Banco de Desenvolvimento de Minas Gerais

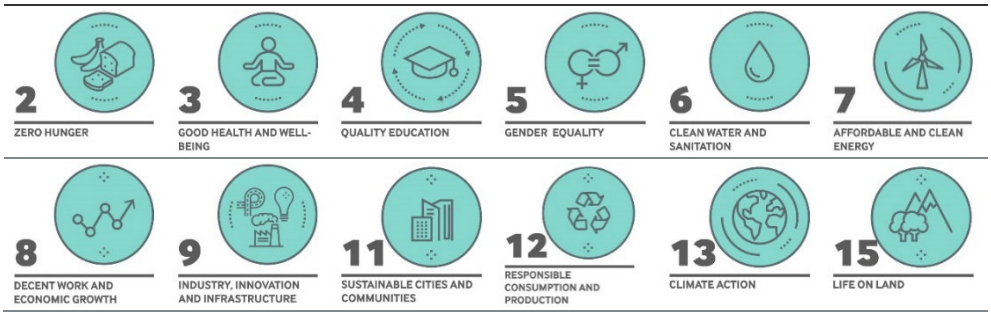
Second-Party Opinion — Sustainable Finance Framework

Banco de Desenvolvimento de Minas Gerais (BDMG) is a public financial institution focused on the economic development of the State of Minas Gerais. The issuer's sustainable finance framework includes green and social categories. Transactions are aligned with the core pillars of the ICMA Green Bond Principles (GBP), Social Bond Principles (SBP) and Sustainability Bond Guidelines (SBG), and the LMA, LSTA and APLMA Green Loan Principles (GLP) and Social Loan Principles (SLP).

Excellent | Good | Aligned | Not Aligned

Pillar	Alignment	Key Drivers
Use of Proceeds	Good	• Sustainable Fitch considers all defined use of proceeds (UoP) categories in BDMG's framework aligned with the ICMA and LMA, LSTA and APLMA lists of eligible green and social projects and have positive environmental and/or social impacts. • The defined eligible projects and loans will support Minas Gerais' economic and socio-environmental development and the improvement of the living conditions of its population.
Use of Proceeds – Other Information	Good	• The issuer may finance or refinance investments related to eligible projects, considering a 24-month lookback period. In our view, the higher the percentage of new projects financed, the more positive the impact will be. The list of restrictions is well-defined and comprehensive.
Evaluation and Selection	Excellent	• The loans and projects evaluation and selection process is well-defined and aligned with the market best practices, with decisions made by a multidisciplinary committee and with two levels of approval.
Management of Proceeds	Good	• The funds raised will be deposited into a non-segregated bank account and managed electronically, aligned with market practices. Allocations will be audited by a third party, demonstrating transparency and credibility to the investors.
Reporting and Transparency	Excellent	• Annual allocation reports with impact indicators will be published until the proceeds are fully allocated. Impact indicators are measurable and relevant but will not be verified by third parties.

Relevant UN Sustainable Development Goals



Framework Type	Green/Social/Sustainability	
Alignment	✓	Green Bond Principles 2025 (ICMA)
	✓	Social Bond Principles 2025 (ICMA)
	✓	Sustainability Bond Guidelines 2021 (ICMA)
	✓	Green Loan Principles 2025 (LMA/LSTA/APLMA)
	✓	Social Loan Principles 2025 (LMA/LSTA/APLMA)
Date assigned	17 November 2025	

See Appendix B for definitions.

The Portuguese version of this report (published on 17 November 2025) is the original document; all versions in other languages are translations and are provided for the purposes of convenience only. AI may have been used for this translation. In case of any conflict between the original version and the translated version, the original version shall prevail.

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Use of Proceeds Summary – ICMA Categories

Green	Renewable energy
	Energy efficiency
	Pollution prevention and control
	Environmentally sustainable management of natural resources and land use
	Conservation of terrestrial and aquatic biodiversity
	Clean transportation
	Sustainable water and wastewater management
	Adaptation to climate change
Social	Access to essential services
	Food security
	Empowerment and socioeconomic advancement
	Employment creation/programmes aimed at preventing and/or reducing unemployment resulting from socioeconomic crises

Source: BDMG sustainable finance framework (November 2025)

Framework Highlights

We consider the debts to be issued and the loans to be raised under BDMG's sustainable finance framework, published in November 2025, to be aligned with the ICMA GBP, SBP and SBG, as well as the LMA, LSTA and APLMA GLP and SLP. In our opinion, the alignment of BDMG's framework with these principles is 'Excellent'.

Under its framework, BDMG may issue bonds and/or contract green, social and/or sustainable loans. The UoP categories are aligned with the project categories recommended by ICMA and the LMA, LSTA and APLMA. BDMG will use the funds raised under its framework to finance activities or projects that bring environmental or social benefits and loans to support vulnerable populations or micro, small and medium-sized enterprises (MSMEs).

We consider it positive that all UoP categories contribute directly to the UN Sustainable Development Goals (SDGs). These are detailed in each eligible category throughout this report.

Processes related to project evaluation and selection, proceeds management, and reporting are also well described in the framework and aligned with the ICMA GBP, SBP and SBG and the LMA, LSTA and APLMA GLP and SLP.

These principles recommend that eligible projects be clearly described in the legal documentation of a green or social finance transaction. We have not reviewed the documentation relating to a specific transaction, but the framework describes the eligible projects. Our Second-Party Opinion refers exclusively to the framework.

The text presented in the "company material" section of this report is not necessarily the original text of the framework. We may have summarised parts of the original text and had the content approved by BDMG prior to the publication of the report.

Source: Sustainable Fitch, BDMG sustainable finance framework (November 2025)

Entity Highlights

BDMG is a financial institution controlled by the State of Minas Gerais, which holds 99% of its shares. Its mission is to promote the sustainable development of Minas Gerais, supporting public and private sectors, with a focus on economic growth, job creation and improving quality of life.

BDMG offers loans to companies, city halls and government agencies, supporting strategic sectors of the local economy, such as infrastructure, agriculture and energy in the 853 municipalities of Minas Gerais.

By end-2024, the bank broke its disbursement record, totalling BRL3.5 billion (USD645 million) and ended the year with a loan portfolio of BRL7.2 billion (USD1.3 billion) and net income of

BRL134.5 million (USD25.4 million), strengthening its financial position and its ability to support the socioeconomic development of the state.

BDMG's strategy is aligned with the UN SDGs and the state's climate agenda, with 54.5% of disbursements in 2024 earmarked for sustainable initiatives. The programme is guided by impact commitments to expand access to financial services for SMEs, promote investments in renewable energy, stimulate the growth of companies in the State of Minas Gerais, enable more inclusive and sustainable cities, and foster agro-innovation for soil regeneration and GHG emissions reduction.

BDMG also plays a key role as a financial agent for MSMEs, disbursing BRL505.5 million (USD93.2 million) in 2024, serving 4,830 companies. In the public sector, the bank released BRL485.7 million (USD89.5 million) for infrastructure projects in 2024, benefiting 270 municipalities, 48% of which have a Human Development Index (HDI) below the state average.

In agribusiness, it allocated BRL1.5 billion (USD276.5 million) to financing in 2024, with a focus on low-carbon agriculture and the LabAgroMinas programme, in partnership with the Brazilian Agricultural Research Corporation, which promotes sustainable and innovative farming practices. The green loan portfolio for sustainable agriculture totalled BRL98 million (USD18 million), focused on projects such as efficient irrigation, reforestation and agricultural modernisation.

For clean energy and energy efficiency, the bank disbursed BRL279.2 million (USD51.5 million) in 2024, supporting distributed generation projects, biofuels and modernisation of public lighting systems, avoiding the emission of around 3,000 tonnes of CO_2 during the year.

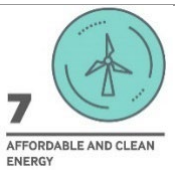
BDMG also stands out for the diversification of its funding sources, with external fundraising, including operations with multilateral institutions such as the Andean Development Corporation, the European Investment Bank, the Asian Infrastructure Investment Bank and the International Finance Corporation.

The bonds issued and loans contracted under the BDMG framework will be used to finance investments that will support the region's economic and socio-environmental development and improve the living conditions of its population. Additional funding sources for Minas Gerais are important to expand the positive impact generated by BDMG's activities.

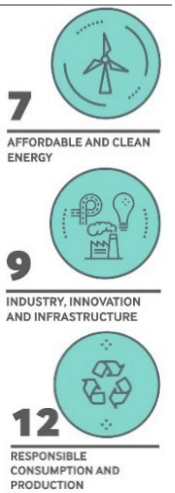
Source: Sustainable Fitch, BDMG sustainability report 2024, BDMG results presentation 4Q24

Use of Proceeds – Eligible Projects	Alignment: Good
Company Material	**Sustainable Fitch's View**
Sustainable agriculture and sustainable natural resource management	
• The proceeds in this category may be allocated to agriculture 4.0 projects, regenerative agriculture, terrestrial biodiversity conservation, low-carbon agriculture, bioeconomy, sustainable certification, sustainable forest management, and sustainable livestock practices. The following projects/activities are eligible in this category. • Agriculture 4.0: Financing of advanced technologies and sensors that contribute to climate monitoring, pest and disease control, or to the reduction of waste. • Regenerative agriculture: Inputs, services, equipment and systems applied to agricultural practices that promote soil health and vitality, including rebuilding organic matter, restoring biodiversity, controlling compaction, improving nutrient cycling, increasing input efficiency and reducing losses, reducing pesticide and synthetic input use, and conserving and sustainably using natural resources. Includes: – regenerative soil management practices, including soil acidity correction, use of soil remineralisers, natural fertilisers, bio-inputs and cover crops; – integrated systems and ecological corridors in the alternative use area; and – implementation, expansion or modernisation of bio-input production units or biofactories. • Terrestrial biodiversity conservation: – restoration of vegetation cover (including concessions and connectors); – maintenance of native vegetation cover; and – support for investments in public or private conservation units aimed at ecosystem conservation. • Low-carbon agriculture: – crop-livestock-forest integration; – agroforestry systems; – no-tillage systems; – biological nitrogen fixation; and – recovery of degraded areas with increased GHG capture. • Bioeconomy: Financing of projects for the development of new products using inputs from biomes (Cerrado, Atlantic Forest or Caatinga). • Sustainable certification: – certified agricultural and forestry projects and producers; and – organic agricultural production (companies certified by the Ministry of Agriculture, Livestock, and Supply as organic producers and included in the National Register of Organic Producers). • Sustainable forest management: – afforestation on non-deforested land; – reforestation of previously deforested land; – forest conservation; – preservation, conservation or restoration of flora and fauna in the surrounding area of the project location; – regularisation of legal reserve liabilities in rural properties destined for agribusiness; – forest planting of native species and agroforestry systems; and – support for the value chain of timber and non-timber products from native species, including pre- and post-forest production stages.	• We consider these investments to be aligned with the environmentally sustainable management of natural resources and land use category of the ICMA GBP and the LMA, LSTA and APLMA GLP. • According to the GHG Emissions Estimation System, agricultural and land use activities accounted for over 70% of Brazilian GHG emissions in 2022. Since 2012, the country has had a plan to mitigate emissions in this sector, the Low Carbon Agriculture Plan (ABC+ Plan), which encourages the adoption of sustainable practices, with an estimated reduction of 1.1 billion tonnes of GHG emissions by 2030. • The ABC+ Plan is one of the federal government's strategies to meet, by 2050, its goal of climate neutrality and reduce national emissions by between 59% and 67% by 2035, compared to 2005. • Agriculture accounted for 22% of Minas Gerais' GDP in 2024, according to data from the João Pinheiro Foundation. The state is the largest national producer of coffee and has a high representation in both beef and dairy cattle in Brazil. • We view financing low-carbon and low environmental impact agricultural practices included in the framework positively. Eligible projects promote soil and water conservation, carbon sequestration, biodiversity protection, and the reduction of GHG emissions, contributing to climate change mitigation. However, the lack of measurable minimum impact eligibility criteria prevents a more positive assessment. • Criteria that include the absence of deforestation and conversion since 2010, emissions intensity aligned with a net-zero trajectory, and minimal carbon removals and/or measurable impact criteria would be more aligned with international taxonomies, such as the Climate Bonds Initiative (CBI). • Financing of advanced technologies, such as sensors, Internet of Things, drones, and software for climate monitoring and pest and disease control, is essential to optimise the use of inputs and natural resources, such as water and fertilisers. The adoption of these precision agriculture solutions reduces environmental impacts, improves soil health and decreases pressure on water resources. • The support for regenerative agriculture, on the other hand, encourages practices that restore soil, increase organic matter, recover biodiversity and reduce the use of synthetic inputs, strengthening the resilience of production systems and contributing to climate change mitigation, especially in the face of the challenges of soil degradation and biodiversity loss in the state. • Raising funds for restoring native vegetation, maintaining areas of high conservation value, supporting conservation units and restoring degraded ecosystems are also essential to protecting biodiversity and ecosystem services. Low-carbon agricultural practices, such as integrated crop-livestock-forestry systems, agroforestry systems, no-till farming and biological nitrogen fixation, capture carbon and reduce emissions. • When livestock activities are involved, it is beneficial for the issuer to require herd traceability, farm environmental compliance, geospatial monitoring and clauses against illegal deforestation, avoiding further negative impacts.

• Sustainable livestock practices, such as animal waste treatment systems aimed at the agricultural use of treated waste.	• Bioeconomy projects have become increasingly important for ecosystem conservation and income generation in Minas Gerais. Funds may be allocated to bioeconomy projects that must be free of illegal deforestation and certified by the Union for Ethical BioTrade, which requires biodiversity protection, respect for human rights and product traceability. • Furthermore, Union for Ethical BioTrade certification requires activities to have been free of ecosystem conversion since 2014, and that cultivated species are not GMOs. • We view the adoption of sustainable certifications in agribusiness as positive. The framework includes as eligible the financing of activities certified by internationally recognised sustainable agriculture certification systems, such as Bonsucro, ISCC and Rainforest Alliance. In our view, the certifications included define criteria that reduce the environmental impact of agricultural production. • Companies that hold organic product certification from the Ministry of Agriculture, Livestock and Food Supply, the International Federation of Organic Agriculture Movements and others are also eligible. Certified organic products have a more positive impact than other sustainable agriculture certifications, as they have additional requirements such as the restriction of GMOs and the use of organic fertilisers, in addition to natural pest control techniques. • The framework also defines eligible certifications for sustainable forestry production activities, including the internationally recognised Forest Stewardship Council and Programme for the Endorsement of Forest Certification. • Finally, we view the financing of animal waste treatment systems aimed at the agricultural use of waste to be positive. Livestock farming in Minas Gerais is a major contributor to waste generation and GHG emissions, and proper waste treatment contributes to reducing emissions and fostering a circular economy.
Renewable energy	
• The proceeds in this category may be allocated to projects for the production, construction, operation, purchase and/or installation of renewable energy, as well as energy efficiency activities, provided they meet the technical evaluation criteria specified below. The projects may be developed and operated by public or private companies. • Solar: Projects for the construction, operation, purchase and/or installation of solar energy systems, including: – distributed generation (capacities between 0MW and 5MW); and – centralised generation, transmission and distribution (capacities above 5MW). • Wind: Projects for the construction, operation, purchase and/or installation of wind energy systems. • Supply chain: Manufacturing facilities fully dedicated to the development of renewable energy systems. • Hydropower: Projects for the construction, operation, purchase and/or installation of hydropower systems, including: – small hydropower plants (between 0MW and 5MW); and – run-of-river small hydropower plants (between 5MW and 30MW). • Bioenergy – biomass and biofuels: Projects for the construction, operation, purchase and/or installation of: – biomass and biofuel production; and – electricity generation from biomass.	• This category is aligned with the ICMA and LMA, LSTA and APLMA's list of eligible green projects. • The Brazilian electricity sector has one of the cleanest matrices in the world, but expanding the use of renewables is essential to achieving climate goals. • Wind, solar and small hydropower plant power generation projects contribute directly to mitigating climate change. The technical criteria in the framework for these activities follow best practices and international environmental taxonomies and ensure a highly positive environmental impact. • The production of technologies dedicated to renewable generation, such as turbines and PV panels, also brings environmental benefits, as they directly support the expansion of renewable energies. • Green hydrogen production projects using renewable energy-powered electrolysis also contribute to mitigating climate change by replacing carbon-intensive sources. This energy source, still incipient worldwide and in Brazil, could be key to decarbonising GHG emissions-intensive sectors. • The framework includes biomass-based electricity generation and biofuel production activities. We view these activities as positive, as they replace fossil fuel consumption. The framework defines some criteria and certifications that bring benefits in terms of reducing GHG emissions and environmental impacts. However, the framework does not require criteria aligned with international taxonomies, such

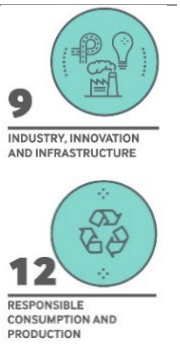


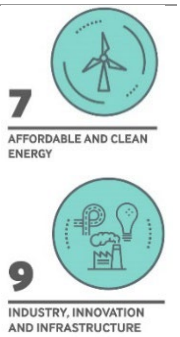
• Bioenergy – biogas and biomethane: Projects for the construction, operation, purchase and/or installation of: – biogas and biomethane production; and – electricity generation from biogas and biomethane. • Green hydrogen: Production of green hydrogen using electrolysis powered by renewable energy. • Transmission and distribution: – technologies enabling the integration of energy systems into the grid and performance monitoring; – smart grid technologies; and – off-grid energy use (renewables, batteries, etc.). • Storage systems, such as batteries and pumped storage.	as demonstrating an 80% reduction in GHG emissions compared to standard fossil fuels. • Furthermore, the production of biofuels from grains used for food, such as soybeans and corn, can have negative indirect effects related to changes in land use. This factor is related to increased production to meet the demand of both consumers and biofuel manufacturers. • The use of renewable fuels based on biogas, biomethane and electricity generation from these sources contributes to mitigating climate change. However, in our view, the benefit is offset, as the framework allows mixing with natural gas, which is a fossil fuel, reducing the climate benefit generated. • The financing of technology projects that support electricity transmission and distribution and energy storage systems has a positive environmental impact by financing projects connected to renewable sources or systems with a grid factor less than or equal to 100gCO_2/kWh. • These activities are aligned with the EU taxonomy and are essential for expanding the national electricity infrastructure, integrating renewable energy into the grid, and ensuring the stability and flexibility of the system, enabling greater participation of clean sources.
Energy efficiency	
• The proceeds in this category may be allocated to energy efficiency activities, provided they meet the technical evaluation criteria specified below. The projects may be developed and operated by public or private companies. • Public lighting: Increasing the efficiency of public energy services through loss reduction, installation of lighting or more efficient equipment, including LED lighting and light posts with solar panels. • Solar heating: Projects that promote heat generation and other renewable energy applications, such as solar water heating systems or renewable heat generation for industries. • Efficient buildings: Construction, retrofit or renovation of buildings with architectural or construction changes that allow for reduced energy consumption, including: – smart elevators; – techniques for better use of sunlight for lighting; – architectural design aimed at adequate ventilation of spaces; – high levels of thermal insulation; – proper sizing and positioning of windows; – replacement of windows to better capture sunlight; – efficient heating, ventilation and air conditioning systems; – cool roof materials; and – low-emissivity coatings. • Efficient equipment: Acquisition or replacement of installations, equipment and appliances with efficient alternatives, including: – heating/cooling systems; – replacement of household appliances; – LED lighting; – replacement of outdated electrical installations; and – compressed air installations. • Efficient industrial installations: Projects that promote energy efficiency in industrial facilities through advanced technologies, processes and practices, including: – installation of more efficient equipment, process changes, reduction of heat loss and/or increased heat recovery; – modifications to production processes to reduce energy waste, minimise heat loss and/or increase heat recovery in systems;	• This category is aligned with the ICMA and LMA, LSTA and APLMA's list of eligible green projects. • The financing of projects with LED lamps and solar panels modernises public lighting systems. These projects follow market best practices by offering efficient technology and environmental benefits. • The framework includes a comprehensive list of efficient equipment for buildings and industrial facilities. It defines criteria such as the requirement for the Procel A energy efficiency seal, according to the Brazilian Labelling Programme, or proof of a minimum 20% reduction in energy or water consumption. • This approach is positive, as it encourages consumption reductions across different sectors and is aligned with local market practices. More ambitious targets, such as a minimum reduction in energy consumption of 55% — as defined by international environmental taxonomies — would increase the positive impact of projects. The greater the reduction in energy consumption, the greater the contribution to climate change mitigation.



– implementation of cogeneration plants that generate electricity and simultaneously provide heating and/or cooling, maximising overall energy efficiency of facilities; and – introduction of automation systems and smart technologies to optimise energy use, promoting greater efficiency and operational sustainability.	
Sanitation	
• The main objective of this category is to finance projects that contribute to the universalisation of water supply, sewage and solid urban waste collection and treatment, through complementary investments in public and private concessionaires, operators of these services, and their providers that notably contribute to improved access and service quality. This category also includes projects of this nature carried out by municipalities. • Drinking water and sewage: – connection, collection, interception, pumping stations, treatment and final disposal. • Abstraction, adduction, pumping stations, construction and renovation of reservoirs, treatment, distribution, metering and operational improvements aimed at loss reduction, such as: – new reservoirs; – water treatment plants; – new distribution networks to bring drinking water to populations without access; and – network modernisation for loss reduction. • Treatment and/or final disposal of municipal solid waste: Sanitary landfills with methane recovery for energy use from the decomposition of organic matter under anaerobic conditions. • Waste collection and separation, including: – sorting facilities; – transfer stations; and – composting facilities.	• We view these investments to be aligned with the sustainable water and wastewater management category of the ICMA GBP and the LMA, LSTA and APLMA GLP. • Brazilian Federal Law 14,026 of 2020 established the goal of 99% of the population having access to drinking water and 90% connected to sewage collection and treatment services by 2033. The 2020 National Solid Waste Plan defined the elimination of inadequate final disposal practices, such as dumps and controlled landfills, by 2024. • Regarding Minas Gerais, 2021 data from the National Sanitation Information System reveal insufficiencies in the provision and coverage of water supply, sewage collection and treatment, and urban solid waste management services. • Projects in this category will help close these sanitation gaps, which are important for improving public health, protecting ecosystems, reducing soil and water pollution, and preserving water security. The proceeds will also support the achievement of the country's sanitation goals. • The framework defines energy efficiency criteria for new and existing water collection and treatment systems, aligning with international environmental taxonomies. The criteria for reducing losses in water distribution are also ambitious and follow market best practices. • Furthermore, the framework establishes specific criteria for sewage systems, ensuring energy efficiency, reducing GHG emissions and expanding service coverage. The expansion of sewage treatment through innovative and efficient technologies plays a fundamental role in conserving water resources, reducing pollution and promoting public health. • Financing waste collection and separation units aims to increase recycling and composting rates in the state, which still remain low. The framework criteria strengthen project selection, minimising potential environmental impacts. • The framework provides for projects to capture and use methane for energy in landfills that have already been closed. The captured gas must generate electricity or heat, with emissions controlled. This practice reduces the negative environmental impact of landfills and generate energy from waste that has already been disposed of in these sites.
Clean transportation	
• The objective of this category is to finance the modernisation of transportation systems to reduce GHG emissions. The category includes the construction, equipment and operation of clean transportation facilities. • Clean transportation infrastructure: – infrastructure for the operation of mass public transport, including trains, subways, electric buses, and bus rapid transit systems certified Bronze, Silver or Gold by the Institute for Transportation and Development Policy; – infrastructure for renewable fuel or electric charging of hybrid and electric vehicles; – acquisition of rolling stock for electric rail transport and vessels for waterborne and river transport; – logistics for waterborne, river and electric rail transport; – machinery and equipment for urban collective rail passenger transport; and	• This category is aligned with the ICMA and LMA, LSTA and APLMA's list of eligible green projects. • In Brazil, the transportation sector accounted for 8% of the country's emissions in 2022. The electric transportation system is still incipient, but it is growing significantly. • The financing of the acquisition of electric vehicles and supporting infrastructure follows international environmental taxonomies. Hybrid vehicles have less positive impact, as they can still use fossil fuels, but they are important for the transition. • The financing of charging points for electric transportation, still incipient in Brazil, is also positive and is essential to stimulate the purchase of electric vehicles that reduce GHG emissions. • The financing of projects for bike lanes and pedestrian infrastructure also has environmental benefits. These initiatives reduce air pollution and GHG emissions. In

– planning and implementation of cycling infrastructure and bike-sharing systems. • Sustainable road transport: – acquisition of electric or hydrogen vehicles for passenger (buses) or freight transport; – acquisition of private electric or hydrogen vehicles; and – acquisition of hybrid fleets that follow the technological transition criteria.	addition, they expand the safe space for pedestrians and contribute to the well-being of the population.
Pollution prevention and control	
• Projects related to the construction, installation and operation of control and monitoring systems for production processes that prevent and mitigate the negative effects of productive activities on the environment. • Reduction in the use of inputs and materials: – resource savings; – elimination of toxic materials use; – reuse of waste or effluents as raw materials; – reverse logistics; – recycling; and – material recovery. • Industrial treatment: – treatment of industrial effluents (wastewater treatment plants); – treatment and/or final disposal of industrial waste: – recycling; – material recovery; and – landfill with methane recovery for energy use from industrial waste. • Improvement of industrial processes aimed at reducing GHG emissions: Installation of pollutant emission control systems, and installation of filters.	• This category is aligned with the ICMA and LMA, LSTA and APLMA's list of eligible green projects. • Projects focused on reducing the use of inputs, treatment, recycling and reuse of industrial waste and effluents, and air pollution control are eligible for this category. These projects promote the circular economy in the industrial environment and reduce soil, water and air pollution. The framework defines criteria for the different subcategories to ensure that these projects generate environmental benefits. • However, more specific criteria for each type of project would amplify the expected positive impact. • In addition, the bank requires that the projects comply with current environmental legislation, with documentary verification of licenses and reports from competent agencies.
Critical and strategic minerals for the energy and digital transitions	
• The proceeds in this category may be allocated to finance extraction and processing plants of critical minerals for the energy transition: lithium, niobium, rare earth elements and graphite. • The plant must comply with the criteria established in the Brazilian Sustainable Taxonomy (TSB). – Source of electricity: The electricity used must come from plants that use generation sources and technologies included in CNAE D of the TSB – electricity and gas, through self-generation; power purchase agreements in the free contracting environment, the short-term market of the national interconnected system; or directly from distributors in the regulated market. – GHG emission limits: Scopes 1 and 2 emissions per tonne of run-of-mine (ROM) ore must be lower than: ♦ Lithium: 0.017tCO_2e/t of extracted material. ♦ Niobium, rare earths, and graphite: Mandatory annual presentation of Scopes 1 and 2 emission inventories, in accordance with Brazilian national standard ISO 14064. Within five years after the publication of the TSB (or earlier, if a reference baseline becomes available), maximum mandatory quantitative limits for emissions must be adopted. • Production destination: Proof of alignment of extracted material sales with value chains that feed into economic activities related to the manufacturing of batteries, energy storage devices and similar equipment, or metallic alloys, among others, and that demonstrably contribute substantially to climate change mitigation.	• We view these as green enabling projects that are aligned with the ICMA GBP and Green Enabling Projects Guidance. • The Green Enabling Projects Guidance establishes four main criteria for green enabling projects: – being essential to the value chain of green projects with clear environmental benefits, in accordance with the ICMA GBP, and maintain relevance in the transition to net-zero emissions; – not generating dependence on carbon-intensive activities, considering technological alternatives and transition plans; – presenting clear, measurable and attributable environmental benefits, with transparency in methodologies and indicators; and – mitigating negative social and environmental impacts, aligning with taxonomies, industry standards and good governance practices, allowing for adequate assessment by investors. • The issuer confirmed that the projects will meet the above-cited criteria, which will be verified at the time of allocation. • Critical minerals are essential inputs for low-carbon technologies. Elements such as lithium, niobium, rare earths and graphite are fundamental for manufacturing components that enable the expansion of renewable energies and the electrification of transport. Brazil is one of the main global producers of these ores, whose demand is growing rapidly.





	• The framework defines that eligible projects must allocate 100% of their production to green activities and comply with the GHG emissions intensity limit defined by the TSB of 0.017tCO_2e/t of ROM ore, in the case of lithium, and limits to be included in the taxonomy of other ores. In addition, the electricity consumed must come from TSB-aligned sources. • The issuer confirmed that projects will follow the guidelines of its social, environmental and climate responsibility policy and its social, environmental and climate risk management policy, which define criteria for identifying, assessing, mitigating and monitoring these risks in all operations. • In the loan analysis, legal compliance, efficient UoP, occupational health and safety, and relationship with local communities will be verified. The do no significant harm principles will also be guaranteed, according to the TSB, avoiding relevant adverse impacts.	
Resilient agriculture		
• The proceeds in this category may be allocated to climate adaptation and resilience measures applied to agriculture that also conserve and/or restore ecosystems. • Resilient agriculture: Climate adaptation and resilience measures applied to agriculture that also conserve and/or restore ecosystems, such as: – drought-resistant seeds; – nutrient cycling; – water storage; – dikes in ecotones; – restoration of floodplains; – water storage associated with the restoration or conservation of watersheds; – use of native species with low water consumption; – drip irrigation systems, micro-sprinklers, or other precision agriculture projects; – soil moisture sensors and meteorological data to optimise irrigation timing; – rainwater harvesting for irrigation use; – water recycling; – sustainable reuse of greywater; – use of native species with low water consumption; and – cultivation using hydroponics or aeroponics.	• We view these investments to be aligned with the climate change adaptation and environmentally sustainable management of natural resources and land use category of the ICMA GBP and the LMA, LSTA and APLMA GLP. • Brazil faces growing challenges from extreme weather events and changes in temperature and rainfall patterns, affecting agricultural production and food security. Minas Gerais is already feeling these effects. • Projects include climate adaptation and resilience measures applied to agriculture. The proposed projects are positive, as they increase the capacity of Minas Gerais' agricultural sector to face the challenges posed by climate change. • Practices such as the use of drought-resistant seeds, water storage and recycling, efficient irrigation and the cultivation of native species with low water consumption help ensure production even under adverse conditions, which is positive. Furthermore, they help in the restoration of ecosystems. The use of precision technologies, such as humidity sensors and weather data, optimises the use of resources and reduces waste. • The proposed practices are eligible under international environmental taxonomies, such as the CBI, but the framework lacks specific technical criteria. This limits our ability to assess the extent of the environmental benefits of the proposed practices, affecting the assessment.	  
Resilient cities		
• Construction and improvement of infrastructure that make the city more resilient to natural risks caused by climate change. • Disaster risk management: – monitoring, forecasting and modelling systems for changes in the natural environment; – early warning systems for extreme weather events; – air-quality forecasting systems, monitoring of fire spread and smoke transport; – urban requalification for populations in risk areas, with a focus on slums and outskirts; and – municipal and state disaster risk management systems. • Resilient construction: Construction or strengthening of infrastructure, buildings, essential services (health, education buildings, etc.) and cultural heritage sites against climate disasters. • Urban improvement to address climate change: – reduction of local temperatures (eg using techniques such as painting walls white to reflect heat); – improvements in urban ventilation (eg creating wind corridors to increase air circulation and reduce heat stress); and	• We view these investments to be aligned with the climate change adaptation category of the ICMA GBP and the LMA, LSTA and APLMA GLP. • In 2024, the Minas Gerais Climate Vulnerability Index, developed by the State Environmental Foundation, revealed that 68% of municipalities are highly sensitive to climate impacts, while 13% are located in areas of extreme vulnerability, housing more than 7% of the state's population. Since 85% of Minas Gerais residents live in urban areas, urban centres are particularly exposed to growing climate risks. • Minas Gerais has the largest number of municipalities in Brazil, with 20.5 million inhabitants. This administrative fragmentation creates unique challenges for governance, distribution of funds and implementation of public policies to promote climate adaptation. • The transfer of funds to municipalities to implement climate adaptation projects is essential, since the cities of Minas Gerais have low adaptation capacity.	 

– rainwater harvesting systems in buildings. • Nature-based solutions to address climate change: – creation and restoration of green areas, parks and gardens (including reforestation) that help with water absorption and flood reduction; – green spaces, including rooftops, walls and gardens; – preservation and/or restoration of springs; – parks, pools and galleries for rainwater drainage; – green areas for water escape (wetlands and floodable parks); – riverbank reconstruction, with concrete removal and implementation of riparian forests or green spaces; and – containment of unstable slopes, restoration of wetlands (floodplains). • Resilient mobility infrastructure: – implementation or replacement of existing pavements with permeable pavements to improve water drainage; – height adjustment (eg raising roads or rail tracks above flood lines); and – containment of mobility infrastructures (streets and other structures) to prevent landslides. • Flood protection for rivers/waterways: Creation of overflow reservoirs, construction of dikes, construction of river barriers, and creation of infiltration basins. • Construction, improvement or management of drainage infrastructure and operational facilities for urban flood management: Installation of floodgates, installation of pumps, and increased flood drainage capacity. Projects implementing drainage systems on roads with existing pavement must include pavement restoration. • Resilient water abstraction: Implementation of systems for rainwater harvesting, groundwater use, stormwater and floodwater. • Collection: Construction, improvement or management of wastewater infrastructure. • Resilient water conveyance: Reinforcement of pipelines to withstand extreme weather conditions, seismic activity and problems arising from infrastructure deterioration. • Improvements to make pumping stations more resilient: – raising pumping stations above potential flood levels to protect them from stormwater, especially in flood-prone areas due to heavy rainfall or storms; – installing containment barriers around the station to protect it from rising water during extreme weather events; – construction and renovation of resilient reservoirs, tanks and cisterns; – resilient water treatment; – construction, improvement or management of wastewater infrastructure; – improvements in distribution systems; and – systems for treatment and final disposal of urban solid waste, including sorting and composting units. • Measurement and operational improvements of sanitation systems: – manufacturing of equipment for leak detection and water meters; – deployment of sensors in the treatment and distribution network for water quality monitoring; and – implementation of automated systems for better management and quick response to water quality issues or supply interruptions.	• The projects financed in this category help municipalities reduce their vulnerability to climate effects, also helping to minimise economic losses. • The financing of resilient infrastructure projects also contributes to climate adaptation, especially in regions exposed to floods and landslides. Effective risk management systems, combined with resilient building practices, protect vulnerable populations and maintain essential services during emergencies. • Nature-based solutions represent internationally recognised practices for climate adaptation, offering multiple benefits to urban ecosystems and their populations. Additionally, mobility infrastructure adaptation projects ensure transportation safety and continuity even during severe weather events. • To finance these projects, the framework requires demonstration of climate risk reduction or resilience improvement through studies or qualitative assessments. This requirement ensures that the financed projects have a positive impact on increasing the resilience of Minas Gerais' municipalities. • The projects listed in this category are also eligible under the CBI taxonomy, but the framework does not define specific criteria for the alignment.

Access to essential services - health	
• The proceeds in this category may be allocated to projects and activities for the construction, equipment or operation of hospitals, health units and public clinics, or health projects in private units located in vulnerable municipalities. • Access to health: Finance the construction, purchase of equipment or operation of: – public health units or nonprofit philanthropic health institutions that provide services through the Unified Health System (SUS); – private hospitals and clinics that provide free or subsidised access for vulnerable or under-served communities; and – Public-private partnership projects and/or public health service concessionaires. • For financing of private units, these must be in vulnerable municipalities, defined as municipalities with a HDI below the average of municipalities in Minas Gerais.	• This category is aligned with the ICMA and LMA, LSTA and APLMA's list of eligible social projects. • The 2023 World Bank report stated that private health plans in Brazil only benefit the most privileged populations; 74.8% rely on the SUS. Minas Gerais has the most municipalities that rely exclusively on the SUS. Financing health units that provide services through the SUS is essential to expanding access to health services. • The framework defines vulnerable municipalities with HDIs below the average for municipalities in Minas Gerais (less than 0.6678) as the target population. We view this UoP positively as it benefits the selected group. • BDMG used 2010 census data as its average HDI, which is the most recent municipal-level data available. More recent data from the Brazilian Institute of Geography and Statistics show the state's average HDI already reached 0.774 in 2021.
Access to essential services - education	
• Access to education: – construction, renovation and/or expansion of daycare centres or primary education and early childhood education units; – construction, renovation and/or expansion of schools; and – construction, renovation and/or expansion of universities or higher education and specialisation units. • For financing of private units, these must be in vulnerable municipalities, defined as municipalities with an HDI below the average of municipalities in Minas Gerais.	• This category is aligned with the ICMA and LMA, LSTA and APLMA's list of eligible social projects. • According to the Brazilian Institute of Geography and Statistics' 2022 demographic census, 34.4% of Minas Gerais' population did not have access to education or did not complete elementary education; around 50% completed high school and only 16.3% completed higher education. • The framework defines funding for public education institutions as directly eligible, which is positive, since the majority of Brazilians enrol in public education institutions. • The framework clearly defines the target population, which we view as vulnerable and as having a positive social impact.
Access to essential services - post-disaster economic recovery	
• Proceeds may be allocated to support businesses of micro and small enterprises and activities in municipalities affected by environmental and natural disasters, as well as health and public health emergencies. • Support for activities in municipalities in Minas Gerais severely affected by extreme events such as floods and droughts. • Promotion of economic activity in municipalities affected by mining dam failures for recovery, mitigation, remediation and repair caused by socio-environmental and socioeconomic impacts. • Accessible and customised loan for micro and small businesses, with reduced interest rates and longer grace periods, during public health emergencies.	• This category is aligned with the ICMA and LMA, LSTA and APLMA's list of eligible social projects. • Minas Gerais is the Brazilian state most affected by natural disasters, at 14% of national extreme events, according to the National Confederation of Municipalities' 2023 analysis. According to a 2025 study by the Federation of Industries of the State of Minas Gerais, between 2020 and 2023, extreme weather events caused losses of BRL11 billion (USD2 billion). • The Institute of Applied Economic Research reported the Covid-19 pandemic also particularly affected micro and small businesses, which suffered significant losses in capital stock. Financial support during health emergencies facilitates reconstruction and reduces the chance of permanent closure. • Furthermore, Minas Gerais suffered two of the world's largest mining accidents: the collapse of the Mariana and Brumadinho tailings dams. Socioeconomic effects of these disasters are still felt by several municipalities. Supporting these municipalities contributes to economic development, resumption of essential services and job creation.
Employment generation and gender inclusion – MSMEs	
• Employment generation – micro and small enterprises: – financing for planning the opening of new units, expansion through franchises, construction of new warehouses and/or structuring of small product manufacturing units; – loans for the purchase of machinery and equipment necessary to increase productivity; – loan for cash flow balance and support with micro and small enterprises' unexpected expenses—fines and specific charges; – long-term working capital for micro and small enterprises; and	• This category is aligned with the ICMA and LMA, LSTA and APLMA's list of eligible social projects. • This UoP promotes the state's socioeconomic development, as well as female empowerment and gender inclusion in the business sector, through the financing of MSMEs, especially those led by women. • Financing companies owned by members of vulnerable populations or located in vulnerable municipalities can make them more resilient, bringing greater socioeconomic development to the region. This financing can also help

– financing micro and small enterprises that strengthen long-term tourism, supported by environmental and cultural preservation and generating permanent social benefits. • Eligibility criteria: – Micro or small enterprises must have a gross operating revenue equal to or less than BRL4.8 million. – Medium-sized enterprises must have a gross operating revenue equal to or less than BRL300 million, located in municipalities with HDI below the average of the municipalities of Minas Gerais, and whose shareholder composition has at least 51% ownership belonging to: ♦ people with low education; ♦ youth; ♦ elderly; ♦ Indigenous peoples; or ♦ Afro-descendants/Quilombolas. • Gender inclusion: – financing for planning the opening of new units, expansion through franchises, construction of new warehouses and/or structuring of small product manufacturing units in MSMEs controlled by women; – loan for cash flow balance and support with unexpected expenses for MSMEs controlled by women; – long-term working capital for MSMEs controlled by women; or – MSMEs with gross operating revenue equal to or less than BRL300 million, with at least six months of existence and that meet one of the following conditions: ♦ shareholding participation greater than or equal to 51% by one woman or multiple women; or ♦ at least 20% ownership by a woman or women; has at least one woman as CEO, chief operating officer, president or vice president; and has at least 30% of the board of directors composed of women, where a board exists.	reduce social inequality in the region through financial inclusion and the creation of new formal jobs. • According to the continuous National Household Sample Survey for the second quarter of 2025, women represented 53% of the unemployed population. The region in which women represent the largest percentage of the unemployed population is the Southeast, where they represent 54.2%. Furthermore, the unemployment rate for women in the second quarter of 2025 in the Southeast was 6.4%, higher than that of men, 4.4%. • Providing funds for women-led MSMEs encourages more women to start and lead their own businesses, stimulating job creation and the development of the local economy. • The framework also defines as eligible loans to companies with more than 20% of women's ownership interest, which have at least one woman occupying a senior position and more than 30% of the board of directors composed of women. These criteria are in line with global efforts to increase gender diversity in companies' senior leadership and to reduce the gender pay gap.
Affordable basic infrastructure – inclusive and sustainable urbanisation and digital connectivity	
• Proceeds may be allocated to support municipalities in Minas Gerais in improving citizens' quality of life through small-scale infrastructure projects, such as the implementation, expansion and/or adaptation of urban infrastructure and digital connectivity. • Inclusive and sustainable urbanisation: – paving of urban roads in areas lacking connection, sanitation and other social infrastructures, enabling inclusive urbanisation in under-served cities; – implementation, expansion and/or adaptation of exclusive lanes, sidewalks and bike lanes; – implementation, expansion and/or adaptation of squares, signage and public lighting; and – construction of shelters at bus stops for urban public transport of passengers. • Digital connectivity: – connection to the fibre optic internet network; – installation of Wi-Fi internet points in public squares; and – installation of video surveillance cameras in the streets. • Financing targeted at vulnerable municipalities, defined as municipalities with HDI below the average of the municipalities of Minas Gerais.	• This category is aligned with the ICMA and LMA, LSTA and APLMA's list of eligible social projects. • Paving urban roads promotes social integration by contributing to access to services; public lighting contributes to safety and greater use of public spaces. The 2022 demographic census stated that 89.3% of Brazilians live on paved roads and 97.6% have public lighting. In Minas Gerais, these percentages were 95.6% and 98.4%, respectively. • Basic sanitation is essential for public health, preventing the spread of disease and reducing healthcare costs. The basic sanitation legal framework, established by Federal Law 14,026 in 2020, requires universal water supply and sewage collection and treatment services by 2033. The national basic sanitation information system reported that 81.7% of Minas Gerais' population were served by the water supply network and 77.6% by the sewage collection network in 2024. • Digital connectivity investments contribute to access to communication and strengthen digital inclusion. Allocation to vulnerable municipalities expands local connectivity, supporting communities' integration and social development. • The framework clearly defines the target population, which we view as vulnerable and as having a positive social impact.
Food security	
• Proceeds may be allocated to support rural family farmers. • Financing loans for rural family farmers with the aim of self-consumption, development of sustainable agricultural technologies or techniques adapted to semi-arid conditions or aimed at the recovery of degraded areas, production of healthy food, income generation and/or better use of family labour.	• This category is aligned with the ICMA and LMA, LSTA and APLMA's list of eligible social projects. • According to the National Food and Nutrition Security Policy, via Decree No. 7,272/2010, the strengthening of family farming is essential to ensure the population's access to adequate and healthy food that respects the environment

• In accordance with the Rural Loan Manual, beneficiaries of the National Programme for Strengthening Family Farming (Pronaf) are farmers and rural producers who make up family farming production units and who prove their eligibility by presenting an active "Declaration of Aptitude for Pronaf (DAP)" or a valid "Family Farming Registry (CAF-Pronaf)."	and national food culture. According to the Brazilian Agricultural Research Corporation, more than 70% of the food consumed in the country comes from this type of production. • According to the 2017 agricultural census, 76.8% of national agricultural and aquaculture establishments were family farms. • Financing family farmers aims to increase the viability, productivity and resilience of sustainable agricultural activities, as well as help reduce the socioeconomic vulnerability of the region's rural population. • Support for family farming is crucial to increase food security in Brazil and achieve the goals of UN SDG 2 (zero hunger).
Source: BDMG sustainable finance framework (November 2025)	Source: Sustainable Fitch

Use of Proceeds – Other Information	Alignment: Good
Company Material	**Sustainable Fitch's View**
• The proceeds from BDMG's green, social and/or sustainable instruments will be allocated to finance or refinance, in whole or in part, eligible future or existing loan lines or environmental and social projects carried out by BDMG, which meet the eligibility criteria described in the framework and which: – have been disbursed in the 24 months prior to the issuance/fundraising of the instrument; or – have a disbursement forecast of up to 24 months after the issuance (in the case of bonds). For bilateral loans, the disbursement forecast will be defined with the lender. • Projects or loan operations that fall into one or more exclusion criteria described below cannot be financed with funds raised by sustainable bonds issued by BDMG: – transactions exclusively for working capital for big companies or debt replacement; – projects that have previously been financed by BDMG with proceeds from on-lending from development banks and multilateral agencies; – loan for non-certified palm oil production; – projects with the first disbursement prior to 48 months of an issuance; – projects whose financing is repaid in full in the same year of the issuance; – projects involving fossil fuels and fossil fuel power generation; – construction of hydroelectric projects of more than 30MW; and – power generation from biomass sources that deplete existing terrestrial carbon pools. • Furthermore, the bank has a list of activities excluded from financing, presented in "Annex 3 – Non-financeable Items" of its framework, and included in its social and environmental responsibility policy.	• The framework establishes that the funds raised may finance new projects or refinance existing ones. The percentage of funds allocated to existing projects will be established for each instrument contracted or issued under the framework. The higher the percentage of new projects financed, the more positive the impact will be in our view. • The framework defines a 24-month disbursement lookback period for eligible expenses and investments, which is in line with market practices. • The list of ineligible projects and loan operations is well-defined and comprehensive. The list of non-fundable items excludes activities banned by international conventions or agreements, such as polychlorinated biphenyl compounds, persistent organic pollutants, substances that deplete the ozone layer and cross-border trade in waste prohibited by international law, among others. • Furthermore, the list excludes activities related to the tobacco, weapons, coal and fossil fuel industries and projects in areas embargoed by environmental agencies, located on Indigenous or Quilombola lands, and which have involved unauthorised deforestation. Other activities with high environmental impact, such as fossil fuel power generation, large-scale hydroelectric projects, and rudimentary mining, among others, are also included in the list of non-financeable items. • BDMG expects to allocate all funds 24 months after issuing the debt instruments, which is in line with market practices.
Source: BDMG sustainable finance framework (November 2025)	Source: Sustainable Fitch

Evaluation and Selection	Alignment: Excellent
Company Material	**Sustainable Fitch's View**
• The bank uses its own methodology, developed by employees, through which the social and environmental aspects of disbursements are monitored. The qualification of sustainable projects is based on a typology of sustainable projects that organises loan operations into environmental or social categories, in accordance with the categories of the BDMG sustainable finance framework. This classification occurs prior to loan approval and takes into account criteria such as proceeds allocation, sector of the financed activity, location and target group. • The qualification process allows the bank to direct its disbursements to initiatives with the potential to generate a measurable positive impact, aligned with the UN SDGs. Furthermore, the eligible projects feed into BDMG's impact monitoring and evaluation system, serving as the basis for indicators of the five impact commitments undertaken by the institution. • The loan and renegotiation committee, the body responsible for approving loan operations at BDMG, is composed of representatives from the areas of loan analysis, planning, risks, sustainability, operations, loan management, products, risks and internal controls, finance and legal. The committee meets twice a week. • The operations will be evaluated by the committee, which will deliberate on: – the conditions of the loan operation, with regard to the borrower's ability to pay, proposed guarantees and risk; – alignment of projects with the eligibility and exclusion criteria; – the social, environmental and climate risks of the project; and	• The process of evaluation and selection of loans and projects is aligned with the ICMA and the LMA, LSTA and APLMA guidelines and principles. • The process of evaluation and selection of loans and projects is robust and clearly described in the framework. Before the loan is granted, the projects to be financed are assessed, considering the sector of activity, location and target group, and organised into environmental or social categories. After this first analysis, the loan and renegotiation committee carries out a final assessment of the projects and loans and their approval. • The loan and renegotiation committee is composed of representatives from various areas of BDMG, including sustainability, loan analysis, loan management, and risk and internal controls. Having a multidisciplinary committee to make the final decision brings greater credibility and transparency to the process and allows for more balanced decision-making. • The involvement of the sustainability team in the project evaluation process ensures the correct allocation of UoP categories and compliance with the eligibility criteria, being aligned with the best practices in the market. • Positively, all of the bank's loan operations undergo a socio-environmental analysis, in accordance with the institution's social, environmental, and climate risk management policy. The information from this analysis is included in loan proposals and undergoes the necessary approvals.

Evaluation and Selection	Alignment: Excellent
Company Material	**Sustainable Fitch's View**
– alignment of projects with BDMG's social, environmental and climate responsibility policy. • To ensure the traceability of the decisions taken, the minutes of each meeting are prepared with decisions on BDMG's loan operations. • Portfolio Categorisation: BDMG has a diversified portfolio of projects aligned with the items highlighted in the UoP section of its framework. This portfolio consists of loan lines supported by funds raised directly by the bank. The currently available financing lines, as well as others that may be created, may finance projects within the sustainable project portfolio, provided they meet the established eligibility, categorisation and evaluation criteria. The allocation of projects in each investor's portfolio will be carried out based on the analysis of the financial and planning areas. • Funds from sustainable bond/loan issuances will be allocated to projects that will be financed by BDMG after any issuance/fundraising or to reimburse projects originated before any issuance/fundraising (applying a lookback period of up to 24 months). In this case, the balance of the contract will be considered for this purpose. New projects may also be financed with sustainable bond issuances up to the total financing amount. • In the event of early payment, material change or dispute involving one of the projects included in a sustainable fundraising or issuance, the planning and funding departments, together with the operational departments, will meet to replace it with an eligible loan within six months. These situations will be duly communicated in the annual report for the issuance or fundraising.	
Source: BDMG sustainable finance framework (November 2025)	Source: Sustainable Fitch

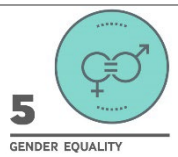
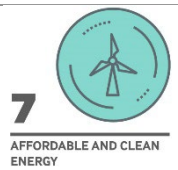
Management of Proceeds	Alignment: Good
Company Material	**Sustainable Fitch's View**
• The funds raised through the issuance or raising of green, social and/or sustainable bonds or loans by BDMG will be managed by the bank's financial administration superintendence to finance new projects or existing ones that are reported to BDMG's finance committee. • Among other functions, the finance committee aims to analyse and submit to the executive board proposals for reviewing and updating investment management policies, availability and fundraising; define the fundraising strategy according to scheduled disbursements; and periodically review cash flow to adjust cash outflows to fundraising. • The proceeds obtained from any issuance or raising of green, social and/or sustainable bonds or loans will be used exclusively to finance projects that meet the eligibility criteria described in this document. Additionally, in the case of sustainable bond issuance, the allocation of the proceeds used will be reviewed by an annual external audit. • BDMG has a robust internal accounting function, as it is used to transfer proceeds from various banks, as well as federal and state funds. The bank will maintain in its internal systems records of loans and financing for projects/operations that meet the eligibility criteria described in this document at least equal to the amounts of proceeds obtained from any issuance or raising of green, social and/or sustainable bonds or loans. • Furthermore, the bank, through the planning superintendence (SPN), has internal procedures to mark, track and monitor projects/operations according to their source of funds (proceeds allocation), which will be applied to the amounts raised through the issuance or raising of green, social and/or sustainable bonds/loans. • While not fully allocated to eligible projects, the net proceeds from the issuance or raising of green, social and/or sustainable bonds or loans will be temporarily invested in low-risk liquid financial instruments, in accordance with BDMG's cash management policy. These temporary investments will not include investments in activities excluded by the framework or incompatible with the defined environmental and social objectives.	• The management of proceeds process aligns with the guidelines and principles of the ICMA and the LMA, LSTA and APLMA. • The funds raised through instruments issued and contracted under the framework will be managed by the bank's financial administration superintendence. The SPN will track and monitor the raised funds electronically, in line with market practices. Depositing the proceeds in a bank account dedicated to fundraising under the framework would provide greater traceability and transparency to investors. • The allocation of funds raised under the framework will be verified by independent auditors, in line with market best practices. • Unallocated funds will be invested in low-risk liquid financial instruments. Temporary investment in sustainable liquid assets would align with best practices, as it would keep proceeds in assets that also generate social and environmental benefits. Nevertheless, it is positive that the bank commits not to temporarily allocate proceeds to activities included in the exclusion list or that are not aligned with the social and environmental objectives defined in the framework. • Positively, the framework defines a process for replacing projects if ESG controversies are found, or if divestments or reimbursements occur. This aligns with market best practices.

Management of Proceeds	Alignment: Good
Company Material	**Sustainable Fitch's View**
• In the case of ESG controversy, divestments or reimbursements, the resulting net proceeds will be applied to new selected projects within a maximum period of six months or as specifically provided in external credit operation contracts. These events will be communicated to investors.	
Source: BDMG sustainable finance framework (November 2025)	Source: Sustainable Fitch

Reporting and Transparency	Alignment: Excellent
Company Material	**Sustainable Fitch's View**
• BDMG will prepare an annual sustainable financing report within the first 18 months after issuance or fundraising and annually until the full allocation of proceeds. • The SPN is responsible for preparing the report, with support from other areas. Information collection is carried out by the sustainability and strategy management teams, under the responsibility of SPN. Project selection is conducted with the financial administration superintendence through the international fundraising area. Supervision of due diligence related to the audit of the use of funds is the responsibility of the financial administration superintendence. • The operational areas (operations, business conversion, credit analysis, and micro and small enterprises) provide the necessary support for the requested documentation. • In the case of bond issuance, the annual sustainable financing report will be made available on the BDMG website (https://www.bdmg.mg.gov.br/). In the case of loans, the report will be sent to investors and may be published on the website, depending on the transaction. • The report will include a description of the allocation of proceeds, as indicated. – BDMG will annually disclose the use of issued proceeds, indicating the number of beneficiaries, the average loan value, the disbursement amount for each sustainable category that makes up the portfolio and the regional distribution of proceeds in Minas Gerais. Additionally, it highlights the percentage of proceeds allocated to refinancing and the remaining balance of unallocated proceeds at the end of the reporting period. – The report will also demonstrate whether the proceeds were allocated to existing projects in the sustainable portfolio on the date of issuance or to projects contracted at a later date. In the case of sustainable bond issuance, reported values and allocations will be validated by external audit. • The report will include a description of the impact of allocated proceeds, as indicated. – BDMG will also annually publish the project monitoring report, selecting and highlighting the most relevant cases in terms of proceeds application and positive impacts on the environment and society. Result and impact indicators of financed projects will be presented in an aggregated form by category. Impact and result indicators will be selected from the examples of indicators presented in the framework. – The bank commits to providing at least one impact indicator and one result indicator per eligible category, following international best practices. During the first year of issuance, BDMG may incorporate more indicators. – The measurement of project impact will be carried out one year after implementation, using as a baseline the performance of the project/client before the implementation of the financed project. BDMG will not directly conduct the measurements, only requesting the information from its clients, which must be verifiable. The client	• The reporting commitments defined in the framework align with the guidelines and principles of the ICMA and the LMA, LSTA and APLMA. • BDMG will publish annually, until the full allocation of proceeds, an annual report on the allocation and impact of proceeds, in line with market best practices. This will provide investors with a transparent and continuous monitoring tool. • The proceeds allocation report will be verified annually by an independent third party, which brings credibility and transparency to investors. However, the scope of verification will not include impact indicators, which negatively affects our assessment. • The information disclosed in the reports will include information from all issuances made under the framework, aggregated by category of financed projects. A breakdown of allocation by project will also be made available in Excel format for investors. This practice provides transparency, although detailing allocation and impact information by issued instrument would offer an additional level of detail to investors. • The framework defines a list of impact indicators, most of which are aligned with those suggested in ICMA's Harmonised Framework for Impact Reporting, published in June 2023. The proposed impact indicators are measurable and appropriate to the categories defined in the framework. We consider the proposed indicators adequate to assess the environmental and/or social benefit generated by the loans or projects to be financed.

Reporting and Transparency	Alignment: Excellent
Company Material	**Sustainable Fitch's View**
is responsible for providing the requested information with the frequency established in the contract. • In the case of sustainable bond issuance, the allocation of proceeds will be reviewed by annual external audit until the total allocation of the instrument and reported in the annual sustainable financing report.	
Source: BDMG sustainable finance framework (November 2025)	Source: Sustainable Fitch

Relevant UN Sustainable Development Goals

2.3:	By 2030, double the agricultural productivity and incomes of small-scale food producers, in particular women, indigenous peoples, family farmers, pastoralists and fishers, including through secure and equal access to land, other productive resources and inputs, knowledge, financial services, markets and opportunities for value addition and non-farm employment.	
2.4:	By 2030, ensure sustainable food production systems and implement resilient agricultural practices that increase productivity and production, that help maintain ecosystems, that strengthen capacity for adaptation to climate change, extreme weather, drought, flooding and other disasters and that progressively improve land and soil quality.	
3.8:	Achieve universal health coverage, including financial risk protection, access to quality essential health-care services and access to safe, effective, quality and affordable essential medicines and vaccines for all.	
3.9:	By 2030, substantially reduce the number of deaths and illnesses from hazardous chemicals and air, water and soil pollution and contamination.	
4.1:	By 2030, ensure that all girls and boys complete free, equitable and quality primary and secondary education leading to relevant and effective learning outcomes.	
4.3:	By 2030, ensure equal access for all women and men to affordable and quality technical, vocational and tertiary education, including university.	
5.a:	Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws.	
6.1:	By 2030, achieve universal and equitable access to safe and affordable drinking water for all.	
6.2:	By 2030, achieve access to adequate and equitable sanitation and hygiene for all and end open defecation, paying special attention to the needs of women and girls and those in vulnerable situations.	
6.4:	By 2030, substantially increase water-use efficiency across all sectors and ensure sustainable withdrawals and supply of freshwater to address water scarcity and substantially reduce the number of people suffering from water scarcity.	
7.2:	By 2030, increase substantially the share of renewable energy in the global energy mix.	
7.3:	By 2030, double the global rate of improvement in energy efficiency.	
8.3:	Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalisation and growth of micro-, small- and medium-sized enterprises, including through access to financial services.	
9.3:	Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets.	
9.4:	By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities.	

Relevant UN Sustainable Development Goals

11.2:	By 2030, provide access to safe, affordable, accessible and sustainable transport systems for all, improving road safety, notably by expanding public transport, with special attention to the needs of those in vulnerable situations, women, children, persons with disabilities and older persons.	
11.6:	By 2030, reduce the adverse per capita environmental impact of cities, including by paying special attention to air quality and municipal and other waste management.	
11.b:	By 2020, substantially increase the number of cities and human settlements adopting and implementing integrated policies and plans towards inclusion, resource efficiency, mitigation and adaptation to climate change, resilience to disasters, and develop and implement, in line with the Sendai Framework for Disaster Risk Reduction 2015-2030, holistic disaster risk management at all levels.	
12.2:	By 2030, achieve the sustainable management and efficient use of natural resources.	
12.5:	By 2030, substantially reduce waste generation through prevention, reduction, recycling and reuse.	
13.1:	Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries.	
15.1:	By 2020, ensure the conservation, restoration and sustainable use of terrestrial and inland freshwater ecosystems and their services, in particular forests, wetlands, mountains and drylands, in line with obligations under international agreements.	
15.2:	By 2020, promote the implementation of sustainable management of all types of forests, halt deforestation, restore degraded forests and substantially increase afforestation and reforestation globally.	
15.3:	By 2030, combat desertification, restore degraded land and soil, including land affected by desertification, drought and floods, and strive to achieve a land degradation-neutral world.	
15.a:	Mobilise and significantly increase financial resources from all sources to conserve and sustainably use biodiversity and ecosystems.	

Source: Sustainable Fitch, UN

Appendix A: Principles and Guidelines

Type of Instrument: Sustainability

Four Pillars	
1) Use of Proceeds (UoP)	Yes
2) Project Evaluation & Selection	Yes
3) Management of Proceeds	Yes
4) Reporting	Yes
Independent External Review Provider	
Second-party opinion	Yes
Verification	Yes
Certification	No
Scoring/Rating	No
Other	n.a.
1) Use of Proceeds (UoP) – based on expected or actual instrument allocation	
UoP as per Green Bond Principles (GBP)	
Renewable energy	Yes
Energy efficiency	Yes
Pollution prevention and control	Yes
Environmentally sustainable management of living natural resources and land use	Yes
Terrestrial and aquatic biodiversity conservation	Yes
Clean transportation	Yes
Sustainable water and wastewater management	Yes
Climate change adaptation	Yes
Certified eco-efficient and/or circular economy adapted products, production technologies and processes	No
Green buildings	No
Unknown at issuance but currently expected to conform with GBP categories, or other eligible areas not yet stated in GBP	No
Other	Green enabling projects
Use of Proceeds as per Social Bond Principles (SBP)	
Affordable basic infrastructure	Yes
Access to essential services	Yes
Affordable housing	No
Employment generation (through SME financing and microfinancing)	Yes
Food security	Yes
Socioeconomic advancement and empowerment	Yes
Unknown at issuance but currently expected to conform with SBP categories, or other eligible areas not yet stated in SBP	No
Other	n.a.
Target Populations	
Living below the poverty line	No
Excluded and/or marginalised populations and /or communities	Yes
People with disabilities	No
Migrants and/or displaced persons	No
Undereducated	Yes
Under-served, owing to a lack of quality access to essential goods and services	Yes
Unemployed and/or workers affected by climate transition	No
Women and/or sexual and gender minorities	Yes
Ageing populations and vulnerable youth	Yes
Other vulnerable groups, including as a result of natural disasters, climate change, and/or climate transition projects that cause or exacerbate socioeconomic inequity	Yes

Type of Instrument: Sustainability	
Other	n.a.
2) Project Evaluation & Selection	
Evaluation & Selection	
Credentials on the issuer's social and green objectives	Yes
Documented process to determine that projects fit within defined categories	Yes
Defined and transparent criteria for projects eligible for sustainability bond proceeds	Yes
Documented process to identify and manage potential ESG risks associated with the project	Yes
Summary criteria for project evaluation and selection publicly available	Yes
Other	n.a.
Evaluation & Selection/Responsibility & Accountability	
Evaluation/selection criteria subject to external advice or verification	No
In-house assessment	Yes
Other	n.a.
3) Management of Proceeds	
Tracking of Proceeds	
Sustainability bond proceeds segregated or tracked by the issuer in an appropriate manner	Yes
Disclosure of intended types of temporary investment instruments for unallocated proceeds	Yes
Other	n.a.
Additional Disclosure	
Allocations to future investments only	No
Allocations to both existing and future investments	Yes
Allocation to individual disbursements	No
Allocation to a portfolio of disbursements	Yes
Disclosure of portfolio balance of unallocated proceeds	Yes
Other	n.a.
4) Reporting	
UoP Reporting	
Project-by-project	Yes
On a project portfolio basis	No
Linkage to individual bond(s)	No
Other	n.a.
UoP Reporting/Information Reported	
Allocated amounts	Yes
Sustainability bond-financed share of total investment	No
Other	n.a.
UoP Reporting/Frequency	
Annual	Yes
Semi-annual	No
Other	n.a.
Impact Reporting	
Project-by-project	No
On a project portfolio basis	Yes
Linkage to individual bond(s)	No
Other	n.a.
Impact Reporting/Information Reported (exp. ex-post)	
GHG emissions/savings	Yes

Type of Instrument: Sustainability

Energy savings	Yes
Decrease in water use	Yes
Number of beneficiaries	Yes
Target populations	Yes
Other ESG indicators	Annual renewable energy generation (MWh/year); areas restored/under conservation practices (ha); volume of treated industrial effluent (m^3/year); etc.
Impact Reporting/Frequency	
Annual	Yes
Semi-annual	No
Other	n.a.
Means of Disclosure	
Information published in financial report	No
Information published in ad hoc documents	Yes
Information published in sustainability report	Yes
Reporting reviewed	Yes
Other	n.a.

Source: Sustainable Fitch, ICMA

Appendix B: Definitions

Term	Definition
Debt types	
Green	Proceeds will be used for green projects and/or environmental-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Green Bond Principles or other principles, guidelines or taxonomies.
Social	Proceeds will be used for social projects and/or social-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Social Bond Principles or other principles, guidelines or taxonomies.
Sustainability	Proceeds will be used for a mix of green and social projects and/or environmental and social-related activities as identified in the instrument documents. The instrument may be aligned with ICMA Sustainability Bond Guidelines or other principles, guidelines, taxonomies.
Sustainability-linked	Financial and/or structural features are linked to the achievement of pre-defined sustainability objectives. Such features may be aligned with ICMA Sustainability-linked Bond Principles or other principles, guidelines or taxonomies. The instrument is often referred to as an SLB (sustainability-linked bond) or SLL (sustainability-linked loan).
Conventional	Proceeds are not destined for any green, social or sustainability project or activity, and the financial or structural features are not linked to any sustainability objective.
Other	Any other type of financing instrument or a combination of the above instruments.
Standards	
ICMA	International Capital Market Association. In the Second-Party Opinion we refer to alignment with ICMA's Bond Principles: a series of principles and guidelines for green, social, sustainability and sustainability-linked bonds.
LMA, LSTA and APLMA	Loan Market Association (LMA), Loan Syndications and Trading Association (LSTA) and Asia Pacific Loan Market Association (APLMA). In the Second-Party Opinion we refer to alignment with Sustainable Finance Loan Principles: a series of principles and guidelines for green, social and sustainability-linked loans.
EU Green Bond Standard	A set of voluntary standards created by the EU to "enhance the effectiveness, transparency, accountability, comparability and credibility of the green bond market".

Source: Sustainable Fitch, ICMA, UN, EC Platform on Sustainable Finance

Appendix C: Second-Party Opinion Methodology

Second-Party Opinion

Second-Party Opinions (SPO) are a way for issuers to obtain an independent external review on their green, social, sustainability and sustainability-linked instruments.

As per the ICMA Guidelines for External Reviewers, an SPO entails an assessment of the alignment of the issuer's green, social, sustainability or sustainability-linked bond or loan issuance, framework or programme with the relevant principles. For these purposes, "alignment" should refer to all core components of the relevant principles.

Sustainable Fitch analysts vary the analysis based on the type of instruments, to consider whether there are defined uses of proceeds or KPIs and sustainability performance targets. The analysis is done on a standalone basis, separate to the entity.

Analytical Process

The analysis considers all available relevant information (ESG and financial). The reports transparently display the sources of information analysed for each section and provide a line-by-line commentary on the sub-factors analysed. The ESG analysts working on an SPO will also engage directly with the issuer to acquire any additional relevant information not already in the public domain or in instrument-related documentation.

An important part of the analysis is the assessment of the E and S aspects of the use of proceeds. In addition to the alignment with ICMA Principle and Guidelines, the analysis may also refer to major taxonomies (e.g. the EU taxonomy for E aspects, and the UN Sustainable Development Goals for S aspects).

Once the analyst has completed the analysis, with commentary for the related SPO, it is submitted to the approval committee, which reviews it for accuracy and consistency. Based on issuer preference and mandate, an SPO can be monitored (annually or more frequently, if new information becomes available) or on a point-in-time basis.

Scale and Definitions

	ESG Framework
Excellent	Sustainable finance framework and/or debt instrument structure is fully aligned to all relevant core international principles and guidelines. Practices inherent to the structure meet excellent levels of rigour and transparency in all respects and are well in excess of the standards commonly followed by the market.
Good	Sustainable finance framework and/or debt instrument structure is fully aligned to all relevant core international principles and guidelines. Practices inherent to the structure meet good levels of rigour and transparency; in some instances, they go beyond the standards commonly followed by the market.
Aligned	Sustainable finance framework and/or debt instrument structure is aligned to all relevant core international principles and guidelines. Practices inherent to the structure meet the minimum standards in terms of rigour and transparency commonly followed by the market.
Not Aligned	Sustainable finance framework and/or debt instrument structure is not aligned to relevant core international principles and guidelines. Practices inherent to the structure fall short of common market practice.

Source: Sustainable Fitch

SOLICITATION STATUS

The Second-Party Opinion was solicited and assigned or maintained by Sustainable Fitch at the request of the entity.