



Itaú Unibanco Holding S.A.

2024 Corporate Questionnaire Response

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# Data Privacy Statement

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## About CDP

CDP is a global non-profit that runs the world's only independent environmental disclosure system. As the founder of environmental reporting, we believe in transparency and the power of data to drive change. Partnering with leaders in enterprise, capital, policy and science, we surface the information needed to enable Earth-positive decisions. We helped more than 24,800 companies and almost 1,000 cities, states and regions disclose their environmental impacts in 2024. Financial institutions with more than a quarter of the world's institutional assets use CDP data to help inform investment and lending decisions. Aligned with the ISSB's climate standard, IFRS S2, as its foundational baseline, CDP integrates best-practice reporting standards and frameworks in one place. Our team is truly global, united by our shared desire to build a world where people, planet and profit are truly balanced. Visit [cdp.net](https://cdp.net) or follow us @CDP to find out more.

## Useful Information

In 2024, the CDP corporate questionnaires on climate change, forests, and water security were integrated into one corporate questionnaire, in addition to the launch of our SME questionnaire. Through this questionnaire, organizations can provide data on multiple environmental issues in a single disclosure, encouraging more holistic and balanced reporting. An overview of the full 2024 corporate questionnaire is available [here](#). A document identifying the environmental issues and framework alignment covered by each question can be downloaded [here](#). CDP has developed its own Activity Classification System (CDP-ACS) which allows us to allocate relevant questions relating to environmental issues and specific sectors to the companies reporting through CDP. You can read a guide to the CDP-ACS [here](#). Dates in this document are presented in the format YYYY-MM-DD. Dates reported to CDP are stored as UTC (Coordinated Universal Time). The dates in this document may differ from dates when viewed in the CDP portal, but will never deviate by more than 24 hours. Please note that in a small number of cases row labels may not be present for single row, single column questions. We recommend you read this questionnaire response in conjunction with CDP questionnaire reporting guidance available on the CDP website [here](#).

# Discloser Information

CDP Org ID: 9578

Field	Value
Disclosure cycle	2024 Disclosure Cycle
Questionnaire	CDP Corporate Questionnaire 2024
Discloser name	Itaú Unibanco Holding S.A.
CDP Organization Number	9578
CDP Industry classification	Services
CDP activity group	Financial services
CDP activity	Banks
Questionnaire Pathway	Full Version
Privacy status	Public
Environmental Issues Intent to Disclose	Climate Change, Forests, Water, Biodiversity, Plastics
Commodities	
Primary Sector	Financial services

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# Responses

## Q1.1 In which language are you submitting your response?

English

## Q1.2 Select the currency used for all financial information disclosed throughout your response.

BRL

## Q1.3 Provide an overview and introduction to your organization.

### Response 1:

#### Type of financial institution

Bank

#### Organization type

Privately owned organization

#### Description of organization

Itaú Unibanco Holding S.A. is a universal bank present in 18 countries, including Brazil, Uruguay and Paraguay, with the most significant operations and more than 99 years of history, offering a range of financial products and services, including Corporate & Investment Banking, Asset Management, Private Banking, Retail and Insurance. The bank has a robust service network of more than 3,500 branches, 41,700 ATMs with 70 million individual and corporate customers, total assets of R\$2,696 billion in 2023, a credit portfolio of R\$719.2 billion in Brazil - R\$415.5 billion natural persons and R\$303.7 billion legal entities - and a net profit of R\$32.8 billion. In addition, in 2023 Itaú Unibanco had 92.9 employees in Brazil and external units. Our vision is to be the leading bank in terms of sustainable performance and customer satisfaction, maintaining customer centricity, a fast and modern organization and sustainable growth. The bank was recognized by the Brand Finance Latin America 100 (2023) as the most valuable brand in Latin America, with a value of US\$ 8.7 billion and a market value of R\$ 332.1 billion. Itaú Unibanco's sustainability approach is aligned with the Sustainable Development Goals (SDGs), and we have a mission to achieve net-zero by 2050 with intermediate objectives to ensure compliance with the requirements of the Paris Agreement and prevent the consequences of the climate crisis. In our vision, the climate agenda is connected with nature and is material for the financial institutions strategy and businesses. As the largest bank in Latin America and a pioneer in the ESG agenda, we aim to be the climate transition bank for our clients. To learn more about Itaú Access Unibanco's Integrated Annual Report 2023, available on the Investor Relations website: <https://www.itau.com.br/relacoes-com-investidores/en/itau-unibanco/know-more/esg/>

## Q1.4 State the end date of the year for which you are reporting data. For emissions data, indicate whether you will be providing emissions data for past reporting years.

### Response 1:

#### End date of reporting year

2023-12-31

#### Alignment of this reporting period with your financial reporting period

Yes

**Indicate if you are providing emissions data for past reporting years**

No

**Q1.4.1 What is your organization's annual revenue for the reporting period?**

156798392524.37

**Q1.5 Provide details on your reporting boundary.**

**Response 1:**

**Is your reporting boundary for your CDP disclosure the same as that used in your financial statements?**

Yes

**Q1.6 Does your organization have an ISIN code or another unique identifier (e.g., Ticker, CUSIP, etc.)?**

**Response 1: ISIN code - bond**

**Does your organization use this unique identifier?**

No

**Response 2: ISIN code - equity**

**Does your organization use this unique identifier?**

No

**Response 3: CUSIP number**

**Does your organization use this unique identifier?**

No

**Response 4: Ticker symbol**

**Does your organization use this unique identifier?**

Yes

**Provide your unique identifier**

ITUB (NYSE), ITUB3 and ITUB4 (B3)

**Response 5: SEDOL code**

**Does your organization use this unique identifier?**

No

### Response 6: LEI number

Does your organization use this unique identifier?

No

### Response 7: D-U-N-S number

Does your organization use this unique identifier?

No

### Response 8: Other unique identifier

Does your organization use this unique identifier?

No

**Q1.7 Select the countries/areas in which you operate.**

- Uruguay
- Paraguay
- Brazil

**Q1.9 What was the size of your organization based on total assets value at the end of the reporting period?**

2696522000000.00

**Q1.10 Which activities does your organization undertake, and which industry sectors does your organization lend to, invest in, and/or insure?**

**Response 1: Banking (Bank)**

**Activity undertaken**

Yes

**Reporting the portfolio value and % of revenue associated with the portfolio**

Yes, both the portfolio value and the % of revenue associated with it

**Portfolio value based on total assets**

1176500000000

**% of revenue**

57.3

**Type of clients**

- Retail clients
- Business and private clients (banking)
- Corporate and institutional clients (companies)

### Industry sectors your organization lends to, invests in, and/or insures

- Infrastructure
- Fossil Fuels
- Power generation
- Materials
- Services
- Manufacturing
- Retail
- Biotech, health care & pharma
- Apparel
- Transportation services
- Hospitality
- Food, beverage & agriculture

### Response 2: Investing (Asset manager)

#### Activity undertaken

Yes

#### Reporting the portfolio value and % of revenue associated with the portfolio

Yes, the value of the portfolio based on total assets

#### Portfolio value based on total assets

878600000000

#### Type of clients

- Institutional investors
- Retail clients
- Family offices / high network individuals

### Industry sectors your organization lends to, invests in, and/or insures

- Apparel
- Fossil Fuels
- Manufacturing
- Power generation
- Materials
- Transportation services
- Services
- Retail
- Biotech, health care & pharma
- Infrastructure
- Hospitality
- International bodies
- Food, beverage & agriculture

### Response 3: Investing (Asset owner)

#### Activity undertaken

No

## Response 4: Insurance underwriting (Insurance company)

### Activity undertaken

No

## Q1.24 Has your organization mapped its value chain?

### Response 1:

#### Value chain mapped

Yes, we have mapped or are currently in the process of mapping our value chain

#### Value chain stages covered in mapping

- Portfolio
- Upstream value chain

#### Highest supplier tier mapped

Tier 1 suppliers

#### Highest supplier tier known but not mapped

Tier 2 suppliers

#### Portfolios covered in mapping

Banking (Bank)

#### Description of mapping process and coverage

We have a large and complex value chain, and each cycle we seek to improve and innovate our interaction and engagement model. We have an active listening practice of our stakeholders both in consultation processes, materiality, and development of solutions, products, services and processes. We have periodic meetings with regulators, NGOs, civil society, international organizations, sectoral and trade associations and others for active listening and due diligence. Regarding our customers, sustainable finance, human rights, best practices in social and environmental issues are topics already in place. Our commitment with the Net Zero Banking Alliance means that we must not only decarbonize our own emissions, but also bring our customers into this new economy. We have been working hard to inform, educate, engage and introduce them to new business models, in line with our Sustainable Finance and Advisory Policy. For our suppliers, we assess and monitor their compliance with our Principles, Values and Commitments centrally through our Purchasing function, seeking to mitigate risk and ensure an aligned supply chain to ensure a positive impact. Our Supplier Relations Code and Environmental, Social and Climate Responsibility and Positive Impact Guide for Suppliers set out the values and behaviors expected and the guidelines to be followed. Standard contracts with suppliers explicitly require compliance with applicable environmental, social and climate legislation. In 2023, we introduced an internal management panel that assesses the ESG maturity of each supplier based on their responses to the questionnaire, helping us to define strategies to promote our commitment to the issue in our supply chain. Regarding government, an important part of our social responsibility and relationship with society is to monitor industry and government regulations. We share information and technical proposals with the aim of improving the Brazilian regulatory landscape and contributing to the development of public policies. Through associative contributions, memberships, commitments and voluntary pacts, we work together to create spaces for discussion and dialogue with various institutes, associations and organizations increasing the potential of our value creation and scaling our impact. Our relationship with our employees and our investors is also worthy of note. We have a dedicated Investor Relations team that is responsible for

maintaining transparent and ongoing communication.

**Q1.24.1 Have you mapped where in your direct operations or elsewhere in your value chain plastics are produced, commercialized, used, and/or disposed of?**

**Response 1:**

**Plastics mapping**

Yes, we have mapped or are currently in the process of mapping plastics in our value chain

**Portfolios covered in mapping**

- Investing (Asset manager)
- Banking (Bank)

**Q2.1 How does your organization define short-, medium-, and long-term time horizons in relation to the identification, assessment, and management of your environmental dependencies, impacts, risks, and opportunities?**

**Response 1: Short-term**

**From (years)**

0

**To (years)**

2

**How this time horizon is linked to strategic and/or financial planning**

Our internal definition, in line with the paper 'Global risks reports' by the World Economic Forum, considers short term up to 2 years. We also took in consideration the internal tenors used to carry out the capital quantification exercises for climate risk.

**Response 2: Medium-term**

**From (years)**

3

**To (years)**

5

**How this time horizon is linked to strategic and/or financial planning**

The medium-term definition is between 3 and 5 years, in line with our risk management tool for the credit portfolio and our NetZero commitment.

**Response 3: Long-term**

**From (years)**

6

**Is your long-term time horizon open ended?**

Yes

**How this time horizon is linked to strategic and/or financial planning**

Consistent with the short-term and the medium-term criteria above, our definition of the long term is over 6 years, also in line with the paper 'Global risks reports' by the World Economic Forum.

**Q2.2 Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts?**

**Response 1:**

**Process in place**

Yes

**Dependencies and/or impacts evaluated in this process**

Both dependencies and impacts

**Q2.2.1 Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities?**

**Response 1:**

**Process in place**

Yes

**Risks and/or opportunities evaluated in this process**

Both risks and opportunities

**Is this process informed by the dependencies and/or impacts process?**

Yes

**Q2.2.2 Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities.**

**Response 1: Row 1**

**Environmental issue**

Climate change

**Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue**

- Dependencies
- Impacts
- Risks
- Opportunities

## Value chain stages covered

Direct operations

## Coverage

Full

## Type of assessment

Qualitative and quantitative

## Frequency of assessment

Annually

## Time horizons covered

- Medium-term
- Short-term

## Integration of risk management process

Integrated into multi-disciplinary organization-wide risk management process

## Location-specificity used

National

## Tools and methods used

Enterprise Risk Management: Risk models

## Risk types and criteria considered

- Chronic physical: Changing precipitation patterns and types (rain, hail, snow/ice)
- Acute physical: Heat waves
- Chronic physical: Water availability at a basin/catchment level
- Liability: Non-compliance with regulations
- Acute physical: Heavy precipitation (rain, hail, snow/ice)
- Liability: Exposure to litigation
- Policy: Changes to international law and bilateral agreements
- Market: Uncertainty in the market signals
- Reputation: Increased partner and stakeholder concern and partner and stakeholder negative feedback
- Policy: Changes to national legislation
- Chronic physical: Water stress
- Market: Availability and/or increased cost of raw materials
- Reputation: Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)
- Chronic physical: Changing temperature (air, freshwater, marine water)
- Acute physical: Storm (including blizzards, dust, and sandstorms)
- Acute physical: Flood (coastal, fluvial, pluvial, ground water)
- Chronic physical: Temperature variability
- Market: Changing customer behavior
- Acute physical: Drought
- Technology: Other technology: - Unsuccessful investment in innovative technologies - Transition costs to lower emission technology.

- Reputation: Stigmatization of sector
- Liability: Regulation and supervision of environmental risk in the financial sector

### Partners and stakeholders considered

- Employees
- Customers

### Has this process changed since the previous reporting year?

No

### Further details of process

Operating loss events are related to: i) administrative and legal proceedings in which the institution is a defendant, and ii) damage to physical assets. An internal system generates a database of operating losses with a categorization of events. In the process of monitoring these events, it was possible to observe that no significant actual losses or provisions (less than 5% of the total loss observed in the period) were identified in the history due to weather events. As a way of helping to mitigate the consequences of climate change and reduce losses in the face of worsening extreme natural events, we have established some plans for adapting to physical risks. The interruption of customer service at branches is a risk that had to be addressed. For this reason, we carried out a pilot study of the vulnerability of branches with a recent history of being impacted by climatic events in order to target preventive actions at these points of sale. Based on the identification of potential impacts, we developed plans to adapt the branches to flooding and contingency plans for water and energy risks.

### Response 2: Row 2

#### Environmental issue

Climate change

#### Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this environmental issue

- Opportunities
- Dependencies
- Risks
- Impacts

#### Value chain stages covered

Upstream value chain

#### Coverage

Full

#### Supplier tiers covered

Tier 1 suppliers

#### Type of assessment

Qualitative and quantitative

#### Frequency of assessment

Annually

### Time horizons covered

- Medium-term
- Short-term

### Integration of risk management process

Integrated into multi-disciplinary organization-wide risk management process

### Location-specificity used

National

### Tools and methods used

International methodologies and standards: ISO 14001 Environmental Management Standard

### Risk types and criteria considered

- Liability: Non-compliance with regulations
- Chronic physical: Change in land-use
- Chronic physical: Changing precipitation patterns and types (rain, hail, snow/ice)
- Technology: Transition to lower emissions technology and products
- Liability: Exposure to litigation
- Policy: Changes to international law and bilateral agreements
- Market: Uncertainty in the market signals
- Market: Availability and/or increased cost of raw materials
- Chronic physical: Water stress
- Chronic physical: Precipitation or hydrological variability
- Liability: Regulation and supervision of environmental risk in the financial sector
- Reputation: Stigmatization of sector
- Technology: Transition to water intensive, low carbon energy sources
- Chronic physical: Changing wind patterns
- Chronic physical: Coastal erosion
- Technology: Data access/availability or monitoring systems
- Chronic physical: Increased severity of extreme weather events
- Chronic physical: Changing temperature (air, freshwater, marine water)
- Acute physical: Storm (including blizzards, dust, and sandstorms)
- Acute physical: Drought
- Market: Changing customer behavior
- Chronic physical: Temperature variability
- Acute physical: Flood (coastal, fluvial, pluvial, ground water)
- Reputation: Increased partner and stakeholder concern and partner and stakeholder negative feedback

### Partners and stakeholders considered

- Investors
- Local communities
- Suppliers

### Has this process changed since the previous reporting year?

No

### Further details of process

We assess and monitor the adequacy of our contracted suppliers, centrally in the Purchasing area, to our principles, values and commitments, seeking to mitigate risks and ensure an aligned chain for generating a positive impact. Our Supplier Relations Code and the Guide to Social, Environmental and Climate Responsibility and Positive Impact for Suppliers determine the values, conduct and guidelines to be observed. The standard contract with suppliers expressly requires compliance with the main legislation relating to social, environmental and climate issues. We seek to contract suppliers who are committed to the premises of decent work, with respect for the dignity of their workers, who promote equal opportunities and a motivating, mutually respectful, broadly cooperative environment with honest and healthy relationships, including issues such as working hours, minimum wages and working conditions, with special emphasis on combating illegal or criminal acts (corruption, influence peddling, fraud, money laundering, counter-gangs, among others). With these instruments, we address the main points of risk of social, environmental and climate impact in the supply chain, ensuring that all suppliers are aware of their obligations and responsibilities in their relationship with Itaú Unibanco. We participate in the CDP Supply Chain, through which we have developed a communication and engagement program with our suppliers to disclose their environmental and climate information and practices, in order to identify risks and opportunities. Last year, 91% of the suppliers invited reported their information.

**Q2.2.4 Does your organization have a process for identifying, assessing, and managing environmental dependencies and/or impacts related to your portfolio activities?**

	Process in place covering this portfolio	Dependencies and/or impacts related to this portfolio evaluated in this process
Banking (Bank)	Yes	Both dependencies and impacts
Investing (Asset manager)	Yes	Both dependencies and impacts
Investing (Asset owner)		
Insurance underwriting (Insurance company)		

**Q2.2.5 Does your organization have a process for identifying, assessing, and managing environmental risks and/or opportunities related to your portfolio activities?**

**Response 1: Banking (Bank)**

**Process in place covering this portfolio**

Yes

**Risks and/or opportunities related to this portfolio are evaluated in this process**

Both risks and opportunities

**Is this process informed by the dependencies and/or impacts process?**

Yes

**Response 2: Investing (Asset manager)**

**Process in place covering this portfolio**

Yes

**Risks and/or opportunities related to this portfolio are evaluated in this process**

Both risks and opportunities

**Is this process informed by the dependencies and/or impacts process?**

Yes

**Response 3: Investing (Asset owner)**

**Response 4: Insurance underwriting (Insurance company)**

**Q2.2.6 Provide details of your organization's process for identifying, assessing, and managing environmental dependencies, impacts, risks, and/or opportunities related to your portfolio activities.**

**Response 1: Banking (Bank)**

**Environmental issue**

Climate change

**Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this portfolio**

- Dependencies
- Risks
- Opportunities
- Impacts

**% of portfolio covered by the assessment process in relation to total portfolio value**

100

**Type of assessment**

Qualitative and quantitative

**Industry sectors covered by the assessment**

- Services
- Transportation services
- Biotech, health care & pharma
- Fossil Fuels
- Retail
- Infrastructure
- Apparel
- Power generation
- Materials
- Manufacturing
- Food, beverage & agriculture
- Hospitality

**Frequency of assessment**

More than once a year

## Time horizons covered

- Long-term
- Short-term
- Medium-term

## Integration of risk management process

Integrated into multi-disciplinary organization-wide risk assessment process

## Location-specificity used

- Local
- National
- Sub-national
- Site-specific

## Tools and methods used

- CDP Disclosure Framework
- Risk models
- Internal tools/methods
- Stress tests
- Scenario analysis

## Risk type and criteria considered

- Acute physical: Flood (coastal, fluvial, pluvial, ground water)
- Market: Uncertainty in the market signals
- Policy: Changes to national legislation
- Technology: Transition to lower emissions technology and products
- Policy: Carbon pricing mechanisms
- Acute physical: Drought
- Acute physical: Heavy precipitation (rain, hail, snow/ice)
- Policy: Changes to international law and bilateral agreements

## Partners and stakeholders considered

- Investors
- Customers
- Suppliers
- Regulators

## Further details of process

Itaú employs a comprehensive process for identifying, assessing, and managing environmental dependencies, impacts, risks, and opportunities related to our portfolio activities. This process integrates both qualitative and quantitative assessments, particularly in the context of climate change.

By integrating these methodologies, we ensure a robust approach to managing environmental dependencies, impacts, risks, and opportunities. This enables us to make informed decisions and enhance the resilience of our portfolio in the face of climate change, as follow:

### 1. Identification and Assessment:

o Qualitative Assessment: We conduct scenario analysis to understand potential environmental impacts and dependencies. This includes evaluating the sensitivity of our portfolio to various climate-related factors, such as regulatory changes, market shifts, and physical climate risks.

o Quantitative Assessment: We utilize stress testing to quantify the potential financial impacts of climate change on our portfolio. This involves modeling different climate scenarios and their potential effects on asset

values, revenue streams, and operational costs.

2. Management:

o Stress Testing: Our stress testing framework incorporates climate-related scenarios to evaluate the resilience of our portfolio. This helps us identify vulnerabilities and develop strategies to mitigate potential risks.

o Sensitivity Analysis: We employ sensitivity analysis to measure the impact of specific climate variables on our portfolio. This allows us to understand the range of possible outcomes and adjust our risk management strategies accordingly.

o Concentration Metrics: We use concentration metrics to monitor and manage the exposure of our portfolio to climate-related risks. This includes assessing the concentration of assets in high-risk areas and diversifying our investments to reduce potential impacts.

## Response 2: Investing (Asset manager)

### Environmental issue

Climate change

**Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this portfolio**

- Risks
- Opportunities
- Dependencies
- Impacts

**% of portfolio covered by the assessment process in relation to total portfolio value**

100

**Type of assessment**

Qualitative and quantitative

**Industry sectors covered by the assessment**

- Transportation services
- Services
- International bodies
- Biotech, health care & pharma
- Materials
- Power generation
- Apparel
- Retail
- Infrastructure
- Fossil Fuels
- Hospitality
- Food, beverage & agriculture
- Manufacturing

**Frequency of assessment**

Annually

**Time horizons covered**

- Medium-term
- Short-term
- Long-term

### **Integration of risk management process**

Integrated into multi-disciplinary organization-wide risk assessment process

### **Location-specificity used**

Not location specific

### **Tools and methods used**

- Scenario analysis
- Internal tools/methods
- External consultants

### **Risk type and criteria considered**

- Reputation: Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)
- Policy: Changes to national legislation
- Chronic physical: Scarcity of land resources
- Chronic physical: Land loss to desertification
- Acute physical: Wildfires
- Policy: Increased pricing of water
- Acute physical: Toxic spills
- Chronic physical: Changing wind patterns
- Chronic physical: Poorly managed sanitation
- Chronic physical: Groundwater depletion
- Reputation: Investing that could create or contribute to systemic risk for the economy
- Acute physical: Flood (coastal, fluvial, pluvial, ground water)
- Acute physical: Cyclones, hurricanes, typhoons
- Chronic physical: Sea level rise
- Acute physical: Cold wave/frost
- Technology: Dependency on water-intensive energy sources
- Policy: Changes to international law and bilateral agreements
- Market: Changing customer behavior
- Market: Availability and/or increased cost of raw materials
- Chronic physical: Increased severity of extreme weather events
- Chronic physical: Temperature variability
- Chronic physical: Changing precipitation patterns and types (rain, hail, snow/ice)
- Acute physical: Drought
- Chronic physical: Soil erosion
- Acute physical: Storm (including blizzards, dust, and sandstorms)
- Chronic physical: Changing temperature (air, freshwater, marine water)
- Market: Inadequate access to water, sanitation, and hygiene services (WASH)
- Acute physical: Heavy precipitation (rain, hail, snow/ice)
- Policy: Increased difficulty in obtaining operations permits
- Policy: Carbon pricing mechanisms
- Acute physical: Heat waves
- Chronic physical: Seasonal supply variability/interannual variability
- Market: Availability and/or increased cost of certified sustainable material
- Chronic physical: Water stress
- Chronic physical: Increased levels of environmental pollutants in freshwater bodies

- Chronic physical: Change in land-use
- Chronic physical: Soil degradation
- Acute physical: Pollution incident
- Market: Uncertainty about commodity origin and/or legality
- Chronic physical: Heat stress
- Chronic physical: Declining ecosystem services
- Policy: Increased difficulty in obtaining water withdrawals permit
- Chronic physical: Declining water quality
- Chronic physical: Increased ecosystem vulnerability
- Chronic physical: Leaching of hazardous substances from plastics
- Reputation: Impact on human health
- Acute physical: Landslide
- Acute physical: Tornado

### Partners and stakeholders considered

- Regulators
- Customers
- Suppliers
- Investors
- Employees
- Indigenous peoples
- Local communities

### Further details of process

Itaú Asset Management has a Responsible Investment Policy and an ESG integration methodology. Itaú Asset Management ESG integration methodology (public white paper available) has a specific climate change dimension. In this dimension, the impacts related to carbon pricing, physical impacts, adaptation and resilience in investments, extreme weather events and new products and services related to low carbon economy are financially estimated. Also, in 2021, we launched a new white paper addressing the development of the Itaú AM climate Value at Risk tool. Itaú AM Climate V@R toll provides our investment professionals with the estimated financial impacts of climate change and its expected regulations. The tool promotes a better understanding on how climate change can impact portfolios in different climate scenarios and carbon price premises.

### Response 3: Investing (Asset owner)

### Response 4: Investing (Asset manager)

### Environmental issue

Biodiversity

**Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this portfolio**

- Opportunities
- Risks
- Impacts

**% of portfolio covered by the assessment process in relation to total portfolio value**

100

**Type of assessment**

Qualitative and quantitative

### Industry sectors covered by the assessment

- Hospitality
- Food, beverage & agriculture
- Manufacturing
- Materials
- Power generation
- Apparel
- Infrastructure
- Retail
- Fossil Fuels
- Biotech, health care & pharma
- Transportation services
- International bodies
- Services

### Frequency of assessment

Annually

### Time horizons covered

- Short-term
- Medium-term
- Long-term

### Integration of risk management process

Integrated into multi-disciplinary organization-wide risk assessment process

### Location-specificity used

Not location specific

### Tools and methods used

- Scenario analysis
- External consultants
- Internal tools/methods

### Risk type and criteria considered

- Chronic physical: Sea level rise
- Acute physical: Toxic spills
- Policy: Increased pricing of water
- Acute physical: Wildfires
- Acute physical: Cyclones, hurricanes, typhoons
- Chronic physical: Changing precipitation patterns and types (rain, hail, snow/ice)
- Chronic physical: Temperature variability
- Chronic physical: Increased severity of extreme weather events
- Acute physical: Flood (coastal, fluvial, pluvial, ground water)
- Reputation: Investing that could create or contribute to systemic risk for the economy
- Chronic physical: Groundwater depletion
- Reputation: Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

- Policy: Changes to national legislation
- Chronic physical: Land loss to desertification
- Chronic physical: Scarcity of land resources
- Chronic physical: Poorly managed sanitation
- Market: Availability and/or increased cost of recycled or renewable content
- Acute physical: Drought
- Chronic physical: Soil erosion
- Acute physical: Storm (including blizzards, dust, and sandstorms)
- Acute physical: Heavy precipitation (rain, hail, snow/ice)
- Market: Inadequate access to water, sanitation, and hygiene services (WASH)
- Chronic physical: Changing temperature (air, freshwater, marine water)
- Acute physical: Heat waves
- Policy: Carbon pricing mechanisms
- Chronic physical: Change in land-use
- Chronic physical: Increased levels of environmental pollutants in freshwater bodies
- Chronic physical: Water stress
- Chronic physical: Increased ecosystem vulnerability
- Chronic physical: Declining water quality
- Chronic physical: Declining ecosystem services
- Policy: Uncertainty and/or conflicts involving land tenure rights and water rights
- Technology: Transition to water efficient and low water intensity technologies and products
- Acute physical: Pollution incident
- Chronic physical: Soil degradation
- Market: Uncertainty about commodity origin and/or legality
- Chronic physical: Heat stress
- Acute physical: Tornado
- Policy: Changes to international law and bilateral agreements
- Technology: Dependency on water-intensive energy sources
- Market: Availability and/or increased cost of raw materials
- Market: Changing customer behavior
- Acute physical: Landslide
- Reputation: Impact on human health

## Partners and stakeholders considered

- Water utilities at a local level
- Indigenous peoples
- Local communities
- Suppliers

## Further details of process

In 2022, we published the white paper “Biodiversity, land use and investment” aimed at underlining the importance of how biodiversity and investments interconnect, and how we integrate this topic into our investment process. Through the ESG Integration Model, we are able to adapt the multi-sector dimensions to the reality of each sector, using metrics that allow us to project the financial impact over different time horizons. The method developed by Itaú Asset Management innovates by integrating ESG issues into traditional valuation models using the discounted cash flow approach. In this way, monitoring the eight multi-sector dimensions and applying the methodology allows our team to analyze risks and opportunities linked to ESG issues in a pragmatic way. It is important to analyze how anthropic actions can impact biodiversity: deforestation, bioinvasion, waste management, exploitation of natural resources and/or irregular land occupation can unbalance ecosystems and have a direct impact on human life. These are some of the aspects analyzed in our ESG Integration Model in the Biodiversity and Land Use dimension. The topic of biodiversity and land use in investments still has a lot of potential to be expanded and deepened. Its

contribution and relevance to Itaú Asset's investment process has grown as new data and information is produced and disseminated by companies, academia and civil society. In order to seek a more complete understanding of this challenge, in its company evaluation process, Itaú Asset seeks to identify the materiality of different factors in this dimension for each company analyzed. The identification process uses public initiatives such as SASB (Sustainability Accounting Board Standards) and TEEB (The Economics of Environment and Biodiversity) to understand the relationship between these issues and business activities. Some practical examples of this journey are detailed in the white paper, and relate to 1) Zero Deforestation; 2) Bioinvasion (Risk of lack of control over invasive species) and 3) Forest certifications.

## Response 5: Banking (Bank)

### Environmental issue

- Water
- Forests
- Biodiversity

### Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this portfolio

- Impacts
- Risks
- Opportunities
- Dependencies

### % of portfolio covered by the assessment process in relation to total portfolio value

100

### Type of assessment

Qualitative and quantitative

### Industry sectors covered by the assessment

- Manufacturing
- Food, beverage & agriculture
- Hospitality
- Fossil Fuels
- Infrastructure
- Retail
- Apparel
- Power generation
- Materials
- Biotech, health care & pharma
- Services
- Transportation services

### Frequency of assessment

More than once a year

### Time horizons covered

- Medium-term
- Short-term
- Long-term

## Integration of risk management process

Integrated into multi-disciplinary organization-wide risk assessment process

## Location-specificity used

National

## Tools and methods used

- Internal tools/methods
- Other: IFC Industry-specific environmental and social guidelines
- Risk models

## Risk type and criteria considered

- Reputation: Impact on human health
- Liability: Non-compliance with regulations
- Liability: Exposure to litigation
- Liability: Regulation and supervision of environmental risk in the financial sector
- Chronic physical: Water stress
- Policy: Lack of mature certification and sustainability standards
- Policy: Introduction of regulatory standards for previously unregulated contaminants
- Acute physical: Pollution incident
- Policy: Changes to national legislation
- Technology: Dependency on water-intensive energy sources
- Reputation: Stigmatization of sector
- Policy: Mandatory water efficiency, conservation, recycling, or process standards
- Acute physical: Toxic spills

## Partners and stakeholders considered

- Local communities
- Indigenous peoples
- Regulators
- Customers
- Employees
- Investors

## Further details of process

Itaú employs a comprehensive process for identifying, assessing, and managing environmental dependencies, impacts, risks, and opportunities related to portfolio activities. This process integrates both qualitative and quantitative assessments and is tailored to sectoral analysis.

By integrating these methodologies, we ensure a robust approach to managing environmental dependencies, impacts, risks, and opportunities. This enables us to make informed decisions and enhance the resilience of portfolio in the face of various sustainability challenges.

1. Identification and Assessment:

o Sectoral Sensitivity: We conduct detailed sectoral analysis to identify sectors that are particularly sensitive to environmental dependencies and impacts. This includes sectors such as agriculture, energy, and manufacturing, which are more vulnerable to sustainability-related risks

o Methodology: We utilize a robust methodology to identify the impacts and dependencies of economic sectors across a range of sustainability parameters. These parameters include energy and water consumption, potential impact on biodiversity and traditional communities, level of atmospheric emissions, soil and water contamination, among others

o Sectoral Categorization: Based on this screening, we generate a sectoral categorization of risks into high,

medium, and low. This categorization is applied to 100% of the bank's client portfolio and forms the basis of our credit risk management process

#### 2. Management:

o Monitoring Concentrations: We use the sectoral categorization to monitor the concentrations of our credit portfolio in high-risk sectors. This helps us manage exposure and ensure a balanced portfolio

o In-Depth Assessments: Sectoral categorization is a crucial factor in determining which sectors require a more in-depth ESG assessment due to their higher sensitivity from social, environmental, and climate perspectives.

o Individualized Assessments: The sectoral categorization also establishes the baseline for individualized sustainability risk assessment methodologies. This includes detailed analysis for specific sectors such as:

o Forests: Evaluating the impact on forest ecosystems, including deforestation, carbon sequestration, and biodiversity loss

o Water: Analyzing dependencies and impacts related to water resources, focusing on availability, quality, and usage

o Biodiversity: Assessing the effects on biodiversity, considering habitat destruction, species extinction, and ecosystem services

## Response 6: Banking (Bank)

### Environmental issue

- Plastics
- Climate change
- Forests
- Water

### Indicate which of dependencies, impacts, risks, and opportunities are covered by the process for this portfolio

- Impacts
- Dependencies
- Opportunities
- Risks

### % of portfolio covered by the assessment process in relation to total portfolio value

40

### Type of assessment

Qualitative and quantitative

### Industry sectors covered by the assessment

- Materials
- Power generation
- Apparel
- Infrastructure
- Fossil Fuels
- Food, beverage & agriculture
- Manufacturing

### Frequency of assessment

Annually

### Time horizons covered

- Short-term
- Medium-term
- Long-term

### **Integration of risk management process**

Integrated into multi-disciplinary organization-wide risk assessment process

### **Location-specificity used**

- Sub-national
- Site-specific
- Local
- National

### **Tools and methods used**

- Risk models
- Other: Global Forests Watch, Adapta Brasil, IFC Industry-specific environmental and social guidelines
- Internal tools/methods

### **Risk type and criteria considered**

- Reputation: Impact on human health
- Liability: Moratoria and voluntary agreement
- Policy: Uncertainty and/or conflicts involving land tenure rights and water rights
- Market: Uncertainty about commodity origin and/or legality
- Policy: Lack of mature certification and sustainability standards
- Reputation: Lending that could create or contribute to systemic risk for the economy
- Acute physical: Pollution incident
- Policy: Introduction of regulatory standards for previously unregulated contaminants
- Chronic physical: Change in land-use
- Chronic physical: Increased levels of environmental pollutants in freshwater bodies
- Chronic physical: Water stress
- Reputation: Stakeholder conflicts concerning water resources at a basin/catchment level
- Liability: Regulation and supervision of environmental risk in the financial sector
- Chronic physical: Water availability at a basin/catchment level
- Liability: Non-compliance with regulations
- Acute physical: Drought
- Liability: Exposure to litigation
- Policy: Changes to international law and bilateral agreements
- Technology: Dependency on water-intensive energy sources
- Technology: Transition to lower emissions technology and products
- Policy: Lack of globally accepted and harmonized definitions
- Reputation: Exclusion of vulnerable and marginalized stakeholders (e.g., informal workers)
- Chronic physical: Changing wind patterns
- Acute physical: Toxic spills
- Policy: Mandatory water efficiency, conservation, recycling, or process standards
- Reputation: Stigmatization of sector
- Policy: Changes to national legislation
- Reputation: Negative press coverage related to support of projects or activities with negative impacts on the environment (e.g. GHG emissions, deforestation & conversion, water stress)

### **Partners and stakeholders considered**

- Regulators
- Suppliers
- Customers
- Other: Quilombolas
- Investors
- Employees
- Local communities
- Indigenous peoples

## Further details of process

Itaú employs a comprehensive process for identifying, assessing, and managing environmental dependencies, impacts, risks, and opportunities related to our portfolio activities, with a particular focus on client and operations evaluations. This process integrates both qualitative and quantitative assessments, based on principles of relevance and proportionality, and is tailored to sectoral analysis, including climate change, water, forest, and biodiversity considerations.

By integrating these methodologies, we ensure a robust approach to managing environmental dependencies, impacts, risks, and opportunities. This enables us to make informed decisions and enhance the resilience of our portfolio in the face of various sustainability challenges, as follows:

### 1. Client Evaluations:

o\tLarge Corporate Clients: For large corporate clients, individual aspects that indicate the mitigation of sectoral risks are added to the assessment. This includes a metric that measures how sensitive the client is to the physical and transitional effects of climate change.

o\tHigh sensitive sectors clients: In addition to the client's size, its industry sector combined with industry concentration in the credit portfolio are important criteria for defining the scope and depth of the ESG risks analysis. An individualized and in-depth analysis is applied to clients operating in sectors considered more sensitive from a sustainability perspective.

### 2.\tCredit Operations Evaluations:

Project financing operations are subject to a robust assessment process supported by relevant technical and legal aspects, given their potential to pose significant environmental, social, and climate risks. This process includes regional sensitivity analysis, impact on traditional communities and biodiversity, the sponsor's level of E&S management and governance and also allows the categorization of the project as high, medium, or low risk.

## Q2.2.7 Are the interconnections between environmental dependencies, impacts, risks and/or opportunities assessed?

### Response 1:

#### Interconnections between environmental dependencies, impacts, risks and/or opportunities assessed

Yes

#### Description of how interconnections are assessed

Yes, the interconnections between environmental dependencies, impacts, risks, and opportunities are thoroughly assessed within our organization.

By embedding these practices into our governance and operational frameworks, we ensure a comprehensive assessment of the interconnections between environmental dependencies, impacts, risks, and opportunities. This holistic approach enables us to make informed decisions that enhance the resilience and sustainability of our business.

**Governance:**

- **Board of Directors and Executive Committee:** The Board of Directors and the Executive Committee oversee the environmental agenda through periodic committees. These committees not only discuss and decide on environmental issues but also consider their potential impacts, risk management, and opportunities for the business. Additionally, the Superior ESG Commission is responsible for defining and ensuring commitment to the ESG and Climate policy.

**Operational and Specialized Teams:**

- **Specialists' Role:** Specialists are responsible for incorporating the environmental agenda into institutional and business areas, ensuring that it is integrated into the core business plan. It is important to highlight that the implementation of the climate strategy is part of the compensation agreement for Itaú's executives, reinforcing its importance to the business.

**Climate Transition Plan:**

- **Alignment with Glasgow Financial Alliance for Net Zero:** Our climate transition plan, aligned with the recommendations of the Glasgow Financial Alliance for Net Zero, includes a robust climate management strategy. This strategy creates significant opportunities for businesses across practically all sectors of the economy.

**Day-to-Day Integration:**

- **Adoption of Criteria:** On a day-to-day basis, our integration approach is reflected in the adoption of social, environmental, and climate analysis criteria in the assessment of our clients, credit, and ESG-labeled operations. This allows us to identify opportunities with risk and impact mitigation and to address our dependence on environmental services.

**Q2.2.8 Does your organization consider environmental information about your clients/investees as part of your due diligence and/or environmental dependencies, impacts, risks and/or opportunities assessment process?**

We consider environmental information	
Banking (Bank)	Yes
Investing (Asset manager)	Yes
Investing (Asset owner)	
Insurance underwriting (Insurance company)	

**Q2.2.9 Indicate the environmental information your organization considers about clients/investees as part of your due diligence and/or environmental dependencies, impacts, risks and/or opportunities assessment process, and how this influences decision-making.**

**Response 1: Banking (Bank)**

**Environmental issues covered**

- Water
- Forests
- Climate change

**Type of environmental information considered**

- Emissions reduction targets
- Scope and content of water policy
- Engagement with their value chain on environmental issues
- Science-Based Net-Zero Targets

- Emissions data
- Climate transition plans
- Commitment to eliminate deforestation and conversion of other natural ecosystems
- Origin of commodities
- Water withdrawn from water stressed areas
- Water withdrawal and/or consumption volumes
- Scope and content of forests policy
- Traceability of commodities
- Certification of commodities
- Other: historical deforestation practices or non-compliance with forestry laws carbon emission compensation practices intersection or proximity to key biodiversity conservation areas

### Process through which information is obtained

- Data provider
- Public data sources
- Directly from the client/investee

### Industry sectors covered by due diligence and/or risk assessment process

- Food, beverage & agriculture
- Manufacturing
- Power generation
- Materials
- Apparel
- Fossil Fuels
- Infrastructure

### % of portfolio covered by the process in relation to total portfolio value

100

### Total portfolio value covered by the process

1176500000000

### Response 2: Investing (Asset manager)

#### Environmental issues covered

Climate change

#### Type of environmental information considered

- Emissions reduction targets
- Engagement with their value chain on environmental issues
- Climate transition plans
- Energy usage data
- Emissions data
- Science-Based Net-Zero Targets

#### Process through which information is obtained

- Data provider
- Public data sources
- Directly from the client/investee

### Industry sectors covered by due diligence and/or risk assessment process

- Services
- Transportation services
- International bodies
- Hospitality
- Food, beverage & agriculture
- Manufacturing
- Power generation
- Materials
- Apparel
- Fossil Fuels
- Retail
- Infrastructure
- Biotech, health care & pharma

### % of portfolio covered by the process in relation to total portfolio value

100

### Total portfolio value covered by the process

878600000000

### Response 3: Investing (Asset owner)

### Q2.4 How does your organization define substantive effects on your organization?

#### Response 1: Risks

##### Type of definition

- Qualitative
- Quantitative

##### Indicator used to define substantive effect

Credit risk

##### Change to indicator

% increase

##### % change to indicator

11-20

##### Metrics considered in definition

Other: climate risk in credit risk

##### Application of definition

Itaú defines substantive effects by employing a rigorous and integrated approach to climate risk assessment within the context of credit risk, combining quantitative metrics & indicators with qualitative policy & governance frameworks to ensure a comprehensive understanding and management of climate-related risks. By doing so, we aim to enhance the resilience of credit portfolio and contribute with a sustainable finance.

Some of the comprehensive approach integrating quantitative and qualitative assessments are:

Quantitative:

1. Risk Metrics & Indicators:

We utilize climate-related risk metrics such as carbon footprint, exposure to high-risk sectors, and transition risk scores

Scenario analysis models the financial impact of various climate change scenarios on credit portfolio, including annual stress testing under different scenarios, to assess potential impacts to the institution

Qualitative:

1. Policy & Governance:

Oversees climate-related risks and integrates them into risk management framework, ensuring climate risk considerations are embedded in credit risk policies

A comprehensive policy outlines our approach to identifying, assessing, and managing climate-related risks, aligned with international standards and best practices, as TCFD recommendations

2. Stakeholder Engagement:

Including clients, investors, and regulators, to understand their perspectives on climate risk and incorporate their insights into risk management practices

Regular training and awareness programs ensure employees are equipped to identify and manage climate-related risks effectively

3. Scenario Planning & Stress Testing:

Regular scenario planning and stress testing exercises evaluate the potential impact of climate-related events on credit portfolio, helping us identify vulnerabilities and develop mitigation strategies

Scenario planning includes both physical risks (e.g., extreme weather events, sea-level rise) and transition risks (e.g., policy changes, technological advancements) to provide a holistic view of potential impacts.

## Response 2: Opportunities

### Type of definition

Qualitative

### Metrics considered in definition

Time horizon over which the effect occurs

### Application of definition

One important opportunity relates to efficiency in the use of resources. For us, it is essential to think about the sustainable growth of our business, and to always do so as efficiently as possible. This applies throughout the organization, and here we highlight, among other things, our direct operations. We have initiatives to reduce emissions, energy consumption, water consumption and waste generation, all of which are based on targets that we have been committed to since 2018, which are: 1) Between 2018 and 2030, reduce water consumption in Brazil by 62.6%; 2) Between 2018 and 2030, reduce energy consumption in Brazil by 34.9%; 3) Between 2018 and 2030, reduce waste to landfill in Brazil by 88.1%; 4) Between 2018 and 2030, reduce emissions (Scope 1) in Brazil by 50.4%, in line with the Net Zero commitment. The expected impact of these initiatives, in addition to increased efficiency, is greater resilience of operations to the risks of climate change.

## Response 3: Risks

### Type of definition

Qualitative

### Metrics considered in definition

Other: Market, liquidity and operational risks

## Application of definition

Itaú defines substantive effects by employing a rigorous and integrated approach to risk assessment within the context of market, liquidity, and operational risks due to climate change. This approach combines qualitative assessments with robust policy and governance frameworks to ensure a comprehensive understanding and management of these climate-related risks. By doing so, we aim to enhance the resilience of our organization and contribute to sustainable management.

Some of the comprehensive approach integrating a qualitative assessment are:

Policy and Governance

o\tOversees climate-related market, liquidity and operational risks and ensures integration into overall risk management framework. The Social, Environmental, and Climate Risk Committee sets risk limits and ensures compliance with climate-related regulatory requirements

o\t Comprehensive market, liquidity and operational risks policies outlines our approach to identifying, assessing, and managing climate-related risks, aligned with international standards and best practices

Market Risk

1.\tRisk Metrics and Indicators:

o\tA study was conducted adopting the assumption of non-compliance with SAC covenants. We have identified operations sensitive to events that could pose a market risk. No significant impacts were identified when compared to the bank's portfolio.

Liquidity Risk

1.\tLiquidity Management:

o\tWe employ liquidity risk metrics such as the Liquidity Coverage Ratio (LCR) and Net Stable Funding Ratio (NSFR), quarterly made, to maintain adequate liquidity buffers for climate-related stress scenarios

o\tStress testing and scenario analysis are conducted regularly to assess liquidity position under climate-related stress scenario.

Operational Risk

1.\tRisk Identification and Assessment:

o\tWe employ operational risk management framework that includes risk and control self-assessments (RCSAs), key risk indicators (KRIs), and loss event data collection related to climate events. These tools monthly help us identify and assess potential operational risks due to climate change

o\tRegular audits and reviews ensure operational controls are effective and any identified weaknesses related to climate risks are promptly addressed.

## Response 4: Opportunities

### Type of definition

Qualitative

### Metrics considered in definition

Time horizon over which the effect occurs

### Application of definition

We want to be the climate transition bank for our clients, offering innovative solutions and products, such as green and sustainable credit and financing lines. To do this, we know that we need to be aware of the evolution of new technologies in favor of decarbonization, such as green hydrogen, CCU and CCUS, among others. With this improved and developed knowledge, we hope to increase green operations with our clients, as another way of supporting them on their decarbonization journey. In this way, as well as working on partner and customer engagement, we will gain access to new markets and more knowledge on climate change.

## Response 5: Opportunities

### Type of definition

- Quantitative
- Qualitative

### Indicator used to define substantive effect

Market share

### Change to indicator

Absolute increase

### Absolute increase/ decrease figure

6.46

### Metrics considered in definition

Likelihood of effect occurring

### Application of definition

The most significant business opportunity identified was supporting the climate transition of our clients through climate finance mechanisms. As of December 2023, we had BRL 6,458,700,000 on climate finance operations including BRL 1,098.2 million in financing electric and hybrid vehicles, BRL 73.7 million in financing solar panels, BRL 378.8 million in green credit operations, BRL 559 million in sustainable operations, BRL 3.7 billion in sustainable building operations and BRL 649 million in Reverte Program. The numbers are presented on page 59 of our climate report (<https://www.itaubr.com.br/download-file/v2/d/42787847-4cf6-4461-94a5-40ed237dca33/a50c5a48-df28-ae4b-3e3d-f31e227e944f?origin=2>) and only include values in Brazilian Real. Besides representing a business opportunity aligned with our aim to be the climate transition bank for our clients, structuring climate finance operations also present immaterial benefits such as the increased resilience of our credit portfolio.

## Response 6: Risks

### Type of definition

- Qualitative
- Quantitative

### Indicator used to define substantive effect

Credit risk

### Change to indicator

% increase

### % change to indicator

11-20

### Metrics considered in definition

Other: concentration of lending portfolio in high-risk sectors

### Application of definition

Itaú defines substantive effects on organization from quantitative and qualitative perspective, particularly in the context of credit risk and the concentration of lending portfolio in high-risk sectors, ensuring a comprehensive understanding of substantive effects on organization. This holistic approach enables us to effectively manage credit risk and maintain the resilience of our lending portfolio.

#### Quantitative Perspective

- **Risk Metrics and Thresholds:** Range of quantitative risk metrics and thresholds to define substantive effects, including the use of concentration metrics to monitor the exposure of lending portfolio to high-risk sectors. For instance, we set specific thresholds for the proportion of portfolio that can be allocated to sectors identified as high-risk based on their environmental, social, and governance (ESG) profiles
- **Credit Risk Models:** Credit risk models incorporate sectoral risk factors to evaluate the probability of default and loss given default for clients operating in high-risk sectors, helping us quantify the potential impact of sectoral risks on our overall credit risk profile

#### Qualitative Perspective

- **Sectoral Analysis:** Perform detailed sectoral analysis to understand the qualitative aspects of risks associated with high-risk sectors, including evaluating factors such as regulatory changes, market dynamics, and environmental dependencies that could affect the creditworthiness of clients in these sectors
- **Expert Judgement:** Risk management process incorporates expert judgement to assess the qualitative aspects of credit risk, involving input from sector specialists and risk analysts who provide insights into emerging risks and opportunities that may not be fully captured by quantitative models
- **ESG Criteria:** Integrate ESG criteria to evaluate the broader impacts of lending to high risk sectors, including assessing the environmental and social practices of clients, their governance structures, and their ability to manage ESG-related risks.
- **In-Depth Assessments:** For sectors identified as high sensitive risk, we conduct in-depth assessments to understand the specific risks and dependencies, allowing us to make informed lending decisions.

### **Q3.1 Have you identified any environmental risks which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?**

#### **Response 1: Climate change**

##### **Environmental risks identified**

Yes, both within our direct operations or upstream value chain, and within our portfolio

#### **Response 2: Forests**

##### **Environmental risks identified**

Yes, only in our portfolio

#### **Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain**

Environmental risks exist, but none with the potential to have a substantive effect on our organization

#### **Please explain**

Yes, we have identified several environmental risks that have had or are anticipated to have a substantive effect on our organization. We map and identify the main risks and their potential impacts within the institution. This process is reviewed periodically and is based on research into scientific reports and documents from global reference organizations such as the Financial Stability Board, World Economic Forum, NGFS, among others.

The risks were classified according to their nature—transitional or physical—and assessed in relation to their timeframe for materialization, as defined and explained in question 2.1, considering short term (up to 2 years),

medium-term (3 to 5 years), and long-term (over 6 years) intervals. Transitional risks include regulatory changes, market shifts, and reputational impacts, while physical risks encompass acute events like natural disasters and chronic changes such as rising sea levels and temperature variations.

For instance, transitional risks are closely monitored through our engagement with regulatory bodies and market analysis to anticipate changes in policies and market dynamics. Physical risks are assessed using climate models and historical data to predict the likelihood and impact of events such as floods, hurricanes, and prolonged droughts.

In this way, we can see the potential impacts along with the respective initiatives needed and already being implemented by the bank to mitigate the impacts within the institution. These initiatives include enhancing our risk management frameworks, investing in sustainable technologies, and developing new financial products that support environmental resilience. Additionally, we are committed to reducing our carbon footprint and have set specific targets to achieve this goal over the coming years.

By continuously updating our risk assessments and mitigation strategies, we aim to ensure that our organization remains resilient in the face of environmental challenges, thereby safeguarding our operations and contributing to broader sustainability goals.

### **Response 3: Water**

#### **Environmental risks identified**

No

#### **Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain**

Evaluation in progress

#### **Please explain**

Itaú is currently in the process of thoroughly evaluating this matter to ensure a comprehensive understanding of any potential environmental risks related to water in our direct operations and/or upstream and downstream value chain.

### **Response 4: Plastics**

#### **Environmental risks identified**

No

#### **Primary reason why your organization does not consider itself to have environmental risks in your direct operations and/or upstream/downstream value chain**

Environmental risks exist, but none with the potential to have a substantive effect on our organization

#### **Please explain**

Yes, we have identified several environmental risks related to plastic pollution that have had or are anticipated to have a substantive effect on our organization. We map and identify the main risks and their potential impacts within the institution. This process is reviewed periodically and is based on research into scientific reports and documents from global reference organizations such as the Financial Stability Board, World Economic Forum, NGFS, among others.

The risks were classified according to their nature—transitional or physical—and assessed in relation to their timeframe for materialization, as defined and explained in question 2.1, considering short term (up to 2 years), medium-term (3 to 5 years), and long-term (over 6 years) intervals. Transitional risks related to plastic pollution include regulatory changes, market shifts, and reputational impacts, while physical risks encompass the environmental degradation caused by plastic waste, such as pollution of water bodies and harm to marine life.

For instance, transitional risks are closely monitored through our engagement with regulatory bodies and market analysis to anticipate changes in policies aimed at reducing plastic use and waste. This includes potential bans on single-use plastics and increased regulations on plastic packaging. Physical risks are assessed using environmental impact studies and data on plastic pollution trends to predict the likelihood and impact of plastic waste on ecosystems and human health.

In this way, we can see the potential impacts along with the respective initiatives needed and already being implemented by the bank to mitigate the impacts within the institution. These initiatives include enhancing our risk management frameworks, investing in sustainable alternatives to plastic, and developing new financial products that support environmental resilience. Additionally, we are committed to reducing our plastic footprint and have set specific targets to achieve this goal over the coming years.

By continuously updating our risk assessments and mitigation strategies, we aim to ensure that our organization remains resilient in the face of plastic-related environmental challenges, thereby safeguarding our operations and contributing to broader sustainability goals.

### **Q3.1.1 Provide details of the environmental risks identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.**

#### **Response 1: Climate change**

##### **Risk identifier**

Risk1

##### **Risk types and primary environmental risk driver**

Acute physical: Drought

##### **Value chain stage where the risk occurs**

Banking (Bank) portfolio

##### **Risk type mapped to traditional financial services industry risk classification**

- Operational risk
- Liquidity risk
- Insurance risk
- Systemic risk
- Funding risk
- Capital adequacy and risk-weighted assets
- Strategic risk
- Credit risk
- Market risk

##### **Country/area where the risk occurs**

Brazil

##### **Organization-specific description of risk**

Water Crisis: Severe drought in Brazil may result in a forced drop in energy consumption (same shock observed in 2001) in relation to the baseline, energy consumption drops by 80% in the 3 years projected. In addition, the severe drought may result in a crop failure in the first year projected, with a decrease in GDP and inflation rising with more expensive energy and food.

### **% of portfolio value vulnerable to this risk**

11-20%

### **Primary financial effect of the risk**

Increased credit risk

### **Time horizon over which the risk is anticipated to have a substantive effect on the organization**

Medium-term

### **Likelihood of the risk having an effect within the anticipated time horizon**

Exceptionally unlikely

### **Magnitude**

Medium-low

### **Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons**

The materialization of this risk would be more relevant on financial performance in the medium-term, without significant impacts on the financial position and cash flows. The expectation is that financial performance will normalize in the long term, in line with the normalization of economic activity.

### **Are you able to quantify the financial effect of the risk?**

Yes

### **Anticipated financial effect figure in the medium-term - minimum (currency)**

0

### **Anticipated financial effect figure in the medium-term - maximum (currency)**

7500000000

### **Explanation of financial effect figure**

Severe drought in Brazil may result in a forced drop in energy consumption (same shock observed in 2001 - 80% from baseline) in a 3-year horizon. In addition, the severe drought may result in a crop failure in the first year. Both effects would lead to a severe recession with low GDP, high inflation, high unemployment generating an increasing in delinquencies and credit losses.

### **Primary response to risk**

Compliance, monitoring and targets : Other compliance, monitoring or target: We monitor and follow up on the likelihood of this scenario given its potential impact. Reducing exposure in areas and clients that are more prone to this risk are mitigating factors.

### **Cost of response to risk**

200000000

### **Explanation of cost calculation**

To mitigate this risk, we use external tools with socio-environmental information and services that help us to better evaluate clients and projects risk profiles. We also build a proprietary tool to support the process of assessing our clients' ESG and climate performance. The development of the platform and an ESG rating makes it possible to integrate data on our clients' performance in relation to ESG factors, the SDGs prioritized in our analysis, material issues, governance and climate factors. This tool supports the understanding of client's momentum on the subject, the management of the bank's relationship with them and the structuring of financial transactions, as well as the alignment of our ESG and climate strategy with our clients' sustainability and transition efforts, and is used by areas such as business, risk, credit, and finance. Itaú may also help customers with special conditions in crisis situations with grace periods for example.

## Description of response

In response to the risk, Itaú invests in external tools and uses specialized multidisciplinary teams to develop internal tools with the purpose to anticipate and mitigate climate risk. Itaú may also provide some ways to enable its customers face the impact that may occur because of climate risks.

## Response 2: Forests

### Risk identifier

Risk2

### Commodity

Not applicable

### Risk types and primary environmental risk driver

Liability: Regulation and supervision of environmental risk in the financial sector

### Value chain stage where the risk occurs

Banking (Bank) portfolio

### Risk type mapped to traditional financial services industry risk classification

- Credit risk
- Policy and legal risk
- Reputational risk

### Country/area where the risk occurs

Brazil

### Organization-specific description of risk

The possibility of financial losses caused by fines, deterioration of the creditworthiness of clients or impact on brand value. These events could also be associated with the occurrence of negative impacts on forests caused by clients and/or financed projects, especially deforestation.

### % of portfolio value vulnerable to this risk

1-10%

### Primary financial effect of the risk

Increased credit risk

**Time horizon over which the risk is anticipated to have a substantive effect on the organization**

Short-term

**Likelihood of the risk having an effect within the anticipated time horizon**

Exceptionally unlikely

**Magnitude**

Medium-low

**Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons**

Deterioration of the client's ability to repay loans and financing because of the loss of an environmental license. This could lead to the interruption the operation of a certain asset, and/or fines arising from fires and other impacts on forests.

**Are you able to quantify the financial effect of the risk?**

Yes

**Anticipated financial effect figure in the short-term - minimum (currency)**

0

**Anticipated financial effect figure in the short-term - maximum (currency)**

500000000

**Explanation of financial effect figure**

The calculation of the maximum financial effect considered the possibility of increased credit losses in our credit portfolio arising from clients more vulnerable to forest related risks, such as farmers and other sectors in the agricultural supply chain (cooperatives, agricultural input resellers, food & beverage, among others). For this calculation, we considered the bank's exposure to these sectors and a scenario where the aforementioned deterioration of the clients' creditworthiness would materialize.

**Primary response to risk**

Compliance, monitoring and targets : Greater due diligence

**Cost of response to risk**

4000000

**Explanation of cost calculation**

The calculation considered the costs related to: Hiring third party companies to provide tools such as georeferenced reports of client properties and geospatial analysis of the farms being financed to ensure that no resources are being used for illegal deforestation; and Costs related to the expansion of the social, environmental and climate risks specialized teams, which are responsible for developing and implementing the methodologies and governance for assessing and monitoring clients and financial transactions, based on Brazilian regulation, self-regulation and international best practices.

**Description of response**

Development of risk assessment methodologies that incorporate forest-related risk aspects, such as the occurrence of deforestation, fines and sanctions, forest certification and protected areas into our ESG risk assessment methodologies, both for our clients and for credit transactions, based on Brazilian regulation, self-regulation and international best practices. For financing intended for a specific property, as in the case of project financing, rural credit and transactions under the Agro Line of the National Bank for Economic and Social Development (BNDES), due diligence procedures include, among other aspects, checking for overlap with protected areas, such as conservation units and traditional communities. This assessment extends beyond the date of the contract, throughout the entire term of the financing.

### **Response 3: Water**

### **Response 4: Climate change**

#### **Risk identifier**

Risk3

#### **Risk types and primary environmental risk driver**

Technology: Transition to lower emissions technology and products

#### **Value chain stage where the risk occurs**

Banking (Bank) portfolio

#### **Risk type mapped to traditional financial services industry risk classification**

Credit risk

#### **Country/area where the risk occurs**

Brazil

#### **Organization-specific description of risk**

In a transition scenario to a low-carbon economy, companies may be required to offset a significant portion of their emissions either through the acquisition of carbon credits or through investment in technology to improve their energy efficiency and reduce their emission levels. This additional cost to offset/reduce emissions may compromise the ability of companies to meet their obligations, leading to an increase in credit risk.

#### **% of portfolio value vulnerable to this risk**

1-10%

#### **Primary financial effect of the risk**

Increased credit risk

#### **Time horizon over which the risk is anticipated to have a substantive effect on the organization**

Long-term

#### **Likelihood of the risk having an effect within the anticipated time horizon**

Exceptionally unlikely

#### **Magnitude**

Low

### **Anticipated effect of the risk on the financial position, financial performance and cash flows of the organization in the selected future time horizons**

Initially, the expected effect is an increase in the levels of provisions that tend to materialize in credit losses as companies face difficulties in meeting their respective obligations.

### **Are you able to quantify the financial effect of the risk?**

Yes

### **Anticipated financial effect figure in the long-term - minimum (currency)**

0

### **Anticipated financial effect figure in the long-term - maximum (currency)**

3000000000

### **Explanation of financial effect figure**

Companies credit ratings were checked considering a hypothetical scenario where offsetting emissions is mandatory. we' ve also considered an increase in carbon price, companies credit risk profile.

### **Primary response to risk**

Compliance, monitoring and targets : Other compliance, monitoring or target: We monitor and follow up on the likelihood of this scenario occurring, once the potential impact is known. Financing transition and lowering exposure to sectors and companies that could be more severely affected.

### **Cost of response to risk**

2000000

### **Explanation of cost calculation**

Through specialized teams, Itaú monitor and take actions to mitigate the climate transition risks. We have been cooperating with FEBRABAN on the development of the banking self-regulation standard SARB 26, which establishes guidelines to help the financial sector manage illegal deforestation risks in the beef chain, which are one of the most relevant risks to climate transition in Brazil. We have defined a protocol to engage clients in this sector to be free of illegal deforestation through its suppliers. We carried out training and engagement actions between commercial teams and clients aimed at guiding and helping them improve their governance and the traceability of their suppliers. We also a defined process to accomplish our coal phase out commitment, with restrictions for thermal coal and on coal mining and dedicated infrastructure (see Climate Report, pg 72). The estimated cost of response is calculated based on the employee' s annual remuneration.

### **Description of response**

In line with our protocol to comply with the requirements of SARB 26, a regulation of the Bank Self-regulation System (SARB) of the Brazilian Federation of Banks (FEBRABAN) - on illegal deforestation risk in the beef chain, regarding the management of illegal deforestation risk in the beef chain, we developed a methodology to curb the financing of cold storage plants that operate in the Legal Amazon, as well as in the state of Maranhão, which purchase cattle from illegal deforestation areas (direct and indirect suppliers up to the first level). Our specialized teams help our clients to guarantee the effectiveness of the coal phase out. We are committed to support our clients in adopting cleaner and more efficient sources of energy generation and to support them in this transition. We want to ensure that carbon-intensive assets undergo a proper transition or, where

applicable, decommissioning, a process that must be carried out in an orderly manner and in line with the principles of a just transition. Through the teams, Itaú continuously monitor the regulation and participate in national and international studies, events and sector initiatives to engage with peers, market experts and policy makers. Our Operational Areas analyses the risks inherent to each sector and the social and environmental risk of the operations. With these ongoing processes, not only we can minimize regulatory risks, but we also map other climate-related risks and eventual opportunities for products and services in this subject.

**Q3.1.2 Provide the amount and proportion of your financial metrics from the reporting year that are vulnerable to the substantive effects of environmental risks.**

**Response 1: Climate change**

**Financial metric**

Other: Increase of credit risk

**Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)**

55000000000

**% of total financial metric vulnerable to transition risks for this environmental issue**

1-10%

**Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)**

55000000000

**% of total financial metric vulnerable to physical risks for this environmental issue**

1-10%

**Explanation of financial figures**

Considering the TCFD' s high-risk classification for physical and transition climate risks, the amounts herein indicated represents less than 5% of our credit portfolio.

**Response 2: Forests**

**Financial metric**

Other: Credit losses

**Amount of financial metric vulnerable to transition risks for this environmental issue (unit currency as selected in 1.2)**

500000000

**% of total financial metric vulnerable to transition risks for this environmental issue**

Less than 1%

**Amount of financial metric vulnerable to physical risks for this environmental issue (unit currency as selected in 1.2)**

0

**% of total financial metric vulnerable to physical risks for this environmental issue**

Less than 1%

**Explanation of financial figures**

The calculation of vulnerability was carried out considering the possibility of credit losses related to clients being exposed to forest-related transition risks. As a consequence of potential poor practices related to deforestation, our clients may be negatively affected by losing access to certain consumer markets and being fined or sanctioned (considering both current and future regulatory requirements). Also, clients may be affected by incurring in costs of investing and adapting to new technologies. With regard to vulnerability to forest related physical risks, at the moment there is no measurement tool capable of calculating said vulnerability, such as the effects of biodiversity loss on the company's cash flow.

**Response 3: Water**

**Q3.6 Have you identified any environmental opportunities which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future?**

Environmental opportunities identified	
Climate change	Yes, we have identified opportunities, and some/all are being realized
Forests	Yes, we have identified opportunities, and some/all are being realized
Water	Yes, we have identified opportunities, and some/all are being realized

**Q3.6.1 Provide details of the environmental opportunities identified which have had a substantive effect on your organization in the reporting year, or are anticipated to have a substantive effect on your organization in the future.**

**Response 1: Climate change**

**Opportunity identifier**

Opp1

**Commodity**

Not applicable

**Opportunity type and primary environmental opportunity driver**

Markets: Increased availability of products with reduced environmental impact [other than certified products]

**Value chain stage where the opportunity occurs**

Banking portfolio

**Country/area where the opportunity occurs**

Brazil

### Organization specific description

Itaú identified the opportunity in credit product for low carbon energy based on solar energy. As a bank serving clients in both wholesale and retail segments, we pay close attention to opportunities, including low-carbon energy equipments. As the prices of solar panels have been falling through the years, we saw a growing interest from retail banking clients in solar energy acquisition financing. Brazil's geography presents a great potential for solar energy, with the country having one of the highest levels of insolation in the world. Accordingly to Brazilian Association of Photovoltaic Solar Energy (ABSOLAR), solar energy is the 3rd largest source of power to the national grid, after hydro and wind. From a customer perspective, the payback period for a solar panel is relatively short, what supports a strong demand and interest from clients. There's also a full network of suppliers and technicians in Brazil, in order to sell, distribute and install the energy equipments. In order to foster and expand the solar panel financing business in Brazil, Banco Itaú started a credit facility for this product, in a pilot-scale. An important growth in this credit product is expected for the upcoming years.

### Primary financial effect of the opportunity

Increased revenues resulting from increased demand for products and services

### Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Short-term

### Likelihood of the opportunity having an effect within the anticipated time horizon

Very likely (90-100%)

### Magnitude

High

### Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

This opportunity should affect, from a Balance Sheet Perspective, our Credit Portfolio balances. From a Income Statement Perspective, should affect Revenue, Cost of Goods Solds, Net Margin and Net Profit.

### Are you able to quantify the financial effects of the opportunity?

Yes

### Anticipated financial effect figure in the short-term - minimum (currency)

9229593

### Anticipated financial effect figure in the short-term - maximum (currency)

11536991

### Explanation of financial effect figures

With a timeframe classified as 1-5 years, this driver represents a maximum present value of R\$ 11.536.991, and represents the sum of yearly R\$ 2,31 millions in revenue, for the first 5 years after sales start. This yearly figure is based considering Revenue (R\$ 10,1 millions) \* probability of revenue conversion (43%, based in market assessment) \* discount factor (53%, the average discount factor based on 5 years of the current Bank's

weighted cost of capital, 13,75%, as per Itaú Public Reports). The minimum present value is R\$ 9.229.593, calculated by a reduction factor of 20% applied over the maximum present value. Those revenue calculations were based on information available in EPE ( “Empresa de Planejamento Energético” , or the Energy Research Office for the Brazilian Department of Energy and Mining) studies about 2050 energy demand and Brazilian national plan for energy supply. In order to calculate the present value of the opportunity, we made some assumptions related to the additional annual demand for solar panels (7,8 GW in 2022, as per EPE figures), the cost of equipment (R\$ 3,75 / Wp), the percentage of acquisition of solar panels through credit borrowing, and Itaú’ s share in this market, in addition to the Bank’ s weighted cost of capital (13,75%) and credit spread. As outcomes of the business plan for this opportunity, we found that I) the majority of potential financial impact is projected in the long term (10 years+), as an evidence of the long-lasting demand for solar power, and II) as the solar panel technology widespreads in housing and Small and Midsized Companies, there’ s a growing conversion factor from credit rates inquiry to effective disbursements. The total solar system cost includes both operational and maintenance cost.

### **Cost to realize opportunity**

4649407

### **Explanation of cost calculation**

The cost is estimated around R\$ 4,6 millions and is the sum of first 5 years of R\$ 0,93 million/year in costs. This figure was calculated multiplying the revenue (R\$ 11.5 millions for the first 5 years) by Itaú cost-to-income ratio (40.3%). The cost-to-income ratio was chosen as the large majority of costs in the banking industry are overhead and indirect costs, and we expect for this product a cost level very similar to the corporate ratio of Banco Itau Unibanco in 2023 Q4 (40.3%).

### **Strategy to realize opportunity**

In 2020, we created a working group aimed at integrating ESG into the loan portfolio. Upon delving deeper into this work, we felt the need to prepare a specific governance structure to carry out discussions on our deliveries, and the challenges this agenda imposes on financial institutions in general. Accordingly, the ESG Committee, composed of executives from the Wholesale Banking segment, was established to monitor the evolution of projects, discuss trends in local and foreign markets and the progress of the agenda, assess ESG operations and connect strategic matters that involve the topic in large companies. We have several types of financing, many of which promote environmental and social benefits. By incorporating climate change adaptation and mitigation products and services in our business strategy, the bank becomes more resilient for the forthcoming market changes by understanding these new opportunities which raises from the transition to a low-carbon economy. The product mapped as opportunities - solar panel financing for individuals and legal entities (Retail Banking). - seeks to attend consumer preferences at granting products that mitigates or is adapted to the climate change. The cost calculation includes assumptions for scaling up the credit facility, for both direct (e.g. hiring additional employees, develop additional functions to IT systems, employees training, advertising) and indirect costs (e.g. overhead of the corporate structure).

### **Response 2: Forests**

#### **Opportunity identifier**

Opp2

#### **Commodity**

Timber products

#### **Opportunity type and primary environmental opportunity driver**

Energy source: Participation in carbon market

## Value chain stage where the opportunity occurs

Investing (Asset manager) portfolio

## Country/area where the opportunity occurs

Brazil

## Organization specific description

Itaú Unibanco is a founding member of Projeto Biomas (Biome Project), a joint venture created with other companies dedicated to forest restoration and conservation in different Brazilian biomes, such as the Amazon, the Atlantic Forest and the Cerrado (Brazilian scrubland). With an initial contribution of R\$20 million from each partner company, in 2023, its first year of operation, the Biome Project completed the structuring of its governance, team building and the identification of areas suitable for pilot restoration projects, with opportunities to be implemented in 2024, and the development of the project financing structuring model and the pipeline of strategic partners, strengthening the market fundamentals and learning. The Organization has also made advocacy efforts with the Brazilian Congress in relation to the Bill regulating the carbon market and forest concessions, with the aim of developing fair markets. Our engagement with key stakeholders in the domestic and international markets, federal and state government authorities, as well as civil society, have consolidated our position as a serious as a significant market player

## Primary financial effect of the opportunity

Increased revenues through access to new and emerging markets

## Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

- Long-term
- Medium-term

## Likelihood of the opportunity having an effect within the anticipated time horizon

Very likely (90-100%)

## Magnitude

Medium-high

## Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

Itaú Unibanco is a founding member of Projeto Biomas (Biome Project), a joint venture created with other companies dedicated to forest restoration and conservation in different Brazilian biomes, such as the Amazon, the Atlantic Forest and the Cerrado (Brazilian scrubland). With an initial contribution of R\$20 million from each partner company, in 2023, its first year of operation, the Biome Project completed the structuring of its governance, team building and the identification of areas suitable for pilot restoration projects, with opportunities to be implemented in 2024, and the development of the project financing structuring model and the pipeline of strategic partners, strengthening the market fundamentals and learning. The Organization has also made advocacy efforts with the Brazilian Congress in relation to the Bill regulating the carbon market and forest concessions, with the aim of developing fair markets. Our engagement with key stakeholders in the domestic and international markets, federal and state government authorities, as well as civil society, have consolidated our position as a serious as a significant market player

## Are you able to quantify the financial effects of the opportunity?

No

### **Cost to realize opportunity**

20000000

### **Explanation of cost calculation**

R\$ 20 million is an initial equity to set up operations, hire personnel and implement pilot projects.

### **Strategy to realize opportunity**

With an initial contribution of R\$20 million from each partner company, in 2023, its first year of operation, the Biome Project completed the structuring of its governance, team building and the identification of areas suitable for pilot restoration projects, with opportunities to be implemented in 2024, and the development of the project financing structuring model and the pipeline of strategic partners, strengthening the market fundamentals and learning. The Organization has also made advocacy efforts with the Brazilian Congress in relation to the Bill regulating the carbon market and forest concessions, with the aim of developing fair markets. Our engagement with key stakeholders in the domestic and international markets, federal and state government authorities, as well as civil society, have consolidated our position as a serious as a significant market player.

### **Response 3: Water**

#### **Opportunity identifier**

Opp3

#### **Opportunity type and primary environmental opportunity driver**

Products and services: Ability to diversify business activities

#### **Value chain stage where the opportunity occurs**

Banking portfolio

#### **Country/area where the opportunity occurs**

Brazil

#### **River basin where the opportunity occurs**

Other: Not applicable

#### **Organization specific description**

Itaú has a credit portfolio of over R\$ 6,6 billion, as of December 2023, in Sanitation Sector, as per Itaú Climate Report, page 64, available in <https://api.mziq.com/mzfilemanager/v2/d/42787847-4cf6-4461-94a5-40ed237dc a33/a50c5a48-df28-ae4b-3e3d-f31e227e944f?origin=2>

#### **Primary financial effect of the opportunity**

Increased revenues resulting from increased demand for products and services

#### **Time horizon over which the opportunity is anticipated to have a substantive effect on the organization**

The opportunity has already had a substantive effect on our organization in the reporting year

## Magnitude

High

## Effect of the opportunity on the financial position, financial performance and cash flows of the organization in the reporting period

The Sanitation Sector presented a growth of R\$ 300 millions in our credit portfolio, year over year.

## Are you able to quantify the financial effects of the opportunity?

No

## Cost to realize opportunity

164000000

## Explanation of cost calculation

The cost is estimated around R\$ 164 millions. This figure was calculated multiplying the revenue by Itaú cost-to-income ratio. Revenue is estimated in R\$ 409 millions/year (rational: R\$ 6.6 billions Credit Portfolio \* Itaú average margin (6.2% as of Q4 2023, as shown in page 5, <https://www.itau.com.br/download-file/v2/d/42787847-4cf6-4461-94a5-40ed237dca33/78a97fdd-40e8-37dc-cf08-7739a113e80b?origin=2>)), while Itaú cost-to-income ratio is 40.3%, resulting in R\$ 164 millions. The cost-to-income ratio was chosen as the large majority of costs in the banking industry are overhead and indirect costs, and we expect for this product a cost level very similar to the corporate ratio of Banco Itaú Unibanco in 2023 Q4 (40.3%).

## Strategy to realize opportunity

Sanitation is one of the key-sectors of our R\$ 400 billion of capital mobilized for positive impact sectors. Investments in basic sanitation have a positive impact on population health, taking into consideration the many municipalities in Brazil with no basic sanitation service, which are deemed essential for the exercise of citizenship. Actions can focus on preventing or even decontaminating bodies of water, soil and air, as well as on technologies to reduce water losses within the system, thus contributing to the conservation of natural resources. We also have a representative at the Thematic Chamber of the Brazilian Business Council for Sustainable Development (CEBDS), alongside other participating companies, to engage in debate on commitments, advocacy and issues related to sanitation and water use.

## Response 4: Climate change

### Opportunity identifier

Opp4

### Opportunity type and primary environmental opportunity driver

Markets: Increased demand for funds that invest in companies that have positive environmental credentials

### Value chain stage where the opportunity occurs

Investing (Asset manager) portfolio

### Country/area where the opportunity occurs

Brazil

### River basin where the opportunity occurs

Other: Not applicable

### Organization specific description

Within our Positive Impact Commitment, we have the Responsible Investment pillar, which seeks to increase the integration of environmental, social and governance issues in investment decisions and expand our offer of products and services with positive externalities to the environment and society.

In 2023, we maintained this commitment and, to reinforce our engagement, we launched the Itaú Ações Globais ESG fund and our portfolio includes 10 products open for funding, six of which are investment funds and four ETFs.

One of these funds is the Itaú active fix ESG Fund (fixed income) (IS). This fund stood out in 2023 due to its performance above the CDI rate and significant fundraising, totaling R\$435 million in assets at the end of the year. The product invests in companies in economic sectors that generate positive social, environmental and climate externalities in their core business, such as health, education, sanitation, renewable energy, low-income housing, among others, demonstrating that it is possible to reconcile above-market returns with the generation of positive externalities for society and the environment.

### Primary financial effect of the opportunity

Increased diversification of financial assets

### Time horizon over which the opportunity is anticipated to have a substantive effect on the organization

Long-term

### Likelihood of the opportunity having an effect within the anticipated time horizon

Likely (66-100%)

### Magnitude

Medium

### Anticipated effect of the opportunity on the financial position, financial performance and cash flows of the organization in the selected future time horizons

In this scenario, the market demand and conditions are the drivers for this opportunity to materialize.

### Are you able to quantify the financial effects of the opportunity?

No

### Cost to realize opportunity

0

### Explanation of cost calculation

In this scenario, the market demand and conditions are the drivers for this opportunity to materialize.

### Strategy to realize opportunity

In this scenario, the market demand and conditions are the drivers for this opportunity to materialize.

**Q3.6.2 Provide the amount and proportion of your financial metrics in the reporting year that are aligned with the substantive effects of environmental opportunities.**

**Response 1: Climate change**

**Financial metric**

Assets

**Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)**

81

**% of total financial metric aligned with opportunities for this environmental issue**

21-30%

**Explanation of financial figures**

As part of the evolution of Itaú Unibanco's performance in its ESG strategy, we announced the commitment to contribute R\$400 billion to promote a sustainable and more inclusive economy by 2025. This commitment includes granting credit in sectors with a positive impact, structuring operations with ESG seal and ESG retail products. The sectors with a positive impact that are included in the granting of credit are: Renewable energy, energy services, paper and cellulose, agribusiness, health and education and infrastructure that includes sanitation, waste treatment and rail transport. When we talk about opportunities within the topic of climate change, investments in renewable energy such as solar, wind and small hydroelectric plants (< 30MW) are fundamental both to increase the country's energy security and to reduce greenhouse gas emissions in the country's energy matrix. country, in addition to offering less impact to the environment and society. The energy services sector, which includes transmission and distribution lines, is also of great importance in climate contributions, as it allows renewable energy to be brought to different regions of Brazil, thus reducing dependence on non-renewable sources. As part of the evolution of Itaú Unibanco's performance in its ESG strategy, we announced the commitment to contribute R\$ 400 billion to promote a sustainable and more inclusive economy by 2025. This commitment includes lending in sectors with a positive impact, structuring operations with an ESG label and ESG retail products. The positive impact sectors included in the lending are Renewable energy, energy services, paper and pulp, agribusiness, health and education, and infrastructure, which includes sanitation, waste treatment and rail. In terms of climate change opportunities, investments in renewable energy such as solar, wind and small hydro (< 30MW) are fundamental to both increasing the country's energy security and reducing greenhouse gas emissions in the country's energy matrix. The energy services sector, which includes transmission and distribution lines, is also important in terms of climate contribution, as it allows renewable energy to be transported to different regions of Brazil, reducing dependence on non-renewable sources in some regions.

**Response 2: Forests**

**Financial metric**

Assets

**Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)**

18

**% of total financial metric aligned with opportunities for this environmental issue**

1-10%

## Explanation of financial figures

As part of the evolution of Itaú Unibanco's performance in its ESG strategy, we announced the commitment to contribute R\$ 400 billion to promote a sustainable and more inclusive economy by 2025. This commitment includes lending in sectors with a positive impact, structuring operations with an ESG label and ESG retail products. The positive impact sectors included in the lending are Renewable energy, energy services, paper and pulp, agribusiness, health and education, and infrastructure, which includes sanitation, waste treatment and rail. In terms of climate change opportunities, investments in renewable energy such as solar, wind and small hydro (< 30MW) are fundamental to both increasing the country's energy security and reducing greenhouse gas emissions in the country's energy matrix. The energy services sector, which includes transmission and distribution lines, is also important in terms of climate contribution, as it allows renewable energy to be transported to different regions of Brazil, reducing dependence on non-renewable sources in some regions.

## Response 3: Water

### Financial metric

Assets

### Amount of financial metric aligned with opportunities for this environmental issue (unit currency as selected in 1.2)

22

### % of total financial metric aligned with opportunities for this environmental issue

1-10%

## Explanation of financial figures

As part of the evolution of Itaú Unibanco's performance in its ESG strategy, we announced the commitment to contribute R\$ 400 billion to promote a sustainable and more inclusive economy by 2025. This commitment includes lending in sectors with a positive impact, structuring operations with an ESG label and ESG retail products. The positive impact sectors included in the lending are Renewable energy, energy services, paper and pulp, agribusiness, health and education, and infrastructure, which includes sanitation, waste treatment and rail. In terms of climate change opportunities, investments in renewable energy such as solar, wind and small hydro (< 30MW) are fundamental to both increasing the country's energy security and reducing greenhouse gas emissions in the country's energy matrix. The energy services sector, which includes transmission and distribution lines, is also important in terms of climate contribution, as it allows renewable energy to be transported to different regions of Brazil, reducing dependence on non-renewable sources in some regions.

## Q4.1 Does your organization have a board of directors or an equivalent governing body?

### Response 1:

### Board of directors or equivalent governing body

Yes

### Frequency with which the board or equivalent meets

Quarterly

### Types of directors your board or equivalent is comprised of

- Non-executive directors or equivalent
- Independent non-executive directors or equivalent

### Board diversity and inclusion policy

Yes, and it is publicly available

### Briefly describe what the policy covers

Itaú Unibanco's Board Diversity Policy emphasises the importance of a diverse composition in terms of characteristics and profiles, seeking complementary skills and diversity in terms of gender, race and age. The aim is to ensure that the Board is made up of members who bring different perspectives and experiences, reflecting the diversity of society and contributing to a richer and more inclusive decision-making process.

### Attach the policy (optional)

Policy on the Appointment and Succession of Executives.pdf

### Q4.1.1 Is there board-level oversight of environmental issues within your organization?

	Board-level oversight of this environmental issue
Climate change	Yes
Forests	Yes
Water	Yes
Biodiversity	Yes

### Q4.1.2 Identify the positions (do not include any names) of the individuals or committees on the board with accountability for environmental issues and provide details of the board's oversight of environmental issues.

#### Response 1: Climate change

#### Positions of individuals or committees with accountability for this environmental issue

- Chief Risk Officer (CRO)
- Board-level committee
- Chief Financial Officer (CFO)
- Chief Executive Officer (CEO)
- Chief Sustainability Officer (CSO)

#### Positions' accountability for this environmental issue is outlined in policies applicable to the board

Yes

#### Policies which outline the positions' accountability for this environmental issue

- Other policy applicable to the board: Governance Policy
- Board mandate

#### Frequency with which this environmental issue is a scheduled agenda item

Scheduled agenda item in every board meeting (standing agenda item)

## Governance mechanisms into which this environmental issue is integrated

- Monitoring progress towards corporate targets
- Overseeing and guiding scenario analysis
- Overseeing and guiding the development of a climate transition plan
- Monitoring the implementation of the business strategy
- Overseeing and guiding the development of a business strategy
- Approving and/or overseeing employee incentives
- Overseeing and guiding major capital expenditures
- Overseeing and guiding public policy engagement
- Approving corporate policies and/or commitments
- Monitoring the implementation of a climate transition plan
- Overseeing and guiding public policy engagement
- Overseeing reporting, audit, and verification processes
- Reviewing and guiding innovation/R&D priorities
- Reviewing and guiding annual budgets
- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- Overseeing the setting of corporate targets
- Monitoring supplier compliance with organizational requirements
- Monitoring compliance with corporate policies and/or commitments

## Scope of board-level oversight

- The impact of our own operations on the environment
- Risks and opportunities to our own operations
- Risks and opportunities to our investment activities
- The impact of our investing activities on the environment
- Risks and opportunities to our banking activities
- The impact of our banking activities on the environment

## Please explain

Itaú assesses climate-related risks and opportunities in its banking activities, including the socio-environmental categorization of its loan portfolio and the implementation of ESG criteria for clients and sensitive sectors. In the investment process, it integrates climate issues into the evaluation of investee companies, promoting decisions that consider climate risks and opportunities. In its own operations, Itaú adopts measures to reduce its climate impact, such as energy and water management, and conducts resilience and adaptation studies to address the physical risks of climate change. To further highlight the relevance and importance of this issue for Itaú, we highlight our Governance Policy, which outlines the responsibilities of the Board of Directors in relation to sustainability and climate issues in general.

## Response 2: Forests

### Positions of individuals or committees with accountability for this environmental issue

- Chief Risk Officer (CRO)
- Chief Sustainability Officer (CSO)
- Board-level committee

### Positions' accountability for this environmental issue is outlined in policies applicable to the board

Yes

### Policies which outline the positions' accountability for this environmental issue

Other policy applicable to the board: Governance Policy

### **Frequency with which this environmental issue is a scheduled agenda item**

Scheduled agenda item in every board meeting (standing agenda item)

### **Governance mechanisms into which this environmental issue is integrated**

- Overseeing and guiding the development of a climate transition plan
- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- Overseeing and guiding public policy engagement
- Monitoring compliance with corporate policies and/or commitments
- Approving corporate policies and/or commitments

### **Scope of board-level oversight**

- The impact of our own operations on the environment
- The impact of our investing activities on the environment
- Risks and opportunities to our own operations
- Risks and opportunities to our investment activities
- Risks and opportunities to our banking activities
- The impact of our banking activities on the environment

### **Please explain**

Itaú assesses risks and opportunities related to forests and biodiversity in its banking activities and incorporates these issues into its methodology for assessing socio-environmental risks of clients and operations. In the investment process, it integrates biodiversity and land use issues into the assessment of investee companies, promoting more informed decisions and engagement on relevant ESG issues. It also takes action to conserve forests and rehabilitate deforested areas, and is a founding member of the Biomes Project, which aims to restore, conserve and maintain forests in different Brazilian biomes.

### **Response 3: Water**

#### **Positions of individuals or committees with accountability for this environmental issue**

- Board-level committee
- Chief Sustainability Officer (CSO)

#### **Positions' accountability for this environmental issue is outlined in policies applicable to the board**

Yes

#### **Policies which outline the positions' accountability for this environmental issue**

Other policy applicable to the board: Governance Policy

### **Frequency with which this environmental issue is a scheduled agenda item**

Scheduled agenda item in every board meeting (standing agenda item)

### **Governance mechanisms into which this environmental issue is integrated**

- Monitoring progress towards corporate targets
- Overseeing and guiding scenario analysis
- Reviewing and guiding the assessment process for dependencies, impacts, risks, and opportunities
- Overseeing reporting, audit, and verification processes
- Reviewing and guiding innovation/R&D priorities
- Approving and/or overseeing employee incentives

- Monitoring compliance with corporate policies and/or commitments
- Approving corporate policies and/or commitments
- Overseeing the setting of corporate targets

### Scope of board-level oversight

- Risks and opportunities to our investment activities
- Risks and opportunities to our own operations
- The impact of our own operations on the environment
- Risks and opportunities to our banking activities

### Please explain

Itaú assesses water-related risks and opportunities in its banking activities and incorporates them into its socio-environmental risk management methodologies for lending. It integrates water-related aspects into the investment process, promoting eco-efficiency and the sustainable use of water resources. As part of its environmental management, Itaú adopts measures to reduce water consumption and implement reuse processes in its own operations.

### Response 4: Biodiversity

#### Positions of individuals or committees with accountability for this environmental issue

- Board-level committee
- Chief Sustainability Officer (CSO)

#### Positions' accountability for this environmental issue is outlined in policies applicable to the board

Yes

#### Policies which outline the positions' accountability for this environmental issue

Other policy applicable to the board: Governance Policy

#### Frequency with which this environmental issue is a scheduled agenda item

Scheduled agenda item in every board meeting (standing agenda item)

#### Governance mechanisms into which this environmental issue is integrated

- Overseeing and guiding scenario analysis
- Overseeing and guiding the development of a climate transition plan
- Overseeing and guiding public policy engagement
- Monitoring compliance with corporate policies and/or commitments
- Approving corporate policies and/or commitments

### Scope of board-level oversight

- The impact of our investing activities on the environment
- Risks and opportunities to our investment activities
- Risks and opportunities to our own operations
- The impact of our own operations on the environment
- Risks and opportunities to our banking activities
- The impact of our banking activities on the environment

### Please explain

Itaú assesses risks and opportunities related to forests and biodiversity in its banking activities and incorporates these issues into its methodology for assessing socio-environmental risks of clients and operations. In the investment process, it integrates biodiversity and land use issues into the evaluation of investee companies, promoting more informed decisions and engagement on relevant ESG issues. It also takes action to conserve forests and rehabilitate deforested areas, and is a founding member of the Biomes Project, which aims to restore, conserve and maintain forests in different Brazilian biomes.

#### **Q4.2 Does your organization's board have competency on environmental issues?**

##### **Response 1: Climate change**

###### **Board-level competency on this environmental issue**

Yes

###### **Mechanisms to maintain an environmentally competent board**

- Consulting regularly with an internal, permanent, subject-expert working group
- Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
- Having at least one board member with expertise on this environmental issue
- Integrating knowledge of environmental issues into board nominating process
- Engaging regularly with external stakeholders and experts on environmental issues

###### **Environmental expertise of the board member**

- Experience: Management-level experience in a role focused on environmental issues
- Experience: Executive-level experience in a role focused on environmental issues
- Experience: Experience in an academic role focused on environmental issues
- Experience: Active member of an environmental committee or organization

##### **Response 2: Forests**

###### **Board-level competency on this environmental issue**

Yes

###### **Mechanisms to maintain an environmentally competent board**

- Having at least one board member with expertise on this environmental issue
- Regular training for directors on environmental issues, industry best practice, and standards (e.g., TCFD, SBTi)
- Consulting regularly with an internal, permanent, subject-expert working group
- Engaging regularly with external stakeholders and experts on environmental issues

###### **Environmental expertise of the board member**

- Experience: Management-level experience in a role focused on environmental issues
- Experience: Experience in an academic role focused on environmental issues
- Experience: Executive-level experience in a role focused on environmental issues
- Experience: Active member of an environmental committee or organization

##### **Response 3: Water**

###### **Board-level competency on this environmental issue**

Not assessed

### Q4.3 Is there management-level responsibility for environmental issues within your organization?

#### Response 1: Climate change

##### Management-level responsibility for this environmental issue

Yes

#### Response 2: Forests

##### Management-level responsibility for this environmental issue

Yes

#### Response 3: Water

##### Management-level responsibility for this environmental issue

Yes

#### Response 4: Biodiversity

##### Management-level responsibility for this environmental issue

Yes

### Q4.3.1 Provide the highest senior management-level positions or committees with responsibility for environmental issues (do not include the names of individuals).

#### Response 1: Climate change

##### Position of individual or committee with responsibility

Executive level: Chief Executive Officer (CEO)

##### Environmental responsibilities of this position

- Dependencies, impacts, risks and opportunities: Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Developing a climate transition plan
- Strategy and financial planning: Managing major capital and/or operational expenditures relating to environmental issues
- Policies, commitments, and targets: Monitoring compliance with corporate environmental policies and/or commitments
- Policies, commitments, and targets: Setting corporate environmental policies and/or commitments
- Other: Providing employee incentives related to environmental performance
- Engagement: Managing engagement in landscapes and/or jurisdictions
- Policies, commitments, and targets: Measuring progress towards environmental corporate targets
- Strategy and financial planning: Implementing a climate transition plan
- Strategy and financial planning: Managing priorities related to innovation/low-environmental impact products or services (including R&D)

##### Coverage of responsibilities

- Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain
- Dependencies, impacts, risks, and opportunities related to our investing activities
- Dependencies, impacts, risks, and opportunities related to our banking activities

## Reporting line

Reports to the board directly

## Frequency of reporting to the board on environmental issues

Quarterly

## Please explain

The CEO of Itaú Unibanco has a major responsibility regarding climate change, which is reflected in several areas of action and control. His main responsibility is to define the organization's climate strategy and to supervise and approve the work related to it. In addition, the CEO is responsible for integrating the climate agenda into strategic decisions and ensuring the development and implementation of the climate risk and opportunity management strategy, with oversight from specific committees such as the Social, Environmental and Climate Responsibility Committee, the Superior ESG Committee and the Itaú BBA ESG Committee. The CEO's performance evaluation also includes climate targets, the achievement of which has a direct impact on his variable compensation. For example, one of the targets for 2023 is to finance BRL 400 billion for sustainable development, including sectors with a positive impact on the climate. In addition, Itaú Unibanco's climate strategy, overseen by the CEO, aims to align the institution with the Paris Agreement to limit global warming to 1.5°C and become a net-zero bank by 2050. This includes setting sector-specific decarbonization targets.

## Response 2: Forests

### Position of individual or committee with responsibility

Executive level: Chief Sustainability Officer (CSO)

### Environmental responsibilities of this position

- Dependencies, impacts, risks and opportunities: Assessing environmental dependencies, impacts, risks, and opportunities
- Dependencies, impacts, risks and opportunities: Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Developing a climate transition plan
- Strategy and financial planning: Implementing a climate transition plan
- Dependencies, impacts, risks and opportunities: Managing environmental dependencies, impacts, risks, and opportunities

### Coverage of responsibilities

- Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain
- Dependencies, impacts, risks, and opportunities related to our investing activities
- Dependencies, impacts, risks, and opportunities related to our banking activities

## Reporting line

Reports to the Chief Executive Officer (CEO)

## Frequency of reporting to the board on environmental issues

As important matters arise

## Please explain

Itaú Unibanco's Chief Sustainability Officer (CSO) oversees strategy, governance, advocacy and regulatory activities, working to regulate the carbon market and forest concessions to create transparent markets. It leads restoration and conservation initiatives such as the Biomes Project, which aims to restore 4 million hectares of native forest in different Brazilian biomes over 20 years. The CSO also promotes reforestation projects and supports programs for the restoration of deforested areas and conservation in the Amazon, which are essential for the biodiversity and ecological functions of the forest. It is responsible for implementing sustainable funding programs such as the Reverte Program, which converts degraded pastureland into farmland in the Cerrado, preventing further deforestation.

## Response 3: Water

### Position of individual or committee with responsibility

Other: Other: Superior Committee ESG

### Environmental responsibilities of this position

- Dependencies, impacts, risks and opportunities: Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Dependencies, impacts, risks and opportunities: Assessing environmental dependencies, impacts, risks, and opportunities
- Other: Providing employee incentives related to environmental performance
- Policies, commitments, and targets: Measuring progress towards environmental corporate targets
- Dependencies, impacts, risks and opportunities: Managing environmental dependencies, impacts, risks, and opportunities

### Coverage of responsibilities

Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain

### Reporting line

Reports to the Chief Executive Officer (CEO)

### Frequency of reporting to the board on environmental issues

As important matters arise

## Please explain

Itaú Unibanco's Social, Environmental and Climate Responsibility Committee has several responsibilities related to environmental issues, including water management. This committee is responsible for defining strategies to strengthen the organization's social, environmental and climate responsibility, monitoring the effectiveness of environmental strategies and policies, and ensuring the achievement of the objectives set. Specifically on water management, the Committee oversees the implementation of measures to reduce water consumption and promote eco-efficiency in the Bank's operations.

## Response 4: Biodiversity

### Position of individual or committee with responsibility

Executive level: Chief Sustainability Officer (CSO)

### Environmental responsibilities of this position

- Dependencies, impacts, risks and opportunities: Assessing environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Developing a climate transition plan
- Dependencies, impacts, risks and opportunities: Assessing future trends in environmental dependencies, impacts, risks, and opportunities
- Strategy and financial planning: Implementing a climate transition plan
- Dependencies, impacts, risks and opportunities: Managing environmental dependencies, impacts, risks, and opportunities

### Coverage of responsibilities

- Dependencies, impacts, risks and opportunities related to our own operations and/or upstream value chain
- Dependencies, impacts, risks, and opportunities related to our investing activities
- Dependencies, impacts, risks, and opportunities related to our banking activities

### Reporting line

Reports to the Chief Executive Officer (CEO)

### Frequency of reporting to the board on environmental issues

As important matters arise

### Please explain

Itaú Unibanco's Chief Sustainability Officer (CSO) leads the implementation of forest conservation and restoration programs, such as the Biomes Project, which aims to restore and conserve 4 million hectares of native forest in Brazilian biomes over 20 years. The CSO also supports reforestation and Amazon conservation initiatives that promote sustainability and the protection of critical ecosystems. This includes implementing methodologies to assess and mitigate negative impacts on biodiversity, ensuring that the Bank's investments are consistent with responsible and sustainable practices.

### Q4.5 Do you provide monetary incentives for the management of environmental issues, including the attainment of targets?

#### Response 1: Climate change

##### Provision of monetary incentives related to this environmental issue

Yes

##### % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

5

### Please explain

In 2023, the CEO was evaluated with a 5% weighting target for ESG and climate issues, the outcome of which impacted his variable compensation. This target was linked to the metric of financing R\$ 400 billion for sustainable development, including sectors with a positive impact on the climate. The CEO of Itaú BBA also has his targets linked to the metric of financing R\$ 400 billion for sustainable development and the challenge of setting sectoral decarbonization targets.

#### Response 2: Forests

## Provision of monetary incentives related to this environmental issue

Yes

## % of total C-suite and board-level monetary incentives linked to the management of this environmental issue

5

### Please explain

In 2023, the CEO was assessed with a target weight of 5% for ESG and climate issues, which affected his variable compensation. This target was linked to the financing of BRL 400 billion for sustainable development, including sectors with a positive impact on climate and forest conservation. Part of this funding is directed to the agribusiness sector, promoting sustainable agricultural practices that preserve forests and reduce carbon emissions. The institution aims to set a decarbonization target for the agricultural sector by October 2024, creating a scenario adapted to the Brazilian tropical reality in collaboration with other financial institutions and research centers. The bank supports programs to promote sustainable agriculture (Reverte and Pro Carbono programs) which aim to promote low-carbon practices in agribusiness. The CEO of Itaú BBA also has goals related to the financing of BRL 400 billion for sustainable development and the challenge of setting decarbonization targets.

## Response 3: Water

### Provision of monetary incentives related to this environmental issue

No, and we do not plan to introduce them in the next two years

### Please explain

Itaú offers financial incentives for the management of environmental issues, including the achievement of targets. The variable compensation of executives and employees involved in activities related to the ESG (environmental, social and governance) agenda is influenced by performance indicators, projects and initiatives defined in individual target agreements. ESG issues impact the remuneration of the CEO and other executives responsible for implementing the sustainability strategy, whose objectives are linked to environmental and climate issues. In addition, some business unit directors responsible for infrastructure have their remuneration linked to the achievement of environmental management targets, including the reduction of energy, emissions, water consumption and waste in our operations and those of our suppliers.

## Q4.5.1 Provide further details on the monetary incentives provided for the management of environmental issues (do not include the names of individuals).

### Response 1: Climate change

#### Position entitled to monetary incentive

Board or executive level: Chief Executive Officer (CEO)

#### Incentives

Bonus - % of salary

#### Performance metrics

- Emission reduction: Emissions reductions across portfolio companies
- Engagement: Increased engagement with clients on environmental issues

- Strategy and financial planning: Increased green asset ratio of portfolio/fund
- Strategy and financial planning: Achievement of climate transition plan

### **Incentive plan the incentives are linked to**

Both Short-Term and Long-Term Incentive Plan, or equivalent

### **Further details of incentives**

In 2023, our CEO was evaluated with a 5% weighting target for ESG and climate issues, the outcome of which impacted his variable compensation. This target was linked to the metric of financing BRL 400 billion for sustainable development, including sectors with a positive climate impact. The CEO of Itaú BBA also has his targets linked to the metric of financing BRL 400 billion for sustainable development and the challenge of setting sectoral decarbonization targets. The challenge of engaging and educating teams on the climate strategy is also reflected in the target contracts of the Wholesale Commercial Directors and our CSO, who also faces the challenge of advocating, positively influencing climate policies and driving the net zero agenda by setting sectoral decarbonization targets. These challenges are reflected in the target agreements of employees in different teams and are monitored through performance indicators, project implementation and initiatives defined in individual target agreements at different levels of the hierarchy. In addition, there are short and long-term incentives for the CEO and CSO linked to climate issues. Itaú's climate objectives and targets include both short and long-term goals, ensuring that immediate actions are aligned with future strategic plans. The strategic role of these leaders includes a comprehensive assessment that considers both immediate impact and their history and legacy within the organization, ensuring that current and future efforts contribute to the bank's long-term climate transition and sustainability.

### **How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan**

Linking the compensation of Itaú's CEO to climate targets is an effective strategy that contributes significantly to the success of the bank's climate transition plan. By linking the CEO's compensation to sustainability and decarbonization targets, Itaú ensures that these issues are strategic priorities. This incentivizes the CEO to allocate resources to sustainable development projects, engage in climate change policies and promote business practices that reduce carbon emissions. In addition, this approach reinforces the importance of ESG and climate goals throughout the organization, fostering a culture of responsibility and commitment at all levels. Linking the CEO's compensation to these targets demonstrates Itaú's serious commitment to the transition to a low-carbon economy, encouraging innovation and investment in sustainable technologies. This strategy positions Itaú as a leader in sustainability in the financial sector, accelerating its progress towards climate goals and ensuring greater resilience to future environmental risks.

### **Response 2: Forests**

#### **Position entitled to monetary incentive**

Board or executive level: Chief Sustainability Officer (CSO)

#### **Incentives**

Bonus - % of salary

#### **Performance metrics**

- Engagement: Increased value chain visibility (traceability, mapping)
- Engagement: Increased engagement with customers on environmental issues
- Targets: Organization performance against an environmental sustainability index
- Strategy and financial planning: Achievement of climate transition plan

## Incentive plan the incentives are linked to

Short-Term Incentive Plan, or equivalent, only (e.g. contractual annual bonus)

## Further details of incentives

In 2023, our CEO was assessed with a target weight of 5% for ESG and climate issues, which impacted his variable compensation. This target was linked to the financing of BRL 400 billion for sustainable development, including sectors with a positive impact on climate and forest conservation. The CEO of Itaú BBA also has targets linked to the financing of BRL 400 billion for sustainable development and the challenge of setting sectoral decarbonization targets, especially in agribusiness, promoting sustainable agricultural practices that preserve forests. The challenge of engaging and educating teams on the climate strategy is also reflected in the target contracts of the Wholesale Commercial Directors and our CSO, who also has the challenge of working on the advocacy agenda, positively influencing climate policy and driving the net zero agenda by setting sectoral decarbonization targets. These challenges are reflected in the Goal Contracts of employees in different teams and are monitored through performance indicators, project delivery and initiatives defined in individual Goal Contracts at different levels of the hierarchy.

## How the position's incentives contribute to the achievement of your environmental commitments and/or climate transition plan

The fact that Itaú's CSO has her compensation linked to climate targets, with a focus on forest conservation, is an effective strategy that significantly contributes to the success of the bank's climate transition plan. By aligning the CSO's compensation with sustainability and decarbonization objectives, especially in agribusiness, Itaú ensures that these issues are strategic priorities. This incentivizes the CSO to allocate resources to sustainable development projects that preserve forests and promote low-carbon agricultural practices, reducing carbon emissions and protecting critical ecosystems. Additionally, this approach reinforces the importance of ESG and climate targets throughout the organization, promoting a culture of responsibility and commitment at all hierarchical levels. Linking the CSO's compensation to these targets demonstrates Itaú's serious commitment to transitioning to a low-carbon economy, encouraging innovation and investments in sustainable technologies. This strategy positions Itaú as a leader in sustainability in the financial sector, accelerating its progress toward climate goals and ensuring greater resilience to future environmental risks.

## Response 3: Water

### Q4.6 Does your organization have an environmental policy that addresses environmental issues?

Yes

#### Q4.6.1 Provide details of your environmental policies.

### Response 1: Row 1

#### Environmental issues covered

- Climate change
- Forests
- Water
- Biodiversity

#### Level of coverage

Organization-wide

## Value chain stages covered

- Downstream value chain
- Upstream value chain
- Portfolio
- Direct operations

## Explain the coverage

The Social, Environmental, and Climate Responsibility Policy (PRSAC) of Itaú Unibanco covers all activities of the bank and its subsidiaries. It presents social, environmental, and climate principles, strategies, and guidelines that must be observed in conducting the bank's business, activities, and processes, as well as in its relationship with stakeholders. The PRSAC is mandatory for the entire organization, ensuring that all efforts are aligned with the bank's sustainability principles.

## Environmental policy content

- Environmental commitments: Commitment to stakeholder engagement and capacity building on environmental issues
- Climate-specific commitments: Commitment to net-zero emissions
- Additional references/Descriptions: Reference to timebound environmental milestones and targets
- Social commitments: Commitment to respect internationally recognized human rights
- Environmental commitments: Commitment to respect legally designated protected areas
- Climate-specific commitments: Commitment to 100% renewable energy
- Additional references/Descriptions: Description of grievance/whistleblower mechanism to monitor non-compliance with the environmental policy and raise/address/escalate any other greenwashing concerns
- Social commitments: Commitment to promote gender equality and women's empowerment
- Water-specific commitments: Commitment to reduce water consumption volumes
- Environmental commitments: Commitment to comply with regulations and mandatory standards
- Environmental commitments: Commitment to take environmental action beyond regulatory compliance

## Indicate whether your environmental policy is in line with global environmental treaties or policy goals

- Yes, in line with another global environmental treaty or policy goal: SDG 13 - Climate Action
- Yes, in line with Sustainable Development Goal 6 on Clean Water and Sanitation
- Yes, in line with the Paris Agreement

## Public availability

Publicly available

## Attach the policy

- Environmental
- Social and Climate Responsibility Policy.pdf

## Response 2: Row 2

### Environmental issues covered

- Forests
- Biodiversity
- Water
- Climate change

### Level of coverage

Organization-wide

### Value chain stages covered

- Upstream value chain
- Downstream value chain
- Portfolio
- Direct operations

### Explain the coverage

Itaú Unibanco's Social, Environmental and Climate Risk Policy (SAC) establishes the rules and responsibilities for managing these risks, applicable to all activities of the bank and its subsidiaries. The policy aims to identify, measure, assess, monitor, report, control and mitigate social, environmental and climate impacts, taking into account financial, reputational and legal aspects. Risk management follows the principles of relevance and proportionality and is integrated into the institution's policies and procedures. The governance structure includes various areas and committees responsible for providing advice and recommendations to ensure that SAC's exposure to risk is maintained at an acceptable level in accordance with the risk appetite defined by the Board of Directors.

### Environmental policy content

- Environmental commitments: Commitment to respect legally designated protected areas
- Social commitments: Commitment to respect internationally recognized human rights
- Social commitments: Adoption of the UN International Labour Organization principles
- Climate-specific commitments: Other climate-related commitment: Equator Principles
- Environmental commitments: Commitment to stakeholder engagement and capacity building on environmental issues
- Environmental commitments: Commitment to take environmental action beyond regulatory compliance
- Environmental commitments: Commitment to comply with regulations and mandatory standards

### Indicate whether your environmental policy is in line with global environmental treaties or policy goals

- Yes, in line with another global environmental treaty or policy goal: SDG 13 - Climate Action
- Yes, in line with the Paris Agreement

### Public availability

Publicly available

### Attach the policy

- Public Access Report - Policy on Social and Environmental and Climate Risks.pdf

### Response 3: Row 3

### Environmental issues covered

- Climate change
- Forests
- Biodiversity
- Water

### Level of coverage

Organization-wide

### Value chain stages covered

- Downstream value chain
- Upstream value chain
- Portfolio
- Direct operations

### Explain the coverage

Itaú Unibanco's Government and Institutional Relations Policy establishes guidelines for the conglomerate's interactions with public entities and bodies, as well as private institutions, both in Brazil and abroad. Its objective is to ensure that these interactions are conducted in an ethical and transparent manner, and to prevent and combat fraud and illegal acts in tendering processes, the execution of management contracts, donations and associative contributions. The policy applies to all administrators and employees and promotes impartial, democratic and independent action, focused solely on the legitimate interests of Itaú Unibanco, the financial sector and society. In addition, the policy covers issues related to the ESG agenda, including climate action, with the participation of the Social, Environmental and Climate Responsibility Committee in relevant discussions and strategies.

### Environmental policy content

- Additional references/Descriptions: Description of membership and financial support provided to organizations that seek to influence public policy
- Climate-specific commitments: Commitment to not funding climate-denial or lobbying against climate regulations
- Environmental commitments: Commitment to comply with regulations and mandatory standards
- Environmental commitments: Commitment to take environmental action beyond regulatory compliance

### Indicate whether your environmental policy is in line with global environmental treaties or policy goals

- Yes, in line with another global environmental treaty or policy goal: SDG 13 - Climate Action
- Yes, in line with the Paris Agreement

### Public availability

Publicly available

### Attach the policy

Government and Institutional Relations Policy.pdf

### Response 4: Row 4

### Environmental issues covered

- Climate change
- Forests
- Water
- Biodiversity

### Level of coverage

Organization-wide

## Value chain stages covered

Portfolio

## Explain the coverage

Itaú Asset Management's (IAM) Responsible Investment policy focuses on mainstream investment and ownership activities. Our belief is that ESG criteria can impact financial performance by presenting new risks and opportunities, which must be considered for an informed investment decision. IAM has in place a proprietary methodology to integrate Environmental, Social and Governance issues into its investment processes. Our approach to Responsible Investment helps us achieve our fiduciary duties, creating value for our customers by providing better risk adjusted returns. The ESG Integration Method of Itaú Asset Management incorporates these variables into our fundamental valuation models, by analyzing ESG impacts on cash flow. The objective is to adjust individual target stock prices and to anticipate events that result in value creation or destruction. This approach provides flexibility to our portfolio managers, who use the ESG valuation inputs to varying degrees, according to their specific strategies and mandates. The method does not use negative screening to exclude sectors or companies and so reduce the investment universe. Nevertheless, such exclusions may be added as an additional filter for clients with exclusive funds or managed portfolios.

## Environmental policy content

Environmental commitments: Commitment to stakeholder engagement and capacity building on environmental issues

## Indicate whether your environmental policy is in line with global environmental treaties or policy goals

No, and we do not plan to align in the next two years

## Public availability

Publicly available

## Attach the policy

Policy of responsible investment.pdf

## Q4.7 Does the policy framework for the portfolio activities of your organization include environmental requirements that clients/investees need to meet, and/or exclusion policies?

### Response 1: Banking (Bank)

#### Policy framework for portfolio activities include environmental requirements for clients/investees, and/or exclusion policies

Yes, our framework includes both policies with environmental client/investee requirements and environmental exclusion policies

### Response 2: Investing (Asset manager)

#### Policy framework for portfolio activities include environmental requirements for clients/investees, and/or exclusion policies

Yes, our policies include environmental requirements that clients/investees need to meet

#### Primary reason for not including both policies with environmental client/investee requirements and environmental exclusion policies in your policy framework for portfolio activities

Other: itaú Asset does not use negative screening to exclude sectors or companies, and so reduce the investment universe. Nevertheless, such exclusions may be added as an additional filter for clients with exclusive funds or managed portfolios.

### **Explain why the policy framework for your portfolio activities does not include both policies with environmental client/investee requirements and environmental exclusion policies**

Itaú Asset's Sustainability Policy focuses on mainstream investment and ownership activities. Our belief is that ESG criteria can impact financial performance by presenting new risks and opportunities, which must be considered for an informed investment decision. Itaú Asset Management (IAM) has in place a proprietary methodology to integrate Environmental, Social and Governance issues into its investment processes. Our approach to Responsible Investment helps us achieve our fiduciary duties, creating value for our customers by providing better risk adjusted returns. The ESG Integration Method of Itaú Asset Management incorporates these variables into our fundamental valuation models, by analyzing ESG impacts on cash flow. The objective is to adjust individual target stock prices and to anticipate events that result in value creation or destruction. This approach provides flexibility to our portfolio managers, who use the ESG valuation inputs to varying degrees, according to their specific strategies and mandates. The method does not use negative screening to exclude sectors or companies and so reduce the investment universe. Nevertheless, such exclusions may be added as an additional filter for clients with exclusive funds or managed portfolios.

### **Response 3: Investing (Asset owner)**

### **Response 4: Insurance (Insurance company)**

#### **Q4.7.1 Provide details of the policies which include environmental requirements that clients/investees need to meet.**

### **Response 1: Banking (Bank)**

#### **Environmental issues covered**

Climate change

#### **Type of policy**

- Underwriting policy
- Credit/lending policy

#### **Public availability**

Publicly available

#### **Attach the policy**

Relatório Climático 2023.pdf

#### **Value chain stages of client/investee covered by policy**

Direct operations and upstream/downstream value chain

#### **Industry sectors covered by the policy**

Fossil Fuels

#### **% of portfolio covered by the policy in relation to total portfolio value**

100

## Explain how criteria coverage and/or exceptions have been determined

100% of Thermal Coal exposure, for both Banking and Investment Banking, were addressed by the Coal Policy, available in Itaú Climate Report, at page 72. The restrictions apply to: 1. Direct financing and refinancing operations, for example through operations such as Infrastructure Finance or Project Finance 2. Lines of credit and financing 3. Investment banking services 4. Investments via proprietary treasury or quasi-equity. We do not carry out any investment banking services or financial operations aimed directly at coal-fired power generation assets and economic groups or companies that had, in July 2023: • More than 15% of their revenues derived from coal-fired thermoelectric power generation; or • Installed coal-fired power generation capacity exceeding 1,000 MW. • Expanding its coal-fired power generation activity. The restrictions apply directly to mineral coal extraction assets (coal mining) and dedicated infrastructure and to economic groups and companies that had, in July 2023: • More than 15% of their revenues derived from coal mining or dedicated infrastructure; or Whose annual coal extraction exceeds 10 million tons. • Expanding their coal mining activities or dedicated infrastructure, regardless of the representativeness of their revenues. In the case of potential clients, the start of a relationship will not be allowed when there is a dependence on: • Revenues of more than 10% from coal-fired thermoelectric generation or installed capacity of more than 1,000 MW. • Revenues of more than 10% from coal mining or dedicated infrastructure, or annual coal extraction of more than 10 million tons. In 2030, the restrictions will extend to economic groups and companies that have any percentage of their revenues coming from coal-fired power generation and coal mining and dedicated infrastructure, i.e., the limit on annual coal extraction will be zero.

## Requirements for clients/investees

- Environmental commitments: Commitment to stakeholder engagement and capacity building on environmental issues
- Climate-specific commitments: Commitment to net-zero emissions
- Climate-specific commitments: Commitment to develop a climate transition plan
- Climate-specific commitments: Commitment to disclose Scope 1 emissions
- Climate-specific commitments: Commitment to 100% renewable energy
- Climate-specific commitments: Commitment to disclose Scope 2 emissions
- Environmental commitments: Commitment to comply with regulations and mandatory standards

## Measurement of proportion of clients/investees compliant with the policy

Yes

### % of clients/investees compliant with the policy

100

### % of portfolio value that is compliant with the policy

100

## Target year for 100% compliance

Already met

## Response 2: Investing (Asset manager)

### Environmental issues covered

- Biodiversity
- Climate change

### Type of policy

Credit policy

### **Public availability**

Publicly available

### **Attach the policy**

Principios-Investimento-Responsavel.pdf

### **Value chain stages of client/investee covered by policy**

Direct operations and upstream/downstream value chain

### **Industry sectors covered by the policy**

- Fossil Fuels
- Materials
- Apparel
- Transportation services
- Biotech, health care & pharma
- Manufacturing
- Power generation
- Retail
- Services
- International bodies
- Food, beverage & agriculture

### **% of portfolio covered by the policy in relation to total portfolio value**

100

### **Explain how criteria coverage and/or exceptions have been determined**

Itaú Asset Management has a Responsible Investment Policy and an ESG integration methodology. Itaú Asset Management ESG integration methodology (public white paper available) has a specific climate change dimension. In this dimension, the impacts related to carbon pricing, physical impacts, adaptation and resilience in investments, extreme weather events and new products and services related to low carbon economy are financially estimated. Also, in 2021, we launched a new white paper addressing the development of the Itaú AM climate Value at Risk tool. Itaú AM Climate V@R tool provides our investment professionals with the estimated financial impacts of climate change and its expected regulations. The tool promotes a better understanding on how climate change can impact portfolios in different climate scenarios and carbon price premises. In 2022, we published the white paper “Biodiversity, land use and investment” aimed at underlining the importance of how biodiversity and investments interconnect, and how we integrate this topic into our investment process.

### **Requirements for clients/investees**

Additional references/Descriptions: Other additional reference/description: The ESG Integration Method of Itaú Asset Management incorporates these variables into our fundamental valuation models, by analyzing ESG impacts on cash flow

### **Measurement of proportion of clients/investees compliant with the policy**

No, but we plan to measure this within the next two years

## Explain why your organization does not measure the % of clients/investees compliant with the policy

Itaú Asset Responsible Investment Policy focuses on mainstream investment and ownership activities. Our belief is that ESG criteria can impact financial performance by presenting new risks and opportunities, which must be considered for an informed investment decision. IAM has in place a proprietary methodology to integrate Environmental, Social and Governance issues into its investment processes. Our approach to Responsible Investment helps us achieve our fiduciary duties, creating value for our customers by providing better risk adjusted returns. The ESG Integration Method of Itaú Asset Management incorporates these variables into our fundamental valuation models, by analyzing ESG impacts on cash flow.

## Q4.7.2 Provide details of your exclusion policies related to industries, activities and/or locations exposed or contributing to environmental risks.

### Response 1: Banking (Bank)

#### Type of exclusion policy

Thermal coal

#### Fossil fuel value chain

Downstream

#### Year of exclusion implementation

2023

#### Phaseout pathway

- Existing business/investment for existing projects
- New business/investment for new projects
- New business/investment for existing projects

#### Year of complete phaseout

2030

#### Country/area the exclusion policy applies to

Worldwide

#### Description

The restrictions apply directly to mineral coal extraction assets (coal mining) and dedicated infrastructure and to economic groups and companies that had, in July 2023: • More than 15% of their revenues derived from coal mining or dedicated infrastructure; or • Whose annual coal extraction exceeds 10 million tons. • Expanding their coal mining activities or dedicated infrastructure, regardless of the representativeness of their revenues. In the case of potential clients, the start of a relationship will not be allowed when there is a dependence on: • Revenues of more than 10% from coal-fired thermoelectric generation or installed capacity of more than 1,000 MW. • Revenues of more than 10% from coal mining or dedicated infrastructure, or annual coal extraction of more than 10 million tons. In 2030, the restrictions will extend to economic groups and companies that have any percentage of their revenues coming from coal-fired power generation and coal mining and dedicated infrastructure, i.e., the limit on annual coal extraction will be zero. Evidence in Itaú Climate Report 2023, pages 71, 72 and 73, available in <https://api.mziq.com/mzfilemanager/v2/d/42787847-4c-f6-4461-94a5-40ed237dca33/a50c5a48-df28-ae4b-3e3d-f31e227e944f?origin=2>

## Response 2: Investing (Asset manager)

### Response 3: Investing (Asset owner)

### Response 4: Insurance underwriting (Insurance company)

### Response 5: Banking (Bank)

#### Type of exclusion policy

Oil from tar sands

#### Fossil fuel value chain

Downstream

#### Year of exclusion implementation

2022

#### Phaseout pathway

- New business/investment for new projects
- New business/investment for existing projects
- Existing business/investment for existing projects

#### Year of complete phaseout

2022

#### Country/area the exclusion policy applies to

Worldwide

#### Description

For the Oil and Gas sector, whose transition is also essential for the decarbonization of the energy grid, we have set a commitment of not financing unconventional oil and gas exploration operations in the Arctic and in the Tar Sands and we are deepening our understanding of the different alternatives and routes for the transition. In line with our net zero commitment, we will delve deeper into the decarbonization challenges and objectives for the other NZBA priority sectors, considering their materiality in our portfolio, the availability of data, decarbonization scenarios and alternatives, and the guidelines established by the NZBA. Our sectoral decarbonization objectives are aligned with science. When setting objectives, we use scientific scenarios aligned with 1.5°C with no or limited objective overshoot and consider the Sectoral Decarbonization Approach, as well as considering the particularities of our portfolios and the geographies in which we operate. Evidence in Climate Report 2023, page 24, available in <https://api.mziq.com/mzfilemanager/v2/d/42787847-4cf6-4461-94a5-40ed237dca33/a50c5a48-df28-ae4b-3e3d-f31e227e944f?origin=2>

## Response 6: Banking (Bank)

#### Type of exclusion policy

Arctic oil and gas

#### Fossil fuel value chain

Downstream

## Year of exclusion implementation

2022

## Phaseout pathway

- Existing business/investment for existing projects
- New business/investment for existing projects
- New business/investment for new projects

## Year of complete phaseout

2022

## Country/area the exclusion policy applies to

Worldwide

## Description

For the Oil and Gas sector, whose transition is also essential for the decarbonization of the energy grid, we have set a commitment of not financing unconventional oil and gas exploration operations in the Arctic and in the Tar Sands and we are deepening our understanding of the different alternatives and routes for the transition. In line with our net zero commitment, we will delve deeper into the decarbonization challenges and objectives for the other NZBA priority sectors, considering their materiality in our portfolio, the availability of data, decarbonization scenarios and alternatives, and the guidelines established by the NZBA. Our sectoral decarbonization objectives are aligned with science. When setting objectives, we use scientific scenarios aligned with 1.5°C with no or limited objective overshoot and consider the Sectoral Decarbonization Approach, as well as considering the particularities of our portfolios and the geographies in which we operate. Evidence in Climate Report 2023, page 24, available in <https://api.mziq.com/mzfilemanager/v2/d/42787847-4cf6-4461-94a5-40ed237dca33/a50c5a48-df28-ae4b-3e3d-f31e227e944f?origin=2>

## Q4.8 Does your organization include covenants in financing agreements to reflect and enforce your environmental policies?

Yes

### Q4.8.1 Provide details of the covenants included in your organization's financing agreements to reflect and enforce your environmental policies.

#### Response 1: Row 1

#### Environmental issue

- Biodiversity
- Forests
- Water
- Climate change

#### Types of covenants used

- Legal mandate to obtain third party verification of sustainability criteria
- Covenants related to compliance with your environmental policies
- A purpose or use of proceeds clause that refers to a taxonomy aligned activity
- Margin or pricing depends on sustainability criteria

### Asset class/product types covered by covenants

- Debt and equity underwriting
- Project finance
- Retail loans
- Corporate loans
- Corporate real estate

### Criteria for how covenants are applied

Selected clients

### % of clients covered by covenants

0

### % of portfolio covered in relation to total portfolio value

0

### Provide details on which environmental policies your covenants enforce and how

The agribusiness area has built a sustainable framework with guidelines for the creation of financial products with an ESG seal in the agricultural sector. The structure was important to ensure that financial products with the ESG Agro seal were aligned with high standards of sustainability practices. Over the past two years, the bank has created a portfolio of 5 ESG agri-financial tools, based on five key technologies to decarbonize the agricultural sector, such as the use of biological inputs, cover crops, certified crops and so on. The bank gives a discount on the income rate to encourage the use of these products and non-compliance may result in early settlement, restriction on green products, compensatory fines and withdrawal of the green seal, according to the contracted modality.

### Response 2: Row 2

#### Environmental issue

- Water
- Biodiversity
- Forests
- Climate change

#### Types of covenants used

- A purpose or use of proceeds clause that refers to a taxonomy aligned activity
- Margin or pricing depends on sustainability criteria

### Asset class/product types covered by covenants

- Corporate loans
- Project finance

### Criteria for how covenants are applied

Other: The selection takes place according to the client's ESG maturity and new business opportunities, whether for working capital or environmental and social projects. For more information, access our Client Advisory Policy, available on the IR website.

### % of clients covered by covenants

0.01

### **% of portfolio covered in relation to total portfolio value**

0.25

### **Provide details on which environmental policies your covenants enforce and how**

Itaú BBA works on the structuring of various ESG credit operations (onshore and offshore), following the guidelines of the Loan Market Association (LMA) and best market practices, which includes operations with a green, social, sustainable, transition label or with characteristics linked to sustainability goals (ESG-Linked). These operations have contractual clauses, where non-compliance can result in fines, early maturity and even the impediment of new operations. In the case of ESG-linked loans, non-compliance can have an impact on interest rate variations.

### **Response 3: Row 3**

#### **Environmental issue**

- Forests
- Biodiversity
- Water
- Climate change

#### **Types of covenants used**

- Legal mandate to obtain third party verification of sustainability criteria
- A purpose or use of proceeds clause that refers to a taxonomy aligned activity
- Margin or pricing depends on sustainability criteria

#### **Asset class/product types covered by covenants**

- Debt and equity underwriting
- Project finance
- Asset finance

#### **Criteria for how covenants are applied**

Other: The selection takes place according to the client's ESG maturity and new business opportunities, such as issuing debt securities where CAPEX is allocated to environmental and/or social projects. For more information, access our Client Advisory Policy

### **% of clients covered by covenants**

0.01

### **% of portfolio covered in relation to total portfolio value**

10.61

### **Provide details on which environmental policies your covenants enforce and how**

Itaú BBA works on the structuring of various ESG debt securities (onshore and offshore), following the guidelines of the International Capital Markets Association (ICMA) and best market practices, which includes operations with a green, social, sustainable, transition label or with characteristics linked to sustainability goals (ESG-Linked bonds) and have second opinions from consultancies specializing in sustainable finance to ensure that each operation adheres to best market practices. The fixed-income securities have contractual clauses, where non-compliance can result in fines, early maturity and even the impediment of new operations.

In the case of ESG-linked bonds, non-compliance can have an impact on interest rate variations.

#### **Response 4: Row 4**

##### **Environmental issue**

- Biodiversity
- Forests
- Water
- Climate change

##### **Types of covenants used**

- Legal mandate to obtain third party verification of sustainability criteria
- Covenants related to compliance with your environmental policies
- A purpose or use of proceeds clause that refers to a taxonomy aligned activity
- Margin or pricing depends on sustainability criteria

##### **Asset class/product types covered by covenants**

- Debt and equity underwriting
- Project finance
- Corporate loans
- Retail mortgages
- Asset finance
- Corporate real estate

##### **Criteria for how covenants are applied**

All business/investment for all projects

##### **% of clients covered by covenants**

100

##### **% of portfolio covered in relation to total portfolio value**

100

##### **Provide details on which environmental policies your covenants enforce and how**

The contractual clauses for products and services signed with clients include various ESG aspects such as compliance with environmental, social and climate legislation, a commitment not to engage in illegal activities, forced labor, prostitution and environmental crimes. If the customer fails to comply with these clauses, the bank may act to refuse the contract or even terminate it.

#### **Q4.9 Does your organization offer its employees a pension scheme that incorporates environmental criteria in its holdings?**

##### **Response 1: Climate change**

##### **Pension scheme incorporates environmental criteria in its holdings**

Yes, as an investment option

##### **Describe how funds within the pension scheme are selected and how your organization ensures that environmental criteria are incorporated**

Itaú offers its employees a pension plan (private pension) that incorporates environmental criteria into its investments, and can be joined on a voluntary basis. In accordance with the bank's social, environmental and climate responsibility policy, Itaú integrates issues of sustainability and social, environmental and climate responsibility into the management of third-party resources. This includes the responsibility to engage with companies and participate in meetings of investee companies to promote sustainability practices. Private pension funds consider ESG assessments of fixed income and variable income assets, which through their investment fund managers (Asset and Fund of Funds), use criteria and procedures that take into account social, environmental and climate risks when selecting their investments, under the terms of article 6 of SUSEP Circular 666/2022. One example is a pension fund that seeks to finance projects in sustainable economic activities (Green Bonds), issues from companies that belong to sectors with positive contributions according to the UN's Sustainable Development Goals (3-Good Health and Well-Being, 4-Quality Education, 6-Clean Water and Sanitation, 7-Accessible and Clean Energy, 10-Reduction of Inequalities and companies with best ESG practices, with performance superior to peers in their sector, 'best-in-class'. The assets are monitored on a daily basis and every month the portfolio goes through an ESG Committee to check that the securities remain eligible for the initial allocation criteria. In addition, the manager adopts an engagement process with the investees to ensure that ESG practices evolve in their projects and that these activities are monitored.

## Response 2: Forests

### Pension scheme incorporates environmental criteria in its holdings

Yes, as an investment option

### Describe how funds within the pension scheme are selected and how your organization ensures that environmental criteria are incorporated

Itaú offers its employees a pension plan (private pension) that incorporates environmental criteria into its investments, and can be joined on a voluntary basis. In accordance with the bank's social, environmental and climate responsibility policy, Itaú integrates issues of sustainability and social, environmental and climate responsibility into the management of third-party resources. This includes the responsibility to engage with companies and participate in meetings of investee companies to promote sustainability practices. Private pension funds consider ESG assessments of fixed income and variable income assets, which through their investment fund managers (Asset and Fund of Funds), use criteria and procedures that take into account social, environmental and climate risks when selecting their investments, under the terms of article 6 of SUSEP Circular 666/2022. One example is a pension fund that seeks to finance projects in sustainable economic activities (Green Bonds), issues from companies that belong to sectors with positive contributions according to the UN's Sustainable Development Goals (3-Good Health and Well-Being, 4-Quality Education, 6-Clean Water and Sanitation, 7-Accessible and Clean Energy, 10-Reduction of Inequalities and companies with best ESG practices, with performance superior to peers in their sector, 'best-in-class'. The assets are monitored on a daily basis and every month the portfolio goes through an ESG Committee to check that the securities remain eligible for the initial allocation criteria. In addition, the manager adopts an engagement process with the investees to ensure that ESG practices evolve in their projects and that these activities are monitored.

## Response 3: Water

### Pension scheme incorporates environmental criteria in its holdings

Yes, as an investment option

### Describe how funds within the pension scheme are selected and how your organization ensures that environmental criteria are incorporated

Itaú offers its employees a pension plan (private pension) that incorporates environmental criteria into its investments, and can be joined on a voluntary basis. In accordance with the bank's social, environmental

and climate responsibility policy, Itaú integrates issues of sustainability and social, environmental and climate responsibility into the management of third-party resources. This includes the responsibility to engage with companies and participate in meetings of investee companies to promote sustainability practices. Private pension funds consider ESG assessments of fixed income and variable income assets, which through their investment fund managers (Asset and Fund of Funds), use criteria and procedures that take into account social, environmental and climate risks when selecting their investments, under the terms of article 6 of SUSEP Circular 666/2022. One example is a pension fund that seeks to finance projects in sustainable economic activities (Green Bonds), issues from companies that belong to sectors with positive contributions according to the UN's Sustainable Development Goals (3-Good Health and Well-Being, 4-Quality Education, 6-Clean Water and Sanitation, 7-Accessible and Clean Energy, 10-Reduction of Inequalities and companies with best ESG practices, with performance superior to peers in their sector, 'best-in-class'. The assets are monitored on a daily basis and every month the portfolio goes through an ESG Committee to check that the securities remain eligible for the initial allocation criteria. In addition, the manager adopts an engagement process with the investees to ensure that ESG practices evolve in their projects and that these activities are monitored.

#### **Q4.10 Are you a signatory or member of any environmental collaborative frameworks or initiatives?**

##### **Response 1:**

#### **Are you a signatory or member of any environmental collaborative frameworks or initiatives?**

Yes

##### **Collaborative framework or initiative**

- UNEP FI
- UNEP FI Principles for Responsible Banking
- CDP Investor Signatory
- Partnership for Carbon Accounting Financials (PCAF)
- Net Zero Banking Alliance
- UNEP FI Principles for Sustainable Insurance
- UNEP FI's Climate Risk and TCFD programme
- Paris Agreement Capital Transition Assessment (PACTA)
- Equator Principles
- Principles for Responsible Investment (PRI)
- Glasgow Financial Alliance for Net Zero (GFANZ)
- Other: Global Compact; Brazilian Business Council for Sustainable Development; Coalizão Brasil Clima, Florestas e Agricultura; Brazilian Federation of Banks;
- Task Force on Climate-related Financial Disclosures (TCFD)
- UN Global Compact

##### **Describe your organization's role within each framework or initiative**

Itaú is a signatory of the CDP Investor and supports the adoption and disclosure of CDP practices among Brazilian companies, in addition to using the CDP Supply Chain to engage our suppliers. As signatories of the Equator Principles, we apply their guidelines to eligible projects and financing activities, complemented by our environmental, social, and climate risk policies. We are involved with the Glasgow Financial Alliance for Net Zero (GFANZ), participating in specific workstreams and supporting the creation of the Latin American and Brazilian chapters of GFANZ, with our Sustainability Director serving on the board. Since joining the Net Zero Banking Alliance (NZBA) in 2021, we have followed its guidelines in setting sectoral decarbonization targets and participated in working groups to enhance our climate strategy. We were part of the group that piloted the Paris Agreement Capital Transition Assessment (PACTA) tool. We joined the Partnership for Carbon Accounting Financials (PCAF) initiative in 2021 and use its methodology, recommended by the TCFD, to

calculate and disclose our financed emissions. As members of the Principles for Responsible Investment (PRI), we work to integrate their requirements into our investment activities. Since 2017, we have supported and implemented the Recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which we consider the best framework for disclosing climate information, as shown in our Climate Report. We are signatories of the UN Global Compact and participate in working groups focused on implementing the SDGs and the Climate Agenda, with our Sustainability Director serving on the board. We participate in various UNEP FI initiatives, with an emphasis on Latin America and the Caribbean. We joined the UNEP FI Principles for Responsible Banking (PRB) in 2019 and have been working to meet their guidelines and requirements. As members of the UNEP FI Principles for Sustainable Insurance (PSI) since 2012, we have incorporated their guidelines into our insurance activities. We have been part of the UNEP FI TCFD Pilot since its inception, collaborating with global banks on climate scenario analysis. As members of the Brazilian Business Council for Sustainable Development (CEBDS), we consider the group central to our climate strategy, participating in the Climate and Biodiversity technical chambers and supporting the development of the Brazilian Climate Drive, in addition to using the group for our carbon pricing strategy. Our Sustainability Director is a board member of the Brazil Climate, Forests, and Agriculture Coalition, discussing relevant topics for climate, forests, and agriculture. We actively participate in the Brazilian Federation of Banks, the main forum for discussing the climate agenda in the Brazilian financial sector.

**Q4.11 In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?**

**Response 1:**

**External engagement activities that could directly or indirectly influence policy, law, or regulation that may impact the environment**

- Yes, we engaged indirectly through, and/or provided financial or in-kind support to a trade association or other intermediary organization or individual whose activities could influence policy, law, or regulation
- Yes, we engaged directly with policy makers

**Indicate whether your organization has a public commitment or position statement to conduct your engagement activities in line with global environmental treaties or policy goals**

Yes, we have a public commitment or position statement in line with global environmental treaties or policy goals

**Global environmental treaties or policy goals in line with public commitment or position statement**

Paris Agreement

**Attach commitment or position statement**

Government and Institutional Relations Policy.pdf

**Indicate whether your organization is registered on a transparency register**

Yes

**Types of transparency register your organization is registered on**

Non-government register

**Disclose the transparency registers on which your organization is registered & the relevant ID numbers for your organization**

Itaú is registered on Influence Map, under the FinanceMap Platform which assesses our position on environmental policies and advocacy initiatives. Link to Finance Map: <https://financemap.org/index.html>, where it is possible to search for Itaú Unibanco.

**Describe the process your organization has in place to ensure that your external engagement activities are consistent with your environmental commitments and/or transition plan**

We have an active advocacy strategy to promote knowledge and actions to decarbonize the real economy, such as our work with the Executive, Legislative and Judiciary branches, together with various relevant market players, associations, and representative bodies. We seek to align understandings and make recommendations on bills currently before Congress on ESG and climate issues, such as regulating the carbon market. We registered agendas with public agents related to bills involving the regulation of carbon credits (here under the focus of the impact of financial products). Our participation in trade and sector associations considers our priorities and institutional positioning, including our commitments and policies related to sustainability, climate change and ESG. Our aim is to make a positive contribution to advancing the sustainability and climate change agenda and to ensure that we contribute to our decarbonization strategy, which is aligned with 1.5°C. When divergences are identified, we seek to harmonize the entities' objectives with the pillars of our climate strategy through dialogue, engagement, and advocacy actions, supported by technical information and benchmarks. We identified 21 associations to which we are affiliated that can contribute to our climate strategy and alignment with 1.5°C, having assessed aspects such as the category of the association, the potential for contribution to the decarbonization strategy and any positions in relation to this agenda.

**Q4.11.1 On what policies, laws, or regulations that may (positively or negatively) impact the environment has your organization been engaging directly with policy makers in the reporting year?**

**Response 1: Row 1**

**Specify the policy, law, or regulation on which your organization is engaging with policy makers**

Creation of the Brazilian regulated carbon market through the establishment of an emissions trading scheme.

**Environmental issues the policy, law, or regulation relates to**

Climate change

**Focus area of policy, law, or regulation that may impact the environment**

Financial mechanisms (e.g., taxes, subsidies, etc.): Emissions trading schemes

**Geographic coverage of policy, law, or regulation**

National

**Country/area/region the policy, law, or regulation applies to**

Brazil

**Your organization's position on the policy, law, or regulation**

Support with no exceptions

**Type of direct engagement with policy makers on this policy, law, or regulation**

- Discussion in public forums
- Responding to consultations
- Submitting written proposals/inquiries

**Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)**

0

**Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement**

It is part of our strategy to support, in partnership with other market players, public policies, governance and macroeconomic conditions that encourage the generation and trading of high integrity carbon credits in Brazil, positively exploiting the economic and environmental potential that this asset can bring to the country. We are part of Febraban's Carbon Market Squad, ANBIMA's carbon working group and the Brazilian Initiative for the Voluntary Carbon Market to support the development and structuring of this market and increase Brazil's contribution to the world with high integrity credits. The carbon market represents an important opportunity for Brazil, which has the potential to generate high integrity credits that contribute to achieving our climate objectives. Our participation in trade and sector associations considers our priorities and institutional positioning, including our commitments and policies related to sustainability, climate change and ESG. Our aim is to make a positive contribution to advancing the sustainability and climate change agenda and to ensure that we contribute to our decarbonization strategy, which is aligned with 1.5°C. When divergences are identified, we seek to harmonize the entities' objectives with the pillars of our climate strategy through dialogue, engagement, and advocacy actions, supported by technical information and benchmarks. We have assessed aspects such as the category of the association, the potential for contribution to the decarbonization strategy and any positions in relation to this agenda.

**Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals**

Yes, we have evaluated, and it is aligned

**Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation**

Paris Agreement

**Response 2: Row 2**

**Specify the policy, law, or regulation on which your organization is engaging with policy makers**

Creation of a Brazilian Sustainable Taxonomy aimed to establish a classification for activities and sectors that can be part of sustainable and transition groups. We have engaged with government, Brazilian Business Council for Sustainable Development, Brazilian Federation of Banks, Brazilian Association of Capital Market and directly with stakeholders to support the development of this methodology

**Environmental issues the policy, law, or regulation relates to**

- Water
- Forests
- Climate change

**Focus area of policy, law, or regulation that may impact the environment**

- Other: Small and Medium Forest Enterprises (SMFEs)
- Other: International agreement related to climate change mitigation
- Other: International agreement related to climate change adaptation
- Other: Transport infrastructure
- Other: International agreement relating to water- and/or forests-related issues
- Other: Climate transition plans
- Other: Corporate environmental targets
- Other: Construction and housing

### **Geographic coverage of policy, law, or regulation**

National

### **Country/area/region the policy, law, or regulation applies to**

Brazil

### **Your organization's position on the policy, law, or regulation**

Support with no exceptions

### **Type of direct engagement with policy makers on this policy, law, or regulation**

- Ad-hoc meetings
- Participation in working groups organized by policy makers
- Regular meetings
- Responding to consultations
- Discussion in public forums
- Submitting written proposals/inquiries

### **Funding figure your organization provided to policy makers in the reporting year relevant to this policy, law, or regulation (currency)**

0

### **Explain the relevance of this policy, law, or regulation to the achievement of your environmental commitments and/or transition plan, how this has informed your engagement, and how you measure the success of your engagement**

Part of our strategy is to support government and stakeholders to understand, discuss and develop public policies aimed to improve sustainable economy.

### **Indicate if you have evaluated whether your organization's engagement on this policy, law, or regulation is aligned with global environmental treaties or policy goals**

Yes, we have evaluated, and it is aligned

### **Global environmental treaties or policy goals aligned with your organization's engagement on this policy, law or regulation**

- Paris Agreement
- Sustainable Development Goal 6 on Clean Water and Sanitation
- Kunming-Montreal Global Biodiversity Framework
- Another global environmental treaty or policy goal: As we are supporting taxonomy, we touch in all SDGs

**Q4.11.2 Provide details of your indirect engagement on policy, law, or regulation that may (positively or negatively) impact the environment through trade associations or other intermediary organizations or individuals in the reporting year.**

**Response 1: Row 1**

**Type of indirect engagement**

Indirect engagement via other intermediary organization or individual

**Type of organization or individual**

Non-Governmental Organization (NGO) or charitable organization

**State the organization or position of individual**

Brazilian Business Council for Sustainable Development

**Environmental issues relevant to the policies, laws, or regulations on which the organization or individual has taken a position**

Climate change

**Indicate whether your organization's position is consistent with the organization or individual you engage with**

Consistent

**Indicate whether your organization attempted to influence the organization or individual's position in the reporting year**

Yes, we publicly promoted their current position

**Describe how your organization's position is consistent with or differs from the organization or individual's position, and any actions taken to influence their position**

The Brazilian Business Council for Sustainable Development (CEBDS) reunites Brazilian companies representing over 50% of Brazilian GDP. The organization publicly advocates for the creation of an Emissions Trading System in Brazil in line with the main priorities of the national industry. Itaú and other players participated in the elaboration of CEBDS' positions on the regulation of the Carbon Market in Brazil and publicly promoted this position as well.

**Funding figure your organization provided to this organization or individual in the reporting year (currency)**

250000

**Describe the aim of this funding and how it could influence policy, law or regulation that may impact the environment**

The funding refers to our participation in CEBDS Technical Chambers, particularly the Climate Technical Chamber, supporting the development of the activities, including the advocacy related ones.

**Indicate if you have evaluated whether your organization's engagement is aligned with global environmental treaties or policy goals**

Yes, we have evaluated, and it is aligned

## Global environmental treaties or policy goals aligned with your organization's engagement on policy, law or regulation

Paris Agreement

## Q4.12 Have you published information about your organization's response to environmental issues for this reporting year in places other than your CDP response?

Yes

### Q4.12.1 Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.

#### Response 1: Row 1

##### Publication

In mainstream reports, in line with environmental disclosure standards or frameworks

##### Standard or framework the report is in line with

- Other: Net Zero Banking Alliance; Glasgow Financial Alliance for Net Zero
- TCFD

##### Environmental issues covered in publication

Climate change

##### Status of the publication

Complete

##### Content elements

- Emissions figures
- Strategy
- Public policy engagement
- Emission targets
- Content of environmental policies
- Risks & Opportunities
- Dependencies & Impacts
- Value chain engagement
- Governance

##### Page/section reference

The document is integrally dedicated to climate change and aligns to TCFD recommendations. Pages 4 and 5 present our alignment to TCFD recommendatins. Page 7 the main initiatives we keep track to inform our climate strategy. Pages 10-17 - Governance. Pages 19-40 - Strategy. Pages 42-54 - Risk Management. Pages 56-66 - Metrics and objectives. Pages 68- 86 - Sectoral approach for Net Zero sectors.

##### Attach the relevant publication

Climate Report 2023.pdf

## Comment

The climate report is our TCFD-aligned report. The document sets out our Governance, Strategy, Risk Management and Metrics and Objectives information, besides, the Climate Report also aligns to our Net Zero Commitment and brings information on our Climate Transition Plan - designed in line with the Glasgow Financial Alliance for Net Zero recommendations for climate transition plans - and our sectoral decarbonization objectives for Electricity Generation, Coal, Steel, Cement and Aluminum and how we are working to set objectives for other sectors, in line with our commitment to the Net Zero Banking Alliance (NZBA). The document is publicly available and destined to the general public with a focus on investors. Most of the information disclosed in the Climate Report are also reported to CDP.

## Response 2: Row 2

### Publication

In mainstream reports

### Environmental issues covered in publication

- Water
- Climate change
- Biodiversity
- Forests

### Status of the publication

Complete

### Content elements

- Emissions figures
- Strategy
- Public policy engagement
- Risks & Opportunities
- Emission targets
- Content of environmental policies
- Biodiversity indicators
- Dependencies & Impacts
- Water accounting figures
- Governance
- Value chain engagement

### Page/section reference

Pages 14, 29, 30, 31, 32-33, 40, 41, 46-48, 50-51, 81, 82-91,

### Attach the relevant publication

2023 Integrated Annual Report.pdf

## Comment

The Integrated Annual Report follows the guidelines of the Integrated Reporting Framework issued by the International Financial Reporting Standards (IFRS) Foundation. It is part of our set of annual reports covering the period from January 1, 2023 to December 31, 2023, and aims to offer a complete and integrated view of our strategic priorities, business performance and commitments over the short, medium and long terms. Information related to environmental issues are presented in the document, but are not it's main focus, most

ESG information presented in the Integrated Annual Report relates to financial and strategic information.

### Response 3: Row 3

#### Publication

In mainstream reports, in line with environmental disclosure standards or frameworks

#### Standard or framework the report is in line with

- TCFD
- GRI

#### Environmental issues covered in publication

- Water
- Climate change
- Forests
- Biodiversity

#### Status of the publication

Complete

#### Content elements

- Emissions figures
- Public policy engagement
- Strategy
- Risks & Opportunities
- Emission targets
- Content of environmental policies
- Biodiversity indicators
- Value chain engagement
- Governance
- Water accounting figures
- Dependencies & Impacts

#### Page/section reference

Pages 16, 20-21, 23-25, 28, 29-36, 37-44, 45-56, 61-62, 63-74, 75-76, 78-91, 93-94, 102-103, 117-148, 231-238, 247-253

#### Attach the relevant publication

ESG Report 2023.pdf

#### Comment

The ESG Report is part of our annual reporting suite and aims to provide transparency on ESG (environmental, social and governance) issues, through a complete and integrated view of our business performance, strategic priorities and positive impact commitments, from a short-, medium- and long-term perspective, meeting the interests of different stakeholders. The report provides a complete and detailed overview of environmental, social, governance and climate issues, with a focus on management practices, business, goals and performance, including indicators aligned with the most significant International sustainability guidelines. It includes information from Itaú Unibanco Holding S.A. and the other entities included in the consolidated financial statements of the group, providing information on the fiscal year 2023 (January 1 to

December 31, 2023), with comparative data for the last three years, including subsequent material facts which occurred after the end of that period but prior to the approval of this report, in line with the period of the consolidated financial statements.

#### **Response 4: Row 4**

##### **Publication**

In other regulatory filings

##### **Environmental issues covered in publication**

- Forests
- Climate change

##### **Status of the publication**

Complete

##### **Content elements**

- Strategy
- Content of environmental policies
- Risks & Opportunities
- Governance
- Dependencies & Impacts

##### **Page/section reference**

1-21 - the document is integrally dedicated to environmental, social and climate risks

##### **Attach the relevant publication**

GRSAC Report.pdf

##### **Comment**

The Report on Social, Environmental and Climate Risks and Opportunities (GRSAC Report) brings together the information and disclosures regarding Itaú Unibanco required by the Central Bank of Brazil (BACEN) through the following regulations: (i) Resolution No. 139 of the Central Bank of Brazil, of September 15, 2021, which requires the disclosure of a Report on Social, Environmental and Climate Risks and Opportunities (GRSAC Report); and (ii) Regulatory Instruction No. 153 of the Central Bank of Brazil, of September 15, 2021, which sets the standard tables for the purposes of the disclosures in the GRSAC Report.

#### **Q5.1 Does your organization use scenario analysis to identify environmental outcomes?**

##### **Response 1: Climate change**

##### **Use of scenario analysis**

Yes

##### **Frequency of analysis**

Annually

##### **Response 2: Forests**

### Use of scenario analysis

No, and we do not plan to within the next two years

### Primary reason why your organization has not used scenario analysis

Other: Itaú prioritized in its firsts stress tests, scenarios that were evaluated as the most relevant for the country through internal research and benchmarks, such as droughts, floods and water shortages.

### Explain why your organization has not used scenario analysis

We apply different climate scenarios to guide our risk management processes and the definition of our sectoral decarbonization objectives. Based on the International Energy Agency's (IEA) Net Zero scenario for the Electricity, Steel and Cement sectors and the International Aluminum Institute's (IAI) scenario for the Aluminum sector, these objectives are aligned with a 1.5°C trajectory and underpin our ambition to be the climate transition bank for our clients. For assessing physical climate risks, we apply the Representative Concentration Pathways (RCP) scenarios developed by the Intergovernmental Panel on Climate Change (IPCC).

### Response 3: Water

#### Use of scenario analysis

Yes

#### Frequency of analysis

Annually

### Q5.1.1 Provide details of the scenarios used in your organization's scenario analysis.

#### Response 1: Climate change

##### Scenario used

Climate transition scenarios: NGFS scenarios framework: delayed transition

##### Approach to scenario

Qualitative and quantitative

##### Scenario coverage

Business activity

##### Risk types considered in scenario

- Acute physical
- Chronic physical

##### Temperature alignment of scenario

1.5°C or lower

##### Reference year

2023

## Timeframes covered

Other: 2026

## Driving forces in scenario

- Finance and insurance: Sensitivity of capital (to nature impacts and dependencies)
- Regulators, legal and policy regimes : Global regulation
- Local ecosystem asset interactions, dependencies and impacts : Climate change (one of five drivers of nature change)

## Assumptions, uncertainties and constraints in scenario

Itaú conducts scenario analysis exercises for both physical and transition risks, following the recommendations of the TCFD and the publication of IFRS S2 - Climate-Related Disclosures. For physical risks, we consider the conclusions of the Intergovernmental Panel on Climate Change (IPCC) through the Representative Concentration Pathways (RCP) scenarios RCP 4.5 and RCP 8.5. These scenarios are adapted to the characteristics of the regions in which we operate, based on projections from tools such as Adapta Brasil, developed by the Ministry of Science Technology and Innovation (MCTI), and the Climate Change Knowledge Portal. Risks are rated by geographical region, considering the concentration allocated to each municipality and state, creating a risk scale ranging from very low to very high.

For transition risks, we utilize the NGFS scenarios framework, specifically focusing on the 'Delayed transition' scenario. This scenario assumes a delayed implementation of climate policies, leading to a more abrupt and disorderly transition to a low-carbon economy. The assumptions, uncertainties, and constraints in this scenario include:

### 1. Assumptions:

- o Delayed implementation of climate policies until 2030.
- o Abrupt policy changes post-2030 to limit global temperature rise to 2°C.
- o Increased costs for carbon-intensive sectors due to sudden regulatory changes.

### 2. Uncertainties:

- o The exact timing and stringency of policy implementations.
- o The response of markets and economies to abrupt policy changes.
- o The ability of different sectors to adapt to new regulations and technologies.

### 3. Constraints:

- o Limited availability of low-carbon technologies in the short term.
- o Financial and operational challenges for businesses in transitioning to low-carbon operations.
- o Potential socio-economic impacts, including job losses in carbon-intensive industries.

These analyses are part of our broader strategy to manage social, environmental, and climate risks, as outlined in our Social, Environmental, and Climate Risk Policy. This policy establishes the guidelines and principles for the governance and management of these risks, ensuring they are integrated into our business operations and risk management processes.

## Rationale for choice of scenario

The 'Delayed transition' was selected due to its comprehensive approach to understanding the impacts of delayed policy actions on the transition to a low-carbon economy. This scenario considers the economic and financial implications of a delayed but more abrupt transition, which aligns with the need to evaluate the potential risks and opportunities for the financial sector.

The management of social, environmental, and climate risks (SAC) risks involves mitigation actions through process mapping, risk and control assessments, monitoring of new regulations, and recording occurrences in internal systems. Additionally, the stages of risk prioritization, response, monitoring, and reporting complement the management of these risks at Itaú.

## Response 2: Water

### Scenario used

Water scenarios: Customized publicly available water scenario: Internal scenario developed by Itaú economics team

## Approach to scenario

Qualitative and quantitative

## Scenario coverage

Business activity

## Risk types considered in scenario

- Policy
- Market

## Reference year

2023

## Timeframes covered

Other: 2026

## Driving forces in scenario

- Finance and insurance: Sensitivity of capital (to nature impacts and dependencies)
- Macro and microeconomy : Domestic growth
- Stakeholder and customer demands: Consumer attention to impact

## Assumptions, uncertainties and constraints in scenario

The scenario assumes a severe drought in Brazil, similar to the one experienced in 2001. This drought results in a forced 20% reduction in energy consumption compared to the baseline, leading to energy consumption at 80% of the baseline over the projected three years. Additionally, the drought causes a crop failure in 2024, resulting in a significant GDP decline, which is double the largest annual fall in history (2016). Consequently, GDP falls, and inflation rises due to increased costs of energy and food.

This scenario analysis helps Itaú understand the potential impacts of severe drought conditions on energy consumption, agricultural output, GDP, and inflation, thereby informing risk management and strategic planning efforts.

Assumptions:

1. Energy Consumption Reduction: A severe drought leads to a 20% reduction in energy consumption compared to the baseline, maintaining energy consumption at 80% of the baseline for the next three years.
2. Crop Failure: The drought results in a crop failure in 2024, causing a GDP decline.
3. Economic Impact: The GDP decline and increased costs of energy and food lead to a rise in inflation.

Uncertainties:

1. Severity and Duration of Drought: The exact severity and duration of the drought are uncertain, which could affect the extent of the energy consumption reduction and crop failure.
2. Economic Response: The response of the economy to the drought and subsequent energy and food price increases is uncertain, including potential government interventions or policy changes.
3. Inflation Dynamics: The precise impact on inflation due to increased energy and food prices is uncertain and may vary based on other economic factors.

Constraints:

1. Historical Data Limitations: The scenario relies on historical data from the 2001 drought, which may not fully capture the potential impacts of future droughts under different economic and environmental conditions.
2. Modeling Assumptions: The scenario is based on specific modeling assumptions that may not account for

all possible variables and interactions within the economy.

3. Policy and Regulatory Environment: The scenario does not account for potential changes in the policy and regulatory environment that could mitigate or exacerbate the impacts of the drought.

### Rationale for choice of scenario

The rationale behind selecting this scenario is primarily due to the concentration of our energy matrix in hydroelectric power, which is a water-dependent energy source. Additionally, our economy's significant reliance on the agricultural sector, which is heavily impacted by water availability, further justifies this choice. Despite advancements in exploring alternative energy sources, the dependency on hydroelectric power and agriculture remains substantial.

Finally, considering the continuous growth of the credit portfolio in the agribusiness sector, which is more susceptible to water scarcity risks, we recognize this as one of the primary risks for our institution.

### Q5.1.2 Provide details of the outcomes of your organization's scenario analysis.

#### Response 1: Climate change

#### Business processes influenced by your analysis of the reported scenarios

- Resilience of business model and strategy
- Risk and opportunities identification, assessment and management
- Capacity building
- Strategy and financial planning
- Target setting and transition planning

#### Coverage of analysis

Organization-wide

#### Summarize the outcomes of the scenario analysis and any implications for other environmental issues

The outcomes of our scenario analyses underscore the importance of climate risk management and the need for continuous improvement in our methodologies. By integrating climate risk considerations into our overall risk management framework, we are better equipped to navigate the challenges posed by climate change and to seize opportunities for sustainable growth.

#### Outcomes of Our Organization's Scenario Analysis on Climate Change

**Physical Risk Scenarios:** For physical risk scenarios, we utilized the Representative Concentration Pathways (RCP) developed by the Intergovernmental Panel on Climate Change (IPCC). These scenarios helped us map the potential impacts of climate events on our portfolio and served as a foundation for constructing macroeconomic scenarios used in our stress tests. The analysis provided insights into how various climate events could affect our operations and financial stability.

**Transition Risk Scenarios:** In evaluating transition risks, we analyzed various scenarios from the Network for Greening the Financial System (NGFS). Additionally, we consider the Net-Zero Banking Alliance (NZBA) sectors to run our stress test exercise.

**Governance and Risk Management:** Our governance framework for managing social, environmental, and climate risks (SAC) is outlined in our SAC Risk Policy. This policy establishes the fundamental principles and guidelines for SAC risk management, addressing the most relevant risks to our operations through specific procedures and decision-making forums. The policy ensures that SAC risks are integrated into our business processes and risk management practices.

**Training and Capacity Building:** A significant aspect of our SAC risk management process is the training of stakeholders involved. This training ensures that they are well-versed in the company's guidelines and can

contribute effectively to risk management. We have implemented comprehensive training programs, including both in-person and virtual sessions, to enhance the understanding and identification of SAC risks among executives, business units, and support areas.

**Integrated Risk Management:** Our approach to SAC risk management is integrated with traditional risk dimensions and capital management through climate stress tests. This integration allows us to assess the potential materialization of SAC risks within traditional risk frameworks, such as credit risk, and to evaluate their impact on our reputation.

**Monitoring and Reporting:** We have established a monitoring and reporting system for SAC risks, including a panel of integrated SAC risk indicators. This panel tracks metrics, such as credit, market, liquidity, exposures to SAC events, compliance with environmental regulations, and social and environmental incidents. The data collected is periodically reported to the Social, Environmental, and Climate Risk Committee (CRSAC), ensuring continuous oversight and management of these risks.

**Scenario Analysis Results:** Our scenario analyses have yielded valuable insights into the potential financial impacts of climate risks. For instance, in our physical risk scenarios, we identified impacts on our portfolio due to extreme weather events, such as droughts and floods. In our transition risk scenarios, we assessed the financial implications of transitioning to a low-carbon economy.

## Response 2: Water

### Business processes influenced by your analysis of the reported scenarios

- Resilience of business model and strategy
- Target setting and transition planning
- Risk and opportunities identification, assessment and management
- Strategy and financial planning
- Capacity building

### Coverage of analysis

Organization-wide

### Summarize the outcomes of the scenario analysis and any implications for other environmental issues

As part of our efforts to assess business resilience and the impact of climate-related risks, we conduct a series of scenario analyses in alignment with international frameworks such as the TCFD and IFRS. These analyses encompass both physical and transition risks. In summary, our scenario analyses provide critical insights into the potential impacts of climate-related risks on our business, enabling us to develop strategies for risk mitigation and resilience. These efforts are part of our broader commitment to sustainable risk management and align with our strategic objectives to support a low-carbon economy.

For physical risk scenarios, we utilize the RCP (Representative Concentration Pathways) scenarios developed by the IPCC (Intergovernmental Panel on Climate Change). These scenarios help us map the impacts of climate events on our portfolio and serve as a foundation for constructing macroeconomic scenarios used in stress testing. Specifically, we have analyzed the impacts of severe droughts, which can lead to significant reductions in energy consumption and agricultural output, thereby affecting GDP and inflation rates.

In terms of transition risk scenarios, we analyze scenarios from the NGFS (Network for Greening the Financial System). This analysis allows us to understand the specificities of each scenario, the available variables, and those narratives that best align with Brazil's current and future context. These scenarios are also incorporated into our stress test exercises. For instance, we have evaluated the impacts of a disorderly transition to a low-carbon economy, which necessitates stringent policies to limit global temperature increases.

A significant component of our environmental, social, and climate risk management process is the training of all involved parties. This ensures adherence to the company's guidelines and contributes to effective risk management. Our training programs include both in-person and virtual sessions focused on identifying social, environmental, and climate risks, targeting executives, business areas, and support functions.

Our governance structure includes the Social, Environmental, and Climate Risk Policy, which outlines the

fundamental principles for managing these risks. This policy is supported by specific procedures and decision-making forums. The management of these risks is integrated into our daily operations, with specialized support from teams with technical expertise in these areas. These teams work collaboratively to manage the various dimensions of social, environmental, and climate risks associated with our activities. We have also developed objective criteria for identifying and measuring reputational risk associated with social, environmental, and climate factors. This is part of our continuous improvement process. In 2023, we enhanced our methodologies to provide clearer guidelines for qualifying and classifying reputational risks. Our scenario analyses have shown that, for physical risk, the impacts of severe droughts and other climate events can significantly affect our portfolio. For example, a severe drought scenario could lead to a 20% reduction in energy consumption and a substantial decrease in agricultural GDP, resulting in increased inflation and decreased economic output. For transition risk, the scenarios indicate potential financial impacts due to shifts towards a low-carbon economy, such as increased costs for carbon emissions and the need for significant investments in renewable energy.

## Q5.2 Does your organization's strategy include a climate transition plan?

### Response 1:

#### Transition plan

Yes, we have a climate transition plan which aligns with a 1.5°C world

#### Publicly available climate transition plan

Yes

#### Mechanism by which feedback is collected from shareholders on your climate transition plan

We have a different feedback mechanism in place

#### Description of feedback mechanism

One of Itaú's missions is to generate value for employees, clients, shareholders and society, guaranteeing the continuity of the business. With regard to generating value for shareholders, we understand that one of the ways is to adopt the best Corporate Governance practices, a continuous and long-term process, aimed at the sustainable performance of the Company. Our Climate Transition Plan is discussed by the Board of Directors, which seeks to generate value for shareholders and stakeholders and represent their interests. The Board of Directors and the Committees act as collegiate bodies, seeking consensus through dialogue and the systemic vision that characterizes Itaú Unibanco's management. As a publicly traded company, we have communication channels through which our shareholders, investors and other stakeholders can seek clarification and contribute not only to the climate transition plan, but also to other relevant aspects of our sustainability strategy.

#### Frequency of feedback collection

More frequently than annually

#### Description of key assumptions and dependencies on which the transition plan relies

Itaú's Climate Transition Plan follows the guidelines of the Net Zero Banking Alliance (NZBA) and the Glasgow Financial Alliance for Net Zero (GFANZ) and considers scientific scenarios aligned with limiting global warming to 1.5°C without overshoot or with limited overshoot. Following the GFANZ recommendations, the plan is structured around the pillars of Fundamentals, Implementation Strategy, Engagement Strategy, Governance and Metrics and Objectives. The plan takes into account the particularities of Itaú and the different geographies in which we operate and is aligned with our ambition to be the bank of the climate transition for our clients. The transition plan includes sectoral decarbonization objectives for the priority

sectors defined by the NZBA. To date, decarbonization objectives have been defined for the Electricity Generation, Coal, Steel, Aluminum and Cement sectors, and we are working to establish objectives for the other sectors defined by the alliance.

### **Description of progress against transition plan disclosed in current or previous reporting period**

We have made progress in our decarbonization objective for the electricity generation sector, the emissions intensity of the sector's portfolio has reduced from 103 gCO<sub>2</sub>e/kWh in December 2021 to 44 gCO<sub>2</sub>e/kWh in December 2022, and we aim to reach 38 gCO<sub>2</sub>e/kWh by 2030, a reduction of 63% compared to the baseline (103 gCO<sub>2</sub>e/kWh). We have also set new decarbonization targets for the Steel, Aluminium and Cement sectors, and we are making progress in setting targets for the other priority sectors established by the NZBA. Besides, we have advanced on our BRL 400 billion in positive impact sectors' target and developed new products with an ESG bias. Engagement is a key element of our transition plan and we are prioritizing engagement actions with clients, employees, peers, associations and the public sector.

### **Attach any relevant documents which detail your climate transition plan (optional)**

Climate Report 2023.pdf

### **Other environmental issues that your climate transition plan considers**

- Forests
- Biodiversity

### **Explain how the other environmental issues are considered in your climate transition plan**

Itaú Unibanco is integrating biodiversity and forest issues into its climate transition plan. In particular, the institution has focused on environmental conservation and promoting the bioeconomy through initiatives in the Amazon Rainforest, focusing on three major strategic objectives: forest conservation, fostering the bioeconomy, and improving connectivity. In the realm of forest conservation, Itaú has implemented measures for monitoring, traceability, conservation, and regeneration in production chains, seeking to reduce deforestation pressure and promote low-carbon agriculture. Furthermore, the bank has collaborated with FEBRABAN in creating regulations for managing the risks of illegal deforestation in the beef production chain, strengthening supervision and commercial teams' engagement on the issue. Regarding the bioeconomy, Itaú has supported projects to train entrepreneurs and originate innovative businesses that promote forest conservation and the development of sustainable markets. In 2023, the initiative benefited 529 entrepreneurs, 71 businesses, and 22 startups in the Amazon region. Through its Responsible Investment Policy, Itaú also integrates biodiversity and land use aspects into its investment evaluation process, ensuring more informed decision-making and promoting corporate engagement in relevant ESG topics.

### **Q5.3 Have environmental risks and opportunities affected your strategy and/or financial planning?**

#### **Response 1:**

#### **Environmental risks and/or opportunities have affected your strategy and/or financial planning**

Yes, both strategy and financial planning

#### **Business areas where environmental risks and/or opportunities have affected your strategy**

- Operations
- Upstream/downstream value chain
- Investment in R&D
- Products and services

### **Q5.3.1 Describe where and how environmental risks and opportunities have affected your strategy.**

#### **Response 1: Products and services**

##### **Effect type**

- Risks
- Opportunities

##### **Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area**

- Water
- Forests
- Climate change

##### **Describe how environmental risks and/or opportunities have affected your strategy in this area**

Environmental risks and opportunities related to climate change, forests and water affected our products and services through: 1) the development of products and services with ESG focus and the definition of emissions reduction targets for this type of product. In the case of climate change we are developing ESG products that can contribute with the emissions reductions of our clients and are positioning ourselves as the climate transition bank for our clients. We have set decarbonization objectives for our Power Generation, Coal, Steel, Cement and Aluminum portfolios and are offering beyond banking solutions through partnerships and through Cubo ESG - our ESG innovation hub, for example. In the case of forests some of our products with a focus on agriculture have a positive impact on nature, which is the case of Reverte which aims at restoring degraded areas in partnership with Syngenta. In the case of water and other ecoefficiency indicators, the Green Entrepreneurship Plan prioritizes buildings and clients with environmental certifications which also take into account water consumption. 2) the integration of these issues into our credit risk analysis.

#### **Response 2: Upstream/downstream value chain**

##### **Effect type**

- Risks
- Opportunities

##### **Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area**

- Water
- Climate change
- Forests

##### **Describe how environmental risks and/or opportunities have affected your strategy in this area**

Environmental issues such as Climate Change, Forests and Water affect our value chain and we integrate the topics into our relationship with clients, suppliers and other stakeholders. In the case of clients, we have specific tools to assess their ESG performance, including the described environmental issues, particularly climate change, based on this assessment we can define the best options for engagement and advisory initiatives with such clients. As a bank, we do recognize that achieving our environmental targets highly depend on the ESG performance of our clients, that's why we are positioning ourselves as the climate transition bank for our clients and offering products, services and beyond banking solutions to support them in this journey. We also engage with our suppliers, which are also requested to fill an ESG questionnaire in order to assess their performance and define priority actions. We also use CDP Supply Chain to engage our suppliers and request them specific ESG information on the described environmental topics. Those actions

help us both map and manage risks related to Climate Change, Forests and Water and to incorporate opportunities.

### **Response 3: Investment in R&D**

#### **Effect type**

Opportunities

#### **Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area**

- Forests
- Climate change

#### **Describe how environmental risks and/or opportunities have affected your strategy in this area**

Both climate change and forests impacted our Research and Development investments. 1) Climate Change: we have created Cubo ESG, a hub for startups and innovative solutions with a focus on ESG and net zero issues to support our clients, besides we are also partnering with the academy, we partnered with the Center for Innovation on New Energies (CINE) from the State University of Campinas (Unicamp) in order to gain knowledge and insights on the most relevant solutions to support the energy transition in our country, we have also partnered with the academy to host workshops and consultancy services on the climate transition of relevant sectors such as Oil & Gas, Transportations and Agriculture. Recently, in partnership with the University of Sorbonne we have launched Cubo ESG Education for Climate, with the objective to introduce leaders to climate issues turning them into climate leaders. 2) Forests: we partnered with other Brazilian companies to create Biomax, a startup focused on land restoration and conservation in Brazil, we also partnered with Fundação Certi to create Jornada Amazonia, to stimulate the innovation ecosystem in the Amazon Region and with Getúlio Foundation Vargas' (FGV) Bioeconomy Observatory to stimulate research and gain insights in relevant matters linked to bioeconomy, biodiversity and forest issues. Those actions relate to both risks and opportunities given they help reduce our exposure to climate and forest related risks and better capture opportunities linked to innovation and sustainable investments.

### **Response 4: Operations**

#### **Effect type**

- Risks
- Opportunities

#### **Environmental issues relevant to the risks and/or opportunities that have affected your strategy in this area**

- Water
- Climate change
- Forests

#### **Describe how environmental risks and/or opportunities have affected your strategy in this area**

We incorporate risks and opportunities climate change, forests, and water into our strategy for direct operations. 1) Climate Change: we have set targets for reducing our own emissions and implement energy efficiency measures to reduce our consumption, besides, we are increasing the share of renewable energy into our branches and taking adaptation measures to the risk of flooding. 2) Forests: we aim to minimize our paper usage and monitor the environmental licences of our branches, our headquarter is certified by ISO 14.0001. 3) Water: we monitor our water consumption and have targets for reducing it, we also implement best practices into our buildings and our headquarter is certified by ISO 14.0001. Those measures relate to both risks - such as greenhousegas emissions and its potential impact as well as the exposure to flooding and the adaptation

measures adopted - and opportunities - such as increasing the share of renewable energy, reducing the power and water consumption and improving our ecoefficiency indicators which may reduce costs.

### **Q5.3.2 Describe where and how environmental risks and opportunities have affected your financial planning.**

#### **Response 1: Row 1**

#### **Financial planning elements that have been affected**

- Capital expenditures
- Direct costs
- Capital allocation
- Revenues

#### **Effect type**

- Risks
- Opportunities

#### **Environmental issues relevant to the risks and/or opportunities that have affected these financial planning elements**

Climate change

#### **Describe how environmental risks and/or opportunities have affected these financial planning elements**

Climate change risks and opportunities have impacted our financial planning, particularly in terms of revenues, costs, provisioning and capital allocation. In response to climate challenges, the Bank has adopted a robust sustainable finance strategy, as described in its annual and sustainable funding allocation reports. To increase its income and diversify its funding sources, Itaú has issued green, social and sustainable bonds, raising a total of BRL 5.4 billion by 2023. These funds have been allocated to projects that promote environmental and social sustainability, such as renewable energy, financial inclusion and sustainable infrastructure development. This strategy not only meets regulatory and market demands for more sustainable practices, but also opens up new business opportunities and strengthens the bank's image as a leader in ESG (environmental, social and governance). In terms of costs and provisioning, adapting to climate change has required significant investment in technologies and infrastructure that reduce carbon footprints and increase energy efficiency. For example, funds have been allocated to the installation of solar plants and transmission lines that increase the capacity of renewable energy in Brazil. In addition, Itaú is committed to aligning its credit portfolio with a net zero economy by 2050, with interim targets to ensure the transition to a low-carbon economy. Capital allocation also reflects this commitment, with a significant increase in financing for positive impact sectors such as sustainable agriculture, green infrastructure and healthcare. The Bank has committed to allocate BRL 400 billion by 2025 to initiatives that promote sustainable development. This approach not only supports climate change mitigation, but also positions the bank competitively to attract investors who value ESG criteria. In summary, climate change has forced Itaú to revise its financial planning to incorporate sustainable practices that mitigate risks, capture new market opportunities and meet the growing expectations of investors and regulators.

### **Q5.10 Does your organization use an internal price on environmental externalities?**

#### **Response 1:**

#### **Use of internal pricing of environmental externalities**

Yes

## Environmental externality priced

Carbon

### Q5.10.1 Provide details of your organization's internal price on carbon.

#### Response 1: Row 1

#### Type of pricing scheme

Shadow price

#### Objectives for implementing internal price

- Drive low-carbon investment
- Incentivize consideration of climate-related issues in risk assessment
- Stress test investments
- Incentivize consideration of climate-related issues in decision making
- Influence strategy and/or financial planning

#### Factors considered when determining the price

- Price with substantive impact on business decisions
- Alignment with the price of a carbon tax
- Benchmarking against peers
- Alignment with the price of allowances under an Emissions Trading Scheme

#### Calculation methodology and assumptions made in determining the price

Itaú Asset Management is a pioneer in Brazil in the use of carbon pricing as one of the climate scenarios and risks benchmarks integrated into its investment appraisals. In Brazil, legislation is currently being voted on to establish emissions pricing mechanisms (cap and trade or tax). However, regardless of the progress of this legislation, because the issue is developing in other countries and in light of the climate goals assumed by Brazil, it is expected that emissions pricing will become a relevant topic in the medium term. This trend may impact the cost structure of emissions-intensive businesses, such as the oil and gas sector, heavy industry, and thermoelectric power generation. On the other hand, some low-emissions industries, such as forestry and renewable energy production, may be able to earn revenue by trading carbon emissions credits and licenses through formalized markets. As a result, the pricing of emissions is a transition risk that should impact businesses' finance income and losses. In this context, Itaú Asset, as part of its ESG integration models and its assessment of the climate resilience of its portfolios, adopts carbon emissions pricing values based on various global experiences, such as regulated carbon markets, to generate impact estimates and scenarios for the profits or losses of investees and investment portfolios. These scenarios are based on prices of between R\$50 and R\$500 per tCO<sub>2</sub> e.

#### Scopes covered

Scope 1

#### Pricing approach used - spatial variance

Differentiated

#### Indicate how and why the price is differentiated

Itaú Asset, as part of its ESG integration models and its assessment of the climate resilience of its portfolios, adopts carbon emissions pricing values based on various global experiences, such as regulated carbon markets, to generate impact estimates and scenarios for the profits or losses of investees and investment portfolios. These scenarios are based on prices of between R\$50 and R\$500 per tCO<sub>2</sub>e.

### **Pricing approach used - temporal variance**

Evolutionary

### **Indicate how you expect the price to change over time**

The dynamic of the cap and trade is influenced for different factors, as the number of free allocation allowances could be graduated reduction increasing the demand, consequently, the price of allowances. In the other hand, if the economy slows down you may have a decrease in the purchase of allowances; For this reason, the price used is not static, but is monitored based on the dynamic of cap and trade systems. By 2030, we expect the allowance to reach the maximum price adopted - R\$ 500 - in scenario adopted by Itaú Asset, considerin the evolution of regulated markets, such as the EU ETS

### **Minimum actual price used (currency per metric ton CO<sub>2</sub>e)**

50

### **Maximum actual price used (currency per metric ton CO<sub>2</sub>e)**

500

### **Business decision-making processes the internal price is applied to**

- Other: impact the cost structure of emissions-intensive businesses
- Remuneration
- Procurement

### **Internal price is mandatory within business decision-making processes**

Yes, for all decision-making processes

### **% total emissions in the reporting year in selected scopes this internal price covers**

100

### **Pricing approach is monitored and evaluated to achieve objectives**

Yes

### **Details of how the pricing approach is monitored and evaluated to achieve your objectives**

In the internal carbon pricing methodology, the shadow price is based on the allowance price in emissions trading systems. Therefore, since it is a market-based price, with volatility due to supply and demand, it is necessary to monitor the carbon price so that the objective of internal pricing of monitoring the impact of the regulated market on companies is effectively monitored.

### **Response 2: Row 2**

#### **Type of pricing scheme**

Internal fee

#### **Objectives for implementing internal price**

- Set a carbon offset budget
- Incentivize consideration of climate-related issues in decision making
- Use an internal price for corporate engagement/stewardship purposes

### **Factors considered when determining the price**

Price/cost of voluntary carbon offset credits

### **Calculation methodology and assumptions made in determining the price**

In order to identify and prioritize actions to mitigate our own emissions and to subsidize the decarbonization strategy for our Scope 1 emissions, we have used the practice of offsetting our emissions using carbon credits. The internal carbon credit price adopted for the last cycle was R\$55.00. This price is calculated based on the average price of carbon credits purchased during the year, and is used in internal analyses.

### **Scopes covered**

Scope 1

### **Pricing approach used - spatial variance**

Uniform

### **Pricing approach used - temporal variance**

Static

### **Minimum actual price used (currency per metric ton CO2e)**

55

### **Maximum actual price used (currency per metric ton CO2e)**

55

### **Business decision-making processes the internal price is applied to**

- Operations
- Opportunity management

### **Internal price is mandatory within business decision-making processes**

Yes, for all decision-making processes

### **% total emissions in the reporting year in selected scopes this internal price covers**

100

### **Pricing approach is monitored and evaluated to achieve objectives**

Yes

### **Details of how the pricing approach is monitored and evaluated to achieve your objectives**

The operations areas responsible for managing the Bank's own emissions are responsible for paying carbon credits to offset direct emissions. This is one way to encourage areas to reduce emissions in their activities, projects and management, since by promoting reduction there will be no need to pay for carbon credits. Thus, the price of carbon credits is monitored so that this financial incentive to reduce emissions, instead of

purchasing credits, is achieved.

#### **Q5.11 Do you engage with your value chain on environmental issues?**

##### **Response 1: Clients**

###### **Engaging with this stakeholder on environmental issues**

Yes

##### **Response 2: Investees**

###### **Engaging with this stakeholder on environmental issues**

Yes

##### **Response 3: Suppliers**

###### **Engaging with this stakeholder on environmental issues**

Yes

###### **Environmental issues covered**

- Climate change
- Plastics
- Forests
- Water

##### **Response 4: Smallholders**

###### **Engaging with this stakeholder on environmental issues**

No, but we plan to within the next two years

###### **Primary reason for not engaging with this stakeholder on environmental issues**

No standardized procedure

###### **Explain why you do not engage with this stakeholder on environmental issues**

Smallholders are not material in our value chain analysis

##### **Response 5: Investors and shareholders**

###### **Engaging with this stakeholder on environmental issues**

Yes

###### **Environmental issues covered**

Climate change

##### **Response 6: Other value chain stakeholders**

###### **Engaging with this stakeholder on environmental issues**

Yes

## Environmental issues covered

Climate change

### Q5.11.3 Provide details of your environmental engagement strategy with your clients.

#### Response 1: Row 1

##### Type of clients

Clients of Banks

##### Environmental issues covered by the engagement strategy

- Water
- Climate change
- Forests

##### Type and details of engagement

Innovation and collaboration: Facilitate adoption of a unified climate transition approach with clients

##### % of client-associated scope 3 emissions as reported in question 12.1.1

76-99%

##### % of portfolio covered in relation to total portfolio value

51-75%

##### Explain the rationale for the coverage of your engagement

Our engagement strategy is designed to foster sustainable practices across our client base, focusing on sectors and clients that significantly impact our ESG performance. We prioritize clients in NZBA's nine carbon-intensive sectors, including agriculture, aluminum, cement, coal, real estate, steel, oil and gas, power generation, and transport. These sectors represent a large portion of our financed emissions, and influencing their transition to lower-carbon operations is key to our sustainability goals. We also engage clients with lower ESG maturity, providing them with the support needed to integrate sustainable practices. Additionally, we focus on clients with a high material impact within our financed emissions inventory to achieve significant emissions reductions and promote best practices. Beyond the priority sectors and specific client profiles, our engagement strategy is holistic and inclusive strategy considers regulatory changes, market trends, and stakeholder expectations to ensure effectiveness. By driving a culture of sustainability and significant environmental and social impact, we position Itaú as a leader in responsible banking. Our engagement goes beyond compliance, proactively shaping a sustainable future for our clients, communities, and planet.

##### Describe how you communicate your engagement strategy to your clients and/or to the public

We recognize that our business, through our products and services, can have a positive impact on a low-carbon economy. We want to be the bank of climate transition for our clients, providing value to drive business that contributes to the reduction of greenhouse gas (GHG) emissions and increasingly efficient risk mitigation models. As a signatory to the Principles for Responsible Banking (PRB) and the Net Zero Banking Alliance (NZBA), we are working to align our business strategy with the Paris Agreement's goal of limiting the average global temperature increase to below 1.5°C. We are committed to transitioning to a net zero economy by 2050, based on scientific scenarios, regulatory requirements and market standards. We recognize that our customers and stakeholders are key to this transition, and therefore engagement with these audiences is at the heart of our climate strategy. We seek to implement our strategy by defining policies that direct

institutional and commercial actions and planning towards mitigating negative impacts, reducing and sequestering carbon, and monitoring our climate performance. To ensure progress on this agenda, we have a cross-functional climate governance structure overseen by our senior management and the Board of Directors. We have worked to measure and set decarbonization targets for the sectors in which we operate, and we have a climate transition plan based on the fundamental tripod of innovation support, credit portfolio management and customer engagement, in line with the guidelines of the Task Force on Climate-Related Financial Disclosures (TCFD) and the Glasgow Financial Alliance for Net Zero (GFANZ). Our decarbonization targets and metrics, as well as the details of our Climate Transition Plan, are available in our 2023 Climate Report. More info: <https://www.itaub.com.br/download-file/v2/d/42787847-4cf6-4461-94a5-40ed237dca33/d5b8c4b5-cd94-c02f-a14d-36e3ef3958d5?origin=2>

## Attach your engagement strategy

Climate Report 2023.pdf

## Staff in your organization carrying out the engagement

- Senior-level roles
- Equity/credit analysts
- Fund managers

## Roles of individuals at the portfolio organizations you seek to engage with

- Board chair
- Board members
- Investor relations managers
- Corporate secretary
- CEO

## Effect of engagement, including measures of success

Our ESG engagement is underpinned by a comprehensive, multi-strategy approach. We systematically measure the impact of our initiatives through event outcomes, trainings efficacy, and business performance, employing a range of success indicators. Each action is aligned with specific KPIs to ensure precise monitoring of its effectiveness. Ultimately, these efforts are designed to foster a resilient and sustainable business model.

## Escalation process for engagement when dialogue is failing

No, we don't have an escalation process

## Response 2: Row 2

### Type of clients

Clients of Asset Managers

## Environmental issues covered by the engagement strategy

- Water
- Climate change
- Forests

## Type and details of engagement

- Capacity building: Support clients to set their own environmental commitments across their operations
- Information collection: Collect GHG emissions data at least annually from clients
- Information collection: Collect environmental risk and opportunity information at least annually from

clients

- Information collection: Collect water quality information at least annually from clients (e.g., discharge quality, pollution incidents, hazardous substances)
- Capacity building: Support clients to develop public, time-bound action plans with clear milestones
- Information collection: Collect climate transition plan information at least annually from clients

### **% of client-associated scope 3 emissions as reported in question 12.1.1**

None

### **% of portfolio covered in relation to total portfolio value**

100%

### **Explain the rationale for the coverage of your engagement**

Engagement with investee companies is a best practice that is increasingly being adopted by fund managers in the investment industry around the world, as it allows investors to actively interact with investee companies to influence their decision-making and drive improvements in material issues such as corporate governance, environmental performance and stakeholder relations. A key step is materiality analysis, which aims to identify the most significant environmental, social and corporate governance issues for investee companies in terms of risks and opportunities, considering new regulations, market trends and sustainability challenges, among other factors. Our publicly available Sustainable Investment Policy outlines our approach to engagement with investees in both our asset and liability investment strategies. Engagement takes place through interaction and dialogue between investors and current or potential investees. We also engage collectively with other investors to promote ESG best practice across the capital markets.

### **Describe how you communicate your engagement strategy to your clients and/or to the public**

Itaú Asset Manager is a member of the IPC engagement initiative. The “Investidores pelo Clima” (IPC - Pro-Climate Investors) is a collaborative investor initiative to encourage increased transparency of the reporting of information about climate risk management by Brazilian companies, and aligning their operations with the Paris Agreement emissions targets. IPC’s engagement initiative has been able to promote best practices related to carbon inventories, management and transparency in line with the Paris Agreement. We are also part of the Investors’ Policy Dialogue on Deforestation (IPDD), a collaborative investor initiative, that promotes dialogue with public agencies and sector associations on deforestation. We have also published a 2023 Engagement Report (available on our website), which sets out the key environmental issues we monitor and engage on with our investees.

### **Attach your engagement strategy**

Relatorio\_Engajamento\_ESG\_2023.pdf

### **Staff in your organization carrying out the engagement**

Specialized in-house engagement teams

### **Roles of individuals at the portfolio organizations you seek to engage with**

- Investor relations managers
- Board members
- Board chair
- CEO

### **Effect of engagement, including measures of success**

Engagement takes place through interactions and dialogue between investors and current or potential investees, and has the following main objectives: • Encourage the adoption of the best management and governance practices • Influence sustainability-focused policies and practices • Discuss ESG risks and opportunities • Encourage transparency and disclosure of material ESG information • Increase the investees' understanding of certain environmental, social and governance issues that may impact the value of companies. To exemplify one engagement carried out by us, we can mention an ESG engagement process that Itaú Asset Management conducted leading a group of more than 100 local and international investors with a company in the mining sector in 2019. The focus was on risk management, ESG opportunities and sustainable performance. The engagement was composed by more than 10 interactions with the company over 3 years to address topics such as health and safety, community relations, social and environmental impacts, ESG practices and corporate governance. This process is still ongoing, and the company has shown changes in its practices, committing to improving its internal processes and providing greater transparency in reporting to investors. For other engagements examples and more details of our engagement process, please go to this link below [https://assetfront.arquivosparceiros.cloud.ita.com.br/ISG/Relatorio\\_Engajamento\\_ESG\\_2023.pdf](https://assetfront.arquivosparceiros.cloud.ita.com.br/ISG/Relatorio_Engajamento_ESG_2023.pdf)

### Escalation process for engagement when dialogue is failing

No, we don't have an escalation process

### Q5.11.4 Provide details of your environmental engagement strategy with your investees.

#### Response 1: Row 1

#### Environmental issues covered by the engagement strategy

- Climate change
- Forests
- Water

#### Type and details of engagement

- Capacity building: Support investees to set their own environmental commitments across their operations
- Capacity building: Support investees to develop public time-bound action plans with clear milestones
- Financial incentives: Incentivize progress against water withdrawal targets
- Information collection: Collect GHG emissions data at least annually from investees
- Information collection: Collect environmental risk and opportunity information at least annually from investees
- Information collection: Collect targets information at least annually from investees
- Information collection: Collect climate transition plan information at least annually from investees
- Financial incentives: Incentivize progress against water pollution targets
- Information collection: Collect water quality information at least annually from investees (e.g., discharge quality, pollution incidents, hazardous substances)

#### % of scope 3 investees associated emissions as reported in 12.1.1/12.1.3

None

#### % of investing (Asset managers) portfolio covered in relation to total portfolio value

100%

#### Explain the rationale for the coverage of your engagement

Engagement with investees is a good practice which is increasingly being adopted by fund managers in the investment industry around the world, as it allows investors to actively interact with investees to influence their decision-making and promote improvements in material topics such as corporate governance,

environmental performance and relationships with stakeholders. A key step is the materiality analysis, which aims to identify the main environmental, social and corporate governance topics for investees in terms of risks and opportunities, taking into account new regulations, market trends and sustainability challenges, among others. Our Publicly-available Sustainable Investment Policy outlines our approach to engagement with investees under both Assets and Liabilities investment strategies. Engagement takes place through interactions and dialogue between investors and current or potential investees. We also engage collectively with other investors, to promote ESG best practice throughout the capital markets

## **Describe how you communicate your engagement strategy to your investees and/or to the public**

Itaú Asset Manager is a member of the IPC engagement initiative. The “Investidores pelo Clima” (IPC - Pro-Climate Investors) is a collaborative investors’ initiative to encourage increased transparency of the reporting of information about climate risk management by Brazilian companies, and aligning their operations with the Paris Agreement emission targets. The IPC engagement initiative has been able to promote best practices related to carbon inventories, management and transparency in line with the Paris agreement. We are also part of Investors’ Policy Dialogue on Deforestation (IPDD), a collaborative investors’ initiative, promoting dialogue with public agencies and sector associations on deforestation. We also published an engagement report 2023 (available on our website) in which we specify the main environmental matters we monitor and engage about with investees.

## **Attach your engagement strategy**

Relatorio\_Engajamento\_ESG\_2023.pdf

## **Staff in your organization carrying out the engagement**

Specialized in-house engagement teams

## **Roles of individuals at the portfolio organizations you seek to engage with**

- Board chair
- CEO
- Investor relations managers
- Board members

## **Effect of engagement, including measures of success**

Engagement takes place through interactions and dialogue between investors and current or potential investees, and has the following main objectives: • Encourage the adoption of the best management and governance practices • Influence sustainability-focused policies and practices • Discuss ESG risks and opportunities • Encourage transparency and disclosure of material ESG information • Increase the investees’ understanding of certain environmental, social and governance issues that may impact the value of companies. To exemplify one engagement carried out by us, we can mention an ESG engagement process that Itaú Asset Management conducted leading a group of more than 100 local and international investors with a company in the mining sector in 2019. The focus was on risk management, ESG opportunities and sustainable performance. the engagement was composed by more than 10 interactions with the company over 3 years to address topics such as health and safety, community relations, social and environmental impacts, ESG practices and corporate governance. This process is still ongoing, and the company has shown changes in its practices, committing to improving its internal processes and providing greater transparency in reporting to investors. For other engagements examples and more details of our engagement process, please go to this link below [https://assetfront.arquivosparceiros.cloud.ita.com.br/ISG/Relatorio\\_Engajamento\\_ESG\\_2023.pdf](https://assetfront.arquivosparceiros.cloud.ita.com.br/ISG/Relatorio_Engajamento_ESG_2023.pdf)

## **Escalation process for engagement when dialogue is failing**

Yes, we have an escalation process

## **Describe your escalation process**

Realising that their individual efforts don't always have the expected effect, they come up with a way of organising collectively to engage with companies on specific issues. These engagements are called collective engagements, in which two or more organisations jointly seek, via letters or meetings with executives or board members, to promote positive changes in company practices. It's really about opening a constructive dialogue in order to structure concrete measures that lead to pragmatic action on the issues discussed.

#### **Q5.11.7 Provide further details of your organization's supplier engagement on environmental issues.**

##### **Response 1: Climate change**

##### **Action driven by supplier engagement**

Emissions reduction

##### **Type and details of engagement**

- Information collection: Collect environmental risk and opportunity information at least annually from suppliers
- Capacity building: Provide training, support and best practices on how to measure GHG emissions
- Capacity building: Other capacity building activity: We hold meetings, hybrid and face-to-face workshops and have an online training platform for all our suppliers on ESG and climate change. We offer training together with CDP on emissions strategy.
- Information collection: Collect GHG emissions data at least annually from suppliers
- Information collection: Collect climate transition plan information at least annually from suppliers
- Capacity building: Provide training, support and best practices on how to set science-based targets
- Capacity building: Provide training, support and best practices on how to mitigate environmental impact

##### **Upstream value chain coverage**

Tier 1 suppliers

##### **% of tier 1 suppliers by procurement spend covered by engagement**

100%

##### **% of tier 1 supplier-related scope 3 emissions covered by engagement**

100%

##### **Describe the engagement and explain the effect of your engagement on the selected environmental action**

In 2023 we had three meetings with our suppliers, with the main agenda being issues related to Itaú Unibanco's ESG strategy and the generation of positive impact in our chain: We had the workshop with suppliers with the greatest impact, addressing our ESG planning and management programs. We held a workshop inviting all suppliers with a relationship with the organization and we had the participation of the CDP (Carbon Disclosure Project) to address the issue of greenhouse gas emissions. We held our first hybrid meeting for all suppliers with a relationship with the Organization, with around 200 suppliers physically present and the rest following up online. We launched our training platform, with online content for ESG literacy, including articles on ESG topics, including articles, videos and evaluation. In addition, we had an exchange between suppliers to promote good ESG practices in their operations. Throughout the year, we also held different awareness-raising, training and supplier engagement events on strategic issues for the chain's sustainability: Environment and climate: we participate in the CDP Supply Chain, through which we have developed a communication and engagement program with our suppliers to disclose their environmental and climate information and practices, with a view to identifying risks and opportunities. We

set a success metric of 85% of the suppliers invited to participate, always seeking to improve on the participation rate of previous years. Last year, 91% of the invited suppliers reported their information, showing our evolution on the subject. In addition, we send e-mail marketing to suppliers with ESG practices recommended by Itaú Unibanco. In the CDP Supply Chain program, we monitor the evolution of our suppliers within their climate management, for example, between 2022 and 2023 there was an increase in the number of invited suppliers who adopted an intensity target to reduce emissions from 7% to 14%, from 52% to 57% who identified climate risks, and from 79% to 82% with oversight from the climate change board. Reinforcing how much literacy and engagement actions contribute to the maturity of our partners on the topic.

## Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Yes

## Response 2: Forests

### Commodity

Timber products

### Action driven by supplier engagement

Other: Our social and environmental responsibility guide encourages environmental protection practices, including pollution prevention, managing and minimizing environmental impacts arising from its activities.

### Type and details of engagement

- Capacity building: Other capacity building activity: We hold meetings, hybrid and face-to-face workshops and have an online training platform for all our suppliers on ESG and climate change.
- Capacity building: Provide training, support and best practices on how to mitigate environmental impact

### Upstream value chain coverage

Tier 1 suppliers

### % of tier 1 suppliers by procurement spend covered by engagement

100%

### % tier 1 suppliers with substantive impacts and/or dependencies related to this environmental issue covered by engagement

Unknown

### Describe the engagement and explain the effect of your engagement on the selected environmental action

In 2023 we had three meetings with our suppliers, with the main agenda being issues related to Itaú Unibanco's ESG strategy and the generation of positive impact in our chain: We had the workshop with suppliers with the greatest impact, addressing our ESG planning and management programs. We held a workshop inviting all suppliers with a relationship with the organization and we had the participation of the CDP (Carbon Disclosure Project) to address the issue of greenhouse gas emissions. We held our first hybrid meeting for all suppliers with a relationship with the Organization, with around 200 suppliers physically present and the rest following up online. We launched our training platform, with online content for ESG literacy, including articles on ESG topics, including articles, videos and evaluation. In addition, we had an exchange between suppliers to promote good ESG practices in their operations.

## Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Yes

### Response 3: Water

#### Action driven by supplier engagement

Other: Our socio-environmental responsibility guide encourages the conscious use of natural resources, avoiding the waste of water and energy, and striving to improve the quality of our products. and energy, striving for process improvement and efficiency.

#### Type and details of engagement

Capacity building: Other capacity building activity: We hold meetings, hybrid and face-to-face workshops and have an online training platform for all our suppliers on ESG and climate change.

#### Upstream value chain coverage

Tier 1 suppliers

#### % of tier 1 suppliers by procurement spend covered by engagement

100%

#### % tier 1 suppliers with substantive impacts and/or dependencies related to this environmental issue covered by engagement

Unknown

#### Describe the engagement and explain the effect of your engagement on the selected environmental action

In 2023 we had three meetings with our suppliers, with the main agenda being issues related to Itaú Unibanco's ESG strategy and the generation of positive impact in our chain: We had the workshop with suppliers with the greatest impact, addressing our ESG planning and management programs. We held a workshop inviting all suppliers with a relationship with the organization and we had the participation of the CDP (Carbon Disclosure Project) to address the issue of greenhouse gas emissions. We held our first hybrid meeting for all suppliers with a relationship with the Organization, with around 200 suppliers physically present and the rest following up online. We launched our training platform, with online content for ESG literacy, including articles on ESG topics, including articles, videos and evaluation. In addition, we had an exchange between suppliers to promote good ESG practices in their operations.

#### Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Yes

### Response 4: Plastics

#### Action driven by supplier engagement

Circular economy

#### Type and details of engagement

- Capacity building: Other capacity building activity: We hold meetings, hybrid and face-to-face workshops and have an online training platform for all our suppliers on ESG and climate change.
- Information collection: Collect environmental risk and opportunity information at least annually from suppliers

## Upstream value chain coverage

Tier 1 suppliers

### % of tier 1 suppliers by procurement spend covered by engagement

100%

### Describe the engagement and explain the effect of your engagement on the selected environmental action

In 2023 we had three meetings with our suppliers, with the main agenda being issues related to Itaú Unibanco's ESG strategy and the generation of positive impact in our chain: We had the workshop with suppliers with the greatest impact, addressing our ESG planning and management programs. We held a workshop inviting all suppliers with a relationship with the organization and we had the participation of the CDP (Carbon Disclosure Project) to address the issue of greenhouse gas emissions. We held our first hybrid meeting for all suppliers with a relationship with the Organization, with around 200 suppliers physically present and the rest following up online. We launched our training platform, with online content for ESG literacy, including articles on ESG topics, including articles, videos and evaluation. In addition, we had an exchange between suppliers to promote good ESG practices in their operations.

### Engagement is helping your tier 1 suppliers engage with their own suppliers on the selected action

Yes

## Q5.11.9 Provide details of any environmental engagement activity with other stakeholders in the value chain.

### Response 1: Climate change

#### Type of stakeholder

Investors and shareholders

#### Type and details of engagement

Education/Information sharing: Educate and work with stakeholders on understanding and measuring exposure to environmental risks

### % stakeholder-associated scope 3 emissions

Less than 1%

### Rationale for engaging these stakeholders and scope of engagement

Defining topics for engagement is a challenge for many investors. A relevant step is the materiality analysis, which seeks to identify the main ESG issues relevant to the investor in terms of risks and opportunities. Considering issues such as new regulations, market trends and sustainability challenges can be part of this process. The SASB materiality map makes a positive contribution by presenting the main material ESG issues by company sector. In addition, considerations such as business model, value chain and relationships with different stakeholders can also be important drivers. The prioritization of issues that have the greatest impact on the generation of economic value and long-term sustainability performance is adopted by many investors. Through the materiality analysis, we have listed the main themes to be evaluated and monitored by Itaú Asset's ESG unit, and which can initiate the process of interaction or engagement, pre- or post-investment.

### Effect of engagement and measures of success

To illustrate our engagement journey, Itaú Asset Management led a group of more than 100 local and international investors in an engagement process with a company in the mining sector in 2019, with a focus on risk management, ESG opportunities and sustainable performance. In all, there were more than 10 conversations and interactions over three years, addressing topics such as health and safety, community relations, social and environmental impacts, ESG practices and corporate governance. This process is still ongoing and the company has shown changes in its practices, commitments to improving its internal processes and greater transparency in reporting to investors

## **Response 2: Forests**

## **Response 3: Water**

**Q5.13 Has your organization already implemented any mutually beneficial environmental initiatives due to CDP Supply Chain member engagement?**

### **Response 1:**

**Environmental initiatives implemented due to CDP Supply Chain member engagement**

Yes

**Q5.14 Do your external asset managers have to meet environmental requirements as part of your organization's selection process and engagement?**

### **Response 1:**

**External asset managers have to meet specific environmental requirements as part of the selection process and engagement**

Yes

**Policy in place for addressing external asset manager non-compliance**

Yes, we have a policy in place for addressing non-compliance

**Q5.14.1 Provide details of the environmental requirements that external asset managers have to meet as part of your organization's selection process and engagement.**

### **Response 1: Row 1**

**Environmental issues covered by the requirement**

Climate change

### **Coverage**

Majority of assets managed externally

**Environmental requirement that external asset managers have to meet**

Committing to net-zero emissions by 2050

**Mechanisms used to include environmental requirement in external asset manager selection**

Other: Include environmental requirements in investment analysis

**Response to external asset manager non-compliance with environmental requirement**

Other: No response, developing engagement process

**% of non-compliant external asset managers engaged**

76-99%

**Response 2: Row 2**

**Environmental issues covered by the requirement**

Climate change

**Coverage**

Majority of assets managed externally

**Environmental requirement that external asset managers have to meet**

Other: CO2 inventory

**Mechanisms used to include environmental requirement in external asset manager selection**

Other: Include environmental requirements in investment analysis

**Response to external asset manager non-compliance with environmental requirement**

Other: No response, developing engagement process

**% of non-compliant external asset managers engaged**

51-75%

**Response 3: Row 3**

**Environmental issues covered by the requirement**

Climate change

**Coverage**

Majority of assets managed externally

**Environmental requirement that external asset managers have to meet**

Other: CO2 compensation

**Mechanisms used to include environmental requirement in external asset manager selection**

Other: Include environmental requirements in investment analysis

**Response to external asset manager non-compliance with environmental requirement**

Other: No response, developing engagement process

**% of non-compliant external asset managers engaged**

51-75%

#### **Response 4: Row 4**

##### **Environmental issues covered by the requirement**

Climate change

##### **Coverage**

Majority of assets managed externally

##### **Environmental requirement that external asset managers have to meet**

Other: Recycling and waste management

##### **Mechanisms used to include environmental requirement in external asset manager selection**

Other: Include environmental requirements in investment analysis

##### **Response to external asset manager non-compliance with environmental requirement**

Other: No response, developing engagement process

##### **% of non-compliant external asset managers engaged**

1-25%

#### **Response 5: Row 5**

##### **Environmental issues covered by the requirement**

Climate change

##### **Coverage**

Majority of assets managed externally

##### **Environmental requirement that external asset managers have to meet**

Other: Initiatives related to energy efficiency

##### **Mechanisms used to include environmental requirement in external asset manager selection**

Other: Include environmental requirements in investment analysis

##### **Response to external asset manager non-compliance with environmental requirement**

Other: No response, developing engagement process

##### **% of non-compliant external asset managers engaged**

1-25%

#### **Response 6: Row 6**

##### **Environmental issues covered by the requirement**

Climate change

##### **Coverage**

Majority of assets managed externally

**Environmental requirement that external asset managers have to meet**

Other: Membership/signatory of a sustainable finance initiative(s) and/or alliance(s)

**Mechanisms used to include environmental requirement in external asset manager selection**

Other: Include environmental requirements in investment analysis

**Response to external asset manager non-compliance with environmental requirement**

Other: No response, developing engagement process

**% of non-compliant external asset managers engaged**

51-75%

**Response 7: Row 7**

**Environmental issues covered by the requirement**

Climate change

**Coverage**

Majority of assets managed externally

**Environmental requirement that external asset managers have to meet**

Other: Offering environmentally sustainable products (according to the regulator)

**Mechanisms used to include environmental requirement in external asset manager selection**

Other: Include environmental requirements in investment analysis

**Response to external asset manager non-compliance with environmental requirement**

Other: No response, developing engagement process

**% of non-compliant external asset managers engaged**

76-99%

**Response 8: Row 8**

**Environmental issues covered by the requirement**

Forests

**Coverage**

Majority of assets managed externally

**Environmental requirement that external asset managers have to meet**

Other: Paperless policy

**Mechanisms used to include environmental requirement in external asset manager selection**

Other: Include environmental requirements in investment analysis

### **Response to external asset manager non-compliance with environmental requirement**

Other: No response, developing engagement process

### **% of non-compliant external asset managers engaged**

26-50%

### **Response 9: Row 9**

### **Environmental issues covered by the requirement**

Forests

### **Coverage**

Majority of assets managed externally

### **Environmental requirement that external asset managers have to meet**

Other: Support biodiversity initiatives

### **Mechanisms used to include environmental requirement in external asset manager selection**

Other: Include environmental requirements in investment analysis

### **Response to external asset manager non-compliance with environmental requirement**

Other: No response, developing engagement process

### **% of non-compliant external asset managers engaged**

76-99%

### **Q5.15 Does your organization exercise voting rights as a shareholder on environmental issues?**

#### **Response 1:**

### **Exercise voting rights as a shareholder on environmental issues**

Yes

### **Q5.15.1 Provide details of your shareholder voting record on environmental issues.**

#### **Response 1: Row 1**

### **Method used to exercise your voting rights as a shareholder**

Exercise voting rights directly

### **% of voting rights exercised**

63.27

### **% of voting which is publicly available**

100

## Environmental issues covered in shareholder voting

- Forests
- Climate change
- Water

## Global environmental commitments that your shareholder voting is aligned with

Not assessed

## Issues supported in shareholder resolutions

Other: In addition to our Voting Policy, we also report all its voting decisions on AGMs and EGMs of invested companies on the last trimester in our website. We would also like to add that ESG Resolutions are not featured in Brazilian general meetings.

## Q6.1 Provide details on your chosen consolidation approach for the calculation of environmental performance data.

### Response 1: Climate change

#### Consolidation approach used

Operational control

#### Provide the rationale for the choice of consolidation approach

Itaú's GHG inventory is prepared according to the following guidelines: 1-GHG Protocol (A Corporate Accounting and Reporting Standard Revised Edition and Corporate Value Chain (Scope 3) Accounting and Reporting Standard). 2-ISO 14064:06 Part 1 (Specification providing guidance at the organisational level for the quantification and reporting of greenhouse gas emissions and removals). The calculation methodology is based on: Intergovernmental Panel on Climate Change IPCC (Guidelines for National Greenhouse Gas Inventories). According to the recommendations of the GHG Protocol, the inventory can be carried out using the control, operation or ownership approach. At Itaú, the inventory is carried out using the operational control approach. In other words, we only count the emissions of Itaú and its subsidiaries where it has decision-making power and the ability to implement policies for their operation.

### Response 2: Forests

#### Consolidation approach used

Operational control

#### Provide the rationale for the choice of consolidation approach

The financial sector plays an important role in this environmental issue, by adopting measures to monitor the risks of financial operations and promoting good practices to reduce deforestation and protect biodiversity. From September 2023, through the Task Force on Nature-Related Financial Disclosures (TNFD), we joined a group of companies associated with the Brazilian Center for Business Sustainability (CEBDS) to carry out a pilot that, throughout 2024, will identify the main sectors and their impacts and dependencies on nature, as well as the risks and opportunities involved, which will allow for structured and targeted action to support our clients in the search for operations with positive impacts on nature. The Brazilian Forest Code establishes general rules for the protection of native vegetation, including permanent preservation areas and legal reserves, as well as the exploitation and control of everything that

involves raw materials and forest products. The code created the requirements for the Rural Environmental Registry (CAR) and the Environmental Recovery Plan (PRA), making it possible to monitor the location and activities carried out on the property, including compliance with environmental laws and milestones established in accordance with the geography and nature of the operation.

With the aim of monitoring risks and engaging clients to develop good practices related to the preservation of biodiversity in our credit portfolio, we have incorporated deforestation risk management into the methodologies for assessing and governing social, environmental and climate risks for clients and operations, both in terms of the stages of identification, measurement, assessment, mitigation, control, monitoring and reporting, as well as submission for deliberation in the competent forums. Our procedure provides for individualized annual monitoring of the operations and supply chains of clients most likely to cause impacts on biodiversity. We have specific methodologies for clients operating in different segments of the production chain. In addition, regardless of the methodology used, all clients with individualized analysis undergo an assessment of the quality of their governance, such as the composition and independence of their Board, and their social, environmental and climate management, for example, by checking for embargoes, assessments and fines from environmental protection agencies.

### **Response 3: Water**

#### **Consolidation approach used**

Operational control

#### **Provide the rationale for the choice of consolidation approach**

To achieve maximum water efficiency, we use projects aimed at reducing the withdrawal, consumption and disposal of water, as well as using alternative sources for non-potable purposes, such as rainwater harvesting and the use of reuse water from the Effluent Treatment Plant (ETE). Through IGA (Itaú Gestão de Ativos) we manage water in two ways: managing water consumption and managing the effluent generated in the administrative buildings. As far as water consumption is concerned, we are obliged to take care with water quality measurements, report the volume extracted from abstractions with a grant, in accordance with CNRH Resolution No. 16 of 2001, and have all activities carried out by professionals duly registered with the Regional Engineering and Agronomy Council (CREA), as required by CONFEA Normative Decision No. 59 of 1997. As for the effluent aspects, care is taken to prevent and control pollution of the environment, such as preventing sewage contaminants, soil contaminants and treatment plants monitoring effluent parameters as required by Law No. 997 of 1976. Targets The long-term targets (2030) are established together with the review of the Responsible Management commitment, while the annual targets are passed on by the operational teams according to the expected forecast for the year, in order to guarantee the challenge year on year and the achievement of the company's objectives. Of the total water consumed in the year, 52% is consumed by the branch network and 48% by Itaú Unibanco's administrative operations. Targets: Between 2018 and 2030, reduce water consumption in Brazil by 62.6%. By 2023, this consumption had already fallen by 54.2%.

### **Response 4: Plastics**

#### **Consolidation approach used**

Operational control

#### **Provide the rationale for the choice of consolidation approach**

Managing plastic consumption in our operations is part of a larger waste management strategy. We maintain the indicators, targets and public commitments to continuously promote eco-efficiency gains, as well as constant investments in automated tools and systems that keep us up to date with the environmental legislation applicable to our Environmental Management System (EMS) scope, reinforcing our commitment to adopting the best market practices and those proposed by international standard certifications. We maintain our EMS in compliance with ABNT NBR ISO 14001 certification and promote its continuous expansion. Since 2011, we have been working to map, control and mitigate risks linked to the operation of our facilities and

have achieved certification in the main administrative buildings, which receive around 45% of our workforce and service providers. Certification requires the adoption of a continuous process to improve our environmental performance, through environmental monitoring to record and manage improvement actions, an annual audit schedule, critical analysis by senior management and the treatment and correction of possible non-conformities (Our certificate can be found here: <https://www.itau.com.br/download-file/v2/d/42787847-4cf6-4461-94a5-40ed237dca33/55e7c32c-cb2e-c050-4ebe-74592f33f57e?origin=2>). As improvements, we implemented the use of paper cups in the administrative centers and the use of biodegradable inputs in the food operations, such as cups, plates, cutlery, etc. We also carried out a test of sending plastic gallons, previously considered class I (hazardous) waste, for recycling, along with other plastic waste, increasing the amount of waste sent for recycling by 15 tons. We are increasingly trying to bring environmental management closer to our business and, most recently, we launched the first Brazilian card made from 100% recycled plastic, in partnership with Idemia, a company that issues payment cards, which reduces CO2 emissions, energy and water in the production process compared to ordinary cards. In 2023, all new iti account card orders were issued with fully recycled material, at no cost to the customer.

## Response 5: Biodiversity

### Consolidation approach used

Operational control

### Provide the rationale for the choice of consolidation approach

The financial sector plays an important role in this environmental issue, by adopting measures to monitor the risks of financial operations and promoting good practices to reduce deforestation and protect biodiversity. From September 2023, through the Task Force on Nature-Related Financial Disclosures (TNFD), we joined a group of companies associated with the Brazilian Center for Business Sustainability (CEBDS) to carry out a pilot that, throughout 2024, will identify the main sectors and their impacts and dependencies on nature, as well as the risks and opportunities involved, which will allow for structured and targeted action to support our clients in the search for operations with positive impacts on nature.

The Brazilian Forest Code establishes general rules for the protection of native vegetation, including permanent preservation areas and legal reserves, as well as the exploitation and control of everything that involves raw materials and forest products. The code created the requirements for the Rural Environmental Registry (CAR) and the Environmental Recovery Plan (PRA), making it possible to monitor the location and activities carried out on the property, including compliance with environmental laws and milestones established in accordance with the geography and nature of the operation.

With the aim of monitoring risks and engaging clients to develop good practices related to the preservation of biodiversity in our credit portfolio, we have incorporated deforestation risk management into the methodologies for assessing and governing social, environmental and climate risks for clients and operations, both in terms of the stages of identification, measurement, assessment, mitigation, control, monitoring and reporting, as well as submission for deliberation in the competent forums. Our procedure provides for individualized annual monitoring of the operations and supply chains of clients most likely to cause impacts on biodiversity. We have specific methodologies for clients operating in different segments of the production chain. In addition, regardless of the methodology used, all clients with individualized analysis undergo an assessment of the quality of their governance, such as the composition and independence of their Board, and their social, environmental and climate management, for example, by checking for embargoes, assessments and fines from environmental protection agencies.

### Q7.1 Is this your first year of reporting emissions data to CDP?

No

**Q7.1.1 Has your organization undergone any structural changes in the reporting year, or are any previous structural changes being accounted for in this disclosure of emissions data?**

**Response 1:**

**Has there been a structural change?**

No

**Q7.1.2 Has your emissions accounting methodology, boundary, and/or reporting year definition changed in the reporting year?**

No

**Q7.2 Select the name of the standard, protocol, or methodology you have used to collect activity data and calculate emissions.**

- IPCC Guidelines for National Greenhouse Gas Inventories, 2006
- Global GHG Accounting and Reporting Standard for the Financial Industry (PCAF)
- Brazil GHG Protocol Programme
- ISO 14064-1
- Other: Partnership for Carbon Accounting Financials (PCAF)
- World Steel Association CO2 emissions data collection guidelines
- The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (Revised Edition)

**Q7.3 Describe your organization's approach to reporting Scope 2 emissions.**

**Response 1:**

**Scope 2, location-based**

We are reporting a Scope 2, location-based figure

**Scope 2, market-based**

We are reporting a Scope 2, market-based figure

**Comment**

The GHG emissions are accounted in both approaches (location-based and market-based). The location-based is maintained for a historic series data and it is accounted applying the specific grid emissions factors of each country. The GHG emissions from the electricity purchased are also accounted using the market-based approach, because our Brazilian operations counts with electricity from renewable sources zero emissions. Therefore, the GHG emissions are accounted considering their purchase characteristics, using specific emission factors for national grid and for those coming from renewable sources. Under the location-based approach, we have reduced our absolute emissions in Brazil by around 15% compared with the previous year, mainly by reducing the emission factor of the national grid, and by around 72% compared with the scenario in which thermal power plants come on stream in 2021. In addition, we pursued internal energy efficiency through environmental projects. Under the market-based approach, we continuously invest in clean, renewable, zero-emissions energy. We have photovoltaic panels at our administrative buildings, distributed generation at branches with an expansion project for 2023, and we are in the Deregulated Energy Market. Since 2019, we have acquired Renewable Energy Certificates (RECs) as evidence that 100% of our energy comes from renewable sources. In addition, our certificates have the REC Brazil Seal, meaning they

come from power plants that also seek sustainability in social terms and in terms of their impact on the community, meeting at least 5 of the 17 Sustainable Development Goals.

**Q7.4 Are there any sources (e.g. facilities, specific GHGs, activities, geographies, etc.) of Scope 1, Scope 2 or Scope 3 emissions that are within your selected reporting boundary which are not included in your disclosure?**

No

**Q7.5 Provide your base year and base year emissions.**

**Response 1: Scope 1**

**Base year end**

2022-12-31

**Base year emissions (metric tons CO<sub>2</sub>e)**

22925

**Methodological details**

This data includes operation in Brazil and Latam (Paraguay and Uruguay).

**Response 2: Scope 2 (location-based)**

**Base year end**

2022-12-31

**Base year emissions (metric tons CO<sub>2</sub>e)**

19475

**Methodological details**

This data includes operation in Brazil and Latam (Paraguay and Uruguay).

**Response 3: Scope 2 (market-based)**

**Base year end**

2022-12-31

**Base year emissions (metric tons CO<sub>2</sub>e)**

2703

**Methodological details**

This data includes operation in Brazil and Latam (Paraguay and Uruguay).

**Response 4: Scope 3 category 1: Purchased goods and services**

**Base year end**

2022-12-31

**Base year emissions (metric tons CO2e)**

0.0

**Methodological details**

This data includes operation in Brazil and Latam (Paraguay and Uruguay).

**Response 5: Scope 3 category 2: Capital goods**

**Base year end**

2022-12-31

**Base year emissions (metric tons CO2e)**

0.0

**Methodological details**

This data includes operation in Brazil and Latam (Paraguay and Uruguay).

**Response 6: Scope 3 category 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)**

**Base year end**

2022-12-31

**Base year emissions (metric tons CO2e)**

0.0

**Methodological details**

This data includes operation in Brazil and Latam (Paraguay and Uruguay).

**Response 7: Scope 3 category 4: Upstream transportation and distribution**

**Base year end**

2022-12-31

**Base year emissions (metric tons CO2e)**

8096

**Methodological details**

This data includes operation in Brazil and Latam (Paraguay and Uruguay).

**Response 8: Scope 3 category 5: Waste generated in operations**

**Base year end**

2022-12-31

**Base year emissions (metric tons CO2e)**

5439

### Methodological details

This data includes operation in Brazil and Latam (Paraguay and Uruguay).

### Response 9: Scope 3 category 6: Business travel

#### Base year end

2022-12-31

#### Base year emissions (metric tons CO2e)

13937

### Methodological details

This data includes operation in Brazil and Latam (Paraguay and Uruguay).

### Response 10: Scope 3 category 7: Employee commuting

#### Base year end

2022-12-31

#### Base year emissions (metric tons CO2e)

12710

### Methodological details

This data includes operation in Brazil and Latam (Paraguay and Uruguay).

### Response 11: Scope 3 category 8: Upstream leased assets

#### Base year end

2022-12-31

#### Base year emissions (metric tons CO2e)

0.0

### Methodological details

This data includes operation in Brazil and Latam (Paraguay and Uruguay).

### Response 12: Scope 3 category 9: Downstream transportation and distribution

#### Base year end

2022-12-31

#### Base year emissions (metric tons CO2e)

342

### Methodological details

This data includes operation in Brazil and Latam (Paraguay and Uruguay).

### **Response 13: Scope 3 category 10: Processing of sold products**

#### **Base year end**

2022-12-31

#### **Base year emissions (metric tons CO2e)**

0

#### **Methodological details**

This data includes operation in Brazil and Latam (Paraguay and Uruguay).

### **Response 14: Scope 3 category 11: Use of sold products**

#### **Base year end**

2022-12-31

#### **Base year emissions (metric tons CO2e)**

0.0

#### **Methodological details**

This data includes operation in Brazil and Latam (Paraguay and Uruguay).

### **Response 15: Scope 3 category 12: End of life treatment of sold products**

#### **Base year end**

2022-12-31

#### **Base year emissions (metric tons CO2e)**

0.0

#### **Methodological details**

This data includes operation in Brazil and Latam (Paraguay and Uruguay).

### **Response 16: Scope 3 category 13: Downstream leased assets**

#### **Base year end**

2022-12-31

#### **Base year emissions (metric tons CO2e)**

0.0

#### **Methodological details**

This data includes operation in Brazil and Latam (Paraguay and Uruguay).

### **Response 17: Scope 3 category 14: Franchises**

**Base year end**

2022-12-31

**Base year emissions (metric tons CO2e)**

0.0

**Methodological details**

This data includes operation in Brazil and Latam (Paraguay and Uruguay).

**Response 18: Scope 3: Other (upstream)****Base year end**

2022-12-31

**Base year emissions (metric tons CO2e)**

0.0

**Methodological details**

This data includes operation in Brazil and Latam (Paraguay and Uruguay).

**Response 19: Scope 3: Other (downstream)****Base year end**

2022-12-31

**Base year emissions (metric tons CO2e)**

0.0

**Methodological details**

This data includes operation in Brazil and Latam (Paraguay and Uruguay).

**Q7.6 What were your organization's gross global Scope 1 emissions in metric tons CO2e?****Response 1: Reporting year****Gross global Scope 1 emissions (metric tons CO2e)**

19208

**Methodological details**

Scope 1 emissions are direct emissions from mobile and stationary combustion and fugitive emissions. In line with our global responsibility to combat climate change, we monitor the evolution of emissions with the teams responsible for each area in a monthly committee meeting, with the aim of monitoring consumption, reduction strategies and action plans. To become more efficient, we have made a public commitment to responsible management, setting public targets to reduce GHG emissions (scope 1) by 50% by 2030 compared to the base year of 2018, excluding external emissions in Latin America, using targets based on climate science and in line with the NetZero commitment. These long-term targets are in line with the Paris Agreement, which aims to limit global warming to 1.5°C above pre-industrial levels. We have developed action plans to reduce

our scope 1 emissions, which are managed by the same committee and reported monthly to the internal compliance team. The results are reported to the public through our annual ESG report.

### Q7.7 What were your organization's gross global Scope 2 emissions in metric tons CO2e?

#### Response 1: Reporting year

#### Gross global Scope 2, location-based emissions (metric tons CO2e)

14468

#### Gross global Scope 2, market-based emissions (metric tons CO2e) (if applicable)

132

#### Methodological details

Our scope 2 emissions are from purchases of electricity. Our inventory is based on two approaches, a location-based approach and a market-based approach, and includes operation in Brazil and Latam (Paraguay and Uruguay). In location-based approach, the GHG emissions are accounted using national specific emission factors. In market-based approach, we use a specific emission factor for electricity from renewable sources, because 100% of Itaú's electricity in Brazilian operations comes from renewable sources. The emissions we still report on the market-based approach are from Latam units, but Paraguay doesn't have emissions too because energy comes from renewable sources. We have built our Greenhouse Gas (GHG) emissions inventory based on the Brazilian GHG Protocol Program and disclose the results annually through the ESG Report and Public Emissions Registry. Our inventory is assured by an independent third party, certified by the National Institute of Metrology, Quality and Technology (Inmetro).

### Q7.8 Account for your organization's gross global Scope 3 emissions, disclosing and explaining any exclusions.

#### Response 1: Purchased goods and services

#### Evaluation status

Not relevant, explanation provided

#### Please explain

As a financial institution, emissions in this category are not significant compared to other sources. This category is not relevant as it represents less than 5% of our Scope 3 operational emissions. We haven't included them in our greenhouse gas (GHG) inventory in 2023. As a first step, we are making efforts to understand how these suppliers are addressing climate change and how we can help them integrate this issue into their operational strategy.

#### Response 2: Capital goods

#### Evaluation status

Not relevant, explanation provided

#### Please explain

As a financial institution, emissions in this category are not significant compared to other sources. This category is not relevant as it represents less than 5% of our Scope 3 operational emissions. We haven't

included them in our greenhouse gas (GHG) inventory in 2023. However, we are making efforts to understand how these suppliers are addressing climate change and how we can help them integrate this issue into their operational strategy.

### **Response 3: Fuel-and-energy-related activities (not included in Scope 1 or 2)**

#### **Evaluation status**

Not relevant, explanation provided

#### **Please explain**

We use fuel at the power generators in our operations, but the transport of this fuel is minor and therefore not relevant when considering Itaú's other Scope 3 emissions. We report emissions from fuel and energy-related activities in our scope 1, which are mainly emitted by our power generation operations. We haven't included them in our greenhouse gas (GHG) inventory in 2023. Initially, we are making efforts to understand how these suppliers are addressing climate change and how we can help them integrate this issue into their operational strategy.

### **Response 4: Upstream transportation and distribution**

#### **Evaluation status**

Relevant, calculated

#### **Emissions in reporting year (metric tons CO2e)**

10369

#### **Emissions calculation methodology**

- Fuel-based method
- Other: Air freight transportation emission factors was provided by Defra, basing on the load carried and on the distance traveled by the flights. The other fuel emission factors were provided by IPCC.

#### **Percentage of emissions calculated using data obtained from suppliers or value chain partners**

100

#### **Please explain**

Our Scope 3 emissions are in the categories of upstream transportation and distribution, downstream transportation and distribution, employee commuting, solid waste generation, business travel and financed emissions. The upstream transportation and distribution category includes parcel transportation, insurance product displacement, material transportation, cash and valuables transportation, cargo, document, material and IBBA expedition transportation, waste transportation, and Redecard terminal transportation. We standardize the report sent monthly by the suppliers, which includes important data such as: fuel consumption, number of kilometers traveled, routes used and schedules.

### **Response 5: Waste generated in operations**

#### **Evaluation status**

Relevant, calculated

#### **Emissions in reporting year (metric tons CO2e)**

4676

## Emissions calculation methodology

Other: Our inventory is in accordance with: (i) Brazil Greenhouse Gas Protocol Programme: Revised Edition (ii) ISO 14064: 06-Part 1 (iii) 2006 IPCC Guidelines for National Greenhouse Gas Inventories. Emission factors provided by IPCC accounting methodology.

## Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

Our Scope 3 emissions are in the categories of solid waste generation, transportation and distribution, employee commuting, business travel, and financed emissions. We track and classify waste in different categories. The operational waste emissions category includes landfilling, composting and incineration, and organic waste landfilling was the main source of emissions in this scope. We use data from our own scale, which we use to weigh organic waste generated at our facilities. Emission factors provided by IPCC (AR-5).

## Response 6: Business travel

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

23080

## Emissions calculation methodology

- Fuel-based method
- Other: Air travel emission factors provided by Defra, basing on the number of tickets issued and the distance traveled by the flights. The others fuel emission factors was provided by IPCC.
- Distance-based method

## Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

Our Scope 3 emissions are in the categories of business travel, waste generation, transportation and distribution, employee commuting, and financed emissions. Business travel refers to all employee transportation (air and ground) in third-party vehicles, excluding commuting. Our business travel monitoring includes data from the air fleet as well as the ground fleet for various purposes such as air travel, taxi services and customer visits. The largest portion of this area is employee air travel and reimbursement for fuel consumed in passenger vehicles (cars). To help us manage these emissions, our service providers report the information we need. On a monthly basis, they send us data on costs, fuel used, and miles driven, which is consolidated and monitored by our Travel and Aircraft Management teams. These teams are responsible for ensuring the accuracy of the information.

## Response 7: Employee commuting

### Evaluation status

Relevant, calculated

### Emissions in reporting year (metric tons CO<sub>2</sub>e)

25013

### Emissions calculation methodology

- Other: Methodology developed by ICF International, from a stratified sampling of the employees and from a collect of information through a specific questionnaire developed for Itaú Unibanco Brasil and Latam countries
- Fuel-based method
- Distance-based method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

0

### Please explain

Our Scope 3 emissions are in the categories of employee commuting, business travel, solid waste generation, transportation and distribution and financed emissions. We had 92,300 employees across all of Itaú Unibanco's facilities, including Latam (Paraguay and Uruguay), at the end of 2023. In Brazil, we had 89,922 employees. Even though we had a big home office strategy, commuting remained as one of our main scope 3 emissions, due the number of employees. By keeping some employees working at home and experimenting with flexible, hybrid and in-person work systems, in 2023, in-person activities increased, but the flow of employees into administrative buildings continued to decrease, which also reduced emissions from commuting (Brazil) compared to the pre-pandemic period. Even so, we have been working on initiatives to reduce employee commuting and to prioritize remote meetings.

### Response 8: Upstream leased assets

#### Evaluation status

Not relevant, explanation provided

### Please explain

We consider the consumption of electricity and the emissions of all Itaú's facilities, even those which are leased, in our scopes 1 and 2 calculation.

### Response 9: Downstream transportation and distribution

#### Evaluation status

Relevant, calculated

#### Emissions in reporting year (metric tons CO2e)

353

### Emissions calculation methodology

- Other: Emission factors provided by IPCC.
- Fuel-based method

### Percentage of emissions calculated using data obtained from suppliers or value chain partners

100

### Please explain

Our Scope 3 emissions are in the categories of downstream transportation and distribution, upstream transportation and distribution, employee commuting, solid waste generation, business travel, and financed emissions. The category of downstream transportation and distribution refers to transportation hired by third part, and includes transportation of Redecard terminals by manufacturer. We standardize the report sent monthly by the suppliers, which includes material data such as fuel consumption.

## **Response 10: Processing of sold products**

### **Evaluation status**

Not relevant, explanation provided

### **Please explain**

This category is not applicable to Itau operations. Itau does not sell intermediate products that require further processing, transformation or inclusion in another product before being used by the end consumer.

## **Response 11: Use of sold products**

### **Evaluation status**

Not relevant, explanation provided

### **Please explain**

As a financial institution, emissions in this category are not relevant, when compared to other sources. At Itaú, the portfolio is based on services and on giving financial support to companies and people.

## **Response 12: End of life treatment of sold products**

### **Evaluation status**

Not relevant, explanation provided

### **Please explain**

As a financial institution, emissions in this category are not relevant, when compared to other sources. At Itaú, the portfolio is based on services, being impossible to make an end of life treatment.

## **Response 13: Downstream leased assets**

### **Evaluation status**

Not relevant, explanation provided

### **Please explain**

This category is not applicable to Itau operations. Itau does not lease spaces or machinery.

## **Response 14: Franchises**

### **Evaluation status**

Not relevant, explanation provided

### **Please explain**

Itau-Unibanco does not have franchises

### Response 15: Other (upstream)

#### Evaluation status

Not relevant, explanation provided

#### Please explain

There are no other categories to be considered.

### Response 16: Other (downstream)

#### Evaluation status

Not relevant, explanation provided

#### Please explain

There are no other categories to be considered.

### Q7.9 Indicate the verification/assurance status that applies to your reported emissions.

Verification/assurance status	
Scope 1	Third-party verification or assurance process in place
Scope 2 (location-based or market-based)	Third-party verification or assurance process in place
Scope 3	Third-party verification or assurance process in place

### Q7.9.1 Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.

#### Response 1: Row 1

#### Verification or assurance cycle in place

Annual process

#### Status in the current reporting year

Complete

#### Type of verification or assurance

Limited assurance

#### Attach the statement

CDP.pdf

#### Page/section reference

Pages 6 to 9. Verification standard used: ISAE 3000 - 'Assurance Engagement Others than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board (IAASB).

**Relevant standard**

ISAE3000

**Proportion of reported emissions verified (%)**

100

**Q7.9.2 Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.**

**Response 1: Row 1**

**Scope 2 approach**

Scope 2 location-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

CDP.pdf

**Page/ section reference**

Pages 6 to 9. Verification standard used: ISAE 3000 - 'Assurance Engagement Others than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board (IAASB).

**Relevant standard**

ISAE3000

**Proportion of reported emissions verified (%)**

100

**Response 2: Row 2**

**Scope 2 approach**

Scope 2 market-based

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

CDP.pdf

**Page/ section reference**

Pages 6 to 9. Verification standard used: ISAE 3000 - ' Assurance Engagement Others than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board (IAASB).

**Relevant standard**

ISAE3000

**Proportion of reported emissions verified (%)**

100

**Q7.9.3 Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.**

**Response 1: Row 1**

**Scope 3 category**

- Scope 3: Employee commuting
- Scope 3: Waste generated in operations
- Scope 3: Business travel
- Scope 3: Downstream transportation and distribution
- Scope 3: Upstream transportation and distribution

**Verification or assurance cycle in place**

Annual process

**Status in the current reporting year**

Complete

**Type of verification or assurance**

Limited assurance

**Attach the statement**

CDP.pdf

**Page/section reference**

Pages 6 to 9. Verification standard used: ISAE 3000 - ' Assurance Engagement Others than Audits or Reviews of Historical Financial Information', issued by the International Auditing and Assurance Standards Board

(IAASB).

**Relevant standard**

ISAE3000

**Proportion of reported emissions verified (%)**

100

**Q7.10 How do your gross global emissions (Scope 1 and 2 combined) for the reporting year compare to those of the previous reporting year?**

Decreased

**Q7.10.1 Identify the reasons for any change in your gross global emissions (Scope 1 and 2 combined), and for each of them specify how your emissions compare to the previous year.**

**Response 1: Change in renewable energy consumption**

**Change in emissions (metric tons CO2e)**

5.007

**Direction of change in emissions**

Decreased

**Emissions value (percentage)**

25.71

**Please explain calculation**

Calculations were made based on difference of Scope 2 emissions in 2023 (location-based approach) from Brazil, including Paraguay and Uruguay, compared to the previous year (2022). Under the location-based approach, we have reduced our absolute emissions in Brazil by around 15% compared with the previous year, mainly by reducing the emission factor of the national grid, and by around 72% compared with the scenario in which thermal power plants come on stream in 2021. In addition, we pursued internal energy efficiency through environmental projects. In 2023 our Scope 2 emissions from Brazil, Paraguay and Uruguay were 14,468 tCO2e and in 2022 the emissions were 19,475 tCO2e, a 25.71% reduction (location based approach). Since 2019, we purchase renewable energy certificates (RECs), which certify that the energy consumed in Brazil comes from renewable sources. In 2022, our energy consumption in Brazil was 401,310 MWh from eolic sources due to the RECs. In 2023 we also purchase RECs, and we consumed 384,762 MWh from renewable sources in Brazil. Considering market based approach, the scope 2 emissions were 0 tCO2e in 2022 and 2023. Therefore, there was no emissions change year vs year in Brazil (market based approach).

**Response 2: Other emissions reduction activities**

**Change in emissions (metric tons CO2e)**

3.717

**Direction of change in emissions**

Decreased

### Emissions value (percentage)

16.21

### Please explain calculation

The calculations were based on the variation of scope 1 emissions from Brazil, including Paraguay, and Uruguay in relation to the previous year. We had proactive reduction activities on several fronts in scope 1, such as retrofitting initiatives, uninstalling diesel consumption equipment in our datacenters, improvements to refrigerant measurement data, supplier literacy workshops, reduce of ODS recharge, working towards the total elimination of gases harmful to the ozone layer. In 2022, our scope 1 emissions were 22,925 tCO<sub>2</sub>e and in 2023, our scope 1 emissions were 19,208 tCO<sub>2</sub>e, a 16.21% reduction in our emissions from this scope compared to the previous year.

### Response 3: Divestment

#### Change in emissions (metric tons CO<sub>2</sub>e)

0

#### Direction of change in emissions

No change

#### Emissions value (percentage)

0

### Please explain calculation

No changes

### Response 4: Acquisitions

#### Change in emissions (metric tons CO<sub>2</sub>e)

0

#### Direction of change in emissions

No change

#### Emissions value (percentage)

0

### Please explain calculation

No changes

### Response 5: Mergers

#### Change in emissions (metric tons CO<sub>2</sub>e)

0

#### Direction of change in emissions

No change

**Emissions value (percentage)**

0

**Please explain calculation**

No changes

**Response 6: Change in output**

**Change in emissions (metric tons CO2e)**

0

**Direction of change in emissions**

No change

**Emissions value (percentage)**

0

**Please explain calculation**

No changes

**Response 7: Change in methodology**

**Change in emissions (metric tons CO2e)**

0

**Direction of change in emissions**

No change

**Emissions value (percentage)**

0

**Please explain calculation**

No changes

**Response 8: Change in boundary**

**Change in emissions (metric tons CO2e)**

0

**Direction of change in emissions**

No change

**Emissions value (percentage)**

0

**Please explain calculation**

No changes

**Response 9: Change in physical operating conditions**

**Change in emissions (metric tons CO2e)**

0

**Direction of change in emissions**

No change

**Emissions value (percentage)**

0

**Please explain calculation**

No changes

**Response 10: Unidentified**

**Change in emissions (metric tons CO2e)**

0

**Direction of change in emissions**

No change

**Emissions value (percentage)**

0

**Please explain calculation**

No changes

**Response 11: Other**

**Change in emissions (metric tons CO2e)**

0

**Direction of change in emissions**

No change

**Emissions value (percentage)**

0

**Please explain calculation**

No changes

**Q7.10.2 Are your emissions performance calculations in 7.10 and 7.10.1 based on a location-based Scope 2 emissions figure or a market-based Scope 2 emissions figure?**

Market-based

**Q7.23 Is your organization able to break down your emissions data for any of the subsidiaries included in your CDP response?**

No

**Q7.27 What are the challenges in allocating emissions to different customers, and what would help you to overcome these challenges?**

**Response 1: Row 1**

**Allocation challenges**

Doing so would require we disclose business sensitive/proprietary information

**Please explain what would help you overcome these challenges**

Disclosure of financed emissions on a sector-level.

**Q7.28 Do you plan to develop your capabilities to allocate emissions to your customers in the future?**

**Response 1:**

**Do you plan to develop your capabilities to allocate emissions to your customers in the future?**

Yes

**Describe how you plan to develop your capabilities**

Expand our data collection and coverage to a larger number of clients (including international subsidiaries); seek the most recent financial statements and GHG data from our clients (including 3rd party data provider services for publicly traded companies).

**Q7.29 What percentage of your total operational spend in the reporting year was on energy?**

More than 0% but less than or equal to 5%

**Q7.30 Select which energy-related activities your organization has undertaken.**

	Indicate whether your organization undertook this energy-related activity in the reporting year
Consumption of fuel (excluding feedstocks)	Yes
Consumption of purchased or acquired electricity	Yes
Consumption of purchased or acquired heat	No
Consumption of purchased or acquired steam	No
Consumption of purchased or acquired cooling	No
Generation of electricity, heat, steam, or cooling	Yes

**Q7.30.1 Report your organization's energy consumption totals (excluding feedstocks) in MWh.**

	Heating value	MWh from renewable sources	MWh from non-renewable sources	Total (renewable and non-renewable) MWh
Consumption of fuel (excluding feedstock)	LHV (lower heating value)	1357	13405	14762
Consumption of purchased or acquired electricity	Unable to confirm heating value	388733	2190	390923
Consumption of self-generated non-fuel renewable energy	Unable to confirm heating value	8043		8043
Total energy consumption	Unable to confirm heating value	398966	8043	407009

**Q7.30.16 Provide a breakdown by country/area of your electricity/heat/steam/cooling consumption in the reporting year.**

	Brazil	Paraguay	Uruguay
Consumption of purchased electricity (MWh)	376719.3	12014	2189.7
Consumption of self-generated electricity (MWh)	8043	0	0
Consumption of purchased heat, steam, and cooling (MWh)	0	0	0
Consumption of self-generated heat, steam, and cooling (MWh)	0	0	0
Total electricity/heat/steam/cooling energy consumption (MWh)	384762.30	12014.00	2189.70

**Q7.45 Describe your gross global combined Scope 1 and 2 emissions for the reporting year in metric tons CO2e per unit currency total revenue and provide any additional intensity metrics that are appropriate to your business operations.**

**Response 1: Row 1**

**Intensity figure**

2.109e-7

**Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)**

33074

**Metric denominator**

unit total revenue

**Metric denominator: Unit total**

156798000000

**Scope 2 figure used**

Location-based

**% change from previous year**

15.41

**Direction of change**

Decreased

**Reasons for change**

Change in renewable energy consumption

**Please explain**

This calculation covers only Brazil, not including Latam units, because we consider the banking product only from Brazil. For scope 2, under the location-based approach, we have reduced our absolute emissions in Brazil by around 15% compared with the previous year, mainly by reducing the emission factor of the national grid, and by around 72% compared with the scenario in which thermal power plants come on stream in 2021. In addition, we pursued internal energy efficiency through environmental projects. For scope 1, fugitive emissions, primarily related to air conditioning, which requires the use of refrigerants at our branches and administrative hubs, account for almost 80% of our Scope 1 emissions. Since 2020, we have put in place a governance dedicated to fluid control, including actions to improve data measurement, preventive maintenance of machines, the use of advanced leak detection technologies, mapping and studies focused on replacing these refrigerants with less harmful gases, and recycling these gases for environmentally appropriate disposal. In line with our commitment to reduce the use of gases which are harmful to the ozone layer, as described by the Montreal Protocol, we have implemented projects to replace HCFC-22 gas in the air conditioning units of branches and administrative buildings, reducing the consumption of this fluid by 39% in 2023, a reduction of 5,177 tCO2 e. In addition, we have implemented educational actions, with quarterly bulletins that provide guidance for our operations on best practice, and in 2023 we held a workshop with suppliers to build awareness about the use of fluids. In 2023, we reduced these emissions by 16% compared to 2022, through the following actions carried out during the year: Improvements to refrigerant measurement

data; Data Management; Supplier Literacy Workshops; Contractual adjustments; Installation of vandal-proof grilles; Retrofitting machines; Reduce of ODS recharge.

## Response 2: Row 2

### Intensity figure

1.195e-7

### Metric numerator (Gross global combined Scope 1 and 2 emissions, metric tons CO2e)

18738

### Metric denominator

unit total revenue

### Metric denominator: Unit total

156798000000

### Scope 2 figure used

Market-based

### % change from previous year

16.08

### Direction of change

Decreased

### Reasons for change

Other emissions reduction activities

### Please explain

This calculation covers only Brazil, not including Latam units, because we consider the banking product only from Brazil. For scope 2, under the market-based approach, we continuously invest in clean, renewable, zero-emissions energy. We have photovoltaic panels at our administrative buildings, distributed generation at branches with an expansion project for 2023, and we are in the Deregulated Energy Market. Since 2019, we have acquired Renewable Energy Certificates (RECs) as evidence that 100% of our energy comes from renewable sources. In addition, our certificates have the REC Brazil Seal, meaning they come from power plants that also seek sustainability in social terms and in terms of their impact on the community, meeting at least 5 of the 17 Sustainable Development Goals. For scope 1, fugitive emissions, primarily related to air conditioning, which requires the use of refrigerants at our branches and administrative hubs, account for almost 80% of our Scope 1 emissions. Since 2020, we have put in place a governance dedicated to fluid control, including actions to improve data measurement, preventive maintenance of machines, the use of advanced leak detection technologies, mapping and studies focused on replacing these refrigerants with less harmful gases, and recycling these gases for environmentally appropriate disposal. In line with our commitment to reduce the use of gases which are harmful to the ozone layer, as described by the Montreal Protocol, we have implemented projects to replace HCFC-22 gas in the air conditioning units of branches and administrative buildings, reducing the consumption of this fluid by 39% in 2023, a reduction of 5,177 tCO<sub>2</sub> e. In addition, we have implemented educational actions, with quarterly bulletins that provide guidance for our operations on best practice, and in 2023 we held a workshop with suppliers to build awareness about the use of fluids. In 2023, we reduced these emissions by 16% compared to 2022, through the following actions carried

out during the year: Improvements to refrigerant measurement data; Data Management; Supplier Literacy Workshops; Contractual adjustments; Installation of vandal-proof grilles; Retrofitting machines; Reduce of ODS recharge.

**Q7.52 Provide any additional climate-related metrics relevant to your business.**

**Response 1: Row 1**

**Description**

Energy usage

**Metric value**

384762

**Metric numerator**

Energy Consumption (MWh)

**Metric denominator (intensity metric only)**

Not applicable

**% change from previous year**

4.12

**Direction of change**

Decreased

**Please explain**

In 2023, we reduced the total electricity consumed in Brazil by 4%. Our branches accounted for 62% of our electricity consumption during the year, while administrative buildings, offices and data centers represented 38% of total consumption.

**Response 2: Row 2**

**Description**

Waste

**Metric value**

2401

**Metric numerator**

Generation of waste disposed of to landfill (tons)

**Metric denominator (intensity metric only)**

Not applicable

**% change from previous year**

4.38

### Direction of change

Decreased

### Please explain

With employees returning to our administrative centers and improved waste accounting procedures, the volume of waste recorded by type of disposal (landfill or recycling) regardless of how it was generated, has increased. Of particular note was the adoption of a zero-landfill model for our main administrative centers, with all waste sent for composting. The main type of waste sent to landfill is construction waste. We recorded changes to the figures for prior years due to the inclusion of some unaccounted-for construction waste.

### Response 3: Row 3

#### Description

Other: Water

#### Metric value

663713

#### Metric numerator

Water consumption (m3)

#### Metric denominator (intensity metric only)

Not applicable

#### % change from previous year

5.55

### Direction of change

Increased

### Please explain

In 2023, the increase in water consumption was driven by the resumption of face-to-face activities at our central administrative centers, the expansion of commercial office projects, and the replacement of water meters with revamped models, thus improving water billing management in view of more accurate consumption data. All effluents generated from our operations are treated, with some administrative buildings having their own wastewater treatment stations, and the remaining locations having their water treated by their local concessionaire.

### Q7.53 Did you have an emissions target that was active in the reporting year?

- Absolute target
- Portfolio target

**Q7.53.1 Provide details of your absolute emissions targets and progress made against those targets.**

**Response 1: Row 1**

**Target reference number**

Abs 1

**Is this a science-based target?**

Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

**Target ambition**

1.5°C aligned

**Date target was set**

2021-12-31

**Target coverage**

Organization-wide

**Greenhouse gases covered by target**

- Nitrous oxide (N2O)
- Methane (CH4)
- Carbon dioxide (CO2)
- Hydrofluorocarbons (HFCs)

**Scopes**

Scope 1

**End date of base year**

2018-12-31

**Base year Scope 1 emissions covered by target (metric tons CO2e)**

18658

**Base year total Scope 3 emissions covered by target (metric tons CO2e)**

0.000

**Total base year emissions covered by target in all selected Scopes (metric tons CO2e)**

18658.000

**Base year Scope 1 emissions covered by target as % of total base year emissions in Scope 1**

89.83

**Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**

89.83

### End date of target

2030-12-31

### Targeted reduction from base year (%)

50.4

### Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)

9254.368

### Scope 1 emissions in reporting year covered by target (metric tons CO2e)

18738

### Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)

18738.000

### Land-related emissions covered by target

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

### % of target achieved relative to base year

-0.85

### Target status in reporting year

Underway

### Explain target coverage and identify any exclusions

Scope 1 emissions are direct emissions arising from mobile and stationary combustion, and fugitive emissions. In line with the global responsibility to fight climate change, we monitor the evolution of emissions with the teams in charge of each area through a monthly committee, with the purpose of monitoring consumption, reduction strategies and action plans. In order to become more efficient, we have made a public Responsible Management commitment, setting out public goals to reduce the GHG emissions (scope 1) by 50% by 2030 from the base year of 2018, excluding external ones in Latin America and using targets based on climate science and in line with the NetZero commitment. These long-term targets are aligned with the Paris Accord, which set a goal of limiting global warming to 1.5°C above pre-industrial levels, and we have drawn up action plans that seek to reduce our Scope 1 emissions, managed by the same committee and reported monthly to the Internal Compliance team. The results are disclosed to the public through our ESG Report every year.

### Target objective

Goals to reduce the GHG emissions (scope 1) by 50% by 2030 from the base year of 2018, using targets based on climate science and in line with the NetZero commitment

### Plan for achieving target, and progress made to the end of the reporting year

Fugitive emissions are the biggest offender and account for 82% of Scope 1 emissions in 2023, mostly related to refrigeration, with the use of refrigerants in our branches and administrative centers. As actions taken, we have the Improvements to refrigerant measurement data together with suppliers in the branch network, with

internal efficiency metrics based on fluid loss indicators relative to the total installed capacity of our air-conditioners. To this end, we try both to improve technology and to build the awareness of the maintenance team and our suppliers regarding reducing fluid leaks into the atmosphere according to the benchmarks for each type of equipment. In our quest to improve the measurement of our emissions, we started to use Salesforce as a tool for reporting fluid refills, which allows us to understand the individual performance of the branches, which will inform our decision-making depending on the issues detected. We held a workshop on assumptions, data, metrics, and the use of Salesforce to build the ESG literacy and engagement of our four managers and 14 branch maintenance service suppliers, while supporting their management work and advising them on the correct reporting of fluid recharge data in relation to air conditioning maintenance. We have included ESG assumptions and contractual obligations to issue environmental certificates for fluid disposal in contracts with our suppliers and sought out market quotations to ensure that our suppliers are in line with our strategy. In 2023, 294 kg of 410a, 407c and R22 fluids were disposed of in the bank branch network, avoiding the emission of 347.3 tCO<sub>2</sub>e. Given that vandalism is the cause of one-third of the emissions resulting from refrigerant leaks at our branches, we invested R\$3 million in the installation of vandal-proof grilles for the protection of our air conditioner units in 2023, and we will invest another R\$3 million in 2024 to expand this program to more branches. We have retrofitted 114 obsolete machines in our stores, reducing the amount of liquid that escapes into the atmosphere. We phased out the use of HCFC-22 and HCFC-141b, reducing the agency's consumption of ozone-depleting substances (ODS) by 35% during the year, in line with the recommendations of the Montreal Protocol. To minimize the impact of our operations on the environment, through the Climate Commitment Program, we offset 100% of the remaining Scope 1 emissions.

### Target derived using a sectoral decarbonization approach

No

### Response 2: Row 2

#### Target reference number

Abs 2

#### Is this a science-based target?

Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

#### Target ambition

1.5°C aligned

#### Date target was set

2021-12-31

#### Target coverage

Organization-wide

#### Greenhouse gases covered by target

Carbon dioxide (CO<sub>2</sub>)

#### Scopes

Scope 2

**Scope 2 accounting method**

Market-based

**End date of base year**

2018-12-31

**Base year Scope 2 emissions covered by target (metric tons CO2e)**

26236

**Base year total Scope 3 emissions covered by target (metric tons CO2e)**

0.000

**Total base year emissions covered by target in all selected Scopes (metric tons CO2e)**

26236.000

**Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2**

89.83

**Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes**

89.83

**End date of target**

2030-12-31

**Targeted reduction from base year (%)**

100

**Total emissions at end date of target covered by target in all selected Scopes (metric tons CO2e)**

0.000

**Scope 2 emissions in reporting year covered by target (metric tons CO2e)**

0

**Total emissions in reporting year covered by target in all selected scopes (metric tons CO2e)**

0.000

**Land-related emissions covered by target**

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

**% of target achieved relative to base year**

100.00

**Target status in reporting year**

Achieved

### Explain target coverage and identify any exclusions

In order to become more efficient, we have made a public Responsible Management commitment, setting out public goals to continue to certify that 100% of our energy consumed is renewable and with zero emissions, using a market-based approach. These indicators are monitored by a committee that gathers data from all areas of the bank on a monthly basis, with the purpose of monitoring consumption, reduction strategies and action plans, and the results are disclosed to the public through our Annual Report every year. Under the market-based approach, we continuously invest in clean, renewable, zero-emissions energy. We have photovoltaic panels at our administrative buildings, distributed generation at branches with an expansion project for 2023, and we are in the Deregulated Energy Market. Since 2019, we have acquired Renewable Energy Certificates (RECs) as evidence that 100% of our energy comes from renewable sources. In addition, our certificates have the REC Brazil Seal, meaning they come from power plants that also seek sustainability in social terms and in terms of their impact on the community, meeting at least 5 of the 17 Sustainable Development Goals.

### Target objective

Goals to continue to certify that 100% of our energy consumed is renewable and with zero emissions, using a market-based approach

### Target derived using a sectoral decarbonization approach

No

### List the emissions reduction initiatives which contributed most to achieving this target

Under the market-based approach, we continuously invest in clean, renewable, zero-emissions energy. We have photovoltaic panels at our administrative buildings, distributed generation at branches with an expansion project for 2023, and we are in the Deregulated Energy Market. Since 2019, we have acquired Renewable Energy Certificates (RECs) as evidence that 100% of our energy comes from renewable sources. In addition, our certificates have the REC Brazil Seal, meaning they come from power plants that also seek sustainability in social terms and in terms of their impact on the community, meeting at least 5 of the 17 Sustainable Development Goals.

### Response 3: Row 3

#### Target reference number

Abs 2

#### Is this a science-based target?

Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

#### Target ambition

1.5°C aligned

#### Date target was set

2021-12-31

#### Target coverage

Organization-wide

## Greenhouse gases covered by target

Carbon dioxide (CO<sub>2</sub>)

### Scopes

Scope 2

### Scope 2 accounting method

Location-based

### End date of base year

2018-12-31

### Base year Scope 2 emissions covered by target (metric tons CO<sub>2</sub>e)

41678

### Base year total Scope 3 emissions covered by target (metric tons CO<sub>2</sub>e)

0.000

### Total base year emissions covered by target in all selected Scopes (metric tons CO<sub>2</sub>e)

41678.000

### Base year Scope 2 emissions covered by target as % of total base year emissions in Scope 2

89.83

### Base year emissions covered by target in all selected Scopes as % of total base year emissions in all selected Scopes

89.83

### End date of target

2030-12-31

### Targeted reduction from base year (%)

34.9

### Total emissions at end date of target covered by target in all selected Scopes (metric tons CO<sub>2</sub>e)

27132.378

### Scope 2 emissions in reporting year covered by target (metric tons CO<sub>2</sub>e)

14336

### Total emissions in reporting year covered by target in all selected scopes (metric tons CO<sub>2</sub>e)

14336.000

### Land-related emissions covered by target

No, it does not cover any land-related emissions (e.g. non-FLAG SBT)

**% of target achieved relative to base year**

187.97

**Target status in reporting year**

Achieved

**Explain target coverage and identify any exclusions**

Under the location-based approach, we have reduced our absolute emissions in Brazil by around 15% compared with the previous year, mainly by reducing the emission factor of the national grid, and by around 72% compared with the scenario in which thermal power plants come on stream in 2021. In addition, we pursued internal energy efficiency through environmental projects.

**Target objective**

Goal to reduce location-based emissions by 34.9% by 2030

**Target derived using a sectoral decarbonization approach**

No

**List the emissions reduction initiatives which contributed most to achieving this target**

Under the location-based approach, we have reduced our absolute emissions in Brazil by around 15% compared with the previous year, mainly by reducing the emission factor of the national grid, and by around 72% compared with the scenario in which thermal power plants come on stream in 2021. In addition, we pursued internal energy efficiency through environmental projects.

**Q7.53.4 Provide details of the climate-related targets for your portfolio.**

**Response 1: Row 1**

**Target reference number**

Por1

**Target type**

Sector Decarbonization Approach (SDA)

**Methodology used when setting the target**

NZBA Target Setting Guidelines

**Date target was set**

2023-04-28

**Target is set and progress against it is tracked at**

Sector level

**Sector**

Power generation

**Portfolios covered by the target**

Banking (Bank)

**Asset classes covered by the target**

- Project finance
- Bonds
- Loans
- Cash equivalents/money market instruments
- Fixed income
- Equity investments

**Target type: Absolute or intensity**

Intensity

**% of portfolio emissions covered by the target**

100

**Metric (or target numerator if intensity)**

Other: gCO2e

**Target denominator**

kWh

**% of portfolio covered in relation to total portfolio value**

100

**Frequency of target reviews**

Every five years

**End date of base year**

2021-12-31

**Figure in base year**

103

**We have an interim target**

No

**End date of target**

2030-12-31

**Figure in target year**

38

**Figure in reporting year**

44

**% of target achieved relative to base year**

90.76923076923077

**Target status in reporting year**

Underway

**Is this a science-based target?**

Yes, we consider this a science-based target, and it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, but we have not committed to seek validation by the Science Based Targets initiative within the next two years

**Target ambition**

1.5°C aligned

**Please explain target coverage and identify any exclusions**

Coverage: Power Generation Utilities

**Target objective**

Target: 38gCO<sub>2</sub>e by 2030, and net-zero by 2040.

**Response 2: Row 2****Target reference number**

Por2

**Target type**

Sector Decarbonization Approach (SDA)

**Methodology used when setting the target**

NZBA Target Setting Guidelines

**Date target was set**

2024-04-30

**Target is set and progress against it is tracked at**

Sector level

**Sector**

Materials

**Portfolios covered by the target**

Banking (Bank)

**Asset classes covered by the target**

- Equity investments
- Fixed income
- Cash equivalents/money market instruments
- Loans
- Bonds
- Project finance

**Target type: Absolute or intensity**

Intensity

**% of portfolio emissions covered by the target**

100

**Metric (or target numerator if intensity)**

Metric tons CO2e

**Target denominator**

Ton cement

**% of portfolio covered in relation to total portfolio value**

100

**Frequency of target reviews**

Every five years

**End date of base year**

2022-12-30

**Figure in base year**

0.61

**We have an interim target**

No

**End date of target**

2030-12-31

**Figure in target year**

0.47

**Figure in reporting year**

0.61

**% of target achieved relative to base year**

0

### Target status in reporting year

New

### Is this a science-based target?

Yes, we consider this a science-based target, and it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, but we have not committed to seek validation by the Science Based Targets initiative within the next two years

### Target ambition

1.5°C aligned

### Please explain target coverage and identify any exclusions

Most emissions are concentrated in scope 1, particularly in the calcination process, which can account for up to 63% of the sector's total emissions. The perimeter chosen was clinker manufacturing, due to the materiality of this stage in the production process. Decarbonizing the sector depends on factors such as energy efficiency, the use of low-emission sources and reducing the clinker factor. Exclusions: Mining, Product Distribution

### Target objective

Achieving the sector's decarbonization objective depends, mostly, on reducing the clinker factor in cement production, adopting energy efficiency and transition actions and innovative technologies such as CCS and low-carbon hydrogen, particularly from 2030 onwards. The use of alternative fuels, such as biomass and waste, also makes it possible to reduce emissions in the manufacture of cement products, but there are caveats regarding availability, which can bring volatility to the industry's emissions. Throughout 2023 we have been talking to our clients to understand the challenges associated with adopting these solutions and the extent to which financial institutions can support the sector's climate transition. An important part of these measures depends on regulatory changes and the maturity and availability of innovative technologies, which have already been mapped and monitored in our strategy.

### Response 3: Row 3

#### Target reference number

Por3

#### Target type

Sector Decarbonization Approach (SDA)

#### Methodology used when setting the target

NZBA Target Setting Guidelines

#### Date target was set

2024-04-30

#### Target is set and progress against it is tracked at

Sector level

**Sector**

Materials

**Portfolios covered by the target**

Banking (Bank)

**Asset classes covered by the target**

- Project finance
- Bonds
- Loans
- Cash equivalents/money market instruments
- Fixed income

**Target type: Absolute or intensity**

Intensity

**% of portfolio emissions covered by the target**

100

**Metric (or target numerator if intensity)**

Metric tons CO2e

**Target denominator**

Ton iron and steel

**% of portfolio covered in relation to total portfolio value**

100

**Frequency of target reviews**

Every five years

**End date of base year**

2022-12-30

**Figure in base year**

1.22

**We have an interim target**

No

**End date of target**

2030-12-31

**Figure in target year**

0.94

### Figure in reporting year

1.22

### % of target achieved relative to base year

0

### Target status in reporting year

New

### Is this a science-based target?

Yes, we consider this a science-based target, and it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, but we have not committed to seek validation by the Science Based Targets initiative within the next two years

### Target ambition

1.5°C aligned

### Please explain target coverage and identify any exclusions

The definition of the emissions baseline was based on the IPCC guidelines for emissions inventories, applying the PCAF methodology and using primary data from clients whenever available. Exposures in products with a funded emissions calculation methodology (following the PCAF methodology) and scope 1 and 2 emissions from clients operating in steel manufacturing were considered. The perimeter of the sectoral objective is the steel production stage (reduction of iron ore). With the estimated data we arrived at a baseline of 1.22 tCO<sub>2</sub>e/t Steel with a PCAF score of 1.2.

### Target objective

Based on the International Energy Agency's (IEA) Net Zero Scenario for 2050, we have set an objective of a 23% reduction in the intensity of greenhouse gas emissions financed for the steel sector portfolio. Once the objective is reached, the emissions intensity of the portfolio would be 0.94 tCO<sub>2</sub>e/t Steel in 2030.

### Response 4: Row 4

### Target reference number

Por4

### Target type

Sector Decarbonization Approach (SDA)

### Methodology used when setting the target

NZBA Target Setting Guidelines

### Date target was set

2024-04-30

### Target is set and progress against it is tracked at

Sector level

**Sector**

Materials

**Portfolios covered by the target**

Banking (Bank)

**Asset classes covered by the target**

- Project finance
- Loans
- Cash equivalents/money market instruments
- Bonds
- Fixed income

**Target type: Absolute or intensity**

Intensity

**% of portfolio emissions covered by the target**

100

**Metric (or target numerator if intensity)**

Metric tons CO2e

**Target denominator**

Ton aluminum

**% of portfolio covered in relation to total portfolio value**

100

**Frequency of target reviews**

Every five years

**End date of base year**

2022-12-30

**Figure in base year**

3.28

**We have an interim target**

No

**End date of target**

2030-12-31

**Figure in target year**

2.66

### Figure in reporting year

3.28

### % of target achieved relative to base year

0

### Target status in reporting year

New

### Is this a science-based target?

Yes, we consider this a science-based target, and it has been set in line with the Glasgow Financial Alliance for Net Zero (GFANZ) commitments, but we have not committed to seek validation by the Science Based Targets initiative within the next two years

### Target ambition

1.5°C aligned

### Please explain target coverage and identify any exclusions

The definition of the emissions baseline was based on the application of the IPCC guidelines for emissions inventories, applying the PCAF methodology and using primary data from clients, whenever available. Exposures to products with an available emissions calculation methodology (following the PCAF methodology) and scope 1 and 2 emissions from clients operating in the smelting stage of primary aluminum manufacturing were considered. The perimeter of the sectoral objective considers the smelting stage, since it represents 72% of emissions from primary aluminum production, according to International Aluminum Institute's (IAI). With the estimated data we arrive at a baseline of 3.28 tCO<sub>2</sub>e/t Aluminum with a PCAF score of 2.2. Considering that different methodological approaches can be adopted in calculating the baseline and setting decarbonization objectives, we reiterate that the disclosures of different financial institutions are not directly comparable and, if made, must consider the differences in methodology and scope of the data disclosed. Based on the International Aluminum Institute's scenario, we set an objective of a 19% reduction in the intensity of greenhouse gas emissions financed for the aluminum sector portfolio. Once the objective is reached, the emissions intensity of the emissions intensity of the portfolio would reach 2.66 tCO<sub>2</sub>e/t Aluminum in 2030.

### Target objective

Based on the International Aluminum Institute's scenario, we set an objective of a 19% reduction in the intensity of greenhouse gas emissions financed for the aluminum sector portfolio. Once the objective is reached, the emissions intensity of the emissions intensity of the portfolio would reach 2.66 tCO<sub>2</sub>e/t Aluminum in 2030.

### Q7.54 Did you have any other climate-related targets that were active in the reporting year?

- Net-zero targets
- Targets to increase or maintain low-carbon energy consumption or production
- Other climate-related targets
- Targets to reduce methane emissions

**Q7.54.1 Provide details of your targets to increase or maintain low-carbon energy consumption or production.**

**Response 1: Row 1**

**Target reference number**

Low 1

**Date target was set**

2021-12-31

**Target coverage**

Organization-wide

**Target type: energy carrier**

Electricity

**Target type: activity**

Production

**Target type: energy source**

Renewable energy source(s) only

**End date of base year**

2018-12-31

**Consumption or production of selected energy carrier in base year (MWh)**

207182

**% share of low-carbon or renewable energy in base year**

36

**End date of target**

2030-12-31

**% share of low-carbon or renewable energy at end date of target**

100

**% share of low-carbon or renewable energy in reporting year**

100

**% of target achieved relative to base year**

100.00

**Target status in reporting year**

Achieved

### Is this target part of an emissions target?

Yes, We are commitment to continue to certify our energy consumed with zero emissions, using a market-based approach.

### Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

### Explain target coverage and identify any exclusions

We have made a public Responsible Management commitment, setting out public goals to continue to certify that 100% of our energy consumed is renewable and continue with zero scope 2 emissions, using a market-based approach in Brazil.

### Target objective

We have made a public Responsible Management commitment, setting out public goals to continue to certify that 100% of our energy consumed is renewable and continue with zero scope 2 emissions, using a market-based approach in Brazil.

### List the actions which contributed most to achieving this target

Under the market-based approach, we continuously invest in clean, renewable, zero-emissions energy. We have photovoltaic panels at our administrative buildings, distributed generation at branches with an expansion project for 2023, and we are in the Deregulated Energy Market. Since 2019, we have acquired Renewable Energy Certificates (RECs) as evidence that 100% of our energy comes from renewable sources. In addition, our certificates have the REC Brazil Seal, meaning they come from power plants that also seek sustainability in social terms and in terms of their impact on the community, meeting at least 5 of the 17 Sustainable Development Goals.

### Q7.54.2 Provide details of any other climate-related targets, including methane reduction targets.

#### Response 1: Row 1

#### Target reference number

Oth 1

#### Date target was set

2021-12-31

#### Target coverage

Country/area/region

#### Target type: absolute or intensity

Absolute

#### Target type: category & Metric (target numerator if reporting an intensity target)

Waste management: metric tons of waste generated

**End date of base year**

2018-12-31

**Figure or percentage in base year**

23555

**End date of target**

2030-12-31

**Figure or percentage at end of date of target**

2803

**Figure or percentage in reporting year**

2401

**% of target achieved relative to base year**

101.9371626831

**Target status in reporting year**

Underway

**Is this target part of an emissions target?**

Setting goals and commitments and their follow-up monitoring is the key for an efficient environmental management. Our Responsible Management Commitment have public targets designed for our Brazilian operations to be achieved by 2030, and key performance indicators (KPI) correlated to them. By reducing the disposal of waste in landfills, we also impact our scope 3 emissions, which are monitored yearly in our GHG emissions inventory of the Brazilian GHG Protocol Program, recognized with the Gold Seal by the program.

**Is this target part of an overarching initiative?**

No, it's not part of an overarching initiative

**Please explain target coverage and identify any exclusions**

In order to become more efficient, we have made a public Responsible Management commitment, setting out public goals to reduce the volume of waste from our administrative units sent to landfills by 88.1% between 2018 and 2030. Our indicators cover 100% of the operations in Brazil, the outcome of a monthly survey at approximately 4 thousand branches and a hundred administrative offices.

**Target objective**

Public goals to reduce the volume of waste from our administrative units sent to landfills by 88.1% between 2018 and 2030

**Plan for achieving target, and progress made to the end of the reporting year**

In 2023, following the resumption of face-to-face activities, we were able significantly to exceed our targets for composting and waste from restaurants, as well as improving the measurement of waste and processes, and incorporating construction waste in our assessment. This has led to significant improvements not only in the setting of targets, but also in the making of estimates for subsequent years. In the first quarter of 2023, we

implemented a zero-landfill project at the main administrative center hubs and data centers, where all non-recyclable waste will undergo sorting and separation for subsequent disposal to a co-processing plant, where it will be used as fuel to feed ovens as part of the cement production process. Organic food waste (from our buildings with restaurants), garden pruning and mowing waste are sent for composting, as well as paper hand towels from our bathrooms are sent for paper recycling, as a stop-gap measure to reduce the volume of waste sent to landfill. We seek to ensure the accurate measurement of waste volume using hand scales at all our branches to weigh bags of organic and recyclable waste. We promote the appropriate disposal of recyclable waste through public recycling collection at branches that have this option, and hire private companies for those that do not, thus ensuring adequate waste disposal for all branches. Our office furniture and all paper consumed in our internal operations are certified by the International Forest Stewardship Council (FSC), ensuring that they come from responsible forestry management certified locations, in line with our commitment to fighting deforestation. In addition to verifying its origin, we are pushing to reduce paper usage, both by offering digital alternatives to our clients, and through our Zero Paper and Paperless Branch programs. We continue to use paper cups at our administrative centers and biodegradable materials at our office restaurants (cups, plates, cutlery, etc.) We also tested sending of plastic gallon containers, which were previously considered class I (hazardous) waste, for recycling alongside other plastic waste, thus increasing the waste volume sent for recycling by 15 metric tons per year. We improved our waste disposal process, with 3.5 metric tons sent for recycling at administrative buildings in 2023. Private recycling waste collection services were contracted for branches not served by public recycling collection to ensure proper waste disposal.

## Response 2: Row 2

### Target reference number

Oth 2

### Date target was set

2021-12-31

### Target coverage

Country/area/region

### Target type: absolute or intensity

Absolute

### Target type: category & Metric (target numerator if reporting an intensity target)

Energy consumption or efficiency: MWh

### End date of base year

2018-12-31

### Figure or percentage in base year

575507.0

### End date of target

2031-12-31

### Figure or percentage at end of date of target

374655.057

### Figure or percentage in reporting year

384762

### % of target achieved relative to base year

94.9679635412

### Target status in reporting year

Underway

### Is this target part of an emissions target?

By reducing 31% our absolute energy consumption by 2030, we also impact our scope 2 emissions targets. We are commitment to continue to certify that 100% of our energy consumed is renewable and with zero emissions, using a market-based approach.

### Is this target part of an overarching initiative?

No, it's not part of an overarching initiative

### Please explain target coverage and identify any exclusions

In order to become more efficient, we have made a public Responsible Management commitment, setting out public goals to continue to certify that 100% of our energy consumed is renewable and with zero emissions, using a market-based approach. These indicators are monitored by a committee that gathers data from all areas of the bank on a monthly basis, with the purpose of monitoring consumption, reduction strategies and action plans, and the results are disclosed to the public through our Annual Report every year. Under the market-based approach, we continuously invest in clean, renewable, zero-emissions energy. We have photovoltaic panels at our administrative buildings, distributed generation at branches with an expansion project for 2023, and we are in the Deregulated Energy Market. Since 2019, we have acquired Renewable Energy Certificates (RECs) as evidence that 100% of our energy comes from renewable sources. In addition, our certificates have the REC Brazil Seal, meaning they come from power plants that also seek sustainability in social terms and in terms of their impact on the community, meeting at least 5 of the 17 Sustainable Development Goals.

### Target objective

Goals to continue to certify that 100% of our energy consumed is renewable and with zero emissions, using a market-based approach

### Plan for achieving target, and progress made to the end of the reporting year

Since 2019 we opted to use Renewable Energy Certificates (REC) for 100% of the energy consumed in Brazil. These RECs ensure that the energy we use comes from renewable sources, with zero emissions and reflecting a market-based approach. We have followed our investment strategy to distributing the energy generated by solar energy farms located in the states of Minas Gerais and Ceará, supplying a total of 223 branches in Brazil. In 2023, we had 356 branches powered by solar energy. By the first half of 2024, 510 branches in Brazil will have migrated to the deregulated energy market. We have also installed photovoltaic panels on our main administrative buildings in São Paulo. In 2023 we increased our capacity through the installation of solar panels at our new Corporate Center hub tower. In this way, we are encouraging the expansion of the renewable energy market and reduce our Scope 2 greenhouse gas (GHG) emissions to zero, in support of our Net Zero commitment. At our branches, we are making progress with our consumption optimization project, monitoring all units with excessive energy consumption on a monthly basis, using algorithms that group and compare branches based on similarities (such as number of machines, number of employees, geographical location, among others), generating savings of R\$5.6 million. We are also advancing the planned expansion of

the automation process, aimed at the efficient use of lighting and air conditioning equipment. Currently, 547 branches in Brazil operate an artificial intelligence module (IoT), increasing the efficiency of total energy consumption. We have also standardized the timing of the turning on and off of lights and air conditioning systems at 425 branches in Brazil. At our data centers, due to the low loads used, floor replacements were carried out, making it possible to switch off fancoils and line up the air conditioning system. We also made changes to optimize the activation logic routines of the air conditioning self-adjustment system, in addition to the shutdown of out-of-use servers. By optimizing the chilled water plant operations at our Corporate Center, we forecast savings of 344 MWh/year.

### Q7.54.3 Provide details of your net-zero target(s).

#### Response 1: Row 1

##### Target reference number

NZ1

##### Date target was set

2023-04-28

##### Target Coverage

Organization-wide

##### Targets linked to this net zero target

- Por3
- Por2
- Por4
- Por1

##### End date of target for achieving net zero

2030-12-31

##### Is this a science-based target?

Yes, we consider this a science-based target, but we have not committed to seek validation of this target by the Science Based Targets initiative within the next two years

##### Scopes

- Scope 3
- Scope 1
- Scope 2

##### Greenhouse gases covered by target

- Nitrogen trifluoride (NF3)
- Methane (CH4)
- Nitrous oxide (N2O)
- Perfluorocarbons (PFCs)
- Hydrofluorocarbons (HFCs)
- Sulphur hexafluoride (SF6)
- Carbon dioxide (CO2)

## Explain target coverage and identify any exclusions

Our Net Zero Agreement follows Paris Agreement, for Scope 1 and 2 GHG Emissions, and the Net Zero Banking Alliance (NZBA) Guidelines for Scope 3 Category 15 (Financed Emissions).

Itaú Unibanco is a member of Net Zero Banking Alliance since October 2021, and has published pathways or announced phase-out for 5 industries among 9 priority as per NZBA - aluminum, power generation, cement, steel and thermal coal (phase-out) have public intermediate targets for 2030, expressed as a physical intensity target. The remaining 4 industries are in progress, and are expected to be published in the near term.

We consider our net-zero target as science based, even without SBTi approval, as Scope 1 and 2 have an absolute reduction target of 50% until 2030, aligned with the Paris Agreement GHG emissions reduction, and the financed emissions for Scope 3, Category 15 Financed emissions follows the most up to date Climate Science, using 1.5°C Science-based climate Scenarios (as per International Energy Agency NZE Scenario, International Aluminum Institute 1.5°C).

## Target objective

The strategic objective for the Net Zero Target for the firm, for both Operational and Financed GHG Emissions is to support the fulfilment of the Paris Agreement, while supporting our clients in their climate transition.

## Do you intend to neutralize any residual emissions with permanent carbon removals at the end of the target?

Unsure

## Do you plan to mitigate emissions beyond your value chain?

No, and we do not plan to within the next two years

## Target status in reporting year

Underway

## Process for reviewing target

Every 5 years, as per NZBA Guidelines, we shall update the climate scenario to the most up to date scenario, and address any significant change in NZBA Guidelines.

## Q7.55 Did you have emissions reduction initiatives that were active within the reporting year? Note that this can include those in the planning and/or implementation phases.

Yes

**Q7.55.1 Identify the total number of initiatives at each stage of development, and for those in the implementation stages, the estimated CO2e savings.**

	Number of initiatives	Total estimated annual CO2e savings in metric tonnes CO2e (only for rows marked *)
Under investigation	0	
To be implemented	0	0
Implementation commenced	0	0
Implemented	7	23933
Not to be implemented	0	

**Q7.55.2 Provide details on the initiatives implemented in the reporting year in the table below.**

**Response 1: Row 1**

**Initiative category & Initiative type**

Low-carbon energy consumption: Other: Renewable Energy Certificates (RECs)

**Estimated annual CO2e savings (metric tonnes CO2e)**

14336

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 2 (market-based)

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency - as specified in C0.4)**

0

**Investment required (unit currency - as specified in C0.4)**

600000

**Payback period**

No payback

**Estimated lifetime of the initiative**

Ongoing

**Comment**

Since 2019, we have acquired Renewable Energy Certificates (RECs) as evidence that 100% of our energy comes from renewable sources. In addition, our certificates have the REC Brazil Seal, meaning they come from power plants that also seek sustainability in social terms and in terms of their impact on the community, meeting at least 5 of the 17 Sustainable Development Goals.

## Response 2: Row 2

### Initiative category & Initiative type

Fugitive emissions reductions: Other: Replacing HCFC-22 gas

### Estimated annual CO2e savings (metric tonnes CO2e)

5177

### Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

### Voluntary/Mandatory

Voluntary

### Annual monetary savings (unit currency - as specified in C0.4)

0

### Investment required (unit currency - as specified in C0.4)

25000

### Payback period

No payback

### Estimated lifetime of the initiative

Ongoing

### Comment

In line with our commitment to reduce the gases that are harmful to the ozone layer, described by the Montreal Protocol, we carried out projects to replace HCFC-22 gas in machines in our branches and administrative buildings, reducing the consumption of this fluid by 39% in 2023, that is, a reduction of 5,177 tCO2e

## Response 3: Row 3

### Initiative category & Initiative type

Fugitive emissions reductions: Other: Contractual adjustments

### Estimated annual CO2e savings (metric tonnes CO2e)

347

### Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

### Voluntary/Mandatory

Voluntary

**Annual monetary savings (unit currency - as specified in C0.4)**

0

**Investment required (unit currency - as specified in C0.4)**

0

**Payback period**

No payback

**Estimated lifetime of the initiative**

Ongoing

**Comment**

We include ESG assumptions and contractual obligations to issue environmental certificates for the disposal of fluids in contracts with our suppliers and carry out market quotations to readjust suppliers to our strategy. In 2023, in the branch network, 294 kg of 410a, 407c and R22 fluids were discarded, avoiding the emission of 347.3 tCO<sub>2</sub> e.

**Response 4: Row 4**

**Initiative category & Initiative type**

Fugitive emissions reductions: Other: Installation of grids and retrofit of machines

**Estimated annual CO<sub>2</sub>e savings (metric tonnes CO<sub>2</sub>e)**

4000

**Scope(s) or Scope 3 category(ies) where emissions savings occur**

Scope 1

**Voluntary/Mandatory**

Voluntary

**Annual monetary savings (unit currency - as specified in C0.4)**

0

**Investment required (unit currency - as specified in C0.4)**

3000000

**Payback period**

No payback

**Estimated lifetime of the initiative**

Ongoing

**Comment**

Considering that vandalism is the cause of a third of emissions resulting from refrigerant leaks from agencies, we invested R\$ 3 million in the installation of anti-vandalism grids to protect machines in 2023. We also retrofit 114 obsolete machines in our branches, reducing fluid leaks into the atmosphere.

## Response 5: Row 5

### Initiative category & Initiative type

Transportation: Other: Flex Vehicles - Agribusiness Fleet

### Estimated annual CO2e savings (metric tonnes CO2e)

72

### Scope(s) or Scope 3 category(ies) where emissions savings occur

Scope 1

### Voluntary/Mandatory

Voluntary

### Annual monetary savings (unit currency - as specified in C0.4)

1132000

### Investment required (unit currency - as specified in C0.4)

0

### Payback period

No payback

### Estimated lifetime of the initiative

3-5 years

### Comment

The Agribusiness Fleet consists of diesel-powered vehicles, which are used to visit customers nationwide. The cars are owned by employees of the Agro Directorate. The activity expanded in 2023 with the expansion of our fleet and the addition of new flex-fuel vehicles (vehicles that can run on gasoline and/or ethanol), which have lower emissions than diesel. With the new flex-fuel vehicles, we avoided the emission of approximately 72.3 tCO2e that would have been emitted by diesel vehicles.

## Q7.55.3 What methods do you use to drive investment in emissions reduction activities?

### Response 1: Row 1

#### Method

Dedicated budget for other emissions reduction activities

#### Comment

We have a public Responsible Management commitment, for which we monitored our key performance indicators (KPI) as energy consumption, business travel, CO2e emissions and waste generation and designed

public targets in Brazil by 2030. These KPI are monitored on a monthly basis by a committee that gathers all areas of the bank. We discuss improvements, analyze data and make projects feasible for these structures with the purpose of controlling consumption, seek for reduction strategies or action plans, and share experiences among our different technical departments. There is a budget allocated each year to improve our KPIs and the initiatives. In 2023, we reduced our emissions by 16% compared to 2022, with the following actions carried out during the year: Improvements to refrigerant measurement data; We started to use Salesforce as a tool for reporting fluid refills, which allows us to understand the individual performance of the branches, which will inform our decision-making depending on the issues detected; Supplier Literacy Workshops; We have included ESG assumptions and contractual obligations to issue environmental certificates for fluid disposal in contracts with our suppliers, and sought out market quotations to ensure that our suppliers are in line with our strategy. In 2023, 294 kg of 410a, 407c and R22 fluids were disposed of in the bank branch network, avoiding the emission of 347.3 tCO<sub>2</sub> e. Given that vandalism is the cause of one-third of the emissions resulting from refrigerant leaks at our branches, we invested R\$3 million in the installation of vandal-proof grilles for the protection of our air conditioner units in 2023. We have retrofitted 114 obsolete machines in our stores and reduced ODS recharge. We consider mobile combustion emissions for business travel which are under our operating control and from our own vehicles, arising from the executive fleet, agribusiness fleet, and our own aircraft. In 2023, our executive fleet began using hybrid vehicles and ethanol fuel. The Agribusiness Fleet expanded in 2023 with the expansion of our fleet and the addition of new flex-fuel vehicles (vehicles that can run on gasoline and/or ethanol), which have lower emissions than diesel. Our own aircraft, which makes trips on demand from executives, saw an increased consumption in 2023 due the return of face-to-face activities.

## Response 2: Row 3

### Method

Employee engagement

### Comment

We have strengthened our responsible management through actions such as implementing and expanding our ISO14001 environmental certification. Since 2011, we have expanded the environmental certification of our administrative buildings. In 2022, over 33,000 people were reached by our actions under this standard which we achieved in 2011, to map, control, and mitigate risks related to the operation of our facilities. There is a budget allocated each year to improve our initiatives.

## Response 3: Row 4

### Method

Dedicated budget for energy efficiency

### Comment

Since 2019 we opted to use Renewable Energy Certificates (REC) for 100% of the energy consumed in Brazil. These RECs ensure that the energy we use comes from renewable sources, with zero emissions and reflecting a market-based approach. We have followed our investment strategy to distributing the energy generated by solar energy farms located in the states of Minas Gerais and Ceará, supplying a total of 223 branches in Brazil. This model is to be expanded to another 12 Brazilian states. The solar energy farm in Ceará commenced operations in 2023, and the others are scheduled to start operating in 2024. Although these projects had a total installed capacity of over 50 MWp, contracts were adjusted to reflect a capacity of 39 MWp due to the closure of branches. In 2023, we had 356 branches powered by solar energy. By the first half of 2024, 510 branches in Brazil will have migrated to the deregulated energy market. We have also installed photovoltaic panels on our main administrative buildings in São Paulo. In 2023 we increased our capacity through the installation of solar panels at our new Corporate Center hub tower. In this way, we are encouraging the expansion of the renewable energy market and reduce our Scope 2 greenhouse gas (GHG) emissions to zero, in

support of our Net Zero commitment. At our branches, we are making progress with our consumption optimization project, monitoring all units with excessive energy consumption on a monthly basis, using algorithms that group and compare branches based on similarities, generating savings of R\$5.6 million. Currently, 547 branches in Brazil operate an artificial intelligence module (IoT), increasing the efficiency of total energy consumption. We have also standardized the timing of the turning on and off of lights and air conditioning systems at 425 branches in Brazil. At our data centers, due to the low loads used, floor replacements were carried out, making it possible to switch off fancoils and line up the air conditioning system. We also made changes to optimize the activation logic routines of the air conditioning self-adjustment system, in addition to the shutdown of out-of-use servers. By optimizing the chilled water plant operations at our Corporate Center, we forecast savings of 344 MWh/year.

**Q7.73 Are you providing product level data for your organization's goods or services?**

No, I am not providing data

**Q7.79 Has your organization canceled any project-based carbon credits within the reporting year?**

Yes

**Q7.79.1 Provide details of the project-based carbon credits canceled by your organization in the reporting year.**

**Response 1: Row 1**

**Project type**

Other: REDD + (Reducing Emissions from Deforestation and Forest Degradation)

**Type of mitigation activity**

Emissions reduction

**Project description**

Project: Fortaleza Ituxi REDD+ (Reducing Emissions from Deforestation and Forest Degradation) Project ID: 1654 The project aims to protect forests located in the regions of the Amazon most affected by deforestation. The region has a history of invasion and illegal logging. In view of this, it seeks to combat deforestation by offering an alternative source of income - via carbon credits - to cattle ranching or soybean plantations, for example.

The project involves implementing activities that include monitoring and protecting forest areas, engaging local communities in sustainable practices and using new technologies to verify the reduction of CO2 emissions.

**Credits canceled by your organization from this project in the reporting year (metric tons CO2e)**

25628

**Purpose of cancelation**

Voluntary offsetting

**Are you able to report the vintage of the credits at cancelation?**

Yes

## Vintage of credits at cancelation

2021

## Were these credits issued to or purchased by your organization?

Purchased

## Carbon-crediting program by which the credits were issued

VCS (Verified Carbon Standard)

## Method the program uses to assess additionality for this project

- Barrier analysis
- Standardized Approaches
- Consideration of legal requirements
- Other: Identification of alternative land use scenario; Analysis of common practices.
- Investment analysis

## Approaches by which the selected program requires this project to address reversal risk

Monitoring and compensation

## Potential sources of leakage the selected program requires this project to have assessed

- Activity-shifting
- Upstream/downstream emissions

## Provide details of other issues the selected program requires projects to address

The Verified Carbon Standard (VCS) is one of the main standards for certifying carbon offset projects. To ensure that projects meet strict requirements for minimizing and preventing negative environmental, economic and social impacts, the VCS establishes the following requirements:

### Environmental Impacts

1. Environmental Impact Assessment (EIA): Projects must carry out an Environmental Impact Assessment to identify and evaluate the potential impacts on the environment. This assessment helps to understand the effects of the project on biodiversity, soil and water quality, and other ecological aspects.
2. Impact mitigation: Projects must implement measures to mitigate negative environmental impacts. This can include the choice of less polluting technologies, sustainable management practices, and strategies to protect and restore natural habitats.
3. Monitoring and Reporting: It is necessary to continuously monitor environmental impacts throughout the life of the project and report the results to stakeholders and certification authorities. This ensures compliance with mitigation measures and the implementation of improvements where necessary.

### Economic Impacts

1. Local Economic Benefits: Projects should consider and promote local economic benefits, such as job creation and infrastructure development. This helps ensure that projects bring economic improvements to affected communities.
2. Economic Risk Assessment: The economic risks associated with the project should be assessed, such as the possible reduction of income for local communities. Measures should be implemented to minimize these risks and ensure that the economic benefits outweigh the negative impacts.

### Social Impacts

1. Community Consultation and Participation: Projects must involve local communities in the planning and implementation phase, ensuring that their opinions and concerns are heard and considered. This includes holding public consultations and obtaining informed consent.
2. Social Impact Assessment: A Social Impact Assessment must be carried out to identify and evaluate potential impacts on local communities, such as changes in quality of life and access to resources.

3. Social Mitigation Measures: Measures must be implemented to mitigate negative social impacts, such as compensation for displaced or affected communities and the promotion of social benefits such as education and health.

### Please explain

We offset 100% of the remaining Scope 1 and Scope 2 emissions for the previous year with the acquisition of 25,628 Emissions Reduction Certificates, generated by REDD+ projects (reducing emissions from deforestation and forest degradation) that protect forests located in the Amazon and at risk of deforestation.

The program is under the technical leadership of the Ekos Brasil Institute and the projects selected to receive the credits go through a rigorous due diligence and analysis process. Applicants need to meet various eligibility criteria such as area of activity, stage of development, certification, authorizations and assignment for project development. In addition, there are the stages of social, environmental and climate assessment by Ekos and legal assessment by a law firm, to verify that all potential risks and impacts have been mapped and that the requirements described in the program's regulations have been met. The legal assessment also seeks to verify compliance with the ownership of the areas where the projects are located, compliance with environmental legislation and the Forest Code, demonstration that there is no double counting of emission reductions and any information regarding judicial or administrative sanctions and environmental investigations. After this process, the initiatives are also checked by the Climate Commitment Program's Steering Committee, which defines which projects will be registered in the Ekos Platform's emissions compensation module. Based on the list of eligible projects on the Platform, our Sustainability team selects the projects, considering the positive impacts generated, legal and technical aspects, additionality, adherence to the decarbonization strategy and other specific factors, and forwards them for analysis by the socio-environmental legal department. If the project is approved, there is also a PLD (Prevention of Money Laundering) assessment of the proponent who submitted the initiative on the Platform before negotiations and payment take place. In this way, we ensure the quality of the credits generated and the alignment of the projects with Itaú Unibanco's guidelines.

The internal price adopted in the last cycle for the credit was R\$ 55.00. The value is calculated based on the average price of carbon credits purchased during the year and used for internal analysis.

Cancellation date: 04/10/2023

### Q11.3 Does your organization use biodiversity indicators to monitor performance across its activities?

No, we do not use indicators, but plan to within the next two years

### Q12.1 Does your organization measure the impact of your portfolio on the environment?

#### Response 1: Banking (Bank)

#### We measure the impact of our portfolio on the climate

Yes

#### Disclosure metric

Financed emissions

#### We measure the impact of our portfolio on forests

Yes

#### We measure the impact of our portfolio on water

Yes

### **We measure the impact of our portfolio on biodiversity**

Yes

### **Response 2: Investing (Asset manager)**

### **We measure the impact of our portfolio on the climate**

Yes

### **Disclosure metric**

Other carbon footprinting and/or exposure metrics (as defined by TCFD)

### **We measure the impact of our portfolio on forests**

No, but we plan to do so in the next two years

### **Primary reason for not measuring portfolio impact on forests**

Other: The maturity of the process is still being developed.

### **Explain why your organization does not measure its portfolio impact on forests**

In 2019, we participated in a Road-testing phase of a tool called PACTA, a free, open-source tool that enables users to understand how to align financial flows with the Paris Agreement goals. Pacta offers a vast climate related financial database, that aggregates global forward-looking asset-level data (such as the production plans of a manufacturing plant over the next five years), up to parent company level. The tool then produces a customized, confidential output report, which allows investors to assess the overall alignment of their portfolios with various climate scenarios and with the Paris Agreement. In 2020 and 2021 we continued this effort by working with our partner 2ii (2 degree initiative) in order to apply the PACTA methodology in our portfolios. Those initiatives will provide a basis for continually incorporating scenarios into our business strategy. We know that the analysis of emissions amount financed by our financial operation is essential for understanding our external direct and indirect impact of our business. In 2022 Itaú Asset Management begun the development of its own PACTA tool to assess its portfolio carbon footprint.

### **We measure the impact of our portfolio on water**

No, but we plan to do so in the next two years

### **Primary reason for not measuring portfolio impact on water**

Other: The maturity of the process is still being developed.

### **Explain why your organization does not measure its portfolio impact on water**

In 2019, we participated in a Road-testing phase of a tool called PACTA, a free, open-source tool that enables users to understand how to align financial flows with the Paris Agreement goals. Pacta offers a vast climate related financial database, that aggregates global forward-looking asset-level data (such as the production plans of a manufacturing plant over the next five years), up to parent company level. The tool then produces a customized, confidential output report, which allows investors to assess the overall alignment of their portfolios with various climate scenarios and with the Paris Agreement. In 2020 and 2021 we continued this effort by working with our partner 2ii (2 degree initiative) in order to apply the PACTA methodology in our portfolios. Those initiatives will provide a basis for continually incorporating scenarios into our business strategy. We know that the analysis of emissions amount financed by our financial operation is essential for understanding our external direct and indirect impact of our business. In 2022 Itaú Asset Management begun

the development of its own PACTA tool to assess its portfolio carbon footprint

### **We measure the impact of our portfolio on biodiversity**

No, but we plan to do so in the next two years

### **Primary reason for not measuring portfolio impact on biodiversity**

Other: The maturity of the process is still being developed.

### **Explain why your organization does not measure its portfolio impact on biodiversity**

In 2019, we participated in a Road-testing phase of a tool called PACTA, a free, open-source tool that enables users to understand how to align financial flows with the Paris Agreement goals. Pacta offers a vast climate related financial database, that aggregates global forward-looking asset-level data (such as the production plans of a manufacturing plant over the next five years), up to parent company level. The tool then produces a customized, confidential output report, which allows investors to assess the overall alignment of their portfolios with various climate scenarios and with the Paris Agreement. In 2020 and 2021 we continued this effort by working with our partner 2ii (2 degree initiative) in order to apply the PACTA methodology in our portfolios. Those initiatives will provide a basis for continually incorporating scenarios into our business strategy. We know that the analysis of emissions amount financed by our financial operation is essential for understanding our external direct and indirect impact of our business. In 2022 Itaú Asset Management begun the development of its own PACTA tool to assess its portfolio carbon footprint

### **Response 3: Investing (Asset owner)**

### **Response 4: Insurance underwriting (Insurance company)**

## **Q12.1.1 Provide details of your organization's financed emissions in the reporting year and in the base year.**

### **Response 1: Banking (Bank)**

#### **Asset classes covered in the calculation**

- Real estate
- Bonds
- Loans
- Project finance

#### **Financed emissions (metric unit tons CO2e) in the reporting year**

20607316.55

#### **% of portfolio covered in relation to total portfolio value**

49.99

#### **Total value of assets included in the financed emissions calculation**

588132350000.00

#### **% of financed emissions calculated using data obtained from clients/investees (optional)**

19.2

#### **Emissions calculation methodology**

The Global GHG Accounting and Reporting Standard for the Financial Industry (PCAF)

**Weighted data quality score (for PCAF-aligned data quality scores only)**

4

**Financed emissions (metric unit tons CO2e) in the base year**

19613890

**Base year end**

2021-12-31

**% of undrawn loan commitments included in the financed emissions calculation**

0

**Please explain the details of and assumptions used in your calculation**

In 2023, we continued to improve our methodology for calculating financed emissions, evolving the quality of the data and the scope of the analysis of our credit portfolio. That way, we cover 100% of our portfolio for which there are available PCAF methodologies, with a portfolio of R\$588.1 billion and 20.6 million tCO2e for corporate (scope 1 and 2) with a PCAF Score of 3.83. Each year, we have expanded the coverage of the necessary information by capturing new bases with the same aim of improving the quality of our data on credit operations aimed at individuals (both vehicles and real estate loans) with R\$128,0 billion and 1.8 million tCO2e for individuals (Scope 1 and 2). Furthermore, we pursued the best information available in order to build an inventory that aligns with our credit operations. Thus, increasing transparency to our stakeholders regarding the climate impacts of our business and loan transactions. And, in line with the PCAF recommendations, this year we included the calculation of financed scope 3 emissions for the Oil & Gas, Transport, Mining, Construction, Materials and Industrial Activities sectors, which totaled 9.3 million tons of CO2e (PCAF quality score: 3,9)

**Q12.1.3 Provide details of the other metrics used to track the impact of your portfolio on the environment.**

**Response 1: Climate change**

**Portfolio**

Investing (Asset manager)

**Response 2: Forests**

**Portfolio**

Banking (Bank)

**Portfolio metric**

Other metric for impact on forests: Amount allocated in activities with high dependencies and impacts in ecosystem services related to forests

**Metric value in the reporting year**

518000000000

**% of portfolio covered in relation to total portfolio value**

100

**Total value of assets included in the calculation**

0

**% of emissions calculated using data obtained from clients/investees**

0

**Please explain the details and key assumptions used in your assessment**

We used the Encore tool and methodology to assess sectors dependencies on ecosystem services and impact drivers assuming a scale from 0 to 3, which 0 indicates no dependency/impact and 3 indicated very high dependency/impact. In hand of these informations, we evaluated, in our portfolio, which sectors have high dependency and impacts. At the moment, the data is being calculated and refined, which is why we can't open up all the information.

**Response 3: Water**

**Portfolio**

Banking (Bank)

**Response 4: Biodiversity**

**Portfolio**

Banking (Bank)

**Portfolio metric**

Other metric for impact on biodiversity: Amount allocated in activities with high dependencies and impacts in ecosystem services related to biodiversity

**Metric value in the reporting year**

518000000000

**% of portfolio covered in relation to total portfolio value**

100

**Total value of assets included in the calculation**

0

**% of emissions calculated using data obtained from clients/investees**

0

**Please explain the details and key assumptions used in your assessment**

We used the Encore tool and methodology to assess sectors dependencies on ecosystem services and impact drivers assuming a scale from 0 to 3, which 0 indicates no dependency/impact and 3 indicated very high dependency/impact. In hand of these informations, we evaluated, in our portfolio, which sectors have high dependency and impacts. At the moment, the data is being calculated and refined, which is why we can't

open up all the information.

**Q12.2 Are you able to provide a breakdown of your organization's financed emissions and other portfolio carbon footprinting metrics?**

**Response 1: Banking (Bank)**

**Portfolio breakdown**

Yes, by industry

**Response 2: Investing (Asset manager)**

**Portfolio breakdown**

None of the above, but we plan to do this in the next two years

**Please explain why you do not provide a breakdown of your portfolio impact on the climate**

In 2022 Itau Asset Management begun the development of its own tool to assess its portfolio carbon footprint based on PCAF. In 2023 we implemented it internally alongside the data team from Itaú Asset Management. The tool allows us to measure the carbon footprint and intensity of all listed equity portfolios of Itaú Asset Management. This contributes to a more informed investment decision and a better risk adjusted return considering the carbon profile of the portfolios. It is a strategic and relevant study, but it is still being refined and developed. As such, we are unable to provide more details at this time.

**Q12.2.1 Break down your organization's financed emissions and other portfolio carbon footprinting metrics by asset class, by industry, and/or by scope.**

**Response 1: Row 1**

**Portfolio**

Banking (Bank)

**Portfolio metric**

Absolute portfolio emissions (tCO<sub>2</sub>e)

**Industry**

Food, beverage & agriculture

**Value of assets covered in the calculation**

76937751770.58

**Financed emissions or alternative metric**

8963932.95

**Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?**

Not applicable

### **Please explain the details, assumptions and exclusions in your calculation**

This emissions are related to Scope 1 and 2 emissions for this sector. This approach ensures accuracy and relevance, focusing on our primary impacts and control measures. Additionally, our reporting follows the guidance provided by the Partnership for Carbon Accounting Financials (PCAF) to maintain consistency and transparency in our emissions data. In 2023, we continued to improve our methodology for calculating financed emissions, evolving the quality of the data and the scope of the analysis of our credit portfolio. That way, we cover 100% of our portfolio for which there are available PCAF methodologies, with a portfolio of R\$588.1 billion and 20.6 million tCO<sub>2</sub>e for corporate (scope 1 and 2) with a PCAF Score of 3.83. Each year, we have expanded the coverage of the necessary information by capturing new bases with the same aim of improving the quality of our data on credit operations aimed at individuals (both vehicles and real estate loans) with R\$128,0 billion and 1.8 million tCO<sub>2</sub>e for individuals (Scope 1 and 2). Furthermore, we pursued the best information available in order to build an inventory that aligns with our credit operations. Thus, increasing transparency to our stakeholders regarding the climate impacts of our business and loan transactions. And, in line with the PCAF recommendations, this year we included the calculation of financed scope 3 emissions for the Oil & Gas, Transport, Mining, Construction, Materials and Industrial Activities sectors, which totaled 9.3 million tons of CO<sub>2</sub>e (PCAF quality score: 3,9) Our Climate Report outlines the criteria used for classification within each tier of the PCAF score and details the percentage of our portfolio in each tier over the past three years. The PCAF score evaluates the quality of the data used to calculate financed emissions; thus, more comprehensive client data results in a better score (1 being the highest and 5 the lowest). For detailed information, please refer to page 64 and 65 of the report.

### **Response 2: Row 2**

#### **Portfolio**

Banking (Bank)

#### **Portfolio metric**

Absolute portfolio emissions (tCO<sub>2</sub>e)

#### **Industry**

Transportation services

#### **Value of assets covered in the calculation**

32792014241.77

#### **Financed emissions or alternative metric**

756438.61

#### **Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?**

Not applicable

### **Please explain the details, assumptions and exclusions in your calculation**

This emissions are related to Scope 1 and 2 emissions for this sector. This approach ensures accuracy and relevance, focusing on our primary impacts and control measures. Additionally, our reporting follows the guidance provided by the Partnership for Carbon Accounting Financials (PCAF) to maintain consistency and transparency in our emissions data. In 2023, we continued to improve our methodology for calculating financed emissions, evolving the quality of the data and the scope of the analysis of our credit portfolio. That way, we cover 100% of our portfolio for which there are available PCAF methodologies, with a portfolio of

R\$588.1 billion and 20.6 million tCO<sub>2</sub>e for corporate (scope 1 and 2) with a PCAF Score of 3.83. Each year, we have expanded the coverage of the necessary information by capturing new bases with the same aim of improving the quality of our data on credit operations aimed at individuals (both vehicles and real estate loans) with R\$128,0 billion and 1.8 million tCO<sub>2</sub>e for individuals (Scope 1 and 2). Furthermore, we pursued the best information available in order to build an inventory that aligns with our credit operations. Thus, increasing transparency to our stakeholders regarding the climate impacts of our business and loan transactions. And, in line with the PCAF recommendations, this year we included the calculation of financed scope 3 emissions for the Oil & Gas, Transport, Mining, Construction, Materials and Industrial Activities sectors, which totaled 9.3 million tons of CO<sub>2</sub>e (PCAF quality score: 3,9) Our Climate Report outlines the criteria used for classification within each tier of the PCAF score and details the percentage of our portfolio in each tier over the past three years. The PCAF score evaluates the quality of the data used to calculate financed emissions; thus, more comprehensive client data results in a better score (1 being the highest and 5 the lowest). For detailed information, please refer to page 64 and 65 of the report.

### Response 3: Row 5

#### Portfolio

Banking (Bank)

#### Portfolio metric

Absolute portfolio emissions (tCO<sub>2</sub>e)

#### Industry

Services

#### Value of assets covered in the calculation

57164281959.08

#### Financed emissions or alternative metric

329873.5

#### Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Not applicable

#### Please explain the details, assumptions and exclusions in your calculation

This emissions are related to Scope 1 and 2 emissions for this sector. This approach ensures accuracy and relevance, focusing on our primary impacts and control measures. Additionally, our reporting follows the guidance provided by the Partnership for Carbon Accounting Financials (PCAF) to maintain consistency and transparency in our emissions data. In 2023, we continued to improve our methodology for calculating financed emissions, evolving the quality of the data and the scope of the analysis of our credit portfolio. That way, we cover 100% of our portfolio for which there are available PCAF methodologies, with a portfolio of R\$588.1 billion and 20.6 million tCO<sub>2</sub>e for corporate (scope 1 and 2) with a PCAF Score of 3.83. Each year, we have expanded the coverage of the necessary information by capturing new bases with the same aim of improving the quality of our data on credit operations aimed at individuals (both vehicles and real estate loans) with R\$128,0 billion and 1.8 million tCO<sub>2</sub>e for individuals (Scope 1 and 2). Furthermore, we pursued the best information available in order to build an inventory that aligns with our credit operations. Thus, increasing transparency to our stakeholders regarding the climate impacts of our business and loan transactions. And, in line with the PCAF recommendations, this year we included the calculation of financed scope 3 emissions for the Oil & Gas, Transport, Mining, Construction, Materials and Industrial Activities sectors,

which totaled 9.3 million tons of CO<sub>2</sub>e (PCAF quality score: 3,9) Our Climate Report outlines the criteria used for classification within each tier of the PCAF score and details the percentage of our portfolio in each tier over the past three years. The PCAF score evaluates the quality of the data used to calculate financed emissions; thus, more comprehensive client data results in a better score (1 being the highest and 5 the lowest). For detailed information, please refer to page 64 and 65 of the report.

## Response 4: Row 11

### Portfolio

Banking (Bank)

### Portfolio metric

Absolute portfolio emissions (tCO<sub>2</sub>e)

### Industry

Fossil Fuels

### Value of assets covered in the calculation

18794766828.93

### Financed emissions or alternative metric

1207495.95

### Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Not applicable

### Please explain the details, assumptions and exclusions in your calculation

This emissions are related to Scope 1 and 2 emissions for this sector. This approach ensures accuracy and relevance, focusing on our primary impacts and control measures. Additionally, our reporting follows the guidance provided by the Partnership for Carbon Accounting Financials (PCAF) to maintain consistency and transparency in our emissions data. In 2023, we continued to improve our methodology for calculating financed emissions, evolving the quality of the data and the scope of the analysis of our credit portfolio. That way, we cover 100% of our portfolio for which there are available PCAF methodologies, with a portfolio of R\$588.1 billion and 20.6 million tCO<sub>2</sub>e for corporate (scope 1 and 2) with a PCAF Score of 3.83. Each year, we have expanded the coverage of the necessary information by capturing new bases with the same aim of improving the quality of our data on credit operations aimed at individuals (both vehicles and real estate loans) with R\$128,0 billion and 1.8 million tCO<sub>2</sub>e for individuals (Scope 1 and 2). Furthermore, we pursued the best information available in order to build an inventory that aligns with our credit operations. Thus, increasing transparency to our stakeholders regarding the climate impacts of our business and loan transactions. And, in line with the PCAF recommendations, this year we included the calculation of financed scope 3 emissions for the Oil & Gas, Transport, Mining, Construction, Materials and Industrial Activities sectors, which totaled 9.3 million tons of CO<sub>2</sub>e (PCAF quality score: 3,9) Our Climate Report outlines the criteria used for classification within each tier of the PCAF score and details the percentage of our portfolio in each tier over the past three years. The PCAF score evaluates the quality of the data used to calculate financed emissions; thus, more comprehensive client data results in a better score (1 being the highest and 5 the lowest). For detailed information, please refer to page 64 and 65 of the report.

## Response 5: Row 12

## Portfolio

Banking (Bank)

## Portfolio metric

Absolute portfolio emissions (tCO<sub>2</sub>e)

## Industry

Retail

## Value of assets covered in the calculation

107549628556.59

## Financed emissions or alternative metric

1326075.53

## Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?

Not applicable

## Please explain the details, assumptions and exclusions in your calculation

NA This emissions are related to Scope 1 and 2 emissions for this sector. This approach ensures accuracy and relevance, focusing on our primary impacts and control measures. Additionally, our reporting follows the guidance provided by the Partnership for Carbon Accounting Financials (PCAF) to maintain consistency and transparency in our emissions data. In 2023, we continued to improve our methodology for calculating financed emissions, evolving the quality of the data and the scope of the analysis of our credit portfolio. That way, we cover 100% of our portfolio for which there are available PCAF methodologies, with a portfolio of R\$588.1 billion and 20.6 million tCO<sub>2</sub>e for corporate (scope 1 and 2) with a PCAF Score of 3.83. Each year, we have expanded the coverage of the necessary information by capturing new bases with the same aim of improving the quality of our data on credit operations aimed at individuals (both vehicles and real estate loans) with R\$128,0 billion and 1.8 million tCO<sub>2</sub>e for individuals (Scope 1 and 2). Furthermore, we pursued the best information available in order to build an inventory that aligns with our credit operations. Thus, increasing transparency to our stakeholders regarding the climate impacts of our business and loan transactions. And, in line with the PCAF recommendations, this year we included the calculation of financed scope 3 emissions for the Oil & Gas, Transport, Mining, Construction, Materials and Industrial Activities sectors, which totaled 9.3 million tons of CO<sub>2</sub>e (PCAF quality score: 3,9) Our Climate Report outlines the criteria used for classification within each tier of the PCAF score and details the percentage of our portfolio in each tier over the past three years. The PCAF score evaluates the quality of the data used to calculate financed emissions; thus, more comprehensive client data results in a better score (1 being the highest and 5 the lowest). For detailed information, please refer to page 64 and 65 of the report.

## Response 6: Row 13

## Portfolio

Banking (Bank)

## Portfolio metric

Absolute portfolio emissions (tCO<sub>2</sub>e)

## Industry

Biotech, health care & pharma

**Value of assets covered in the calculation**

10994030087.74

**Financed emissions or alternative metric**

25768.17

**Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?**

Not applicable

**Please explain the details, assumptions and exclusions in your calculation**

NAThis emissions are related to Scope 1 and 2 emissions for this sector. This approach ensures accuracy and relevance, focusing on our primary impacts and control measures. Additionally, our reporting follows the guidance provided by the Partnership for Carbon Accounting Financials (PCAF) to maintain consistency and transparency in our emissions data. In 2023, we continued to improve our methodology for calculating financed emissions, evolving the quality of the data and the scope of the analysis of our credit portfolio. That way, we cover 100% of our portfolio for which there are available PCAF methodologies, with a portfolio of R\$588.1 billion and 20.6 million tCO<sub>2</sub>e for corporate (scope 1 and 2) with a PCAF Score of 3.83. Each year, we have expanded the coverage of the necessary information by capturing new bases with the same aim of improving the quality of our data on credit operations aimed at individuals (both vehicles and real estate loans) with R\$128,0 billion and 1.8 million tCO<sub>2</sub>e for individuals (Scope 1 and 2). Furthermore, we pursued the best information available in order to build an inventory that aligns with our credit operations. Thus, increasing transparency to our stakeholders regarding the climate impacts of our business and loan transactions. And, in line with the PCAF recommendations, this year we included the calculation of financed scope 3 emissions for the Oil & Gas, Transport, Mining, Construction, Materials and Industrial Activities sectors, which totaled 9.3 million tons of CO<sub>2</sub>e (PCAF quality score: 3,9) Our Climate Report outlines the criteria used for classification within each tier of the PCAF score and details the percentage of our portfolio in each tier over the past three years. The PCAF score evaluates the quality of the data used to calculate financed emissions; thus, more comprehensive client data results in a better score (1 being the highest and 5 the lowest). For detailed information, please refer to page 64 and 65 of the report.

**Response 7: Row 14**

**Portfolio**

Banking (Bank)

**Portfolio metric**

Absolute portfolio emissions (tCO<sub>2</sub>e)

**Industry**

Infrastructure

**Value of assets covered in the calculation**

6804524193.19

**Financed emissions or alternative metric**

17367.94

**Are you able to provide the gross exposure for your undrawn loan commitment separately from the drawn loan commitment?**

Not applicable

**Please explain the details, assumptions and exclusions in your calculation**

This emissions are related to Scope 1 and 2 emissions for this sector. This approach ensures accuracy and relevance, focusing on our primary impacts and control measures. Additionally, our reporting follows the guidance provided by the Partnership for Carbon Accounting Financials (PCAF) to maintain consistency and transparency in our emissions data. In 2023, we continued to improve our methodology for calculating financed emissions, evolving the quality of the data and the scope of the analysis of our credit portfolio. That way, we cover 100% of our portfolio for which there are available PCAF methodologies, with a portfolio of R\$588.1 billion and 20.6 million tCO<sub>2</sub>e for corporate (scope 1 and 2) with a PCAF Score of 3.83. Each year, we have expanded the coverage of the necessary information by capturing new bases with the same aim of improving the quality of our data on credit operations aimed at individuals (both vehicles and real estate loans) with R\$128,0 billion and 1.8 million tCO<sub>2</sub>e for individuals (Scope 1 and 2). Furthermore, we pursued the best information available in order to build an inventory that aligns with our credit operations. Thus, increasing transparency to our stakeholders regarding the climate impacts of our business and loan transactions. And, in line with the PCAF recommendations, this year we included the calculation of financed scope 3 emissions for the Oil & Gas, Transport, Mining, Construction, Materials and Industrial Activities sectors, which totaled 9.3 million tons of CO<sub>2</sub>e (PCAF quality score: 3,9) Our Climate Report outlines the criteria used for classification within each tier of the PCAF score and details the percentage of our portfolio in each tier over the past three years. The PCAF score evaluates the quality of the data used to calculate financed emissions; thus, more comprehensive client data results in a better score (1 being the highest and 5 the lowest). For detailed information, please refer to page 64 and 65 of the report.

**Q12.3 State the values of your financing and insurance of fossil fuel assets in the reporting year.**

**Response 1: Lending to all fossil fuel assets**

**Reporting values of the financing and/or insurance of fossil fuel assets**

Yes

**Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)**

19

**New loans advanced in reporting year (unit currency - as specified 1.2)**

2

**% of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year**

5

**Details of calculation**

To measure financed emissions we use the PCAF methodology, which applies the principle of attribution principle used by the GHG Protocol, in which the emissions emissions are calculated on the basis of the factor - the ratio between the amount financed or invested and the economic value of the company or activity financed. In our calculation process, we the best available data, as recommended by the methodology. In the current financial year, we considered Itaú BBA' s credit and securities portfolios of Itaú BBA. For all sectors, we evaluated the issues associated with each client' s of each client, when available. This process is continuously improved based on the quality and availability of information. As recommended by the NZBA

(Net Zero Banking Alliance), we used scientific scenarios aligned with the Paris Agreement, which consider limiting the temperature rise to 1.5 °C with Net Zero in 2050 without overshoot or with limited overshoot of the target. Our goal is also to become carbon neutral by 2050 in our scope 3 (financed emissions) for the carbon-intensive sectors listed by the initiative, as well considering the materiality of the bank's portfolio

## Response 2: Lending to thermal coal

### Reporting values of the financing and/or insurance of fossil fuel assets

Yes

### Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

0

### New loans advanced in reporting year (unit currency - as specified 1.2)

0

### % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

0

### Details of calculation

Exposure published in the financial institution's climate report To measure financed emissions we use the PCAF methodology, which applies the principle of attribution principle used by the GHG Protocol, in which the emissions are calculated on the basis of the factor - the ratio between the amount financed or invested and the economic value of the company or activity financed. In our calculation process, we use the best available data, as recommended by the methodology. In the current financial year, we considered Itaú BBA's credit and securities portfolios of Itaú BBA. For all sectors, we evaluated the issues associated with each client's of each client, when available. This process is continuously improved based on the quality and availability of information. As recommended by the NZBA (Net Zero Banking Alliance), we used scientific scenarios aligned with the Paris Agreement, which consider limiting the temperature rise to 1.5 °C with Net Zero in 2050 without overshoot or with limited overshoot of the target. Our goal is also to become carbon neutral by 2050 in our scope 3 (financed emissions) for the carbon-intensive sectors listed by the initiative, as well considering the materiality of the bank's portfolio

## Response 3: Lending to met coal

### Reporting values of the financing and/or insurance of fossil fuel assets

Yes

### Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

0

### New loans advanced in reporting year (unit currency - as specified 1.2)

0

### % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

2

### Details of calculation

To measure financed emissions we use the PCAF methodology, which applies the principle of attribution principle used by the GHG Protocol, in which the emissions emissions are calculated on the basis of the factor - the ratio between the amount financed or invested and the economic value of the company or activity financed. In our calculation process, we the best available data, as recommended by the methodology. In the current financial year, we considered Itaú BBA' s credit and securities portfolios of Itaú BBA. For all sectors, we evaluated the issues associated with each client' s of each client, when available. This process is continuously improved based on the quality and availability of information. As recommended by the NZBA (Net Zero Banking Alliance), we used scientific scenarios aligned with the Paris Agreement, which consider limiting the temperature rise to 1.5 °C with Net Zero in 2050 without overshoot or with limited overshoot of the target. Our goal is also to become carbon neutral by 2050 in our scope 3 (financed emissions) for the carbon-intensive sectors listed by the initiative, as well considering the materiality of the bank' s portfoliot

## Response 4: Lending to oil

### Reporting values of the financing and/or insurance of fossil fuel assets

Yes

### Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

19

### New loans advanced in reporting year (unit currency - as specified 1.2)

2

### % of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year

3

### Details of calculation

[ Note: the figure in the previous column refers to the portfolio of the oil and gas sectors as a whole (oil sector + gas sector = 3%)] To measure financed emissions we use the PCAF methodology, which applies the principle of attribution principle used by the GHG Protocol, in which the emissions emissions are calculated on the basis of the factor - the ratio between the amount financed or invested and the economic value of the company or activity financed. In our calculation process, we the best available data, as recommended by the methodology. In the current financial year, we considered Itaú BBA' s credit and securities portfolios of Itaú BBA. For all sectors, we evaluated the issues associated with each client' s of each client, when available. This process is continuously improved based on the quality and availability of information. As recommended by the NZBA (Net Zero Banking Alliance), we used scientific scenarios aligned with the Paris Agreement, which consider limiting the temperature rise to 1.5 °C with Net Zero in 2050 without overshoot or with limited overshoot of the target. Our goal is also to become carbon neutral by 2050 in our scope 3 (financed emissions) for the carbon-intensive sectors listed by the initiative, as well considering the materiality of the bank' s portfolio

## Response 5: Lending to gas

### Reporting values of the financing and/or insurance of fossil fuel assets

Yes

### Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)

19

### New loans advanced in reporting year (unit currency - as specified 1.2)

2

**% of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year**

3

### Details of calculation

[Note: the figure in the previous column refers to the portfolio of the oil and gas sectors as a whole (oil sector + gas sector = 3%)] To measure financed emissions we use the PCAF methodology, which applies the principle of attribution principle used by the GHG Protocol, in which the emissions are calculated on the basis of the factor - the ratio between the amount financed or invested and the economic value of the company or activity financed. In our calculation process, we use the best available data, as recommended by the methodology. In the current financial year, we considered Itaú BBA's credit and securities portfolios of Itaú BBA. For all sectors, we evaluated the issues associated with each client's of each client, when available. This process is continuously improved based on the quality and availability of information. As recommended by the NZBA (Net Zero Banking Alliance), we used scientific scenarios aligned with the Paris Agreement, which consider limiting the temperature rise to 1.5 °C with Net Zero in 2050 without overshoot or with limited overshoot of the target. Our goal is also to become carbon neutral by 2050 in our scope 3 (financed emissions) for the carbon-intensive sectors listed by the initiative, as well considering the materiality of the bank's portfolio

### Response 6: Investing in all fossil fuel assets (Asset manager)

**Reporting values of the financing and/or insurance of fossil fuel assets**

Yes

**Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)**

2039254502.54

**% of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year**

0.2

### Details of calculation

In december 2023 Itau Asset Management had ~1% of its total AuM invested in the related activities. The value of R\$ 10.196.251.272,68 is the sum of equity and credit positions in the sector of oil and gas, fossil fuels and coal sectors (sectors that represent risk to consumers and third parties according to the Corporate Sustainability Index (ISE B3)).

### Response 7: Investing in thermal coal (Asset manager)

**Reporting values of the financing and/or insurance of fossil fuel assets**

Yes

**Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)**

2039254502.54

**% of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year**

0.2

### Details of calculation

In december 2023 Itau Asset Management had ~1% of its total AuM invested in the related activities. The value of R\$ 10.196.251.272,68 is the sum of equity and credit positions in the sector of oil and gas, fossil fuels and coal sectors (sectors that represent risk to consumers and third parties according to the Corporate Sustainability Index (ISE B3)).

### **Response 8: Investing in met coal (Asset manager)**

#### **Reporting values of the financing and/or insurance of fossil fuel assets**

Yes

#### **Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)**

2039254502.54

#### **% of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year**

0.2

#### **Details of calculation**

In december 2023 Itau Asset Management had ~1% of its total AuM invested in the related activities. The value of R\$ 10.196.251.272,68 is the sum of equity and credit positions in the sector of oil and gas, fossil fuels and coal sectors (sectors that represent risk to consumers and third parties according to the Corporate Sustainability Index (ISE B3)).

### **Response 9: Investing in oil (Asset manager)**

#### **Reporting values of the financing and/or insurance of fossil fuel assets**

Yes

#### **Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)**

2039254502.54

#### **% of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year**

0.2

#### **Details of calculation**

In december 2023 Itau Asset Management had ~1% of its total AuM invested in the related activities. The value of R\$ 10.196.251.272,68 is the sum of equity and credit positions in the sector of oil and gas, fossil fuels and coal sectors (sectors that represent risk to consumers and third parties according to the Corporate Sustainability Index (ISE B3)).

### **Response 10: Investing in gas (Asset manager)**

#### **Reporting values of the financing and/or insurance of fossil fuel assets**

Yes

#### **Value of the fossil fuel assets in your portfolio (unit currency - as specified in 1.2)**

2039254502.54

#### **% of portfolio value comprised of fossil fuel assets to total portfolio value in reporting year**

0.2

### **Details of calculation**

In december 2023 Itau Asset Management had ~1% of its total AuM invested in the related activities. The value of R\$ 10.196.251.272,68 is the sum of equity and credit positions in the sector of oil and gas, fossil fuels and coal sectors (sectors that represent risk to consumers and third parties according to the Corporate Sustainability Index (ISE B3)).

**Response 11: Investing all fossil fuel assets (Asset owner)**

**Response 12: Investing in thermal coal (Asset owner)**

**Response 13: Investing in met coal (Asset owner)**

**Response 14: Investing in oil (Asset owner)**

**Response 15: Investing in gas (Asset owner)**

**Response 16: Insuring all fossil fuel assets**

**Response 17: Insuring thermal coal**

**Response 18: Insuring met coal**

**Response 19: Insuring oil**

**Response 20: Insuring gas**

**Q12.4 Does your organization provide finance and/or insurance to companies in the commodity value chain? If so, for each commodity and portfolio, state the values of your financing and/or insurance in the reporting year.**

**Response 1: Lending to companies operating in the timber products value chain**

**Finance or insurance provided to companies operating in the value chain for this commodity**

No

**Response 2: Lending to companies operating in the palm oil value chain**

**Finance or insurance provided to companies operating in the value chain for this commodity**

No

**Response 3: Lending to companies operating in the cattle products value chain**

**Finance or insurance provided to companies operating in the value chain for this commodity**

No

**Response 4: Lending to companies operating in the soy value chain**

**Finance or insurance provided to companies operating in the value chain for this commodity**

No

**Response 5: Lending to companies operating in the rubber value chain**

**Finance or insurance provided to companies operating in the value chain for this commodity**

No

**Response 6: Lending to companies operating in the cocoa value chain**

**Finance or insurance provided to companies operating in the value chain for this commodity**

No

**Response 7: Lending to companies operating in the coffee value chain**

**Finance or insurance provided to companies operating in the value chain for this commodity**

No

**Response 8: Investing (asset manager) to companies operating in the timber products value chain**

**Finance or insurance provided to companies operating in the value chain for this commodity**

No

**Response 9: Investing (asset manager) to companies operating in the palm oil value chain**

**Finance or insurance provided to companies operating in the value chain for this commodity**

No

**Response 10: Investing (asset manager) to companies operating in the cattle products value chain**

**Finance or insurance provided to companies operating in the value chain for this commodity**

No

**Response 11: Investing (asset manager) to companies operating in the soy value chain**

**Finance or insurance provided to companies operating in the value chain for this commodity**

No

**Response 12: Investing (asset manager) to companies operating in the rubber value chain**

**Finance or insurance provided to companies operating in the value chain for this commodity**

No

**Response 13: Investing (asset manager) to companies operating in the cocoa value chain**

**Finance or insurance provided to companies operating in the value chain for this commodity**

No

**Response 14: Investing (asset manager) to companies operating in the coffee value chain**

**Finance or insurance provided to companies operating in the value chain for this commodity**

No

**Response 15: Investing (asset owner) to companies operating in the timber products value chain**

**Response 16: Investing (asset owner) to companies operating in the palm oil value chain**

**Response 17: Investing (asset owner) to companies operating in the cattle products value chain**

**Response 18: Investing (asset owner) to companies operating in the soy value chain**

**Response 19: Investing (asset owner) to companies operating in the rubber value chain**

**Response 20: Investing (asset owner) to companies operating in the cocoa value chain**

**Response 21: Investing (asset owner) to companies operating in the coffee value chain**

**Response 22: Insuring companies operating in the timber products value chain**

**Response 23: Insuring companies operating in the palm oil value chain**

**Response 24: Insuring companies operating in the cattle products value chain**

**Response 25: Insuring companies operating in the soy value chain**

**Response 26: Insuring companies operating in the rubber value chain**

**Response 27: Insuring companies operating in the cocoa value chain**

**Response 28: Insuring companies operating in the coffee value chain**

**Q12.5 In the reporting year, did your organization finance and/or insure activities or sectors that are aligned with, or eligible under, a sustainable finance taxonomy? If so, are you able to report the values of that financing and/or underwriting?**

**Response 1: Banking (Bank)**

**Reporting values of the financing and/or insurance of activities or sectors that are eligible under or aligned with a sustainable finance taxonomy**

Yes

**Taxonomy under which portfolio alignment is being reported**

Other: Itaú Unibanco has an internal Taxonomy, called the Positive Impact Taxonomy, which is aligned with the main global taxonomies and market drivers, including those of the European Union and Febraban.

**Total assets in your portfolio (unit currency as selected in 1.2)**

1176500000000.00

**Share of aligned assets contributing to climate change adaptation that is enabling based on CAPEX of investees in the reporting year**

0.2

**Total assets aligned with the taxonomy in the reporting year**

78800000000

**% of portfolio that is aligned with the taxonomy in the reporting year**

67

## Description of assets excluded from alignment calculation and reasons for exclusion

Large hydroelectric assets (< 30 MW) and non-renewable energy such as thermoelectric plants. Customers with ratings below C1.

## “Do No Significant Harm” requirements met

No

## Details of “Do No Significant Harm” analysis

While there is no Brazilian taxonomy, we only used the European taxonomy to develop our own for Itaú Bank. As such, we are still refining some of the guidelines.

## Details of calculation

While there is no Brazilian taxonomy, we only used the European taxonomy to develop our own for Itaú Bank. As such, we are still refining some of the guidelines.

## Response 2: Investing (Asset manager)

### Reporting values of the financing and/or insurance of activities or sectors that are eligible under or aligned with a sustainable finance taxonomy

No, and we do not plan to report in the next two years

### Primary reason for not providing values of the financing and/or insurance

Other: Financing and insurance: not applicable for asset management

### Explain why you are not providing values of the financing and/or insurance

Financing and insurance: This question is not applicable for asset management, according with the guidance.

## Response 3: Investing (Asset owner)

## Response 4: Insurance underwriting (Insurance company)

### Q12.6 Do any of your existing products and services enable clients to mitigate and/or adapt to the effects of environmental issues?

Yes

#### Q12.6.1 Provide details of your existing products and services that enable clients to mitigate and/or adapt to the effects of environmental issues, including any taxonomy or methodology used to classify the products and services.

##### Response 1: Row 1

##### Environmental issue

Climate change

##### Product/service enables clients to mitigate and/or adapt to climate change

Mitigation

**Portfolio**

Banking (Bank)

**Asset class**

Loans

**Type of product classification**

Products that promote environmental and/or social characteristics

**Taxonomy or methodology used to identify product characteristics**

Internally classified

**Type of solution financed, invested in or insured**

Renewable energy

**Description of product/service**

Itaú has ESG products for retail that contribute to mitigating climate issues, including the financing of solar panels. This product is aligned with several taxonomies, including the bank's internal taxonomy for promoting the alternative use of renewable energy and is also part of the commitment to contribute R\$400 billion to positive impact. In 2023, financing reached R\$73.3 million.

**% of portfolio aligned with a taxonomy or methodology in relation to total portfolio value**

0

**% of asset value aligned with a taxonomy or methodology**

100

**Product considers principal adverse impacts on environmental factors**

Yes

**Details on how the principal adverse impacts on environmental factors are considered in this product**

All customers are subject to verification of their involvement with practices on the Excluded Activities List and, consequently, to being prevented from accessing new credit if any of the hypotheses are found. This verification also extends to companies and individuals, regardless of their relationship with Itaú Unibanco, and may restrict the entry of potential new customers who fall into the situations described in the List. More information about the methodologies applied to assess socio-environmental risk and due diligence can be found in the ESG Report, p. 48 to 56.

**Response 2: Row 2****Environmental issue**

Climate change

**Product/service enables clients to mitigate and/or adapt to climate change**

Mitigation

## Portfolio

Banking (Bank)

## Asset class

Loans

## Type of product classification

Products that promote environmental and/or social characteristics

## Taxonomy or methodology used to identify product characteristics

Externally classified using other taxonomy or methodology: Externally classified using another taxonomy or methodology; specify (Edge (IFC), Aqua, and LEED certifications accepted for green buildings).

## Type of solution financed, invested in or insured

Green buildings and equipment

## Description of product/service

The 'Plano Empresário Verde' is an initiative of Itaú BBA in Brazil, in partnership with the International Finance Corporation (IFC), a member of the World Bank, which provides technical solutions to adapt the undertakings of client builders and developers to more sustainable construction processes. The objective of the initiative is to stimulate the financing of more sustainable real estate, commercial or residential projects through differentiated conditions - which may include better financing rates available on the market.

## % of portfolio aligned with a taxonomy or methodology in relation to total portfolio value

0

## % of asset value aligned with a taxonomy or methodology

100

## Product considers principal adverse impacts on environmental factors

Yes

## Details on how the principal adverse impacts on environmental factors are considered in this product

Due to their specificities, financing transactions for the construction of real estate developments are assessed for the purpose of identifying and mitigating the risks related to soil and water contamination, forest liabilities or risks related to the direct or indirect existence of potentially polluting activities in the areas around the project. The diligence encompasses an analysis of environmental documentation, such as preliminary, confirmatory and detailed assessments of soil and water contaminants, documentation on the history of the use and occupation of land and its surroundings, environmental licenses and other legal permits. Where necessary, intervention and remediation plans may be agreed upon with environmental bodies. Should any risk be identified, specific contractual conditions may be established to ensure the monitoring of the remediation of this liability.

## Response 3: Row 3

### Environmental issue

Climate change

**Product/service enables clients to mitigate and/or adapt to climate change**

Mitigation

**Portfolio**

Banking (Bank)

**Asset class**

Loans

**Type of product classification**

Products that promote environmental and/or social characteristics

**Taxonomy or methodology used to identify product characteristics**

Internally classified

**Type of solution financed, invested in or insured**

Low-emission transport

**Description of product/service**

Itaú also finances electric and/or hybrid cars. This product is also part of the bank's internal taxonomy and commitment to contribute R\$400 billion to promote a more sustainable and inclusive economy and has already reached R\$1,098.2 billion in December 2023.

**% of portfolio aligned with a taxonomy or methodology in relation to total portfolio value**

3

**% of asset value aligned with a taxonomy or methodology**

100

**Product considers principal adverse impacts on environmental factors**

Yes

**Details on how the principal adverse impacts on environmental factors are considered in this product**

All customers are subject to verification of their involvement with practices on the Excluded Activities List and, consequently, to being prevented from accessing new credit if any of the hypotheses are found. This verification also extends to companies and individuals, regardless of their relationship with Itaú Unibanco, and may restrict the entry of potential new customers who fall into the situations described in the List. More information about the methodologies applied to assess socio-environmental risk and due diligence can be found in the ESG Report, p. 48 to 56.

**Response 4: Row 4**

**Environmental issue**

Climate change

## Product/service enables clients to mitigate and/or adapt to climate change

Mitigation

### Portfolio

Banking (Bank)

### Asset class

Loans

### Type of product classification

Products that promote environmental and/or social characteristics

### Taxonomy or methodology used to identify product characteristics

Internally classified

### Type of solution financed, invested in or insured

- Carbon removal
- Ecosystem protection

### Description of product/service

Banco ITAUBBA's Agribusiness area developed financial tools to promote the adoption of sustainable and resilient agricultural practices. Firstly, the bank signed the Net Zero Bank Alliance commitment to decarbonize its portfolio. Based on this, the agribusiness area built a sustainable framework with guidelines for the creation of financial products with an ESG seal in the agricultural sector. The structure was important to ensure that financial products with the ESG Agro seal were aligned with high standards of sustainability practices. Over the past two years, the bank has created a portfolio of 5 ESG agri-financial tools, based on five key technologies to decarbonize the agricultural sector, such as the use of biological inputs, cover crops, certified crops and so on. The bank gives a discount on the income rate to encourage the use of these products. Additionally, the bank has created partnerships with companies to support their sustainable agriculture programs. The first case is the Reverte Program, developed by Syngenta, which has ITAUBBA as a financial partner. The Reverte program impacted more than 200 thousand ha and financed more than R\$1.7 billion in the last two years.

### % of portfolio aligned with a taxonomy or methodology in relation to total portfolio value

0

### % of asset value aligned with a taxonomy or methodology

100

### Product considers principal adverse impacts on environmental factors

Yes

### Details on how the principal adverse impacts on environmental factors are considered in this product

For clients from the corporate and agribusiness segment, in addition to their size, the economic sector in which they operate is also considered, since some activities have a greater potential to generate negative impacts on society, the environment and the climate, particularly when we take into consideration our

commitments in response to climate change, concerns about working conditions, damage to biodiversity and the potential for the occurrence of environmental disasters. In-house methodologies and tools with additional ESG assessment criteria are therefore applied to clients operating in sensitive industries at the time of approval and renewal of credit, strengthening our decision making processes around credit granting and pricing.

## Response 5: Row 5

### Environmental issue

- Climate change
- Water
- Forests

### Product/service enables clients to mitigate and/or adapt to climate change

- Adaptation
- Mitigation

### Portfolio

Banking (Bank)

### Asset class

Loans

### Type of product classification

Products that promote environmental and/or social characteristics

### Taxonomy or methodology used to identify product characteristics

LMA Green Loan Principles

### Type of solution financed, invested in or insured

- Ecosystem protection
- Carbon removal
- Water treatment infrastructure
- Reforestation
- Low-emission transport
- Ecosystem restoration
- Green buildings and equipment
- Nature-based solutions
- Renewable energy
- Wastewater treatment infrastructure
- Energy efficiency measures

### Description of product/service

ITAU BBA has a dedicated ESG business team to engage with clients and structure ESG transactions. Regarding ESG loans, Itaú BBA follows the principles of the Loan Market Association (LMA) and best market practices. All clients with ESG transactions undergo an environmental, social, and climate risk assessment. In 2023, following these framework models, of a total of R\$388.7 billion in lines of credit made available to companies, ESG loans comprised: • Green loans: R\$378.8 million in funds in local currency. • Sustainable loans: R\$559 million in funds in local currency. • Sustainability-linked loans (SLB): US\$4.7 million in foreign currency.

**% of portfolio aligned with a taxonomy or methodology in relation to total portfolio value**

0

**% of asset value aligned with a taxonomy or methodology**

100

**Product considers principal adverse impacts on environmental factors**

Yes

**Details on how the principal adverse impacts on environmental factors are considered in this product**

Considering that environmental, social, and climate risks can cause losses for the institution, including reputational ones, Itaú BBA's CDD process includes identifying environmental, social, and climate events based on public information disclosed by clients, media outlets, public bodies, and/or top institutions, in addition to data provided directly by clients or third parties hired by clients. The depth of due diligence is directly proportional to the materiality of the client's risk, based on indicators such as sector of activity, size, and/or risk associated with the loan operation, including product characteristics and use of proceeds. Further information on the environmental, social, climate, and governance guidelines and factors integrated into Itaú Unibanco's risk management process can be found in the Environmental, Social, and Climate Risk Policy and the Environmental, Social, and Climate Risk Procedure - Clients and Credit Risk Operations. In addition to the Due Diligence process, all clients with ESG transactions undergo an environmental, social, and climate risk assessment.

**Response 6: Row 6**

**Environmental issue**

- Forests
- Water
- Climate change

**Product/service enables clients to mitigate and/or adapt to climate change**

- Adaptation
- Mitigation

**Portfolio**

Banking (Bank)

**Asset class**

Bonds

**Type of product classification**

Products that promote environmental and/or social characteristics

**Taxonomy or methodology used to identify product characteristics**

Green Bond Principles (ICMA)

**Type of solution financed, invested in or insured**

- Low-emission transport
- Ecosystem restoration
- Sustainable forest management
- Fortified buildings
- Renewable energy
- Nature-based solutions
- Green buildings and equipment
- Energy efficiency measures

### Description of product/service

: Itaú BBA has played an outstanding role in structuring issuances of ESG debt bonds in the local and foreign capital markets, following the guidelines of the International Capital Markets Association (ICMA) and market best practice, including green, social or sustainability-linked bonds or transactions with transition classification or sustainability-linked bonds ( “ESG-Linked” ). ESG debt bonds can be classified into different fixed income instruments such as simple debentures, financial letters (LF) and securitization operations such as Agribusiness Receivables Certificates (CRA) and Real Estate Receivables Certificates (CRI), and Funds Investment in Credit Rights (FIDIC). On a consolidated basis, during 2023 Itaú BBA carried out 22 ESG fixed income transactions in the capital markets (both local and international), being the absolute market leader by number of transactions, according to ANBIMA’ s ranking.

### % of portfolio aligned with a taxonomy or methodology in relation to total portfolio value

0

### % of asset value aligned with a taxonomy or methodology

100

### Product considers principal adverse impacts on environmental factors

Yes

### Details on how the principal adverse impacts on environmental factors are considered in this product

Considering that environmental, social, and climate risks can cause losses for the institution, including reputational ones, Itaú BBA’ s CDD process includes identifying environmental, social, and climate events based on public information disclosed by clients, media outlets, public bodies, and/or top institutions, in addition to data provided directly by clients or third parties hired by clients. The depth of due diligence is directly proportional to the materiality of the client’ s risk, based on indicators such as sector of activity, size, and/or risk associated with the loan operation, including product characteristics and use of proceeds. All capital market transactions (including securitizations) are evaluated by an independent consultant experienced in sustainable finance to validate whether the transaction aligns with the applicable guidelines for each type of ESG bond ( “Second-Party Opinion” ). Further information on the environmental, social, climate, and governance guidelines and factors integrated into Itaú Unibanco’ s risk management process can be found in the Environmental, Social, and Climate Risk Policy and the Environmental, Social, and Climate Risk Procedure - Clients and Credit Risk Operations. In addition to the Due Diligence process, all clients with ESG transactions undergo an environmental, social, and climate risk assessment.

### Q12.7 Has your organization set targets for deforestation and conversion-free and/or water-secure lending, investing and/or insuring?

#### Response 1: Forests

#### Target set

No, we have not set such targets, but we plan to within the next two years

### **Explain why your organization has not set targets for deforestation- and conversion-free and/or water-secure lending, investing and/or insuring**

Deforestation is a big issue in Brazil and it is highly correlated to agricultural activities. We got some ESG products focused on sustainable agriculture, encouraging a zero deforestation agriculture by offering better assessment according to different approaches, such as incentive to use and commercialization of bioninputs or soil coverage. Recently we also signed the IFACC - Innovative Finance for Amazon, Cerrado & Chaco -, a voluntary commitment that its main purpose is to accelerate the investments in sustainable soy and beef production in the cited biomes by endorsing zero deforestation activities and products in both value chains with a goal of US\$ 10 bi disbursed until 2030. Our Agro ESG products are aligned with the IFACC commitment.

### **Response 2: Water**

#### **Target set**

No, we have not set such targets and we do not plan to in the next two years

### **Explain why your organization has not set targets for deforestation- and conversion-free and/or water-secure lending, investing and/or insuring**

There are no commitments or targets settings, at least for the upcoming years as we are more focused in the forest and climate agenda, but we already count with blue criterias for captation in our sustainable framework, and we are already assesing the water agenda through the biodiversity approach.

### **Q13.1 Indicate if any environmental information included in your CDP response (not already reported in 7.9.1/2/3, 8.9.1/2/3/4, and 9.3.2) is verified and/or assured by a third party?**

Yes

### **Q13.1.1 Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?**

#### **Response 1: Row 1**

#### **Environmental issue for which data has been verified and/or assured**

- Forests
- Biodiversity
- Water
- Climate change

#### **Disclosure module and data verified and/or assured**

Disclosure of risks and opportunities: Financial effect of environmental risks

#### **Verification/assurance standard**

Climate change-related standards: Other climate change verification standard: AA1000AP (2018), GRI, SASB and PRB standards.

#### **Further details of the third-party verification/assurance process**

This basis of preparation was reviewed and assured by PricewaterCoopers (PwC), an independent auditor who also assessed the report's alignment with the AA1000AP (2018), GRI, SASB and PRB standards.

### Attach verification/assurance evidence/report (optional)

ESG Report 2023.pdf

### Response 2: Row 3

#### Environmental issue for which data has been verified and/or assured

- Biodiversity
- Water
- Plastics
- Climate change

#### Disclosure module and data verified and/or assured

- Environmental performance - Climate change: Renewable Electricity/Steam/Heat/Cooling consumption
- Environmental performance - Climate change: Emissions breakdown by country/area
- Environmental performance - Climate change: Energy attribute certificates (EACs)
- Environmental performance - Climate change: Waste data
- Environmental performance - Climate change: Emissions reduction initiatives/activities
- Environmental performance - Climate change: Fuel consumption
- Environmental performance - Climate change: All data points in module 7
- Environmental performance - Climate change: Base year emissions

#### Verification/assurance standard

General standards: ASAE 3000

#### Further details of the third-party verification/assurance process

Refers to the limited assurance report on the data contained in Itaú's 2023 Greenhouse Gas Emissions Inventory ('2023 GHG Inventory'), relating to the year ended December 31, 2023. Said report contains, among other things, other information, the description of significant quantification procedures, the criteria, the methodology for preparing the 2023 GHG Inventory and the organizational and operational limits related to the Company's activities.

### Attach verification/assurance evidence/report (optional)

Declaraç o de verificaç o PwC.pdf

### Response 3: Row 4

#### Environmental issue for which data has been verified and/or assured

- Forests
- Biodiversity
- Climate change
- Water

#### Disclosure module and data verified and/or assured

- Environmental performance - Climate change: Year on year change in absolute emissions (Scope 1 and 2)
- Environmental performance - Climate change: Year on year change in absolute emissions (Scope 3)
- Environmental performance - Climate change: Renewable Electricity/Steam/Heat/Cooling consumption

- Environmental performance - Climate change: Waste data

### **Verification/assurance standard**

Climate change-related standards: Other climate change verification standard: AA1000AP (2018), GRI, SASB and PRB standards.

### **Further details of the third-party verification/assurance process**

This basis of preparation was reviewed and assured by PricewaterCoopers (PwC), an independent auditor who also assessed the report's alignment with the AA1000AP (2018), GRI, SASB and PRB standards.

### **Attach verification/assurance evidence/report (optional)**

ESG Report 2023.pdf

**Q13.2 Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.**

**Response 1:**

#### **Additional information**

We do not have any additional information or context that is relevant to our organization's response.

#### **Attachment (optional)**

2023 Integrated Annual Report.pdf

**Q13.3 Provide the following information for the person that has signed off (approved) your CDP response.**

**Response 1:**

#### **Job title**

The sign off/approval of the climate change response to the CDP is made by our director on board.

#### **Corresponding job category**

Director on board

**Q13.4 Please indicate your consent for CDP to share contact details with the Pacific Institute to support content for its Water Action Hub website.**

No

Question Number	Question	Subquestion	Attachment
Q4.1	Does your organization have a board of directors or an equivalent governing body?	Attach the policy (optional)	Policy on the Appointment and Succession of Executives.pdf
Q13.2	Use this field to provide any additional information or context that you feel is relevant to your organization's response. Please note that this field is optional and is not scored.	Attachment (optional)	2023 Integrated Annual Report.pdf
Q7.9.1	Provide further details of the verification/assurance undertaken for your Scope 1 emissions, and attach the relevant statements.	Attach the statement	CDP.pdf
Q7.9.2	Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.	Attach the statement	CDP.pdf
Q7.9.2	Provide further details of the verification/assurance undertaken for your Scope 2 emissions and attach the relevant statements.	Attach the statement	CDP.pdf
Q5.11.4	Provide details of your environmental engagement strategy with your investees.	Attach your engagement strategy	Relatorio_Engajamento_ESG_2023.pdf
Q5.11.3	Provide details of your environmental engagement strategy with your clients.	Attach your engagement strategy	Relatorio_Engajamento_ESG_2023.pdf
Q5.11.3	Provide details of your environmental engagement strategy with your clients.	Attach your engagement strategy	Climate Report 2023.pdf
Q4.11	In the reporting year, did your organization engage in activities that could directly or indirectly influence policy, law, or regulation that may (positively or negatively) impact the environment?	Attach commitment or position statement	Government and Institutional Relations Policy.pdf
Q4.6.1	Provide details of your environmental policies.	Attach the policy	Environmental  Social and Climate Responsibility Policy.pdf
Q4.6.1	Provide details of your environmental policies.	Attach the policy	Public Access Report - Policy on Social  Environmental and Climate Risks.pdf

Question Number	Question	Subquestion	Attachment
Q4.6.1	Provide details of your environmental policies.	Attach the policy	Government and Institutional Relations Policy.pdf
Q4.6.1	Provide details of your environmental policies.	Attach the policy	Policy of responsible investment.pdf
Q13.1.1	Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?	Attach verification/assurance evidence/report (optional)	Declaração de verificação PwC.pdf
Q13.1.1	Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?	Attach verification/assurance evidence/report (optional)	ESG Report 2023.pdf
Q13.1.1	Which data points within your CDP response are verified and/or assured by a third party, and which standards were used?	Attach verification/assurance evidence/report (optional)	ESG Report 2023.pdf
Q5.2	Does your organization's strategy include a climate transition plan?	Attach any relevant documents which detail your climate transition plan (optional)	Climate Report 2023.pdf
Q7.9.3	Provide further details of the verification/assurance undertaken for your Scope 3 emissions and attach the relevant statements.	Attach the statement	CDP.pdf
Q7.54.1	Provide details of your targets to increase or maintain low-carbon energy consumption or production.	Science Based Targets initiative official validation letter	None
Q4.7.1	Provide details of the policies which include environmental requirements that clients/investees need to meet.	Attach the policy	Relatório Climático 2023.pdf
Q4.7.1	Provide details of the policies which include environmental requirements that clients/investees need to meet.	Attach the policy	Principios-Investimento-Responsavel.pdf
Q4.12.1	Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.	Attach the relevant publication	ESG Report 2023.pdf

Question Number	Question	Subquestion	Attachment
Q4.12.1	Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.	Attach the relevant publication	GRSAC Report.pdf
Q4.12.1	Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.	Attach the relevant publication	Climate Report 2023.pdf
Q4.12.1	Provide details on the information published about your organization's response to environmental issues for this reporting year in places other than your CDP response. Please attach the publication.	Attach the relevant publication	2023 Integrated Annual Report.pdf