

B3 DIVERSITY INDEX (IDIVERSA B3)

B3 DIVERSITY INDEX METHODOLOGY

IDIVERSA B3

Summary

1	PURPOSE	3
2	INDEX TYPE.....	3
3	ELEGIBLE ASSETS.....	3
4	INCLUSION CRITERIA	4
5	EXCLUSION CRITERIA	5
6	WEIGHTING CRITERIA	5
	ANNEX	6

B3 DIVERSITY INDEX METHODOLOGY

IDIVERSA B3

The B3 Diversity Index (IDIVERSA B3) is the result of a theoretical portfolio of assets, prepared in accordance with the criteria established in this methodology.

B3's indices follow procedures and rules that are contained in the Concepts and Practices Manual for B3 Indices, at www.b3.com.br/en_us/, Market data and indices, Sustainability Indices, B3 Diversity Index

1 PURPOSE

The objective of the IDIVERSA B3 is to be the average performance indicator of the shares of listed companies that stand out in the diversity criterion, based on the Diversity Score, developed by B3.

2 INDEX TYPE

IDIVERSA B3 is a total return index (see the Concepts and Practices Manual for B3 Indices, in item Concepts, Total Return Index), with reinvestment in the portfolio itself.

3 ELIGIBLE ASSETS

O IDIVERSA B3 is comprised of equities and units exclusively from companies that are listed on B3 and that meet the criteria described below.

BDRs and assets in companies undergoing court-supervised or out-of-court reorganization, in temporary special administration, undergoing restructuring or which are traded in any other special listing situation, are not included as eligible (see the Concepts and Practices Manual for B3 Indices, in item Special Practices).

B3 DIVERSITY INDEX METHODOLOGY

IDIVERSA B3

4 INCLUSION CRITERIA

Assets will be selected for IDIVERSA B3 if the following criteria are met.

- 4.1** The assets must be among the eligible assets in the effectiveness period of three previous portfolios, in decreasing order in the Tradability Index, that jointly represent 99% of the total of these indicators (see the Concepts and Practices Manual for B3 Indices).
- 4.2** The assets must have 95% trading session presence in the effectiveness period of three of the previous portfolios.
- 4.3** The assets cannot be classified as Penny Stocks (see the Concepts and Practices Manual for B3 Indices).
- 4.4** Present a B3 Diversity Score (see Annex) greater than or equal to the average subtracted from the standard deviation of the B3 Economic Sector^{1 2 3 4}.
- 4.5** Have at least one representative of the underrepresented groups on BA (Board of Directors), as an effective member.
- 4.6** Have at least one representative of the underrepresented groups on the Statutory Board.

An asset that is the subject of a Public Offering that is held during the effectiveness period of three portfolios prior to the rebalancing will be eligible, even without being listed for the entire period, as long as:

¹ To calculate the mean and standard deviation of the sectors, only eligible assets according to the liquidity criteria (4.1, 4.2 and 4.3) will be considered.

² If the economic sector has up to 2 (two) representatives, the calculation of the mean and standard deviation of the Diversity Score will be based on all eligible assets by liquidity.

³ The sectorial classification of listed companies can be found at <https://www.b3.com.br>, Products and services, Trading, Equities, Equities, Learn More, Consult, Industry classification.

⁴ We calculated the Mean and Standard Deviation considering the level of companies.

B3 DIVERSITY INDEX METHODOLOGY

IDIVERSA B3

- a) the Public Offering of shares has been held before the immediately previous rebalancing
- b) the asset has been 95% present since it began trading
- c) the asset cumulatively meets criteria 4.1, 4.2, 4.4, 4.3, 4.4, 4.5 and 4.6

5 EXCLUSION CRITERIA

Assets will be excluded from the IDIVERSA B3 if they:

5.1 Cease to meet any of the above inclusion criteria;

5.2 During the effectiveness period of the portfolio cease to be listed in a special situation (see the Concepts and Practices Manual for B3 Indices). They will be excluded at the end of their first day of trading within this category.

6 WEIGHTING CRITERIA

In the IDIVERSA B3 portfolio, assets are weighted by the B3 Diversity Score, with a participation limit based on the market value of the "free float" (assets that are in circulation) of the type belonging to the portfolio (see Manual of Definitions and Procedures of the Indexes from B3).

Thus, the representativeness of an asset in the index, upon periodic rebalancing, cannot exceed 3 (three) times the participation that the asset would have if the portfolio were weighted by the representativeness of the asset's "free float" market value. If this occurs, adjustments will be made to adjust the weight of the companies' assets to this limit, redistributing the surplus proportionally to the other assets in the portfolio⁵.

⁵ The redistribution process will be performed iteratively three times. This will be considered the final weighting.

B3 DIVERSITY INDEX METHODOLOGY

IDIVERSA B3

ANNEX

1 DATA COLLECTION

The data will be extracted from items 7.1 item "d" and 10.1 item "a" of the "Formulário de Referência" (FRE) previously completed by the companies, as defined by CVM Resolution 80.

2 B3 DIVERSITY SCORE

The B3 Diversity Score calculates how close to the diversity of the Brazilian population the company analyzes is, that is, the lower the Diversity Score, the less diverse and farther from the population distribution for females, black people and indigenous people, from according to data released by the Brazilian Institute of Geography and Statistics (IBGE).

Developed by B3, taking into account the data available in the "Formulário de Referência" (FRE), it aims to identify which companies have a relevant share of underrepresented groups in their workforce, focusing on two major criteria: (i) gender, analyzing gender feminine; and (ii) racial, both black and indigenous.

In calculating the B3 Diversity Score, weights will be applied according to gender and race/color representation in four functional categories: (i) board of directors (effective members); (ii) statutory board; (iii) leadership positions and; (iv) non-leadership positions, also considering the proportion of each underrepresented group in the Brazilian population.

The weights of underrepresented groups in the B3 Diversity Score are shown in the table below:

B3 DIVERSITY INDEX METHODOLOGY

IDIVERSA B3

Underep. Groups	Functional Category				
		BA	Statutory		Non
		Effective	Board	Leadership	Leadership
		(35%)	(35%)	(20%)	(10%)
Gender (50%)	Feminine (50%)	17,5%	17,5%	10%	5%
	Black (49,58%)	17,35%	17,35%	9,92%	4,96%
Race/Color (50%)	indigenous (0,42%)	0,15%	0,15%	0,08%	0,04%

Where:

- The underrepresented groups are in accordance with the categories of the Brazilian Institute of Geography and Statistics (IBGE)

Diversity Score Calculation

The calculation of the Diversity Score is done using the formula below:

$$Diversity\ Score_i = \sum_{j,k}^{J,K} (Weight_{j,k} * \frac{(n_{j,k}/N_k) * 100}{\%BR_j})$$

Where:

- $Diversity\ Score_i$ is the company's Diversity Score i
- $Weight_{j,k}$ is the weight of the underrepresented group j and the functional category k , cited in the table above (weight score diversity).
- $n_{j,k}$ is the number of employees from the underrepresented group j in the functional category k
- N_k is the number of employees in the functional category k

B3 DIVERSITY INDEX METHODOLOGY

IDIVERSA B3

- $\%BR_j$ is the proportion of the underrepresented group j in Brazil, according to data released by the Brazilian Institute of Geography and Statistics (IBGE).

Note: for cases where the ratio $\frac{(n_{j,k}/N_k)*100}{\%BR_j}$ is greater than 100 (one hundred), the value 100 (one hundred) applies.