

UBS BB: Social, Environmental and Climate Responsibility Policy



WHY

UBS BB's goal is to be the financial provider of choice for clients who wish to mobilize capital for the achievement of the 17 Sustainable Development Goals and the orderly transition to a low-carbon economy.

The Prudential Conglomerate is committed to continuously improving and improving its social, environmental and climate performance. We also play an important role in capital allocation and strive to support our client with innovative products and services that address societal concerns and drive change for a better world

Prudential Conglomerate, composed of the entities: UBS Brasil CCTVM ('CCTVM') and UBS Brasil Banco de Investimentos S.A ('BI') and part of corporate structure of UBS BB.

3. Principles

The following principles guide the actions of the Prudential Conglomerate in implementing the commitment to become a force driving positive changes in society and the environment (including climate aspects) for future generations:

- Sustainable finance
- Social, environmental and climate risk
- Environmental footprint
- Human resources and diversity
- Communities



WHO

All UBS BB employees, including UBS BB Board of Directors, UBS BB Executive Board, UBS BB Risk and Capital Committee, CRO LatAm and Sustainability and Climate Risk Team ("SCR").

4. Governance

This Policy is approved by the Board of Directors of UBS BB. Other levels of Governance are also part of the process as described in section 4 of the Appendix.



WHAT - know HOW to comply

5. Disclosure and engagement with stakeholder

The Policy contains the actions that the Prudential Conglomerate will implement to effect the principles described herein and will be publicly available.

1. Our Commitments

As set out in UBS BB's Code of Conduct and Ethics, the Prudential Conglomerate is committed to acting with long-term commitments and value creation in mind for customers, employees, communities and shareholders. We aspire to create a more just and prosperous society, advocating for a healthier environment and addressing inequalities at their root.

This Policy covers the activities and capabilities of the Prudential Conglomerate related to social, environmental and climate aspects, including relationships with customers, suppliers and communities, our environmental footprint and human resources, including diversity programs, respecting UBS BB's business model and the complexity of our products, activities and services.

2. Scope

This document defines the principles, governance and controls for the implementation of the commitment of the



Need help?

If you have any questions related to this Policy or the social, environmental and climate risk criteria of the Prudential Conglomerate, please contact informacoes@ubs.com



References

This page should be read in conjunction with the details set out in the Appendix, which is an integral part of the policy.

Appendix

Social, Environmental and Climate Responsibility Policy



Why do we have this appendix

Here you will find additional information that will help you implement and comply with our Social, Environmental and Climate Responsibility Policy.



Applicability

This document defines the principles, governance and controls for the implementation of UBS BB's commitment, describes how the Prudential Conglomerate is becoming a force to drive positive change through its business and activities, taking into account the nature and complexity of the institution's operations and is aligned with UBS BB Code of Conduct and Ethics (1-C-001254), UBS BB Sustainability and Climate Risk and Resolution of the National Monetary Council 4.945/21.

Violations of this policy may be handled in accordance with the Employee Incident Policy (1-P-004710) and may result in disciplinary action, including dismissal, in serious cases.



Additional content to the policy

The following information is additional to the key topics addressed in the summary above

1. Our Commitment «

As set out in the UBS BB Code of Conduct and Ethics, the Prudential Conglomerate is committed to acting with long-term commitments and value creation in mind for customers, employees, communities and shareholders. We aspire to create a more just and prosperous society, advocating for a healthier environment and addressing inequalities at their root. This statement underpins our purpose and is in line with our external commitments, such as our pledge to make progress towards the Sustainable Development Goals. For example, we aim to develop products, offer our advice and conduct business in a way that reflects our high standards in order to progress towards positive outcomes for our environment and society.

Our priorities are:

- Planet: Establishing climate as a clear priority as we move towards a low-carbon future
- People: addressing social challenges through philanthropy as well as employee engagement
- Partnerships: working with other leaders to achieve impact on a truly global scale.

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2. Scope «

This document defines the principles, governance and controls for the implementation of the UBS BB's commitment. It describes how the Prudential Conglomerate drives positive change through its business and activities, taking into account the nature and complexity of the institution's operations.

The Prudential Conglomerate is composed of the following entities: UBS Brasil CCTVM ('CCTVM') and UBS Brasil Banco de Investimentos S.A ('BI'). BI has no active activity in the market or trading at the moment. CCTVM, an onshore broker, is the main operating entity of the Prudential Conglomerate. The entity is part of the structure of UBS IB Global Markets and its business model is focused on offering market access, execution and clearing services to clients, with revenue generated from commissions. The business is divided into 3 branch desks – Cash Equities, ETD and Electronic trading – and the main products offered are Cash Equities, SBL, Single Stock Options, Interest Rate Futures & Options, FX Futures & Options and Government Bonds & Corporate. CCTVM's clients are primarily institutional investors, brokers and banks and leverage an advanced technology platform and innovative client services provided by the brokerage. In addition, the Research team is active in identifying sustainability-driven opportunities by offering global coverage with more than 30 Brazil-based analysts focused on key Latin American countries.

According to Res. CMN 4.945/21, UBS BB considers:

- Social nature: the respect, protection and promotion of fundamental rights and guarantees and of common interest.
- Common interest: interest associated with a group of persons legally or factually linked by the same cause or circumstance, when not related to environmental nature or climatic nature.
- Environmental Nature: the preservation and repair of the environment, including its recovery, when possible.
- Climate nature: the positive contribution of the institution:
 - o in the transition to a low-carbon economy, in which the emission of greenhouse gases is reduced or compensated and the natural mechanisms of capture of these gases are preserved; and
 - o in reducing the impacts caused by frequent and severe weather or by long-term environmental changes that may be associated with changes in weather patterns.

3. Principles «

The principles below describe how the Prudential Conglomerate promotes the implementation of its commitment to become a force driving positive change in society and the environment (including climate) for future generations.

3.1. Sustainable Finance

Sustainable finance refers to any form of financial service with the goal of achieving positive environmental, social or climate outcomes. The term encompasses solutions with which UBS BB aims to reshape the sustainable finance landscape, using leaders, innovation and partnerships to support clients in their sustainability efforts. The Prudential Conglomerate provides in-depth research, innovative products and expert advice to organizations that want to consider environmental, social and governance (ESG) criteria in their financing and investment decisions.

3.2 Sustainability and Climate Risk

Sustainability and climate risks ("SCR") are the risks of the Prudential Conglomerate impacting or being negatively impacted by climate change, natural capital, human rights or other environmental, social and governance matters. Therefore, we have adopted certain criteria defined in Sustainability and Climate Risk Framework of UBS BB ("SCR Framework") to perform assessment on our suppliers and institutional and corporate clients.

The Prudential Conglomerate relies on the SCR Framework to protect the Prudential Conglomerate, people and the planet from adverse impacts from sustainability and climate risks. The SCR Framework aligns with our policies, governs customer-supplier relationships, and is applied across the enterprise.

3.3. Environmental Footprint

The Prudential Conglomerate leverages UBS's global quantitative targets to reduce group-wide greenhouse gas emissions and the environmental impact of our operations. Environmental programs include investments in sustainable real estate and efficient information technology, energy, water efficiency, paper and waste reduction, as well as recycling, use of eco-friendly products (e.g. renewable energy or recycled paper), business travel and employee relocation. The Prudential Conglomerate also aims to reduce the negative environmental and social impacts of the goods and services it purchases and engages with suppliers to promote responsible practices.

3.4. Human Resources and Diversity

Connecting people for a better world starts with ourselves. Our employees drive our positive impact on society and continued business success. Diversity of thought, opinion and experience helps us make better decisions and be more innovative. An increasingly equitable and inclusive environment makes the effectiveness of our results stronger based on the best of each one of us. The Prudential Conglomerate is dedicated to being a world-class employer where our employees have the opportunity to realize their unique potential and partner with clients and colleagues on solutions that make a difference. We understand that strengthening our commitment to Diversity, Equity & Inclusion is vital to our sustainable business success and we focus on raising awareness of this Policy among our employees.

UBS BB is part of the UBS group, a founding member of the World Economic Forum's Good Work Framework, and we partner with like-minded companies on metrics that support high-quality work.

3.5. Communities

Through interactions with society in general, the Prudential Conglomerate works to address social inequalities. We believe that by working collectively, we have the potential to create lasting change and maximize positive impact for people and the planet. We recognize that the long-term success of the Prudential Conglomerate depends on the health and prosperity of the communities of which we are a part.

Our approach is to build sustainable and successful partnerships with nonprofits and social enterprises to ensure our contributions have a lasting impact.

4. Governance«

The **Board of Directors of UBS BB** ("Board") is responsible for: I - approving and reviewing the PRSAC, with the help of CRO LatAm; II - ensure the adherence of the institution to PRSAC and to the actions implemented; III - ensure the compatibility and integration of PRSAC with other policies established by the institution; IV - ensure the timely correction of deficiencies related to PRSAC; V - ensure that the remuneration structure does not encourage behavior incompatible with PRSAC; and VI - promote the internal dissemination of PRSAC and the actions implemented.

The **Executive Board of UBS BB** is responsible for complying with this Policy and for executing the business in accordance with its principles.

The **Risk and Capital Committee of UBS BB** ("CORIS") assists the Board in the exercise of its responsibilities with respect to risk and capital management, including social, environmental and climate risk, by issuing non-binding recommendations to support the decisions of the Board. In addition, other topics related to social, environmental and climate risks are also reported to the Risk and Control Committee of UBS BB ("RCC") on a monthly basis.

Executive Boards of the respective regulated entities are responsible for: approve PRSAC within the framework of their respective governance, propose recommendations to the Board of directors on the establishment and review of PRSAC and evaluating the degree of adherence of the actions implemented to PRSAC, proposing recommendations for improvement, when necessary.

The **Chief Risk Officer of América Latina** ("CRO LatAm") is responsible for: assisting the Board of Directors, by providing support and participating in the decision-making process related to the establishment and review of PRSAC, ensuring the implementation of actions linked to PRSAC's effectiveness; monitor and evaluate the actions implemented, indicating improvements when any deficiency is identified, and disseminate reliable information, according to article 10 of CMN Resolution 4,945/21.

All employees of the 1st and/or 2nd Lines of Defense or Group Functions have responsibilities in relation to the principles established in this Policy, among others, when onboarding customers, performing continuous customer coverage and periodic review, approving transactions, performing controls or selecting or engaging with suppliers. Each principle of this Policy has its control and metrics defined by the respective area responsible for it.

The **Sustainability and Climate Risk Team** ("SCR Team") is responsible for implementing e monitoring SCR Framework, according to defined risk appetite, monitoring emerging topics related to environmental, social and climate risk exposure, ensuring that the pattern of sustainability and climate risks are incorporated into the culture, management and principles of UBS BB entities, and carrying out sustainability and climate analysis of transactions, customers and suppliers.

5. Disclosure and engagement with stakeholders «

The activities and programs of the Prudential Conglomerate reported annually in an open and transparent manner, including the sustainable products that UBS BB offers and the global commitments that are applicable locally, seeking to maintain an open dialogue with stakeholders, as required by CMN Resolution 4.945/21..

This Policy contains the actions that the Prudential Conglomerate will implement to effect the principles described herein and will be publicly available. The SCR Framework sets out the controversial activities with which the Prudential Conglomerate does not conduct business and the sensitive sectors where the Prudential Conglomerate will only do business if certain criteria are in place. The controversial activities and areas of concern are describes in Annex1.

The UBS BB is part of the UBS Group, which is certified according to ISO 14001 and 50001, international environmental and energy management standards. These certifications attest that UBS's environmental management system is an appropriate tool to assess compliance with relevant environmental standards, achieving the environmental objectives assumed and maintaining the continuous improvement of environmental performance.



Glossary

Chief Risk Officer: Chief Risk Officer

SCR: Sustainability and Climate Risk

BI: Investment Banking

ESG: environmental, social and governance aspects

Board: Board of Directors

CORIS: UBS BB Risk and Capital Committee

RCC: Risk and Control Committee of UBS BB



Partnership and Policy Review

This policy is subject to the approval of the Board of Directors of UBS BB, after review by the UBS BB Risk and Capital Committee. This policy should be reviewed annually or any time necessary

This policy was approved by the Board of Directors of UBS BB on June 27th, 2024.

This policy was approved by the Executive Boards of the regulated legal entities, based on the recommendation of the Board of Directors of UBS BB.

Owner: CRO LatAm

Published: July 2024.

Annex 1 – Sustainability and Climate Risk Standards

Our sustainability and climate risk standards include the stipulation of controversial activities and other areas of concern where we will not engage, or will only engage subject to stringent criteria.

Controversial Activities – where UBS BB will not do business

UBS BB will not knowingly provide financial or advisory services to clients whose primary business activity, or where the proposed transaction, is associated with severe environmental or social damage to or through the use of:

world heritage sites as classified by the UN Educational, Scientific and Cultural Organization;

wetlands on the Ramsar list;

endangered species of wild flora and fauna listed in Appendix 1 of the Convention on International Trade in Endangered Species;

high conservation value forests as defined by the six categories of the Forest Stewardship Council (the FSC);

illegal fire: uncontrolled and/or illegal use of fire for land clearance;

illegal logging, including purchase of illegally harvested timber (logs or roundwood);

child labor according to International Labor Organisation (ILO) Conventions 138 (minimum age) and 182 (worst forms);

forced labor according to ILO Convention 29; and

indigenous peoples' rights in accordance with International Finance Corporation (IFC) Performance Standard 7.

The same standards apply when UBS purchases goods or services from suppliers.

In addition, UBS BB does not directly or indirectly finance the development, production or purchase of controversial weapons of such companies determined to fall within the Swiss Federal Act on War Materials.

On the topic of cluster munitions and anti-personnel mines, UBS does not provide credit facilities to, nor conduct capital market transactions for, companies that are involved in the development, production or purchase of cluster munitions and anti-personnel mines.

Areas of concern – where UBS will only do business under stringent criteria

We apply specific guidelines and assessment criteria to transactions with corporate clients engaged in the areas of concern listed below. The guidelines and assessment criteria apply to loans, trade finance, direct investments in real estate and infrastructure, securities and loan underwriting transactions, investment banking advisory assignments and the procurement of goods and services from suppliers.

Transactions in the areas listed below trigger an enhanced due diligence and approval process. In addition to the assessment of regulatory compliance and adherence to UBS BB’s controversial activities standards, as well as consideration of past and present environmental and human rights performance and concerns of stakeholder groups, these transactions require an assessment of the following criteria:

Soft commodities	
Palm oil	Companies must be members of the Roundtable on Sustainable Palm Oil (the RSPO) and not subject to any unresolved public criticism from the RSPO. Production companies must further have some level of mill or plantation certification and be publicly committed to achieving full certification (evidence must be available). Companies must also be committed to “No Deforestation, No Peat and No Exploitation.”
Soy	Companies producing soy in markets at high risk of tropical deforestation must be members of the Round Table on Responsible Soy (the RTRS) or similar standards such as Proterra, ISCC, CRS, and not be subject to any unresolved public criticism from these standards. When a company is not certified, it must credibly commit to the RTRS or a similar standard, providing a robust time-bound plan or demonstrate a credible commitment toward an equivalent standard, to be independently verified.
Forestry	The producing company must seek to achieve full certification of its production according to the Forest Stewardship Council (FSC) or a national scheme endorsed against the Programme for the Endorsement of Forest Certification (PEFC) within a robust time-bound plan. The producing company must also have fire prevention, monitoring and suppression measures in place.
Fish and seafood	Companies producing, processing or trading fish and seafood must provide credible evidence of no illegal, unreported and/or unregulated fishing in their own production and supply chain.
Power generation	
Coal-fired power plants (CFPP)	We do not provide project-level finance for new CFPP globally and only support financing transactions of existing coal-fired operators (>20% coal reliance) if they have a transition strategy that aligns with the goals of the Paris Agreement or if the transaction is related to renewable energy or clean technology.
Large dams	Transactions directly related to large dams include an assessment against the recommendations made by the International Hydropower Sustainability Assessment Protocol.
Nuclear power	Transactions directly related to the construction of new, or the upgrading of existing, nuclear power plants include an assessment of whether the country of domicile of the client/operation has ratified the Treaty on the Non-Proliferation of Nuclear Weapons.
Extractives	
Arctic drilling and oil sands	We do not provide financing where the stated use of proceeds is for new offshore oil projects in the Arctic or greenfield ¹ oil sands projects, and only provide financing to companies with significant reserves or production in arctic oil and/or oil sands (>20% of reserves or production) if they have a transition strategy that aligns with the goals of the Paris Agreement or if the transaction is related to renewable energy or clean technology.
Coal mining and mountain top removal (MTR)	We do not provide financing where the stated use of proceeds is for greenfield ¹ thermal coal mines and do not provide financing to coal-mining companies engaged in MTR operations. We only provide financing to existing thermal coal-mining companies (>20% of revenues) if they have a transition strategy that aligns with the goals of the Paris Agreement, or if the transaction is related to renewable energy or clean technology.
Liquefied natural gas (LNG)	Transactions directly related to LNG infrastructure assets are subject to enhanced sustainability and climate risk due diligence considering relevant factors, such as management of methane leaks and the company’s past and present environmental and social performance.
Ultra-deepwater drilling	Transactions directly related to ultra-deepwater drilling assets are subject to enhanced sustainability and climate risk due diligence considering relevant factors, such as environmental impact analysis, spill prevention and response plans, and the company’s past and present environmental and social performance.
Hydraulic fracturing	Transactions with companies that practice hydraulic fracturing in environmentally and socially sensitive areas are assessed against their commitment to and certification of voluntary standards, such as the American Petroleum Institute’s documents and standards for hydraulic fracturing.
Metals and mining	Transactions directly related to precious metals or minerals assets that have a controversial environmental and social risk track record are assessed against commitment to and certification of voluntary standards, such as the International Council on Mining & Metals (the ICMM), International Cyanide Management Code, the Conflict-Free Smelter Program and the Conflict Free Gold Standard of the World Gold Council, the Responsible Gold Guidance of the London Bullion Marketing Association (the LBMA), the LBMA or London Platinum and Palladium Market (the LPPM) Good Delivery Lists, the Chain-of-Custody and Code of

Practices of the Responsible Jewellery Council, the Fairmined Standard for Gold from Artisanal and Small-Scale Mining of the Alliance of Responsible Mining, the Voluntary Principles on Security and Human Rights, and the International Code of Conduct for Private Security Providers.

Transactions directly related to precious metals sourcing, custody, distribution and trading are assessed against precious metals' production by refineries that are listed on the London Good Delivery List (the LGD) or the Former London Good Deliver List (the FLGD) for precious metals produced up to refineries' removal from the LGD, as maintained by the LBMA and the LPPM.

We do not provide financing where the stated use of proceeds is for mining operations that utilize tailings disposal in the sea or in rivers.

We do not provide financing where the stated use of proceeds is for the exploration or extraction of mineral resources of the deep seabed.

Transactions with companies that mine uranium are assessed against the companies' strategy and actions to manage water contamination, waste, and worker and community health and safety, especially in regard to radiation.

Consideration is also given to the designated use of the mined uranium (or other radioactive material).

Diamonds

Transactions with companies that mine and trade rough diamonds are assessed on the client's commitment to and certification of voluntary standards, such as the ICMM, and rough diamonds must be certified under the Kimberley Process.

Project Finance

Project finance transactions, including project finance advisory services, project-related corporate loans, bridge loans, project-related refinance and project-related acquisition finance, are subject to enhanced due diligence in alignment with the Equator Principles.

Shipping

Transactions involving marine transportation are assessed against relevant factors such as greenhouse gas emissions and energy efficiency, human rights, safety and pollution prevention policies, and responsible ship recycling, in line with applicable international conventions and standards (e.g., International Maritime Organization conventions, the Hong Kong Convention and the Poseidon Principles).

The carbon intensity and climate alignment of the ship financing portfolio are measured and reported in accordance with the Poseidon Principles.

¹ Greenfield means a new mine/well or an expansion of an existing mine/well that results in a material increase in existing production capacity.