

Itaú Unibanco Holding S.A.

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Introduction

Itaú Unibanco Holding S.A. (“Itaú” or the “Bank”) and its associates and subsidiaries issued six funding instruments¹ between January 2021 and June 2024 (collectively, the “sustainability issuances”) and raised a total of USD 989.26 million to finance projects relating to renewable energy, energy efficiency and inclusive finance. In April 2025, Itaú engaged Sustainalytics to review the projects financed with proceeds from the sustainability issuances (the “Nominated Expenditures”) and provide an assessment as to whether they meet the use of proceeds criteria and reporting commitments established in their respective frameworks (the “Framework”).² This is Sustainalytics’ fourth annual review of allocation and reporting of the instruments issued under the Framework, following a previous review in May 2024, April 2023 and January 2022.^{3,4,5}

Evaluation Criteria

Sustainalytics evaluated the Nominated Expenditures and Itaú’s reporting based on whether they:

1. Meet the use of proceeds and eligibility criteria defined in the Framework; and
2. Reported on at least one key performance indicator (KPI) for each use of proceeds category defined in the Framework.

¹ The 2021 Sustainable Bond (USD 500 million), 2022 CDB ESG (USD 42.93 million), 2022 Green Private Placement (USD 62.50 million), 2024 Loan (WC) (USD 40 million), 2022 LF Social IFC (Gender; USD 171.83 million) and 2023 LF Social Investors (Gender; USD 171.99 million), collectively totalling USD 989.26 million.

² The Frameworks include the 2024 Sustainable Finance Framework at ([120424Framework_Financas_Sustentaveis_EN_copiar](https://www.itaubr.com.br/120424Framework_Financas_Sustentaveis_EN_copiar)), which is an update of the 2021 Sustainability Finance Framework at (<https://www.itaubr.com.br/download-file/v2/d/42787847-4cf6-4461-94a5-40ed237dca33/eed2822-9900-4f42-a7be-0f9d4714f404?o>). Sustainalytics has provided SPOs for each of the Frameworks, available at <https://www.itaubr.com.br/download-file/v2/d/42787847-4cf6-4461-94a5-40ed237dca33/36792402-e1fe-a596-eb91-6377712a7c2b?origin=1>, which is an update of the 2021 Sustainability Finance Framework at <https://www.itaubr.com.br/download-file/v2/d/42787847-4cf6-4461-94a5-40ed237dca33/611c4f76-ad2c-4e59-922b-d7a9e1e924c4?>

³ Sustainalytics, “Annual Review, Itaú”, (2022), at: <https://api.mziq.com/mzfilemanager/v2/d/42787847-4cf6-4461-94a5-40ed237dca33/3abce26f-e5ba-55c7-df4c-7e890bc6f9e5?origin=2>.

⁴ Sustainalytics, “Annual Review, Itaú”, (2023), at: <https://www.itaubr.com.br/download-file/v2/d/42787847-4cf6-4461-94a5-40ed237dca33/c068e02b-7fb6-a58b-68b4-e08e8c864a27?origin=2>.

⁵ Sustainalytics, “Annual Review, Itaú”, (2024), at: <https://www.itaubr.com.br/download-file/v2/d/42787847-4cf6-4461-94a5-40ed237dca33/5160c851-0fd4-8c9f-0fee-9248ebbb5e77?origin=1>.

Table 1: Use of Proceeds Categories, Eligibility Criteria and Associated KPIs of the 2021 Sustainability Finance Framework

Use of Proceeds Category	Eligibility Criteria	Key Performance Indicators
Renewable Energy and Energy Efficiency	<p>1) Renewable energy, such as</p> <ul style="list-style-type: none"> - wind energy - solar energy - hydro energy (<20MW) <p>2) Energy transmission lines and distribution networks with the purpose of increasing renewable energy from wind and or solar and/or hydro sources; energy transmission lines and distribution networks with the purpose of increasing renewable energy from wind and/or solar and/or hydro sources⁶</p> <p>3) Equipment or technology that reduces energy consumption or increases energy savings by at least 30% over the baseline, provided that those equipment and/or technologies will not be in fossil-fuel-intensive processes</p>	<ul style="list-style-type: none"> - Annual GHG emissions avoided in tonnes of CO₂ equivalent (tCO₂e) - Annual renewable energy generation in MWh (electricity) and GJ (other energy) - Capacity of renewable energy plants in MW
Inclusive Finance	<p>Investments seeking social development and inclusion, which can be related to job conservation or creation, revitalizing of economically depressed areas, inclusion of minority groups, inclusion of groups with lack of access to financial services and economic opportunities</p> <p>Eligible investments shall be related to the following criteria</p> <p>Micro and small enterprises⁷</p> <p>Micro, small and medium⁸ enterprises that additionally meets one of the following requirements</p> <p>Are women-owned companies⁹</p>	<ul style="list-style-type: none"> - Number/volume of loans provided to target group - Number of new businesses created

⁶ The increase in energy sources, such as wind and solar, in the generation of electric energy and the increase in the supply of biomass from sugar cane and biodiesel contributed to the Brazilian energy matrix to remain at a renewable level much higher than the level observed in the rest of the world. Public policies adopted in recent years favoured the entry of renewable sources, such as biodiesel, whose consumption grows year after year in Brazil. Hydraulic power generation, the main source of electricity generation in the country, together with other renewables, represented 84.3% of all national generation in 2019 according to the Ministry of Mines and Energy of Brazil. Transmission lines are fundamental elements to give stability to the electrical system of Brazil, with a large share of renewable energy that are, by nature, intermittent and interdependent. The increase in the share of renewable energy in the Sistema Interligado Nacional (SIN) must be accompanied by expansion of transmission systems to reduce losses and congestion, as well as to guarantee flow and energy security. Distribution systems are responsible for connecting to the transmission to final consumers and are also important elements to ensure that sources reach users in a safe way (EPE, 2017 (<https://goo.gl/Z8XmKf>); IEEFA, 2018 <https://bitly/2Ch6hDb>). Therefore, in the local context of Brazil, there is no possibility that the investments done in electric energy transmission lines will distribute electric energy from carbon-intensive sources in rates superior than the renewables under normal conditions.

⁷ According IFC's definition of micro and small companies, the annual revenue threshold for this segment is USD 3 million. Those companies may face challenges related to limited access to financial services, such as affordable loans and payments solutions due the lack of collateral or minimum use of access of technology.

⁸ According IFC's definition of a medium enterprise, the annual revenue threshold for this segment is from USD 3 million to USD 15 million. Medium companies in Brazil face similar issues as compared with micro and small enterprises in terms of access to financial services, especially in some regions in Brazil that lack infrastructure and economic opportunities.

⁹ According to IFC's definition, an enterprise qualifies as a woman-owned enterprise if it is: a) 51% owned by a woman/women; or b) at least 20% owned by a woman/women; and i) has one woman as CEO/COO/president/vice president of the company; and (ii) at least 30% of the board of directors are composed of women, where a board exists. Entrepreneurship is a method for those families and minority groups in need to guarantee their income, while at the same time benefitting their community.

	Located primarily in the north and northeast regions of Brazil, or in municipalities, or states with a human development index (HDI) below the total of Brazil's HDI average ¹⁰ Have restricted access to credit ¹¹	
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¹⁰ According to the UN development agency, Brazil's HDI as of 2015 was 0,755.

¹¹ A company with restricted access to credit is any company that has less than USD 1 million in loans with the bank. Small and medium enterprises have the potential to drive much-needed job creation and economic growth, but considering their size, they could have little access to the capital they need to operate. Improving those companies' access to credit could expand their businesses, creating a significant number of jobs, and providing essential goods and services to their local populations. Also, the financing of those companies is aligned with the concept of IFC's Inclusive Business concept, whereby we aim to bring the underserved into value chains as suppliers, distributors, retailers or customers by creating better conditions for them to achieve commercial viability.

Table 2: Use of Proceeds Categories, Eligibility Criteria and Associated KPIs of the 2024 Sustainable Finance Framework

Use of Proceeds	Eligibility Criteria	
Renewable Energy and Energy Efficiency	<ul style="list-style-type: none"> • Renewable energy, such as wind, solar or hydro (< 30 MW) • Biomass projects, since they have third-party certification or evidence regarding low environmental impact and sustainable sourcing • Investment in energy projects that generate or transmit renewable energy, including: offshore wind, offshore solar, tidal, wave or ocean thermal energy that does not impact marine ecosystems and may include additional measures that promote marine biodiversity • Equipment or technology that reduces energy consumption or increases energy savings by at least 20% over the baseline, provided that this equipment and/or technology are not being used in fossil-fuel-intensive processes 	<ul style="list-style-type: none"> • Installed capacity in MW • Annual renewable energy generation in MWh • Average energy generation increased (%) • Average energy usage decreased (%) • Annual GHG emissions reduced or avoided in metric tonnes of CO₂ equivalent
Inclusive Finance	<ul style="list-style-type: none"> • Micro and small enterprises • Micro, small and medium-sized enterprises that additionally meet one of the following requirements: <ul style="list-style-type: none"> a) Are women-owned business enterprises b) Located primarily in north and northeast Brazil or in municipalities or states with a Human Development Index (HDI) below Brazil's total average HDI c) Have restricted access to credit d) Financing for farmers, rural producers, family farmers and rural production cooperatives supported by national development programmes 	<ul style="list-style-type: none"> • Number of loan beneficiaries

Issuer's Responsibility

Itaú is responsible for providing accurate information and documentation relating to the details of the projects, including descriptions, amounts allocated and impact.

Independence and Quality Control

Sustainalytics, a leading provider of ESG research and ratings, conducted the verification of the use of proceeds from sustainability issuances. The work undertaken as part of this engagement included collection of documentation from Itaú and review of said documentation to assess conformance with the Framework.

Sustainalytics relied on the information and the facts presented by Itaú. Sustainalytics is not responsible nor shall it be held liable for any inaccuracies in the opinions, findings or conclusions herein due to incorrect or incomplete data provided by Itaú.

Sustainalytics made all efforts to ensure the highest quality and rigor during its assessment process and enlisted its Sustainability Bonds Review Committee to provide oversight of the review.

Conclusion

Based on the limited assurance procedures conducted,¹² nothing has come to Sustainalytics' attention that causes us to believe that, in all material respects, the Nominated Expenditures do not conform with the use of proceeds criteria and reporting commitments in the Framework. Itaú has disclosed to Sustainalytics that the proceeds from the sustainability issuances were fully allocated as of December 2024.

Detailed Findings

Table 3: Detailed Findings

Framework Requirements	Procedure Performed	Factual Findings	Error or Exceptions Identified
Use of Proceeds Criteria	Verification of projects to determine alignment with the use of proceeds criteria outlined in the Framework.	The Nominated Expenditures comply with the use of proceeds criteria.	None
Reporting Criteria	Verification of projects or assets to determine if impact was reported in line with the KPIs outlined in the Framework.	Itaú reported on at least one KPI per use of proceeds category.	None

¹² Sustainalytics' limited assurance process includes reviewing documentation relating to details of projects, as provided by the issuing entity, which is responsible for providing accurate information. These may include descriptions of projects, estimated and realized costs, and reported impact. Sustainalytics has not conducted on-site visits to projects.

Appendices

Appendix 1: Allocation Reporting

Table 4: Allocation of Proceeds from the Eligible Expenditures

Use of Proceeds Category	Project Type	Amount Allocated (USD million)
Renewable Energy and Energy Efficiency	Renewable energy – solar energy	41.92
		16.26
		8.46
	Renewable energy – wind power (onshore)	32.17
	Energy efficiency – transmission of renewable energy	108.60
Inclusive Finance	Micro and small enterprises	305.31
	Female-owned micro, small and medium-sized businesses	415.49
	MSMEs located in the north and northeast of Brazil	61.04
Total Amount Allocated		989.26
Total Proceeds Unallocated		0.00
Total Net Proceeds Raised		989.26

Appendix 2: Reported Impact

Table 5: Reported impact from the Eligible Expenditures

Use of Proceeds Category	Project Type	Environmental and Social Impact Reported
Renewable Energy and Energy Efficiency	Renewable energy – solar energy	<p>Project Impact: Installation of photovoltaic solar power plants in municipalities of Minas Gerais, totalling 90.40 MW of installed power.</p> <p>Proportional Impact: 58.66 MW increase in electricity installed power in Minas Gerais municipalities.</p>
		<p>Project Impact: Installation of 49 photovoltaic solar energy plants in Brazil, with an estimated installed capacity of 47.75 MWp and an estimated energy generated per year of 69.80 GWh, contributing to an estimated emission reduction of 5,000 tCO₂e in greenhouse gases.</p> <p>Proportional Impact: 32.05 MW increase in electricity installed capacity and 3,300 tCO₂e in avoided GHG emissions.</p>
		<p>Project Impact: The funds will pay for or reimburse investments in the implementation and operation of photovoltaic generation plants in Minas Gerais (MG). These assets include nine plants, which together with a total of 261 generating units and a total installed capacity of 396.90 MWac.</p> <p>Proportional Impact: Building 68 generating units and a 103 MWac increase of electricity generation installed capacity.</p>
Renewable Energy and Energy Efficiency	Renewable energy – wind power	<p>Project Impact: 126 MW expansion in wind power generation capacity in the state of Bahia. Compared to the 2022 MCTI emission factor (0.0426 tCO₂e/MWh), the project's renewable energy generation has the capacity to avoid roughly 64 tCO₂eq in emissions annually.</p> <p>Proportional Impact: 109.90 MW expansion in wind power generation capacity and capacity to avoid 56.02 tCO₂eq in emission annually.</p>
	Energy efficiency – transmission of renewable energy	<p>Project Impact:</p> <ul style="list-style-type: none"> i) 169 km of transmission lines and a substation with 800 MVA in installed capacity in the state of Rio Grande do Sul. ii) 37 km of transmission lines and expansion of two substations in the states of São Paulo and Mato Grosso do Sul. iii) 173 km of transmission lines and four substations with 1,600 MVA in installed capacity in the state of Minas Gerais. <p>Proportional Impact:</p> <ul style="list-style-type: none"> i) 169 km of transmission lines and a substation with 800 MVA in installed capacity in the state of Rio Grande do Sul. ii) 37 km of transmission lines and expansion of two substations in the states of São Paulo and Mato Grosso do Sul. iii) 173 km of transmission lines and four substations with 1,600 MVA in installed capacity in the state of Minas Gerais.
Inclusive Finance	Micro and small enterprises	<p>Transactions to micro and small enterprises: 5,550</p> <p>Beneficiaries: 1,017</p>
	Female-owned micro, small and medium-sized businesses	<p>Transactions to women owned MSMEs: 7,512</p> <p>Beneficiaries: 4,330</p>
	MSMEs located in the north and northeast of Brazil	<p>Transactions to MSMEs: 2,570</p> <p>Beneficiaries: 393</p>

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