

Sustainability Policy in the analysis of credit risk

Environmental and social risk

1. Introduction

As a financial institution, Banco Macro believes that its contribution to society plays a key role in the country's development and, therefore, has undertaken to create economic, social, and environmental value in the short, medium, and long term for its own benefit and that of its stakeholders, including investors, environmental and social welfare organizations, and the community.

It should be noted that Banco Macro SA is a part of the Sustainable Finances Protocol of Argentina. This Protocol, created in 2019 and renewed in 2024, is a voluntary agreement between financial institutions which seeks to promote best international practices in terms of sustainability. It currently has 39 members.

In addition to the Environmental and Social Management System (ESMS) on which the Bank has been working, the Bank has decided to assume a more profound commitment through the incorporation of criteria for the management of environmental and social (E&S) risks into the decisions made to engage customers and grant credit. Based on the foregoing, **Banco Macro's first ESRAS Handbook was published in November 2025** (effective on 11/12/2025). The Bank has undertaken to implement a progressive continuous improvement process regarding E&S risk analysis activities for greater alignment with international standards of good practices in E&S risk management.

In moving forward with this E&S risk analysis, the Bank will include aspects related to climate change regarding the credit transactions and business activities conducted by customers in order to identify the impact of physical and transition risks on the business portfolio following climate analysis guidelines such as the IFRSs (International Financial Reporting Standards). This also includes the quantification of greenhouse gas (GHG) emissions financed through the credit portfolio.

2. Banco Macro's environmental and social policies

Banco Macro's ESRAS Handbook includes the following policies:

2.1. Exclusion list

The exclusion list includes activities that the Bank decides not to finance or accept because of the environmental and social risk and impact posed by them; in some cases, these activities do not comply with the E&S risk laws and regulations in force in Argentina.

2.2. The credit ratings for high social risk companies must be addressed by committees with the presence of directors

Banco Macro defines the following activities as the main activities posing a high social risk:

- Tobacco.
- Gambling.
- High alcohol content beverages (insofar as the sales from these activities account for more than 25 percent of total sales).
- Weapons.

The credit ratings proposed for these sectors must be submitted to a committee with the presence of directors (*except in the case of moderate ratings*).

It should be noted that Banco Macro serves as a financial agent for the provinces of Misiones, Salta, Jujuy, and Tucumán, where tobacco growing is an important regional economy. This is why Banco Macro provides financial support to tobacco growers.

2.3. Portfolio classification based on the E&S risk level

The classification will cover the entire business banking credit portfolio with approval in the Committees Circuit (automatic circuit approvals are excluded) based on the E&S risk involved.

The scale used will be that established by international bodies, which recommend the use of three categories: A, B, and C, including the possibility of subdividing category B.

The Bank will use the following scale: A, B+, B, and C:

A: High Risk

B+: High/Moderate Risk

B: Moderate Risk

C: Low Risk

Banco Macro undertakes to classify not less than 90 percent of its portfolio of company ratings approved by the Senior Committee before March 31, 2026.

The classifications will be entered into the SCACS system (a platform for the entry and storage of information on the analysis of business customers from the Committees Circuit, excluding app-based rating cases).

The classification will make it possible to undertake a diagnosis of the portfolio and adopt policies to improve its environmental and social profile and/or offset negative effects.

In turn, investment projects classified as B+ or C will be subject to an “E&S Due Diligence” analysis (as explained below).

The risk reports to be submitted to the Credit Committee dealing with high amounts (the Senior Committee) will specify the classification assigned based on the customer’s environmental and social risk (as explained below).

2.4. Analysis of environmental and social aspects in risk reports

- Customers' credit rating assessments include an E&S risk analysis. In the event high risks are detected beyond those inherent in the activity sector, they will be highlighted in the reports and considered in the rating recommendations. Reference is also made to whether facts have been observed that constitute noteworthy positive environmental and social policies.
- The executive summary of the credit risk reports submitted to the Senior Committee (the committee dealing with the proposals involving the highest amounts) will contain the E&S risk classification of the companies to be addressed in committee for rating purposes (A/B/B+/C, as provided in section 2.3).

2.5. Environmental and Social Due Diligence (ESDD) process for the analysis of investment project financing

The investment projects for which Banco Macro's credit assistance is requested will include an ESDD process.

Financing transactions covered by the methodology

Loans intended for a specific investment project.

Environmental and social risk classification: A or B+.

The amount and term will follow the guidelines of the **Equator Principles**.

- Amount: Over USD 10 million.
- Term: Over 24 months.

Beyond the scope defined, the Credit Risk Management Department may extend it to further cases if deemed necessary.

ESDD consists in an assessment based on documentary information, a reputational review, and observations made during the field visit (if applicable) regarding: (i) the environmental and social performance of the project, (ii) its compliance with the national laws, and (iii) its alignment with applicable standards defined by the financial institution.

The process will include an **environmental and social questionnaire** that the Bank will ask customers to complete in order to assess compliance with its defined standards.

The Credit Risk Department will record the ESDD findings in a report, referred to as an **Environmental and Social Opinion**, including the scope, a brief description of the project, and the results of the analysis of compliance with the applicable standards.

In the event it is concluded that the risks posed by the project are higher than expected, but such risks can be cured, the next stage will be the creation of an Environmental and Social Action Plan (ESAP). In the event the risks are higher than the standards of the Entity, no financial assistance will be afforded.

In the event any gaps with the applicable standards are identified during the ESDD process, actions must be established to bridge those gaps through an **Environmental and Social Action Plan (ESAP)**.

The actions must be specified and recorded in a document including the delivery date (or term). The financing of the project will be dependent upon the resolution of these incidents.

2.6. Inclusion of an environmental and social risk assessment of business customers for risk rating purposes

In 2026, the Bank will implement changes in the risk rating models applicable to companies. The new models will include, as a part of their qualitative module, an assessment of the sustainability policy implemented by the company in question.

3. Information for the Board of Directors and the Management Committee

The policies published in the ESRAS Handbook were approved by the Bank's Board of Directors via the Comprehensive Risk Management Committee in November 2025.

Any proposed changes will be addressed in the same way.

In turn, the policy approved provides for channels to share relevant information on the matter with the Board of Directors and the Management Committee, for instance, regarding the content of the risk reports submitted to the committees and the information contained in reports on the portfolio's E&S classification.