Sustainability REPORT

2020

Sicredi

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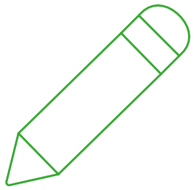

CHAPTER 1

INTRODUCTION

In this chapter we introduce Sicredi and the objectives of the report, addressing:

- the fight against Covid-19 and other highlights of the year;
- our territorial expansion;
- our financial and non-financial solutions;
- the new strategic planning;
- our sustainability strategy;
- positive impact and performance indicators.

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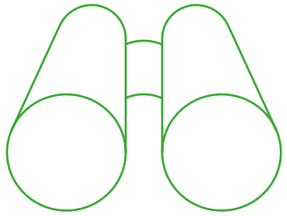

CHAPTER 5

APPENDICES

Includes information and data that supplement the previous chapters.

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CHAPTER 2

RELATIONSHIP AND COOPERATIVISM

We present how we create value by strengthening our cooperative business model, including:

- our governance structure;
- how our participatory decision-making process empowers members;
- how our Code of Conduct and compliance initiatives reinforce ethics and the fight against corruption;
- the Crescer Program and other initiatives to spread cooperativism;
- our initiatives to promote the diversity and inclusion among employees and members.

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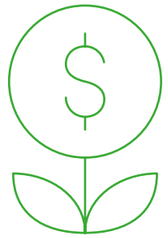

CHAPTER 3

RESPONSIBLE SOLUTIONS

We demonstrate how our products and services and our sustainable operation generate value, describing:

- our relationship with members;
- the Cooperação na Ponta do Lápis Program and other financial education initiatives;
- how our products and services impact members, the business, and generate socio-environmental benefits;
- the management of socio-environmental product risks;
- actions to mitigate our environmental impact;
- how we seek relationships with more sustainable suppliers.

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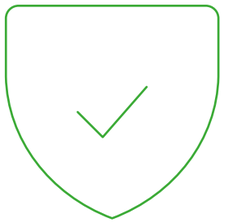

CHAPTER 4

LOCAL DEVELOPMENT

We address the positive transformations that our business generates in the communities where we operate, including:

- how our close performance fosters the local economy;
- the impact of our initiatives in the development of employees for the human capital of the regions;
- Sicredi Foundation´s social initiatives, including the Technical, Educational, and Social Assistance Fund (FATES), the Social Fund, and the A União Faz a Vida Program.

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Chapter 1
INTRODUCTION

We are present in approximately 1,500 cities in Brazil, generating a positive impact for our members and communities through our financial and non-financial solutions. In line with the principles of cooperativism, our strategy and sustainable management expand our value generation.

Learn more about our business and how we support sustainable development.

MESSAGE FROM THE LEADERSHIP

GRI 102-14

In 2020, we experienced the unexpected. The pandemic of the new coronavirus placed us in the midst of a global crisis. We faced social, physical, economic, and psychological challenges that we didn't expect.

More than ever, we used the strength of our systemic performance, the size of our institution and the capillarity of our business, to minimize the impacts of the crisis in the regions where we operate, in the lives of our members, employees, and society as a whole.

As soon as the pandemic was decreed, we re-planned the course and returned our efforts to maintain the excellence of our service, and to support local communities, stimulating the economic cycle of the regions where we operate.

Our position in the earliest and hardest moments of the crisis was maintained throughout the year and reinforced our essence. As a cooperative financial institution, we have always been concerned with people.

Under the motto "Gente que coopera cuida" (People who cooperate take care), we seek to generate awareness among everyone about the necessary measures to prevent and combat the dissemination of Covid-19.

During the moments of the most severe social distancing, our digital platforms supported the financial lives of our members. To this end, our credit unions boosted customer service through WhatsApp, and we expanded the performance of Theo, our virtual attendant, to accommodate the great demand that occurred.

Adding autonomy and agility to digital services, we implemented improvements, such as the expansion of time windows and limits for online transactions, reducing the need for physical presence in our branches.

We believe that credit unions are one of the most effective mechanisms to promote access to financial services to people in smaller, more remote, and rural cities in Brazil*.

Thus, we took all the available measures to sanitize environments, employee contingent, social distancing, and other recommendations from the competent health agencies, enabling face-to-face service for essential demands at the branches.

And, with the premise of being close to members, our credit unions opened 150 new physical spaces throughout the year, contributing to income generation and employment, while fostering the local economy.

* see more on page 130.

To support the financial sustainability of our members, we executed emergency aid transfers and government credit lines, in addition to keeping our other traditional credit lines active.

To support small businesses, our credit unions actively extended the BNDES Credit Small Business line: we carried out 5,230 operations, totaling BRL 860 million.

With PESE (Emergency Employment Support Program), we totaled 6,798 operations: with BRL 171 million in financed salaries, benefiting 117,053 thousand employees; and via PRONAMPE (National Support Program for Micro and Small Businesses), a line that supported micro and small entrepreneurs for working capital, we carried out 40,605 operations, granting BRL 2,003 billion; and in PEAC FGI (Emergency Program for Access to Credit), there were 11,244 operations that corresponded to BRL 2,733 billion.

And we went further: we promoted the "Eu coopero com a economia local", movement engaging Brazilians to consume directly from local businesses.

Thus, we were able to show the strength of credit unions as an essential driver for the economic recovery during and after the pandemic. And our marketplace app, Sicredi Conecta, was an important tool to boost trade between members and intercooperation.

Manfred Alfonso Dasenbrock
Chairman of the SicrediPar Board of Directors

In 2020, our main social responsibility initiative, the A União Faz a Vida Program, celebrated its 25th anniversary. We got the Program's support network involved digitally, disseminating good practices and guidance about how to apply this initiative from a distance. We also maintained our involvement with Cooperate Day (Dia C), using technology to mobilize more than 27,000 volunteers and impact more than 4 million people, where 74% of our actions were directly related to facing the crisis.

Mindful of the need to bring plurality to credit unions, we formalized the Women's Committee as an institutional initiative led by the Sicredi Foundation.

The program provides opportunities for all 108 credit unions in the System to promote the empowerment and training of women so that they can participate in management at all levels of the organization and increase their representation in credit unions.

Another priority during the year was the continuity of our advances in technology, seeking to make life easier and generate the best experiences for members.

We believe that even though cooperativism is a movement that began over a hundred years ago, it is more relevant than ever. And that is why we seek to maintain a connection with innovative market movements.

Always focused on creating and providing alternatives that contribute to a good experience in managing the financial life of our members, we play a leading role as we monitor the transformation of the domestic financial system.

We started to work with Pix, the new instant payment system of the Central Bank of Brazil, and we have been actively participating in the construction of an Open Banking model in Brazil.

The official acceptance of our participation in the UN Global Compact shows how much a performance focused on the sustainability of the communities and the business generates positive impacts.

Based on that, we started to direct our initiatives even further towards the adoption of corporate social responsibility and sustainable development principles and practices.

Throughout the pages of this publication, you can check our contributions based on the 10 principles of the Compact and the correlation between our actions and the 17 Sustainable Development Goals (SDGs), demonstrating this performance in practice.

With all this, and with the engagement of our members and employees, through integrated performance between the credit unions, our financial results point to the advances we have brought to the locations where we are present.

Our credit portfolio recorded growth capable of positioning Sicredi as one of the financial institutions with the greatest capacity to contribute to Brazil's economic development. Even in the crisis scenario, we recorded a 34.7% increase in the balance of the loan portfolio, totaling BRL 97.2 billion.

In addition, we have achieved a total of BRL 154.9 billion in assets and net equity of BRL 20.2 billion, reinforcing the solidity of our business.

Although many efforts have been made to contain the effects of the crisis, our work has been maintained with important advances. Looking to the future, we mapped challenges and conducted, with credit unions, cooperative centrals, and the Sicredi Administrative Center (CAS), the construction of the new Strategic Planning cycle.

The result of this is the Inspiracional 2030, a long-term vision that points out where we want to go, and the 2023 strategic cycle, which shows the intermediate steps to achieve our goals.

We also reaffirm our commitment: make a prosperous society together is why we do what we do, since the beginning of our trajectory.

These advances and good results are only possible through the efforts of the employees at our credit unions, cooperative centrals, and the Sicredi Administrative Center, and with the active participation of our members, to whom we are grateful. We will continue towards a new year together, looking at the local reality of each region, understanding their particularities and focused on generating a positive impact and the difference we want to make in people's lives.

João Francisco Sanchez Tavares
Chief Executive Officer of Sicredi Cooperative Bank

Enjoy your reading!

ABOUT THE REPORT

Welcome to the Sicredi Sustainability Report. Throughout these pages, you will learn how we acted in 2020 to achieve our purpose of making a prosperous society together.

The purpose of this document is to show how our business has positively impacted members, employees, communities, and other stakeholders, supporting sustainable development across the country.

The reported information includes all our credit unions, cooperative centrals, and companies based at the Sicredi Administrative Center (CAS).

To define the scope of the report, we base it on our sustainability strategy and on the materiality process, carried out in 2019, with the objective of defining the focal themes, that is, those that most impact the sustainability of our business from the environmental, social, and economic point of view (learn more on page 36). GRI 102-46

In preparing this document, we followed the standards of the Global Reporting Initiative (GRI), a voluntary standard adopted by companies from various sectors and countries for reporting sustainability.

Throughout the text, we report GRI Standards content related to our focal themes. You can see the full list of content on page 153.

We are participants in the Global Compact, an initiative of the United Nations (UN); therefore, the report also reports our contributions according to the 10 Principles of the Global Compact and the 17 Sustainable Development Goals (SDGs) (learn more on page 35).

The document was approved by the Board of Directors of Sicredi Participações S.A. (SicrediPar), disclosed at the SicrediPar assembly, and submitted to an external verification process conducted by an independent auditing company (learn more on page 171). GRI 102-32 / 102-56

Contact GRI 102-53

Any questions or suggestions about the sustainability report can be sent to the e-mail address:
sustentabilidade@sicredi.com.br

How to read this report

In addition to reading the report in a linear fashion, you can also browse this publication in six different ways, developed based on our sustainability strategy and international methodologies. Thus, we present below the correlation between the performance of our business, our commitments to sustainable development, and our positive impact.

Sustainability drivers

What they are: on page 36, we present the drivers of our sustainability strategy. Each driver is divided into focal themes, which are the core of our sustainable development strategy.

How to read: each chapter of the publication is focused on a sustainability driver and in the opening we show which focal themes are covered throughout the pages.

Sustainability pillars

What they are: we classify our initiatives according to Social, Environmental and Economic pillars, which guide our commitment to sustainable development.

How to read: at the opening of each chapter, we describe in which pillar the described initiatives are inserted.

Global Compact Principles

What they are: this document also seeks to account for our progress in terms of our commitment to the Global Compact, described on page 35.

How to read: at the end of the report (page 153), we published an index that matches each GRI indicator to the 10 Principles of the Global Compact, pointing out the page where it was reported.

Sicredi's Indicators

What they are: we also report our own sustainability indicators, selected from our focal themes.

How to read: these indicators are identified at the end of each paragraph using the acronym **Sicredi-**.

At the end of the report (page 153), we published an index that explains the content of each indicator and the page where it is reported.

Sustainable Development Goals (SDG)

What they are: on page 35, we describe our commitment to adopting the SDGs to guide our sustainable development. In this sense, page 36 presents the correlation between our focal themes and the SDGs.

How to read: throughout the document, we point out the SDGs impacted by the initiatives listed in our Sustainability Reference (learn more on page 40).

At the end of the report (page 167), we publish an SDG Map, which lists the relationship between each Objective and our initiatives, with the page where they were published.

GRI

What they are: on page 12 we describe how we used the GRI standards to report our sustainability performance.

How to read: At the end of the report (page 153), we published an index that explains the content of each indicator and the page where it is reported. In each paragraph, we reveal the reported content through the acronym **GRI-.**

SICREDI

Positive impact

Who we are

We are Sicredi (Cooperative Credit System), the first cooperative financial institution in Brazil. We have been operating for 118 years, taking our cooperative essence to all regions of the country, seeking to meet the needs of our members and contribute to the construction of a more prosperous society. GRI 102-1

Currently, we have more than 4.9 million members distributed in 23 states and the Federal District. Our business consists of raising funds from members and lend them to members in the same regions, ensuring that funds remain locally while encouraging sustainable development. GRI 102-2

Altogether, we are 108 credit unions that operate with autonomy and are organized in a national system, which ensures security and solidity to members. GRI 102-2

Each credit union is affiliated with one of the five cooperative centrals, that are shareholders of SicrediPar, a holding company that coordinates our strategic decisions. We also have specialized entities that rationalize our activities: The Sicredi Confederation, Guarantor Fund Sicredi, Sicredi Foundation, Sicredi Cooperative Bank and its subsidiaries -the Assets Administrator, Sicredi Cards[1], the Consortium Administrator, and the Insurance Brokerage, located in Porto Alegre (RS), at the Sicredi Administrative Center (CAS). GRI 102-2 / 102-3

[1] Sicredi Cards had their activities absorbed by the Sicredi Confederation, and was shut down on November 12, 2020, and its assets and liabilities were transferred to the Sicredi Bank.

Our System by the numbers GRI 102-7

Net income of
BRL 3.3 billion

4.9 million
members

1,980 branches
and 10 advanced service units

108 credit unions

5 cooperative centrals

29,830
employees in
1,463 cities

Over
300 financial solutions

BRL 154.9 billion
in assets

20.2 billion
in net equity

BRL 104.6 billion
in total deposits

BRL 97.2 billion
credit portfolio balance

National presence

In 2020, we continued our expansion plan in Brazil, with the inauguration of the first branch in Manaus, which marked our arrival in the state of Amazonas. With the opening, we are now present in 23 Brazilian states and in the Federal District, reinforcing the direction that we have been moving towards over the past few years of credit union growth in the North and Northeast regions. GRI 102-6

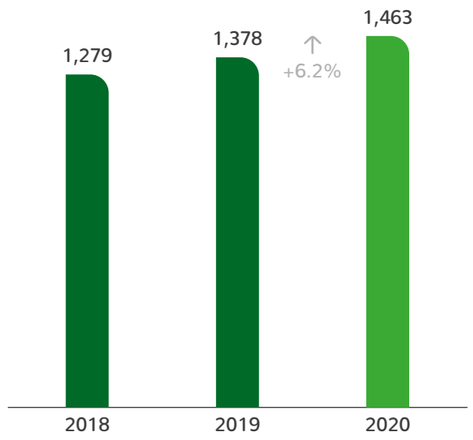
Even during the pandemic, we know how our local operations are meaningful to our members.

In 2020, the study "Benefits of Credit Cooperatives: impact on banking" highlighted the power of credit unions to promote access to financial services for people in smaller, more remote and rural cities in Brazil (learn more on page 130).

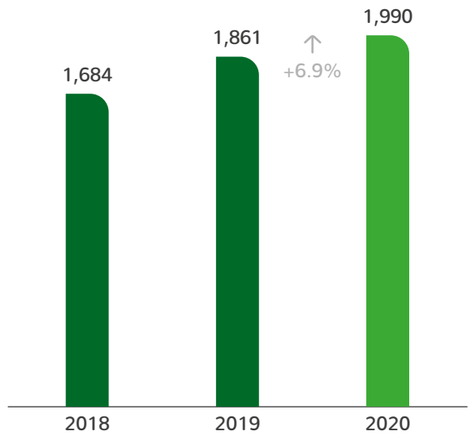
The study showed that a cooperative financial institution is capable of opening branches in cities with a population of only 2.3 thousand inhabitants, while banks have, on average, a limit of at least 8 thousand inhabitants.

By understanding our potential to bring access to financial products and services to smaller cities, we expanded the number of points of service by 6.9% and the number of cities where we are present by 6.2%, complying with all standards required by the competent agencies, contributing to the survival of the local economic cycle.

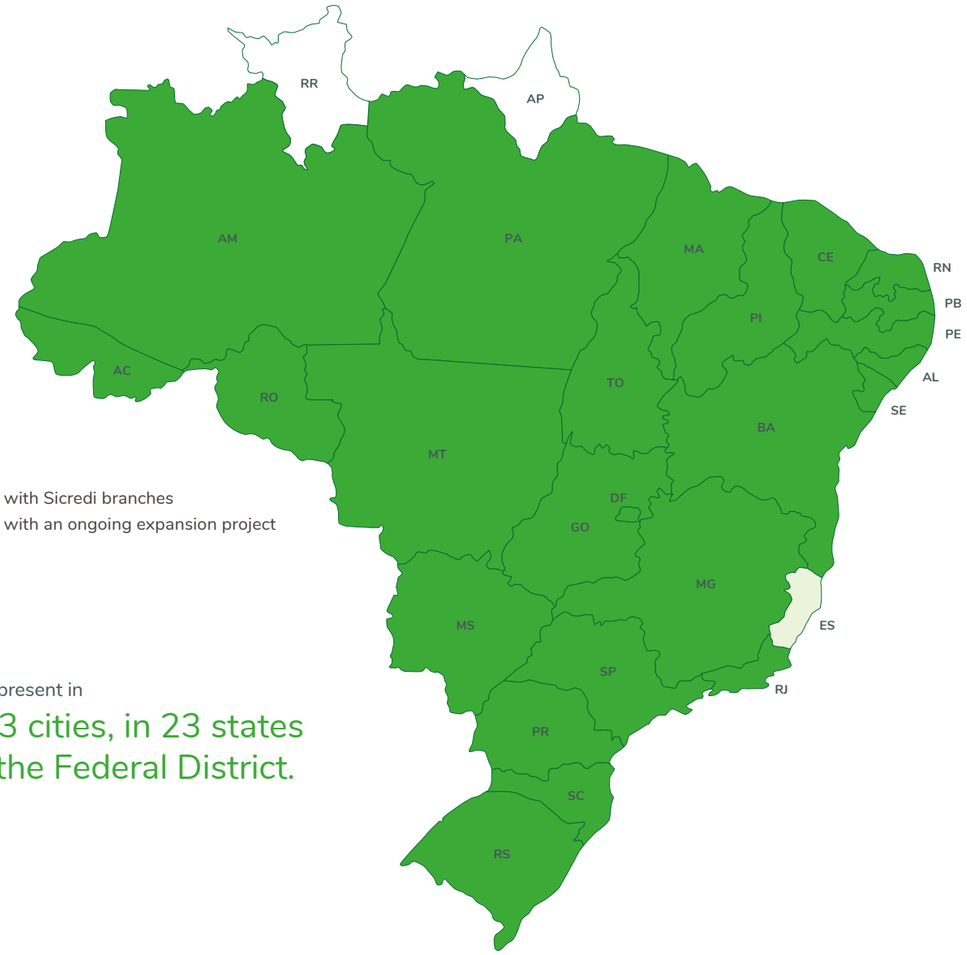
Cities where we are present



Number of service stations



Our presence
IN BRAZIL



Key

- States with Sicredi branches
- States with an ongoing expansion project

We are present in

1,463 cities, in 23 states and the Federal District.

We are present in **45% of the cities** with less than **100 thousand inhabitants** in Brazil.

In the cities where we are present, **87% have less than 100 thousand inhabitants.**

72% of our members are in cities with up to **100 thousand inhabitants.**

5% of our branches are in cities classified as **Brasil Carente (Brazil in Need)[1].**

[1] According to our partner, Geofusion, the cities considered to be needy are small, have an economy with greater participation from agriculture and public administration, are more dependent on government transfers, and have the worst social indicators such as the Human Development Index (HDI).
[2] Needy cities in Brazil with the presence of banks.

Number of members
PER COOPERATIVE CENTRAL

Sicredi RC02

Sicredi

Year	Members
2018	4,020,991
2019	4,466,750
2020	4,901,724

Sicredi Cooperative Central Central North

Year	Members
2018	422,011
2019	495,480
2020	602,628

Sicredi Cooperative Central South/Southeast

Year	Members
2018	1,952,477
2019	2,053,694
2020	2,199,438

Sicredi Cooperative Central Central Brazil

Year	Members
2018	259,353
2019	298,884
2020	342,296

Sicredi Cooperative Central PR/SP/RJ

Year	Members
2018	1,251,210
2019	1,456,175
2020	1,587,634

Sicredi Cooperative Central North/Northeast

Year	Members
2018	135,940
2019	162,517
2020	169,728

We are the only financial institution physically present in 216 cities, where we serve more than **351 thousand members,** promoting the financial inclusion of 892.9 thousand inhabitants.

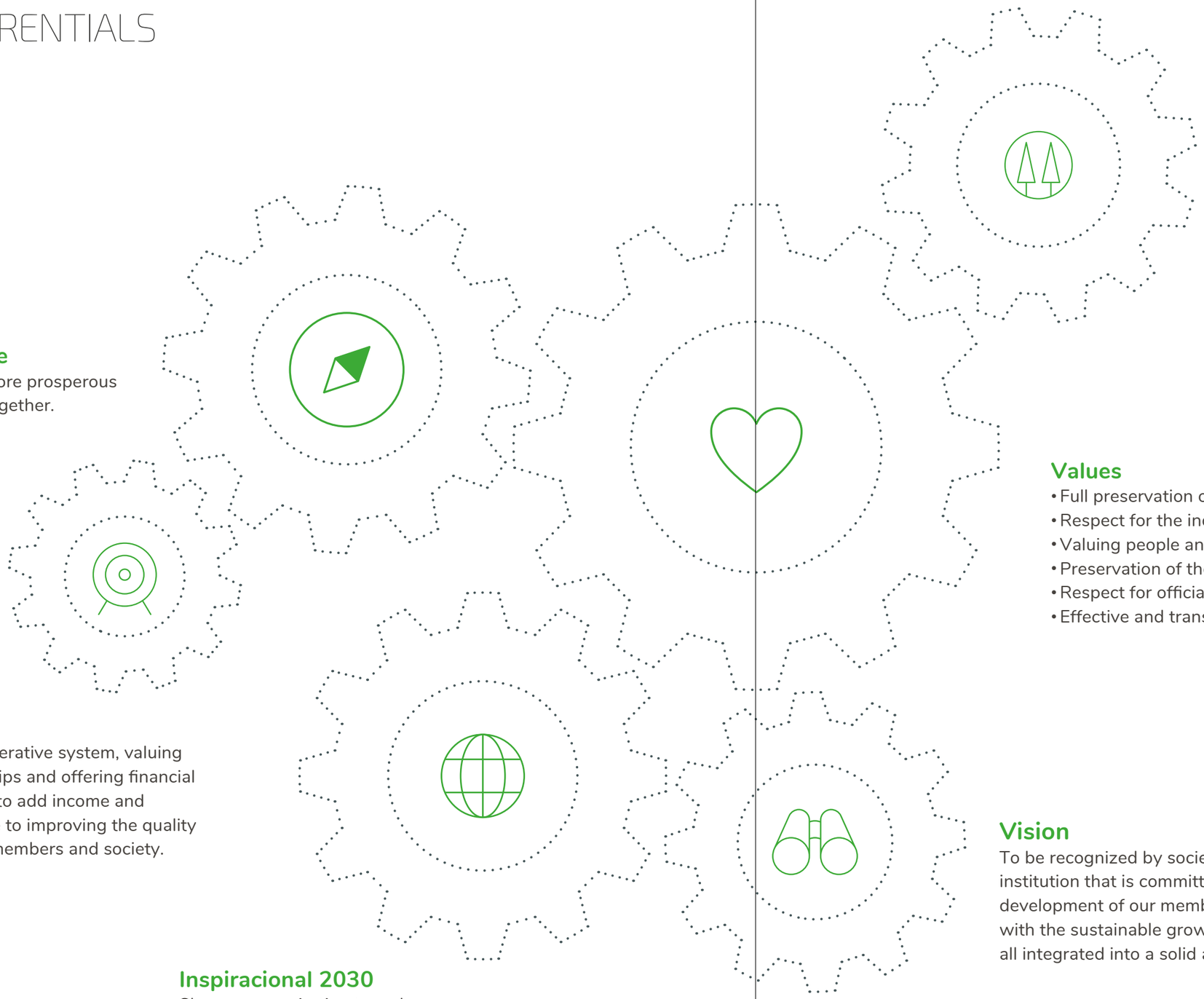
Of the cities where we are exclusive, **75% have less than 5,000 inhabitants and 76% are considered rural.**

52% of our branches are in cities classified as **Rural, rising countryside and prosperous countryside.**

We are present in **19%** of the 513 needy Brazilian cities with **banking services[2].**

Our DIFFERENTIALS

GRI 102-16



Purpose
Build a more prosperous society together.

Mission
Be a cooperative system, valuing relationships and offering financial solutions to add income and contribute to improving the quality of life of members and society.

Inspiracional 2030
Shows our aspiration to make Sicredi a leading institution for local and sustainable development.

Cooperativism principles
- Open and voluntary membership;
- Democratic member control;
- Members' economic participation;
- Autonomy and independence;
- Education, training, and information;
- Cooperation among credit unions;
- Concern for the community.

Values
- Full preservation of the business's 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 regulations;
- Effective and transparent management.

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.

FACING THE IMPACTS OF COVID-19

Highlights of facing Covid-19

Time to cooperate and take care of everyone

In 2020, the Covid-19 pandemic made us face an unprecedented crisis, which brought new social, emotional, physical and financial challenges. During these sensitive times, we put our values and the principles of cooperativism into practice, as we stand side by side with our members, employees, and communities in coping with the disease and its economic effects.

- We activated the Crisis Committee of the Sicredi Administrative Center, a multidisciplinary group with the aim of contributing to the safety of employees and members, and business continuity.
- Our credit unions supported communities, not only by enabling our financial solutions, but also with resources from the Social Fund, which were used mainly to minimize the impacts of Covid-19.
- We granted BRL 2 billion in credit to members, via the National Support Program for Micro and Small Businesses (Pronampe), so that small businesses could access working capital during the pandemic.
- We financed BRL 2.7 billion in the Emergency Credit Access Program (PEAC FGI), which sought to complement creditor guarantees in credit operations, facilitating access for small and medium-sized businesses during this period.
- We extended BRL 2.12 billion of installments for credit operations between March and December, months when the pandemic had a negative impact on the economy.
- We followed the recommendations of the authorities, and in situations considered to be of high risk, the branches remained only partially open, maintaining only services for people who did not have access to other channels.

- We reinforced service via digital and telephone channels and included our virtual assistant Theo on Sicredi's WhatsApp to provide remote assistance to members.
- More than 20% of employees in the entire System worked from home under the remote working model.
- We launched Gente Que Coopera Cuida campaign, which took a message of care to the entire population and sought to raise awareness regarding the necessary measures to combat the pandemic.
- Internally, the program included live streams, courses, and web conferences in order to support the physical and mental health of employees.
- We formed online support and psychological support groups for employees through the Viva Bem (Live Well) program, for the entire system.
- We launched the Eu Coopero com a Economia Local campaign, where credit unions and cooperative centrals engaged entities, partners, members, and the population in general to help the local economies.

Other highlights for 2020

Launch of the **new Strategic Plan**, with an execution deadline of 2023 and an **Inspirational Vision** for 2030

Participation in the **UN Global Compact,** incorporating its principles and the **2030 Agenda** to guide our decision-making and relationship with stakeholders.

BRL 22.6 million donated from the **Social Fund** for local social projects in education, culture, sport, healthcare, environment, safety and social inclusion.

Initial structure for the **Sustainable Development Framework** as a model for measuring our positive impact.

Opening of **150 new branches.**

BRL 77.4 billion credit granted.

9.2 billion allocated to products and services of the green economy, which generate credit for activities with positive socio-environmental impacts.

Celebrating **25 years** of the **A União Faz a Vida Program,** which impacted more than 3 million children and adolescents during this period.

4.3 million people impacted by the **ENEF Week.**

Participation of **286.5 thousand members in assemblies.**

48,100 people trained in the **Crescer Program.**

Review, update and expansion of the **Sustainability Policy and the Social and Environmental Risk Management**

Launch of the new edition of the book The Sicredi's Trajectory: Considering the Historical Markers Experienced from 2013 to 2019.

Systemic neutralization of **100% of our GHG emissions.**

The first **National Sustainability Summit** and the **National Meeting for the Development of Cooperativism**.

Launch of **Pix,** an initiative of the Central Bank.

Conducting a study that shows **Sicredi's impact in providing banking services in Brazil.**

National Launch of the **Women's Committee** Program.

The number of digital members using **Woop Sicredi grew by 58%, reaching 99.7 thousand.**

48.6 thousand users and 39.1 thousand advertisements published in the Sicredi Conecta app, which promotes inter-cooperation and the trading of products and services among members.

Awards and recognition

In 2020, our cooperative, responsible, and innovative performance was recognized by a series of awards and rankings[1], such as:

Best and Biggest

Through Sicredi Cooperative Bank, we reached the 43rd place among the 50 Largest participating banks, in addition to the 2nd place in the Rural Credit ranking, 5th in Credit for Medium Sized Enterprises, 6th in Savings Deposits, 8th as Issuers of Credit Cards, 9th in Total Corporate Credit and 10th in Personal Credit and in Real Estate Credit.

Top 5 Annual of the Central Bank

We were the only participant among the top five in all four market variables analyzed: 2nd place in the Broad Consumer Price Index (IPCA), 4th place in the General Market Price Index (IGPM-M), 5th place in the Exchange Rate and 4th place in the Selic Rate.

The ranking classifies the most consistent monthly economic projections throughout the year and takes into account a System of Market Expectations.

Época Negócios 360°

We were 95th in the general ranking, and 5th in the sector specific ranking of Banks in 2020. The ranking selects the best companies in Brazil based on six dimensions, of which we stood out with the 1st place in Corporate Governance, the 3rd in Financial Performance, 7th in People, 9th in Sustainability and 11th in Innovation and Vision for the future.

Valor 1000

In the category that evaluates the 20 Largest Banks, we are in 2nd place among the ones that most grew in Credit Operations, the 7th position in the ranking of the Largest in Credit Operations, in Total Deposits, in Net Profit, and among those with the Best Operational results without the equity method.

We also ranked 8th in the list of the Largest in Net Equity and in Intermediation Revenue, 9th place when considering the large companies with the Best Operating Profitability without the Equity Method, and also among those that grew the most in Total Deposits; 11th in the Return of Equity ranking and 14th among those with the Lowest Operating Cost.

Valor Grandes Grupos

Considering the combined financial statements, we occupy 69th place among listed companies, 13th place among the 20 largest companies in the finance area, 7th place among the 20 largest companies in Net Income, 15th in Return of Equity, 9th among the 20 largest in Net Equity and 8th among the 20 with the most revenue growth.

100 Open Startups Platform

We were included for the first time in the ranking, which lists the 100 companies most open to innovation in Brazil. The 100 Open Startups is a platform sponsored by global companies that evaluate and classify startups from around the world, selecting the most attractive ones to collaborate in the development of high impact innovations for society and the market.

[1] Some awards were canceled due to the Covid-19 pandemic, such as the Best Companies to Work for, carried out by Você S/A magazine in partnership with the Fundação Instituto Administração (FIA) and the Growth Award, from Woccu.

BNDES Ranking

We were the 2nd position in the ranking of BNDES Accredited Institutions for Indirect Operations, 1st place in the Total Indirect Operations for Individuals and 1st place in the Total of Agricultural Programs of the Federal Government of the National Program for Strengthening Family Agriculture (Pronaf) Investments, of Inovagro, Moderagro and Pronamp Investiment.[1]

The ranking identifies the performance of financial institutions in indirect operations, where the BNDES participates indirectly in the transfer of funds through a certified financial agent.

Top Asset

Through our asset manager, we were once again featured in the investment fund ranking, again with the 18th place among the more than 140 asset managers evaluated in Brazil, with more than BRL 32.8 billion under management.

We were also classified under Resources from Open Pension Plans, registering the third highest growth in the last 12 months and the fifth best performance in the last 6 months.

WYCUP Award (World Council Young Credit Union People)

The Family Farming and Sustainable Food project, developed by one of our members, Vinicius Mattia, 26, was among the three best initiatives presented at WYCUP, a contest by Woccu (World Council of Credit Unions).

The contest seeks to stimulate the training of young leaders and rewards participants who create projects with the potential to be a global influence for credit unions.

Due to the pandemic, this year the award took place using a virtual format.

To learn about the project, access the video at:
https://bit.ly/3s9Ymhm

How we generate value

We believe in the strength of credit unions to generate positive changes in the lives of our members, in the communities where we are present, and in society as a whole.

Therefore, while we develop financial solutions that support members in an increasingly dynamic and digital environment, we seek to maintain our roots in the principles and values of cooperativism, reinforced through programs that expand our positive impact.

Our Financial Solutions

This year, it was necessary to closely monitor the reality of the regions where we are present to support the local economic cycle and reduce the impact of the Covid-19 crisis on the lives of our members.

In this sense, we offer a broad portfolio of products, services and channels (physical and digital) that meet your financial needs. The solutions are aimed at individuals, corporate accounts, and agribusiness, of different sizes and from economic activities. GRI 102-2 / 102-6

For you

- Foreign Currency Exchange;
- Credit and Debit Card;
- Digital Certification;
- Credit (personal, vehicles, housing);
- Consortiums;
- Checking Account;
- Digital Account (Woop Sicredi); New!
- Automatic debit;
- Authorized direct debit
- Investments
- Payments and receivables;
- Pix (instant payments); New!
- Savings Account;
- Pensions;
- Insurance;
- Sicredi Conecta (Marketplace Sicredi). New!

For your company

- Foreign Currency Exchange;
- Corporate Cards;
- Digital Certification;
- Collections;
- Consortiums;
- Checking Account;
- Credit;
- Credit for BNDES investment;
- Check Services
- Banking Domicile;
- Financing;
- Payroll;
- Investments;
- Card machines;
- Corporate Pensions;
- Pix (instant payments); New!
- Insurance;
- Sicredi Conecta (Marketplace Sicredi); New!
- Solutions for payments and receivables.

For your agribusiness

- Foreign Currency Exchange;
- Credit and Debit Card;
- Digital Certification;
- Consortiums;
- Checking Account;
- Credit for BNDES Investment;
- Rural Credit;
- Financing;
- Investments;
- Payments and receivables;
- Pix (instant payments); New!
- Savings Account;
- Insurance;
- Sicredi Conecta (Marketplace Sicredi). New!

Channels

- Branches
- Accredited Agent;
- Sicredi App;
- Sicredi App X; New!
- ATM (own network, Banco 24 Horas, Withdrawal and Pagu)
- Internet Banking;
- Services by phone
- Sicredi WhatsApp. New!

Our non-financial solutions

We also have initiatives and programs aimed at expanding our positive impact on members and communities, which help us to fulfill two principles of cooperativism: Number 5 - Education, training and information, and number 7 - Concern for the community. They are implemented locally by the credit unions, with the support of the Sicredi Foundation.

Fundação Sicredi

Sicredi Foundation

The Sicredi Foundation seeks to keep the essence of cooperativism alive in our institution's culture through educational, cultural, social, and sustainable initiatives that expand our positive impact on the lives of members and communities. Its efforts are structured through programs:

programa crescer

It strengthens the culture of credit unions though cooperative education. The objective is for members to understand their role as owner of the business, qualifying their participation in the cooperative enterprise.

a união faz a vida

It contributes to comprehensive education and the role of children and adolescents through a teaching methodology that encourages the values of cooperation and citizenship.

cooperação na ponta do lápis

We seek to promote a healthier and more conscientious financial life among our members, employees and communities.

comitê mulher

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 the sustainable, economic, social and environmental development of our business model

comitê jovem

Promotes youth development through education and entrepreneurship, encouraging their engagement with the cooperative movement.

fundo social

It supports local social projects of collective interest aimed at education, culture, sports, health, environment, safety, and social inclusion, contributing to the development of communities in the credit union's area of activity.

cooperativas escolares

Expands learning opportunities for children and adolescents, experiencing the values and principles of cooperativism

programa pertencer

It encourages the effective participation of members in the decision-making bodies of their credit union.

The positive impact of these programs is also the result of the work of professionals working in the area of Cooperative Development in credit unions and cooperative centrals across the country.

They are responsible for putting our sustainability strategy into practice.

Throughout 2020, the Foundation underwent several restructuring activities that sought to increase its capacity to generate value with members and communities.

In this process, we created its visual identity, and institutionalized programs such as Cooperação na Ponta do Lápis Program and the Social Fund, we launched the Women's Committee, and for the first time we systematically neutralized greenhouse gas emissions from our operations and developed a Sustainable Development Benchmark (learn more on page 40) to support credit unions with the local execution of the sustainability strategy.

We also work on building a new physical space for the Sicredi Foundation, located on the ground floor of the Sicredi Administrative Center (CAS). The works began in 2020 and should be completed in 2021.

Strategy

In a year marked by so many challenges, our ability to do things together was essential for us to continue to positively impact the lives of our members and their communities.

In this context, during the first half of 2020, we continued to work on the elaboration of our new Strategic Planning, based on joint construction, which counted on the active participation of the cooperative centrals, credit unions and CAS. For the process, we consulted our leaders and all employees, obtaining a response from 78% of our staff. We also listened to our members and non-members, with over 8,000 interviews.

In this cycle, we carried out in-depth reflections about Sicredi's future and discussed challenges and opportunities so that our business will remain relevant and make a difference in Brazil. This collaborative construction was divided into two major deliveries.

The first was Inspiracional 2030, which further consolidated our performance as a System, and became the institution's new purpose: “Make a prosperous society together.” This purpose brings us a long-term vision, which gives meaning to our actions and keeps them in line with the principles of cooperativism and the sustainable development of our business.

Inspiracional 2030

And, as the second deliverable, we evaluated future opportunities and challenges with a medium-term view, organizing the intermediate steps necessary to achieve our strategic objectives.

Strategy 2023 seeks to place the member at the center of the business model and incorporate aspects of sustainability, in order to expand the alignment of the theme with the business strategy.

To this end, we reduced the strategic cycle time from five to three years, with quarterly feedback, based on changes to internal and external scenarios, making this construction more dynamic and capable of responding to the competitive environment in which we operate.

An important novelty was the launch for our employees. Strategic Planning was launched in June 2020 during a live stream with a total of more than ten thousand spectators. In a year marked by distance and social isolation, bringing together a large part of our workforce was essential to align our strategic objectives and engage everyone on our journey. We started to disseminate videos and materials on the topic on an ongoing basis in the network of internal communication channels to reinforce the strategic pillars of the inspirational vision and priorities of the plan for 2023.

As of the launch of the Strategic Plan, each credit union deploys the systemic strategy locally through local initiatives and actions, according to the priorities and challenges of their area of operation.

Sicredi Cooperative Central – Central North: Ambidextrous Management

In 2020, Sicredi Cooperative Central - Central North developed its Ambidextrous Management Model, which seeks to guarantee the delivery of results and innovation, while staying aligned with the purpose of the System.

Built on the basis of an engagement process with affiliated credit unions, the model is based on four axes: our purpose, systemic work skills, the creation of indicators to measure their progress, and in culture.

To reinforce the concept among employees and engage them in delivering results with purpose, the Cooperative Central developed an Ambidextrous Management Guide and digital training, available at Sicredi Aprende, for all of their employees.

SUSTAINABILITY

Positive impact

We believe that sustainability is the management of the business with a focus on expanding the positive impact we cause, reducing adverse impacts and generating value for members, employees, communities and other interested parties. Until mid-2020, our sustainability strategy was guided by the Sustainability and Social and Environmental Responsibility Policy.

We evolved during the year, deploying the document with two new policies with specific scopes and responsibilities: the Sustainability Policy and the Social and Environmental Risk Management Policy.

The Sustainability Policy proposes to establish principles and guidelines to guide decision-making in all areas of the business and in the relationship with stakeholders, considering the economic, social and environmental opportunities and challenges, which involve sustainability related themes, aiming to expand our positive impact and reduce our adverse impact. GRI FS15

The document establishes our commitment to promoting a better and sustainable future for the members and communities where we operate, contributing to the sustainable development of the System and society.

It reinforces the principles and values of cooperativism as our guiding principles and assigns responsibilities in the governance and management of this theme.

In addition, it institutionalizes that our management on this theme is based on sustainability drivers and reinforces our adherence to the Global Compact.

The management, review, communication and systemic guidance for the implementation and enforcement of the policy are the responsibility of the Curator Council of the Sicredi Foundation and its board of directors.

The Social and Environmental Risk Management Policy seeks to establish the guidelines for the management of socio-environmental risks and prevent the occurrence of financial, legal or reputational losses resulting from socio-environmental damage, in compliance with the recommendations of the Central Bank. In this new version, its scope has been expanded to include products other than credit grants. GRI FS15

The new policies were released internally in August and their content can be accessed by employees on the Internal Standards Portal on the Collaborative Network, our intranet.

Sicredi is part of, along with other Financial Institutions, the Febraban Social Responsibility and Sustainability Commission. Through it and its technical groups, our teams contribute to the continuous evolution of the theme in Sicredi and in our segment.

We are aligned with the main market sustainability trends, such as the BC# Agenda Sustainability pillar, which provides for a series of sectoral advances regarding the positioning of institutions in relation to climate change, taking advantage of sustainable business opportunities linked to the generation of positive impact, and the regulation of the sector to expand the use of funding to generate social and environmental benefits for society.

Our Sustainability and Socio-Environmental Risk Management Policies can be accessed by external stakeholders at: **https://www.sicredi.com.br/site/sobre-nos/sustentabilidade/**

With the new guidelines, sustainability is now seen as the responsibility of each employee and entity of the System, with defined roles for its management and governance.

Role of leadership in governance and sustainability management GRI 102-20

Leadership	Responsibility
Chairman of the SicrediPar Board of Directors	• Comply with, promote and encourage the application of the Sustainability Policy through the adoption of established principles and guidelines and ensure compliance with decision-making. • Define, monitor, communicate and guide the implementation of the Social and Environmental Risk management strategy.
Chairmen of the Boards of Directors of the credit unions and cooperative centrals	• Comply with, promote and encourage the application of the Sustainability Policy through the adoption of established principles and guidelines and ensure compliance with decision-making.
CAS Executive Directors	• Comply with and implement the Sustainability Policy in all areas under their responsibility. • Promote and implement the adoption of these rules and actions in their respective regulations, processes and systems related to products and services impacted by the guidelines and rules contained in the Social and Environmental Risk Management standard.
Executive Directors of credit unions and cooperative centrals	• Comply with and implement the Sustainability Policy in all areas under their responsibility. • Promote and implement the adoption of socioenvironmental risk management rules and actions in their respective regulations, processes and systems.
Risk Director at Sicredi Cooperative Bank	• Propose to the competent authorities, as provided for in Sicredi's governance structure, the establishment of the theme guidelines and rules contained in the Social and Environmental Risk Management standard. • Sponsor related processes and procedures for the proper implementation, monitoring, evaluation and control of the theme. • Support adaptations at any time, according to Sicredi's needs or legal/regulatory standards. • Ensure periodic disclosure to all involved.
Directors responsible for the topic of risks in cooperative centrals	• Knowing, understanding, complying with, stimulating and supervising the adoption of the theme guidelines and rules contained in the Social and Environmental Risk Management standard, as well as reporting any identified deficiencies to the identified areas. • Support periodic dissemination and training for affiliated credit unions. • Identify any deficiencies in the fulfillment of the actions established on the subject and report them to the Executive Risk Department of Sicredi Cooperative Bank.
Directors responsible for the topic of risks in credit unions	• Know, understand and comply with the adoption of the theme guidelines and rules contained in the Social and Environmental Risk Management standard. • Report to the Cooperative Central when identifying possible situations that may expose Sicredi to socio-environmental risks.

To support and implement our sustainability strategy regionally and locally, the credit unions and cooperative centrals have Sustainability Committees. The cooperative central committees are responsible for monitoring regional indicators, evaluating, debating and recommending sustainability initiatives within their scope of action. Currently, all five cooperative centrals have this body in their structure. GRI 102-19

The credit unions have committees that are responsible for monitoring local indicators and recommending sustainability initiatives. Currently, 31 credit unions have this type of Committee. GRI 102-19 / 103-3

Through this initiative, we impact on the SDG

National Sustainability Summit GRI 102-19

In November 2020, we held the first **National Sustainability Summit,** an annual meeting that brings together employees and leaders from across the System and seeks to promote to align our strategy and vision for sustainability.

Presented completely online, the meeting sought to inspire attitudes and strengthen the role of all credit unions in the search for sustainable development. The Summit consisted of three events:

Board Members and Directors Meeting
Gathered SicrediPar board members, the chairmen and directors of the cooperative centrals, executive managers, Sicredi Administrative Center (CAS) staff, and leaders and representatives of the Sicredi Foundation. The first part of the meeting was dedicated to the presentation of sustainability highlights from the five cooperative centrals. The second part was conducted by the CEO of Sicredi Cooperative Bank, João Tavares, who presented the main deliveries of the Foundation in 2020, with an emphasis on the Sustainable Development Benchmarks, in addition to systemic challenges for 2021. More than 50 leaders participated in the meeting.

Sustainability in Business Strategy Live Stream
Lecture by an external guest, open to all employees and System leaders, addressing the following topics:

- Sustainability concepts;
- Market trends;
- Activity by investors, shareholders, regulators and banks;
- Positioning of companies;
- The role of leaders in advancing the sustainability agenda.

The live stream was accessed by more than 910 people.

National Cooperativism Development Meeting
Dedicated to professionals who work with the Development of Cooperativism in the cooperative centrals and credit unions, it sought to promote systemic alignment of the sustainability strategy, in addition to presenting the Sustainable Development Framework. During the event, moments of recognition were prepared for these employees, who work to enable a positive impact on the lives of members and their communities. In all, more than 150 professionals participated.

Sustainable Development Commitments

GRI 102-12

In January 2020, we joined as participants in the Global Compact, a United Nations initiative that seeks to encourage companies to adopt corporate social responsibility and sustainability policies through adherence to ten principles related to human rights, labor, environment and corruption.

With this commitment, we align our sustainability challenges to the challenges of the Global Agenda, while simultaneously and unanimously positioning ourselves as a System in favor of the sustainable development of our business and society. By joining the initiative, we are committed to adopting the Sustainable Development Goals (SDGs) to guide our sustainable development.

The SDGs were defined by the UN with the purpose of engaging organizations from around the world on goals such as the eradication of poverty, the fight against climate change, and the preservation of natural resources by 2030.

Compact to fight Covid-19

In order to ensure that the impacts caused by the pandemic in 2020 will generate reflections and contribute to a change in behavior that will enable the SDGs to be reached by 2030, we participated in the Compact to fight Covid-19 action front.

Organized by the Global Compact Brazil Network, the initiative mobilized companies and brought together their projects that contributed to the fight against the pandemic (learn more about our actions to combat Covid-19 on page 20).

Learn more about our front-line activities at: **https://www.pactoglobal.org.br/pg/pacto-contra-covid-19**

Sicredi Cooperative Central PR/SP/RJ Global Goals Week

From September 18-26, the UN held the Global Goals Week.

During this same period, Sicredi Cooperative Central PR/SP/RJ released a series of videos to engage its employees and show Sicredi's commitment to the SDGs.

For each day of the week, a video was developed working on one of the SDGs and the way in which the credit unions' activities positively impact the achievement of this objective.

Sustainability strategy

Our sustainability strategy helps to fulfill our mission and vision, in addition to maintaining alignment with our values, providing practical guidelines that contribute and guide the sustainable development of our business. It includes three sustainability drivers: GRI 102-46

Relationship and Cooperativism

Responsible Solutions

Local Development

In 2019, we carried out a materiality study in order to define the most relevant topics regarding the impacts that we generate. As a result, the three drivers were divided into eight focal themes, which are the core of our sustainability strategy and guide the elaboration of systemic projects, initiatives, and action plans (learn more in our Sustainable Development Reference, on page 40). GRI 102-46

In the table below we present the focal themes of sustainability, the impacted stakeholders, and their correlation with the SDGs (learn more on page 35).

To learn about how the materiality process was done, see:
bit.ly/37qcXg9 GRI 102-46

Drivers: Relationship and Cooperativism GRI 102-47 / 103-1

Focal theme	Description	Impacted stakeholders	Impacted SDGs
To disseminate cooperativism and sustainability	Foster the cooperative culture between employees and members, reinforcing the democratic, collaborative and transparent aspect of our management model, strengthening the bonds of trust and reciprocity. Broaden the understanding of employees and members about how sustainability affects our business and decision-making, taking advantage of opportunities and better managing our risks.	**External:** in the relationship with members and the community. **Internal:** in governance, with board members and nuclei coordinators. In the internal culture, with employees	4, 8, 12, 13, 16
To promote diversity and inclusion.	To respect member individuality, promoting horizontal and long-lasting relations, strengthening the values of cooperativism, such as equity and equality. To foster diverse and inclusive governance, as well as a diverse and inclusive work environment, with plurality of thought, collaboration and innovation.	**Internal:** in governance, with center advisors and coordinators. In the internal culture, with employees	5, 8, 10, 16
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, strengthening the trust bonds and reciprocity, ensuring the continuity of our business.	**External:** in the relation with members and the government. **Internal:** in governance, with center advisors and coordinators. In the internal culture, with employees.	16

Drivers: Responsible Solutions GRI 102-47 / 103-1

Theme	Description	Impacted stakeholders	Impacted SDGs
Promote financial education	Encourage conscientious 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.	**External:** in the relationship with members, suppliers and the government. **Internal:** in the internal culture, with employees.	1, 4
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 socioenvironmental risks. Make the operation of our branches and headquarters more sustainable.	**External:** in the relationship with members, suppliers and the government. **Internal:** in the internal culture, with employees.	3, 6, 7, 8, 9, 11, 12, 13, 15
Engage suppliers based on socio-environmental criteria	Extend our sustainability concerns to the systemic supply chain, encouraging them to adopt the best social and environmental practices through support in technical training and the definition of specific criteria for hiring, monitoring and evaluation. Develop regional and local suppliers, guiding them regarding the best sustainable management practices.	**External:** in the relationship with members, suppliers and the government.	14, 15

Drivers: Local Development GRI 102-47 / 103-1

Theme	Description	Impacted stakeholders	Impacted SDGs
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.	**External:** in the relation with members, suppliers, communities and the government.	3, 8, 9, 10, 11, 12, 16
To develop human, social and intellectual capital through regional action	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 Corporate Citizenship. Invest in the education, training and innovation of our employees, members and communities.	**External:** in the relationship with members, suppliers and the government.	4, 16, 17

Our sustainability drivers and focal themes are connected to the pillars of the 2030 inspirational strategy and the 2020-2023 Systemic Strategic Plan (learn more on page 30) insofar as they intend to contribute to making a prosperous society through the strength of cooperativism.

Our Sustainability STRATEGY

MISSION
THE BASIS FOR THE DRIVERS

VISION
THE DRIVERS HELP TO ACHIEVE THE VISION

VALUES, PRINCIPLES AND COMMITMENTS
SUPPORT THE SUSTAINABILITY STRATEGY

SYSTEMIC STRATEGY
INSPIRACIONAL 2030
Shows our aspiration to make Sicredi a leading institution for local and sustainable development.

PLAN 2020 - 2023
Reinforces sustainability as a transversal theme in all actions.

SUSTAINABILITY PILLARS
Economic
Social
Environmental

THE GLOBAL COMPACT WE SUPPORT
SUSTAINABLE DEVELOPMENT GOALS

EXTERNAL COMMITMENTS

SUSTAINABILITY DRIVERS
Relationship and Cooperativism
Responsible Solutions
Local Development

FOCAL THEMES
(AND RELATED SDGs)

Strengthen our management model

Disseminate cooperativism and sustainability

Promote the following types of diversity

Promote financial education

Integrate opportunities and risk management and operate with ecoefficiency

Engage suppliers based on socio-environmental criteria

Foster the local economy and financial inclusion

Develop human, social, and intellectual capital

Sustainable Development Framework

To support the deployment of the sustainability strategy in 2020, we approved our Sustainable Development Framework, a set of references and indicators that offer an institutional direction for credit unions to take a larger leadership role in the local and sustainable development of their regions.

Its main objective is to offer a benchmark of initiatives and indicators to guide executing agents towards a leading role in local and sustainable development. In this way, each credit union can personalize its journey by adding its local initiatives to the systemic framework, according to the context of its activities.

Through the Sustainable Development Framework, it is possible to connect systemic initiatives with each of the sustainability drivers and focal themes, in addition to the pillars of Strategic Planning and the Sustainable Development Goals (SDGs).

For each mapped initiative, we establish parameters and indicators that help to measure and expand the positive transformations that we generate. In 2021, we will develop a platform for viewing and consulting initiatives and indicators, enabling the tracking and monitoring of data, advancing in our impact measurement.

The framework is a guideline that will be built by the credit unions themselves, through feedback initiatives that may become part of the Framework, bringing even more positive impacts to the members and communities where we operate.

Positive impact indicators

Relationship and Cooperativism

	2018	2019	2020	Sustainability Pillar	Pg.
Members (amount)	4.020.991	4.466.750	4.901.724	Social	14
Credit Unions (quantity)	114	110	108	Social	14
Employees (quantity)	25.783	28.613	29.830	Social	14
Members who participated in assemblies (quantity in thousands)	415	432	286[1]	Social	55
Members who participated in assemblies (percentage)	11.2%	11.1%	9.4%	Social	55
Nucleus Coordinators[3] (quantity)	-	-	11.238	Social	56
Crescer Program (quantity)	39.697	87.265	48.161[1]	Social	61
Credit Unions with a Women's Committee[2] (quantity)	-	33	36	Social	74
Women's Committee[3] Participants (quantity)	-	-	1.362	Social	74
Credit Unions with a Youth Committee[2] (quantity)	-	21	26	Social	75
Youth Committee[3] Participants (quantity)	-	-	611	Social	75
Actions carried out on Cooperate Day (Dia C) (quantity)	638	765	1.033	Social	142

Responsible Solutions

	2018	2019	2020	Sustainability Pillar	Pg.
Amount invested in the green economy (BRL million)	10.134.10	11.202.40	9.202.69	Economic	103
Low carbon emission farming (BRL million)	4.723.90	5.023.20	2.179.78	Economic	103
Good agricultural practices (BRL million)	1.894.80	1.485.20	1.128.87	Economic	103
Microcredit (BRL million)	1.940.40	2.006.10	1.268.71	Economic	103
Other products with specific intended purpose (BRL million)	174.00	746.60	1.772.49	Economic	103
Credit for green economy sectors (BRL million)	1.400.90	1.941.20	2.852.83	Economic	103
Financing for solar energy (BRL million)	232.30	1.095.80	1.605.60	Economic	105
Amount paid to local suppliers (BRL million)[4]	-	550.50	576.18	Social	125
Absolute emissions of Greenhouse Gases (tCO_2e)[5]	17.528.34	35.792.30	21.358.98	Environmental	116
Total emissions per employee (tCO_2e/employee)	0.8	1.3	0.7	Environmental	116
National Financial Education Week[6]					
People impacted (quantity)[7]	72.400	4.407.030	4.373.222	Social	89
Actions executed (quantity)	1.867	5.574	1.878[1]	Social	89
Cities with actions (quantity)[3]	-	-	374	Social	89

Local Development

	2018	2019	2020	Sustainability Pillar	Pg.
Cities where we are present (quantity)	1,279	1,378	1,463	Social	16
Cities with less than 100 thousand people (percentage)	87%	87%	87%	Social	16
Cities where we are the only financial institution (amount)	202	210	216	Social	216
Result distributed to the members (BRL million)[8]	916,00	1,044,00	990,0	Economic	126
Interest on the capital paid to the members (BRL million)	390,00	374,00	246,00	Economic	126
Amount destined to FATES[7] (BRL million)	133,20	136,10	152,40	Social	139
Amount used from FATES[7](BRL million)	103,90	125,60	89,20	Social	140
Amount destined to the Social Fund (BRL million)[2]	-	15,5[3,9]	22,63	Social	140
A União Faz a Vida (Unity Creates Life) Program					
Cities participating (amount)	369	397[10]	475	Social	147
Schools participating (amount)	1,908	1,985[10]	2,641	Social	147
Instructors participating (amount)	24,906	9,441[10]	23,314	Social	147
Children and teenagers participating (amount)	284,604	109,163[10]	282,201	Social	147
School Cooperatives Program					
Cities with the Program (quantity)[2]	-	76	76	Social	150
Schools participating in the program (quantity)[2]	-	151	145	Social	150
Children and teenagers reached (quantity)[2]	-	8,988	4,997[11]	Social	150

[1] The reduction in the number of participants in 2020 happened due to the pandemic.
[2] Indicator began to be monitored as of 2019.
[3] Indicator began to be monitored as of 2020.
[4] Calculation methodology was altered in 2019. Therefore, it can´t be compared to prior years.
[5] Variations in results in 2019 and 2020 happened primarily in the indirect emissions of scope 3, due to the impacts of the pandemic and the refinement of data control used to determine the Inventory. We also began to report the total emissions following the approach to choose to purchase energy in Scope 2.
[6] We only considered in-person actions.
[7] The method used to calculate the data was altered between 2018 and 2019.
[8] The data considers the result distributed in assemblies added to the payment of interest to company capital, shown on the following line. The results distributed in assemblies correspond to BRL 526 million in 2018,BRL 670 million in 2019 and BRL 744 million in 2020.
[9] The data refers to 30 credit unions.
[10] In 2009, we started the construction of a tool to broaden the management of the program's information. The data reported this year do not reflect the full outlook for 2019.
[11] The method used to calculate the data was altered between 2019 and 2020, making the information more precise.

Financial performance

Sicredi's Combined (in millions of BRL)

		2018	2019	2020
Total Assets		95,072,833	110,629,333	154,860,895
Assets	Availability	844,155	1,272,645	1,258,087
	Interbank investments	13,797,205	7,281,251	13,044,514
	Bonds and securities	20,382,042	25,062,076	38,410,830
	Vostro Account	3,196,214	4,052,357	4,364,055
	General Credit	29,668,305	40,216,998	56,885,229
	Rural credit	21,872,899	26,111,885	33,068,493
	Other credits	2,818,691	3,663,692	4,665,308
	Other amounts and assets	434,137	521,993	515,353
	Permanent Assets	2,059,185	2,446,436	2,649,026
Liabilities	Deposits	60,486,410	70,758,342	104,638,994
	Funds obtained in the open market	3,869,178	2,194,884	2,343,109
	Liabilities due to loans and on-lending	9,810,081	11,536,591	15,100,199
	Other liabilities	5,616,275	8,381,275	12,220,917
	Net equity	15,290,889	17,758,241	20,557,676
Result	Revenue from financial operations	11,084,435	12,739,750	12,663,110
	Other operational revenues	2,609,641	3,041,353	3,669,354
	Expenses from financial operations	4,166,468	4,872,956	4,482,667
	Other operational expenses	6,743,637	7,803,715	8,470,768
	Results	2,783,971	3,104,432	3,379,030
	Interests on Owner's Equity	390,266	373,784	246,116

Access our Financial Statements at:
https://bit.ly/3fb5iXO

Chapter 2

RELATIONSHIP AND COOPERATIVISM

The cooperative model is the great differentiator of our business, with transparent, participative and democratic management. Through it, we build a business and a more prosperous society together.

Find out how we create value by strengthening cooperativism and spreading it among members and communities.

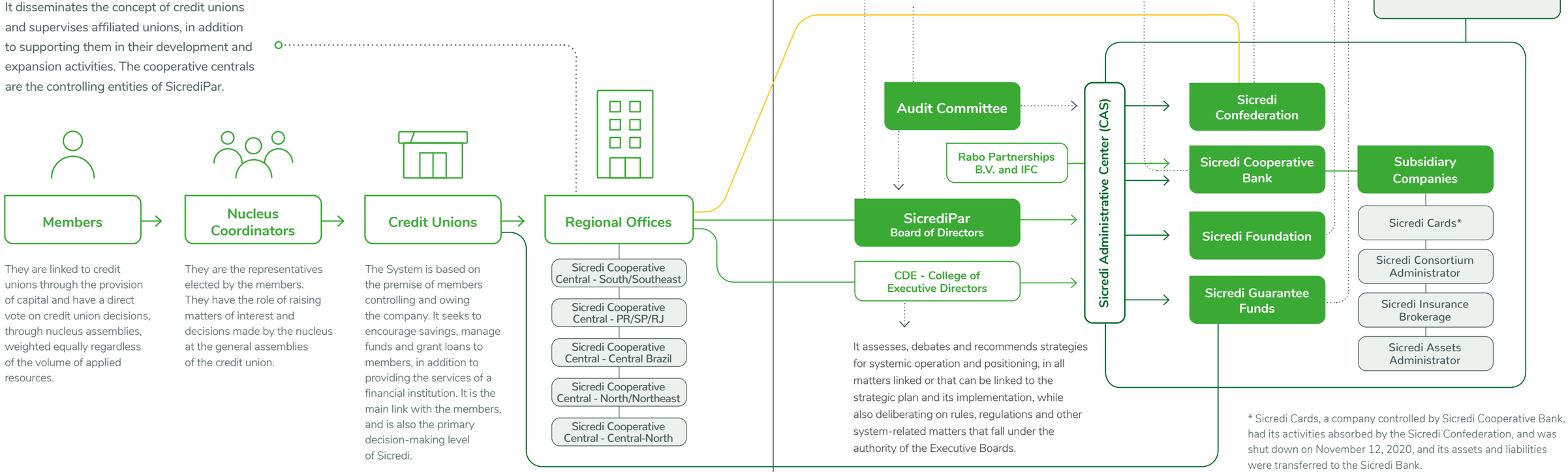
FOCAL THEMES:

- To disseminate cooperativism and sustainability
- To promote diversity and inclusion
- To strengthen our management model

GOVERNANCE STRUCTURE

Our governance structure is recognized worldwide in the credit cooperative segment. 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, thus forming **Sicredi**.

GRI 102-18



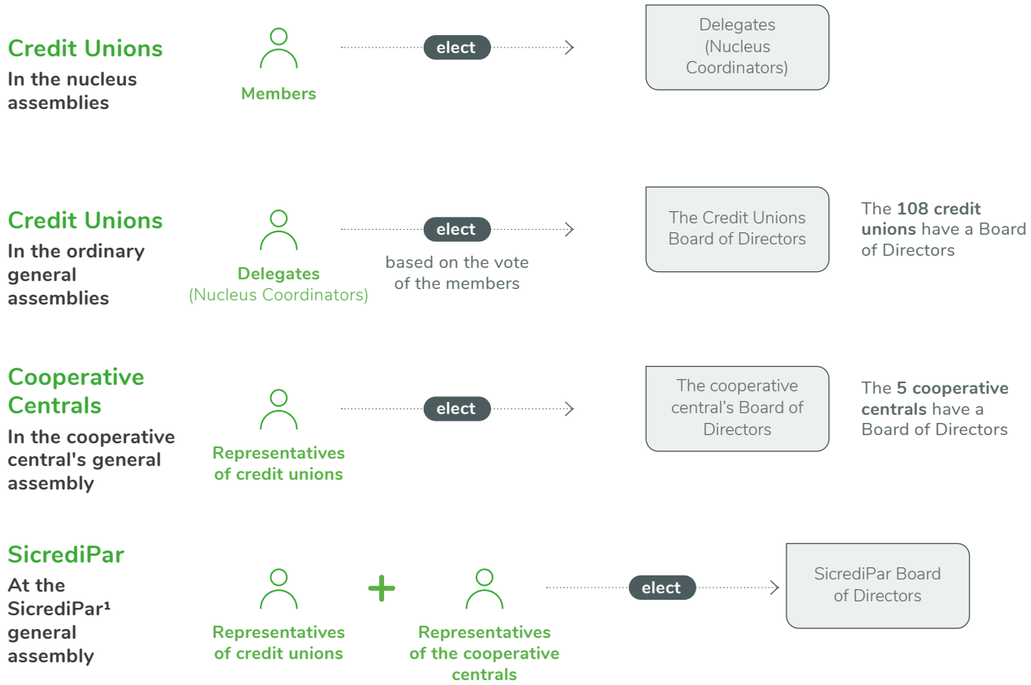
* Sicredi Cards, a company controlled by Sicredi Cooperative Bank, had its activities absorbed by the Sicredi Confederation, and was shut down on November 12, 2020, and its assets and liabilities were transferred to the Sicredi Bank.

Democratic decision-making process

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

SicrediPar's Board of Directors represents the cooperative centrals and credit unions and their members, acting as the body responsible for coordinating the System's strategic decisions.

Election process of SicrediPar's board members GRI 102-24



¹ SicrediPar's general assembly is technically responsible for electing the Board of Directors and Audit Committee. However, the five presidents of the cooperative centrals have a guaranteed seat on the board, and the other five vacancies are presidents of individual credit unions, appointed by each of the cooperative centrals. In addition, one vacancy is nominated by Rabo Partnerships B.V. and the other is reserved for an independent board member.

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:

Systemic flow for strategic decisions

CAS

The technical areas of the Sicredi Administrative Center (CAS) elaborate and present proposals, involving the central cooperatives, whenever applicable.

SicrediPar

SicrediPar's Advisory Committees analyze some issues in greater depth and propose recommendations.

SicrediPar Board of Directors (CAD) receives the proposals and forwards them to individual credit unions to vote through the representatives of the cooperative centrals.

Cooperative Centrals

The representatives of the cooperative centrals submit the proposals to the individual credit unions to collect the votes.

SicrediPar

After going through the systemic decision flow, the deliberative process is concluded, with the proper records and formalizations.

Cooperative Centrals

The representatives of the central cooperatives return the votes of their affiliated credit unions to the SicrediPar Board of Directors.

Credit Unions

The individual credit unions analyze the proposals and send their vote to the representative of their respective cooperative central.

The executive line, on the other hand, seeks to execute the activities and implement the strategic decisions. This line is conducted by the College of Executive Directors (CDE), composed of the Executive Directors of the cooperative centrals and the Executive President of Sicredi Cooperative Bank.

The CDE determined the rules under its jurisdiction, based on the decision of the credit unions, and recommends how to implement the systemic strategies, based on the definitions of the decision-making bodies.

Governance Portal Sicredi RC12

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

It allows the sharing of information to support information management with the leaders and other members.

SicrediPar Board of Directors

The SicrediPar Board of Directors (CAD) meets monthly to discuss and determine, based on the decisions of the credit unions, regarding strategic and systemic themes, including risks, opportunities, policies, and other guiding principles. GRI 102-26

The body is made up of 12 members: five presidents of cooperative centrals, 5 representatives of credit unions, appointed by the cooperative centrals, one independent board member, and a representative appointed by Rabo Partnerships B.V., an external shareholder of the bank. All are elected in a general assembly for a three-year term. GRI 102-24

In order to get the position, candidates must meet the requirements demanded by law and the bylaws. An evaluation of the candidate's profile and his/her experiences related to economic, environmental and social topics is carried out to ensure the knowledge and expertise necessary to perform the role. GRI 102-24

Members of the SicrediPar Board of Directors (2018 to 2020 term) GRI 102-22

- **Manfred Alfonso Dasenbrock**
  CAD President and President of Sicredi Cooperative Central PR/SP/RJ. GRI 102-23
  Member of the World Council Of Credit Unions (WOCCU) Board Of Directors.
- **João Carlos Spenthof**
  Vice-President of CAD and President of Sicredi Cooperative Central-Central-North. Chairman of the Board of Directors for the Financial Cooperativism Guarantee Fund - FGCoop.
- **Fernando Dall'Agnese**
  Member of the CAD Board of Directors and president of Sicredi Cooperative Central - South/Southeast.
- **Celso Ronaldo Raguzzoni Figueira**
  Member of the CAD Board of Directors and president of Sicredi Cooperative Central - Central Brazil.
- **Wilson Ribeiro de Moraes Filho**
  Member of the CAD Board of Directors and president of Sicredi Cooperative Central North/Northeast.
- **Wellington Ferreira**
  Member of the CAD Board of Directors and president of the Sicredi União PR/SP credit union.
- **Eledir Pedro Techio**
  Member of the CAD Board of Directors and president of the Sicredi Ouro Verde MT credit union.
- **Sadi Masiero**
  Member of the CAD Board of Directors and president of the Sicredi Centro Sul MS credit union.
- **Francisco Ary Vieira Sobral**
  CAD Board Member and Administrative Director of Sicredi Cooperative Central North/Northeast.
- **Márcio Port**
  Member of the CAD Board of Directors and vice-president of Sicredi Cooperative Central - South/Southeast.
- **Cornelis Johannes Beijer**
  Member of the CAD Board of Directors and director of Rabo Partnerships.
- **Walter Oti Shinomata**
  CAD Independent board member.

Evaluation of the Board of Directors

The members of SicrediPar Board of Directors (CAD) evaluate themselves, the other members, and the president, with the support of a consulting company. The CEO receives considerations from the consulting company about his performance and that of the board members, and shares the latter with those evaluated, individually and in groups. GRI 102-28

After the feedback, action plans are drawn up to improve the identified improvement needs. The process also evaluates the performance of the body as a whole, considering good governance practices. GRI 102-28

Fiscal Council

The Fiscal Council is elected annually by the General Assembly. Among its attributions is the inspection, by any of its members, of the acts of management, verification of the fulfillment of their legal and statutory duties, and the report to the Board of Directors of the conclusions of their work, warning them of any irregularities verified. In the absence of measures by the Board of Directors, it is incumbent upon the Fiscal Council to report the situation, in due course, to the General Assembly. Meet its members:

Members of the Fiscal Council (2020 term)

- **Effective**
  Marcos André Balbinot
  Sicredi Serrana RS
  • Sicredi Cooperative Central - South/Southeast
  Clemente Renosto
  Sicredi Parque das Araucárias PR/SC
  • Sicredi Cooperative Central - PR/SP/RJ
  Zeir Ascari
  Sicredi Cerrado GO
  • Sicredi Cooperative Central - Central Brazil
  Juares Antonio Cividini
  Sicredi Univales MT/RO
  • Sicredi Cooperative Central - Central North
  João Bezerra Junior
  Sicredi Evolução
  • Sicredi Cooperative Central North/Northeast
- **Substitutes**
  Aloisio Westrup
  Sicredi Sul SC
  • Sicredi Cooperative Central - South/Southeast
  Orlando Muffato
  Sicredi Grandes Lagos PR/SP
  • Sicredi Cooperative Central - PR/SP/RJ
  Martim Rodrigo Steffenon
  Sicredi Araxingu MT
  • Sicredi Cooperative Central - Central North
  Emerson Luis Perosa
  Sicredi Pantanal MS
  • Sicredi Cooperative Central - Central Brazil
  Paulo Ortiz Rocha de Aragão
  Sicredi Creduni
  • Sicredi Cooperative Central North/Northeast

Compensation for leaders

Our compensation policy seek to Reward leaders for actions that Ensure the sustainability of the business over the short, medium, and long term. Fees paid to the presidents and directors of the cooperative centrals and credit unions are established according to the set of assets defined by the size of each entity and considering internal standards.

There is also a short-term variable annual installment, linked to the business performance during the period, and a long-term variable installment aimed at retaining statutory employees, the sustainability of the business, and career transition and succession. GRI 102-35

This compensation is discussed in the internal forums, meetings of the CAS Executive Board (Direx), People and Conduct Committee, meeting of the Board of Directors entities and subsequently included in the agenda of the General Assemblies or of the Board of Directors for a decision, depending on the situation. GRI 102-36 / 102-37

For the board members of the cooperative centrals, credit unions and SicrediPar, compensation is also defined according to the size of the entity, using an attendance stipend or monthly fee. In such cases, it is recommended that the compensation be a percentage of the approved compensation for the President of the entity, also requiring approval by the General Assembly. GRI 102-35

Advisory Committees GRI 102-18

The Board of Directors of Sicredi Participações S.A. is assisted by permanent Committees with the purpose of doing in depth analysis of certain matters and making recommendations to the Board of Directors, who are responsible for making decisions regarding them. They include:

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 assists in decisions that encompass the Sicredi Foundation's educational/social programs and other initiatives, as well as on issues related to sustainability throughout the system. GRI 102-27

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 Fund Committee

It assists in decisions related to the use of resources from Guarantor Funds intended for corporate use, encompassing recommendations for a technical feasibility study for economic-financial recovery, administrative procedures and sanctions in case of non-compliance with the conditions for accessing funds.

Auditing Committee

Assists with decisions regarding standards and procedures to be adopted by the entities that are part of the system regarding Internal Auditing, External Auditing and Cooperative Auditing for compliance with legislation and our internal regulations, as well as analysis of Internal and External Auditing reports related to CAS and central companies.

Risk and Compliance Committee

Supports the formulation, monitoring, and control of the policies and methodology that we employ regarding credit, market, and liquidity risk (legal or internal), environmental and others, besides the Risk Appetite Statement, Compliance Policy and the Compliance Program.

FACING THE IMPACTS OF COVID-19

Highlights of facing Covid-19

Crisis Committee to take care of everyone

- In order to discuss and formulate a systemic response to the Covid-19 pandemic and define strategies to ensure the continuity of our business and the safety of employees and members, on March 16 we activated the CAS Crisis Committee, formed by executives from all departments.
- Credit unions and cooperative centrals were also structured to keep up with the new demands brought by the crisis, taking the agenda to their reoccurring discussion forums and creating structures and agendas to discuss the topic.
- In support of actions to face the crisis, CAS teams held daily teleconferences with colleagues from the cooperative centrals to update scenarios and share decisions, aligning our performance and learning about the local particularities, in order to maintain excellent service regarding systemic demands.
- Credit unions and cooperative centrals relied on internal guidelines and protocols disclosed by the Committee, to enable the best service, providing the safety of employees and members.
- As part of the actions to support credit unions and cooperative centrals, we developed the Covid-19 Document Repository, which centralizes all documents and protocols from different areas.
- The Committee also created the Covid-19 Report, which periodically compiled all the actions taken due to the pandemic. Its objective was to register, give visibility and inform presidents and CEOs of the credit unions and cooperative centrals regarding the progress of the actions and all areas of the CAS, totaling 19 editions.
- These were some of the efforts made by credit unions, cooperative centrals, and the Sicredi Administrative Center (CAS) to maintain the operation and support members, minimizing the effects of the crisis in the regions where we operate.

MEMBER PARTICIPATION

Positive impact

The nucleus assemblies are when there is the most participation, where members take a leading role and participate in the decisions that affect the direction of the business. There, the main topics are debated and determined, electing the representatives, approving the accounting, and determining the distribution of results, among other issues. Decisions are taken by their nucleus coordinators (delegates) to the Ordinary General Assembly (AGO).

To encourage the participation of members in the assemblies and in the decision-making processes of the credit unions, we developed the Pertencer Program, which seeks to engage members, establish participation rules and guide our participatory management model. GRI 103-2

Through the Pertencer management tool we do the systemic monitoring of the assemblies and we support the credit unions in the management of each stage, from the elaboration of the event, reception of the members, and voting agendas, until the measurement of the data. Sicredi RC12

In March 2020, with the start of the pandemic caused by the new coronavirus and the social distancing instructions by the authorities, most of the credit unions had already held their Nucleus Assemblies and the Ordinary Assemblies.

Even so, some credit unions had to adapt the format of the meetings and hold the event digitally. Through the Pertencer Program, we intensified the use of technologies and digital channels, allowing members to discuss and make decisions at a distance, without giving up our participatory decision-making processes.

In total, 286,500 members participated in the meetings, representing 9.4% of our member base. Another 96,600 people attended the meetings as guests.

Thus, we were able to prepare ourselves to react to the impacts of the pandemic and to remain faithful to the principles of cooperativism.

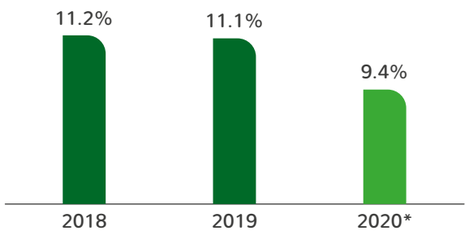
For the future, as soon as it is possible to meet in face-to-face meetings again, the technologies and tools developed during the period should continue to support our business and strengthen our management model to further expand the participation of members.

Profile of the members participating in the meeting by cooperative central Sicredi RC11 / GRI 103-3

	Sicredi Cooperative Central				
	Central Brazil	Central North	PR/SP/RJ	South/Southeast	Total*
Age group					
Under 20	322	1,404	3,911	7,510	13,147
21 to 30	4,849	10,537	37,782	17,029	70,197
31 to 40	2,709	7,756	20,223	14,209	44,897
41 to 50	2,330	6,632	20,628	17,540	47,130
Above 50	3,904	9,098	43,483	54,604	111,089
Gender					
Male	6,674	17,105	61,832	58,406	144,017
Female	4,329	13,462	41,959	45,178	104,928
Individual Members (PJ)	3,111	4,860	22,236	7,308	37,515
Total number of participants	**14,114**	**35,427**	**126,027**	**110,892**	**286,460**

* Sicredi Cooperative Central North/Northeast is in the process of implementing the Pertencer Program; therefore, its numbers are not yet computed.

Percentage of members participating in an assembly



*The percentage of participants in the assemblies decreased in 2020 due to the Covid-19 pandemic.

Through this initiative, we impacted the SDG

16 PEACE, JUSTICE AND STRONG INSTITUTIONS

Nucleus coordinators

The nucleus coordinator is an member elected in assembly to voluntarily promote the dialogue between the credit union and the members.

He/she should mobilize the members to come to the meetings, keeping them informed about credit union news, and to be the voice of the community where he/she is inserted, sharing the demands that support local development. During the general assemblies, he/she represents the other members of his/her nucleus, upon which he/she is referred to as a delegate.

At the end of 2020, we had 11,238 nucleus coordinators across the system.

Nucleus coordinators by cooperative central Sicredi RC16

	Sicredi Cooperative Central					
	Central Brazil	Central North	PR/SP/RJ	South/Southeast	North/Northeast*	Total
Total nucleus coordinators (quantity)	849	1,366	3,290	5,662	71	11,238
Percentage compared to the total number of members	0.25%	0.23%	0.21%	0.26%	0.04%	0.23%

* Sicredi Cooperative Central North/Northeast is in the process of implementing the Pertencer Program and, therefore, there is a difference in the number of coordinators in relation to the other Cooperative Centrals.

Nucleus coordinators by gender* (percentage) Sicredi RC16

Male	77%
Female	23%

* To increase the participation of women in our leadership, we have the Women´s Committee, described on page 73.

Nucleus coordinators by age group (percentage) Sicredi RC16

Below 20 years old	0.2%
From 21 to 30	7.2%
From 31 to 40	20.2%
From 41 to 50	25.8%
Over 50	46.6%

In 2020, we launched an Orientation Guide for credit unions in relation to Training of Nucleus Coordinators. In the document, we describe his/her election process, the duties of the position, and suggest actions for his/her development, with the aim of preparing him/her to perform his/her role in an increasingly better way.

Through this initiative, we impacted the SDGs

ETHICS

Positive impact

The values and principles of cooperativism have been the basis of our work since the origins of the business and govern our sustainable development. These values and principles are described in the Code of Conduct and Internal Regulations, influencing the behavior of all people who, directly or indirectly, are part of Sicredi. GRI 102-16

The Code of Conduct provides a map of values and a set of guidelines that serve as a benchmark for moral and ethical conduct. 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. GRI 102-16

The Code describes, among others matters, our commitment to respecting people, and zero tolerance of 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-efficient practices in all of our units. GRI 102-16

The document, along with other internal regulations, also guides employees and members of senior management, including board members, on how to avoid conflicts of interest and situations that generate a benefit for any party. To avoid situations such as this, our internal processes are defined with the proper segregation. GRI 102-25

All employees are made aware of the Code immediately after admission. During their integration process, we offer online training about the code through our digital platform Sicredi Aprende. GRI 103-2 / 205-2

At the end of the training, each employee electronically records their acceptance of the content of the document, which is available for consultation at any time on our intranet.

We also do anti-corruption and compliance training to raise awareness among our employees about the importance of prevention and the fight against illicit actions (learn more on page 60).

Our code of conduct can be accessed by external stakeholders at: **http://bit.ly/sicrediconduta**

Through this initiative, we impacted the SDGs

Employees that received training about the Code of Conduct (quantity) GRI 103-3 / 205-2

Cooperative Central	CAS	Sicredi Cooperative Central					Total	Percentage of employees
		Central Brazil	Central North	North/ Northeast	PR/SP/RJ	South/ Southeast		
Elected	9	14	20	12	56	57	168	78%
Top leadership	7	16	25	61	73	84	266	97%
Middle leadership	184	269	431	151	1,433	1,311	3,779	100%
Professionals	2,001	1,747	2,565	1,111	7,088	7,940	22,452	100%
Technical	3	6	19	16	20	33	97	100%
Interns	26	44	74	37	211	162	554	98%
Young Apprentice	14	48	48	25	142	180	457	92%
Total	**2,244**	**2,144**	**3,182**	**1,413**	**9,023**	**9,767**	**27,773**	**99%**

Reports

To meet the demands regarding the Code of Conduct, our employees have at their disposal the CAS Compliance area channel, which can be accessed via Sicredi's internal or external network and is available 24 hours a day, 7 days a week, at: www.ssoi.com.br GRI 102-17

The channel provides options for registering doubts, compliments, complaints, suggestions and reports, where the user, internal or external, chooses whether to be identified or to remain anonymous. The follow-up, treatment and return to the claimant is carried out by our Compliance team, directly or through the SSOI channel itself.

Employees are informed about the existence of this channel through the training about the Code of Conduct, carried out in the basic training cycle, and internal communications.

We also provide an external channel for all stakeholders, in where it is possible to report suspected violations of our Code of Conduct and Brazilian law. To do so, visit our website: **www.sicredi.com.br/html/denuncia** or call **0800 646 2519**, with service available Monday thru Friday – from 9am to 6pm, except for holidays. GRI 102-17

Compliance

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 that values ethics and integrity, geared toward the preservation of our image and reputation.

In 2020, following the guidance of the Central Bank, we separated the Ombudsman and Compliance areas in order to improve their performance within the System. With this separation, the role of disseminating the Code of Conduct, in addition to analyzing and meeting the demands and reports regarding the document, was left to the Compliance area.

Our Compliance area is structured on three major work fronts: preventing and combating economic and financial crimes, official and external regulations, and compliance governance.

In addition, its follows the guidelines of the three pillars grounded within the Compliance Program: prevention, detection and correction.

In terms of preventing money laundering and financing of terrorism, we are committed to meeting the international recommendations of the Financial Action Group against Money Laundering and Financing of Terrorism (FATF/FATF) and comply with the regulations in force, preventing the institution from being used as a means of committing illegal acts. GRI 205-1

Monitoring for the prevention of money laundering and financing of terrorism is carried out for all entities of the Sicredi System. With regard to products and services, we adopt practices to inhibit misconduct and unlawful acts, and to comply with anti-corruption rules. GRI 205-1

The monitoring procedures are applied to all members and are carried out based on the records of financial transactions. Monitoring takes place through a specific system, integrated with our other systems, allowing us to identify atypical movements, which are evaluated individually. GRI 205-1

In 2020, to comply with the regulations issued by the Central Bank and the CVM (Brazilian Security and Exchange Commission), we restructured our money laundering prevention process in order to base it on a risk approach. We conducted an internal systemic risk assessment and adopted new procedures for monitoring, selecting and analyzing evidence of money laundering.

As for official and internal regulations, we have an official repository of internal regulations that provides for the construction, approval flow, and availability of regulations in a single location with easy access by all employees. In December, we had a total of 286 regulations published, including bylaws, codes, policies, rules and regulations.

On the compliance governance front, in 2019, we promoted awareness actions for all employees of the System.

At Sicredi Aprende (learn more on page 134), we offer short courses on the topic, as well as mandatory training applied to the admission of new employees, which is part of the Basic Training trail. GRI 103-2 / 205-2

Employees who completed the training in Money Laundering Prevention* (quantity)
GRI 103-3 / 205-2

		Sicredi Cooperative Central						
Cooperative Central	CAS	Central Brazil	Central North	North/ Northeast	PR/SP/RJ	South/ Southeast	Total	Percentage of employees
Elected	10	15	20	13	65	73	196	91%
Top leadership	7	15	25	59	73	86	265	97%
Middle leadership	183	267	432	148	1,435	1,309	3,774	100%
Professionals	2,000	1,740	2,557	1,106	7,098	7,937	22,438	100%
Technical	3	6	19	16	20	33	97	100%
Interns	26	42	75	36	211	161	551	98%
Young Apprentice	14	48	45	24	144	181	456	91%
Total	**2,243**	**2,133**	**3,173**	**1,402**	**9,046**	**9,780**	**27,777**	**99%**

*The data show the percentage of active employees on December 31, 2020 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 90 days. Data from employees trained about money laundering prevention has accumulated over the years.

In 2020, two training sessions were made available to all employees in the e-learning format developed by the Brazilian Federation of Banks (Febraban), which deal with training to prevent money laundering and terrorist financing. GRI 205-2

In our basic training line, we have a video that addresses the importance of being and being in compliance and presents Sicredi's Compliance program, focusing on the pillars of prevention, detection and correction. By the end of 2020, 94% of our employees had accessed the video.
GRI 205-2

Through this initiative, we impacted the SDGs

PROMOTING COOPERATIVISM AND SUSTAINABILITY

Positive impact

Cooperative education

We believe in the positive transformation capacity of cooperativism when working with our stakeholders; therefore, we have a series of initiatives to promote it.
GRI 103-2

The Crescer Program is our main cooperative education front, which offers training with the aim of broadening understanding about credit unions, their operation, benefits and differentials in relation to other financial institutions. GRI 103-2

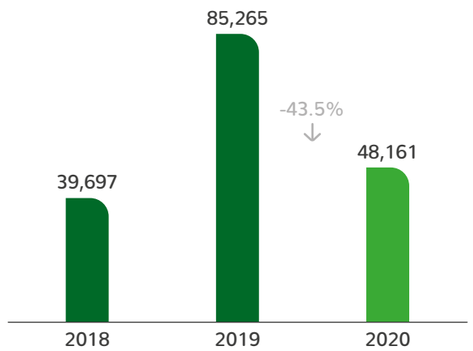
It includes content aimed at members, non-members, board members, nucleus coordinators, and employees. In the case of members, the materials are destined for the various moments of their relationship with our credit unions.

In 2020, we were prepared to work with these stakeholders with the new face-to-face content developed in the previous year.

However, due to the social isolation imposed by the Covid-19 pandemic, we had to adjust the Program to be carried out 100% digitally.

In this context, we registered a 43.5% drop in the number of graduates during the year, reaching 48.2 thousand members.

Number of participants in the Crescer Program



Crescer Program Graduates by Cooperative Central Sicredi RC06 / GRI 103-3

Sicredi Cooperative Central	In 2020	Percentage compared to the total number of new members	Since the beginning of the Program
Sicredi Cooperative Central - Central Brazil	6,002	14.7%	26,717
Sicredi Cooperative Central - Central North	33,407	32.4%	105,257
Sicredi Cooperative Central - PR/SP/RJ	2,855	2.5%	90,679
Sicredi Cooperative Central - South/Southeast	5,383	4.1%	133,212
Sicredi Cooperative Central - North/Northeast	514	7.8%	514
Total	**48,161**	**12.2%**	**356,379**

* Cooperative Central North/Northeast started implementing the Crescer Program in its credit unions in the third quarter of 2020.

Number of Board Member Graduates of the Crescer Program by Cooperative Central in 2020*
Sicredi RC07 / GRI 103-3

Sicredi Cooperative Central - Central Brazil	59
Sicredi Cooperative Central - Central-North	61
Sicredi Cooperative Central - PR/SP/RJ	415
Sicredi Cooperative Central - South/Southeast	254
Total	**789**

* The indicator was measured for the first time in 2020.

To make it possible to implement the Crescer Program at a distance, we adapted the materials for video versions, with narration and animation, exploring the technologies and tools we use in our business. The presentations were released for use by the credit unions and are available on our Vimeo page.

At the same time, we prepared a Guide of the Crescer training during the pandemic, which sought to help credit unions to carry out the program in this new context, via videoconference or WhatsApp. The material brought tips and suggested content standards for engagement with members, using the new videos developed in 2020.

Access the videos at:
https://vimeo.com/sicredi

Through this initiative, we impacted the SDGs

Initiatives to promote cooperativism

Our credit unions and cooperative centrals develop a series of initiatives to promote cooperativism, both internally, among our employees, and externally, to members and society in general.

An example of this type of action is Cooperate Day (Dia C), organized by OCB (Organization of Brazilian Cooperatives) to demonstrate the strength of cooperativism(learn more on page 142). In addition to this, our credit unions also hold other events to promote cooperativism, such as live streams, lectures and donation campaigns for educational institutions, promoting health and quality of life for the local community.

Taking into account all the events that we promoted in 2020, there were 83 actions that reached 198.900 people. Sicredi RC05

Events to promote cooperativism Sicredi RC05

Cooperative Central	Number of events	People reached
Sicredi Cooperative Central - Central Brazil	6	8,153
Sicredi Cooperative Central - Central North	10	18,937
Sicredi Cooperative Central - North/Northeast	24	9,610
Sicredi Cooperative Central - PR/SP/RJ	25	111,123
Sicredi Cooperative Central - South/Southeast	18	51,155
Total	**83**	**198,978**

In addition to holding events to promote cooperativism in society, we also addressed the issue with our employees in training courses such as Jeito Sicredi de Ser (the Sicredi Way of Being), Cooperativismo de Crédito (Credit Unions), Escola de Identidade Cooperativa (School of Cooperative Identity), and the Coopera Project (Cooperate Project), among others. In 2020, 20,105 hours of training were carried out, reaching 9,691 employees, with a 100% digital format.

Sicredi RC08 / GRI 103-2

Through this initiative, we impacted the SDGs

From June to November, six live streams were held with Sicredi leaders sharing their experiences with cooperativism in practice.

In all, more than 1,500 employees who attended the live events and more than 2,600 employees who watched the recording via Sicredi Aprende participated. Due to the great success, the live streams will continue in 2021.

Training about Cooperativism (quantity) GRI 103-3 / Sicredi RC08

Cooperative Central	Total employees	Hours of training
Sicredi Cooperative Central - Central Brazil	754	1,464
Sicredi Cooperative Central - Central North	1,221	2,228
Sicredi Cooperative Central - North/Northeast	560	1,033
Sicredi Cooperative Central - PR/SP/RJ	3,119	8,607
Sicredi Cooperative Central - South/Southeast	3,579	5,825
Sicredi Administrative Center (CAS)	458	948
Total	**9,691**	**20,105**

Defense of credit unions GRI 102-13

In order to contribute to financial inclusion and access to financial services in a sustainable manner, we hold a seat on the Board of Directors of the World Council of Credit Unions (Woccu).

We are also committed to fostering cooperativism through participation in the Organization of Brazilian Cooperatives (OCB).

Training Programs in Sustainability

To put our sustainability strategy into practice, we consider it essential to broaden employees understanding of this topic and its relationship with the business. With this objective, in 2020, we updated our basic sustainability training at Sicredi Aprende (learn more on page 134) with the contents of the new Sustainability Policy. The topic is also addressed in other training courses, such as in the Greenhouse Gas Emissions Inventory (GHG) course, with the objective to engage and expand the knowledge of employees in Climate Change and GHG Emissions Inventory. GRI 103-2

In 2020, there were 8,990 hours training for 24,279 employees. Sicredi RC10 / GRI 103-2

Sustainability training (quantity)
GRI 103-3 / Sicredi RC10

Cooperative Central	Total employees	Hours of training
Sicredi Cooperative Central - Central Brazil	1,940	664
Sicredi Cooperative Central - Central North	3,267	1,151
Sicredi Cooperative Central - North/Northeast	1,232	656
Sicredi Cooperative Central - PR/SP/RJ	8,595	3,025
Sicredi Cooperative Central - South/Southeast	8,090	2,816
Sicredi Administrative Center (CAS)	1,155	678
Total	**24,279**	**8,990**

Information and cooperativism memory

At the Sicredi Administrative Center (CAS), we have a library with more than 15,000 items, including books, periodicals, and DVDs from different knowledge areas, with an emphasis on cooperativism. It is an information and memory center with systemic reach, which can be consulted by members and employees of all credit unions. In 2020, the library only provided face-to-face assistance and new lending until March 18, due to the new coronavirus pandemic. After that date, we only renewed, via the system, the materials that were already on loan. Therefore, the number of service instances in 2020 is considerably less than in previous years. Sicredi RC14

Number of service instances by the library, in 2020
Sicredi RC14

Central	2018	2019	2020[1]
Sicredi Cooperative Central - Central Brazil	200	222	69
Sicredi Cooperative Central - Central North	769	695	151
Sicredi Cooperative Central - PR/SP/RJ	2,540	1,411	305
Sicredi Cooperative Central - South/Southeast	5,399	4,862	843
Sicredi Administrative Center (CAS)	5,610	6,745	1,388
Total	**14,518**	**14,985[2]**	**2,756**

[1] The number in 2020 is significantly lower than in previous years due to the closure of the library after the month of March, due to the Covid-19 pandemic.
[2] The total reported differs from the sum of calls made to the cooperative centrals because 1,050 loans did not have their cooperative centrals linked to the system.

Through the initiatives on this page, we impacted the SDGs

Sharing our trajectory

Our history is naturally connected with the emergence of credit unions in Brazil. We are proud of the path we have taken and the trajectory that we continue to build; therefore, we consider it important to record our history. This way, we disclose our evolution and that of the cooperative segment itself, reinforcing our operating model.

In 2020, we published a new edition of the book *Sicredi's Trajectory*, which reconstructs the path trodden since our beginning, in 1902, adding the account of the most recent years. This year, the project was updated, with physical and digital versions, in addition to a reduced version, which explores our timeline and a video that summarizes the main historical milestones of our 118-year trajectory.

In this edition, we report the main milestones and the evolution of our business between the years of 2013 and 2019, among them:

- Advances in our national presence, with sustainable growth and emphasis on the arrival in large urban centers, such as Rio de Janeiro and Brasília, in addition to Avenida Paulista, the country's financial heart in São Paulo (SP).
- Beginning of activities in Acre and Minas Gerais.
- Sicredi Cooperative Central North/Northeast affiliation.
- The updating of our brand.
- Strengthening our digital culture with the launch of our 100% digital account, Woop Sicredi, maintaining the cooperative essence as a great differential of our performance model.

The publication was launched digitally, during the Sicredi Presidents and Executives Forum.

To learn about our trajectory, access: **https://www.sicredi.com.br/trajetoria/**

PROMOTING DIVERSITY

Positive impact

A more inclusive and diverse team

We seek to build a diverse and inclusive environment that values and respects people as they are.

This construction seeks not only to make our spaces emotionally safe for the employees who make up the institution's current staff, but also to show future talents that we are open to different people, ideas and ways.

We have a responsibility to ensure that everyone has the same opportunities for employment and growth, regardless of their social class, sexual orientation, age, gender, race, culture, religion or disability.

GRI 103-2

In line with our commitment with the Global Compact, we believe that diversity and inclusion are fundamental for the development of society and for the continuity of our business.

"To be diverse and inclusive" is one of the objectives that became part of our 2023 Strategy, mentioned in the Engaged People pillar, and has been the focus of a series of initiatives in recent years.

But we know that we still have to evolve. Currently, the number of black employees and people with disabilities is still below the average of the Brazilian population.

And women, although they are the majority among employees, still have little participation in senior leadership positions. However, it is already possible to observe an improvement in some indicators, such as the percentage of women, browns, and blacks in senior leadership.

Age of the employees by functional level (2020) GRI 103-3 / 405-1

	Total (quantity)	Below 20 years old (quantity)	Percentage	From 21 to 30 years old (quantity)	Percentage	From 31 to 40 years old (quantity)	Percentage	From 41 to 50 years old (quantity)	Percentage	Above 50 years old	Percentage
Elected	208	0	0.0%	0	0.0%	3	1.4%	27	13.0%	178	85.6%
Top leadership	275	0	0.0%	2	0.7%	58	21.1%	106	38.5%	109	39.6%
Middle leadership	4,091	0	0.0%	602	14.7%	2,208	54.0%	1,009	24.7%	272	6.6%
Professionals	23,696	527	2.2%	11,235	47.4%	9,376	39.6%	2,113	8.9%	445	1.9%
Technical	107	2	1.9%	60	56.1%	35	32.7%	9	8.4%	1	0.9%
Interns	846	387	45.7%	445	52.6%	13	1.5%	1	0.1%	0	0.0%
Young Apprentice	607	530	87.3%	77	12.7%	0	0.0%	0	0.0%	0	0.0%
Total	**29,830**	**1,446**	**4.8%**	**12,421**	**41.6%**	**11,693**	**39.2%**	**3,265**	**10.9%**	**1,005**	**3.4%**

Age group of employees by functional level (2019)*

	Total (quantity)	Below 20 years old (quantity)	Percentage	From 21 to 30 years old (quantity)	Percentage	From 31 to 40 years old (quantity)	Percentage	From 41 to 50 years old (quantity)	Percentage	Above 50 years old	Percentage
Elected	205	0	0.0%	0	0.0%	4	2.0%	26	12.7%	175	85.4%
Senior Management	279	0	0.0%	2	0.7%	60	21.5%	113	40.5%	104	37.3%
Middle leadership	3,930	2	0.1%	625	15.9%	2,135	54.3%	905	23.0%	263	6.7%
Professionals	22,409	579	2.6%	11,106	49.6%	8,547	38.1%	1,788	8.0%	389	1.7%
Technical	115	1	0.9%	48	41.7%	39	33.9%	16	13.9%	11	9.6%
Interns	1,011	476	47.1%	520	51.4%	15	1.5%	0	0.0%	0	0.0%
Young Apprentice	664	597	89.9%	67	10.1%	0	0.0%	0	0.0%	0	0.0%
Total	**28,613**	**1,655**	**5.8%**	**12,368**	**43.2%**	**10,800**	**37.7%**	**2,848**	**10.0%**	**942**	**3.3%**

Age group of employees by functional level (2018)*

	Total (quantity)	Below 20 years old (quantity)	Percentage	From 21 to 30 years old (quantity)	Percentage	From 31 to 40 years old (quantity)	Percentage	From 41 to 50 years old (quantity)	Percentage	Above 50 years old	Percentage
Elected	213	0	0.0%	0	0.0%	5	2.3%	23	10.8%	185	86.9%
Senior Management	296	0	0.0%	3	1.0%	62	20.9%	116	39.2%	115	38.9%
Middle leadership	3,700	0	0.0%	486	13.1%	1,994	53.9%	917	24.8%	303	8.2%
Professionals	20,023	212	1.1%	9,404	46.9%	8,262	41.2%	1,747	8.7%	398	2.0%
Technical	55	0	0.0%	27	49.1%	21	38.2%	7	12.7%	0	0.0%
Interns	868	248	28.6%	601	69.2%	19	2.2%	0	0.0%	0	0.0%
Young Apprentice	628	530	84.4%	98	15.6%	0	0.0%	0	0.0%	0	0.0%
Total	**25,783**	**990**	**3.8%**	**10,619**	**41.2%**	**10,363**	**40.2%**	**2,810**	**10.9%**	**1,001**	**3.9%**

People with disabilities by position level (2020) GRI 103-3 / 405-1

	2018 (quantity)	Percentage	2019 (quantity)	Percentage	2020 (quantity)	Percentage
Elected	0	0.0%	0	0.0%	0	0.0%
Senior Management	1	0.3%	1	0.4%	1	0.4%
Middle leadership	31	0.8%	36	0.9%	44	1.1%
Professionals	483	2.4%	601	2.7%	684	2.9%
Technical	2	3.6%	3	2.6%	3	2.8%
Interns	2	0.2%	4	0.4%	5	0.6%
Young Apprentice	2	0.3%	3	0.5%	1	0.2%
Total	**521**	**2.0%**	**648**	**2.3%**	**738**	**2.5%**

Black employees by functional level (2020) GRI 102-48 / 405-1

	2018 (quantity)	Percentage	2019 (quantity)	Percentage	2020 (quantity)	Percentage
Elected	0	0.0%	0	0.0%	3	1.4%
Top leadership	1	0.3%	0	0.0%	10	3.6%
Middle leadership	25	0.7%	35	0.9%	201	4.9%
Professionals	180	0.8%	234	1.0%	1,274	5.4%
Technical	2	3.6%	1	0.9%	18	16.8%
Interns	9	1.0%	13	1.3%	99	11.7%
Young Apprentice	6	1.0%	7	1.1%	61	10.0%
Total	**223**	**0.9%**	**290**	**1.0%**	**1,666**	**5.6%**

* For this information, black and brown employees were considered. In 2019, only black employees were reported in this indicator.

Ration of compensation for women and men (percentage) GRI 405-2

	Ratio of the base salary of women and men*			Ratio of the average compensation of women and men **		
	2018	2019	2020	2018	2019	2020
Elected	59.9%	82%	68%	59.9%	82%	70%
Senior Management	85.6%	90%	87%	85.6%	90%	91%
Middle Management	70.2%	71%	71%	71.5%	72%	74%
Professionals	83.6%	81%	81%	84.6%	82%	87%
Technical	100.6%	78%	167%	102.1%	80%	146%
Interns	96.2%	99%	103%	96.2%	99%	103%
Young Apprentice	101.6%	100%	100%	101.7%	100%	96%
Total	**60%**	**61%**	**61%**	**62%**	**62%**	**67%**

* For the calculation of base salary, we use the value of the complete salary.
** For the calculation of compensation, we considered contractual wages, bonuses, benefits and potential long- and short-term variable compensation, according to the compensation elements available for each position.

Gender of the employees by position level (2020) GRI 103-3 / 405-1

	Total (quantity)	Male (quantity)	Percentage	Female (quantity)	Percentage
Elected	208	198	95.2%	10	4.8%
Top leadership	275	250	90.9%	25	9.1%
Middle leadership	4,091	2,227	54.4%	1,864	45.6%
Professionals	23,696	9,039	38.2%	14,657	61.9%
Technical	107	105	98.1%	2	1.9%
Interns	846	290	34.3%	556	65.7%
Young Apprentice	607	225	37.1%	382	62.9%
Total	**29,830**	**12,334**	**41.3%**	**17,496**	**58.7%**

Gender of employees by functional level (2019)

	Total (quantity)	Male (quantity)	Percentage	Female (quantity)	Percentage
Elected	205	195	95.1%	10	4.9%
Senior Management	279	256	91.8%	23	8.2%
Middle Management	3,930	2,129	54.2%	1,801	45.8%
Professionals	22,409	8,589	38.3%	13,820	61.7%
Technical	115	91	79.1%	24	20.9%
Interns	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%**

Gender of employees by functional level (2018)

	Total (quantity)	Male (quantity)	Percentage	Female (quantity)	Percentage
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	38.6%	12,303	61.4%
Technical	55	53	96.4%	2	3.6%
Interns	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 companies in the System have the autonomy to decide on the adoption of extended parental leave, in the model of the Corporate Citizen Program. The Sicredi Administrative Center (CAS), for example, already provides employees with the option of opting for the new model.

In 2020, 42 male employees and 45 female employees requested the extended leave in the entire System.. GRI 401-3

Employees who used the parental leave GRI 401-3

	Men	Women	Total
Number of employees who used parental leave (quantity)	592	1,062	1,654
Number of employees that returned to work at the end of parental leave (quantity)	551	982	1,533
Employees that returned to work at the end of parental leave (percentage)	93.1%	92.5%	92.7%
Number of employees who completed 12 months of work after the parental leave (quantity)	547	980	1,527
Employees who completed 12 months of work after the parental leave (percentage)	99.3%	99.8%	99.6%

Promoting the diversity of employees at CAS

In 2020, we implemented the Diversity Program of the Sicredi Administrative Center (CAS), a strategy that seeks to contribute to the development of a more diverse and inclusive company, disseminating information and executing actions focused on CAS. Sicredi RC01

The initiatives include the creation of affinity groups in CAS, focused on issues of gender, race, LGBTQIA+, generations, and People with Disabilities (PwD), which seek to promote the gathering of employees who identify and see opportunities to add knowledge and strength of action to these guidelines. The CAS Diversity Management Committee was also created, formed by leaders who have the objective of carrying out the governance of the theme, covering all affinity groups. Sicredi RC01

We also carry out awareness actions such as live streams, videos, and games during Gender Equity Month, Black Awareness Month, and LGBTQIA + Pride Month, in addition to awareness actions on the PwD theme. Sicredi RC01

Through this initiative, we impacted the SDGs

Diversity in governance

The diversity of the membership is a natural feature of our business model, a direct consequence of the cooperative principle of open and voluntary membership.

We seek to maintain an equal relationship with people of all genders, ages, sexual orientation, races and backgrounds.

Even so, we are deepening the debates on this topic internally and strengthening the understanding on the subject across the institution.

Women's Committee

At the end of 2020, we had 42.5% women among our individual members. This audience represents only 23% of the nucleus coordinators. Among the Board of Directors and Fiscal Council members of the entire System, the percentage of women is only 16%. Sicredi RC02 / GRI 103-3

For this reason, we encourage our credit unions to create committees to increase the representation of women on the Boards of Directors and on the Fiscal Councils.

In September 2020, we formalized the Sicredi Women's Committee Program as a systemic initiative. Its objective is to promote gender equity in credit unions and at all levels of

Through this initiative, we impacted the SDGs

Sicredi Cooperative Central - PR/SP/RJ: engaging women and youth

Throughout 2020, Sicredi Cooperative Central PR/SP/RJ developed a series of events with the aim of strengthening the diversity of its staff and members. On November 10, it promoted the 4th Women's Summit, with the theme "Women who fly", which digitally connected more than 600 guests to reflect on the power of achievement and female leadership.

The event was attended by representatives of the Women's Committees developed in 24 credit unions of the cooperative central.

In June, the center promoted the Mulherar Program, a training program to strengthen the presence and leadership of women. The training was conducted by videoconference with a methodology that proposes interactions and group practices.

With a focus on young audiences, the Sicredi Young Leaders program was also developed. Held in the context of Covid-19, the initiative sought to develop the skills and implement the solutions needed to face the crisis and the post-pandemic.

management in the organization, through educational actions that prepare women members to lead, start businesses, and promote the development of our business model. GRI 103-2

The Board of Directors should act as the guardian of the initiative in the credit unions, with the president as its local sponsor. In 2020, we developed an Orientation Guide for the program, which institutes Women's Committees at four levels to be implemented over time:

- **Women´s Committee - Credit Union**
  Composed of a minimum of 5 and a maximum of 150 members, preferably nucleus coordinators, appointed by the managers of the branches. It is the main local committee, with bimonthly meetings. Its work plan is based on the development of the Leadership and Entrepreneurship Training Program.

- **Women´s Committee - Branch**
  This is the committee aimed at disseminating the initiative to more women from various locations, seeking to train new local leaders and possible nucleus coordinators. It consists of members invited by the representative and the branch´s staff.

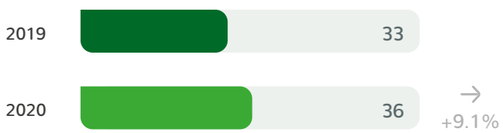
- **Regional Women´s Committee Summit**
  It is a regional meeting of the management team of the Women's Committees of the credit unions affiliated to a cooperative central. It is an annual event, with the agenda aligned with the objectives of the local Women´s Committees, and an event that aggregates content and experience of participating members, with lectures and workshops.

- **National Women´s Committee Summit**
  A national annual event for the coordinators of the Women´s Committees of all our credit unions, organized by the Sicredi Foundation, to promote the discussion of the theme and holding lectures and workshops. We believe that the event should only occur when we reach 50% representation of Committees in the credit unions of the five cooperative centrals, which did not occur in 2020.

At the launch of the initiative, we conducted training aimed at multiplying the Committees in the credit unions. The event had the virtual participation of 160 people, among them Cooperative Development Advisers and Coordinators of the existing Committees.

During the year, we developed and launched training content and tutorials, available in our material repository, to support credit unions to lead the Committees. The materials include video and text tutorials, presentations and infographics. At the end of 2020, we had 36 local Women's Committees, distributed in the five cooperative centrals, with the participation of 1,362 women.

Number of credit unions with a Women's Committee*



* The Indicator began to be monitored as of 2019.

Youth Committee

In order to promote the development of young people through education and cooperativism, and to encourage their engagement in the cooperative movement, we promoted the Youth Committees. GRI 103-2

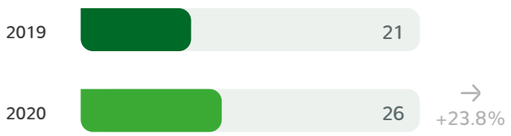
In them, we employ a set of personal and professional development actions, which make this audience the protagonist of sustainable development in their communities.

Regarding the age group, 32.8% of our members are under 30 years old. Of this percentage, 24 are Board Members, representing 2% of those elected. At the same time, 35% of the members are over 50 years old, occupying 64% of the vacancies between the Board Members and Fiscal Council. Sicredi RC02

In August 2020, by decision of the credit union boards, the Youth Committee became a systemic initiative, and from that point on, it will be structured at the national level and launched for the entire System in 2021.

Throughout the year, 26 credit unions included this Committee in its structure, with the participation of 611 people. GRI 103-2 / 103-3

Number of credit unions with a Youth Committee*



* The Indicator began to be monitored as of 2019.

Through this initiative, we impacted the SDGs

Member accessibility

In line with our commitment to diversity and inclusion, we seek to continuously improve the accessibility of our financial products and services and service channels. We thus reinforce essential values of cooperativism such as equality and equity.

In 2020, 100% of our ATMs were in compliance with the ABNT-NBR-15250-2005 standard, which includes the tactile signaling of the keys and the use of audible information. GRI 103-3 / Sicredi RC04

For our branches, we maintain technical documentation that guides accessibility requirements in their physical environment, in line with NBR 9050, but its implementation is up to each credit union. GRI 103-3 / Sicredi RC03

We implemented the vocalization feature in the ATM and in our Sicredi application for the main functionalities, allowing usage by people with visual impairment. GRI FS14

In addition, our institutional website provides keyboard navigation and image description and features functionality that automatically translates text and voice into the Brazilian Sign Language (Libras). GRI FS14

Through this initiative, we impacted the SDGs

Chapter 3
RESPONSIBLE SOLUTIONS

In line with our sustainable principles and commitments, our products and services support the prosperity of the member, who owns the business.
At the same time, in our operation, we seek to mitigate negative socio-environmental impacts and strengthen positive impacts.

Discover how our operation, products and services generate value for members, society and the environment.

FOCAL THEMES:

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

RELATIONSHIP WITH THE MEMBER

Positive impact

The members are the owners of our business. With a close relationship, whether by physical or digital means, we seek to know your goals, understand your needs, and offer the right products for your current lifestyle.

The guidelines of the theme are included in the Relationship Policy for Members, Customers, and Users of Financial Products and services, It establishes that relationships with members, customers and users must be based on the principles of cooperativism and Sicredi's values, ensuring consistency with regulatory and ethical determinations. It also reinforces the need to provide information to these stakeholders in a clear and precise manner, in addition to meeting their demands in a timely manner. GRI FS 15

The policy can be consulted by employees on the intranet and its implementation is the responsibility of the Ombudsman. GRI FS 15

Even in the midst of the Covid-19 pandemic, which required social distancing and the strengthening of our digital channels (learn more on page 79), we continue to focus on expanding our physical presence in Brazil, with a 6.9% increase in the number in person service stations, and we invested in the development of a series of improvements in our physical channels, such as the expansion of the portfolio of transactions available at the ATM, reducing the need for using human tellers. GRI FS14

We also expanded the hours and days available for ATM transactions, in order to offer financial services for a longer period of time to members, and we increased the limits for check deposit transaction and for withdrawals without a card. GRI FS14

We also included a news screen at the ATM, where we communicate important matters to members and create an even closer relationship. The first communication carried out was information regarding combating Covid-19. GRI FS 14

Member satisfaction

To measure our evolution and develop new improvements in the relationship with members, we carry out a series of measurements of their satisfaction through the Net Promoter Score (NPS) survey.

In Relational NPS, we measured the relationship experience that members have with our brand.

In 2020, the satisfaction rate of the Corporate and Agro segments was 73.8%, 2.9 percentage points better than the prior year.

During the year, we measured, for the first time, the Relational NPS of the Corporate Segment (PJ), reaching a satisfaction rate of 66.7%. In all, more than 140 thousand members from the three segments were consulted.

Through the Transactional NPS, we measure the member's experience at specific moments in our relationship, such as opening a checking account. In 2020, we had a satisfaction rate of 92.1%.

The Social NPS, on the other hand, identifies people's perception of Sicredi based on comments on social media. Through the analysis of 7,100 interactions in our networks, carried out in December, we reached a satisfaction rate of 42%.

Digital Channels

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

During the Covid-19 pandemic, these technologies were essential to maintain service and for members to continue moving forward in their financial lives, especially during the most severe moments of the crisis, with the strictest social distancing guidelines.

In 2020, we expanded the times and days of availability of transactions via internet banking, and on the app we increased the limits for transactions using the QR Code Security device and for withdrawals without a card. GRI FS14

During the year, we also included new features on mobile channels, to make our financial solutions increasingly accessible from a distance. We started to allow Corporate members become certified to access the internet banking channel, and it is not mandatory to be at the branch for the first access. GRI FS14

Our internet banking now allows the scheduling of transfers and the payment of bills from the Guarantee Fund for Time of Service (FGTS), and the application began to pay FGTS without a barcode. GRI FS14

With the possibility of making more and more financial transactions digitally, we offer members autonomy to choose which channel they want to use. This way, we are able to deliver the same experience, human and close, in any relationship channel and we continued to meet their needs even in the toughest moments of the crisis.

Thus, we use the modernization of our processes and systems to maintain and deepen our roots in the principles of cooperativism. We call the joint experience of the physical and digital "physital".

In 2020, the digital transformation process of the business was accelerated with the delivery of the new cashier solutions, which brought a more intuitive and friendly experience for the employee who works in this function and more agility for the members, already within our new banking core.
Since the implementation of the new cashier, more than 4,200 cashier terminals have been migrated, with more than 5,000 users.

We also started to implement the new individual (PF) Platform at the credit unions, which includes the main products aimed at individuals in the new core. At the same time, we continue to migrate savers from the current to the new system, reaching 7,000 people by December.

In 2019, we launched the Sicredi X app, aimed at people who want to open a savings account, and which already worked in the new banking core. In 2020, it reached 9,888 accounts, a volume 216% higher than the previous year, raising BRL 105.7 million

Open Banking

Throughout 2020, we also prepared our business for Open Banking, a proposal from the Central Bank (Bacen) that seeks to increase efficiency and competitiveness in the National Financial System by the standardized sharing of data, products and services and the integration of systems between financial, payment institutions and other authorized companies. This way, regulators hope to encourage innovation and the development of new customer-centric business models.

Following the agenda established by the Central Bank, by October we defined our priorities for action, establishing a specific timetable with actions to develop technologies and capabilities to meet the technical and regulatory requirements of phase 1 of Open Baking, which will be implemented in the first half of 2021.

Woop Sicredi

Woop Sicredi was our first 100% digital offering, created within the new banking core. Through it, members can open an account and have access to the most commonly used financial services, such as checking account, savings account, payments, transfers, pre-approved personal credit, debit card, or multiple debit and credit card.

In 2020, in the midst of the Covid-19 pandemic, Woop Sicredi's account base grew 58% compared to the previous year, reaching 99.7 thousand digital members.

This growth was aided by the government's emergency assistance payments, which fostered the search for digital accounts.

The uncertainties in the economic environment led to an adjustment in the credit granting strategy, encouraging the use of other products and services in the account.

Thus highlighting the growth in adherence to salary portability and the increase in in the volume of demand deposits, which together grew by more than 200%.

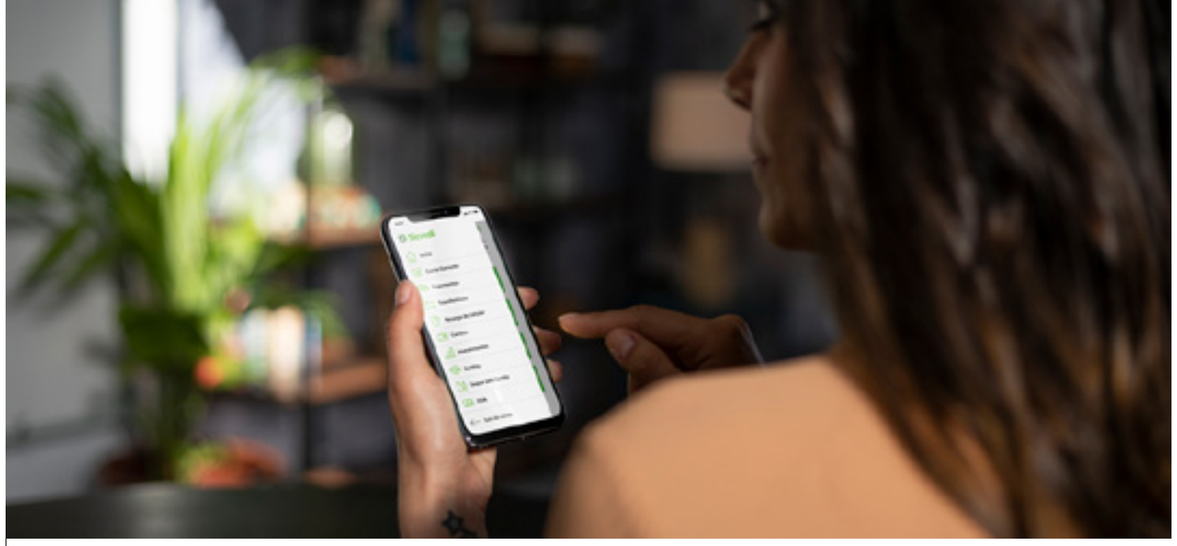
Other products, such as recharges, payments and savings, had a transaction volume growth exceeding 100%. These results show the increase in engagement and use of Woop Sicredi, which was encouraged by digital relationship actions and the Boomerang loyalty program, which generates benefits for members through accumulated points from using the product.

Facing the impacts of Covid-19
How digital channels kept us close to members

As of March, the Covid-19 crisis brought about the need for social distancing, with restrictions to in-person assistance in all regions of the country, to avoid physical contact between people. During this period, we recommend our credit unions to evaluate the scenario according to our systemic standards and the Municipal and State Decrees, always prioritizing the health and safety of employees and members.

In situations considered to be of high risk, we recommend the partial operation of the branches, with service only for members and non-members who did not have access to other channels, especially INSS pension beneficiaries and of the government emergency programs. To map the situation of each branch, the credit unions would update the status of each of their service stations daily.

- In order to remain close to the members, we reinforced our emote service channels, providing services previously performed only at the branches (the evolution of these channels is described on page 79), and we reinforced telephone based services to cope with the increased demand.
- Our credit unions also boosted WhatsApp use, a tool available to our members to make inquiries and ask questions directly with their branch. During the year, the virtual assistant Theo was included in the channel to provide remote assistance to members.
- To reinforce the use of WhatsApp, we have included a button in the Sicredi app and implemented an option in our telephone service so that members can choose to continue their service through the app.
- During the year, we had a significant increase in demand, reaching more than three million calls on this platform.
- Through these initiatives, credit unions and cooperative centrals ensured that members were able to keep their financial life management up to date, even in a scenario as adverse and unpredictable as the pandemic.



Safety

With the increasing use of our digital relationship channels, driven by the need for social isolation during the pandemic, we continue to prioritize the cyber security of our services and products.

In 2020, we participated in the Security Evolution Program, the highlights of which were:

- Modernization of our digital security architecture, increasing security levels from software development to opening accounts and transactions;
- Improvement of our cyber attack prevention strategy;
- Increased security of cloud environments;
- Implementation of new controls to prevent information leaks;
- Increase in new preventive monitoring practices, enabling the growth of the channels to be monitored, while maintaining the appropriate level of security;
- Update of our access management model. Sicredi RC13

We also implemented security controls that allowed 100% remote work by our employees.

As a result of these efforts, our Electronic Transactions Security indicator was 99.9987%, 0.0013 percentage point higher than the previous year, reducing losses from electronic fraud and contributing to the member experience. Sicredi RC13

We also did not register any verified complaints of privacy violations, leaks, or the loss of customer data. GRI 418-1

In Physical Security, we had a low incident rate. The investments by credit unions in security devices prevented the loss of 92% of the value in criminal attacks, the best result in our history. We closed out the year with 1,813 branches monitored by our Alarm and Image Monitoring Center. Sicredi RC13

For 2021, we will continue with the Security Evolution Program, which consolidates developments in the realm of digital security, cybersecurity, data protection, prevention and combating illegal acts, security awareness and governance.

Data protection

We continued the Data Protection and Privacy Program, which seeks to create appropriate levels of protection to comply with the General Personal Data Protection Act (LGPD). The process started in 2019 and is structured based on integrated risk management.

Throughout the year, we held several actions within the Program, such as:

- Identification of Data Handling Operations for the CAS, credit unions, and cooperative centrals;
- Formalization of those responsible for the theme throughout the System;
- Insertion of data protection and privacy clauses in contracts with suppliers;
- Creation of a database for consent management;
- Implementation of a service channel for data owners in our telephone service;
- Conducting training and awareness actions about this theme.

FINANCIAL EDUCATION

Positive impact

We consider financial education to be an essential tool for the sustainable development of members, their businesses and the communities where we operate. Through it, we encourage conscientious and prosperous attitudes for money management, we encourage entrepreneurship, and we support small enterprises in the process of establishing themselves in the market. GRI 103-2

Virtuous financial education cycle

We have systemic actions in financial education, such as the Cooperação na Ponta do Lápis Program and the National Financial Education Week (described on pages 86 and 89), and local actions, developed by the credit unions and cooperative centrals.

Throughout 2020, we worked on the development of an indicator called the Financial Health Index (ISF), which will help us get to know the member profiles and work with financial education actions that can support them according to their phase in life. GRI 103-2

In addition to actions aimed at members and their communities, we also have initiatives to raise employee awareness. An example is the Financial Awareness lecture, which was held in-person at the Sicredi Administrative Center (CAS) and online on the Sicredi Aprende platform. GRI FS16

Cooperação na Ponta do Lápis Program

In order to strengthen the Financial Education theme throughout Sicredi in 2020, the Cooperação na Ponta do Lápis Program, originally conceived at Sicredi Cooperative Central - PR/SP/RJ, became part of the portfolio of programs developed by the credit unions in conjunction with the cooperative centrals and the Sicredi Foundation. GRI 103-2 / FS16

The program is based on Economic Psychology and Behavioral Economics to help people become aware of their relationship with money, taking more information, knowledge and good practices to encourage the development of habits and attitudes that contribute to a sustainable financial life.

The first development phase was completed in June, with the delivery of the program structure, consisting of a technical guidance letter, methodology, presentations, speech aids, guides, tutorials, and games available in a repository that can be accessed by employees on our intranet.

Through this initiative, we impacted the SDGs

The structure prioritizes four groups for the first phase of the program, with actions developed for each of them:

Individual persons

We have developed a broad awareness campaign, with the aim of encouraging people to reflect on how to make more conscientious choices in relation to their financial behaviors.

Corporate (PJ)

We created a specific action for the Individual Microentrepreneurs (MEI), with the objective of being the first step in building new financial and organizational habits, supporting the development of their business.

Adolescents

We work on raising awareness with language specifically adapted for this audience, using animation and a relaxed approach to address basic financial concepts. The approach can be used with a school aged audience.

Children

Focused on children ages 9 to 14 years (4th to 9th grade of elementary school), focused on building healthy habits. Transformation can go beyond children, and can also impact their family environments.

To reach this audience, we have had a national partnership since 2019 with Mauricio de Sousa Produções (MSP), who brought the characters from Monica and Friends comics to talk about financial education in a light and fun way.

The partnership began with the publication of three comic books on the subject in 2019, which gave rise to three animated videos, available on our social networks.

In 2020, we launched three more comic books and videos that became part of the campaign.

The Program was launched in November, during ENEF Week (learn more on page 89).

To mark the launch, we promoted the live stream “We Need to Talk About Money,” with communicator Marcos Piangers and psychoanalyst and Doctor of Economic Psychology Vera Rita Ferreira, who contributes as the Program’s technical advisor.

Financial education actions

Even in a challenging scenario, our credit unions and cooperative centrals have mobilized throughout the year to develop -together with our members, employees and communities - various financial education actions through the materials delivered in Phase 1 of the Cooperação na Ponta do Lápis Program, the comic books and videos of Monica and Friends (fruit of the partnership with Mauricio de Sousa Produções) and also using our own materials. We promoted 2,275 actions that together provided awareness for more than 5.5 million people among the different audiences that the program targeted. GRI 103-3

Financial Education Actions Sicredi SR01

553
Actions geared toward members

1,646
Actions geared toward communities

76 thousand
Monica and Friends comics distributed

5.5 million
people reached

Using the material to raise the awareness of individuals, they were held at the Sicredi Administrative Center (CAS), from January to March, and on Sicredi Aprende there were lectures for employees with the theme “Financial Awareness”, with the presence of 603 participants.

To learn about the project, access the video at.
https://bit.ly/3cOh6wn

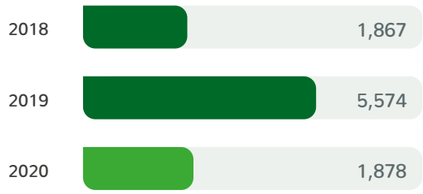
Through this initiative, we impacted the SDGs

National Financial Education Week (ENEF)

The ENEF Week is an annual initiative organized by the Brazilian Forum on Financial Education (FBEF) with the objective of promoting the National Strategy for Financial Education. In it, there are several free educational actions to disseminate financial, insurance, pension, and tax education, to contribute to the strengthening of citizenship and autonomy in Brazil.

Traditionally held in May, the 2020 editions happened November 23 and 29, due to the pandemic. We carried out 1,878 actions (in-person and digital) during the ENEF Week, impacting more than 4.3 million people. GRI 103-2 / 103-3 / FS16

Actions During ENEF Week



More financial education actions for the micro and small entrepreneur

In 2020, our cooperative centers developed several initiatives aimed at the financial education of micro and small entrepreneurs.

Sicredi Cooperative Central - Central-North: carried out the Prospera MEI program, in partnership with the Brazilian Service for Micro and Small Enterprises (Sebrae), to support the development of individual microentrepreneurs (MEIs). The initiative includes services such as workshops, drafting an action plan focusing on the needs of the company, consulting and mentoring.

Sicredi Cooperative Central - Central Brazil: developed the Juntos Program, also in partnership with Sebrae, which provided virtual mentoring to members, with attendance and monitoring. The topics covered were financial management, digital marketing and design thinking, benefiting 52 members. The Cooperative Central also partnered with a Municipal Education Secretariat of Goiânia(GO) for the insertion of financial education content in the school curriculum at a distance. The material was broadcast on two educational TVs and in the virtual classroom environment, benefiting more than 100 students.

Sicredi Cooperative Central - PR/SP/RJ: implemented the Empreenda Sicredi - Count on Us Program, in partnership with Aliança Empreendedora (Entrepreneurial Alliance), focused on the virtual training for MEIs, through videos that transmit the content and answers the questions of microentrepreneurs.

In addition, we launched the MEI Portal, a content hub that offers reliable and quality information for microentrepreneurs to manage their businesses, with management, business, and financial education content. The portal can be accessed at: **www.sicredi.com.br/site/mei/**

PRODUCTS AND SERVICES

Positive impact

By offering our products and services, we support the prosperity of our members, in addition to collaborating with the sustainable development of communities and society as a whole. To further increase our positive impact, we seek to develop increasingly sustainable financial solutions, with attractive rates that are capable of meeting the needs of our members.

We have a series of internal regulations that contribute to the development of products and services aligned to the interests of members, such as the Relationship Policy with Members, Customers and Users of Financial Products and Services (learn more on page 78), the Sustainability Policy and the Social and Environmental Risk Management Policy (page 32), in addition to the Compliance, Money Laundering and Terrorism Financing (PLDFT) Policies, the Code of Conduct and of our strategic planning. GRI FS15

During 2020, we offered 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 (BRL thousands) GRI FS6

	2018		2019		2020	
	Amount (BRL thousands)	Percentage	Amount (BRL thousands)	Percentage	Amount (BRL thousands)	Percentage
Credit	8,719,306	67%	10,479,202	70%	11,091,757	72%
Financial income	2,365,129	18%	2,260,548	15%	1,571,353	10%
Services Provided	1,935,665	15%	2,323,327	15%	2,750,751	18%
Bank services	726,018	6%	858,511	6%	941,934	6%
Insurance	329,959	3%	364,278	2%	412,390	3%
Cards	316,899	2%	454,732	3%	701,514	4%
Collections	249,042	2%	284,572	2%	316,063	2%
Consortiums	168,709	1%	189,793	1%	201,162	1%
Plans	67,414	1%	73,114	0%	82,832	1%
Other services	77,624	1%	98,327	1%	94,856	1%
Total	**13,020,100**	**100%**	**15,063,077**	**100%**	**15,413,861**	**100%**

Credit

Credit is one of the main instruments made available by Sicredi to help members in the development of their economic activities to meet their needs.

In 2020, in addition to the challenging scenario with the Covid-19 pandemic, which affected several sectors of the economy, we registered an unusual drought, which directly impacted agribusiness, especially in the south of Brazil.

In this context, we carried out important actions to manage the credit portfolio more effectively and ensure support for members by offering special lines and adjusting the debt payment flow, in line with the recommendations of the Monetary Authority.

Our credit portfolio grew 34.7%, reaching BRL 97.2 billion in total credit, demonstrating our ability to contribute to the country's economic development. Currently, our portfolio is made up of BRL 63.8 billion in commercial credit and BRL 33.4 billion in rural and targeted credit.

Credit granted and balance (BRL billions)

	2018	2019	2020
Balance	56,1	72,2	97,2
Concession*	52,3	64,0	77,4

* In previous years, the credit grant amount was provided by the Credit Risk area. As of 2020, the amount was reported by the Credit Granting area.

We are agribusiness supporters in all stages of its production chain, providing solutions with socio-environmental attributes for members who are rural producers and farmers. At the end of the year, we were highlighted in the ranking of the Brazilian Federation of Banks (FEBRABAN) on Rural Credit, as the 2nd largest agribusiness credit granting financial institution.

Small and medium-sized producers continue to be our main focus in rural credit operations, with about 82% of the operations targeting them.

Within the scope of Pronaf (National Program for Strengthening Family Agriculture), rural credit granting increased by 40% compared to 2019, reaching BRL 4.5 billion. In all, the program reached more than 71 thousand family farmers. In the National Support Program for the Medium Rural Producer (Pronamp), the growth of rural credit reached 14% in the period.

We granted BRL 3.9 billion in financing with funds from the National Bank for Social Economic Development (BNDES). As a result, we reached the 2nd position in the ranking of Accredited Institutions of BNDES Indirect Operations, and 1st place in onlending to individuals and 1st place in onlending to the Federal Government's agricultural programs.

For the agribusiness segment, we provide two new lines with BNDES resources: BNDES Crédito Rural Finame and BNDES Crédito Rural Investimento, which allocates resources to support agricultural activities, including fishing, aquaculture, forestry and agro-industrial production. The difference of these lines for members is that, as they are not equalized resources, they are an alternative in times of scarcity of resources in the Agricultural Programs, because its funds are available throughout the Safra Plan.

For micro, small and medium-sized companies, we continue to offer the BNDES Card, which onlends funds from the program's managing bank 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 their business.

FACING THE IMPACTS OF COVID-19

Facing the impacts of Covid-19
Credit for member businesses

The Covid-19 pandemic brought a scenario of uncertainty for most businesses in Brazil, especially for micro, small and medium-sized companies. In this context, credit unions and cooperative centrals were with the members and we carried out a series of actions to minimize the effects of the crisis and maintain economic activity.

We were available to our members to analyze their need to extend the installments of credit operations during the period of reduced economic activity. We closed the year with a total of BRL 2.1 billion in installments extended due to the impact of the pandemic, meeting the needs of more than 200 thousand members.

We also maintained a series of credit lines to assist the business sector, such as:

- The National Support Program for Micro and Small Enterprises (Pronampe) was a line aimed at micro and small businesses, so that small businesses could access working capital during the pandemic with the guarantee of the Pronampe Operations Guarantee Fund (FGO). For this line, we had three phases with limits offered to members, totaling 40,605 operations and a volume of BRL 2 billion financed.

- The Emergency Employment Support Program (PESE) sought to serve entrepreneurs, corporations and credit union societies with revenues between BRL 360 thousand and BRL 50 million. Its objective was to finance the payroll of employees with the contribution of 85% of the amount financed by the National Treasury. This line totaled 6,798 operations and BRL 171 million in financed salaries, benefiting 117,053 payrolls.

- The Emergency Access to Credit Program (PEAC FGI) sought to facilitate credit for small and medium-sized companies, with the possibility of including an FGI guarantee for up to 80% of the financed amount. In this line, we carried out 11,244 operations and granted BRL 2.7 billion.

- In the Commercial Credit for Individuals segment, we offer the credit line for Prepayment of the FGTS Withdrawal-Anniversary, which uses the blocked amounts in the FGTS Account of workers who have the current "Withdrawal Anniversary" modality as a guarantee for operations. The line recorded a total of 18,038 operations released between July and December, with a portfolio value of BRL 36.5 million. In total, 78 credit unions released at least one operation under this credit line in the period.

- 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. We released 5,230 transactions with a total granted amount of BRL 860 million.

- For members of credit unions that operate in the North and Midwest regions of the country, we signed agreements with Management Banks to provide the FCO Emergency and FNO Emergency Lines, aimed at serving the productive sectors affected by Covid-19. In FCO Emergency, 175 operations were released in the amount of BRL 12.8 million and, in the FNO Emergency line, 433 operations were released, in the amount of BRL 35 million.

Supporting farmers during the drought

In 2020, the Agricultural Activity Guarantee Program (Proagro) registered 41,264 reports of crop losses, mostly due to drought. Of these, we paid BRL 683.1 million in coverage.

Sicredi, as a partner of rural producers in the entire production cycle, analyzed the coverage requests in 26.5 business days, a period much shorter than defined by the Central Bank of Brazil, even in the face of the adversities imposed by the pandemic and by remote work.

In order to minimize the effects of drought, we offer the possibility of extending installments, similarly to what we did for the pandemic scenario. In the cities that declared an emergency due to the drought, we served more than 5,800 members, extending more than eight thousand installments, totaling approximately BRL147 million.

Still aiming to minimize the effects of the drought, we offered the possibility of extending BNDES operations, serving more than 11,900 members in 13,048 operations, totaling BRL 114 million.

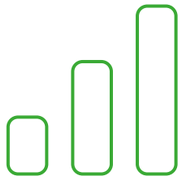
Real Estate Credit

In the housing area, we had a 70.78% increase in the portfolio compared to 2019, with 1,372 new operations. The highlight was the 71.1% expansion in the mortgage loan portfolio with FGTS resources, focusing on popular properties, totaling BRL 36.7 million in contracted credit.

We also carried out actions to make it possible to extend the maximum terms of financing from 360 months to 420 months.

We offer Active Portability for real estate credit, enabling our members who had Real Estate Credit operations with other institutions to bring their operations to Sicredi. Between October and December 2020, we had BRL 5.7 million of operations transferred to Sicredi, expanding our member's main credit.

In addition, during 2020, we also acted strongly in making Constitutional Funds available to our members. The resources from these funds were transferred to sustainable development practices in the Midwest and Northern regions of Brazil, totaling 1,300 operations and BRL 270 million transferred.



Credit granting, which occurs automatically, showed its greatest fluctuations in the first months of the pandemic, gradually resuming the volumes of the previous year. The percentage of automatic credit granted was 62.1% over the year, representing a reduction of 1.3%, but still maintaining a high level of agility in the granting of credit and operational efficiency.

Consortium

In order to increase equity and contribute to improving the quality of life of members, we offer a number of consortium groups in the segments of automobiles, real estate, nautical goods, trucks, tractors and utilities, services and motorcycles.

Throughout 2020, we focused on reducing the social and economic impacts of the pandemic.

In this sense, we created a contingency plan, where the main actions were the extension of the time limit for exclusion from group quotas, increase in the limit for exchanging assets, extension of the bid payment, confirmation of the bid payment by the call center, and easing cash credit.

In the first semester, we made the Fidelidade para Todos (Loyalty for All) plan available, making the loyalty consortium available for all members.

In it, the consortium member has discounts of up to 20% when acquiring new consortia. In 2020, 24,668 quotas and BRL 1.6 billion in credits were sold in the plan, representing 54.1% of sales during the period.

In addition, we changed the rate of real estate readjustments. Until June, we used the National Cost of Construction Index (INCC) as a reference for the annual updating of real estate credits, which meant that the consortium groups were readjusted in a scenario in which the properties had been practically stagnant for four years.

After studies, we validated the use of the accumulated INCC value for the last 12 months, limited to 50% of the Selic rate. The total effective cost with the new adjustment format is reduced by up to 56.5%, when compared to the total effective cost with the previous adjustment.

In the context of social isolation, we implemented digital signatures, so we now accept documents signed electronically for use in the processes of adhesion and formalization of guarantees.

At the end of the year, our portfolio had more than 222,400 quotas and more than BRL 17 billion in active credits, representing a 15.6% growth compared to the same period in 2019.

Foreign Trade

In the Foreign Exchange area, in addition to carrying out financial operations and remittances, we also operate in the intermediation and financing of international business. In 2020, despite the pandemic, we expanded our operations as well as the base of members served.

In all, we carried out 22,941 foreign exchange transactions, 15.1% more than in the previous year. members from 99 credit unions and 900 branches were served.

Of the operations carried out, 229 went to credit unions, associations and foundations, serving 61 different institutions.

In order to expand assistance in foreign exchange operations, we started the relationship with more than 2,400 new members, of which 52% are corporate accounts and 48% are individuals.

Aware of the new technologies related to the SWIFT (Society for Worldwide Interbank Financial Telecommunication) international payment system, we implemented the GPI (Global Payment Innovation), having been the 7th Brazilian bank to adopt the solution.

By joining, we provide more transparency, traceability and speed to the cross-border payments we make for our members.

Means of Payment

We offer our members a complete means of payment portfolio, which serves all segments.

Electronic payment methods are an important way to reduce the circulation of cash, with more sustainable financial operations, without the risks generated in its movement and with less environmental impact, which contributes to the development and security in the regions where we operate.

In 2020, despite the downturn in the economy, the card market grew 8% in Brazil, according to the Brazilian Association of Credit Card and Services Companies (Abecs).

This was due to the need for social isolation, during which the volume of distance commercial transactions increased and the circulation of physical money was reduced, which could be a vector for the transmission of the coronavirus.

Issuances

During the year, we expanded our card base by 24%, with more than 5.3 million cards issued, and grew 37.7% in revenue, totaling more than BRL 29 billion between debit and credit transactions.

In June, we launched the Virtual Card in the Sicredi app, a feature that allows members to avoid having to wait for the physical card to arrive to make their purchases.

The Virtual Card is also a practical and safe way to make purchases on the internet, in applications, or online services. By the end of the year, more than 149 thousand virtual cards had been issued and more than 440 thousand transactions were carried out, representing revenue of more than BRL 134 million.

With the knowledge about our members, in 2020, we printed one million fewer physical invoices per month, which represented a monthly savings of approximately BRL 1.6 million, in addition to reducing the use of natural resources.

Another innovation was the availability of a QR Code Payment tool, which offers a modern and secure electronic payment method to members.

The solution played a key role in developing a culture among members and credit unions about the innovations that would come with Pix, the Brazilian Central Bank´s instant payment system.

It was also relevant in promoting business among members, maintaining a financial flow within the cooperative system while strengthening local businesses, making credit unions the primary financial institution of members, and reducing the use of physical cash.

Pix

Following the changes in the National Financial System, in November, we launched Pix, a new means of payment, transfer, and receipt developed by the Central Bank, which allows transactions to be carried out in real time, with availability 24 hours a day, 7 days a week.

Pix is an alternative to TED (Available Electronic Transfer) or DOC (Credit Order Document). Financial transactions can be made by individuals and companies, free of charge, using the registered “Pix Keys”, via QR Code, or by using bank details.

We dealt closely with the Central Bank throughout the development of the solution, seeking to offer members the best experiences and options so that each one can choose the way they prefer to conduct their transactions.

The Pix launch happened in a stable and successful way, guaranteeing total security, practicality and savings for members. By the end of 2020, we had more than 1.1 million members with Pix keys and a total of more than 1.3 million Sicredi keys registered with the Central Bank.

The financial volumes traded exceeded the BRL 4.1 billion between payments and receipts.

We make Pix available for checking and savings accounts, in the Sicredi, Woop Sicredi, Sicredi X and Conecta apps, in addition to starting a pilot project for use in card machines.

Acceptance

Acceptance solutions allow members to develop their business by offering digital payment solutions to their customers. They also help the member to centralize their financial flow at Sicredi, facilitating the offering of our other solutions, generating more results for the credit unions.

In order to provide adequate solutions during the pandemic scenario, in 2020 we launched a new link payment platform, enabling agile, uncomplicated, and secure access to digital transactions.

We also expanded the range of processors accepted by our card machines by 32%, making it possible to do transactions on 37 national and international processors. We also made it possible to receive emergency assistance on our card machines, providing even more options to our members.

As a result, we carried out more than 61 thousand new accreditations, an 47% increase in the base. In addition, we reached the mark of BRL 15 billion in revenue in 2020, an amount 45.7% higher than revenue in 2019, and we reached a record of payment anticipations, reaching BRL 2.6 billion anticipated during the period.

Savings

In 2020, we raised BRL 22.2 billion in savings, registering a 44% growth in the portfolio when compared to the previous year.

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

We continue to direct the distribution of the results from the credit unions directly to member savings accounts, a way of stimulating the use of the product and financing rural and real estate credit. In total, 19 credit unions opted for distribution to savings, allowing more than 57 thousand accounts of this type to be opened, and to credit more than BRL 106 million, which strengthens the development of their region.

In addition, our members were also able to receive income tax refunds in their savings accounts, which generated more than BRL 6.3 million, an increase of 31% over the previous year.

We continue to use the Poupador (Saver), a solution available in our app that encourages members to save and accept offers to invest in savings. Through this solution, we had a volume of more than BRL 1.6 billion raised in savings, with more than 700 thousand offers accepted and an average ticket of BRL 8 thousand.

Throughout the year, we highlight the volume of more than BRL 585 million credited in savings for the payments of Emergency Aid and Emergency Benefit of Preservation of Employment and Income (Bem), financial benefits to provide emergency protection in the period of the crisis caused by the Covid-19 pandemic.

Time deposits

Time 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 2020, we reached the mark of BRL 56.7 billion in time deposits, with a 41.5% growth in the portfolio, even in a scenario marked by the greatest historical drop in interest rates and the uncertainties caused by the Covid-19 pandemic in the global and Brazilian market.

Throughout the year, we reviewed commercial conditions, raising the maximum remuneration rates and reducing the initial application of over-the-counter and Sicredinvest Evolutivo products, from BRL 20 thousand to BRL 5 thousand.

The objective was to make solutions more competitive for members and allow more opportunities recapture funds that migrated to higher risk options.

To facilitate understanding and simplify communication, in addition to reinforcing our position as an institution conducive to investing, we standardized the name of time deposit products. Now, the names used commercially are now: Sicredinvest Pré, Sicredinvest Pós and Sicredinvest Reserva.

As of 2020, credit union results could be distributed to members directly in time deposits. In total, 12 credit unions chose to distribute the product, allowing more than BRL 76 million to be credited, thus helping their liquidity.

Agribusiness Letter of Credit (LCA)

We reached more than BRL 2.6 billion invested in LCA, one of the main products in our investment portfolio.

The solution is ideal for members looking to diversify their assets with low-risk investments and competitive rates, as well as being a credit union source of financing for rural credit.

We achieved a 124.4% growth in the portfolio, accounting for more than 12 thousand members invested in the product.

During the year, we increased the maximum rates of remuneration for the product, with the objective of giving greater flexibility and autonomy to the negotiations and adjusting commercial conditions to market conditions and competitive offers.

Insurance

In insurance operations, we act in a consultative manner with members, from the effectiveness of the proposal to the handling of claims. We ended 2020 generating peace of mind and security for millions of members and non-members with more than 3.6 million active policies.

Our insurance operation continued to grow more than the market, with a 21% increase in production, reaching BRL 1.8 billion, and 14% in revenue for the operation, reaching BRL 388.8 million.

We provided than BRL 726.9 million in claims compensation, including BRL 206.3 million in life insurance, BRL 280.3 million in auto insurance, and BRL 256.3 million in general insurance.

This way, we offer protection and financial security for members and their families.

Almost BRL 8 million was also paid to members in a drawing from some of the products that offer this benefit.

The family of life insurance products added a new insurance company, expanding the portfolio of offers with a customizable product, according to the needs of each member, as was the case in all other families. We also launched, in the new banking core, an insurance policy developed entirely in digital form: Tranquilidade Financeira (lender).

Due to the Covid-19 pandemic, we negotiated with the insurance companies a model of automatic renewal that ensured the continuity of the credit unions' businesses and the tranquility of our members when the branches were closed.

In this scenario, we also started to make the 100% digital sale of simplified home insurance via WhatsApp and we started to consider the possibility of contracting insurance through electronic signatures.

Pensions

Through our pension products, we support members in their search for a financially stable future.

In November, we launched the new pension simulator on Sicredi's website, which allows the user to simulate their payment, among other variables, and estimate the income obtained at the end of the period. Through the tool, we offer a new experience to members and expand the prospects for our products.

Investment Funds

We offer members the possibility to diversify their investments through investment funds. To understand and recommend the most appropriate solutions for their objectives, needs and risk appetite, we apply an analysis of their investor profile.

In 2020, despite the year having been marked by high volatility of financial assets, many investors understood it as a moment of opportunity to enter into new investments.

We ended the year with an additional 68 thousand quota holders in our investment funds, a 19% growth compared to the previous year.

In relation to financial volume, in December we had more than BRL 4.7 billion in funds, an increase of 10% compared to 2019.

Throughout the year, we launched five new investment funds, seeking to provide members with new diversification strategies with the expectation of higher returns in the medium and long term.

GREEN ECONOMY

Positive impact

Aware of our ability to support sustainable development through the offering of our financial solutions, we seek to identify opportunities for the creation and improvement of products with a view towards sustainability. GRI 103-2

We have several lines of credit in line with the so-called green economy, which result in improving the well-being of humanity and social equality, while significantly reducing environmental risks and ecological scarcity. GRI 103-2

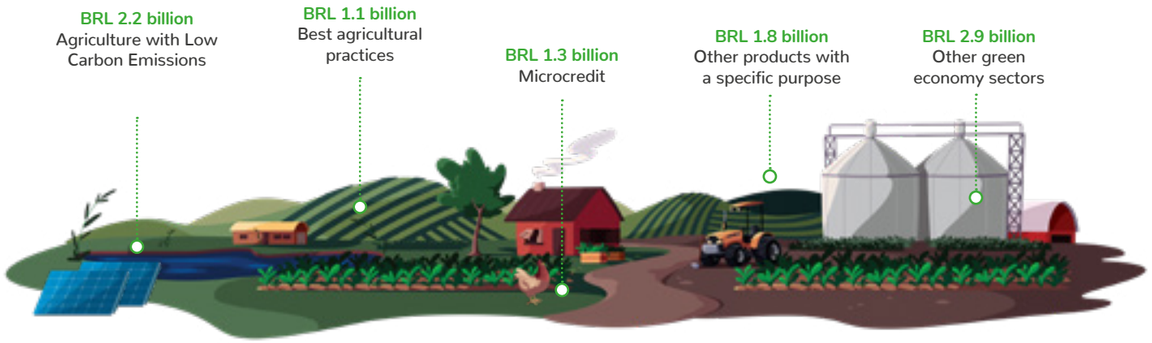
To calculate the amount of resources that we allocate in this sector of the economy, we use a methodology developed by Brazilian Federation of Banks (Febraban)[3] and we consider the sectors of renewable energy, energy efficiency, construction, transport, tourism, water, fishing, forestry, sustainable agriculture and waste, in addition to specific agribusiness activities and some sectors of a social nature, such as education, healthcare, productive inclusion, and local and regional development

Green economy pillars

- Low carbon emission
- Efficiency in the use of resources
- Social inclusion

Products and services with socio-environmental benefits

Total BRL 9.2 billion



[3] The figures were determined based on the methodology used in the study carried out with the Brazilian Federation of Banks (Febraban) -"The National Financial System and the Green Economy" - in order to measure the financial resources allocated to green loans in the Brazilian economy.

Products and services with environmental and social benefits (BRL) GRI 103-3 / FS7 / FS8

	2018	2019	2020
Products for specific purposes	8,733,128,463	9,261,140,565	6,349,856,932
Low carbon emission farming	4,723,923,366	5,023,209,666	2,179,775,668
Good agricultural practices	1,894,801,841	1,485,203,479	1,128,867,729
Microcredit	1,940,414,435	2,006,077,872	1,268,718,833
Other products with specific purpose	173,988,821	746,649,549	1,772,494,703
Other sectors in the green economy	1,400,946,199	1,941,240,977	2,852,830,249
Total	**10,134,074,661**	**11,202,381,542**	**9,202,687,181**

Lines classified as Agriculture with Low Carbon Emissions

- **No-till Costing Lines**
  Our main product with socio-environmental benefits. These lines finance systems of no-till planting for straw, which avoid plowing and harrowing operations, reducing the turning of the soil and harrowing operations reducing the emission of greenhouse gases. In addition, the straw that remains on the ground promotes an increase in microbiological life, further reducing emissions. Our two funding lines had a balance of BRL 2.2 billion in 2020. GRI FS7 / FS8

- **Program for the Reduction of Greenhouse Gas Emissions in Agriculture (ABC Program)**
  In 2020, the lines of the ABC Program had a balance of BRL 14.7 million. They encourage investment in agricultural projects that reduce greenhouse gas emissions and the deforestation of rural properties. The program has a series of financing lines that include the implementation of organic production systems and crop-livestock, crop-forest, livestock-forest or crop-livestock-forest integration systems. GRI FS7 / FS8

  The Program also finances the adaptation or regularization of rural properties with the environmental legislation and the implementation and improvement of sustainable forest management plans. The ABC Waste Treatment line supports the implementation, maintenance, and improvement of manure and waste treatment systems from animal production, for energy generation, composting, and the use of biological nitrogen fixation. GRI FS7 / FS8

Lines classified as Good Agricultural Practices

- **Incentive Program for Technological Innovation in Agricultural Production (Inovagro)**
  Finances the incorporation of technological innovations in rural properties, including the implementation of systems for the generation and distribution of alternative energy for their own consumption, such as wind, solar and biomass energy. At the end of the year, the line presented a balance of BRL 53.1 million. GRI FS7 / FS8

- **Program for the Modernization of Agriculture and Conservation of Natural Resources (MODERAGRO)**
  Fosters actions related to animal defense and soil recovery through financing for the acquisition, transportation, application and incorporation of agricultural corrective materials; and also 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. In 2020, the line had a balance of BRL 75.7 million. GRI FS7 / FS8

- **National Program for Strengthening Family Agriculture (PRONAF)**
  Credit line with social benefit that makes it possible to finance 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, and agricultural or non-agricultural services, in the rural establishment or in nearby rural community areas. In 2020, it had a balance of BRL 880.8 million. GRI FS7 / FS8

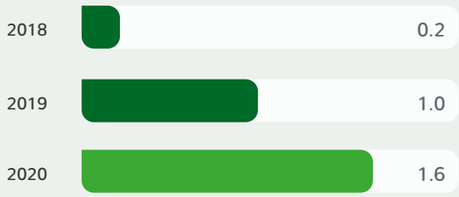
Our microcredit lines seek to finance formal and informal microentrepreneurs and promote the inclusion of low income microentrepreneurs in the financial market. Among these lines is Pronaf Custeio, aimed at family farmers, which had a balance of BRL 1.3 billion during the year.

Through this initiative, we impacted the SDGs

Financing for solar energy

One of the highlights among our products aligned with the green economy is the Financing for Solar Energy, through which members can get credit to purchase equipment and technology for capturing solar energy and generating clean electricity in their homes. In 2020, we granted BRL 1.6 billion in credit in this product, with 27.5 thousand operations, an increase of 60% in relation to 2019 and 700% in relation to 2018.

Financing for solar energy (BRL billions)



Seeking green funding

As part of our sustainable finance strategy, we work on attracting green funds, which should be used to finance projects with environmental benefits.

On December 27, 2019, we did our first fundraising with multilateral organizations with a focus on solar energy.

The operation was carried out with IDB Invest (investment arm of the Inter-American Development Bank) and consisted of financing in the order of USD 100 million in IDB funds from IDB Invest and USD 10 million in financing from the Canadian Climate Fund for the Private Sector of the Americas (C2F).

The resource should be used by credit unions to promote access to financing for small-scale photovoltaic solar energy systems, supporting the growth of our solar portfolio.

In the wake of this operation, in March 2020, we carried out a second fundraising session with a focus on financing solar energy systems, this time with the Japan International Cooperation Agency (JICA). The financing was in the order of USD 100 million, and also included participation by Citibank, in the order of USD 35 million.

In 2021, we must focus our work on formalizing the guidelines for a strategy for attracting green and social funds, which should expand our capacity to finance the projects of our members who collaborate with sustainable development.

Through this initiative, we impacted the SDGs

RISK MANAGEMENT

Positive impact

Sicredi has a centralized structure for integrated risk management, which serves all institutions linked to the System, including **Sicredi Cooperative Bank**, cooperative centrals and credit unions. Based on the lines of defense model, the risk teams act independently of the business and internal auditing areas, and are dedicated to identifying, controlling and mitigating factors that may compromise the sustainability of the business in the short, medium, and long term, contributing to the maintenance of our solid and trusting relationship. GRI 102-15

Our risks management process considers: GRI 102-15

Financial Risks

- credit;
- market;
- interest rate variation for bank portfolio instruments (IRRBB);
- liquidity;
- capital management;
- socio-environmental.

Non-Financial Risks

- operational;
- business continuity;
- information security;
- compliance.

Our risk management standards are revised annually by the SicrediPar Board of Directors (CAD).

The management of this theme includes the monitoring of indicators and their monthly reporting to the committees that support the CAD in the deliberations related to the risk management policies and guidelines, and the prudential limits to be observed, exercising the governance of integrated risk management and providing the continuous monitoring of System results. GRI 102-29 / 102-31

The Board is supported by the Risk Committee and Compliance to identify risks and opportunities related to the issues raised to its decision (learn more on page 53). Thus, 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. GRI 102-29 / 102-30

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 the regulations, rules and procedures that underlie the controls used in the risk management process.

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 our institutions and those who are part of them should know about and act according to appetite levels stated in the 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

We offer a support network where 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 Credit Union Guarantee Fund (FGCoop), for example, with the objective of guaranteeing deposits and providing financial assistance to cooperative financial institutions with occasional liquidity difficulties.

We count on Sicredi Guarantee Funds, funds made up of the contributions of our credit unions, reimbursement, and recovery of assets, which have the function of guaranteeing the fulfillment of the obligations and supporting actions to develop credit unions.

The security of members investments is attested by the main credit risk rating agencies in the world, which guaranteed Sicredi Cooperative Bank the following ratings on a national scale

- AA — FitchRatings
- Aa1.Br — Moody's
- Br.AAA — Standard & Poor's

SOCIO-ENVIRONMENTAL RISK

Positive impact

The financing of activities in sectors exposed to socio-environmental impacts can generate financial losses and damage to our reputation. Therefore, these operations require more detailed risk mitigation mechanisms, as well as the assessment of specific impacts on the business and on the communities where we operate. GRI 102-11 / 103-2

The systemic management this theme is the responsibility of the Credit and Socio-Environmental Risks Superintendence, which reports to the Risks Executive Director of CAS. In cooperative centrals, the responsibility lies with the Supervisory Board and in credit unions it is with the Operations Board. GRI 103-2

Our Social and Environmental Risk Management Policy, revised in 2020 (learn more on page 32), complies with BACEN Resolution 4,327/14 and is the main driver of RSA management. In conjunction with our Social and Environmental Risk Management Standard, it establishes guidelines and consolidates rules for operations and members whose activities have exposure to socio-environmental risks and relevant proportionality in our portfolio, including the management of socio-environmental risks, impacts and opportunities. GRI 103-2 / FS1

RSA assessments of our financial products and services have been evolving gradually, with the inclusion of new procedures, the improvement of current processes and the continual dissemination of best risk practices in the internal culture. GRI FS1

In 2020, we held face-to-face meetings until March, due to the pandemic, and virtual meetings throughout the year with credit unions and cooperative centrals, some of them involving environmental consulting from our partner Febraban, for clarifications on updating the Socio-Environmental Risk Management Policy and Standard, applicable regulations, market movements, Rural Environmental Registry, Environmental Regularization Program, restricted areas, and environmental licensing conditions, among others. GRI FS1

We have also strengthened the relationship with entities involved with this theme, such as UNEP-FI, WWF and CERES. And, in order to improve the metrics and methodologies for identifying risks and opportunities, we started a technical assistance option in partnership with IDB Invest which, together with an international consulting company specialized in social and environmental projects, will allow an evolution in our practices and strategies, with increasingly accurate assessments that are in line with the requirements of our business partners and the market of green finance. GRI FS5

Through this initiative, we impacted the SDGs

Socio-environmental Risk Practices

All of our credit, consortium and foreign exchange, contracts have a socio-environmental liability clause with a fine and early settlement of operations in the event of non-compliance with contractual items, which establish socio-environmental commitments. GRI FS3

As of 2020, we started to carry out some post-concession follow-ups to validate the fulfillment of these socio-environmental commitments established in the contract. The practices included the subsequent verification of the involvement in slave labor, and through the monitoring of our georeferenced operations, validating if the area benefiting from the financing remains compliant. GRI FS3

The evaluation of these cases is carried out by the board of the respective credit union, based on the monitoring provided by the centralized RSA management area. GRI FS3

In line with Resolution 4,327/14 of the Central Bank of Brazil, we apply socio-environmental risk checks considering the principles of proportionality and relevance of our portfolio. Our products and services are segmented in certain areas of verification and analysis, according to their classification in relation to exposure to socio-environmental risk, seeking effective coverage in credit, consortium, and foreign currency operations. GRI FS2

Socio-environmental risk practices adopted by Sicredi

- **Socio-environmental self-declaration questionnaires**
- **Prohibited and not recommended activities**
- **Environmental screening**
- **Geoprocessing**
- **Risk Appetite Statement and Stress Test**
- **Dialogue with environmental agencies and business partners**

Self-declaration questionnaire

In our credit granting process, we apply self-reporting questionnaires to members whose activities have greater exposure to socio-environmental risks and relevant proportionality in our portfolio.

The questionnaires act as a signal of possible socio-environmental problems and irregularities, serving as an alert for a more in-depth analysis when necessary and as a contribution for the decision-making of member credit operations. In 2020, we counted 16,506 active questionnaires, of which 96% were applied to corporate accounts (PJ). GRI FS2 / FS10

High socio-environmental impact activities

We carry out additional checks that seek to assess involvement with activities that cause greater socio-environmental impact, such as extraction or sale of wood from native forest, as well as monitoring and delimiting the portfolio related to these activities. GRI FS2

Systemic Blocks and Socio-Environmental Screening

We carried out a systemic blockage process that prevents any granting of credit to individuals and companies, and their respective economic groups, listed in the registry of employers who submitted workers to conditions similar to those of slavery, released by the Secretariat of Labor and the Ministry of the Economy. GRI FS2

Similarly, we systemically block products with greater exposure to socioenvironmental 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 a specialized assessment by a team dedicated to RSA management, generating an opinion for the continuity in the flow of credit granting in situations where the analysis shows that the area to be benefited is not the location subject to the embargo, that the member is taking actions to regularize their environmental liabilities, and that other socio-environmental risks are mitigated, observing the reservations and conditions deemed necessary. GRI FS2

This process is called socio-environmental screening, where we evaluate the proposals for the requested credits and the areas to be benefited, through documentation and elements that support the final credit decision. GRI FS2

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 2020, 11.8% of the screenings carried out were from corporate accounts (PJ). GRIFS2 / FS10

Geoprocessing

We have advanced with the use of geoprocessing systems to assess areas of greatest environmental risk in our rural credit operations, in line with the mandatory capture and sending

of coordinates instituted by Resolution 4,427/15 and updated by Resolutions 4,580/17 and 4,685/18, from the Central Bank of Brazil (Bacen). GRI FS2

Based on the geodetic coordinates of the area to be benefited by the financing, as well as accepted in guarantee, we automatically validate if there is an overlap with risk areas officially disclosed by the responsible environmental agencies, as well as we carry out evaluations, monitoring and dissemination of information on operations with risk after concession. GRI FS2

In pre-concession validation, we issue a "restriction" message when we identify overlaps with quilombola lands, APAs (Environmental Protection Areas) or ARIEs (Areas of Relevant Ecological Interest), or a "prohibition" message when we identify overlaps with indigenous lands, embargoed areas or conservation units for full use, preventing continuity of financing in these cases. GRI FS2

Exposure to risks, stress tests and partnerships

In 2020, we established metrics and monitored Sicredi's credit portfolio, at the regional and systemic level, in order to monitor and limit our exposure to risk. GRI FS2

We also carry out stress tests where we simulate scenarios of exposure to different types of risks to understand how they interact with each other and how the main indicators of the System can be impacted. GRI FS2

We continued expanding our dialogue with environmental agencies through integration actions, aimed at disseminating compliance, awareness, and risk mitigation practices. 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. GRI FS2

In addition, we participated in studies and 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. GRI FS2

In order to expand quantitative analysis and targeting data, we are developing a socio-environmental rating, which will provide us with greater assertiveness in risk assessment. It should allow for a better consideration of practices and impacts consistent with the established risk appetite. In 2021, increasingly seeking to operate throughout the socio-environmental risk management cycle, these issues will be treated as a priority in improving the identification and monitoring of opportunities, impacts and risks for the System. GRI FS2

Evaluation of Socio-Environmental Risk Procedures

The implementation of these actions and their results are reported and discussed in the relevant forums, including the Risk and Compliance Committees. In addition, the Technical Risk Committee evaluates and positions our actions and the creation and maintenance of products in relation to the topic of socio-environmental risk, also subsidizing the strategic decisions established by SicrediPar Board of Directors. GRI FSI

The Internal Audit area conducts the annual process of assessing the adequacy of the procedures in the regulations. In November 2020, the Internal Audit work on RSA management was completed, already based on the guidelines and rules established in the new Social and Environmental Risk Management Policy and the Social and Environmental Risk Management Standard. GRI FS9

The Central Bank of Brazil has, since 2016, periodically assessed the implementation of Resolution 4,327/14 and the application of socio-environmental practices through an electronic questionnaire. In 2019, we went through the first in-person inspection by the Central Bank, which analyzed and approved our socio-environmental risk management practices, identifying opportunities for improvements, which guided our actions throughout 2020 and whose implementation was monitored by the regulator. GRI FS9

Since 2016, the International Finance Corporation (IFC), our business partner, does an annual supervision through the Report Universal Banks, and the Brazilian Federation of Banks (Febraban), through its Compliance Report, and also carries out the annual monitoring of the compliance with SARB14 self-regulations. GRI FS9

In 2020, this information gained importance in our green fundraising processes, as those carried out by IDB Invest, Japan International Cooperation Agency, and International Finance Corporation (learn more on page 106). GRI FS5

Socio-environmental Risk Training

To strengthen our culture and processes, we invest in functional training and training aimed at RSA. We highlight the certification on Business Risks, which includes the discipline of Social and Environmental Risks (distance modality), which is mandatory for various functions in branches, credit unions and centrals. This training was carried out by 10,369 employees in 2020. GRI 103-3 / FS4

In the internal reinforcement of the processes, five socio-environmental risk workshops were held for each of the plants, in addition to 18 training courses on specific topics, with approximately 400 participants, whose objective was to disseminate and improve the practices adopted. The centralized RSA management team, on the other hand, intensified the specializations for the theme, totaling more than 110 hours in courses, participation in lectures,

congresses, forums, workshops, and working groups with other financial institutions, seeking to qualify and exchange experiences. GRI 103-3 / FS4

In addition, the automation of systems and processes has made the usability of the tools more appropriate and safer, reducing operational work for credit unions and branches, and allowing employees to focus more on understanding the concepts instead of the process. GRI FS4

Risks arising from climate change

In order to expand and integrate risk assessments due to climate change into our new Sustainability Policy, we are committed to following the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). GRI 102-12

In this sense, in 2020, we started participating in the new working group of the Brazilian Federation of Banks (Febraban), which seeks to evolve the actions carried out by financial institutions on this theme.

Among the discussions of the working group, we participated in the review of the green taxonomy, which in one of the proposed modalities, classifies economic activities in terms of exposure to climate change, based on the recommendations of the TCFD. This classification assists in structuring the management of the climatic risks of members and operations, as well as in the standardization of adequate measurement. GRI 201-2

These data allowed the sectorial exposure variable to climate risks to be included in the analysis report of the credit workflow and in the modeling of measuring the socio-environmental risk of our members, improving the risk mitigation processes according to the characteristics of our portfolio. GRI 201-2

In addition, in order to complement the knowledge on the subject, we were present in training given by specialist consultants that was focused on sectoral impacts and on the integration of climate risks and opportunities in financial institutions.

Through the next actions programmed together with the working group, we will seek to evolve in the measurement of climate risks with different analysis scenarios, as well as a greater granularity in the evaluation of audiences with high levels of exposure. GRI 201-2

ECO-EFFICIENT OPERATION

Positive impact

We consider the search for an eco-efficient operation to be an essential part of our sustainability strategy.

For this reason, we seek to implement solutions in our entities that align efficiency in the use of resources with environmental responsibility.

Some credit unions, for example, have initiatives for self-generation of photovoltaic solar energy for all their service units, while others have built branches following sustainability concepts, with saving natural resources, low waste production, rainwater harvesting, among others best practices.

Another example is the CAS headquarters in Porto Alegre (RS), which, since September 2019, consumes most of its electricity from the Free Energy Market, with 100% renewable origin and of low impact.

Through this initiative, we impacted the SDGs

13 CLIMATE ACTION

Management of Greenhouse Gas Emissions (GHG)

In 2020, we prepared the Sicredi System's Greenhouse Gas Emissions Inventory for the third time, including emissions data that represent all of our credit unions.

Its objective is to quantify the impact of our operation in relation to climate change and to support the development of strategies to reduce and compensate for this adverse impact.

The process of collecting and measuring the indicators that make up the inventory continues to evolve every year. In 2020, we performed Scope 2 calculations for the first time, using the energy purchase choice approach, which takes into account the available information on the composition of the energy purchased by the entities, portraying emissions more faithfully.

As a result, our emissions associated with energy consumption were reduced by 10% compared to 2019, due to the inclusion in the calculation of the purchase of renewable energy from the free market by CAS headquarters. In addition, we avoided the emission of approximately 195 tCO_2e through self-generation of solar energy, which was reported by 85 units, including branches or credit union offices.

Total Greenhouse Gas Emissions (GHG) GRI 305-1 / 305-2 / 305-3 / 305-4

Source of emissions	Total emissions (tCO_2e)	Percentage*
Scope 1	5,687.33	26.6%
Fugitive	4,320.45	20.2%
Direct Mobile Combustion	1,090.81	5.1%
Stationary Combustion	227.95	1.1%
Effluents	46.41	0.2%
Solid Waste	1.71	0.0%
Scope 2 (purchase choice approach)	3,550.18	16.6%
Purchased Electricity	3,550.18	16.6%
Scope 2 (location approach)	3,865.96	-*
Purchased Electricity	3,865.96	-*
Scope 3	12,121.48	56.8%
Business trips	1,519.02	7.1%
Transport and distribution (upstream)	8,281.69	38.8%
Employee transportation	251.69	1.2%
Waste generated in operations	1,874.46	8.8%
Transport and distribution (downstream)	194.61	0.9%
Total (purchase choice approach)	**21,358.98**	**100%**
Total (location approach)	**21,674.77**	**-***
Emission intensity (tCO_2e/employee)**	0.72	

* The percentages were calculated based on the total of emissions following the Scope 2 purchase choice approach. Therefore, we do not report Scope 2 percentages according to the location approach.
** Calculated following the energy purchase choice approach.

GHG Protocol

Since 2018, our systemic GHG Inventory has been prepared according to the methodology of the GHG Protocol (Greenhouse Gas Protocol), internationally recognized as a tool for knowledge, quantification and management of greenhouse gas emissions.

In 2020, we systematically adhered to the Brazilian GHG Protocol Program, which seeks to encourage companies to prepare and publish GHG emission inventories. GRI 102-12

With this participation, we published the Sicredi Systemic Inventory in the Public Registry of Emissions for the first time, an online platform that assists organizations in publishing the document, bringing more credibility and transparency to the process.

The 2019 Systemic Inventory, published in the Public Emissions Registry, was qualified with the silver seal of the Brazilian GHG Protocol Program, which recognizes the performance of a complete survey, accounting for the three scopes of emissions of our operation.

In 2021, the Systemic Inventory for the year 2020 will be published in the Public Emissions Registry.

Emission neutralization

As a result of our continuous evolution in emissions management, in 2020 we carried out the first systemic neutralization of 100% of Sicredi's GHG emissions, related to scopes 1, 2 and 3, calculated in the 2019 Inventory. Sicredi SR03

The process took place by supporting the REDD+ Jari Pará Project, aimed at generating carbon credits for forest conservation in the Amazon, in order to avoid deforestation and minimize socio-environmental impacts in the municipality of Almeirim (PA) region.

To access our systemic inventories for 2019 (available) and 2020 (available as of August 2021), visit: **https://www.registropublicodeemissoes.com.br**

Sustainable branch in Itabuna - Sicredi Região Sul da Bahia Credit Union.

Based on a model of local economic development that values standing forests, the initiative promotes forest conservation and reduces potential GHG emissions caused by deforestation.

The activities developed by the project are economically viable for the inhabitants and guarantee preservation due to the combination of sustainable forest management activities and the commercialization of carbon credits.

The project is certified by the Verified Carbon Standard (VCS) and its credits are registered in the Verra Registry, ensuring the traceability and quality of the carbon credits generated.

In 2021, we will maintain the strategy of neutralizing 100% of the emissions calculated in our systemic GHG Emissions Inventory, seeking to support a project in each of the five regions where our central cooperatives operate.

Learn more about the REDD+ Project Jari Pará at: **https://bit.ly/3fPRK2z**

Sicredi Cooperative Central North/Northeast: sustainable branch

In November, we inaugurated a new branch with a sustainable concept in Itabuna, in the south of Bahia.

The construction was done based on a system of 40 containers, which support the five floors of the building one of the largest constructions with this concept in Brazil.

During the work, no water-was used and the waste generation was practically zero.

The building, which also houses the headquarters of the Sicredi Região Sul da Bahia credit union, was equipped with eco-efficient resources, such as elevators that generate energy during use, and photovoltaic panels to capture solar energy.

The containers, in addition to providing a different look, also contribute to less air conditioning use, since they provide a temperature around 4ºC below that outside temperatures.

Electronic Document Management (GED)

Throughout 2020, we worked on structuring Sicredi's Electronic Document Management, developing a tool focused on expanding the digital storage of documents and reducing the circulation of paper prints throughout the System. GRI 103-2

The process involves digitizing both new documents, which do not need to be printed, and old ones, already stored in physical structures in credit unions, cooperative centrals, CAS and contracted suppliers.

At the end of the year, we already had more than 210 million documents stored in the GED, each with a specific size and number of pages.

Per day, we store an average of 300 thousand new electronic/digital files.

As part of this initiative, we have structured a process to support credit unions in logistics and responsible disposal of paper documents, which takes into account compliance with legislation and regulations, information security and environmental impact.

The first results of the process are to be measured in 2021.

SUPPLIERS

Positive impact

We consider it important to share our sustainability commitments with our entire supply chain. In this regard, we seek to encourage systemic suppliers to adopt the best socio-environmental practices and to develop regional and local suppliers, guiding them towards sustainable management. GRI103-2

The relationship with suppliers is guided by the Internal Standard for Corporate Purchases and the theme is managed by the CAS Purchasing and Logistics management. GRI 102-9 / 103-2

In 2020, we held a Sustainable Purchasing course aimed at deepening our knowledge in the area.

The Standard states that suppliers should preferably be members of one of our credit unions, in order to expand the links between credit unions, suppliers, and communities where we operate. In this sense, we also prioritize suppliers from the regions where we are present, as part of the strategy to contribute to income generation and growth of the local economy.

In addition, decisions regarding purchases and contracts for goods and services must comply with the socio-environmental criteria defined in our Management Policy Socio-Environmental Risk, seeking to generate economic results while protecting the environment and improving people's quality of life.. GRI 102-9 / 103-2

In 2020, we contracted with 35 thousand suppliers to which we paid a total of BRL 6.1 billion. GRI 102-9

Our main suppliers range from corporate supplies to more complex service solutions, located throughout the country. The main suppliers responsible for solutions critical to our business, are located in the South, Southeast and North regions. GRI 102-9

Engaging sustainable suppliers

To ensure that suppliers are in line with our values, we have included anti-corruption, human rights, and environment clauses in our contracts, addressing issues such as child and slave labor. In 2020, 155 new suppliers were hired by CAS with socio-environmental clauses in their contracts, representing 73.1% of new suppliers during the period. Cooperatives receive recommendations to use these same standardized clauses in their local purchases. GRI 103-3

Currently, the measures we can take are linked to the contractual context, allowing termination in case of non-compliance with environmental or social clauses. But, during the year 2020,

we worked on creating new social and environmental requirements to be taken into account when hiring, in order to increasingly align our partners with the values of our business. GRI 103-2 / 103-3 / 308-1 / 308-2 / 414-1

The initiative is part of a project to gradually implement a third-party risk governance process that complies with our strategy.

It includes the elaboration and application of an evaluation questionnaire of several types of risk, including compliance, environmental and sustainability. In 2020, the process was carried out on a pilot basis with 26 suppliers. GRI 308-2

This socio-environmental analysis of suppliers should be completed in the first half of 2021, and will allow the monitoring of our partners, as well as the creation of action plans when necessary. GRI 308-2

Through this initiative, we impacted the SDGs

Chapter 4
LOCAL DEVELOPMENT

By being present in cities of all sizes, from small to large metropolitan areas, we act as an engine of local development in Brazil, whether through our financial solutions, job creation, or our programs.

Find out how our close and responsible performance positively impacts communities.

FOCAL THEMES:

- Promote local economy and financial inclusion
- Foster human, social, and intellectual capital

FOSTERING THE LOCAL ECONOMY

Positive impact

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

In addition, all members of our credit unions and headquarters, including presidents, board members, officers, and employees are members and know and experience the needs of their communities on a day-to-day basis.

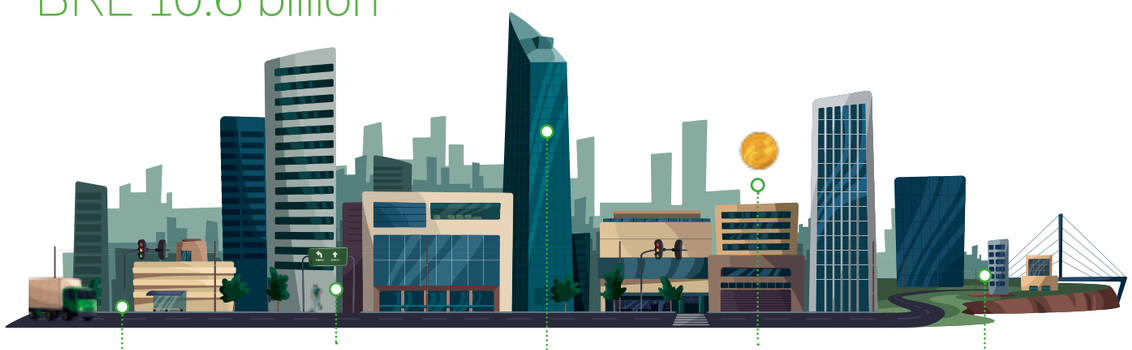
As a result, the presence of our credit unions supports local commerce, stimulates income generation, and contributes to improving the quality of life for all inhabitants of the community. In the context of the crisis caused by the Covid-19 pandemic, this strengthening of the local economy has become even more important.

In 2020, we had revenues of BRL 13.7 billion, which were distributed and generated value as follows:

Economic value distributed in 2020 GRI 201-1

Total

BRL 10.6 billion



Operating costs
BRL 6,624.8 million

Salaries and employee benefits
BRL 2,905.8 million

Payments to capital providers
BRL 246.1 million

Payments to government
BRL 793.9 million

Community investments
BRL 10.7 million

Value Added Statement (VAS) (BRL thousands) GRI 201-1

	2018	2019	2020
Economic value generated (revenue)	12,014,004	13,614,434	13,714,352
Economic value distributed	9,620,299	10,883,786	10,581,438
Operating costs	6,290,203	7,052,857	6,624,848
Salaries and employee benefits	2,324,286	2,691,830	2,905,813
Payments to providers of capital	390,266	373,784	246,116
Payments to the government	609,604	758,023	793,935
Community investments	5,940	7,292	10,726
Retained economic value*	**2,393,705**	**2,730,648**	**3,132,914**

*Direct economic value generated minus distributed economic value.

Our operating costs include payment to local suppliers, which are those registered as MEI or Simples Nacional in the cities where we are present. GRI 103-2

In 2020, we paid BRL 576.2 million to companies of this type, 4.7% more than in 2019, representing 9.4% of our expenses with suppliers in the year, an amount that directly feeds the local economy. GRI 103-2 / 204-1

Amount paid to local suppliers* (BRL million)

*The Indicator began to be monitored after 2019.

Through this initiative, we impacted the SDGs

In addition to the value generated by our direct payments to the government, employees, suppliers and social projects, we generate a significant positive impact on communities through the financial inclusion of people in the national financial system. GRI 103-2

In 2020, we were present in 216 cities in which our credit unions were the only financial institution[1]. Of these, 76% are classified as rural. In these places, our performance represents a unique opportunity to foster the local economy. Sicredi DL01

Cities where we are the only financial institution present GRI 103-3 / Sicredi DL01

Number of people	2018	2019	2020
Up to 5 thousand	150	158	162
From 5 to 20 thousand	52	52	54
Total	**202**	**210**	**216**

[1] The calculation includes bank branches and cooperative service stations.

In addition, 5% of our branches are in cities classified as needy. According to our partner, Geofusion, cities with this characteristic are small, have an economy with greater participation from agriculture and public administration, are more dependent on government transfers, and have the worst social indicators such as the Human Development Index (HDI). GRI FS13

In total, we have branches in 96 cities with this classification and we are the only financial institution in 45 of them, contributing to the development of the communities. GRI FS13

Through this initiative, we impacted the SDGs

Total number and percentage of access points * in cities classified as needy GRI 103-3 / FS13

Number of people	Number of cities in Brazil	Number of cities with Sicredi's presence	Percentage	Quantity of branches
Up to 5 thousand	525	44	8,4%	46
From 5 to 20 thousand	1.124	52	4,6%	53
Total	**1.649**	**96**	**5,8%**	**99**

* The calculation includes bank branches and cooperative service stations.

Profit Sharing

Our cooperatives also foster the economy of the communities through the allocation of part of the results obtained during the year. In the assemblies held in 2020, we defined the distribution of the results concerning the year of 2019. GRI 103-2

Of the BRL 938 million for credit unions to distribute in 2020, 21.4% went to the Legal Reserve, FATES (learn more on page 139) and other non-mandatory funds. The other BRL 744 million was distributed to the members as of the decision of the assembly, representing 79.3% of the total. GRI 103-3 Sicredi DL02

The members decided whether the distribution of the results would be made by deposit in a checking account or in the capital account.

When investing in the capital account, members expands its assets and inject active resources into the credit union, strengthening the business margin. In cases where the funds are deposited in a checking account, the amount is available to be used normally.

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 2020, this amount was paid in December, based on the current year's revenues. The amount paid was BRL 246 million, representing 7.3% of the results for the fiscal year

Through this initiative, we impacted the SDGs

Vilmar Moroni – Sicredi Serrana RS/ES Member

Sicredi Cooperative Central - South/Southeast: technology for rural traceability

In 2020, the Sicredi Serrana credit union supported the implementation of a technology that allows the monitoring, restraining and digital control of rural properties for 35 farmers in the region of Serra Gaúcha and Vale do Caí, in Rio Grande do Sul.

The technology was developed by the startup Elysios, which participates in AgTech Garage, an innovation hub located in Piracicaba (SP) that counts on our participation and connects startups, educational institutions, rural producers, and other actors to accelerate the development of technological solutions for agribusiness. Through the initiative, farmers implemented the Digital Field Notebook, which allows rural activities to be registered on cell phones and on the computer, and received training and technical assistance visits. As a result, it was possible to track more than 280 tons of food, bringing more security to the farmer and the consumer.

Due to the positive result of the experiment, the initiative will be expanded to other producers and credit unions in the region.

Facing the impacts of Covid-19
Connecting member businesses

Since 2019, we have had the Sicredi Conecta app, which promotes interaction and the sale of products and services among our members based on intercooperation.

Through the tool, the user has a showcase where he/she can sell, buy, negotiate, disclose and communicate with customers, free of charge. Thus, we boost your business in the digital environment and collaborate for the prosperity of the communities where we are present. GRI 103-2

In 2020, during the crisis caused by Covid-19, we invested even more in the application, to support member small businesses and to strengthen their region. Throughout the year, the number of credit unions that had joined Conecta increased from 10 to 95, with 48.6 thousand users and 39.1 thousand ads.

In all, there were BRL 189 thousand in app transactions.

GRI 103-3

To respond to the crisis, we also developed a feature that allowed users to promote donation actions that included food baskets, hygiene kits, and hand sanitizer for charities in their region.

In total, we registered 2,390 donations, reaching BRL 99.4 thousand.

Through this initiative, we impacted the SDGs

Facing the impacts of Covid-19
Cooperating with the local economy

The economic and social scenario brought about by the Covid-19 crisis highlighted the importance of cooperation and support for micro and small businesses to help communities continue to thrive in the midst of difficult moments.

While small businesses generate most of the jobs and contribute significantly to the economy, they are also more affected by the crisis, and as a rule, they have less capital to withstand long periods of lost revenue.

With this concern, and exercising our values and principles, we launched the Eu Coopero com a Economia Local (I Cooperate with the Local Economy) movement, reaffirming cooperativism as a way out of the crisis.

Through it, we contributed to civil society, local entities, press vehicles, and the government to strengthen small shop owners and invite people to consume locally, making the economy revolve.

As part of the campaign, we launched e-books and videos to support establishments during this delicate moment, which can be accessed on the website:

Learn more about the I Cooperate with the Local Economy at:
www.sicredi.com.br/economialocal

FINANCIAL INCLUSION

Positive impact

At Sicredi, we define our positive impact as the positive transformations in economic, social and environmental terms that we bring about in the lives of people and society where we operate.

In order to enhance our capacity to generate sustainable development, we seek to understand and measure this generation of value through studies and clear indicators that we can track over time.

In 2020, we moved towards creating a positive impact model by building our Sustainable Development Framework, which links internal and external sustainability benchmarks with systemic and local indicators, helping credit unions to understand and measure their impact (learn more on page 40).

In order to deepen the understanding of the impact of our business model, we commissioned the specialist in Applied Microeconomics and Economic Development, Juliano Assunção, a researcher in the Department of Economics at the Pontifical Catholic University of Rio de Janeiro (PUC-Rio), to do a study that compares the physical presence of banks and credit unions in Brazilian cities.

The research, published in June 2020, shows that Sicredi has a natural preference for settling in rural locations, that are more distant, with lower GDPs and with less population. GRI 203-2

In addition, the study also shows a trend of geographical expansion that contrasts with the continuous reduction in the presence of public and private banks in Brazil. GRI 203-2

Finally, employing industrial organization techniques, the study evaluated what would be the minimum scale of a municipality for the entry of banks and of Sicredi. We were able to identify that our minimum scale is around 2.3 thousand inhabitants, when the population is evaluated, and BRL 79 million, when GDP is evaluated. Banks, on the other hand, need 8 thousand inhabitants and BRL 112 million. GRI 203-2

With that, the study was clear in showing that the reach of the credit unions is around 1.9 thousand cities where 9.5 million Brazilians live.

In comparison with private banks, the numbers are even more relevant: BRL 220 million of GDP is needed to install the first branch. GRI 203-2

EMPLOYEE DEVELOPMENT

Positive impact

Our employees are part of the communities where we operate and, at the same time, are responsible for the close and human relationship we establish with them. They are the ones who strive on a daily basis to get to know the life of the members, the dynamics of the local economy and are able to respond to their financial needs.

We have 29,800 employees who are also members of the credit unions and therefore know the needs of the community.

Number of employees per employment contract (quantity) GRI 102-8

	2018		2019		2020	
	Men	Women	Men	Women	Men	Women
Temporary*	260	368	269	395	225	382
Permanent*	10,578	14,577	11,644	16,305	12,109	17,114
Total by gender	10,838	14,945	11,913	16,700	12,334	17,496
Total		**25,783**		**28,613**		**29,830**

* For the temporary contracts, only young apprentices were considered.

Number of employees per cooperative central (quantity) GRI 102-8

	2018	2019	2020
Sicredi Cooperative Central - South/Southeast	9,190	9,918	10,410
Sicredi Cooperative Central Office - PR/SP/RJ	8,230	9,246	9,625
Sicredi Cooperative Central - Central-North	3,115	3,491	3,586
Sicredi Cooperative Central - Central Brazil	1,843	2,155	2,360
Sicredi Cooperative Central - North/Northeast	1,467	1,528	1,518
Sicredi Administrative Center (CAS)	1,927	2,264	2,320
SicrediPar	11	11	11
Total	**25,783**	**28,613**	**29,830**

We know that by investing in their education and training, we strengthen local development both by improving our ability to meet local demands and by strengthening the region's human capital.

For this reason, we seek to continually develop our employees, always in line with Credit Union principles. GRI 103-2

Throughout 2020, in the midst of the crisis caused by the Covid-19 pandemic, the dedicated efforts of employees has allowed us to continue generating value for members and their communities.

Facing the impacts of Covid-19

Care for employees

- During the pandemic, one of our central concerns was the health and well-being of employees. Also in March, we shared systemic guidelines for people management, including preventive measures to ensure social distance, protocols for closing branches or keeping them open, and for suspected and confirmed coronavirus cases in our environment.
- We enable the remote work of employees, providing technology and technical guidance for the team.
- During the pandemic, we had more than 20% of employees in the entire System working remotely.
- In this context, we launched the Gente que Coopera Cuida (People Who Cooperate Care) movement, which promoted, in all, 52 systemic training actions through online courses and web conferences by Sicredi Aprende, distributed in four pillars: Prevention, Remote Work, Emotional Health, and Leadership, in order to minimize the physical and emotional impacts on our employees.
- We hold live streams with a focus on disease prevention and care, with more than 60 actions and more than 21,000 participations. To facilitate access to information for employees, we launched a content space dedicated to for guidance on Covid-19 on the Collaborative Network, our intranet.
- During the period, the credit unions and cooperative centrals published more than a thousand new contents on Sicredi Aprende, that received over 160 thousand accesses a month.
- Thinking about the emotional health of employees, we created a support network carried out in real time, via online web conferencing, with the participation of a psychologist. The goal was to create a welcoming space to help people process their emotions and thoughts in the face of the crisis.
- When returning to face-to-face work, we created guidance in order to provide a safe environment for employees and members. The documents included guidelines for social distancing, the use of protective equipment, the cleaning of common spaces, and recommendations for transportation to the workplace.
- At CAS, actions were developed to support employees in remote work, such as the anticipation of the payment date for Food Vouchers, financial support for those who needed to install wi-fi internet in their home, and availability of office supplies and furniture from the headquarters to use at home.

Education and training

Guiding the development of our employees, we have a corporate education process that promotes the training of professionals integrated into the cooperative culture and offers a continuous, growing and cumulative learning process.

The different levels of training take into account the experience and knowledge of the employee and the role they will perform. GRI 103-2

We offer basic training, which seeks to introduce and acculturate new employees through essential content about our organization, structure and culture. In functional training, we support the development of skills related to the day-to-day activities of the business.

We also have a continuous training, which seeks to expand knowledge related to processes, methods and techniques used in the market, relating to the current position of the employee or with a view to professional growth. It is made up of internal and external courses and programs, seminars and congresses, as well as complementary courses.

For managers, we offer the training of leaders, which reinforces their managerial responsibilities and their role in Sicredi, enabling them to act strategically focusing on people, processes and results.

The 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.

In 2020, we updated the platform with a more modern interface, new features, and diversified content for employees to develop all the time.

During the year, we invested BRL 57.5 million in training. Each employee received, on average, 24 hours of training

GRI 404-1

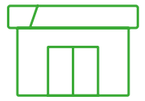
Average of training hours per employee by gender GRI 103-3 / 404-1

	2018	2019	2020
Men	28	22	23
Women	26	20	25
Total Average	**27**	**21**	**24**

Average of training hours per employee per functional category GRI 404-1

	2018	2019	2020
Elected	6	7	8
Top leadership	22	21	14
Middle leadership	33	24	27
Professionals	25	21	25
Technical	27	9	10
Interns	23	22	16
Young Apprentice	15	15	9
Total Average	**27**	**21**	**24**

Among the main initiatives for the development of our employees launched in 2020 are:



Reformulation of the Formation of Branches
Presents introductory and fundamental concepts for employees working in the branches. In training, our financial solutions are explored and topics such as member segments, security at branches, and a commercial approach.

It has interactive videos, where employee can put into practice the learning obtained during the training based on real situations, decision-making, and feedback. GRI 404-2

Advanced Investment Journey
It seeks to further qualify the consultative role of our employees in order to better serve investing members, contributing to a specialized approach. The program also seeks to make new content available that is systemic, scalable and recurring, to add value to the investment theme.

Despite being available to all employees, it is mainly aimed at those who work in the business area, directly and indirectly, with investments.

GRI 404-2

Pix Series

It seeks to transmit basic knowledge about Pix's functionalities, supporting business professionals in assisting members. The training consists of a series of short videos, a simulator, podcasts and a support guide. GRI 404-2

CPA-10 preparation and updating courses

It seeks to prepare employees for CPA-10 professional certification, offered by the Brazilian Association of Entities in the Financial and Capital Markets (ANBIMA).

The contents are gathered in learning paths, with a series of videos recorded by an expert on the subject. In addition to the videos, the tracks also include handouts and simulation questions, which enhance learning. GRI 404-2

Various publications

In addition to the courses and training developed specifically for Sicredi, Sicredi Aprende also offers several market training courses to support the development of our employees in the current and future challenges of the work environment. GRI 404-2

Some examples of these training courses are:

- ***Ideation Thinking:*** Silicon Valley innovation tools;
- **UX:** User Experience;
- **Design Thinking;**
- **Agile Tools and Agile Thinking;**
- **Mental maps:** structuring ideas;
- **Free your creativity;**
- **Non-violent communication:** how to manage conflict;
- **Speaker:** speak well in public;
- **Relational Intelligence:** the super agile power;
- **Initiative:** act now.

Through this initiative, we impacted the SDGs

Reinforcing our way

Since 2019, we have had a menu of work skills, which describes the desired behaviors of employees, guiding the selection processes and the way we evaluate, develop and recognize our talents. The menu consists of 15 competences organized in four thematic axes, which should be adopted by the credit unions according to their local reality.

In June 2020, we launched the Conecta & Desenvolve program, which seeks to support employees in understanding and developing these skills. GRI 404-2

The program takes place in a collaborative manner with the cooperative centrals and the CAS, which sponsor a competence of their choice and hold biweekly live streams, covering success stories and tips on how to put these behaviors into practice. In 2020, there were 11 live streams that totaled more than 7.7 thousand participations. GRI 404-2

Also related to our competencies, we developed the integration program Jeito Sicredi de Ser, which presents our essence, values and purpose to new employees. In 2020, we revitalized the program, aligning it with new skills, the 2023 Strategy and the Inspirational vision 2030 (learn more on page 30). GRI 404-2

In the revitalization, we updated the Workshop Jeito Sicredi de Ser and the Jogo do Jeito with the objective of making them simpler and adaptable to local needs.

The construction was carried out collaboratively by a working group that included representatives from credit unions, cooperative centrals and CAS. GRI 404-2

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 2020, 100% of employees participated in the process, with the exception of those hired as of October. GRI 404-3

All entities that have already implemented the new Performance Management model have performed the performance evaluation in a new format, following the new skills and with an emphasis on feedback and career development.

To support this strategy, we implemented +Evolução, a platform that covers all stages of the process.

The new system was implemented at CAS, Sicredi Cooperative Central - South/Southeast, Sicredi Cooperative Central Office - PR/SP/RJ, Sicredi Cooperative Central - Central Brazil, and Sicredi Cooperative Central - Central-North. In 2021, Sicredi Cooperative Central North/Northeast will implement it.

Menu of #competencies

Axis #cooperativism

Live, disseminate and bolster our proposal inside and outside of the organization.

#Cooperative essence: purpose and identity
#Simplicity: be and act simply
#Acting together: teamwork and collaboration
#Communication that brings us closer: simple, true and constructive
#Understanding to serve: empathy and focus on members

Axis #transformation

Enhance digital and cultural transformation in the organization

#Learn and change fast: adaptability and self-development
#Creative boldness: entrepreneurship and creativity
#Innovate to transform: vision of the future and trends

Axis #people

Putting people at the center and heart of our business

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

Axis #business

Make it happen, do it well and make a difference

#Go and do it: proactivity and leadership
#Owner's view: strategy and systemic view
#Applied knowledge: technical knowledge and skill

SOCIAL RESPONSIBILITY

Positive impact

Due to the cooperative nature of our business, we have a direct positive impact on the communities where we operate.

In order to further expand our capacity to generate value for the local population, we have developed a series of private social investment actions, sponsorships and support, originating from both the system and locally.

These initiatives take into account local needs and are in line with the principles and values of cooperativism. GRI 103-2

In 2021, we will implement a new Sicredi Social Investment indicator (ISS), which will calculate the total value of resources transferred to social, environmental, cultural and scientific actions in the System.

FATES

With the objective of investing resources in assisting members, their families and, when provided for in the bylaws, employees, our credit unions reserve at least 5% of their financial result in the Technical, Educational and Social Assistance Fund (FATES).

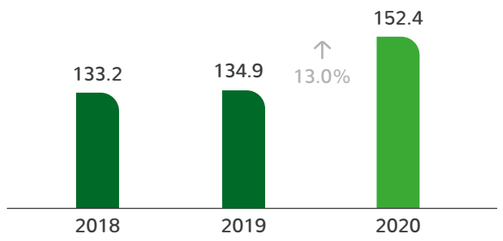
The fund offers assistance on three fronts:

- **Technical assistance:** supports technical training activities for the development of 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 union's members, family members and employees by developing educational activities for the dissemination and promotion of cooperativism;
- **Social assistance:** seeks to improve the lives of members, their families, and employees through social support, with events, sporting and cultural activities, among other initiatives.

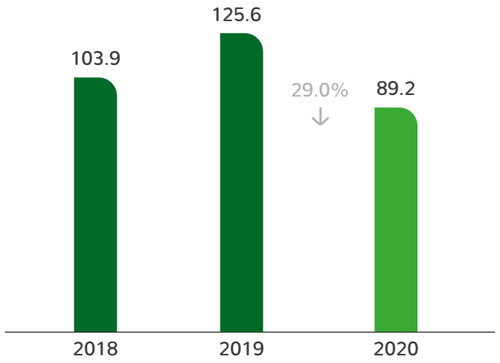
In 2020, BRL 152.4 million was allocated to FATES, while BRL 89.2 million of the total balance of the fund were used by the credit unions.

Sicredi DL06 / GRI 103-3

Amount destined to FATES (BRL million)



Amount used from FATES (BRL million)



The use of FATES was lower in 2020 than in previous years due to the pandemic scenario, which reduced the number of in-person actions and educational programs developed with its resources.

Through this initiative, we impacted the SDGs

Social Fund

Our credit unions can structure a Social Fund in order to support local social projects aimed at education, culture, sport, health, environment, security and social inclusion.

GRI 103-2

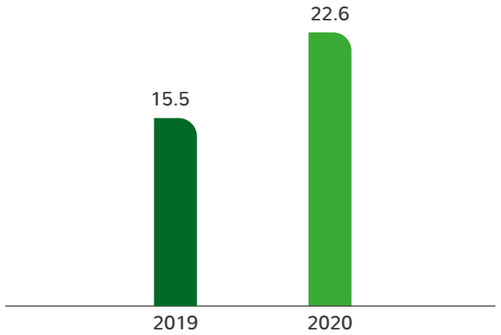
The credit unions that have the Social Fund allocate a percentage of the result of the previous year to initiatives promoted by private, non-profit and legally constituted entities, through measurable actions in effort, time and impact on social development.

Since 2019, the Social Fund is a systemic program and the Sicredi Foundation has a fundamental role in supporting credit unions: offering guidance and structure for those who already have and encourages new funds to be created in those that do not yet have them.

In 2020, BRL 22.6 million for social actions through the Social Fund, totaling 2,273 projects. Sicredi DL05

The funds from were used mainly to minimize the impacts of the Covid-19 pandemic on communities. GRI 103-3

Volume invested by the Social Fund (BRL millions)*



*This indicator started to be monitored in 2019.

Through this initiative, we impacted the SDGs

Facing the impacts of Covid-19
Local action in caring for communities

Several credit unions mobilized during the year to donate supplies, masks and respirators in order to support communities during the public health crisis caused by the pandemic.

In this context, the Sicredi União PR/SP credit union received the 2020 Sesi ODS Seal in recognition of the project that supported the making of masks by low-income women served by the social program, and by refugees who had recently completed the sewing and cutting course. The seamstresses were paid per unit produced and the masks were distributed to the population in exchange for non-perishable food. Another 20,000 units were donated to entities that serve the elderly, cancer patients and recyclable waste pickers.

The Seal, offered by the Fiep and Sesi Paraná System, had the purpose of spreading and mobilizing society for the implementation of actions in favor of the 2030 Agenda, encouraging Paraná's institutions to assume the role in carrying out good practices for the prevention and combat of Covid-19 and post-pandemic actions.

Strengthening the relationship with communities

In 2020, Sicredi Cooperative Central -Central-North launched the Sicredi platform in the Community, a tool to develop local relationships. Through it, we organized the initiatives that have already benefited from the Social Fund and make it possible to register new projects to receive support.

In this virtual space, we bring together representatives of entities, entrepreneurs, project leaders, employees and volunteers, creating a social marketplace that seeks to make projects feasible and enhance the positive impact of our actions. Through it, users can also choose to make their own donations to registered projects.

The platform has been institutionalized, has become systemic, and for the time being, it covers credit unions from the state of Bahia, Federal District, Goiás, Minas Gerais, Mato Grosso, Mato Grosso do Sul, Rondônia, Acre and Pará.

Learn more about our front-line activities at:
sicredinacomunidade.com.br

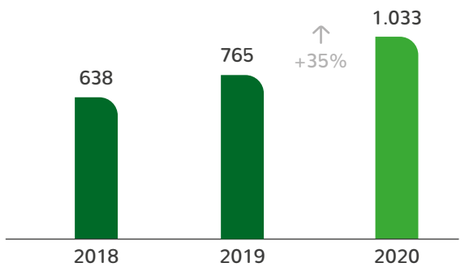
Cooperate Day (Dia C)

Every year, in July, we celebrate Cooperate Day (Dia C), a national initiative organized by the OCB System (Organization of Brazilian Cooperatives) that seeks to demonstrate the strength of cooperativism in favor of social transformations. On that day, the participating organizations carry out social responsibility actions in the communities, in line with the principles of cooperativism, through voluntary actions. GRI 103-2

In 2020, we decided to expand the scope of our participation and started to carry out actions aligned with Cooperate Day (Dia C) throughout the year, increasing our positive impact on communities. In addition, due to the restrictions imposed due to Covid-19, our initiatives and actions were carried out remotely, through live streams and other digital tools, with the main objective of raising donations and mobilizing volunteers to minimize the effects of the pandemic.

In all, we carried out 1,033 actions in 612 cities, which involved 27,700 volunteers and positively impacted 4.1 million people. Of all the actions, 74% were directly related to coping with the Covid-19 crisis. GRI 103-3

Number of actions done on Cooperate Day (Dia C)



Through this initiative, we impacted the SDGs

Actions done using the Cooperate Day (Dia C) model

Cooperative Central	Total actions	Percentage of Credit Unions that developed actions	Number of cities	Number of people affected	Number of volunteers
Sicredi Cooperative Central - Central Brazil	81	71%	98	111,269	2,184
Sicredi Cooperative Central - Central-North	157	89%	145	770,421	5,086
Sicredi Cooperative Central - North/Northeast	32	50%	70	352,706	667
Sicredi Cooperative Central Office - PR/SP/RJ	444	84%	532	1,775,041	12,414
Sicredi Cooperative Central - South/Southeast	316	63%	581	1,109,949	7,246
Sicredi Foundation	3	-	1	2,400	141
Total	**1,033**	**69%**	**1,427**	**4,121,786**	**27,738**

On Cooperate Day (Dia C), credit unions carried out social responsibility actions through voluntary actions. 2019 Registration. In 2020, our actions took place online.

Volunteer Movement

Volunteering is a practice already carried out in our credit unions and fully aligned with the principles of cooperativism, such as open and voluntary membership, intercooperation and interest in the community. GRI 103-2

Currently, volunteers already participate in several actions such as Cooperate Day (Dia C), the A União Faz a Vida Program and the Cooperação na Ponta do Lápis Program, among other local programs developed by the credit unions themselves in their regions.

In 2020, we institutionalized the theme and started structuring a voluntary movement that will support credit unions in expanding this practice. Thus, we intend to align our actions to the sustainability strategy and to encourage, in a systematic and more effective way, employees and members to dedicate their work and talent for causes of social and community interest. The theme will continue to be structured throughout 2021.

25 years of the A União Faz a Vida Program

GRI 103-2

In 2020, our main social responsibility program celebrated its 25th anniversary.

The A União Faz a Vida program began in 1995 in the city of Santo Cristo, where Sicredi União RS operates, in the northwest of Rio Grande do Sul. Since then it expanded, became systemic, and today includes credit unions that are part of Sicredi Cooperative Central - Central Brazil, Sicredi Cooperative Central - Central North, Sicredi Cooperative Central - South/Southeast, and Sicredi Cooperative Central Office - PR/SP/RJ, reaching expressive numbers throughout the country.

25 years: numbers from the A União Faz a Vida Program

More than 3 million
Children and adolescents

More than 150 thousand
Educators

2.6 thousand
Participating schools

475
Cities in 12 states

With the Program, we encourage children and adolescents to think cooperatively. 2018 PUFV registration.

The A União Faz a Vida Program seeks to form cooperative citizens in the communities where we operate, encouraging children and adolescents to be protagonists who think critically, make decisions and build projects collectively, thus developing the principles of cooperation and citizenship. GRI 103-2

Students that participate in the Program in 2018.

It is based its own unique teaching methodology, which values the knowledge obtained outside and inside the school, and can be applied in Early Childhood Education, Elementary Education, and High School. In it, students are protagonists of the learning process and develop projects that help develop global knowledge.

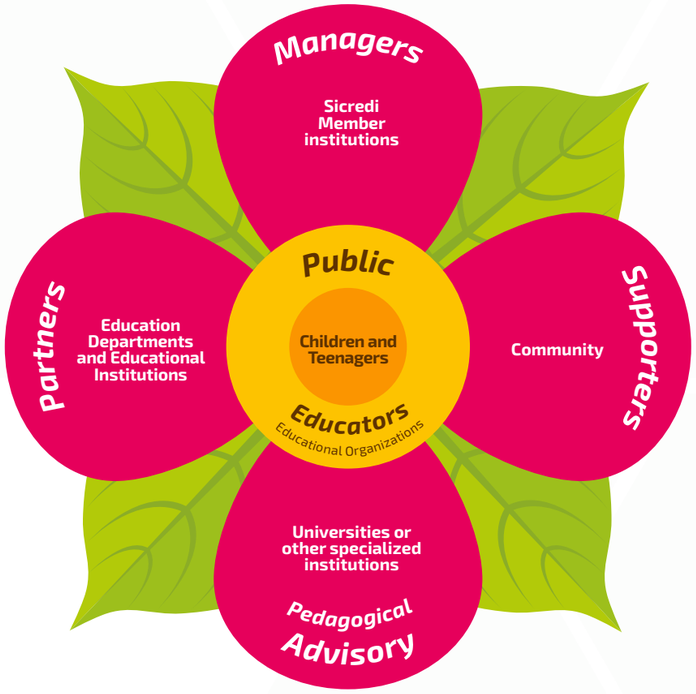
Currently, 69 of our credit unions are developing the União Faz a Vida Program, representing 63% of the total credit union affiliated to the System. GRI 413-1

Learn more about the methodology of the program at: **bit.ly/2M6zmrj**

Through this initiative, we impacted the SDGs

We have a commitment network made up of diverse audiences that work on behalf of the Program. At the center of this network is the target audience: educators, children and adolescents.

Network of Commitment of the program



Learn more about our Commitment Network at: **bit.ly/3qy5LWK**

As part of the 25th anniversary celebrations, we updated the bee, which is the mascot of the program, and developed a new visual identity with a new commemorative stamp that can be accessed at **www.auniaofazavida.com.br**

In 2020, the Covid-19 pandemic had an impact on the training activities that we used to carry out with teachers, school managers and pedagogical advisors, as they were traditionally carried out in person. We need to adapt to the new scenario in order to continue being effective in our purpose of transforming realities through education.

Systematically, 25 actions were carried out that addressed several subjects adhering to the Program and the Brazilian education scenario:

16 internal actions
via web conference, involving, on average, 82 people per action;

6 live streams
that had an average of 4.3 thousand views each;

2 videos
with pedagogical resources made available by WhatsApp for educators and pedagogical advisors.

In addition, the Cooperative Centrals and Credit Unions that have the Program have also developed regional virtual pedagogical training and advisory services.

Altogether there were more than
25,900 hours
of online training for educational managers and educators.

Several topics were addressed according to regional realities: National Common Curricular Base (BNCC), school curriculum, emotional management and affective bonds, technology, digital resources and the methodology of the Program, in addition to advising on the projects that were being developed.

This reinforces our commitment to staying close to partner institutions, fostering the importance of continuing education for educators and school managers to generate positive impacts on communities through education.

At the same time, we made progress in implementing the Program's systemic management tool, which makes it possible to record and manage data on all actions carried out by credit unions.

Overview of the Program a União Makes Life in 2020 GRI 103-3 Sicredi DL03

Cooperative Centrals	Educators registered	Children and teenagers registered	Cities	Schools	Projects
Sicredi Cooperative Central - South/Southeast	10,689	109,521	212	1,059	1,128
Sicredi Cooperative Central - PR/SP/RJ	6,902	93,626	211	1,200	1,016
Sicredi Cooperative Central - Central Brazil	165	1,459	9	17	9
Sicredi Cooperative Central - Central North	5,558	77,595	43	365	590
Total	**23,314**	**282,201**	**475**	**2,641**	**2,743**

Impact of the A União Faz a Vida Program

In 2020, we assessed the social impact of the A União Faz a Vida Program through a study in partnership with the Institute for the Development of Social Investment (IDIS). This assessment followed the Social Return on Investment (SROI) analysis methodology. GRI 103-3

Below are some of the indicators we measure to assess our positive impact on communities:

Impact on students

Increased interest, involvement and leadership in the learning process

- Greater interest in school space and activities;
- Development of a more questioning attitude.

Greater sense of citizenship and collectivity

- Greater awareness of your responsibility as a citizen and your role as an agent of positive transformation of reality;
- Development of the role of awareness, sharing knowledge for everyone's benefit.

Strengthening interpersonal relationships

- Strengthening friendship bonds in the school environment;
- Strengthening the bond between student and teacher.

Strengthening socio-emotional skills

- Development of interpersonal communication and expression ability;
- Greater ability to recognize and respect differences.

Impact on educators

Professional development by experiencing new ways of teaching and learning

- Developing creativity by connecting school curriculum content to projects;
- Valorization of diffuse knowledge in the local community.

The study identified that for every BRL 1.00 that is invested in the Program, BRL 4.07 is generated in the form societal impacts.

If we divide the monetized impacts between the number of teachers and students involved, we can say that the impact on each student is BRL 1.2 thousand and on each educator is BRL 1.7 thousand. We thus confirm that the Program has a positive and relevant social return on investment with the school and brings significant social benefits to students and teachers.

Learn more about the Program at:
https://auniaofazavida.com.br/

Sicredi Cooperative Central PR/SP/RJ: maintaining the connection with educators

Concerned about maintaining the connection with the teachers involved in the A União Faz a Vida Program during the pandemic, Sicredi Cooperative Central PR/SP/RJ: developed the Abelhuda project, which is based on mobile learning to ensure its training, support and constant monitoring.

The action involved the presentation of 30 video classes through WhatsApp, and 16 activities monitored by tutors, over 15 weeks. The choice of the app favored the interaction of teachers with different internet connection availability and the monitoring enabled a frequent dialogue, facilitating the learning process.

The mobile learning strategy resulted in the enrollment of seven thousand educators from Paraná, São Paulo and Rio de Janeiro -representing 70% of the Program's base in the region. Of the total enrolled, 82% completed the training.

In October, the Cooperative Central also organized Summit Education, an online event that brought together 4,500 employees to celebrate the Program's 25th anniversary. The celebration included musical shows, declamation of poetry and debates.

Mission of the A União Faz a Vida Program in Haiti receives international recognition

In September, the World Council of Credit Unions (WOCCU) recognized the members of the mission carried out by the A União Faz a Vida Program in Haiti in 2019, for the social impact achieved in the Caribbean country.

During the mission, a group of volunteer employees and pedagogical advisers took the methodology of the Program to clergy and teachers at the Institution Sacré Coeur de Jésus, in Port-au-Prince, the capital of Haiti, working on the training of local educators.

The institution offers education and daily meals for more than 270 children from families in socially vulnerable situations.

School Cooperatives Program

The School Cooperatives Program seeks to expand the learning opportunities of children and adolescents, experiencing the values and principles of cooperativism.

School Cooperatives are student associations formed by the voluntary participation of children or adolescents, from 10 to 17 years of age.

They do after school social or cultural activities.

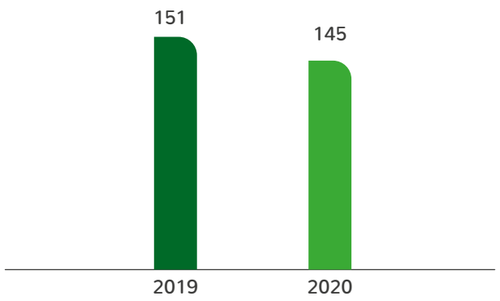
The Program takes place in partnership with educational institutions that believe in the principles and values of cooperativism as an educational proposal. The activities are focused on the development of skills such as leadership, social entrepreneurship, financial education and social inclusion. Students are guided by a pedagogical proposal and supported by teachers, Sicredi credit unions, and Education Departments, among other partners.

In the School Cooperatives Program, children and adolescents experience the values and principles of cooperativism. 2017 registration, the foundation of the Sol do Amanhã Educational Cooperative.

The methodology was developed with the contribution of educators and students, and is based on a gamification approach (based on game thinking), bringing elements such as narratives, challenges, problem resolutions, self-assessment and progression.

Currently, the Program is carried out in elementary and high schools in Rio Grande do Sul and Santa Catarina. Developed initially by Cooperative Central -South/ Southeast and its affiliated credit unions, the initiative is expanding to other Brazilian states. In 2020, we supported 145 School Cooperatives in 76 cities, impacting 4,900 students[1]. Sicredi DL04 / GRI 102-48

Total School Cooperatives[2]



Incentive laws

We consider incentive laws to be an important way to contribute to local development, since this donation is income tax deductible. In 2020, for the first time, all Sicredi companies donated BRL 4.6 million to different incentive laws, namely:

- Culture Incentive Law;
- Sports Incentive Law;
- Pronon-National Support Program for Oncological Care;
- Pronas-National Program to Support Health Care for Persons with Disabilities;
- Municipal Fund for the Elderly;
- Funcriança-Municipal Fund for Children and Adolescents.

This value represents the impact that we generate in 57 cities, distributed in 9 states, benefiting 61 projects.

The projects and funds that benefited were selected by the cooperative centrals and credit unions.

Through this initiative, we impacted the SDGs

[1] In 2019, the number of impacted students reported had been calculated per school. In 2020, we changed the way of calculating the indicator, starting to consider students who participate in the cooperatives
[2] The indicator started to be monitored in 2019.

Chapter 5
APPENDICES

RELATIONSHIP WITH STAKEHOLDERS

In 2020, we continue to engage our stakeholders in search of an ever closer relationship that generates sustainable development. These audiences were defined based on our strategic, institutional and market relations, taking into account the sustainability of the business. Below is a summary of our engagement actions by stakeholder group: GRI 102-42

Stakeholder group GRI 102-40	Form of engagement/Frequency GRI 102-43
GOVERNANCE Support and participate in the management of the business. **Target Audience**: members, nucleus coordinators, board members and shareholders.	• Assemblies/annual • Sustainability/annual report • Net Promoter Score (NPS) Survey/monthly • Corporate citizenship actions/according to the agenda of the credit unions • Institutional visits organized by cooperatives for CAS/according to the agenda of the credit unions
BUSINESS Their actions directly impact our business, either through regulations or because their actions have an impact on our operation. **Target Audience:** Regulatory bodies, government, suppliers, and unions.	• In-person meetings/no defined frequency • Sustainability/annual report • Official notices/ no defined frequency
REPUTATION It builds our reputation, generates opinion, and resonates with our activities and conduct. **Target Audience**: Employees, community, press and influencers.	• Climate survey/biannual • Internal notices/ frequently • Internal satisfaction surveys/no defined frequency • Assemblies/annual • Sustainability/annual report • Corporate citizenship actions/according to the agenda of the credit unions. • National Meeting of Journalists/annual
REPRESENTATION Defend the interests and exercise of credit unions in the political and economic scenario. **Audience**: World Council of Credit Unions (Woccu), Brazilian Confederation of Credit Cooperatives (Confebras), International Cooperative Alliance (ACI), ACI Americas, International Association of Cooperative Banks (ICBA), OCB System.	• Sustainability/annual report • In-person meetings/no defined frequency • Official notices/no defined frequency

In addition to these, in 2020, we also held consultations with the cooperative centrals and credit unions to discuss relevant topics for the development of our sustainability strategy, namely: the review of our Sustainability Policy (page 32); the neutralization of systemic GHG emissions (page 117); adherence to the UN Global Compact (page 35); the development of our sustainable development framework (page 40) and our Strategic Planning (page 30). GRI 102-21

GRI CONTENT INDEX

GRI 102-55

MATERIALITY DISCLOSURES SERVICE 2021

For the Materiality Disclosure Service, GRI Services has reviewed whether the GRI Standards Content Summary is clearly presented and whether the references to Contents 102-40 through 102-49 are aligned with the corresponding sections in the body of the Report. Such service was performed in the Portuguese version of the Report.

GRI Standard	Contents		Direct reference/response	Relationship with the Global Compact principle
GRI 101: FUNDAMENTALS – 2016				
General content				
GRI 102: General Content 2016	102-1	Name of the organization	Page 14	–
	102-2	Main activities, brands, products and/or services	Pages 14 and 26	–
	102-3	Location of the headquarters	Page 14	–
	102-4	Number of countries in which the organization operates.	Page 16	–
	102-5	Ownership and legal form	We are composed of individual credit unions (non-profit and limited liability cooperative financial institutions), their respective cooperative centrals (non-profit and limited liability cooperative society financial institutions), the Interstate Confederação Interestadual das Cooperativas Ligadas ao Sicredi (Sicredi Confederation, of the cooperative society format, non-profit and limited liability), Sicredi Participações S/A (SicrediPar, incorporated format), the Fundação de Desenvolvimento Educacional e Cultural do Sistema de Crédito Cooperativo (Sicredi Foundation, with a private foundation format), Sicredi Fundos Garantidores (non-profit civil association), Banco Cooperativo Sicredi S/A (Sicredi Bank, incorporated financial institution) and its subsidiaries: Sicredi Assets Administrator, Sicredi Consortium Administrator, Sicredi Insurance Brokerage, and Sicredi Cards Administrator (all of which are limited liability companies).	–
	102-6	Markets served	Pages 15, 16 and 26	–
	102-7	Scale of the organization	Information about the size of our business are on page 14. In addition to these data, we closed 2020 with a capitalization of BRL 7.5 and an indebtedness of BRL 8.2 billion.	-
	102-8	Information on employees and other workers	The employees' profile can be found on page 132. The information was extracted directly from the GP reports, containing Sicredi's final position in December 2020. All contracts are full-time. Due to the nature of our business, credit unions have the autonomy to carry out their own contracting with third parties, so that we do not systematically monitor this information..	-
	102-9	Description of the company's supplier chain	Page 120	-

GRI Standard	Contents		Direct reference/response	Relationship with the Global Compact principle
GRI 102: General content	102-10	Significant changes to the organization and its supply chain	There were no changes in the structure of the Company or the supply chain.	-
	102-11	Precautionary Principle or approach	Our Sustainability Policy provides for the application of the precautionary principle in the statement: "Decision-making: act based on the precautionary principle, where we seek mutually beneficial solutions with reduced adverse impact to Sicredi's business and reputation. Act with caution when there are doubts about the economic, social and environmental consequences, where the lack of scientific certainty will not be used as a reason for the degradation of the environment and the society where we operate." The precautionary principle is applied in our social and environmental risk management, described on page 109.	7
	102-12	External initiatives	Pages 35, 114 and 117	-
	102-13	Membership of associations	In addition to the participations described on page 64, we actively participate in Febraban, where we make up the Social Responsibility and Sustainability and its Working Groups. We also participate in: ABAC -Brazilian Association of Consortium Administrators; ABAG – Brazilian Agribusiness Association; ABECIP – Brazilian Association of Real Estate Credit and Savings Entities; ABBC – Brazilian Association of Banks; ANBIMA – Brazilian Association of Financial and Capital Market Entities; ABECS – Brazilian Association of Credit and Service Card Companies.	-
	102-14	Statement from senior decision-maker	Page 8	-
	102-16	Values, principles, standards, and norms of behavior	Pages 18 and 57	10
	102-40	List of stakeholder groups	Page 152	-
	102-41	Collective bargaining agreements	100% of employees are covered by collective bargaining convention or agreement	3
	102-42	Identifying and selecting stakeholders	Page 152	-

GRI Standard	Contents		Direct reference/response	Relationship with the Global Compact principle
GRI 102: General Content	102-43	Approach to stakeholder engagement	Page 152	-
	102-44	Key topics and concerns raised	There is no survey of stakeholder main topics of interest, but we carry out satisfaction surveys with members, employee-oriented climate surveys, in addition to other satisfaction surveys regarding deliveries made to other stakeholders. In 2020, due to the pandemic, no climate survey was carried out, as well as the satisfaction survey of visits to the CAS. Only the NPS survey was conducted.	-
	102-45	List of entities included in the financial statements	The financial statements of our combined 2020 balance sheet include Sicredi Cooperative Bank, credit unions, cooperative centrals, and investment funds in which these entities substantially assume or retain risks and benefits.	-
	102-46	Defining report content and topic Boundaries	Pages 12 and 36	-
	102-47	List of material topics	Pages 36 and 37	-
	102-48	Restatements of information	Pages 70 and 150	-
	102-49	Changes in reporting	In 2020, there were no changes in relation to the focal themes reported in the previous year.	-
	102-50	Reporting period	January 1st to December 31st, 2020.	-
	102-51	Date of most recent report	2019.	-
	102-52	Reporting cycle	Annual.	-
	102-53	Contact point for questions regarding the report	Page 12	-
	102-54	Claims of reporting in accordance with the GRI Standards	This report was prepared in accordance with the GRI Standards: Core option.	-
	102-55	GRI Content Summary	Page 153	-
	102-56	External assurance	Pages 12 and 171	-
Material topic: To disseminate credit union and sustainability				
GRI 103: Management Approach – 2016	103-1	Explanation of the material topic and its Boundary	Pages 36	-
	103-2	The management approach and its components	Pages 61, 63 and 65	1 and 8
	103-3	Evaluation of the management approach	Pages 62, 64 and 65	-
Company indicators	Sicredi-RC05	Campaigns, events and actions carried out to promote cooperatives, broken down by region, and people affected	Page 63	1
	Sicredi-RC06	Total number and percentage of Crescer graduates, divided per cooperative central during the year.	Page 62	-

GRI Standard	Contents		Direct reference/response	Relationship with the Global Compact principle
Company indicators	Sicredi-RC07	Number of people in the Audit and Administrative Board trained at Crescer, divided by region.	Page 62	-
	Sicredi-RC08	Total and hours of employees trained in cooperative themes, broken down by program, region and length of service.	Pages 63 and 64	-
	Sicredi-RC10	Total and hours of employees trained in sustainability themes, divided by program and central.	Page 65	8
Material topic: To promote diversity and inclusion				
GRI 103: Management Approach – 2016	103-1	Explanation of the material topic and its Boundary	Page 36	-
	103-2	The management approach and its components	Pages 67, 74 and 75	1
	103-3	Evaluation of the management approach	Pages 68, 70, 71, 73 and 75	-
GRI 102: General Content – 2016	102-24	Nominating and selecting the highest governance body	Pages 48 and 50	-
GRI 202: Market Presence – 2016	202-1	Ratios of standard entry level wage by gender compared to local minimum wage	The lowest salary paid by the organization for male employees represents 102.3% of the local minimum wage, while the lowest salary paid to female employees represents 104.0% of the minimum. For this indicator, only employees with a workload of eight hours per day were considered, because the legislation fixes the minimum wage based on a full work day of eight hours *For this indicator, inactive employees who are retired due to disability were not considered. Altogether there are 25 inactive employees counted on December 31, 2020, 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. Also, interns and young apprentices were not counted.	-

GRI Standard	Contents		Direct reference/response	Relationship with the Global Compact principle
GRI 401: Employment – 2016	401-1	Total number and rate of new hires and employee turnover by age group, gender and region		-

Turnover of employees by gender

	Number of new employees hired	Rate of new hires	Total number of employees terminated	Turnover rate
Male	2,533	20,50	2,308	19.60
Female	3,363	19,20	2,674	17.30
Total	5,896	19,77	4,982	18.20

Employee turnover by age group

	Number of new employees hired	Rate of new hires	Total number of employees terminated	Turnover rate
Under 20 years old	1,213	84,00	820	70.00
From 21 to 30 years old	2,897	23,00	2,083	20.00
From 31 to 40 years old	1,327	11,00	1,392	12.00
From 41 to 50 years old	331	10,00	408	11.00
More than 50 years old	128	14,00	279	0.22
Total	5,896	19,77	4,982	18.20

Employee turnover by ????

	Number of new employees hired	Rate of new hires	Total number of employees terminated	Turnover rate
CAS	292	13,00	321	13.00
SicrediPar	0	0,00	0	0.00
Cooperative Central - South/Southeast	1,778	17,00	1,424	15.00
PR/SP/RJ Central	1,889	20,00	1,513	18.00
Cooperative Central - Central Brazil	748	32,00	544	27.00
Cooperative Central - Central North	881	25,00	788	23.00
Cooperative Central North/Northeast	308	20,00	392	23.00
Total	5,896	19,77	4,982	18.20

GRI Standard	Contents		Direct reference/response	Relationship with the Global Compact principle
GRI 401: Employment – 2016	401-3	Return to work and retention rates after parental leave, by gender.	Page 72	6
GRI 405: Diversity and Equal Opportunity – 2016	405-1	Diversity of employees and governance bodies, with percentages by gender, age group, minority groups and other indicators	Pages 68 and 70	6
	405-2	Ratio of basic salary and remuneration of women to men	The proportion of wages is described on page 70. For this calculation, interns and young apprentices were considered. Also considered were inactive employees who are retired due to disability. Altogether, there are 25 inactive employees accounted for on December 31, 2020, who, despite being inactive, remain in the database, because they have their position guaranteed in the event of disability recovery and can continue to receive employment benefits.	6
Sector Specific Content: Financial Services	FS14	Initiatives to improve the access to financial services for disadvantaged people	Pages 70, 75, 78 and 79	1
	FS15	Policies for a fair development and sale of financial products and services	Pages 32 and 90	-

GRI Standard	Contents		Direct reference/response	Relationship with the Global Compact principle
Company indicators	Sicredi-RC01	Campaigns, events and actions carried out to promote diversity, broken down by region and people affected.	Page 72	6
	Sicredi-RC02	Diversity in membership, with percentages by gender, age group, race and PwD by cooperative center and segment	Since it is considered strategic data, this indicator will not be disclosed openly, with segmented data. We used gender and age data to compose text analyses on pages 71, 72 and 73. In addition, the distribution of members by cooperative central is on page 17. We do not monitor our members by race or PwD.	-
	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, described on page 75.	1
	Sicredi-RC04	Percentage of ATMs in compliance with NBR 15250	Page 75	1
Material topic: To strengthen our management model				
GRI 103: Management Approach – 2016	103-1	Explanation of the material topic and its Boundary	Page 36	-
	103-2	The management approach and its components	Pages 54, 57 and 60	10
	103-3	Evaluation of the management approach	Pages 34, 55, 58 and 60	-
GRI 102: General Content – 2016	102-17	Mechanisms for advice and concerns about ethics	Page 58	10
	102-18	Governance structure, including committees	Pages 47 and 53	-
	102-19	Delegating authority	Page 34	-
	102-20	Executive-level responsibility for economic, environmental and social topics	Page 33	-
	102-21	Consulting stakeholders on economic, environmental, and social topics	Page 152	-

GRI Standard	Contents		Direct reference/response	Relationship with the Global Compact principle
GRI 102: General Content – 2016	102-22	Composition of the highest governance body and its committees	Page 50	-
	102-23	Chair of the highest governance body	Page 50	-
	102-25	Conflicts of interest	The Code of Conduct (described on page 57) deals with conflicts of interest regarding all our employees. Our bylaws, on the other hand, state that the members of the Board of Directors must meet the following basic conditions to exercise the position: • Not be a spouse or companion, nor be related to members of the Board of Directors, the Fiscal Council, or the Executive Board; • Do not maintain an employment relationship with any entity that is part of Sicredi, or with members of the Board of Directors, Fiscal Council or Executive Board; • Not be an employee or administrator or hold a stake in a company that is considered a competitor of any Sicred entity; • Not have held or been holding a political office in the last calendar year.	-
	102-26	Role of highest governance body in setting purpose, values, and strategy	Page 50	-
	102-27	Collective knowledge of highest governance body	In 2020, due to the need for social isolation resulting from Covid-19, it was not possible to conduct in-person training with leaders. Even so, their knowledge in this regard was improved through technical discussions on specific agendas of executive meetings, quarterly meetings of the Foundation Committee (page 52) and the SicrediPar Board of Directors.	-
	102-28	Evaluating the highest governance body's performance	The evaluation process is described on page 51. The outcome of the assessment and the action plan are confidential.	-
	102-32	Highest governance body's role in sustainability reporting	Page 12	-

GRI Standard	Contents		Direct reference/response	Relationship with the Global Compact principle
GRI 102: General Content – 2016	102-35	Remuneration policies	Page 52	-
	102-36	Process adopted to determine compensation	Page 52	-
	102-37	Stakeholders' involvement in remuneration	Page 52	-
	102-38	Annual total compensation ratio	**Entity** / **Ratio** Cooperative Central South/Southeast: 7,55 Cooperative Central PR/SP/RJ: 3,98 Cooperative Central Central North: 7,98 Cooperative Central Central Brazil: 8,18 Cooperative Central North/Northeast: 6,90 CAS: 5,56 The calculation included the contractual salary, bonuses, benefits and potential to gain variable compensation in the short and long term, according to compensation elements available for each position. For this calculation, trainees and young apprentices were not considered. For this indicator, inactive employees who are retired due to disability were considered. Altogether, there are 25 inactive employees accounted for on December 31, 2020, which despite being inactive remain in the database, as they have their position guaranteed in the event of disability recovery and can continue to receive employment benefits. The contractual salaries of these employees were considered for the calculation of the average compensation of all employees	10
GRI 205: Anti-Corruption – 2016	205-1	Percentage and total number of operations submitted to risk assessments related to corruption and the significant risks identified	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.	10
	205-2	Communication and training on anti-corruption policies and procedures.	Pages 57, 58 and 60	10
	205-3	Confirmed incidents of corruption and actions taken	We affirm that we did not identify any corruption cases in 2020. We have a record in 2019 of a case of receipt of undue advantages arising from a service provision contract, where the appropriate measures were taken regarding the exposures set out in the Code of Conduct.	10

GRI Standard	Contents		Direct reference/response	Relationship with the Global Compact principle
GRI 206: Anti-competitive Behavior – 2016	206-1	Legal actions for anti-competitive behavior, anti-trust, and monopoly practices and main outcomes	We have a lawsuit related to unfair competition, under our management, as described below: Lawsuit filed by a cryptocurrency broker (CoinBR Serviços Digitais Ltda.), against Sicredi Cooperative Bank. (liability of Sicredi Vale do Piquiri PR/SP) - Process 1097937-91.2017.8.16-0100, under the pretext that Sicredi would be adopting unfair competition practices. The account was closed, through judicial authorization in an interlocutory appeal. CoinBR filed an interlocutory appeal, which was rejected. The initial perspective was that Sicredi would be successful in this demand, due to the STJ (Superior Court) decision in REsp No. 1696214/SP, which confirmed the thesis that closing an account used for cryptocurrency trading does not constitute an abusive practice. In 2019, there was a partial decision, authorizing Sicredi to close the account, provided that CoinBR be notified of at closing, so that it may seek to evaluate other solutions available in the financial market, to execute its financial operations. The plaintiff appealed the decision, through an appeal, which was denied, upholding the sentence in its terms, in the judgment issued by the 15th Chamber of Private Law of the São Paulo Court of Justice, on February 18, 2020. Not satisfied with the decision, COINBR filed a Special Appeal to be considered by the Superior Court of Justice (STJ), whose counterarguments have already been added to the case, and awaits the referral of the case file for judgment.	-
GRI 417: Marketing and Labeling – 2016	417-3	Incidents of non-compliance concerning marketing communications	We did not record instances of non-compliance in communication campaigns, promotional regulations, and sports sponsorships in 2020.	-
GRI 418: Customer Privacy – 2016	418-1	Total number of substantiated complaints regarding breaches of customer privacy and losses of customer data	Page 84	-
GRI 419: Socioeconomic Compliance – 2016	419-1	Non-compliance with laws and regulations in the social and economic area	We are not aware of fines or non-monetary sanctions for non-compliance with laws and/or regulations in the social and economic area, as well as in relation to socio-environmental issues.	-
Company indicators	Sicredi-RC11	Percentage of participants in assemblies, by member and non-member, age group, gender and central	Page 55	-
	Sicredi-RC12	Projects/channels to broaden transparency of the system for the stakeholders.	Pages 49 and 54	-

GRI Standard	Contents		Direct reference/response	Relationship with the Global Compact principle
Company indicators	Sicredi-RC13	Actions taken to ensure privacy and safety of all data of the members	Pages 83 and 85	-
	Sicredi-RC14	Total number of works available to members at Sicredi library, by region	Page 65	-
	Sicredi-RC16	Number of nucleus coordinators, by age group, gender and cooperative central	Page 56	-
Material topic: Foster financial education				
GRI 103: Management Approach – 2016	103-1	Explanation of the material topic and its Boundary	Page 37	-
	103-2	The management approach and its components	Pages 85, 86 and 89	-
	103-3	Evaluation of the management approach	Pages 88 and 89	-
Sector Specific Content: Financial Services	FS16	Initiatives to improve the financial education per type of beneficiary	Pages 85, 87 and 89	-
Company Indicators	Sicredi-SR01	Number of financial education actions carried out and number of people reached by employee, member and community per central	Page 88	-
Material topic: Integrate socio-environmental opportunities and risk management in the financial solutions and operate with eco-efficiency				
GRI 103: Management Approach – 2016	103-1	Explanation of the material topic and its Boundary	Page 37	-
	103-2	The management approach and its components	Pages 103, 109 and 119	1, 8 and 9
	103-3	Evaluation of the management approach	Pages 104, 113 and 114	-
GRI 102: General Content – 2016	102-15	Key impacts, risks, and opportunities	Page 107	-
	102-29	Identifying and managing economic, environmental, and social impacts	Page 107	-
	102-30	Effectiveness of risk management processes	Page 107	-
	102-31	Review of economic, environmental, and social topics	Page 107	-

GRI Standard	Contents		Direct reference/response	Relationship with the Global Compact principle
GRI 201: Economic Performance – 2016	201-2	Financial implications and other risks and opportunities for the organization's activities due to climate change	Page 114	7
GRI 305: Emissions – 2016	305-1	Direct (Scope 1) GHG emissions	Page 116. Sicredi's emissions inventory that serves as the basis for this indicator, despite covering all credit unions, does not include all Sicredi units. 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.	7 and 8
	305-2	Energy indirect (Scope 2) GHG emissions		
	305-3	Other indirect (Scope 3) GHG emissions		
	305-4	GHG emissions intensity		
GRI 412: Human Rights Assessment – 2016	412-3	Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	We do not include human rights clauses in our investment contracts because the practice does not apply to standardized/ exchange-traded financial instruments. That would be applicable to a structured credit manager or a venture capital, markets where Sicredi's manager does not operate.	2
Sector Specific Content: Financial Services	FS1	Policies in specific socio-environmental components applied to business lines	Pages 109 and 113	7
	FS2	Procedures for evaluation and screening of socio-environmental risks on business lines	Pages 110 and 112	4 ,5 and 7
	FS3	Processes for monitoring the client's implementation of compliance with environmental and social requirements included in contracts or transactions	Page 110	7
	FS4	Processes to improve staff skills in the implementation of environmental and social policies and procedures applied on the business lines	Pages 113 and 114	7
	FS5	Interactions with customers/ subsidiaries/business partners regarding risks and socio-environmental opportunities	Pages 109 and 113	7
	FS6	Portfolio percentage by business line, specific region, size and sector	Page 90	-
	FS9	Scope and frequency of audits to evaluate the implementation of social and environmental policies and risk evaluation procedures	Page 113	4, 5 and 7
	FS10	Percentage and number of companies in the institution's portfolio with which the organization interacted on environmental or social issues	Page 111	7

GRI Standard	Contents		Direct reference/response	Relationship with the Global Compact principle
Company indicators	Sicredi-SR03	Percentage of emissions neutralized in the system	Page 117. As a result of our continuous evolution in emissions management, in 2020 we carried out the first systemic neutralization of 100% of Sicredi's GHG emissions, related to scopes 1, 2 and 3, calculated in the 2019 Inventory.	8
Material topic: Engage suppliers based on socio-environmental criteria				
GRI 103: Management Approach – 2016	103-1	Explanation of the material topic and its Boundary	Page 37	-
	103-2	The management approach and its components	Page 120	1 and 8
	103-3	Evaluation of the management approach	Pages 120 and 121	-
GRI 308: Supplier Environmental Assessment – 2016	308-1	Percentage of new suppliers selected based in environmental criteria	Page 121	8
	308-2	Negative environmental impacts in the supply chain and actions taken	Page 121	8
GRI 414: Supplier Social Assessment – 2016	414-1	New suppliers that were screened using social criteria	Page 121	2, 4 and 5
Material topic: Promote local economy and financial inclusion				
GRI 103: Management Approach – 2016	103-1	Explanation of the material topic and its Boundary	Page 37	-
	103-2	The management approach and its components	Pages 125, 126 and 128	1
	103-3	Evaluation of the management approach	Pages 125, 126 and 128	-
GRI 201: Economic Performance – 2016	201-1	Direct economic value generated and distributed	Pages 124 and 125	-
GRI 202: Market Presence – 2016	202-2	Proportion of senior management members hired from the local community in important operating units	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). In this context, the cooperative centrals and credit unions have the autonomy to hire their Executive Board and we do not have systemic information on this process. At the Sicredi administrative center (CAS), 71% of the Executive Directors were hired locally. We consider as local hiring those where the CPF (Tax ID Number) of the Officer is registered in the state of Rio Grande do Sul.	-

GRI Standard	Contents		Direct reference/response	Relationship with the Global Compact principle
GRI 203: Indirect Economic Impacts – 2016	203-2	Significant indirect economic impacts, including the extension of the impact	Page 130	-
GRI 204: Procurement Practices – 2016	204-1	Proportion of spending on local suppliers	Page 125	-
Sector Specific Content: Financial Services	FS7	Monetary value of products and services created to provide a specific social benefit for each business line, divided by purpose	Pages 104 and 105	9
	FS8	Monetary value of products and services created to provide a specific environmental benefit for each business line, divided by purpose	Pages 104 and 105	9
	FS13	Access points in sparsely populated or economically disadvantaged areas, by type	Our access points in cities considered to be needy are described on page 126. The data takes into account our presence in the cities classified as need by our partner GeoFusion.	-
Company indicators	Sicredi-DL01	Number of cities in which Sicredi is the only financial institution	Page 125	-
	Sicredi-DL02	Amount and percentage of the result distributed to members	Page 126	-
Material topic: Foster the human, social and intellectual capital in the regional operation				
GRI 103: Management Approach – 2016	103-1	Explanation of the material topic and its Boundary	Page 37	-
	103-2	The management approach and its components	Pages 132, 134, 139, 140, 142, 143, 144 and 145	1
	103-3	Evaluation of the management approach	Pages 134, 139, 140, 142, 147 and 148	-
GRI 404: Training and Education – 2016	404-1	Average hours of training per year per employee by gender, and by employee category	Page 134	6
	404-2	Transition assistance programs provided to facilitate continued employability and the management of career endings resulting from retirement or termination of employment	Pages 135, 136 and 137	-
	404-3	Percentage of employees receiving regular performance and career development reviews, by gender and employee category	Page 137	6

GRI Standard	Contents		Direct reference/response	Relationship with the Global Compact principle
GRI 413: Local communities — 2016	**413-1**	Percentage of operations with implemented local community engagement, impact assessments, and development programs	Page 145	1
Company indicators	**Sicredi-DL03**	Number of cities, educational institutions, students, educators and projects participating in the A União Faz a Vida Program, by central	Page 147	1
	Sicredi-DL04	Number of cities, educational institutions and students participating in School Cooperatives, broken down by cooperative central	Page 151	1
	Sicredi-DL05	Amount invested in community projects, number of projects and number of people impacted, broken down by plant and source of resources (FATES, Social/ philanthropic fund or internal funds)	Pages 139 and 140, where the amount invested is also described, but no information was collected regarding the number of projects supported and people impacted. We do not disclose the amount per cooperative central for strategic reasons.	1
	Sicredi-DL06	Volume sent to the Technical, Education and Social Assistance Fund (Fates) and the volume used by the Fund.	Page 139	1

SDG MAP

SDG Map	Focal Themes	Sicredi Actions	Page
SDG 1 Eradicate poverty everywhere and in all its forms.	**Foster financial education**	Cooperação na Ponta do Lápis Program	**86**
		Financial Education Actions	**88**
	Promote local economy and financial inclusion	Credit unions as the only financial institutions in cities	**126**
SDG 2 End hunger, achieve food security and improved nutrition, and promote sustainable agriculture.	**Integrate socio-environmental opportunities and risk management in the financial solutions and operate with eco-efficiency**	Green economy	**105**
SDG 4 Ensure access to quality education that is inclusive and equitable, and promote lifelong learning opportunities for all.	**Foster financial education**	Cooperação na Ponta do Lápis Program	**86**
		Financial Education Actions	**88**
	Foster the human, social and intellectual capital in the regional operation	A União Faz a Vida (Unity Creates Life) Program	**145**
		School Cooperatives Program	**151**
SDG 5 Reach gender equality and empower all women and girls.	**To promote diversity and inclusion**	Women's Committee	**73**
SDG 7 Guarantee access to reliable, sustainable and modern energy sources for all.	**Integrate socio-environmental opportunities and risk management in the financial solutions and operate with eco-efficiency**	Green economy	**105**

SDG Map	Focal Themes	Sicredi Actions	Page
	To disseminate credit union and sustainability	Education and training - Sicredi Aprende	**136**
SDG 8 Promote sustained, inclusive and sustainable economic growth, full and productive employment and decent work for all.	**Integrate socio-environmental opportunities and risk management in the financial solutions and operate with eco-efficiency**	Green economy	**105**
		Socioenvironmental risk	**109**
	Engage suppliers based on socio-environmental criteria	Contracting and evaluating suppliers	**121**
	Promote local economy and financial inclusion	Economic value distributed	**125**
		Local suppliers	**125**
SDG 9 Construct resilient infrastructures, promote the inclusive and sustainable industrialization and promote innovation.	**Integrate socio-environmental opportunities and risk management in the financial solutions and operate with eco-efficiency**	Green economy	**105**
SDG 10 Reduce inequalities within countries and between countries.	**To promote diversity and inclusion**	Promoting employee diversity at CAS	**72**
		Youth Committee	**75**
SDG 11 Make cities and human settlements inclusive, safe, resilient and sustainable.	**To promote diversity and inclusion**	Member accessibility	**75**
	Integrate socio-environmental opportunities and risk management in the financial solutions and operate with eco-efficiency	Green economy	**105**
	Promote local economy and financial inclusion	Sicredi Conecta	**128**
		Local suppliers	**125**

SDG Map	Focal Themes	Sicredi Actions	Page
SDG 12 Ensure sustainable consumption and production standards.	**Integrate socio-environmental opportunities and risk management in the financial solutions and operate with eco-efficiency**	Green economy	**105**
		Seeking green funding	**106**
	Engage suppliers based on socio-environmental criteria	Contracting and evaluating suppliers	**121**
	Promote local economy and financial inclusion	Profit Sharing	**126**
		Sicredi Conecta	**128**
SDG 13 Adopt urgent measures to combat climate change and its impacts.	**Integrate socio-environmental opportunities and risk management in the financial solutions and operate with eco-efficiency**	Green economy	**105**
		Eco-efficiency in branches and headquarters	**115**
	Engage suppliers based on socioenvironmental criteria	Contracting and evaluating suppliers	**121**
SDG 15 Protect, recover and promote sustainable use of terrestrial ecosystems, manage forests in a sustainable way, combat desertification, stop and reverse soil degradation and stop biodiversity loss.	**Integrate socio-environmental opportunities and risk management in the financial solutions and operate with eco-efficiency**	Green economy	**105**
		Socio-environmental risk	**109**
	Engage suppliers based on socioenvironmental criteria	Contracting and evaluating suppliers	**121**

SDG Map	Focal Themes	Sicredi Actions	Page
SDG 16 Promote peaceful and inclusive societies for a sustainable development, provide access to justice for all and build effective, responsible and inclusive facilities at all levels.	**To disseminate credit union and sustainability**	Sustainability committee	**34**
		Cooperative Education	**62**
		Initiatives to promote cooperativism	**63**
		Training for Sustainability	**65**
	To strengthen our management model	Member participation	**55**
		Nucleus Coordinators	**56**
		Ethics	**57**
		Compliance	**60**
	Integrate socio-environmental opportunities and risk management in the financial solutions and operate with eco-efficiency	Seeking green funding	**106**
		Socioenvironmental risk	**109**
	Promote local economy and financial inclusion	Profit Sharing	**126**
SDG 17 Strengthen means of implementation and revitalize global partnership for sustainable development.	**Foster the human, social and intellectual capital in the regional operation**	Social fund	**140**
		Cooperate Day (Dia C)	**142**
		FATES	**140**

ASSURANCE REPORT GRI 102-56

A free-translation from Portuguese into English of Auditors' Report on non-financial statements (Annual Sustainability Report) originally prepared in Portuguese and in Brazilian currency (R$).

Independent Auditors' Limited Assurance Report on the Sistema de Crédito Cooperativo - Sicredi's Annual Sustainability Report based on GRI – Standards (In accordance – "Core").

To the Administrators and Shareholder of

Sistema de Crédito Cooperativo - Sicredi - Porto Alegre - RS

Introduction

We were engaged by Sistema de Crédito Cooperativo - Sicredi ("Sicredi") management to present our limited assurance report on the information contained in the Annual Sustainability Report based on Global Reporting Initiative ("GRI") – Standards, for the twelve-month period ended December 31, 2020 ("Report").

Sicredi's management responsibilities

Sicredi´s management is responsible for preparing and presenting appropriately the information contained in Report in accordance with criteria, assumptions and requirements of the GRI guidelines (In accordance – "Core") and for the internal controls as management determines is necessary to enable the preparation of information free from material misstatement, whether due to fraud or error.

Independent auditors' responsibility

Our responsibility is to express a conclusion on the Sicredi's Report information, based on the limited assurance work conducted in accordance with Technical Notice of Ibracon Nº 07/2012, approved by the Brazil's National Association of State Boards of Accountancy (CFC) in light of NBC TO 3000 (Assurance Work Other Than Audit or Review), issued by the CFC, which is equivalent to international standard ISAE 3000, issued by the International Federation of Accountants, applicable to non-historical information. These standards call for compliance with ethic requirements, including independence and work carried out to obtain limited assurance that the Report is free of material misstatement.

A limited assurance work conducted in accordance with NBC TO 3000 (ISAE 3000) consists mainly of inquires of management and other professionals from Sicredi who were involved in the preparation of the Report, as well as of the application of additional procedures deemed necessary to obtain evidence which enables us to conclude on the limited assurance on the Report. A limited

assurance work also requires additional procedures, as the independent auditor becomes aware of matters that lead him to believe that the Report information may contain material misstatement.

The selected procedures relied on our understanding of the aspects concerning the compilation and presentation of the Report information in accordance with criteria, assumptions and own methodologies from Sicredi. The procedures comprised:

a. the planning of the work, considering the materiality, the volume of quantitative and qualitative information and the operating and internal control systems which supported the preparation of the Report;
b. the understanding of the calculation methodology and the procedures for preparation and compilation of the Report through interviews with management in charge of preparing the information;
c. the application of analytical procedures on quantitative information and sample verification of certain evidence supporting the data used for the preparation of the Report;
d. comparison of the financial indicators with the financial statements and/or accounting records.

The procedures applied in this limited assurance work also comprised compliance with the guidelines of the structure for development of the GRI applicable in the preparation of the information contained in the Report.

We believe that the evidence obtained in our work was sufficient and appropriate to provide a basis for our limited conclusion.

Scope and limitations

The procedures applied in a limited assurance work are substantially less in scope than those applied in an assurance work aimed at issuing an opinion on the Report information. As a consequence, we are not in a position to obtain assurance that we are aware of all matters which would be identified in an assurance work aimed at issuing an opinion. Had we carried out a work to issue an opinion, we could have identified other matters or misstatements in the Report information. Accordingly, we did not express an opinion on this information. In addition, Sicredi's internal controls were not part of our limited assurance scope.

The non-financial data is subject to further inherent limitations than financial data, given the nature and diversity of methods used to determine, calculate or estimate such data. Qualitative interpretations of materiality, significance and accuracy of data are subject the individual assumptions and judgments. Also, we did not carry out any work on data reported for prior periods nor in relation to future projections and goals.

Conclusion

Based on the procedures performed and herein described, nothing came to our attention that makes us believe that the GRI KPIs presented on the Report, for the twelve-month period ended December 31, 2020, was not prepared, in all material respects, in accordance with criteria, assumptions and methodologies for the preparation of the KPI´s based on requirements of the Global Reporting Initiative – Standards (In accordance – "Core").

Porto Alegre (RS), March 16th, 2021

ERNST & YOUNG
Auditores Independentes (Independent Auditors) S.S CRC 2SP015199/O-6

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For this report, photographic production was carried out respecting all the pandemic related recommended security protocols.

Sicredi Archives
Our archive photos used in this report, were taken before the pandemic.

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Sicredi

Sicredi

Sustainability
REPORT
2020