economic, social, environmental and climate dimensions into our business and our ethical and transparent relationship with stakeholders, in compliance with [CMN Resolution no. 4,945/2021](#).

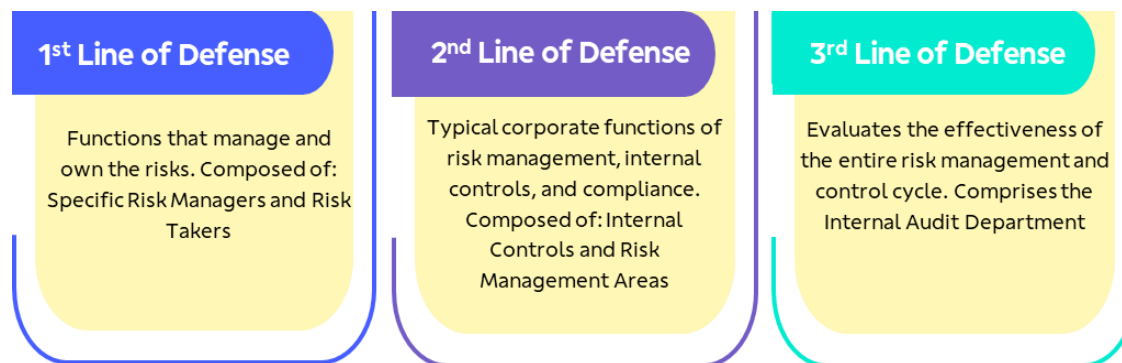
In this context, in accordance with [CMN Resolution no. 4,943/2021](#), we annually review the [Specific Risk and Capital Management Policy](#), maintaining the RSAC management statements. After analysis in 2025, the Board of Directors ratified its content, as it remains aligned with current regulations and best management practices, proving adequate to guide Banco do Brasil's behavior and to serve as a reference for Entities Linked to Banco do Brasil (ELBB).

In addition, we continuously evaluate our governance structure, seeking adherence to the aspects and standards foreseen in the regulations issued by the National Monetary Council (CMN) and the Central Bank of Brazil (Bacen). Similarly, we strive for alignment with best management practices, considering the definition of compatible roles and responsibilities in the various bodies of our governance structure.

In this structure, considering the interaction between the Strategic, Tactical, and Operational Units of Banco do Brasil for the

management and mitigation of RSAC, we adopted the Reference Model of Lines of Defense (MRLD), based on three lines of defense:

Image 1. Lines of Defense



The purpose of MRLD is to maintain an effective and integrated Internal Controls and Risk Management System, contributing to greater security so that strategic objectives can be achieved.

Furthermore, we emphasize that the governance model for integrated risk and capital management adopted by BB covers the following aspects:

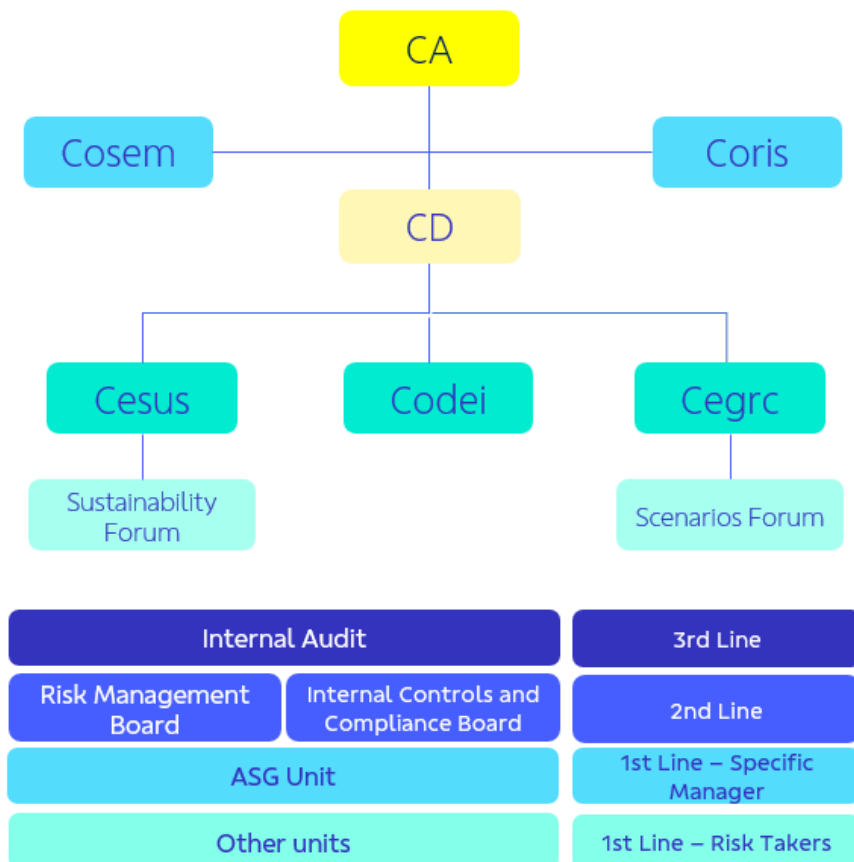
- segregation of duties between business and risk management;
- specific risk and capital management structure;
- defined management process;
- collective decisions at several hierarchical levels;
- clear rules and a structured hierarchy of authority levels;
- reference to best management practices.



## Levels, responsibilities and relationship

The Governance of Corporate Sustainability and RSAC Management (MRLD) has the following structure:

Image 2. Governance of RSAC management and opportunities



**Board of Directors (CA)** – The administrative body that brings together strategic, guiding, elective, and supervisory responsibilities, and are responsible for approving the Policies, the Corporate Strategy, the General Budget, and the Risk Appetite and Tolerance Statement (RAS). It monitors the institution's social, environmental, and climate performance, as well as ongoing initiatives.

**Supervisory Board (CD)** – A collegiate body composed of a President and Vice-Presidents; responsible for proposing and implementing actions and instruments related to Policies, Corporate Strategy, General Budget, Risk Appetite and Tolerance Statement (RAS), and for proposing, approving, and implementing actions and instruments related to Plans, the Work Agreement, profits earned, among others. It monitors the institution's social, environmental, and climate performance, as well as related ongoing actions.

The CA and CD aim to ensure that the RSAC management process is aligned with the definitions and guidelines of our institutional policies and our Corporate Strategy.

**Corporate Sustainability Committee (Cosem)** – A collegiate body that reports to the Board of Directors and whose purpose is to advise the CA on matters related to sustainability and social, environmental and climate responsibility, considering best market practices and commitments voluntarily undertaken by the Bank.

**Risk and Capital Committee (Coris)** – A permanent, statutory, collegiate body that advises the Board of Directors in the exercise of its functions related to risk management, including social, environmental, and climate risks.



### Sustainability Executive Committee

**(Cesus)** – This body, linked to the CD and composed of Vice-Presidents and Directors, is responsible for monitoring the execution of the [Sustainability Plan and the BB 2030 Commitments for a More Sustainable World, which are part of the BB 30 Agenda](#). It guides the implementation of sustainability initiatives with potential business impact, defines guidelines on the topic, and provides a multidisciplinary perspective to decision-making. Furthermore, it has incorporated the activities of the Executive Committee for People, Equity and Diversity (Ceped), and is currently responsible for approving guidelines and objectives related to the Diversity, Equity and Inclusion Program.

### Executive Committee for Risk Management, Internal Controls, Assets, Liabilities, Liquidity and Capital (Cegrc)

– A body linked to the CD, composed exclusively of Vice-Presidents, whose purpose is to approve strategies, guidelines and contingency plans, as well as to monitor reports, results and developments related to Risk Management, Internal Controls, Capital Management and Asset, Liability and Liquidity Management.

### Advisory Council on Diversity, Equity and Inclusion (Codei)

– This body, linked to the CD, is composed of the President (Presi), vice-presidents, and directors. Its objective is to foster debate and the exchange of experiences regarding Diversity, Equity, and Inclusion (DE&I) in BB's management, as well as market trends and best practices.

### BB Sustainability Forum

– This body is composed of executive managers from Banco do Brasil and the Banco do Brasil Foundation. It supports the incorporation, alignment, and dissemination of sustainability principles and practices, as well as monitoring social, environmental, and climate initiatives and the implementation of actions under the [BB Agenda 30 Sustainability Plan](#). It meets quarterly and reports to Cesus.

### Scenarios Forum

– It analyzes macroeconomic, idiosyncratic, and climate change scenarios, focusing on their integration with corporate strategy and relevant risks and opportunities. Composed of executive managers, it reports to the Executive Committee for Risk and Capital Management (Cegrc).

### Internal Audit (Audit)

– A unit subordinate to the CA – Responsible for conducting periodic and independent audits, focusing on the risks to which the Group is exposed, evaluating risk management actions and the adequacy of internal controls, based on verifying their quality, sufficiency, compliance, and effectiveness.

### Risk Management Board (Diris)

– Area subordinate to the Vice-Presidency of Internal Controls and Risk Management (Vicri). It is responsible for the corporate management of Social, Environmental and Climate Risk, in the Second Line of Defense.

### Internal Controls and Compliance Board (Dicoi)

– This area, subordinate to the Vice-Presidency of Internal Controls and Risk Management (Vicri), supervises, advises on, and evaluates controls over risks and the quality of risk management, acting as a Second Line of Defense.

### ASG Unit

– Area subordinate to the Vice-Presidency for Government Affairs and Corporate Sustainability (Vigov). It is responsible for leading the topic of Corporate Sustainability and for the specific management of Social, Environmental and Climate Risk, in the First Line of Defense.



## Risk-takers, with highlighted processes conducted by the following areas:

**Credit Board (Dicre)** – Area subordinated to the Vice-Presidency of Internal Controls and Risk Management (VICRI). It is responsible, in the First Line of Defense, of Social, Environmental and Climate Risk related to the credit process.

**Board of Supplies, Infrastructure and Assets (Disec)** – Area subordinated to the Corporate Vice-Presidency (Vicor). It is responsible for managing Social, Environmental of non-use assets and application of guidelines and instructions related to RSAC, for areas requesting purchases, contracts, leases, logistical resources and eco-efficiency.

**Board of Agribusiness and Family Farming (Dirag)** – Area subordinated to the Vice-Presidency of Agribusiness and Family Farming (Vipag). It is responsible for Social, Environmental and Climate Risk, in the First Line of Defense, related to the agribusiness process.

**Board of Culture and People Management (Dipes)** – Area subordinated to the Corporate Vice-Presidency (Vicor). It is

responsible for Social, Environmental and Climate Risk, in the First Line of Defense, related to people.

Finally, we emphasize that the area responsible for the Social, Environmental and Climate Responsibility Policy, approved by the CA, is the ASG Unit and that, according to [CMN Resolution no. 4,557/2017](#), the Vice President of Internal Controls and Risk Management is the Chief Risk Officer (CRO), responsible for risk management at BB and appointed by the CA.





## Reporting of information relating to social, environmental and climate risk

We periodically prepare reports for the governance bodies to provide the necessary information for monitoring and decision-making in the risk management process. Below, we detail the main reports developed, under the responsibility of the CA:

Table 1. CA Authority Reports

Report	Recipient	Frequency
Risk Panel <sup>1</sup>	Cegrc CA	Monthly Bimonthly
Results of Risk Management, Security and Internal Control Assessment Cycle of ELBB	Coris, CD e CA	Annual
Internal Capital Adequacy Assessment Process (ICAAP)	CA	Annual
Reports on Sustainability-related topics	Cosem, CD e CA	Semiannual
Social, Environmental and Climate Responsibility Policy (PR SAC)	CD e CA	Triennial

<sup>1</sup> A tool used to report the consumption of specific and global limits established in Risk Management

## Criteria used to ensure consideration of social, environmental and climate risk, when relevant, in the approval and review processes of several instruments

According to the responsibilities of each level, responsible governance analyzes the minimum capital requirements, the directions of the corporate strategy, the BB's risk profile, the regulatory compliance, the economic prospects and their challenges for the financial industry, the views of market analysts, the expectations of society, the behavior of the main competitors, the dynamics of earnings generation, and the results obtained from the BB's stress testing program.

The decisions of governance players seek to ensure that relevant risks are considered, including specifically Social, Environmental and Climate Risk, in the approval and review of several processes.

In this context, the Social, Environmental and Climate Responsibility Policy (PR SAC), revised in 2025, guides behavior in relation to social, environmental and climate responsibility. The principles expressed in the PR SAC are unfolded in the initiatives that make up the [BB Agenda 30 Sustainability Plan](#), in internal guidelines and normative instructions, which results in the consideration of economic, social, environmental and climate variables in the design and development of BB's processes, products and services.

The Specific Credit Policy addresses issues related to respect for Human Rights, such as the non-exploitation of minors through sexual means; the non-exploitation of child labor or of workers kept in degrading conditions or conditions analogous to slave labor.



The other policies – [Specific Policy on the Bank's Relationship with Third Parties](#), [Specific Policy on Risk and Capital Management](#), [Privacy Policy](#), [Equity Policy](#), [Specific Remuneration Policy for Officers](#), among others – cover various socio-environmental aspects, which are also considered in business and administrative practices.

These guidelines are aligned with the Directives and Commitments undertaken by Banco do Brasil. For example, the [Sustainability Guidelines for Credit](#) guide the consideration of social, environmental, and climate aspects in the analysis, granting, and management of credit. This document also includes an Exclusion and Restriction List, which indicates activities that the Bank does not finance, either due to legal restrictions or because they are not aligned with Banco do Brasil's guidelines, or under specific conditions with more specific criteria. The objective is to provide transparency to the practices adopted by Banco do Brasil, and this document is regularly reviewed with the participation of several stakeholders.

In 2025, the documents "[BB Commitments to Human Rights](#)" and "[Banco do Brasil's commitment to Climate Change](#)" were revised. The first is a guide that directs the behavior and guidelines of Banco do Brasil (BB) in relation to human rights. The second details the actions and strategies of Banco do Brasil (BB) to address climate challenges and promote sustainability.

To achieve these results, sustainability drivers are evaluated using indicators defined based on the Corporate Strategy, ranging from the strategic to the operational level, encompassing all units.

## Methods for monitoring strategic objectives and targets related to social, environmental and climate aspects

We monitor strategic objectives and targets related to social, environmental, and climate aspects to assess their fulfillment. The indicators of the Master Plan, a document that defines and consolidates indicators and targets for each of the long-term strategic objectives of Banco do Brasil's Corporate Strategy (ECBB), are reported to the CA through meetings, presentations, and panels.

In addition to the Master Plan, we also monitor the Work Agreement of the strategic units, which includes objectives and indicators proposed in the ECBB.

Finally, the social, environmental, and climate performance of Banco do Brasil is reported to Cosem and Cesus, encompassing, among other aspects, the initiatives developed within the scope of [the Sustainability Plan](#) and other sustainability commitments undertaken, such as [the BB 2030 Commitments for a More Sustainable World](#), which are part of the [BB 2030 Agenda](#).

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# EST Table: strategies used in the treatment of social, environmental and climate risk

Identification and description of the real and potential impacts, when considered relevant, of social, environmental and climate risk on the institution's business, strategies, and risk and capital management.



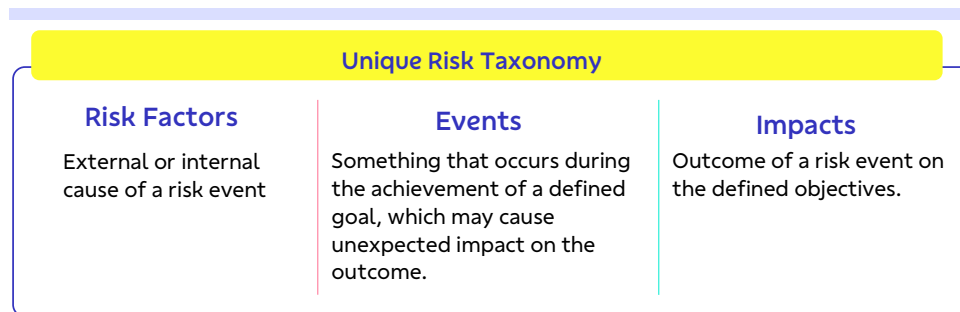
## Identification of social, environmental and climate risk events that generate the possibility of significant losses for BB

Risk identification is part of an ongoing risk and capital management process and is fundamental to our organization. This process, validated annually by internal and external audits and overseen by Regulatory and Supervisory Bodies, uses internal and external inputs, such as:

- Risks that may impact the achievement of the objectives outlined in the Corporate Strategy;
- Risks inherent to the activities of Entities Linked to Banco do Brasil (ELBB);
- Risk factors listed in the [BB Reference Form](#) that are considered relevant and that may impact the business and results of our operations;
- Risks identified by first-line defense managers in their processes;
- Regulatory guidelines in Brazil and abroad;
- Specialized consulting and publications; and
- Benchmark of financial institutions in Brazil and abroad.

Based on this information, we updated our Unique Risk Taxonomy, which consolidates, in a single instrument, all the factors, events, and impacts of the risks inherent in the activities performed by the Bank and provides input for the process of defining the relevance of the risks of the Banco do Brasil Prudential Group.

Image 3. Components of the Unique Risk Taxonomy



Considering the causal nature of RSAC, it is classified as a risk factor in the Taxonomy, which can trigger events that impact other relevant risks at BB, requiring a preventive management process. In 2025, aiming for greater clarity and standardization in identifying the causes related to these risks, we revised and expanded the structure of the risk factor dictionary and the taxonomy of Social, Environmental and Climate Risk (RSAC).

This instrument allows for the identification of potential risk factors, such as forced labor, soil contamination, drought, excessive rainfall, among others, in a non-exhaustive manner and without overlapping characterization and classification, as well as events and impacts of the risks.

Aiming to encompass a greater amount of information and mitigate previous assumptions, we added locational variables to the RSAC assessment – fed by information from external sources, such as the identification of the Amazon Biome and socio-environmental and climatic Vulnerability Indices, which allow us to see how risks are distributed (or concentrated) across the national territory, with granularity at the municipal level, as occurs in the external sources that feed them. The GER table includes the details of these variables.



Regarding the time horizons defined in monitoring the exposures of the Individual, Rural Producer, and Legal Entity segments, within the definition of proportionality used in the RSAC sensitivity methodology, we adopted the following assumptions:

**Table 2. Definition of term lengths**

Audience	Short Term	Medium Term	Long Term
Individual	Up to 1 year	1 to 4 years	4 Years or more
Legal Entity	Up to 1 year	1 to 3 years	3 Years or more
Rural Producer	Up to 1 year	1 to 5 years	5 Years or more

In addition to internally generated information, in evaluating clients and operations, we use information from reliable external sources for managing Social, Environmental and Climate Risk, among which we emphasize:

- List of Labor Analogous to Slavery, from the Ministry of Labor and Employment;
- Enforcement and Seizures, by Ibama<sup>1</sup>;
- ICMBio Embargoes<sup>2</sup>;
- MapBiomass Alert Platform;
- Climate Risk Assessment of Economic Sectors, by [NGFS \(Network for Greening the Financial System\)](#)<sup>3</sup>;
- Monitoring of alert and emergency levels for mining dams - National Mining Agency;
- Public news related to social and environmental situations, from various media sources.

<sup>1</sup> Brazilian Institute of Environment and Renewable Natural Resources.

<sup>2</sup> Chico Mendes Institute for Biodiversity Conservation.

<sup>3</sup> A program aimed at mobilizing the global financial system to support the transition to a low-carbon economy.

In this context, to complement the set of inputs used for management, daily monitoring of the situation of municipalities affected by climatic events related to rainfall and droughts is carried out through consultation of official public databases. This information is processed in the Climate Event Monitoring Panel, making it possible to assess the impacts on the credit portfolio and promote, when necessary, actions for the proper management of the credit granted.

Regarding operational losses related to Social, Environmental, or Climate Risk, we monitor them to prevent and mitigate them. To establish minimum criteria for loss mapping, we consider [SARB<sup>4</sup> 14<sup>5</sup>](#), which supports the identification of elements related to Social, Environmental, or Climate Risk present in administrative and judicial proceedings in which the financial institution is a party. Using the BB's institutional Operational Losses system, we generate a database with the extraction of categorized loss events whose causes are linked to Social, Environmental, and Climate Risk.

In the process of monitoring these losses, we continuously improved our databases, mainly through a review of the list of events linked to operational losses and linked to social, environmental, or climatic factors. Furthermore, we observed that throughout 2025 no significant operational losses were identified due to social, environmental, and climatic factors.

<sup>4</sup> Banking Self-Regulation System developed for the Brazilian Federation of Banks (Febraban).

<sup>5</sup> Guidelines and procedures, established by Febraban, for the establishment and implementation of the Social, Environmental and Climate Responsibility Policy (PRSAC) by the Signatory Financial Institutions.



## Identification of significant concentrations, linked to social, environmental and climate risk, in BB's credit exposures

We structured the credit process based on risk and limit calculation methodologies, in line with best management practices and encompassing the processes of:

- registry;
- risk analysis and establishment of credit limits;
- analysis of investment projects;
- hiring and conducting operations; and
- risk management, supported by regulations and a specialized organizational structure.

In all stages, the specific aspects of Social, Environmental, and Climate Risk that may impact the Institution are considered.

Identifying and monitoring risk exposures allows for improved management by assisting in decision-making regarding whether to undertake certain transactions, considering the degree of risk, the institution's risk appetite, and current concentration. Table 3 below shows the sensitivity assessment of exposures to each of the risks for the macro-sectors that make up BB's portfolio and their respective balances.





Table 3. Economic macro-sectors and their risk levels

Macro-sectors	Social	Environm.	Climate	Balance (%) 2024	Balance (%) 2025
Public Administration	●	●	●	15,51	16,50
Animal-Based Agribusiness	●	●	●	4,37	4,12
Plant-Based Agribusiness	●	●	●	9,68	10,90
Specific Construction Activities	●	●	●	2,82	2,68
Automotive	●	●	●	4,76	3,82
Beverages	●	●	●	0,28	0,32
Wholesale and Various Industries	●	●	●	1,80	2,09
Retail Trade	●	●	●	6,35	3,40
Heavy Construction	●	●	●	1,16	1,26
Leather and Footwear	●	●	●	0,43	0,46
Electronics	●	●	●	2,37	2,67
Electricity	●	●	●	5,91	5,65
Real Estate	●	●	●	2,19	2,18
Financial Institutions and Services	●	●	●	4,11	3,78
Agricultural Inputs	●	●	●	2,73	3,57
Timber and Furniture Industry	●	●	●	1,28	1,52
Mining and Metallurgy	●	●	●	4,05	4,82
Paper and Pulp	●	●	●	1,12	1,94
Petroleum Industry	●	●	●	5,83	6,88
Chemical Industry	●	●	●	3,20	3,27
Services	●	●	●	10,58	10,54
Telecommunications	●	●	●	2,38	1,01
Textiles and Clothing	●	●	●	1,74	1,70
Transportation	●	●	●	5,33	4,91

**Legend**

- High
- Medium
- Low

Scope: Typical internal credit operations + internal private securities + corporate agribusiness portfolio + acquired portfolio. // Economic Sector View – Corporate Portfolio



In addition, we conduct sectoral market monitoring for the purposes of credit portfolio management and to support the client credit analysis process, including consideration of the Social, Environmental, and Climate Risks to which they are exposed.

Beyond the sectoral perspective, we conduct a regional assessment of the sensitivity to Social, Environmental, and Climate Risk, considering all of the Bank's exposures. The percentage of the balance of operations classified as highly sensitive to Social, Environmental, and Climate Risk for each region is monitored, allowing for comparisons of concentrations between regions and supporting risk management.

## How are social, environmental and climate risk events considered in BB's business, strategies and capital management

Committed to remaining a leader in sustainability and promoting good environmental, social, and governance (ASG) business practices, BB incorporates aspects related to Social, Environmental, and Climate Risk into its business, strategy, and capital management.

Our commitment is reflected in initiatives and agreements to which we are signatories, such as the Equator Principles, the Business for Climate Program (EPC), the Principles for Responsible Investment (PRI), Business Ambition, the Partnership for Carbon Accounting Financials (PCAF), and the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD).

<sup>6</sup> This document outlines the preparation and dissemination of financial information reports related to sustainability, based on the international standard issued by the International Sustainability Standards Board (ISSB).

<sup>7</sup> Amends Resolution no. 4,818, of May 29, 2020, which consolidates the general criteria for the preparation and disclosure of individual and consolidated financial statements by financial institutions and other institutions authorized to operate by the Central Bank of Brazil.

<sup>8</sup> Improvements to the qualitative tables that currently comprise the GRSAC report and the inclusion of new tables, both quantitative and qualitative.

We emphasize that, in light of the regulatory adjustments resulting from CVM Resolution 193<sup>6</sup> of October 23, 2023, updated by CVM Resolution 219 of October 29, 2024, and CMN Resolution 5,185<sup>7</sup> of November 21, 2024, as well as the discussions fostered by the public consultation on the disclosure of social, environmental, and climate risks (Central Bank Public Consultation 127/2025<sup>8</sup>) and the Brazilian Sustainable Taxonomy (TSB)<sup>9</sup>, we will revise the disclosure structure of regional concentrations in the RSAC sensitivity methodology to align ourselves with the new classification of Brazilian economic activities and the new standards for disclosing financial information related to sustainability and climate change.

Furthermore, our commitment is verified through the incorporation of social, environmental, and climate issues into the development of our business, strategy, financial planning, and the improvement of risk management processes. This vision is inclusively translated into the development of Banco do Brasil's Corporate Strategy.

In the process of formulating BB's Corporate Strategy (ECBB)<sup>10</sup> and Master Plan, which is reviewed annually and has a five-year scope, several areas participate in the execution of its stages: diagnosis, prioritization of uncertainties, preparation of a SWOT<sup>11</sup> matrix, guidance from Senior

<sup>9</sup> This instrument consists of a classification system that clearly, objectively, and based on scientific principles, defines activities, assets, and/or project categories that contribute to climate, environmental, and/or social objectives, through specific criteria. The TSB was officially established by Decree no. 12,705 on October 31, 2025.

<sup>10</sup> Public information regarding the Strategic Objectives, as well as their respective indicators and targets, is available in the Annual Report on the investor relations website, at <https://ri.bb.com.br/governanca-e-sustentabilidade/sustentabilidade/>.

<sup>11</sup> Strategic planning technique used to help identify the strengths, weaknesses, opportunities, and threats of the object/subject being analyzed.



Management, definition of strategic objectives and their respective indicators and targets.

In the diagnostic phase, we conduct competitive intelligence studies of the financial industry, macroeconomic analyses, identification of megatrends, trends and critical uncertainties that may impact the Bank's present and future performance, construction of possible future scenarios, as well as the assessment of relevant risk factors, which incorporates, among others, possible social, environmental and climatic events.

The study and analysis of megatrends is incorporated as a structuring tool for understanding the external environment and anticipating long-term transformations that impact the financial sector, the economy, and society. Megatrends guide the construction of prospective diagnoses and support strategic decisions, contributing to the incorporation of emerging issues into institutional planning and the definition of medium- and long-term directions.

Among the megatrends considered, we emphasize **Climate Change & ASG**, which addresses the effects of extreme weather events, the transition to a low-carbon economy, biodiversity preservation, and increasing regulatory and social demands related to sustainability. This megatrend guides the integration of environmental, social, and governance aspects into corporate strategy and business development, reinforcing BB's commitment to generating sustainable value and institutional consolidation.

In order to adopt mitigation measures and/or revise established strategies, we

continuously assess the risk of changes in the business environment, which includes, among other things, the possibility of social, cultural and environmental changes, including demographic issues, changes in customer behavior, ASG factors and adverse climatic or sanitary conditions (such as, for example, catastrophes and pandemics).

In this context, aligned with ECBB, particularly regarding the generation of sustainable results for the Bank, we have revised our Risk Appetite and Tolerance Statement (RAS<sup>12</sup>), in which we declare the risks and the respective levels we are willing to assume. In the 2025 RAS revision, the Tolerance Limit for operational losses of RSAC, as a percentage of core capital, was maintained. As an improvement, limits related to maximum percentages of credit exposure regarding the level of susceptibility to RSAC were adjusted.

In 2025, as part of its Corporate Crisis Management process, Banco do Brasil conducted a crisis simulation focused on corporate and ASG crisis scenarios, involving members of Senior Management, in the context of high institutional exposure and international visibility, such as the COP30 conference. The exercise aimed to strengthen the organizational culture in crisis management, ensuring prompt, coordinated, and assertive responses, as well as testing and improving the effectiveness of protocols in the face of critical social, environmental, and climate events.

Based on the results of the simulation, combined with engagement in the actions of the [BB Agenda 30 Sustainability Plan](#), aligned with the UN's 2030 Agenda, the initiative to improve the ASG Corporate Crisis Management Plan (PGC) was approved, incorporating environmental and climate risk scenarios into the Crisis Matrix.

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<sup>12</sup> Acronym in English for Risk Appetite Statement.



These measures strengthen Banco do Brasil's organizational resilience and promptness to face environmental and climate challenges.

From a business opportunity perspective, we highlight the [BB Sustainability Plan – Agenda 30](#), which aims to improve business and administrative practices by consolidating social, environmental, and governance actions and indicators. In addition to driving social and environmental development, these business lines help mitigate social, environmental, and climate risks, both for the bank and for other stakeholders.

In this regard, we have businesses, products, and services for all our stakeholders aimed at promoting a greener, more diverse, and inclusive economy. Mainly those associated with agribusiness, which predominate in BB's Sustainable Credit Portfolio (43.61% in the Q4 2025), drive activities and improvements in sectors related to agriculture and livestock in the country.

In the area of Biodiversity, BB has sought to promote sustainable activities that contribute positively to the conservation and restoration of vegetation and biodiversity in the Legal Amazon,

and thereby identify new opportunities for action in the value chain of sustainable businesses, based on relevant ASG issues and strategic themes for sustainable development, as well as mitigate potential social, environmental and climate risks.

Regarding strategically relevant social, environmental, and climate issues, Banco do Brasil discloses to the market its [Sustainability Guidelines for Credit](#), revised in 2024 and maintained in 2025, including, among other advancements, the addition of new activities to the Exclusion List, such as: human trafficking, landmines, weapons of mass destruction, unconventional oil and gas (tar sands, shale oil and gas, and in the Arctic – hydraulic fracturing and drilling), coal mining, and thermoelectric power generation from coal, except when the purpose is the transition of its activities to a low-carbon economy or energy efficiency.

Furthermore, in our relationship with our suppliers, we aim to improve the treatment and working conditions established. Through our [Specific Policy on the Bank's Relationship with Third Parties](#), we seek to demonstrate our culture and the values we uphold in our relationship with

suppliers and their respective employees in the processes of purchasing, contracting, and disposal of materials. We prioritize sustainable contracting in accordance with the [Purchasing and Disposal Standard](#) document.

Accordingly, signed contracts include clauses in which the supplier declares that they are aware of and respect our Code of Ethics, our rules and policies, among other guiding principles. Employees of supplier companies receive a statement informing them of their rights, mainly labor rights, as well as the Banco do Brasil's official Whistleblowing and Ombudsman channels.

Finally, we monitor our suppliers throughout the term of the contract and, if any violation of the provisions or legislation is found, an administrative proceeding is initiated that provides for the application of administrative sanctions or, as a last resort, unilateral termination.



## Events regarding changes in climate patterns and the transition to a low-carbon economy used by BB in conducting scenario analyses

Aware of the relevance and urgency of the issue of climate change and the importance of the engagement of governments, the private sector, and society in efforts to reduce Greenhouse Gas (GEE) emissions and adapt communities in areas of climate vulnerability, BB is committed to the transition to a low-carbon economy, in accordance with the [BB 2030 Commitments for a More Sustainable World](#), publicly undertaken in 2021 and revised in 2023 and 2025.

In this context, we developed comprehensive climate change scenarios, applied to the perspective of macro-economic sectors, based on scenarios developed by the IPCC<sup>13</sup> for Physical Climate Risk and by the NGFS<sup>14</sup> for Transition Climate Risk.

Based on information from the IPCC Sixth Assessment Report, we opted for scenarios that are more consistent with the perceptions highlighted therein to predict potential impacts of climate change on the country's agriculture

and other economic sectors relevant to BB's business.

The choice of two scenarios linked to Physical Risk and two linked to Transition Risk was based on our understanding that, together, they encompass a sufficient range of feasible possibilities for Brazil.

Among the scenarios used as a reference, we have the following:

### Physical Risk Scenarios

- **RCP 4.5:** an intermediate scenario, consistent with the future of relatively ambitious emission reductions, in which by 2080 we will have a 50% reduction in global emissions. Despite the efforts and bold targets, we would still have an approximate temperature increase of 2°C.
- **RCP 8.5:** a severe scenario where GEE emissions would continue to increase until the end of the century and the

average temperature of the planet's atmosphere would rise by about 4°C.

### Transition Risk Scenarios

- **Net Zero 2050:** the most ambitious scenario, limiting global warming to 1.5°C through stricter climate policies and greater innovation, making it possible to achieve net-zero CO<sub>2</sub> emissions by around 2050. In this scenario, the physical risk is relatively low, while the transition risk is high.
- **Current Policy:** this scenario assumes that only currently implemented policies will be carried out, resulting in high physical risk. From a transition risk perspective, this scenario has little impact, considering the continued dormancy of governments and regulators.

<sup>13</sup> The Intergovernmental Panel on Climate Change (IPCC) is an organization that produces reports and analyses of scientific output related to climate change to support public policy through future projections of climate scenarios.

<sup>14</sup> The Network of Central Banks and Supervisors for Greening the Financial System (NGFS) is an organization of central banks and financial system supervisors whose objective is to contribute to the development of environmental and climate risk management in the financial sector.



Therefore, the events (scenarios) developed are the following:

- i. **Temperature increase of less than 2°C** (aligned with Representative Concentration Pathway (RCP) 4.5 and Net Zero 2050), assuming full compliance with the Paris Agreement<sup>15</sup>. In this scenario, policies are more stringent, aiming to achieve net-zero CO<sub>2</sub> emissions by 2050 and limit the average temperature increase to 2°C.

<sup>15</sup> In 2015, during the United Nations Framework Convention on Climate Change (COP 21) in France, 196 countries committed to adopting targets

In this regard, there is a massive investment in technology and the engagement and demand for a more sustainable structure from all economic agents. The carbon pricing process is intensifying, generating a greater need for adaptation in some sectors.

Therefore, physical risks tend to be mitigated, and new sources of energy and raw materials will be developed, generating minimal damage to production and the population.

- ii. **An average temperature increase of 4°C** by the end of the century (equivalent to RCP 8.5 and Current Policies), considering non-compliance with the Paris Agreement and following the current trend of emissions.

In this regard, little or no legal or regulatory change in the climate field leads to a significant increase in global GEE emissions, which tends to substantially intensify physical risks.

for reducing greenhouse gas emissions, aiming to reduce emissions from their production processes, in an attempt to combine efforts for the

Regarding Transition Risk, we will not see anything very different from what we are already witnessing. There will be no advances in the pricing process. Demand for sustainable products and services will continue without incentives and will occur very slowly and gradually. Policies to induce a low-carbon economy and regulations on GEE emissions will not require major adaptations and technological investments, causing an almost irrelevant impact on the sectors.

Regarding physical risk, the trend is towards an increase in the frequency of extreme weather events, to the point of worsening water scarcity and decreasing the availability of resources and raw materials, generating a threat to the maintenance of activities and the survival of the population.

The difference between the two scenarios developed refers to the climate change in relation to the measures adopted, and in the severity of the impacts in the short, medium, and long term.

Below, we present the criteria used to assess the risks and their impacts on the economic sectors, based on the following scenarios:

benefit of a low-carbon future, in which average global warming does not exceed 2°C above pre-industrial levels.



Table 4. Criteria used in the development of Climate Change Scenarios

<b>Criteria for Assessing Climate, Physical, and Transition Risk for Brazil</b>	
<b>Physical damages</b>	This refers to the damage caused by extreme weather events and gradual climate change to companies' fixed assets, as well as potential physical losses or a decrease in productivity, or indirectly causing subsequent events such as disruption of supply chains. The sectors most vulnerable to this type of risk are those intensive in capital goods, such as the agribusiness, industrial, and energy sectors, among others.
<b>Water scarcity</b>	This refers to changes in water availability and rainfall patterns in the country. The consequence of water scarcity is a reduction in the supply of food by the agribusiness sector and a compromise in the supply of electricity to productive sectors.
<b>Energy</b>	Extreme weather events directly affect the supply of energy services through changes in the availability and reliability of renewable sources, such as rainwater for hydroelectric power. Climate change also threatens the infrastructure and facilities for energy development, extraction, and conversion, for example, offshore oil and gas platforms, refineries in coastal areas etc. Furthermore, the climate changes the efficiency of energy conversion devices (photovoltaic panels, internal combustion engines, thermal power plants, and so on).
<b>Productivity</b>	This refers to the relationship between the means and resources used, the final output, and the damage caused by extreme weather events in economic sectors.
<b>Technology</b>	Efforts to adopt or adapt technologies, products, and services with lower GEE emissions. This typically involves high costs and significant capital investment.
<b>Regulatory</b>	Regulatory changes that encourage the transition to a low-carbon economy. This represents the normative framework that supports the transition to reducing or eliminating the use of fossil fuels in carbon-intensive production and consumption. It requires significant process changes, with a shift towards activities that promote neutral emissions in all, or most, economic sectors. The implementation of alternative technologies may generate a significant increase in costs, while the adoption of regulatory policies may induce the transition by increasing the implicit value of emissions.
<b>Change in consumption patterns</b>	The sensitivity and resilience of sectors in relation to climate change will affect society's consumption patterns through the demand for new types of services and products. Sectors that provide energy-efficient equipment and renewable energy generation can find opportunities, as can the financial sector, through the creation of specific products aimed at stimulating a low-carbon economy, becoming a key player in this transition, mediating the productive sector. Some sectors will be more affected than others in the pursuit of meeting market demand, and the ease or difficulty they will face in this regard will vary.
<b>Pricing of emissions</b>	In order to encourage the reduction of carbon emissions, consideration is being given to assigning costs to the sectors that mostly emit GEE, which could affect the cost structure of the most emission-intensive companies, such as those in the oil and gas sector, heavy industry, and thermoelectric power generation. Conversely, sectors with low or negative GEE emissions, such as forestry and renewable energy generation, could sell credits and rights, obtaining carbon emission revenue. We expect that emissions pricing will become a material risk in the medium term.



With regard to **Physical Risk**, we used the following criteria to develop our narrative: dependence on energy and water use (water scarcity), agricultural inputs/products used in the production chain, and sensitivity to climatic events (physical damage).

In the event of extreme weather events (droughts and heavy rainfall), we face the possibility of damage to operational structures, logistical difficulties, increased costs, and disruption of customer activities, which can result in increased default rates.

Furthermore, due to our dependence on hydroelectric plants for energy generation, during periods of water scarcity, thermoelectric plants are used, which are less sustainable when powered by fossil fuels and have higher energy generation costs, resulting in higher electricity prices, impacting the budgets of families and businesses, and harming industrial activity through reduced product supply and increased prices.

Regarding **Transition Risk**, our analysis is based on the following criteria: emissions pricing, the need for technological adaptation, regulations that encourage the transition to a low-carbon economy, and changes in consumption patterns (reputation).

From the perspective of market and technological changes, we can witness an increased demand for responsible conduct from companies, which tends to generate a change in the supply/demand of certain products/services, jeopardizing the continuity of some companies and segments.

In the legal and regulatory field, some changes may require companies to have a greater capacity to adapt/fit into a low-carbon economy, which may negatively affect their results and the maintenance of their businesses for a period of time.

In terms of reputation, if companies fail to meet market expectations for improved social, environmental, and climate conduct, their revenues and credit lines may be affected, jeopardizing their continued existence.

The future of fossil fuel prices and volumes, along with the decarbonization of the energy sector, through shifts to alternative clean energy sources and the deployment of carbon capture and storage (CCS) sources, are key factors in the transition to a zero-carbon economy.

Banco do Brasil periodically conducts stress tests considering variables related to climate change. The results of these tests allow the bank to

identify areas of concern or weaknesses and assess the adequacy of capital and liquidity.

Initially, we incorporated into the development of our scenarios the execution of a stress test considering the variable of "unfavorable hydrological cycle", in which there are not enough water resources to meet the demand in a given water system and period, whether due to quantitative or qualitative deficiencies in the water sources, since in Brazil, in just over two decades, water scarcity events (drought and water scarcity) are the most numerous and the main causes of damage among climate risks.

As an evolution of this analysis, two scenarios were developed for the stress test, considering the occurrence of a Super *El Niño* and a strong *La Niña*. The effects resulting from a Super El Niño were evaluated both in the Individual Rural portfolio, encompassing selected crops and regions, and in the Corporate portfolio, from the perspective of economic sectors. If this scenario materializes, the simulations of the impact on Banco do Brasil's business structure indicate sufficient resilience to absorb the resulting effects.

Similarly, regarding the La Niña event, national and international assumptions associated with the occurrence of a high-intensity event were



incorporated. The analysis also covered the Individual Rural portfolio, considering selected crops and regions, and the Corporate portfolio, from a sectoral perspective. In the event of this scenario occurring, simulations of the impact on Banco do Brasil's business structure also indicate adequate resilience to absorb the potential effects.

The updated stress test exercise enhances and strengthens risk management actions at the Bank, guides strategic actions, and meets regulatory needs while reinforcing the topic with Senior Management and business management areas regarding the impacts of climate change on BB's portfolio.

BB also uses climate transition risk scenarios for its exposures, aiming to identify the impacts of carbon neutrality trajectories on Brazil and to understand how each trajectory affects the institution's business. This aims to guide strategic decisions, strengthening and improving risk management.

Based on the selection of NGFS climate transition risk scenarios, we developed a sensitivity analysis applied to BB's loan portfolio. Among the available reference scenarios, we selected those

with the highest transition risk and the best fit for Brazil in the **"Fragmented World," "Net Zero,"** and **"Delayed Transition"** perspectives. Furthermore, we carried out a comparative analysis between the projection given by BB's macroeconomic scenario and the indicators of the NGFS reference scenarios. The work emphasized the dynamics of the impacts, allowing for the identification of the main affected economic sectors.

Conducting sensitivity analysis provides a clearer view of the impacts of Climate Transition Risks on BB's loan portfolio, making available material to assist other processes such as capital management and stress testing.

In 2025, NGFS published short-term scenarios integrating climate policy, extreme weather events, economic trends, and sectoral dynamics, these scenarios represent a tool that provides structured analysis of the immediate effects of climate policies and climate change on financial stability and economic resilience.

In this context, we selected the Highway to Paris (HWTP) and Sudden Wake-Up Call (SWUC) scenarios, which explore paths to try to achieve

emissions reductions in 2030 that are aligned with the Net Zero targets for 2050:

- **Highway to Paris:** A well-paced implementation of effective climate policies, in a globally coordinated effort, limits negative effects. Gradual increases in carbon prices, along with the effective recycling of tax revenues into green investments, limit global output losses by 2030, while effectively reducing emissions. This results in a moderate increase in the unemployment rate.
- **Sudden Wake-Up Call:** A disorderly transition that begins abruptly after a period of inaction, requiring strong and aggressive policies to limit global warming. New climate policies are not introduced until 2030, leading to an increase in the price of carbon.



## BB's capacity to adapt to hypothetical changes in climate patterns and the transition to a low-carbon economy

Companies must be prepared to face changes, whether they are climatic, legal, social, or environmental. In this context, our actions are guided by the [Sustainability Plan – Agenda 30 BB](#), an instrument that fosters sustainable businesses and practices.

Additionally, the scenario narratives developed allow us to evaluate various activities associated with strategic planning, identifying, in advance, the need for improvements.

By analyzing how each listed criterion can impact our business, we are preparing to offer new financial instruments to the market, such as credit for new technologies, emissions trading platforms, and green loans, taking advantage of shared value opportunities.

In order to encourage actions to reduce GEE emissions, we have undertaken efforts to:

- projects for the generation, distribution and consumption of renewable energy, including decentralized microgeneration;

- energy efficiency projects for industries, aimed at replacing existing machines and equipment with more efficient ones, and for commercial and residential real estate developments;
- low-carbon agriculture projects and 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 for investors and companies to capital directed towards the low-carbon economy through capital market instruments;
- economic and financial projects and instruments that support the implementation of the National Climate Change Policy and the National Emission Reduction Policy;
- engagement with governments, academia, businesses, and the third sector to jointly promote actions that contribute to the transition to a low-carbon economy.

In addition, through the [BB 2030 Commitments](#)<sup>16</sup> for a More Sustainable World, we support employees, customers, investors, suppliers, and society in the transition to a portfolio of more sustainable products and services and practices that generate value for people and the environment.

<sup>16</sup> All commitments are aligned with global objectives, such as the Paris Agreement and the Sustainable Development Goals (ODS).



# GER Table: social, environmental and climate risk management processes

Description of the social, environmental and climate risk management structure



## Process of identifying, measuring and evaluating social, environmental and climate risk

Following the allocation of responsibilities expressed by the adopted MRLD framework, the management of RSAC is developed in several areas of the organization, according to the scope of action. We use tools that assist in identifying RSAC, among which we highlight:

- Automated registration entries related to the topic;
- Questionnaire for Assessing Levels of Environmental, Social and Climate Responsibility (QRSAC), applied in the risk and credit analysis of larger clients, such as Corporate, Large Corporate and Ultra, as well as rural producers, agricultural cooperatives, and other segments of the agricultural sector that meet the internal eligibility criteria, in addition to more sensitive projects;
- Media monitoring;
- Social vulnerability index;
- Registry of employers who have subjected workers to conditions analogous to slavery;
- Public lists, such as environmental embargoes and fines, and lists of contaminated areas;
- Customer visit report;

- System for monitoring political, regulatory, and market changes to adapt and improve the management process;
- Supplier Due Diligence;
- Social, Environmental and Climate Due Diligence, as shown in the image below.

Image 4. RSAC Due Diligence

	Risks	Registration	Analysis	Contracting	Leading
<b>Exclusion</b>					
Slave labor	🚫	●	●	●	●
RSAC Sensitivity Assessment: "Very High"	🚫 🌿	●	●	●	●
Rural Environmental Registration (CAR)	🌿	●	●	●	●
Rural GeoMap (Overlapping)	🚫 🌿			●	●
Restrictive and Exclusion List	🚫 🌿	●	●	●	●
<b>Evaluation</b>					
Media Alerts	🚫 🌿	●	●	●	●
IBAMA and ICMBio Embargoes	🌿	●	●	●	●
IBAMA Infractions	🌿	●	●	●	●
RSAC Questionnaire (QRSAC)	🚫 🌿 🌡️		●		
RSAC Sensitivity Assessment: "High"	🚫 🌿 🌡️	●	●	●	●
Custom Assessment (For High RSACSensitivity)	🚫 🌿 🌡️		●		
Licenses and Grants	🌿		●	●	●
Rural Climate Zoning (Zarc)	🌿 🌡️			●	
<b>Mitigation</b>					
Equator Principles	🚫 🌿 🌡️		●	●	●
RSAC Clauses and Statements	🚫 🌿			●	●
Guarantees	🚫 🌿		●	●	●
Monitoring - Panels	🚫 🌿 🌡️		●		●
Non-compliance/ Sensing	🚫 🌿		●		●
Thematic Studies	🚫 🌿 🌡️		●		●

**Legend**    🚫 Social    🌿 Environmental    🌡️ Climate



We emphasize that the Questionnaire for Assessing Levels of Environmental, Social, and Climate Responsibility incorporated the new regulations from the National Monetary Council and the Central Bank regarding Social, Environmental, and Climate Risk, structuring itself into groups of questions by type of risk (social, environmental, and climate), by size of the client analyzed, and by sector of activity. In 2025, the inclusion of specific questions was also implemented in compliance with Febraban's SARB 26/2023 regulation, which aims at managing the risk of illegal deforestation in the granting of credit to meatpacking plants and slaughterhouses for cattle in the Legal Amazon and Maranhão.

In 2025, 6,605 questionnaires were administered, of which 36 related to the analysis of investment projects.

Table 5. Target Audience of the RSAC Level Assessment Questionnaires

RSAC Level Assessment Questionnaires		2025
<b>Number of RSAC questionnaires administered</b>		<b>6.605</b>
<b>Number of corporate RSAC questionnaires administered for risk analysis and credit limits</b>	Business groups	3.155
	Individual clients	1.956
	Cooperatives	161
	Rural producers (Groups and individuals)	1.297
		<b>6.569</b>
<b>Number of corporate RSAC questionnaires administered for investment project analysis</b>	Business groups	24
	Individual clients	12
		<b>36</b>

The routines, tools, and procedures that comprise the Social, Environmental, and Climate Risk Due Diligence process, which reflects compliance with applicable legislation, regulations, policies, guidelines, standards, initiatives, and commitments undertaken by the Bank, and which are employed in all stages of the credit process, are organized and disseminated internally in a single environment.

In the development and improvement of products and services, we have adopted a workflow that includes prior verification of ASG characteristics and impacts. The procedures adopted encompass guidelines for managers, a questionnaire for information gathering, and a FAQ on Social, Environmental, and Climate

Risk. This workflow includes specialized analysis from the ASG and Internal Controls areas and aims to assist managers at the Bank in identifying and evaluating risk mitigation mechanisms associated with social, environmental, and climate factors.

Regarding the measurement of Social, Environmental and Climate Risk, in addition to the risk identification and assessment processes already foreseen in the [State-Owned Enterprises Law](#) (Law no. 13,303/2016), in Complementary Legislation, in the [Bidding and Contract Regulations of Banco do Brasil S.A. \(RLBB\)](#) and those inherent to the activity of purchases and contracting, we use complementary and specialized Supplier Due Diligence instruments, through structured questionnaires, research in open sources and internal information databases of the evaluated companies and their respective administrators, KRI indicators, analytical solutions and on-site visits.

We also adopted indicators and a methodology for assessing sensitivity to RSAC, considering evaluation from three perspectives (Economic Sector, Client, and Operation) and, in addition, analysis linked to the geographic region of operations, which allows us to classify, evaluate,



and monitor clients according to the degree of risk inherent in their activities.

We have a set of indicators that are used for risk measurement and monitoring. Due to new resolutions, in previous periods and throughout 2024, we revised the nomenclature and calculation method of the indicators and the methodology for assessing sensitivity to Social, Environmental and Climate Risk.

Regarding the effective measurement of risk, through the RSAC sensitivity assessment methodology, we used information related to social, environmental, and climatic aspects, among which we highlight:

- List of work analogous to slavery;
- Child labor;
- Largest labor debtors;
- Companies that are ineligible or suspended;
- Sustainable wallet;
- Rural insurance;
- Proportionality<sup>17</sup>;
- Amazon biome<sup>18</sup>.

<sup>17</sup> It takes into account the term of the transaction and the outstanding balance.

Through the Geographic and Socio-environmental Diagnosis, we generate data on the overlapping of financed land parcels using various databases: Federal Units (IBGE), Biomes (IBGE), Embargoed Areas (IBAMA/ICMBio/SEMAs), Conservation Units (ICMBio/MMA), Vegetation (IBGE), Climate (IBGE), Relief (IBGE), Hydrographic Basins (IBGE), Soils (IBGE), and Agricultural Potential (IBGE), among others.

From a Sectoral Climate Risk perspective, we assess exposure measured using [Febraban's Climate Sensitivity Assessment Tool](#), adapted for our macro-sectors.

In this stage, we conduct an analysis of the economic sector associated with the client's activities, considering the possibility of exposure to climate risk, as classified by the Task Force on Climate-related Financial Disclosures (TCFD).

Still in sectoral terms, we monitor the occurrence of climatic events and their potential impacts on various sectors of the economy, mainly in relation to agribusiness supply chains, to proactively anticipate management actions in the credit portfolio. Additionally, through the Climate

<sup>18</sup> IBGE provides a list of municipalities that comprise the Amazon Biome, allowing for the identification of clients who reside in these locations. We



Monitoring Report, we conduct climate diagnostics and analyze the crop conditions of the main agricultural commodities affected in the quarter, and we also provide a climate forecast for the coming period.

understand that clients located in these areas are more likely to experience environmental risk events.



Considering the long-term feasibility of our business in the face of climate change threats, we analyzed scenarios that take climate issues into account through sensitivity analysis, applied to BB's portfolio, from the perspective of macro-sectors of the economy, considering both physical and transitional climate events.

In the climate risk management process, we identify and assess the impacts of Physical Risk and Transition Risk. For the former, we apply stress tests considering climate variables, such as the increased intensity of the El Niño or La Niña, to evaluate potential effects on the loan portfolio. In the case of Transition Risk, we conduct sensitivity analyses based on NGFS scenarios, examining how different



macroeconomic scenarios may affect our business. (Details in Table EST)

In 2025, the Stress Testing Program was enhanced with significant advancements in RSAC, mainly:

- Selection of a short-term NGFS scenario for transition risk;
- Idiosyncratic Stress Scenario for Cyber Risk, IT Risk, and Third-Party Risk arising from the interruption of the Bank's activities related to unexpected Natural/Climate events;
- Within the context of social risk, an idiosyncratic scenario of operational risk related to the category of labor problems;
- Environmental risk scenario characterized by the occurrence of accidents involving mining dams, considering the economic relevance of the sector and the history of tragedies in Brazil, such as the Mariana and Brumadinho cases. The scenario considered extreme conditions, such as intense and prolonged rainfall, soil saturation, and old structures that were not designed for the current climate, factors that significantly increase the risk of dam failure.

Within the scope of Third-Party Social, Environmental, and Climate Risk Assessment, supplier subcategory, we conduct multidimensional management to address risk factors and events that could lead to financial losses arising from the supply of goods and/or services by suppliers, and damages to the institution's reputation.

To define the levels of exposure to Social, Environmental and Climate Risk for suppliers, we use internally developed scenarios and our own methodology with defined, controlled and monitored risk ranges.

We assessed the sensitivity to Physical Climate Risk of Banco do Brasil's own and relevant physical facilities, considering the guidelines of the TCFD and the Regulator. The methodology assists in mapping the facilities most exposed to Physical Climate Risk events, considering the degree of relevance and impact for Banco do Brasil, based on historical observations and listed factors.

We monitor daily the weather warnings of danger and extreme danger that are published on the Inmet website for the day, and compare them with the updated diagnosis of the exposure of the BB's branches. As a result, we have identified the BB's branches located in municipalities with a probability of occurrence



of significant weather events. In addition, we also highlight the intensification of communication with the branches to obtain information and send guidelines.

Assessing the exposure level of BB's branches allows us to analyze impacts and vulnerabilities, enabling continuous customer service and addressing mitigation actions according to geographic region, contributing to the development of the organization's adaptive capacity in the face of climate change, aiming at opportunities and better risk management.

## Criteria used for classifying exposures in terms of social, environmental and climatic risk

In the assessment of Third-Party Social, Environmental and Climate Risk, supplier subcategory, we developed our own indicators, with defined risk ranges, to measure the bank's exposure, in which we consider the result of the individual assessment of the target public suppliers and assign differentiated weights to assessments with higher risks.

In our individual supplier evaluations, we investigated the following items:

- Existence of policies and programs that address ethics, integrity, human rights, diversity, and socio-environmental responsibility, including a Code of Ethics and an Integrity Program.
- Recognized certifications (ISO 9001, ISO 14001, ISO 37001, among others).
- Active reporting channel, guaranteeing anonymity and preventing retaliation.
- History of lawsuits or administrative proceedings related to child labor, harassment, discrimination, or corruption.
- Report on GEE emissions, policy for emissions reduction and actions to mitigate climate impacts.
- Procedures for reverse logistics, waste management, and mitigation of environmental impacts.
- Declaration of compliance with the Anti-Corruption Law (Law 12,846/2013) and specific contractual clauses.

Regarding the classification of exposures in our credit portfolio, from an RSAC perspective, we adopted a specific methodology in which exposures are evaluated from three viewpoints, Economic Sector, Client, and Operation, and we also consider the geographic region of the operations in our analyses.





## Economic sector overview

Within the scope of Social Risk, we assessed the impact on each macro-sector, classifying it as "Relevant" for higher balances and "Low" for lower balances, considering occurrences of risk events related to:

- Work analogous to slavery;
- Largest labor debtors;
- Incidence of child labor;
- News related to Social Risk resulting from the media monitoring process.

Additionally, we used the Social Risk weighting for some economic sectors, as referenced in the [Guide for Social Risk Management](#).

From an Environmental perspective, in addition to the classification included in the [National Environmental Policy](#) (Law no. 10,165/2000), which ranks potentially polluting activities and users of environmental resources, we account for occurrences linked to IBAMA infractions (embargoes and fines), ICMBio embargoes, and news related to environmental risk events reported in the media.

From a Climate perspective, we used as a basis the [Climate Risk Sensitivity Scale](#) proposed by

Febraban, which describes various economic activities/sectors with high and medium exposure to climate risk, adjusted for our macro-sectors.

## Client view

From a Customer perspective, for exposures to Social and Environmental Risk, in addition to the macro-sector classification, we consider client registration information, determined by the presence of unfavorable information and annotations (of a social and environmental nature), as well as other information related to locational risk, such as the [Social Vulnerability Index \(IVS\)](#) and the identification of the Amazon Biome.

For Climate Risk, we consider the macro-sector, the client's proportionality, and the client's activity region. We call this last criterion locational risk, which is given by the [Drought Vulnerability Index \(IVDNS\)](#) of the municipality where the activity subject to the operation takes place.

## Operational view

We evaluate our credit operations regarding exposure to Social, Environmental, and Climate

Risk, considering the weighted average term of the operation and the exposure balance, in addition to information from the economic sector and the variable of being included in the Sustainable Credit Portfolio<sup>19</sup>, which lists operations that have positive social, environmental, and climate issues, according to the characteristics of the credit lines and borrowing sectors.

Clients have access to a diverse portfolio of products, including Agricultural Insurance, Agricultural Revenue Insurance, Proagro, and Proagro Mais. Specifically, for the Climate Risk of rural producers' operations, we also added agricultural insurance and Proagro (a Brazilian agricultural insurance program). By the end of 2025, 43% of all agricultural costs, totaling R\$18.3 billion, were covered by Agricultural Insurance and Proagro, guaranteeing the mitigation of risks related to production losses caused by extreme weather events.

The following table shows the values of mitigating factors in agricultural financing associated with rural operations at the Bank (year/crop overview).

<sup>19</sup> It has independent external verification by Nint/ERM (formerly Sitawi), in accordance with the main global taxonomies.

Table 6. Insurance in the Working Capital for Input Purchase – R\$ million<sup>20</sup>

	Crop 23/24	Share %	Crop 24/25	Share %	Crop 25/26	Share %
<b>Working Capital for Input Purchase</b>	<b>47,921</b>	<b>100.0</b>	<b>36,267</b>	<b>100.0</b>	<b>23,434</b>	<b>100.0</b>
<b>Total Insured</b>	<b>25,581</b>	<b>53.4</b>	<b>18,144</b>	<b>50.0</b>	<b>9,570</b>	<b>40.8</b>
Crop Insurance	20,559	42.9	14,235	39.3	7,045	30.1
Proagro	4,933	10.3	3,829	10.6	2,501	10.7
Hedge Price	88	0.2	80	0.2	23	0.1
<b>Without Insurance</b>	<b>22,340</b>	<b>46.6</b>	<b>18,123</b>	<b>50.0</b>	<b>13,865</b>	<b>59.2</b>

## Mechanisms used for the timely identification of political, legal, or regulatory changes that may impact the climate transition risk incurred by BB

Considering the fast pace at which information emerges daily, we must promptly monitor and identify political, legal, or regulatory changes that may impact the institution's climate transition risk. To ensure continuous and timely updates, we use mechanisms to identify and monitor these changes.

### Political changes

Considering the importance of the subject, Banco do Brasil has an Institutional Relations Management department responsible for coordinating the institution's relationship with the Federal Executive and Legislative branches, regarding legislative matters being drafted and processed in the National Congress.

In this context, we leverage opportunities and mitigate risks by identifying issues that may impact the Bank, acting proactively. Furthermore, we monitor, via open data, the matters presented and all the progress of projects in the National Congress.

For monitoring purposes, we have our own tool that allows for comprehensive tracking of activities (parliamentary pronouncements, requests, public hearings, and legislative matters) and instruments (bills, provisional measures, requests for information, motions, resolutions, among others) that are under consideration by the National Congress, or by its Houses (Chamber of Deputies and Federal Senate) and Committees.

### Legal or regulatory changes

To monitor regulatory requirements and legal changes, we use artificial intelligence to automatically analyze external regulations from key regulators.

With the resulting information, the areas responsible for internalizing the regulations assess their impact and declare the necessary actions in a timely manner to ensure that BB's products, services, processes and channels are always in compliance with the requirements of the regulatory bodies.

<sup>20</sup> Source: 4Q25 Performance Analysis Report – Available at: [https://api.mziq.com/mwg-internal/de5fs23hu73ds/progress?id=EMtyvW41vXFEB0\\_Z2OoXreblOouCHVbeWjvoQpF\\_kmA,&dl](https://api.mziq.com/mwg-internal/de5fs23hu73ds/progress?id=EMtyvW41vXFEB0_Z2OoXreblOouCHVbeWjvoQpF_kmA,&dl), p. 83.



## Mechanisms used to address the interactions between social, environmental and climate risk and other risks

Within the scope of integrated risk management, a description of the mechanisms used to address the interactions between Social, Environmental and Climate Risk, and between this risk and other risks incurred by the institution, in accordance with the provisions of article 38-E of Resolution nº 4,557, of 2017.

Our risk management framework allows for the assessment of the level of exposure to financial and non-financial risks, as well as their interactions. Social, Environmental, and Climate Risk can impact other relevant risks of the institution considering its cross-cutting and causal nature. Therefore, our Corporate Risk Taxonomy relates events of Credit, Market, Operational, Reputational, and Liquidity Risks to Environmental, Social, and Climate Factors.

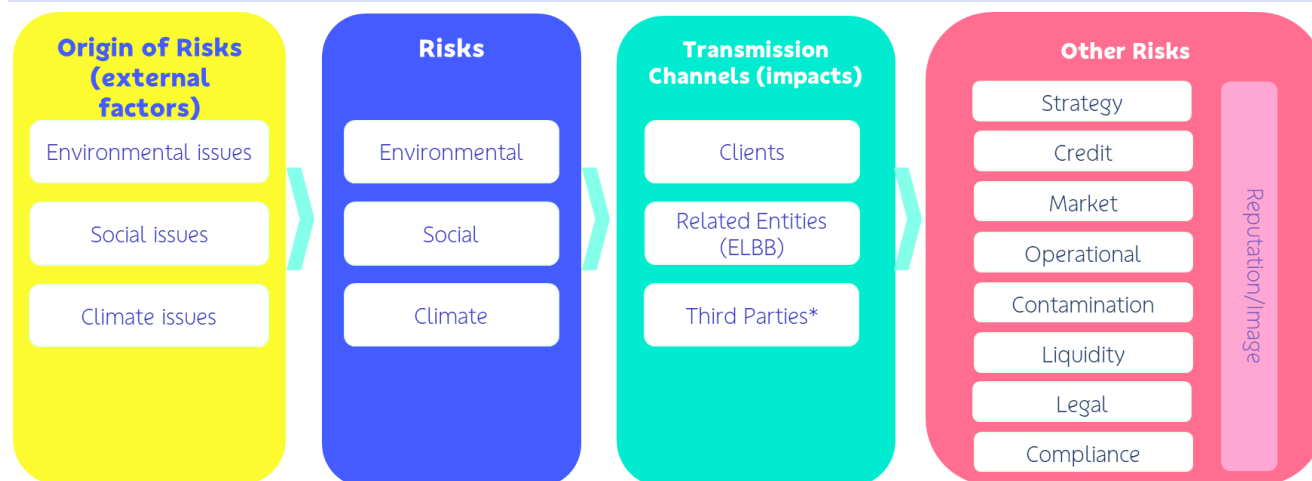
Considering that the occurrence of events related to relevant risks may generate exposure to reputational risk, we monitor mentions to the Bank and its Affiliated Entities (ELBB) in publications and posts in the digital press and social networks related to sensitive topics, including social, environmental and climate matters.

From this perspective, integrated risk management allows us to monitor our exposure, identifying overlaps between different categories, which enables a better assessment of

the impacts of interactions between risks, promoting improved management and the adoption of more assertive strategies and mitigation measures, such as:

- verification in the operational losses base, regarding the associated RSAC factors, to understand their exposure; and
- preventive action in the management process to minimize the occurrence of other risks.

Image 5. Integration between RSAC and other risks



\*Suppliers, Correspondents and Partners



Climate risk can be verified in several ways. The following table presents non-exhaustive examples of different types of physical and transition risks and their materialization in direct or indirect impacts on the institution in four of the several risks managed.

Direct impacts are those that are easily identifiable, as they result from a simple cause-and-effect relationship. On the other hand, indirect impacts result from a secondary reaction, or part of a chain of reactions in the financial market, in local economies, or in other companies

Table 7. Materialization of the impacts of climate risk on other risks

Risk	Physical Climate Risk		Transitional Climate Risk	
	Direct	Indirect	Direct	Indirect
Credit Risk – Possibility of losses arising from the borrower’s or counterparty’s failure to meet their respective financial obligations under the agreed terms, the devaluation of a credit contract due to deteriorations in the borrower’s risk rating, the reduction of earnings or remuneration, the advantages granted in renegotiation, and the recovery costs.	Increase in the frequency and severity of climate events results in damage to client and/or damages to property, which may result in an increased probability of default, as well as devaluation of property assigned as guarantee.	Increased direct damages from severe climate events increases insurance costs and/or the price of consumables, affecting client payment capability.	Changes to consumer habits affect company profitability if they lag behind in adapting to the low-carbon economy.	Low profitability of carbon-intensive industries leads to reduced production in local economies, increasing unemployment and the risk of default (falling local GDP).
Market Risk – Possibility of losses arising from fluctuations in the market values of instruments held by the Institution.	Heat and drought cause variability in agricultural production or severe climate uproots commodity supply chains, leading to price volatility	Increased frequency and severity of extreme climate events in a high-risk region leads to a systemic change on the types of cultures produced on affected areas.	Reduced consumer demand for less sustainable products/ services negatively impacts the equity of slowly transitioning companies.	Demand sustained by “green” assets associated to restrictions throughout the production chain lead to price volatility on those assets.
Operational Risk – Possibility of losses resulting from failure, deficiency, or inadequacy of internal processes, people, and systems, or external events.	A severe climate event may damage the Bank’s structures, causing temporary loss of business. Additionally, this may cause asset devaluation, resulting in operational losses.	Ever more frequent and destructive climate events in high-risk areas lead to companies and residents migrating out of those areas, creating challenges in hiring and retaining local employees.	The implementation of new business models, the preparation of reports regarding climate-related goals, and the appearance of several regulatory expectations relating to this issue globally lead to an increased operational risk in the case of inadequate implementation.	An ambiguous regulatory and legal scenario which is rapidly evolving on climate issues, leading to increased litigation against the financial sector, which results in increased legal and compliance costs.
Strategic Risk – Possibility of observed results differing from those initially expected, due to changes in the business environment or the use of inadequate assumptions in decision-making.	Maintaining the business strategy with clients/sectors increasingly susceptible to severe climate events, which lead to their reduced profitability.	Decision to maintain facilities at bank units in locations that are highly exposed to physical climate risk.	The Bank is incapable of attracting “green” business as society moves toward a low-carbon economy, affecting the fulfillment of our climate-related goals and consequently, our reputation.	Non-alignment of climate-related goals by clients may cause misalignment with BB’s strategy.



In the context of Social and Environmental risks, integration with other corporate risks materializes in a similar way to that included in the table on the *Materialization of the impacts of climate risk on other risks*, considering that social and environmental factors also act as triggers that may cause direct and indirect effects on other risks.

For example, in Credit Risk, materialization can occur when clients or sectors are affected by environmental embargoes, sanctions, degradation, labor lawsuits, or human rights violations, reducing financial capacity, affecting guarantees, or increasing default rates. Therefore, as a mitigation measure, social and environmental factors are incorporated into RSAC Sensitivity, Geographic and Socio-environmental Diagnosis, and QRSAC, influencing ratings, limits, provisions, and exposure strategies.

Market and liquidity risks can be impacted when environmental or social factors cause sectoral contraction, logistical disruptions, extreme events that reduce production, commodity price volatility, or abrupt changes in investor and stakeholder behavior. These interactions are incorporated into scenarios,

stress tests, and macroeconomic projections, supporting adjustments to funding strategy, limits, and risk appetite.

In the case of Reputational Risk, the materialization arises from the Bank's association with the practices of clients, suppliers, or sectors involved in environmental degradation, illegal deforestation, irregular labor, or social harm. Media and social network monitoring mechanisms, combined with specialized analysis of reputational alerts, allow for proactive action.

Losses related to Operational Risk can also result from legal proceedings and fines linked to social and environmental factors, whether due to joint responsibility or irregularities in the activity. In this regard, BB monitors legal proceedings and fines associated with this issue, in addition to dashboards that report losses and tolerance limits established in the RAS.

As illustrated for climate risk, integrating Social and Environmental risks with the other categories reinforces the cross-cutting vision of the RSAC and enables coordinated responses for mitigation and decision-making.





## Monitoring, control and mitigation processes for social, environmental and climate risk

### Business

We monitor our client portfolio for exposure to Social, Environmental, and Climate Risks through established indicators and limits. In case of deviations, the causes are evaluated and actions are taken to address the exposures. We control exposure to Social, Environmental, and Climate Risk by establishing limits in our Risk Appetite and Tolerance Statement (RAS), based on indicators related to the credit portfolio's exposure and operational losses to Social, Environmental, and Climate Risk.

In 2025, we improved the RSAC indicators, allowing for greater visibility into the concentration of the risk-exposed portfolio, in order to enable comprehensive monitoring of exposure and its inputs. In addition to monitoring limits at the RAS level, we monitor the indicators via the Management Dashboard, by reporting to the Executive Committee for Risk and Capital Management (CEGRC).

Furthermore, through a monitoring tool, we track the alert and emergency levels of our

clients' mining dams, based on information provided by the National Mining Agency, allowing for expert assessment in case of worsening conditions.

Among the monitoring tools employed, risk management dashboards play an important role and undergo periodic updates, supported by continuous monitoring of physical weather conditions and events. This systematic monitoring ensures the incorporation of current and reliable information, allowing the dashboards to promptly reflect any relevant weather events. Regarding the management of Physical Climate Risks in the Agribusiness portfolio, a set of tools, reports, and monitoring dashboards comprise a verification and monitoring network for the rural credit portfolio.

This monitoring network covers from client registration to the contracting and management phases of rural credit operations, employing different approaches, whether through the breadth of verification or strategic portfolio management guidelines.

The Crop Monitoring Panel helps us monitor the climatic impacts on agricultural activities, mapping situations of excessive heat, disease, drought, excessive rainfall, frost, hail, fire, pests, strong winds or multiple occurrences and their effects on production, so that proactive measures can be taken to mitigate and assist rural producers.

In the context of deforestation, we have instituted RSAC mitigation actions aimed at inhibiting illegal deforestation practices, assisting in the acculturation of good practices within the value chain, and promoting the recovery of pasture and degraded areas. For example, we do not grant rural credit intended to benefit properties that are listed in IBAMA's georeferenced database of areas embargoed due to deforestation or illegal use of fire. We use tools focused on risk identification and mitigation and have guidelines, commitments, and indicators aimed at promoting the recovery of degraded areas.



We also adhere to [SARB 26](#), a regulation from Febraban, which establishes guidelines to be complied in credit operations with slaughterhouses and beef processing plants in the Legal Amazon and Maranhão to mitigate the risk of illegal deforestation in these regions. In this context, an Adaptation and Consequences Plan was structured, establishing guidelines for the continuous improvement of internal processes, including mandatory documents to be submitted by target clients, registration records, targeted communication actions, and monitoring mechanisms to support clients' progress in terms of regularization and compliance.

### Third Parties and suppliers

We monitor exposure to Third-Party Social and Environmental Risk, specifically supplier subcategory, through indicators and expected exposure levels, enabling the adoption of actions to reclassify exposures in case of deviations.

In order to mitigate the identified risks, we have made contact and interacted with our suppliers to raise awareness, provide guidance, and encourage the adoption of more sustainable practices. Furthermore, all our contracts include clauses outlining responsibilities for good social and environmental practices, indicating fines for

non-compliance and even allowing for unilateral termination of contracts, without prejudice to any applicable penalties and fines.

Compliance with labor and social security obligations is a contractual and legal duty. We inform employees of our supplier companies regarding their main rights, mainly labor rights, and provide them with Banco do Brasil's official Whistleblowing and Ombudsman channels. Information registered through the Whistleblowing Channel will be received by an independent and specialized company, ensuring absolute confidentiality and appropriate handling of each situation, without conflict of interest. Prior to payment, we verify compliance with these provisions among suppliers, and we also analyze evidence or complaints of any infractions or non-conformities.

Furthermore, all contracts include clauses and contractual obligations related to Human Rights, DE&I, environmental preservation, compliance with labor and social security legislation, prevention of corruption and money laundering, fight against harassment and child exploitation, as well as prohibitions against practices that constitute conflicts of interest or illegal acts, which the supplier declares and undertakes to comply with.

In addition, workers of contracted companies may contact a contract supervisor and a service supervisor to register complaints related to their employment contract.

To improve the Supplier Due Diligence process at the social, environmental, and climate levels, we have implemented actions through the [BB Agenda 30 Sustainability Plan](#).





## Dissemination of risk culture

By fostering a risk culture involving all levels of the organization, from senior management to frontline employees, we seek to empower the workforce, achieve more effective risk management in processes, and contribute to the debate and evolution of management.

Banco do Brasil, through its Corporate University (UniBB), offers training solutions organized into learning paths, including the Sustainability Path, which aims to guide its employees regarding corporate sustainability, which means the ability of a company to grow in a competitive business environment, undergoing changes and managing risks and opportunities in the economic, environmental, and social dimensions.

In 2025, Banco do Brasil reinforced its commitment to sustainable business practices through the joint event 6th CEI Season (Compliance, Ethics and Integrity) and 3rd RSAC Conference (social, environmental and climate risk). The integration of these initiatives promoted discussions on emerging trends and issues, seeking greater operational efficiency and broadening the reach of strategic agendas.

The RSAC Proposal aims to disseminate sustainable principles applied to the

management of Social, Environmental, and Climate Risk, reinforcing the importance of this vision in corporate decision-making. The CEI Season, on the other hand, is a strategic initiative designed to strengthen the culture of Compliance, Ethics, and Integrity throughout the organization, encouraging reflection, sharing of best practices, and employee engagement in building a more integrated, ethical, and transparent corporate environment.

In the 2025 edition, the joint event's program was broadcast live and recorded for later viewing, with some in-person meetings involving employees, clients from different segments, and strategic partners such as suppliers and banking correspondents, ensuring a broad and integrated approach. The theme "From climate to organizational climate" inspired reflections on the relationship between external climate change and the institution's internal environment. The event reinforced the connection between sustainability, ethics, and risk management, highlighting the relevance of these practices for the long-term performance of BB's business.

Within the scope of Social Risk, Banco do Brasil launched the Anti-Discrimination Protocol in November 2024, which standardizes and

establishes procedures for action in cases of discrimination. The protocol aims at providing support, encouraging reporting, and managing the consequences, and is considered an important step in the fight against any form of discrimination, including racism, gender discrimination, LGBTphobia, ableism, religious and age discrimination, encompassing all of the institution's stakeholders. BB repudiates any form of discrimination and is committed to creating an inclusive and safe environment for all people. Through the protocol, the Bank hopes to provide faster responses in cases of discrimination, demonstrating in a practical way the company's commitment to diversity, equity, and inclusion.





## Strategic management

### Macro-sectoral monitoring

In addition to the various macro-sectors of the economy, they encompass those directly related to plant and animal agribusiness, considering their main production chains (such as corn, soybeans, wheat, rice, coffee, oranges, sugarcane, tobacco, beef and dairy cattle farming, poultry farming, and pig farming). This process involves monitoring the performance of the credit portfolio under different sectoral breakdowns through reports and dashboards, defining market perspectives for the monitored macro-sectors and segments, as well as disseminating a set of content focused on sectoral analyses (such as Sectoral Scenarios, Macro-sectoral Overview, Macro-sectoral Alert, Macro-sectoral Report, Special Studies, Briefings etc.). Furthermore, specifically regarding climate risk, a periodic report dedicated to evaluating the effects of climate on the agricultural portfolio is being prepared, including the monitoring of events such as El Niño and La Niña, among others.

### Current situation analysis

We hold quarterly or extraordinary Business Analysis meetings to monitor the portfolio, identifying climatic or market situations that may pose risks, and directing appropriate mitigation measures. Examples of measures include adjustments to price projection indicators, strategies for activating mitigation mechanisms, adjustments to contracting rules, among others that we will address in this document.

Weekly analyses of Macroeconomic Scenarios and Agricultural Commodities are also conducted, addressing any events that might need a review of the current situation and strategic market positioning for key activities. These meetings cover topics such as prices, distribution, projected and expected productivity, commodity behavior, and others.

## Specific monitoring

### Agricultural Technical Reference (RTA)

RTA is a corporate system that is presented as the central gear for integrating the mechanisms for monitoring contracting and tracking agribusiness operations.

The Portfolio-Level Technical Advisory (ATNC) team at Banco do Brasil, comprised of approximately 250 professionals with degrees in agricultural sciences, distributed throughout the country and known as Agribusiness Advisors, is primarily responsible for the content of the RTA System.

Based on information collected and recorded by these professionals, using its own methodology, the RTA analyzes the attractiveness of agricultural ventures in different microregions of the country, enabling the registration of information on agricultural production in the registry and assisting in establishing the credit limit for rural producers. The system also provides parameters for the automated contracting of agricultural financing operations, agricultural insurance, among others.



The RTA system establishes different levels of attractiveness for financing activities based on climatic and market conditions verified in previous harvests. Historical price and productivity series, combined with performance in past harvests, define this level of attractiveness through continuous monitoring of the financed crops.



### Intelligence network and sectoral analysis documents

The Agro Intelligence Network, comprised of agribusiness advisors and supported by the aforementioned strategic meetings on Economic Outlook and Macroeconomic Scenarios, also produces materials with studies that inform strategic decisions regarding resource allocation, according to target audience, region, and crops, based on risk analysis of potential losses. Key materials include the Economic Outlook Analysis, the Price Trend Factor, the Weekly Field Analysis, BB CastAgro, and the Quarterly Climate Report.

The Economic Outlook Analysis is a periodical that presents the main fundamentals of the production chains of cotton, rice, coffee, sugarcane, beans, oranges, corn, beef and dairy cattle, soybeans and wheat, directing price trends for adjustments in the RTA System.

With the Weekly Field Analysis and Agro Market Connection, we monitor domestic and international markets, forecasting scenarios and their impacts in the short, medium, and long term, and providing strategic rationale for market positioning in commodities such as soybeans, corn, coffee, and cattle.

### Geographic and socio-environmental diagnosis

Banco do Brasil employs verification mechanisms to monitor sensitive areas, such as those with environmental embargoes, indigenous lands, nature conservation units, undesignated public forests, and quilombo remnants. The analysis system ensures that the financed properties are not located in restricted areas. If irregularities are identified, the contracting process is immediately interrupted.

We use the Geographic and Socio-environmental Diagnosis as a strategic tool to ensure that rural credit financing operations comply with rigorous legal and socio-environmental criteria. The solution performs a detailed and automated analysis of properties (CAR) and land parcels linked to credit proposals, verifying their overlap with various public cartographic databases, classified as prohibitive, informative, or alert-based. The informative databases cover aspects such as hydrography, soil types, biome delimitation, and location within municipalities.



Restrictive datasets based on legal or internal regulations ensure that the areas and properties of the project to be financed do not overlap with areas under environmental embargo, officially recognized indigenous lands, quilombo remnants, Nature Conservation Units, Type B Public Forests (not designated for specific purposes), and properties with specific restrictions in the Amazon Biome, such as the Soy Moratorium. Furthermore, the Geographic and Socio-environmental Diagnosis monitors alerts of illegal deforestation through the MapBiomass Alerts platform, ensuring that operations are aligned with best practices for environmental preservation.

The analysis process is carried out upon acceptance of the proposal and formalization of the rural credit operation, with the evaluation of the geographic coordinates of the property (CAR) and the land parcel in relation to cartographic databases. If an overlap with restricted or prohibited areas is identified, the contracting process is immediately interrupted.

Following the contracting of operations, quarterly Geographic and Socio-environmental monitoring is carried out to verify the maintenance of the operations' compliance status during their term. If any indication of

irregularity is identified, a specific analysis process is initiated which may result in the disqualification of the operation, as well as its early termination.

### Remote crop monitoring

Monitoring the loan portfolio remotely ensures that financed crops develop as planned, reinforcing the security and efficiency of rural credit.

Starting with the 2025/2026 crop season, we began adopting remote control technology to monitor the production cycle of financed crops, from planting to harvest. This monitoring allows us to identify, quickly and accurately, the evolution of cultivated areas, ensuring greater adherence to the conditions agreed upon in rural credit.

Based on satellite images and the use of artificial intelligence, the proprietary MAP BB solution identifies crop emergence, estimate cultivated areas, and verify compliance with the Agricultural Zoning for Climatic Risk (ZARC). In this regard, we can validate declared information and

support strategic decisions.

This practice contributes to mitigating fraud, improving the quality of guarantees and the sustainability of operations, strengthening portfolio management and promoting greater security in the credit granting process.





## Behavioral warning indicators

To mitigate occurrences of fraud and irregularities in rural credit identified during audits of financed projects, Banco do Brasil conducted studies to map situations that could serve as indicators requiring attention.

The "AGROnline Attention Indicators" tool generates flags for proposals that exhibit certain characteristics and, for that reason, require more attention during the approval process. These indicators are representative of patterns previously verified in credit operations that presented some irregularity.

The purpose is to mitigate the risk of fraud and irregularities in the contracting of rural financing, preventing the continuation of proposals that present prohibitive indicators and allowing the monitoring of contracted operations with the signaling of informative indicators, which provides more security in the formalization of rural credit operations.

We emphasize that the inclusion of AGROnline Warning Indicators in a proposal does not necessarily imply the occurrence of fraud but may indicate the need for a reassessment of the operation before its approval.

## Crop monitoring

Crop monitoring, through Agricultural Alerts, is another tool applied throughout the national territory, based on alerts of climatic and market events issued by agribusiness advisors, which are registered directly in the BB system and allow observation of the incidence of adverse climatic events.

This information raises awareness in rural credit operations and allows for proactive actions to mitigate financial risks and activate insurance, enabling producers to remain in rural activity.

### GEO Study Center – Gerag Network

The GEO Study Center was established within the scope of the Banco do Brasil's agribusiness advisors. The GERAG network of specialists works with georeferencing and geoprocessing tools to generate data and build solutions.

The work of the Study Center enabled the generation of strategic information in a timely manner for BB's actions in response to climate impacts such as the floods in Rio Grande do Sul and the wildfires throughout Brazil, for example.

## Agricultural zoning

We also mitigate Physical Climate Risk through tools such as the Agricultural Zoning of Climate Risk (Zarc), published by the Ministry of Agriculture, Livestock and Supply (Mapa), which indicates the municipalities with suitable climate and soil conditions for certain crops and the most adapted cultivars. It is the main benchmark for financing crop production costs in several municipalities across the country.

### Support for sustainable agriculture

Support for sustainable agriculture aims to achieve sustainable long-term returns, going beyond traditional financial and risk analyses. Sustainable technologies are also associated with cost reduction and efficiency gains, contributing to the long-term sustainability of production models.

Initiatives aimed at reducing CO2 emissions in agricultural activity and conserving the environment are supported by Renovagro - Financing Program for Sustainable Agricultural Production Systems.



The purpose of the Agro Energy Program is to stimulate the use of renewable energy in rural areas through the financing of power plants that generate alternative, renewable, and clean energy, intended for the generation of energy for the development of agricultural activities, including sources such as solar energy, biomass energy, and wind energy.

The Bank participates in the Caminho Verde Brasil Program, a strategic initiative of the Federal Government to boost environmental recovery and productivity in the agricultural sector through the restoration of degraded areas and the promotion of sustainable practices. This program intends to promote the recovery and conversion of low-productivity pastures into arable land, potentially doubling the area of food production in Brazil without deforestation, avoiding expansion into areas of native vegetation.

In line with government initiatives, the Bank implemented the More Sustainable Livestock Program, an agreement signed with innovation partners, aimed at promoting a feasible model of traceability and sustainability in beef cattle farming, with the goal of recovering degraded areas, improving farm management processes,

including the implementation of best low-carbon agricultural practices, integrating producers into the traceability of the production chain, and generating environmental bonuses for livestock farmers.

Within the scope of the Caminho Verde Brasil (Green Path Brazil) program, the Bank operates the Eco Invest Brasil Program, focusing on the recovery of degraded lands and the promotion of sustainable production systems, allocating resources to rural producers, cooperatives, and agribusiness companies, such as bio-input manufacturers,



food processors, and biofuel plants. Macro Sectors Portal.

Sectoral market monitoring at BB, conducted for the purposes of managing the credit portfolio and supporting the client credit analysis process, observes the RSAC to which the sectors are exposed. This monitoring has materialized through dashboards with credit information broken down by sector, as well as through a portfolio of internal analyses and reports emphasizing sector-specific content.

Therefore, to disseminate the content, the Macro Sectors Portal was developed, which hosts the set of corresponding reports in a single environment, in order to optimize internal access by the different areas and users of the Bank.

Similarly, in order to contribute to the management of the Bank's loan portfolio and its proper performance, BB monitors the impacts of climatic events that may affect the economic and financial sustainability of clients and sectors of activity, carrying out expert assessments as needed.



## Collateral management

Banco do Brasil adopts comprehensive collateral management, considering the dynamics of the loan portfolio and using continuous mechanisms to monitor coverage levels.

Regarding risks related to climate events, as a general rule, the collaterals have mandatory insurance policies that act as mitigating instruments. These insurance policies include, at a minimum, coverage for environmental and climate events, as referred to in internal policies, reducing the impact on the value of the guarantees and the Bank's exposure.

Monitoring the regularity of insurance policies is carried out systematically and periodically, with managers being notified of any uninsured assets or other relevant occurrences. This process ensures adherence to credit and collateral policies, preserving adequate levels of coverage.

These practices reinforce the Bank's resilience in the face of climate change and demonstrate alignment with best practices in governance and risk management. By integrating preventive mechanisms and continuous monitoring, Banco do Brasil contributes to business sustainability and strengthens its position as an institution

committed to social, environmental, and climate responsibility.

## Evaluation of facilities

Regarding the monitoring, control, and mitigation processes resulting from the Physical Climate Risk Sensitivity Assessment of BB's facilities, the main objective is to preserve the environment and reduce the impacts caused by changes in climate patterns, ensuring the sustainability of the Bank's business. To this end, the Bank adopts climate risk mitigation measures, including monitoring the probability of extreme weather events and long-term changes in climate patterns in the regions where BB has branches. The Bank's responsibility includes the availability, operation, and maintenance of physical facilities, both owned and unowned properties, as well as building infrastructure. This monitoring identifies unexpected external events, such as weather events, that represent risks and which, combined with the building characteristics of BB's facilities, as well as the risk mitigation strategies developed by the internal engineering team, have been minimizing occurrences and potential losses. Therefore, the Bank demonstrates adaptive capacity in the face of climate change in the country.

## Disaster management

From a social responsibility perspective and in the face of calamitous situations, BB promotes actions to reduce the suffering of employees, clients, and communities affected by disasters, through initiatives that involve its entire relationship chain.

In this regard, BB reinforces its public role and its socio-environmental responsibility, in addition to its role in raising awareness of volunteering throughout civil society.

In the event of an emergency or public calamity, the Bank proactively establishes several actions:

- Humanitarian Aid Program, which consists of contributions from the Banco do Brasil Foundation for the purchase of basic needs such as water, hygiene products, clothing etc.;
- Fundraising campaigns involving staff, clients, and the community, which are actions to raise financial resources donated through an exclusive current account, with wide dissemination through the bank's communication channels and social networks;



- Debt renegotiation with differentiated rates and conditions, for legal entities, individuals, and rural producers;
- Extension of loan installments (Legal Entity, Individual and Rural Producer);
- Credit operations with a differentiated process to the impacted municipalities (if there is available credit limit);
- Initiatives such as more flexible assistance options for home and business insurance, monitoring of claims notifications from affected areas, and a prioritized customer service process;
- Guidance for municipal managers on how to request resources and the Civil Defense Payment card;
- Availability of a BB Mobile branch, when necessary, to assist clients located in the affected area.

Through these practices, we mitigate risks to the environment and society by reducing the impacts of our financing and investments, as well as identifying new opportunities to operate in the value chain of sustainable businesses.

### Actions related to Provisional Measure 1,314

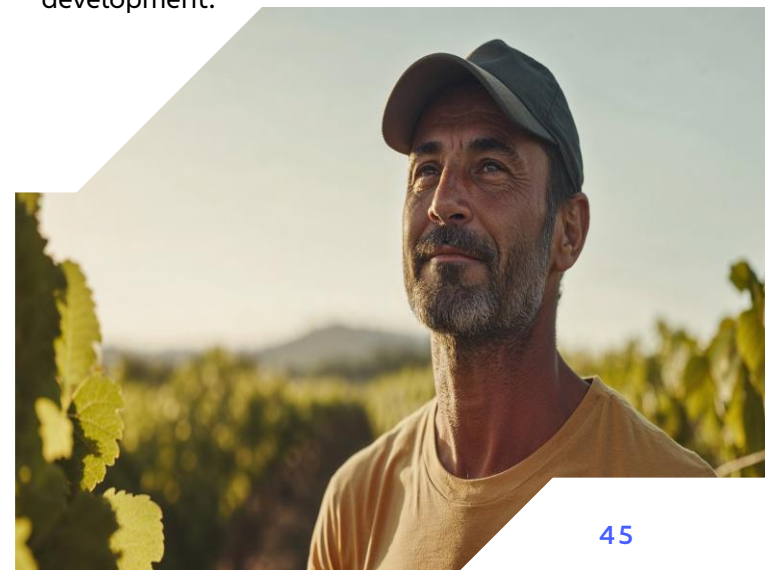
Considering the current scenario of the agricultural portfolio and the effects verified in delinquency indicators, Provisional Measure no. 1,314, of September 5, 2025, was published, which allowed the operation of a rural credit line intended for the settlement or amortization of debts of rural producers who faced significant losses in recent harvests, especially as a result of adverse events affected by severe weather events.

Following the publication, BB implemented lines of credit for rural operations for clients whose businesses are located in municipalities that have been declared to be in a state of public calamity or emergency for at least two years between January 1, 2020, and December 31, 2024. Eligible occurrences, such as floods, inundations, heavy rains, hail, tornadoes, frosts, cold waves, droughts, and dry spells, reflect the intensification and recurrence of extreme events directly related to the climatic and environmental dimensions of the RSAC.

The BB Regulariza Dívidas Agro and Programa BNDES Liquidação de Dívidas Rurais lines represent not only an important financial

mechanism to support producers in their activity, but also a strategic instrument for mitigating climate risk in the agricultural portfolio. By enabling the reorganization of the payment capacity of affected producers. Thus, the Bank strengthens its resilience to potential losses resulting from adverse environmental events, while reinforcing prudential management aligned with best CSR practices.

The initiative also promotes positive social impacts, contributing to the maintenance of productive activity in vulnerable rural communities and reducing the exposure of families and smallholdings to financial collapse resulting from extreme weather events. This alignment between risk mitigation and social impact highlights the Bank's role as an agent contributing to stability and sustainable development.





## Mechanisms used to monitor concentrations in economic sectors, geographic regions, or product and service segments most susceptible to suffering or causing social, environmental, and climate impacts

We monitor the concentrations of exposures highly sensitive to RSAC in relation to the total loan portfolio. From the perspective of economic sectors, we monitor the exposure of sectors with high susceptibility to RSAC in relation to the Corporate loan portfolio.

Furthermore, we monitor the balance of transactions with clients with high RSAC sensitivity, considering the overall view of the credit portfolio, based on the assigned management limits, in line with our guidelines and Risk Appetite and Tolerance Statement. We periodically report the assessment of exposures to the Institution's Strategic Committees.

We assess the effectiveness of risk mitigation or transfer instruments used in exposures by analyzing the balance of loan portfolio operations, considering the geographic regions of the client's operations. We also analyze BB's sustainable loan portfolio, which comprises the amount of operations/credit lines intended to finance activities and segments that positively impact social, environmental, and climate issues.

The identification of eligible credit lines to compose BB's Sustainable Credit Portfolio is based on the methodology developed by Febraban, published in the study "[Explanatory Guide on FEBRABAN's Green Taxonomy](#)," and is aligned with the main international taxonomies, such as the Green Bond Principles (GBP) and the Social Bond Principles (SBP), as attested by the independent opinion issued by Nint/ERM (formerly Sitawi). The third revision was carried out in 2024 and is available in Sustainable Business Portfolio - [Second Opinion Report](#)<sup>21</sup>.

In summary, BB has been continuously strengthening its Social, Environmental, and Climate Risk (RSAC) management through structural improvements in processes, data, and governance. Key achievements for the 2025 fiscal year include the creation of an integrated workflow for identifying social, environmental, and climate risk factors in reputational alerts and press inquiries, aiming at mitigation when necessary; and the mandatory analysis of ASG and RSAC aspects in the creation and improvement of products, ensuring more qualified strategic decisions. Furthermore, BB has intensified its participation in crisis simulations with ASG scenarios, expanded specialized RSAC advisory services, and advanced in the automation of registration records, reducing operational risks, incorporating relevant external data, and enabling more robust analytical approaches. Additionally, BB has improved its use of data to identify clients classified under SARB 26, promoting integrated management between RSAC and the risk of deforestation in the beef supply chain.

Finally, we also emphasize that BB, aiming to strengthen the mitigation of Social, Environmental and Climate Risk, adopts mechanisms that are based on the pursuit of risk diversification, the elimination of undesirable concentrations, the control of exposures and the adjustment of the risk profile, always focusing on the balance of business and the preservation of the organization's capital.

<sup>21</sup> The document "Sustainable Business Portfolio - Second Opinion Report" is available on the BB's website, <https://ri.bb.com.br/governanca-e-sustentabilidade/sustentabilidade/>, Sustainable Business.

A person with curly hair and glasses is shown in profile, looking towards the right. They are in a gallery or museum, with several colorful abstract paintings on the wall. The lighting is warm and focused on the person and the art.

# MEM Table: Indicators used in the management of social, environmental and climate risk

Description of the quantitative indicators used in the management of Social, Environmental and Climate Risk.



## Quantitative indicators used in the management of social, environmental and climate risk

As part of improving the management of Social, Environmental and Climate Risk, we have developed indicators that help in measuring, controlling and monitoring this risk, as well as providing a benchmark for corporate strategy, signaling the need (or not) to channel resources to certain businesses, weighing the risk, the Group's appetite and the current concentration of exposures.

Based on the indicators, we use the Social, Environmental, and Climate Risk Sensitivity Assessment Methodology, where the assessment of exposures is carried out at the sector, client, and operation levels, and the use of certain variables allows us to classify concentrations from the perspective of economic sectors, geographic regions, or medium-term timeframes.

At the sector level, the Bank's loan portfolio exposure is measured weighted by the Social, Environmental, or Climate Risk of the respective macro-sector, obtaining the concentration of this portfolio in each of the categories. In this regard, the weighted risk is associated with the macro-sector and its classification ranges between High, Medium, and Low levels. Therefore, exposure in macro-sectors considered to have high susceptibility to these risks, according to internal criteria, is monitored more clearly.

At the client level, the Bank's exposure to clients with high levels of Social, Environmental, and Climate Risk is measured assessing the concentration of

the loan portfolio with these clients. Also at this level, the concentration of the BB's loan portfolio exposure with clients who have been fined (Ibama) and/or subject to embargoes (Ibama/ICMBio) is observed, including a specific focus on areas within the Amazon Biome.

Regarding operations, considering the relevance of the rural portfolio to BB, we determined the exposure in this portfolio, in properties located in the Amazon Biome, and compared it with our total credit portfolio. We also monitored the concentration of our credit portfolio in operations with high susceptibility to Social, Environmental and Climate Risk

In addition to concentrations based on the amount of exposure, we consider the volume of mitigators and collaterals attached to the operations.

In this regard, we strengthened the range of RSAC management indicators by revising existing indicators and approving new ones. Therefore, we consolidated the alignment with the strategy of expanding the sustainable portfolio and the management of the highly sensitive RSAC group, both the BB's rural portfolio and the total credit portfolio.

In addition, we annually conduct a [GEE inventory](#)<sup>22</sup> of our direct and indirect activities (Scope 1, 2 and 3)<sup>23</sup>.

<sup>22</sup> It consists of measuring and publishing the Greenhouse Gas (GEE) emissions of Banco do Brasil (BB) and is based on the methodology of the GHG Protocol Program, adapted to the Brazilian context by the Center for Sustainability Studies (GVces) of the São Paulo School of Business Administration (FGV-EAESP) of the Getúlio Vargas Foundation (FGV), with the support of the Brazilian Business Council for Sustainable Development (CEBDS), the Ministry of the Environment (MMA), the World Resources Institute (WRI), the World Business Council for Sustainable Development (WBCSD) and 27 founding companies, including BB.

<sup>23</sup> According to the parameters of the GHG (Greenhouse Gas) Protocol, Scope 1 encompasses emissions released into the atmosphere that come directly from the company's production process, Scope 2 includes emissions associated with the generation of electricity consumed by the company, and Scope 3 includes indirect emissions that occur throughout the production chain of the entity preparing the inventory.



In this context, emissions management is carried out in accordance with our General Policy and the Social, Environmental and Climate Responsibility Policy (PRSAC), through which we reinforce our actions, which consider the interests of stakeholders in promoting initiatives aimed at reducing risks and taking advantage of opportunities related to socio-environmental issues, including climate change.

The Inventory follows the principle of continuous improvement of our Environmental Management System (SGA). To ensure its reliability, we hired a company specializing in environmental audits to carry out external verification, in accordance with the specifications of NBR ISO 14064-3 and the GHG Protocol methodology.

The data used to calculate the BB's GEE emissions are primarily obtained from our internal systems, mainly from applications for controlling administrative expenses and managing human resources, as well as information requested directly from the areas responsible.

Since 2008, we have annually prepared and published our [GEE Inventory](#) on the [Public Emissions Registry](#) website, under the responsibility of the Brazilian GHG Protocol Program (FGV-GVces).

Regarding the methodology used, we accounted for and reported GEE emissions in three scopes, according to the specifications of the Brazilian GHG Protocol Program, expressed in tons of CO<sub>2</sub> equivalent (tCO<sub>2</sub>e). The reporting is carried out under the Operational Control approach and covers more than 4,000 branches throughout Brazil, including retail, wholesale and government branches, regional units and strategic units.

Emissions are reported considering both direct (Scope 1) and indirect (Scopes 2 and 3) activities, with their sources defined as follows:

**Scope 1** – Direct emissions from fuel consumption activities (mobile combustion – fleet vehicles, stationary combustion – fuel for electric power generators) and fugitive emissions (refrigerant gases and fire extinguishers);

**Scope 2** – Indirect Scope 2 emissions are calculated based on the Bank's estimated electricity consumption (MWh). Since 2021, reporting has been carried out according to the approaches accepted by the Brazilian GHG Protocol Program (PBGHGP), namely:

**Location-based approach (mandatory):** considers electricity consumption according to the Brazilian energy matrix,

using the emission factor of the National Interconnected System (SIN). This system supplies electricity from different sources, from hydroelectric to thermoelectric (non-renewable) plants, which annually affects the conversion of energy consumption to carbon equivalent.

**Purchase choice-based approach (optional):** includes the consumption of photovoltaic electricity from BB's plants, complemented by the acquisition of Renewable Energy Certificates (RECs), which ensure, for the same amount of electricity consumed, the traceability and renewable origin of the energy.



**Scope 3 – Indirect (other) emissions from activities that BB influences<sup>24</sup>:**

- **Category 1 – Purchased Goods and Services** (issuances that occur in the life cycle – extraction, production and transportation of paper purchased by BB);
- **Category 3 – Fuel and Energy Activities** (emissions related to the extraction, production and transportation of fuels purchased and consumed by BB, reported in Scope 1);
- **Category 4 – Transportation and Distribution – Upstream** (issuances of shared mailbag transportation from Febraban, cash transportation, and other transportation contracted by BB);
- **Category 5 – Waste Generated in Operations** (emissions from effluent generation based on water consumption and paper consumption by BB);
- **Category 6 – Business Travel** (issuance of air and ground travel expenses incurred by BB employees);
- 

- **Category 7 – Employee Commuting** (home-to-work).

According to the GHG Protocol, for the purposes of emissions calculations, we consider the gases controlled by the Kyoto Protocol, according to the following table:

**Table 8. Heating potential of gases**

Gases considered in GHG emissions calculations	Global warming potential / Compound <sup>1</sup>
CO2	1
CH4	27
N2O	273
HFC5	21,5 – 14.600
PFC5	0,09 – 12.400
SF6	24.300
NF3	17.400
Compound	0 – 18.500

(1) Source: IPCC 2024/Update with AR6 values <https://ghgprotocol.org/sites/default/files/2024-08/Global-Warming-Potential-Values%20%28August%202024%29.pdf>

Understanding our role and that of the financial market as key players in driving the country's economic growth on a sustainable basis, in 2023 we updated our climate change action targets with the new [Agenda 30](#) and the [BB 2030 Commitments for a More Sustainable World](#).

BB has committed to reducing its Scope 1 Greenhouse Gas emissions by 42% by 2030. This target was defined based on Banco do Brasil's commitment to climate change, formalized through the Business Ambition for 1.5°C Commitment Letter. The guidelines and criteria published by the Science-Based Targets initiative (SBTi) establish that companies must align their greenhouse gas (GEE) emission reduction targets to limit the increase in global average temperature to levels below those verified in the pre-industrial period.

The Bank maintains 100% offsetting of Scope 1 emissions through the purchase of carbon credits, and neutralizes 100% of Scope 2 emissions through the purchase of Renewable Energy Certificates (RECs) and the consumption of energy from our 27 photovoltaic plants. In addition, more than 1,500 of the Bank's buildings are supplied with energy from renewable sources, purchased from the Free Contracting Environment (ACL).

<sup>24</sup> Categories applicable to the Bank's activities, except for Category 15 – Investments (financed issuances). Categories 2 – Capital goods, 8 – Leased goods, 9 – Transportation and distribution (downstream), 10 – Processing

of products sold, 11 – Use of goods and services sold, 12 – End-of-life treatment of products sold, 13 – Leased goods and 14 – Franchises, which

were not inventoried as they were considered not applicable to the organization's context.



We emphasize that the values in our inventory for the year 2025 were not yet consolidated at the time of publication of this document, but will be available for consultation from June 2026 onwards via the GEE Inventory link.

In line with our commitment to the Business Ambition for 1.5°C and supported by the sectoral guidelines of SBTi, BB has committed to carbon neutrality by 2050 and aims to reduce the intensity of emissions<sup>25</sup> from its corporate loan portfolio<sup>26</sup> by 42% by 2040, using 2021 as the base year.



<sup>25</sup> Category 15 emissions are determined using the PCAF methodology.

<sup>26</sup> Loans targeted at companies with revenue equal to or greater than R\$200 million.

# OPO Table: business opportunities associated with social, environmental and climate issues

Description of business opportunities associated with social, environmental, and climate issues.





## Institutional governance bodies responsible for identifying business opportunities related to social, environmental, and climate issues, considering these bodies at several levels

Considering current demands, financial institutions have become key players in the transition to a low-carbon economy.

Even in the face of uncertainty, we can expect several opportunities linked to social, environmental, and climate issues. And, to map and benefit from these opportunities, we have built an organizational structure focused on promoting sustainability.

In this regard, we are guided by sustainability, which is expressed in our strategy, policies, and several voluntary agreements and commitments we have undertaken.

The main purpose of governance in sustainability is to manage social, environmental, and climate performance based on the [Social, Environmental, and Climate Responsibility Policy \(PRSAC\)](#), which considers, in an integrated way, the economic, social, environmental, and climate dimensions in business and in the ethical and transparent relationship with stakeholders

The BB Sustainability Executive Committee (Cesus), subordinate to the Supervisory Board,

which includes Vice-Presidents and Directors, has, among other objectives, the responsibility of deciding on the [Sustainability Plan - Agenda 30 BB](#), guiding the implementation of sustainability initiatives with potential impact on the business, and defining guidelines for action on the subject. From September 2024, Cesus began approving guidelines and objectives related to the Diversity, Equity and Inclusion Program, previously under the responsibility of the Executive Committee for People, Equity and Diversity (Ceped).

The Corporate Sustainability Committee (Cosem) aims to strengthen the BB's corporate governance of sustainability by advising the BB's Management Committee (CABB) on matters within its competence. Its role is to evaluate and monitor the BB's sustainable performance and the effectiveness of the actions foreseen in our Sustainability Plan, as well as to track the evolution of the topic, seeking to identify opportunities and risks, in order to generate value for Banco do Brasil and its stakeholders.

Its members must also propose and monitor the implementation of initiatives that improve the

Bank's social, environmental, and climate performance, and advise the Board of Directors on incorporating and monitoring sustainability into the company's business strategy and administrative practices.

Strategically, the sustainability issue is led by the ASG Unit, linked to the Vice-Presidency of Government Business and Corporate Sustainability (Vigov), and issues related to the theme are discussed in the BB Sustainability Forum, which brings together some executives from BB and the Banco do Brasil Foundation to support the process of incorporating, aligning, and disseminating BB's sustainability principles and practices, and to monitor initiatives related to sustainability and the implementation of actions foreseen in the [BB 30 Agenda](#). The Sustainability Forum holds quarterly meetings and is subordinate to Cesus.

Furthermore, every six months, a report is submitted to the Supervisory and the Board of Directors, outlining BB's progress at the social, environmental, and climate levels.



## Identifying business opportunities associated with social, environmental, and climate issues that generate the possibility of significant gains for the institution over different time horizons

As part of our expectations, as described in the ECBB, we see BB as a driver of sustainable business, reducing imbalance and financing the future. As previously presented, the ECBB consolidates the directives of senior management and the definition of strategic objectives, which align with the planning of long-term sustainable strategies, as guided by the [Sustainability Plan – Agenda 30 BB](#) and the [BB 2030 Commitments for a More Sustainable World](#).

The long-term commitments establish goals in three strategic areas: sustainable finance; environmental, social and climate governance; and positive impacts on the value chain. They reflect engagement with global priorities (Sustainable Development Goals - ODS and the Paris Agreement) and strengthen the integration of sustainability into business strategy.

In September 2025, along with the new commitments, the 10th version of the Sustainability Plan was launched, with 100 strategic actions for the period

:

2025 to 2027, linked to 20 sustainability challenges. The plan mobilizes virtually the entire organizational structure of the Bank, engaging most of the Strategic Units in its implementation. Over two decades, through this Agenda, sustainable practices and businesses have been improved, with efforts focused on the responsible management of natural resources, respect for human rights, and the generation of value for society and the environment.

Through the [BB 30 Agenda](#), we aim to improve business and processes, consolidating actions with a social, environmental, or climate focus. The plan is reviewed every two years to identify the sustainability challenges prioritized by Senior Management, through actions to be implemented over a period of up to three years.

Below are our [BB 2030 Commitments for a More Sustainable World](#):





Image 6. BB 2030 Commitments for a More Sustainable World



Specifically regarding climate change, Banco do Brasil is aware not only of the relevance and urgency of this issue, but also of the fundamental role it plays in engaging with governments, the private sector, and society. And, through [Banco do Brasil's commitment to Climate Change](#), we strengthen our commitment to and support of low-carbon agriculture, biodiversity preservation and the bioeconomy, the promotion of renewable energy in the country, and social projects focused on productive development, entrepreneurship, and social and financial inclusion..



In this regard, Banco do Brasil has been making efforts and developing products and services related to the following opportunities:

### Carbon Market (Climate Aspect)

Through a robust and comprehensive strategy, BB aims to play a transformative role in society, offering its clients alternatives to promote practices for mitigating climate change and encouraging the transition to a low-carbon economy, demonstrating that investing in sustainable projects in the Carbon Market is an excellent option for those who intend to stimulate a business environment that considers both financial results and the positive impact on society and the environment.

To support companies that are voluntarily committing to measuring and offsetting their emissions as part of their decarbonization project, we have identified opportunities for BB to act based on three pillars:

- **Climate Strategy:** financing the adoption of climate mitigation and adaptation practices;

- **Emissions Reduction:** advise on the preparation of emissions inventories, finance practices for the transition to a low-carbon economy, mediate the acquisition of carbon credits from ethical projects, and develop plans for the decarbonization of your production process, clients, and suppliers based on SBTi – Science Based Targets;
- **Carbon Project Origination:** supporting clients in identifying and developing projects that generate carbon credits, based on market-recognized standards and methodologies, promoting forest conservation and restoration practices, low-carbon agriculture, energy efficiency, and renewable energy.

All of this happens through partnerships established by the Bank with companies specializing in carbon credit generation projects.

To date, the Bank has preserved over 1.05 million hectares of native forest areas through client carbon projects. We have a public commitment to reach 2 million hectares preserved and/or reforested by 2030.

### Sustainable finance (social, environmental and climate aspects)

We adopt a Sustainable Finance model that establishes parameters and management for raising funds for projects classified as sustainable in the global market. The funds raised in this way can be used to finance projects capable of delivering financial returns that are linked to social, environmental, climate, and governance benefits.

The process began with the Technical and Financial Cooperation Agreement between Banco do Brasil and the Inter-American Development Bank (IDB), and included technical support from the consulting firm Nint/ERM (formerly Sitawi) Finance for Good, resulting in the development of the [Sustainable Finance Framework](#), which includes the Green and Social categories. The potential to leverage projects related to low-carbon agriculture sets it apart from those available on the market.

In February 2024, the model was updated. The new Framework defines eligibility criteria for the following green categories:



- Environmentally Sustainable Management of Living Natural Resources and Land Use;
- Renewable Energy;
- Energy Efficiency;
- Green Buildings;
- Clean Transportation;
- Sustainable Water and Wastewater Management.

It also defines the eligibility criteria for the following social categories:

- Affordable Housing;
- Financing for Micro and Small Enterprises and Microfinance;
- Socioeconomic Advancement and Empowerment;
- Access to Essential Services.

In this update, the questions raised resulted in discussions and negotiations on material issues, such as limits for socio-environmental standards for pollutant and waste emissions, influencing the eligibility of assets that can be included in a financed portfolio, as well as non-material adjustments related to the performance and evolution of the BB's ASG practices and governance.

### Sustainable fundraising (social, environmental, and climate aspects)

Following the launch of the first Sustainable Finance Framework in 2022, and its update in 2024, we issued three labeled bonds in the capital markets: in 2022, the BB Social Bond with a value of US\$500 million focused on supporting micro and small businesses in the context of the pandemic, and in 2023 and 2024 two sustainability bonds of US\$750 million each, aimed at promoting renewable energy and supporting small businesses.

In 2024, BB launched its Sustainability-Linked Debt Framework, which aims to reinforce the bank's commitment to the transition to a greener and more inclusive economy by enabling the issuance of sustainability-linked bonds and loans in domestic and international markets.

In this regard, BB presented its sustainability objectives to the market, which are: increasing the balance for sustainable businesses, expanding credit for sustainable agriculture operations, reducing the intensity of GEE emissions financed by the credit portfolio, and increasing gender and racial diversity in senior leadership.

Following the launch, we conduct bilateral sustainable fundraising operations that link these commitments and/or other sustainable aspects, with the aim of enabling a consistent ASG framework that allows fundraising with a better cost profile.

Sustainability frameworks, used individually or in combination, have enabled the negotiation of ASG-focused resources totaling over US\$7 billion, including both disbursed and structuring transactions

Mainly, we report the significant fundraising with the Multilateral Investment Guarantee Agency (MIGA), part of the World Bank, in the amount of US\$800 million. The structure of the operation involved a syndicate of banks composed of JPMorgan Chase Bank, Standard Chartered Bank, HSBC Bank, and Crédit Agricole, which provided the capital secured by a MIGA guarantee.

This funding is part of Banco do Brasil's commitment to sustainability and climate change mitigation, promoting land conservation and reducing greenhouse gas emissions, considering that its theme aims to support small and medium-sized farmers who use the low-carbon agriculture technique known as no-till farming, generating a significant sustainable impact.



We also participated in the first auction of the Eco Invest Brasil Program – Blended Finance Sub-line, raising R\$800 million to finance sustainable projects that meet Environmental, Social, and Governance (ASG) criteria. These resources will be used to promote the country's ecological transformation, leveraging R\$4.8 billion to support projects eligible under the Program. In 2025, we raised additional R\$4.17 billion in the second auction, aimed at the productive recovery of degraded areas, which will allow the granting of up to R\$6.8 billion in credit and the recovery of 275,000 hectares, 20% of the program's target.

We are moving forward with new negotiations and partnerships with multilateral banks and international development agencies to secure sustainable funding that will enable the implementation of projects that generate sustainable impacts.

As an example, we refer to the agreement signed with Cassa Depositi e Prestiti, an Italian bank with 82.7% of its shares controlled by the Italian Ministry of Economy and Finance, which aims to support micro and small businesses and the reconstruction of Rio Grande do Sul after the climatic tragedy that occurred in this state.

In 2025, BB reached R\$45 billion in funding directed to investments in ASG initiatives. The resources were obtained through the issuance of ASG-profile bonds and operations with multilateral institutions, investment banks, and international commercial banks.

We advanced new negotiations and partnerships, securing sustainable funding that enables the execution of projects generating sustainable impacts. During COP30, we consolidated business agendas and partnerships with multilateral banks and international development agencies. In a context of broad national and international representation and visibility, we also established new partnerships and businesses, reinforcing our position as leaders in sustainability. Furthermore, we strengthened strategic partnerships and enabled new businesses aligned with the transition to a green and inclusive economy.

In 2025, during COP 30 in Belém, R\$3 billion in funding was announced, directed to promote small businesses and women's entrepreneurship, renewable energy, and the bioeconomy in the Amazon region.

With the Eco Invest Brasil program, BB totaled R\$2.4 billion in contracts, reaching 50% of the target amount for the first auction, which directs

resources towards the circular economy, energy efficiency, bioeconomy, and green infrastructure. In the 4th quarter of 2025, BB also began receiving funds related to the second auction, which will be allocated to the productive recovery of degraded areas, aiming to reach 275,000 hectares and achieve R\$6.8 billion in investments.

Also in 2025, BB raised €50 million through the German development bank KfW. The funds will be used to finance the project “Promoting Sustainable Bioeconomy Production Chains”. The operation also includes a €4.5 million donation from the German Federal Ministry for Economic Cooperation and Development (BMZ) for counter-guarantee and technical assistance, reinforcing the institutions' commitment to sustainable development and socio-economic inclusion. The project focuses on expanding access to credit for small producers, traditional communities, and family farmers, mainly in the Amazon region. The goal is to benefit more than 4,500 families, including at least 600 women, and promote investments in 50,000 hectares of areas dedicated to the bioeconomy.



### Sustainable business (social, environmental and climate aspects)

The identification of eligible credit lines to comprise 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 to the Green Economy](#)", as well as on Banco do Brasil's [Sustainable Finance](#)

[Framework](#) developed in accordance with leading international standards, such as the Green Bond Principles (GBP) and the Social Bond Principles (SBP), among others.

Constantly improving, we periodically review the credit lines and operations that comprise them, including new lines, based on national and international methodologies. changes, inclusions or exclusions of products with ASG characteristics, and now includes the analysis of up to 38 credit lines. This version included mechanisms and criteria for monitoring and excluding operations that show signs of social or environmental non-compliance. As a result, the document "[Second-Party Opinion](#)"<sup>27</sup> was published in 2024 and can be found in the [Sustainability](#), tab, Sustainable Business section, on the BB Investor Relations page.

In December 2025, BB's Sustainable Credit Portfolio totaled R\$415.1 billion in sustainable credit operations, a growth of 7.3% in 12 months. This amount was contracted in credit lines focused on environmental and social issues or to

finance activities and segments with a positive socio-environmental impact for the sectors of renewable energy, energy efficiency, construction, sustainable transport and tourism, water, fishing, forestry, sustainable agriculture, waste management, education, health and local and regional development, reinforcing BB's role in the country's development and in building a more sustainable future. Companies receiving credit are also considered if they operate in segments whose activities generate effective transformational social and environmental impacts

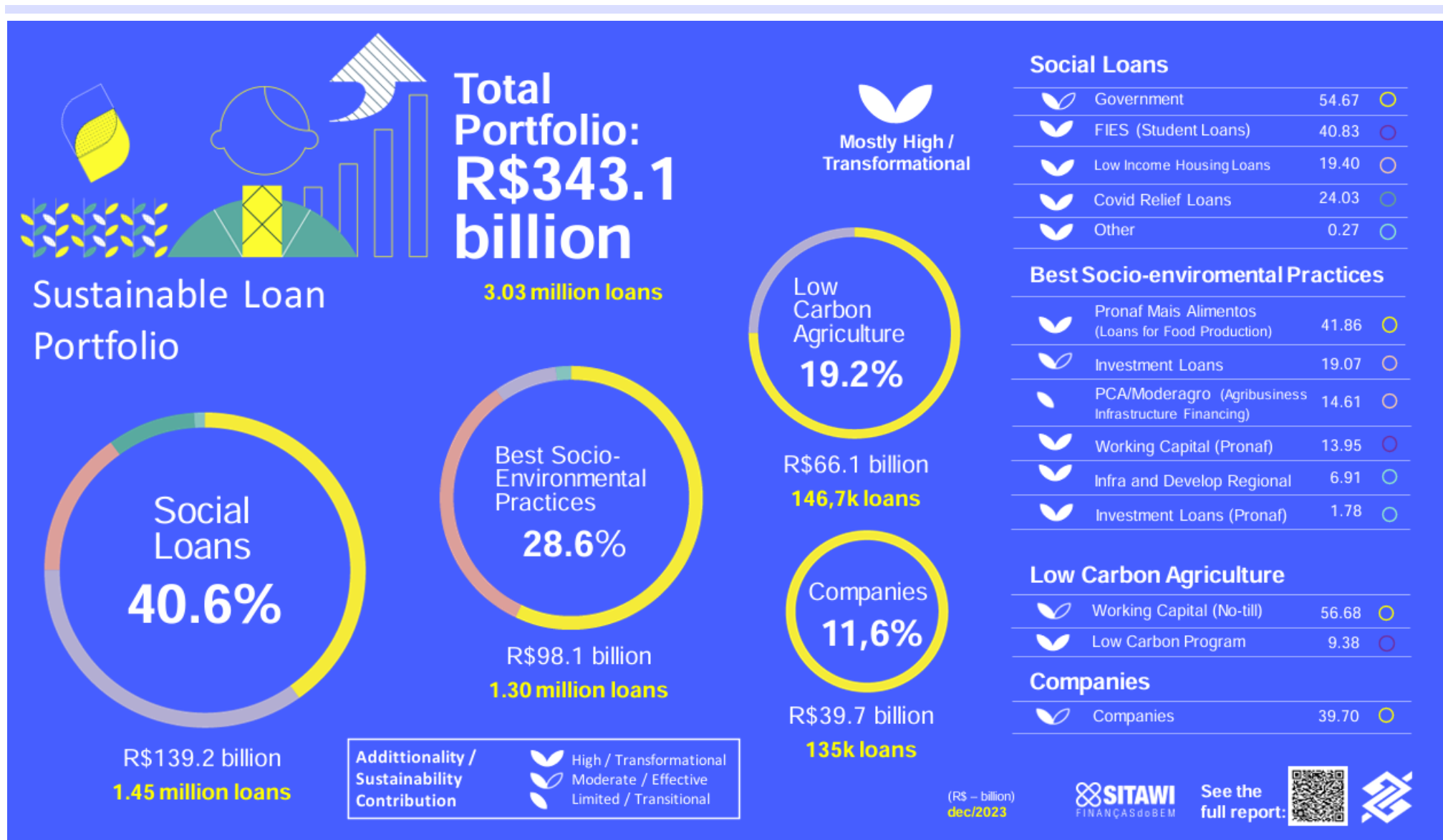
The Sustainable Credit Portfolio undergoes an independent assessment that considers the main national and international ASG taxonomies in classifying clients and the credit lines that make up the portfolio. The methodology is continuously reviewed to incorporate best practices and pioneering references from recent Years.

Below is a detailed description of the financing options considered in the portfolio:

<sup>27</sup> Opinion issued by ERM NINT - NATURAL INTELLIGENCE LTDA, a company of the ERM Group



Image 7. Sustainable Loan Portfolio





## Low carbon agriculture (environmental and climate aspects)

The Bank supports initiatives aimed at mitigation, such as the [Program for Financing Sustainable Agricultural Production Systems](#) (RenovAgro - Program for Financing Sustainable Agricultural Production Systems, formerly the ABC Program), which represents an opportunity for both BB and rural producers.

RenovAgro has the potential to contribute to achieving the environmental goals of the Paris Agreement (NDCs). Its role is mainly relevant since Brazil has presented targets not contingent on receiving international resources, which further justifies the need for its strengthening and alignment 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 capture GEE emissions and promote the production of vegetation/biomass and food, as well as the preservation of the environment.

In December 2025, Banco do Brasil's RenovAgro portfolio totals R\$11.02 billion, consolidating its growth over the years.

Table 9. Evolution of the RenovAgro portfolio – R\$ billions

Financing Options	mar/24	jun/24	sep/24	dec/24	mar/25	jun/25	sep/25	dec/25
ABC Direct Planting	3,83	3,79	4,08	4,12	4,23	4,34	4,20	4,27
ABC Recovery	4,00	3,95	3,90	3,78	3,85	3,93	3,79	3,86
ABC Fixation	0,33	0,33	0,50	0,58	0,63	0,75	0,90	1,01
ABC Forests	0,62	0,60	0,70	0,70	0,70	0,74	0,80	0,84
ABC Integration	0,41	0,42	0,49	0,51	0,54	0,57	0,59	0,63
ABC Environmental	0,21	0,21	0,21	0,23	0,24	0,26	0,26	0,26
ABC Waste Treatment	0,06	0,06	0,06	0,07	0,07	0,09	0,08	0,09
ABC Organic	0,02	0,02	0,03	0,04	0,04	0,05	0,04	0,04
ABC Permanent Crops	0,02	0,02	0,02	0,02	0,02	0,02	0,01	0,01
ABC Oil Palm	0,00	0,00	0,00	0,00	0,00	0,00	0,00	0,00
<b>Subtotal</b>	<b>9,50</b>	<b>9,39</b>	<b>10,01</b>	<b>10,05</b>	<b>10,34</b>	<b>10,75</b>	<b>10,70</b>	<b>11,02</b>

In this regard, the Bank participates in the National Program for the Conversion of Degraded Pastures into Sustainable Agricultural and Forestry Production Systems (PNCPD), which promotes the recovery and conversion of low-productivity pastures into arable areas. This initiative led to the implementation of Caminho Verde, an agreement signed with innovation partners, aimed at promoting a feasible model of traceability and sustainability in beef cattle farming, with the goal of recovering degraded areas, improving farm management processes, including the implementation of best low-carbon agricultural practices, integrating producers into the traceability of the production chain, and generating environmental bonuses for livestock farmers.

With the announcement of the 2nd Eco Invest Brasil Auction, the Bank will operate lines of credit and funds focused on the recovery of degraded lands and the promotion of sustainable production systems within the scope of the Caminho Verde Brasil program, allocating resources to rural producers, cooperatives, and agribusiness companies, such as bio-input manufacturers, food processors, and biofuel plants.



## Bioeconomy strategy

The conservation of biodiversity and carbon stocks in the Brazilian Amazon is fundamental for global climate regulation and for safeguarding social and economic benefits for the region. We estimate that 25% of global biodiversity and 40% of global tropical forests are in the Amazon, and 64% of the Amazonian biome is part of Brazilian territory.

The sustainable development of the Amazonian bioeconomy can offer social and economic benefits in complementary areas of activity. We estimate that the forest bioeconomy contributes to the lives of 400,000 families of extractivists, totaling R\$1 billion in production value in 2020, with 70% from açai and 16% from Brazil nuts. If we consider the potential for adding value in the chain (processing and marketing), the revenue from forest-compatible products could exceed 2.5 times<sup>28</sup>. However, Brazil's share of the international market for these products is only 0.2%<sup>29</sup>.

Bioeconomy is classified into three "visions", biotechnological, bioresources, and bioecological<sup>30</sup>, facilitating dialogue and the integration of synergies between the various

narratives and strategies, allowing for the construction of governance structures and regulatory frameworks on the subject in the Legal Amazon. In common, all three visions address the use of bio-based raw materials for the production of goods and services, but each of these visions adopts different paths and has different objectives.

The BB Strategy for Strengthening the Bioeconomy in the Amazon will place greater emphasis on the bioecological vision in defining bioeconomy chains, with a strategic focus on fostering sustainable production chains and activities that positively impact the conservation and restoration of vegetation cover and biodiversity in the Legal Amazon. Therefore, from a bioecological perspective, the concepts of bioeconomy and the development of bio-businesses emerge as economic alternatives to replace activities and production models that are incompatible with maintaining the forest standing.

Since 2023, several actions have been carried out within the context of the BB Bioeconomy program for the Amazon.

In 2023, BB joined the Green Group to promote sustainable financial solutions and productive activities, and signed letters of intent with the World Bank, BID, and BMO Financial Group, raising over US\$1 billion for initiatives in environmental recovery, bioeconomy, and the export of sustainable agricultural products.

During COP 28, BB and the Ministry of Environment and Climate Change signed a memorandum of understanding for investments in bioeconomy and climate resilience. In addition, BB signed agreements with Natura to promote the production chain of Amazonian products and with the State of Pará to structure an ASG loan aimed at preserving the state's rivers.

Continuing this, in 2024, BB promoted the event "Boosting the Socio-bioeconomy of the Amazon," together with the Climate and Society Institute (iCS) and the Ministry of the Environment, in Belém. The event marked the announcement of a series of agreements, partnerships, and business initiatives focused on promoting the bioeconomy, with the potential to impact more than 2 million people, fostering sustainable production by small farmers, extractivists, cooperatives, and other agents in

<sup>28</sup> Bioeconomy of socio-biodiversity in the State of Pará: Results and recommendations for public policies (TNC)

<sup>29</sup> Opportunities for exporting products compatible with the forest (Amazon 2030)

<sup>30</sup> Bioeconomy in the Amazon: Conceptual, Regulatory and Institutional Analysis (Amazon 2030)



the region, boosting the local economy and preparing these clients for credit and financing lines for the bioeconomy.

Another partnership, established with the Ministry of the Environment, seeks to increase financial education and access to banking services for clients, offering new financial services, as well as expanding the system of technical assistance integrated with financial and credit planning. The agreement also provides for incentives for technological innovation and the improvement of ecosystem services maintained in bioeconomy and socio-bioeconomy management territories.

In May 2024, BB created the Financial Hub to boost the Sociobioeconomy, with headquarters in the cities of Belém (PA) and Manaus (AM). The Hub offers "phygital"<sup>31</sup> service and centralizes all initiatives related to the bioeconomy, offering financial products tailored to its target audience, as well as providing technical assistance whenever necessary

At the 16th Conference of the Parties (COP 16) to the United Nations Convention on Biological Diversity (CBD), held in October 2024 in Cali, Colombia, at the Brazil Pavilion, organized by the

Ministry of Environment and Climate Change and co-organized by BB and the Climate and Society Institute (iCS), the potential of the bioeconomy for biodiversity and for addressing the climate crisis was highlighted with the launch of the study "Boosting the Sociobioeconomy of the Amazon". This study lists recommendations to

strengthen a pre-competitive agenda and to unlock financing for the sociobioeconomy in the Amazon.

These agreements reinforce our public commitments, with concrete goals, for increasingly sustainable performance.



<sup>31</sup> A concept that combines the fusion between the physical and digital worlds.



In 2025, Banco do Brasil consolidated its position as a leading player in promoting the socio-bioeconomy, with initiatives that combine economic development, social inclusion, and environmental conservation, operating strongly in the Legal Amazon region and expanding its operations to the Cerrado and Atlantic Forest biomes, launching a Financial Hub in the City of Ilhéus in August.

With the goal of activating territories, in conjunction with iCS and the organization of the Sustainable Connections Institute (Conexsus), BB heldeight Credit Activation Forums (Medicilândia-PA; Santarém-PA; Breves-PA; Lábrea-AM; Cametá-PA; Porto de Moz-PA; Ituberá-BA; and Chico Mendes Extractive Reserve-AC). Territorial activation aims to mobilize local actors and resources to overcome historical barriers (such as lack of documentation, access to credit and technical assistance) and create conditions for traditional communities, family farmers and indigenous peoples to participate in the economy in a sustainable way.

Also in 2025, BB launched its Socio-bioeconomy Credit Agents strategy, in partnership with BID, World Bank and iCS, aligned with Joint Ordinance

MDA/MMA No. 02 of 01/24/2025. The agents are a group of local professionals, trained to guide producers on documentation, sustainable production, financial education, project development and access to rural credit. The combination of technical, financial and documentary guidance increases the confidence, understanding and autonomy of families, contributing to the preservation of biodiversity, the strengthening of the productive base and the increase in family income, in sustainable productive activities in several Brazilian biomes, with emphasis on the Amazon, Cerrado and Atlantic Forest

During COP 30, BB highlighted two projects in Bioeconomy: the inclusion of socio-biodiversity products on the Shopping BB platform, in partnership with Amazon, and a public call for startups. The first project aims to bring clients, partners, and financial solutions closer to BB's ASG ecosystem, driving sustainable economic transformation and valuing traditional communities and responsible production chains, through a new channel offering regional products from the Amazon Biome on the BB app. This initiative reinforces BB's role in expanding the positive impact of consumer choices,

promoting inclusion and local income generation, as well as facilitating access to products and services that contribute to a fairer and more sustainable economy.

Another highlight of COP 30 was the Public Call for Startups with business strategies aligned with the socio-bioeconomy, inviting them to register with BB Ventures for the opportunity to receive investments. BB Ventures is one of the tools that BB uses for Open Innovation. Based on an investment approach, the bank connects with startups that have the potential to drive solutions. With this initiative, BB hopes to boost innovative solutions for the climate transition, strengthen innovation ecosystems, attract investments, generate scale, and give global visibility to Brazilian startups.

With all these actions and projects, BB reinforces its commitment to leading the transformation towards a low-carbon economy, promoting social inclusion and valuing biodiversity. By integrating innovation, sustainable credit, and strategic partnerships, BB strengthens the bioeconomy as a driver of regional and global development, consolidating its position as an agent of change in building a fairer, more resilient future aligned with the Sustainable Development Goals.

# Final considerations



The Social, Environmental and Climate Risks and Opportunities Report highlights Banco do Brasil's level of maturity in the integrated management of these issues, demonstrating strategic alignment between governance, processes, indicators, risk management and the development of opportunities.

The systematic incorporation of social, environmental, and climate aspects into corporate strategy, capital management, and decision-making strengthens the Bank's resilience in the face of adverse scenarios, while promoting innovation, competitiveness, and the generation of sustainable value.

Additionally, the Institution demonstrates continuous evolution, with a permanent focus on improving its structures, processes, methodologies, and instruments for managing Social, Environmental, and Climate Risk. This view translates into the periodic review of policies, the evolution of indicators, the strengthening of stress tests, the expansion of scenario analyses, and the continuous pursuit of alignment with best regulatory and market practices.

Therefore, BB consolidates its role as a solid, resilient financial institution committed to transparency, sustainability, and the longevity of its business, contributing significantly to the sustainable development of society and the financial system

