



Environmental, Social and Climate Responsibility Report (GRSAC)

State Street Brasil S.A Banco Comercial

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1. INTRODUCTION

1.1 Statement

State Street's commitment to social and environmental responsibility and our belief in giving back to the communities in which we live and work are critical to our long-term success. We recognize that sustainable growth comes from operating with absolute integrity and in a way that respects our shareholders, clients, employees, our communities and the environment. We are committed to the principles of sound governance and to helping our customers succeed. We are dedicated to ensuring a global and inclusive workplace where employees feel valued and engaged. We believe we have a responsibility to enrich our communities, and to be a leader in environmental sustainability, both in the way we carry out our operations and in the products and services we offer.

1.2 Overview

The Environmental, Social and Climate Responsibility Report ("GRSAC") presents the governance of social risk, environmental risk and climate risk management at State Street Brasil S.A Banco Comercial ("the Bank" or "SSBC"), in compliance with the regulatory requirements set forth in Resolution BACEN 139/2021 and taking into consideration the classification of the Bank in the S4 segment, as defined in CMN Resolution 4,553/2017.

The information contained in this report has date as of December 31, 2023. Following the regulatory requirements, this document is updated and published annually, more frequently, as necessary, or when there are significant changes in SSBC's business. This report has not been independently audited.

1.3 Key Term Definitions

Climate Risk	Defined through transition risk and physical risk aspects: I - Transition Climate Risk: possibility of losses for the institution caused by events associated with the transition process to a low-carbon economy, in which the emission of greenhouse gases is reduced or offset and the natural mechanisms for capturing these gases are preserved; and II – Physical Climate Risk: possibility of losses for the institution caused by events associated with frequent and severe weather or long-term environmental changes, which may be related to changes in weather patterns.
Environmental Risk	Defined as the possibility of losses for the institution caused by events associated with environmental degradation, including the excessive use of natural resources.
Social Risk	Defined as the possibility of losses for the institution caused by events related to the violation of fundamental rights and guarantees or acts harmful to the common interest.

1.4 Principles and Guidelines for Social, Environmental and Climate Responsibility

I. Management and Measurement of Social, Environmental and Climate Risks

The risk management structure at SSBC encompass policies, procedures and controls in place to identify, assess, measure, mitigate and report key risks across its businesses, including social, environmental and climate risks.

In terms of governance, the global approach to risk involves all levels of management, from the Board and its committees, to each business unit and each employee. Responsibility for risk oversight is allocated so that risk decisions are made at an appropriate level and are subject to robust and effective review and challenge. Risk management is the responsibility of each employee and is implemented through three lines of defense: (1) business units, which own and manage the risks inherent in their business, are considered the first line of defense; (2) Enterprise Risk Management and other support functions, which provide the second line of defense; and (3) Corporate Audit, which assesses the effectiveness of the first two lines of defense.

In this framework, the ERM Brazil department is responsible for ESG risk reporting at SSBC through the use of different approaches that enable the identification of high risk sectors, measurement and monitoring of the Bank's exposure to ESG risk by region and sector, and preparation of questionnaires with ESG related questions sent out to the Bank's onshore counterparties, relevant suppliers and outsourced service providers to have a better understanding on how they manage ESG and to discuss in the local Risk, Compliance and Controls Forum ("RCCF") any potentially material risks to SSBC based on the answers received.

II. ESG Risk Classification and Appetite

SSBC utilizes a simplified approach to classify the ESG risks of its counterparties, relevant suppliers and outsourced service providers taking into consideration aspects related to social, environmental and climate risks.

The Bank also defines and monitors different Risk Appetite Statement ("RAS") metrics on a periodical basis. The ESG risk metrics are described in SSBC's RAS document, which is reviewed and approved by the Statutory Directors.

III. Social Responsibility

State Street is committed to the highest standards in risk and ethics in the interests of all our stakeholders, in order to help create better outcomes for the world's investors and the people they serve. We believe addressing social issues can help generate better long-term outcomes as our purpose.

The Bank has implemented several different programs that support its actions related to its social risk management, which are described in its ESG Policy.

IV. Environmental Responsibility

As a leading global corporation, we are committed to operating in an environmentally responsible way by carefully managing our operational footprint and corporate activities, with goals in a corporate level pursuing the efficient use of resources and managing environmental impacts.

As part of our commitment to a high standard for global environmental stewardship and as a result we have set aggressive goals and targets to help reduce our environmental impacts in a Global level. Among these goals are carbon emissions and water consumption reduction as also recycling rate increase.

In addition, State Street continues to maintain ISO 14001 Environmental Management certification in around 18 global offices as a result of our closely management of building infrastructure, moving toward our operational sustainability goals.

V. Climate Responsibility

As a leading global financial institution and custody bank, we have a responsibility to consider our potential environmental impact through two lenses. The first relates to our own operational activities, incorporating development and implementation of strategies to reduce our energy use, greenhouse gas emissions, water use and waste generation in a Corporate Level. The second one is the portfolio of companies whose assets we hold, manage or are counterparties in FX transactions.

More information can be found on Global ESG Report in State Street website (<https://www.statestreet.com/ca/en/asset-owner/about/our-impact/esg-report>).

2 ROLES AND RESPONSIBILITIES

At the Corporate level, State Street's board of directors took on responsibility for oversight of material ESG issues including greenhouse gas ("GHG") emissions and climate-related risks. State Street's overall corporate responsibility efforts are overseen by the Executive Corporate Responsibility Committee ("ECRC"), which reports to the board of directors at least once per year. The ECRC is charged with setting our corporate responsibility strategy, monitoring issues and practices related to our material ESG issues, and promoting and facilitating communication about our ESG activities. The ECRC has also been charged with supporting State Street's responses to TCFD and the European Union's Directive on Non-Financial Reporting.

The global head of ESG was appointed to lead and coordinate ESG efforts across the firm as we work towards a well-coordinated and optimized approach to our ESG policies, products, initiatives, and thought leadership. He works across business lines to fully leverage ESG capabilities stemming from a range of areas at State Street. He also acts as chair of the ECRC, which is comprised of representatives from across the corporation, including Global Realty, Procurement, Global Technology Services, Human Resources, Risk Management and more.

At SSBC, a Director has been appointed as responsible for the Social, Environmental and Climate Responsibility Policy ("ESG Policy") and actions aimed at its effectiveness.

Director responsible for ESG Policy

The Bank's responsible Director for the ESG Policy has the following responsibilities pertaining to Social, Environmental and Climate risk management:

- Provide support and participate in the decision-making process related to the establishment and review of the ESG Policy, assisting the Statutory Directors;
- Implement actions aimed at the effectiveness of the ESG Risk Policy;
- Monitor and evaluate the implemented actions in the RCCF;
- Improve the implemented actions, where any deficiencies are identified; and
- Adequately and reliably disclose the Bank's ESG information as per the applicable regulation.

Statutory Directors

The Bank's Statutory Directors have the following responsibilities pertaining to ESG risk management:

- Propose recommendations on the establishment and review of the ESG Policy;
- Assess the levels of adherence of the implemented actions to the ESG Policy and, where necessary, make recommendations for improvement;
- Keep records of the recommendations referred to in the items described before;
- Approve and review the ESG Policy, with the assistance of the Director responsible for ESG Policy;
- Ensure the Bank's adherence to the ESG Policy and to the actions described in this document aimed at its effectiveness;
- Ensure the compatibility and integration of the ESG Policy with the other policies established by the Bank, including, where applicable, human resources management, risk management, capital management and compliance policies;
- Ensure the timely correction of deficiencies related to the ESG Policy;
- Ensure that the compensation structure adopted by the institution does not encourage behavior incompatible with the ESG Policy; and
- Promote internal dissemination of the ESG Policy and actions aimed at its effectiveness.

Head of Risk Management

The Head of Risk Management has the following responsibilities pertaining to ESG risk management:

- Propose recommendations on the establishment and review of the ESG Policy;

- Assess the levels of adherence of the implemented;
- Develop the ESG Policy and Guidelines;
- Encourage the participation of the stakeholders in the Bank's policy-making process;
- Monitor compliance with the actions established in this document in the local RCCF;
- Maintenance of loss data related to ESG risks in the operational risk reports;
- Evaluate the effectiveness of the implemented actions in conjunction with the Director responsible for ESG Policy;
- Verify the adequacy of the ESG risk management framework established in this document;
- Identify any shortcomings in the implementation of actions;
- Submit this Policy for disclosure on the Bank's website.

ERM Brazil department is segregated from business units and from the unit that conducts the internal audit, and reports to the local Chief Executive Officer ("CEO") and functionally to the Global ERM. ERM Brazil is also responsible for actions implemented related to social, environmental and climate risk management.

The Statutory Directors' and Supervisory Committee's roles and responsibilities are described in more details in the local RAS document.

The RCCF supports the governance and supervision of the Bank's activities and controls, covering financial and non-financial risks and includes in its composition the instances described above, in addition to members relevant to the topics addressed. Among its responsibilities are the review and consideration of integrated risk management processes, including strategies, policies, procedures, processes and systems, established to identify, assess, measure and monitor key risk metrics, in addition to managing key risks of the Bank, including but not limited to social, environmental and climate risks.

3 ESG REPORTS

ERM Brazil periodically produces and reports to the business areas, responsible managers and the Bank's Statutory Board of Directors some reports with relevant information about social risk, environmental risk and climate risk. Among the most relevant are:

- *Social, Environmental and Climate Risk Exposure Report*. Frequency: quarterly, by email

This report presents various information about the management of the Bank's ESG risks, including: exposure to climate and environmental risks by region and by level of ESG risk; distribution of relevant counterparties and third parties by level of ESG risk; monitoring of ESG limits defined in the RAS; credit/counterparty risk exposure by counterparty and level of ESG risk; exposure by industry and ESG risk level.

- *Operational Incident Report*. Frequency: monthly, by email

This report presents the operational incidents reported by the Bank's areas, including, where applicable, the type of ESG event.

- *Risk Appetite Metrics in RCCF*. Frequency: monthly/bimonthly, through presentation (face-to-face or conference call)

Periodically, ERM Brazil presents in the RCCF the metrics and consumption of the risk appetite limits defined in the RAS, including those related to social, environmental and climate risks. Among the members of the RCCF are the Statutory Directors of the Bank, in addition to other relevant areas in the governance related to risk management in SSBC.

4 CRITERIA FOR CONSIDERATION OF ESG RISKS BY THE DIRECTORS

The Bank's Executive Directors consider social, environmental and climate risks when making relevant decisions. Among the criteria used to ensure such risks, when relevant, in the processes for approving and reviewing risk appetite levels, risk and capital management policies, strategies and limits, the stress testing program, policies for

business continuity management, the liquidity contingency plan, the capital plan and the remuneration policy, the following stand out:

- Approval of a well-established ESG Governance, with the involvement of several areas and the Bank's Senior Management, in addition to the corporate areas of State Street Corporation for the supervision of activities related to the preparation of monitoring metrics and limits, stress tests, business continuity management, liquidity contingency and capital plan, in addition to risk and capital strategies and risk appetite levels;
- Establishment of a periodic assessment program of the Bank's relevant risks, which are documented in the RAS;
- Institution of the ESG policy, which establishes key principles and guidelines related to the management, measurement, monitoring, reporting and oversight of ESG risks.
- Appreciation and review of clear and measurable risk appetite metrics and limits discussed and defined as part of the established governance;
- Definition of an RCCF forum for discussion and management of any issues related to ESG risks;
- Appointment of the Director responsible for Social, Environmental and Climate risks at the Bank;
- Definition of the ERM Brazil area, segregated from the business areas, as responsible for identifying, measuring, evaluating, monitoring and reporting ESG risks at the Bank in an integrated manner with the Bank's other risks; and
- Compliance with current rules and regulations that requires the assessment of aspects related to social, environmental and climate risks.

5 MONITORING ESG STRATEGIC OBJECTIVES

The Bank's strategic objectives form part of its annual planning approved by the Executive Board. Among the items related to social, environmental, climate and governance aspects, the definition on the approval of the risk appetite limits described in the RAS stands out, which is reviewed and approved annually by the Executive Board, in addition to the way of measuring, monitoring and periodic reports. The RCCF is the forum defined for the presentation of the monitoring of limits and the reporting of realized values, as well as the definition of eventual actions to be taken or for the treatment of exceptions, with the participation of the Executive Directors as permanent members.

From a corporate point of view, State Street Corporation has established strategies and objectives that can be found in greater detail in the "Global ESG Report" found on our website (<https://www.statestreet.com/ca/en/asset-owner/about/our-impact/esg-report>).

We continued to make progress on our corporate ESG agenda through the launch of our first Sustainability Bond Framework and issuance of our first Sustainability Bond, we maintained carbon neutrality in Scope 1 and Scope 2 emissions and made progress on our 10 Actions to Address Racism and Inequality.

We measure and report our ESG activities in accordance with frameworks created by the Sustainability Accounting Standards Board (SASB), the Task Force on Climate-Related Financial Disclosures (TCFD) and the Global Reporting Initiative (GRI). The report released by the State Street Corporation ("ESG Report") also fulfills our obligations as signatories to the United Nations (UN) Global Compact, describes how our activities support progress towards the UN Sustainable Development Goals, and includes our EEO-1 most recent disclosure.

6 GRSAC ADMINISTRATION, REVIEW AND APPROVAL

ERM Brazil is responsible for the periodic review and revision of this document. The Executive Directors of the Bank are responsible for the information contained in this document and for its periodic review and approval.