

# 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

This Policy receives input from stakeholders throughout its annual review process. 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](mailto: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 the Prudential Conglomerate'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 the UBS BB Code of Conduct and Ethics (1-C-001254), the Social, Environmental and Climate Risk Structure of UBS BB and the 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.

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 Prudential Conglomerate's commitment. It 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.

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 Social, Environmental and Climate Risk

Social, environmental 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 the Social, Environmental 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 environmental, social 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 developing and implementing the standard of environmental, social and climate risks, according to defined risk appetite, monitoring emerging topics related to environmental, social and climate risk exposure, ensuring that the pattern of environmental, social and climate risks are incorporated into the culture, management and principles of UBS BB entities, and carrying out environmental risk analyses, social and climate for transactions, customers and with 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 is also publicly available and 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 Prudential Conglomerate 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:** Social, Environmental and Climate Risk or 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 in October 30<sup>th</sup>, 2023.

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: XX.XX.2023