



Reporting and Self-Assessment Template

Principles for Responsible Banking



Reviewed version (V2) from September 2022



Reporting and Self-Assessment Template

The following template sets out the reporting and self-assessment requirements for Signatories of the Principles for Responsible Banking (PRB). Your bank discloses which actions it has undertaken to implement the PRB by self-assessing its progress on each of the 6 Principles. This template is therefore structured in accordance with the 6 Principles that signatories have committed to.

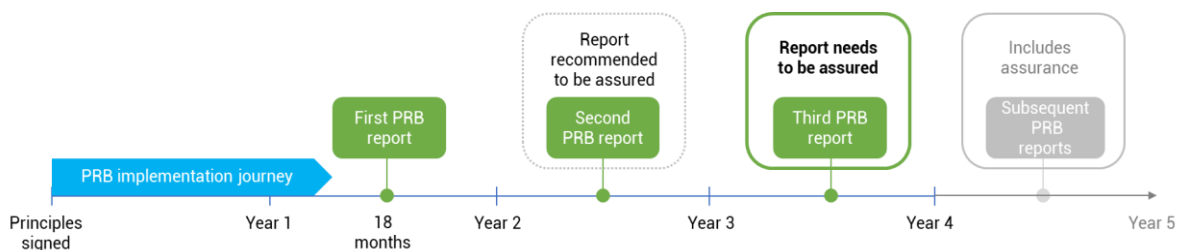
Three [Key Steps](#) are critical to showing that your bank is fulfilling its commitments as a signatory of the PRB, i.e. Impact Analysis, Target Setting & Implementation and Assured Reporting/Accountability. The sections in the Reporting and Self-Assessment Template that relate to the 3 Key Steps also require a self-assessment summary to demonstrate the extent to which the bank has fulfilled the respective requirements of the Key Steps.

Accommodating different starting points

Your bank has an initial four-year period from signing to implement the 6 Principles including to bring its reporting fully in line with the requirements. Your bank may not be able to provide all information required in this template in the first report. You should build on your implementation progress annually. Feedback, support, capacity building, training and peer learning are available to all signatory banks to help them progress with both implementation and reporting.

Timeline for reporting and assurance

Signatory banks need to report on their implementation of the Principles on an annual basis. The first PRB report has to be published within 18 months of signing the Principles, to give the bank some flexibility to align the PRB reporting with its reporting cycle. Publishing the first PRB report at any point earlier than 18 months after signing the Principles is therefore an option. After the first PRB reporting has been published, subsequent reports have to be published annually thereafter, i.e. within 12 months at the latest after the prior report¹.



Assurance

The last report within the initial 4 year implementation period (and subsequent reports thereafter) needs to be assured, which means that at least the third PRB report needs to be assured. Banks are encouraged to put the assurance process in place well before that and have earlier PRB reports already assured.

¹ Early reporting is permitted, although sufficient time to show progress from one year to the other should be taken into account.

All items that relate to the three [Key Steps](#) (highlighted in yellow) require limited assurance by year four of signing the PRB, undertaken by an independent third party with relevant expertise in the field. These are:

- 2.1 Impact Analysis
- 2.2 Target Setting
- 2.3 Target Implementation and Monitoring
- 5.1 Governance Structure for Implementation of the Principles

An assurer provides limited assurance of your self-assessment in these listed areas. You can do this by including it in your existing assured reporting. Where third-party assurance is not feasible, an independent review may be conducted. Assurance requirements are described in more detail in the [Guidance for Assurance providers: Providing limited assurance for reporting](#).

Purpose of the template

The purpose of this template is to assist signatories in disclosing their progress on implementing the PRB. The disclosed information is used by the UNEP FI Secretariat as the basis for the individual review of each bank's progress, as well as for reporting the collective progress made by the PRB Signatory Group. To measure collective progress in a consistent manner, some standardized questions to be completed by the banks are integrated into the template. The open questions give banks the flexibility to disclose the progress they make, considering the diverse business models and various contextual differences in which banks operate.

How to use this template

This template gives banks the chance to provide summaries of the annual progress made in implementing each Principle. It is designed for your bank to provide references/links to where in your existing reporting/public domains (websites) the required information can be found to support your answers. The aim is to keep any additional reporting burden to a minimum while ensuring transparency and accountability as set out in Principle 6. When referring to other documents, please specify the pages where the exact information appears.

The Reporting and Self-Assessment Template shall not be amended structurally and content-wise. The content and text of the template can be applied to corporate layout and designed accordingly, without omitting parts of the texts. The Reporting and Self-Assessment Template can be integrated into your bank's reports (annual report, sustainability report or relevant reporting formats) or can be published as a stand-alone document. It needs to be publicly available and will be listed on the UNEP FI Signatories page.

The reporting needs to be published in English. Information that is referenced to within the Reporting and Self-Assessment Template should also be available in English. Where that is not possible, it is recommended to include the summary of relevant information as text in the Template, so that all necessary information can be taken into account when the UNEP FI Secretariat reviews the bank's performance.

Principle 1: Alignment



We will align our business strategy to be consistent with and contribute to individuals' needs and society's goals, as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Business model

Describe (high-level) your bank's business model, including the main customer segments served, types of products and services provided, the main sectors and types of activities across the main geographies in which your bank operates or provides products and services. Please also quantify the information by disclosing e.g. the distribution of your bank's portfolio (%) in terms of geographies, segments (i.e. by balance sheet and/or off-balance sheet) or by disclosing the number of customers and clients served.

Banco BV is a privately held company established in 1991, with Votorantim Finanças S.A. and Banco do Brasil S.A. as its controlling entities since 2009. Headquartered in São Paulo, Banco BV is one of the largest financial institutions in the country in assets and operates in the Retail and Corporate Banking segments. We have a leadership position in vehicle financing, solar panel financing and car equity loan. Through BVx, our innovation ecosystem, we are one of the main partners of startups. BV bank is committed to the ESG pillars, contributing to social development and reducing environmental impact. We are signatory to the UN Global Compact, and we offset our carbon emissions and, since January 2021, we neutralize the emissions of vehicles financed by the institution, our main line of business. Our business uniquely combines experience and stability with technological transformation, merging the credit expertise of major banks with agility and a digital mindset. With 4,464 employees and over 5 million individual clients (2022), in addition to corporate clients across all business segments, we operate based on four strategic pillars that guide our planning and decision-making:

1. Financial Efficiency and Solidity
2. Digital Strategy
3. Customer-Centric Approach
4. ESG Agenda

We have a diversified portfolio of businesses. Among the ongoing operations in the credit portfolio, are:

- **VEHICLE FINANCING** (50% of the portfolio)
- **CORPORATE & INVESTMENT BANKING** (30% of the portfolio)
- **OTHER BUSINESSES** (20% of the portfolio)

[2022 Sustainability Report: About the Report](#)

Pages 12-13

Strategy alignment

Does your corporate strategy identify and reflect sustainability as strategic priority/ies for your bank?

Yes

No

Please describe how your bank has aligned and/or is planning to align its strategy to be consistent with the Sustainable Development Goals (SDGs), the Paris Climate Agreement, and relevant national and regional frameworks.

Does your bank also reference any of the following frameworks or sustainability regulatory reporting requirements in its strategic priorities or policies to implement these?

UN Guiding Principles on Business and Human Rights

International Labour Organization fundamental conventions

UN Global Compact

UN Declaration on the Rights of Indigenous Peoples

Any applicable regulatory reporting requirements on environmental risk assessments, e.g. on climate risk - please specify which ones: Central Bank of Brazil Resolution number 139 and 140; National Monetary Council Resolutions 4943, 4944 e 4945. These legal requirements address the management of social, environmental and climate risks by banks, establishing rules for reporting on these issues.

Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones: The Law No. 13,344/2016 is a key Brazilian legislation that specifically targets modern-day slavery, defining and penalizing the crime of reducing individuals to conditions analogous to slavery.

None of the above

We are committed to aligning our strategy with the Sustainable Development Goals (SDGs) through three key commitments to sustainable business by 2030. These commitments are:

1. Neutralizing environmental impact
 - Offsetting 100% of direct greenhouse gas (GHG) emissions (Scope 1 and 2)
 - Offsetting 100% of CO2 emissions from our core business, auto finance, for contracts since 2021 (Scope 3, category 15).
 - We aim to be the first national bank to commit to 100% carbon offsetting of its core business. The offsetting costs are beared exclusively by BV, i.e. with no cost to the customer.
 - The SDGs addressed in this commitment are: 9 (industry, innovation, and infrastructure) and 13 (climate action).
2. Accelerating social inclusion (internally and externally)
 - Achieving 50% of leadership positions occupied by individuals identifying with the female gender.
 - Ensuring 35% of black employees within our workforce.
 - The SDGs targeted in this commitment are: 5 (gender equality) and 10 (reduced inequalities).
3. Mobilizing resources to foster sustainable businesses.

[BV's 2030 Commitments for a Lighter Future](#)

Pages 9-12

[2022 Sustainability Report: Corporate Governance](#)

Page 8

- Financing and distributing R\$80 billion for ESG businesses (with a focus on sanitation, renewable energy, clean mobility, among others).
- The SDGs covered in this commitment are: 8 (decent work and economic growth), 9 (industry, innovation, and infrastructure), and 13 (climate action)

Additionally, our 2022 Sustainability Report, which encompasses a substantial portion of the information presented in this reporting document, was developed in accordance with the GRI Standards for the period from January 1, 2022, to December 31, 2022. It also adheres to the International Integrated Reporting Council (IIRC) guidelines for Integrated Reporting and the Sustainability Accounting Standards Board (SASB). The text further indicates the correlation of the contents with the United Nations Sustainable Development Goals (SDGs).

Principle 2: Impact and Target Setting



We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.

2.1 Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly² and fulfil the following requirements/elements (a-d)³:

a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

The scope of BV's impact analysis is on our auto finance, which represented 49.5% of our credit portfolio in 2022. Corporate & investment banking, other businesses related to retail banking will be covered in next impact analysis and reports.

[2022 Sustainability Report: Corporate Governance](#)
Page 13

b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope

- i) by sectors & industries⁴ for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or
- ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

Within our diverse business portfolio, a significant emphasis is placed on motor vehicle loans, constituting 49.5% of our ongoing credit operations. During the fourth quarter of 2022, we maintained our leadership position in the Brazilian auto finance market, with a focus on light used vehicles. We have an extensive network of over 23 thousand car dealers and digital partners and a strong commitment to innovation and digital transformation. Our dedication to a 100% digital contracting process and achieving a remarkable 96% automation rate in the client screening further highlights our

[2022 Sustainability Report: Corporate Governance](#)
Page 13

² That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

³ Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).

⁴ 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

focus on enhancing the experience for our auto finance clients.	
---	--

c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?⁵ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

This step aims to put your bank's portfolio impacts into the context of society's needs.

Environmental challenges in Brazil

Argentina, Brazil, Mexico, and Venezuela contribute alone to 70 of total emissions in Latin American and Caribbean (LAC) countries. Brazil, identified as particularly vulnerable to climate change due to political, geographic, and social factors, faces challenges that include extreme temperatures, rising sea levels, water scarcity, and heavy rainfall, impacting vulnerable groups, urban infrastructure, the economy, and ecosystems. Therefore, Banco BV recognizes climate change as key driver of negative impacts in Brazil.

Legislative context for vehicles

In 2021, stricter rules for vehicles were established by the Brazilian Vehicle Emission Control Program (Proconve). The rules set by the National Environment Council (Conama) aim to reduce the levels of carbon monoxide, nitrogen oxide, hydrocarbons, alcohols, aldehydes, soot, particulate matter, and other pollutant compounds in vehicles sold in the country. To ensure the implementation of the new phase, the Brazilian Institute of the Environment and Renewable Natural Resources (Ibama) produced a set of highly technical standards, regulating the requirements established in Conama Resolutions. From 2019 to 2021, there were 12 standards that set the technical parameters for vehicle production in the country, progressively reducing the emission of pollutants by both light and heavy vehicles. Over the years of Proconve implementation, there has been a reduction of up to 98% in pollutant emissions from vehicles. For instance, the carbon monoxide (CO) emission from a light vehicle, which was 54g/km at the beginning of the program, is now around 0.4 g/km.

The Brazilian NDC and national contributions

Despite adopting the Paris Agreement and submitting its Nationally Determined Contribution (NDC) in 2016 (updated in 2020), committing to a 37% reduction in greenhouse gas emissions below 2005 levels by 2025, Brazil grapples with climate change impacts across various sectors. The 2020 Fourth National Communication to the UNFCCC highlights Brazil's ongoing commitment, yet the overarching conclusion remains: Brazil faces significant climate challenges and needs sustained, strategic action for the protection of its people, economy, and environment.

[UNDP Latin America and the Caribbean - The challenges of climate mitigation in Latin America and the Caribbean: Some proposals for action](#)

Page 4

[World Bank Group - Climate risk country profile: Brazil](#)

Pages 3-4

[Ibama: Vehicles sold from 2022 onward will emit fewer pollutants](#)

[BNDES: NDC Dashboard - Our Contribution to Brazil's Emission Reduction Targets](#)

[FGV: The deceleration of domestic economic activity is intensifying](#)

[2022 Sustainability Report: Corporate Governance](#)

Page 75-76

⁵ Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)⁶? Please disclose.

Once the impact analysis of Banco BV is still in progress, positive and negative impact areas have not been identified yet. Nonetheless, in 2022 we undertook a comprehensive review of our priority themes following the steps defined by the GRI (Global Reporting Initiative) methodology:

- Through the examination of secondary sources and sector benchmarking (including sectoral and non-sectoral documents, S&P Corporate Sustainability Assessment indices, SASB, and Morgan Stanley Capital International methods), we identified current and potential opportunities and impacts across economic, environmental, and human aspects, including human rights. Later, a comparison was made between the most recurrent themes and those identified in reports from other companies in the sector.
- After defining potentially material topics, we initiated engagement with our key stakeholders – clients, suppliers, employees – through qualitative interviews and quantitative surveys. In total, 643 individuals were consulted over three months. For this prioritization, our bank conducted an analysis of the significance of negative and positive impacts associated with our operations, particularly concerning these diverse stakeholders. This determination was based on two factors: the likelihood of a specific risk materializing and, if it does, the severity of its impact.

As a result, a ranking of themes to be addressed in the 2022 Sustainability Report was proposed, encompassing our highlights, impacts on the value chain, and details on how they are managed.

In this manner, the following four material themes were defined:

1. Financial Efficiency and Solidity:
 - Capital Management
 - Unfair Competition
 - Anti-Corruption Measures
2. Digital Strategy:
 - Information Technology
 - Innovation
3. Customer-Centric Approach:
 - Financial Guidance
 - Customer Relationship
 - Customer Privacy
4. ESG Agenda:
 - Diversity and Equal Opportunities
 - Well-being and Health of Employees
 - Social Assessment of Suppliers

[2022 Sustainability Report: Corporate Governance](#)

Page 10

⁶ To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

<ul style="list-style-type: none"> • Greenhouse Gas Emissions <p>Therefore, the identification of priority themes is a step towards identifying potential positive and negative impact areas. Although the impact analysis is still in development, climate has been identified as a prioritized impact area based on the information gathered to date as well on the local context and climate risks posed to auto finance.</p> <p>After analyzing the context, we concluded that the provision of financial products and services that facilitate decarbonization in the Brazilian auto finance market vehicles is an opportunity in Brazil. Thus, BV can contribute with relevant alternatives for the country to achieve the decarbonization targets outlined in the Paris Agreement.</p>	
<p>d) For these (min. two prioritized impact areas): <i>Performance measurement.</i> Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.</p> <p>In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.</p> <p>If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.</p> <p><i>The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.</i></p>	
<p>Our team has not yet concluded the impact analysis of the bank. In September 2022, we signed the United Nations Principles for Responsible Banking (PRB). According to the Key Steps to be Implemented by Signatories, a PRB signatory bank may take up to 4 years to initially implement the Principles for Responsible Banking by applying 3 Key Steps (Impact Analysis; Target Setting & Implementation; Accountability) and fulfill the requirements for each of the Key Steps. Within the first two years, the bank should have completed a first impact analysis. Given that we are still on schedule, we are planning to finish our impact assessment by the end of our second year as a PRB bank.</p> <p>While in the process of setting targets, there are some relevant initiatives regarding significant impact areas of the bank that contribute to climate change mitigation. BV was the first Brazilian banks to undertake, in 2021, the commitment to offset 100% of the CO2 emissions generated by its core business, auto finance. Since the implementation of the program, the initiative has already offset more than 3,7 million tons of CO2.</p>	<p>Principles for Responsible Banking: Key Steps to be Implemented by Signatories Pages 2-3</p>

Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?⁷

- | | | | |
|--------------------------|------------------------------|---|--|
| Scope: | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> In progress | <input type="checkbox"/> No |
| Portfolio composition: | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> In progress | <input type="checkbox"/> No |
| Context: | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> In progress | <input type="checkbox"/> No |
| Performance measurement: | <input type="checkbox"/> Yes | <input type="checkbox"/> In progress | <input checked="" type="checkbox"/> No |

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Climate change mitigation, climate change adaptation, resource efficiency & circular economy, biodiversity, financial health & inclusion, human rights, gender equality, decent employment, water, pollution, other: please specify

How recent is the data used for and disclosed in the impact analysis?

- Up to 6 months prior to publication
- Up to 12 months prior to publication
- Up to 18 months prior to publication
- Longer than 18 months prior to publication

Open text field to describe potential challenges, aspects not covered by the above etc.:
(optional)

⁷ You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets⁸ have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

a) Alignment: which international, regional or national policy frameworks to align your bank's portfolio with⁹ have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

You can build upon the context items under 2.1.

Key Step 1 (2.1 Impact Analysis) has not been completed. Therefore, there are no inputs yet for the development of Key Step 2 (2.2 Target Setting).

b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the [Annex](#) of this template.

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

<i>Impact area</i>	<i>Indicator code</i>	<i>Response</i>
<i>Climate change mitigation</i>	...	
	...	
	...	

<i>Impact area</i>	<i>Indicator code</i>	<i>Response</i>
<i>Financial health & inclusion</i>	...	
	...	
	...	

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

Key Step 1 (2.1 Impact Analysis) has not been completed. Therefore, there are no inputs yet for the development of Key Step 2 (2.2 Target Setting).

⁸ Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

⁹ Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and

<p>c) <u>SMART targets</u> (incl. key performance indicators (KPIs)¹⁰): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.</p>	
<p>Key Step 1 (2.1 Impact Analysis) has not been completed. Therefore, there are no inputs yet for the development of Key Step 2 (2.2 Target Setting).</p>	
<p>d) <u>Action plan:</u> which actions including milestones have you defined to meet the set targets? Please describe.</p> <p>Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.</p>	
<p>Key Step 1 (2.1 Impact Analysis) has not been completed. Therefore, there are no inputs yet for the development of Key Step 2 (2.2 Target Setting).</p>	

Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

	... first area of most significant impact: ... <i>(please name it)</i>	... second area of most significant impact: ... <i>(please name it)</i>	<i>(If you are setting targets in more impact areas) ...your third (and subsequent) area(s) of impact: ... (please name it)</i>
Alignment	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No
Baseline	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No
SMART targets	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> In progress <input type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No

strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

¹⁰ Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

Action plan	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No	<input type="checkbox"/> Yes <input type="checkbox"/> In progress <input checked="" type="checkbox"/> No
-------------	--	--	--

2.3 Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Key Step 1 (2.1 Impact Analysis) has not been completed. Therefore, there are no inputs yet for the development of Key Step 2 (2.3 Target implementation and monitoring).

Principle 3: Clients and Customers



We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.

3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers¹¹ in place to encourage sustainable practices?

Yes In progress No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

Yes In progress No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities¹²). It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

Even though we do not have a formal engagement policy with our clients, several initiatives are paving the way for a more comprehensive engagement strategy which is likely to be developed soon. Below we present some of these initiatives we already have.

Electrification of trucks and motorcycles fleet

BV operates as a pioneer in vehicle finance by contributing to the electrification of fleets and the transition to a low-carbon economy, aiming to reduce the impacts of its main line of business and promote a more sustainable environment.

Therefore, in 2022, we established partnerships with clients in order to decarbonize their vehicle fleets. One of them concerned differentiated financing terms to the delivery company iFood in order to buy new electric motorcycles for couriers. Between April and December 2022, these vehicles made more than 200,000 deliveries on over 880,000 kilometers, avoiding the emission of 39.5 tCO₂e. Additionally, due to fuel savings, couriers saved between 7% to 15% monthly. Besides not emitting CO₂, the motorcycles demonstrated cost savings in running and maintenance expenses. After the initial tests in São Paulo with 30 couriers, there was a reduction of over 60% in fuel consumption and an average of 70% in monthly maintenance. Another

[2022 Sustainability Report: About the Report](#)

Pages 40, 48-53

partnership was with one of the largest retailers in Brazil, Magazine Luiza. Small electric trucks were financed under special conditions for around 500 micro and small transport companies that provide outsourced services to Magazine Luiza. The project aims to offset approximately 56,000 tons of CO₂ over four years, the average financing period for vehicles at BV.

Diversity

BV seeks to foster increasingly effective people management practices that bring motivation to professionals who are part of the company, including accelerating the process of social inclusion, a pillar of our Pact for a lighter future. Internally, we have set two targets: reaching 50% of leadership positions held by people who declare themselves to be females, and guaranteeing a 35% participation of black people among BV’s employees.

In 2022, we launched a hiring initiative exclusively for black individuals, called 'Conectando Raízes' (Connecting Roots). The 'BV Raízes', a racial affinity group, was established in 2020 to facilitate monthly awareness dialogues with internal BV participants and external guests. Along the same lines, for individuals who identify with the female gender, there is the 'BV com Elas' group, which engaged in discussions about motherhood in the workplace and women entrepreneurship. In 2022, women occupied 39% of leadership positions in BV, up from 36% in 2021. We also hired 272 black employees in 2022, when these accounted for 23% of the work force, against 19% in 2021. The bank has actively participated in forums such as 'IncluiPcD', for people with disabilities, to present its selection process and introduce the 'BV Além da Cota' (BV beyond quotas) affinity group, which organized an awareness week alluding to the National Day of the Struggle of People with Disabilities. The event addressed accessibility, prejudice, and obstacles. Sign language communication was the subject of dynamic presentations, and a hands-on workshop called 'Diálogos no Escuro' (Chatting in the Dark) addressed situations faced daily by individuals with reduced visual capacity. We organized Pride Week, featuring discussions on various topics focused on learning and sharing experiences proposed by the 'Fora do Armário' (Coming out) affinity group. The event, led by employees and guests, attracted 867 participants, including 117 leaders.

3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services , information on sustainable products developed in terms of value (USD or local currency) and/or as a % of

¹¹ A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

¹² Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

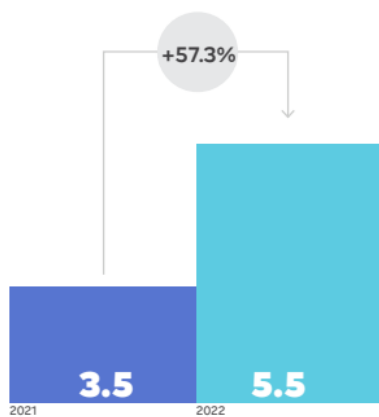
In 2022, the secondhand vehicle market experienced its most significant demand shock in the past decade, leading to a decline of 12.1%. This downturn was largely attributed to increased indebtedness among Brazilian households, reaching the highest level in the historical series initiated in 2005, coupled with rising inflation and higher interest rates. Nevertheless, for the 10th consecutive year, we concluded the period as the leader in this business, our primary line of operation.

Our ability to navigate this challenging scenario was facilitated by effective credit management and product diversification. For instance, residential solar panel financing saw an impressive growth of 84.7% compared to the previous year, and the car equity loan expanded as high as 83.2% over 12 last months. The evolution of our avenue of growth has been a success story, representing 20% of the 2022 portfolio, which strengthens BV's ability to adapt rapidly to turbulence, such as the slowdown in the credit market and greater household indebtedness.

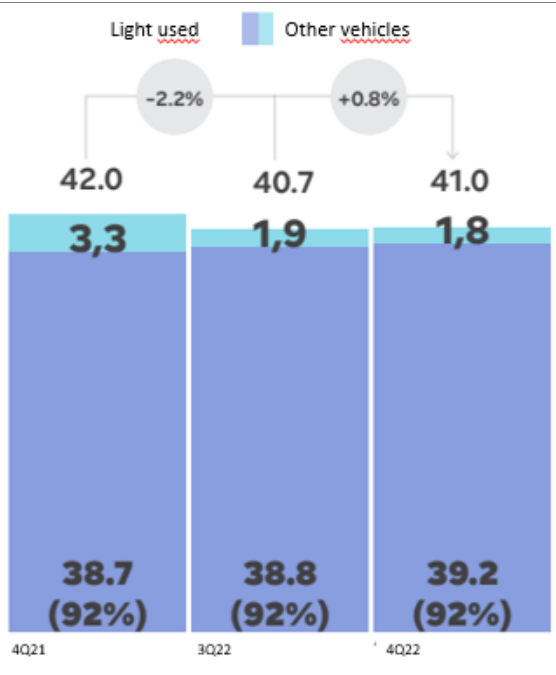
[2022 Sustainability Report: About the Report](#)

Pages 15-17, 38-39

Origination of solar panel financing and other loans (BRL Billion)

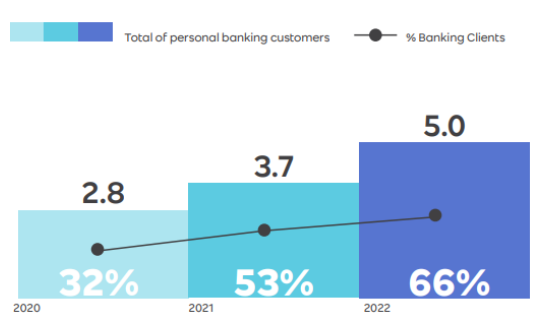


Vehicle financing portfolio (BRL Billion)

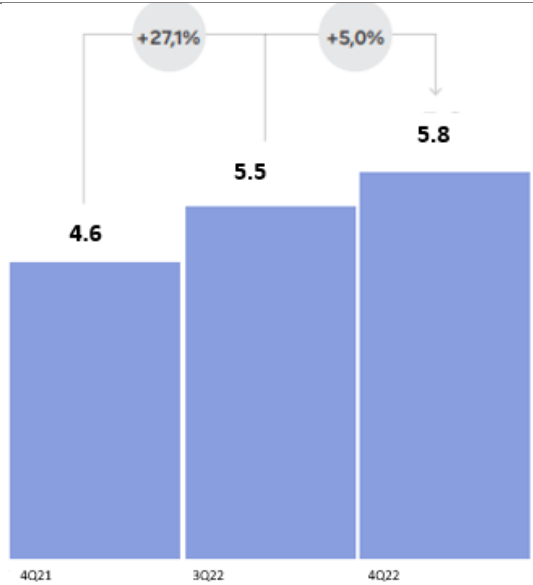


In Retail, we reached the milestone of over 5 million individual clients, with 66% of them already converted to digital banking clients. The credit card portfolio reached R\$ 5.8 billion at the end of 2022, an increase of 27.1% in comparison with the same period of the previous year. This progress reflects the expansion of the digital bank, as well as a credit card portfolio more aligned with the profile of our customers.

Individual clients and conversion to banking clients (in million and %)

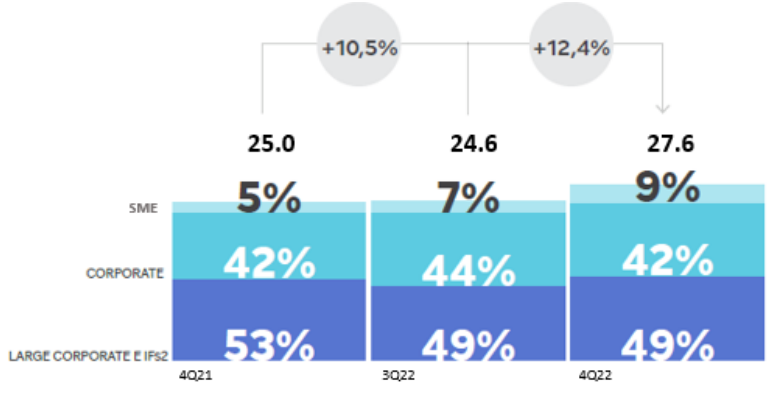


Credit card portfolio (BRL Billion)



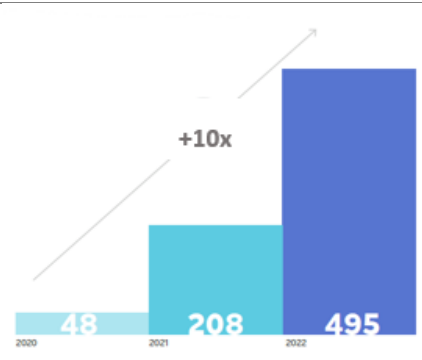
As for the expanded Wholesale portfolio, at the end of the period it reached a record level of profitability, and the segment experienced a historic outcome in Debt Capital Markets (DCM) transactions, with over R\$ 30 billion coordinated and distributed by BV. The figures were consistent, also indicating the effects of advancements in portfolio diversification.

Expanded Wholesale Portfolio (BRL Billion)



We also continue to expand 'BV as a Platform', where we connect business partners with our APIs, allowing us to provide infrastructure to them. We concluded the year with 68 partners in this business and additional 495 million in Bank as a Service (BaaS) transactions, a volume 10 times higher than that recorded in 2020.

BaaS Transactions (in millions)



Tokenization of receivables

In 2022, we initiated our entry into the blockchain universe through the issuance of receivables, a process known as asset tokenization, which digitizes physical assets or traditional financial products into fractions. By launching structured tokens, BV enters the digital asset segment, managing financial resources electronically with protected, unique, and irreplaceable data. The pilot project was conducted in partnership with Liqi Digital Assets, and the tokens were exclusively acquired by BV employees. New tests are going to be made before the product is released to the general public. Initiatives like this present possibilities for reducing internal inefficiencies and demonstrate significant long-term potential for technological innovation.

Growth avenues

Our strategy at BV is to diversify our portfolio, and our growth avenues include solar energy, credit cards, and loans for individuals and SMEs. These have increased from 6% of our credit portfolio in 2017 to 20% in 2022. In our financing line for solar panels, we reached R\$ 4.6 billion in 4Q22, an 85% increase compared to the same period last year. Meanwhile, our car equity loan grew by 83%, reaching R\$ 2.1 billion in the period. Our credit card portfolio reached R\$ 5.8 billion, a 27% expansion. The most significant growth was in our SME portfolio, a segment where we exclusively operate in receivables financing, which grew by 102% and closed the quarter at R\$ 2.4 billion. We have expanded the offers of products and services on our app, ending 2022 with 5 million individual customers, a 35% increase if compared to the previous year. 66% of our customers use digital accounts and/or credit cards, a 13-percentage point increase from the previous year. Transaction volume (TPV) in 4Q22 reached R\$ 9.1 billion, a 62% expansion compared to the same period in 2021. For the full year, we recorded R\$ 30.3 billion in TPV, a 78% growth over 2021. Another revenue diversification line for us is 'BV as a Platform', whose revenues reached around R\$ 90 million last year. In 4Q22, 149 million transactions were recorded on our BV BaaS (Banking as a Service) platform, a 96% growth compared to the same

period the previous year. Transactions include payment of bank slips and electronic and instant cash transfers (TED and PIX).

In 4Q22, we entered into a strategic alliance with Méliuz, a technology company that boosts the sales of its partners through cashback and discount coupons, *which* will now offer BV products and services in its portfolio. In exchange, the bank will provide the startup with infrastructure, funding and other financial products. Under the agreement, there is also the possibility of BV assuming control of the its BaaS (Bank as a Service) platform, Bankly, creating Brazil's largest BaaS platform.

Principle 4: Stakeholders



We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder groups¹³) you have identified as relevant in relation to the impact analysis and target setting process?

Yes In progress No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

The development of BV's materiality follows the guidelines of the Global Reporting Initiative (GRI), which establishes 4 steps to define the most relevant topics. The first step consists of the identification of the company's activities, stakeholder groups, and sustainability context (Identification of the company's activities, stakeholder groups, and sustainability context of the company). Therefore, stakeholders were a crucial point in the development of BV's materiality.

In addition to the engagement of specific stakeholders, such as employees, suppliers and clients, for the GRI materiality, various actions are undertaken throughout the year in order to consult with employees and clients, feedback their opinions into our business and build capacity:

- Regarding the workforce, the goal is to align it with the corporate strategy and we do so through initiatives such as endomarketing campaigns, leadership and non-leadership forums, and other events.
- For clients, the Ombudsman relationship channels serves, among other purposes, to foster continuous improvement, where critical complaints are the starting point for enhancing the efficiency of service provision and internal processes.
- Additionally, the integration of technology is aligned to the creation of positive experiences, ensuring that products and services become increasingly user-friendly and provide more benefits for both clients and BV.

[2022 Sustainability Report: About the Report](#)

Pages 10, 38

¹³ Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

BV is characterized by offering customized solutions according to each client's profile. An example of this is in Retail, where, after contracting a product or service, many customers also become users of our digital account and/or credit card – with the latter arising from 2.8 to 5 million customers between 2021 and 2022. By prioritizing the user experience in product and channel usage, optimizing processes, and reducing friction, we also reduced key complaints during the year – progress that reflects continuous efforts to deliver a better experience for our customers. In the customer service channel, our Net Promoter Score (NPS) was 75 points (with the market average at 72), and our collection NPS was 75 points (market average at 69 points).

Principle 5: Governance & Culture



We will implement our commitment to these Principles through effective governance and a culture of responsible banking

5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

Yes In progress No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as
- remuneration practices linked to sustainability targets.

We have a structure specifically focused on sustainability and the treatment of social, environmental and climate risk, with areas exclusively dedicated to these issues. The governance is divided as follows:

- Board of Directors: Acts as responsible for approving the long-term sustainability policy and strategy.
- Executive Committee: Responsible for deliberating on sustainability proposals and integrating sustainable practices into business strategies and organizational culture.
- Controls and Risks, and Risks and Capital Committees: Periodically produce consolidated reports on risk monitoring.
- ESG Advisory Committee for the Board of Directors: In July 2021, we approved the ESG Advisory Committee for the Board of Directors. The committee consists of three members: one appointed by the shareholder *Votorantim Finanças*, another by the shareholder *Banco do Brasil*, and a director of the bank. The committee is tasked with advising the Board of Directors on the ESG issues and proposing recommendations for the Social, Environmental, and Climate Responsibility Policy (PR SAC, in Portuguese).

There is a Director responsible for implementing, monitoring, and evaluating the PR SAC, ensuring its effectiveness. This Director participates in and provides support to the Board of Directors in the decision-making process related to the establishment and

[Website BV – sustainability: Our governance](#)

[2022 Sustainability Report: About the Report](#)

Page 24

revision of the Policy. The director also enhances implemented actions when deficiencies are identified and ensures the proper disclosure of information required by regulations.

The guidelines of the sustainability trajectory desired by BV is defined annually. The proposal goes through the ESG Committee and the Executive Board before being submitted for approval by the Board of Directors. Every two years, the PRSAC is reviewed by the Executive Committee and the ESG Committee and approved by the Board of Directors.

5.2 Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

The areas of Compliance, Internal Controls, and Internal Audit monitor the performance against internal policies and regulations, as well as the bank's Integrity Program. To assist in risk management, BV operates in line with the Three Lines of Defense model, which communicates and clarifies essential roles and responsibilities. All employees undergo mandatory training on the subject, either at the beginning of their employment or when there is a need for knowledge refreshment. Through the training program, important topics are discussed for the performance of job activities, including conflicts of interest, giving and receiving gifts and courtesies, dealings with public administration, money laundering prevention, information classification, and operational losses. In 2022, 100% of our team underwent training on combating corruption.

[2022 Sustainability Report: Corporate Governance](#)

Pages 33-34

5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio?¹⁴ Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

The conduct of our entire value chain is guided by documents that express our principles and values with the aim of achieving the highest ethical and integrity standards, guiding our behavior in the conduct of activities, such as:

- Our Social, Environmental, and Climate Responsibility Policy (PRSAC): It establishes the principles and guidelines that guide social, environmental, and climate-related actions in business and in relationships with stakeholders, in accordance with Resolution No. 4,945 of

[2022 Sustainability Report: Corporate Governance](#)

Pages 33-34

[Social, Environmental, and Climate](#)

¹⁴ Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistleblower policies etc., or any applicable national guidelines related to social risks.

<p>the National Monetary Council, dated September 15, 2021.</p> <ul style="list-style-type: none"> • Our Code of Conduct: It is approved and updated by the Board of Directors and has to be adhered by all individuals within the Votorantim Financial Conglomerate. This includes members of the Administration and the Board, leaders, other collaborators, interns, and apprentices. Furthermore, it is intended to serve as a guiding framework for interactions with suppliers, service providers, and business partners. <p>In these documents, BV publicly discloses institutional guidelines, for example, emphasizing fair and ethical competition in relationships. Any illicit practices such as fraud, bribery, money laundering, extortion, and corruption are strongly condemned and not tolerated.</p>	<p>Responsibility Policy (PRSAC) Page 1</p> <p>Code of Conduct Page 6</p>
---	---

Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

Yes No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

Yes No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

Yes In progress No

Principle 6: Transparency & Accountability



We will periodically review our individual and collective implementation of these Principles and be transparent about and accountable for our positive and negative impacts and our contribution to society's goals.

6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

- Yes Partially No

If applicable, please include the link or description of the assurance statement.

6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- GRI
- SASB
- CDP
- IFRS Sustainability Disclosure Standards (to be published)
- TCFD
- Other: Social, Environmental, and Climate Responsibility Policy

The development of BV's materiality follows the guidelines of the Global Reporting Initiative (GRI), which establishes 4 steps to define the most relevant topics. The first three steps should be considered by the company as part of continuous and integrated processes within the dynamics of one or more areas:

- Step 1 - Organization Context: Identification of the company's activities, stakeholder groups, and sustainability context (Identification of the company's activities, stakeholder groups, and sustainability context of the company).
- Step 2 - Identification of Potential Impacts: Identification of potential (risks) and actual impacts associated with ESG aspects (Analysis of sustainability indices and benchmarking with companies in our sector to identify possible ESG aspects and impacts).
- Step 3 - Assess the Significance of Impacts: Prioritization of impacts by analyzing their severity (Consultation with our stakeholders to assess impacts and prioritize potential material topics).

[Social, Environmental, and Climate Responsibility Policy](#)

Page 5

<ul style="list-style-type: none"> • Step 4 - Prioritization of the Most Relevant: Definition of boundaries for the most relevant topics (Validation of the final results and definition of scope boundaries for each topic in each business). <p>For the identification of topics with the greatest real and potential impacts associated with BV, primary and secondary sources were consulted. The Sustainability Accounting Standards Board (SASB) was one of the selected secondary sectoral sources. Therefore, the materiality study was also guided by the SASB, which aims to relate the impact of material topics to the financial performance of companies. To achieve this, topics are defined based on the industry sectors of the companies. In the case of BV, materiality is linked to the Commercial Banks sector.</p> <p>In the context of our Social, Environmental, and Climate Responsibility Policy, annually, we publish the progress of our actions in our Annual Report. Additionally, on our website, we provide:</p> <ul style="list-style-type: none"> • The Social, Environmental, and Climate Responsibility Policy. • The actions implemented to ensure the effectiveness of the Policy. • The composition of the ASG Committee. • The list of national or international social, environmental, or climate pacts, agreements, or commitments of which we are signatories. 	
---	--

6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis¹⁵, target setting¹⁶ and governance structure for implementing the PRB)? Please describe briefly.

<p>The primary focus of BV's progress lies in the detailed development of Principle 2 and the implementation of impact analysis. We are working to ensure that indicators and goals are reported in accordance with the principles established by the PRB. Furthermore, regarding Principle 4, we acknowledge that, despite having some engagement strategies (materiality, NPS surveys, humanized research, etc.), it is necessary to consider specific engagement strategies for a more direct transition and support to the customer. We also contemplate focusing on internal engagement with the sales team as a path to customer engagement.</p>	
--	--

¹⁵ For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

¹⁶ For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- | | |
|--|--|
| <input checked="" type="checkbox"/> Embedding PRB oversight into governance | <input type="checkbox"/> Customer engagement |
| <input type="checkbox"/> Gaining or maintaining momentum in the bank | <input type="checkbox"/> Stakeholder engagement |
| <input type="checkbox"/> Getting started: where to start and what to focus on in the beginning | <input type="checkbox"/> Data availability |
| <input type="checkbox"/> Conducting an impact analysis | <input type="checkbox"/> Data quality |
| <input type="checkbox"/> Assessing negative environmental and social impacts | <input type="checkbox"/> Access to resources |
| <input type="checkbox"/> Choosing the right performance measurement methodology/ies | <input type="checkbox"/> Reporting |
| <input checked="" type="checkbox"/> Setting targets | <input type="checkbox"/> Assurance |
| <input type="checkbox"/> Other: ... | <input type="checkbox"/> Prioritizing actions internally |

If desired, you can elaborate on challenges and how you are tackling these: