

2021

*Management and
Socialenvironmental
Report*



CRÉDITO
PARA INOVAR
E DESENVOLVER.

Message from the Executive Board

In the year it turned 60, BRDE – Banco Regional de Desenvolvimento do Extremo Sul [Regional Bank for Development of the South Region] had a lot to celebrate with society and with its employees who participated in this long journey.

The Bank helped in the transformation of the South Region, from the tendency towards stagnation to an industrialized territory, with dynamic agribusiness, a driver of innovations and equipped infrastructure, certainly more developed than that of the 1960s. Throughout this trajectory, BRDE has considered the social, economic and environmental gains of each of the thousands of supported projects. Therefore, there is no doubt that the BRDE fulfilled its mission of leading development actions in the Region, through its technical, credit and institutional support.

Many changes took place along the way, and the Bank was able to adapt and continue to meet the demands of society. Difficulties presented themselves in the most diverse ways: economic, political, organizational, financial, technological and sanitary. Through the joint effort of the Institution with its partners and controllers, obstacles were overcome, showing the resilience of BRDE.

A recent example of a strong and immediate threat was the COVID-19 pandemic, which had an impact on the lives and economic activities of the world. The Bank acted quickly to overcome the credit shortage in the economy, making it possible to maintain employment, as well as to implement teleworking for all employees.

In the future, other adversities will come, but those will surely be faced with agility and willingness to continue developing the South Region. Challenges will also be present, even more so due to the speed with which technological advances occur, through the new digital platforms that have changed the way of life of the population and have become an important business environment.

Despite the maintenance of the contingencies imposed by the pandemic, such as teleworking, the BRDE allowed the

economy to be reinvigorated, reaching a new historic record in the amount financed, of BRL 4.1 billion in the year of 2021. This volume of contracted resources was made possible by the greater funding with its national providers, in particular the Brazilian Bank of Economic and Social Development (BNDES) and the Ministry of Tourism, as well as with its international partners, the Latin America Development Bank (CAF), the European Investment Bank (EIB) and the French Development Agency. These resources corresponded to BRL 650 million of the contracted amounts, reaching new external fundings.

This performance is even more significant in a year in which a keener eye on environmental and social issues has become more explicit in the Bank's structures. BRDE has developed an unprecedented methodology that identifies the adherence of its operations to the Sustainable Development Goals (SDGs). The study showed that the vast majority of credit operations contracted in 2021 adhere to at least one SDG.

In terms of innovation, for 60 years, the BRDE has been linked to the future, either by fostering new sectors and companies, or by offering innovative ways of structuring credit. In addition, the Bank is active in making connections between different actors in favor of innovative ecosystems, as can be seen in the results of BRDE Labs and the partnerships signed.

Examples of this dynamism of BRDE for development are presented throughout this publication, which also shows the festivities commemorating the Bank's 60th anniversary.

The performance expressed in this report was made possible by the decision of the entrepreneurs to count on the support of the BRDE, by the trust that the governments of the controlling states placed in the Bank and by the daily collaboration of the employees. The Executive Board thanks the customers for their decision to count on the support offered by BRDE, the fund transfer partners, particularly BNDES, Banco do Brasil/FCO, Caixa Econômica Federal/Unemployment Compensation Fund (FGTS), Finep, the Ministry of Tourism/FUNGETUR, the Ministry of Agriculture, Livestock and Supply/Funcaf , the French Development Agency (AFD), the European Investment Bank (EIB), the Latin American Development Bank (CAF) and the National Film Agency – ANCINE, for the continuous and growing partnership in the process of development.



1 Corporate Profile, Management and Governance

ABOUT US

Public Financial
Institution

Founded in
1961

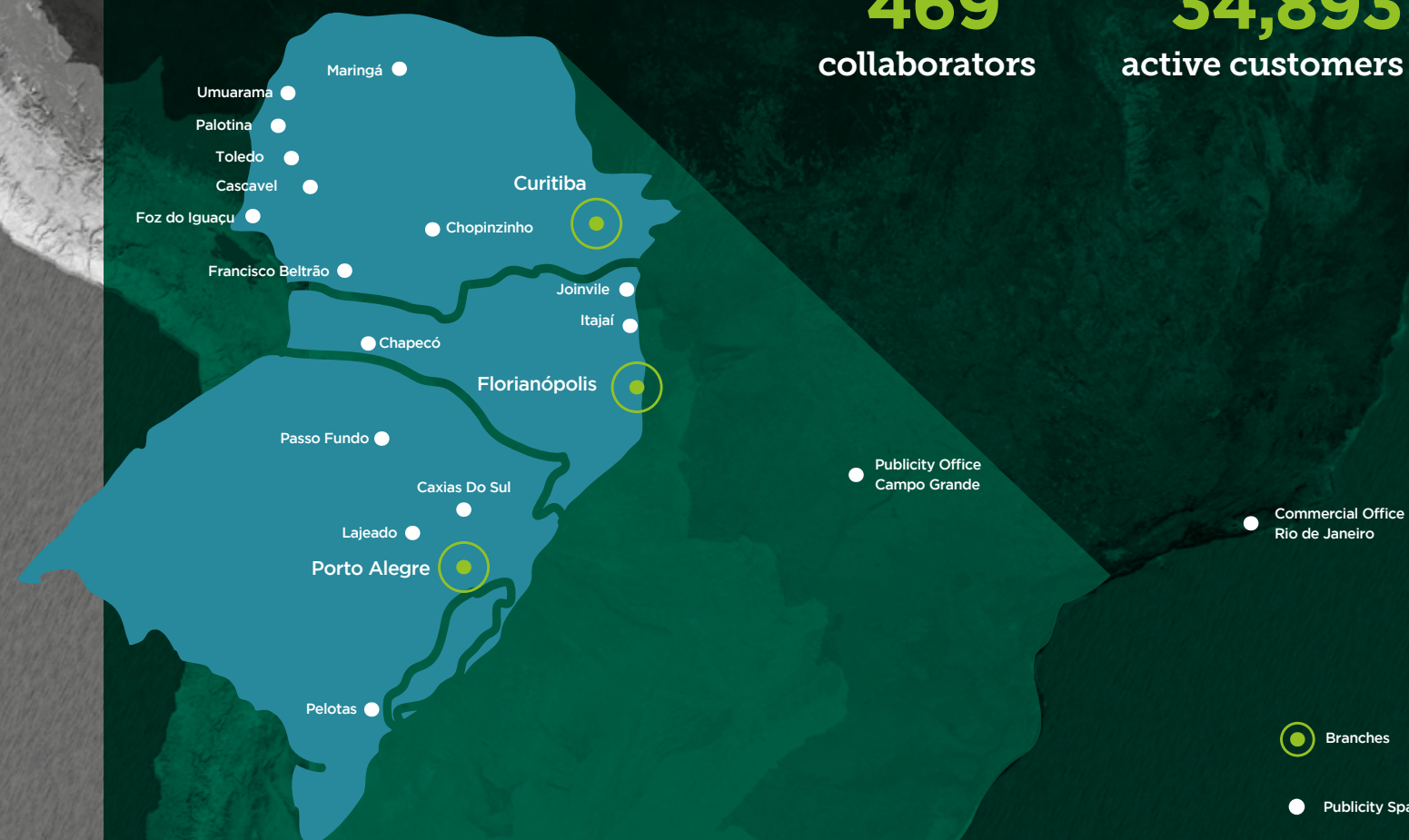
Controlling states
PR, SC e RS

with a population estimated by the IBGE
(Brazilian Geography and Statistics Institute
Foundation) of 30.3 million inhabitants in 2021

Present in
1,092
municipalities
(91.7% of the municipalities
in the South Region)

469
collaborators

34,893
active customers



Vision

Being acknowledged as an essential strategic partner in promoting economic and sustainable development in the region in which it operates.

Mission

Promoting and leading actions to promote the economic and social development of the entire region of operation, supporting governmental and private initiatives through planning and long-term technical, institutional and credit support.

Values

Commitment to the Sustainable Development of the Region

Support initiatives aimed at generating employment and income, adding economic, social and environmental benefits in our region of operation.

Value Technical Knowledge

Base our operations on technical criteria and parameters, permanently investing in the qualification of our human capital.

Self-sustainability

Pursue the self-generation of economic, financial and institutional value, in order to preserve and expand our capacity to operate.

Collegiate Management

Decide in a shared way, qualifying and unifying our actions.

Resilience

Create solutions that guarantee the overcoming of adversities and challenges that threaten institutional continuity.

Our Strategy

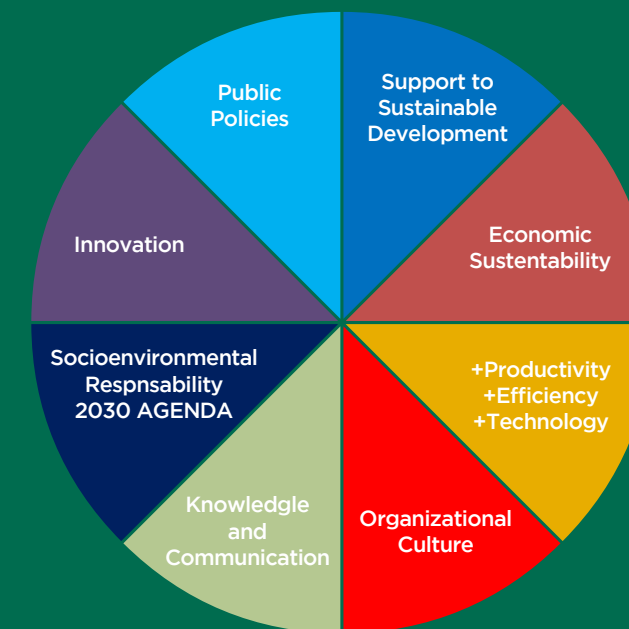
BRDE's Institutional Planning System encompasses the Institution's set of internal planning instruments, in which the Strategic Planning is the central piece, guiding all other instruments, such as the Annual Operating Plan (Business Plan). In accordance with Law No. 13,303/2016, the Strategic Planning has a five-year horizon, with annual reviews and quarterly monitoring.

In the Strategic Planning 2021-2025, there was emphasis on: the importance of fund raising; financial and technical support for projects that promote sustainable development; the preservation of a solid financial and patrimonial situation; the Institution's commitment to the 2030 Agenda and to the drive for innovation in the South Region.

A set of actions aimed at increasing productivity was added to the delivery of the final products of the BRDE 6.0 project, with the constant search for more efficient operational processes and guided by the incorporation of technology, always focusing on the customer. All these strategic objectives are aligned with BRDE's Business Philosophy, according to the Mission described above.

From the definition of the strategic objectives, which are demonstrated in the Strategic Map, 19 indicators

Strategic Map 2021-2025



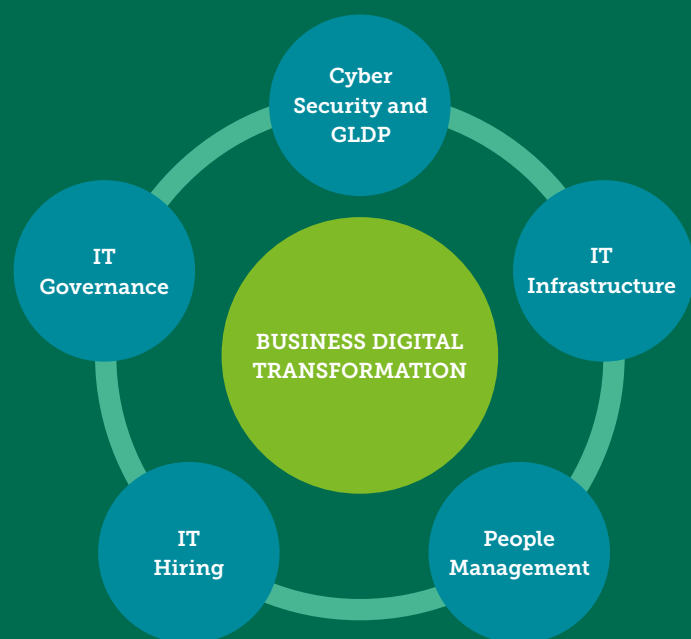
were defined. Among these, ten indicators exceeded the target set for 2021 and nine were below the target.

Business Digital Transformation

With an increasingly important role in institutions, whether they are public or private, the Information Technology and Communications (TIC) area needs to have a plan in which it relates its initiatives to the goals and actions aimed at meeting the Institution's strategic demands and at the compliance with the requirements required by law.

The Information Technology and Communications Master Plan (PDTI), approved by BRDE Resolution No. 2,650 on March 9, 2021, represents an important instrument for managing TIC resources. For each strategic driver, the plan established the respective key initiatives, which were structured in such a way as to allow an integrated vision

IT Strategic Drivers



for the achievement of TIC strategic goals. The diagram to the side presents the relationships between the strategic drivers of this plan, with the digital transformation of the business being the central strategic driver of this PDTI.

One of PDTI's initiatives is the 100% Digital Processes Project, which has multidisciplinary teams in its implementation. The 100% Digital Processes project will bring benefits such as greater agility and reduced rework in digitized work processes, reduced processing of physical documents, as well as costs with printing, storage, transport, and greater information security and transparency, among others.

At the same time, in February, BRDE launched its Mobile Application, promoting continuous improvements to the platform. Through the BRDE App, the customers can learn about credit lines, simulate and request financing, consult statements and balances of their operations, among other features.

CODESUL/BRDE Regional Vision 2040

The governors of the member states of the Council for Development and Integration of the South (CODESUL – Conselho de Desenvolvimento e Integração Sul) encouraged the advancement of the CODESUL/BRDE project - Regional Vision 2040 through CODESUL Resolution No. 1,314, of June 15, 2021. The proposal refers to the elaboration of a regional strategy of joint action of the three States of the Brazilian South Region (Rio Grande do Sul, Santa Catarina and Paraná), which shall address priority axes of action, guidelines, indicators and goals, including regional diagnoses, in order to better guide the fulfillment of the Mission of the CODESUL/BRDE System.

The project "CODESUL/BRDE - Regional Vision 2040", to be started in 2022, will have as its central purpose the strengthening of the institutional action of CODESUL and BRDE from a common regional identity and purpose that are capable of building a coherent and convergence view of the future of the region, that is useful for the strategic orientation of CODESUL, BRDE and of other development agents and investors in the region.

HOW DO WE ACT?

Since its creation in 1961, BRDE has had, as its main activity, long-term projects financing in the South Region, seeking positive externalities for society that are socially and environmentally sustainable, that implement innovation, develop micro and small rural and urban enterprises, and that aim at improving the infrastructure of the municipalities.

In 2021, after reaching the height of the crisis caused by COVID-19, BRDE made resources available for the resumption of investments, contributing to the maintenance and increase of activities and jobs. Compared to the average conditions established in the Brazilian financial market, BRDE provides credit with lower interest rates and longer terms.

In another line of action, BRDE provides technical assistance for the structuring of projects in various sectors, such as energy, innovation and municipalities, in addition to its recognized support for agro-industrial cooperativism.

BRDE, with greater commitment to the capillarity of its operations, forms strategic partnerships with credit and agro-industrial production cooperatives, as well as with manufacturers of machinery and equipment. With this strategy, BRDE credit is effectively in 91.7% of the municipalities in the South Region, even though it has branches only in the capitals of the controlling states.

The Bank, due to its knowledge and experience, collaborates with state governments and with other institutions aimed at development, such as the Brazilian Development Association (ABDE), Alianza de Desarrollo – Alliance of Subnational Development Banks of Latin America and the Caribbean, the Latin American Association of Financial Institutions for Development (ALIDE), the Bank for Development of the State of Minas Gerais (BDMG – Banco de Desenvolvimento de Minas Gerais), the Ministry of Regional Development (MDR), the United Nations (UN) Global Pact and the Chambre de Commerce Du Brésil Au Luxembourg (CC BRALUX).

With its ability to operationalize funds, BRDE acts as a financial agent for the Audiovisual Sector Fund (FSA), a fund from federal public resources to stimulate the film and audiovisual industry across the Country.

It contributes to the growth of innovative companies through contributions of resources in Equity Investment Funds (FIP) that invest in innovative ventures.

BRDE supports the regional innovation ecosystem through programs to accelerate start-ups, in partnership with local agents.

As a partner of the controlling states, the Bank assists in the privatization process of public assets.

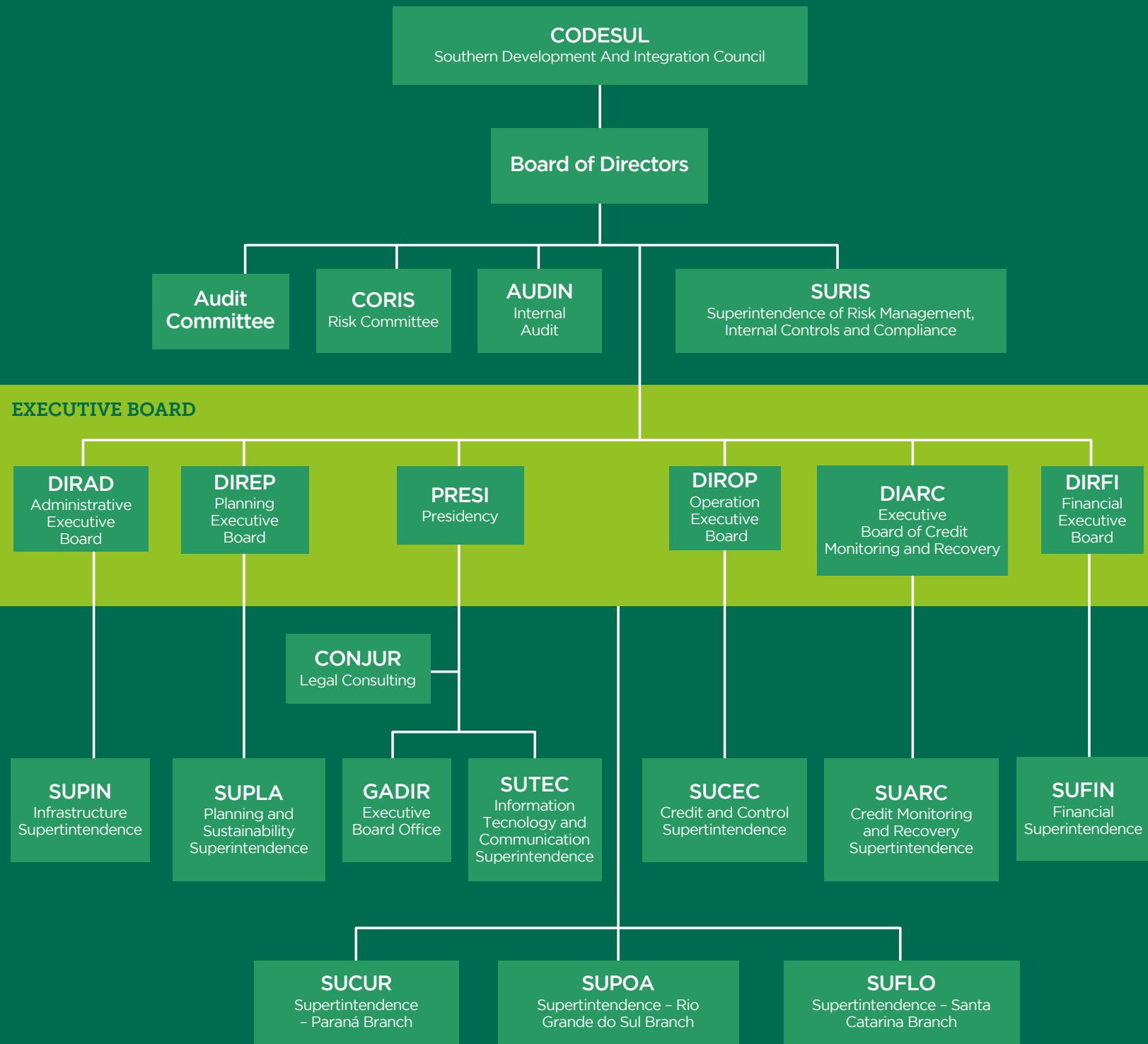
Governance, Control and Management Practice

Collegiate management is one of the Bank’s institutional values, it forms the basis of BRDE’s governance structure and permeates its entire organizational structure. The highest directive body is the CODESUL, made up of the governors of Rio Grande do Sul, Santa Catarina, Paraná, and Mato Grosso do Sul (which is a member of CODESUL, but not a member of BRDE).

BRDE has a Board of Directors made up of the Bank’s Executive Board, two representatives from each state appointed by their respective governors, and a member elected by the employees, with the Chairman of the Board of Directors being the BRDE President. The Executive Board, which is also appointed by the governors, is composed of six members, two from each state that make up the Institution’s corporate capital. The President of the Bank is defined by a rotation system, in which the presidency is exercised by a representative of each state, for a period of 16 months. In addition, there are specific committees to support the Executive Board and the Board of Directors in their decisions.

The administrative and organizational structure of the BRDE is determined by the Internal Regulations established by CODESUL and based on the Constitutive Acts approved by the Legislative Assemblies of the member states.

Organizational Structure | Organization Chart





Comitês

COGES MANAGEMENT COMMITTEE	Auxiliary body of the Executive Board with the function of providing technical advice on matters related to the Bank's management.
COCRED CREDIT COMMITTEE	It pronounces itself on the merits and risks of credit operations, recommending or not its approval to the Executive Board.
COGER BRANCH MANAGEMENT COMMITTEE	Appraises and issues a formal and conclusive opinion, resolving within the scope delegated to it by the Executive Board, regarding requests for financial support submitted to the respective Branch.
COPEL PERMANENT BIDDING COMMISSION	Receives, examines and judges all documents and procedures relating to bids and the registration of bidders.
CORIS RISK COMMITTEE	Technically advises the Executive Board and the Board of Directors in matters related to Internal Controls and Risk Management.
COAUD AUDIT COMMITTEE	Reports directly to the Board of Directors and takes a stand on Financial Statements, Internal Controls and Risk Management.
COREL COMPENSATION AND ELIGIBILITY COMMITTEE	Gives opinion on appointments for members of the Executive Board and Board of Directors of BRDE, and promotes and monitors the adoption of good corporate governance practices related to succession, proposing improvements when necessary.
COFIN FINANCIAL COMMITTEE	Provides technical advice to the Executive Board in matters related to investments and application of available funds.
COINF INFORMATION TECHNOLOGY COMMITTEE	Advises the Executive Board in establishing policies and guidelines that guide the use of information technology at BRDE.
COVAL APPRAISAL COMMITTEE	Analyzes and expresses itself on the results of the employee performance evaluation process, ensuring compliance with the standards.
COPPD DATA PRIVACY AND PROTECTION COMMITTEE	Provides technical advice on matters related to Privacy and Data Protection under the terms of the GDPL (General Data Protection Law).
ETHICS COMMISSION	Investigates complaints and representations of alleged violations of the BRDE Code of Ethical Conduct and acts as a consultative body for the Executive Board, public agents linked or not to BRDE, as well as any and all interested parties in matters concerning the application of the Code of Ethical Conduct.

Risk Management and Internal Controls

BRDE has an organizational unit, the Risk Management Superintendence, Internal Controls and Compliance (SURIS), specifically dedicated to risk management, capital management, internal controls and compliance, separate from the business areas and which reports to the Risk Committee and the Board of Directors through the Chief Risk Officer.

BRDE's risk management guidelines are expressed in the Risk Appetite Statement, which establishes the exposure limits and mitigating actions that must be adopted in relation to each of the risk modalities: credit, operational, capital, socioenvironmental, market and liquidity.

In 2021, BRDE started restructuring its matrix of operational risks and internal controls. This process, which shall last for the next year, will make it possible to update the mapping of operational flows. The periodic review of the operational risk matrix is a need that has become more pressing, to the extent that, with the advent of the pandemic, BRDE started to have its work processes structured in a digital way. Additionally, in the last two years, the granting of credit and other processes required

the adoption of several new IT tools. All these transformations need to be analyzed and incorporated into the operational risk matrix.

In the compliance activities, in addition to the analysis of 67 proposals for resolutions from the point of view of compliance, the sequence of the Hercules Project stands out, which covers the review of the BRDE Normative Base, as well as the consolidation and revocation of management acts that compose it. The Project was structured in 12 phases, totaling the review of 13,064 documents.

Seeking to bring employees closer to the topics of risk management and compliance, several training activities were conducted. Among the initiatives, while seeking to overcome the distance resulting from teleworking, the Conversations on Corporate Governance and Compliance project was launched – with meetings dedicated to training and capacity building on internal controls, compliance, ethics and management, with instructors both internal and external to the Bank, in order to allow the exchange of knowledge and the consolidation of an institutional culture on these matters.

CAPITAL PRUDENTIAL INDICATORS BRL THOUSAND	DEC/19	DEC/20	DEC/21
REFERENCE EQUITY (RE)	2,872,314	3,084,195	3,381,134
LEVEL I CAPITAL	2,872,314	3,084,195	3,381,134
Main Capital	2,872,314	3,084,195	3,381,134
RISK-WEIGHTED ASSETS (RWA)	15,744,450	16,559,952	16,515,896
Credit Risk - RWA CPAD	14,472,897	15,346,353	15,230,007
Operational Risk - RWA OPAD	1,255,538	1,209,732	1,173,002
Market Risk - RWA MPAD	16,015	3,867	112.887
BASEL INDEX	18.24	18.62	20.47



Risk Management

MAIN RISKS

MITIGATION ACTIONS

Credit Risk

Adoption of policies and limits for the Institution's exposure to credit risk with each customer and sector.
Credit granting process based on the analysis of operations by a multidisciplinary team and deliberation by committees.
Credit operations carried out with real, bank guarantees or linked to tax transfers.

Socioenvironmental
Risk

The Action Plan of the BRDE Socioenvironmental Responsibility Policy has as one of its thematic axes the improvement of the mechanisms for monitoring the socioenvironmental risk of the supported projects.
BRDE only finances companies and projects that prove their compliance with the environmental legislation.
The Bank uses an Environmental and Social Risk Management System (SARAS) consisting of a set of policies, guidelines, procedures and tools that enable the identification, assessment, mitigation and monitoring of socioenvironmental risks in the loan portfolio.

Capital Risk

The BRDE Capital Plan establishes more rigorous prudential limits than those determined by legislation, in order to ensure solid safety margins for capital levels.
The evolution of prudential capital limits, including prospectively, is permanently monitored by SURIS.

Market Risk

BRDE adopts a conservative policy in relation to its financial assets, fundamentally composed of federal government bonds.
Decisions on the application of resources are defined collectively, based on the recommendation of the Financial Committee and the Management Committee, both composed of personnel with technical and management skills, in the form of BRDE's Annual Investment Plan.

Operational Risk

BRDE permanently monitors the risks associated with its operational processes, implementing corrective actions through the Integrated System of Internal Controls.
There is a Contingency and Business Continuity Plan with the purpose of increasing the Institution's resilience in emergency situations. In 2021, tests were conducted to verify the continuity procedures in case of contingency of the central mainframe , which proved to be efficient, without the interruption of activities.

Legal Risk

In addition to the Legal Consultancy, which supports the Administration regarding compliance with the laws and standards applicable to the Bank's activities, SURIS has, among its attributions, the zeal for the compliance of operational processes, including in relation to the legal system.

IRRBB – Interest Rate Risk in the Banking Book

BRDE calculates the impact of changes in interest rates on credit operations (EVE – Economic Value of Equity) and on the net interest income (NII) of its bank portfolio on a monthly basis. The calculation requires a market assessment of the discounted cash flows of all active and passive operations in the BRDE credit portfolio. The method also determines the risk of variation in the total value of the portfolio and in the flow of operating revenue in case of high and low interest rate scenarios.

Approved policies

With regard to the other Policies adopted by the Bank, we highlight the following approved this year:

- Amendment and consolidation of the Credit Concession Policy
- Business Continuity Management Policy
- Customer Relationship Policy
- Anti-Money Laundering, Terrorism Financing and Anticorruption Policy
- Risk and Capital Integrated Management Structure and Policy

GDPL – General Data Protection Law

In 2021, BRDE created the Data Privacy and Protection Committee, which is responsible for implementing actions to fully adapt its activities to the Federal Law No. 13,709 - the General Data Protection Law (GDPL). Throughout the year, the processes were reviewed, and contractual instruments and terms of consent were established in light of the care required in relation to the processing of personal data.

For the exercise of rights and access to more information on the processing of personal data and respect for privacy, the data subject may contact the person in charge through the email: encarregado@brde.com.br .

Cyber Security

BRDE's Information, Cyber and Communications Safety Policy (PoSIC) was regulated in 2019, updated in 2020, and, annually, the Bank follows its guidelines and implements new security processes and mechanisms. This year, the TIC Change Management, Cyber Incident Response Management, Security in the Development and Maintenance of Information Systems, TIC Infrastructure Maintenance, Cyber Security in External Workplaces, the Use of Mobile Devices and the Use of Wireless Networks of BRDE, Cyber Security in the Acquisition and Management of TIC Contracts and the Use of the Corporate Internet were standardized.

In addition to these guidelines, the Information Technology and Communications area provided a mandatory online training of PoSIC and its complementary standards, as well as disseminated the PoSIC Handbook to all employees, with the main information about the Policy.

Regarding the goal of bringing greater resilience, performance and availability of applications, the new backup software, the backup immutable data, the email filtering service that helps protect the organization from advanced threats to collaboration tools and email, the new server infrastructure, among other tools, were implemented.

Ethics Management

In 2021, the Ethics Commission continued in its mission to investigate complaints and representations of alleged violations of the Code of Ethical Conduct, to respond to inquiries made by managers and employees of the Institution, and to evaluate the statements of maintenance of parallel activities. Also in that year, BRDE renewed the composition of the Ethics Commission, welcoming and training new agents to foster and promote a culture of professional integrity and ethics in the management of the Institution. Training actions were promoted, both for the Ethics Commission and for other employees, on ethics in the public sector.

Ethics Channel

The BRDE complaints hotline – called the Ethics Channel – is an essential tool for the internal controls area for the early identification of possible violations of internal and external standards and of the BRDE Code of Ethical Conduct. The Channel works as a direct means between employees, customers and other public entities, and the BRDE compliance area. The Ethics Channel allows the registration of complaints in a simple, quick and anonymous way through the Internet (www.canalintegro.com.br/brde) or by phone (Toll-free number 0800 878 9015). Statements submitted to the Channel are received by the compliance area, which conducts a preliminary assessment of such statements' origin and forwards them to the areas responsible for investigating the reported facts. In 2021, the Channel received ten complaints and addressed them accordingly.

Transparency

BRDE provides the Transparency Portal (www.brde.com.br/transparencia) in its website. This page presents information on the Bank's operations, respecting banking secrecy, in accordance with Complementary Law No. 105, of 2011. In addition to the information published on the portal, the interested parties can get in touch using the online form available on the portal, or by the email address transparencia@brde.com.br.

The BRDE's service channels for Transparency received eight requests for inputs in 2021. Among such requests, seven were classified as "input request addressed" and one as "input request not addressed". Among those, six requests came from individuals and two from company representatives. Most of the requests, in all six, were about the 2016 Civil-Service Examination, and the others were about Public Bidding/Auction and Institutional Information.

Ombudsman

The BRDE Ombudsman is another important communication channel with society. This channel represents the last resort to solve unresolved issues by the Bank's conventional service channels. The Ombudsman is also a space for questions and suggestions for improvements.

To use this communication channel, there is the electronic form available at <http://www.brde.com.br/ouvidoria/>, the email address ouvidoria@brde.com.br, or the Toll-free number 0800-600-1020, during the same external service hours as the Bank (from 12:30 p.m. to 6:30 p.m.).

In 2021, five records were received, one through phone and the other four through the email. Regarding the merits of these five claims received, all were classified as valid and resolved. As potential for repercussion, three records were classified as relevant and two as not relevant.

National Program for the Prevention of Corruption (PNPC)

Already with a history of improving governance structures, risk management and internal controls, BRDE formalized its adhesion to the National Program for the Prevention of Corruption (PNPC). With the goal of reducing levels of fraud and corruption in Brazil to levels similar to those in developed countries, the program aims to mobilize directors, control institutions and public managers.

In order to integrate the program and receive the participant mark, BRDE underwent an assessment of mechanisms that measure the organization's level of performance in terms of prevention, detection, investigation, correction and monitoring of its governance, seeking to identify any vulnerable points.

The PNPC seeks to assess all public organizations in Brazil, mobilizing control networks and managers across the States. Based on a mapping and diagnosis of the situations most susceptible to corruption, the program intends to point out paths to high-level integrity standards, with report generation, evaluation and approval of the control network.



2

BRDE 60 YEARS

BRDE completed 60 years of operation in 2021. Since its creation, the Bank has promoted development in the South Region of Brazil in different ways, in the economic, social and environmental areas. During this period, BRDE supported thousands of projects, which totaled more than BRL 200 billion in investments.



However, the ideas that conceived the BRDE date back to decades before its foundation. The intensification of the industrialization process in the 19th century, mainly in Europe and in the United States, caused a significant change in the population's lifestyle. In this context, the technological advance provided the production of new goods, as well as the flow of products and people, which then stimulated the urbanization process.

This movement, for various reasons, was not quickly followed by Brazil, which remained largely dependent on agricultural activities and manufacturing of products intended for consumption, such as textiles. The resulting gap in the development process was identified in the first decades of the 20th century, mobilizing sectors of the Brazilian society in favor of the industrialization process.

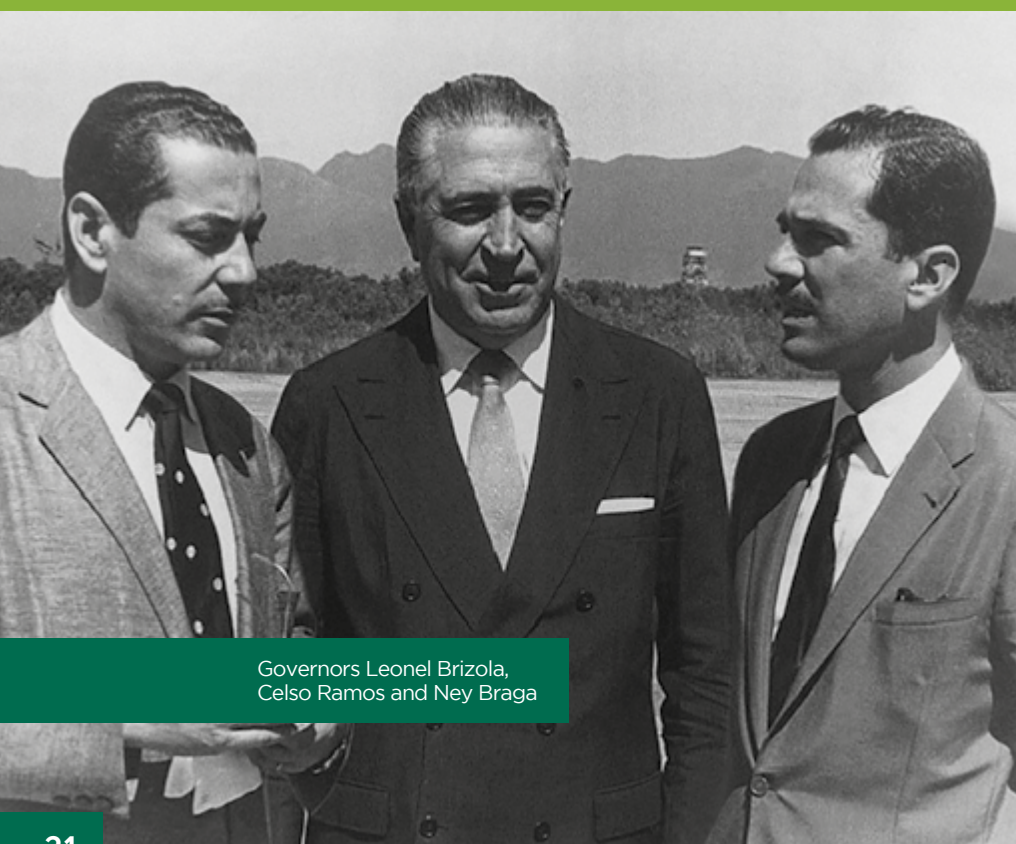
Development, through the structuring of the industrial sector, integrating its segments - capital goods, intermediate goods and consumer goods - was then pursued by governments on or after the 1930s. To complement, in the international context, it is important to highlight

the Second World War, which ended in 1945, and the creation of development banks in order to finance the reconstruction of the economies that were shaken by the conflict, such as the French Development Agency (AFD), the World Bank and KfW Development Bank. At that time, in 1952, Brazil created its Brazilian Bank for Economic Development (BNDE), which made it possible to conduct several projects.

Through this new instrument and with other forms of financing, Brazil implemented, with relative success, important industrial bases, obtaining significant rates of economic growth in the following decades.

However, some analyzes of this period identified that industrialization and greater economic growth were concentrated in the central states, mainly in the state of São Paulo. In parallel, the states of the South Region continued to depend on their primary activities, without significant technological advances, with their economies verging on stagnation.

Studies at that time, using socioeconomic data, pointed to a trend of divergent development trajectories between São Paulo and the others so-called extreme south states of Brazil. In this context, credit was considered an important vector to leverage productive investments and reverse this unfavorable situation. In March 1961, this scenario was presented by the governors of the states of Rio Grande do Sul (Leonel Brizola), Santa Catarina (Celso Ramos) and Paraná (Ney Braga) to the Federal Government in the Florianópolis Meeting. On such occasion, in addition to the conjuncture, the innovative idea in the Country of creating a regional development bank as a financing instrument was demonstrated, as well as a regional council, which would indicate the guidelines to promote the south region of Brazil.



Governors Leonel Brizola, Celso Ramos and Ney Braga



Governors Celso Ramos, Ney Braga and Leonel Brizola

The initiative was immediately well received by the then President of the Republic, Jânio Quadros; however, for the implementation of these two new institutions it would be necessary to present studies and projects with economic feasibility. The state government teams mobilized themselves and, after successive rounds of discussions, on June 15, the governors of the three states of the south region signed the agreement to create CODESUL and BRDE. At the time, as São Paulo was part of the South Region of Brazil, the institutions created were delimited in the extreme south, hence the name. Even with the political instability resulting from the resignation of the President of Brazil, the Bank obtained the payment of capital by the states in equal amounts and, in December 1961, the BRDE was, in fact, implemented.

The Bank's initial operations were conducted using its own resources and the amounts arising from the Wheat Agreement, a loan made by Brazil from the United States and directed to the BRDE. However, as the available capital was not sufficient for the demand for investments,

BRDE sought financial partners to raise new resources and leverage its financing capacity in the form of transfer. Through this modality, BRDE became the first financial agent of the BNDES, in 1965, and of FINEP (Financiadora de Estudos e Projetos [Financier of Studies and Projects]), in 1969. The transfer modality provided other sources of funds over the years, especially Caixa Econômica Federal, multilateral institutions, the Ministry of Tourism and Banco do Brasil, many of which are still partners with the Bank in fund raising.

One of the main reasons for the economic growth in the South Region, especially in the 1970s, was the significant increase in credit. The BRDE had established itself as one of the main sources of financing for the regional economy. From 1965 to 1980, the Bank loans to fixed capital, which effectively resulted in an increase in the production capacity, grew 65 times. Many of the companies in the south, which years later would become leaders in their segments, had their business leveraged in the 1970s through the transfers from the BRDE.



Florianópolis meeting in 1961

BRDE helped in the expansion of several industrial branches that already existed at the time but still in an incipient way. In the South Region, the industry doubled its participation in the total revenues of the states between 1960 and 1980, with the support of BRDE to the segment, among other contributions.

Within this advance of the industrial sector, there is emphasis on the leather-footwear, food and beverage, furniture, metal mechanics, agricultural machinery and implements, textile and ceramics sectors, among others. This contribution by BRDE was conducted through its specific Programs to serve, in a specialized way, each segment and support its implementation and expansion.

At the same time, and being closely linked to the industrial sector, the agricultural activities were benefitting from the growing industrialization of agribusiness products. The acceleration of the mechanization process was a milestone in the modernization of agricultural activity, which began to be developed in a professional manner and integrated with industrial activities. In this context, the soybean crop gained significant expansion from the 1960s onwards, constituting the main crop in the region.

As the economy lives on cycles, with BRDE was no different. The global economic crisis in the early 1980s had a

strong impact on Brazil, reflecting negative growth rates, high inflation and significant state deficits. Such circumstances, especially the state deficits, severely affected the Bank. In that period, through the issuance of financial bonds, the BRDE financed the states, mainly Rio Grande do Sul and Santa Catarina, so that they could honor their commitments with payroll and investments. The worsening of the fiscal situation of the states, among other reasons, resulted in the impossibility of maintaining the rollover of securities, generating a cash mismatch that, even for a small amount compared to the Bank's total securities on the market, made the Institution unfeasible. As a result, the extrajudicial liquidation of BRDE was declared, which was under the intervention of the Central Bank between March 1989 and March 1990. However, the BRDE was still under controlled administration until 1992, when, in fact, it returned to normal operations.

The solution for the Bank's return to its activities emerged from the payment of debts by the respective states, resulting in a reinforcement of BRDE's capital and financial conditions for it to continue in its Mission. During this troubled period, it is worth mentioning the role of the Bank's employees, who, with a lot of effort, managed to show society the importance, financial viability and resilience of the Institution.

In 1992, Mato Grosso do Sul joined CODESUL. It is noteworthy that, only as of 2008, with the approval, by the National Monetary Council (CMN), of a resolution allowing state development banks to operate in states bordering the state or region where they were installed, that BRDE was allowed to also begin financing activities in that state, and an office for the Bank was later installed in the respective capital, Campo Grande.

In the following years, in addition to the improvement in the financial aspect, the BRDE restructured its governance by changing its organizational chart, creating credit committees with a view to the process of granting credit in a collegiate manner, as well as decision-making levels, among other initiatives. Such changes provided conditions for the resumption of its operating activity, financing production activities in a more advantageous national

context, mainly from the inflation control, in 1994, even with fluctuations in the volume of new contracts and in the financial results due to the crises in emerging countries.

At that time, the BRDE put into practice its strategy of spreading credit to small rural producers and micro and small companies. Since then, the extension of credit has taken place through the transfer of resources to credit cooperatives, which lead them to small entrepreneurs. This innovative form of action constitutes a virtuous circle of credit, boosting, mainly, cooperatives linked to agribusiness and small farmers, as well as the BRDE financing portfolio. Undoubtedly, this financial arrangement has an important role in the transformation of many cooperatives into Brazil's main food companies, including increasing exports.

Some branches demonstrate the success of this strategy, such as the production of chicken, pork and fish, milk and derived foods. Mainly due to the integration system, originated in the South Region, with emphasis on the production cooperatives, the activities are complementary in the production process, from the supply and storage of the grains that constitute the raw material for the rations, the creation of the animals, the production of food and arriving, finally, at the commercialization. All these steps are financed by BRDE, considered a reference in agribusiness credit, providing the integration of small rural producers with large agro-industrial companies. One of the instruments that support this process is the National Family Agriculture Program (PRONAF), which has BRDE as one of its main financial agents.

The robustness of its food facilities makes the South Region the main producer and exporter of animal protein in Brazil, generating an expressive volume of resources that undoubtedly benefit several other activities, promoting development in a broad way.

The period from the late 1990s to this day marks a new consolidation of BRDE as a development partner. Environmental sustainability has become one of the Bank's priorities in its financial support, mainly through

the Programs it created. In this course of action, there is emphasis on energy generation projects from renewable sources, investments in energy efficiency through more modern equipment, such as public lighting, projects aimed at better waste management and rational use of water, highlighting those in sanitation.

Another focus of BRDE's support is innovation, which has always been fundamental to regional development. If, in the early years of the BRDE, technological advance was largely provided by the industry, innovation is currently very much identified in the new digital companies. It can be seen that, over these 60 years, the needs of entrepreneurs have changed, and BRDE has also been innovating to meet the demand for innovative investments. As an example, the BRDE Inova Program stands out, which, in addition to granting credit, includes support to startups through the acceleration programs launched by the Bank and participation in Equity Investment Funds (FIPs).

Development Banks, in turn, are also important for the dynamics of productive activities during difficult phases. The global crisis of 2008, originated in the North American financial system, and the recent crisis resulting from the pandemic, in 2020, resulted in the immediate reduction of credit in the financial market. In these moments, it was up to the Development Banks, in particular BRDE, to act quickly and supply the region with emergency working capital lines for short-term commitments. This way, credit is used to maintain employment, preventing more negative effects of crises.

Therefore, in its long history, BRDE has helped both financially and technically the implementation of sectors and activities that have provided the South Region with a leap in production, income, employment and productivity. Strong and constant support, mainly for agribusiness, industry, environmental sustainability and innovation, has driven the South Region to maintain socioeconomic indexes that are higher than those verified for the Country. Certainly, the South Region would not have the standard of development it has without the effective participation of BRDE.



Celebrations

To celebrate the 60th anniversary of its creation, BRDE organized a series of activities in the week of the anniversary, all transmitted online.

The highlight was the massive participation of the Bank's employees in the activities conducted, which resulted in more than five thousand views on the lives. During the live broadcasts, several expressions of gratitude and congratulations sent by BRDE employees and friends were recorded, with great involvement also from former employees.

To remember the Bank's history and pay tribute to those who made and are making BRDE, the theme of the first day of the celebration schedule was Memory. The main moments of BRDE's six decades of work were recalled by three retired employees, each representing a state. The testimonies and memories of these guests were also complemented by testimonies of colleagues from the three branches, which were recorded on video.



from left to right (positions on the date of the event and not today - all BRDE directors)
Vladimir Arthur Fey - Director of Credit Monitoring and Recovery
Marcelo Handchen Dutra - Financial Director
Marcelo Azambuja - Governor of Mato Grosso do Sul
Eduardo Leite - Governor of Rio Grande do Sul
Carlos Massa Mouse Junior - Governor of Paraná
Leany Barreiro De Sousa Lemos - Director President
Otomar Oleques Vivian - Planning Director
Wilson Bley Lipski - Vice President Director and Director of Operations

Créditos: Itamar Aguiar/ Palácio Piratini

Créditos: Itamar Aguiar/ Palácio Piratini



Marcelo Azambuja - Governor of Mato Grosso do Sul
Eduardo Leite - Governor of Rio Grande do Sul
Carlos Massa Mouse Junior - Governor of Paraná
Leany Barreiro De Sousa Lemos - Director President
Giane Guerra - Journalist



Watch the anniversary ceremony in <https://youtu.be/VxsqCvq71tU>

On the day of the anniversary, the BRDE Executive Board and the governors of the states of Rio Grande do Sul, Santa Catarina, Paraná and Mato Grosso do Sul participated in the celebration ceremony (in a hybrid format, in the studio). The Orquestra de Jovens do Rio Grande do Sul [The Youth Orchestra] was the cultural attraction. Representatives of national and international banks and business partners sent messages displayed on video throughout the program.

The days following BRDE Week were dedicated to the celebration and appreciation of culture, with the transmission of a show produced exclusively by Escola de Teatro Bolshoi [Bolshoi Drama School], of Santa Catarina, in honor of the 60th anniversary of our Institution. The closing of the week provided a guided tour at Espaço Cultural BRDE - Palacete dos Leões, at the headquarters of Curitiba, ending with the presentation of the Orquestra Sinfônica do Paraná [Symphonic Orchestra of Paraná].

Throughout the year, BRDE received numerous honors from various institutions for its performance. The Bank itself, in turn, provided a 60th anniversary plaque in honor of the Institution's employees and managers, placed at the Curitiba Branch.



3

BRDE and the Sustainable Development Goals (SDGs)

In September 2015, the 193 member countries of the UN adopted a plan for a better future for all, committing, over the next 15 years, to eliminate poverty, to fight inequality and injustice, and to protect our planet.

This is how the 2030 Agenda was created, a commitment to the planet, people, prosperity, peace and the establishment of partnerships for its implementation.

At the heart of this new Agenda are 17 Sustainable Development Goals (SDGs) and 169 goals. The concept of sustainability became more evident, given that the SDGs provide a powerful vision on how to improve our world through common sense aspirations and goals.

For the implementation of the 2030 Agenda, a broad action of the governments, the private sector and civil society is necessary. In this context, each has a significant role to play. The Agenda reflects a set of priorities and acknowledges the key role that businesses have to fulfill in the execution of such priorities. Therefore, it is necessary to mobilize capital and investments, new markets, technologies, new materials and cleaner production methods, which consider the life cycle of products and healthy consumption.

SUSTAINABLE DEVELOPMENT GOALS



Challenges for the Implementation of the 2030 Agenda in the Financial System

All over the world, the Financial System has been called to fulfill its role as an important link in the chain of mobilization and distribution of funds for sustainability. Particularly in Brazil, the Central Bank created the “BC# - Sustentabilidade” agenda and has already issued and updated standards on the Socioenvironmental and Climate Responsibility Policy, and the Socioenvironmental Risk Management Policy, also signaling future advances in this regulation. The Central Bank makes it clear that sustainability is a path that the financial sector must follow through its Social and Environmental Responsibility (also called ESG).

The market has advanced in some segments, but businesses still need to significantly increase their engagement in terms of value and breadth. The banks, in particular, need to face their own challenges in driving this change in direction and collaborating with it.

The solutions for the implementation of the 2030 Agenda are already in the action strategies of the development institutions, given the historical characteristics of these institutions to promote development. Such agents are working on several fronts such as:

- the increase in the flow of local capital specifically directed towards green businesses;
- the expansion of the capacity to mobilize international financial flows, by way of loans or donations, funds that collaborate to disseminate the subjects and update operational procedures towards sustainability;

- the creation of a minimum agreement on what type of projects and economic activities are considered sustainable and/or are aligned with the SDGs, which guides markets in investments;
- the incorporation of techniques for analyzing investment projects;
- the implementation of a methodology to measure the effective contribution of financing to the SDGs;
- the design of sustainable accounting, which allows the disclosure of results;
- the intensification of expertise and the work dedicated to sustainability within financial institutions, which helps to overcome challenges and expand dialogue with institutions that are dedicated to the topic.

In this context, the Sustainable Development Goals define priorities, which does not mean that the projects that are not aligned with any of their goals are not meritorious for other reasons. Conversion to a green economy takes time, and many traditional investments cannot be abandoned.

Therefore, an approximate 100% alignment of credit operations, mainly from development institutions to the SDGs requires establishing a medium-term strategy so that their achievement is coherent with the economic process of transformation and consolidation of new markets, as well as the conversion companies and consumption patterns. BRDE is on this path.

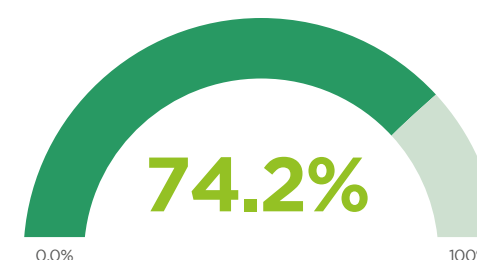
Taxonomy of Sustainable Projects/Activities

BRDE has been engaged in this effort to understand, generate knowledge, update its internal procedures and report its Socioenvironmental Responsibility for some time. The Bank has created some innovative solutions, encouraged by the knowledge and example of best practices in sustainability from development organizations around the world. In this context, BRDE presents the first result of the application of its own taxonomy of sustainable projects/activities. The initiative requires an effort for its methodological construction and its application to measure the contribution of the BRDE in creating favorable financial flows to the challenges of the Sustainable Development Goals.

The BRDE taxonomy encompasses a set of purposes aligned with the goals of the SDGs; a general typology of sustainable projects/activities that respond to one or more of these purposes; and tables of criteria for framing contracts in this typology. An additional criterion included is that the project does not cause significant damage to any particular SDG.

Adherence of 2021 Operations to the Sustainable Development Goals

The year of 2021 ended with credit contracts in the total amount of BRL 4.1 billion, of which BRL 3.3 billion were from direct operations and BRL 837.0 million were contracted with the help of partner institutions. The taxonomy of sustainable projects/activities, which is an unprecedented initiative, was applied only to direct operations. The result showed that 74.2% of the value of the signed contracts are aligned with at least one Sustainable Development Goal. We call this index the percentage of adherence or Operations Vision. That is, in 2021, BRDE provided BRL 2.4 billion in credit for projects that help in the global effort towards the Sustainable Development Goals.



BRL 2.4 billion

CONTRACTS with at least one SDG ALIGNMENT

The work also highlights that good projects multiply benefits; after all, sustainability is the connection between different dimensions of our life: economic, social and environmental. Therefore, it is not only possible, but it is also desirable for investment projects to collaborate on more than one goal from different SDGs. This is an aspect that any sustainable accounting methodology must be able to capture.



Multiplied Benefits: Photovoltaic System in the Rural Property

The implementation of a photovoltaic generation system in the rural property is a general type of project that has been intensifying itself. It is about generating clean and renewable energy and, therefore, it typically fits into goal 2 of SDG 7, CLEAN AND RENEWABLE ENERGY. However, projects of this nature represent a more rational use of natural resources and, therefore, contribute to goal 2 of SDG 12, RESPONSIBLE PRODUCTION AND CONSUMPTION. It also contributes to SDG 13, CLIMATE ACTION, as it reduces the degree of emission of greenhouse gases from our energy matrix. As it is a rural producer, it adheres to SDG 2, HUNGER, FOOD SECURITY AND SUSTAINABLE AGRICULTURE, in its goal 2, which deals with investment in the expansion and sustainability of the food production infrastructure.

BRDE supports projects that adhere to one, two, three or more goals of different SDGs at the same time, and this methodology accounts for this total effort considering the multiplied contribution of BRDE funding to the SDGs. This approach is called total impact or contribution, or SDG Vision.

From the point of view of the Sustainable Development Goals, BRDE includes the project to implement a photovoltaic system on rural property among the investments adhering to SDG 7. In parallel, this same project is also considered in the contribution to SDG 12, SDG 13 and SDG 2. The SDG Vision is essential to adequately respond to society’s aspirations and to create ways of monitoring and defining strategies or specific ways of operating and financing.

BRL 4.1 billion

TOTAL contribution to the SDGs

BRL 3.3 billion

TOTAL Direct Contracts

125.09%

% of TOTAL Contribution - SDG Vision

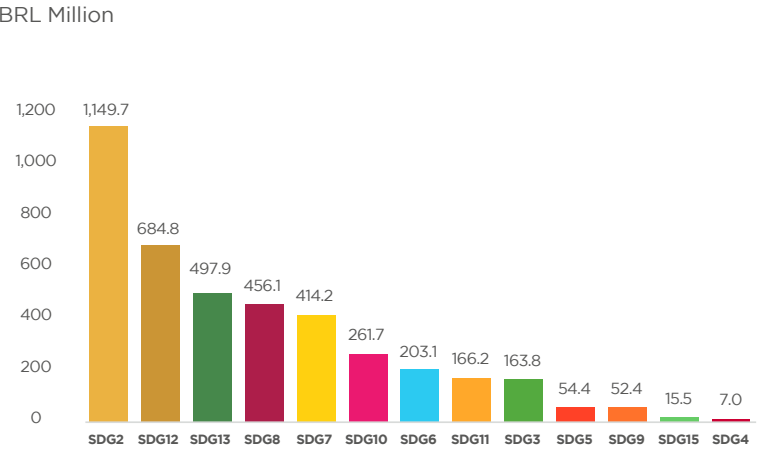
Based on the methodology applied, this multiplied effort reached 125% of the total contracted value of direct operations in 2021, totaling BRL 4.1 billion. The graph below shows the contribution of the financial flows created by BRDE for each of the SUSTAINABLE DEVELOPMENT GOALS, in which the same project counts as many times as the SDGs are positively impacted.

SDG 2 - ZERO HUNGER stands out in BRDE’s credit operations, especially for investments in food production infrastructure (BRL 1.1 billion). In parallel, the Bank mobilizes significant resources for goals that are related to the environmental topic: SDG 12 - RESPONSIBLE PRODUCTION AND CONSUMPTION (BRL 684.8 million), SDG 13 - CLIMATE ACTION (BRL 497.9 million) and SDG 7 - AFFORDABLE AND CLEAN ENERGY (BRL 414.2 million). This occurs in different types of projects, with emphasis on the generation of clean and renewable energy, commercial forests, solid waste management, low carbon agriculture, among others.

In SDG 8 - DECENT WORK AND ECONOMIC GROWTH (BRL 456.1 million), we highlight the financing for micro and small companies, economic recovery operations, in view of the effects of COVID-19, and of the technological modernization and innovation in companies. SDG 10 - REDUCED INEQUALITIES (BRL 261.7 million) contains several operations of food production cooperatives that participate in the National Family Agriculture Program - PRONAF, creating financial access to small farmers.

SDG 6 - CLEAN WATER AND SANITATION (BRL 203.1 million) and SDG 11 - SUSTAINABLE CITIES AND COMMUNITIES (BRL 166.3 million) are mainly characterized by projects in public water and sewage infrastructure, in addition to solid waste management. SDG 3 - GOOD HEALTH AND WELL-BEING (BRL 163.9 million) includes projects for the construction of hospital infrastructure and the acquisition of health equipment. SDG 5 - GENDER EQUALITY (BRL 54.4 million) is responsible for BRDE’s efforts to operate a line for female entrepreneurship in various sectors of the

BRDE’s Direct Contracts per SDG | 2021



economy. Regarding SDG 9 - INDUSTRY, INNOVATION AND INFRASTRUCTURE (BRL 52.4 million), there is mainly the collaboration of product research and development projects and the sustainable industry.

In SDG 15 - LIFE ON LAND (BRL 15.5 million), financing for parks and natural reserves is considered, in addition to the recovery of pastures and the preservation of the Pampa Biome. In SDG 4 - QUALITY EDUCATION (BRL 6.7 million), investments in the expansion of the education infrastructure as well as projects to implement photovoltaic systems in an educational association were observed.

Next year, the Bank will endeavor to show the repercussion of all the conducted operations, considering not only direct but also indirect ones, arising from financing granted by the participating financial institutions. Based on this complete analysis of the credit operations, BRDE expects that the percentage of adherence to the SDGs will be even higher, given that the financing by the affiliates is mostly directed to small food producers and small companies.

Below, we highlight the SDGs that are most impacted by BRDE financing, with the respective examples of projects.

SDG 2 – Zero Hunger

In 2021, BRDE contributed with more than BRL 1.1 billion in projects that collaborate with the challenges of SDG 2. This SDG is the most favored by the BRDE's activities, as it stems from the agricultural portfolio, with a significant participation of investments in food production infrastructure, including projects of the various cooperatives that are traditionally customers of the Bank.

Many of these cooperatives participate in the National Family Agriculture Program – PRONAF and, therefore, also collaborate with SDG 10 - REDUCED INEQUALITIES. In addition, several investments are contemplated in the expansion of grain storage capacity, animal housing, irrigation, low-carbon agriculture, soil recovery, planting of pastures, among others.



With financial support from the Bank, the **Cooperativa Agroindustrial de Jacinto Machado (COOPERJA)** opened the new JM II industrial facilities in the south part of Santa Catarina. The expansion work houses the most modern industrial complex in the south of Brazil, with a built area of 25 thousand square meters, a production capacity of ten thousand bales/day and a total storage of two million bags. The investment amounts to more than BRL 75 million, almost half of which (BRL 35 million) is financed by BRDE.

SDG 12 - Responsible Consumption and Production

For this SDG, the Bank has been working with tradition since 2012, when it launched the Produção Mais Limpa Program, which was expanded in 2015 to the Produção e Consumo Sustentáveis Program (PCS). During this period, funding for the Proamb Foundation project was a highlight. The investment led to the implementation of an innovative production line designed to manufacture fuel from industrial solid waste that is highly harmful to the environment, but with significant energy potential.

The projects supported by BRDE under this SDG contribute to several other Sustainable Development Goals. BRDE financed BRL 684 million, which represents 20% of direct operations in 2021, for projects that contributed to the challenges of SDG 12. The supported investments that most positively impact this SDG are: renewable energy generation, sanitation, commercial forests, solid waste management and disposal, and waste use or recycling.

SDG 7 - Affordable and Clean Energy

Support for energy infrastructure is part of one of BRDE's main guidelines. Its historic performance has made a difference in the implementation of several energy generation projects from alternative sources.

BRDE 60 Years

The South Region and its great wind potential provided the implementation of good projects. The Wind Farms of Osório, in the state of Rio Grande do Sul, were pioneers in the generation of energy by wind in 2007, with 150 megawatts (MW) of power. At that time, the enterprise was recognized as the largest active wind farm in the South Hemisphere and the first in Latin America to use large unit power turbines.

Another unique project supported by BRDE was the Geribatu Wind Complex, in 2013, in the municipality of Santa Vitória do Palmar, with an installed capacity of 258 MW of renewable energy. It was also considered, at the time, the largest wind energy system in Latin America.

Smaller-scale wind projects were also financed by BRDE. In Santa Catarina, the Bank financed, in 2009, the Água Doce Wind Farm, in the municipality of Água Doce. The project had 15 wind turbines with the potential to generate 9 MW of energy.

Investments in projects using hydric sources were also conducted, such as, for example, many Small Hydroelectric Plants (PCHs) and Hydroelectric Generating Plants (CGHs), with the objective of having less impact on the environment. In addition to private enterprises, many projects were conducted in this area by rural electrification cooperatives, formed by cooperative people, with the aim of generating and distributing energy in countryside communities. In 2021, BRDE financed

BRL 335 million for energy generation from hydric sources, which will supply an additional 84.2 MW to the national electricity system.

The use of waste for energy generation, which is highly beneficial for the environment, insofar as it removes particles that constantly emit CO2 into the environment, also has an old partner in BRDE. The Bank supported the vanguard of these investments, such as Lages Bioenergética, through wood waste in 2003. The generation of energy from rice husk was also financed by BRDE in two outstanding projects. In 2006, Cooperativa Agroindustrial Alegrete (CAAL) implemented its Thermoelectric Power Plant, with a capacity of 3.8 MW, allowing the annual removal of 45 thousand tons of carbon from the environment, as well as the use of ashes in the recovery of degraded soils. Another rice husk power generation venture, conducted in 2017, with a power of 8 MW, was the São Sepé Power Plant.

More recently, investments in photovoltaic energy were intensively supported by the Bank, ranging from small rural producers to larger plants that use the sun as a source of energy. The BRDE made it possible, for example, to finance the innovative project of Recanto Cataratas Thermas & Resort, in Foz do Iguaçu. The action included the installation of a photovoltaic energy generation plant, which enabled the production of 100% of the energy consumed, in addition to providing clean energy, without any type of pollution.

In 2021, the Bank launched the Program for Incentive to Innovation and Dissemination of Sustainable Energy – BRDE Energia Sustentável. The initiative aims to implement projects for the generation and transmission of clean and renewable energy, and energy efficiency.



Cooperativa de Geração de Energia e Desenvolvimento (COPREL) obtained support from BRDE to implement the **PCH Tio Hugo**, with an installed capacity of 10.1 MW. Investments totaled BRL 88 million, of which BRL 81 million were financed by the Bank. The project, located in the municipality of Tio Hugo, in the state of Rio Grande do Sul, has already sold the energy to be generated on or after 2024 at auction.



BRDE provided the resources to enable the construction of yet another structure for power generation in the western region of Santa Catarina. The **CGH Barra da Europa** is located on the Burro Branco River, on the border of the municipalities of União do Oeste and Pinhalzinho. The total investment was BRL 40 million, of which BRL 20 million were financed by BRDE. With 4.60 MW of installed power, Barra da Europa shall be opened – and come into operation – by March 2022.



The rural producer **Tauan Barduzzi** received support from BRDE for the acquisition of equipment for the generation of photovoltaic energy, aiming at electrical self-sufficiency in its property. The entrepreneur from Astorga, state of Paraná, has four aviaries with a capacity of 43 thousand birds each. The panels will be installed on the roofs of these aviaries.

SDG 13 - Climate Action

SDG 13 addresses the issues of adaptation and mitigation of climate effects, one of the greatest short-term challenges for sustainability. BRDE supported approximately BRL 500 million in projects adhering to SDG 13 in 2021. Adaptation includes projects such as irrigation (BRL 19 million) and the construction of dams (BRL 5 million), and mitigation includes projects for the generation of clean and renewable energy, such as PCH and CGH (BRL 335 million), and photovoltaic (BRL 45 million), investment in the exploitation of Commercial Forests (BRL 77 million) and in natural parks and reserves (BRL 13 million), among others.



Tanagro operates in the planting of commercial forests with quality and sustainability certifications granted nationally and internationally, which guarantees the acceptability of its products worldwide as natural products. Tanagro's forest management is considered environmentally appropriate, socially fair and economically viable. The investment of BRL 56.5 million, fully financed by BRDE, is intended for planting black acacia forests in several areas located in the south half of the state of Rio Grande do Sul, a region with low economic development. TANAC, a company of the same group focused on the industrial processing of acacia bark, offers qualification to producers in the region so that their management and forests also meet the standards of International Good Practices. This partnership generates income and employment for thousands of small and medium-sized producers in the south half, who are responsible for supplying 50% of the raw material used in the company's industrial units.

SDG 8 - Decent Work and Economic Growth

Financing for micro credit, the expansion of financial access to micro and small companies and credit for the recovery of the economy in view of the effects of the pandemic are adherent to SDG 8. In 2021, BRDE financed BRL 456 million in direct operations that contributed to the challenges of SDG 8. Considering that indirect operations, which were conducted by operational agreements with a reduced average ticket, are not considered in this approach, it is suggested that the repercussion of BRDE financing in this SDG is even greater.

Contribution to SDG 8



BRDE made efforts this year to carry out 23 so-called second rating operations, totaling BRL 233.7 million, to leverage micro finance. In this modality, the Bank grants credit to the financial institution, which transfers the funds to small rural and urban entrepreneurs. Below, we highlight one of these operations.



BRDE financed BRL 120 million for the **Sistema de Interação Solidário CRESOL BASER**, with a view to transferring it to associated rural producers and urban entrepreneurs in the States of Paraná, Santa Catarina and Rio Grande do Sul. The resources are mainly intended for informal entrepreneurs, individual micro-entrepreneurs (MEI) and micro-enterprises, such as beauty salons, bakeries, mechanical workshops, woodworking, small seamstresses and faction industries. Of the total amount, BRL 10 million were allocated to entrepreneurs over 60 years of age. The initiative estimates to serve 1,800 rural and urban entrepreneurs, with an average ticket of BRL 50 thousand in their demands for credit for investments.

SDG 3 - Good Health and Well-Being and SDG 4 - Quality Education

You cannot thrive in a sustainable society without health and education. In this sense, the BRDE contributes with the effort to increase the supply of these services to the population, as an indirect way of contributing to the goals of these two objectives, which have, at their core, the universalization of access to health and education with quality. In 2021, BRDE financed BRL 170.8 million in direct operations that contributed to the challenges of SDGs 3 and 4.



The BRDE, with the aim of improving access to health, financed **Unicardio**, located in Florianópolis. Founded in 1983, the cardiology clinic specializes in the prevention, investigation and treatment of heart diseases from the fetal period to adulthood. Investments of BRL 1.4 million provided for the renovation and expansion of the headquarters, in addition to the acquisition of diagnostic equipment.



Colégio do Bosque Mananciais, created in 2009, provides non-profit kindergarten, elementary and high school education services in Curitiba. BRDE financed the school's expansion project through the construction of a new three-story building, comprising 16 classrooms, laboratories, multi-purpose rooms, a library, a teacher's room and other student service areas, in addition to external improvements such as Running Track. The investments, totaling BRL 5 million, also included the installation of a photovoltaic generator system.

SDG 5 – Gender Equality

Gender equality is a relevant social aspiration that has repercussions in the economic sphere, as any form of discrimination limits the potential of human capital. In this context, the BRDE launched, in March, the **Empreendedoras do Sul Program**, whose objective is to favor female entrepreneurship in the region, generating income, opportunities and reducing inequality. The Program benefits rural producers and businesswomen from any branch of activity. In 2021 alone, the initiative provided BRL 96.2 million in financing to 371 customers.



Also within the scope of the Empreendedoras do Sul Program, the financing of BRL 700 thousand for the **Instituição Comunitária de Crédito Serra (ICC Serra)**. The institution, organized in the form of OSCIP (Civil Society Organization of Public Interest), aims to promote economic and social development through the granting of credit, especially the oriented productive micro credit. The entity, which operates in the state of Rio Grande do Sul, is applying the resource to small businesses managed by women, which should cover around 100 contracts, reaching an average ticket of BRL 7 thousand per customer.



SDG 6 - Clean Water and Sanitation

BRDE considers investments in urban infrastructure as an important lever for development. To contribute to these projects, the Bank has teams capable of assisting entrepreneurs and providing credit. Below, we highlight some projects supported by BRDE in 2021.



Sustainable development also includes ensuring access to safe drinking water and sanitation for all. To that end, the BRDE financed the **Companhia Águas de Joinville**, which operates in the provision of public services of basic water supply and sanitary sewage through a concession agreement signed with the municipality of Joinville, in the state of Santa Catarina. The company obtained financing of BRL 51 million from BRDE for the implementation of a Sanitary Sewage System in four neighborhoods. Improvements in water supply and sewage treatment will benefit 27 thousand people



The **Municipality of Viamão**, in the state of Rio Grande do Sul, obtained funding of BRL 15.1 million from BRDE to improve urban mobility and accessibility. The investment project contemplates the paving and drainage of 28 urban roads, both residential and commercial, which have a significant circulation of vehicles, being even part of the municipal public transport route and alternative routes to the main streets and avenues of downtown and highways.



4

BRDE and Innovation

BRDE and innovation have walked together for 60 years. The creation of BRDE itself, in 1961, was an innovation, considering that, at the time, there was no regional development bank in Brazil. Support for innovation is a consolidated strategy of the BRDE, whether in the implementation of new sectors or in the use of resources compatible with innovative projects.

Currently, BRDE is committed to providing products and services that contribute to promoting the innovation ecosystem of the South Region through the BRDE INOVA Program, divided into three fronts: financing, capital contribution via Equity Investment Funds (FIP) and startups acceleration programs.

BRDE 60 Years

With regard to financing, it is important to highlight the old partnership between the Bank and Finep, which began in the 1960s, when the institutions that financed technological innovations were even fewer. After a period of interruption, Finep, as of 2013, established again the transfer of resources to innovative projects through financial agents. Since then, BRDE has financed 276 projects, totaling BRL 607.9 million. Due to this performance, BRDE has always led the national ranking as the largest transfer bank of Finep.

Below, we present one credit operation and other relevant initiatives for technological advance in the region where BRDE operates.



Teles Hidráulica was founded in 2007 in the municipality of Paçandu, in the state of Paraná. The company operates in the manufacture of hydraulic cylinders for the agricultural equipment line and has been a BRDE customer since 2014. BRDE financed BRL 850 thousand for Teles to improve the quality, standardization and productivity of its production line through the acquisition of a robotic cell for high-precision welding.

Equity Investment Funds (FIPs)

Investments in Equity Investment Funds (FIPs) are one of the instruments mentioned in BRDE's Strategic Planning to support the innovation ecosystem of the South Region, constituting an important lever for economic development.

BRDE's participation in FIPs with national operations contributes for a significant part of the funds' resources to be invested in companies headquartered in the South Region, since, when becoming a shareholder in the Fund, BRDE requires, at least, that the subscribed capital by the Bank is directed to companies in its region of operation.

In 2021, BRDE increased its limit for operations via Equity Investment Funds (FIPs) with a focus on innovative companies, from 1.8% to 2.50% of its Shareholders' Equity (PL). This expansion allows the Bank to anticipate to 2022 the target established for 2025 in its Strategic Planning, of having subscribed capital in FIPs corresponding to 2.5% of its PL.

Currently, BRDE is a shareholder in FIPs Criatec 3, FIP Anjo and TM3 Capital VC4. Also in 2021, in a partnership with the BNDES, the public notice was launched for the selection of the Manager of the Investment Fund in Participações Capital Semente ("Criatec 4"), aimed at scalable, technology-based Brazilian companies with gross revenues of up to BRL16 million a year.

Criatec 3

BRDE is a shareholder in Criatec 3, an Investment Fund with the purpose of capitalizing innovative micro and small companies throughout the national territory that have technological innovation as their main competitive differential. In line with the Fund's mandate, these innovations must offer a strong barrier to entry, must be scalable and solve a relevant market problem. By the end of December 2021, Criatec 3 had already invested in 36 companies, ten of them in the South Region.

FIP Anjo

BRDE is a shareholder in FIP Anjo, whose objective is to invest resources in starting companies (startups), together with angel investors and/or accelerators, as well as in innovative small companies, seeking to stimulate entrepreneurship, develop innovative companies at an early stage and induce the best governance and management practices in the companies in which they invested. Domo Invest, the Fund's manager, intends to invest in more than 100 companies throughout the country, with the first 40% going to companies with annual revenues of up to BRL 1 million. By the end of 2021, the Fund had already invested in 38 companies, nine of them in the South Region.

TM3 Capital VC4

In 2021, BRDE became a shareholder in the TM3 Capital VC4 Fund, which is managed by Trivèlla Investimentos SA, based in Curitiba. Operating throughout the country, the Fund invests in medium-sized companies in the technology sector, for which there are still limited financing opportunities in Brazil.

BRDE Labs Program – Paraná

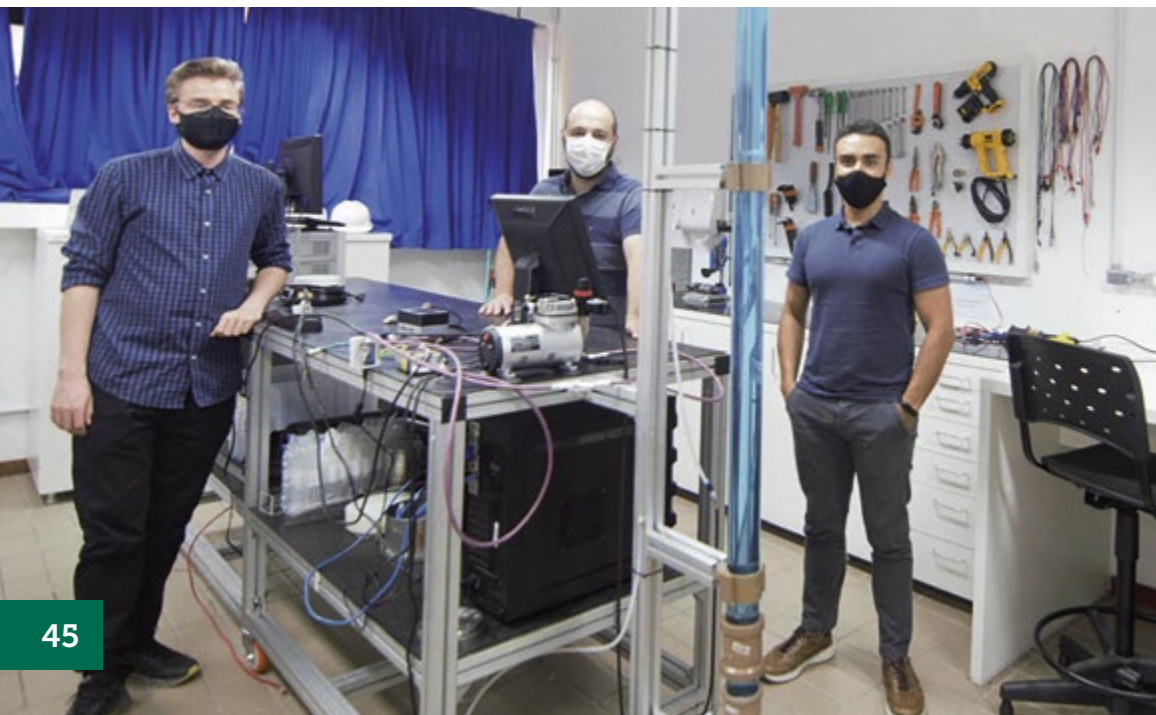
The second edition of the BRDE Labs Program, which was coordinated by the BRDE Agency in Paraná, aimed at bringing participant startups with BRDE, the Government, the University and the Industries to generate innovation. The program offered support, training and opportunities to generate business to startups, free of charge. This edition was conducted in partnership with Hotmilk, an accelerator of the Pontifical Catholic University of the state of Paraná (PUCPR), and also had the support of Amcham Brasil.

In order to generate connections between these actors, nine anchor companies were selected to participate in the program: Agraria, Agrocete, Angelus, DoceDocê, Enaex, Furukawa, Ibema, Leclair and Vetore. These companies launched 37 challenges for the startups to present solutions. BRDE Labs had 177 startups registered, of which 58 were selected for pitches, 18 went to the immersion phase and nine were selected for acceleration.

In the acceleration stage, the startups participated in specialized mentorships and workshops, always focusing on growth in sales, financial modeling, people, technology and other strategic areas, with the support of mentors. This process resulted in two signed contracts, nine Proofs of Concept (POC) and seven ongoing negotiations.

The nine startups accelerated by the 2021 BRDE Labs program that presented their solutions at the “Final Pitch” are as follows: Agidesk, Área Argumented, Digitalk, Logreversa, James Tip, Specrux (featured photo), Optime, Seek, Checklist Fácil.

In the area of knowledge, BRDE Labs in the state of Paraná provided 54 hours of training and a masterclass, in addition to 16 lives of content, covering more than four thousand people impacted, with content permanently available through the BRDE channel on Youtube.



BRDE Labs Program – Rio Grande do Sul

The second edition of the startups acceleration program, which was coordinated by the BRDE Agency in the state of Rio Grande do Sul, focused on the management and structuring of companies, in order to leverage future resources and partnerships that contribute to their operational success. In 2021, the Program was run in conjunction with Feevale Techpark. BRDE Labs also had the participation of five partner companies of the Bank as anchors: CCGL, Coagrisol, Fida, Santa Casa de Porto Alegre and Xalingo. These companies contributed with their experiences to the mentoring stage and presented challenges for the participants to solve, a practice already consolidated in the market and one of the most relevant aspects of BRDE Labs.

The program was launched in July and had 66 enrolled startups. Among these, 14 were selected for the acceleration process. The areas of operation of the selected startups were: health, information technology, agribusiness, IoT and 4.0 Industry.

The acceleration process began in August and lasted four months. During this period, 32 hours of workshops, 15 hours of mentoring and a business round were accomplished, in addition to immersion with the anchor companies participating in BRDE Labs.

The results of the connections provided by the Program were: a Non-Disclosure Agreement entered into between

an anchor company and a startup, a Proof of Concept (POC) conducted between an anchor company and a startup, in addition to three partnership proposals, still in progress, between anchor companies and startups.

In December, Demoday took place, which is the final event of the Program, revealing the five startups awarded by BRDE Labs RS. The event was held at Caldeira Institute and was broadcast live on BRDE and Feevale Play's YouTube channels. Among the 14 startups accelerated, eight participated in the final panel and five were awarded, in the following order: AlterVision (winner), Latos, Ziel Biosciences, Agidesk and StarLearning.

Hackintec 4.0

In yet another action enabling connections between industries and startups, aiming at innovation and business, BRDE, the Instituto Empresarial de Incubação e Inovação Tecnológica (IEITEC), SEBRAE and the Union of Metal, Mechanical and Electronics Industries of Canoas and Nova Santa Rita (SIMECAN) promoted the Hackintec 4.0. The event was held in August, at Parque Canoas de Inovação (PCI), where the companies Globus, Exatron, FKS and Novus are located, innovative industries with similar production activities, which act synergistically. Through the partnership, the companies, some of which are already BRDE clients, act jointly in the acquisition of raw materials, training of manpower, contracting of consultancy, among others.

The event, in the form of a Hackathon, had the four companies headquartered in the PCI presenting specific problems for the 22 registered startups to find solutions. The 54-hour marathon took place online and resulted in 15 finalists, who presented their ideas to the evaluation board. Hackintec 4.0 also had 13 business mentors and six judges.

In addition to technical support in organizing the event and evaluating the solutions, BRDE granted credit, through the BRDE Inova Program, for three anchors to contract the startups which showed the technological solutions to the respective challenges.



Partnerships for Innovation

The BRDE and the **Caldeira Institute** celebrated, in September, a cooperation agreement with the purpose of contributing to concrete and positive transformations in the production and innovation environment in Rio Grande do Sul. The Caldeira Institute is a hub, located in the state of Porto Alegre, which brings together initiatives and partners linked to the new economy. Founded by 39 large companies operating in the State, it is a non-profit institution that promotes innovation, connecting companies, universities and startups involved in digital business transformation.

BRDE established a partnership with Parque Científico e Tecnológico da PUCRS (Tecnopuc) to develop the **Women on the Road**. The purpose of the program is to promote future entrepreneurs and startups at an early stage, founded or co-founded by women, creating connections that generate business opportunities between entrepreneurs in the ecosystem. Women on the Road was divided into three stages: awareness, with awareness-raising lectures for 1,435 spectators; women warm-up, with the immersion of eight startups, among the 50 registered for the program, during eight weeks, at the Parque Tecnológico, through workshops and mentoring; and women on the road, to be held in 2022, with direct access to Tecnopuc development program (Road) to validate the business model for the three startups who stood out in the warm-up.

The BRDE and **Pelotas Parque Tecnológico (PPT)** entered into a cooperation agreement to encourage innovative companies in the Parque Ativo Program. The initiative provides for the holding of entrepreneurship events together with the partner incubators, involving 18 actions supported through the partnership. Among the events with companies that reside in the PPT, we highlight the Design Thinking, technological challenges, investment rounds with accelerators, networking between resident companies and potential customers, and Robopel, involving workshops on educational methodologies with the use of science for public elementary and high school students, aiming to offer 50% of the vacancies for girls in programming courses. These initiatives had the participation of approximately ten thousand entrepreneurs. For the next year, 31 actions are planned, including training and business round tables, for an audience of five thousand people.

BRDE has formalized operational agreements with the **FIESC - Federação das Indústrias do Estado de Santa Catarina**, **Fecomércio SC - Federação do Comércio de Bens, Serviços e Turismo de Santa Catarina** and **INAITEC - Instituto de Apoio à Inovação, Incubação e Tecnologia** using a credit platform developed by a fintech from Santa Catarina. This is an innovative initiative with the objective of bringing technology to credit analysis and providing greater agility in the disbursement of resources for micro and small companies. Associated operations are a priority in BRDE's operations, as they allow the Bank to democratize access to credit.

Dev the Devs Program was prepared jointly by Parque Científico e Tecnológico da PUCRS (Tecnopuc), by Rede Gaúcha de Ambientes Inovadores (Reginp), by the Associação de Empresas de Tecnologia (Assespro-RS), by the Department of Education of the State of Rio Grande do Sul, by the Department of Innovation, Science and Technology and Inova RS, and by BRDE. The initiative aimed to provide opportunities for training young people who wish to start their careers in the IT field. From an online course of initial training for system developers, the program promotes free training for 1,000 young people – 500 boys and 500 girls – from the state education network in Rio Grande do Sul. The training takes place between November 2021 and February 2022, and has five modules that are accessed whenever and wherever the student wants, in addition to live meetings.

In Paraná, BRDE integrates the **Governance Committee of the Innovation Ecosystem of Curitiba and Metropolitan Region**, a multidisciplinary entity that has four working groups: Governance, Events Agenda, Innovation Support Journey and Indicator Monitoring. The Bank participates weekly in the Innovation Support Journey group, which seeks to identify, map and organize the actors within the innovation path.

In the state of Santa Catarina and with the support of P&D BRASIL – Associação de Empresas de Desenvolvimento Tecnológico Nacional e Inovação, BRDE formalized operational agreements with the **ABRINT – Associação Brasileira de Provedores de Internet e Telecomunicações** and **PADTEC S/A**, a company in the telecommunications

sector, with the objective of expanding the service capacity and quality of services of local internet providers. This partnership also had the support of FINEP, which identified, in the BRDE's model of associated operations, the ideal mechanism to facilitate access by small businesses to the resources of the **FUNTTEL - Fundo para o Desenvolvimento Tecnológico das Telecomunicações**.

BRDE won the 17th edition of the Banking Transformation Award, former Banking Report Award, in the Credit Innovation category, with the Recupera Sul project. In addition to actions to guarantee emergency credit for companies affected by the effects of the pandemic, the BRDE adopted a temporary debt freeze for customers, especially micro and small entrepreneurs in the three States. Initially, the practice known as standstill would last six months, but it was re-edited, reaching 18 months in some cases. Also as a part of the initiatives is the BRDE Empreendedoras do Sul, an exclusive credit program for companies led by women; the special financing line for companies in the Creative Economy of Rio Grande do Sul; and SC Mais Renda Empresarial, an initiative of the Government of the State of Santa Catarina to help tackle the economic and social damage caused by the pandemic. In addition to the direct support provided during this period, BRDE Recupera Sul also brought important advances in the Bank's operational processes. The Information Technology actions implemented include the digitization of processes, cyber security, expansion of digital channels and launch of the BRDE mobile application.

BRDE holds a seminar on financial market and fintechs

The Bank has promoted in online form, in April, the Financial Market Seminar and Opportunities with Fintechs. The event provided BRDE with the identification

of innovations in the financial market and ideas for the implementation of its Simplified Credit Platform.



5

Operational Performance

Contracts

The contracted volume, in 2021, broke the nominal record in the Bank's history, exceeding BRL 4.1 billion. This amount was 24.8% higher than in 2020. The importance of this support from BRDE to companies and customers in its region of operation is highlighted, preserving the activity in the countryside and in the city.

The number of contracted operations reached 7,060, representing an increase of 61.4% compared to the year of 2020. This fragmentation of credit support encourages a unique number of small and medium-sized enterprises, fulfilling the social mission of development.

Evolution of Contracts | Nominal Values

BRL million

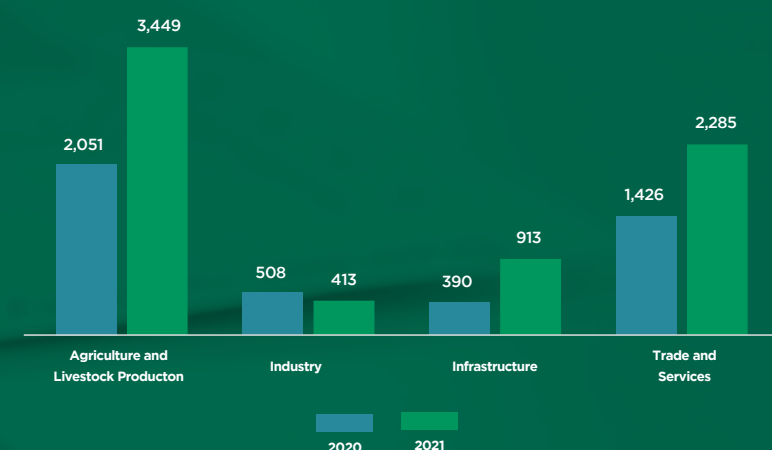


Contracts by sector

The contracted volume increased in all sectors of activity in 2021. The sector with the largest amount allocated was Commerce and Services, with a value of BRL 1.3 billion. Agriculture and cattle raising obtained BRL 904.1 million in credits, and infrastructure, the amount of BRL 873.6 million in 2021. The most expressive percentage change was observed in agriculture and cattle raising, with 89.8% compared to 2020.

Contracts by sector

Number of Operations



Contracts by size

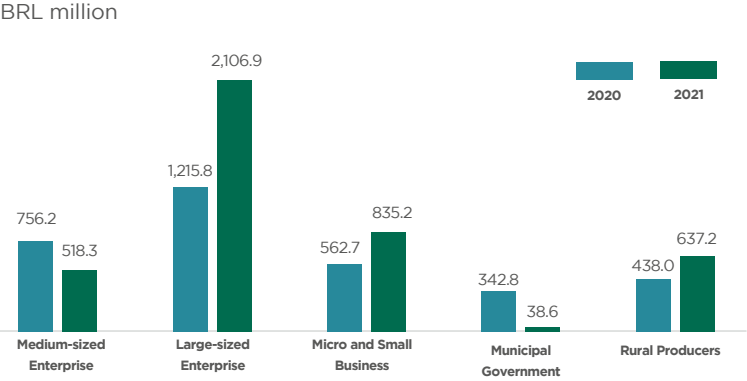
In 2021, micro and small companies obtained BRL 835.2 million in new financing. Medium-sized companies had BRL 518.3 million in support, and individual rural producers had BRL 637.2 million in support.

Regarding the number of credit operations, 53.1% were directed to rural producers and 44.3% to small and medium-sized companies. These data demonstrate the success of the BRDE effort to support small entrepreneurs, especially in times of economic crisis, observed in 2020 and 2021.

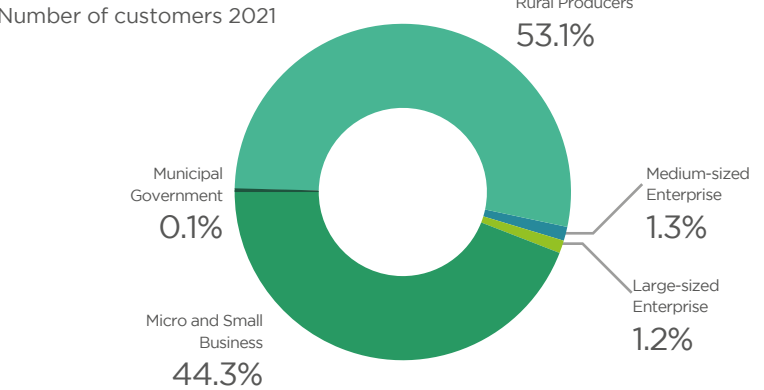
Disbursements

The disbursements made by BRDE also reached a record value, with the amount of BRL 3.1 billion in 2021, which corresponds to a growth of 15.5% in nominal terms, compared to 2020. A growth trajectory has been observed since 2018, with greater diversification of funding sources obtained by the BRDE, as shown in the next section.

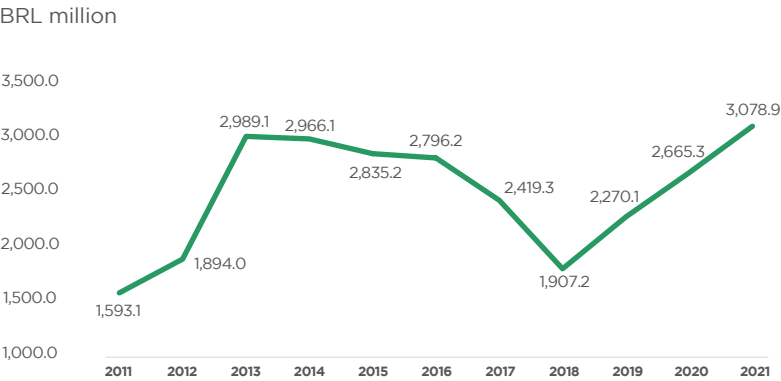
Contracts per Size | Contracted Value



Contracts per Size



Evolution of Disbursements | Nominal Values



The diversification of BRDE funding sources

In recent years, BRDE has been looking to diversify its funding sources. Thus, it has been doing new partnerships with credit providers, both nationally and internationally, as well as seeking to intensify existing relationships, in order to maximize its operations in the South Region and in the state of Mato Grosso do Sul.

In 2021, 59.5% of resources came from the BNDES System, which includes the largest development bank in the country, BNDES, but also FINAME, of which BRDE has the number 1 credential, obtained in 1966.

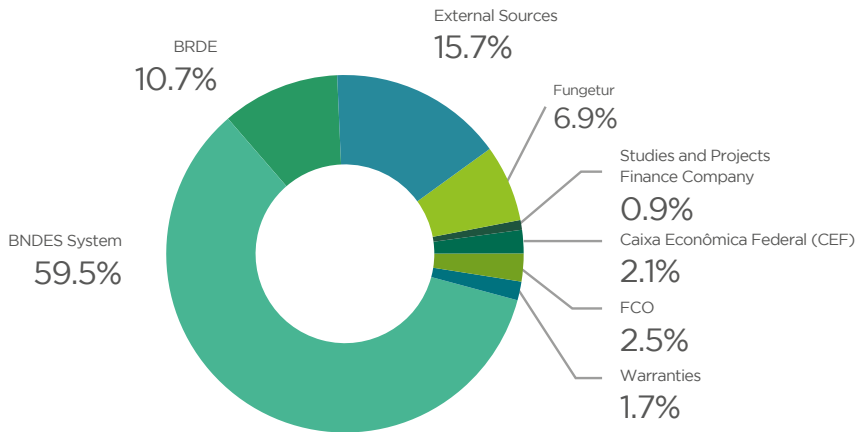
The second source of funds for the BRDE are international funds (15.7%), equivalent to BRL 649 million, coming from the French Development Agency (AFD), the European Investment Bank (EIB) and the Latin America Development Bank (CAF), three partnerships signed in recent years, with the internationalization of BRDE sources.

BRDE credit operations conducted with international resources totaled 2.0% in 2018. In the following years, the participation of these fundings increased to 6.5% in 2019, 9.3% in 2020, and 15.7% in 2021, an increase of 111% compared to 2020. These resources mainly promote environmentally sustainable projects and micro-entrepreneurs. The significant advance in the participation of external sources shows the success of this strategy implemented and the consolidation of its growing relevance in the BRDE credit lines.

Processes for funding from the IDB, World Bank and NDB

In that year, the BRDE made important progress towards the realization of four external credit operations. In May, the Legislative Assembly of Rio Grande do Sul approved two bills authorizing the Rio Grande do Sul Executive

Contracts per fund source | 2021



Third, especially due to the national crisis, the BRDE used its own resources in relevant amounts, totaling 10.7% of the general volume, in order to minimize the impacts on economic activity.

The Bank also had lines dedicated to tourism (Fungetur, 6.9%), to the development of the state of Mato Grosso do Sul, through Fundo Constitucional do Centro-Oeste (FCO, 2.5%), to support to municipal governments, through the Unemployment Compensation Fund (FGTS/ CEF, 2.1%) and support for technological innovation, with the lines of FINEP (0.9%) - Financing Agency for Studies and Projects of the Ministry of Science and Technology of the Federal Government.

Branch to provide counter-guarantee to the Federal Government, in relation to the two foreign credit operations, totaling USD 150 million to be contracted by BRDE with the Inter-American Development Bank (IDB).

Part of the loan will be allocated to micro, small and medium-sized companies affected by the coronavirus pandemic, with a view to maintaining productive activity and, consequently, jobs. The other line of credit resulting from this external funding will be for projects finance that improve the quality of life in the three states of the South Region.

In another front, the Paraná State Legislature sanctioned the law that allows BRDE to contract with the New Development Bank (NDB) the EUR 134.6 million operation. These resources, within the scope of the Program to Support Urban, Rural and Social Infrastructure for Achieving the SDGs - Proinfra Sul, will be used for investments in urban infrastructure and sustainable projects. The objective is to privilege those projects linked to

the United Nations Sustainable Development Goals, strengthening the purpose of the 2030 agenda.

In the same vein, the Santa Catarina State Legislature approved the Law that authorizes the State to provide counter-guarantee to the Federal Government in a credit operation with the International Bank for Reconstruction and Development (IBRD), in the amount of EUR 89.6 million, intended for urban resilience projects in the municipalities of the South Region.

The Governments of the States of Rio Grande do Sul, Santa Catarina and Paraná have an important role in this process, attesting to the adherence of the Programs, purpose of the financing, to the actions foreseen in the Development Plans in force in each of the States.

BRDE is a partner of SC Mais Renda Empresarial

Based on the partnership between BRDE and the Government of Santa Catarina, the SC Mais Renda Empresarial Program was created to finance small businesses in the sectors most affected by the pandemic. In addition to contributing to the design of the initiative, BRDE is responsible for disbursement the financing. The great benefits of the program are zero interest – paid for by the State Government for those who pay on time and keep their jobs – and a grace period of up to one year.

Within the scope of SC Mais Renda Empresarial, BRDE transferred BRL 227.7 million to serve micro and small entrepreneurs, which resulted in 2,713 agreements

distributed in 217 municipalities in Santa Catarina. Also through the same program, other BRL 33 million were transferred in 2nd rating operations for credit cooperatives to work with individual micro-entrepreneurs (MEIs). Considering the average ticket of BRL 8 thousand, the amount transferred shall result in more than 4 thousand agreements distributed in the state of Santa Catarina.

Therefore, the SC Mais Renda Empresarial Program made it possible to serve more than 6 thousand companies and entrepreneurs, with a coverage of almost 80% of the Santa Catarina territory.

BRDE is a partner of Banco do Agricultor Paranaense

BRDE is a partner in the operationalization of the Banco do Agricultor Paranaense, started in April, in another action to spread the credit. The initiative is an instrument created by the Government of the State of Paraná to support rural producers, cooperatives and production, marketing and recycling associations, and family agro-industries, in addition to projects that use renewable sources of energy generation and programs aimed at

irrigation, among others. BRDE conducts all the steps relevant to the granting of credit, from the analysis to the disbursement of funds. Part of the interest and, in some cases, the entirety, will be reimbursed to producers by the FDE – State Development Fund via economic subsidy. In 2021, the contracted amount totaled BRL 43.7 million, benefiting 351 farmers.

New Macroprograms

BRDE has consolidated its Development Programs into Macroprograms, according to the theme of the investment project. The established Macroprograms are: Agriculture, Environmental Sustainability, Social Sustainability, Innovation, Sustainable Energy, Tourism, Municipalities, Microcredit and Business. The new structure became an important guide for the entire Bank's loan portfolio, in line with the Strategic Objectives.



FSA

The Audiovisual Sector Fund (FSA) is the main public policy instrument for the development of the audiovisual sector in Brazil. FSA resources are mainly applied in two modalities: investment, with the Fund's participation in projects, and financing, with loan operations for projects. BRDE has been the FSA's financial agent since 2012, through the contract between Ancine and BNDES. This partnership will extend for at least another five years, due to the signature, in December, of the new service agreement for the Fund.

Since the beginning of activities with the FSA, BRDE has launched Calls for Proposals that amounted to more than BRL 2.8 billion. In 2021, 551 operations were contracted to support the sector, amounting to BRL 407.0 million. Disbursements, in this period, reached the amount of BRL 375.9 million.

Extension of Payments for Portfolio Operations

Despite the reduction of the economic effects of the COVID-19 pandemic during 2021, several companies still had problems maintaining their activities, especially those related to tourism. In order to help these companies, BRDE provided emergency extensions of payment of installments of credit operations in progress. The postponements amounted to BRL 203.5 million in 122 operations carried out with funds from BNDES, Fungetur and BRDE.

BRDE 60 Years

Technical Support to Governments and Entities

BRDE, being aware of the reality of the region in which it operates, participated technically in the elaboration of important studies, programs and projects throughout its 60 years. Among numerous initiatives, some are highlighted below.

First, and going back to the history of the 60 years of BRDE, in 1965, the then President of BRDE, Ary Burger, launched the idea of creating a fund aimed at financing machinery and equipment for companies, with longer terms. The proposal advanced and, in the following year, the Financing Fund for the Acquisition of Industrial Machinery and Equipment (FINAME) was created, being an important source of funds to this date.

In the early 1970s, BNDES invited BRDE to participate in a pilot project to identify management difficulties in companies. BRDE technicians, trained by the Massachusetts Institute of Technology (MIT), worked in companies, analyzed management and developed problem-solving plans. The modus operandi of this work expanded to the Federation of Industries of Rio Grande do Sul and, later, to the creation of the Brazilian Service of Support to Micro and Small Companies (SEBRAE).

Also in the 1970s, the BRDE technical team conducted important studies and assisted the drafting of policies and support programs for the implementation of the Triunfo Petrochemical Complex. The Bank strongly supported companies in the region in the absorption of technology and in training them to be suppliers of the Complex, creating a new industrial reality in the state of Rio Grande do Sul.

More recently, in 2011, BRDE prepared a study on the apple production chain, nationally located only in the South Region. The Bank, as the largest financier in the sector since the establishment of the first orchards, identified the problems faced, mainly the hailstorm, which generated great losses in the crops. Then, BRDE suggested measures to the Ministry of Agriculture and the Central Bank to overcome obstacles, such as the renegotiation of long-term debt and the financing of protection screens for orchards. The proposals were implemented, and the sector remained and continues to promote income and employment in the south region of Brazil.

Below, we highlight the technical support provided by BRDE in the respective states.

RIO GRANDE DO SUL

Participates in Emater/RS Council

Integrates the Corn Chamber and the Planted Forests Chamber, linked to the State Department of Agriculture, Livestock and Rural Development

Integrates the Technical Group and the Fundopem Council linked to the State Department of Development and Tourism

Integrates the Permanent Technical Chamber of Environmental Planning, CONSEMA, linked to the State Environment Department

Participates in the Gaúcho Renewable Energy Program, of the State Department of Mines and Energy

Participates in the Management Group of the State Soil and Water Conservation Program

Integrates the Olive Growing Thematic Chamber/ State Olive Growing Program

Integrates the Coordination of the Animal Protein Chain Sector Policy

Participates in the Biogas Forum

Participates in the Parliamentary Front for Mini and Micro Renewable Energy Generation

Participates in the Sectoral Wheat Chamber linked to the Department of Agriculture, Livestock and Rural Development of the State of Rio Grande do Sul

Supports the Pro-Corn Program in Rio Grande do Sul

Member of the ADVB-RS Export Prize Council

Integrates the Soy Sector Chamber linked to the State Department of Agriculture, Livestock and Rural Development

Participates in the Program Energia Forte no Campo, linked to the State Environment Department

Participates in the Technical Cooperation with the State Environment Department in projects and studies for private participation in public affairs

Partner of the Federation of Municipalities Associations of Rio Grande do Sul (FAMURS)

Participates in the Technical Cooperation Agreement with the Municipality of Santa Maria

Cooperates with the State Department of Innovation, Science and Technology and with the State Department of Planning, Governance and Management

Partner of the State Special Department of Federative and International Affairs

Integrates the Rio Grande Maritime Local Productive Arrangement (APL)

SANTA CATARINA

Member of the Technical Committee of PRODEC - Santa Catarina Company Development Program

Member of the Management Council of the Technological Innovation Center for Family Agriculture (NITA)

Member of the Deliberative Council of the Brazilian Support Service for Micro and Small Companies of the state of Santa Catarina (SEBRAE/SC)

Member of the Deliberative Council of the Euvaldo Lodi Institute (IEL/SC), an entity linked to the Federation of Industries of the State of Santa Catarina (FIESC)

Member of the FIESC Economic Council

Member of the Fiscal Council - Competitiveness and Development Forum for the Western region of Santa Catarina

Member of the Advisory Committee - Export Industrial Extension Project (PEIEX) Chapecó Operational Center

Participates in the Technical Cooperation Agreement with the Santa Catarina Energy Producers Association (APESC)

Participates in the Technical Cooperation Agreement with the Santa Catarina Technology Association (ACATE)

Member of the Steering Committee of the Public-Private Partnerships (PPPs) Guarantee Fund of the State of Santa Catarina

PARANÁ E MATO GROSSO DO SUL

Member of the Council of the Technological Incubator TECPAR - INTEC of the Paraná Institute of Technology

Integrates the Operational Convention with Paranacidade - Autonomous Social Service, linked to the State Department of Urban Development

Participates in the Convention with Fomento Paraná and integrates the Paraná State Development System

Participates in the Technical Cooperation Agreement with INVEST PARANÁ

Integrates the Steering Committee of APL Paraná Network, linked to the State Department of Planning and General Coordination

Member of the Permanent Forum of Micro and Small Companies of the State of Paraná - FOPEME, linked to the State Department of Planning and General Coordination

Participates in the Technical Cooperation Agreement with the State of Paraná, through the Concession Steering Committee, linked to the State Department of Planning and General Coordination

Member of the Board of Directors of FUNPAR - Foundation of the Federal University of Paraná

Participates in the Technical Cooperation Agreement with the Support Foundation of the Federal University of Paraná - FUNPAR

Participates in the Institutional Convention with the Federation of Industries of Paraná - FIEP and with the National Service for Industrial Learning - SENAI/PR

Participates in the Conventions and Technical Cooperation Agreement with the Commercial Associations of the Municipalities of Cascavel, Toledo, Francisco Beltrão, Maringá, Palotina and Umuarama

Participates in the Technical Cooperation Agreement with the Commercial Registry of the state of Paraná - JUCEPAR

Participates in the Mutual Collaboration Agreement with the State of Mato Grosso do Sul

Participates in the Technical Cooperation Agreement with the Association of Municipalities of Paraná - AMP

Participates in the Technical Cooperation Agreement with the Union of Metallurgical, Mechanical and Electrical Material Industries of Londrina - Sindimetal

Participates in the Technical Cooperation Agreement with ABRAPCH - Brazilian Association of Small Hydroelectric Power Plants

Integrates of the Technical Cooperation Agreement with the Association of Brazilian Information Technology Companies - ASSESPRO Regional Paraná

Integrates of the Paraná Renewable Energy Program, linked to the Department of Planning and General Coordination

Member of SEPARTEC - State System of Technological Parks of Paraná and coordinator of the Thematic Chamber on Development and Financing.

Participates in the Technical Cooperation Agreement with the Paraná Institute of Technology - TECPAR

Participates in the Technical Cooperation Agreement between BRDE and the United Nations Industrial Development Organization - UNIDO

Participates in the Technical Cooperation Agreement with the AMERICAN CHAMBER OF COMMERCE FOR BRAZIL - AMCHAM

Integrates the Technical Cooperation Agreement with the Union of Poultry Industries of the State of Paraná - SINDIAVIPAR



6

Financial Performance

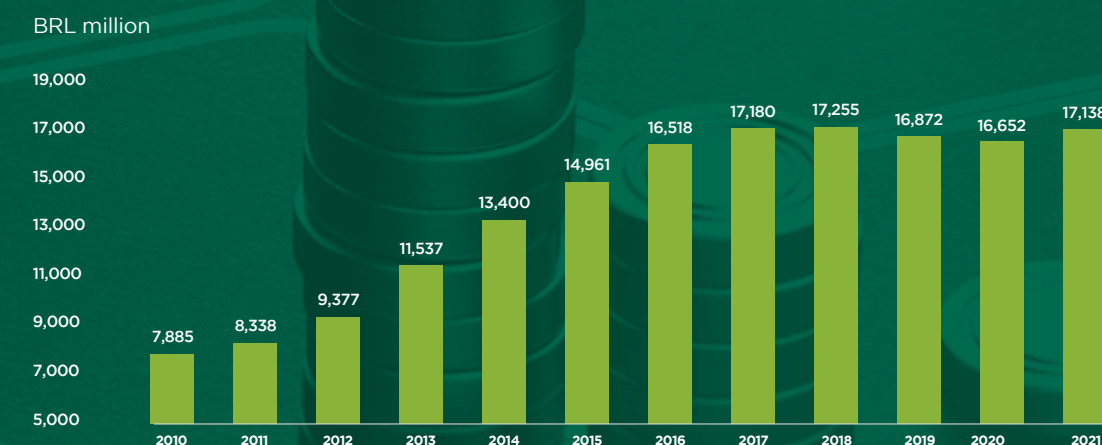
BRDE assets reached a record level of BRL 17.1 billion in 2021, in line with the 2017-2018 period.

The net equity reached BRL 3.4 billion in 2021, while net income was BRL 266.6 million, an increase of 33.8% compared to 2020. All these results were compared with a low default rate, of only 0.58% of the loan portfolio in December 2021.

Full BRDE's Financial Statements can be found on the bank website: www.brde.com.br.

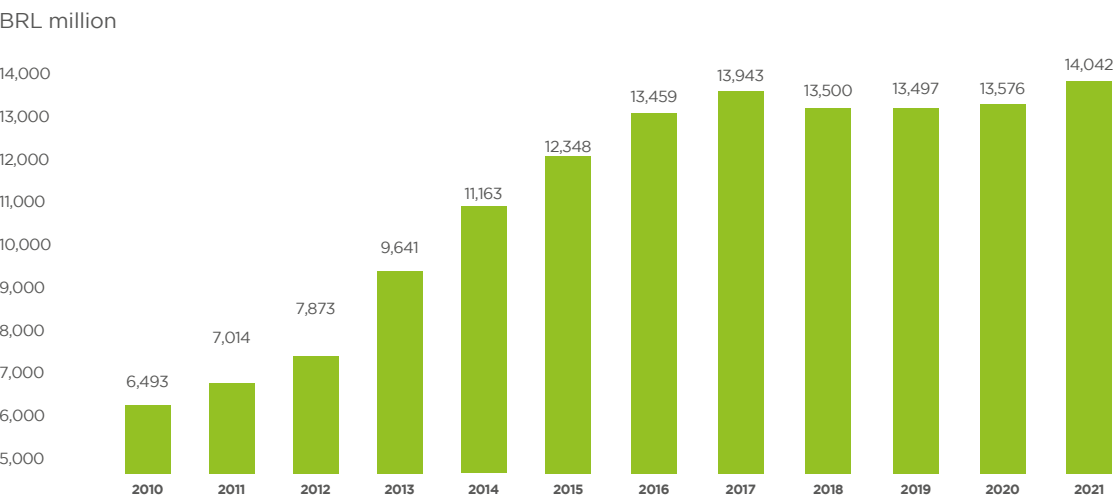
Total Assets

BRDE's total assets expanded by 3.0% compared to 2020, ending the year at BRL 17.1 billion.



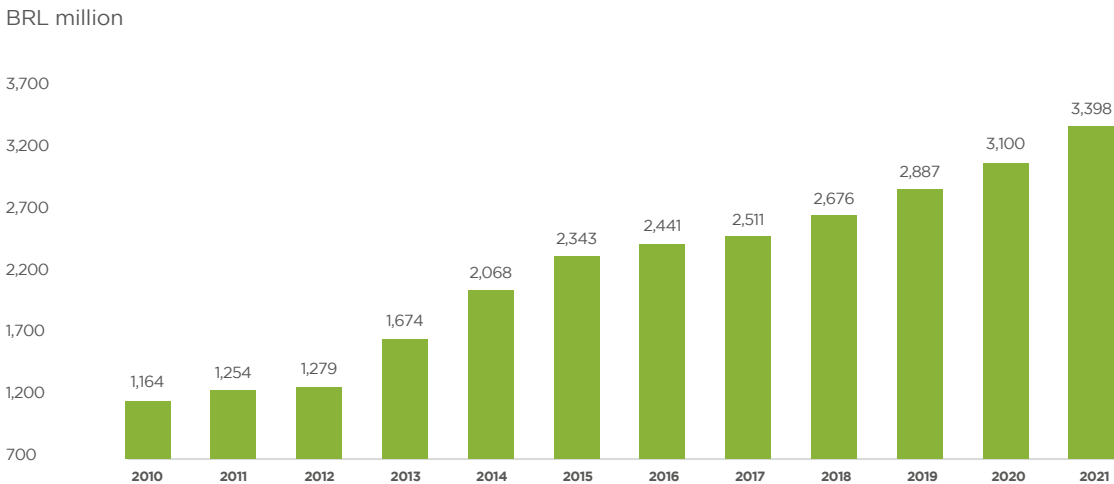
Credit Operations

BRDE’s credit operations and financial onlendings grew by 3.4% in 2021, totaling BRL 14.0 billion.



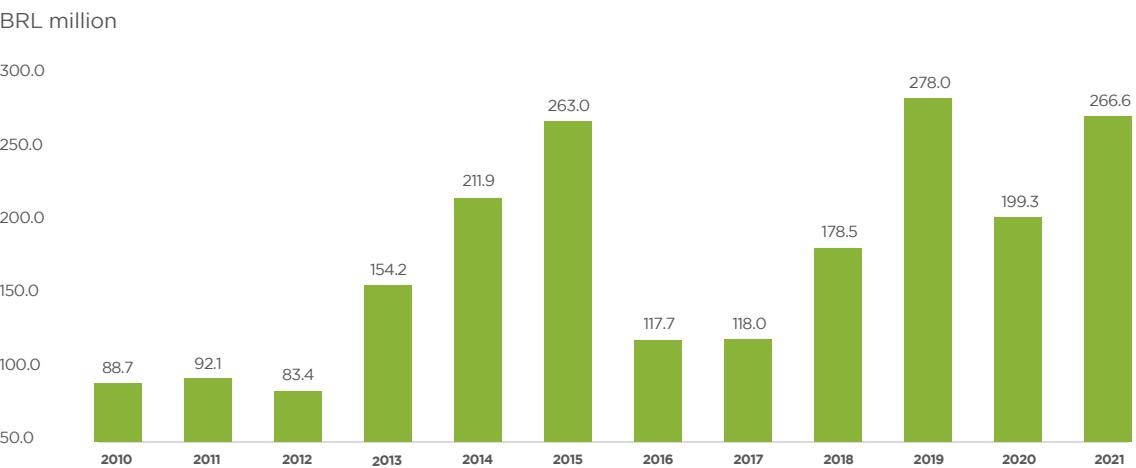
Net Equity

BRDE’s’ Net Equity reached a new record in 2021, amounting to BRL 3.4 billion, representing an increase of 9.6% compared to the previous year. This growth provides greater leverage and financial capacity for the Bank to finance the development of the region where it operates.



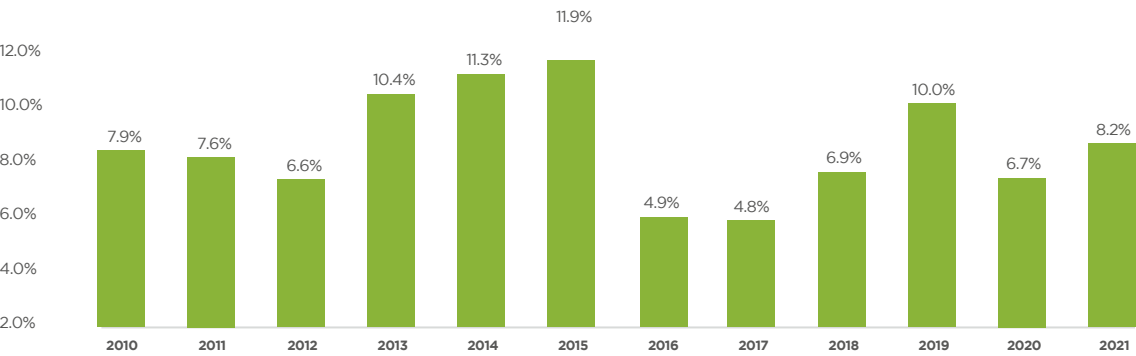
Net Income

BRDE obtained its second highest result in history in 2021, with a net profit of BRL 266.6 million. As shown in the Graph below, this amount is only lower than the amount observed in 2019 and is 33.8% higher than the amount observed in 2020.



Return on Net Equity

Return on average net equity was 8.2% in 2021. This result is higher than the average verified in the last six years, the value of which was 6.9%.





New Operations in the Financial Market

BRDE met the expectation of raising funds in the capital market in 2021 with the issuance of BRL 30 million in Bank Deposit Receipts (RDBs). The bonds were sold to investors from Rio Grande do Sul, Santa Catarina and Paraná, and the resources were allocated to the BRDE Fund for the Promotion of Productive, Sustainable and Social Development of the States of the South Region - BRDE PROMOVE SUL, returning to economy in the form of credit extension. The issuance, designed as a pilot project, is part of BRDE's strategy to expand its participation in the capital markets in the coming years, focusing on the diversification of funding.

In October, the financial department of BRDE underwent a restructuring aimed at the development of activities in the capital market and driven by the experience of the pilot project. Throughout 2022, the necessary foundations shall be created for the issuance of bonds to become a permanent source of funds for the Bank, with training and development of teams, implementation of systems and development of processes related to the new business.

CRA Guarantor

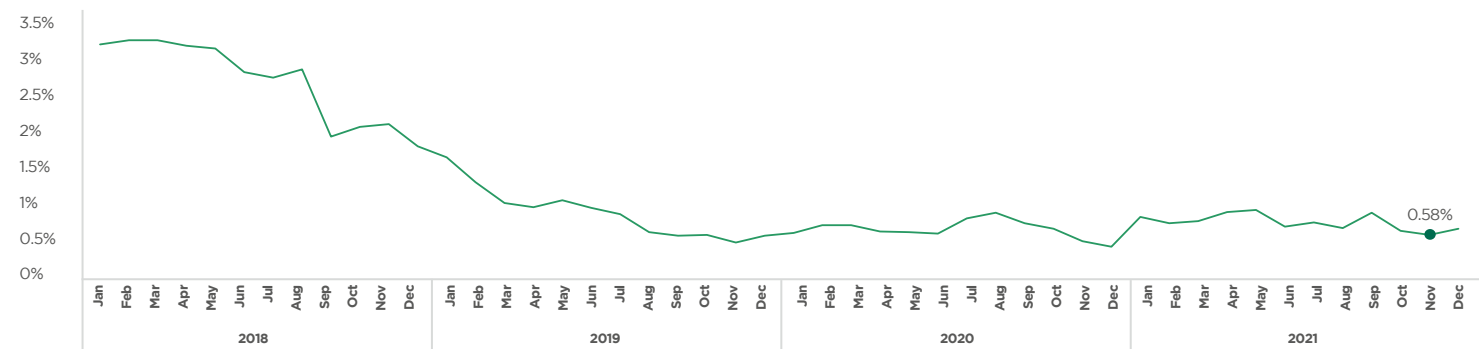
BRDE provided a guarantee for the raising of funds by the Integrada Cooperativa Agroindustrial do Paraná, a long-time client of the Bank. The issuance of Agribusiness Receivables Certificates (CRAs), in the amount of BRL 70 million and with a term of five years, was conducted by the Ecoagro group and Banco Alfa. The amount will be used to fund activities related to trade of agricultural inputs by the cooperative members. BRDE's participation as guarantor was key to the success of the operation, generating greater security and less risk for senior investors, in addition to creating another alternative for cooperatives and other companies in the agricultural sector in the South Region.

Default Rate

Despite the difficult period due to the COVID-19 pandemic in 2021, the default rate at the end of the year was 0.58% of the BRDE loan portfolio. The criterion adopted was customers

with installments overdue for more than 90 days. As a result, default has been kept at low levels, as can be seen in the Graph below.

Criterion above 90 days



Wealth Generation and Distribution

The total wealth generated and distributed by BRDE in 2021 is represented in the following tables. We highlight the payment of taxes in the amount of BRL 325.7 million.

DISTRIBUTION OF INTERESTED PARTS BRL THOUSAND		773,626
GOVERNMENT		325,751
Expunged taxes or subsidies		325,751
EMPLOYEES		181,263
Wages		119,303
Social Security Charges		8,239
Private Pension (complementary)		15,817
Benefits		21,670
Profit Sharing		16,234
RETAINED EARNINGS FOR THE YEAR		266,612

WEALTH GENERATION AND DISTRIBUTION BRL THOUSAND		2021
(A) GROSS REVENUE		1,346,443
(B) GOODS AND SERVICES ACQUIRED FROM THIRD PARTIES		-731,760
Expenses with Pass-Through		-593,386
Allowance for doubtful accounts		-33,639
Others		-104,735
(C) GROSS ADDED VALUE (A-B)		614,683
(D) RETENTIONS (DEPRECIATION, AMORTIZATION, DEPLETION)		-7,336
(E) NET ADDED VALUE (C-D)		607,347
(F) TRANSFER		166,279
Financial Revenue		149,807
Non-Operating Income		16,472
(G) ADDED VALUE TO BE DISTRIBUTED		773,626



7

BRDE and Socialenvironmental Responsibility

BRDE 60 Years

Social and Environmental Responsibility in the financial sector has, as a fundamental milestone, the first resolution of the National Monetary Council on the subject, in April 2014. As of this date, all financial institutions had to develop specific policies. However, at BRDE, the theme had already been following the transformation of the concept of social responsibility from a type of voluntary and philanthropic action to a set of actions organized around the concept of sustainability.

BRDE's Social Responsibility began in 2001, through Resolution No. 1,985, as a project and the creation of a center with the purpose of "increasing the transparency of the Bank's actions, which are characteristic of this concept, and contributing to face serious social inequalities existing in the South Region of the Country", in addition to "promoting the exercise of citizenship by employees through awareness-raising, training and involvement in social actions promoted by the Bank and by social agents, thus guaranteeing social well-being". The BRDE Social Responsibility Center was responsible, for example, for the first association between BRDE and the ETHOS Institute, aiming to organize its set of social actions; with IBASE, aiming to create the Social Balance; with the first adhesion of BRDE to the Government Environmental Agenda (A3P), in addition to organizing support for social and cultural projects through tax incentive laws.

Environmental Responsibility in BRDE's businesses is a reality that arises from our own vocation for productive credit, development

and innovation. The first study on the Bank's green portfolio appeared in 2013, with the rescue of projects that amounted to more than BRL 1 billion in financing for Cleaner Production, Waste Treatment, the recycling industry, wind generation and Small Hydroelectric Plants, in addition to low-carbon agriculture.

When the National Monetary Council, through the Central Bank, recognized the importance of the Social and Environmental Responsibility (RSA) project and made it mandatory, BRDE implemented its first RSA Policy in 2015. This Policy systematized and formalized BRDE's action in four fronts: (i) internal environmental and social actions; (ii) the social and environmental risk of the Bank's business; (iii) a financing program capable of comprising the set of new business opportunities that sustainability brings; (iv) the creation of an internal unit dedicated exclusively to the topic of RSA.

From that moment, the implementation of a second adhesion to the Government Environmental Agenda was successful in advancing the management mechanisms of the internal environment of the banking activities, of the execution of the BRDE Sustainable Production and Consumption Program, which, with the use of credit facilities at lower rates and for longer terms, reached more than BRL 2 billion in financing over five years. In addition, the program opened important doors for the first fundraising with international partners, which today already represents an important part of our credit availability.

Read on our
website.

BRDE participates in COP26 event on the role of public banks for climate transition

With the purpose of debating the challenges and obstacles in financing climate transition projects in cities, BRDE participated in an event of the 26th United Nations Conference on Climate Change (COP26). The forum addressed the role of public banks committed to the implementation of the Paris climate agreement, signed at the end of 2015, with goals to reduce global warming.

Organized by the World Fund for the Development of Cities (FMDV), the French Development Agency (AFD) and by the National Development Bank of Morocco, the panel brought together, in addition to the BRDE, representatives of important international institutions, such as the World Bank, the Latin America Development Bank (CAF) and the KfW Development Bank, among other organizations with a broad performance in the global climate agenda.

BRDE also participated in another event at COP 26 on climate change. The seminar promoted by the European Investment Bank (EIB) dealt with investments in low-carbon infrastructure. One of the highlights of this event was the project of the city of Porto Alegre (in the state of Rio Grande do Sul) to install photovoltaic panels in municipal schools. The initiative was developed in partnership with the EIB.

Read on our
website.

BRDE receives 2021 signatory seal and renews commitment to sustainable development

BRDE is one of the organizations that contribute to the Sustainable Development Goals (SDGs) of the United Nations (UN) 2030 Agenda. In this context, it was one of the founders of the National SDG Movement in the state of Santa Catarina. In March, the Bank received the seal of signatory of the National SDG Movement in that State, for the year of 2021. This certification renews BRDE's ongoing commitment to sustainable development

Read on our
website.

BRDE promotes Seminar on Renewable Energy and Development

The main challenges to encourage the generation of energy from renewable sources, the alternatives in terms of financing and how the demand from different productive sectors affects regional and national development. These topics were discussed at the Seminar on Renewable Energy and Development, promoted by BRDE. With the participation of the Ministry of Mines and Energy and representatives of the governments of the three states of the South region, international financial organizations, companies and entities representing the sector, the event was broadcast through the BRDE channel on YouTube.

BRDE supports Diversity

The BRDE Strategy - Diversity was created in March within the scope of the Social and Environmental Responsibility Policy. Its objectives include the promotion of gender equality and the eradication of discrimination and violence against women. The implementation of the BRDE Strategy - Diversity is conducted by an Annual Action Plan developed by the Pro-Equity and Diversity Valorization Commission. The actions cover the Bank's employees, its suppliers and customers.

BRDE participates in an ABDE webinar on female leaderships

Celebrating the International Women's Day, the Brazilian Development Association (ABDE) presented the webinar "Female leaderships for the development of the Country". BRDE's Officer, Leany Lemos, participated in the panel "Female Leaderships in Development Financing - Representativeness of the National Development System".

BRDE Women's Week

To recognize the presence of women in various instances and to mark the celebrations of International Women's Day, BRDE promoted a series of virtual lectures, addressing current issues with an impact on gender issues. Themes included the presence of women in leadership positions in organizations, activism, the issue of violence and the paradigms faced to achieve recognition in the professional environment.

BRDE receives the seal Women on Board

Women on Board is an independent initiative that aims to recognize, value and publicize the existence of corporate environments with the presence of women on boards of directors or advisory boards, to demonstrate the benefits of this diversity to the business world and to society.

The initiative grants a seal to companies that have at least two effective directors on their staff. The seal seeks to recognize good practices in corporate environments and will monitor the benefits for companies arising from diversity in leadership positions, a strategic and important asset for companies that intend to stand out in terms of efficiency, creativity and social responsibility.

First employee representative on the Board of Directors

In November, employee Marisa Marques de Toledo Camargo Barroso Magno took office as the first representative of BRDE employees on the Board of Directors. The participation of employees in the Board is permitted by Law No. 13,303/2016, the State-Owned Companies Law. The new director was chosen in an electoral process open to all of the Bank's employees.

Read on our
website.

Watch the promotional video in
<https://youtu.be/r2pH4pceJLI>

Read on our
website.

Read on our
website.



Tax Incentives

Every year, BRDE organizes itself to receive, evaluate, select and decide on projects that seek support based on Incentive Laws. The initiative is part of its socio-environmental responsibility policy and commitment to the Sustainable Development Goals (SDGs), directly investing resources in the three states of the south region in various social projects in sport, culture and health. Requests for project support are received exclusively by electronic means, through the Incentive Portal, available on BRDE website.

In the last ten years, BRL 33.6 million have been invested by BRDE in important projects, as shown in the following Graph:

Values Invested in Projects



In 2021, BRDE received the registration of 427 tax incentive projects, which underwent a first document compliance analysis, in which 21 projects were invalidated.

All others underwent merit analysis, conducted by a group of Bank technicians. At the end of the process, 104 projects were selected, located in the South Region, amounting to BRL 4.6 million.

The complete list of selected projects, with their respective values, can be accessed on BRDE website: <https://www.brde.com.br/incentivos-fiscais/>

Below, we highlight some projects conducted throughout 2021 with support from BRDE.

Culture Incentive Law

The Art Museum of Rio Grande do Sul gains fire protection with BRDE funds

Created in 1954, the Art Museum of Rio Grande do Sul (MARGS) is the main art museum in the State of Rio Grande do Sul and one of the most important in the Country.

BRDE helped MARGS to receive the permit for its Fire Prevention and Protection Plan (PPCI). This important achievement was made possible with the support of BRDE and other institutional partners, through MARGS Annual Plan, under the terms of the National Culture Support Program (Pronac) of the Federal Culture Incentive Law.

The **Young Strings Orchestra Annual Plan of Iguaçu** started in 2011, by the initiative of musician José Maria Magalhães Silva. The project aims to develop the musical careers of new instrumentalists and show the benefits of music to children and adolescents in situations of social vulnerability. Currently, this project takes place in three cities in Paraná: Curitiba, Tunas do Paraná and Balsa Nova. In 2021, the project provided classes for 320 apprentices in the three units. The music classes were given by 20 teachers specialized in string instruments, such as violin, viola and cello, in addition to theoretical classes.

Over the ten years of project Strings Iguaçu, participants had the privilege to play alongside great singers, in addition to performing exclusive shows such as Clássico do Rock, Clássico do Rei and Clássico do Cinema.

Art and Culture teaching was the tool chosen by the **São Roque Charitable Association (ABSR)** to accomplish its mission of transmitting values, expanding horizons and practicing citizenship through transformative actions. Since 2009, the institution has maintained educational programs in the areas of Music, Literature and Performing Arts. ABSR has the largest theater in the city of Piraquara, the Frei Rui Guido Depiné Theater, opened in 2015, which has a capacity for 210 people. In this theater, several audience training actions take place, such as workshops for the community and Didactic Concerts, in addition to weekly classes and rehearsals of the artistic groups of this project.

The BRDE, through project **We Make Culture**, contributed to the Annual Plan to maintain educational actions aimed at residents of Piraquara, Paraná. The Plan provides for the continuity of existing artistic groups, training in the areas of Music and Literature, and the execution of permanent workshops, as well as concerts, artistic presentations and educational activities for the local community and surroundings.





National Fund for the Elderly

São José Hospital, in the city of Criciúma, Santa Catarina, received support from BRDE for the acquisition of new Robotic Arms for the Radiotherapy Sector. This equipment is coupled with a linear accelerator and its function is to perform high resolution computed tomography scans that help in the assertiveness of the irradiation. The use of the new equipment will reflect in the reduction of the number of sessions necessary to the conclusion of the radiotherapy treatment. To get an idea, the treatment, which was conducted in 25 sessions, will be completed in just five sessions.



São Vicente de Paulo Nursing Home, located in Curitiba, received funding from BRDE to maintain assistance activities for 175 elderly women. The institution promotes dignified and humane reception by a multidisciplinary team that provides social service, psychology, medicine and nursing, physiotherapy, occupational therapy, food and nutrition security, and pharmacy. Employees accompany and assist the elderly in their daily activities, with special attention to social rights, food, hygiene, health, leisure and well-being, all in accordance with the Elderly Law, making it possible to improve residents' quality of life, self-esteem and health.

Sports Incentive Law

BRDE supports projects that take athletes to the 2021 Olympic and Paralympic Games

Sogipa Olympic Project (Porto Alegre Gymnastics Society), which seeks to offer to high-performance athletes better training conditions, has been receiving funds from the Bank for four years. Judoka Mayra Aguiar, who won her third Olympic medal at the 2021 Tokyo Olympics, is part of the Olympic Project developed by Sogipa with the support of BRDE, through the Sports Incentive Law.

In the state of Paraná, BRDE allocates resources to the **Association of People with Physical Disabilities of Paraná** through tax incentive. At the institution, two exponents of wheelchair fencing participated in the 2021 Tokyo Paralympic Games. Jovane Guissone, who had already won gold at the London Games in 2012, won silver this time. Carminha Oliveira, Brazilian champion in the sport, also represented Brazil.



Champions of Life Sport and Education Program

The **Guga Kuerten Institute**, has for 21 years aimed at social transformation through projects to include children and adolescents in a situation of economic, social and educational vulnerability in the greater Florianópolis region. The program **Champions of Life** is one of the initiatives developed by the institution supported by BRDE through the Sports Tax Incentive Law (LIE). Currently, 400 children and adolescents are directly benefited by the program, in addition to a part of the service being directed to people with disabilities registered with COEPAD (Cooperative of Parents and Friends of People with Disabilities).

The students of the project are assisted in the after-school period, with visits that take place twice a week, in the five centers in which they are inserted. The list of workshops offered by the project includes activities such as tennis lessons and complementary sports (field football, volleyball, basketball, badminton, beach soccer, futsal, rugby, Beach volleyball, beach tennis and frisbee), in addition to other cultural and pedagogical actions.

CULTURE

BRDE Cultural Space – Palacete dos Leões

Year 2021 was marked by the consolidation of institutional partnerships in Espaço Cultural BRDE – Palacete dos Leões, in synergy with the implementation of the 2030 Agenda, through SDG 17. Aiming at the safety of employees and visitors, a gradual return to visits was adopted, with appointments made through the website and a certification of good practices in health protocols. In August, the reopening took place with exhibitions “O Que Resta”, by artist Teca Sandrini, and “Mãe Mar”, by artist Lívia Fontana, both selected by the Visual Arts Program.

In October, the opening of exhibition “Narrativas e Poéticas do Mate” consolidated the program “Circuito Ampliado: Acervos em Circulação”, institutional cooperation conceived by BRDE together with the Paranaense Museum, which articulated

significant partners and supporters, among which the Association of Friends of Alfredo Andersen and the Superintendence of Culture of the State of Paraná.

Palacete Leão Jr. also hosted the State Meeting of Cooperativists of Paraná 2021, promoted by OCEPAR, and two activities that celebrated the work aimed at youth: the meeting of the Paraná Youth Council and the Youth Action Hub - CWB, an initiative linked to the UN and aligned with the Sustainable Development Goals.

Among the online contents, the production of exclusive videos for remote access by teachers of the municipal education network during the 12th Week of Art, Culture and Literature of the Municipal Department of Education of Curitiba stand out, with an emphasis on content on visual arts, architecture and cultural heritage.

.Literary Exhibition is a space to share talents

The 7th edition of the Literary Exhibition was promoted by BRDE in November, with a virtual opening broadcast live on the Bank’s YouTube channel. The exhibition aims to publicize artistic productions – such as poetry and chronicles – created by retired and active employees of the Bank to the internal and external public.

At the end of the Exhibition, ten new book collections were donated through the Pró-Biblioteca

project (project for support to Public Libraries), which the Bank supports through the Federal Cultural Incentive Law.

The collections will be distributed to penitentiaries (Júlio de Castilhos State Prison, Santo Cristo State Prison, Lajeado State Female Prison, Pelotas Regional Prison), to the Socio-educational Service Foundation (FASE) and to the Specialized Police Station for Women.

VOLUNTEERING

Supportive Christmas

BRDE traditionally holds the Supportive Christmas at its premises. In 2021, the Bank’s employees raised funds and donations and assembled 95 Christmas baskets for outsourced employees at the Porto Alegre, Florianópolis and Curitiba Branches. The campaign also included gifts for the children of these outsourced workers. Bank employees sponsored 93 children and delivered Christmas gifts.

2nd edition of the Paraná Solidarity Basket

BRDE and its collaborators donated 109 food baskets for the second edition of Solidarity Basket program, which focuses on collecting food for families in Paraná who are in a vulnerable situation.

BRDE is a partner of the Solidarity Blanket Campaign in Santa Catarina

BRDE participated as a partner in the Solidarity Blanket Campaign 2021, promoted by Rede Laço in Santa Catarina. BRDE branch in Florianópolis was one of the collection points.

The campaign aims to encourage, during the winter, the donation of blankets and comforters, new or used, sanitized, in good condition and packaged, in all municipalities in Santa Catarina. The collections took place in all cities and were intended for people and institutions.

As part of the Solidarity Blanket Campaign, the branch employees collected and donated 121 blankets to Laço de Voluntariado Network and also to dozens of families affected by the tornado occurred in May, in Campos Novos, in the Midwest region of Santa Catarina.



8

Who Makes BRDE

PROFILE OF EMPLOYEES

BRDE, over these 60 years, has always relied on trained professionals who engaged in the development of the region in which BRDE operates. Different generations of employees have passed through the Bank, which, due to its organizational culture, has maintained the technical level and commitment necessary for the Institution's constant work.

BRDE's technical team is contracted through a public tender and under the Consolidated Labor Laws (CLT) regime. At the end of 2021, the technical staff consisted of 469 employees, of which 428 were career employees and 41 were in the cabinet, the latter linked to the term of office of the Executive Board. At the end of the year, the leadership and management positions were occupied by 94 career employees.

Gender distribution is even when verified in the comparison between the total number of employees and those who occupy leadership positions.

Employee profile per gender



Occupation of gratified position per gender





Among the Bank's employees, half are in the age group up to 46 years old, with an average age of 47.8 years old.

Positions with higher education requirements constitute the majority among BRDE career employees, corresponding to 67%. The main graduations are in Business Administration, Economics, Accounting, Law and Engineering, which demonstrates the multidisciplinary character of the BRDE teams. The Bank also has employees in mid-level positions – administrative assistants, assistants to administrative positions and programmers. Its staff also includes ushers, servants, receptionists, drivers and computer operators.

Interns

BRDE, through its Internship Program, provides the opportunity to complement regular education for university or professional high school students. The action includes professional experiences and development actions, as well as technical, cultural and human and professional relationship improvement. The Program provides a job market experience based on the application of academic content, in a supervised learning environment.

Internships are offered in the areas of Economics, Accounting, Administration, Law, Civil Engineering, Agronomy, Information Technology, Journalism, Librarianship, among others. At the end of 2021, BRDE had 88 interns.

Young Apprentices

Since its creation in 2014, the BRDE Young Apprentice Program has aimed to promote professionalization of youth and contribute to the social and professional development of adolescents. This first professional experience includes theoretical and practical activities developed in the work environment. At the end of 2021, BRDE had eight young apprentices.

Remote Work

During the Covid-19 pandemic, remote work was necessary to preserve health of employees and their families, contributing to preventing the spread of the virus. In November, BRDE approved a set of Regulations for Remote Work in line with the Collective Labor-Remote Work Agreement, authorized through BRDE Resolution No. 2021/325.

Remuneration and Benefits

BRDE's salary policy adopts the conditions established annually by the Collective Bargaining Agreement for bank employees, considering grievance, profit sharing, semiannual bonuses, food and meal allowances, 13th food basket and transportation vouchers.

BRDE managers' compensation was established in Resolution No. 2,606 of 2019, which deals with the rules, guidelines and form of assessment and payment of fixed and variable compensation to the Bank's managers. The standard is applied to members of the Executive Board, Board of Directors, Audit Committee and Compensation and Eligibility Committee.

The benefit plan, in contrast, helps employees and their dependents and covers health care programs, including dental care, child care (day-care allowance or babysitting allowance) and food. BRDE is also a participant in Empresa Cidadã Program, offering an extension to the sixty-day maternity leave (which has now reached a total of 180 days) and the fifteen-day paternity leave (extended to 20 days) in cases of both birth and adoption.

The Bank also offers, at its premises, the occupational medicine service, the attributions of which include conducting investigations, monitoring absence control motivated by health issues, conducting admission, dismissal, periodical and return to work medical examinations. BRDE offers provision of psychological monitoring service by an Organizational Psychologist.

Employees can join the complementary pension plan of Fundação BRDE de Previdência Complementar – ISBRE, designed to supplement the benefits granted by the Official Social Security, through retirement, sick pay and pension. The Complementary Social Security seeks to maintain a standard of living similar to that achieved during the working period.

Performance Assessment by Competencies and Results

This year, the BRDE updated the Program of Performance Assessment by Competencies and Results and Promotion by Merit. The process for measuring and comparing employee performance is conducted in accordance with established factors and previously defined criteria. The objectives of the Assessment Program include providing a system aimed at the guidance of professionals by their immediate superior, with a pedagogical and participatory character for individual and collective development, contributing to the strengthening of meritocracy. From the assessment conducted every six months, the employee receives a score which allows, according to the established rules, his/her promotion by merit.

Professional and Personal Development

BRDE’s strategic objective is to train its technical staff. In 2021, the Bank implemented its Training and Development Plan, following the adaptations made in the previous year due to the continuity of the pandemic. The training events planned to be conducted in person continued to be conducted remotely. The Human Resources team adapted to the new reality and sought knowledge and resources to meet the main training demands of the Institution’s staff. The objectives of these activities were: to allow the BRDE to consolidate its position as a government instrument for the promotion of economic and social development; to ensure the development of human skills necessary for the Bank to operate efficiently; and to offer employees the technical training necessary to perform their duties.

In this context, 172 training sessions were held, including open and close, equivalent to 15,460 hours of training throughout 2021. These initiatives involved 427 employees trained in different areas of the Bank, totaling 5,077 participations in training.

BRDE Scenarios

In 2021, BRDE launched a new event modality. BRDE Scenarios is transmitted online through the Bank’s YouTube channel and held five editions this year, with renowned experts and opinion leaders in the areas of economics and ESG. Through this initiative, society can benefit from the knowledge transmitted and the exchange of ideas characteristic of these discussions.

Health and Quality of Life

Since 2019, the Bank has been providing psychological monitoring services, aiding all employees and managers, providing support to employees on sick leave, to new employees, as well as conducting integration work in the sectors, conflict resolution and other demands. In 2021, there was a significant demand for service, most likely due to the pandemic and consequent social distancing, with effective assistance to employees, managers, teams, in addition to meetings with managers. The team that provides psychological support was also responsible for mediating the End-of-Year Open Meeting, which consisted in an informal moment for evaluation and retrospective of 2021, thinking about challenges, gains and significant changes in settings and work relationships. In addition, the lessons learned and the suggestions were explored to provide greater well-being to employees in 2022.

New Employees Onboarding

In September, BRDE held the Onboarding Course, aimed in particular at the 22 new employees who joined the Bank in 2021. The onboarding, in an online format due to the pandemic, was made up of a program set to provide knowledge of all areas of the Bank.

The purpose of these virtual meetings is to provide an overview, comprising the mission, policies, and organizational and institutional framework of BRDE’s activities in fostering economic development, with socio-environmental responsibility and innovation. In addition, the course seeks to inform new colleagues about how credit operations are structured, their main programs, new businesses and sources of financing.

Bank of Ideas and Projects (BIP)

In December, BRDE launched the Bank of Ideas and Projects (BIP). The main objective of the BIP is to welcome and implement ideas from employees, interns and apprentices of the Bank that are related to products and services, administrative routines and the UN Sustainable Development Goals.

The project intends, through the collaboration of the Bank employees, to expand the possibilities of solving problems and promote innovations that can optimize resources and improve the quality of life at work.

Ideas will be evaluated by the BIP Committee, which is formed by four BRDE employees, representatives from each state and the Executive Board. Employees who have their proposals implemented will receive a special award given by the Executive Board in an Award Ceremony.

Change to the Organizational Structure

Through BRDE Resolution No. 2,684, of October 20, 2021, the organizational structure of BRDE was changed, covering the areas of Technology, Credit Recovery, Credit and Financial Operations.



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Who Makes
BRDE

CODESUL

CARLOS MOISÉS DA SILVA
Governor of the State of Santa Catarina
President

CARLOS MASSA RATINHO JUNIOR
Governor of the State of Paraná
Vice-President

REINALDO AZAMBUJA
Governor of the State of Mato Grosso do Sul
Vice-President

EDUARDO LEITE
Governor of the State of Rio Grande do Sul
Vice-President

BOARD OF DIRECTORS

WILSON BLEY LIPSKI
President

JOÃO BIRAL JUNIOR

WAGNER CARLOS AICHNER
Representatives of the State of Paraná

JULIANA BALDESSAR WEBER BECKER
WAGNER MARCOS SALAI
Representative of the State of Santa Catarina

PEDRO FERNANDO DE ALMEIDA NERY FERREIRA
VANESSA NEUMANN SULZBACH
Representatives of the State of Rio Grande do Sul

MARISA MARQUES DE TOLEDO CAMARGO BARROSO MAGNO
Employee Representative

AUDIT COMMITTEE

LAUREN DE VARGAS MOMBACK
Rio Grande do Sul

ALEX MUSSOI RIBEIRO
Santa Catarina

EDERSON JOSÉ PINHEIRO COLAÇO
Paraná

EXECUTIVE BOARD

WILSON BLEY LIPSKI - Paraná
Director-President

MARCELO HAENDCHEN DUTRA - Santa Catarina
Vice-President Director and Director of Credit Monitoring and Recovery

LEANY BARREIRO DE SOUSA LEMOS - Rio Grande do Sul
Director of Operations

OTOMAR OLEQUES VIVIAN – Rio Grande do Sul
Planning Director

EDUARDO PINHO MOREIRA - Santa Catarina
Financial Director

LUIZ CARLOS BORGES DA SILVEIRA - Paraná
Administrative Director

SUPERINTENDENTS

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Head of the Executive Board's Office'

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Superintendent of Credit Monitoring and Recovery

ANDRÉ ANDERSSON CHEMALE
Superintendent of Planning and Sustainability

MÁRCIA MARSON FONSECA
Head of Legal Advisory

KETTY ROSANE SIQUEIRA ROSA
Head of Internal Audit

MAURÍCIO MOCELIN
Rio Grande do Sul Agency Superintendent

PAULO CÉSAR STARKE JÚNIOR
Paraná Agency Superintendent

MARCONE SOUZA MELO
Santa Catarina Agency Superintendent

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Superintendent of Credit and Control

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Financial Superintendent

HELIO DE PAULA E SILVA
Superintendent of Infrastructure

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+55 (54) 3311-6837 brdepf@brde.com.br

PUBLISHING VENUE FOR VALLEY REGION (RS)
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PUBLISHING VENUE FOR SOUTH HALF (RS)
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PUBLISHING VENUE FOR WESTERN REGION (SC)
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PUBLISHING VENUE FOR NORTH REGION (SC)
260 Dona Francisca St – 1802 Room – Centro – Joinville – CEP 89201-250
+55 (47) 3017-2087 / (47) 99210-7675 brde.joinville@brde.com.br

PUBLISHING VENUE VALE DO ITAJAÍ (SC)
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PUBLISHING VENUE CASCAVEL (PR)
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PUBLISHING VENUE CHOPINZINHO (PR)
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PUBLISHING VENUE FOZ DO IGUAÇU (PR)
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PUBLISHING VENUE IN FRANCISCO BELTRÃO (Paraná)
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PUBLISHING VENUE MARINGÁ (PR)
388 Ver. Basílio St - Zona 01 - ACIM - Maringá – CEP 87013-190
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PUBLISHING VENUE PALOTINA (PR)
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+55 (44) 3649-5855 brdepr@brde.com.br

PUBLISHING VENUE TOLEDO (PR)
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PUBLISHING VENUE UMUARAMA (PR)
Henio Romagnoli Square – Casa do Empreendedor
Umuarama – I Zone – Umuarama – CEP 87503-200
+55 (44) 3621-4141 brdepr@brde.com.br

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RIO DE JANEIRO'S OFFICE (RJ)
181 Rio Branco Ave – 3504 Room – Centro – Rio de Janeiro – CEP 21040-007
+55 (21) 2524-7426/ 2524-5515 brderj@brde.com.br

PUBLISHING VENUE MATO GROSSO DO SUL (MS)
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Fé – Campo Grande – CEP 79031-010
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