



Banco BV Reporting and Self-Assessment

Principles for Responsible Banking



May 2025

Based on the second version of the template, dated September 2022



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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. Headquartered in São Paulo, the bank operates in the financial sector in Brazil, the Bahamas, and Luxembourg. The business uniquely combines experience and stability with technological transformation, merging the credit expertise of major banks with agility and a digital mindset.

In 2024, we reached R\$ 28.3 billion in Auto Loan origination, reinforcing our *leadership* in used light vehicle financing in Brazil since 2012. We are also the *market leader in solar panel financing*, covering up to 100% of the solar project, from equipment to panel installation. By the end of 2024, our solar panel portfolio totaled R\$ 4.2 billion. Finally, in 2024 we achieved a record R\$ 68 billion in Debt Capital Markets (DCM), with a share of 58% for ESG operations. These highlights show that BV has developed a diversified business portfolio and a broad range of financial products and services for individuals and companies. With 4,496 employees in Brazil and abroad and 6,7 million individual customers (as of 2024), in addition to corporate clients across all business segments, the bank operates based on three strategic pillars that guide our planning and decision-making:

1. Strengthen and sustain core businesses
2. Diversify revenues by leveraging our main capabilities
3. Strengthen the relational approach with our individual customers

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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:

- **National Monetary Council (CMN) Resolution No. 4943:** establishes rules for managing social, environmental, and climate risks for financial institutions, requiring structured governance, evaluation, and monitoring.
- **CMN Resolution No. 4945:** regulates the development and implementation of the Social, Environmental, and Climate Responsibility Policy (PRSAC, in the Brazilian acronym) for all financial institutions, ensuring standardized policies and actions.
- **Brazilian Central Bank (BCB) Resolution No.139:** demands financial institutions to disclose the Social, Environmental and Climate Risks and Opportunities Report (GRSAC, in the Brazilian acronym), covering governance, strategy, and risk management.
- **Normative Instruction 153:** defines standardized tables for structured GRSAC reporting, covering governance, strategies, risk management, and business opportunities.
- **BCB Resolution No.140:** introduces a new section in the Rural Credit Manual, setting social, environmental, and climate restrictions on rural credit operations.

☒ Any applicable regulatory reporting requirements on social risk assessments, e.g. on modern slavery - please specify which ones:

- The abovementioned reporting requirements are applicable both to environmental and social risk assessments. On the social side, the compliance with the following legislation is key:
- **Decree-Law No. 5,452 (Consolidation of Labor Laws):** Brazil's main labor legislation, it regulates employment relationships, workers' rights, and employer obligations in both the public and private sectors, aiming to protect labor rights and ensure fair working conditions.
- **Law No. 13,344:** criminalize reducing someone to conditions analogous to slavery, including forced labor, degrading working conditions, and restricting movement due to employer debt

☐ None of the above

We are committed to aligning our strategy with the Sustainable Development Goals (SDGs), to which our main commitments are linked. In addition, we are actively working to ensure the alignment of our business with the Paris Agreement, recognizing the urgent need for global action to limit climate change. We are taking concrete steps to meet the targets set by the agreement, integrating climate risk management and decarbonization efforts

[BV's 2030 Commitments for a Lighter Future](#)
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<p>into our operations. Moreover, we are proactively contributing to Brazil's climate objectives, such as the Nationally Determined Contribution (NDC), by advancing sustainable practices across our business.</p> <p>Despite adopting the Paris Agreement and submitting its Nationally Determined Contribution (NDC) in 2016 (updated in 2023), committing to reduce its emissions by 48% by 2025 and 53% by 2030, compared to 2005 levels, Brazil grapples with climate change impacts across various sectors. This is why we are also aligning our strategy with the Brazilian Energy Transition Plan, a key initiative to drive the transition to cleaner, more sustainable energy. Through these actions, we are ensuring that our approach is consistent with both national and global climate goals, positioning us to actively contribute to long-term sustainability while minimizing environmental impact.</p>	<p>2023 Sustainability Report</p> <p>Page 10</p>
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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 regularly¹ and fulfil the following requirements/elements (a-d):

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 impact analysis of BV encompasses the entirety of the bank's business activities, focusing on both retail and corporate segments across the geographies where we operate. This includes a comprehensive assessment of the bank's financial products and services, such as used light vehicle financing, personal loans, and corporate banking solutions. Our analysis also considers the integration of our digital strategy and customer-centric approach in driving long-term sustainability.

We have focused on assessing the environmental, social, and governance (ESG) impacts associated with our lending, investment products, and operations, ensuring alignment with sustainability goals across all regions. As part of our commitment to transparency, we are continuously working to improve the breadth and depth of this analysis, incorporating additional metrics and data to further refine our understanding of how our products and services impact our customers and stakeholders.

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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 & industries 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.

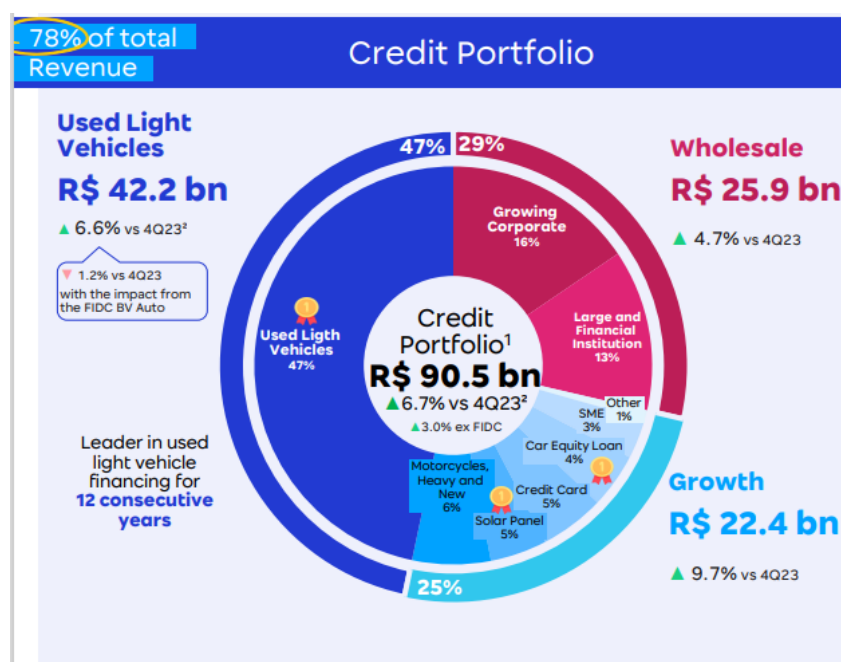
If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/major activities lie in terms of industries or sectors.

¹ 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.

BV has a diversified portfolio of businesses concentrated in Brazil, divided among three main business:

- **Used light vehicle financing** (47% of the portfolio) – R\$ 42.2 billion
- **Wholesale** (29% of the portfolio) – R\$ 25,9 billion
- **Growth** (25% of the portfolio) – R\$ 22,4 billion, with highlights to Motorcycles, Heavy and Light Vehicles financing and Vehicle Secured Loans

In addition to credit products, we also operate in segments that have great synergy with our retail and wholesale operations, and contribute to the bank's revenue diversification.



Used and light vehicle financing (Retail)

BV operates through a robust commercial force and distribution network with a presence throughout the country. The bank performs more than 95% of credit analysis responses in a fully automated way. In 2024, BV completed 12 consecutive years as the leader in the used light vehicle market. With a portfolio of R\$ 42.2 billion at the end of 4Q24, this main business represented 46.7% of the total loan portfolio. In addition to physical channels, BV also operates NaPista, an automotive marketplace. In operation for only 1 year, it has become one of the main automotive marketplaces in Brazil with around 250 thousand vehicles advertised at the end of 2024, a growth of 89.9% vs 2023. Finally, it is the first and only bank to offset all CO2 emissions from the financed vehicles. Since the beginning of its commitment in 2021, the bank has already offset more than 6.5

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[Earnings Release 4Q24](#)

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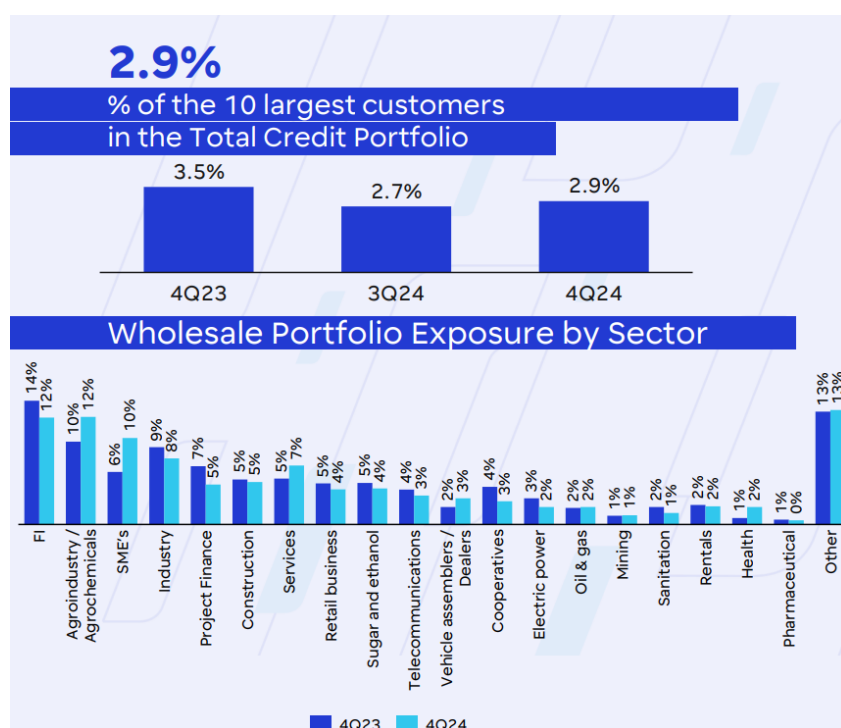
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million tons of CO2, which corresponds to 100% of the fleet financed in the period.

Corporate Investment Banking (CIB)

With a strong tradition in this segment, BV's Wholesale portfolio totaled R\$ 25.9 billion at the end of 4Q24, representing 28.6% of the total loan portfolio. This portfolio is segmented into Corporate (companies with annual revenues between R\$ 300 million and R\$ 4.0 billion) and Large Corporate (companies with annual revenues above R\$ 4.0 billion) + Financial Institutions (FIs). The operations go beyond credit products, with a strong presence in the DCM, foreign exchange, derivatives and cash management. In recent years the bank carried out a successful strategic repositioning in this portfolio, focusing on growth in Corporate segment, in addition to sustaining the presence in Large Corporate where a solid long-term relationship with the clients was built. Thus, we were able to spread risk and improve the profitability of the portfolio.

Our wholesale portfolio is highly diversified across various sectors, as illustrated below:



Growth segment

The Growth portfolio comprises a variety of credit products, including solar panel financing, operations with Small and

Medium Enterprises (SMEs), credit cards, financing of motorcycles, heavy vehicles and new vehicles, Loans Secured by Vehicles (EGV), and other retail lending, such as medical loans and personal loans. In 2024, this segment achieved a BRL 22.4 billion credit portfolio. .

i. Solar Panel Financing

We are active in financing solar panels for homes and small businesses through our extensive distribution network with our integrator partners. In addition, we have Meu Financiamento Solar (MFS), our digital partner. We are market leaders and offer financing to cover up to 100% of the solar project, from the equipment to the installation of the panels. At the end of 2024, our portfolio of solar panels was R\$ 4.2 billion.

ii. Credit Card

The credit card plays an important role in our strategy to strengthen the relational approach. We offer a varied portfolio of cards to meet the individual needs of each customer, including options such as BV Livre, BV Mais and BV Único, which offer benefits such as points programs, cashback, discounts on annuity and vehicle assistance. At the end of 2024, our credit card portfolio was R\$ 4.8 billion.

iii. Motorcycles, Heavy and New vehicles

Our financing capabilities for used light vehicles are extended to the financing modality of other vehicles, including motorcycles, heavy vehicles and new vehicles. At the end of 2024, our portfolio of Motorcycles, Heavy and New Vehicles was R\$ 5.8 billion.

iv. Car Equity Loan (Loan with vehicle as collateral)

We are also leaders in this segment. Car equity allows the customer to take a loan and use their vehicle already paid off as collateral. It has a lot of adherence to BV's strategy both for its historical position in the vehicle financing segment and for being a secured product. At the end of 2024, the Car Equity Loan portfolio was R\$ 4.0 billion.

v. Small and Medium-sized Enterprises (SMEs)

The initiative seeks to expand our exposure in small and medium-sized companies with a focus on the anticipation of receivables, through penetration in the value chain of our Wholesale customers. At the end of 2024, our SME portfolio was R\$ 2.9 billion.

Additional services

In addition to providing financing solutions, we also manage several other business areas, showcasing the strong synergy derived from our diverse offerings. Service revenue grew by

<p>21.6% in 2024, to R\$ 2.7 bn:</p> <p><i>i. BV Insurance</i></p> <p>We are one of the largest insurance brokers in Brazil, with strong synergy with our vehicle financing business. Our products include automobile, lender, home, dental, life and personal accident insurance, as well as pet and funeral assistance that are offered through partnerships with more than 30 insurance companies. In 2024, we recorded a record volume of R\$ 1.7 billion in insurance premiums issued, a growth of 17.7% over 2023.</p> <p><i>ii. Bankly Platform</i></p> <p>The acquisition of Bankly in November 2023 aimed to bolster BV's BaaS strategy and position it as a leading platform in Brazil. Since then, we offer banking infrastructure services, such as individual checking account, PIX (instant transfer) and payment of slips aimed at companies that want to offer banking services to their customers without the complexity of becoming a bank. In 2024, we recorded more than R\$ 133 billion in total payment volume (TPV) on our Platform, with a total of 81 connected partners. Platform business revenues recorded a 22.5% growth in 2024.</p>	
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<p>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? Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.</p> <p><i>This step aims to put your bank's portfolio impacts into the context of society's needs.</i></p>	
<p>Environmental challenges in Brazil</p> <p>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.</p> <p>Economic and financial situation in Brazil</p> <p>Brazil's economic outlook in 2024 reflected a complex scenario of moderate GDP growth, persistent inflation, and increasing interest rates, which continue to pressure credit demand and consumer confidence. The labor market remained stable, but fiscal constraints and global uncertainties add risks to economic activity. While household indebtedness has declined, lending conditions remain tight, particularly affecting sectors dependent on financing. Vehicle sales, a key focus for banco BV, have</p>	<p>UNDP Latin America and the Caribbean - The challenges of climate mitigation in Latin America and the Caribbean: Some proposals for action Page 4</p> <p>World Bank Group - Climate risk country profile: Brazil Pages 3-4</p> <p>Ibama: Vehicles sold from 2022 onward will emit fewer pollutants</p>

<p>struggled with reduced credit availability and higher borrowing costs.</p>	<p>CNN - What happened to Brazil's economy in 2024</p>
<p>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)? Please disclose.</p>	
<p>BV has identified two main impact areas as part of its commitment to the PRB: Climate Mitigation and Financial Health and Inclusion. While the latter is mostly linked to our retail banking activities, the first has a strong connection to the wholesale business. Both of them are central to BV's strategy and best practices on climate mitigation have been in place for years.</p> <p>Banco BV has built a strong track record in the ESG agenda, with a particular focus on climate-related issues given its materiality for the globe and to BV itself. For almost a decade, climate action has ranked among top priorities, setting a pattern of leadership in the Brazilian market. In 2018, it conducted an assessment of climate risks and opportunities, reinforcing its commitment to understanding the financial implications of climate change.</p> <p>By 2021, BV had enhanced its methodology for calculating financed emissions in the vehicle sector and publicly committed to its 2030 long-term sustainability goals. That same year, the bank established internal and external frameworks for sustainable funding. In 2022, it developed financed emissions calculators for vehicle financing, wholesale, and wealth management segments. Moreover, we have collaborated with the Interamerican Development Bank (IDB) to design an internal methodology for avoided emissions in solar panels financing and mobility, including decarbonization strategies covering electrification, use of biofuels, fleet renovation and shifting to smaller, less-pollutant vehicles</p> <p>In 2023 and 2024, BV further strengthened its climate strategy, ensuring that its credit and investment portfolios align with evolving climate challenges and opportunities. It has refined its approach to financed emissions, enhancing, automating it and integrating the calculation into internal systems. Through these initiatives, the bank continues to advance its sustainable finance agenda while reinforcing its role in the transition to a low-carbon economy.</p> <p>In terms of financial health and inclusion, BV has been actively working on this for several years, albeit with less emphasis. To date, we have developed financial literacy content accessible to both clients and non-clients, aimed at promoting resilience and personal finance management. However, there is still much to be done. With this area now prioritized, we are committed to developing more impactful actions in coming years. By integrating these impact areas into its strategy, BV continues to</p>	<p>National Energy Efficiency Plan</p> <p>2023 Sustainability Report Page 18</p> <p>Financial literacy webpage</p>

<p>refine its responsible banking approach, leveraging regulatory frameworks and national policies to drive meaningful progress in both climate mitigation and financial health and inclusion.</p>	
<p>d) For these (min. two prioritized impact areas): <u>Performance measurement.</u> 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>Regarding climate mitigation, Banco BV prioritized sectors based on portfolio exposure, sector-specific financed emissions, strategic relevance (e.g. sectors in which we aim to increase our participation , and alignment with the Brazilian National Energy Efficiency Plan. Key sectors for target-setting were those with a significant share of both our portfolio and financed emissions. Sectors included in the National Energy Efficiency Plan—and holding substantial representation in our wholesale portfolio—were also treated as priorities. Additionally, we considered guidance from the PRB and NZBA, particularly for carbon-intensive sectors. Banco BV is currently assessing the establishment of specific climate mitigation targets, with the goal of defining them by 2025.</p> <p>In addition, climate shocks have been integrated into the bank's Stress Testing framework, aligned with the Network for Greening the Financial System (NGFS) scenarios, which helped to estimate climate performance over time. The Integrated Stress Test plays a central role in strategic planning, evaluating the impact of adverse macroeconomic and climate-related scenarios on BV's solvency. This test simulates simultaneous stress events, assessing Basel III capital ratios, regulatory capital over a three-year horizon, and potential impacts on the bank's balance sheet and financial results.</p> <p>On the topic of financial health and inclusion, our retail products, mainly vehicle financing, are going to be targeted in our performance measurement, which is still to be done. The background behind this will consider that BV has transitioned from a transactional to a relational strategy, expanding services beyond financing to include digital accounts, credit cards, loans, and auto insurance. During 2024, our TPV (total transacted volume) reached R\$ 32.8 billion, representing a growth of 25.2%</p>	<p>2023 Sustainability Report Pages 17-21, 43-44, 77</p> <p>Social, Environmental and Climate Risks and Opportunities Report Pages 13-14</p> <p>Earnings Release 4Q24 Page 9</p>

compared to the same period in 2023. In addition, we originated more than R\$ 2.7 billion in credit for our customers in 2024 from relational banking and grew our deposit base from individual customers by 164% compared to 2023.

BV launched in 2024 the new Credit Showcase, a space in our app where customers have access to personalized offers and can view their preapproved limits for Personal Loan, Car Equity Loan and Credit Card. In addition, during 4Q24 we launched the salary portability in our app, which comes to provide an increasingly complete journey to our customers.

Our Transactional NPS remain at levels of quality or excellence: Collection ended 4Q24 in 74 (vs 75 in 4Q23); Customer Service was 76 (vs 78 in 4Q23), and; Ombudsman at 90 (vs 91 in 4Q23). We also highlight the evaluation of our clients on the two main reputational portals: on Reclame Aqui, we ended 2024 with a score of 8.1 (excellent), a highlight among the main players in the Brazilian financial sector. On Consumidor.gov.br platform, we ended the year as a highlight in the financial industry, where we ranked 1st in the consumer quality assessment score, and in 2nd place in the problem-solution index. Finally, reaffirming our purpose of serving our customers, we were recognized at the Experience Awards, an award that recognizes companies that deliver the best experiences in Brazil. We were certified as a "Recommended Customer" in two of the three categories we participated in (bank account and payroll loan).

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?

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

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

Climate change mitigation and financial health and inclusion

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.:

The Brazilian economic landscape, coupled with the aging vehicle fleet, evolving regulatory requirements, and shifts in consumer behavior, may pose significant challenges to our sustainability strategy. Additionally, the transition to a low-carbon economy, driven by stricter emissions regulations, increasing adoption of electric and hybrid vehicles, and the evolution of digital financing models, requires targeted adjustments in our credit policies, risk assessment frameworks, and product offerings to remain competitive and aligned with sustainability goals.

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 targets 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 with 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.

BV aligns its climate and financial health and inclusion strategies with key international, regional, and national policy frameworks to ensure alignment with the Sustainable Development Goals (SDGs) and other relevant commitments. Below we detail main alignment references in each prioritized impact area.

For climate mitigation, BV builds on:

- **Paris Agreement:** Adopted by the Parties at the 2015 UN Climate Change Conference, the Agreement establishes a 1.5°C limit on global warming by 2050, a target we are committed to achieving.
- **Brazilian NDC:** It focuses on reducing greenhouse gas emissions by 37% by 2025, compared to 2005 levels, and aims for a 43% reduction by 2030. Additionally, Brazil's NDC includes commitments to increasing the share of renewable energy in the energy matrix, enhancing efforts to protect forests and biodiversity, and improving climate resilience. The plan emphasizes sustainable development and achieving carbon neutrality by 2050.
- **Brazilian National Energy Transition Plan:** Launched in 2024, it is a comprehensive strategy to achieve net-zero greenhouse gas emissions by 2050. The plan outlines sector-specific actions, including decarbonization of the electric power sector, industry, transportation, oil and gas, and mining. It guides BV's climate mitigation strategy and support to Brazil's transition to a low-carbon economy.
- **Brazilian Federation of Banks' Taxonomy for a Green Economy:** Supports the financial sector in managing climate and environmental risks, aligning portfolios with the transition to a sustainable economy. BV applies this taxonomy to classify and monitor green finance initiatives.

For financial health and inclusion, BV is bound by:

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[The Paris Agreement](#)

[Brazil's NDC](#)

[Brazilian National Energy Transition Plan](#)

[Febraban – Green Taxonomy](#)

[BCB and CMN Joint Resolution No. 8](#)

[Febraban - Brazilian Financial Health Index \(I-SFB\)](#)

[The National Financial Education Strategy \(ENEF\)](#)

<ul style="list-style-type: none"> • Resolution No. 8 (Central Bank of Brazil & National Monetary Council): Effective July 1, 2024, this resolution mandates financial education initiatives designed to prevent issues such as over-indebtedness, defaults, and vulnerability to fraud. The guidelines focus on promoting financial planning, fostering savings, and enhancing financial resilience. They also call for tailored, accessible, and timely educational interventions that are customized to suit diverse customer profiles. Since this regulation primarily targets individuals, it holds particular significance for BV, given its substantial presence in retail banking, vehicle financing, and consumer credit products, including credit cards. • Brazilian Financial Health Index (I-SFB): It is a free tool that assesses the financial health of Brazilians. The I-SFB is developed by the Brazilian Federation of Banks (Febraban) in partnership with the Brazilian Central Bank (BCB), universities, and other members of the National Financial System. The I-SFB is calculated on a scale from 0 to 100 points and classifies Brazilians into seven levels of economic well-being. • The National Financial Education Strategy (ENEF): Established by the Brazilian Central Bank, it aims to promote financial and pension education, enhance citizens' ability to make informed financial decisions, and strengthen the efficiency and stability of financial, capital, insurance, pension, and capitalization markets. As a permanent State policy, ENEF involves public and private institutions at national and subnational levels. Its initiatives must be free of charge, serve the public interest, remain non-commercial, and refrain from recommending financial products or services, ensuring impartial and technical content. 											
<p>b) <u>Baseline:</u> 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.</p> <p><i>You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.</i></p> <p><i>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.</i></p> <p>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:</p> <table border="1"> <thead> <tr> <th>Impact area</th> <th>Indicator code</th> <th>Response</th> </tr> </thead> <tbody> <tr> <td rowspan="3">Climate change mitigation</td> <td>...</td> <td></td> </tr> <tr> <td>...</td> <td></td> </tr> <tr> <td>...</td> <td></td> </tr> </tbody> </table>		Impact area	Indicator code	Response	Climate change mitigation	
Impact area	Indicator code	Response									
Climate change mitigation	...										
	...										
	...										

<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.

BV has not yet established a baseline financial health & inclusion. The bank is currently in the process of assessing relevant data and methodologies to determine appropriate baseline values. Future reporting will incorporate a structured approach aligned with industry best practices and the recommended indicators.

However, BV is advancing its decarbonization efforts by quantifying financed emissions using the Partnership for Carbon Accounting Financials (PCAF) methodology. In 2022 a first version of the measurement was developed and since then, the process has been improved, automated and linked to client engagement. The latest figures consider our portfolio as of 31 December 2023, and calculations for 2024 are ongoing.

We were able to measure nearly 68,2% of our outstanding loans according to PCAF's Corporate Standard, totaling R\$ 59.769,07 million. Two asset classes which are predominant in our business have been prioritized, i.e. vehicle financing and corporate credits. The remaining of the portfolio is concentrated in other asset classes or products out of PCAF scope, such as swaps and bank sureties.

For our Retail portfolio, we measured the financed emissions of vehicle financing, including used and new vehicles from all categories (passenger vehicles, motorcycles, light duty vehicles and heavy duty vehicles). Our financed emissions amounted to 1,717 ktCO₂e for scope 1 + 2. The data quality score reached 2.88, which we consider a significant achievement, given existing data limitations. We were able to use emission factors mostly provided by the National Institute of Metrology, Quality, and Technology (Inmetro) for our primary vehicle category (passenger cars). Inmetro measures the pipeline emissions of all cars produced in Brazil, ensuring accurate and reliable data for our measurement efforts.

For our Wholesale portfolio, we measured the financed emissions for all sectors and products covered by the corporate credits asset class. Our financed emissions amounted to 2,703 ktCO₂e for scope 1, 26,6 ktCO₂e for scope 2, and 1,366 ktCO₂e for scope 3. Nonetheless, comparison with initial calculation efforts shows that automated processes and integration of national emissions factors baselines allowed for greater accuracy. In addition to that, our engagement with clients might have contributed to a better performance on data quality.

Internal databases are under continuous improvement so that we can get increasingly accurate data for our financed emissions. Therefore, these figures might be updated in the future as we improve our systems and coverage.

c) *SMART targets* (incl. key performance indicators (KPIs)): 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.

In 2024, BV explored approaches and methodologies to set climate mitigation targets for priority sectors of both wholesale and retail businesses, prioritized based on the concerns highlighted in section 2.1, d, of this report. It is currently assessing the expansion of this analysis to include additional sectors.

At present, our primary alignment goals are outlined in BV's 2030 Commitments for a Lighter Future, which consolidates public targets that guide the bank's actions in the ESG spectrum. These targets are as follows:

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, motor vehicle loans, 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.

- Financing and distributing BRL 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)

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

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<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>BV has not yet developed a formal action plan with defined milestones to meet the climate mitigation targets which are being piloted nor for our upcoming strategy on financial health and inclusion. The bank is currently analyzing potential indirect impacts and mitigation strategies to ensure a comprehensive and effective approach. To date, we can be held accountable for the primary alignment goals outlined in BV's 2030 Commitments for a Lighter Future. By 2024, the results achieved for these targets were as follows:</p> <ol style="list-style-type: none"> 1. Neutralizing environmental impact <ul style="list-style-type: none"> Since the program's inception, 100% of the fleet financed by BV has had its CO2 emissions offset (equivalent to over 6,5 million tons of CO2 since 2021). We fully offset 4.4 thousand tons of GHG emissions from our 2023 direct activities. 2. Accelerating social inclusion (internally and externally) <ul style="list-style-type: none"> 46% women in the overall workforce and 43% in leadership positions. 28% of our workforce consists of Black individuals. 3. Mobilizing resources to foster sustainable businesses <ul style="list-style-type: none"> We have reached R\$ 34,7 billion in financing and distribution for ESG-related businesses since 2021. 	<p>BV's 2030 Commitments for a Lighter Future Pages 9-12</p> <p>Earnings Release 4Q24 Page 11</p>

	First area of most significant impact: Climate mitigation	Second area of most significant impact: Financial health and inclusion
Alignment	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> In progress <input type="checkbox"/> No
Baseline	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> Yes

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

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 2 (2.2 Target Setting) has not been fully completed.
Therefore, there are no inputs yet for the development of 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 customers 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 activities). 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).

Promotion of financial literacy for clients and customers

Initiatives like “*Trilha BV*” (BV Trail) and digital financial education campaigns empower businesses and consumers, promoting financial resilience. By integrating innovation into its business model, BV enhances efficiency, expands financial access, and strengthens the financial ecosystem, reinforcing its commitment to sustainable growth.

In 2023 we launched *Trilha BV* (BV Trail), a platform with financial management content as well as sales and marketing techniques, which we provide for our car dealers partners, improving their financial literacy and empowering their business. In that same year, we promoted a debate on financial organization and the importance of ESG concepts through targeted communication in BV blog and social media. Partnering with 39 digital influencers, we were able to engage more than a million people

Every year we take part in the National Financial Education Week (ENEF), arranged by the Central Bank and the Brazilian Securities Commission.

Advisory services for ESG projects

Within the scope of ESG Business, the bank has set a goal to finance and distribute R\$ 80 billion to ESG businesses from 2021

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Pages 23-26, 45-47, 54-61, 77-80

[Banco BV reinforces its commitment to climate risk management](#)

[Banco BV creates consultancy focused on ESG projects: see the details](#)
[BV's goal is to produce and distribute R\\$ 80 billion in ESG assets by 2030](#)

<p>to 2030, with R\$ 34.7 billion already achieved as of December 2024. This target encompasses both the ESG production of the CIB and Retail segments. Of this amount, the CIB division has delivered R\$ 27.51 billion in production since 2021, through credit and capital markets operations primarily targeting renewable energy generation, energy efficiency, sustainable construction, sanitation, and low-carbon agriculture. In the Retail segment, accumulated ESG-related production reached R\$ 7.22 billion, driven by financing operations for electric and hybrid vehicles, as well as solar panel installations.</p> <p>To support this ambition, Banco BV continuously relies on and analyzes key market standards for sustainable and climate-related finance, including the Task Force on Climate-related Financial Disclosures (TCFD), Science Based Targets initiative (SBTi), Net Zero Banking Alliance (NZBA), Principles for Responsible Banking (PRB), Partnership for Carbon Accounting Financials (PCAF), International Capital Market Association (ICMA), Loan Market Association (LMA), Climate Bond Initiative (CBI), and International Swaps and Derivatives Association (ISDA). In addition, we are closely monitoring regulations and other rules from the Brazilian Securities and Exchange Commission (CVM), the Brazilian Central Bank (BCB), the Brazilian Federation of Banks (FEBRABAN) and the Brazilian Financial and Capital Markets Association (ANBIMA) that may impact our actions related to sustainability, ESG, and climate change.</p> <p>In this context, in 2024, the ESG Advisory for CIB clients was established. The advisory service aims to support clients in identifying and structuring customized opportunities for the development of projects or activities with the potential to contribute to the country's sustainable development, or that are aligned with the client's sustainability goals. These opportunities may serve as the basis for future fundraising in the financial or capital markets, with funds directed —directly or indirectly— toward the implementation and/or maintenance of a sustainable project.</p>	
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<h3>3.2 Business opportunities</h3> <p>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 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.).</p>	
<p>Emissions and Partnerships on ESG Topics</p> <p>In line with BV's strategic objectives, the bank has also worked with international partners to issue bonds focused on ESG topics. In October 2024, BV successfully raised R\$ 60 million in a pioneering deal with Natixis Corporate &</p>	<p>Green, Social & Sustainability Funding Framework</p> <p>Page 11</p>

Investment Banking, using an ESG-linked "repo" structure, where the bank sold a bond and committed to repurchasing it in the future. This unique approach demonstrates BV's innovative use of ESG criteria for capital raising and is the first of its kind among private banks in Brazil. The funds raised are directed towards renewable energy projects and other ESG initiatives.

In another instance, BV concluded a financing agreement for US\$ 150 million (approximately R\$ 900 million) with the International Finance Corporation (IFC), a member of the World Bank Group, at the end of 2024. The funds will be used to expand the bank's loan portfolio for distributed energy generation, specifically for residential solar panels in Brazil.

Previously, in 2023, we pioneered the introduction of loans backed by the Energy Efficiency Program of the National Bank for Economic and Social Development (BNDES), which aims to facilitate the access of micro, small, and medium-sized enterprises (MSMEs) to energy transition, providing support through the provision of guarantees required by financial agents. The first project supported Energy Saving Company, a technology company based in Brasília, reducing the energy consumption of a hospital by 27% through equipment upgrades and the installation of a solar plant that met 37% of its current energy needs.

Opportunities from Ongoing Engagement

BV continues to work closely with its wholesale clients to facilitate their transition to more sustainable practices. Below, we present three cases that highlight our holistic support, helping clients navigate each stage of their ESG integration, from education to execution.

i. Caramuru Case - ESG Labeled Export Financing

Caramuru, a leading Brazilian agribusiness group specializing in the processing of soybeans, corn, sunflower, and canola, has committed to zero deforestation, full monitoring and traceability of its supply chain, and promoting sustainability at all stages of its production. To support these goals, Caramuru partnered with Banco BV to secure a US\$ 10 million Sustainable Foreign Exchange Advance (AOC). This allows Caramuru to receive part of the value of its export in advance, improving cash flow and providing protection against exchange rate fluctuations. The funds from this green AOC will be used to purchase sustainably produced soybeans, corn, and sunflower from suppliers certified with the "Sustentar" seal, ensuring best supply practices. The AOC is also aligned with Caramuru's

[BV raises R\\$ 60 million in an unprecedented operation among private banks in the country](#)

[Banco BV raises \\$150 million from IFC to boost solar energy in Brazil](#)

[Banco BV wins the Eco Amcham Award 2024 in the Products and Services category](#)

[Banco BV completes a BNDES Inovagro operation for Baumgart](#)

Green Finance Framework, which was validated through a Second Party Opinion, confirming its adherence to ICMA's Green Bond Principles (GBP). This transaction earned Banco BV the Eco Amcham 2024 Award in the Products and Services category.

ii. Baumgart Case - Technological Innovation in Agribusiness

Banco BV facilitated a BNDES Inovagro transaction for the Baumgart Group, a conglomerate involved in shopping centers, civil construction, and agribusiness. The R\$ 2 million transaction financed the acquisition of seven robots equipped with artificial intelligence for agronomic field analysis. These robots help to control early-stage weeds, reduce herbicide use by up to 95%, minimize soil compaction, decrease carbon footprint, and increase production efficiency. This transaction marks the first collaboration between Banco BV and Baumgart under the BNDES Inovagro program, which aims to promote technological innovation in agricultural production.

iii. Tegra's Green Real Estate Receivables Certificate (CRI)

This was an initiative promoting sustainability in the real estate sector through the issuance of a Green CRI, aimed at financing projects that meet strict sustainability criteria.

These projects are applied to the development of real estate ventures with green building characteristics and certifications such as AQUA, EDGE, or LEED, which are the leading standards in the sustainable real estate market.

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 groups) 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.

Materiality assessment

We conduct regular materiality assessments to stay aligned with the evolving dynamics of our operating environment. As part of this process, we engage a broad range of stakeholders - selected for their familiarity with potentially material issues - through a structured written questionnaire and interviews. These stakeholders include employees, corporate and retail clients, members of the innovation ecosystem, suppliers, partner organizations or associations, partners retailers, industry peers, professionals, regulators, and civil society.

Participants are asked to evaluate both the likelihood of risks materializing and the severity of their potential impact. Beyond defining material topics, we continuously engage with stakeholders to identify and assess our broader impacts. Through this approach, BV ensures compliance with industry regulations while actively promoting sustainable development.

Our materiality methodology is based on the principle of double materiality—that is, assessing both how BV influences sustainability topics and how those topics, in turn, affect BV. There is strong alignment between the critical and relevant issues identified by our senior leadership and those prioritized by the investor community.

Our most recent assessment was completed in 2024, and a new cycle is currently underway in 2025. Although the updated results are not yet finalized, the previous engagement led to the identification of 16 material topics. These have been mapped to our strategic pillars to guide the implementation of our ESG

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commitments, including those under the PRB. The results of our materiality assessment are as follows:

- **Management:** ethics and transparency; corporate governance; customer relations; responsible supplier management.
- **Business:** sustainable business; social, environmental and climate criteria in financial operations; innovation and technology; data security and privacy.
- **Society:** climate change and emissions; financial citizenship; fraud and scam prevention; Community and social impact.
- **People:** employee health, well-being and development; diversity, equity, and inclusion, labor practices, Promotion of human rights.

Voluntary initiatives

Banco BV also participates in various national and international initiatives, actively contributing to sustainable development and innovation. These initiatives demonstrate the bank's long-term commitment to engaging with diverse stakeholders across multiple sectors to address environmental and social responsibility, while influencing positive changes in the financial industry and society.

- **Brazilian Association of Credit Card and Service Companies (Abecs)**, since 2007
- **National Association of Credit, Financing, and Investment Institutions (Acrefi)**, since 1996
- **Business Coalition for the End of Violence Against Women**, since 2023
- **Board of Directors and Executive Board of the Brazilian Federation of Banks (Febraban)**, since 1991
- **Executive Board of the Brazilian Association of Financial and Capital Markets Entities (Anbima)**, since 1998
- **Companies and LGBTI+ Rights**, since 2021
- **GHG Protocol**, since 2021
- **Business Initiative for Racial Equality**, since 2021
- **Brazilian Institute of Corporate Governance (IBGC)**, since 2021
- **United Nations Global Compact (UNGC)**, since 2021
- **Pact for Sports**, since 2021
- **United Nations Principles for Responsible Banking**, since 2022

Grievance mechanisms

One key aspect of BV's stakeholder engagement is the management of complaints. The bank ensures that cases of non-

compliance with corporate conduct rules, including any form of discrimination or environmental damage, are reported. Both internal and external stakeholders can submit complaints anonymously, ensuring that all reports are captured and referred to the appropriate areas (Compliance, Inspectorate, People & Culture, or Internal Audit). An independent firm manages the Whistleblowers' Channel, guaranteeing impartiality in the process. The nature of the report and the level of the employee involved are taken into consideration according to the governance outlined in BV's policies.

Local community

Our private and incentivized social investment program (using our own resources and funds from tax incentive laws) supports social institutions selected based on their internal and external impacts, always aligned with the bank's purpose. These institutions undergo a rigorous process of approval, compliance, and anti-money laundering prevention.

In December 2023, we invested R\$ 9 million in 34 projects implemented in 2024. Another highlight was the continued support for the Partnership for the Enhancement of Education, an initiative by Instituto Votorantim aimed at increasing the Basic Education Development Index (Ideb) in regions where the Votorantim Group operates.

Through the BV Esports Platform, which combines our own resources with funds from the Federal Sports Incentive Law, in 2024 BV supported 9 projects that benefited over 3,000 children and adolescents, aged 4 to 18 years. We also conducted a survey with 1,821 parents, where 85% believe that participating in the project will help their children's future.

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 specific governance structure for issues of sustainability and social, environmental and climate risk management compatible with our size, nature of business and complexity of products and services, as well as with the relationships established with different stakeholders. Wherever ESG is managed, the PRB is also considered, given its integration into the core strategy. Below we describe the levels of sustainability governance within our organization.

Strategic Level

- **Board of Directors:** Approves any updates to the Social, Environmental, and Climate Responsibility Policy (PRSAC), defines/approves the institution's Risk Appetite (including themes, indicators, and limits related to social, environmental, and climate risks), and monitors it monthly. It is also responsible for ensuring that the remuneration structure adopted by BV does not encourage behavior that is incompatible with the PRSAC.
- **Risk and Capital Committee (CRC):** Responsible for overseeing the institution's main risks and the key board-level committee that reviews the institution's risk approaches.
- **ESG Committee (CASG):** Responsible for overseeing the institution's sustainability strategy.
- **Executive Committee (COMEX):** Responsible for evaluating issues that involve the institution's brand

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positioning in society, actions with image risks, monitoring compliance with the PRSAC guidelines, deliberating on the implementation of institutional strategies, proposing sustainability-related investments, evaluating and monitoring the bank's adherence to voluntary sustainability commitments, and tracking global sustainability trends that could impact the institution's strategy.

- **Executive Board:** Responsible for strategically driving social, environmental, and climate considerations within each business segment and fostering social development through sustainable practices within the ecosystem, setting a reference by applying ESG principles across the company.
- **Chief Risk Officer (CRO):** Responsible for overseeing the development, implementation, performance, and improvement of the risk management framework, including managing social, environmental, and climate risks.

Tactical Level

- **Control and Risk Committee (CCR):** Ensures effective ESG risk management in support of the institution's strategy. The CCR is responsible for approving definitions and metrics for managing social, environmental, and climate risks.
- **Business Unit Executive Committees:** Responsible for deliberating on ESG initiatives related to their respective business and monitoring the outcomes of ESG projects implemented by the business unit.
- **Director responsible for the PRSAC:** Responsible for implementing, monitoring and evaluating actions aimed at ensuring the effectiveness of the Policy; participates and provides assistance to the Board of Directors in the decision-making process related to establishing and revising the Policy; improve the actions implemented when deficiencies are identified; and ensure adequate disclosure of information required by regulation and voluntary commitments.
- **Credit Committee:** Responsible for deciding credit limits for clients, considering social, environmental, and climate assessments as relevant inputs for decision-making. It is important to note that, according to the institution's governance, the Social, Environmental, and Climate Risk area may reject a potential client relationship based on its Social, Environmental, and Climate risk assessment, without needing to submit it to the Credit Committee.
- **Product Committee:** Responsible for considering the Social, Environmental, and Climate Risk opinions when deliberating on new products and any significant changes.

- **ALM Committee:** Responsible for managing and monitoring thematic fundraisings (green, social and/or sustainable) and the strategy for carbon credit purchases.

Operational Level

- **Social, Environmental, and Climate Risk Area:** Responsible for managing Social, Environmental, and Climate risks, including identification, assessment, measurement, control, and monitoring, as well as developing processes and methodologies.
- **Anti-Money Laundering Area:** Responsible for addressing socio-environmental demands related to client onboarding and renewal processes, as well as monitoring for any relevant findings.
- **Information Security Area:** Ensures the integrity and confidentiality of data collected and generated by the bank, focusing on mitigating social risks.
- **Business Area:** Acts as the first line of defense in managing social, environmental, and climate risks, as it interacts directly with clients. This interaction helps to swiftly identify signs of negative social, environmental and climate impacts that may pose risks to the Institution.
- **Credit Area:** Ensures the incorporation of social, environmental, and climate risk analysis into credit assessments and identifies any potential risks or relevant findings in these areas.
- **Compliance Area:** As the risk manager for compliance, evaluates the institution's regulatory adherence, including, but not limited to, those related to managing social, environmental, and climate risks within the bank.
- **Operations Area:** Responsible for checking whether any conditions exist for formalizing transactions concerning social, environmental, and climate aspects. If necessary, they forward matters to the Social, Environmental, and Climate Risk Area for analysis and validation.
- **Legal Area:** Responsible for drafting contracts with social and environmental clauses for credit transactions and providing support to business areas in terms of complying with legal and regulatory requirements, as well as defending against judicial litigation related to social, environmental, and climate matters.
- **Transactional Procurement Area (Supplier Management):** Responsible for assessing the adherence of suppliers of products and services to the institution's registration criteria (including social, environmental and climate).

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).

Training and internal policies

The bank has practices outlined in internal regulations, such as the Code of Conduct and Integrity Program, available to all employees on the internal network and Investor Relations portal. The dissemination of these topics occurs through onboarding of new employees and the "Modo Responsa" training, in addition to internal actions to strengthen the risk culture within the Institution.

Since 2023 we have an ESG training track for new employees. The goal was to provide incoming employees with a broader understanding of the fundamental ESG concepts and how to apply them in their roles, promoting a sustainable culture aligned with the company's strategy. The training was also made available to all employees. Its modules cover the following topics:

- Fundamental Concepts
- ESG and Sustainability
- The Growth of the Topic in the Financial Market
- Environmental Aspects
- Stakeholder Relationships
- Governance Aspects
- Satisfaction Survey

In addition, we have been actively engaging our internal teams through events and webinars to raise awareness about the implementation of our ESG agenda, encouraging colleagues to integrate social, environmental, and climate-focused efforts into their daily roles. For example, portfolio managers have participated in calls focused on setting climate targets, and we are in the process of organizing capacity-building sessions for the commercial teams to support the successful execution of these targets.

Leadership development is also key in the promotion of responsible banking. Building leaders' capacity on team diversity, humanized management, and employee well-being is key to BV's people management strategy, focusing. The results show great engagement of our leadership in such topics, reaching up to 16 hours of average training time per leader per year. In addition to that, more than 90% of our staff recognize leadership support for diversity and inclusion practices.

Regarding internal conduct, all BV employees undergo mandatory training on institutional conduct guidelines at the time of hire. Whenever there are new regulations or changes in the law, all employees are required to participate in updates through an online portal. These refresher opportunities have covered topics such as conflicts of interest, acceptance of gifts, relationships with

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<p>public administration, money laundering, classification of information, and operational losses.</p> <p>Almost 100% of employees, including the president and the executive board, attend training on anti-corruption, BV's gift and gift policy and conflict of interest. The refresher course occurs every two years. While there is no specific training for board members and committee members, these roles are periodically assessed by the Audit Committee, as approved by the Board of Directors, in accordance with the Anti-Money Laundering, Anti-Terrorist Financing, Anti-Proliferation of Weapons of Mass Destruction, and Anti-Corruption Policy, and the Effectiveness Report of the Votorantim Financial Conglomerate's Anti-Money Laundering Program. Any employee who violates institutional norms will face disciplinary action in accordance with labor laws and may be dismissed.</p> <p>In 2023, there were no cases of employees being dismissed or punished for corruption or contracts with business partners being terminated or not renewed due to corruption-related violations. There were also no lawsuits related to corruption filed against the organization or its employees.</p>	
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5.3 Policies and due diligence processes

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

Portfolio policies and due diligence

The governance and methodology for defining and monitoring the Institution's Risk Appetite is segmented into two fronts: qualitative and quantitative (incorporating a dashboard with indicators and limits for various risks). The overall Risk Appetite (both qualitative and quantitative) is defined and approved at least annually, with the quantitative aspect being monitored monthly by the Board of Directors and the Risk and Capital Committee, which serves as an advisory committee to the Board.

Regarding the qualitative Risk Appetite for social, environmental, and climate-related risks, the Institution has:

- Policies and regulations that define specific credit approval thresholds, using the ESG Rating (an independent assessment conducted by the Social, Environmental, and Climate Risk and Credit areas for wholesale segment clients) as the parameter for defining these thresholds.
- A policy containing a list of prohibited activities (unable to operate) and restricted sectors (with specific requirements and/or limits, focused on encouraging the transition to a low-carbon

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economy and/or greater corporate social and environmental responsibility).

- A specific statement regarding social, environmental, and climate-related risks in the qualitative declaration of Risk Appetite.

Concerning the quantitative Risk Appetite for social, environmental, and climate-related risks, the Institution has a specific indicator for these risks, with corresponding limits and governance for reporting on the Risk Appetite dashboard. In addition to the dashboard, the credit approvals submitted to the Board contain information about the ESG Rating of wholesale clients, a score that reflects the risks associated with ESG issues in the client relationship, as well as the clients' commitment and strategy for managing climate change and its environmental and social impacts, along with any limitations to their business activities that may result in a significant change in stakeholder perceptions. This due diligence is part of the management of social, environmental, and climate-related risks. Additionally, the Institution prohibits relationships with individuals or legal entities proven to be involved in practices such as forced labor, child labor, criminal exploitation of prostitution, gambling, or arms and ammunition.

The Institution maintains a list of higher-risk sectors, which require specific and robust due diligence to assess these potential risks. These sectors are: Agribusiness, Energy, Mining, Oil & Gas, Fishing, and Tobacco. This list is based on global best practices and the Institution's risk appetite, aligned with its public commitments. In addition to that, since 2022, BV has classified carbon-intensive sectors as either prohibited or subject to sectoral limits. The bank's approach integrates global, national, and internal portfolio-level emissions data. In this sense, the risk appetite and tolerance for 2024 was reviewed, prioritizing lower-impact sectors and incentivizing transition finance. These efforts are outlined in the Social, Environmental, and Climate Risk and Opportunities Report, reinforcing BV's institutional commitment to social, environmental and climate action through external initiatives such as Business Leaders for Climate, the PRB, and PCAF.

In addition to that, all clients undergo thorough evaluations from the perspectives of Anti-Money Laundering (AML) and anti-corruption. Only clients with no identified red flags are approved and deemed eligible to engage with BV's products. Any potential conflicts of interest are promptly reported to shareholder control systems, in accordance with regulatory requirements, to ensure they are effectively prevented and mitigated. The monitoring process includes oversight of senior management and their family members' involvement in other companies, related parties, credit limits granted, business relationships, and personal investments of employees and directors who have access to privileged client or banking information, among other considerations.

Every four months, the bank's executive board convenes with the Board of Directors during regular sessions to provide updates on

key issues within their respective areas. Urgent and critical matters, including audit and risk-related concerns, are directly reported to the Board of Directors through the Corporate Governance area. These discussions are documented in the minutes of the regular Board meetings.

Supplier policies and due diligence

Regarding supplier risk management, BV conducts systematic monitoring through the Integrity Program, with support from Compliance, Internal Controls, and Internal Audit areas.

Regarding third parties, if a risk is identified, considering the principles of proportionality and relevance, BV may decide not to continue the contractual relationship with a supplier, opting either not to approve the supplier (if no contract exists) or to terminate the contract (if in effect).

For 100% of business partners, at the time of contract, a statement of awareness of the Third-Party Compliance and Conduct Guide is required. This guide addresses adherence to regulatory frameworks, expected conduct, market relations, conflict of interest cases, use of information, money laundering and corruption prevention, terrorism financing, operational risk, and social-environmental responsibility, including environmental protection, legal compliance, and prohibition of forced or child labor.

A key highlight in BV's Third-Party Compliance and Conduct Guide is the emphasis on using E&S criteria when acquiring products and services. Among these criteria are the preservation of human rights, with appropriate labor relations practices, rejecting forced or child labor, sexual exploitation, prostitution, as well as harmful actions toward the environment. These risks are systematically mapped and monitored. To this end, due diligence is conducted regarding social and environmental impacts. In 2023, 590 suppliers were assessed for their social impacts, with 13 identified as having actual and potential negative social impacts. Following these findings, BV ended its business relationships with them.

Within BV's active supplier base, the main risk categories are related to outsourced services (contracts for service provision), socio-environmental services (such as telemarketing, cleaning, and others), and socio-environmental materials (the purchase of specific materials requiring environmental licensing or evaluation by the ESG and Climate Risk Area). We continuously monitor our more than 1,500 active suppliers as part of ongoing management, alongside checking the registry of Employers with Workers in Conditions Similar to Slavery (from the Ministry of Labor Inspection). Throughout 2023, no reports of such occurrences were made regarding BV's supplier base.

It is important to highlight that, alongside the specific analysis conducted by the social and environmental responsibility team, all cases undergo media checks and reviews of three publicly

available socio-environmental documents. These documents are periodically updated in our management platform.

Therefore, BV conducts a thorough screening of suppliers, even those not directly related to the bank's core business. By late 2024, BV aimed to go further by introducing new categories of analysis. While these categories are evolving, they provide valuable insights into the socio-environmental impacts of suppliers. Additionally, the census conducted earlier in that year revealed that carbon compensation remains an emerging issue compared to other environmental concerns. BV intends to leverage this data not only for monitoring but also to foster improvements within the supplier base, especially in terms of environmental impact.

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

We annually publish the progress of our actions in our Sustainability Reports. They are in compliance with the Global Reporting Initiative (GRI) standards, in its Standard version, with the Sustainability Accounting Standards Board (SASB) and incorporates concepts from the Integrated Reporting Framework. The reports also highlight the relationship between some contents and the SDGs.

We also publish the following on our website:

- a. The current Social, Environmental, and Climate Responsibility Policy (PRSAC).
- b. The actions implemented to ensure the effectiveness of the PRSAC.
- c. The composition of the ESG Committee.
- d. The list of national or international pacts, agreements, or commitments of a social, environmental, or climate nature to which we are signatories.
- e. The list of products and services offered by the institution that positively contribute to social, environmental, or climate aspects.

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[Social, Environmental & Climate Responsibility Policy \(PRSAC\) of Banco BV](#)

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[ESG Reports website](#)

<p>f. The list of economic sectors subject to restrictions in the business activities carried out by the Conglomerate.</p> <p>g. The Green, Social & Sustainability Funding Framework and its respective Second Party Opinion (SPO).</p> <p>h. The Green Bonds Annual Reports and their respective SPOs.</p> <p>h. The Social, Environmental and Climate Risks and Opportunities Report (GRSAC).</p>	
<p>6.3 Outlook</p> <p>What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis, target setting and governance structure for implementing the PRB)? Please describe briefly.</p>	
<p>In the next 12-month reporting period, BV's primary focus will be on strengthening our climate strategy by building on the drafts of targets we have built in 2024 and assessing a transition plan. In addition to that, we plan to deepen our actions regarding financial health and inclusion, including financial literacy.</p> <p>Furthermore, as BV has already begun engaging with clients on ESG-related business opportunities, we plan to strengthen the engagement strategy and follow-up on sustainable opportunities that are on the pipeline. This will involve actively advancing sustainable financing initiatives and offering strategic advisory services to clients as they integrate ESG practices into their operations.</p>	

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).

- | | |
|--|--|
| <input type="checkbox"/> Embedding PRB oversight into governance | <input checked="" 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 checked="" 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:

