



# ***Sustainable Finance Framework***

*May*

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# Introduction

## Our History

We are the first cooperative financial institution in Brazil. Since 1902, we have been applying cooperative standards across all our businesses, seeking to meet the needs of our members and contribute to the construction of a more prosperous society. By doing that we aim to foster a more transparent, engaged, and democratic society.

Our mission is to be a cooperative system, valuing relationships and offering financial solutions to add income and contribute to improving the quality of life of members and Society. Our business is based on six main pillars that express our values, namely: (i) preserving the business cooperative nature, (ii) respecting the individuality of each member, (iii) valuing people and fostering their development, (iv) preserving the institution as a system, (v) respecting official and internal norms and (vi) focusing on management effectiveness and transparency.

We have more than 5.5 million members distributed across all 26 states and the Federal District. Our business consists of raising funds from members and lending them to members of the same regions, ensuring that funds

remain locally distributed while encouraging sustainable development, generating a virtuous cycle. Altogether, we are over 100 credit unions organized as a national system and operating autonomously, to ensure security and solidity to our members. Each credit union is affiliated with one of our five cooperative centrals, all of which are shareholders of SicrediPar, a holding company that coordinates our strategic decisions. We also have specialized entities that carry out our activities: The Sicredi Confederation, Guarantor Fund Sicredi, Sicredi Foundation, Sicredi Cooperative Bank and its subsidiaries - the Assets Administrator, the Consortium Administrator, and the Insurance Brokerage, located in Porto Alegre (RS), at the Sicredi Administrative Center (CAS).

We continue our expansion plan in Brazil, reaching over 2.200 branches in more than 1.600 municipalities. With this, we have opened new branches in the states of Amapá, Espírito Santo and Roraima. One important aspect is that Sicredi is the only financial institution physically present in more than 200 municipalities throughout the country.





## Our approach to Sustainability

Sustainability at Sicredi is the management of the business focusing on expanding the economic, social and environmental positive impact we cause, reducing adverse impacts and generating value for our members, employees, community and other interested parties.

Our Sustainability Policy, which embraces all institutions within Sicredi, establishes principles and high-level guidelines to support the decision-making process in every scope of our business and also the relationship between interested parties, considering economic, social and environmental challenges and opportunities, aiming to increase our positive impact. In this Policy, we also formalize the sustainability drivers, which are the core of the Sustainability Strategy and help us fulfill our mission, vision and values, reflecting our materiality and providing the priority themes and contribute to the sustainable development of the business. The drivers are: Relationship and Cooperativism, Local Development and Responsible Solutions (Figure 1).

Figure 1 – Sicredi's Sustainability Strategy

## The Sustainability Strategy

3 drivers and  
12 focal themes,  
connected to the SDGs



In order to evaluate our performance regarding sustainability and execute Sicredi's Positive Impact Measurement locally, regionally and nationally, materializing our Sustainability Strategy, we have the Sustainable Development Framework (Figure 2). This set of references and indicators offer an institutional direction for credit unions to take a larger leadership role in the local and sustainable development of their regions and also to identify opportunities to progress in the sustainability agenda.



All these initiatives enforce our commitment to the UN Global Compact and the Sustainable Development Goals (SDGs), evidencing how our business model creates a sustainable development in the regions we are present.

Figure 2 – Sicredi's Sustainable Development Framework



Get to know our Sustainability Policy:  
[www.sicredi.com.br/site/sobre-nos/sustentabilidade/](http://www.sicredi.com.br/site/sobre-nos/sustentabilidade/)

Get to know our Sustainability Report and also our Positive Impact in society:  
[www.sicredi.com.br/media/relatorio\\_de\\_sustentabilidade\\_sicredi\\_2021.pdf](http://www.sicredi.com.br/media/relatorio_de_sustentabilidade_sicredi_2021.pdf)

[sicredifazadiferenca.com.br/impactopositivo/](http://sicredifazadiferenca.com.br/impactopositivo/)

## Our Governance

Our governance structure is recognized worldwide in the credit cooperative segment. We are organized into a system that is driven by specialization and the reduction of operating costs and that can provide scaling advantages and inter-cooperation.

Our members are actively involved in the management of the business through participation in the assemblies of the credit unions, where our representatives are elected, and the direction of the business is decided.

Regarding sustainability, our governance is established by the Sustainability Policy and is comprised of two structures with different responsibilities: one for decision-making (Figure 3) and the other to guarantee the theme's implementation (Figure 4).

Sustainability is defined internally as a transversal theme under the management of the Sicredi Foundation and with the application responsibility of all entities and employees within the system.

Figure 3 – Sicredi's Decision-making structure

## Decision-making structure:

It is the structure responsible for the systemic decision-making process regarding the Sustainability Strategy.



Sicred Foundation's Committee - Committee to advise SicrediPar's Board of Directors, complying with the Central Bank's resolution CMN 4.945, dated september 15<sup>th</sup> of 2021.

Figure 4 – Sicredi's Implementation Structure

## Implementation structure:

It is the structure responsible for guaranteeing the implementation of the Sustainability Policy and also the execution of the Sustainability Strategy throughout the system.



## The importance of cooperatives for sustainable development

At Sicredi, we define our positive impact as the positive transformations in economic, social, and environmental terms that we bring about in the lives of people and society where we operate. To enhance our capacity to generate sustainable development, we seek to understand and measure this generation of value through studies and clear indicators that we can track over time.

In 2020, we commissioned the specialist in Applied Microeconomics and Economic Development, Juliano Assunção, a researcher in the Department of Economics at the Pontifical Catholic University of Rio de Janeiro (PUC-Rio), to carry out a study comparing the physical presence of banks versus credit unions in Brazilian cities.

The research concluded that Sicredi has a natural preference for settling in rural locations, that are more distant, that have lower GDP and with smaller population number. Therefore, our activity helps to increase the life quality of a target population.

The study also pointed to a trend of geographical expansion that contrasts with the

continuous decline in the presence of public and private banks in Brazil. Finally, employing industrial organizational techniques, the study assessed the minimum size of a municipality for the entry of banks and of Sicredi. In terms of population size, it was identified that the minimum viability is around 2.3 thousand inhabitants. In terms of GDP, BRL 79 million is the minimum requirement for any given municipality. Banks, on the other hand, require 8 thousand inhabitants and BRL 112 million. The study showed a clear potential for credit unions to reach around 1.9 thousand cities where 9.5 million Brazilians live.

Being a cooperative financial institution is what distinguishes us and brings us closer to our mission. We are governed by the principles of cooperativism, which guide us in promoting the economic development of the communities in which we are present. By remaining aligned with our essence, the money raised in one location is reverted to credit granted to other members in the same location. In turn, this creates a virtuous cycle that encourages investments in the cooperative, the inclusion of people in the financial system, and the strengthening of our members' the business.



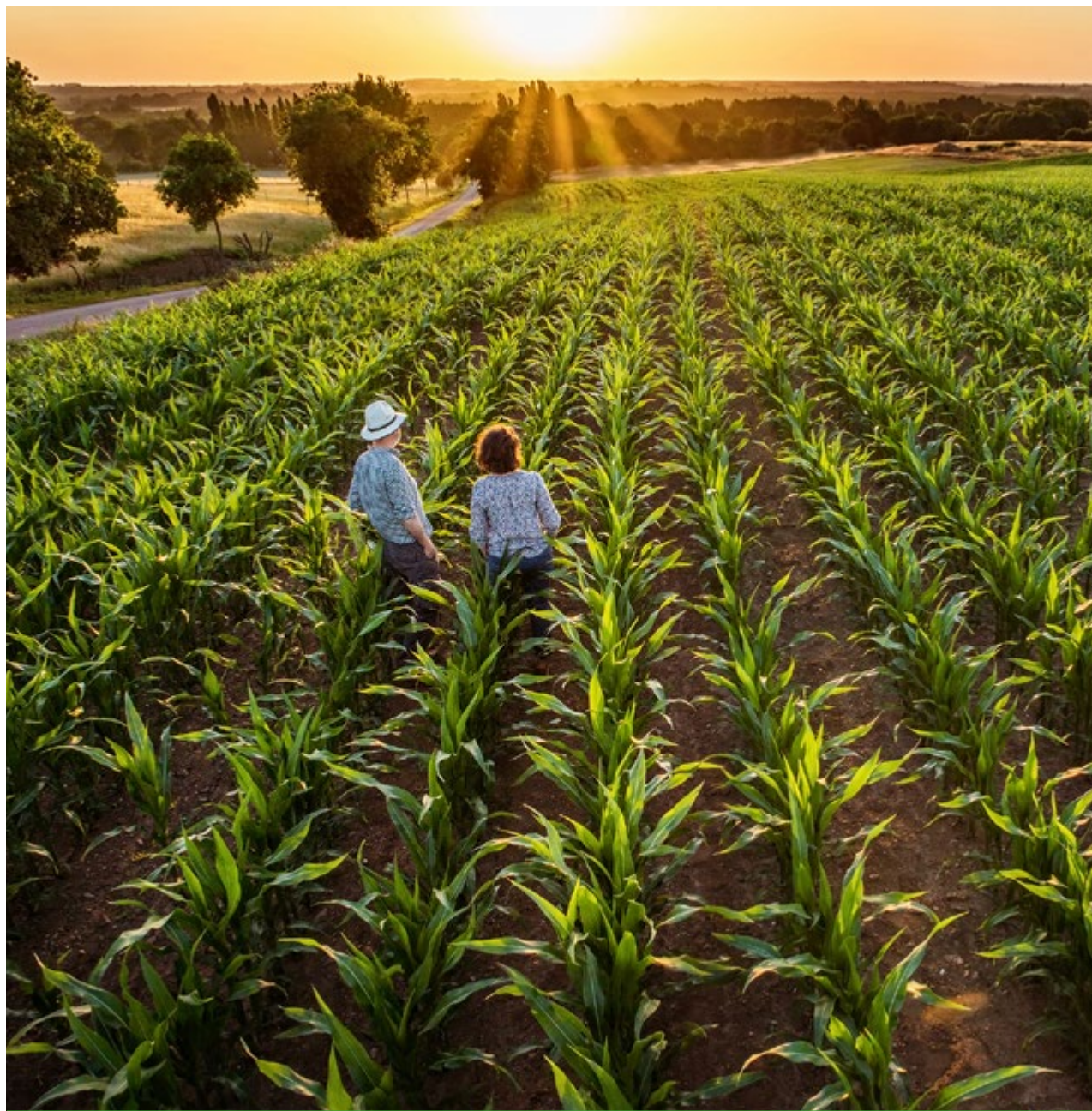


# Rationale for Framework

We believe that the issuance of sustainable financing instruments (“Sustainable Instruments”) can contribute to the company’s strategy, connecting to our Inspirational Strategy and our sustainability drivers. Besides that, sustainable instruments are effective tools to channel investments towards projects with demonstrated environmental, climate e social benefits and that contribute to the achievement of the Paris Climate Agreement’s and the United Nation Sustainable Development Goals (“UN SDGs”).

By issuing Sustainable Instruments, we intend to align our funding composition with our mission and strategy. In addition, as the first Brazilian cooperative system, we aim to contribute to the development of the sustainable finance market in Brazil and inspire others to follow the same path.

Financing individuals and small entrepreneurs and their necessities (such as sustainable agriculture, SME, photovoltaic panels, expansion) can support social development and help increase the number of environmental projects in less developed region.





# Alignment with the Sustainability Bond Principles

Sustainable instruments are debt financing options where the proceeds are exclusively applied to finance or refinance, in part or in full, new or existing sustainable projects that are considered green, social or a combination of both (“Sustainable Instruments”).

This Framework has been established in accordance with the (i) the Sustainable Bond Guidelines of 2021 (“SBG”)<sup>1</sup>, the Social Bond Principles of 2021 (“SBP”)<sup>2</sup> and the Green Bond Principles of 2021 (“GBP”) and together with the SBG and the SBP simply (“Bond Principles”)<sup>3</sup>, administered by the International Capital Markets Association (“ICMA”) aiming to encompass future issuances in the capital markets and (ii) the Green Loan Principles<sup>4</sup> of 2018 (“GLP”) and the Social Loan Principles<sup>5</sup> of 2021 (“SLP”), together with the GLP the (“Loan Principles”) published by the Loan Markets Association (“LMA”) aiming to encompass bilateral or syndicated loans with financial institutions and/or multilateral agencies, provide



guidelines for any type of loan instrument that finances or refinances green and/or social projects (“Principles”).

The Principles are voluntary process guidelines for best practices when issuing Sustainable Instruments that recommend transparency, disclosure and promote integrity for best practices when raising funds with Sustainable Instruments, either in the capital market or bilateral loans.

Therefore, our Sustainable Financing Framework is aligned with the four core components of the Principles, namely: (1) Use of Proceeds, (2) Process for Project Evaluation and Selection, (3) Management of Proceeds and (4) Reporting.

<sup>1</sup> <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/sustainability-bond-guidelines-sbg/>

<sup>2</sup> <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/social-bond-principles-sbp/>

<sup>3</sup> <https://www.icmagroup.org/sustainable-finance/the-principles-guidelines-and-handbooks/green-bond-principles-gbp/>

<sup>4</sup> <https://www.lsta.org/content/guidance-on-green-loan-principles-glp/>

<sup>5</sup> [https://www.lma.eu.com/application/files/1816/1829/9975/Social\\_Loan\\_Principles.pdf](https://www.lma.eu.com/application/files/1816/1829/9975/Social_Loan_Principles.pdf)

# Use of Proceeds

An amount equal to the net proceeds of the bonds or loans will be used to finance or refinance, in whole or in part, existing or future loans made by Sicredi, any of its affiliates and/or subsidiaries that meet the Eligibility Criteria described below (“Investments”). Investments are defined as development, acquisition, maintenance, refurbishment, installation, expansion, and operation we finance through transactions with our clients, or proprietary capital expenditure from Sicredi and its affiliates in their own facilities and operations. All eligible investments are aligned with Sicredi’s Sustainability Policy and our strategies for sustainable development.

Sicredi will highlight which portion of the financing and/or the refinancing will be considered eligible in the appropriate documentation. Investments may be eligible when disbursed within 3 years prior to the issuance of the Sustainable Instrument. We intend to fully allocate the proceeds from each Sustainable Instrument within three years but reserve the right to do so until the instrument’s maturity.

Below we describe the Eligibility Criteria that will be used for the selected Investments and their associated Sustainable Development Goals (SDGs), as described by the United Nations (UN):

## Green Eligibility Criteria Selected:

- Renewable energy
- Environmentally sustainable management of living natural resources and land use
- Green building
- Energy efficiency
- Clean transportation










## Social Eligibility Criteria Selected:

- Access to essential services (financing and financial services)
- Employment generation, through the potential effect of SME financing and microfinance
- Family Rural Production



## Green Eligibility Criteria

Investments in:




GBP Eligible Project Category	Eligibility Criteria and Example Projects	SDG Alignment
<b>Renewable Energy</b>	<p>a) Financing for wind and solar energy, in which members can get credit to purchase equipment and technology.</p> <p>b) Implementation of systems for the generation and distribution of alternative energy for rural proprietors for own consumption. Eligible projects are related to wind, solar and biomass energy.<sup>6</sup></p>	  
<b>Environmentally sustainable management of living natural resources and land use</b>	<p>a) No-till farming: financing no-till farming methods for planting straw, which avoids plowing and harrowing operations, reducing the turning of the soil and harrowing operations reducing the emission of greenhouse gases. In addition, the straw that remains on the ground promotes an increase in microbiological life, further reducing emissions.</p> <p>b) Integrated crop-livestock-forest systems and Agroforestry systems: Integrated systems using sustainable forest management, including crop- livestock-forest (ICLF), crop-livestock (ICL), crop- forest (ICF), Livestock-forest (ILF) and agroforestry system.</p> <p>c) Soil recovery and restoration of degraded pasture investments.</p> <p>d) Biological Nitrogen Fixation: process for atmospheric nitrogen transformation in assimilable forms for plants by microorganisms.</p> <p>e) Animal waste treatment: bio digestion and composting of animal waste, including energy generation.</p>	   
<b>Green building</b>	<p>a) Financing or refinancing, at any stage of execution, of:</p> <ul style="list-style-type: none"> <li>Projects for construction of buildings that have LEED Gold, LEED Platinum, EDGE Certification, Aqua-HQE (Excellent or above) certification or Living Building Challenge precertification;</li> <li>Building retrofit projects, the results of which show a minimum of 30% reduction in the generation of carbon emissions.</li> </ul>	
<b>Energy efficiency</b>	<p>a) Efficient lighting with LEDs and associated controls. Efficient lights that reduce electricity consumption and CO<sub>2</sub> emission reductions by at least 20%.</p> <p>b) Efficient cooling and refrigeration. Technologies that generate &gt; 20% reductions in energy use and CO<sub>2</sub> emissions.</p>	   
<b>Clean transportation</b>	<p>a) Financing of Individuals or companies to the purchasing of clean fuel source vehicles (fully electric vehicles) or hybrid<sup>7</sup> vehicles.</p> <p>b) Charging stations for fully electric vehicles.</p>	  

<sup>6</sup> The sources considered in the biomass projects will be agricultural and animal waste. The output will be electricity generation.

<sup>7</sup> Hybrid vehicles at or below the threshold of 75 gCO<sub>2</sub>/km; Heavy trucks, at or below the threshold of 25 gCO<sub>2</sub>/tkm for each vehicle to be financed. Buses, the threshold is a direct emission (WLTP) of <50 gCO<sub>2</sub>e/pkm.

## Social Eligibility Criteria

Investments in:

SBP Eligible Project Category	Eligibility Criteria and Example Projects	Target population	SDG Alignment
Access to essential services	a) To bring financial access to rural populations or urban cities with lower social indicators <sup>8</sup> , which are more dependent on government pay-outs.	a) Underserved, owing to a lack of quality access to essential goods and services; b) Excluded and/or marginalised populations and/or communities.	
Employment generation, through the potential effect of SME financing and microfinance	a) SME financing and microfinance, such as credit lines seeking to finance formal and informal microentrepreneurs and promote the inclusion of low income microentrepreneurs in the financial market.	a) Micro and Small Companies. b) Medium <sup>9</sup> , Micro and Small <sup>10</sup> companies, which are led or owned by: • women <sup>11</sup> ; • Entrepreneurs located primarily in North and Northeast region of Brazil, or in municipalities or states with human development index (HDI) below Brazil's average; c) Migrants and/or displaced persons; d) Excluded and/or marginalised populations and/or communities; e) Aging populations and vulnerable youth; f) Other vulnerable groups, including as a result of natural disasters.	
Family Rural Production	a) Small rural producers <sup>12</sup> , in selected subprograms such as: Pronaf Custeio, Pronaf Mais Alimentos, Pronaf Agroindústria, Pronaf Mulher, Pronaf Bioeconomia, Pronaf Agroecologia, Pronaf Cotas Partes.	a) Low-income rural communities and women.	

<sup>8</sup> Located in municipalities with human development index (HDI) below 0,755, which according to UN development agency, as of 2015, is Brazil's average HDI.

<sup>9</sup> According IFC's definition of Medium Enterprise, the annual revenue threshold for this segment is from USD 3 million to USD 15 million. Medium companies in Brazil face similar issues as Micro and Small Enterprises in terms of access to financial services, especially in some regions in Brazil that lack infrastructure and economic opportunities.

<sup>10</sup> According IFC's definition of micro and small companies, the annual revenue threshold for this segment is USD 3 million. Those companies may face challenges related to limited access to financial services, such as affordable loans and payments solutions due the lack of collateral or minimum use of access of technology.

<sup>11</sup> According to IFC's definition, an enterprise qualifies as a woman-owned enterprise if: (a) ≥ 51% owned by woman/women; or (b) ≥ 20% owned by woman/women; AND (i) has ≥ 1 woman as CEO/COO/President/Vice President; AND (ii) has ≥ 30% of the board of directors composed of women, where a board exists. Entrepreneurship is a way and alternative for needy families and minority groups to guarantee income, while it benefits the community around them.

<sup>12</sup> The Framework defines smallholder farms as those with annual revenues up to BRL 500,000



## Excluded activities

Certain activities will be excluded as eligible under this framework due to their unfavorable environmental or social characteristics, such as:

- Weapons, ammunitions, and other military goods/technology.
- Tobacco<sup>13</sup>.
- Gambling, casinos, and equivalent enterprises<sup>14</sup>
- Radioactive materials<sup>15</sup>.
- Drift net fishing in the marine environment using nets more than 2.5 km. in length.
- Unbonded asbestos fibers. This does not apply to purchase and use of bonded asbestos cement sheeting where the asbestos content is less than 20%.
- Commercial logging operations for use in primary tropical moist forest.
- Production or trade of any product or activity that may relate to misdemeanors as importers and exporters (mainly in border regions), natural extraction, polluting/polluting substance producers.
- Thermal coal mining or coal-fired power generation and associated facilities<sup>16</sup>.
- Upstream oil exploration and development projects.
- Upstream gas exploration and development projects. Under exceptional circumstances and on a case-by-case basis, consideration will be given to financing upstream gas infrastructure where there is a clear benefit in terms of energy access for the poor and where greenhouse gas (GHG) emissions are minimized, projects are consistent with national goals on climate change, and risks of stranded assets are properly analyzed.
- Violation of Human Rights (such as forced labor, child labor, discrimination).
- Projects exclusively dedicated to livestock.

<sup>13</sup> This does not apply to projects whose primary objective is not related to the production, trade, or use of tobacco.

<sup>14</sup> This does not apply to projects whose primary objective is not related to the construction and operation of gambling, casinos and equivalent enterprises.

<sup>15</sup> This does not apply to the purchase of medical equipment, quality control (measurement) equipment and any equipment where it can be demonstrated that the radioactive source is to be trivial and/or adequately shielded.

<sup>16</sup> This applies only to associated facilities which primary objective is related to the production, trade or use of coal for power generation or to the transmission of energy generated by a coal-fired power plant (e.g. a dedicated transmission line).

# Process for Project Evaluation and Selection

The projects developed in the context of this framework will be analyzed according to the eligibility criteria as described in Section “Use of Proceeds”. This eligibility criteria can be used both (i) for qualifying a certain line of credit offered by Sicredi to its clients (and therefore all clients that use that specific line are automatically eligible based on the filters applied for using the line) or (ii) for qualifying a specific investment proposed by a client. For projects that have a broader scope (or require a project-by-project approach), the Structured Operations and Sustainable Finance department will be responsible for evaluating the eligibility. The department is also responsible for controlling and monitoring the portfolio of projects eligible to each Sustainable Instrument issued. To make sure it has all the necessary information regarding the projects, the department may consult with other areas, such as (but not limited to): Treasury, Socio-environmental Risk, Credit Products and Sustainability.

Regarding risk mitigation, Sicredi carries out several processes to mitigate the existing of environmental and social risks. Among them, we can highlight the following fronts: environmental social risk questionnaires (collection of data on environmental social practices and qualitative assessment of responses), environmental and social screening (evaluation of aspects related to the regularization and use of resources, responsible for preventing or allowing the loan), geoprocessing (collection of coordinates of areas benefited by operations, ensuring the exclusion of environmental protection areas, conservation units, indigenous lands, etc.), quantitative assessments (monitoring indicators from the Risk Appetite Statement (RAS) and calculating the socioenvironmental rating of members), and definition of excluded activities/sectors in line with market practices. Also, Sicredi conducts a credit analysis process which includes not only the basic mechanisms of internal lending policy, but also the questionnaire of Know Your Client (KYC), which is focused mainly to avoid money

laundering resources to get into the financial system. After the KYC is completed, Sicredi extends the analysis for broader information regarding the potential client, relating the past transactions within the national financial system. If all the process is affirmative, the lending is confirmed.

Additionally, as a way of ensuring the correct formalization of specific projects applied to investments with a sustainable in agriculture, such as projects contributed with resources from the ABC Program<sup>17</sup>, we provide a list of mandatory documents to compose the proposal dossier, as well as manuals with the appropriate guidelines and related regulations. Furthermore, we rely on the opinion of technical analysts who guide and provide the necessary support for the proper formalization of projects.

<sup>17</sup> The ABC Program is a program created by BNDES (the Brazilian Development Bank) to foster investments that contribute to the reduction of environmental impacts caused by agricultural activities. More information can be found in the following link: <https://www.bndes.gov.br/wps/portal/site/home/financiamento/produto/programa-abc>.



# Management of Proceeds

Net proceeds from the Sustainable Instruments will be credited to the bank's accounts and tracked via Sicredi treasury management and via its accounting system, contributing to the monitoring of the green proceeds and social proceeds. The treasury team will be responsible for those tasks and for the alignment with the accounting department. The Treasury Team will be responsible for managing the proceeds that have not yet been allocated. The Structured Operations and Sustainable Finance Team will be responsible for the management of the allocated proceeds with the Socioenvironmental Risk Team and other key areas within the bank.

We will adopt all the necessary steps to attest that the proceeds obtained from Sustainable Instruments follow all the appropriate internal processes and are demonstrably linked to the issuer's investments in eligible projects. So long as the Sustainable Instrument is outstanding, the balance of the tracked net proceeds should be periodically adjusted to match allocations to eligible projects made during that period.

In case, for any reason whatsoever, the value of the Sustainable Instrument is higher than the value of the allocated portfolio, we commit to investing the net proceeds yet to be invested in cash or cash equivalents.

The proceeds of Sustainable Instruments can be managed per instrument (bond-by-bond or loan-by-loan approach) or on an aggregated basis for multiple instruments (portfolio approach).

The tracking method and the allocation of proceeds will be reviewed periodically by an external audit.





## Reporting

We will provide our capital providers (investors, shareholders, financial institutions and/or multilaterals) with updated information regarding the Sustainable Instruments in a public report<sup>18</sup> to be fully available in our website ("<https://www.sicredi.com.br/site/relacoes-com-investidores/>"). The information will be made, and keep, readily available annually until full allocation, and on a timely basis in case of material developments ("Annual Report").

Our Annual Report will include the eligibility criteria on which the net proceeds have been allocated, including the amounts and numbers of transactions on each criteria. We may also prepare (at investor's request) specific reports that might be required depending on the Sustainable Instrument selected.

Where confidentiality agreements, competitive considerations, or a large number of underlying projects limit the amount of detail that can be made available, information will be presented in generic terms or on an aggregated portfolio

basis (e.g. percentage allocated to certain project categories). We are committed to disclose all relevant information observing the relevant laws, agreements of confidentiality or conflicts of interest and whenever possible also be guided by ICMA's Impact Reporting guidelines<sup>19</sup>.

We will also prepare impact reports containing the output and impacts for each eligibility criteria. The indicators may be selected from – but are not limited to – the list below.

<sup>18</sup> The dedicated report might be disclosed on Scredi's Sustainability Report.

<sup>19</sup> Handbook-Harmonised-Framework-for-Impact-Reporting-June-2021-100621.pdf (icmagroup.org)

Eligible category		Eligible Assets	Output Indicators	Impact Indicators
Green	Renewable Energy	Solar, Wind & Biomass, Hydro energy	<ul style="list-style-type: none"> <li>Renewable energy installed capacity (MW)</li> </ul>	<ul style="list-style-type: none"> <li>GHG avoided (tCO<sub>2</sub> eq.) in comparison to non-renewable energy</li> </ul>
	Environmentally Sustainable Management of Living Natural Resources and Land Use	No-till farming systems	<ul style="list-style-type: none"> <li>Farming area subject to sustainable practices (ha)</li> <li>Number of benefited producers</li> </ul>	<ul style="list-style-type: none"> <li>GHG avoided (tCO<sub>2</sub> eq.) in comparison to traditional mono-agriculture</li> </ul>
		Soil recovery and restoration	<ul style="list-style-type: none"> <li>Soil and pasture recovered area (ha)</li> <li>Number of benefited producers</li> </ul>	<ul style="list-style-type: none"> <li>GHG captured (tCO<sub>2</sub> eq.)</li> </ul>
		Integrated cropland livestock forestry systems and Agroforestry systems	<ul style="list-style-type: none"> <li>ISLFS/AFS area (ha)<sup>20</sup></li> <li>Number of benefited producers</li> </ul>	<ul style="list-style-type: none"> <li>GHG captured / Avoided (tCO<sub>2</sub> eq.)</li> </ul>
		Biological Nitrogen Fixation	<ul style="list-style-type: none"> <li>Reduction in fertilizer consumption (t)</li> <li>Number of benefited producers</li> </ul>	<ul style="list-style-type: none"> <li>GHG avoided (tCO<sub>2</sub> eq.) in comparison to the average of emissions of an equivalent area</li> </ul>
		Animal Waste Treatment	<ul style="list-style-type: none"> <li>Treated waste (t)</li> <li>Generated biogas (m<sup>3</sup>)</li> <li>Generated biofertilizer (t)</li> <li>Number of benefited producers</li> </ul>	<ul style="list-style-type: none"> <li>GHG avoided (tCO<sub>2</sub> eq.) in comparison to non- treated wasted</li> <li>Electric capacity (KW) of the generated biogas</li> </ul>
	Green Building	Building that have LEED Gold & Platinum EDGE certification or Aqua-HQE (Excellent or above) certification	<ul style="list-style-type: none"> <li>Annual energy savings</li> </ul>	<ul style="list-style-type: none"> <li>GHG avoided (tCO<sub>2</sub> eq.) in comparison to building with no ecoefficiency certification and standards</li> </ul>
	Energy efficiency	Efficient lighting with LEDs	<ul style="list-style-type: none"> <li>Annual energy savings</li> </ul>	<ul style="list-style-type: none"> <li>GHG avoided (tCO<sub>2</sub> eq.) in comparison to inefficient lighting equipments</li> </ul>
		Efficient cooling and refrigeration	<ul style="list-style-type: none"> <li>Annual energy savings</li> </ul>	<ul style="list-style-type: none"> <li>GHG avoided (tCO<sub>2</sub> eq.) in comparison to inefficient cooling and refrigerating system</li> </ul>
	Clean Transportation	Clean fuel source vehicles (fully electric vehicles) or hybrid vehicles	<ul style="list-style-type: none"> <li>Number of Hybrid/Electric vehicles financed</li> </ul>	<ul style="list-style-type: none"> <li>GHG avoided (tCO<sub>2</sub> eq.) in comparison to average of tailpipe emission in Brazil</li> </ul>
Social	Access to Essential Services	Financial access to rural population or cities with lower social indicators	<ul style="list-style-type: none"> <li>Number of projects financed</li> </ul>	<ul style="list-style-type: none"> <li>Estimated number of beneficiaries</li> </ul>
	SMEs Financing	Micro and small enterprise financing and financial inclusion	<ul style="list-style-type: none"> <li>Number of beneficiaries</li> </ul>	<ul style="list-style-type: none"> <li>Estimated number of jobs supported</li> </ul>
	Family rural production	Small rural producers selected in the government subprograms	<ul style="list-style-type: none"> <li>Number of benefited producers</li> <li>Number of women producers financed</li> </ul>	<ul style="list-style-type: none"> <li>Estimated annual revenue generated for rural families</li> </ul>

<sup>20</sup> ISLFS/AFS – Integrated Livestock Forestry System / Agro Forestry System.



# Verification

We will obtain and make publicly available a pre-issuance external review from consultants with recognized expertise to provide an opinion on the environmental and social benefits of this Framework. The second party opinion (“SPO”) provided by such consultant will be available on our investor relations website, as well as the SPO provider’s website.

As described above, we are also committed to provide a post issuance review about our management of proceeds, which can be made by the same consultant and/or an external auditor, or other recognized external party.





## Review

We will review this Framework from time to time, including its alignment to updated versions of the relevant Principles as and when they are released, with the aim of adhering to best practices in the market.

We will also review this Framework in case of material changes in the perimeter and categories selected. Such review may result in this Framework being updated and amended. The updates, if not minor in nature, will be subject to the prior approval of a qualified provider of second party opinion.

Any future updated version of this Framework that may exist will either keep or improve the current levels of transparency and reporting disclosures, including the corresponding review by an external verifier. The updated Framework, if any, will be published on our website and will replace this Framework.





# Disclaimer

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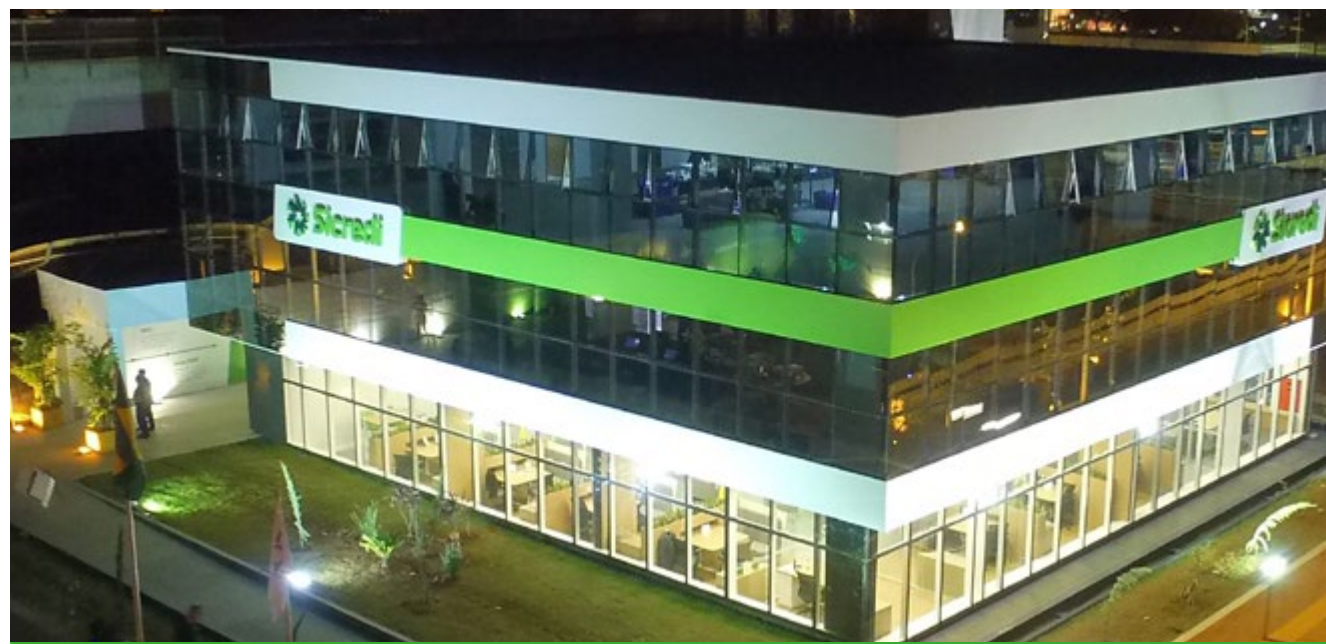




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[goefs@sicredi.com.br](mailto:goefs@sicredi.com.br)

Ricca Sustentabilidade  
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[riccari.wixsite.com/sustentabilidade](http://riccari.wixsite.com/sustentabilidade)



