

# 2013 ANNUAL SUSTAINABILITY REPORT

PEOPLE  
WHO  
COOPERATE  
GROW.





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# ABOUT THE REPORT

GRI 3.1, 3.2, 3.3, 3.4, 3.5, 3.6, 3.7, 3.8, 3.9, 3.10, 3.11, 3.12, 3.13

For the second consecutive year, Sicredi has published its Annual Sustainability Report in compliance with the guidelines of the Global Reporting Initiative (GRI), version G3.1, and complemented by the indicators for the Sectoral Supplement of Financial Services. This initiative aims to demonstrate, in a transparent and clear manner, the institution's evolution in sustainability issues. The resulting survey was submitted for an external assessment and verification by GRI. The reporting period covers January 1 through December 31, 2013 and includes all entities that form the System in Brazil (see page 14). The data surveyed for the social, environmental, and economic performance refer to 2013. [GRI 3.1, 3.2, 3.3, 3.6, 3.8](#)

This edition of the report presents structural modifications in relation to the previous year, which result from relevant changes implemented in 2013 in the economic performance reports and from a new process for collecting social and environmental information. Since June 2013, as authorized by the Conselho Monetário Nacional (National Monetary Council), Sicredi has published its results in a Consolidated Balance Sheet, assured by an external audit company, and has formally presented itself before its members and the market as a single economic entity. [GRI 3.7, 3.9](#)

Additionally, in 2013, a sustainability management tool called Ecogovernance was adopted in order to compile data. This tool will add more precision and comprehensiveness to the monitoring of the impacts measured by the indicators. It was decided that, during the implementation of the new system,

the registration of data would be optional. In addition to making the program available, in 2013 efforts were focused on the training of all employees responsible for collecting information in the branches and in other entities of the System. Therefore, the 2013 report only represents a portion of the entities of the System. In 2014, data will be monitored and entered in the tool by all employees. [GRI 3.10, 3.11](#)

The changes to the methodology have influenced the comparability of some indicators, for which the institution has decided not to present the historical result. These cases are clarified individually throughout this report. No additional relevant changes occurred in 2013 in terms of scope, boundaries, or measurement methods applied to the report. [GRI 3.7, 3.10, 3.11](#)

For clarity purposes, the information has been organized in sections. In the Foreword section, readers can find the positioning on strategy and commitment to sustainability in the messages from the Chairman of the Board and from the CEO. In the About Sicredi section, readers can find information about the profile and businesses of the institution. The Governance and Management section aims to break down the governance structure, strategy lines, and resources adopted by Sicredi and presents the Material topics defined internally after a process of reflection that involved the entire organization. The Sustainable Development section describes the strategic audiences for the institution – members, suppliers, directors, strategic partners, the government, and civil society – and the practices and operating procedures adopted in the relationship with these audiences. Sicredi's performance in 2013 is highlighted in the Economic-Financial

Performance section, according to the wealth creation approach and the sustainability practices. [GRI 3.5](#)

The GRI Table of Contents section, at the end of this report, presents the table containing the answers to the indicators. This report meets GRI Application Level B. Sicredi answered 42 profile indicators and 24 performance indicators. The GRI Content section also provides details of the data on certain performance indicators, which were measured in depth. They can be found in the Complementary Information section. [GRI 3.12](#)

The information and the process were audited by EY. Through this report, Sicredi intends to communicate the ongoing measures taken to monitor and control the impacts of its operation and to express the commitment made to its audiences as an institution that is acknowledged for its sustainability practices in 2014. [GRI 3.13](#)

We welcome any comments, criticisms, and suggestions, which can be sent to [comunicacao\\_institucional@sicredi.com.br](mailto:comunicacao_institucional@sicredi.com.br). [GRI 3.4](#)

## MESSAGE FROM THE ADMINISTRATION

# A TIME FOR CONSOLIDATION

STRATEGY GRI 1.1, 1.2

Five years ago, Sicredi initiated a bold governance project, and year after year it has been implementing the best practices recommended by the market, including the development of the 2011-2015 Strategic Planning, which played a critical role. At the end of 2013, we noted the extraordinary effect that these initiatives had on our institution and on the performance achieved, thanks to the management model and the transparent administration. Although it results from a long process of discussions, planning is far from being a final document. In 2013, we reviewed its content and realigned our operation in light of the current context.

Our sustainability vision is intrinsically associated with Sicredi's identity: a collectively owned company serving the economic development of its members and communities. This vision resulted in the selection of the main priority topics for our operation as of 2015: the relationship with our members; optimization of credit concession processes; operational efficiency in the work of cooperatives and branches; and increased funding and maintenance of adequate levels of capital, coordinated by catalyst actions in people management and leadership and investments in the IT and sustainability areas.

This strategic foundation will enable us to expand our operation, reach new states in the country, and complete the incorporation of sustainability into our operation and into products and services. We also face the challenge of managing our talents well and of turning people management into our driver of structured growth.

We have witnessed a major evolution in governance and in strategy management. The work developed by

the support committees has caused the decisions made by the Board of Directors and the discussions held in various forums to consolidate the incorporation of management policies into the daily routines of cooperatives, generating a significant driver to boost results. The same is true with our sustainability strategy, whose entire process has been led by the senior management in the Central Committee and in the subcommittee framework of the System.

Among the strategic decisions that will have a significant impact on our future, we highlight the attention that young adults and women will receive in all areas of the business. We intend to keep the doors of credit unions open to young adults so that they can share their growth potential. For women, this is an up-and-coming movement.

Externally, we highlight that the core of our operation as a cooperative financial institution received an important endorsement in 2013, due to the regulation of Fundo Garantidor do Cooperativismo de Crédito (Cooperative Credit Guarantee Fund - FGCoop) by the Brazilian Central Bank. Through this longstanding industry demand, the entity levels the playing field for cooperatives and banks. This initiative expands the credibility of cooperatives before the market and ensures that account holders have the same rights as bank customers. Sicredi integrates the Fund's Board of Directors, in conjunction with other credit union systems.

Another significant achievement was Sicredi's association with the Rio de Janeiro market through the affiliation of Cooperativa Unicred Rio, the largest in the state, with over 20 years of

operation. As a result, Sicredi will expand its operation to the 11th state in the country. The next step, after receiving the approval of the Brazilian Central Bank, will be the integration of systems and operations.

Every day, we come to work driven by our commitment to building an increasingly better future. We work for the development of the communities where we operate, adding income and improving the quality of life of our members. We thank the individuals who are the essence of our cooperative undertaking.

## Manfred Alfonso Dasenbrock

Chairman of the Board of SicrediPar

## MESSAGE FROM THE ADMINISTRATION

# TRANQUILITY AND SOUNDNESS

GRI 1.1, 1.2

The year of 2013 was relevant to Sicredi in terms of excelling and achieving goals, as shown throughout this report, which is the second to be prepared based on the Global Reporting Initiative (GRI) methodology. The objectives of the challenges we proposed, considering long-term soundness, were reached. Groundwork projects were delivered in compliance with the sustainability and efficiency visions and resulted in improvements that prepare us for a new level of growth.

Even in an adverse domestic and global scenario, the System proved to be mature enough to adhere to the assumptions established in the 2011-2015 Strategic Planning and to ensure tranquility and soundness to its performance. We advanced in our partnership with the International Finance Corporation (IFC) and ended the year with a leading organization in the dissemination of sustainability in the international market as a minority shareholder.

We ended the year with a volume of managed assets of BRL 38.4 billion, an increase of 24% over 2012. We can proudly share with our 2.5 million members our BRL 846.5 million surplus, an increase of 26% over 2012. In its rural credit portfolio, Sicredi has presented an annual growth between 20% and 27%, which places us among the main financial agents in the country. Given our performance in meeting the demands in this segment, we ended the year with BRL 10 billion in our portfolio.

These results arise from our endeavor to review processes, reduce costs, and increase gains in efficiency over the past two years. This achievement is represented in the first consolidated

balance sheet of cooperative systems to be formally authorized by the Brazilian Central Bank. Through this initiative, Sicredi presents itself to society in a transparent, formal, and audited manner. This report consolidates the cross guarantee, enables access to credit lines that require size, and attests the soundness of the cooperative financial institution.

In a period of transformation, we worked with a clear understanding of our priorities. We directed investments toward technological processes, relationship channels, product portfolios, and especially to the enhancement of governance. The effort made toward the adoption of best practices has had an extraordinary effect on the institution and, consequently, on its results.

In the 2013 review of the strategic planning across the organization, the guidelines for 2015 were maintained. The measures taken in 2013 will allow us to advance in the directions we deem critical for a new expansion cycle: we will keep exploring our current area of operations given the significant opportunities offered, and, in addition to prospecting new members, we must strengthen our relationship with our current members and leverage our current portfolio.

Sustainability was incorporated into the strategic planning process as a cross-sectional activity that affects all areas. Among the measures being prepared, we highlight the adoption of the social and environmental risk analysis for all credit activities and the development of products and services.

We have also established an organizational and corporate structure whose development, performance, and soundness can be transparently and permanently monitored by society. The segregation of duties between the activities of the Board of Directors and the Executive Board is being implemented; this occurs in cooperatives, centers, and organizations. This process, in line with a set of initiatives for the mitigation of risks and professionalization, the implementation of proprietary methodology and tools, and the redefinition of the compliance model, provided a differentiated view of the System to authorities and to society.

For the coming years, Sicredi's leaders will increase their focus on respect for the corporate nature of the company, on being cooperative in the dissemination of this concept to society, and on the implementation of the governance process as a sustainability factor. I thank our members, center coordinators, advisors, and employees—individuals who believe in our cause and who are with us on this journey toward a sustainable future. Enjoy your reading!

**Ademar Schardong**

Executive President of Sicredi





MATERIAL TOPIC – FINANCIAL SOLUTIONS

## Capital flow, business flow

One year ago, micro-entrepreneur Paulo Cesar dos Santos, from the city of Campo Grande (MS), was faced with a dilemma. “I had a good product, loyal customers, but I was not able to expand my sales volume.” The lack of capital for cash flow did not allow the business to strengthen, either. “I needed to have an inventory that offered competitive prices so that I could boost my income,” he says. One of his customers gave him a tip. Paulo became a member of Sicredi and was granted access to a working capital line of credit. The attentive and understanding outlook on his business provided by the manager of his branch has been making all the difference ever since.

Of the 244,000 companies in Sicredi’s legal entity portfolio, 66% are micro-enterprises, such as Paulo’s, with revenues of up to BRL 360,000/year. A deeper understanding of the specific needs of members becomes critical for the

appropriate provision of products and services, since small businesses are strongly associated with the characteristics of their owners.

The high degree of informality with which micro-enterprises manage their businesses has led the institution to strengthen its profile as a consultant in the service provided by the branches. The partnership with SEBRAE has contributed to the provision of managerial skills to members. Paulo dos Santos has already taken some of these courses. With guidance from the manager of his branch, he has been able to adequately utilize the financial solutions available. The dedicated micro-entrepreneur estimates that his monthly income from reselling hair products has grown by 50% since he had access to financial solutions that met his needs. And he does not intend to stop. He has been in sales for 15 years, and he is currently enrolled in his eighth semester in Production Engineering.

MATERIAL TOPIC: PARTICIPATORY MANAGEMENT

## A stroke of genius to integrate youths

William de Oliveira Pol is 17 years old, and he is a partner in one of his family's businesses. He entered college to study Civil Engineering, and in 2014 he will start working as a center coordinator in the city of Passo Fundo (RS). "Two years ago, my only concerns were to graduate from high school and to manage my family's camping facilities," he recalls. "I used to be shy and I did not see myself as a leader." The manager of the branch in which he held a savings account invited him to take a course at the end of 2012. It was the first class of a new training course in the Crescer Jovem Program, designed especially for teens and young adults.

However, experience with credit unions was not new to William. It was through an incentive received from the cooperative that his parents and uncle expanded agricultural activities on their small property, which has been in their family for 120 years. In the collective learning experience of Crescer, he discovered his natural gift for leadership among the 60 young adults enrolled during the discussions and the organization of tasks. At the end of the course, he helped mobilize members to attend meetings, one of the tasks of center coordinators.

Currently, he introduces himself as a rural tourism producer, and he is very proficient in the complex topic of credit unions. "I have understood why it is important to take an active part, to attend the meetings." The course has improved his communication skills and offered new perspectives for the future. Now he sees himself as an heir to the family business activities and makes plans about how to apply what he will learn in college to improve the business. After the graduation of another class in 2013, this pilot-project offered to young adults will be replicated in other regions of the country.

### Participatory Management

Grouped in centers associated with the branches, members exercised the right and responsibility of planning, monitoring, and deciding the future of the cooperative during the meetings. In 2013, the meetings were attended by 9.7% of Sicredi's membership base, totaling 220,000 members.



## Pronaf

In 2013, Sicredi continued to be the main private agent in the granting of the PRONAF line of credit from BNDES, intended to strengthen family farming. The total volume granted in 2013 reached BRL 1.95 billion in 107,793 operations.

MATERIAL TOPIC – LOCAL/REGIONAL DEVELOPMENT

## The Flavor of Local Production

After five years of tireless effort to expand her business, Evanielle Ferreira de Oliveira, 27, is starting to think about taking some days off. She was majoring in animal husbandry in 2009 when she bought, in partnership with her husband Leandro Wandscheer, a small 36-hectare farm in her hometown, the city of Alto Paraguai, in the state of Mato Grosso. They heard about Sicredi's *Cooperar e Crescer* Program and envisioned new opportunities. "I understood that we could couple fish farming with vegetable production, since the number of producers was not sufficient to meet the local demand. Nothing was produced locally, and what was offered was expensive and old," she explains.

In 2012, we turned to Sicredi's credit line, which enabled the structure required for the production of hydroponic vegetables. Currently, our entire production has a specific destination: the vegetables supply local grocery stores daily, and the fish are purchased by the cafeteria of an ethanol production plant. This story portrays the essence of the program,

which was created in 2009 to foster local development and to strengthen family farming and entrepreneurship in the area.

In this project, members are supported by a network of partners to structure their businesses, including defining what will be produced, technical training, and deciding where the products will be sold, such as occurred with Evanielle and Leandro.

The incorporation of technological innovation into the activities is also stimulated by the program. In the couple's project, hydroponics is an innovation applied to traditional vegetable gardens. The project is closely monitored on a monthly basis by the technical professional assigned by the city government, which is a partner in the project. This results in businesses that are beneficial to all stakeholders: the local economy is strengthened, local entrepreneurs grow and remain in the rural area, and local commercial centers are supplied with local quality produce. The products receive the seal of the program so that end-customers recognize and value what is produced in their area. Currently, 52 projects and properties are part of the program, in various activities.



MATERIAL TOPIC – LOCAL/REGIONAL  
DEVELOPMENT

# The simplicity of hi-tech

Lack of capital, a small property, lack of technical expertise: many limitations kept small producers Mauro Ricardo Jahn and Claudete from advancing in their rural business in the city of Tiradentes do Sul (RS). "We were really miserable," he recalls. "At the time, I heard about a new milk production technique. I secretly looked into it, because people said that it was crazy to do it like that."

A father to a young child, he decided to face the taboos of agricultural tradition. With technical support from agronomist Eloy Luft, he adopted the animal handling principles that have revolutionized the milk supply chain – demarcation, fertilization, rotational grazing, and land clearing. Well fed and treated, animals triple their average daily production, taking up one-tenth of the physical space deemed necessary in the past.

A systematic researcher, Luft dedicates his life to discovering new techniques to increase the productivity and volume of milk production, which is his vocation in this area. The method he has developed is surprising because

of its simplicity, low cost, and fast results. However, it requires people to make deep changes in their mindsets, such as with Mauro and Claudete.

The final advance took place when Sicredi started up a pilot-experiment in family agriculture and the raising of livestock. Eager to expand the use of this technology, the cooperative financial institution offered two-year technical and financial support to a group of producers so that they could implement Luft's system on their properties, which, in turn, would receive visitors interested in learning more about this technique. In its second phase, the experiment involved 30 producers from six municipalities in the area. People come from all over the country and the world to visit.

The story of most participants is similar to Mauro and Claudete's. "I used to be ashamed of being a farmer," says Mauro. "Now we are willing to improve continuously. Our income has increased tenfold. And my son insisted on staying here and working with us."





MATERIAL TOPIC: SOCIAL AND ENVIRONMENTAL RESPONSIBILITY

## Raising awareness in citizens

In July 2013, student Marianne Oliveira, from the city of Ponta Grossa (PR), left the classroom to see with her own eyes how what she was learning in the third year of high school related to the social and environmental reality in which she lived. With another 35 students and the teachers of Colégio Sesi, she took part in a special learning project, designed according to the principles of the *Programa A União Faz a Vida*, fostered by Sicredi. "We had to choose a topic in our city so that we could know it in depth," she says. "We decided to study the conditions of a neighborhood located near our school, where income is low and sanitation is very poor."

The project started with an investigative expedition to the area, where approximately 30 families live, to survey the problems they have. Their greatest issue was crystal clear even before residents confirmed it. "The place was covered in garbage, especially a stream that crosses the neighborhood," remembers Marianne. "According to the residents, the garbage truck did not go there, and there was no waste collection system."

All waste produced by the families that lived on the banks of the stream was thrown

directly into the water. This and other complaints registered by students were incorporated into the sanitation and urban space topic and were then examined according to the perspective of each school subject, explains Aureo Sato, teacher and project coordinator. In biology, for example, the work focused on ecology, recycling, and personal hygiene and health care.

However, in addition to the theoretical approach, students decided to test a hands-on intervention because of the conditions these people lived in, people who were so close to them. They proposed to residents a collective effort so that they could rid the community of waste as a way of showing, in practice, that it was possible to maintain the area in good condition. For an entire day, the group of 35 students collected the waste from the streets and the stream and painted the bridge that extends over it.

To Marianne, this experience was an opportunity "to understand others and to see that actions need to be continued." It also affected her decision about pursuing a career related to the environment. In 2014, she will go to college to study geography in the city of Ponta Grossa.

# SCENARIO

GRI 1.2

After a 2013 marked by the accommodation of economic activity in the three main drivers of growth in the global economy – China, the United States, and the Eurozone – the global macroeconomic scenario shows signs that the downturn, which has lasted since 2008, is dissipating. It is expected that the North-American economy will perform better in 2014 and that Europe will emerge from its recession. However, although the European economy has registered positive rates, it will not return to the growth level recorded before the crisis. The outlook for the coming years is for developed economies to return to economic normality, with moderate expansion rates.

## The Importance of the Chinese Economy

In China, the continuous reduction of the GDP, which went from annual variations of over 12% before the 2008 economic downturn to an expansion of only 7.5% in the second quarter of 2013, does not reduce the strategic importance of the second largest economy as a driver of global growth. Although lower, this expansion should suffice for the Chinese economy to help maintain the prices of basic products at high levels, and Brazil is a major exporter of these products.

For developing economies, which benefitted from the measures taken to control the crisis, particularly the expansion of liquidity stimulated by the central banks of developed countries, the new phase in the global economy will require different positioning. With the emerging economies accustomed to a scenario of abundant resources and very low international interest rates in the post-crisis era and with the economic recovery of these regions, a reversal in the flow of resources can be expected. The high interest rates in place in the USA are leading to the global appreciation of the dollar, which affects the economy in general.

## A Scenario of Caution for Brazil

For Brazil, entrance into the post-crisis cycle, with moderate global economic growth and stability in the prices of commodities, comes at a time when the country is beginning to experience a more flexible economic policy. The three pillars of macroeconomic stability of the past decade – inflation goal, primary surplus, and floating exchange rates – have been affected. The upside of this is that they can still be recovered, which is critical for the growth perspectives. Moreover, the gross debt has risen in recent years, which will require adjustments through cuts in government spending in the not-too-distant future.

For 2014, a year in which the country will hold elections and the World Cup, the growth of the retail industry will fall below that of previous years due to a slight decrease in credit availability, reduced job creation, and increased inflation. Investments in infrastructure are another important factor that can have a positive effect on the recovery of the internal economy in the medium and long term if the movements implemented by the government for the concessions to the private sector are maintained.

The industry could benefit from the exchange rate depreciation and realize a growth rate that exceeds that of 2013. The agricultural sector recorded positive growth rates last year, after a major drought period in the state of Rio Grande do Sul in 2012. In 2014, this sector should continue to perform well, depending on climate conditions. The services sector, which has maintained dramatic growth in recent years, should grow less than the industrial and agricultural sectors in 2014, albeit at positive rates.

## Disproportionate Reaction of the Market

The financial market remains very sensitive to the policies adopted in the international market and to the economic measures taken by the federal government. The volatility of the dollar has led players to seek protection against inflation. In 2013, the conditions experienced by the sector, with high-risk premiums, affected the interest and the exchange rates and the stock exchange. Due to its largest public debt among the emerging economies and to its high fiscal and external deficits, Brazil recorded exchange rate depreciation for the period that exceeded that experienced in many countries with similar economic characteristics.

In Brazil, the stock exchange has not performed well for the fourth consecutive year. In 2013, the stock exchange recorded a drop of 11%, while other stock market indexes, such as North-American S&P500 (20%) and German DAX (14%), experienced growth. The Brazilian performance reflects specific issues, such as the sharp fall in the share prices of certain companies, as well as structural issues, such as the increased costs arising from the shortage of labor and the absence of infrastructure suitable for production. This scenario of low domestic growth tends to be influenced by China's growth and by the increased price of commodities.



# AWARDS AND RECOGNITION

GRI 2.10

**2013 Bank of the Year** – Banco Cooperativo Sicredi was chosen Bank of the Year for 2013 by the Relatório Bancário Awards. Sicredi's Multichannel Platform ranked among the top four in the Best in Technology Innovation category of the Excelência Awards.

**Valor Grandes Grupos** – In the ranking of the 200 Largest Companies, issued by the Valor Econômico journal, Sicredi ranked 60th among the largest groups in Brazil in 2012. Among the 20 largest groups in the financial area, the company ranks 12th. It also ranked 5th among the 20 companies achieving top growth by gross revenue, 13th among the top 20 in net equity, 14th among the top 20 in net income, and 12th among the top 20 in return on equity.

**Guide of the Best Companies to Work For** – For the seventh time and the third consecutive year, Sicredi was featured in the ranking prepared by the Você S/A magazine, in partnership with Fundação Instituto de Administração (FIA). The survey, currently in its 17th edition, acknowledges companies well-positioned by the quality of their people management, by their efficient communication on all levels, and by the effects perceived by their employees.

**2013 Ranking of the Largest and Best** – Once again, Sicredi ranks third in financial institutions with the largest volume of rural credit grants in the previous year, according to Exame Magazine's 2013 Ranking of the Best and Largest Companies.

**Valor 1000** – Banco Cooperativo Sicredi ranked 18th in the annual Valor 1000, prepared by the Valor Econômico journal, moving up one position over the previous year among the 100 largest banks in the country. The institution also features in other six secondary rankings: 15th among the largest banks by credit operations, 14th by total volume of deposits, 15th

by operating return, 17th by return on equity, 10th by growth in credit operations in 2012, and 4th by growth in total volume of deposits.

**Época Negócios 360°** – Ranked 18th among the top 100 banks by total assets, advancing one position over the previous year.

**Customer Satisfaction Index** – The annual index, issued by Consultoria Bee (ISC – Índice de Satisfação do Cliente - Customer Satisfaction Index), awarded the financial institutions with the highest customer satisfaction levels. Sicredi ranked 6th in its 2013 edition, standing out in customer loyalty, trust, quality, and value.

**Global highlight in the General Meeting of World Council of Credit Unions (WOCCU)** – Sicredi was awarded for registering the highest growth rate in assets among the organizations of over 70 member countries.

**Security Leaders** – Awarded in the Financial Services segment, with transformation projects concerning Identity Management and New Security Technologies. This award is an independent initiative of one of the main information security publications in Brazil (RiskReport) and aims to value and recognize industry leaders among large- and medium-sized companies in the country.

**SOA & BPM Implementation Latin America 2013** – Oracle Consulting recognized Sicredi's SOA & BPM implementation project as one of the highlights in the region for its quality, innovation, and technological impact. With the implementation of the SOA Governance, new architecture standards have been defined.

**CA Technologies Award** – The multinational technology company awarded Sicredi for the implementation of tools that

resulted in major gains in agility and assertiveness in the monitoring of incidents in the information technology area. The awards ceremony took place at CA World, an annual global event held in the United States.

**Oracle Middleware Innovation Award 2013** – The Esteira de Crédito (Credit Workflow) tool won the global award in the SOA category – Service-Oriented Architecture/BPM. Sicredi's case was recognized by presenting the technological innovation with the highest level of return added to the business, by the complexity and size of the implementation, and by the originality of its architecture.

**Broadcast Projections Award** – Sicredi ranked 2nd in the AE Projections Award, prepared by Agência Estado, in the Top 10 General and Top 10 Basic categories. In its seventh edition, this award aims to recognize the institutions that issued accurate forecasts for the main economic indicators in the country.

**2012 Retailer Merit Brazil** – For the ninth consecutive year, Sicredi has been recognized by retailers, companies, and entities associated with the retail industry through the 2012 Retailer Merit Brazil Award in the Services category of the Cooperative Banking segment. This award is granted by Confederação Nacional dos Dirigentes Lojistas (CNDL - National Confederation of Store Owners).

# ABOUT SICREDI

## 2013 HIGHLIGHTS

GRI 1.2, GRI 2.9

### Incorporation of Sustainability into the Strategic Planning

The update of the 2011-2015 Strategic Planning involved the formal incorporation of the sustainability guidelines, described in the Sustainability Policy, into Sicredi's processes and operations management. In 2013, Clarity, a tool used to register initiatives, was improved. During registration, the economic, social, and environmental impacts must mandatorily be entered.

### Rural Credit Performance Reaches a Milestone

The rural credit portfolio and earmarked resources reached a record BRL 10 billion, which reflects the critical role the institution plays in providing access to capital and in fostering the development of its members and of the regions where it operates.

### Disclosure of the Consolidated Balance Sheet GRI 2.9

The consolidation of the results recorded by all entities that are part of Sicredi into a single balance sheet, as authorized by the Brazilian Central Bank, enabled us to evidence the effective size of the System to the market. With this initiative, the institution is prepared to expand access to international financing and to seek assessment by rating entities.

### Expansion of the Partnership with IFC GRI 2.9

The strategic partnership with the institution, which holds 3.12% of the shares of Banco Cooperativo Sicredi, has reinforced its presence in the international capital market and has enabled increased leveraging of new credit operations.

### Advances in the Compliance System

The update of the compliance management model provided the institution with a full set of risk and control monitoring tools, which resulted in increased process security, placing Sicredi among the institutions that adopt the best national and international compliance practices. Another milestone was the full

automation of the Anti-Money Laundering and Counter-Terrorist Financing process, from the branches to the Administration Center. This automation has provided excellence to process management and has reinforced transaction security.

### Entry into Rio de Janeiro

The affiliation of the largest credit union in Rio de Janeiro with Sicredi expands the operation in a strategic state for the expansion goals of the System. With BRL 53 million in net equity and BRL 345 million in total assets, the affiliation with Unicred Rio was approved by its 12,000 members during the Extraordinary General Meeting (AGE) in late December 2013. Sicredi awaits an approval from the Brazilian Central Bank in 2014.

### Strategy for Young Audiences

With the launch of the Sicredi Touch account, the institution has defined a strategy to cater to the financial needs of audiences between 18 and 25 years of age, offering customized products and services.

## Competitive Differentials

- Cooperative activities
- Relationships
- Financial institution of the community
- Income aggregation model
- Autonomy of the cooperatives
- Systemic organization
- Joint responsibility

## Principles of Cooperativism

- Voluntary and open membership
- Democratic management
- Economic participation of members
- Autonomy and independence
- Education, training, and information
- Cooperation among cooperatives
- Concern for community

GRI 4.8

## MISSION

To be a cooperative system, valuing relationships, offering financial solutions to add income, and contributing to the improvement of quality of life for members and society.

## VISION

To be recognized by society as a cooperative financial institution that is committed to the social and economic development of our members and the community, with the sustainable growth of our credit union cooperatives, all integrated into a solid and effective system.

## VALUES

- Preservation of the business's cooperative nature
- Respecting the individuality of each member
- Valuing people and fostering their development
- Preservation of the institution as a system
- Respect for official and internal norms
- Management effectiveness and transparency

GRI 2.3, 2.8, 2.9

| Main indicators 2013*  |  |
|--|--|
| Members  | 2.5 million                              |
| Employees  | 16,899                                   |
| Geographical presence  | RS, SC, PR, SP, MS, GO, TO, MT, PA, RO** |
| Affiliated credit unions***  | 100                                      |
| Branches   | 1,258                                    |
| Accredited agents  | 2,237                                    |
| Sicredi ATMs   | 3,142                                    |
| Assets (BRL)   | 38.4 billion                             |
| Net equity (BRL)   | 5.3 billion                              |
| Certificates of deposit (BRL)  | 13.1 billion                             |
| Savings (BRL)  | 3.7 billion                              |
| Investment in training and education (BRL)   | 27.5 million                             |
| Training/hours per employee  | 47 hours                                 |
| Social investments – Program <i>A União Faz a Vida</i> and cultural actions (BRL) **** | 7.3 million                              |

\* Data refers to the period ending on December 31, 2013.

\*\* In Bahia, Sicredi has a branch of Cooperativa Sicredi União Cerrado.

\*\*\* The number of credit unions dropped from 2012 because of the mergers that have occurred since 2010, undertaken to improve operating capacity, reduce the administrative load, generate gains in scale, and contribute to strengthening the System.

\*\*\*\* Approximate value, calculated based on the municipalities with agreements sent to the Foundation and on the total number of municipalities in the program (170).

# PROFILE

GRI 2.1, 2.2, 2.3, 2.4, 2.5, 2.6, 2.7, 2.8

Sicredi is a credit union system with operations in ten states. It is comprised of a set of entities that are mutually organized and supported. There are 100 individual credit unions, organized into four regional offices, operating under the same brand and with a single standard operating procedure.

The purpose of the credit unions is to promote savings accounts, manage resources, and extend loans to their members, in addition to providing the services offered by conventional financial institutions through branches. The regional offices, which are shareholders of Sicredi Participações S.A., coordinate the operation of the affiliated credit unions, offering support in development and expansion activities.

Sicredi's systemic organization model and the use of a single brand by several credit unions and entities is an international benchmark. The operation as a system enables gains in scale and boosts the potential of the credit unions to operate in a market in which major financial conglomerates are present.

## **Sicredi Participações (SicrediPar)**

– Established to enable the direct and formal participation of credit unions in corporate management while providing greater transparency to Sicredi's governance structure. Sicredi Participações is a pure holding company, established with the purpose of controlling Banco Cooperativo Sicredi and coordinating the System's strategic decisions.

**Banco Cooperativo Sicredi** – Acts as mediator to enable the access of credit unions to the financial market and to special financing programs, in addition to managing resources in scale and developing corporate products and communications, marketing, and people management policies. Banco Cooperativo Sicredi controls the Insurance Broker, the Card Administrator, the Consortium Administrator, and the Asset Administrator. It is responsible for managing the risks involved in the operations of the System. It maintains strategic partnerships with Rabo Development B.V. – the development branch of the Dutch group Rabobank – and with the International Finance Corporation (IFC), which hold 18.90% and 3.12% of the capital of the bank, respectively; Sicredi Participações controls 77.98% of the shares.

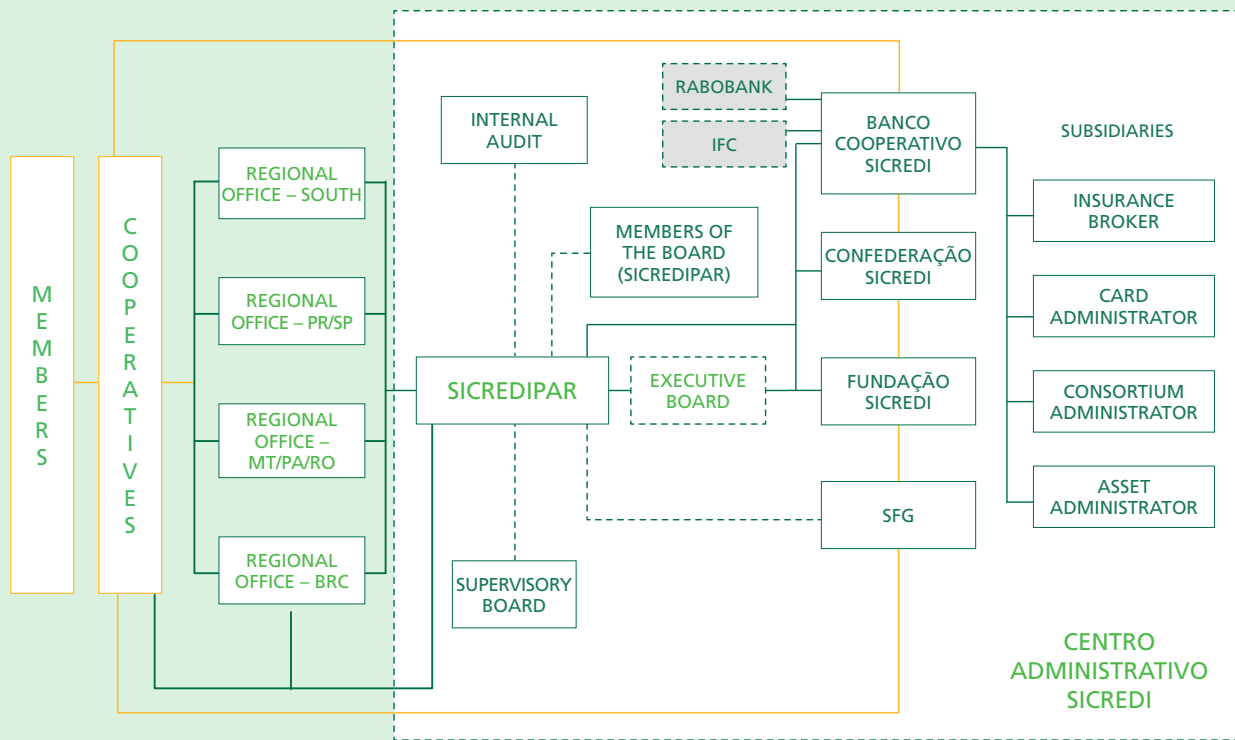
**Sicredi Fundos Garantidores** – A non-profit organization whose members are the regional offices and the individual credit unions. Its reserves are comprised of ordinary and extraordinary monthly contributions, from the credit unions to the fund, reimbursements, and asset recovery. The company's unique characteristics are: the segregation of its resources from those of the other companies of the System, since taxes are not levied upon the contributions; the indivisibility of contributions; and compliance with normative requirements.

**Confederação Sicredi** – Shared services center among the companies and the entities that comprise Sicredi, in the information technology and administration segments, and in the tax, accounting, payroll, procurement, and logistics areas.

**Sicredi's systemic organization model and the use of a single brand by several credit unions and entities is an international benchmark**



## SICREDI'S ORGANIZATIONAL CHART



### Fundação de Desenvolvimento Educacional e Cultural Sicredi

**(Fundação Sicredi)** – Structured as a public interest civil society organization (OSCIP), its purpose is to foster cooperation, citizenship, sustainability, and the education of its members. To this end, the foundation maintains seven work fronts: the Crescer, Pertencer and A União Faz a Vida programs; the Centro de Informação e Memória; funding; culture; and sustainability.

## Centro Administrativo Sicredi (CAS)

### GRI 2.4

Located in the city of Porto Alegre (RS), CAS is the administrative and financial headquarters of SicrediPar, Banco Cooperativo and its subsidiaries, Fundação, and Confederação.

# TIMELINE

**1902**

Establishment of the first credit union in Latin America, located in Linha Imperial, in the city of Nova Petrópolis; currently Sicredi Pioneira RS

**1925**

Implementation of the first Central de Caixas Rurais (Rural Credit Center), called União Popular do Rio Grande do Sul



**1980**

Establishment of Cocrecer – RS, currently Sicredi Regional Office – South

**1985**

Establishment of Cocrecer – PR, currently Sicredi Regional Office PR/SP

**1989**

Establishment of Cocrecer – MT, currently Sicredi Regional Office - MT/ PA/RO, and of Cocrecer – MS, currently Sicredi Regional Office – Central Brazil

**1992**

Adoption of the Sicredi brand by all credit unions comprising the System

**1995**

Implementation of the *Programa A União Faz a Vida*, the main social responsibility initiative

Establishment of Banco Cooperativo Sicredi S.A., the first private cooperative bank in Brazil

**1998**

Establishment of Alcred Central – SP, which originated Sicredi Regional Office - SP, incorporated by Sicredi Regional Office - PR/SP

**1999**

Banco Cooperativo Sicredi is authorized to conduct rural credit transactions, with rates partially assumed by the National Treasury

## A Unifying Cooperative Bank

The Brazilian Constitution of 1988 was important for the consolidation of credit unions. The constitution enabled the expansion of their operations so that they could be equivalent to financial institutions, paving the way for changes to the regulation issued by the Brazilian Central Bank and for the establishment of their own bank. Banco Cooperativo Sicredi was established in 1995, given the need to develop its own check clearing process and to pursue financial independence.

**2000**

Establishment of Confederação Sicredi and Corretora de Seguros Sicredi Ltda.

**2001**

Banco Cooperativo Sicredi acquires shares in BC Card – Administradora de Cartões dos Bancos Cooperativos Ltda.

**2003**

Sicredi starts operating in Santa Catarina; Resolution 3,106/03 is approved, authorizing open membership

**2004**

Establishment of Administradora de Bens Sicredi Ltda.

**2005**

Sicredi starts operating in the states of Goiás, Tocantins, Pará, and Rondônia; establishment of Fundação Sicredi and of Administradora de Consórcios Sicredi Ltda.

**2006**

Banco Cooperativo Sicredi acquires BC Card, which is now called Administradora de Cartões Sicredi Ltda.

**2008**

Establishment of Sicredi Participações S.A.

**2009**

The city of Nova Petrópolis (RS), the home of the first credit union in Latin America, is granted the title of the National Credit Union Capital; and Sicredi Fundos Garantidores was established

**2010**

Establishment of the partnership with the Dutch group Rabobank for the exchange of information

**2011**

Execution of agreement with the International Finance Corporation (IFC), arm of the World Bank Group that invests in the private sector of developing countries

**2012**

Declared by the United Nations the International Year of Cooperatives; implementation of the Sustainability Policy; Banco Cooperativo Sicredi is authorized to operate a real estate credit portfolio

**2013**

Disclosure of the first consolidated balance sheet; expansion of the agreement executed with IFC

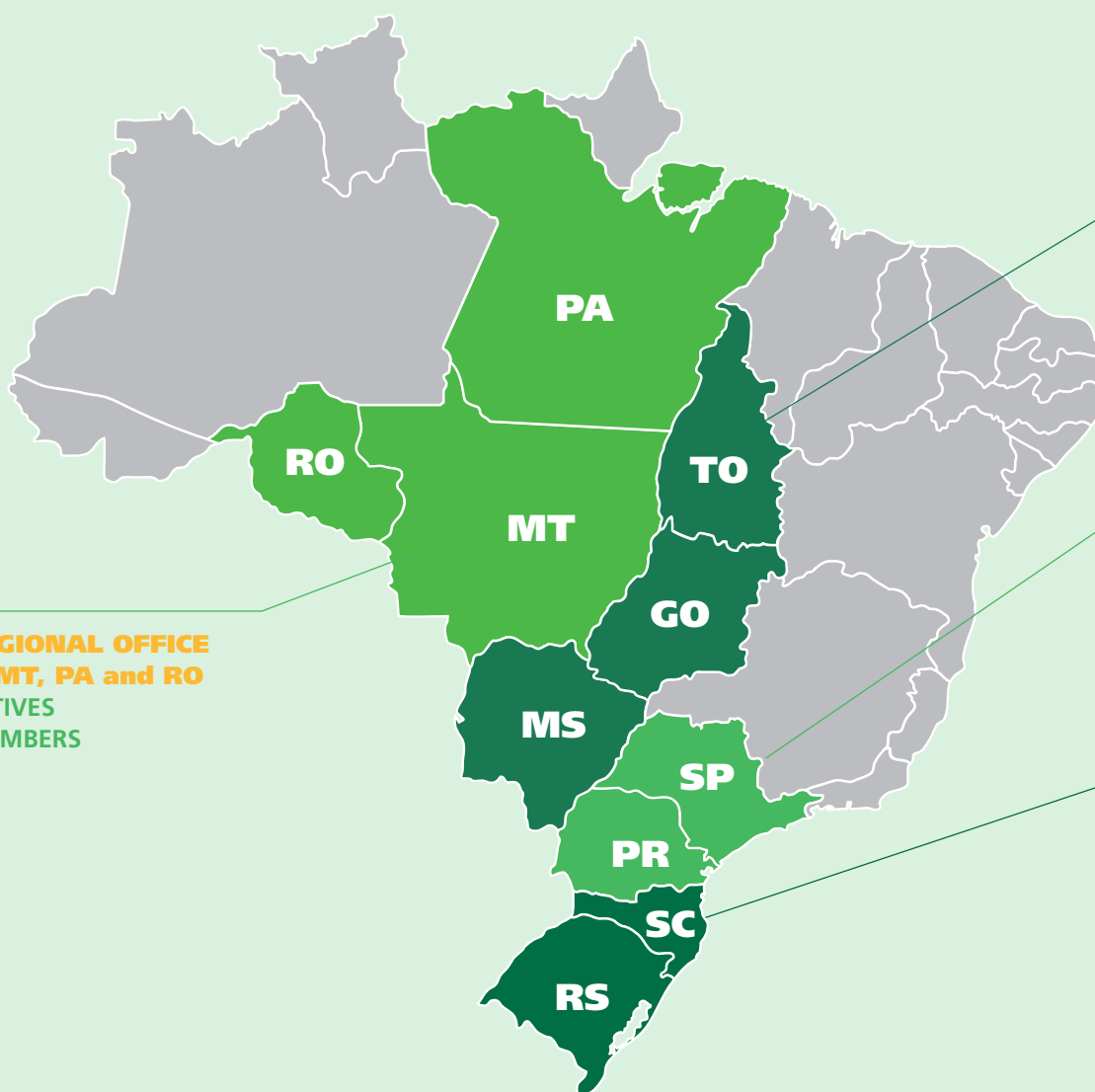
Credit unions are regulated by the National Monetary Council (CMN) and overseen by the Brazilian Central Bank

## SICREDI COVERAGE

IN BRAZIL

GRI 2.5

**2.5 MILLION MEMBERS**  
**100 COOPERATIVES**  
**1,258 BRANCHES**



### SICREDI REGIONAL OFFICE

MT/PA/RO MT, PA and RO

11 COOPERATIVES

284 MIL MEMBERS

**144**

branches



**SICREDI REGIONAL  
OFFICE – CENTRAL BRAZIL  
MS, TO and GO  
9 COOPERATIVES  
125,000 MEMBERS**

**65**  
branches

**SICREDI REGIONAL  
OFFICE PR/SP  
PR, SP  
35 COOPERATIVES  
650,000 MEMBERS**

**433**  
branches

**SICREDI REGIONAL  
OFFICE – SOUTH  
RS and SC  
45 COOPERATIVES  
1.4 MILLION MEMBERS**

**616**  
branches

## SUSTAINABLE BY NATURE

Conceived in Europe in the 19th century, cooperativism is a tool used in the economic organization of society, based on mutual help and solidarity. Cooperative businesses are characterized by the voluntary actions of individuals to meet common economic, social, and cultural needs through a jointly owned and democratically managed company.

Operating in Brazil since the enactment of the 1988 Constitution, credit unions are recognized as part of the National Financial System. They are regulated by the National Monetary Council (CMN) and overseen by the Brazilian Central Bank. Through their practices, credit unions stimulate entrepreneurship, generate business opportunities, and foster growth, education, and the strengthening of the locations in which they are present.

Due to their nature, credit unions add income to their members and to the community where they operate, in addition to turning credit into a tool that is essential for the growth of all. Credit unions are potentially capable of responding to the main challenges identified in the financial sector to act as a catalyst of sustainable development – management of social and environmental risks, creation of innovative products, and incentives for responsible credit.

GRI 1.2

## THE ROLE OF CREDIT UNIONS

Although offering the same financial services, credit unions differ from banks in various aspects, starting with their origin – while a cooperative is a company based on people, a bank is based on capital. Cooperatives are jointly owned with the purpose of raising resources to fund the activities of their members and to manage their savings; banks are owned by investors, operate as financial intermediaries, and provide banking services. While in credit unions results are called surplus/loss and are proportionally shared according to the annual volume of transactions of each member, in banks results are called profit/loss and are paid out as dividends to shareholders, according to the amount of capital they have invested. In credit unions, decisions are made jointly, according to the majority of votes. Each member has the right to cast one vote and all members share the same rights and duties.

When they are established in a community, credit unions comply with guidelines concerning financial inclusion and the fostering of the local economy, instead of market-related rules, as in a bank.

GRI FS 13

Guided by these principles, these institutions materialize opportunities of access to credit and to other financial products and services and multiply their effect on social and economic development, such as the formalization of activities, the recovery of citizenship, the generation of jobs, and increased income.

# FINANCIAL SOLUTIONS GRI 2.2

The essence of Sicredi's operation and performance is based on the relationship with its members, which is guided by the appreciation of their aspirations and needs. Its corporate nature, as a cooperative and not a banking institution, has become an important competitive differential for the business and for the realization of results. Based on this positioning, the institution has developed a service culture, which is based on cordiality, on the strengthening of bonds, and on the genuine interest in the well-being and financial health of individuals and of the places where they live. In conceiving and developing products, Sicredi follows a cooperative commercial model that shifts the focus from market opportunities and products to the expectations of its members.

Present across its framework, this understanding can be observed in the development and offering of products and services. These services are constantly adapted, in terms of format, price, and convenience channel, to the particular moment in the life of each of its 2.5 million members.

Sicredi has invested in the improvement of its branch network, in the training of its employees, in relationship channels, in new technologies, and in the simplification of processes so that it remains sensitive to the demands of its members and earns their loyalty. Each of these movements is determined by the rational use of resources and by the mitigation of social and environmental impacts.

## Credit

Investments in product lines were concentrated in new forms of granting and analyzing credit. The creation of tools for credit analysis and approval has brought more security, agility, and technology to members. *Esteira de Crédito* (Credit Workflow), which began operations in 2013, is a technological innovation for the automation of processes. The standardization of these processes made the operations of the branches simpler and more secure.

Through this support, the number of products with pre-approved limits for individual credit, working capital, vehicle finance, and revolving credit, among others, has increased greatly, based on a secure model of suggested credit limits. The simplification of the process favors the diversification of the service channels through which credit can be requested,

which can also be accessed through Internet banking or ATMs. In 2013, due to the advance of pre-approved credit limits, the individual credit transactions executed through alternative service channels tended to be predominant in the total number of agreements.

Sicredi's credit policies are established in a document that governs the entire credit cycle of the institution. Its definitions comply with the Sustainability Policy and aim to establish consistent guidelines for the assessment of business risks and opportunities. The procedures used to manage social and environmental risks are being implemented in the new Guidelines for Social and Environmental Risk in Credit, which will govern relationships with members.

**Sicredi's corporate nature gives it a competitive differential that is instrumental for the business and for the realization of results**

The norms that regulate rural credit and the earmarked resources establish that the financial institution cannot grant credit to individuals involved in child labor, bonded labor, or degrading labor practices. **GRI FS1, HR6, HR7**

As provided by these norms, Sicredi ensures that it does not finance resources to borrowers involved in these types of activities. This requirement is included in the clauses of the credit agreements signed by borrowers in operations of rural credit and earmarked resources, ensuring that they are not involved in child labor or degrading labor practices. Sicredi updates on a monthly basis the blacklist provided by the Ministry of Labor, which contains the registry of individuals involved in these activities and who cannot access credit.

### Rural Credit

One of the pillars of Sicredi's growth is the granting of rural credit, which includes the funding, investment, and commercialization lines, representing 45% of the credit portfolio. In 2013, the number of members accessing this type of credit reached 134,000 (see the chart: Profile of Members Seeking Rural Credit). The institution played a critical role in providing access to capital and in fostering the development of these members and of the regions where it operates, as well as in stimulating the modernization and adaptation of members of the agribusiness chain. The resources of the rural credit lines come from savings accounts (resources 100% obtained by the cooperatives), MCR (required by the bank and funded with other agents), FCO (Constitutional Fund for the Financing of the Midwest), and the BNDES.

For the second consecutive year, Exame magazine's 2013 ranking of the Best and Biggest ranked Sicredi as the third

largest financial institution in volume of resources granted for rural credit. Historically, the institution is one of the main agents in the granting of rural credit to family farmers (PRONAF line), which enables farmers to remain in the fields and promotes the development of family farming in Brazil. **GRI FS7**

All Sicredi cooperatives have trained employees who are capable of offering support to rural producers in the selection of the most suitable credit line for each need. Banco Cooperativo Sicredi, as an on-lending agent, requires its members to be in good standing with environmental agencies. Members sign the clauses included in all credit agreements governing operations involving rural credit and earmarked resources, ensuring that they are not involved in child labor or degrading labor practices. Investigations are also conducted to avoid these risks. **GRI FS1, HR6, HR7**

### PROFILE OF SICREDI MEMBERS SEEKING RURAL CREDIT – 2013

|   | Average annual income (BRL) | Average size of properties (ha) | Average amount of operations (BRL) |
|---|-----------------------------|---------------------------------|------------------------------------|
| <b>Total – Average</b>                        | 90,000                      | 179.23                          | 35,300                             |
| <b>Sicredi Regional Office MT/PA/RO</b>       | 130,000                     | 318.74                          | 156,100                            |
| <b>Sicredi Regional Office Central Brazil</b> | 135,000                     | 287.26                          | 120,700                            |
| <b>Sicredi Regional Office PR/SP</b>          | 88,000                      | 68.02                           | 40,300                             |
| <b>Sicredi Regional Office South</b>          | 86,000                      | 42.89                           | 21,400                             |

|  |                       |   |
|--|-----------------------|---|
| <b>Men – 88.7%</b><br><b>Women – 11.2%</b> | Average age – 47 anos | Pronaf – 62.4%<br>Pronamp – 13.5%<br>Others – 24.1% |
|--|-----------------------|---|

## Property Finance

The mix of products and services was strongly reinforced in 2013 with the integration of Banco Cooperativo Sicredi to Sistema Financeiro de Habitação (SFH - Home Finance System) and the authorization of the use of the resources of members' FGTS (Federal Government's Severance Pay) in the purchase of their homes. Launched as a pilot experiment, property finance uses credit lines from SFH resources, offering options that are suitable for the various profiles of members. Benefitting from new processes being implemented by the institution, the documents required for the granting of real estate credit and the approval of operations are processed electronically. The entry into this segment meets objectives that comply with Sicredi's guidelines, which aim to help members build wealth through low-risk businesses.

## Microcredit

In order to make microcredit more effective in its portfolio, Sicredi spent the year mapping and identifying points for improvement in financing. The institution intends to establish a financing modality for low-income individuals and to small-sized companies in its fundamental role as a credit union, which is to provide access to the capital required for competitive capacity, whether for mini and small agricultural producers or micro and small companies. **GRI FS7**

## Investments

Sicredi offers a portfolio with multiple product options, which is organized according to the profile of each member and considers certificates of deposit, savings, and investment funds. In 2013, the funding portfolio grew by 24%, reaching BRL 17.5 billion. The annual increase was BRL 3.4 billion, an increase of 28% over 2012. The maintenance of a consistent growth rate for the financing portfolio poses a constant challenge to the growth of cooperatives, since these resources are used in credit operations. The segment has been presenting consistent growth in recent years, with good prospects for 2014.

## Consortiums

In operation for seven years, the Consortium Administrator ends 2013 as the 11th largest company in the segment by number of quotas, according to the Brazilian Central Bank. Its performance is supported by the cooperative's consistent advisory, which enables members to better understand the benefits of this type of operation, characterized by security, competitive costs, and flexible credit limits and terms.

The practice of holding itinerant meetings enables the access of a greater number of members to financial literacy. In 2013, these events attracted 7,000 members, who gained a better understanding of the product and of its potential for the planning of purchases.

The attractiveness of the product was reinforced by more flexible credit limits and terms in some segments, such as real estate and heavy vehicles. Thus, it was possible to cater to members who need larger credit amounts and more affordable payments, increasing the competitiveness of the institution.

## Insurance

The portfolio mix seeks to make products accessible to all economically active social strata, from solutions with low monthly premiums to products with comprehensive coverage.

Due to its ramification and presence, especially in small cities, the institution has been playing an important role in the dissemination of the product as a synonym for peace of mind and has been contributing to changing the perception of Brazilians, who still do not see insurance as an investment. With continuous dissemination work, the Insurance Broker has been growing above the average rates. While the market recorded an increase of 13.2% over 2012, the Insurance Broker grew by 32%. The highlights include home insurance and rural insurance with an increase of 38% and 45%, respectively (source: FUNENSEG).

In 2013, the institution focused on increasing efficiency and rationalization of costs and on boosting the revenue of cooperatives, thanks to the implementation of automated systems and to the reduced operational load. With the adoption of products classified as micro-insurance, it was possible to offer solutions to lower-income classes. Another advance in social inclusion arose from the simplification of the bureaucracy required for insurance approval through the offer of easily acquirable insurance in the rural, corporate, and residential segments. This measure aims to address an inhibiting factor, especially for these audiences, which represent most of Sicredi's portfolio. The offer of simplified solutions in the portfolio favors fast hiring and the expansion of this type of product. **GRI FS7**



## Electronic Means of Payment

The implementation of the new platform for processing credit cards under the Sicredi brand, which is also used by Visa, was one of the highlights of the year. This initiative was preceded by an extensive process review and by the adoption of operational quality procedures in the credit and debit card segment. In 2013, activities were focused on actions to stimulate members to use cards and to demonstrate the possibility of factoring receivables for legal entities.

The launch of Sicredi Touch, Sicredi's account geared toward young adults, was part of the strategy that sought to expand the membership base, to stimulate businesses, to disseminate cooperativism among individuals between 18 and 25 years of age, and to foster their financial inclusion. The Sicredi Touch card was developed in 2013 as a credit and debit card with a differentiated design to cater to this audience and to stimulate their permanence as members. **GRI FS7**

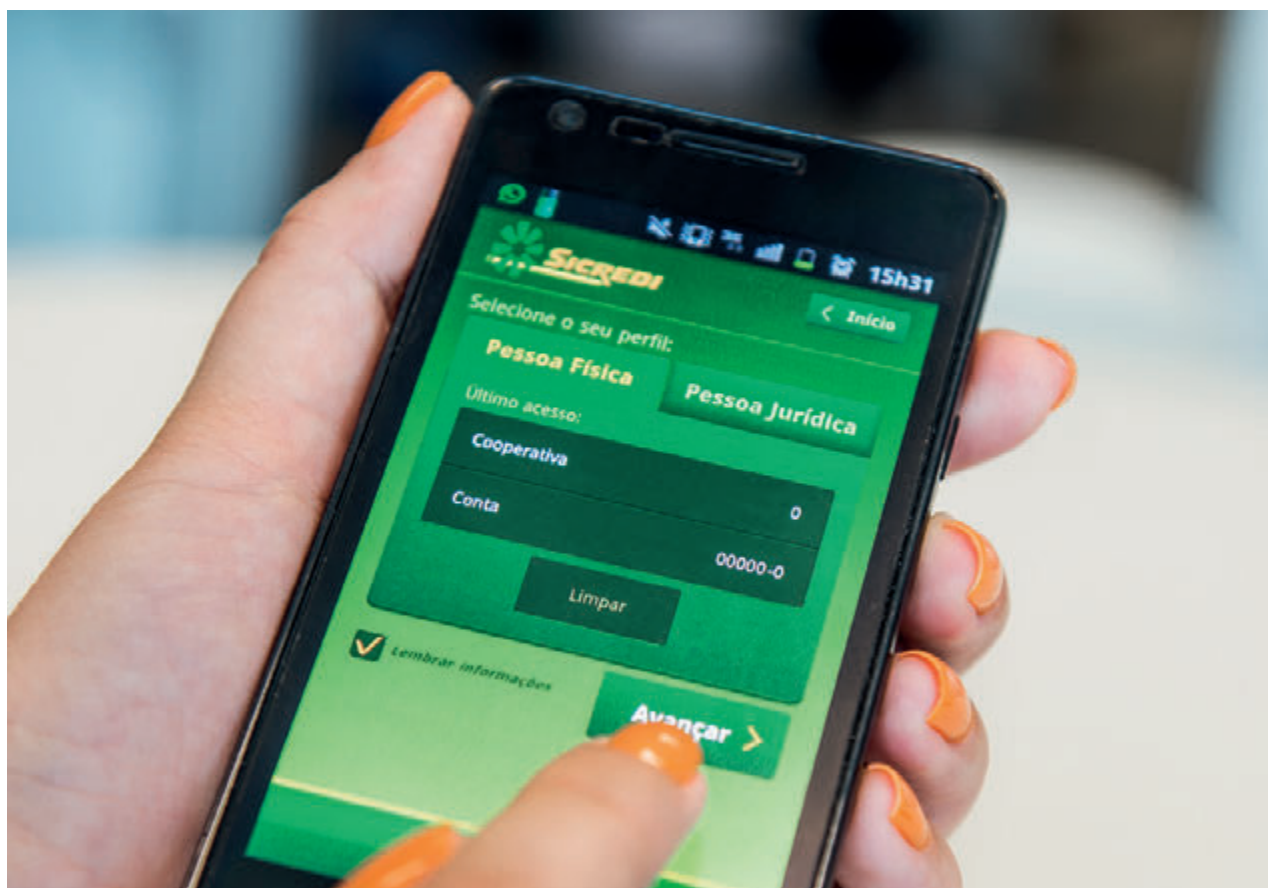
## Convenience Channels

In 2013, a total of 47.7% of transactions occurred through electronic service channels. The expansion of the Multi-channel Platform concept, initiated in 2011, was one of the highlights in 2013, with the improvement of service channels (internet banking, mobile, self-service networks, and accredited agents), aiming to provide convenience to members and to increase productivity for Sicredi.

New functionalities were incorporated into the Internet, corporate intranet, phone, and mobile channels, contributing to the reinforcement the attributes related to the competence and modernity of the brand. Sicredi Mobi, available for smartphones and tablets in Apple and Android versions, enables members to check balances and statements, to transfer funds between Sicredi accounts and to other banks, to issue proof of payment, and to schedule transactions and the payment of bills and utilities. In turn, Sicredi Internet and Sicredi Phone were redesigned to offer new services and more convenience to individuals and legal entities. By the end of 2013,

the mobile channel had 26,884 active members and had had 17,000 downloads since its launch.

The convenience channels are adapted to support people with hearing or speech impairments. Customer Service (SAC) uses SIAS, a tool that receives and translates text messages to service members with these special needs. Communication through text can originate from a cellular phone, the Internet (web chat), or from a telephone device for the hearing impaired (TDD). The service works as a chat room, is free of charge, and is available through 0800 724 0525. These features represent an incentive for the access of people with disabilities to financial services, without the need of their physical presence. **GRI FS14**



# GOVERNANCE AND MANAGEMENT

GRI 4.1, 4.3, 4.4, 4.7, 4.9

Launched in 2008, the implementation of a systemic governance structure at Sicredi continued last year, especially the project involving the segregation of the duties of the Board of Directors and the Executive Board, currently at the level of the regional offices and cooperatives, and the improvement of compliance and risk management structures. The institution remains aligned with the best governance practices recommended by the market. Sicredi was an early adopter of these

practices in Brazil, adapting them to the specificities of cooperatives. A process in constant evolution, Sicredi's governance pursues the establishment of an organizational and corporate structure whose development, performance, and soundness can be assessed by society in a transparent and permanent manner.

The disclosure of Sicredi's first consolidated balance sheet, duly recognized by the monetary authority, also highlights the management

initiatives implemented to enable the institution to be perceived by the market as a financial conglomerate (*see details in the Economic Performance section*). By 2015, the implementation of the governance structures and guidelines already in place at the central administration is planned for all levels of the System that have not yet adhered to them, thereby finalizing the unification process.



## Board of Directors of SicrediPar (CAD) GRI 4.1

**Manfred Alfonso Dasenbrock** – Chairman of CAD and President of the Sicredi Regional Office – PR/SP

**Orlando Borges Müller** – Vice President of CAD and President of the Sicredi Regional Office – South

**João Spenthof** – Advisor of CAD and President of the Sicredi Regional Office – MT/PA/RO

**Celso Figueira** – Advisor of CAD and President of the Sicredi Regional Office – Central Brazil

**Wellington Ferreira** – Advisor of CAD and President of Sicredi União PR

**Egídio Morsch** – Advisor of CAD and President of the Sicredi Centro Serra RS

**Eledir Techio** – Advisor of CAD and President of Sicredi Ouro Verde MT

**Celso Régis** – Advisor of CAD and President of Sicredi União MS

**Kees Beijer** – Advisor of CAD, representing Rabobank

**Teun de Boon** – Advisor of CAD, representing Rabobank

## GOVERNANCE STRUCTURE GRI 4.1

Cooperatives are organized into four regional offices, which are shareholders of Sicredi Participações S.A. (SicrediPar). The decision-making and monitoring systems rely on the corporate governance structure described below.

### BOARD OF DIRECTORS OF SICREDIPAR GRI 4.3

The highest governance body coordinates the establishment of Sicredi's corporate objectives in compliance with the process that enables cooperatives to make decisions about the future of the System. It is composed of ten members: four presidents of regional offices, four presidents of individual cooperatives (one per regional office), and two representatives appointed by Rabobank. All members are elected in the general meeting. In a previously defined agenda, the meetings of SicrediPar's Board of Directors are held 12 times a year. Advisors have three-year terms, and the chairman is not an executive officer in any level of the System (see *Governance in Individual Cooperatives and Regional Offices*). The body is supported by a set of committees, which operate on demand.

### Committees of the Board of Directors GRI 4.1

#### Audit and Compliance Committee

– Supports decisions concerning the standards and procedures applied to the members of the System to comply with official and internal regulations.

#### Strategic and Monitoring Committee

– Operates the structuring of long-term strategies and the assessment of entries into new markets, strategic associations, and eventual acquisitions, mergers, and disposals of the System companies, as well as the monitoring the strategic drivers established.

**Risk Committee** – Provides support for the development and monitoring/control of policies and methodologies adopted for risks (legal or internal) in relation to credit, market and liquidity, operations, and environment, among others.

#### Guarantee Fund Committee

– Engages in the decisions governing the use of the resources of the guaranteed funds allocated for corporate use, including the recommendations related to the study of technical feasibility and economic and financial recovery, administrative procedures, and sanctions for those cases of non-compliance with conditions of access to resources.

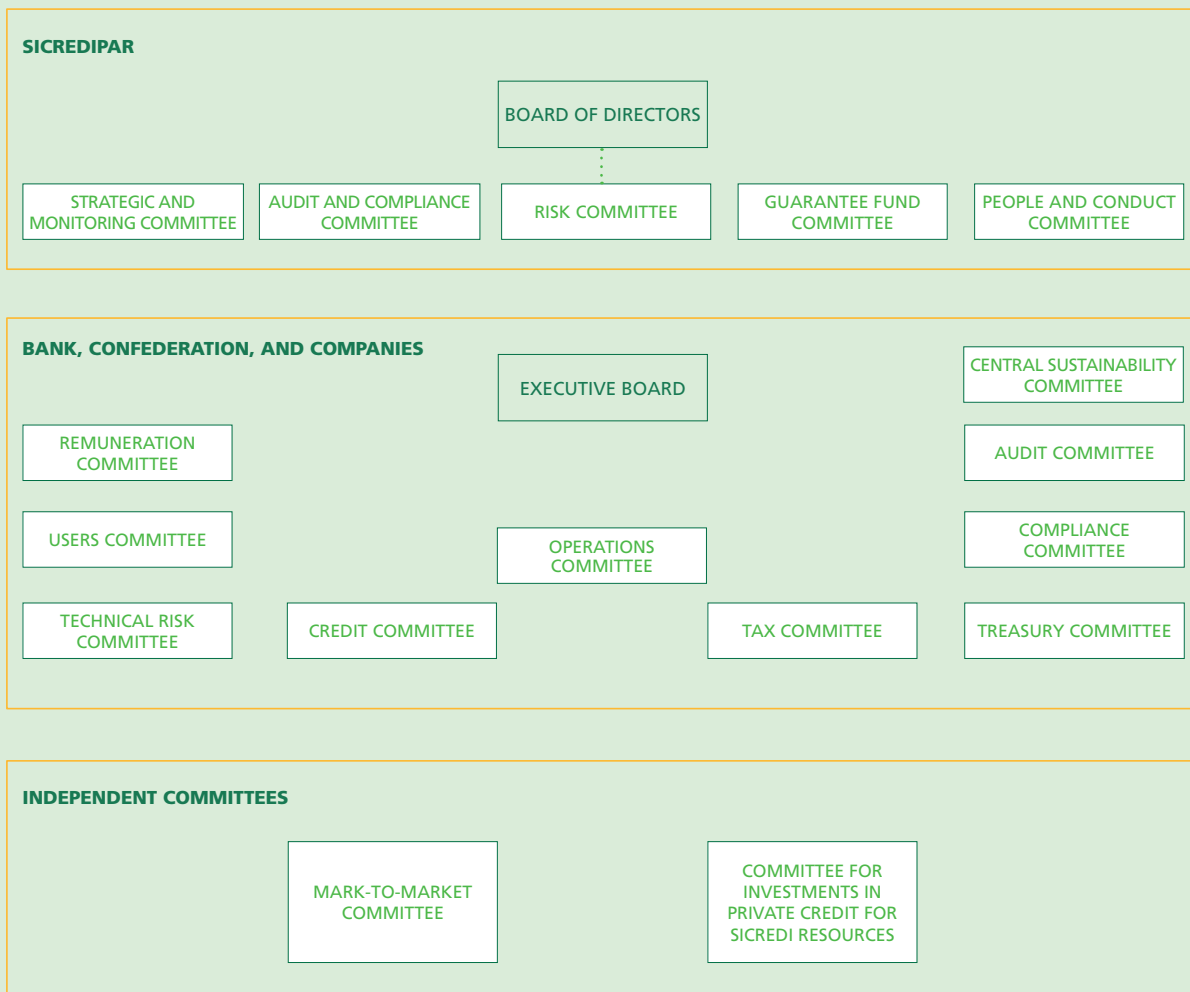
#### People and Conduct Committee

– Provides in an advisory role on the decisions concerning people management policies applicable to the Board of Directors, to the Executive Board, and to the other entities of the System. The committee provides support for the definition of the personal and professional standards of conduct to be followed in Sicredi.

## SicrediPar Supervisory Board

This body is responsible for monitoring compliance of the legal and statutory duties by administrators and for keeping the Board of Directors informed about the results of their work, alerting members whenever irregularities are found.

## OVERVIEW OF THE COMMITTEES



## ADVISOR REQUIREMENTS

GRI 4.7

To assume the chair of a cooperative, members must have held or must currently hold the position of Administration Advisor, Fiscal Advisor, or Group Coordinator. Group Coordinators are elected by the other members of their group to represent them in the General Meeting. To be eligible for this position, members must mandatorily be trained in the Crescer Program—Sicredi's cooperative education program. Similarly, only presidents of Sicredi

cooperatives who have completed training can assume the chair of regional offices.

The basic qualifications required to become a SicrediPar Advisor are established in the Bylaws of the institution and in the Internal Regulations of the Board. Among other requirements, members appointed must have been elected for two full terms for the position of

Administration Director or Advisor in any of the credit unions comprising Sicredi, in conformity with the internal regulations. Rabobank representatives are appointed according to their performance in the institution and all have professional qualifications that are in line with their positions.





### Learning Pathways of the Crescer Program

Pathway 1 – Contributing to collective growth (initial training)

Pathway 2 – Sharing decisions and results (training for Group Coordinators)

Pathway 3 – Managing and inspecting the project (training for Fiscal or Administration Advisors)

**The basic qualifications required to become a SicrediPar Advisor are established in the Bylaws of the institution and in the Internal Regulation of the Board**

## Composition of the Executive Board

Ademar Schardong – Executive President of Sicredi  
 Edson Nassar – Executive Director of Products and Businesses  
 João Tavares – Executive Director of Administration and Finance  
 Paulino Rodrigues – Executive Director of IT and Operations  
 Wolney Romano – Treasury Director  
 Julio Cardozo – Director of Third-party Resources, Economy, and Risks

## EXECUTIVE BOARD

The Executive Board is responsible for the executive management of Banco Cooperativo, Confederação, and Fundação. Elected by SicrediPar's Board of Directors for a three-year term, members of the Executive Board are responsible for, among other duties, carrying out management activities, pursuant to the law, which are not performed by the Board of Directors. The body is advised by the following committees.

### EXECUTIVE BOARD COMMITTEES

**Audit Committee** – Performs as a statutory body, assessing and providing advisory on all topics pertaining to internal and external audits. This committee holds quarterly ordinary meetings and extraordinary meetings whenever necessary.

**Users Committee** – Acts as an advisory body for issues pertaining to the development and improvement of projects for products and services, communications, and marketing.

**Operations Committee** – Acts as an advisory body for issues pertaining to administrative and operational processes and to information technology.

**Compliance Committee** – Acts as an advisory body for issues pertaining to compliance, internal controls, and operational risks of processes, products, and services.

**Technical Risk Committee** – Formalized in 2010, this committee is responsible for the assessment and issuance of expert opinions on technical matters related to credit, liquidity, market, and operational risks.

**Remuneration Committee** – Responsible for preparing the policy that governs the remuneration of the directors of the institution (fixed and variable remuneration and benefits), as well as for proposing special employee recruitment and termination programs, among others. This committee must also oversee the appropriateness and balance of these measures in relation to the market and risk management.

**Credit Committee** – Approves credit limits and analyzes credit recovery proposals in compliance with official and internal norms.

**Tax Committee** – Supports the Executive Board in matters pertaining to taxes and contributions levied upon the operations, products, and services of all companies comprising Sicredi.

**Treasury Committee** – Responsible for delegating and overseeing treasury-related activities according to the Investment and Liquidity Policy of the institution.

### INDEPENDENT COMMITTEES

**Mark-to-Market Committee** – Responsible for assessing and issuing expert opinions on technical matters related to the mark to market of assets operated by the Sicredi System.

**Technical Committee for the Analysis of Investments** – Approves the limits of concentration risk in the management of investment funds, as provided for in regulations, portfolios managed, and investment clubs, in compliance with official and internal norms.





## Central Sustainability Committee

Established in 2011, this committee monitors and improves the enforcement of the Sustainability Policy. It is composed of representatives from the cooperatives, regional offices, and the Administration Center. Coordinated by Sicredi's CEO, this body is broken down into four subcommittees associated with the regional offices, and three other subcommittees of Centro Administrativo Sicredi (CAS). The members of the committee hold two ordinary meetings a year for each subcommittee and one ordinary meeting with all subcommittees. Extraordinary meetings are held whenever necessary. **GRI 4.9**

### Subcommittees of the Central Sustainability Committees

- **Sustainable Process Subcommittee** – Establishes social and environmental criteria for procurement and service provision processes; establishes operating procedures that consider eco-efficiency concepts in their processes; and collaborates with the enforcement of normative policies geared toward data security and the ethical conduct of employees. It is coordinated by the Executive Director of IT and Operations of Confederação Sicredi.
- **Sustainable Product and Service Subcommittee** – Internally stimulates the creation of products and services with a social and environmental focus; fosters the development of materials and actions geared toward members in order to communicate, with transparency, the characteristics of Sicredi's products and services. This subcommittee is coordinated by the Executive Director of Products and Businesses of Banco Cooperativo Sicredi.
- **People and Sustainability Subcommittee** – Fosters the alignment between the Sustainability Policy and the Code of Conduct; stimulates the development of educational programs with a focus on sustainability and the participation of all stakeholders; ensures suitable work conditions; and stimulates the conscientious use of financial resources by members and employees. It is coordinated by the People Management Superintendent of Banco Cooperativo Sicredi.

## GOVERNANCE IN INDIVIDUAL COOPERATIVES AND REGIONAL OFFICES

### GRI 4.9

Regional offices are responsible for overseeing and coordinating the operation of the affiliated cooperatives, supporting them in development and expansion activities. These bodies are responsible for disseminating credit cooperativism. They work in connection with SicrediPar through their presidents in the Board of Directors.

As pillars of the system, individual cooperatives act as decision-makers. They are the beginning of Sicredi's chain of decisions and the main link with members, organized into groups.

Since 2012, Sicredi has been taking measures to segregate the strategic and executive duties in credit unions, pursuant to Resolution 3,859/2010 of the National Monetary Council (CMN). This resolution establishes a clear-cut separation between the responsibilities and the performance of administrators in strategic (Board of Directors) and executive (Executive Board) positions.

The creation of an Executive Board completes the governance structure formed by the Board of Directors and the Supervisory Board; its implementation should be finalized by 2015 in the four regional offices and in the open-membership individual cooperatives in the System.

In the structure of the individual cooperatives and of the regional

offices, the Chairman of the Board of Directors performs as institutional president of the cooperative, directing the relationship with members and representing the institution in strategic forums of the System and before government authorities, the community, and the press. Among the president's responsibilities, we can name the promotion of new cooperative leadership and the monitoring of the performance of executive officers.

Executive officers are responsible for managing the organization, for the execution of guidelines established by the Board of Directors, and for the implementation and execution of strategic, financial, and investment planning for the cooperative, reporting regularly to the Board of Directors and its Chairman. [GRI 4.2](#)

### Governance structure in the individual cooperatives

**Board of Directors** - Formed by members elected by the other members, it is the highest administrative body and is responsible for the strategic guidelines of the cooperative and for presenting proposals to the General Meeting. It is formed by one chairman, one vice-chairman, and advisors (a minimum of three and maximum of ten), with an equal number of alternates, elected for four-year terms. Each new term requires a change of at least one-third of the members.

**Executive Board** – Appointed and elected by the Board of Directors, it is responsible for the executive management of the cooperative, in compliance with the strategic guidelines established by the Board of Directors. The Executive Board must have at least two or three directors, depending on the cooperative, pursuant to the enforcement of the principles of the segregation of duties.

**Supervisory Board** – An independent body, it operates on behalf of all members, with the responsibility of overseeing, frequently and in detail, the administration of the assets and operations of the cooperative. It is composed of three full members and three alternates, all of whom are elected by the General Meeting for a one-year term.

Since 2012, Sicredi has been taking measures to segregate strategic and executive positions in credit unions, in compliance with Resolution CMN 3,859/2010

## DYNAMICS OF PARTICIPATION IN CREDIT UNIONS GRI 4.4

The way members are organized and participate in Sicredi is inspired by the democratic management model, through which all votes of members have equal weight. The participatory system in place in the cooperatives, as described below, is structured from the initial group, in sequences of representative levels developed to reflect the desire of 2.5 million members and to take their decisions to SicrediPar's Board of Directors.

**Group of Members** – It is a grouping of members in the area of influence of the credit unions organized to ensure their participation in the institution's management and development process. It is structured around branches and can consist of up to 900 members.

**Group Meeting** – Regular meetings of members by group, held by the president of the cooperative to discuss relevant topics related to the business and to the decision-making process, such as the development of the strategic planning and reporting. Group meetings can be convened up to five times a year.

**Group Assembly** – Convened annually, whether ordinarily or extraordinarily, this meeting aims to make decisions pertaining to the main governance issues of one or more groups: elect group coordinators and their alternates; discuss and monitor the activities planned by their cooperative; and discuss the topics established for the General Meeting of the cooperative, defining how the group coordinator

will vote as a representative. Currently, there are 15,000 active coordinators, elected for four-year terms.

### **Annual General Meeting –**

Annual meeting held to report to the administrative bodies of the cooperative, during which the annual statements are presented and it is decided how the surplus will be used or the loss will be shared. Its agenda also includes the election of the members of the Board of Directors or of the Executive Board and, if applicable, of the Supervisory Board. This body also responds to any social matters, provided such matters are not the exclusive responsibility of the Extraordinary General Meeting. In 2013, approximately 1,300 meetings were held across the country, including approximately 250,000 members.

### **Extraordinary General Meeting of the Cooperative –**

Meeting held for the discussion of any topic of interest to members, such as amendments to the Bylaws, incorporation, and changes to the purpose of the cooperative. These meetings are held whenever necessary.

# ETHICS AND CONDUCT

GRI 4.4, 4.6, 4.8, SO3, SO4, HR4

Sicredi continuously improves its practices in order to maintain transparent management and to avoid conflicts of interest, preventing and minimizing risks inherent to the activities performed in its field of work. The institution closely monitors the internal control system in order to ensure compliance with regulations and norms established by inspecting authorities and internal principles and regulations. After they are approved by cooperatives and formalized by SicrediPar's Board of Directors, the enforcement of these rules becomes mandatory across the structure of the institution. The systems are adjusted to automatically maintain standardized procedures and limits.

**Sicredi's Code of Conduct** was launched in 2012 and is extensively disseminated among the stakeholders.

**GRI 4.8** The need for a systemic alignment of policies to enable self-regulation required a clear-cut definition of the conduct expected from employees, based on the principles and values of the institution, that could steer managerial decisions. This code reinforces among employees Sicredi's commitment to the rules and best practices established by the financial system for the prevention of illegal acts in its operations.

Among other topics, the publication lists facts pertaining to corruption and the prevention of money laundering. Compliance with these rules is also ensured in the first steps of the

employee hiring process and it is reinforced throughout training. **GRI SO3** There is zero tolerance for corruption in the operations and, therefore, there were no cases identified in 2013. **GRI SO4** One of the commitments assumed by Sicredi is to work with relevant government agencies to prevent, detect, and report any illegal acts against the National Financial System (SFN). The guidelines established in the code are in line with the Anti-Money Laundering Policy (PLD), which provides guidance to over 16,000 employees and is updated annually. In 2013 alone, 5,109 employees were trained in Anti-Money Laundering Management – Regulation, a basic training course that is mandatory for all employees; 2,889 employees were also trained in Anti-Money Laundering Management - Operational Level. This training reinforces the anti-corruption and anti-money laundering guidelines.

In terms of conflicts of interest, the code identifies certain conditions to employees and managers, who are forbidden to perform activities that are not compatible with the position they hold. Among other requirements for members of the Board of Directors, the following apply: non-existence of kinship up to the second degree with members of the body or of the Supervisory Board and not holding public office. **GRI 4.6**

**Sicredi's Ombudsman Department** is the relationship channel between the institution and its members guided by the fulfillment of its mission and the

values of the institution. In addition to advocating for compliance with the applicable internal and external norms, the department participates in the discussion of institutional and strategic policies. It aims to provide the best service in the pursuit of solutions for the conflicts presented, acting as the voice of members in the organizations that are part of the System. The department contributes to the improvement of corporate processes, procedures, and activities based on the wealth of data generated by the contacts registered in various services under its responsibility.

The department is also responsible for operating as an Internal Ombudsman channel, registering and escalating claims arising from the enforcement of the Code of Conduct with Sicredi employees. Among the topics addressed, the institution condemns any type of prejudice, discrimination, and harassment. Throughout the process, this body commits to maintaining the confidentiality of the information for all audiences, ensuring that claims are handled and fully responded to. No incidents related to any type of discrimination were reported. **GRI 4.4, HR4**



Pursuant to a request from SicrediPar's Board of Directors, Sicredi's Ombudsman has developed and made available the Managerial Indicator Panel, which lists all incidents registered by members and users. Updated monthly and published on the Ombudsman page on the Corporate Portal, this panel is intended for managerial analysis of the incidents recorded and supports the work to improve the products and services provided by the cooperatives, in addition to the effective monitoring of these topics. These analyses can be made according to systemic views, by regional office,

by cooperative, and by branch, which enables the required depth, including in terms of products and services (whether or not such claims are legitimately grounded), and the origin of eventual noncompliance incidents.

According to the governance practices and to the recommendations by SicrediPar's Board of Directors, the Ombudsman Panel should be presented and discussed as an ordinary topic in the meetings of the Board of Directors, of the regional offices, and of the cooperatives, and it should be used by managers in various levels.

| Claims by channel      |              |              |              |              |
|------------------------|--------------|--------------|--------------|--------------|
| Channels               | 2010         | 2011         | 2012         | 2013         |
| SAC                    | 2,843        | 4,047        | 4,494        | 4,628        |
| Recurrence at SAC      | 34           | 100          | 109          | 72           |
| Brazilian Central Bank | 85           | 85           | 123          | 240          |
| Social networks        | 0            | 283          | 505          | 567          |
| <b>TOTAL</b>           | <b>2,962</b> | <b>4,515</b> | <b>5,231</b> | <b>5,507</b> |



# RISK MANAGEMENT

GRI 4.11

The identification of risks is a priority for Sicredi in conducting its activities and businesses. The institution maintains areas that specialize in mapping internal and external incidents that could affect the strategic planning and the meeting of its objectives. The practices adopted comply with the principles of the Basel Accord. In the committee framework, there are collegiate bodies responsible for risk and capital management, which report directly to the Board of Directors, which elect or appoint its members. The areas that specialize in the management of these risks are systemically centralized at Banco Cooperativo Sicredi. Credit, market, liquidity, and the operational risks described below are among the main risks managed by the institution.

## Credit Risk

Credit risk consists of the likelihood of losses arising from the non-performance of the obligations assumed by creditors; the depreciation of gains or remuneration and advantages granted; or even losses from costs in negotiations or credit recovery. At Sicredi, risks are managed by a centralized structure (which is responsible for controlling and managing the exposure of the companies of the System to credit risk) and by the local areas and collegiate bodies (responsible for the management).

## Market Risk

Market risk originates from the variation in the value of assets and liabilities, caused by changes in prices and market rates, including interest rates, share prices, exchange rates, and commodity prices.

## Liquidity Risk

Liquidity risk stems from the institution's inability to honor its commitments or from the considerable losses involved in doing so, due to an imbalance between realizable assets and current liabilities.

## Operational Risk

Operational risk results from the likelihood of losses arising from failures, deficiencies, or inadequacies in internal or external processes, people, or systems, and even from external events. At Sicredi, the operational risk management structure directly reports to the CEO and has a management process in place that foresees the identification, assessment, mitigation, and monitoring of the risks associated with all participants of the Sicredi System. The entire operational risk management cycle is supported by a systemic tool that integrates information and enables centralized monitoring in all entities of the System.

## Social and Environmental Risk

With its implementation planned for 2014, Sicredi's Regulation on Social and Environmental Risks to Credit establishes the rules to be enforced in the relationships with members. This document, in compliance with the best market practices, foresees the consistent analysis of the business risks and opportunities involved in the granting of credit, respecting the environment and society and contributing to both, mitigating risks inherent to the business. This document applies to all types of credit granted and enforced within all entities of the System.

GRI FS1



## Basel III

The set of best practices concerning the capital structure of financial institutions – an international regulatory response to the 2008 financial and banking crisis – became effective in Brazil in October, 2013. During its preparation phase, the Brazilian monetary authority issued a set of rules that deals with the implementation of the recommendations established in the new guideline. At Sicredi, the cooperatives, the regional offices, and Banco Cooperativo Sicredi itself individually comply with the normative requirements enforced by the Brazilian Central Bank, presenting their own Basel indexes, according to their equity structure and assets.

**Learn More** – The description of the entire structure and of the risk management process, as well as of the policies and practices common to the Sicredi System, can be found at [www.sicredi.com.br](http://www.sicredi.com.br), following the path: Conheça o Sicredi \ Conheça a estrutura do Sicredi \ Banco Cooperativo Sicredi.





## Cross Guarantee

Sicredi's cross guarantee system relies on the five pillars described below.

- Statutory structure – Defines the conditions required for the entry and permanence of a cooperative into the System. Among these conditions, it is ensured that the affiliation to the Sicredi regional office automatically implies the joint liability of the cooperative, pursuant to the law and to the extent of its equity.
- Operating policies and standardized procedures – Banco Cooperativo Sicredi is responsible for the risk management policies and procedures valid for the entire System. After they are presented to Banco Cooperativo, these strategic proposals are submitted for the approval of the cooperatives and are formalized by SicrediPar's Board of Directors. Once approved, the enforcement of these rules is mandatory in all credit unions. The internal digital systems are adjusted to enable the automatic maintenance of standardized procedures and limits.
- Corporate governance – The strategic decisions and rules for the System are centrally defined, as established in the statutory structure.
- Centralized resource management – Sicredi's investment policies, defined corporately, are mandatory for the resources of the cooperatives. Sicredi calculates the minimum levels of liquidity, which must be accepted by each cooperative. Control is done automatically.
- Guarantee funds – Resources are managed by Sicredi Fondos Garantidores, a non-profit legal entity with which the regional offices and cooperatives are associated. These reserves are essentially composed of the ordinary and extraordinary monthly contributions of the cooperatives.

# STRATEGY

GRI 1.2, FS1

A solid and efficient institution, focused on sustainable growth, developing increasingly stronger relationships with people and communities, which is the purpose of its existence. The strategic focuses that guide Sicredi's management were strengthened in their updating, carried out in 2013. In this process, four key topics and a set of catalysts for 2014-2015 were defined, which were identified as the main short- and medium-term challenges: to strengthen relationships with members; to optimize credit granting processes; to improve operational efficiency; and to ensure the proper levels of capital and liquidity. The catalysts for these topics will be people management, technology information, and sustainability.

Prepared in long-term cycles, the strategic planning was developed with the participation of the entire System. The 2011-2015 Planning, prepared in 2010, mapped the topics that are essential for the development and perpetuity of the institution.

To guide its execution, Sicredi defined the principle of aligning cooperatives and companies in a systemic organizational structure through the strengthening of governance and the incorporation of sustainability into the main processes and operations. According to Sicredi's vision, the incorporation of the sustainability principles into the competitive differential of the corporate model reaffirms the company's identity as a cooperative financial institution that is intrinsically different from a conventional bank.

## Definition of Priority Topics

The updating of the Strategic Planning involved the entire structure of the System. In the diagnosis phase, the project team visited all regional offices and some cooperatives to survey data about the application of the first phase of the planning and to confirm priorities. In the next phase, workshops were conducted in each regional office with the participation of the executives of the regional offices and of the cooperatives to assess the results of the diagnosis and to discuss the priorities proposed. The updating of the planning was also addressed in the Forum of Presidents and the Executive Summit. As a result, the initiatives mapped in the long-term planning were transformed into the strategic topics prioritized for the period of 2014–2015, including the issues that will form the main guideline for the institution in the coming years (see *chart*).

## Dissemination of the Strategy

The strategic planning is disseminated based on two fundamental structures, which gather the main leaders of the institution twice a year as part of the governance agenda. The National Forum of Presidents was attended by 150 leaders to discuss and assess the topics prioritized in the survey and diagnosis phase. The National Executive Summit, which is held after the Forum, fostered debate among 140 executives to analyze the guidelines for the last two years of the current planning cycles, and the pathways to put it into practice. Based on these meetings, the executives began presenting the planning to Sicredi's entire structure and incorporating it into the management processes.

**The sustainability agenda and the Material Topics were integrated into the 2014–2015 Strategic Planning**

## The topics

## The strategic objectives

### Relationship

To strengthen the relationship with current members through approaches and tools that allow for a better understanding and addressing of needs

### Credit cycle

To increase the efficiency of the process of granting and maintaining credit  
To enrich the management of risk in cooperatives, enabling more quality in the granting of credit

### Efficiency

To increase the operational efficiency and the quality of administrative services across the System

### Liquidity and capital

To apply actions and tools to ensure proper levels of liquidity and capital across the System

People, technology, and sustainability will act as catalysts, supporting the development of the four strategic topics.

# SUSTAINABILITY STRATEGY

GRI 1.2, 4.9

At the end of 2011, the implementation of the Sustainability Policy, followed by the creation of the Central Sustainability Committee, ratified Sicredi's adoption of sustainable development, evidencing the convergence with the corporate strategy (To learn more, see Sustainability Policy at [www.sicredi.com.br](http://www.sicredi.com.br)). In this first year, the institution identified existing sustainable initiatives and studied the feasibility of implementing products and services that adhere to these parameters, in addition to beginning the preparation of employees for these changes.

In the development of its sustainability vision, Sicredi adopted as a starting point the fact that cooperatives, given their legal form and nature and their principles, already have sustainability in their essence, since they work for the economic and social development of their communities. However, this attribute still must be internally and externally reinforced as a competitive differential for the financial market and society.

Upon completing this preparation phase, the first actions materialized in 2013. The project analysis tools, with specific social and environmental indicators, became operational and the subcommittees were implemented in the regional offices and in the Administrative Center. The effects stemming from the preparation of the first sustainability report were strengthened through the critical analysis prepared by a specialized consulting company, which indicated the strengths and weaknesses of the report and of the process experience of the institution.

### Integrated Agenda

GRI 3.5, 4.9

Simultaneously conducted with the 2014-2015 Strategic Planning process, the sustainability agenda was treated by Sicredi as a cross-divisional topic, demonstrating that it is not a static agenda, separate from the operation of the institution. The final result of this planning demonstrates a significant evolution in how sustainability is perceived by senior management, listing, in a systemic

manner, objective, continuous, and long-term actions instead of disconnected initiatives.

Together with the main leaders, represented in the Central Sustainability Committee, the topics defined and the work plan focused on achieving the objectives on three fronts, also established in the Sustainability Policy: Products and Services, Processes, and People. These topics receive special treatment in the subcommittees, which advise the Committee and convene regularly, through videoconferencing, to exchange information and align agendas. The Central Committee, in turn, acts in direct connection with the Board of Directors and with Sicredi's Executive Board.

## MATERIAL TOPICS

GRI 1.2, 3.5, 4.9, 4.17, FS14, FS16

The two years dedicated to the implementation contributed to the maturation of the institution's understanding of sustainability and resulted in the creation of a policy and tools for its management and dissemination. An extensive internal debate, which involved the subcommittees and the main leaders, identified the Material Topics, which are the issues that impact the general performance that will receive special treatment in the 2014 sustainability agenda. The result was formally validated by senior management in the Central Sustainability Committee and in the Board of Directors.

Although defined as medium-term initiatives and objectives, they are topics that relate to the longevity of the institution and relate to the long-term planning: local/regional development; financial solutions; participatory management; and social and environmental responsibility. In addition to these four aspects, Sicredi intends to focus on issues pertaining to women and young adults, who are strategic audiences for its activities and who pose challenges to the institution as a whole. Awareness and engagement will be continuously reinforced in all these aspects across the institution.

### Local/Regional Development –

Since its area of influence is restricted to a single community or region, cooperatives naturally tend to prioritize local and regional development. The understanding of the economic adequacy of the regions generates business opportunities and ensures the maintenance of jobs in the communities. Through the collaborative

effort of its members, cooperatives foster the creation of income by reinvesting the resources generated in the area where they operate.

**Participatory Management** – As a company based on people, the efficient management of a cooperative is associated with a structured process for member participation. Sicredi's principles determine close relationship with members through dialogue and transparency. To further promote participation, Sicredi invests in the strengthening of the representation forums and in the training and engagement of members in cooperative principles.

**Financial Solutions** – The activities related to the promotion of products and services acquire a systemic approach to solutions for members. The pursuit of efficiency is

demonstrated by the quality of the profile and the current situation of the member, focusing on inclusion and on financial literacy. **GRI FS16** To this end, all efforts will be geared toward obtaining the most from technology and to ensuring quality training to employees so that they can be financial consultants for members.

**Social and environmental responsibility** – The concept is based on valuing the association between cooperativism and the region where members and their families live with their culture and economic vocation. Associated with this concept, Sicredi will strengthen its role as a driver of best practices by credit granting, by raising the awareness of employees, by engaging the supply chain, and by educating children and adolescents.

### MAP OF MATERIAL TOPICS

| Topics            |   | Expected results  |
|-------------------|---|---|
| Jovens e mulheres | Local/regional development              | Financial inclusion                                       |
|                   | Participatory management                | Participation indicator<br>Dialogue/Transparency          |
|                   | Financial solutions                     | Financial literacy<br>Inclusion of young adults and women |
|                   | Social and environmental responsibility | Risks and opportunities<br>Programa A União Faz a Vida    |

Este mapa é resultante de uma consulta a subcomitês e principais lideranças, This map results from a survey with subcommittees and main leaders, which is part of Sicredi's materiality process. In 2014, new audiences will be consulted and new topics will be defined.





**Youths** – A perpetuity factor for the institution, the incentive of the engagement of youths in cooperativism will be strongly considered during the creation of financial solutions and in the engagement channels. To spark the interest of this segment, Sicredi invests in talent management actions (for employees) and in the Crescer Project (for members). The company has also developed a special offering of products and services – Sicredi Touch – a bank account devised especially for youths. Currently, of the total number of members, 3% are under 18 years old (72,000) and 10% are between 18 and 25 years old (259,000).

**Women** – One of the most complex themes today, the pursuit of gender equality in all levels of the operation, will be one of Sicredi's objectives for its performance in the coming years. The institution perceives diversity as a competitive factor that is essential for the perpetuity intended. Women comprise

39% of the total number of members (973,000). To expand the presence of women on its staff and in cooperatives, especially in senior management positions, the institution will focus on researching successful initiatives around the world that could lead to new ways of organizing the workplace and careers to enable a balance between professional, family, and personal life, for men and women alike.

### Sustainability as a Culture

One of the measures in place in 2013 as a pilot project aims to incorporate sustainability into the daily routines of employees, raising their awareness on this topic. In addition to economic criteria, the social and environmental variables have become determining factors in the feasibility studies of corporate projects. **GRI FS4**. Whether it is a simple proposal, such as the dissemination of security procedures, or a complex proposal, such as the implementation of a supplier approval program, all improvements will be submitted to an automatic assessment system for approval.

In 2013, approximately 300 proposals were registered in the program, 50 of which will be chosen, structured, and monitored by a project manager. Other measures foreseen to prepare teams for the new routine, and that are related to the incorporation of sustainability into the process, include the replication of the Sustainability Committee in each cooperative, the on-site training of senior managers, and the inclusion of digital courses in the corporate education program.

We invested BRL 340,100 in the promotion of sustainability, in licensing processes, and in solutions to improve the quality of the data collected and disclosed in reports. In 2013, the annual report prepared by the cooperatives also complied with the accountability standard issued by the Global Reporting Initiative (GRI) so that the cooperatives could become familiar with this topic.

# SOCIAL AND ENVIRONMENTAL RISKS AND OPPORTUNITIES

GRI 1.2, 4.16, FS1, FS7, FS13, FS16

For Sicredi, sustainability and efficiency are correlated. The institution aimed to incorporate the culture of continuous improvement into the strategic planning decisions to mitigate the social and environmental impacts of its operations and to expand the economic benefits generated for society at large. Sicredi understands that the sustainability experience is a long-term process, for which it intends to establish clear and measurable objectives.

## Management Efficiency GRI 1.2

Sicredi's development has been based on the continuous improvement of its operational efficiency, which is a factor that also defines its commitments to sustainability. Doing more with less, preventing waste, increasing positive impacts, minimizing negative ones, expanding its role as a driver of development in all areas where it operates, and clearly identifying opportunities and businesses are attitudes that ensure the performance intended for members and other stakeholders. Among the initiatives to increase efficiency, the institution includes aspects of inclusion and financial literacy and access to simplified credit in products and services (*To learn more about the environmental indicators, see the Complementary Information section*).

## Financial Literacy

The benefit of a diverse portfolio of products and services is complemented by the capacity to support members in the identification of the best choices for their objectives. The quality of the relationship established by the institution with members assumes the balance between the individual needs of each member and the offer of proper financial solutions and knowledge, which affects the control of loan default. Sicredi Responsible Credit and the concepts of financial literacy, which are disseminated across its credit lines, make direct contributions toward the low default rates recorded. In December 2013, while the market recorded a default rate of 7% for individual credit (including easy credit and individual non-payroll loans) and of 5.2% for private vehicle financing, at Sicredi these indicators were 2.08% and 1.59%, respectively. (Source: Over 90 indicator).

**Sicredi disseminates the culture of continuous improvement to mitigate social and environmental impacts and to expand the economic benefits to society**



Important efforts have made toward helping individuals and businesses to transform responsible access to capital into a pathway to good opportunities. The initiatives include the intensive training of financial consultants at the branches during on-site events and through digital tools and primers. Created by Fundação Sicredi and broadly propagated among the cooperatives, the primer offers practical guidance for a healthy and sustainable financial life. At the branches, there is a program of lectures on the topic, which is aimed at members and the community at large. In 2014, an additional effort will be dedicated to young audiences in connection with the Sicredi Touch account.

The simplification of the workflow for access to credit was coupled with the improvement of credit risk controls, facilitating close relationships with members in order to understand their current situation.

In its teaching material, Sicredi employs a methodology developed together with a partner consulting company, which is based on the financial literacy program offered by the Brazilian Federation of Banks (FEBRABAN), called Meu Bolso em Dia ([www.meubolsoemdia.com.br](http://www.meubolsoemdia.com.br)).

**GRI FS 16**





### Financial Inclusion

Fostering financial inclusion is one of the responsibilities of a cooperative credit institution. The financial services offered by Sicredi are predominant in small municipalities and among micro-entrepreneurs and small rural producers. Among the municipalities where Sicredi is present, 47% have fewer than 10,000 inhabitants. In 206 municipalities, it is the only financial institution available, according to the Central Bank of Brazil. **GRI FS13.** In all these settings, the institution contributes to the stimulation of local economies by offering solutions supported by quality service, which generates multiplying effects, such as the formalization of activities, the recovery of citizenship, the generation of job opportunities, and the increase in income.

Among the practices that foster inclusion, itinerant meetings held by the Consortium Administrator introduce members to affordable access alternatives to goods and services. In the insurance area, in addition to micro insurance

and simplified solutions for small companies and micro-enterprises, another important initiative is the partnerships established with entities such as the Federation of Agricultural Workers of Rio Grande do Sul (FETAG RS). For this audience, which is composed of small rural producers devoted to family farming, a customized product was developed with the purpose of ensuring the improvement of these properties for agricultural and livestock raising activities. This product was developed to facilitate lower costs and premium affordability based on the income of these producers. **GRI FS7**

Sicredi holds a prominent position as an on-lender of the credit lines offered by BNDES. The federal agency is a strong partner and a significant source of resources required to cater to members from various industries. Banco Cooperativo Sicredi, as a financial agent of BNDES, is the first private bank in the granting of PRONAF loans and the second in rural credit operations.

### Agility as a Best Practice

In all its business lines, Sicredi has established operational efficiency as its guideline, aligning agility and security with the institution's credit policy. Advanced technology and the intense training offered to all members of the System are coupled to help members see the products and services as financial solutions. In the area of credit, the ongoing transformation in the *Ciclo de Crédito* (Credit Cycle) was strengthened in 2013 through the implementation of *Esteira de Crédito* (Credit Workflow), an automated system that simplifies the decision process workflow. For members, this cuts through red tape, facilitates access to pre-approved credit, enables suggestions for more suitable products, and facilitates a reduction in the application and credit decision timeframe, which in the new system has dropped from five days to 22 hours, on average.

For cooperatives, the simple and streamlined process enabled by the new model resulted in cost reduction in approval processes and in the



**Among the municipalities where Sicredi is present, 47% have fewer than 10,000 inhabitants. In 206 municipalities, it is the only financial institution available**

formalities of responsible credit, while efficiently catering to the needs of members and keeping the risk level under control. This timesaving allows for close contact with members, for learning about their activities, and for minimizing risks through responsible intermediation. The low default rate recorded for products whose credit limits are generated according to this new statistical model confirms the benefits delivered by the system to all stakeholders. Crédito Fácil (Easy Credit), for example, recorded a default rate of 1.71% per month for December 2013, while for Crédito Pessoal (Individual Credit, with credit limits and proposals approved through manual analysis) this rate was 3.21% per month (Source: Over 90 indicator).

Process automation enabled a more precise assessment of costs and the charging of fees. The commercialization of relationship packages provides cost savings to members and is a current source of long-term revenue for the cooperative.

### **The Essence of the Relationship**

The pursuit of efficiency also presupposes careful relationship management. In the process structured for the Jeito Sicredi de Ser program, employees have a model designed according to the values and competitive differentials of the System. During training, they learn to translate this identity into concrete actions

while interacting with members and other audiences, whether internal or external. The model relies on the following concepts:

**Cooperation:** It is the capacity with which two or more people coordinate their ideas, actions, and decisions, acting in a reciprocal and complementary manner toward a common goal;

**Empathy:** It is the capacity to put oneself in someone else's shoes to understand their needs and expectations;

**Security:** It is the control over what is being executed, ensuring quality standards and effectiveness in the delivery;

**Kindness:** It is noble, distinguished, and good-natured action; interacting with consideration;

**Trust:** It is delivering on one's promise;

**Consistency:** It is the maintenance of service standards. People have established a relationship with Sicredi, and they maintain it because "they like what they saw." Thus they want to experience this same standard again. Always;

**Proactivity:** It is the capacity to anticipate how events will develop. It is the attitude it takes to prevent or take initiatives.

## Environmental Efficiency

GRI 4.16, EN4, EN26

The rational use of natural resources and the limitation of environmental impacts of the operation have been treated as the development of a new culture. The institution works to disseminate, among employees, members, and suppliers, constant care for key items in its operations, based on its vision of efficient management. The implementation of digital communication tools and operation channels to interact with members is one of the highlights in terms of the technology-related advances made in the reduced consumption of natural resources and in the simplification of operational processes.

In the pursuit of eco-efficiency, Sicredi has focused its operation on the identification of the main environmental impact sources, on the preparation of systemic policies, on the implementation of automated models for registering and tracking measurement indicators, and on the training and engagement of people in relation to these principles. Among the impact sources pertaining to the operation, Sicredi pays special attention in the short term to the management of technological resources, which are used intensively in the consumption of paper, water, and energy.

In 2013, a comprehensive employee engagement campaign was run to disseminate eco-efficiency concepts and to stimulate the adoption of practices to save paper, water, and energy and to prevent waste, whether in the workplace or in employees' personal lives. The results are being monitored by internal indicators.

## Eco-efficiency and Investments in IT

In 2013, among a number of initiatives, software for the management of eco-efficiency entered into operation. With this software, the institution plans to measure its impacts more precisely. Initially, the process concentrated on the entry of data, on the training of users, and on the dissemination of this tool among the cooperatives. The tool will enable, among other functionalities, each cooperative to organize its indicators and use them to contribute to Sicredi's next sustainability report.

In the IT area, investments in technology, through hardware upgrades and the acquisition of more powerful equipment, enabled a consistent reduction in energy consumption. *(To learn more, see the Complementary Information section).* The key items in the evolution of the datacenter infrastructure were

assessed to support growth and to provide improved energy efficiency. Aiming to achieve a 20% energy reduction in AC in the 2014 work plan, Sicredi proceeded with the studies associated with cold air containment technology.

Concerning the recycling of electronic equipment, the institution maintains agreements with manufacturers so that they receive their products in a reverse logistics system. It also sells or donates equipment in working condition. The electronics-recycling project is being negotiated and specialist companies are being prospected in the areas where Sicredi operates.

One of the projects that produced the greatest benefits in 2013 was the implementation of Esteira de Crédito (Credit Workflow), given its impact on paper consumption. Through the automated process executed by the tool, all information is sent electronically, enabling a significant reduction in the printing of documents.



## Paper Consumption

GRI EN26

Given that paper is the most widely used input in Sicredi's operation, a major portion of the investments in innovation in recent years has been geared toward controlling its use. The institution established the reduction of paper consumption as a strategic assumption in environmental responsibility across its operations and encourages its audiences to migrate to the digital environment of their products and services. To this end, the institution has been matching the best models available in the market for the adoption of the most advanced communication and security resources. The replacement is being implemented in credit, consortium, and insurance operations through the use of e-mails, digital files, automatic bill payments, digital certificates, and text messages. The institution also invests in the improvement of management controls of paper use, which now measures most items required in administrative and operational activities.

In the last harvest, there was a change in the formalization process of rural credit operations. With the implementation of CCB Mãe Limite, the printing and sending of documents for each request for credit release was discontinued. Formerly, whenever the cooperative requested the release of the on-lending operation, two copies of the five pages of the original document had to be printed: the first copy was sent through an internal mail pouch to GOP and the other remained in the file of the operation. This change has greatly reduced the number of documents printed for rural credit. In 2013, a total of 151,000 operations were hired. In total, the printing of 1.5 million pages was avoided.

## Water and Energy

The adoption of software to manage eco-efficiency will enable alignment of several actions that were executed separately at the headquarters and at the central offices and cooperatives. With this tool, the institution started surveying the water and energy consumption points and assessing the effectiveness of these measures. Among the actions in place, we highlight the use of water-efficient faucets and equipment in restrooms; the harvesting of rainwater for irrigation; the use of LED light bulbs in locations with 24-hour shifts; the control of consumption through measurement in the data center; the control of the intensity of lighting in parking lots; and the adoption of energy-efficient electronics, such as LCD/LED monitors.

## Emissions

Launched in 2013, the Greenhouse Gas Emissions Inventory focused on the emissions of Centro Administrativo Sicredi. The process recorded the emission of a total of 2,787 tons of CO<sub>2</sub> equivalent in 2012. The institution offset this result through the purchase of carbon credits from Foz do Chapecó Geração de Energia S.A., a company located in the state of Santa Catarina. Certified by the Verified Carbon

Standard (VCS), this initiative will enable the generation of renewable and clean energy connected to the network.

The preparation of this inventory will proceed in 2014 in order to reduce emissions, improve environmental impact measurement processes, and prepare the institution for a low-carbon future.

Sicredi is also concerned about the offsetting of emissions in events and sponsorships. For example, the carbon emission by the Sicredi Racing team during the Mercedes-Benz Grand Challenge was offset through the planting of 673 seedlings of native plants, distributed across Rio Grande do Sul, São Paulo, and Paraná, states where the races occurred. For the emission of each ton of CO<sub>2</sub>e (carbon dioxide equivalent) by the Sicredi Racing team, seven seedlings were planted, in accordance with the recommendations of the Brazilian Forestry Institute (IBF). In the five races, 94.55 tons of greenhouse gases were emitted, according to the Greenhouse Gas Emissions Inventory (GHG).

**Sicredi works to disseminate its consistent concern about critical items in its operations, based on its vision of efficient management**

# SUSTAINABLE PERFORMANCE

Although the institution has not yet defined, through a formal process, its stakeholders and their specific demands, the practice and the daily routines keep Sicredi constantly updated in relation to members, employees, directors of cooperatives, suppliers, communities, and sectors of the government and civil society, which are the strategic audiences established in its Sustainability

Policy. The various channels implemented for communication and dialogue with these audiences enable the monitoring of their needs and expectations, in addition to allowing a constant exchange of lessons learned and knowledge about the risks and opportunities in the business, in its relationship with society, and in the environment. **GRI 3.5, 4.14, 4.15**

**Members, employees, directors of cooperatives, suppliers, communities, the government, and civil society are the strategic audiences defined in the Sustainability Policy**



GRI 4.4, 4.14

| Communication outlets and channels and stakeholder relations |  |                  |
|--|--|------------------|
| Audiences  | Engagement media and channels  | Frequency        |
| Society  | Sustainability report  | Annual           |
|  | Consolidated financial statements  | Biannual         |
|  | Communication channels   | Flexible agenda  |
| Members  | Website  | Continuous       |
|  | Annual General Meetings  | Annual           |
|  | Group Meetings   | Flexible agenda  |
|  | Sicredi Internet (individuals and businesses)  | Continuous       |
|  | Sicredi Mobi   | Continuous       |
|  | Sicredi Phone  | Continuous       |
|  | Branches   | Continuous       |
|  | ATMs   | Continuous       |
|  | Accredited agents  | Continuous       |
|  | NPS satisfaction survey  | Monthly          |
|  | Crescer Program  | Flexible agenda  |
|  | Member welcoming event   | Flexible agenda  |
|  | Official profile and social networks   | Continuous       |
|  | Itinerant consortium meetings  | Flexible agenda  |
|  | External ombudsman department, which provides the services of SAC (customer service), ombudsman, RDR Banco Central, Conte Aqui (FEBRABAN), CVM, Social Networks, and <i>Reclame Aqui</i> . | Continuous       |
| Employees  | Collaborative Network (intranet)   | Continuous       |
|  | Sicredi Portal   | Continuous       |
|  | Internal ombudsman department, web channel   | Continuous       |
|  | Breakfast with the president   | Flexible agenda  |
|  | Code of Conduct  | Continuous       |
|  | Governance structure   | Continuous       |
|  | Committee structure  | Continuous       |
|  | Satisfaction survey  | Every two years  |
|  | <i>Catavento</i> – internal publication  | Every two months |
|  | <i>Catavento Negócios</i> – internal publication   | Every two weeks  |
|  | Campaigns and internal events  | Flexible agenda  |
|  | Bulletin Boards  | Every two weeks  |
|  | Encontro Nacional de Executivos  | Biannual         |
|  | Fórum Nacional de Presidentes  | Biannual         |
| Suppliers  | Supplier support   | Continuous       |
|  | Procurement and Logistics Area   | Continuous       |
| Community  | Website for <i>Programa A União faz a Vida</i>   | Continuous       |
|  | <i>Programa A União Faz a Vida</i>   | Continuous       |
|  | Facebook Fan Page for the <i>Programa A União faz a Vida</i>   | Continuous       |
| Government/Civil Society                                     | Events, committee, forums, and meetings  | Flexible agenda  |

## MEMBERS

The lives of over 2.5 million people are linked to Sicredi's operations and services. The institution expects to reach the milestone of 3.5 million members by 2015. These people chose cooperativism because of the possibility of generating collective growth in a model whose differential is participatory management, through which members vote and decide about the future of the credit union. At Sicredi, members own their businesses and their votes have equal weight in the decisions made by the cooperative, regardless of the volume of resources invested.

In 2013, the process of democratic and participatory management control resulted in 1,300 meetings with members, which included a total of 220,000 people, a number equivalent to 9.5% of Sicredi's membership base. Assembled in groups linked to the branches, they exercised the right and duty of planning, monitoring, and deciding the future of the cooperative during the meetings. **GRI 4.4**

The institution regularly seeks to listen to members through surveys that attest to their level of satisfaction with

the services provided, based on the Net Promoter Score (NPS) methodology. Members are rated on a scale of one to ten based on the answer to the question: "Would you recommend Sicredi to friends or family members?" The survey also evaluates the perception of products and service channels. In 2013, a total of 97,757 surveys were conducted and approximately 67% of the members answered that they would recommend products and services to friends and family members. This result indicates a general NPS of 60% for the institution, an improvement over 2012, which recorded a rate of 54%. The entire company is advised to use the NPS indicator **GRI PR5** (To learn more about this indicator, see the *Complementary Information* section).

In the Strategic Planning, raising the awareness of members in relation to their understanding of cooperativism became a priority. The two programs that have been developed since 2007 by Fundação Sicredi to engage this audience – *Crescer* and *Pertencer* – are prepared to be the pillars of this process (To learn more, see the *Sustainability Strategy* section).

**Crescer Program** – **GRI FS 16, GRI 4.16** The introductory course on cooperativism and cooperative companies is aimed

at members and individuals who are interested in joining a cooperative. Its methodology is based on social mobilization and on adult learning. Members themselves decide how fast they want to learn. Since its implementation in 2007, the program has prepared approximately 70,436 members to understand the characteristics of cooperative enterprises and to become more engaged in their role as members. The institution aims to offer the program to another 15,000 members in 2014.

### **Pertencer Program** – **GRI FS 16, GRI**

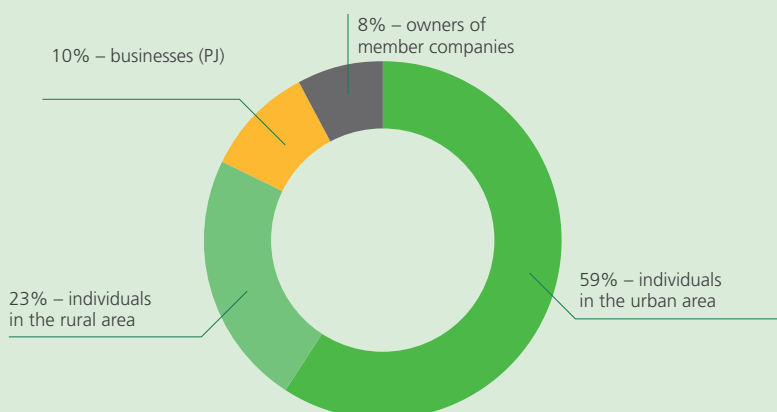
**4.16** – Prepared for members and group coordinators, the program seeks to strengthen their relationship with their cooperative, facilitating their participation in the management and development process of the institution. With this purpose, Pertencer creates a communication channel between members and cooperatives and offers increased access to information and discussions, which is facilitated by the structure of the groups. Participation occurs through meetings, group meetings, general meetings, and events created throughout the year by the cooperative, in addition to the daily relationship at the branch.

### **Product and Service Responsibility**

In its relationship with members, Sicredi maintains strict control of disclosure and communication materials to ensure their clarity and accuracy, leaving no margin for errors or mistakes. The *Jeito Sicredi de Ser* program and guide introduce the model with which the institution builds relationships with its audiences, in addition to the Code of Conduct and the other functional training programs for employees who interact with members. Cooperatives are advised about the correct distribution of giveaways and sponsorships. **GRI PR6**

### **Membership Breakdown**

Among its practices, the institution devotes special attention to the management of segments of its membership base; among which, we highlight the following:



Of the total number of Sicredi members, 10% are youths between 18 and 25 years old and 39% are women.

## SICREDI MEETINGS IN 2013 – CONSOLIDATED NATIONAL DATA

| Sicredi                                  |                                    |         |                                |                    |                    |                              |
|--|------------------------------------|---------|--------------------------------|--------------------|--------------------|------------------------------|
| Regional office                          | Number of members in December 2012 | Members | % share in the membership base | % Growth over 2012 | Other participants | Total number of participants |
| Sicredi Regional Office – South          | 1,353,240                          | 145,778 | 10.77%                         | -3.21              | 38,596             | 184,374                      |
| Sicredi Regional Office – PR/SP          | 558,435                            | 45,472  | 8.14%                          | -3.06              | 18,241             | 63,713                       |
| Sicredi Regional Office – MT/RO/PA       | 247,700                            | 22,559  | 9.11%                          | 23.57              | 8,872              | 31,431                       |
| Sicredi Regional Office – Central Brazil | 103,757                            | 6,222   | 6.00%                          | -9.55              | 595                | 6,817                        |
| Sicredi System                           | 2,263,132                          | 220,031 | 9.72%                          | -3.36              | 66,304             | 286,335                      |

All reports are prepared in strict compliance with the legislation and norms established by the regulatory agencies of the financial sector, such as Brazil's Central Bank and the Securities and Exchange Commission (CVM), and with guidance from the following: the Brazilian Federation of Banks (FEBRABAN), the Brazilian Association of Banks (ABBC), the Brazilian Financial and Capital Markets Association (ANBIMA), the Superintendence of Private Insurance (SUSEP), and the Brazilian Association of Credit Card and Service Companies (ABECS). The materials comply with the mandatory information required by these agencies.

In its advertising materials, the institution adheres to the rules set forth by the Brazilian Advertising Self-Regulation Code and by the Consumer Protection Code. Any modifications to these codes are immediately incorporated into the product distribution processes; the same applies to Sicredi's partner insurance companies. The institution also meets the requirements determined by PROCON concerning the standard font size used in agreements and legal texts.

The Code of Conduct and the Information Security Policy provided for the protection of confidential information acknowledge the obligation to keep such information secure and confidential. The number of grievances cannot be disclosed, given their confidentiality. We can affirm that in 2013, there were no incidents pertaining to the leakage, theft, or loss of the data of members. Unsubstantiated cases are also included in this statement. **GRI PR8**

## DIRECTORS OF COOPERATIVES

Elected by members, they are responsible for representing their interests before the other companies of the System. Effectiveness and transparency in management are some of the values reflected in the training of and relationship with these leaders. There is a long and internally structured path for training of directors until they can become president of a cooperative, starting in the position of group coordinator. In total, the process foresees nine years in the cooperative, whether through continuing education or engagement in daily activities, after which the leader becomes an expert in the cooperative environment. The *Crescer* and *Pertencer* programs are included in this path.

## SUPPLIERS

In hiring suppliers, Sicredi seeks to ensure behaviors that are in line with its values, which are defined in the procurement guidelines and in the Sustainability Policy. Agreements contain clauses that deal with human rights, such as the guarantee that they will not use bonded or compulsory labor, or degrading or child labor, and the fostering of equality and non-discrimination for reasons of gender, race, age, philosophical or political convictions, sexual orientation, age, or religion. Suppliers must also conform to labor and fiscal regulations. Sicredi has approximately 3,000 suppliers of various sizes and categories; however, the institution does not have an audit, approval, or development system in place for this supply chain. Sicredi is aware that its relationship with this strategic audience must advance in

2014. Given its cooperative model, the institution has a strong bond with local suppliers, which are prioritized by cooperatives because of the nature of the business. There are no systems in place to record the amounts involved for the generation of wealth locally.

The centralized agreements entered into with suppliers contain a clause on the eradication of child labor. Of a total of 392 agreements with suppliers, 17 already contain this clause. The clause that deals with the eradication of forced or bonded labor is included in the agreements executed with 10 suppliers out of a total of 392.

**GRI HR6, HR7**

## STRATEGIC PARTNERS

The network of strategic partners developed by Sicredi seeks to contribute to the growth of cooperative credit unions as a model of economic organization for society and with the technological support of the products and services provided. Among its main systemic partners, the following can be highlighted: Rabobank, IFC, BNDES, Rede Banco 24horas, Rede Visa, Cielo, Mapfre Seguros, Icatu Seguros, HDI Seguros, Sul América, Chubb Seguros, IBM, Accenture, and Oracle.

## Social Fund

As foreseen in cooperativism, Sicredi annually earmarks at least 5% of its net surplus recorded in the fiscal period to Fundo de Assistência Técnica Educacional e Social (FATES). The fund's resources are allocated to the provision of educational assistance to members, their families, and, whenever established in the bylaws, to employees of the cooperatives. This fund relates to the principle that cooperatives should promote the education of their members. In 2013, Sicredi allocated BRL 36.2 million to FATES. Of this total, BRL 35.2 million was used in educational and social projects, including the *A União Faz a Vida* Program.



## COMMUNITY

Fundação Sicredi is Sicredi's social investment arm. Among its responsibilities, Fundação Sicredi serves the purpose of fostering and promoting credit cooperativism and entrepreneurship from a sustainable development standpoint. The Programa A União Faz a Vida, which has been developed by the entity for 19 years, is the main social responsibility initiative of the institution.

Throughout the course of 2013, the foundation focused on the maturing and improvement of its initiatives, with the purpose of developing credit cooperativism, educating and engaging members, and fostering sustainability as one of the values of the System.

In addition to the responsibility for the initiatives concerning the incorporation of sustainability into the structure of the institution, the foundation operates in six additional work fronts, in line with the 2011-2015 Strategic Planning: the *Crescer* and *Pertencer* Programs (*To learn more, see the Members section*); the *Programa A União Faz a Vida*; funding; culture; and *Centro de Informação e Memória* (Information and Memory Center).

### **Programa A União Faz a Vida**

– Aims to develop and experience cooperation and citizenship attitudes and values through cooperative educational practices, contributing to the comprehensive education of children and adolescents nationwide. The implementation of the program begins upon the Municipal Board of Education or a learning institution expressing their interest, and its execution is centralized in the Sicredi cooperative in the municipality. The activities, developed in the classroom or in the community, are conducted by teachers trained in the methodology. The program is expanding the scope of its cooperative education and social commitment actions. In 2013, over 175,000 children and adolescents and 1,000 elementary, middle, and high school teachers in 165 municipalities across the country adopted the cooperation and citizenship practices proposed by the program. This initiative believes in a future with more just, more supportive, and more enterprising citizens, who respect diversity and dialogue when making decisions. One of the indicators that

proves the success of this initiative can be seen in its unprecedented expansion, which foresees the inclusion of 81 new municipalities in 2014. In total, the investments related to the program in 2013 totaled BRL 5.9 million, both from FATES (*To learn more, see the Social Fund table*) and from partners, corporate and individual supporters, and donations from companies of the System. **GRI FS16**

### **Centro de Informação e Memória**

– Created to preserve the memory of the cooperative, it is located at Centro Administrativo Sicredi, in the city of Porto Alegre (RS). The center gathers information and documents, organized by categories: Memory (files containing documents and images about Sicredi), Trajectory (narratives about the history of the institution), and Library (a collection of over 15,000 items, including books, periodicals, CDs, and DVDs). The activities include weekly cultural programming, open to the public, in the areas of literature, music, and visual arts. A portion of this material can be viewed at the website [memoria.sicredi.com.br](http://memoria.sicredi.com.br).





#### Cultural Initiatives – Fundação

Sicredi executes various cultural projects based on the Rouanet Law. The foundation promotes a play for children called *Zum, Zum, Zum a União Faz a Vida*, which reinforces the importance of solidarity and respect for the individuality of each person. In 2013, the play visited 60 cities in the state of Rio Grande do Sul, totaling 120 presentations to an audience of over 33,000 children. The foundation also produced a play called *Rir e Poupar é só Começar*, developed to stimulate savings, conscious consumption, and financial planning. In 2013, this play was presented in 13 cities in the state of Rio Grande Sul to an audience of over 4,800 adults. In two years, the play visited 50 cities in the states where Sicredi operates to an audience of over 23,000 adults. The cultural initiatives by the institution received, in 2013, investments that totaled BRL 1.38 million in 2013.

## GOVERNMENT AND CIVIL SOCIETY

Sicredi takes an active part in activities related to the financial and cooperative sectors, and it is in line with the initiatives to develop these industries in the country. Sicredi regularly attends the forums held by financial authorities, such as the Brazilian Central Bank, and industry organizations, such as FEBRABAN. Cooperatives play an important role in their relationship with society in the locations where they operate, fostering local and regional development. **GRI 4.13**

**175,000**  
students

benefit from the methodology of the *Programa A União Faz a Vida*

**BRL 5.9**  
million

was invested in the *Programa A União faz a Vida* in 2013

# EMPLOYEES

As a cooperative financial institution, Sicredi considers people to be its most important asset, and therefore has set the goal to become one of the best companies to work for. The institution seeks to align business excellence with team recognition and a sense of self-fulfillment, valuing education, training, and information principles in an environment based on cooperation and meritocracy. Since 2011, Sicredi has been fulfilling the steps laid down in the restructuring of the area, defining people management as one of the main catalysts of the business strategy, while offering more professional growth opportunities to employees. *(The data presented in this section is detailed in Complementary Information section, which can be found on page 62).*

## Team Profile

Sicredi ended 2013 with 16,899 employees, compared with 15,355 in 2012. Most employees work under the CLT (Consolidation of Labor Laws) standards. Overall, the institution has more female employees (57.66%). The governance bodies are composed of 385 directors, of whom 96% are male, and 2,485 managers, of whom 41.20% are female. The equal remuneration for men and women is based on the offer of equal growth opportunities and on the performance of each professional and not on gender. There is no specific rule governing this issue. In 2013, the institution decided to focus on stimulating female leaders and young managers as an employment self-sufficiency strategy.

GRI LA1, LA13

Sicredi meets and monitors the quotas for people with disabilities, which

account for 11.3% of the staff. In senior management groups, disabled employees total 1%. In terms of racial diversity, 1,707 employees identify themselves as black, Asian, pardo, Indigenous, mameluco, mulatto, or cafuzo, of which 52.5% are men and 56.1% are women. **GRI LA13**

A major portion of the professional structure is allocated to the 1,258 branches; these employees hold positions that involve direct interaction with members. Consistent with the fact that a large portion of Sicredi's structure is located in small cities, most employees are local residents. Approximately 73% of senior management (directors, superintendents, and managers) come from local communities. **GRI EC7** Most employees – 61.35% – are under 30 years old, and 1.35% of employees are over 50 years of age.

In 2013, investments in corporate education totaled BRL 27.4 million,

in addition to BRL 610,800 for the acquisition of a new online learning platform for employees. These amounts place Sicredi among some of the most prominent investors in education in Brazil, proportionally to the size of its staff, according to the Best Companies to Work For Ranking, issued by the *Você S/A* magazine.

**GRI LA11**

## Development and Performance

Sicredi seeks to ensure that its employee attraction and retention practices comply with its organizational strategies. Since 2012, the institution has focused on high performance and on the definition of roles and responsibilities. According to the new People Management model, human resources employees are developed to work as business partners and to support each leader in people management, instead of focusing solely on processes.

**One of the main catalysts of this business strategy lies in the professional development of the staff, which totals 16,899 employees**



While 2012 was dedicated to the definition of the strategy, the development of systemic policies, and the mapping of people management processes, 2013 focused on the dissemination and practice of these initiatives by Sicredi. Starting in 2014, attraction and retention, corporate education, performance management, and professional growth will be automated through a single technology platform, an automated tool that enables managers to control people management. All cooperatives were involved in the decisions concerning the investments made in the tool, which will amount to BRL 12 million, enabling Sicredi to be on a par with the best models in the world.

Hiring processes are regulated by two policies. The Policy for the Attraction and Retention of Internal Resources establishes that all job opportunities must first be offered internally. This decision aims to stimulate the development and growth of employees in a long-term perspective, complying

with the internal talent management strategy and enabling employment self-sufficiency.

The hiring of new employees from outside the company, established in the New Employee Attraction and Retention Policy, applies to entry-level positions or to those requiring technical expertise; however, its main objective is the strategy to prioritize the hiring of local residents in order to value and build the wealth of the communities where the cooperatives are located. **GRI EC7**

In 2013, all employees of the system underwent a performance assessment and received feedback and guidance from their managers in order to develop competencies and meet the goals established.



## Training and Qualification

With the availability of a functional training program at the branches, which employ over 10,000 people, the employees who interact with members will have an entire educational structure at their disposal to boost their learning. Based on distance and on-site learning resources, the program includes courses on products and services, systems, processes, and relationships prepared to unify the training of a geographically dispersed team. Its preparation involved approximately 500 employees from the cooperatives, regional centers, and Centro Administrativo Sicredi, who made contributions according to their field of expertise. The program offers 130 courses, which are open to all positions.

The corporate education strategy foresees three levels of training: the basic level is mandatory for all new employees and includes courses pertaining to sustainability; the functional level aims to develop the competencies related to the position held; and the continuing level seeks to expand knowledge and the general culture about the processes, methods, and techniques used in the market. The implementation of this technology platform will enable the automated monitoring of the implementation of the development plans prepared by team managers. **GRI LA11**

In total, 16,899 employees received 720,526 hours of training in 2013. Employees received an average of 43 hours of training: 42 hours for men and 43 for women. In 2012, a total of 183,183 hours of training were offered to 15,355 employees, resulting in an average of 12 hours per person. **GRI LA10** (To learn more, see the *Complementary Information* section).

Employees also have the right to take an unpaid leave, for a maximum period of two years, to reconcile their interests and their personal and family development plans.

In relation to initiatives to manage end of career, in addition to private pension plans, the institution offers retirees the opportunity to work within the institution itself in consulting and corporate education positions. **GRI LA11**

## Qualification in Business Sustainability

Sustainability is included in the basic level of the training portfolio as a mandatory course for all employees. In 2013, a total of 79% (13,350) of employees completed their training in Sicredi Aprende. The goal for 2014 is for 85% of new hires to take the course during the basic training level period. **GRI FS4**

Launched in the second half of the year, the Personal Finance Management course is optional and is available to all employees as part of the continued learning program. **GRI FS16**

## Renewal Cycle

The concern toward the perpetuity of the business has driven Sicredi to design an innovative talent management project to prepare successors and unify macro-processes in people management. This project seeks to coordinate the attraction and retention strategy, enabling the institution to hire employees only for entry-level positions, which should be filled by people who are engaged with the culture, willing to learn, and likely to advance in their careers to hold strategic positions. Contrary to the conventional concept of succession, which is restricted to senior management, Sicredi intends to train successors for all positions, becoming less dependent on the sourcing of talents in the market.

The core aspect of the talent management strategy resides in the strengthening of the performance management process and in strong managerial training, since managers will have to discuss career plans with their team members in a routine that involves feedback and incentives for self-development. In total, the implementation phase designed for the plan lasts 40 months, in a sequence that includes the mapping of competencies, the mobilization of managers, the review of assessment tools, and the restructuring of corporate education to reach a true management of talent, in which people are the drivers of their careers.



**Sustainability is included in the basic level of the training portfolio as a mandatory course for all employees**

### Remuneration and Benefits

The remuneration policy follows the same parameters applied throughout the country in order to maintain compatibility between functions, and it is regularly updated in terms of market practices. To recognize the collective and individual efforts of its employees, the institution uses a variable pay system, for which a mechanism that reflects the systemic operation was created. It is composed of three performance levels – group, company, and professional. The group level includes a social objective; however, no social and environmental indicators are included in the targets. Variable pay is the only situation in which cash rewards are allowed. **GRI 4.5**

Among the benefits, Sicredi offers a private pension plan to all employees as a complement to the social security system. It aims to pool resources for a given period to maintain the standard of living throughout retirement or in case of decreased production capacity. Employees can invest from 1% to 6% of their fixed monthly pay, depending on the cap determined by the company, in an Individual Programmed Retirement Fund (FAP). Sicredi matches the contribution in a Free Benefit Generator Plan (PGBL). The contributions made by the institution during the employment period are fully released upon retirement, provided the employee is 60 years of age or older, or after 10 years of employment. Whenever employment is terminated before 10 years of service, access to the resources contributed by the company are made available according to the time of employment (over

three years of employment for 30% of the funds, and so on). In 2013, the resources constituted by the institution were BRL 13.8 million, and they totaled BRL 42.5 million at the end of 2013. Currently, 47% of employees have joined the plan, totaling 7,921 contributors. **GRI EC3**

### The benefit package includes the following items:

- health and dental assistance, whose benefits are extendable to dependents;
- life insurance;
- funeral assistance;
- meal and food allowance;
- daycare allowance;
- grants for children with disabilities, with the reimbursement for special expenses;
- sick or accident-related pay, extended for 24 months after the leave;
- partnerships with businesses and schools in the area.

## Employee Satisfaction

Conducted every two years, the last edition of the Climate Survey was administered in 2012, with the voluntary participation of 95% of the staff. The favorability rate recorded was 75%. In 2013, the institution focused on improving a few topics reported by participants, such as career and professional growth, which were addressed by the Talent Management project.

In 2013, for the seventh time and for the third consecutive year, Sicredi was featured in the list of the 150 Best Companies to Work for in Brazil, a ranking conducted by the *Você S/A* magazine, in partnership with Fundação Instituto de Administração (FIA). This ranking highlighted, among other points, the volume of investment in the training and development of employees.

## Labor Relations

Sicredi also maintains clear guidelines for internal transfers and external hires. To fill job openings, the institution prioritizes individuals who have developed a career within the institution, as well as hiring locally (understood as state of origin). Currently, approximately 73% of senior management positions (directors, superintendents, and managers) comply with this guideline. **GRI EC7**

Employees are represented by 14 different union categories, with which the institution interacts. All employees are covered by collective bargaining agreements, which respect the right of each employee to be represented by his or her respective union category. **GRI LA4** In 2013, the disengagement rate, whether due to termination or retirement, was 20.44%, compared with 14.90% recorded in 2012. **GRI LA2**

Among the measures taken to eradicate child labor, we highlight the hiring of apprentices. Concerned about transforming lives and training professionals for the market, Sicredi offers a program for youths between 14 and 24 years of age. This program prioritizes youth, thus it included 367 young adults on its staff in 2013. **GRI HR6**

Time and attendance of employees is controlled by Sicredi through reports. In order to avoid long work hours, the institution maintains a strict process to control employee work hours. It uses a comp time system, which can be reviewed by visiting the company's Corporate Portal. Leaders receive monthly reports, which identify the employees who took daily breaks of less than one hour or put in more than two daily hours of overtime. **GRI HR7**

## Dialogue Channels

In internal communications, the institution is consistently concerned about describing information in an objective, timely, and appropriate manner in the various channels available (*To learn more, see the Engagement Channels table in the Governance section*) and in two-way communication. A critical role is played by managers, who are trained to be the main communication agents. They participate in strategic forums along with directors, superintendents, and managers, with the purpose of transferring the content to their teams during frequent meetings, in addition to clarifying concerns and making the required adjustments. **GRI 4.4, 4.14**

## Management of Conduct and Ethics

The Code of Conduct was implemented in 2012; since then, over 90% of the employees, in all levels and including the Board of Directors, have taken the specific training course and have been complying with its principles. In 2013, the educational actions aimed to consolidate its role as a constant reference guide for employees.

As part of the program for the basic training of new employees, the first contact they have with the document occurs during the selection process, when they formalize their compliance with its content. Anti-corruption and anti-money laundering practices are reinforced in this training. **GRI SO3**

In this document, employees find guidance on practical issues that require decisions concerning principles, values, and the operation of the institution and, in case of questions, a team is available to provide any clarification necessary. The issues covered in the publication range from values of the institution to practical aspects of the daily routines of employees, such as consanguineous relationships, interactions with suppliers, conflicts of interests, personal investments, and representing Sicredi at external events (*To learn more about the Code of Conduct, see the Governance section*).

After the implementation of the Code, in December 2012, an exclusive internal ombudsman channel was made available to employees. Whenever employees identify any type of conduct that does not comply with the Code, they can register and monitor it through [www.ssoi.com.br](http://www.ssoi.com.br). The Ombudsman Department conducts the process, ensuring the confidentiality of the information of the System.

**90%**

of employees in all levels took part in the training and expressed their adherence to the Code of Conduct

**BRL 27.4 million**

was invested in corporate education in 2013

## Creation of Competitive Differentials

In the annual meeting of the Sustainability Committee, Sicredi defined that the strengthening of the participation of women and youths in its three sustainability fronts – people, processes, and business – will be its priority objective for the coming years. According to the institution's understanding, it is necessary to create spaces to establish closer ties between cooperativism and youths and to appreciate the advancement of women within the governance structure of the System. With the growing need for talented and efficient people, an intelligent strategy to retain the performance potential of these two important groups will be a valuable differential in the corporate world.

For youths, there are various initiatives in place. Sicredi developed Sicredi Touch, a banking account model especially aimed at this audience, with a product line, a specific communication dynamic, and the use of technology to achieve customer loyalty. It is also structuring actions in the member qualification programs to raise their awareness of cooperativism as a model to couple business activities with sustainability. In people management, a large portion of the strategy that supports the Talent Management program is aimed at youths. The area also coordinates the Internship and Young Apprentice program so that Sicredi can become the company of choice of applicants in their career plans.

Regarding women, their inclusion in the sustainability strategy demonstrates Sicredi's commitment to a complex issue, which is being debated globally – the low presence of women in senior management of companies and institutions. Although the challenge is concentrated on the female audience, Sicredi believes that its solution lies in gender equality in managerial positions and not in the formalization of a policy to establish quotas for these positions. Companies are compelled to seek solutions for everyone, whether man or woman, to be able to balance family, professional, and social life; otherwise, they will run the risk of missing out on female leadership skills and of wasting the opportunity to reap the rewards offered by diversity in decision-making positions.

The institution will define an agenda for the study of this topic in 2014 in order to understand ways to create conditions to enable women to rise through the hierarchy, considering that this is one of the objectives of the sustainability strategy. There are challenges ahead, and Sicredi intends to study the models currently in place.

# ECONOMIC PERFORMANCE

In the assessment of its performance, the System believes that the size of its assets is critical to meeting the demands of its members, thus remaining sustainable from an economic standpoint. The institution understands that results increase and strengthen the equity of cooperatives. As a cooperative financial institution,

this is done through processes that are more efficient and not through price increases.

The manner in which Sicredi's value generation was distributed among its various audiences is detailed in the Value Added Distribution table. The total distributed in 2013 was BRL 846,293.

## GRI EC1

| Value Added Distribution (in BRL thousands)  |              |                    |
|--|--------------|--------------------|
|  | 2013*        | 2012<br>Restated** |
| Revenue  | 5,210,692.61 | 4,421,075.06       |
| Operating costs  | 2,631,337.12 | 2,282,331.46       |
| Remuneration and benefits to employees   | 1,087,741.39 | 913,548.70         |
| Capital providers  | 127,721.96   | 101,976.33         |
| Payments to the government   | 307,409.53   | 250,803.26         |
| Investments in the community   | 2,738.40     | 2,000.81           |
| Direct economic value generated (economic value generated less the economic value distributed) | 846,293.54   | 674,172.61         |

\* The audit of the 2013 financial statements had not been concluded during the preparation of this sustainability report.

\*\* The year of 2012 is restated based on the rules for consolidation established by Resolution 4,151/12 and by Communication 3,669/13, issued by BACEN.

| Net surplus (in BRL thousands) |                  |         |
|--------------------------------|------------------|---------|
| 2013*                          | 2012<br>Restated | 2011    |
| 846,293                        | 674,173          | 518,171 |

\*The audit of the financial statements of 2013 was not concluded during the preparation of this sustainability report.



| Sicredi – Consolidated Balance Sheet |  | 2013*      | 2012**     | 2011       |
|--------------------------------------|--|------------|------------|------------|
| <b>TOTAL ASSETS</b>                  |  | 38,419,309 | 30,838,787 | 26,020,954 |
| <b>ASSETS</b>                        | <b>Available</b>                                   | 376,900    | 278,617    | 248,460    |
|                                      | <b>Liquidity</b>                                   | 8,865,350  | 6,789,218  | 6,072,045  |
|                                      | <b>Securities</b>                                  | 4,934,164  | 4,592,754  | 3,869,416  |
|                                      | <b>Interfinancial and Interdependent Relations</b> | 745,388    | 610,540    | 394,529    |
|                                      | <b>General Credit</b>                              | 12,124,036 | 9,750,432  | 8,386,709  |
|                                      | <b>Rural Credit</b>                                | 9,858,275  | 7,780,074  | 6,067,281  |
|                                      | <b>Other Credits</b>                               | 746,920    | 431,609    | 469,792    |
|                                      | <b>Other Assets</b>                                | 67,094     | 62,005     | 55,317     |
|                                      | <b>Permanent</b>                                   | 701,182    | 543,538    | 457,404    |
| <b>LIABILITIES</b>                   | <b>Deposits</b>                                    | 24,387,268 | 19,955,393 | 16,281,093 |
|                                      | <b>Commitment Transactions</b>                     | 2,342,980  | 1,766,488  | 1,506,516  |
|                                      | <b>Loans/On-lending</b>                            | 4,428,650  | 3,500,386  | 3,614,535  |
|                                      | <b>Other Liabilities</b>                           | 1,914,773  | 1,154,164  | 998,837    |
|                                      | <b>Net equity</b>                                  | 5,345,638  | 4,462,356  | 3,619,972  |
| <b>RESULT</b>                        | <b>Income from Financial Intermediation</b>        | 4,950,966  | 4,220,050  | 4,351,468  |
|                                      | <b>Other Operating Income</b>                      | 811,977    | 672,411    | 609,879    |
|                                      | <b>Expenses of Financial Transactions</b>          | 2,116,708  | 1,821,172  | 2,567,791  |
|                                      | <b>Other Operating Expenses</b>                    | 2,799,942  | 2,397,116  | 1,875,384  |
| <b>SURPLUS ***</b>                   |  | 846,293    | 674,173    | 518,171    |

\*Resolution 4,151/12 authorized the publication of the consolidated balance sheet from the baseline date of June 2013. Starting on this date, the consolidated numbers were audited by independent auditors.

\*\*The year of 2012 is restated using the consolidation rules established by Resolution 4,151/12 and by Communication 3,669/13, of BACEN. The audit of the 2013 financial statements had not been concluded during the preparation of this sustainability report.

\*\*\* Surplus is not fully paid out. Each cooperative generates its surplus, and the destination of the surplus is done pursuant to the bylaws and to the decisions made during the general meeting.

### Validation of the consolidated balance sheet

In 2013, Sicredi was authorized by the Brazilian Central Bank (BACEN) and by the National Monetary Council to publish consolidated financial statements, a reporting method that shows the actual size of the System. Assured by external auditors, the consolidated balance sheet contributes to an improved risk perception; therefore, it expands access to corporate resources. First published in June, these financial statements represent a relevant step in the trajectory of the institution, since they enable Sicredi to begin negotiations to obtain credit risk ratings, which are required by the financial market for the expansion of businesses and

for the development of relationships with multilateral international organizations to have access to international credit operations.

The publication results from structural changes that have been implemented since 2008, which are the grounds for the request presented to the Brazilian Central Bank for the issuance of the document. It consists of the consolidation of the financial statements of individual cooperatives and regional offices with those of Banco Cooperativo Sicredi, which is the leading institution of the System, conducted pursuant to the consolidation criteria established by

Resolution 4,151/12 of the National Monetary Council. This achievement is part of Sicredi's original request to obtain authorization to issue a consolidated balance sheet, which eliminates double equity requirements in intersystem operations, which non-cooperative conglomerates are not required to present. With the publication of the financial statements, the institution is aligned with the strategic planning, especially in terms of liquidity and capital, and favored by the fact that it presents itself as a single economic entity before its members and the market.

### IFC opens new fronts for financing

Sicredi has established a strategic partnership with the International Finance Corporation (IFC), which is the arm of the World Bank that handles the financing of projects. It was the first agreement executed by this international institution with a cooperative bank in Brazil. The structuring of this partnership enabled equity operations, subordinated debt, and access to the Global Trade Finance Program. In 2013, the Brazilian institution raised BRL 100 million in subordinated debt with the IFC and received BRL 24 million.

Through the Global Trade Finance Program, Banco Cooperativo paves the way for diversified financing sources from over 230 international and regional banks to facilitate the exchange transactions of small and medium enterprises affiliated with the cooperatives. The alliance with the IFC has expanded the capacity to leverage new credit operations that total BRL 900 million and has reinforced Sicredi's presence in the international capital market.



The strategic alliance with the IFC has reinforced Sicredi's presence in the international capital market

## BANCO COOPERATIVO SICREDI

| Balance sheet (in BRL thousands) |  | 2013       | 2012       | 2011       |
|----------------------------------|--|------------|------------|------------|
| <b>TOTAL ASSETS</b>              |  | 23,812,777 | 19,350,956 | 16,822,247 |
| <b>ASSETS</b>                    | Liquidity  | 8,706,048  | 6,553,053  | 6,056,321  |
|                                  | Securities                                       | 3,080,814  | 3,210,163  | 3,004,652  |
|                                  | Interfinancial and Interdependent Relations      | 685,518    | 547,567    | 380,250    |
|                                  | Short-term Credit Operations                     | 6,933,174  | 5,760,982  | 4,687,598  |
|                                  | Long-term Credit Operations                      | 3,979,092  | 2,973,046  | 2,401,045  |
|                                  | Other Assets                                     | 321,234    | 214,653    | 210,134    |
|                                  | Permanent  | 106,897    | 91,492     | 82,247     |
| <b>LIABILITIES</b>               | Deposits <sup>1</sup>                            | 10,812,107 | 9,338,069  | 7,244,451  |
|                                  | Open Market Funding                              | 7,278,764  | 5,501,484  | 5,908,021  |
|                                  | Short-term Loans/On-lending <sup>2</sup>         | 1,154,477  | 1,083,534  | 525,396    |
|                                  | Long-term Loans/On-lending <sup>3</sup>          | 3,271,091  | 2,649,093  | 2,431,928  |
|                                  | Other Liabilities                                | 256,528    | 176,785    | 159,782    |
|                                  | Hybrid Capital and Subordinated Debt Instruments | 240,563    | 124,419    | 114,780    |
|                                  | Net equity                                       | 799,247    | 477,572    | 437,889    |
| <b>RESULT</b>                    | Income from Financial Intermediation             | 1,624,163  | 1,741,010  | 1,522,698  |
|                                  | Other Operating Income                           | 52,049     | 45,508     | 86,461     |
|                                  | Expenses with Financial Intermediation           | 1,325,485  | 1,487,627  | 1,336,003  |
|                                  | Other Operating Expenses                         | 276,942    | 248,019    | 188,372    |
|                                  | Income Tax and Social Security Contribution      | -27,240    | -15,962    | -30,707    |
| <b>NET PROFIT</b>                |  | 46,545     | 34,910     | 54,077     |

<sup>1</sup> Demand, Savings, and Interbank Deposits and Terms Deposits.

<sup>2</sup> Domestic and international loans, BNDES, and FINAME.

<sup>3</sup> BNDES and FINAME.

| Shareholding structure - Banco Cooperativo Sicredi |               |                     |
|--|---------------|---------------------|
| Shareholders                                       | Common Stock* | Total Capital       |
| SicrediPar   | 77.98%        | BRL 577,658 million |
| Rabo Development B.V.                              | 18.90%        | BRL 142,559 million |
| International Finance Corporation (IFC)            | 3.12%         | BRL 24,158 million  |

\* Percentages are adjusted annually, in the general meeting or when the company issues stock offerings.

# COMPLEMENTARY REPORTS

## ENVIRONMENTAL PERFORMANCE

### Paper Consumption and Control

Paper is the most highly consumed product by Sicredi, and its control and management is one of its goals. The data presented in the report refers to 26.70% of the structural units of the System, registered for the period, which recorded the information after receiving training on the sustainability management tool. The institution foresees that this information will be disclosed in full in 2014, which will enable a more comprehensive view of the consumption of this item, of the management of impacts, and of the implementation of improvement targets (*To learn more, see the About the Report section*).

### Indirect Energy

#### EN4: INDIRECT ENERGY CONSUMPTION BY PRIMARY ENERGY SOURCE.

A major portion of the energy consumed by Sicredi is provided by the distribution network (concessionaires) of the cities where the branches are located. In Brazil, it is not possible to determine indirect energy consumption by primary energy source. Concessionaires (hydroelectric and thermoelectric power plants, etc.) are not legally obligated to report their energy production sources.

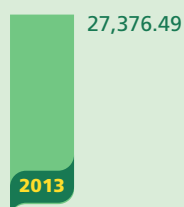
Totals are estimated, since some branches did not report measurements for all months. In this case, average values were calculated for each branch and entered for the months with missing data.

### Energy Savings

Seeking to reduce energy consumption and heat emissions within its data center, as well as to meet the increased demand for computing power driven by the growth of the business, Sicredi acquired an IBM Power 7 795 server to consolidate the load of two Power 5 595 servers and one Power 6 595 server. This consolidation caused an approximate reduction of 24% in the energy consumed in this specific environment (3 x 14 kW compared with 1 x 32 kW), in addition to enhancing computing power by approximately 28%. This measure generated an approximate reduction of 7.5% in energy consumption in the data center as a whole, excluding the savings pertaining to HVAC costs.

Aiming to improve its sustainability practices, the institution launched an action plan to adapt its structure, including conservation and efficiency measures to receive the LEED Certification, which is granted by the US Green Building Council (USGBC) and establishes sustainability standards in buildings and urban planning. It is a sustainability certification and/or ratification system, which also attests to the reduction of the environmental impact of buildings that adopt the best social and environmental practices.

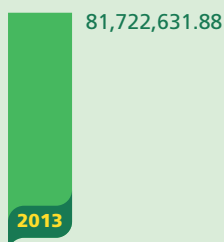
#### Paper Consumption (tons) – 2013



● Printed documents ● Ream

\* The materials used by Sicredi are considered to be indirect, since they are not part of the final product, which is the provision of services, and are produced from renewable sources.

#### Energy Consumption Sicredi (amounts in GJ) – 2013



● Energy

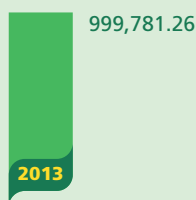
\* The data presented in the report refers to 26.70% of the structural units of the System, registered for the period, which recorded the information after receiving training on the sustainability management tool. The institution foresees that this information will be disclosed in full in 2014 (*To learn more, see the About the Report section*). **GRI 3.9**



## Water Consumption

The water consumed by the institution is provided by the local water supply companies that serve the cities where the branches are located. The wastewater generated is discharged into the rainwater mains for treatment by local ETEs (wastewater treatment plants).

### Water Consumption Sicredi (amounts in m<sup>3</sup>) – 2013



● Municipal water

\* The data presented in the report refers to 26.70% of the structural units of the System, registered for the period, which recorded the information after receiving training on the sustainability management tool. The institution foresees that this information will be disclosed in full in 2014 (*To learn more, see the About the Report section*).

## Environmental Impact Management

### EN26: INITIATIVES TO MITIGATE ENVIRONMENTAL IMPACTS OF PRODUCTS AND SERVICES AND EXTENT OF IMPACT MITIGATION.

Sicredi has been seeking to incorporate sustainability principles into its products and services. One of the actions implemented aims to make a set of social and environmental credit lines available, using resources from the Brazilian Development Bank (BNDES).

For the reporting period, we highlight the various advances pertaining to credit rating, with the consolidation of a technological tool for electronic credit granting and management. Therefore, the process is expedited and the flow of physical documents between the entities of the System is reduced, which demonstrates its concern for the environment. The card management tool now offers, both to cooperatives (SGC) and to members (IB), the possibility of viewing current invoices and reports of future charges, thus eliminating the need for printed documents.

In 2014, all monthly invoices of members who use automatic bill payment will be made available electronically, ensuring the same quality and volume of information contained in printed bills. This initiative is expected to save approximately 96,000 printed bills/month. This solution uses state-of-the-art technology, not only in terms of the quick and reliable retrieval of documents, but also in terms of security, protecting the System against attacks.

# GRI INDICATORS

## SOCIAL PERFORMANCE – LABOR PRACTICES

### Employee Profile

**LA1: TOTAL WORKFORCE BY EMPLOYMENT TYPE, EMPLOYMENT CONTRACT, AND REGION, BROKEN DOWN BY GENDER.**

In 2013, Sicredi had 15,387 employees working under the CLT (FTE) regime, 6,435 male and 8,952 female.

Concerning the number of statutory employees, 318 were male and 17 were female. Of the total number of interns, 268 were male and 542 were female, and young apprentices totaled 134 male and 233 female. The total number of direct employees increased over 2012, from 15,355 to 16,899.

| Number of employees by employee category* | 2012   |        | 2013   |        |
|---|--------|--------|--------|--------|
|   | Male   | Female | Male   | Female |
| Directors                                 | 353    | 16     | 367    | 18     |
| Managers                                  | 1,293  | 696    | 1,450  | 1,015  |
| Supervisors                               | 228    | 306    | 243    | 372    |
| Technicians (college level)/Specialists   | 531    | 422    | 754    | 725    |
| Salespersons                              | 1,740  | 2,171  | 1,502  | 1,860  |
| Administrative Employees                  | 2,038  | 4,358  | 2,379  | 4,913  |
| Technicians (high school level)           | 60     | 55     | 58     | 66     |
| Apprentices                               | 124    | 198    | 134    | 233    |
| Interns                                   | 248    | 518    | 268    | 542    |
| Total by gender                           | 6,621  | 8,745  | 7,155  | 9,744  |
| <b>TOTAL</b>                              | 15,355 |        | 16,899 |        |

\* In December 2013, there were 177 outsourced employees working at CAS.

| Number of employees by region       | 2012   |        | 2013   |        |
|-------------------------------------|--------|--------|--------|--------|
|                                     | Male   | Female | Male   | Female |
| RS/SC                               | 2,954  | 4,339  | 3,075  | 4,558  |
| PR/SP                               | 1,827  | 2,338  | 2,053  | 2,717  |
| MT/PA/RO                            | 744    | 1,081  | 815    | 1,308  |
| MS/GO/TO                            | 377    | 457    | 437    | 529    |
| Centro Administrativo Sicredi (RS)* | 713    | 525    | 775    | 632    |
| Total by gender                     | 6,615  | 8,740  | 7,155  | 9,744  |
| <b>TOTAL</b>                        | 15,355 |        | 16,899 |        |

\* Centro Administrativo Sicredi is located in the city of Porto Alegre, state of Rio Grande do Sul.

## Employee Turnover

LA2: TOTAL NUMBER AND RATE OF  
EMPLOYEE TURNOVER BY AGE GROUP,  
GENDER, AND REGION.

In 2013, Sicredi hired 4,878 employees, 11.72% male and 17.15% female. Most employees hired are under 30 years of age: 23.40% of the total. Terminated employees totaled 3,454, of whom 8.78% were male, 11.66% were female, and 15.23% were under 30 years of age.

| Total number of employees leaving the organization due to termination, retirement, or death while in service | 2012  |        | 2013  |        |
|--|-------|--------|-------|--------|
|  | Male  | Female | Male  | Female |
| Total by gender  | 1,031 | 1,269  | 1,483 | 1,971  |
| TOTAL  | 2,300 |        | 3,454 |        |

| Termination rate by gender (terminations/total number of employees at the end of the reporting period) | 2012  |        | 2013   |        |
|--|-------|--------|--------|--------|
|  | Male  | Female | Male   | Female |
| Total by gender  | 6.7%  | 8.25%  | 8.78%  | 11.66% |
| TOTAL  | 14.9% |        | 20.44% |        |

| Total number of hires | 2012  |        | 2013  |        |
|-----------------------|-------|--------|-------|--------|
|                       | Male  | Female | Male  | Female |
| Total by gender       | 1,643 | 2,527  | 1,980 | 2,898  |
| TOTAL                 | 4,170 |        | 4,878 |        |

| Rate of new hires by gender (new hires/total number of employees at the end of the reporting period) | 2012   |        | 2013   |        |
|--|--------|--------|--------|--------|
|  | Male   | Female | Male   | Female |
| Total by gender  | 10.69% | 16.44% | 11.72% | 17.15% |
| TOTAL  | 27.13% |        | 28.87% |        |

| Number of new hires<br>by age group | 2012          | 2013         |
|-------------------------------------|---------------|--------------|
|                                     | Male / Female |              |
| Under 30                            | 3,511         | 3,954        |
| 30–50                               | 635           | 899          |
| Over 50                             | 24            | 25           |
| <b>TOTAL</b>                        | <b>4,170</b>  | <b>4,878</b> |

| Rate of new hires by age<br>group (new hires/total<br>number of employees at the<br>end of the reporting period) | 2012          | 2013          |
|--|---------------|---------------|
|  | Male / Female |               |
| Under 30   | 22.84%        | 23.40%        |
| 30–50  | 4.13%         | 5.32%         |
| Over 50  | 0.15%         | 0.15%         |
| <b>TOTAL</b>   | <b>27.12%</b> | <b>28.87%</b> |

| Number of terminations<br>by age group | 2012          | 2013         |
|--|---------------|--------------|
|  | Male / Female |              |
| Under 30                               | 1,590         | 2,574        |
| 30–50                                  | 669           | 838          |
| Over 50                                | 41            | 42           |
| <b>TOTAL</b>                           | <b>2,300</b>  | <b>3,454</b> |

| Termination rate by age<br>group (terminations/total<br>number of employees at the<br>end of the reporting period) | 2012          | 2013          |
|--|---------------|---------------|
|  | Male / Female |               |
| Under 30   | 10.34%        | 15.23%        |
| 30–50  | 4.35%         | 4.96%         |
| Over 50  | 0.26%         | 0.25%         |
| <b>TOTAL</b>   | <b>14.95%</b> | <b>20.44%</b> |

| Number of terminations<br>by region | 2012          | 2013         |
|-------------------------------------|---------------|--------------|
|                                     | Male / Female |              |
| RS/SC                               | 1,582         | 1,716        |
| PR/SP                               | 1,390         | 1,550        |
| MT/PA/RO                            | 520           | 816          |
| MS/GO/TO                            | 285           | 380          |
| Centro Administrativo*              | 393           | 416          |
| <b>TOTAL</b>                        | <b>4,170</b>  | <b>4,878</b> |

| Rate of new hires by region<br>(new hires/ total number of<br>employees at the end of the<br>reporting period) | 2012          | 2013         |
|--|---------------|--------------|
|  | Male / Female |              |
| RS/SC  | 10.29%        | 10.2%        |
| PR/SP  | 9.04%         | 9.2%         |
| MT/PA/RO   | 3.38%         | 4.8%         |
| MS/GO/TO   | 1.85%         | 2.2%         |
| Centro Administrativo*   | 2.55%         | 2.5%         |
| <b>TOTAL</b>   | <b>27.11%</b> | <b>28.9%</b> |

| Number of terminations by<br>region | 2012          | 2013         |
|-------------------------------------|---------------|--------------|
|                                     | Male / Female |              |
| RS/SC                               | 941           | 1,393        |
| PR/SP                               | 640           | 1,054        |
| MT/PA/RO                            | 366           | 500          |
| MS/GO/TO                            | 189           | 244          |
| Centro Administrativo*              | 164           | 263          |
| <b>TOTAL</b>                        | <b>2,300</b>  | <b>3,454</b> |

| Termination rate by region<br>(terminations/total number<br>of employees at the end of<br>the reporting period) | 2012          | 2013         |
|---|---------------|--------------|
|   | Male / Female |              |
| RS/SC   | 6.12%         | 8.2%         |
| PR/SP   | 4.16%         | 6.2%         |
| MT/PA/RO  | 2.38%         | 3.0%         |
| MS/GO/TO  | 1.22%         | 1.4%         |
| Centro Administrativo*  | 1.06%         | 1.6%         |
| <b>TOTAL</b>  | <b>14.94%</b> | <b>20.4%</b> |

\* Centro Administrativo Sicredi is located in the city of Porto Alegre, state of Rio Grande do Sul.



**LA10: AVERAGE NUMBER OF TRAINING HOURS PER YEAR PER EMPLOYEE, BY GENDER, BROKEN DOWN BY EMPLOYEE CATEGORY.**

| Average number of training hours by gender/per employee |               |                |           |
|---|---------------|----------------|-----------|
| Gender  | Total         | Course load    | Average   |
| Female  | 9,744         | 417,555        | 43        |
| Male  | 7,155         | 302,971        | 42        |
| <b>TOTAL</b>  | <b>16,899</b> | <b>720,526</b> | <b>43</b> |

| Average number of training hours by employee category/per employee |  |  | 2012       | 2013        |
|--|--|--|------------|-------------|
| Directors  |  |  | 13h        | 22h         |
| Managers   |  |  | 11h        | 45h         |
| Administrative Employees   |  |  | 13h        | 43h         |
| Supervisors  |  |  | 10h        | 39h         |
| Salespersons   |  |  | 12h        | 54h         |
| Technicians (high school level)                                    |  |  | 7h         | 40h         |
| Technicians (college level)/Specialists                            |  |  | 7h         | 29h         |
| Interns  |  |  | 12h        | 38h         |
| Young Apprentices  |  |  | 7h         | 18h         |
| <b>Total average</b>   |  |  | <b>12h</b> | <b>328h</b> |

## Diversity

**LA13: BREAKDOWN OF GOVERNANCE BODIES AND BREAKDOWN OF EMPLOYEES PER CATEGORY BY GENDER, AGE GROUP, MINORITY GROUP MEMBERSHIP, AND OTHER DIVERSITY INDICATORS.**

Sicredi ended 2013 with 16,899 of its own employees. Of this total, 42.34% are male and 57.66% are female; 61.35% are under 30 years of age, 36.32% are between 30 and 50 years of age, and 2.33% are over 50 years of age.

Overall, 79.5% of employees hold subordinate positions and 20.5% hold managerial positions. Of the employees in managerial positions, 12.2% are male and 8.31% are female.

| Percentage of employees by age group |  |  | 2012 | 2013   |
|--------------------------------------|--|--|------|--------|
| Under 30                             |  |  | 63%  | 61.35% |
| 30–50                                |  |  | 35%  | 36.32% |
| Over 50                              |  |  | 2%   | 2.33%  |

| Percentage of employees by gender |  |  | 2012 | 2013   |
|-----------------------------------|--|--|------|--------|
| Male                              |  |  | 43%  | 42.34% |
| Female                            |  |  | 57%  | 57.66% |

| Percentage of people in the company's managerial categories, by gender | 2012   |        | 2013   |        |
|--|--------|--------|--------|--------|
|  | Male   | Female | Male   | Female |
| Directores   | 95.66% | 4.34%  | 95.30% | 4.60%  |
| Managers   | 65%    | 35%    | 58.80% | 41.20% |
| Supervisors  | 43%    | 57%    | 39.50% | 60.50% |
| Specialists  | 56%    | 44%    | 51%    | 49%    |
| Salespeople  | 44.48% | 55.51% | 44.7%  | 55.3%  |
| Administrative Employees   | 32%    | 68%    | 32.6%  | 67.4%  |
| Technicians (high school level)  | 52%    | 48%    | 46.8%  | 53.2%  |
| Young Apprentices  | 39%    | 61%    | 36.5%  | 63.50% |
| Interns  | 32%    | 68%    | 33%    | 66.9%  |

| Percentage of people in the company's managerial categories, by gender | 2012     |       |         | 2013     |       |         |
|--|----------|-------|---------|----------|-------|---------|
|  | Under 30 | 30–50 | Over 50 | Under 30 | 30–50 | Over 50 |
| Directors  | 0%       | 47%   | 53%     | 0.5%     | 51.4% | 48.1%   |
| Managers   | 26%      | 70%   | 4%      | 28.8%    | 67.4% | 3.8%    |

# GRI TABLE OF CONTENTS

|                |  | C   | C+                      | B   | B+                      | A  | A+                      |
|----------------|--|---|-------------------------|---|-------------------------|--|-------------------------|
| REPORT CONTENT | G3 Profile   | Report on items:<br>2.1 to 2.10;<br>3.1 to 3.8, 3.10 to 3.12;<br>4.1 to 4.4, 4.14 to 4.15;  | WITH EXTERNAL ASSURANCE | Report on all criteria listed for Application Level C, and:<br>1.2;<br>3.9, 3.13;<br>4.5 to 4.13,<br>4.16 to 4.17   | WITH EXTERNAL ASSURANCE | The same required for Application Level B  | WITH EXTERNAL ASSURANCE |
|                | G3 Management Approach   | Not required  |                         | Management Approach disclosed for each indicator Category   |                         | Management Approach disclosed for each indicator category  |                         |
|                | G3 Performance Indicators and Sector Supplement Performance Indicators | Report on at least 10 Performance Indicators, including at least one of the following performance areas: social, economic, and environmental. |                         | Report on at least 20 Performance Indicators, including at least one of each of the following performance areas: economic, environmental, human rights, labor practices, society, and product responsibility. |                         | Report on each Core Indicator of G3 and of the Sector Supplement* duly considering the Materiality Principle, by either:<br>(a) reporting on the indicator or<br>(b) explaining the reason for its omission. |                         |

| Profile information    |   |          |   |
|------------------------|---|----------|---|
| Strategy and analysis  |   |          |   |
| Indicator              | Description   | Reported | Page  |
| 1.1                    | Message from the president  | ●        | Messages from the Leadership – Pages 3, 4   |
| 1.2                    | Description of key impacts, risks, and opportunities  | ●        | Messages from the Leadership<br>Scenario<br>Highlights<br>Strategy<br>Sustainability Strategy<br>Risks and Opportunities<br>Pages 3, 4, 10, 12, 19<br>Some of the impacts caused by Sicredi are described throughout this report and can be found under the performance indicators. |
| Organizational profile |   |          |   |
| Indicator              | Description   | Reported | Page  |
| 2.1                    | Name of the organization  | ●        | Sicredi – Sistema de Crédito Cooperativo – Page 14  |
| 2.2                    | Primary brands, products, and/or services   | ●        | Profile<br>Financial Solutions<br>Pages 14, 15  |
| 2.3                    | Operational structure of the organization   | ●        | Main Indicators<br>Profile – Pages 12, 13, 14, 15   |
| 2.4                    | Location of organization's headquarters   | ●        | Centro Administrativo Sicredi (CAS) is located in the city of Porto Alegre, state of RS – Page 15   |
| 2.5                    | Names of the countries where the organization operates and where its major operations are located | ●        | Profile<br>Map (Profile)<br>Page 14   |
| 2.6                    | Nature of ownership and legal form  | ●        | Profile – Page 14   |
| 2.7                    | Markets served  | ●        | Main indicators<br>Profile<br>Pages 14, 15, 18  |
| 2.8                    | Scale of the organization   | ●        | Main Indicators<br>Profile<br>DVA Table (Economic Performance)<br>Pages 13, 14  |
| 2.9                    | Significant changes during the reporting period   | ●        | Sicredi<br>Highlights<br>Pages 12, 13   |
| 2.10                   | Awards received during the reporting period   | ●        | Awards and Recognition – Page 11  |
| Report parameters      |   |          |   |
| Indicator              | Description   | Reported | Page  |
| 3.1                    | Reporting period for information provided   | ●        | January 1 to December 31, 2013 – Page 2   |
| 3.2                    | Date of most recent previous report   | ●        | This is the second annual sustainability report prepared by Sicredi. – Pages 3, 2   |
| 3.3                    | Reporting cycle   | ●        | Annual<br>About the Report<br>Page 2  |
| 3.4                    | Contact point for questions regarding the report or its contents                                  | ●        | comunicacao_institucional@sicredi.com.br – Page 2   |
| 3.5                    | Process for defining report content   | ●        | Sustainability Strategy – Page 2, 39, 40, 46  |
| 3.6                    | Boundary of the report  | ●        | Brazil<br>About the Report<br>Page 2  |
| 3.7                    | State any specific limitations on the scope or boundary of the report                             | ●        | About the Report – Page 2   |
| 3.8                    | Basis for the development of the report   | ●        | The report covers all entities that are part of Sicredi – Page 2  |
| 3.9                    | Data measurement techniques and bases of calculations   | ●        | The tools proposed by the GRI 3.1 sustainability reporting guidelines were used – Pages 2, 62   |
| 3.10                   | Restatements of information provided in previous reports  | ●        | About the Report - Page 2   |
| 3.11                   | Significant changes in the scope, boundary, or measurement methods applied in the report          | ●        | There were no significant changes – Page 2  |
| 3.12                   | Table identifying the location of the standard disclosures in the report                          | ●        | GRI Table of Contents – Page 2  |

● Fully    ● Partially

| 3.13                                    | Policy and current practice with regard to seeking external assurance for the report                             | ●        | Audited by EY – Page 2  |              |         |         |      |              |    |     |     |    |     |       |     |     |     |     |       |     |     |     |     |       |     |     |     |     |
|---|--|----------|---|--------------|---------|---------|------|--------------|----|-----|-----|----|-----|-------|-----|-----|-----|-----|-------|-----|-----|-----|-----|-------|-----|-----|-----|-----|
| Governance, commitments, and engagement |  |          |   |              |         |         |      |              |    |     |     |    |     |       |     |     |     |     |       |     |     |     |     |       |     |     |     |     |
| Indicator                               | Description  | Reported | Page  |              |         |         |      |              |    |     |     |    |     |       |     |     |     |     |       |     |     |     |     |       |     |     |     |     |
| 4.1                                     | Governance structure of the organization, including committees under the highest governance body                 | ●        | Governance Structure – Pages 24, 25, 26   |              |         |         |      |              |    |     |     |    |     |       |     |     |     |     |       |     |     |     |     |       |     |     |     |     |
| 4.2                                     | Chair of the highest governance body   | ●        | The Chair of the Board of Directors is not an executive officer – Pages 25, 30  |              |         |         |      |              |    |     |     |    |     |       |     |     |     |     |       |     |     |     |     |       |     |     |     |     |
| 4.3                                     | Independent or non-executive members of the highest governance body  | ●        | There are no independent members on the Board of Directors. – Governance Structure – Pages 24, 25   |              |         |         |      |              |    |     |     |    |     |       |     |     |     |     |       |     |     |     |     |       |     |     |     |     |
| 4.4                                     | Mechanisms for shareholders and employees to provide recommendations   | ●        | Governance Structure<br>Ombudsman Department (Ethics and Conduct)<br>Members (Sustainable Performance)<br>Employees (Sustainable Performance)<br>Pages 31, 32, 47, 48, 56   |              |         |         |      |              |    |     |     |    |     |       |     |     |     |     |       |     |     |     |     |       |     |     |     |     |
| 4.5                                     | Linkage between compensation and the organization's performance (including social and environmental performance) | ●        | Sicredi's remuneration policy is composed of three performance levels – group, company, and professional. The group level includes a social objective; however, no social and environmental indicators are included in the targets. Pages 55, 70<br><br>For senior management positions, the Sicredi level is larger than the professional level, and the remuneration is based on the position held by each employee, as shown below:<br><table><tr><th>Ranges</th><th>Sicredi</th><th>Company</th><th>Area</th><th>Professional</th></tr><tr><td>67</td><td>40%</td><td>40%</td><td>0%</td><td>20%</td></tr><tr><td>58-66</td><td>25%</td><td>30%</td><td>25%</td><td>20%</td></tr><tr><td>51-57</td><td>15%</td><td>20%</td><td>35%</td><td>30%</td></tr><tr><td>40-50</td><td>10%</td><td>10%</td><td>40%</td><td>40%</td></tr></table> | Ranges       | Sicredi | Company | Area | Professional | 67 | 40% | 40% | 0% | 20% | 58-66 | 25% | 30% | 25% | 20% | 51-57 | 15% | 20% | 35% | 30% | 40-50 | 10% | 10% | 40% | 40% |
| Ranges                                  | Sicredi  | Company  | Area  | Professional |         |         |      |              |    |     |     |    |     |       |     |     |     |     |       |     |     |     |     |       |     |     |     |     |
| 67                                      | 40%  | 40%      | 0%  | 20%          |         |         |      |              |    |     |     |    |     |       |     |     |     |     |       |     |     |     |     |       |     |     |     |     |
| 58-66                                   | 25%  | 30%      | 25%   | 20%          |         |         |      |              |    |     |     |    |     |       |     |     |     |     |       |     |     |     |     |       |     |     |     |     |
| 51-57                                   | 15%  | 20%      | 35%   | 30%          |         |         |      |              |    |     |     |    |     |       |     |     |     |     |       |     |     |     |     |       |     |     |     |     |
| 40-50                                   | 10%  | 10%      | 40%   | 40%          |         |         |      |              |    |     |     |    |     |       |     |     |     |     |       |     |     |     |     |       |     |     |     |     |
| 4.6                                     | Processes in place to ensure that conflicts of interest are avoided  | ●        | Ethics and Conduct - Page 32  |              |         |         |      |              |    |     |     |    |     |       |     |     |     |     |       |     |     |     |     |       |     |     |     |     |
| 4.7                                     | Qualifications of the members of the highest governance body   | ●        | Governance – Advisor Requirements – Page 24, 26   |              |         |         |      |              |    |     |     |    |     |       |     |     |     |     |       |     |     |     |     |       |     |     |     |     |
| 4.8                                     | Statements of mission and values, codes of conduct, and relevant internal principles                             | ●        | Vision, Mission, and Values<br>Ethics and Conduct<br>Employees (Sustainable Performance) – Pages 13, 32   |              |         |         |      |              |    |     |     |    |     |       |     |     |     |     |       |     |     |     |     |       |     |     |     |     |
| 4.9                                     | Responsibilities for the implementation of economic, environmental, and social policies                          | ●        | Governance Structure<br>Integrated Agenda (Sustainability Strategy)<br>Pages 24, 29, 30, 37, 38   |              |         |         |      |              |    |     |     |    |     |       |     |     |     |     |       |     |     |     |     |       |     |     |     |     |
| 4.10                                    | Processes for self-evaluation of the highest governance body's performance                                       | ●        | SicrediPar's advisors, as presidents and vice presidents of cooperatives, are evaluated according to the assessment model adopted by the company they manage. The assessment model determines who assesses the president: for 180°, only a self-evaluation is considered; for 270°, in addition to a self-evaluation, the assessment made by up to three direct reports is also considered; finally, for 360°, peer reviews are also considered (other presidents). In all cases, they are evaluated in relation to their competencies and to the organization's performance.   |              |         |         |      |              |    |     |     |    |     |       |     |     |     |     |       |     |     |     |     |       |     |     |     |     |
| 4.11                                    | Explanation of whether and how the Precautionary Principle is addressed by the organization                      | ●        | Risk Management (Governance) – Page 34  |              |         |         |      |              |    |     |     |    |     |       |     |     |     |     |       |     |     |     |     |       |     |     |     |     |
| 4.12                                    | Externally developed social charters, principles, or other initiatives   | ●        | Sicredi is not a signatory to social and environmental charters, principles, or initiatives.  |              |         |         |      |              |    |     |     |    |     |       |     |     |     |     |       |     |     |     |     |       |     |     |     |     |
| 4.13                                    | Memberships in associations and/or national/international organizations  | ●        | Government and Civil Society (Sustainable Performance) – Page 51  |              |         |         |      |              |    |     |     |    |     |       |     |     |     |     |       |     |     |     |     |       |     |     |     |     |
| 4.14                                    | List of stakeholder groups engaged by the organization   | ●        | Sustainable Performance<br>Pages 46, 47, 56   |              |         |         |      |              |    |     |     |    |     |       |     |     |     |     |       |     |     |     |     |       |     |     |     |     |
| 4.15                                    | Basis for identification and selection of stakeholders with whom to engage                                       | ①        | Sicredi relies on its own experience and insight to identify and select stakeholders.<br>Sustainable Performance<br>Material Aspects (Sustainable Performance)<br>Page 46   |              |         |         |      |              |    |     |     |    |     |       |     |     |     |     |       |     |     |     |     |       |     |     |     |     |
| 4.16                                    | Approaches to stakeholder engagement   | ●        | Sicredi does not yet have a structured program in place for the engagement of stakeholders. Some engagement initiatives are described in the report.<br>Relationship Method and Channels (Sustainable Development)<br>Crescer Program (Members)<br>Pertencer Program (Members)<br>Programa A União faz a Vida (Community)<br>Training on Sustainability (Employees)<br>Pages 40, 44, 48   |              |         |         |      |              |    |     |     |    |     |       |     |     |     |     |       |     |     |     |     |       |     |     |     |     |
| 4.17                                    | Key topics and concerns that have been raised through stakeholder engagement                                     | ●        | Although related to Sicredi's stakeholders, the material aspects were defined through internal discussions.<br>Material Aspects (Sustainable Performance) – Page 38   |              |         |         |      |              |    |     |     |    |     |       |     |     |     |     |       |     |     |     |     |       |     |     |     |     |
| Performance indicators                  |  |          |   |              |         |         |      |              |    |     |     |    |     |       |     |     |     |     |       |     |     |     |     |       |     |     |     |     |
| Economic performance                    |  |          |   |              |         |         |      |              |    |     |     |    |     |       |     |     |     |     |       |     |     |     |     |       |     |     |     |     |



| Indicator                                   | Description   | Reported | Page  |
|---|---|----------|---|
| EC1   | Direct economic value generated and distributed, including revenues, operating costs, employee compensation, donations and other community investments, retained earnings, and payments to capital providers and governments. | ●        | Value Creation (Economic Performance) – Page 58   |
| <b>Market presence</b>                      |   |          |   |
| EC3   | Coverage of the benefit plan obligations  | ●        | Remuneration and Benefits (Employees) – Page 55   |
| EC7   | Local hiring  | ●        | Employees – Pages 52, 53, 56  |
| <b>Environmental performance</b>            |   |          |   |
| Indicator                                   | Description   | Reported | Page  |
| <b>Energy</b>                               |   |          |   |
| EN4   | Indirect energy consumption by primary source   | ●        | Complementary Information – Pages 44, 62  |
| <b>Products and services</b>                |   |          |   |
| EN26  | Initiatives to mitigate environmental impacts   | ●        | Environmental Efficiency – (Risks and Opportunities)<br>Complementary Information – Pages 45, 63  |
| <b>Social performance – Labor practices</b> |   |          |   |
| Indicator                                   | Description   | Reported | Page  |
| <b>Employment</b>                           |   |          |   |
| LA1   | Total workforce by employment type, employment contract, and region   | ●        | Employees<br>Complementary Information<br>Pages 52, 64  |
| LA2   | Total number and rate of turnover by age group, gender, and region  | ●        | Employees<br>Complementary Information<br>Pages 56, 65  |
| <b>Training and education</b>               |   |          |   |
| LA10  | Average hours of training per year per employee, by gender and employee category  | ●        | Employees<br>Complementary Information<br>Pages 54, 67  |
| LA11  | Programs for skills management and lifelong learning  | ●        | Training and Qualification (Employees) – Pages 52, 54   |
| <b>Diversity and equal opportunity</b>      |   |          |   |
| LA13  | Composition of senior management and boards and ratio by groups and genders   | ●        | Employees<br>Complementary Information<br>Pages 52, 67  |
| <b>Human rights</b>                         |   |          |   |
| Indicator                                   | Description   | Reported | Page  |
| <b>Non-discrimination</b>                   |   |          |   |
| HR4   | Total number of incidents of discrimination and corrective actions taken  | ●        | Ombudsman Department (Ethics and Conduct)<br>Employees (Sustainable Performance)<br>Page 32   |
| <b>Child labor</b>                          |   |          |   |
| HR6   | Measures taken to contribute to the abolition of child labor  | ●        | Sicredi does not have a process in place to map social and environmental risks. Sicredi's proposal is to incorporate a clause to all supplier agreements, whether to first agreements or to renewed agreements.<br>Suppliers (Sustainable Performance)<br>Employees - Labor Relations<br>Financial Solutions – Credit<br>Pages 21, 49, 56 |
| <b>Forced/compulsory labor</b>              |   |          |   |
| HR7   | Measures taken to contribute to the elimination of all forms of forced labor  | ●        | Sicredi does not have a process in place to map social and environmental risks. Sicredi's proposal is to incorporate a clause to all supplier agreements, whether to first agreements or to renewed agreements.<br>Suppliers (Sustainable Performance)<br>Employees – Labor Relations<br>Financial Solutions – Credit<br>Pages 21, 49, 56 |
| <b>Society</b>                              |   |          |   |
| Indicator                                   | Description   | Reported | Page  |
| <b>Corruption</b>                           |   |          |   |
| SO3   | Percentage of employees trained in organization's anti-corruption policies and procedures   | ●        | Ethics and Conduct (Governance) – Pages 32, 56  |
| SO4   | Actions taken in response to incidents of corruption  | ●        | Ombudsman Area (Ethics and Conduct – Governance) – Page 32  |
| <b>Product and service labeling</b>         |   |          |   |
| PR5   | Practices related to customer satisfaction, including results of surveys  | ●        | Members (Sustainable Performance) – Page 48   |

| Communications and marketing |   |   |   |
|------------------------------|---|---|---|
| PR6                          | Programs for adherence to laws, standards, and voluntary codes  | ● | Product and Service Responsibility (Sustainable Development) – Pages 48, 49   |
| PR8                          | Total number of substantiated complaints regarding breaches of customer privacy   | ● | Product and Service Responsibility (Sustainable Development) – Page 49  |
| Compliance                   |   |   |   |
| FS1                          | Policies with specific environmental and social components applied to business lines  | ● | Credit (Financial Solutions)<br>Rural credit (Financial Solutions)<br>Microcredit (Financial Solutions)<br>Risk Management (Governance)<br>Risks and Opportunities (Sustainability Strategy)<br>Page 21   |
| Sector indicators            |   |   |   |
| Product portfolio            |   |   |   |
| FS4                          | Process(es) for improving staff competency to implement the environmental and social policies and procedures as applied to business lines | ● | Sustainability as a culture (Sustainability Strategy)<br>Training on sustainability (Employees)<br>Pages 39, 54   |
| FS7                          | Monetary value of products and services designed to deliver a specific social benefit for each business line, broken down by purpose      | ● | Rural Credit (Financial Solutions)<br>Microcredit (Financial Solutions)<br>Electronic Methods (Financial Solutions)<br>Pages 21, 22, 23, 40, 42   |
| FS13                         | Access points in low-populated or economically disadvantaged areas, by type   | ● | The Role of Credit Unions (Profile)<br>Microcredit (Financial Solutions)<br>Electronic Methods (Financial Solutions)<br>Pages 40, 42  |
| FS14                         | Initiatives to improve access to financial services for disadvantaged   | ● | Convenience Channels (Financial Solutions)<br>Financial Inclusion (Risks and Opportunities)<br>Pages 23, 38   |
| FS16                         | Initiatives to enhance financial literacy by type of beneficiary  | ● | Microcredit (Financial Solutions)<br>Electronic Methods (Financial Solutions)<br>Financial Literacy (Risks and Opportunities)<br><i>Programa A União faz a Vida</i> (Communities)<br>Pages 38, 40, 50, 54 |

## STATEMENT OF ASSURANCE



### Declaração Exame do Nível de Aplicação pela GRI

A GRI neste ato declara que **Sicredi - Sistema de Crédito Cooperativo** apresentou seu relatório "Sicredi - Relatório Anual de Sustentabilidade 2013" para o setor de Serviços de Relatório da GRI, que concluiu que o relatório atende aos requisitos de Nível de Aplicação B+.

Os Níveis de Aplicação da GRI comunicam quanto do conteúdo das Diretrizes G3.1 foi aplicado no relatório de sustentabilidade enviado. O Exame confirma que o conjunto e número de itens de divulgação exigidos para aquele Nível de Aplicação foram cobertos pelo relatório e que o Sumário de Conteúdo da GRI é uma representação válida das informações exigidas, conforme descritas nas Diretrizes G3.1 das GRI. Para a metodologia, ver [www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf](http://www.globalreporting.org/SiteCollectionDocuments/ALC-Methodology.pdf)

Os Níveis de Aplicação não fornecem um parecer sobre o desempenho de sustentabilidade da organização relatora nem sobre a qualidade das informações contidas no relatório.

Amsterdã, 04 de abril de 2014

Ásthildur Hjaltadóttir  
Diretor Serviços  
Global Reporting Initiative



O "+" foi acrescentado a este Nível de Aplicação porque Sicredi - Sistema de Crédito Cooperativo submeteu (parte de) seu relatório a verificação externa. A GRI aceita a soberania da própria organização na escolha da organização responsável pela verificação externa e na decisão do escopo da verificação.

*A Global Reporting Initiative (GRI) é uma organização baseada em redes pioneira no desenvolvimento da estrutura para elaboração de relatórios de sustentabilidade mais usada no mundo e está comprometida com sua melhoria contínua e aplicação em todo o mundo. As Diretrizes G3 da GRI estabeleceram os princípios e indicadores que as organizações podem usar para medir e relatar seu desempenho econômico, ambiental e social. [www.globalreporting.org](http://www.globalreporting.org)*

**Isenção de Responsabilidade:** No caso do relato de sustentabilidade incluir links externos para materiais audiovisuais, entre outros, esta declaração irá referir-se apenas ao material submetido à GRI no momento do Exame em 04 de abril de 2014. A GRI exclui expressamente a aplicação desta declaração a alterações posteriores aos referidos materiais.

# INDEPENDENT LIMITED ASSURANCE REPORT



## **Independent Limited Assurance Report for the Annual Sustainability Report of Sistema Cooperativo Sicredi, based on GRI guidelines, version 3.1, application level B**

To the Administrators and Members of

**Sistema Cooperativo Sicredi**

### **Introduction**

We have been engaged by Sistema Cooperativo Sicredi to present our limited assurance report on the indicators contained in the Annual Sustainability Report, based on the GRI guidelines, version 3.1, application level B, for the period of January 1, 2013 to December 31, 2013.

### **Responsibilities of Sicredi's Administration**

Sistema Cooperativo Sicredi is responsible for properly preparing and presenting the information contained in its Annual Sustainability Report pertaining to the period of January 1, 2013 to December 31, 2013, pursuant to GRI criteria, assumptions and methodologies, version 3.1, application level B, and to the internal controls it deemed necessary to enable the preparation of this information, free from any material distortions, whether caused by fraud or error.

### **Responsibilities of the Independent Auditors**

We are responsible for presenting our opinion about the indicators contained in the Annual Sustainability Report prepared by Sistema Cooperativo Sicredi for the period of January 1, 2013 to December 31, 2013, based on the limited assurance work, which was conducted pursuant to Technical Statement (CT) Number 07/2012, issued by IBRACON, approved by the Federal Accounting Council, and prepared based on NBC TO 3000 (Assurance Engagements Other than Audits and Reviews), issued by the Federal Accounting Council – CFC, which is equivalent to the international standard ISAE 3000, issued by the International Federation of Accountants, applicable to Assurance Engagements Other than Audits and Reviews. These standards require compliance with its ethical specifications, including requirements pertaining to independence and that the work be executed with a view to offering limited assurance that the indicators presented in the Annual Sustainability Report of Sistema Cooperativo Sicredi, for the period of January 1, 2013 to December 31, 2013, are free from material distortions.

A limited assurance work, conducted pursuant to NBC TO 3000 (ISAE 3000), mainly involves inquiries to the administrative area and to other professionals involved in the preparation of the Annual Sustainability Report, as well as analytical procedures to collect evidence that enables us to provide a limited assurance opinion on the data contained in the Annual Sustainability Report. A limited assurance work also requires the execution of additional procedures, in case the independent auditors become aware of matters that lead them to believe that the information contained in the Annual Sustainability Report might contain material distortions.

The procedures selected are based on our understanding of the aspects pertaining to the compilation and presentation of the information contained in the Annual Sustainability Report, pursuant to criteria, assumptions, and methodologies proprietary to Sistema Cooperativo Sicredi. The procedures included:

- (a) the planning of the work, considering the relevance of the indicators, the volume of quantitative and qualitative information, and the internal controls that supported the preparation of the Annual Sustainability Report of Sistema Cooperativo Sicredi, for the period of January 1, 2013 to December 31, 2013;
- (b) the understanding of the calculation methodology and of the procedures used in the preparation and compilation of the Annual Sustainability Report, through interviews with the managers in charge of preparing the information;
- (c) the use of analytical procedures to investigate the quantitative information and inquiries about the qualitative information and their correlation with the indicators of the Annual Sustainability Report; and
- (d) the comparison of financial indicators with financial statements and/or accounting records.

The limited assurance work also included compliance with the guidelines of the framework for the preparation of indicators issued by the Global Reporting Initiative, version 3.1, application level B, applicable in the preparation of the information contained in the Annual Sustainability Report of Sistema Cooperativo Sicredi, for the period of January 1, 2013 to December 31, 2013.

We believe that the evidence obtained in our work was sufficient and appropriate to ground our opinion in a limited manner.

#### **Scope and Boundaries**

The procedures used in limited assurance works are substantially less comprehensive than those used in an assurance work that aims to issue an opinion on the Annual Sustainability Report. Therefore, we cannot represent that we had access to all matters that would have been identified in an assurance work aiming to issue an opinion. If we had conducted work to issue an opinion, we could have identified other matters or eventual distortions in the information contained in the Annual Sustainability Report. Thus, we do not issue an opinion about this information.

The non-financial data is subject to more inherent boundaries than financial data, given the nature and variety of methods used to determine, calculate, and estimate such data. Qualitative interpretations concerning the materiality, relevance, and precision of the data are subject to individual assumptions and judgments. Moreover, we did not conduct any work involving the data provided for previous periods or future projections and goals.

#### **Conclusion**

Based on the procedures conducted as described in this report, we did not become aware of anything that leads us to believe that the indicators contained in the Annual Sustainability Report of Sistema Cooperativo Sicredi, for the period of January 1, 2013 to December 31, 2013, were not prepared, in all material aspects, in compliance with the criteria, assumptions, and methodologies issued by the Global Reporting Initiative, version 3.1, application level B.

Porto Alegre, March 18, 2014.

ERNST & YOUNG  
Auditores Independentes S.S  
CRC 2SP015199/O-6/F-RS

Dario Ramos da Cunha  
Accountant – CRC 1SP-214.144/O-1



## CREDITS

### GENERAL COORDINATION

Fundação Sicredi  
Superintendência de Marketing e Canais – Comunicação Institucional

### SOURCE OF DATA

Sicredi

### MATERIALITY, GRI CONSULTING, COORDINATING EDITION, AND DESIGN

Report Sustentabilidade  
Team: Luana Bessa (Project and Relationship Management),  
Adriana Lima e Ana Fisch (GRI Consulting), Inês Godinho (Copy and  
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Assertiva Produções Editoriais

### TRANSLATION

Gotcha Idiomas!

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### INFOGRAPHS AND/OR ILLUSTRATIONS

Flávia Ocaranza

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