

Sustainability Report 2019





**Sicredi believed
in my dream."**

The member,
who financed a
greenhouse with us,
says that she got to
know Sicredi through
her parents.

Anegrid Gnich,
gardener and Sicredi member,
city of Victor Graeff (RS)

How we make the difference

We believe in the power of credit union in generating positive changes in society. For this reason, as we evolve to meet the needs of an increasingly dynamic and digital environment, with growth above the market, we also remain rooted in our principles and values of cooperativism, which have inspired our business for 117 years.

Through our acting in over 1,300 cities in Brazil, we generate value and we transform the communities where we are present, reaffirming the cooperative ideal of our founders.

It is a virtuous cycle that promotes the economic, social and environmental development, contributing to the sustainable development of our society.

This transformation only happens because the resources we capture from our members become credit for other members in the same credit union.

This process ensures the permanence of resources in the region, fostering the local economy, driving income generation, strengthening businesses and the local production and broadening employment opportunities.

In the same way, when our members understand and choose our cooperative business model to manage their financial lives, we also broaden our social action through specific programs.

Check out the main results of this virtuous cycle on pages 4 and 6, where you find a general compilation of our financial performance and of main indicators of positive impact.

Financial Performance

Sicredi's Combined (in millions of R\$)

		2017	2018	2019
Total Asset		77,309,437	95,072,833	110,629,333
Asset	Available Funds	812,722	844,155	1,272,645
	Interbank liquidity investments	13,875,888	13,797,205	7,281,251
	Bonds and securities	16,375,830	20,382,042	25,062,076
	Interbank Relations and Interdependencies	1,947,901	3,196,214	4,052,357
	General Credit	22,026,224	29,668,305	40,216,998
	Rural credit	18,193,512	21,872,899	26,111,885
	Other Credits	2,020,601	2,818,691	3,663,692
	Other securities and assets	385,740	434,137	521,993
	Permanent	1,671,019	2,059,185	2,446,436
	Deposits	50,366,971	60,486,410	70,758,342
Liabilities	Funds obtained in the open market	1,535,738	3,869,178	2,194,884
	Liabilities due to loans and on-lending	8,152,453	9,810,081	11,536,591
	Other liabilities	4,170,120	5,616,275	8,381,275
	Net Equity	13,084,155	15,290,889	17,758,241
	Revenue from financial operations	10,840,263	11,084,435	12,739,750
Result	Other operational revenues	2,005,730	2,609,641	3,041,353
	Expenses from financial operations	4,695,790	4,166,468	4,872,956
	Other operational expenses	5,736,600	6,743,637	7,803,715
	Results	2,413,603	2,783,971	3,104,432
	Interests on Owner's Equity	453,083	390,266	373,784

Access our Combined
Financial Statements





Besides being a financial institution that supports my growth as an entrepreneurs, Sicredi also helps me to grow as a person."

This member's company donates photovoltaic systems for institutions that serve children in need and work with our main social responsibility program, A União Faz a Vida Program.

Pedro Henrique Dantas,
entrepreneur and a Sicredi member,
city of Boituva (SP).



Positive impact indicators

Relationship and cooperativism	2017	2018	2019	Value generated	Page
Members (amount)	3,703,901	4,020,991	4,466,750	Social	29
Credit unions (quantity)	116	114	110	Social	29
Members who participated in assemblies (thousands)	340	415	432	Social	52
Members who participated in assemblies (percentage)	10.8%	11.2%	11.1%	Social	52
Crescer Program (quantity)	28,212	39,697	87,265	Social	62
Credit unions with Comitê Mulher (quantity) ¹	-	-	33	Social	75
Credit unions with Comitê Jovem (quantity) ¹	-	-	21	Social	75
Actions carried out on International Credit Union (ICU) Day (quantity) ²	-	638	765	Social	64
Responsible solutions	2017	2018	2019	Value generated	Page
Amount invested in the green economy (R\$ million)	7,855.4	10,134.1	11,202.4	Social and Environmental	84
Low carbon emission farming (R\$ million)	3,244.5	4,723.9	5,023.2		
Good agricultural practices (R\$ million)	2,044.0	1,894.8	1,485.2		
Microcredit (R\$ million)	1,761.1	1,940.4	2,006.1		
Other products with specific intended purpose (R\$ million)	30.9	174.0	746.6		
Credit for green economy sectors (R\$ million)	775	1,400.9	1,941.2		
Financing for solar energy (R\$ million)	-	232.3	1,095.8	Environmental	84
Amount paid to local suppliers (R\$ million) ³	-	-	550.5	Social	102
Absolute emissions of greenhouse effect gases (tCO ₂ e) ^{2,4}	-	17,528.34	35,792.3	Environmental	98
Total emissions per employee (tCO ₂ e/employee) ²	-	0.8	1.3	Environmental	98
National Financial Education Week ⁵				Social	83
Number of people impacted ⁶	30,139	72,400	4,407,030		
Number of completed actions	612	1,867	5,574		

Local Development	2017	2018	2019	Value generated	Page
Cities where we are present (quantity)	1,138	1,279	1,378	Social	30
Cities with less than 100 thousand people (percentage)	78%	87%	87%	Social	105
Cities where we are the only financial institution (amount)	201	202	210	Social	105
Result distributed to the members (R\$ million) ⁷	877	916	1,044	Economic	105
Interest to the capital paid to the members (R\$ million)	453	390	374	Economic	105
Amount destined to FATES ⁸ (R\$ million)	105.8	133.2	136.1	Social	123
Amount used from FATES ⁸ (R\$ million)	81.4	103.9	125.6	Social	123
Amount destined to the Social Fund (R\$ million) ¹	-	-	15.5 ⁹	Social	123
A União Faz a Vida Program				Social	126
Cities participating (amount)	292	369	397 ¹⁰		
Schools participating (amount)	1,485	1,908	1,985 ¹⁰		
Instructors participating (amount)	21,940	24,906	9,441 ¹⁰		
Children and teens participating (amount)	229,780	284,604	109,163 ¹⁰		
Cooperativas Escolares Program				Social	130
Cities that have the Program ¹ (amount)	-	-	76		
Schools participating in the Program (amount)	-	-	151		
Children and teens reached (amount)	-	-	8.988		

¹ This indicator started to be monitored in 2019.

² This indicator started to be monitored in 2018.

³ The calculation methodology was altered in 2019, for this reason, it is not possible to compare to previous years.

⁴ Variation in the 2018 x 2019 results are due to the evolution of Sicredi in managing the topic Emissions of Greenhouse Effect Gases, which resulted in a broader range of the information report. During the year of 2019, we worked on improving data collection processes for the greenhouse effect gases emissions inventory, thereby increasing centralized data coverage for some inventory indicators, such as cash and deposit bag transportation. Obtaining this centralized data allowed us to deliver an inventory where all of our credit unions had some source of measured emission.

⁵ We consider only on-ground actions.

⁶ The method used to calculate the data was altered between 2018 and 2019.

⁷ The data considers the result attributed in assemblies added to the payment of interest to own capital.

⁸ Fund for Technical, Educational and Social Assistance (FATES).

⁹ The data refers to 30 credit unions.

¹⁰ In 2019, we started the construction of a tool to broaden the management of the program's information. Because we are in an adaptation phase, we still do not have the 2019 landscape completed.



I lived in Brazil for five years without seeing my family. I am very happy now that they are here."

Olin came from Haiti to Brazil to rebuild his life and he had our support to reunite with his family.

Olin François,
Butcher and Sicredi member,
city of Sorriso (MT)

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Message from leadership

GRI 102-14

Through the publication of this Sustainability Report, we tell how our cooperative financial institution is becoming increasingly sustainable and generating economic, environmental and social value for all our stakeholders. With it, we reinforce our commitments to transparency and responsibility, two essential values of cooperativism.

During 2019, our growth demonstrated the capacity we dispose of to thrive and promote positive transformations amid an economy that was still recovering. This is because we are increasingly connected to the needs of members, who trust in the strength of our institution. We reached the end of the year with more than 4.4 million members, in all regions of the country, which used our financial and non-financial solutions to boost their business and carry out their personal projects.

In a year in which our credit portfolio grew more than the market average, reaching R\$ 72.2 billion, we also take financial education to 4.4 million people, we trained over 87 thousand people in

cooperative education through Crescer Program and we take the values of citizenship and cooperativism to over 109 thousand children and teenagers with the A União Faz a Vida Program, our main social responsibility program.

Faced with the challenges of a constantly changing market, we provide our members and employees with an increasingly agile experience, bringing new features in internetbank and more agility and attention in customer service. But, besides that, we also opened 182 new agencies, showing that being physically close to our members is as important as being digital.

In 2019, the BC# Agenda or the Central Bank of Brazil acknowledged the importance of the credit unions for the financial democratization strategy of the government, showing the relevant role of our business model for the inclusion of more Brazilians in the financial system and to reduce inequality in the country.



Manfred Alfonso Dasenbrock
Chairman of the SicrediPar Board of Directors

We also developed a study in partnership with Fundação Instituto de Pesquisas Econômicas (Fipe), which demonstrates the impact of credit unions on the Brazilian economy, considering cities with one or more credit unions in the country. Sicredi's calculations, based on the Fipe study, show an aggregate impact in those cities of more than R\$ 48 billion in one year.

Credit unions were also responsible for the creation of 79 thousand new companies and by the generation of 278 thousand jobs.

Worldwide, we are recognized as a governance model by the World Council of Credit Unions (Woccu) and for working to strengthen credit unions throughout the country. An example of this is the creation of the FDC/SICREDI Center for Studies in Cooperative Governance, in partnership with Dom Cabral Foundation, which aims to contribute to improving credit unions management and governance in Brazil.



> **João Francisco Sanchez Tavares**
Executive President of Banco Cooperativo Sicredi

As a cooperative financial institution, we are also an agent for transforming society and, to enhance our performance beyond the financial results, we have restructured Fundação Sicredi (Sicredi Foundation).

Given its strategic role, the Fundação has an advisory committee to the Board of Directors of SicrediPar, and also a Curator Board, which has the role of defining the directions of our non-financial solutions, expanding our economic,

social and environmental impact, valuing cooperative action and contributing to the sustainable development of our business and communities where we operate.

The work based on leveraging the positive impact reaches our teams and is part of what we are and how we operate. We are building increasingly positive and inclusive environments: we are a diverse cooperative system open for all.

During the year, we institutionalized the Comitê Mulher (Women's Committee), a practice adopted by some credit unions, aiming to increase women's participation in our decision-making instances and governance entities. We have also started the institutionalization of Comitê Jovem (Youth Committee), with the goal of supporting young people in having a protagonist role in credit unions and in the positive transformations of society.

Regarding environmental management, we are working to make our branches more sustainable, with efficient use of water and energy.

We carried out actions to decrease the use of paper and we moved forward mapping greenhouse effect gases emission in our operations, which for the first time included information from all credit unions. We intend to improve the effort as part of our environmental management to contribute to the fight against climatic change.

The commitment with our business sustainability was reinforced when we started the formalization of our participation in the Global Compact, a UN initiative to foster companies to adopt principles and practices of corporate social responsibility and sustainable development.

With that, we adopted the Ten Principles of the Global Compact and the Sustainable Development Goals (SDGs) as guidelines to our sustainable development. This action adds to the continuous efforts that we have promoted in understanding, measuring, and reinforcing our positive impact on society.

Looking towards the future, we started, still in 2019, the construction of a new cycle of strategic planning that, besides the execution deadline for 2023, contemplates an inspirational vision for 2030.

Through it, we discuss which aspects of our business model should be reinforced in the coming years, ensuring that we stay aligned with the ideal of our founders, guided by solidarity, transparency and democracy, which makes so much sense in the modern and collaborative world in which we live.

This is because we believe that by remaining connected to our roots, we continue firm in our purpose, seeking sustainable growth, ensuring the continuity of the business and generating more and more prosperity for the regions where we operate.

Enjoy the reading!

01.



With the annual publication of the Sustainability Report we implement one of the main values of cooperativism action: transparency.



About the report

GRI 102-32 / 102-53 / 102-56

Positive impact



SDG Related



This is Sicredi's Sustainability Report, which aims at presenting how we generated value to our members, employees, communities and other stakeholders throughout the year of 2019.

The reported information covers all the credit unions, cooperative centrals, as well as the companies hosted in the Sicredi Administrative Center (CAS). In order to define the scope of the report, we carried out a study that pointed out the priority topics of our business, that is, those that are considered more relevant to our economic, social and environmental sustainability (learn more on page 19).

For the 7th consecutive year, we followed the guidelines of the Global Reporting Initiative (GRI), a voluntary standard used by companies from the most varied sectors and countries for sustainability report. For each priority topic, we chose indicators from the GRI Standards (disclosures) that will be reported throughout this Report.

Any questions or suggestions about the Sustainability Report can be sent to the email:



sustentabilidade@sicredi.com.br

In this publication, we also seek to demonstrate how our business relates and may contribute to the Sustainable Development Goals (SDG) as proposed by the United Nations Organization (UN) and supported by our action (learn more on page 27).

The Report was formally approved by the Board of Directors of Sicredi Participações S.A. (SicrediPar), went through an external verification process (learn more on page 160), and was submitted to the GRI's Materiality Disclosure Service.

/ How to read this report

In addition to reading this publication in a linear form, you will find five other navigation possibilities, based on internationally adopted methodologies for sustainability reporting.

We present a correlation between our performance, commitments to sustainability and our positive impact.

Focal themes

On page 19, we present the drivers of our sustainability strategy and on page 20, we explain what the focal themes for our business are.

In the beginning of each chapter, with a focus on one of our sustainability drivers, we show the focal themes approached throughout those pages.



**Relationship and
Cooperativism**



**Responsible
Solutions**



**Local
Development**

Positive impact

On page 6, we present our positive impact indicators.

We show in the chart, on each indicator, how we generate value in the economic, social and environmental aspects.

In the beginning of each subchapter, we use the following icons to show what are the positive impacts approached and the value generated.



**Economic value
generated**



**Social value
generated**



**Environmental
value generated**

GRI

In the beginning of each subchapter, we indicate the disclosures that are reported through the acronym GRI-.

At the end of the Report (page 135) we publish a reference index pointing at the content of each disclosure and the page in which it is reported.

Sicredi's Indicators

We also have our own sustainability indicators, selected from on our materiality. They are identified in the beginning of each subchapter through the acronym Sicredi-.

At the end of the Report (page 135) we publish a reference index explaining the content of each indicator and pointing at the page in which it is reported.

Sustainable Development Goals (SDG)

On page 20, we bring a correlation between our focal themes and the SDG, showing the priority goals of our business.

In the beginning of each subchapter, we show what are the SDG approached in that section.

At the end of the Report (page 135) we publish a reference index that explains the relation between each disclosure and the SDG with the page in which it was published.



OZ.

For us, sustainability is business management with a focus on broadening our positive economic, social and environmental impact, reducing the adverse impacts and generating value for members, employees, community and other stakeholders.



Sustainability

GRI 102-16 / 102-21 / 102-40 / 102-43 / 102-46 / 102-47 / 102-49 / 103-1

SDG related



The sustainability drivers guide our sustainable development strategy and help us to put our mission to practice. They are:

- Relationship and cooperativism;
 - Responsible solutions; and
 - Local development.
- the evaluation of our evolution in sustainability and internal documents, such as the strategic planning and our positioning by segment;
 - the consultation with the National Sustainability Committee;
 - the consultation and revision by a work group that gathered the areas of the Sicredi Administrative Center (CAS), representatives of the cooperative centrals and credit unions;
 - analysis and recommendation of decision by the Foundation Committee;
 - the approval of CAS Executive Board; and
 - the decision by the Board of Directors of SicrediPar.

The drivers are divided into focal themes, which make our materiality and are the most relevant points for our stakeholders, having impact on our business.

These are the drivers that guide the creation of projects, initiatives, and action plans for the evolution of sustainability in the System.

Throughout 2018 and 2019 we reviewed our materiality in order to align it to our strategic planning.

The study involved:

- the analysis of the best practices of cooperative banks and financial institutions, nationally and internationally;

As a result, we adjusted the number of focal themes from eleven to eight and we defined indicators to follow up with the evolution of each theme.

Get to know the focal sustainability themes below, the public impacted and how they relate to the Sustainable Development Goals by the UN (learn more on page 27).



Driver: relationship and cooperativism

Diffusion of cooperativism and sustainability



To foster the cooperative culture between employees and members, reinforcing the democratic, collaborative and transparent aspect of our management model, strengthening the trust bonds and reciprocity. To broaden the understanding of employees and members about how sustainability affects our business and decision making, taking advantage of the opportunities and better managing our risks.

Impacted audiences

External: in the relation with members and in the communities.

Internal: in governance, with board and fiscal council members and nucleus coordinators. Internally with the employees.

To promote diversity and inclusion



To respect the members' individuality, promoting horizontal and long-lasting relations, strengthening the values of cooperativism action, such as equity and equality. To foster a diverse and inclusive governance, as well as a diverse and inclusive work environment, with plurality of thought, collaboration and innovation.

Impacted audiences

Internal: in governance, with board and fiscal council members and nucleus coordinators. Internally with the employees.

To strengthen our management model



To broaden the participation of the members in the assemblies and in decision making, strengthening the feeling of belonging, reinforcing the democratic, collaborative and transparent aspect of our management model, narrowing the trust bonds and reciprocity, ensuring the perennity of our business.

Impacted audiences

External: in the relation with members and the government.

Internal: in governance, with board and fiscal council members and nucleus coordinators. Internally with the employees.



Driver: responsible solutions

To promote financial education



Encourage conscious attitudes towards money, offering guidance and advice so that our members, employees and communities can make thoughtful choices, aligned to their well-being, with autonomy, independence and planning.

Impacted audiences

External: in the relation with members, communities and the government.

Internal: Internally with the employees.

Integrate socio-environmental opportunities and risk management in the financial solutions and operate with ecoefficiency



Identify opportunities for creating and improving financial solutions with a view at sustainability such as: sustainable finance, the green and low-carbon economy, businesses with a positive social impact and the promotion of the local economy. Work together with members to prevent and/or mitigate impacts related to socio-environmental risks. Make the operation of our branches and headquarters more sustainable.

Impacted audiences

External: in the relation with members, communities and the government.

Internal: Internally with the employees.

Engage suppliers based on socio-environmental criteria



Extend our sustainability concerns to the systemic suppliers chain, fostering them to adopt best social and environmental practices through the support in technical training and the definition of specific criteria for hiring, follow-up and assessment. Develop regional and local suppliers, guiding them towards good practices of sustainable management.

Impacted audiences

External: in the relation with members, suppliers and the government.



Driver: local development

Promote local economy and financial inclusion



Promote the local economy through partnerships, strengthening our members businesses in the locations where we are present and by hiring local suppliers. Promote the financial inclusion of individuals and legal entities, inserting them in the financial system and giving access to financial solutions. Ensure the economic participation of members, adding revenue and contributing to the improvement of quality of life.

Impacted audiences

External: in the relation with members, suppliers, communities and the government.

Foster the human, social and intellectual capital in the regional operation



Strengthen relations with the community, creating bonds of trust and reciprocity, through structured actions of private social investment, sponsorship and support, taking into account local needs, aligned with the brand, the principles and values of cooperative action and with corporate citizenship. Invest in the education, training and innovation of our employees, members and communities.

Impacted audiences

External: in the relation with members, communities and the government.

In 2019 we also identified the main groups of stakeholders, according to their power of influence in our business. For 2020, we foresee the mapping of the audiences that compose the groups and the drafting of directions for the engagement of stakeholders at the systemic and local levels.

Group of stakeholders	Means of engagement / Frequency
Governance Support and participate in business management. Target Audience: Members, nucleus coordinators, board and fiscal council members, shareholders.	Assemblies / annual
	Sustainability report / annual
	NPS Survey / monthly
	Corporate citizenship actions/ according to the credit unions' agenda
	Guided institutional visit to the CAS organized by the credit unions/ according to the credit unions' agenda
Business Your actions directly impact our business, either through regulations or because your actions have an impact on our operation. Audience: Regulatory bodies, government, suppliers, unions.	Nucleus' meetings/ according to the branches' agenda
	Face-to-face meetings / no defined frequency
	Sustainability report / annual
Reputation It builds our reputation generating opinion and it reverberates our activities and actions. Audience: Employees, community, press and influencers.	Official notices / no defined frequency
	Climate research / every two years
	Internal notices / frequently
	Internal surveys of satisfaction / no defined frequency
	Assemblies / annual
	Sustainability report / annual
	Corporate citizenship actions / according to the credit unions' agenda.
Representation They defend credit unions' interests and exercise in the political and economic landscape. Audience: World Council of Credit Unions (Woccu), Brazilian Confederation of Credit Unions (Confebras), International Cooperative Alliance (ACI), ACI Americas, International Association of Cooperative Banks (ICBA), Brazilian Credit Unions Organization (Sistema OCB).	National Meeting of Journalists / annual
	Sustainability report / annual
	Face-to-face meetings / no defined frequency
	Official notices / no defined frequency

Our sustainability strategy

The sustainability strategy helps us to fulfill our mission, vision, and values, providing strategic guidelines that contribute and guide the sustainable development of our business in practice.



Relationship and Cooperativism

strengthen our business model in a sustainable way

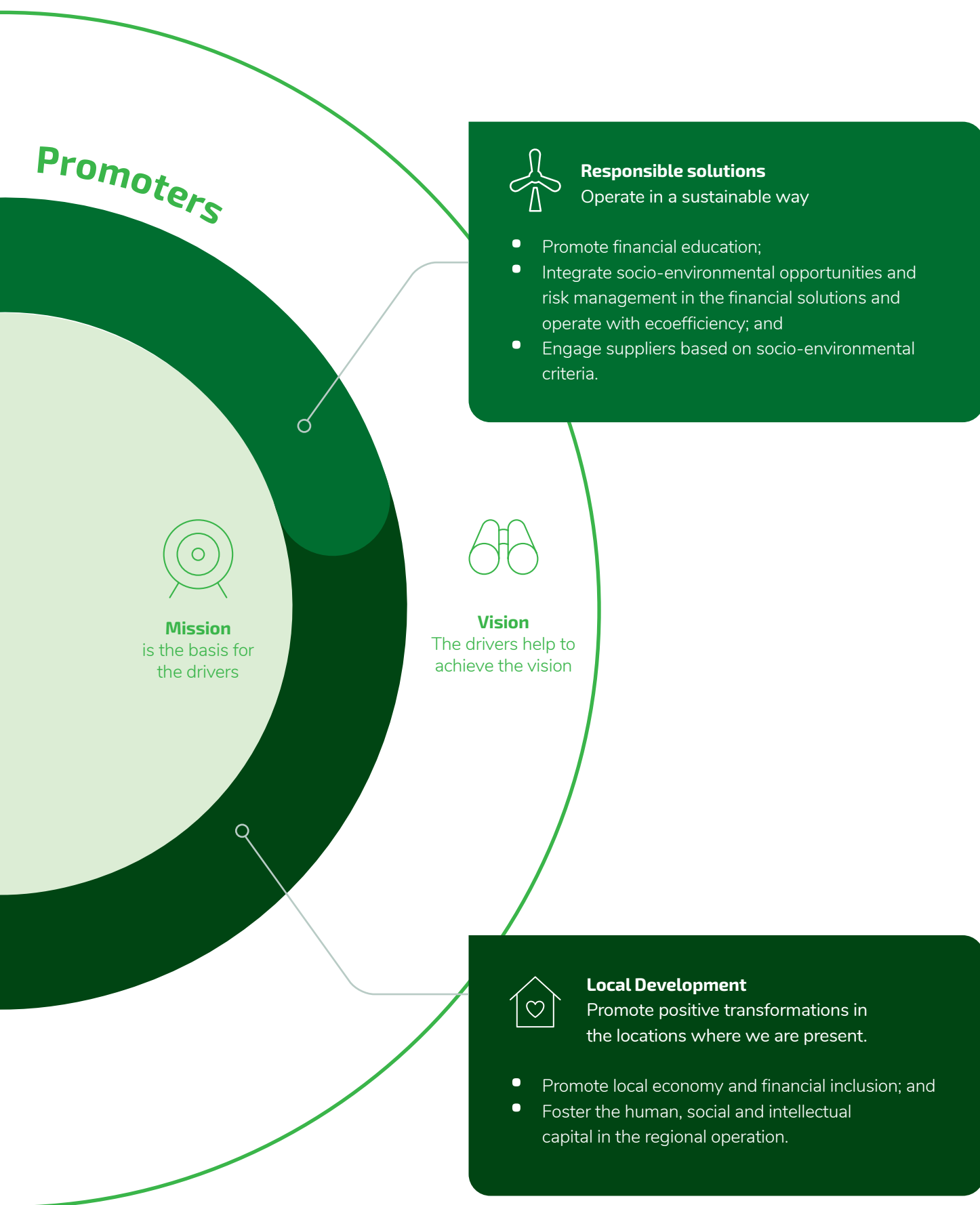
- Spreading cooperativism and sustainability;
- Promote diversity and inclusion; and
- Strengthen our management model.



Values, principles and commitments

Support the sustainability strategy

Sustainability



Sustainability governance

GRI 102-19 / 102-20

The Sustainability and Social-environmental Responsibility Policy guides our strategy and assigns the roles of leaders in governance and management of the topic.

The Policy reinforces the principles and values of cooperativism action as its guiding principles and establishes guidelines for the management of sustainability and our social and environmental risks.

The role of leadership in governance and sustainability management

Leadership	Responsibility
Chairs of the Board of Directors of credit unions, cooperative centrals and SicrediPar	Promote and encourage adherence to the guidelines and principles established in the Sustainability and Socioenvironmental Responsibility Policy throughout Sicredi.
Executive directors of credit unions, cooperative centrals and CAS	Support the areas in the implementation of the Policy, coordinate the instances related to sustainability governance, involve the areas in the assessment of adherence to voluntary commitments and responses to sustainability surveys and questionnaires and, when necessary, submit them to the Sustainability Committee.
Risk Director of Banco Cooperativo Sicredi, Supervision directors in the cooperative centrals and Operation directors at the credit unions	Socioenvironmental Risk Management.

We have a National Sustainability Committee, which meets annually and has the participation of the members of the Board of Directors of SicrediPar, of the executive officers and supervision officers of the cooperative central, the directors of the Sicredi Administrative Center (CAS), among other invited employees.

The Committee has an advisory character, being responsible for recommending the systemic sustainability strategy, which is presented for evaluation and approval within the competent instances, according to our governance model.

The Regional Committees of the cooperative centrals are responsible for adjusting the systemic strategy to the reality of their region of operation. In addition, we also recommend that the credit unions establish local Sustainability Committees, responsible for guiding the implementation of sustainability at the local level.

Global Compact and SDG

GRI 102-12

In 2019, we started the process to participate in the Global Compact, a UN initiative to foster companies to adopt policies of corporate social responsibility and sustainability through adherence to ten principles related to human rights, labor, environment and corruption. The commitment was approved in December by the Board of Directors of SicrediPar and by the Credit Unions' Board of Directors.

Adherence to the Global Compact will strengthen us the search for sustainable development in all aspects of our business.

By adhering to the initiative, we are also committed to adopt the Sustainable Development Goals (SDG) as guidance to our sustainable development. The SDG were defined by the UN with the purpose of engaging organizations all over the world in goals such as eradicating poverty, fighting climate change, and preserving natural resources.

Learn more about the
Global Compact and the 10
principles promoted:



WE SUPPORT



03.

Through our action based on the principles and values of cooperativism action, we strengthen the bonds with our members and their communities and take development for the regions where we are present.



Sicredi

/ Who we are

GRI 102-1 / 102-2 / 102-3 / 102-7

Positive impact



We are Sicredi (Cooperative Credit System), the first cooperative financial institution in Brazil. We have worked for 117 years to make our members grow and prosper.

Today, we are over 4.4 million members, distributed in 22 states and in the Federal District, and we offer over 300 financial products and services. We act locally through 110 credit unions organized in a national system, forming a network that guarantees solidity and security for our members.

Each credit union is affiliated with one of the five cooperative centrals shareholders of SicrediPar, the holding that coordinates our strategic decisions. We also our structure (learn more on page 46) with specialized entities that rationalize our activities, such as Confederação Sicredi (Sicredi Confederation), Sicredi Fundo Garantidores (Guarantor Fund Sicredi), Fundação Sicredi (Sicredi Foundation), Banco Cooperativo Sicredi (Sicredi Cooperative Bank) and its subsidiaries - Administradora de Bens (Assets Administrator), a Sicredi Cartões (Sicredi Cards), a Administradora de Consórcios (Consortium Administrator) e a Corretora de Seguros (Insurance Broker) - located in Porto Alegre (RS), at the Sicredi Administrative Center (CAS).

Our System in numbers

Net result of
R\$ 3.0 billion

4.4 million members

1,850 branches and **11**
advanced service units

110 credit unions

5 cooperative centrals

28,613 employees
in **1,378** cities

Over **300**
financial solutions

R\$ 110.6 billion
in assets

R\$ 17.4 billion
in net equity

R\$ 70.8 billion
in total deposits

R\$ 72.2 billion in
credit portfolio balance

/ National presence

GRI 102-4 / 102-6 / 102-7 / FS13 / DL01

Positive impact



SDG related



Throughout 2019, we strengthened our national presence by opening 182 new agencies all over the country, 76% of them in towns with up to 50 thousand people. In the end of December, we had 1,850 branches in 11 advanced service units, distributed in 22 states and in the Federal District.

The volume is 10.5% larger than in the previous year, showing that our strategy continues to be geared towards the expansion of our physical presence in the country, extending the reach of credit union in society and keeping us close to the communities to serve their needs.

During the year, we continued the expansion to Minas Gerais, which started in 2018, by opening 19 branches in the state, including the first one in Belo Horizonte.

The year also represented the consolidation of our presence in the North and Northeast regions through the action of Sicredi Cooperative Central - North/Northeast, which completed its first year of integration after the conclusion of the operational migration for the System, opening 19 new branches.

For 2020, we will follow our expansion plan, opening new branches in 22 states. We will concentrate the efforts in the south and southeast regions, with 29% and 35% of the total openings, respectively. We also plan to extend our presence in the northeast, which will receive 15% of the new branches.



We had to leave and go to the neighboring town to make a deposit."

We are the only financial institution in the city of Arenópolis (GO), helping the lives of the people and generating development for the city.

Delmiro Cano,
cattle farmer and Sicredi member,
city of Arenópolis (GO).





Present in
1,378 cities
in 22 states and in
the Federal District.

87% of the cities where we are present
have less than 100 thousand people.



5% of our branches are in cities rated
as Brasil Carente (Brazil in Need)¹.

We are present in **18% of
the 509 Brazilian cities**
that are in considered in need¹.



**73% of our
members** are
in cities with up to
100 thousand.

53% of our branches are in cities that are
classified as **rural, rising countryside and
prosperous countryside**.



In 210 cities we are the only financial
institution, serving more than
290 thousand members
and promoting the financial inclusion
of more than 850 thousand people.

In cities where we are exclusive,
**75% have less than 5
thousand people, 77%**
are considered rural, and **21%** are
considered in need.

¹ According to Geofusion, town considered to be in need are small, have a larger participation in agriculture and public administration in the economy, are more dependent of government loans and have the lowest social indicators, such as the HDI.

Together we make the difference

GRI 102-16



Mission

As a cooperative system, valuing relationships, offering financial solutions to add income and contribute to improving 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 unions, all integrated into a solid and effective system.



Values

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



Commitment to our Code of Conduct

- Commitment to ethics;
- Commitment to human and labor rights;
- Commitment to socioeconomic development; and
- Commitment to the environment.

Values of cooperativism



Democracy



Solidarity



Responsibility



Equality



Honesty



Freedom



Equity



Transparency

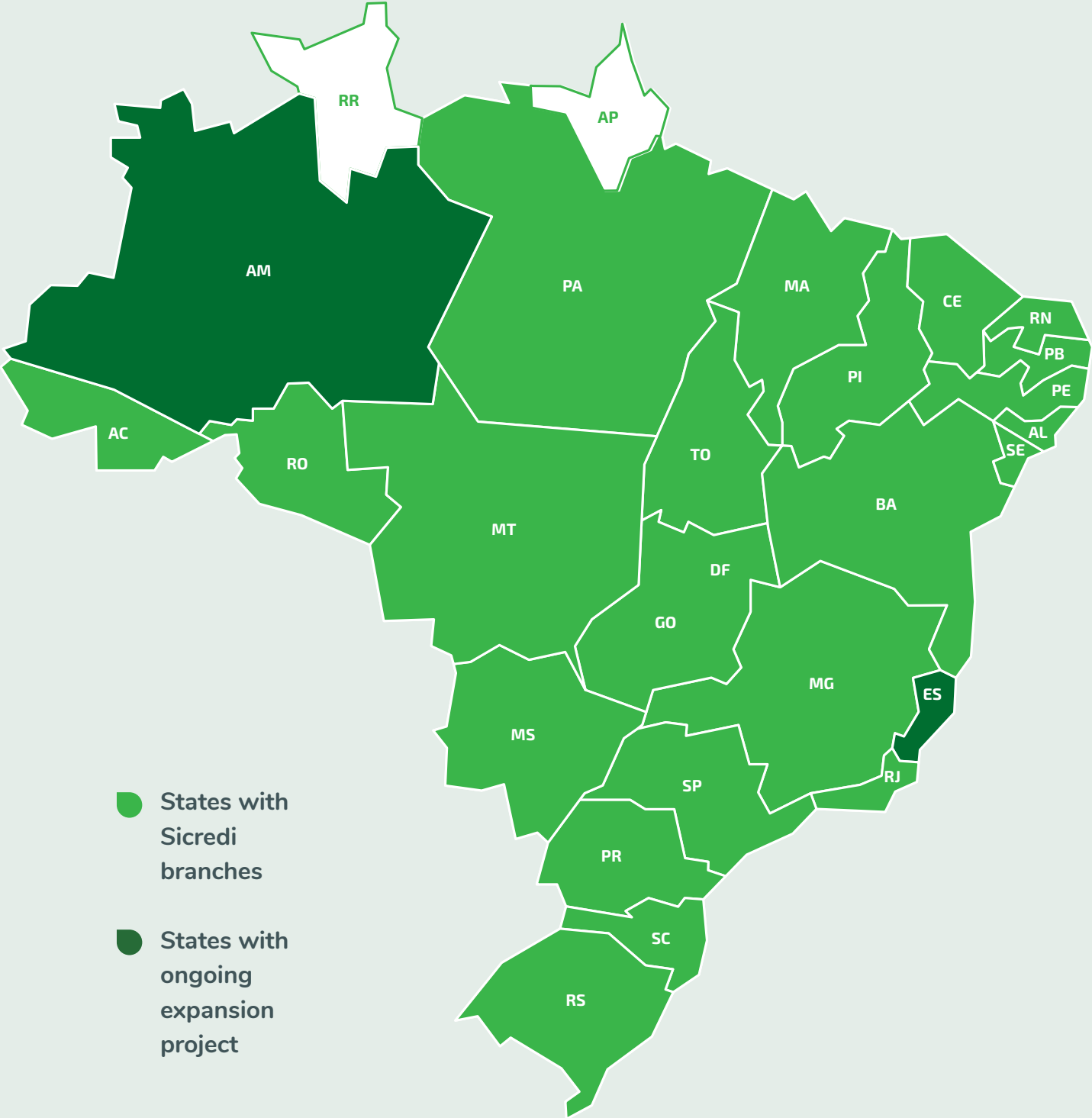


Socio-
environmental
Responsibility

Principles of cooperativism

- Free and voluntary membership;
- Democratic management by the members;
- Economic participation of members;
- Autonomy and independence;
- Education, training and information;
- Inter-cooperation; and
- Concern for the community.

Presence of Sicredi in Brazil



Number of members per central

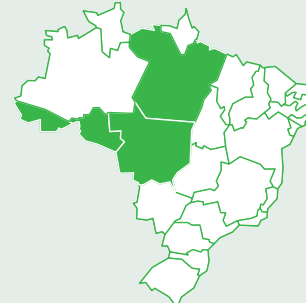
Sicredi

Year	Members
2017	3,583,816
2018	4,020,991
2019	4,466,750



Sicredi Cooperative Central - North Central

Year	Members
2017	376,543
2018	422,011
2019	495,480



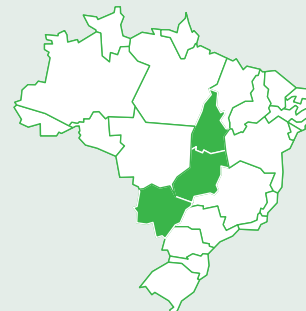
Sicredi Cooperative Central - South/Southeast

Year	Members
2017	1,889,120
2018	1,952,477
2019	2,053,694



Sicredi Cooperative Central - Brazil Central

Year	Members
2017	230,354
2018	259,353
2019	298,884



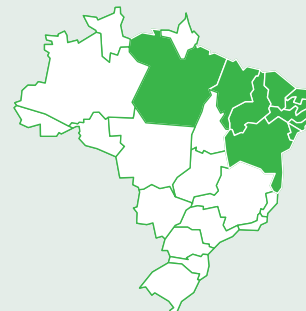
Sicredi Cooperative Central - PR/SP/RJ

Year	Members
2017	1,084,516
2018	1,251,210
2019	1,456,175

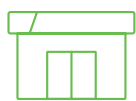


Sicredi Cooperative Central - North/Northeast

Year	Members
2017	3,283
2018	135,940
2019	162,517



/ 2019 highlights



Opening of
**182 new
branches.**

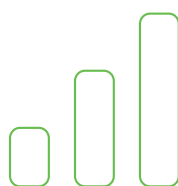


Increase of
10.9%
in the number
of members.

Growth of

28.7%

In the credit portfolio, reaching
R\$ 72.2 billion.



Capital of

R\$ 11.2 billion

into products and services of the
green economy.



**72.2
thousand**
digital members
through Woop Sicredi.



#Cooperative Essence

New work competences

reinforcing the cooperativism action and the
sustainable development of our employees.

Impact of credit unions in the Brazilian economy¹

Increase in the number of
retail establishments
of **15.7%**

Increase of
5.6%

of the Gross Internal Product (GDP)
per capita in the cities where credit
unions are present.

¹ According to the survey by Fipe, Economic Benefits of Credit Unions in the Brazilian Economy (learn more on page 131).

151

Cooperativas Escolares Program (School Credit Unions Program)

gathering 8.9 thousand teenagers in the opposite school shift to have experiences based on the values and principles of cooperativism.



4.4 million

People reached in the 5.6 actions of financial education, carried out during the ENEF Week.

Adherence
to the UN
Global
Compact.

WE SUPPORT



Participation of

431.7
thousand

Members in 1,649 assemblies.

87,265

people trained

in the credit union themes by
Crescer Program.



A União Faz a Vida Program

Over

2 million

children and teens and

100 thousand

teachers participating in
the past 11 years.

Starting in
September 2019,
**all energy
consumed in the
CAS building**

is bought from the
Free Energy Market,
with

100%

of renewable sources
without CO₂.

Increase of

6.2%

in the number of
formal jobs.

By offering credit at lower interest rates, we calculated, based on a study by Fipe, that credit unions were responsible for the creation of **79 thousand** new companies, generating over **278 thousand** jobs in the **1.4 thousand** cities that had one or more credit unions during the year, injecting **R\$ 48 billion** in the economy.

Awards and acknowledgments

Best Companies for Starting your Career

For the third year in a row, we have been included in the list issued by Você S/A magazine, in partnership with Fundação Instituto de Administração (FIA), which registers the companies that offer the best programs for those who are entering the job market.

150 Best Companies to Work For

We are in the ranking organized by Você S/A magazine, in partnership with Fundação Instituto de Administração (FIA), by the 9th consecutive year. We ranked 2nd in the Financial Services rating, with highlights such as the creation of a diversity group in the Sicredi Administrative Center, the adoption of a virtual assistant, Hugo, for interpreting sign language in our website, and sign language classes to our employees.

Empresas Mais

For the first time, we appear in the ranking organized by the newspaper O Estado de São Paulo in partnership with Fundação Instituto de Administração (FIA) and Austin Rating, recognizing companies with the best financial results in Brazil. We ranked 2nd in the category of Corporate Governance among privately held corporations.

Abrasca Award

The 2018 Sicredi Sustainability Report received the Abrasca Award 2019 in the category privately held corporations. The award is organized by the Brazilian Association of Open Capital Companies (Abrasca). It aims at promoting the production of reports with more clarity, transparency, quality and quantity of information.

Época Negócios 360°

We are 73rd in the ranking that elected the 300 best companies in Brazil based on six dimensions: financial performance, corporate governance, innovation, people, sustainability and future vision. The Guide is organized by Época magazine in partnership with Dom Cabral Foundation, and it also placed us in 9th in the category Best in the South. In the sector of Banks, we are 1st in Financial Performance, 4th in People, 5th in Corporate Governance, 8th in Future Vision, 9th in Innovation and 12th in sustainability.

Melhores e Maiores 2019 (Best and Largest 2019)

For the 8th consecutive year, we appear in the financial categories of the Revista Exame catalog, in 15 rankings. As a highlight, we reached 2nd place in Rural Credit and 6th place in the indicator of Deposits in Savings, and Credit for Medium-size companies.

BNDES Ranking

The annual BNDES ranking identifies the performance of the financial institutions in indirect operations, those in which the development bank indirectly participates in on-lending of resources through a financial agent registered by it. We ranked 2nd among Registered Institutions in Indirect Operations of BNDES, and 1st in on-lending to individuals, 2nd in operation for micro, small and medium-size companies and 2nd place in on-lending of agricultural programs by the Federal Government.

Top Asset

Through our resource manager, we are 18th in the Top Asset ranking of the magazine. Institutional investor, with over R\$ 31 billion in resources under management. The magazine is the main communication channel with pension funds professionals, own social security regimes and resource managers.

Valor 1000

We maintained the 10th position among the 100 Largest Banks in the directory, 4th among the most profitable institutions on Equity, 5th among the ones that most grew in Credit Operations, and 7th among the ones that most grew in Total Deposits. In the rankings of the 20 Largest Banks in Total Deposits, Net Profit and the Best Operating Result without Equity Equivalency, we ranked 7th place. Among those who elect the largest in Credit Transactions and Net Equity, we came in 8th.

Estadão Finanças Mais Broadcast+

We are 3rd in the category “Banks – Financing” of the directory. Among the highlights, we had the assets total (2nd place in the indicator ranking) and credit total (1st place in the indicator ranking).

Economic projections

The Sicredi Cooperative Bank ranked 3rd in the Top Geral ranking by Agência Estado, in the first quarter of 2019. In the annual ranking by Banco Central, it appeared among the top five in the country in the four variables analyzed in 2019: IGP-M, Exchange rate and Selic. It appeared among the top five in the long-term projection of Prisma Fiscal, by the Ministry of Economy, in the variables “Collection of Federal Revenue” and “Gross Debt of the Federal Government”. On Bloomberg, it stood out in several projections in 2019, in inflation data and economic activity, for example.

Previdência Valor/FGV 2019

The Pension Fund Sicredi Fic RF IS Prev Reserva received a five-start evaluation in the category of Fixed Income in the ranking of Previdência Valor/ FGV 2019, which provides information for investors. This is the highest rating possible in the publication's criteria, indicating the most attractive investment products for private pension plans exclusively.

Awards by Woccu

(World Council of Credit Unions)



WYCUP – World Council Young Credit Union People

The competition promoted by Woccu aims at fostering the creation of young leaderships and awards projects with a potential to cause global influence on credit unions. The awarded projects, developed by employees, were the following:

- Women who cooperate:** It gathered a group of 60 women, among members and non-members, to share ideas about how to contribute to the development of the region where they live and increase women's participation in the business of the city.
- Young Leader Program:** Young Leader Program: It fosters the leadership spirit among young people in the age range of 15-17 years-old, members or members' children who for one year take part in training modules, conducted by professionals from partner universities or from the cooperative itself, on topics such as financial education, credit union, entrepreneurship, financial planning, public speaking. The program has trained over 330 young people and other 81 are attending ongoing training.

Growth Award

Awarded during Woccu's Annual General Assembly in recognition to the growth of Sicredi in the credit union sector.

/ Financial and non-financial solutions

GRI 102-2 / 413-1

Positive impact



SDG related



Our financial solutions

We have a broad portfolio of products, services and channels that support prosperity and meet the financial needs of our members. The solutions are aimed at individuals, legal entities, and agribusiness, of the most varied sizes and economic activities.



For you

- Currency
- Exchange
- Credit card and debit card
- Digital certification
- Credit (personal, vehicles, housing)
- Consortiums
- Checking account
- Automatic debit
- Authorized Direct Debit
- Investments
- Payment and receipt
- Savings account
- Pension Plan
- Insurance



For your agribusiness

- Currency Exchange
- Credit card and debit card
- Digital certification
- Consortiums
- Checking account
- Credit for BNDES investment
- Rural Credit
- Financing
- Investments
- Payment and receipt
- Savings Account
- Insurance



For your company

- Currency Exchange
- Corporate cards.
- Digital Certification
- Charging
- Consortiums
- Checking account
- Credit
- Credit for BNDES investment
- Custody of checks
- Account domicile
- Financing
- Payroll
- Investments
- Payment processing solutions
- Corporate pension
- Insurance
- Payment and receipt solutions



Channels (Physical and digital)

- Branches
- Registered agent
- Sicredi application
- ATM (own network, 24-7 and Withdraw and pay services)
- Internetbank
- Services by phone

Our non-financial solutions

In order to expand our capacity to generate value for our members and the communities where we operate, we also offer non-financial solutions. These are programs and initiatives implemented locally by credit unions with the support of the Fundação Sicredi (Sicredi Foundation), which strengthen our local activities and help us to fulfill two principles of cooperative action: Number 5 - Education, training and information, and number 7 - Concern for the community. In 2019, the Fundação Sicredi (Sicredi Foundation) became stronger, undergoing an organizational transformation that will give greater strength to its development, aiming at expanding the impact of its solutions with the members and the society where we operate.

Crescer Program

It strengthens the culture of credit union through cooperative education. The goal is that the member understands his/her role as owner of the business, enhancing participation in the cooperative enterprise.

Financial Education

Aligned with the Central Bank, we seek to promote a healthy financial life with more awareness among our members, employees and communities.

Social Fund

It supports social, local projects of collective interest geared towards education, culture, sport, health, environment, safety, and social inclusion, contributing to the development of the communities in the area of cooperative acting.

A União Faz a Vida Program

It aims at contributing to the full education and protagonist role of children and teenagers through a teaching methodology that teaches and fosters the values of cooperativism and citizenship.

Women's Committee

It promotes gender equity, through a set of educational actions, empowering women so that they can participate in management at all levels of the organization, leading, undertaking and promoting sustainable, economic, social and environmental development of our business model.

Youth Committee

It promotes the development of young people through education and entrepreneurship, fostering engagement to the cooperative movement.

Information and Memory Center

A collection of over 15 thousand items consisting of books, papers and DVDs from different knowledge areas, including credit union. Collection available for members and employees.

Cooperativas Escolares Program

It broadens learning opportunities for children and teenagers, who experience the values and principles of Credit Unions.

Pertencer Program

It promotes the effective participation of the members in the decision instances of their cooperative.

/ Strategy

In 2019, our performance was based on our strategic planning, updated in 2018 based on a diagnosis about the evolution of our business and the strategic choices of each credit union.

Among the systemic priorities, it brought the positioning by segment, seeking to better meet the needs of our members and the digital transformation. Sustainability was also part of the update, in the search for greater alignment of the theme with the business strategy.

During the year of 2019, we started building a new cycle of strategic planning, with an execution deadline set for 2023 and an inspirational perspective for 2030. The shortest lead time is intended to adapt our business to an environment of constant changes in the scenario in which we are inserted, especially with regard to the financial market.

The long-term inspirational vision seeks to answer how we want to be recognized by society in 2030 and what are the aspects we want to reinforce in our business, taking into account the principles and values of cooperativism.

Construction is being carried out in a participatory and systemic manner. The first stages of the process involved the entire System, based on surveys with more than 20 thousand employees (80% of the staff), more than 8 thousand members and non-members, interviews with leaders and discussion workshops with all credit unions and cooperative centrals.

For sustainability, we will seek to maintain alignment and expand the connection between the theme and the business strategy, in addition to supporting credit unions unfolding sustainability in their local strategies. The new cycle will be launched for the System in the first semester of 2020 and will guide our activities over the next few years.



Sicredi Administrative Center (CAS)

04.

The close relationship helps us to be present in the life of the member, knowing their personal and professional goals and understanding their needs. Through engagement and education, we strengthen our partnership relationships and experience our inclusive, democratic, transparent, sustainable and trusting culture, which values doing and growing together. That is how we foster our support network, which keeps credit unions alive and generates good business.

Drivers



In this chapter, we approach the focal themes:

- Spreading cooperativism and sustainability;
- Promote diversity and inclusion; and
- Strengthen our management model.

Relationship and cooperativism

At Sicredi, the member has an active participation in the business management. The assemblies held at the credit unions are our maximum governance body, where we elect our representatives and decide the directions of our management.

The Board of Directors of SicrediPar represents the cooperative centrals and the credit unions, therefore its members, being the body responsible for coordinating the strategic decisions of the System.

In 2019, **431.7 thousand** members participated in the assemblies.

Election process of SicrediPar advisors

GRI 102-24

Credit unions

In the nucleus assemblies



Members

elect

Delegates
(Nucleus Coordinators)

Credit unions

In the ordinary general assemblies



**Delegates
(Nucleus
Coordinators)**

elect,
based on
the members'
vote

The Credit unions's
Board of Directors

The 110 credit unions
have an Board of
Directors

Cooperative centrals

*In the central's
general assembly*



**Representatives
of credit unions**

elect

The cooperative central's
Board of Directors

The 5 cooperative
centrals have a Board
of Directors

SicrediPar

*In the general
assembly of
SicrediPar*



**Representatives
of credit unions**

+



**Representatives
of the cooperative
centrals**

elect

The Board of Directors
of SicrediPar

- 5 presidents of the cooperative centrals
- 5 members appointed by the cooperative centrals
- 1 member appointed by Rabo Partnerships B.V.
- 1 independent member

Governance structure

GRI 102-18

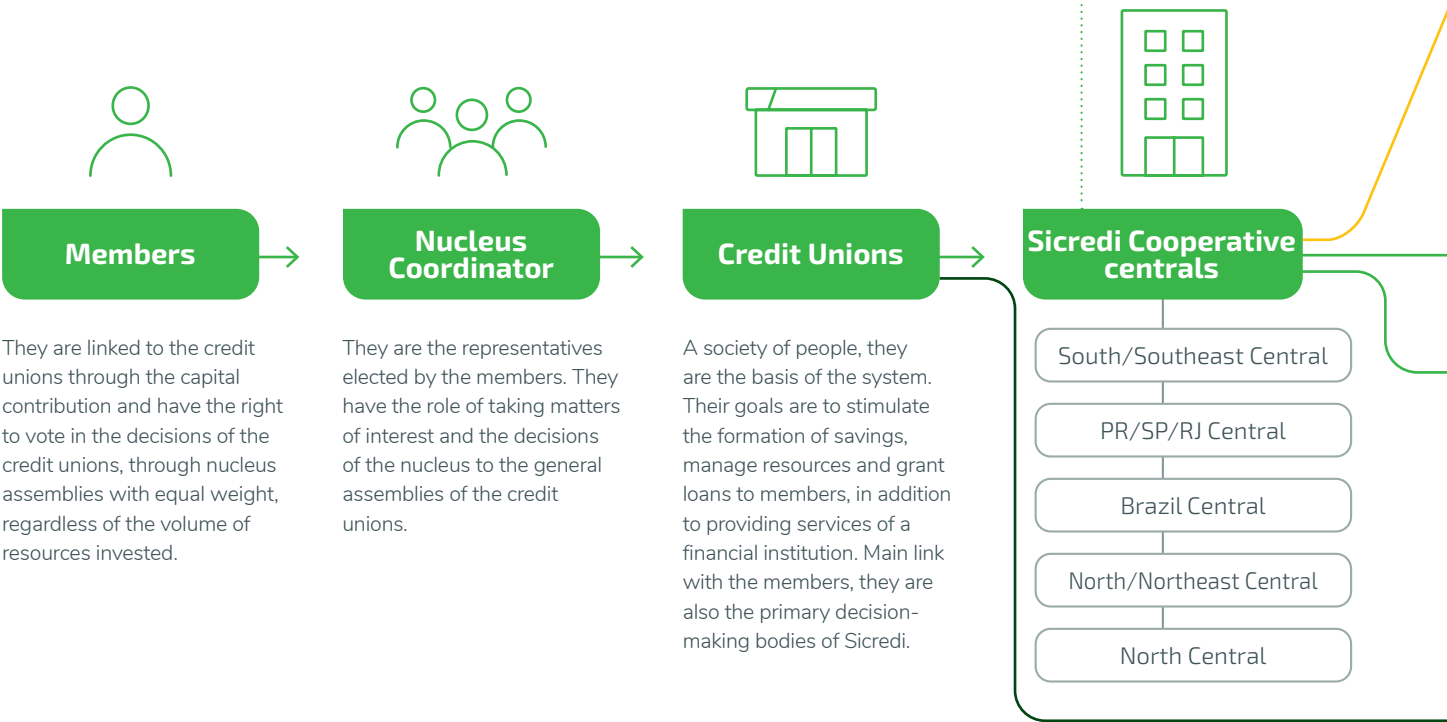
SDG related

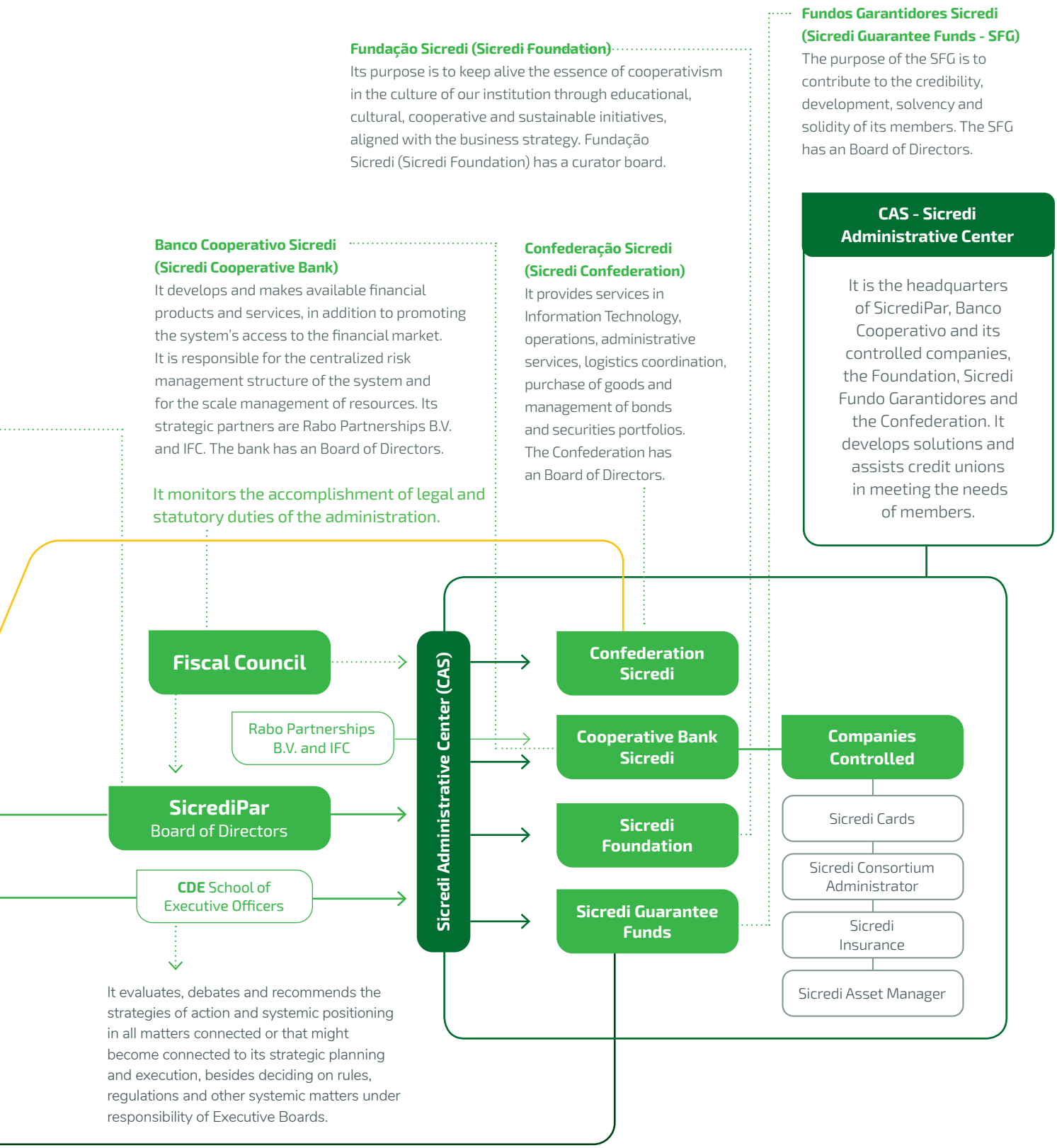


We are organized into a system, seeking to specialize areas, reducing operating costs and enabling gains in scale and inter-cooperation, expanding the possibilities of meeting the demands of members. Each entity has specific roles, providing efficiency gains to our strategy, decision making and the development of internal processes. All these entities together form Sicredi.

The holding company controls Banco Cooperativo Sicredi (Sicredi Cooperative Bank) and coordinates the strategic decisions of the System. It aims to promote the direct and formal participation of credit unions in corporate management and to afford transparency to the governance structure. The Board of Directors meets monthly to discuss and decide about strategic and systemic themes.

They disseminate cooperativism and supervise affiliated credit unions, in addition to supporting them in their development and expansion activities. The cooperative centrals are the controlling entities of SicrediPar.





The Board of Directors of SicrediPar

GRI 102-24 / 102-26

SDG Related



The Board of Directors of Sicredi Participações (CAD of SicrediPar) meets monthly to discuss and decide, based on the credit unions' decisions, about our strategic themes, including risks, opportunities, policies and other directions.

The CAD of SicrediPar is made up of 12 members: five presidents of the cooperative centrals, 5 representatives of credit unions, appointed by the cooperative centrals, one independent advisor, and a representative appointed by Rabo Partnerships B.V., an external shareholder of the bank. All are elected every three years in a general SicrediPar assemblies.

In order to take the position, candidates must meet the requirements demanded by law and the bylaws, in addition to having the knowledge and experience necessary for the role. Understand in the infographic on page 45 how the election process for the Board of Directors of SicrediPar works.

Center for cooperative governance studies

In November, we signed a Technical Cooperation Agreement with Dom Cabral Foundation for the creation of the FDC/SICREDI Study Center of Governance in credit unions. The goal is to develop content and conduct research that improves the governance of credit unions and strengthens credit unions in Brazil.

The first action of the FDC/SICREDI Study Center will be the application of research to understand how the dynamics of the Boards' operation influences the decision-making process of a cooperative, mapping the efficiency of these bodies and their main challenges.

Structure of the Board of Directors of SicrediPar

GRI 102-22 / 102-23

Members of the Board of Directors of SicrediPar

(Term 2018 to 2020)

Manfred Alfonso Dasenbrock

Chairman of the SicrediPar Board of Directors and president of Sicredi Cooperative Central - PR/SP/RJ

João Carlos Spenthof

CAD vice president and president of Sicredi Cooperative Central - North Central

Fernando Dall'Agnese

CAD Advisor and vice president of Sicredi Cooperative Central - South/Southeast

Celso Ronaldo Raguzzoni Figueira

CAD Advisor and president of Sicredi Cooperative Central - Brazil Central

Wilson Ribeiro de Moraes Filho

CAD Advisor and president of Sicredi Cooperative Central - North/Northeast

Wellington Ferreira

CAD Advisor and President of the Sicredi cooperative União PR/SP

Márcio Port

CAD Advisor and vice president of Sicredi Cooperative Central - South/Southeast

Eledir Pedro Techio

CAD Advisor and president of the Sicredi cooperative Ouro Verde MT

Sadi Masiero

CAD Advisor and president of the Sicredi cooperative Center-South MS

Francisco Ary Vieira Sobral

CAD Advisor and Administrative Director of Sicredi Cooperative Central - North/Northeast

Cornelis Johannes Beijer

CAD Advisor and representative of the Rabo Partnerships B.V.

Walter Oti Shinomata

Independent CAD Advisor

Structure of the Fiscal Council of SicrediPar

Active Members

(Term 2019)

Marcos André Balbinot

Sicredi Serrana RS

Orlando Muffato

Sicredi Grandes Lagos PR/SP

Emerson Luis Perosa

Sicredi Pantanal MS

Juares Antonio Cividini

Sicredi Univales MT/RO

João Bezerra Junior

Sicredi Evolução

Alternate members

(term 2019)

Aloisio Westrup

Sicredi Sul SC

Clemente Renosto

Sicredi Parque das Araucárias PR/SC

Martim Rodrigo Steffenon

Sicredi Aranxingu MT

Zeir Ascari

Sicredi Cerrado GO

Paulo Ortiz Rocha de Aragão

Sicredi Creduni

Advisory Committees

GRI 102-18 / 102-22

The Board of Directors of Sicredi Participações S.A. is advised by permanent committees, which have the function of analyzing some matters in depth and making recommendations to the Board of Directors, responsible for resolving on them. They are:

Strategy Committee

It assists in structuring long-term strategies and in assessments in relation to entering new markets, strategic associations and eventual acquisitions, mergers and sales of companies in the system, as well as in monitoring our strategic drivers.

Foundation Committee

It helps in the decisions involving educational and social programs, as well as in other initiatives of Fundação Sicredi (Sicredi Foundation), as well as in topics related to systemic sustainability.

People Committee

It supports decisions related to people management policies in the systemic scope, as well as to other strategic topics in people management.

Guarantor Funds Committee

It assists in decisions related to the use of resources from Guarantor Funds intended for corporate use, including recommendations of technical feasibility

study and economic-financial recovery, administrative procedures and sanctions in case of non-compliance with the conditions of access to resources.

Risk and Compliance Committee

It supports the creation, follow-up and control of policies and methodologies related to (legal or internal) credit risks, market and liquidity risks, operational and environmental risks, and others, in addition to the Risk Appetite Statement, the Conformity Policy and the Compliance Program.

Audit Committee

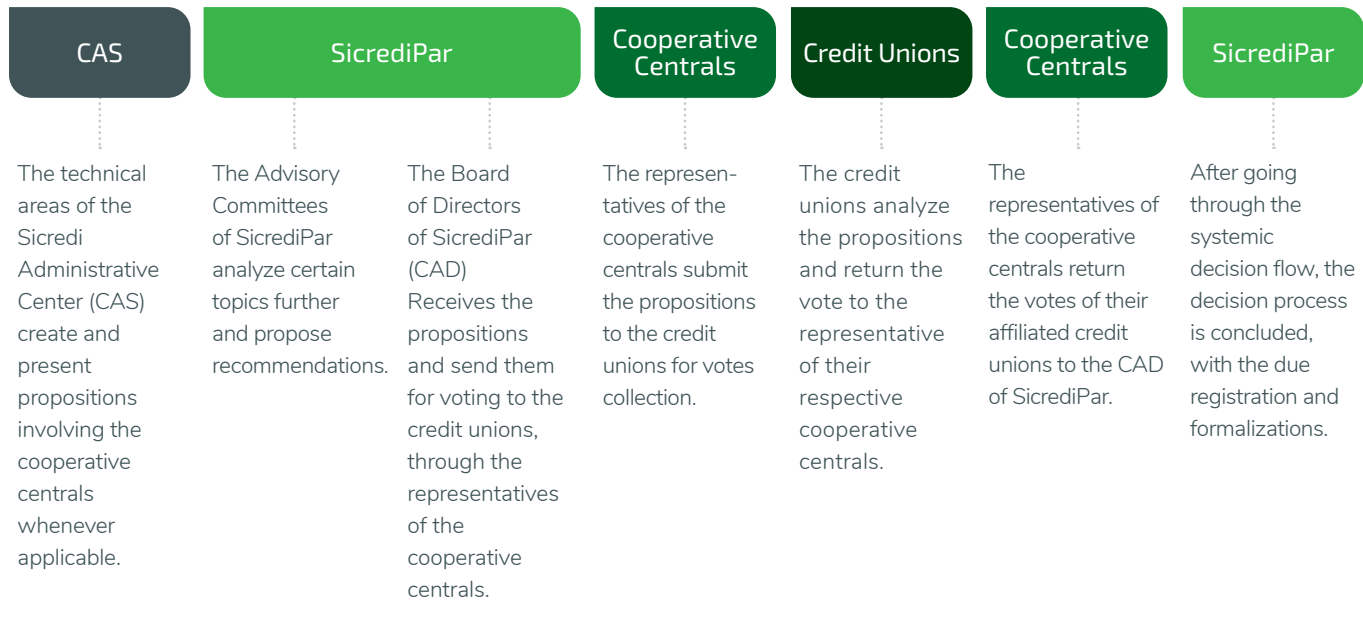
It assists in the decisions regarding the standards and procedures to be adopted by the entities that are part of the system with respect to Internal Audit, External Audit and Cooperative Audit for service the legislation and our internal regulations, as well as analysis of Internal and External Audit reports related to CAS companies and cooperative centrals.

/ Democratic decision-making

Our decision-making process is democratic and safe, because it is comprised of two complementary lines. The first is the strategic line, which seeks to consider the opinions presented by the credit unions, cooperative centrals and the Sicredi Administrative Center (CAS).

The decisions of the SicrediPar Board of Directors are taken in compliance with the systemic strategic guidelines and the interests of the members through the decision flow represented in the following infographic:

Strategic-systemic decision flow



The executive line, on the other hand, seeks to execute the activities and implement the strategic decisions. This line is conducted by the School of Executive Offices (CDE), made up by the Executive Directors of the cooperative centrals and by the Executive Director of the Sicredi Administrative Center (CAS). The CDE has the function of deliberating on the norms of its competence, based on the decision of the credit unions, and recommending the ways of implementing the systemic strategies, based on the definitions of the deliberating bodies.

Assembly

GRI 103-2 / 103-3 / Sicredi RC11 / RC16

Positive impact



SDG related



Members participate in the decisions of their credit union through the nucleus assemblies. They are the fundamental deliberation instance of our management model, in which participants are invited to take the lead and take part in decisions that affect the business.

Members are called upon to debate and deliberate on the main topics of Sicredi, elect their representatives, approve the rendering of accounts and decide the distribution of results, among others.

The decisions of the members in the nucleus assemblies are taken by their nucleus coordinators (delegates) to the Ordinary General Assembly (AGO). In total, in 2019, the credit union held **1,649 assemblies**.

In 2019, **431.7 thousand members** participated in the assemblies. The number is 9.6% higher than the previous year, representing 11.1% of our members base. Other **128.1 thousand people** participated in the assemblies as guests.

Profile of members participating in assemblies, by cooperative central

Public	Sicredi Cooperative Central - Brazil Central	Sicredi Cooperative Central - North Central	Sicredi Cooperative Central - PR/ SP/RJ	Sicredi Cooperative Central - South/ Southeast	Total
Gender					
Male	61.8%	58.1%	61.2%	57.5%	59.0%
Female	38.2%	41.9%	38.8%	42.5%	41.0%
Age					
Below 20	2.8%	5.8%	4.0%	7.0%	5.7%
21 to 30	17.0%	18.0%	15.5%	9.8%	12.9%
31 to 40	25.6%	24.1%	19.6%	14.5%	17.8%
41 to 50	20.2%	21.4%	20.4%	17.5%	19.0%
Above 50	34.4%	30.7%	40.6%	51.2%	44.5%
Total participants	22,320	51,687	150,673	207,035	431,715

*The Sicredi Cooperative Central - North/Northeast is in the process of implementation of Pertencer Program and for this reason, its numbers are not counted yet.



> Assemblies of Sicredi Integration RS/MG
Sicredi Cooperative Central - South/Southeast

Nucleus Coordinators

The nucleus coordinator is a member elected in assembly to promote the dialogue of the credit union with other members. They are responsible for representing their nucleus in the general assemblies, and for that they are a delegate. The delegate also has the function of mobilizing the members for the meetings, keeping them informed on the news from the credit union.

In the end of 2019, we had 9,906 nucleus coordinators in the whole System.

Nucleus coordinators per cooperative central

Public	Sicredi Cooperative Central - Brazil Central	Sicredi Cooperative Central - North Central	Sicredi Cooperative Central - PR/SP/RJ	Sicredi Cooperative Central - South/Southeast	Total
Total nucleus coordinators	895	1,169	2,770	5,072	9,906
% compared to the total number of members	0.30%	0.24%	0.19%	0.25%	0.22%

Nucleus Coordinators by gender



*Data from Sicredi Cooperative Central - North/Northeast have not been included because it is in the implementation phase of Pertencer Program.

Nucleus Coordinators by age group





The best about Sicredi, in my opinion, is that everybody participates in the decisions that are the most important ones for the community. That is what the credit union does."

We helped Luiz to open his company, which takes Internet to remote areas in the state of Mato Grosso, and today he is the nucleus coordinator in his credit union.

Luiz César Dias,
entrepreneur and Sicredi member,
city of Alta Floresta (MT).



Participation

GRI 103-2 / 103-3 / 413-1 / Sicredi RC12

Through **Pertencer Program**, we aim to foster the participation of members in assemblies and decision-making processes of the credit unions, enhancing transparency and democracy in the System.

Through the program we engage members, establish participation rules and guide our participatory management model.

We also provide instruments for the credit union to extend the participation and improve the members' experience. The 2019 assemblies used, for the first time, a new systemic management tool of Pertencer Program.

Built in collaboration with the credit unions, it allowed the control and systemic monitoring of all stages of the assemblies and a better management of each nucleus, with biometric registration of the presence of members, greater speed in data synchronization and integration with the new banking core, in line with our digital transformation process.

In this way, we guarantee more agility to the assemblies, reduce bureaucratic processes, and allow members to focus more on what really matters: their participation in the management of the credit union.

Recognition

The new management tool of Pertencer Program brought us the Efinance Award 2019, in the Governance category.

The award is promoted and organized by Editora Executivos Financeiros, acknowledging the Information Technologies (IT) initiatives implemented by the financial industry that contributed the most to facilitate the users' daily lives.

Transparency in the relationship with leaderships

Sicredi RC12

The Governance Portal is a communication channel between credit unions and their nucleus coordinators and advisers.

Through the portal, materials are shared to support information management with leaders and other members.

Ethics

GRI 102-16 / 102-25 / 205-2

Positive impact			
SDG related			

The set of values and principles of cooperativism determined our performance since the beginning of the business, governing our sustainable development and the achievements we had throughout this time. These values and principles are described in our Code of Conduct and in the Internal Regulations, influencing the behavior of all people who, directly or indirectly, are part of this undertaking.

To guide our decisions, we have adopted a Code of Conduct that brings a map of values and a set of guidelines that serve as a benchmark for moral and ethical conduct (see our values on page 32). The document provides a standard of behavior to be followed by all employees in their internal and external relations and guides our position on sustainability issues.

In 2018 we reviewed and updated our Code of Conduct, which was published and disclosed in 2019 to all employees.

For this, we carry out an internal communication campaign that included publications in our channel network, reaching 100% of our employees.

In their integration process, each employee receives a copy of the Code of Conduct and must register their commitment to act in accordance with the document guidelines.

The Code describes, among others, our commitment to respect for people, and non-tolerance for slave and child labor, and corruption. It also addresses the preservation of the environment, stipulating that we do not accept the misuse of natural resources and waste of any kind and that we seek to develop eco-efficiency practices in all our units.

The document, together with other internal regulations, also guides employees, business partners and members of senior management, including board members, on how to avoid conflicts of interest and situations that involve the generation of benefits for any party. Precisely to prevent situations like these, our internal processes are defined with due segregation.

Our employees receive online training on the Code of Conduct in its basic cycle, at the end of which it is necessary to accept the content of the document.

Employees who received training on the Code of Conduct

Cooperative central	CAS	Sicredi Cooperative Central - Brazil Central	Sicredi Cooperative Central - North Central	Sicredi Cooperative Central - North/Northeast	Sicredi Cooperative Central - PR/SP/RJ	Sicredi Cooperative Central - South/Southeast	total % of employees*
Elected	0	15	20	20	56	59	82.9%
Top leadership	7	15	26	68	73	80	96.1%
Middle leadership	196	252	405	240	1,348	1,480	99.5%
Professionals	1,931	1,710	2,736	1,081	7,084	7,584	100%
Technicians	3	7	16	5	20	28	100%
Trainees	34	88	175	66	331	271	95.5%
Young Apprentice	13	56	83	39	159	234	88%
Total	2,184	2,143	3,461	1,519	9,071	9,736	98.3%

We also do workshops on anti-corruption and compliance, to train and raise awareness among our employees about the importance of prevention and the fight against illicit actions.

Ombudsman

GRI 102-17 / 205-3

Our Ombudsman is responsible for ensuring and disseminating the Code of Conduct, as well as conducting the analysis and treatment of the demands and complaints corresponding to issues arising from the document. Employees have at their disposal the internal ombudsman channel, which can be accessed from any location and is available 24 hours a day, seven days a week through the electronic address (www.ssoi.com.br).

The channel provides an option to register questions, compliments, complaints, suggestions and reports, where the user chooses to be identified or to remain anonymous. The employees are informed about this channel through a training on the Code

of Conduct, carried out in their cycle of basic education and internal communication.

We also provide all of our audiences with an external ombudsman channel, to make complaints about violations or suspected violations of our Code of Conduct and Brazilian law. The reports can be made using the form available at www.sicredi.com.br/denuncia/ or by phone 0800 646 2519.

In addition, we have a Customer Service channel available to members at 0800 724 7220 for information, complaints, suggestions and compliments. If the questions sent are not satisfactorily solved, they are sent to the ombudsmen office.

The data below represent the total volume of services carried out at the SAC in the year of 2019.



42% of complaints

were considered valid and were forwarded to solution.

During the year of 2019, there were not any entries.

Compliance

GRI 205-1 / 205-2

We are committed to meeting the legal and regulatory requirements inherent to our segment. We seek to integrate this requirement into our business environment, promoting an organizational culture of valuing ethics and integrity aimed at preserving our image and reputation.

With this objective, we are structured in three major work fronts, which comprise: prevention and fight against economic and financial crimes, official and external regulations and compliance governance.

In terms of preventing and combating economic and financial crimes, we are committed to meeting the international recommendations of the Financial Action Task Force on Money Laundering and Terrorism Financing (FATF) and comply with the legislation and regulations in force, preventing us from being used as a means for the practice of illegal activities. All credit unions participate in monitoring to prevent crimes related to money laundering, concealment of assets, rights and values. When contracting products and services, we adopt practices to inhibit misconduct and illegal acts.

For external regulations, we have a structured process for assessing the adherence of our processes, services and products to the legal framework and the infra-legal regulation, with daily monitoring of the new standards issued. Annually, we prepare the Compliance Report, which covers the result of activities related to the compliance function and is reported to the Board of Directors of the Financial Institutions in the System.

For official and internal regulations, we have an internal repository that provides for construction, approval flow and availability of regulations in a single location and easily accessible by all employees. As of December 2019, we had a total of 339 published regulations, including regulations, codes, policies, standards, rules and manuals. During 2019, the regulatory repository was redesigned, making it easier and more intuitive for employees to use.

On the compliance governance front, in 2019, we promoted awareness actions for all employees of the System. We also had, in our basic training cycle, training in Money Laundering Prevention and Terrorism Financing Prevention, which must be completed by all new employees. In 2019 this training was reformulated and updated.

Employees who completed the training in Money Laundering Prevention

Cooperative central	CAS	Sicredi Cooperative Central - Brazil Central	Sicredi Cooperative Central - North Central	Sicredi Cooperative Central - North/Northeast	Sicredi Cooperative Central - PR/SP/RJ	Sicredi Cooperative Central - South/Southeast	total % of employees*
Elected	0	16	19	22	64	72	100.0%
Top leadership	7	15	27	68	68	86	100.0%
Middle leadership	196	240	393	225	1,321	1,459	100.0%
Professionals	1,674	1,452	2,397	982	6,275	6,881	100.0%
Technicians	3	6	15	4	19	23	100.0%
Trainees	21	32	100	36	181	146	100.0%
Young Apprentice	13	36	45	21	116	191	100.0%
Total	1,914	1,797	2,996	1,358	8,044	8,858	100.0%

*Percentage of active employees on December 31, 2019 who completed the training. For this indicator, we just considered employees who could do the training, that is, those who had been working for more than 180 days.



In July, we made available on the basic training line of our online training platform, a video that addresses the importance of being in compliance and presents the Integrity Program, focusing on the pillars of prevention, detection and correction. By the end of 2019, 72.1% of employees had accessed the content.

/ Diffusion of cooperativism action and sustainability

Positive impact					
SDG related					

The values and principles of cooperativism are the great differential of our business, supporting our sustainability strategy. We know that, by promoting the theme, we reinforce the democratic, transparent, supportive, egalitarian, honest and responsible culture of our business model, strengthening the bonds of trust and reciprocity.

Defense of cooperativism

GRI 102-13

To reinforce our commitment to financial inclusion and access to financial services in a sustainable way, we are members of the World Council of Credit Unions (Woccu), and through the chairman of the Board of Directors of SicrediPar, Manfred Alfonso Dasenbrock, we have a place in the Board of Directors.

The Patron in Brazilian cooperativism

In December, law 13,926/19 was published, officially declaring Father Theodor Amstad the pioneer of Brazilian cooperativism. The Swiss priest founded the first credit union in Latin America in 1902, in the city of Nova Petrópolis (RS), gathering farmers who lived in the region. The organization is now called Sicredi Pioneira RS, and it was the origin of our System.



Cooperative education

GRI 103-2 / 103-3 / 413-1 / Sicredi RC06

Through **Crescer Program**, we take the knowledge about cooperativism for all audiences that interact with our business. This is our main cooperative education initiative, through

which we offer education that broadens the understanding on the cooperative societies, their operation, benefits, and specific points when compared to other financial institutions.

Graduated from Crescer Program in 2019*

Cooperative central	Total employees		
Sicredi Cooperative Central - Brazil Central	3,340	2017	28.212
Sicredi Cooperative Central - North Central	16,386	2018	39.697
Sicredi Cooperative Central - PR/SP/RJ	13,323	2019	87.265
Sicredi Cooperative Central - South/Southeast	54,216		
Total**	87,265		

*The number includes members and employees who graduated from Crescer Program.

**The program is in process of implementation at Sicredi Cooperative Central - North/Northeast.

In 2019, representatives of the cooperative centrals and credit unions got involved in remodeling the Program, to generate a stronger connection with the business.

In its new structure, the division into pathways is no longer used, which simplifies the language and we include content geared towards members, non-members, advisors, nucleus coordinators and employees.

In the case of members, the materials are aimed at the various moments of their relationship with our credit unions.

In addition, we centralized all materials to be used by the employees in an intranet repository, facilitating the search and allowing the inclusion of initiatives carried out by the credit unions.

We also expanded the repertoire of videos with themes that help to understand our business model.

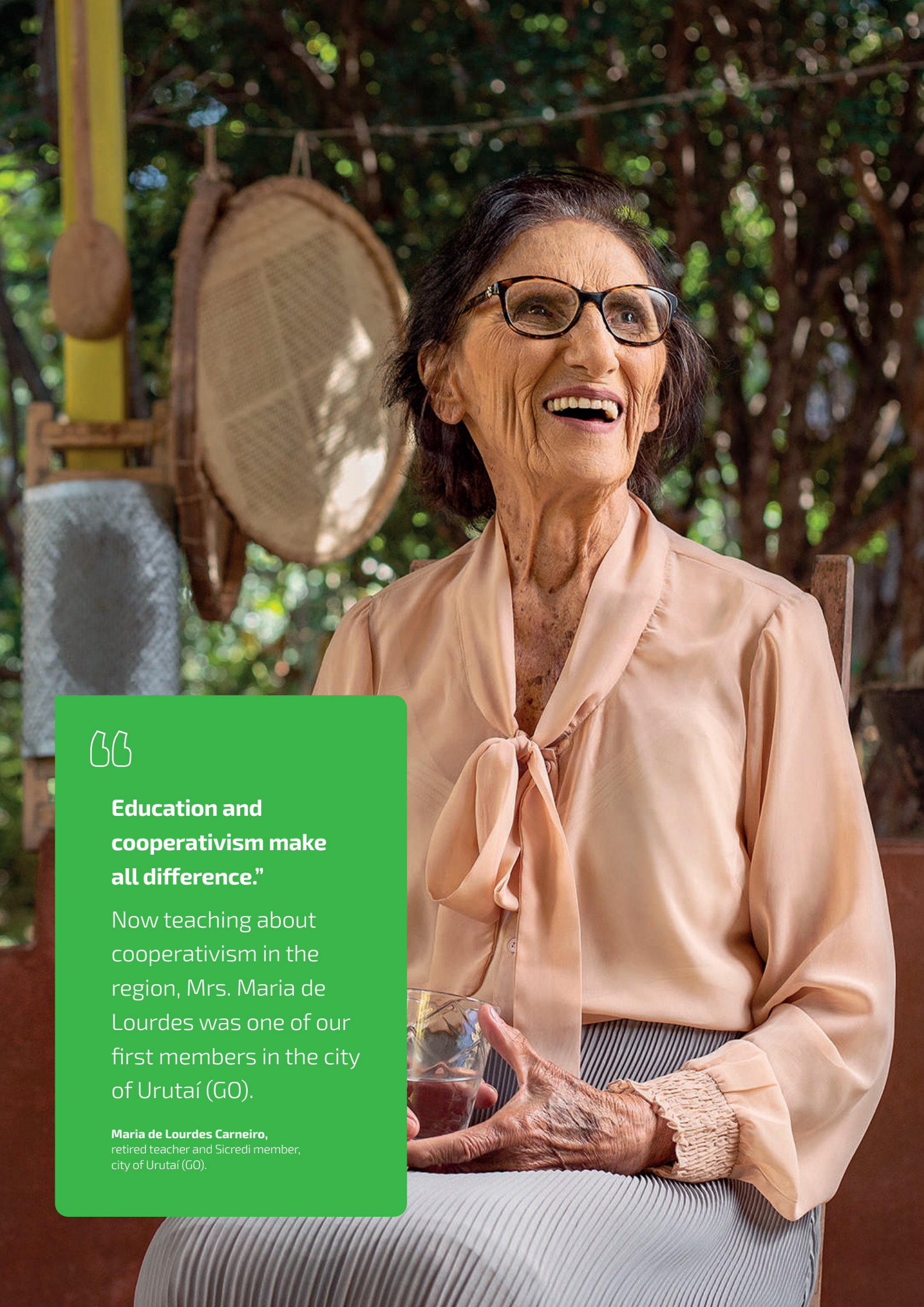
Based on this new design, the Program has become a dynamic model, with the possibility of constantly updating materials, according to the needs of credit unions throughout the year.



**Education and
cooperativism make
all difference."**

Now teaching about cooperativism in the region, Mrs. Maria de Lourdes was one of our first members in the city of Urutaí (GO).

Maria de Lourdes Carneiro,
retired teacher and Sicredi member,
city of Urutaí (GO).



Other initiatives

GRI 102-27 / 103-2 / 103-3 / 413-1 / Sicredi RC05 / RC08 / RC09 / RC10

Internally, we seek to reinforce cooperativism and sustainability among our employees, aligning their action with the principles and values that guide our business.

In 2019, the new model of work skills stipulated the Cooperative Essence as one of the essential skills for the work of employees (learn more on page 120).

In addition to strengthening the principles of cooperativism, we also seek to engage our action on sustainability.

The work skills have a systemic scope and are now included in training and performance evaluation of all our employees. Starting in 2020, we will have results of performance evaluations on this theme.

Competence #Cooperative Essence

Inspiring description: the employee experiences cooperativism, connected to Sicredi's purpose, spreading it to people to generate a positive impact in the lives of the members and of the community.

Desired behaviors:

- Showing enthusiasm and connection with Sicredi's purpose;
- Knowing and acting committed to the principles of cooperativism and sustainability;
- Participating in actions that promote the development of the community and the cooperative system; and
- Practicing and sharing the cooperative culture inside and outside the organization.

In 2019, 7 thousand employees went through training programs on topics geared towards cooperativism, with a total of 45.6 thousand hours of training on the topic.

Training programs of cooperativism

Cooperative central	Total employees	Hours of training
Sicredi Cooperative Central - Brazil Central	701	4,711
Sicredi Cooperative Central - North Central	937	7,533
Sicredi Cooperative Central - North/Northeast	286	618
Sicredi Cooperative Central - PR/SP/RJ	2,312	7,339
Sicredi Cooperative Central - South/Southeast	2,118	20,310
CAS	723	5,108
Total	7,077	45,619

Among our initiatives to engage the external public, we take part in the International Credit Union (ICU) Day. Held annually on the third Thursday of October, the event highlights the contribution of credit unions to making the personal and professional dreams of members a reality, through their local activities.

This year, the World Council of Credit Unions (Woccu) chose, as the theme of the event, the phrase “Local Service. Global Reach”, highlighting how the sum of the local operations of credit unions results in a positive global impact.

Five years ago, we celebrated the date by inviting journalists and opinion makers from all over the country to immerse themselves in credit unions with lectures and exposure of members cases.

This year, 40 people participated in the National Meeting of Journalists, an event that we held to celebrate the date, where credit unions and cooperative centrals invite journalists from their region to get to know more about cooperativism and about our

business, collaborating with the promotion of topics in the sector.

Our credit unions also develop a series of other initiatives to spread cooperativism, among them the International Credit Union (ICU) Day.

Celebrated on July 6, this is a national initiative organized by the OCB System (Organization of Brazilian Credit Unions) that seeks to demonstrate the strength of credit unions in favor of social changes.

In 2019, we carried out 765 actions as part of the event, involving 21.7 thousand volunteers and reaching more than 260 thousand people.

Taking into account all the events we held for the dissemination of cooperativism in 2019, there were 3.2 thousand actions that reached over 995 thousand people.

Events to disseminate cooperativism

Cooperative central	Number of events	People reached
Sicredi Cooperative Central - Brazil Central*	829	90,547
Sicredi Cooperative Central - North Central	1,445	54,993
Sicredi Cooperative Central - North/Northeast	23	4,942
Sicredi Cooperative Central - PR/SP/RJ	571	744,904
Sicredi Cooperative Central - South/Southeast	327	100,467
Total	3,195	995,853

*There is an estimated number of around 300 people, presented by Sicredi Serrado Goiás credit union, which makes up the total value of Sicredi Cooperative Central - Brazil Central.

Stories that make a difference

Our main institutional advertising campaign during the year, aired on national open television and on our social networks, highlighted the positive impacts of credit unions on the lives of members.

The campaign consisted of 13 videos that covered the transformation of their realities based on the relationship with credit unions, showing, among other topics, how we support the growth of their companies and the achievement of dreams and how we promote women's entrepreneurship and agribusiness.

Throughout this Report, we present the stories of some of the members who were featured in the campaign.

Discover other stories of our members:



Training Programs in Sustainability

On the topic of sustainability, we offered workshops in Sustainable Leadership, attended by advisors, executives, and other leadership functions in the credit unions and cooperative centrals. The goal of the meetings was to raise awareness among leadership about their role in conducting their teams towards a more sustainable business and offer them the concept and knowledge necessary for this evolution.

Another highlight was the launching of two new basic training programs in sustainability for employees in our distance learning platform (learn more on page 121). The basic training programs in sustainability started being applied to new employees in November, and it is available to everyone, with a plan to be expanded in the new few years.

In total,
202 leaders
participated in
the meetings and
263 employees
attended training
programs on
the topic of
sustainability,
with a total of 625
hours of training
in the topic.

Training programs for the diffusion of sustainability*

Cooperative centrals	Total employees	Hours of training
Sicredi Cooperative Central - Brazil Central	53	170
Sicredi Cooperative Central - North Central	16	55
Sicredi Cooperative Central - North/Northeast	17	32
Sicredi Cooperative Central - PR/SP/RJ	78	186
Sicredi Cooperative Central - South/Southeast	65	158
CAS	8	24
Total	263	625

*Taken on the Sicredi Aprende (Sicredi learning) platform.

Center of Information & Memory

GRI 413-1 / Sicredi RC14 / RC15



> **Sicredi Library**
Sicredi Administrative Center (CAS)

The library, created in 2004 to organize Sicredi's collection, became an information and memory center with a systemic reach. Located at the Sicredi Administrative Center (CAS), in Porto Alegre (RS), it has a collection of over 15 thousand items consisting of books, papers and DVDs from different knowledge areas, including credit union.

The collection can be accessed by members and employees, regardless of the location of their credit unions, since the materials are sent in packages to be picked up at the agencies. In 2019, we achieved a 96% satisfaction rate with library services, an increase of 2 percentage points over the previous year.

Volume of materials lent by the library in 2019

Sicredi Cooperative Central - Brazil Central	222
Sicredi Cooperative Central - North Central	695
Sicredi Cooperative Central - PR/SP/RJ	1,411
Sicredi Cooperative Central - South/Southeast	4,862
CAS	6,745
Total*	13,935**

*Sicredi Cooperative Central - North/Northeast is not part of our library system yet, which makes the sending of materials unfeasible at the moment.

**The total real amount is 14,985 loans. The 1,050 loans that make up the difference did not have their cooperative central linked to the System, as their registration are being updated, thus they were not included in the chart.

/ Promotion of diversity

GRI 103-2 / 103-3 / 401-3 / 405-1 / 405-2 / Sicredi RC01

Positive impact



SDG related



Employees diversity

We consider it our responsibility to ensure that everyone has the same opportunities for work and professional growth, according to their competencies. For this reason, we respect the members' individuality, promoting horizontal and long-lasting relations, strengthening the values of cooperativism action, such as equity and equality.

We know that the number of black employees and people with disabilities is still below the average of the Brazilian population. Women are the majority among our employees, however we

still have little female representation in leadership positions. As we consider the theme of diversity important to the business, it became part of our sustainability strategy, being the focus of a series of systemic initiatives throughout the year.

Among these initiatives, we highlight our new competences model, implemented in 2019 (learn more on page 120), which brought diversity and inclusion as one of the skills that the entities of the System can work with employees.

Competence #Diversity and inclusion

Inspirational description: promotes an environment of diversity, inclusion and belonging that values and respects people as they are.

Desired behaviors:

- promote situated speech and open space for people with different styles and opinions;
- foster diversity in teams and areas, contributing to an environment favorable to innovation and creativity; and
- act without prejudice or discrimination, valuing all contributions, regardless of social class, sexual orientation, gender, race, culture, religious beliefs or disabilities.

Gender of employees per functional level (2019)*

	Total	Male	%	Female	%
Elected	205	195	95,1%	10	4,9%
Top leadership	279	256	91,8%	23	8,2%
Middle leadership	3,930	2,129	54,2%	1,801	45,8%
Professionals	22,409	8,589	38,3%	13,820	61,7%
Technicians	115	91	79,1%	24	20,9%
Trainees	1,011	384	38,0%	627	62,0%
Young Apprentice	664	269	40,5%	395	59,5%
Total	28,613	11,913	41,6%	16,700	58,4%

*The data of 2017 were analyzed based on a different methodology. That's why it is only possible to compare it to 2018.

Gender of employees per functional level (2018)*

	Total	Male	%	Female	%
Elected	213	203	95,3%	10	4.7%
Top leadership	296	272	91,9%	24	8.1%
Middle leadership	3,700	2,016	54,5%	1,684	45.5%
Professionals	20,023	7,720	38,56%	12,303	61.44%
Technicians	55	53	96,36%	2	3.64%
Trainees	868	314	36,2%	554	63.8%
Young Apprentice	628	260	41,4%	368	58.6%
Total	25,783	10,838	42,0%	14,945	58.0%

*The data of 2017 were analyzed based on a different methodology. That's why it is only possible to compare it to 2018.

Person with disability per functional level*

	2018	%	2019	%
Elected	0	0.0%	0	0.0%
Top leadership	1	0.3%	1	0.4%
Middle leadership	31	0.8%	36	0.9%
Professionals	483	2.4%	601	2.7%
Technicians	2	3.6%	3	2.6%
Trainees	2	0.2%	4	0.4%
Young Apprentice	2	0.3%	3	0.5%
Total	521	2.0%	648	2.3%

*The data of 2017 were analyzed based on a different methodology. That's why it is only possible to compare it to 2018.

Black employees per functional level*

	2018	%	2019	%
Elected	0	0.0%	0	0.0%
Top leadership	1	0.3%	0	0.0%
Middle leadership	25	0.7%	35	0.9%
Professionals	180	0.8%	234	1.0%
Technicians	2	3.6%	1	0.9%
Trainees	9	1.0%	13	1.3%
Young Apprentice	6	1.0%	7	1.1%
Total	223	0.9%	290	1.0%

*The data of 2017 were analyzed based on a different methodology. That's why it is only possible to compare it to 2018.

Age group of employees per functional level (2019)*

	Total	Below 20 years old	%	From 21 to 30 years old	%
Elected	205	0	0.0%	0	0.0%
Top leadership	279	0	0.0%	2	0.7%
Middle leadership	3,930	2	0.1%	625	15.9%
Professionals	22,409	579	2.6%	11,106	49.6%
Technicians	115	1	0.9%	48	41.7%
Trainees	1,011	476	47.1%	520	51.4%
Young Apprentice	664	597	89.9%	67	10.1%
Total	28,613	1,655	5.8%	12,368	43.2%

Age group of employees per functional level (2018)*

	Total	Below 20 years old	%	From 21 to 30 years old	%
Elected	213	0	0.0%	0	0.0%
Top leadership	296	0	0.0%	3	1.0%
Middle leadership	3,700	0	0.0%	486	13.1%
Professionals	20,023	212	1.1%	9,404	46.9%
Technicians	55	0	0.0%	27	49.1%
Trainees	868	248	28.6%	601	69.2%
Young Apprentice	628	530	84.4%	98	15.6%
Total	25,783	990	4%	10,619	41.2%

	From 31 to 40 years old	%	From 41 to 50 years old	%	Over 50 years	%
	4	2.0%	26	12.7%	175	85.4%
	60	21.5%	113	40.5%	104	37.3%
	2,135	54.3%	905	23.0%	263	6.7%
	8,547	38.1%	1,788	8.0%	389	1.7%
	39	33.9%	16	13.9%	11	9.6%
	15	1.5%	0	0.0%	0	0.0%
	0	0.0%	0	0.0%	0	0.0%
	10,800	37.7%	2,848	10.0%	942	3.3%

	From 31 to 40 years old	%	From 41 to 50 years old	%	Over 50 years	%
	5	2.3%	23	10.8%	185	86.9%
	62	20.9%	116	39.2%	115	38.9%
	1,994	53.9%	917	24.8%	303	8.2%
	8,262	41.2%	1,747	8.7%	398	2.0%
	21	38.2%	7	12.7%	0	0.0%
	19	2.2%	0	0.0%	0	0.0%
	0	0.0%	0	0.0%	0	0.0%
	10,363	40.2%	2,810	10.9%	1,001	3.9%

*The data of 2017 were analyzed based on a different methodology. That's why it is only possible to compare it to 2018.

Proportion between the wages of women and men*

	Percentage of women's basic salary in relation to men**		Percentage of women's average remuneration in relation to men***	
	2018	2019	2018	2019
Elected	59.9%	82.0%	59.9%	82.0%
Top leadership	85.6%	90.0%	85.6%	90.0%
Middle leadership	70.2%	71.0%	71.5%	72.0%
Professionals	83.6%	81.0%	84.6%	82.0%
Technicians	100.6%	78.0%	102.1%	80.0%
Trainees	96.2%	99.0%	96.2%	99.0%
Young Apprentice	101.6%	100.0%	101.7%	100.0%
Total	60.4%	61.0%	61.7%	62%

*The data of 2017 were analyzed based on a different methodology. That's why it is only possible to compare it to 2018. For this indicator, inactive employees who are retired due to disability were considered. Altogether there are 24 inactive employees counted on 12/31/2019, which despite being inactive remain in the database as they have their position guaranteed in case of recovery of disability and can continue receiving employment benefits. The contractual salaries of these employees were considered for the calculation of the average remuneration of all employees.

** Base salary: minimum fixed amount paid to an employee.

*** Average remuneration: average amount received by employees, including benefits.

The companies in the System have the autonomy to decide on the adoption of extended parental leave, in the model of the (Programa Empresa Cidadã) Corporate Citizen Program. Among employees who were able to make this choice in 2019, 82% of women and 63% of men who took leave opted for extension.

Employees who used the parental leave

	Men	Women	Total
Number of employees who used the license	574	950	1,524
Number of employees that returned to work at the end of parental leave	574	937	1,511
% of employees that returned to work at the end of parental leave	100%	98.6%	99.1%
Number of employees who completed 12 months of work after the parental leave	541	891	1,432
% of employees who completed 12 months of work after the parental leave	94.3%	95.1%	94.8%

Diversity in governance

GRI 103-2 / 103-3 / 202-2 / 413-1 / Sicredi RC02

As we are a national system, present in the five regions of the country, diversity is a natural feature of our members' pool. We seek to maintain an equal relationship with people of all genders, ages, races and backgrounds.

All participants of the Board of Directors of our credit unions and cooperative centrals are members and, as a result, are part of the local community.

Currently, we have 45.4% of women in our framework of members as individuals. Among the nucleus coordinators, 21% are women. And we have 4.9% of women occupying positions of advisors in the Administrative and Fiscal Councils throughout the System.

For this reason, we encourage our credit unions to create committees especially aimed at increasing diversity in the Administrative and Fiscal Councils.

The Comitê Mulher (Women's Committee) aims to increase the number of women in leadership positions and gender equity at all levels of credit unions management, empowering women through education to lead, undertake and promote the sustainable development of our business model in their communities. In 2019, 33 of our credit unions had this type of Committee in their structure.

In December, the Board of Directors of SicrediPar approved the systemic structuring of the Comitê Mulher (Women's Committee), creating a guide for the implementation of these committees at the national level. Our goal is to regularly update these regulations, with the participation of credit unions and based on the best local experiences. As they are still new initiatives in the credit unions, their results in our governance should begin to be perceived in the coming years.



The female view is very similar to cooperativism, it seeks partnerships."

Mari is the owner of a company in the area of events and she is a reference in female leadership in the city of Maringá (PR).

Mari Shiozaki,
entrepreneur and Sicredi member,
city of Maringá (PR).

When we analyze the age range, 32% of our members are younger than 30 and do not have representation among the elected ones. In comparison, 31% of our members are over 50 years old and have 85.4% of the seats on the Administrative and Fiscal Councils.

From this perspective and thinking about the future of our cooperative business model, we promoted the Comitê Jovem (Youth Committee). It has the function to bring young people closer to our credit unions for educational purposes.

For this, we employ a set of personal and professional development actions, which arouse the interest of young people in participating in a cooperative financial organization, making them promoters of cooperativism and protagonists of the social impact in the region where they live. Until December, 21 credit unions had this type of Committee in their structure.

Accessibility

GRI 103-3 / FS14 / Sicredi RC03 / RC04

We consider it essential to promote the accessibility of our financial products and services, in order to expand our generation of value for members and society, reinforcing cooperativism values such as equality and equity.

At the end of 2019, 100% of our ATMs were certified for the accessibility requirements of the ABNT– NBR – 15250– 2005 standard, which include the tactile signaling of keys and the use of audible information. In 2018, this percentage was 99.98%. As for the agencies, we maintain technical documentation that guides accessibility requirements at a systemic level, whose implementation in the structures is up to each credit union.

Throughout 2019 we implemented a series of initiatives to improve accessibility on our digital channels. In internetbank, we implemented the possibility to extend the duration of the session to ensure the completion of operations performed by users. We also made improvements to the interface, such as changes in colors to achieve the contrast needed for everyone to read and an increase in the text fonts.

The font size has also been increased in some application texts, in order to provide better readability. In this channel, we also include the requirements for vocalization of information on the main screens. The ATM application has also undergone adjustments to improve its accessibility, such as increasing the font of texts and buttons.



On the institutional website, we implemented a feature that automatically translates text and voice into Brazilian Sign Language (Libras). This is done by a 3D Interpreter named Hugo.

Some pages of the website have been updated, adapting the color contrast and the fonts, to offer better reading comfort. In addition, these updated pages also allow keyboard navigation and image description.

We started using the hashtag #pracegover (for blind see) in all posts on social networks, with description of the visual elements. In addition, all our videos, internal and external, are now subtitled, and most of them are translated into Libras.

05.

Our members thrive when they use the financial solutions appropriate to the current moment in their lives. That's why the offers of product and services are made to generate value to the member, the owner of the business. We are also committed to operate in a responsible way, following good practices of sustainable corporate management. By doing so we identify opportunities and manage our social, environmental and economic risks while we also manage financial resources invested by the member, ensuring the perennity of our business.

Drivers



In this chapter, we approach the focal themes:

- Promote financial education;
- Integrate socio-environmental opportunities and risk management in the financial solutions and operate with ecoefficiency; and
- Engage suppliers based on socio-environmental criteria.

Responsible solutions

/ Relationship with the member

GRI FS15

Positive impact



SDG related



Due to our cooperative nature, close relationships with members are an inherent characteristic of our business model, reinforced on a daily basis by our employees. Through the relationship, we get to know their goals, understand their needs and know the right products to offer in their current life moment.

This is reflected in the 70.9% satisfaction rate generated from the Net Promoter Score (NPS) survey, carried out with more than 160 thousand members. The result is two percentage points higher than last year.

The guidelines of the theme are contemplated in the Policy of Relationship with Members, Customers and Users of Financial Products and Services, which establishes that this relationship must follow the principles of ethics, responsibility, transparency and diligence, preserving our values and observing the principles of cooperativism. It also reinforces the need to provide information clearly and accurately and to meet your demands in a timely manner.

Competence **#Understand to provide**

Inspirational description: the employee has a genuine interest in understanding and meeting the needs of members and users, delivering solutions to provide a positive experience.

Desired behaviors:

- actively listening to members and users to broaden their understanding of their issues, needs and desires;
- putting the member or user at the center of their activities, creating solutions that generate value;
- monitoring the results of each delivery, promoting the satisfaction of members or users;
- and proposing simple improvements that positively impact the experience of members or users, testing and validating new possibilities.

In line with this objective, our new competency model (learn more on page 120), brought the hashtag #entenderparaatender (understand to provide services) as one of the important competencies for the work of our employees, taking the relationship with the member to the center of their activities.

In 2019, we continued to expand our physical presence in Brazil, opening of new branches (learn more on page 30).

In our digital channels, we seek to offer greater autonomy, agility and convenience to members, without losing sight of the values and principles of cooperativism.

In the Woop Sicredi digital account, for example, the member has the opportunity to live the experience of an online credit cooperative, following the initiatives, meeting the leaders and participating in events.

With the offer of digital channels, where members can carry out their financial transactions, we can focus our employees less and less on the performance of procedural and transactional issues, and more on strengthening our relations with them. We call the combination of these two experiences, the physical and the digital one, physital.

With that, we will provide more autonomy to our members, who will be able to choose which channel they want to be served, having the same experience both in the digital and in the physical environment.

They can, for example, start the process of contracting a product at a branch and complete it at home, via app, after consulting the family, improving their experience with us.

Thus, we use the modernization of our processes and systems to maintain our roots and the human and close way in which we establish our relationships.

In 2019, we will position our experience vision of branch in the future. We believe that our physical space remains relevant to welcome our members and is in line with our brand guidelines.

The central role of the experience is the coexistence of people, who may have their habits hosted in a branch dedicated to making connections, community meetings, financial education actions, lectures and all types of initiatives that provide the strengthening of businesses and projects of our members.

Digital transformation is our first step towards reducing our operating processes, so that our employees can cultivate new reasons for members to come to physical branches.

/ Financial Education

GRI 103-2 / 103-3 / 413-1 / FS16 / Sicredi SR01

Positive impact



SDG related



Financial education is one of the main initiatives that we developed to increase our positive impact on the lives of our members and their communities, helping people to manage their money and fostering entrepreneurship in the regions where we are present. We thus contribute to the formation of a virtuous cycle, in which mindful members make thoughtful and independent choices, thrive on their personal and business goals and look for our solutions to meet their financial needs.



At Sicredi, they listen to me and advise me. They offer me all the benefits for the control of my financial life."

With our support, Vinícius published a book about his story and he now works with social inclusion.

Vinícius Streda,
writer, speaker and Sicredi member,
city of Santo Cristo (RS).



Educação Financeira Program

GRI 103-2 / 103-3 / FS16

In 2019, we started structuring our systemic Educação Financeira Program, which will allow credit unions to further develop the theme with members and the society in general.

With the purpose of “cooperating for a sustainable financial life”, the Program is based on behavioral finance, seeking to help people understand their relationship with money and change their habits and behaviors, seeking the sustainability of financial life. The Program will be called “Cooperação na Ponta do Lápis” (Pencil tip cooperation), using the name and the development of communication already carried out by Sicredi Cooperative Central - PR/SP/RJ to name its regional initiative.

The Program provides for the development and availability of content and materials for various audiences, such as children, teenagers, individuals and legal entities. The construction of a system for recording and monitoring actions over time, guiding the necessary developments has also been planned.

For 2020, we plan to build monitoring indicators, in particular the Financial Health Index, which will allow to guide the members aiming at their sustainable financial development. With the structuring, our financial education actions should gain more breadth and impact with the members and the communities where we operate, as they will be part of a structured Program, with a methodology that considers the behavioral and technical needs of individuals.

To support our financial education actions, especially those aimed at children, in 2019 we distributed more than 3 million Turma da Mônica (Monica's Gang) comic books with the theme Financial Education for Children.

The initiative was developed in 2018 by Sicredi Cooperative Central - PR/SP/RJ in partnership with Mauricio de Sousa Productions (MSP), and now the three comic books already published were made available at our branches across the country. Starting in 2020, the partnership with MSP will become systemic.

In two years, 4.5 million comic books were distributed and we had 2.4 million views of animated cartoons on YouTube.



> Action with journalists in Parque da Mônica (Monica's Park) for the launch of cartoons about Financial Education.

Watch videos from the Financial Education series for Children with Turma da Mônica (Monica's Gang)



ENEF Week

GRI 103-2 / 103-3 / 413-1 / FS16

A highlight of our systemic action in financial education is the participation in the National Week of Financial Education (ENEF Week), a yearly initiative organized by the Central Bank of Brazil to promote the National Strategy of Financial Education. In 2019, it was carried out between May 20 and 26.

In this year's edition, Sicredi tripled the volume of shares compared to 2018, when it carried out around 1,800 initiatives.

In total, we carried out 5.6 thousand actions in the ENEF Week, including face to face and digital actions. Among those, 4,697 on-ground actions in 964 cities, with a total of 7 thousand hours of training* in lectures, workshops, courses, plays and training in schools and companies.

As part of the ENEF Week, we did a financial education campaign with videos and comic books that reached over 4.4 million people.

We were responsible for 46% of all actions carried out by credit unions during the ENEF Week, and for 37% of all actions carried out by financial institutions in general.

*For the total calculation of training hours, we consider the average time of 1.5 hour per face to face action.

**5,6 thousand
actions**

**84%
face-to-face**

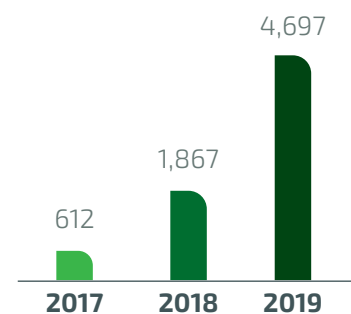
**16%
digital**

**7,000 hours
in training**

**964
cities**

**4.4 million
people reached**

Face to face actions carried out



/ Opportunities in financial solutions

Sicredi SR02

Positive impact



SDG related



The offer of financial solutions with a view to sustainability is one of our main means to positively impact society and the environment.

To this end, we seek to broaden the perspective on opportunities in the development of more sustainable financial solutions. Throughout 2019 we held meetings with the Credit and Consortium teams.

Internal regulations also contribute to this end. In addition to the Relationship Policy with Customer Members and Users of Financial Products and Services, described on page 79, the main policies for the fair development of our financial solutions are the Social and Environmental Responsibility and Sustainability Policy, the Credit Policy and the Policy on Preventing Money Laundering and Combating the Financing of Terrorism (PLD/FT), in addition to the Code of Conduct and our strategic planning.

Green Economy

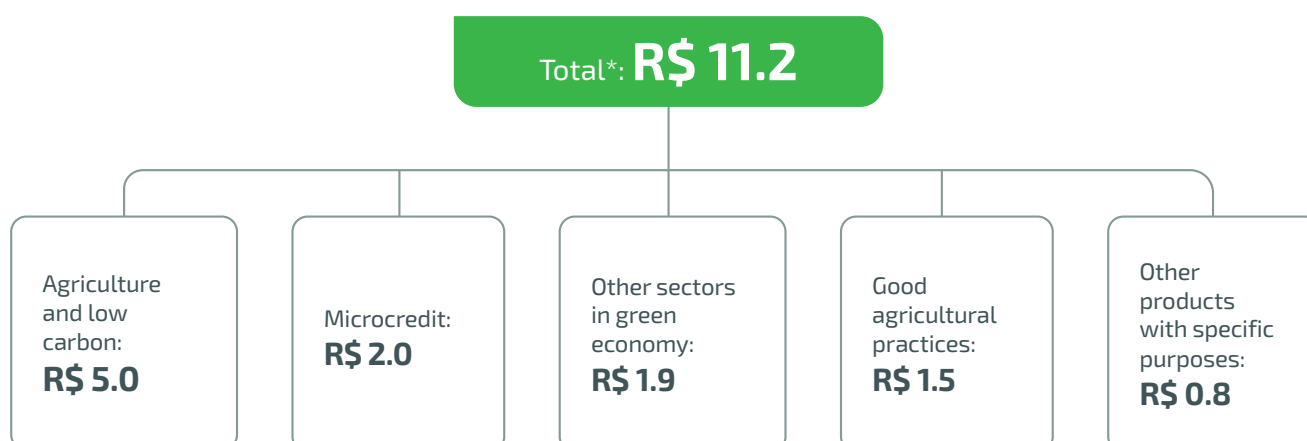
GRI 103-2 / 103-3 / FS7 / FS8

We have several lines of credit in line with the so-called green economy, which results in improving the well-being of humanity and social equality, while significantly reducing environmental risks and ecological scarcity. Its main pillars are low carbon emissions, efficiency in the use of resources and social inclusion.

We use the methodology of the Brazilian Federation of Banks (FEBRABAN)¹ in order to calculate the amount of resources that we allocate in this sector of the economy. By the end of 2019, we had a balance of R\$ 11.2 billion in products and services with environmental and social benefits, equivalent to 15.4% of our portfolio. The value is 10.5% higher than the amount allocated in the previous year.

¹ The methodology, developed by FEBRABAN and the Center for Sustainability Studies of the Getúlio Vargas Foundation (FGVces), is based on the identification of the economic activities considered by UNEP as belonging to the sectors of the Green Economy and of the activities potentially causing significant socio-environmental impact, according to Resolution 237/1997, of the National Environment Council (CONAMA).

Products and services with socio-environmental benefits (billion)



Products and services with environmental and social benefits (R\$)*

	2017	2018**	2019**
Products for specific purposes	7,080,406,140	8,733,128,463	9,261,140,565
Low carbon emission farming	3,244,462,762	4,723,923,366	5,023,209,666
Good agricultural practices	2,044,012,497	1,894,801,841	1,485,203,479
Microcredit	1,761,073,008	1,940,414,435	2,006,077,872
Other products with specific purpose	30,857,873	173,988,821	746,649,549
Other sectors in the green economy	775,041,308	1,400,946,199	1,941,240,977
Total green economy	7,855,447,448	10,134,074,661	11,202,381,542

*Data from credit unions

**Considering credit unions in Sicredi Cooperative Central - North/Northeast.

In the calculation we consider the sectors of renewable energies, energy efficiency, construction, transport, tourism, water, fishing, forestry, sustainable agriculture and waste, as well as specific agribusiness activities and some sectors of a social nature, such as education, health, productive inclusion, and local and regional development.

In the product Financing for Solar Energy, we closed 2019 at over **R\$ 1 billion**, with **17,174 operations**.

Among the credit lines classified as Low Carbon Emission Agriculture, we include:

No-till Costing Lines

They use no-tillage systems directly on straw, which avoids plowing and harrowing, reducing soil tillage and reducing the greenhouse gases emission. In addition, the straw on the ground promotes the increase in microbiological life, further reducing the emission. This is our main product with socio-environmental benefits, with our two cost lines having a balance of R\$ 5.0 billion in 2019.

Program for the Reduction of Greenhouse Gas Emissions in Agriculture (ABC Program)

It seeks to encourage investment in agricultural projects that reduce greenhouse gas emissions and deforestation. It contains a series of lines that contemplate the implantation of organic production systems and crop-livestock, crop-forest, livestock-forest or crop-livestock-forest integration systems.

It also finances the adaptation or regularization of rural properties to the environmental legislation, the implementation and improvement of sustainable forest management plans and the implementation, maintenance and improvement of waste and residues treatment systems from animal production for energy generation and composting and the use of biological fixation of nitrogen. The ABC credit lines had a balance of R\$ 10.7 million at the end of the year.

The lines classified as Good Agricultural Practices include, among others:

Incentive Program for Technological Innovation in Agricultural Production (INOVAGRO)

It finances the incorporation of technological innovations in rural properties, contemplating the implementation of systems for the generation and distribution of alternative energy for own consumption, such as wind, solar and biomass energy. At the end of the year, the line presented a balance of R\$ 64.4 million.

Program for the Modernization of Agriculture and Conservation of Natural Resources (MODERAGRO)

Fosters actions related to animal defense; supports soil recovery through financing for the acquisition, transportation, application and incorporation of agricultural corrective materials; it finances the investments necessary to supply water, food and waste treatment related to livestock activities and works resulting from the execution of a sanitary and environmental adequacy project. The line ended the year with a balance of R\$ 119.6 million.

Pronaf Mais Alimentos (National Program for Strengthening Family Agriculture)

It brings social benefits by enabling financing for family farmers and rural producers. It should be used for investments directly related to the implantation, expansion or modernization of the structure of the activities of production, storage, transportation or agricultural or non-agricultural services, in the rural establishment or in nearby rural community areas. In 2019, the credit line had a balance of R\$ 1.1 billion.

Responsible solutions

In our portfolio, we have a Sustainable Consortium, dedicated to the acquisition and construction of container houses and the acquisition of eco-efficient products, such as water and sewage treatment and generation of solar and wind energy.

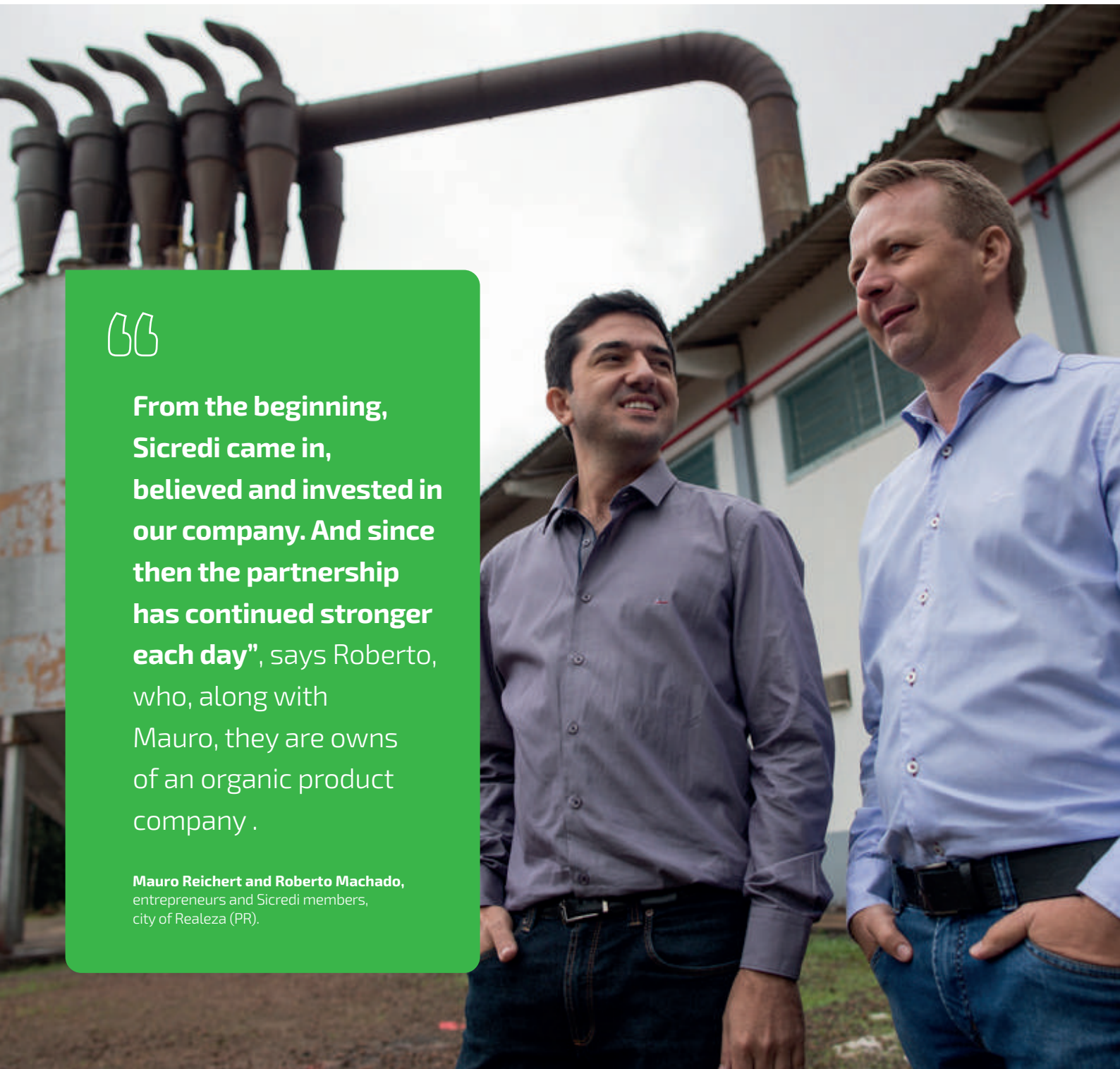


Our microcredit lines finance formal and informal microentrepreneurs and promote the inclusion of low income microentrepreneurs in the financial market. These lines include Pronaf Custeio, aimed at family farmers, who had a balance of R\$ 2.0 billion.



From the beginning, Sicredi came in, believed and invested in our company. And since then the partnership has continued stronger each day", says Roberto, who, along with Mauro, they are owns of an organic product company .

Mauro Reichert and Roberto Machado, entrepreneurs and Sicredi members, city of Realeza (PR).



Strengthening small entrepreneurs



In August, we launched our new compact card payment machine, aimed especially at Individual microentrepreneurs (MEIs), self-employed workers and independent professionals. The machine, which operates without a reel and accepts the main cards and payments methods by approximation (NFC), has no rent or

subscription fee and comes with Wi-Fi, chip and free plan, eliminating the need for a cell phone number to function. This new release reinforces our entry into the acquiring market, offering greater mobility and autonomy for small entrepreneurs to conduct their business.

Strengthening innovation in agriculture

In 2019, we signed a partnership with AgTech Garage in the city of Piracicaba (SP), an innovation hub that connects startups, educational institutions, rural producers and other actors in order to accelerate the development of technological and innovative solutions for agribusiness.

By participating in the initiative, we aim to contribute to the emergence of new agritechs (startups with solutions aimed at agribusiness) that generate value for our members and for the Brazilian agriculture.

In September, we announced the first two companies to be part of our acceleration program. The startup Elysios was chosen

for being the first mobile and web platform focused on small and medium family farmers. It is based on an application that allows both the rural producer and the technician accompanying his/her property to view the production in real time, communicate and track all farming-related events.

The startup Digifarmz was selected for helping technicians and farmers to control soybean diseases, presenting parameters for decision making. The company provides guidance both on the products to be used to combat pests and on the ideal dates and amounts of application. After four months of training, the companies will present the results and will be able to continue the partnership.

Digital Channels

Sicredi RC13 / 418-1

Throughout the year, we remained focused on the continuous improvement of our digital service channels and the digital transformation of our business.

In our application, we started offering new features, such as the possibility of biometric login for legal entity members, suggestions for saving during transactions and a new pricing for easy credit.

We redesigned home and card screens, as well as investments, credit and checking account. In the case of cards, we matched the features of individuals and legal entities, and we enable it to be used abroad and request the credit limit increase (individuals and legal entities) by the application.

As a result, the number of users of the app grew by 45% compared to 2018.

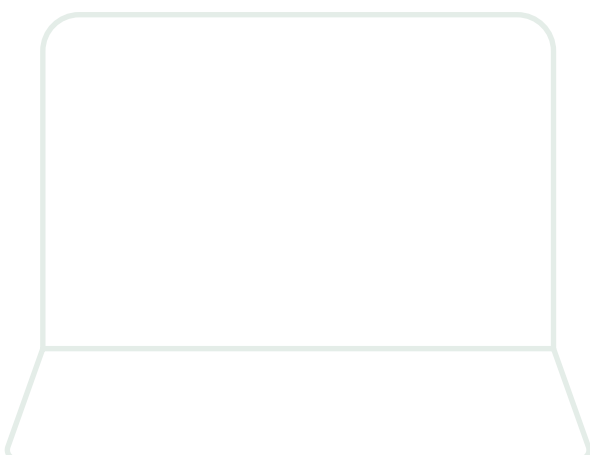
In 2019, we started using WhatsApp to service our members. Until the third quarter, the tool was already streamlining service at more than 200 branches. In the first two months, more than 3 thousand members were served.

We updated the computational platform that supports critical business systems, providing greater security and transactional performance, ensuring business growth for the coming years.

We also started testing the new cash terminal, which should be launched nationwide next year, bringing a more intuitive and friendly experience for employees and more agility for members.

We launched the Sicredi X mobile app, aimed at people who want to open their savings account already in the new system.

In 2020, we should also start migrating other products aimed at individuals to the new core.



Woop Sicredi

Launched in 2018, Woop Sicredi was the first 100% digital offer created entirely within the new banking core. With Woop, the member can open an account completely electronically, and has access to the most used financial services, such as checking, savings, payments, transfer, pre-approved personal credit, debit card or debit card and credit.

Woop Sicredi started 2019 with approximately 24 thousand accounts. During the year, the product was repositioned and **60 credit unions** joined the exemption of relationship bundles, in addition to a

new communication campaign. As a result, it was possible to increase the weekly account opening rate by 112%, reaching **72.2 thousand accounts in December 2019**.

With this expansion, we increased our capacity to engage members in the principles and values of cooperativism, since the application brings functionalities that allow you to live the credit union's daily life, such as following up on its results, meeting its representatives and participating in events..

Digital security

With the intensification of the use of digital channels, the security of our relationship products and channels receive constant attention. In 2019, we expanded the use of the QR Code security device to carry out transactions on electronic channels, reducing losses from electronic fraud and contributing to a better experience for members.

We keep advancing in management of identities and access of employees to the corporate systems, we intensified the safety of our systems and advanced in the protection against cyberattacks, according to good market practices and audit recommendations. We have also advanced the safety level of electronic channels, which allowed us to reduce electronic fraud and to carry out new studies to leverage the use of channels with increased safety.

In 2019, we did not file any proved complaints regarding breaches of privacy, customer data

leaks or losses. Our Electronic Transactions Security indicator achieved 99.9% protection in the channels, reducing losses from electronic fraud and contributing to a better experience for members.

In Physical Security, we now monitor 151 more branches, reaching a total of 1,712 points monitored at the end of 2019, providing greater security for this channel and to our members. The set of security devices installed in the branches and the actions of Sicredi's Patrimonial Monitoring Center prevented the loss of 65% of the amounts exposed in the criminal attacks that occurred.

In 2020, we will increase investments in security controls and operations, reducing cyber risks and evolving in data protection, in line with the General Data Protection Regulation (GDPR).

/ Risk Management

GRI 102-15 / 102-29 / 102-30 / 102-31

Positive impact



SDG related



In our credit unions, cooperative centrals and at CAS, we have an Integrated Risk Management structure that is constantly evolving to contribute to our strength. Based on the defense lines model, we have risk units that act independently of the business areas and internal audit and are dedicated to identifying, controlling and mitigating the factors that could compromise the sustainability of the business in the short, medium and long term.

Our risks management process considers:

Financial Risks

- of credit;
- of market;
- of liquidity;
- of capital; and
- of exchange rate variation for instruments; and
- of bank portfolio.

Non-Financial Risks

- operational;
- of information safety and cybersecurity;
- socio-environmental; and
- compliance risks.

Our standards related to risk management are reviewed annually by the SicrediPar Board of Directors.

Theme management includes monitoring indicators and reporting on a monthly basis to the committees that support the Board of Directors in decisions related to risk management policies and guidelines and prudential limits to be observed. These deliberations do not have an established frequency.

For risk management, identification and opportunities, the Board has the support of the Risk and Compliance Committees (learn more on page 50).

The discussion in this specialized advisory committee guarantees the effectiveness of the process, acting in the evaluation of the most comprehensive technical aspects of the risks and reporting or indicating to the Board actions for specific deliberations.

We have policies and standards in accordance with the legal requirements, market practices and practices of the institution, which are reviewed at least annually, in order to maintain the consistency of such controls.

Integrated risk management

We have a Risk Appetite Statement (RAS), a systemic document that aligns our appetite to the different types of risks, defining alert and limits and facilitating the spread of the risk management culture into the System.

All entities and those who are part of them should know about and act according to RAS. Our risk appetite is based on our strategic vision. As a guideline to reach our goals, all actions contained in the strategic planning should be compatible with the risk appetite described in the RAS.

Financial Security

GRI 102-13

We offer a support network in which the credit unions operate in an integrated manner and support each other. As part of this network, our members have a series of instruments that guarantee security and reliability for their investments.

We adhere to the Fundo Garantidor do Cooperativismo de Crédito (Guarantor Fund of Cooperativism) (FGCoop), for example, with the objective of guaranteeing deposits and providing financial assistance to cooperative financial institutions with eventual liquidity difficulties.

We rely on Sicredi Fundos Garantidores (Guarantor Funds), funds constituted by contributions from our credit unions, reimbursement and asset recovery. They have the function of guaranteeing the fulfillment of financial obligations and supporting development actions of credit unions.

The security of the members' investments is shown by the main credit risk rating agencies in the world, which awarded Banco Cooperativo Sicredi the following ratings on a national scale:

FitchRatings

AA

MOODY'S

Aa1.br

**STANDARD
& POOR'S**

AAA

/ Socio-environmental risk

GRI 102-11 / 103-2 / 103-3 / FS1 / FS2 / FS3 / FS4 / FS5 / FS9 / FS10

Positive impact



SDG related



The financing of activities in sectors exposed to socio-environmental impacts can generate financial losses and damage to our reputation. For this reason, these operations require more detailed risk mitigation mechanisms, as well as specific assessment of impacts on the business and the communities in which we operate.

The systemic management of the topic is the responsibility of the Credit and Socio-Environmental Risks Superintendence, which reports to the Risks Executive Director of CAS. In the cooperative centrals, the responsibility for socio-environmental risks management lies with the Supervisory Board and in credit unions, the Operations Board is responsible for it.

Our Credit-Directed Socioenvironmental Risk Standard complies with Resolution 4,327/14 of the National Monetary Council and remains the main driver of our socio-environmental management. The standard establishes the guidelines and consolidates the applicable parameters and procedures to members whose activities are exposed to socio-environmental risks and relevant proportionality in our portfolio, including management of socio-environmental risks, impacts and opportunities.

We conduct an annual assessment of the effective adequacy of the procedures assumed in the standard. In February 2019, the first Internal Audit work for RSA management was completed, and in September the second inspection was carried out.

In 2019, RSA assessments also began to be applied to mitigate risks in other products, such as consortium and foreign currency.

The application of socio-environmental practices is also evaluated externally by the Central Bank of Brazil, which annually supervises the implementation of Resolution 4,327/14 through an electronic questionnaire.

The International Finance Corporation (IFC), our business partner, carries out an annual supervision of the process, through the Report Universal Banks, and the Brazilian Federation of Banks (FEBRABAN), through its Compliance Report, also carries out the annual monitoring of compliance with SARB14 self-regulation.

In 2019, we went through the first face-to-face inspection by the Central Bank, which analyzed and approved our socio-environmental risk management practices, identifying opportunities for advances to be made in the coming years.

The evaluation of RSA in the granting of credit continues to evolve with the incorporation of new practices, the improvement of current processes and the continuous dissemination of the topic in our internal culture and with our members.

The implementation of these actions and their results are reported and discussed in the relevant forums, including the Risk, Compliance and Sustainability Committees. In addition, the Technical Committee of Risks evaluates the RSA in the creation and maintenance of products and recommends actions related to the theme, supporting the decisions of the Executive Board and its referrals to the Board of Directors.

The RSA assessment has become an increasingly important element in our processes of raising funds. In recent years, institutions like the Inter-American Development Bank (IDB), Japan International Cooperation Agency (JICA) and Moody's Investors Service intensified the demand for more detailed reports on our RSA practices, requesting monitoring data and clarification regarding our methodologies.

RSA Practices

Since September 2019, all our credit agreements have social and environmental responsibility clauses, with a foreseeable fine and early settlement of operations due to non-compliance with contractual items.

The evaluation of these cases is carried out by the credit union's Regional Credit Committee, through monitoring provided by the centralized area of RSA management.

In addition, in accordance with Resolution 4,327/14 of the National Monetary Council, we apply socio-environmental risk verifications considering the principles of proportionality and relevance of our portfolio. In this way, products and services are segmented according to their exposure to socio-environmental risk, seeking an effective range of risk mitigation in credit, consortium and foreign currency operations.

In our credit granting process, we apply self-reporting questionnaires to members whose activities have greater exposure to risks and relevant proportionality in our portfolio. The questionnaires act as a signal of possible socio-environmental problems and irregularities and are used in the decision-making process of the members' credit operations. In 2019, we applied 11,450 questionnaires, 89% of which were aimed at members who are legal entities.

RSA Practices adopted by Sicredi



Socio-environmental
Self Declaration



Prohibited and not
recommended activities



Environmental screening



Geoprocessing



Dialogue with environmental
agencies and business
partners

We carried out additional checks aimed at evaluating the involvement with non-recommended activities, such as extraction or commercialization of native forest wood, and monitoring portfolio behavior related to high exposure activities, such as coal mining.

In addition, we have established a systemic blocking that prevents any granting of credit to members, and their respective economic groups, mentioned in the Employers' Register that submitted workers to conditions similar to those of slavery, released by the Secretariat of Labor and the Ministry of Economy.

Similarly, we systemically block products with greater exposure to socio-environmental risk for members, and their respective economic groups, included in the official lists of environmental embargoes released by the Brazilian Environmental Institute (IBAMA) and the Chico Mendes Institute for Biodiversity Conservation (ICMBio).

These cases are submitted to an evaluation and, if the area or activity to be benefited is not subject to the embargo and the socio-environmental risks are mitigated, an opinion is issued for the continuity of the credit grant flow, pointing out the necessary reservations and conditions..

This process is called socio-environmental screening. The member remains blocked while on the official lists and this screening is carried out with each new product request with greater exposure to socio-environmental risk. In 2019, we did 1,010 screenings, 24% of which were aimed at members who are legal entities.

We also use geoprocessing systems to assess areas of greatest environmental risk in our rural credit operations, in line with the mandatory capture and sending of geodesic coordinates instituted by Resolution 4,427/15 and updated by Resolutions 4,580/17 and 4,685/18, of the National Monetary Council.

Based on the coordinates of the area to be benefited by the financing, we automatically validate whether there is an overlap with risk areas officially disclosed by the responsible environmental agencies.

In this pre-concession validation, a “restriction” message is issued when there is the identification of overlaps with quilombola lands or with two types of Conservation Units (Environmental Protection Areas and Areas of Relevant Ecological Interest), or a “prohibition” message when overlaps with other types of Conservation Units, Indigenous Lands are identified, or with environmental embargoes, preventing continuity of financing in these cases.

We also use the coordinates to carry out evaluations, monitoring and dissemination of information on operations at risk after credit is granted.

In 2019, we expanded the dialogue with environmental agencies through integration actions, aimed at disseminating awareness practices, socio-environmental regulations. Among the activities, we highlight the workshops at the cooperative centrals together with partners from ICMBio and Dom Cabral Foundation, as well as carrying out a joint action with an Environmental Consultant partner of FEBRABAN, IBAMA and other federal, state and municipal bodies.

We have also strengthened the relationship with business partners, increasing the dialogue regarding practices for mitigating social and environmental risk, monitoring data and evaluation methodologies.

We also participated in the development of a specific methodology for recording losses resulting from socio-environmental damage in a FEBRABAN Working Group, allowing for greater monitoring of the impacts of the theme on members and operations.

In addition, with a view to expanding quantitative analysis and targeting data, we have started a study to incorporate socio-environmental factors in raising awareness of the rating of members, for greater assertiveness in risk assessment. In 2020, these topics will be treated as a priority in improving the identification of opportunities, impacts and risks.

RSA Training

To strengthen our culture and processes, we invest in functional training and training aimed at RSA. We carried out, for example, the certification on Social and Environmental Responsibility in the Financial System (distance modality), mandatory for various functions in branches, credit unions and cooperative centrals, which was carried out by 2,282 employees in 2019.

In the internal reinforcement of the processes, around 200 multipliers were trained at cooperative centrals and credit unions, whose objective was to disseminate and improve the practices adopted. The centralized team of RSA management intensified specializations on the topic, totaling more than 160 hours of courses, lectures, congresses, forums, workshops and work groups with other financial institutions.

Risks due to climate change

GRI 201-2

Aware of the financial implications and risks arising from climate change, we initiated studies to assess and identify exposure and the opportunities existing in our credit portfolio, as well as following discussions in line with the market.

In order to facilitate the prioritization of actions related to climate risk management and the materiality analysis of the disclosures recommended by the Task Force on Climate-related Financial Disclosures (TCFD), we applied the sectorial layer of the climate risk sensitivity rule, developed by FEBRABAN, in our credit portfolio as a whole.

Through the study, a low sensitivity of our portfolio to climatic risks was found.

However, by evaluating the methodology, we identified a limitation in its results, as they only consider credit operations by legal entities. Considering that our portfolio is focused on individuals in agribusiness, a segment that is highly sensitive to this type of risk, we understand that our next step in the theme should be the improvement of the methodologies used.

This way, it will be possible to measure the climate risks involved in our credit portfolio more assertively and apply the TCFD recommendations in a way that is appropriate and compatible with the existing exposure.

/ Sustainable Operation

GRI 103-2 / 103-3 / 305-1 / 305-2 / 305-3 / 305-4

Positive impact						
SDG related						

As part of our effort to create value for society, with less impact on the environment, we continuously seek to make the operation of our branches and headquarters more sustainable. For this, we guide our entities, CAS, cooperative centrals and credit unions regarding eco-efficient operation.

Since 2016, the Sicredi Administrative Center (CAS), at the Assis Brazil unit, has the LEED EB O&M seal: Operation and Maintenance, for existing buildings, at the highest possible level: Platinum.

The building was the first in Latin America to receive the seal. This certification is focused on the operational efficiency and maintenance of the building, helping to minimize costs and impact on the environment.

The construction includes rainwater collection and use for non-potable purposes, taps and toilets with economical water consumption systems, and automation system for lighting and air conditioning management. The sanitary sewage generated in construction undergoes advanced treatment and is reused for irrigation and other non-potable uses.

The building is also equipped with computers with intelligent energy saving systems.

Starting in September 2019, all energy consumed in the CAS building is bought from the free energy market, with 100% of renewable source* and low impact.

In addition, some credit unions develop actions to reduce CO₂ emissions, such as installing photovoltaic panels, managing and minimizing solid waste.

This year we published our systemic Greenhouse Gas Emissions (GHG) Inventory for the second time, following the international guidelines of the GHG Protocol.

In order to improve our performance, we are continually seeking to improve the quality of the eco-efficiency information used to prepare the inventory.

In 2019, we increased the coverage of centralized data, with information from all credit unions. We are committed to improving this process and seeking to improve the management of the topic, aiming at complete data coverage for the three scopes of the inventory in all Sicredi units.

*Renewable Energy sources: Solar, Wind, Biomass and Small Hydroelectric Plants.

In 2019, we issued 35,792.3 tons of CO₂ equivalent.

Of this amount, 14.34% corresponds to direct emissions (Scope 1), 11.02% to indirect emissions from purchased energy (Scope 2) and 74.63% to other indirect emissions (Scope 3). As a result, we emitted 1.25 tCO₂e per employee.

During the year, our emissions were concentrated on fuel consumption for cash transportation (31.2%) and deposit bags (21.4%), energy consumption of the units (11.02%), business trips (10.3%) and fugitive emissions from the replacement of gases in air conditioning units (10.1%). These sources represent more than 84% of the system's emissions.

Total emission of Greenhouse Gases (GHG)**

Emission sources	Total emissions (tCO ₂ e)	%
Scope 1	5,133.5	14.3
Fugitive	3,614.7	10.1
Direct Mobile Combustion	1,076.1	3.0
Stationary Combustion	395.3	1.1
Effluents	47.5	0.1
Scope 2	3,946.0	11.0
Purchased Electricity	3,946.0	11.0
Scope 3	26,712.7	74.6
Business trips	3,706.6	10.4
Transport and distribution (upstream)	18,901.1	52.8
Employees commute	2,341.8	6.5
Waste generated in operations	1,575.0	4.4
Transport and distribution (upstream)	186.4	0.5
Purchased goods and services	1.8	0.0
Total (tCO₂e)	35,792.3	100.0
Intensity of emissions (tCO ₂ e/employee)	1.25	-

**Scope: Sicredi Administrative Center (CAS), cooperative centrals and credit unions.

In 2019, we added three training modules to Sicredi Aprende (learn more on page 121), in order to expand the knowledge of employees about the GHG Emissions Inventory, covering the following topics:



Contextualization on climate change and the importance of the inventory



Focus on the process of gathering information for the inventory



Method for emissions compensation

During the year, we approved adherence to the Brazilian GHG Protocol Program, which should take place until the first half of 2020. The program encourages corporate culture to prepare and publish inventories of greenhouse gas (GHG) emissions through a public emission register. For the first time, our systemic inventory will be available on the online platform of the Public Emissions Registry and can be accessed starting in August 2020.

Paper

Throughout 2019, we carried out a series of initiatives to reduce the use of paper in our products and services. Since March, in Life Insurance, we have had the process of refusing loan protection insurance, in which we no longer send the physical copy, which is replaced by a digital document. With this process, we stopped sending around 9 thousand documents per month.

For the Pension Insurance operation, in October 2019, we enabled enrollment in the Sicredi benefit plan through digital means. With this process, we stopped printing around 100 thousand sheets of paper.

For credit cards, we launched a digital solution that allows members to request, through the application, cancellation of printed invoices; it became available in the second half of December 2019.

With this delivery, the potential for cost savings for the system is very significant and it reduces the impact on the environment, considering that until then, the average monthly invoice generation was 1.1 million, generating approximately 3 million sheets of paper.

It should be noted that the digital invoice available on the service channels (mobile app, website and consultation at Customer Service) has the same information as the printed invoice. The initiative has not yet measured results, but it intends to reduce our costs and mitigate the environmental impact, while it makes things more practical for the member.

Smart Branch at the UN

The Smart branch project developed by the Sicredi União PR/SP credit union in the city of Cafeara (PR) was one of the 36 finalists of the 1st SDG Global Compact Award, an initiative linked to the United Nations (UN) that recognizes practices that collaborate for the achievement of the Sustainable Development Goals (SDGs). The branch is made of containers and does not use money in its operation, facilitating the installation in small towns.


With the recognition, the initiative started to be part of the Global Compact Good Practices bank and the credit union was invited to present the project at the United Nations headquarters, in New York (USA), as part of the SDGs in Brazil event, which took place during the High-Level Political Forum 2019 in July.



> Sicredi Smart
Cafeara (PR)

/ Suppliers

GRI 102-9 / 103-2 / 103-3 / 204-1 / 308-1 / 308-2 / 414-1 / Sicredi SR04

Positive impact	  
SDG related	     

By sharing our sustainability concerns with the entire supply chain, we expand the positive impact of our business. In this context, we have the opportunity to support local suppliers in strengthening their companies, leading to regional development.

We relied on the Standard for Purchasing Products and/or Services, which establishes rules, roles and responsibilities for the entire purchasing process carried out by CAS. The standard indicates that suppliers should preferably be associated with one of the credit unions.

In this way, we generate more value for our business chain and expand the bonds of trust with suppliers. We also prioritize hiring companies from the communities where we operate, generating more value for the local population.

Credit unions and cooperative centrals have the autonomy to carry out their contracts locally. Despite this, most of its contracts are signed with companies in the regions where they operate.

In 2019, the main suppliers critical to our processes were in the states of São Paulo, Rio Grande do Sul, Paraná, Rio de Janeiro and Mato Grosso, which represented 85.6% of payments made to this type of supplier.

In 2019, we paid
R\$ 5.1 billion
to 32.1 thousand suppliers

Of that value
10.9%
were spent with
local suppliers



To ensure that suppliers are in line with our values, we rely on anti-corruption and human rights clauses, inserted in our contracts in 2019. Among other topics, the clauses demand non-hiring of forced or child labor in its operation and in their supply chain and encourage the adoption of practices such as non-discrimination.

We also have clauses that deal with the environment, stipulating compliance with all norms and legal requirements related to the National Environmental Policy, especially regarding the rational use of natural resources and the correct disposal of waste. We recommend that credit unions use these same standardized clauses in their local purchases, disseminating the model in a Guide to Good Practices in Contract Management.

In 2019, we started a pilot for the inclusion of environmental and social criteria in the selection of suppliers. We applied socio-environmental questionnaires to eight suppliers of environmental design, which serve credit union, of which three were hired.

The document included topics about the existence of an Environmental Policy, recycling of waste, programs to reduce water and energy consumption, combating child and slave labor, encouraging diversity and development programs for the local community.

The questionnaire should be included as part of a tool to be launched in 2020 for use by the CAS and credit unions as needed.

During the year, we created a third-party risk management working group, with the goal of getting to know the scenario and the best practices in the theme of sustainable supply chain management. For the next year, we must also organize quarterly meetings with the objective of training suppliers in several aspects, including sustainability.

06.

The joint action of our credit unions with the members and with the community is the driver of local development. By fostering the economy, the financial inclusion and the private social investment, we generate our main result: the positive impact on the communities where we are inserted. It is a virtuous cycle that promotes the investment of the member on the credit union, broadening the financial resources available in the region.

Drivers



In this chapter, we approach the focal themes:

- Promote local economy and financial inclusion; and
- Foster the human, social and intellectual capital in the regional operation.

Local development

/ Fostering the local economy

GRI 103-2 / 103-3 / 201-1 / 203-2 / 204-1 / FS6 / FS13 / Sicredi DL01 / DL02

Positive impact



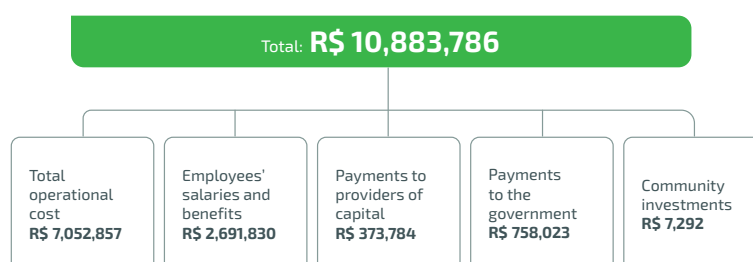
SDG related



Through responsible action and close to our credit unions, we promote positive transformations in the communities where we operate, contributing to local development. The presence of our credit unions brings greater dynamism to the economy of these regions, strengthening the business of our members and local commerce, stimulating the generation of income and inserting an increasing number of people in the national financial system.

Throughout 2019, we generated more than R\$ 13 billion in revenue, which was distributed as follows:

Economic value distributed in 2019 (R\$ thousands)



Balance of the value generated and distributed (R\$ thousands)

	2017	2018	2019
Economic value generated (revenue)	11,403,788	12,014,004	13,614,434
Economic value distributed	9,443,268	9,620,299	10,883,786
Operating Costs	6,423,346	6,290,203	7,052,857
Employees' salaries and benefits	2,020,928	2,324,286	2,691,830
Payments to providers of capital	453,083	390,266	373,784
Payments to government	542,679	609,604	758,023
Community investments*	3,232	5,940	7,292
Retained economic value**	1,960,520	2,393,705	2,730,648

*See details on community investment on page 157.

**Direct economic value generated minus distributed economic value.

We also impact the economy of these communities by hiring local suppliers, which are those registered as MEI (Individual Micro-Entrepreneurs) or Simples Nacional (Small Businesses) in the regions where we are present.

In 2019, R\$ 550.5 million were paid to local suppliers.

The amount represented 10.9% of our total expenses with suppliers.

Our prominent presence in sparsely populated cities, where few financial institutions are present, expands the potential of our business to make a difference for the population. In 2019, we were present in 1,197 cities with less than 100 thousand people.

In 210 cities, we are the only financial institution. In these places, which have a population of up to 20 thousand people, we are an essential means for financial inclusion for more than 850 thousand people.

Presence in sparsely populated cities

Number of people	Number of cities in Brazil	Number of cities with Sicredi's presence	Number of service points in the cities
Up to 5 thousand	1,257	315	318
From 5 to 20 thousand	2,551	475	502
From 20 to 50 thousand	1,096	265	323
From 50 to 100 thousand	349	142	202
More than 100 thousand	317	181	516
Total	5,570	1,378	1,861

Cities where we are the only financial institution*

Number of people	2017	2018	2019
Up to 5 thousand	146	150	158
From 5 to 20 thousand	53	52	52
Total	199	202	210

*Considering member services units and bank branches.



When I needed, they trusted me and helped me to grow, not only as a customer, but also as a person."

We supported the member with consulting services to open and expand his delivery company, and today it has 15 motorcycles, generating employment and income in his region.

Alcebiades Dantas,
entrepreneur and Sicredi member,
city of Caucaia (CE).



Another way to impact the economy of the communities where we operate is by allocating part of the results obtained in the year.

In the assemblies held in 2019, we defined the distribution of the results concerning the year of 2018.

Of the R\$ 787 million allocated for the credit unions to distribute in 2019, 14.9% went to Legal Reserve, FATES (learn more on page 123) and other non-mandatory funds.

The other R\$ 670 million was distributed to the members¹ following a decision of the meeting, representing 85.1% of the total.

In relation to this amount, the members decided whether the distribution of the results would be made by deposit in a checking account or in the capital account². When a member decides to invest in the capital account, he expands his/her equity and injects active resources into the cooperative, strengthening the margin of businesses that will benefit all members.

In cases where the funds are deposited in a checking account, the amount is available to be used normally, fostering the local economy.

In 2019, R\$ 387 million of the distributed results were deposited in a checking account.

The distribution of results is an important source of income for the member, which is only possible because of our cooperative model.

In one of the credit unions, for example, the distribution came to generate, on average, 3.2 additional salaries to members.

Annually, we also allocate part of the result to the payment of interest on shareholders' equity to members, based on the amounts they have in their capital account.

In 2019, this amount was paid in December, based on the current year's revenues. The amount paid was R\$ 374 million, representing 12.0% of the result of the fiscal year.

When we distribute interest on capital, we share with the members the financial results generated by the business, expanding equity while strengthening credit unions.

¹ The form of distribution of this amount among members is defined proportionally to the use of products and services with the credit union.

² The account where the capital quota resource is deposited, the quota starts with the member in society with the credit unions, with direct participation in strengthening the institution.

The capacity of the business to generate value is even greater due to our cooperative model. That is because our job is to raise funds from members and lend to other members in the same region.



When reverted into credit for the same location, the resource has a positive impact on the community, supporting the generation of jobs and the productivity of organizations.

During the year, we offer a wide portfolio of products and services that have improved the lives and business of our members. Our revenue was divided according to the following business lines:

Share of business lines in total revenue (R\$ thousands)

	2017		2018		2019	
	Amount	%	Amount	%	Amount	%
Credit	7,741,210	62%	8,719,306	67%	10,479,202	70%
Financial Revenue	3,099,052	25%	2,365,129	18%	2,260,548	15%
Provision of services	1,564,264	13%	1,935,665	15%	2,323,327	15%
Bank services	619,422	5%	726,018	6%	858,511	6%
Insurance	263,740	2%	329,959	3%	364,278	2%
Cards	219,756	2%	316,899	2%	454,732	3%
Collection	211,970	2%	249,042	2%	284,572	2%
Consortiums	141,083	1%	168,709	1%	189,793	1%
Partnerships	69,398	1%	67,414	1%	73,114	0%
Other services	38,895	0%	77,624	1%	98,327	1%
Total	12,404,526	100%	13,020,100	100%	15,063,077	100%

Credit

By offering products and services that meet the needs of members in the individual, legal entity and rural segments, we support their growth and the development of their community.

In 2019, our credit portfolio grew 28.7%, an increase of R\$ 16 billion in relation to 2018, reaching the mark of R\$ 72.2 billion in total credit. The portfolio is comprised of R\$ 45.8 billion in commercial credit and R\$ 26.4 billion in rural and targeted credit.

Balance and credit granting (R\$ billion)

	2017	2018	2019
Balance	43.6	56.1	72.2
Granting	42.5	52.3	64.0

In our quest to offer products and services that meet the needs of members, we contribute to the development of their business and their well-being.

In rural credit operations, small and medium producers continued to be our focus, with around 80% of the operations carried out being targeted at them.

Within the scope of Pronaf (National Program for Strengthening Family Agriculture), rural credit granting increased by 10% compared to 2018, reaching R\$ 3.2 billion. In PRONAMP (National Program to Support medium-sized Rural Producer), the growth in rural credit concession reached 34% in the period, registering an increase of R\$ 1 billion.

In financing with funds from the National Bank for Social Economic Development (BNDES), we granted R\$ 2.8 billion. As a result, we ranked 2nd among Registered Institutions in Indirect Operations of BNDES, and 1st in on-lending to individuals, 2nd in operation for micro, small and medium-size companies and 2nd place in on-lending of agricultural programs by the Federal Government.

Through the provision of targeted credit, we play a transforming role in society, fostering development in several regions of Brazil. The performance includes a wide range of operations, from microcredit to financial solutions for large companies, with a prominent position in rural credit granting.

We support the agribusiness sector at all stages of its production chain, providing solutions with socio-environmental attributes for members who are rural producers, such as Pronaf, which has the support of teams trained in rural credit, investment specialists and agronomists.

Local development

The program is aimed at specialized assistance to mini and small rural producers, which promotes income generation and values the use of family labor. In 2019, under Pronaf, approximately 16 thousand family farmers were served.

In the corporate segment with a social focus, we offered the BNDES Small Business line, which enables working capital to increase production, employment and payroll in small and medium-sized companies.

In addition, we continue to offer lines that finance sustainable practices for our members, such as the BNDES Card, which transfers funds from BNDES for the purchase of machinery, equipment and production goods available for sale on the BNDES Card portal.

The goal is to facilitate the use of credit and assist in the investment and modernization of micro, small and medium-sized companies.

In the housing area, we had an increase of 94% in the portfolio, with the hiring of 928 new operations, with emphasis on the 483% expansion in the real estate credit portfolio with FGTS resources, with a focus on popular housing.

In 2019, we provided real estate credit for Construction Financing with a payment term of up to 30 years. For the agribusiness segment, we provided a new line with BNDES resources: Pronaf Moradia, which allocates funds for the construction or renovation of popular housing in rural areas.

Our credit granting strategy was focused on agility in servicing members, operational efficiency and security for the cooperative enterprise.

Through pre-approved limits made available to members, in addition to automatic decisions when proposing and opening an account, we had a significant increase in the level of automatic concessions, which reached more than 1.5 million proposals, representing 63.4% of the total. In these modalities, the members who were less likely to default are benefited, providing higher credit quality to the System.

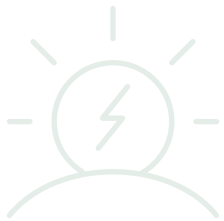
Initiatives aimed at mitigating climate change are supported, such as the Low Carbon Agriculture Program (ABC Program), in which positive financial implications are identified with operations, which in 2019 reached an amount of **R\$ 77.7 million**.

Keeping the focus on improving risk management, we ensure the security and stability of the business, increasing the concession by 22.3%, with 70.6% of this amount concentrated in the public classified as low risk. This strategy is reflected in the portfolio, ensuring quality in our indicators and generating sustainable growth in the long term.

Our default indicator showed little variability throughout the year, reaching the 1.50% mark, a value that is slightly higher than that observed in the previous year (1.45%), but still at comfortable levels in relation to the expected quality of the portfolio. In this sense, it was possible to reduce the level of provision, reaching the mark of 4.2%, 0.3 pp less compared to the previous year. Furthermore, the soundness of the System can be attested by the coverage level, which is 2.8, calculated based on the ratio between the provision for credit losses and defaults over 90 days.

Consortium

In order to increase equity and contribute to improving the quality of life of members, we offer several consortium groups, the segment of automobiles, real estate, nautical goods, trucks, tractors and utilities, services and motorcycles. At the end of 2019, our portfolio had more than 208 thousand quotas and more than R\$ 14 billion in active credits.



In 2019, we prepared a new material presenting its benefits to members, including a simulator that shows how investing in sustainable equipment can add value to your business and home.

During the year, we launched the planned furniture consortium. In addition to enabling the acquisition of sets of goods with greater added value, such as planned living rooms and kitchens, the product also allows credit unions to enter into local partnerships, leveraging the furniture sector in their regions. As of this launch, we started to operate in all segments of the consortium sector regulated by the Central Bank.

We also implemented the Fidelidade Consortium, in which the consortium member who pays on time has a discount when acquiring new consortia. The benefit allows up to 20% in discounts for those who paid the consortium plan and are interested in joining a new quota, in addition to other benefits, enhancing customer loyalty.

Savings

In 2019, our members deposited **R\$ 15.4 billion** in savings, a growth of 16% compared to the previous year.

With this result, we remain among the Brazilian financial institutions that most capture savings in the country.

In 2019 we also began to forward the distribution of the results of the credit unions directly to the members' savings accounts, a way to encourage the use of the product and finance rural credit. In total, 16 credit unions opted for distribution in savings, allowing to open more than 38 thousand accounts of this type and to credit more than R\$ 97 million.



Our members were also able to choose to receive income tax refund in their savings account, which generated more than **R\$ 4.5 million** credited.

We continue to improve Poupador (Saver), a solution available in our app that motivates members to save. The tool started to suggest savings applications, based on the checking account balance, while the member makes payments and transfers via the application. Through the solution, we had a volume of more than R\$ 900 million raised in savings, with more than 460 thousand offers accepted, with an average ticket of R\$ 2 thousand.

Conecta

In 2019, we launched the Sicredi Conecta app, which promotes sustainable interaction and commercialization of products and services among our members through inter-cooperation. The tool provides a showcase so that your business can also be boosted by the digital environment, generating income and contributing to the development of regions.

Currently, the technology is being offered as a pilot in 10 credit unions, with a plan to expand in the future, creating a network that promotes the members' business and moves the economy forward in the communities where we operate.



Foreign trade

By making resources available for financing exports and imports, in addition to other foreign exchange services, such as the sale of foreign currency in cash, we support the members' foreign trade operations. In 2019, we carried out 19,472 foreign exchange transactions, 10.5% more than in the previous year. Among the operations, 1,153 were carried out for credit unions, 116 for associations and 19 for foundations.

During the year, we created Café com Câmbio, an event organized by credit unions to broaden the understanding of importing and exporting companies regarding the development of their operations, clarifying questions and helping in particular situations.

In order to serve our members in an increasingly comprehensive manner, we implemented the international guarantee Stand By Letter of Credit, an instrument that aims to support international transactions that require bank guarantee.

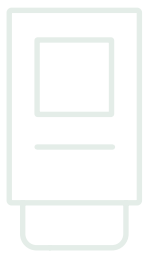


Cards

We offer our members a complete means of payment portfolio, which serves all segments. The electronic payment method is an important way to reduce the circulation of money, which contributes to the development, formalization and greater safety in the regions where we operate.

In 2019, we expanded our card base in 26%, with a 50% growth in revenue. Our card service underwent a series of improvements in 2019, providing more convenience, autonomy and confidence to cardholders, including:

- sending SMS with the limit available for financial control;
- new invoice with more installment offers;
- launching of our rewards program, which allows the redemption of several products and trips or even direct cashback on the invoice; and
- new features in the application, such as consultation at the time of purchases made by credit card, registration of travel notice, visualization of the place of purchase on the debit card, no physical invoice sending (learn more on page 100) and consultation on the available limit.



Acquirer market

In order to complete the portfolio of products and solutions aimed at the individual microentrepreneurs (MEI) segment and independent professionals, we launched our compact machine, an agile and convenient payment solution. In addition to the compact machine, we deliver to members a combined offer of products and services that aim to meet their daily needs with excellent cost-benefit and convenience.

We also expanded the range of types of cards accepted in our machines, reaching more than 28 national and international types of credit cards. As a result of these and other improvements, the base of establishments that use our acquisition reached more than 137 thousand, with sales of R\$ 10.9 billion in 2019, a growth of 137% in relation to 2018.

Term deposits

Term deposit products are fundamental to our business, as they contribute to the fulfillment of the credit unions' minimum liquidity and ensure the growth of credit operations. In 2019, we hit the R\$ 40 billion mark in time deposits, with a 15.9% growth in the portfolio. In total, more than 950 thousand members invested in the product.

Throughout the year, the product underwent changes that made it more competitive in the face of a scenario marked by a historic drop in interest rates. For example, we reviewed our commercial condition, reducing the initial application of the extra counter product from R\$ 200 thousand to R\$ 20 thousand, and made it possible for credit unions to customize the rates for automatic applications, allowing them to adjust the attractiveness of the product to local conditions.



Agribusiness Letter of Credit (LCA)

We achieved a result of R\$ 1.2 billion in funding for LCA, one of the main products in the investment portfolio, ideal for members looking to diversify their assets with low risk applications and competitive rates, in addition to being a source of financing for the rural credit of credit unions.

Thus, we achieved a 100% growth in the portfolio, accounting for more than 2,200 members with product application.

Pension Plan

In 2019, we made our private pension plan even more attractive, reducing the amounts of entry into funds with very interesting management fees. In addition, in order to diversify the solution options for our members, we started to commercialize external management.

With our employees in mind, we also made the private pension benefit more attractive. We offer our employees the option of contributing to plans in the PGBL modality (Free Benefit Generator Plan) or the VGBL modality (Free Benefit Generator Life). Along with these new options, we also changed the process of joining the benefit, which became 100% electronic, which eliminated the need for paper flow.

Investment Funds

We offer our members the possibility to save through investment funds. For this, we apply an Investor Profile Analysis questionnaire to each person, according to the determination of the regulatory bodies, and we offer the products appropriate to their needs.

We ended 2019 with more than 57 thousand quota holders in our Funds, registering a growth of 72% compared to the previous year. Regarding the financial volume, we had R\$ 4.3 billion invested in our Funds in December, an increase of 113% compared to 2018.

Support to soybean farmers

In Mato Grosso do Sul, the Sicredi Cooperative Central - Brazil Central develops a research project in partnership with MS Foundation to fight the brown soybug, a pest that can impact up to 20% on the productivity of a crop. The research foresees the creation in the laboratory of the wasp (*Telenomus Podisi*), a natural enemy of the bug, with subsequent release in the field, to carry out the biological control of the pest.

The practice is more sustainable and accessible to the farmer, since the chemicals commonly used can represent up to 15% of the cost of a crop. In 2019, the results of the first research carried out by the MS Foundation demonstrated the viability of the technique.



Things have improved since we started our relationship with Sicredi. And today we have around 40 seamstresses”.

When they became members, Cleide and Késia were able to expand their production even more.

Cleide Bravo and Késia Oliveira,
entrepreneurs and Sicredi members,
city of Moreira Sales (PR).

Employee Development

GRI 102-8 / 404-1 / 404-2 / 404-3

Positive impact



SDG related



Our employees are responsible for the close and human relationship with our members. It is based on a genuine interest in the life of the member and the dynamics of the community that we understand how we can develop his/her business and meet their personal demands. Therefore, we seek to continuously develop our employees, aligning their performance

to the principles and values of cooperativism and improving their skills for new business challenges.

Our 28,600 employees are also members of the credit unions and, therefore, are directly impacted by the decisions that define the direction of our business.

Number of employees per employment contract*

	2017		2018		2019	
	Men	Women	Men	Women	Men	Women
Set time**	190	318	260	368	269	395
No set time	9,644	13,241	10,578	14,577	11,644	16,305
Total by gender	9,834	13,559	10,838	14,945	11,913	16,700
Total	23,393		25,783		28,613	

*For this indicator, we consider inactive employees who are retired due to disability. Altogether there are 24 inactive employees counted on 12/31/2019, which despite being inactive remain in the database as they have their position guaranteed in case of recovery of disability and can continue receiving employment benefits. Those employees are also being considered for all indicators that use the 12/31/2019 headcount for reporting.

**For contracts with set time, we considered only young apprentices.

Number of employees per employees per cooperative central

	2017	2018	2019
Sicredi Cooperative Central - South/Southeast	8,648	9,190	9,918
Sicredi Cooperative Central - PR/SP/RJ	7,032	8,230	9,246
Sicredi Cooperative Central - North Central	2,886	3,115	3,491
Sicredi Cooperative Central - Brazil Central	1,618	1,843	2,155
Sicredi Cooperative Central - North/Northeast	1,444	1,467	1,528
Sicredi Administrative Center (CAS)	1,755	1,927	2,264
SicrediPar	10	11	11
Total	23,393	25,783	28,613



> **Sicredi Employees**
Sicredi Administrative Center (CAS)

In order to hire employees in line with our cooperative model, we have a systemic attraction and recruitment strategy, with practices implemented in accordance with the local strategy, considering the culture and planning of each credit union. In 2019, we implemented new attraction and recruitment formats, with dynamic, collegiate, diverse and humanized processes, with the support of artificial intelligence and automated screening. As a result, we had an average time of 30 days to fill positions, with a more rigorous selection process. Throughout the year, we had a turnover rate of 22.1% in the year, 0.6 p.p. higher than in 2018.

Menu of #competencies

In 2019, we launched our new work competencies menu, which will guide the desired behaviors of employees in line with our digital transformation strategy, business growth and strengthening the values and principles of cooperativism.

It is composed of 15 competencies organized in four thematic axes, which must be adopted by the credit unions according to their local reality. New skills are at the heart of our people management, guiding employee profiles, selection processes and the way we evaluate, develop and recognize our talents.

Axis #cooperativism

Live, disseminate and strengthen our purpose inside and outside of the organization.

- **#Cooperative essence:** purpose and identity;
- **#Simplicity:** to be simple and to do simple things;
- **#Work together:** teamwork and collaboration;
- **#Communication that brings us closer:** simple, true and constructive; and
- **#Understand to provide:** empathy and focus on the member.

Axis #transformation

Leverage the digital and cultural transformation at the organization.

- **#Learn and change quickly:** adaptability and self-development;
- **#Creative boldness:** intra-entrepreneurship and creativity; and
- **#Innovate to transform:** future vision and trends.

Axis #people

Putting people at the center and heart of our business.

- **#Emotional intelligence:** balance self-knowledge;
- **#Transformative leadership:** trust and example;
- **#Diversity and inclusion:** valuing and respecting differences; and
- **#Develop people:** learning culture.

Axis #business

Make it happen, do it well and make the difference.

- **#Go do it:** proactive action and protagonist role;
- **#Owner's vision:** strategy and systemic vision; and
- **#Applied knowledge:** technical knowledge and skills.

Every year, all employees go through the performance evaluation process, in order to guide career development through the identification of strengths and opportunities for improvement. In 2019, 100% of employees from all functional categories participated in the performance analysis, with the exception of interns and young apprentices, in which a differentiated evaluation model is used, not accounted for in the calculation. Starting in 2020, we will also implement an analysis of the new skills of employees, adopted in 2019.

Employees training pathways

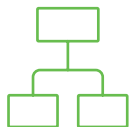
We also have a corporate education process that promotes the training of professionals integrated into the cooperative culture, offering a continuous, growing and cumulative learning process. It is structured in different levels of training that take into account the degree of knowledge of the employee in relation to the organization and the role to be performed.



Basic training

It seeks to introduce and acculturate our new employees. It provides essential content, such as knowledge about our organization, structure and culture.

It consists of online and face to face actions.



Functional training

It helps in the development of skills related to day-to-day activities.

Among the main functional training courses available at Sicredi Aprende are the training programs concerning branches, aimed at professionals in the Financial and Business Administration.



Continuing education

It seeks to expand the knowledge and general culture regarding processes, methods and techniques used in the market, related to the current position of the employee or with a view to professional growth. It is composed by internal and external courses and programs, seminars and congresses, in addition to complementary courses from Sicredi Aprende.



Education of Leaders

It seeks to develop managers in their managerial responsibilities and in their roles as leaders, enabling them to act strategically with a focus on people, processes and results.

Our corporate education actions take place through the Sicredi Aprende distance education platform, which provides content in online formats, available for free access by all employees.

As of this year, the sustainability theme was inserted in the basic training of all employees, having been part of their agenda since their first days in the organization (learn more on page 67).

Throughout 2019, our employees received an average of 21 hours of training.

Average number of training hours per employee per gender

	2017	2018	2019
Men	29	28	22
Women	27	26	20
Total	28	27	21

Average of training hours per employee per functional category

	2017	2018	2019
Elected	8	6	7
Top leadership	38	22	21
Middle leadership	33	33	24
Professionals	26	25	21
Technicians	28	27	9
Trainees	24	23	22
Young Apprentice	15	15	15
Total	28	27	21

Preparing for retirement

We consider caring for employees in transition to retirement a responsibility of our business, through which we can positively impact communities. That is why, since 2016, we have developed the SR Career Transition program in Retirement.

It works on two fronts. The first is the development of a Career Transition Program for Statutory Officers, in which the design of a document with systemic recommendations for conducting Career Transition Processes by Retirement was prepared. The second resulted in the development of an exclusive program for CLT employees at Sicredi Cooperative Central - South/Southeast, open to participation by all retired employees or those about to retire who are interested in participating.

Social responsibility

GRI 103-2 / 103-3 / 413-1 / Sicredi DL05 / DL06

Positive impact



SDG related

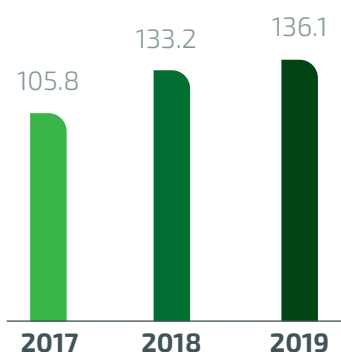


The Sicredi Administrative Center (CAS) and 83.6%* of our credit unions develop local community engagement programs*. In any system, there are more than 200 employees dedicated to the dissemination of cooperativism, financial education, social responsibility and sustainability. To further increase our positive impact, we have a series of private social investment actions, sponsorships and support, both from systemic and local origin. They take into account local needs and are in line with the principles and values of cooperativism.

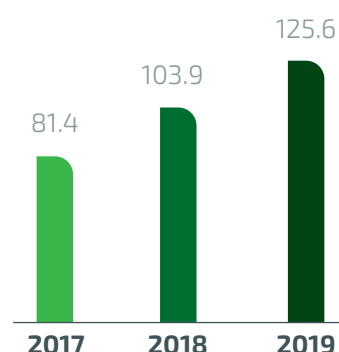
To finance these actions, our credit unions collaborate with the Technical, Educational and Social Assistance Fund (FATES), by reserving at least 5% of their financial result for the year. The intention is to strengthen the principles of credit union, investing resources in assisting members, their families and, when provided for in the statutes, the cooperative's employees.

In 2019, **R\$ 136.1 million** was allocated to FATES and **R\$ 125.6 million** of the total fund balance was used by the credit unions.

**Amount destined to FATES
(R\$ million)**



**Amount used from FATES
(R\$ million)**



* In 2019, the Sicredi Cooperative Central - North/Northeast structured the Cooperative Development area, responsible for assisting credit unions in their region of operation to implement non-financial solutions. Of the 20 credit unions in the cooperative centrals, two already have professionals dedicated to the function. The other 18 credit unions of the cooperative centrals are in the process of structuring the area.

The fund offers assistance on three fronts:

- **Technical assistance:** supports technical training activities to develop the economic activity of members, improving the conditions of professional activity and supporting family subsistence;
- **Educational assistance:** aims to improve the knowledge of the credit unions members, family members and employees by developing educational activities for the dissemination and promotion of cooperativism; and
- **Social assistance:** aims to help, improve and protect the lives of members, their families and employees through social and health support, with events, sports and cultural activities, among other initiatives.

Some of the credit unions also have a Social Fund, created to support local social projects of collective interest, focused on education, culture, sports, health, environment, security and social inclusion. These projects contribute to the development of the communities in the area of operation of the cooperativism, practicing the 7th principle of Credit Unions: interest in the community.

The credit unions that have the Social Fund allocate a percentage of the result from the previous year to support projects aimed at collective social development, promoted by private, non-profit entities, legally constituted, always aiming at the social transformation of the lives of people or society, through measurable actions in effort, time and impact on social development.

In 2019, R\$ 15.5 million were invested in social actions through the Social Fund.

In 2019, the Social Fund became a systemic program, aiming to foster the creation of new Funds with the credit unions that still do not have it and offer guidance and structure to the ones that have it, leveraging the investment in the communities. In 2020, the structuring actions will continue, with the development of a technological platform, in which it will be possible to establish communication with the interest publics, manage the whole process and obtain indicators such as number of projects, incentive categories, people impacted and the amounts invested by region.



Sicredi has always given personal and financial support to me and to the NGO”, says Carlão, who offers children in need the opportunity to practice sports and other activities, such as ballet and guitar classes.

Carlos Pereira,
teacher and Sicredi member,
city of Diamantino (MT).

A União Faz a Vida Program

GRI 103-2 / 103-3 / 413-1 / Sicredi DL03

In 2019, A União Faz a Vida Program completed 24 years, promoting the principles of cooperativism and civic awareness among children and teenagers in the communities where we operate, motivating them to be main actors who make decisions and build cooperative projects collectively.

The program has its own teaching methodology, which values the knowledge obtained inside and outside the school and can be applied to students in early childhood education, elementary school and high school. In the program, children and teenagers are in charge of the learning process and develop

projects that help work on the globalized being, developing values such as justice, entrepreneurship, solidarity, dialogue, and respect to diversity.

A network of commitment with public and private educational institutions, pedagogical advice, and community supporters work geared towards the program. In the center of this network is the target audience: the teachers, who are the mediators in the construction of knowledge, and the children and teenagers, who have the leading role in the learning process.

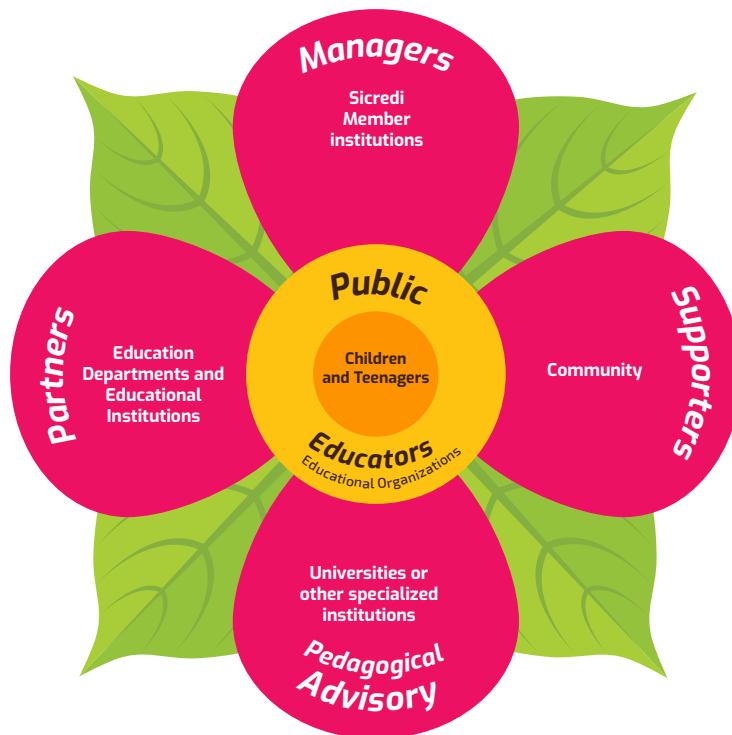


> **City of Nova Mutum (MT)**
Sicredi Cooperative Central - North Central



> **City of Mandaguari (PR)**
Sicredi Cooperative Central - PR/SP/RJ

Network of Commitment of the program



For the past 11 years*, the program has reached 2.1 million children and teenagers who developed over 100 thousand projects. For that, we involved over 101.4 thousand instructors who completed over 1 million hours in training and support.

*The simulation of the 11 years of the program was based on the 2019 data extracted from the Program's Tool. The amount invested in training and support was calculated based on the average amount paid in 2019, and the accrued IPCA value for the previous years was deflated.

11 years ago, the program became systemic. In this period, we have invested over R\$ 92 million in pedagogical training and support for instructors, reflecting an average total investment per teacher approximately R\$ 10 thousand, which represents a yearly investment of R\$ 900 per educator.

This investment directly impacts the educator's performance in the classroom, since in addition to the project methodology, these moments address topics such as BNCC (National Common Curricular Base), mediating evaluation, comprehensive education, among other types of knowledge that contribute to the full qualification of education.

In 2019, we invested in the development of more than 490 professionals who work directly with educators from partner cities, totaling 345 hours in collective training.

These professionals are responsible for training in schools, valuing the uniqueness of the Program at the national level and qualifying for a quality expansion into new states where it is not yet developed. There were also trainings with regional investment, carried out by credit unions and cooperative centrals.

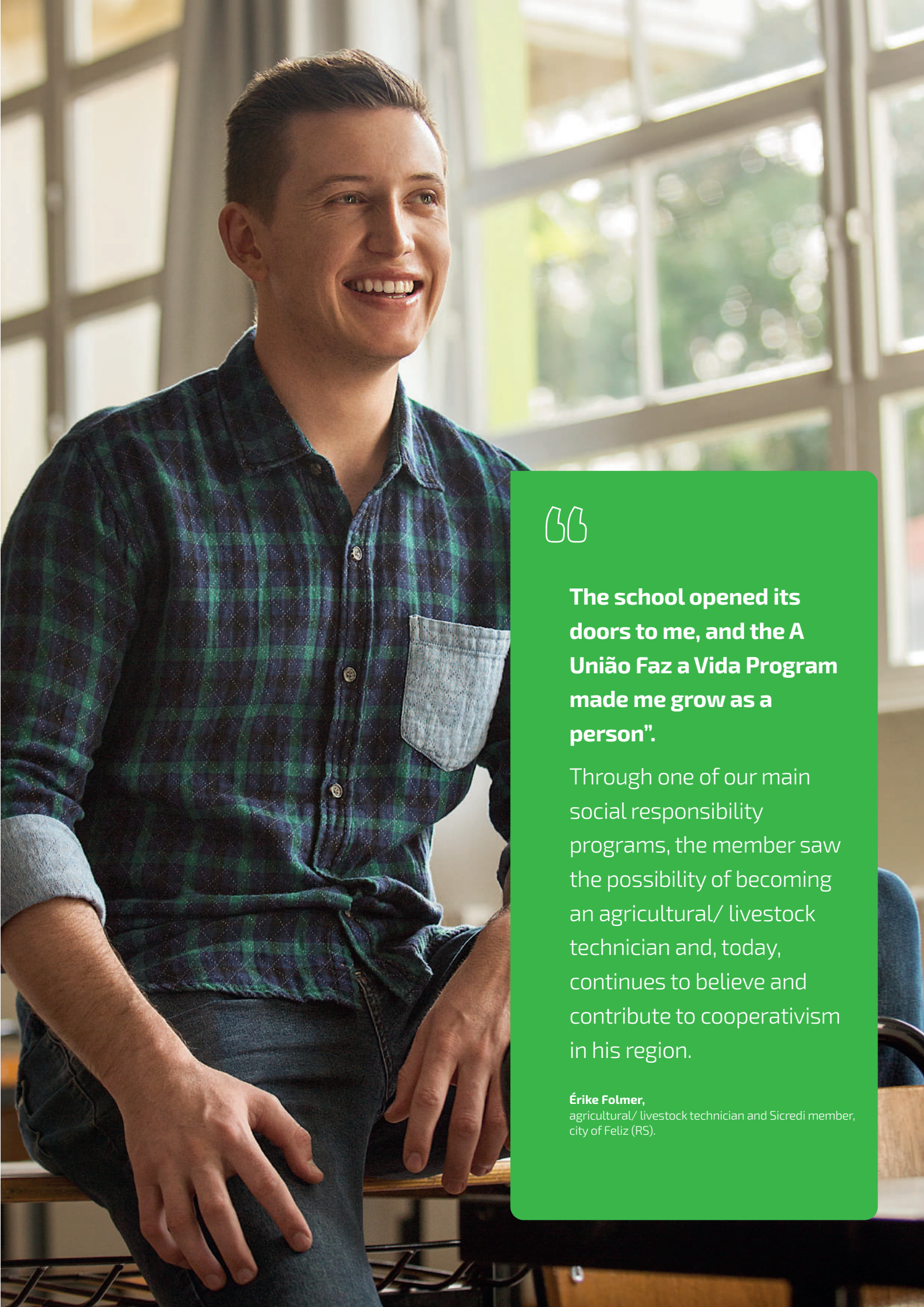
A União Faz a Vida Program**

Cooperative central	Instructors enrolled	Children and teenagers enrolled	Cities	Schools	Projects
Sicredi Cooperative Central - South/Southeast	6,451	66,435	185	868	1,428
Sicredi Cooperative Central - PR/SP/RJ	2,008	21,633	168	800	2,561
Sicredi Cooperative Central - Brazil Central	102	1,573	8	14	107
Sicredi Cooperative Central - North Central	880	19,522	36	303	1,565
Total	9,441	109,163	397	1,985	5,661

**Partial data referring to 2019, considering the period when the Program was systemically structured and when we had consolidated information.



During the year, we started, in partnership with the cooperative centrals and credit unions, the construction of a tool that aims to enable the management of information and qualification of the Program management by those involved. Because we are in a phase of adaptation to the new platform, we still do not have the 2019 landscape completed.



The school opened its doors to me, and the A União Faz a Vida Program made me grow as a person".

Through one of our main social responsibility programs, the member saw the possibility of becoming an agricultural/ livestock technician and, today, continues to believe and contribute to cooperativism in his region.

Érike Folmer,
agricultural/ livestock technician and Sicredi member,
city of Feliz (RS).

Cooperativas Escolares Program (School Credit Unions Program)



> **Cooperativa Escola Gotinha D'água**
Municipal school Carlos Boettcher Filho - Sinimbu (RS)

The Cooperativas Escolares Program (School Credit Unions Program) are associations of students who meet in the shift opposite to school hours with educational purposes, to hold meetings, and to do workshops and research. Under the guidance of a teacher, these credit unions work as a space for the development of economic, social and cultural activities, in benefit of the community, though a pedagogical proposal that fosters the practice of cooperativism.

The initiative started in the Sicredi Cooperative Central - South/Southeast and it is now in a phase of expansion to other centrals. Currently, materials and skills that will serve as a methodological and pedagogical reference for training processes at the national level are being structured.

In 2019, we supported 151 Cooperativas Escolares Program (School Credit Unions Program) in 75 cities, impacting 8.9 thousands students.

Knowing our impact

GRI 203-2 / 413-1

Positive impact



SDG related



Understanding the impact of the business on the Brazilian society, the communities in which we operate, and on the lives of our members is an essential stage of our sustainability strategy. For this reason, we seek more and more to evaluate our value generation through measurable indicators, whose evolution we can follow over time, and work on their continuous improvement, also by means of targets and goals.

In 2019 we started to build our positive impact model, studying the business inputs and outputs to define the main data that we will measure over time. The first results of the study served as a basis for developing the table of positive impact indicators, published on page 06.

As part of this effort, we requested Fundação Instituto de Pesquisas Econômicas (Fipe) to conduct a survey on the “Economic Benefits of Credit Cooperativism in the Brazilian Economy”. The study, released in December,

evaluated economic data from all Brazilian cities with and without credit unions, between 1994 and 2017, using the Differences-in-Differences methodology, the main scientific method for assessing the impact of public policies in the world.

Our calculations, based on the Fipe study, show an aggregate impact in these cities of more than R\$ 48 billion in one year. Also, credit unions were responsible for creating 79 thousand new companies and generating 278 thousand jobs.

Positive impact for Sicredi

The positive transformations in economic, social and environmental terms in the lives of people and the society in which we operate, through our activities.

The survey also calculated the Cooperative Credit Multiplier, an indicator that shows the impact of credit granted by credit unions: each R\$ 1.00 granted in credit generates R\$ 2.45 in the Gross Domestic Product (GDP) and, for each R\$ 35.8 thousand granted by the credit unions, a new job vacancy is created in the country.

In 2019, we also prepared the second edition of our Socioeconomic Credit Balance. It is an internal document, where we seek to understand the impact of our activities on the lives of members and their communities. Among the topics analyzed are the green economy, Credit for Legal Entities, defrayal of commodities, distribution of operating results, food and energy.

Last year, we also started a project to measure the social impact of the A União Faz a Vida Program (learn more on page 126), using the SROI (Social Return on Investment) methodology. The main objective is to measure the results of the Program by means of indicators that represent its transforming power in the communities whose schools use the methodology and also to point out the return on our investment.

Among the actions in 2019, we held focus groups with parents, students and teachers from eight cities participating in the Program, which allowed us to understand the positive social impact we promote in the communities. The main perceptions that emerged were:

- increase of interest, involvement and leading role in the learning process;
- stronger sense of citizenship and collectivity;
- development of socioemotional abilities; and
- strengthening of interpersonal relations.

The instructors also reported that they noticed significant changes in their relationship with work. In 2020 we will know the results of this study.

**For every
R\$1.00**

granted in credit, the credit unions generated

R\$ 2.45 on the GDP

**For every
R\$35.8 thousand**

granted, a new job opening is created in the country

**A
19.6%**

on the average value exported per inhabitant

**The creation of
two facilities per
1,000 inhabitants**

**Increase of
1.0%**

non the average salary of formal employees

Source: Survey by Fipe, Economic Benefits of Credit Unions in the Brazilian Economy.



It is wonderful to have an branch in our city. Opening doors is something so important in our lives, and this is what Sicredi did for us."

For our member Nemézia, our presence brought value to the town.

Nemézia Ribeiro,
story teller and Sicredi member, city of
Vila Bela da Santíssima Trindade (MT).



Attachment

/ GRI content index

GRI 102-55



For the Materiality Disclosure Service, GRI Services has reviewed whether the content index GRI Standards is clearly presenting if the references for disclosures 102-40 to 102-49 are aligned with the corresponding sessions in the body of the report.

Standard	Disclosures		Reference / direct response / SDG related
GRI 101: FUNDAMENTS - 2016			
General Disclosures			
GRI 102: General Disclosures - 2016	102-1	Name of the organization	Page 29
	102-2	Main activities, brands, products and/or services	Page 29and40
	102-3	Location of the headquarters	Page 29
	102-4	Number of countries in which the organization operates	Page 30
	102-5	Type and legal format of the property	We are comprised of credit unions (non-profit, limited liability financial institutions of cooperative society type), its respective cooperative centrals (non-profit, limited liability financial institutions of cooperative society type), the Interstate Confederation of Credit Unions Linked to Sicredi (Sicredi Confederation, of the cooperative society type, non-profit and limited liability), Sicredi Participações S/A (SicrediPar, a limited liability corporation), the Educational and Cultural Development Foundation of the Cooperative Credit System (Sicredi Foundation, private foundation type), Sicredi Garantor Funds (civil association, non-profit), Banco Cooperativo Sicredi S/A (Sicredi Bank, a limited liability corporation) and the companies controlled by it: Administradora de Bens Sicredi Ltda, Administradora de Consórcios Sicredi Ltda, Corretora de Seguros Sicredi Ltda, and Administradora de Cartão Sicredi Ltda (all of which are business society per limited liability quotas, Ltda.)
GRI 102: General Disclosures - 2016	102-6	Markets served	Page 30


Standard	Disclosures	Reference / direct response / SDG related
	102-7 Size of the organization	Information about the size of our business are on page 30. In addition to these data, we closed 2019 with a capitalization of R\$ 7.5 and an indebtedness of R\$ 6.35 billion.
	102-8 Profile of employees and other workers	The employees' profile can be found on page 118. All contracts are full-time. The information was extracted directly from the GP reports, containing Sicredi's final position in December 2019.
GRI 102: General Disclosures - 2016	102-9 Description of the company's supplier chain	The description of the company's supplier chain is on page 102. The amounts informed do not include payments to public entities, companies in the Sicredi system and employees.
	102-10 Main changes in the structure of the company and on the suppliers' chain during the period covered	There have been no changes in the structure of the company or on suppliers' chain.
	102-11 Explanation of if and how the organization applies the precaution principle.	Page 93 
	102-12 Charters, principles and other externally developed initiatives of an economic, environmental and social nature that the organization subscribes or endorses	In 2019, the Board of Directors of SicrediPar, the credit unions and the cooperative centrals voted for systemic adherence of Sicredi as a participant in the Global Compact of the UN, which will be carried out in 2020 (page 27). 
	102-13 Main memberships in associations and/or national/international advocacy organizations	Besides participating in the Woccu (described on page 61) and in the FGCOOP (page 92), we are also active participants of FEBRABAN, where we are part of the Committee on Social Responsibility and Sustainability and their Work Groups. 
	102-14 Statement from the most senior decision maker of about the relevance of sustainability to the organization	Page 10





Standard	Disclosures	Reference / direct response / SDG related
	102-16 Organization's values, principles, standards and norms of behavior such as codes of conduct and codes of ethics	Page 19, 32 and 56 
	102-40 List of stakeholders engaged by the organization	Page 19 
GRI 102: Disclosures Gerais - 2016	102-41 Percentage of employees covered by collective bargaining	100% of employees are covered by collective bargaining convention or agreement. 
	102-42 Basis for identification and selection of stakeholders with whom to engage	To define our stakeholders, we analyze our strategic, institutional and market relations, considering the sustainability of the business. 
	102-43 Approach adopted by the company to engage stakeholders and frequency of engagement	Page 19 
	102-44 Key topics and concerns raised through stakeholder engagement. Stakeholders and measures adopted by the company to approach them	There is not a survey of the main topics of interest to our stakeholders, but we carry out satisfaction surveys with members, in addition to a survey of the climate aimed at employees, and other satisfaction surveys regarding deliveries made to other audiences. 
	102-45 List of entities included in the financial statements	The financial statements of our combined balance sheet include Banco Cooperativo Sicedi, credit unions and the cooperative centrals and investment funds in which these entities substantially assume or retain risks and benefits.
	102-46 Process for definition of content and limit of the report	Page 19
	102-47 List of material aspects identified in the content definition process	Page 19

Standard	Disclosures	Reference / direct response / SDG related
	102-48 Explanation of the effect of any restatements of information provided in earlier reports	<p>The following indicators had altered information in relation to 2018:</p> <p>405-1 - There were changes in the numbers referring to professional and technical employees, without changing the total in the tables:</p> <ul style="list-style-type: none"> • Employees with disability per functional level; • Black employees per functional level; and • Age range per functional level.
		<p>204-1 - In 2019, the methodology to rate local suppliers was changed and we started to consider local suppliers those located in the cities in which we operate and that are registered as MEI or Simples Nacional. This way, we validate that the supplier is not systemic. By means of this change in methodology, we also started to count the purchases of credit unions located in the big cities, differently from previous years, when we considered only cities with less than 200 thousand people. For this reason, the report does not bring a comparison with previous years.</p>
GRI 102: General Disclosures - 2016	102-49 Significant changes from previous reporting periods regarding the list of topics, materials, limit of topics approached	In the materiality review, four topics were excluded: Member satisfaction, operational technology for the relationship with the member, and financial solidity, as they are not considered sustainability topics. Two new topics were included: engage suppliers based on socio-environmental criteria and promote diversity and inclusion. The other topics were maintained, added in a single theme or they had their scope enlarged. The limits of the current themes are described on page 19.
	102-50 Reporting period	January 1 st to December 31 st 2019.
	102-51 Date of the most recent previous report	2018
	102-52 Reporting cycle	Annual
	102-53 Contact information for questions regarding the report.	Page 15

Standard	Disclosures	Reference / direct response / SDG related
	102-54 Reporting premises according to GRI Standards	This report was drawn up pursuant to GRI Standards: essential option.
	102-55 GRI Content Index	Page 135
	102-56 External verification	Page 15




Material topic: To disseminate credit union and sustainability

















GRI 103: Management types - 2016	103-1	Explanation of material themes and their limits	Page 19 
	103-2	Management on material theme	Page 62 and 64 
	103-3	Management evolution	Page 62 and 64 
Own indicators	Sicredi-RC05	Campaigns, events and actions carried out to disseminate cooperativism, defined according to region and people reached	Page 64 Non-audited indicator. 
Own indicators	Sicredi-RC06	Total number and percentage of Crescer Program graduates, divided per cooperative central in the year	Page 62 Non-audited indicator. 
	Sicredi-RC07	Number of people in the Audit and Board of Directors trained at Crescer Program, divided by region	This indicator is important for the business, however, its monitoring is still under the responsibility of the cooperative centrals. When searching for information, we identified that there was no data standardization and there was a lack of evidence to prove the actions were carried out. In 2020, we will implement a systemic tool for registering Financial Education actions to collect the necessary evidence for the next cycle. 








Standard	Disclosures	Reference / direct response / SDG related
Sicredi-RC08	Total and hours of employees trained in credit union themes, divided by program, region and time as employee	The training hours in credit union themes are described on page 64. We do not control trainings considering time as employee. 
Sicredi-RC09	Cooperativism evaluation in the performance analysis of the employee	Page 64 
Sicredi-RC10	Total and hours of employees trained in sustainability themes, divided by program and cooperative central	Page 64  

Material topic: To promote diversity and inclusion

GRI 103: Management types - 2016	103-1	Explanation of material themes and their limits	Page 19      
	103-2	Management on material theme	Page 69 and 75      
	103-3	Management evolution	Page 69, 75 and 77      
GRI 102: General Disclosures - 2016	102-24	Selection and appointment processes for the highest governance body and its committees, including whether factors such as diversity, independence, knowledge and experiences and involvement of stakeholders (including shareholders)	Page 45 and 48 

Standard	Disclosures	Reference / direct response / SDG related																																																																											
GRI 202: Presence in the market - 2016	202-1 Variation in the proportion of the lowest wage by gender compared to local minimum wage in important operating units	<p>The lowest wage paid* by Sicredi is 16.5% higher than the Brazilian minimum wage, both for male and female employees. The calculation it does not consider employees hired as young apprentices or trainees.</p> <p>*For this indicator, we did not consider inactive employees who are retired due to disability, young apprentices or trainees. Altogether there are 24 inactive employees counted on 12/31/2019, which despite being inactive remain in the database as they have their position guaranteed in case of recovery of disability and can continue receiving employment benefits</p> <div></div>																																																																											
GRI 401: Employment - 2016	401-1 Total number and rates of new employee hires and employee turnover by age group, gender, and region.	<table><tr><th colspan="5">Turnover of employees by gender</th></tr><tr><th></th><th>Number of hires</th><th>Rate of hires</th><th>Number of dismissals</th><th>Turnover rate</th></tr><tr><td>Male</td><td>3,231</td><td>27.1%</td><td>2,198</td><td>22.8%</td></tr><tr><td>Female</td><td>4,457</td><td>26.7%</td><td>2,749</td><td>21.6%</td></tr><tr><td>Total</td><td>7,688</td><td>26.9%</td><td>4,947</td><td>22.1%</td></tr></table> <table><tr><th colspan="5">Turnover per cooperative central</th></tr><tr><th></th><th>Number of hires</th><th>Rate of hires</th><th>Number of dismissals</th><th>Turnover rate</th></tr><tr><td>Sicredi Cooperative Central - South/Southeast</td><td>2,075</td><td>20.9%</td><td>1,321</td><td>17.1%</td></tr><tr><td>Sicredi Cooperative Central - PR/SP/RJ</td><td>2,749</td><td>29.7%</td><td>1,711</td><td>24.1%</td></tr><tr><td>Sicredi Cooperative Central - North Central</td><td>1,066</td><td>30.5%</td><td>749</td><td>26.0%</td></tr><tr><td>Sicredi Cooperative Central - Brazil Central</td><td>804</td><td>37.3%</td><td>489</td><td>30.0%</td></tr><tr><td>Sicredi Cooperative Central - North/Northeast</td><td>406</td><td>26.6%</td><td>397</td><td>26.3%</td></tr><tr><td>CAS</td><td>588</td><td>26.0%</td><td>280</td><td>19.2%</td></tr><tr><td>Sicredi Par</td><td>0</td><td>0.0%</td><td>0</td><td>0.0%</td></tr><tr><td>Total</td><td>7,688</td><td>26.9%</td><td>4,947</td><td>22.1%</td></tr></table>	Turnover of employees by gender						Number of hires	Rate of hires	Number of dismissals	Turnover rate	Male	3,231	27.1%	2,198	22.8%	Female	4,457	26.7%	2,749	21.6%	Total	7,688	26.9%	4,947	22.1%	Turnover per cooperative central						Number of hires	Rate of hires	Number of dismissals	Turnover rate	Sicredi Cooperative Central - South/Southeast	2,075	20.9%	1,321	17.1%	Sicredi Cooperative Central - PR/SP/RJ	2,749	29.7%	1,711	24.1%	Sicredi Cooperative Central - North Central	1,066	30.5%	749	26.0%	Sicredi Cooperative Central - Brazil Central	804	37.3%	489	30.0%	Sicredi Cooperative Central - North/Northeast	406	26.6%	397	26.3%	CAS	588	26.0%	280	19.2%	Sicredi Par	0	0.0%	0	0.0%	Total	7,688	26.9%	4,947	22.1%
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	401-3 Return to work and retention rates after parental leave, by gender.	Page 69 <div></div>																																								
GRI 404: Training and Education - 2016	404-1 Average hours of training per year per employee by gender, and by employee category	Page 118 <div></div>																																								
	404-2 Skills management programs and continued learning programs that support the continuity of employability of employees and preparation for retirement.	Page 118 <div></div>																																								
	404-3 Percentage of employees receiving regular performance reviews and career development reviews, by changer and employee category	Page 118 <div></div>																																								
GRI 405: Diversity and equality of opportunities - 2016	405-1 Diversity of employees and governance bodies, with percentages by gender, age group, minority groups and other indicators	Page 69 <div></div>																																								



Standard	Disclosures	Reference / direct response / SDG related
	405-2 Ratio of basic salary and compensation of women to men, separated by employee category and significant locations of operation	Page 69 
Disclosures Sectoral: Financial Services	FS14 Initiatives to improve the access to financial services for disadvantaged people	Page 77 
	FS15 Policies for a fair development and sale of financial products and services	Page 79 
Own indicators	Sicredi - RC01 Campaigns, events and actions carried out to promote diversity, by region and people reached	As this indicator is new, the monitoring of campaigns, events and actions carried out to promote diversity, by region and people reached, will be carried out as from 2020. The information available is from a single Sicredi entity and does not represent a significant number of impacted employees, which is why we chose not to report it this year. 
	Sicredi - RC02 Diversity among members, with percentages by gender, age group, race and person with disability by cooperative central and segment	As it consists of strategic data, this indicator will not be released in an open way, as the data by cooperative central and by segment. We use gender and age data to compose analyzes in texts on page 75. We do not monitor our members by race or disability. 
	Sicredi - RC03 Percentages of Sicredi units in compliance with NBR 9050	There is no centralized inventory that demonstrates the degree of adherence of branches to NBR 9050, however we maintain documentation that guides accessibility requirements at a systemic level (page 77). 
	Sicredi - RC04 Percentage of ATMs in compliance with NBR 15250	Page 77 

Standard	Disclosures	Reference / direct response / SDG related
Material topic: To strengthen our management		
GRI 103: Management types - 2016	103-1	Explanation of material themes and their limits Page 19   
	103-2	Management on material theme Page 52 and 55   
	103-3	Management evolution Page 52 and 55   
GRI 102: General Disclosures	102-17	Internal and external mechanisms adopted by the organization to request guidance on ethical behavior and in compliance with the law, such as relationship channels (e.g.: ombudsman) Page 58 
	102-18	Governance structure, including committees Page 46 and 50 
	102-19	Process for delegating authority regarding economic, social and environmental issues by the highest governance entity for executives and employees Page 26 
	102-20	Appointment of an executive-level position or positions with responsibility for economic, environmental and social topics, and if those report directly to the highest governance entity Page 26 






Standard	Disclosures	Reference / direct response / SDG related
GRI 102: General Disclosures - 2016	102-21 Consultation processes used between stakeholders and the highest governance body in relation to economic, environmental, and social topics. If the consultation is delegated to other structures, bodies or persons, indication of existing feedback processes for the highest governance body	Page 19 
	102-22 Composition of the highest governance body and its committees	Page 49 and 50 
	102-23 Nomination should the chairman of the highest governance body also be the CEO	The Chairman of the Board of Directors does not have an executive position, but an elective one, as the president of Sicredi Cooperative Central - PR/SP/RJ, as indicated on page 49. 
	102-25 Processes used by the highest governance body to prevent and manage conflicts of interest	The Code of Conduct (described on page 56) addresses conflicts of interest referring to all of our employees. Our by-laws provide that the members of the Board of Directors have as basic conditions for the exercise of the position: <ul style="list-style-type: none"> • Not being a spouse or partner, nor possessing kinship with members of the Board of Directors, the Fiscal Council or the Executive Board; • Not maintaining employment relations with any Entity part of Sicredi, or even with members from the Board of Directors, the Fiscal Council or the Executive Board; • Not being an employee or administrator or holding participation in a company that is considered a competitor of any Sicredi entity; and • Not having exercised or being in office or having a political and partisan function in the last civil exercise. 






Standard	Disclosures	Reference / direct response / SDG related
GRI 102: General Disclosures - 2016	102-26 Role of the highest governance body and executives in the development, approval and updating of purpose, mission statement, vision and values, and definition of strategies, policies and goals related to the organization's economic, environmental and social topics	In 2019, we did not update our purpose, mission, vision and values. The role of the Board of Directors in defining the strategy, policies and goals is described on page 48. 
	102-27 Measures taken to develop and enhance the highest governance body's knowledge about economic, environmental and social topics	All the presidents of the cooperative centrals and credit unions that are part of the Board of Directors of SicrediPar were guests in the Sustainable Leadership workshops described on page 64. 
	102-28 Processes for evaluation of the highest governance body's performance with respect to governance of economic, environmental and social topics	At the end of their term, the members of SicrediPar Board of Directors evaluate themselves, the other members and the president, with the support of a consultancy. The president receives from the consultancy considerations about his/her performance and that of the advisors, and shares the latter with those evaluated, individually and in groups. After the feedback, action plans are drawn up to improve the identified improvement needs. At the end of each term, the performance of the body as a whole is also assessed, considering good governance practices. 
	102-32 The highest level body or position that formally analyzes and approves the Sustainability Report from the organization and ensures that all material aspects are approached	Page 15 

Standard	Disclosures	Reference / direct response / SDG related
GRI 102: General Disclosures - 2016	102-35 Compensation policies applied to the highest governance body and executives	Our compensation policy aims to reward managers for actions that guarantee the sustainability of our business in the short, medium and long term. The amounts for the presidents and directors of the cooperative centrals and credit unions are established according to the size of the entity. There is also a short-term variable annual installment, linked to the business performance in the period, and a long-term variable installment aimed at retaining statutory employees, the sustainability of the business and career transition and succession.
	102-36 Process adopted to determine compensation	
	102-37 Participation of stakeholders in relation to compensation, including the results of voting on compensation policies and proposals, if applicable	<p>This compensation is discussed in internal forums, such as meetings of the Executive Boards, People and Conduct Committee and Board of Directors of the entities. Subsequently, the matter is included in the agenda of general assemblies for deliberation.</p> <p>For the advisors, it is recommended that the remuneration be a percentage of the approved remuneration for the president of the entity, also needing approval at the General Assembly.</p> 
	102-38 Ratio of the total annual compensation of the highest paid individual in the organization in each country where the organization has significant operations and the average annual total compensation of all employees (excluding the highest paid) in the same country	<p>The average annual remuneration for all employees* represents 5.03% of the annual remuneration of the highest paid individual in the organization. The calculation included contractual wages and bonuses, without taking the PPR into account. Trainees and young apprentices were not considered.</p> <p>*For this indicator, inactive employees who are retired due to disability were considered. Altogether there are 24 inactive employees counted on 12/31/2019, which despite being inactive remain in the database as they have their position guaranteed in case of recovery of disability and can continue receiving employment benefits. The contractual salaries of these employees were considered for the calculation of the average remuneration of all employees.</p>
GRI 205: Fighting Corruption - 2016	205-1 Percentage and total number of operations assessed for risks related to corruption and the significant risks identified	<p>The procedures for assessing the risks related to corruption are described on page 59. The figures referring to this assessment, however, cannot be presented because it consists of confidential information.</p>  













Standard	Disclosures	Reference / direct response / SDG related
205-2	Communication and training on anti-corruption policies and procedures.	Page 56 and 59 
205-3	Confirmed incidents of corruption and actions taken	In 2019, we did not record any confirmed case of corruption. Information on complaints at the Ombudsman is on page 58. 


Standard	Disclosures	Reference / direct response / SDG related
GRI 206: Unfair competition - 2016	206-1 Total number of legal actions for anti-competitive behavior, anti-trust, and monopoly practices and their outcomes	<p>We should refer to actions that are under our management, even though they may directly involve credit unions as sponsors:</p> <p>a) As for the lawsuit filed by a cryptocurrency broker (CoinBR Serviços Digitais Ltda.), Against Banco Cooperativo Sicredi S.A. (the entity responsible is Sicredi Vale do Piquiri PR/ SP) - Process 1097937-91.2017.8.16-0100, under the pretext that Sicredi would be adopting anti-competitive practices, the account was closed through of judicial authorization in interlocutory appeal. CoinBR filed an interlocutory appeal, which was rejected. The process is awaiting judgment, and the prospect is that Sicredi will succeed in this demand, due to STJ's pronouncement in REsp nº 1696214 /SP, which confirmed the thesis that the closing of an account used to sell cryptocurrencies does not constitute an abusive practice. In 2019, there was a partial decision, authorizing Sicredi to close the account, with the condition that CoinBR be notified of the closure, so that it seeks to evaluate other solutions available in the financial market, to execute their financial operations. The process is awaiting judgment of an appeal filed by CoinBR.</p> <p>b) As a result of the above process, the preparatory procedure for administrative inquiry No. 08700.003599/2018- 95 was initiated before the Administrative Council for Economic Defense (CADE), for alleged anti-competitive practices/unfair competition in the face of cryptocurrency brokers, whose opening was caused by representation by the Brazilian Association of Cryptocurrencies and Blockchain - ABCB, initially in face of Banco do Brasil S.A. Sicredi responded to all requests for information made by the economic defense agency. There is still no final decision on the preparatory procedure. The latest information, on 10/31/2019, is that the suspension was extended for another 180 days, to continue the investigation.</p>

Standard	Disclosures	Reference / direct response / SDG related
		<p>c) There is another situation that is being monitored, which has not been transformed into a recognized legal action, because Banco Cooperativo Sicredi S.A. has not been officially cited. It deals with the civil action (Complaint) n° 16CV6577 filed by Paul Backer, in New York (USA), against Rabobank and several financial institutions in which he has participation/is a shareholder (among them Banco Cooperativo Sicredi SA), for alleged formation anti-consumerist trust and abusive practices, harming citizen Paul Backer and all those US citizens, on account of the MTN (Medium Term Note Program) program, worth US\$30 billion, of the global financial group. In 2019, we were able to consult information about the case, which points to the closure of the action in the USA, and our follow-up should be completed. We have not even been summoned to officially respond to the lawsuit.</p> 
GRI 417: Marketing and labeling - 2016	417-3	<p>Total number of cases of non-compliance with voluntary regulations and/or codes relating to marketing communications, including advertising, promotion and sponsorship, by type of result</p> <p>We did not record instances of non-compliance in communication campaigns, promotional regulations, and sports sponsorships in 2019.</p> 
GRI 418: Customer privacy - 2016	418-1	<p>Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data</p> <p>Page 89</p> 
GRI 419: Socio-economic conformity - 2016	419-1	<p>Significant fines or non-monetary sanctions for non-compliance with social and economic laws and regulations</p> <p>We did not record significant fines or non-monetary sanctions for non-compliance with laws and regulations relating to the social and economic areas.</p> 
Own indicators	Sicredi-RC11	<p>Percentage of participants in assemblies, by member and non-member, age group, gender and cooperative central</p> <p>Page 52</p> 

Standard	Disclosures	Reference / direct response / SDG related
	Sicredi-RC12 Projects/channels to broaden transparency of the system for the stakeholders.	Page 55 
	Sicredi-RC13 Actions taken to ensure privacy and safety of all data of the members	Page 89 
	Sicredi-RC14 Total number of works available to members at Sicredi library, by region	Page 68 
	Sicredi-RC15 Member's satisfaction with library services	Page 68 
	Sicredi-RC16 Number of nucleus Coordinators, by age group, gender and cooperative central	Page 52 












Material topic: Foster financial education









GRI 103: Management types - 2016	103-1	Explanation of material themes and their limits	Page 19   
	103-2	Management on material theme	Page 81, 82 and 83   
	103-3	Management evolution	Page 81, 82 and 83   
Disclosures FS16 Sectoral: Financial Services	FS16	Initiatives to improve the financial education per type of beneficiary	Page 81, 82 and 83   



Standard	Disclosures	Reference / direct response / SDG related
Own indicators	Sicredi-SR01 Number of financial education actions carried out and number of people reached by employee, member and community per cooperative central	This indicator is important for the business, however, its monitoring is still under the responsibility of the cooperative centrals. When searching for information, we identified that there was no data standardization and evidence was lacking to prove the actions were carried out. In 2020, we will implement a systemic tool for registering Financial Education actions to collect the necessary evidence for the next cycle. 

Material topic: Integrate socio-environmental opportunities and risk management in the financial solutions and operate with ecoefficiency




GRI 103: Management types - 2016	103-1	Explanation of material themes and their limits	Page 19 
	103-2	Management on material theme	Page 84, 93 and 98 
	103-3	Management evolution	Page 84, 93 and 98 
GRI 102: General Disclosures - 2016	102-15	Description of the main impacts, risks, and opportunities	Page 91 
	102-29	Role played by the highest governance body in identifying and managing topics and their impacts, risks and opportunities derived from economic, environmental and social issues	Page 91 


Standard	Disclosures	Reference / direct response / SDG related
	102-30 Role of the highest governance body in analyzing the effectiveness of the organization's risk management processes for economic, environmental, and social issues	Page 91 
	102-31 Frequency in which the highest governance body analyzes topics and their impacts, risks and opportunities derived from economic, environmental and social issues	Page 91 
GRI 201: Economic performance - 2016	201-2 Financial implications and other risks and opportunities for the organization's activities due to climate change	Page 97 
GRI 305: Emissions - 2016	305-1 Direct Emission of Green House Gases (GHG) (Scope 1)	Page 98  
	305-2 Direct Emission of Green House Gases (GHG) (Scope 2)	Page 98  
	305-3 Direct Emission of Green House Gases (GHG) (Scope 3)	Page 98  
	305-4 Intensity of Emission of Green House Gases (GHG)	Page 98  
GRI 412: Evaluation in Human Rights - 2016	412-3 Percentage and total number of contracts of significant investment agreements that include human rights clauses or that have undergone evaluations concerning human rights.	We do not include clauses concerning to human rights in our investment contracts.

Standard	Disclosures	Reference / direct response / SDG related
Disclosures Setoriais: Financial Services	FS1	Policies in specific socio-environmental components applied to business lines Page 93 
	FS2	Procedures for evaluation and screening of socio-environmental risks on business lines Page 93 
	FS3	Processes for monitoring the client's implementation of compliance with environmental and social requirements included in contracts or transactions Page 93 
	FS4	Processes to improve staff skills in the implementation of environmental and social policies and procedures applied on the business lines Page 93 
Disclosures Sectoral: Financial Services	FS5	Interactions with customers/ controlled companies/ business partners regarding socio-environmental risks and opportunities. Page 93 
	FS6	Portfolio percentage by business line, specific region, size and sector Page 105 
	FS9	Scope and frequency of audits to evaluate the implementation of socio-environmental policies and risk evaluation procedures Page 93 
	FS10	Percentage and number of companies in the institution's portfolio with which the organization interacted on environmental or social issues Page 93 

Standard	Disclosures	Reference / direct response / SDG related
Own indicators	Sicredi-SR02 Initiatives to develop products and services to provide socio-environmental benefits	Page 84 
	Sicredi-SR03 Percentage of emissions neutralized in the system	We understand the relevance of this indicator for the business, however, its monitoring is still under the responsibility of the cooperative centrals. In 2020 we will carry out improvements in the collection of these data so then they can be reported in the next cycle. 


















Material topic: Engage suppliers based on socio-environmental criteria





GRI 103: Management types - 2016	103-1 Explanation of material themes and their limits	Page 19 
	103-2 Management on material theme	Page 102 
	103-3 Management evolution	Page 102 
GRI 308: Environmental evaluation of suppliers - 2016	308-1 Percentage of new suppliers selected based in environmental criteria	Page 102 
	308-2 Actual and potential significant negative environmental impacts in the supply chain, and measures taken in this regard	In 2019, we did not identify the negative impacts of our supply chain. Starting in 2020, after the implementation of the tool described on page 102, it will be possible to carry out this type of evaluation.
GRI 414: Social evaluation of suppliers - 2016	414-1 Percentage of new suppliers selected based on human rights related criteria	Page 102 

Standard	Disclosures	Reference / direct response / SDG related
Own indicators	Sicredi-SR04 Initiatives to train and raise awareness among suppliers on the theme of sustainability	Page 102 

Material topic: Promote local economy and financial inclusion









GRI 103: Management types - 2016	103-1 Explanation of material themes and their limits	Page 19         
	103-2 Management on material theme	Page 105         
	103-3 Management evolution	Page 105         
GRI 201: Economic performance - 2016	201-1 Direct economic value generated and distributed	Page 105 The Community Investments indicated in the table of Statement of Direct Value Generated and Distributed, on page 105, contemplate (in thousands of R\$): Philanthropic contributions: R\$ 429; Non-deductible donations (Rouanet Law): R\$ 1,799; Non-deductible donations (Funcrância): R\$ 450; Non-deductible Donations (Sports Incentive): R\$ 148; Non-deductible donations (Municipal Fund for the Elderly): R\$ 11; Non-deductible donations R\$ 1,500; A União Faz a Vida Program: R\$ 2,016 and Donations: R\$ 939, totaling R\$ 7,292 in community investments. 

Standard	Disclosures	Reference / direct response / SDG related
GRI 202: Presence in the market - 2016	202-2 Proportion of senior management hired from the local community at significant locations of operation	<p>We consider senior management to be the Board of Directors and the Executive Board of the cooperative centrals and credit unions, as well as the Executive Board of the Sicredi Administrative Center (CAS). The credit unions and the cooperative centrals have autonomy to hire their Executive Board and we do not have systemic information on this process. At CAS, 71% of Executive Directors were hired locally. We consider local hiring to be those where the CPF (Individual Taxpayer Registration No.) of the Executive Director has been registered in the state of Rio Grande do Sul. Information on the Board members is found on page 75.</p> 
GRI 203: Indirect Economic Impact - 2016	203-2 Significant indirect economic impact	<p>Page 105 and 131</p>     
GRI 204: Purchase practice - 2016	204-1 Local supplier expenditure ratio (%)	<p>The proportion is described on pages 102 and 105. This year, we consider local suppliers to be those located in the cities where we operate and which are registered as MEI or Simples Nacional. This way, we validate that the supplier is not systemic. By means of this change in methodology, we also started to count the purchases of credit unions located in the big cities, differently from previous years, when we considered only cities with less than 200 thousand people. For this reason, the report does not bring a comparison with previous years.</p>    
Disclosures Setoriais: Financial Services	FS7 Monetary value of products and services created to provide a specific social benefit for each business line, divided by purpose	<p>Page 84</p>       

Standard	Disclosures	Reference / direct response / SDG related
	FS8 Monetary value of products and services created to provide a specific environmental benefit for each business line, divided by purpose	Page 84 
	FS13 Access points in areas of low demographic density or economically disadvantaged, by type	Page 30 and 105 
Own indicators	Sicredi-DL01 Number of cities in which Sicredi is the only financial institution	Page 30 and 105. Our methodology for the calculation of cities where we are exclusive takes into account bank branches and PAA (Units for Member Services). 
	Sicredi-DL02 Amount and percentage of the result distributed to members	Page 105 

Material topic: Foster the human, social and intellectual capital in the regional operation

GRI 103: Management types - 2016	103-1 Explanation of material themes and their limits	Page 19 
	103-2 Management on material theme	Page 123, 126 and 130
	103-3 Management evolution	Page 123, 126 and 130
GRI 413: Local communities - 2016	413-1 Percentage of operations with implemented local community engagement, impact assessments, and development programs	Page 40, 55, 62, 64, 68, 75, 81, 83, 123, 126, 130 and 131 Non-audited indicator. 

Standard	Disclosures	Reference / direct response / SDG related
Own indicators	Sicredi-DL03 Number of cities, educational institutions, students, educators and projects participating in the A União Faz a Vida Program, by cooperative central.	Page 126  
	Sicredi-DL04 Number of cities, educational institutions and students participating in the Cooperativas Escolares Program (School Credit Unions Program), by cooperative central.	Page 130  
	Sicredi-DL05 Amount invested in community projects, number of projects and number of people impacted, by cooperative central and by source of resources (Fates, Social/philanthropic fund or own resources)	The value invested is described on page 123, but information concerning the number of projects supported and people impacted has not been collected. We do not disclose the amount per cooperative central for strategic reasons.  
	Sicredi-DL06 Volume destined to the Fund for Technical, Educational and Social Assistance (Fates) and the volume used by the Fund	Page 123  

Letter of assurance

Limited Assurance Report of the Independent Auditors of the Annual Sustainability Report of Sistema de Crédito Cooperativo – Sicredi, based on the GRI guidelines, Standards version and “Essential” reporting option, and of its Greenhouse Gas Inventory.

To Administrators and Members of Sistema de Crédito Cooperativo – Sicredi Porto Alegre – RS (State of Rio Grande do Sul)

Introduction

We were hired by the management of the Sistema de Crédito Cooperativo - Sicredi (“Sicredi”) to present our limited assurance report on the indicators contained in the Annual Sustainability Report, based on the guidelines of the Global Reporting Initiative (“GRI”), Standards version, concerning the year ended on December 31, 2019 (“Report”), and which include indicators of its Greenhouse Gas Inventory (“GHG Inventory”).

Responsibilities of Sicredi Administration

Sicredi’s administration is responsible for properly preparing and presenting the information contained in the Report in accordance with GRI criteria, assumptions and methodologies (“Essential” reporting option), Specifications of the Brazilian GHG Protocol Program (GHG Inventory), and internal controls that it has determined to be necessary to allow the preparation of this information free of material misstatement, regardless of whether it is caused by fraud or error.

Responsibility of independent auditors

Our responsibility is to express a conclusion on the information contained in the Report, based on the limited assurance work conducted according to the Ibracon Technical Communication (CT) No. 07/2012, approved by the Federal Accounting Board and prepared based on NBC TO 3000 (Assurance Works Different from Audit and Review), issued by the Federal Board of Accounting - CFC, which is equivalent to the international

standard ISAE 3000, issued by the International Federation of Accountants, applicable to non-historical information. Those standards require compliance with ethical requirements, including independence requirements, and that the audit be planned and performed in order to obtain reasonable assurance that the indicators in this Report are free from material misstatement.

Limited assurance work conducted in accordance with NBC TO 3000 (ISAE 3000) consists mainly of inquiries to Administration and other Sicredi professionals involved in the preparation of the information contained in the Report through the application of analytical procedures to obtain evidence to enable us conclude in the form of limited assurance on the Report’s indicators. Limited assurance work also requires additional procedures to be performed when the independent auditor becomes aware of matters that lead him to believe that the information contained in the Report may present significant distortions.

The selected procedures were based on our understanding of the aspects related to the compilation and presentation of the information contained in the Report according to Sicredi’s own criteria, assumptions and methodologies. The procedures included:

Attachment

- (a) the planning of the works, considering relevance, the volume of quantitative and qualitative information and the internal controls that served as the basis for the preparation of the information contained in the Report;
- (b) understanding the calculation methodology and procedures for preparing and compiling the Report through interviews with the managers responsible for preparing the information;
- (c) application of analytical procedures and sample verification of certain evidences that support the data used for the preparation of the Report;
- (d) comparing financial data with the financial statements and/or accounting records.

The limited assurance work also included adherence to the guidelines of the structure for preparing the GRI - Standards indicators, applicable in the preparation of the information contained in the Report, and the Specifications of the Brazilian GHG Protocol Program, applicable in the preparation of the information contained in the GHG Inventory by Sicredi.

We believe that the evidence obtained in our work was sufficient and appropriate to support our conclusion in a limited way.

Reach and limitations

The procedures applied in limited assurance work are substantially less extensive than those applied in assurance work that aims to issue an opinion on the information contained in the Report. Consequently, they do not enable us to obtain assurance that we are aware of all matters that would be identified in an assurance work that aims to issue an opinion. If we had carried out work with the objective of expressing an opinion, we could have identified other matters or possible distortions of the information in the Report. Thus, we do not express an opinion on this information. In addition, Sicredi's internal controls were not part of our scope of limited assurance.

Non-financial data is subject to more inherent limitations than financial data, given the nature and diversity of the methods used to determine, calculate or estimate this type of data. Qualitative interpretations of materiality, relevance and accuracy of data are subject to individual assumptions and judgments. In addition, we have not carried out any work on data reported for previous periods, nor in relation to future projections and targets.

The indicators reported by Sicredi (413-1, RC05 and RC06) were not part of the scope of our limited assurance work, so we have not carried out any audit procedures on these indicators.

Conclusion

Based on the procedures performed, described in this report, nothing came to our attention that would lead us to believe that the GRI indicators contained in Sicredi's Annual Sustainability Report (which include the indicators of its GHG Inventory), for the year ended on December 31, 2019, have not been created, in all relevant aspects, according to criteria, assumptions and methodologies for the preparation of indicators of the Global Reporting Initiative - Standards ("Essential" reporting option) and in the Specifications of the Brazilian GHG Protocol Program.

Porto Alegre (RS), March 12, 2020.

ERNST & YOUNG

Auditores Independentes

(Independent Auditors) S.S CRC 2SP015199/O-6



Americo F. Ferreira Neto

Accountant - CRC – 1SP192685/O-9

Credits

General Coordination

Fundação Sicredi (Sicredi Foundation)

Communication Coordination

Superintendence of Communication and Marketing

Source of data

Sicredi

GRI Consulting, editorial coordination and projects management

Ricca Sustentabilidade

Revision

Ricca Sustentabilidade

Graphic Design and Layout

Ricca Sustentabilidade

Photography

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