



2021 Sustainability report





For a lighter future

For us, thinking about taking a lighter approach to living is the path to a sustainable and responsible future. So, by experiencing the “Light for Life” culture we are not only conducting our business, but also our relationships based on pillars underpin every strategic decision of Banco BV: efficiency and financial soundness; digital innovation; focus on people; organizational culture; customer centricity and the ESG agenda. Together, they are the beacon of our management approach and the public commitment we have taken on for sustainable development, promoting sustainable business and social inclusion.

Find out in the following pages a little about our way of doing business, and follow the key results of our environmental, social and governance strategy throughout 2021.

Enjoy your read!



02 Letter from the CEO

/GRI 102-14/

"We want to enhance the positive impacts that we have the ability to generate for all the stakeholders with whom we relate."

Gabriel Ferreira, CEO of Banco BV

2021: the year when we consolidated our vision of a lighter future

In spite of the uncertainties brought on by the second year of the Covid-19 pandemic, it is important to emphasize that 2021 was a very positive year in many respects for BV. We made significant progress in our strategy – especially regarding economic, environmental and social indicators.

Thus, this report will strive to reassert our approach to transparency when presenting the key results for the year and monitoring the targets established in the Pact for a Lighter Future. Through this approach, we not only want to consolidate our operations as a responsible financial institution, but also, starting with our business, to boost the positive impacts we have the ability to create for our customers and society.

Record earnings of



R\$ **1.6** billion,
up by **47%**
over the previous year



Consistent growth

We ended the year 2021 with record earnings of R\$ 1.6 billion, up by 47% over the previous year. The consistency of the results reflects our coming of age in segments like used vehicle financing and wholesale, and also demonstrates that we were right in our strategy of investing in

growth sectors like solar panel financing, small and mid-size companies, cards and digital banking and in our Banking as a Service (Baas) platform that **diversify revenue streams, create closer relationships with customers and become the path forward for the bank to expand.**



leaders in
 used light
 vehicle
 financing
 for the 9th
 consecutive
 year

We were the leaders in used light vehicle financing for the 9th consecutive year. In this segment, at the end of 2021 our portfolio stood at R\$ 42 billion, with record origination of R\$ 23.4 billion for the year, driven by a significant digitalization process in recent years. In

2021 alone, there were over 19 million finance simulations via our partners and on our digital channels. Furthermore, 100% of the financing conveyor belt is digital and 97% of the credit analyses are automated, with a response time of less than one second.

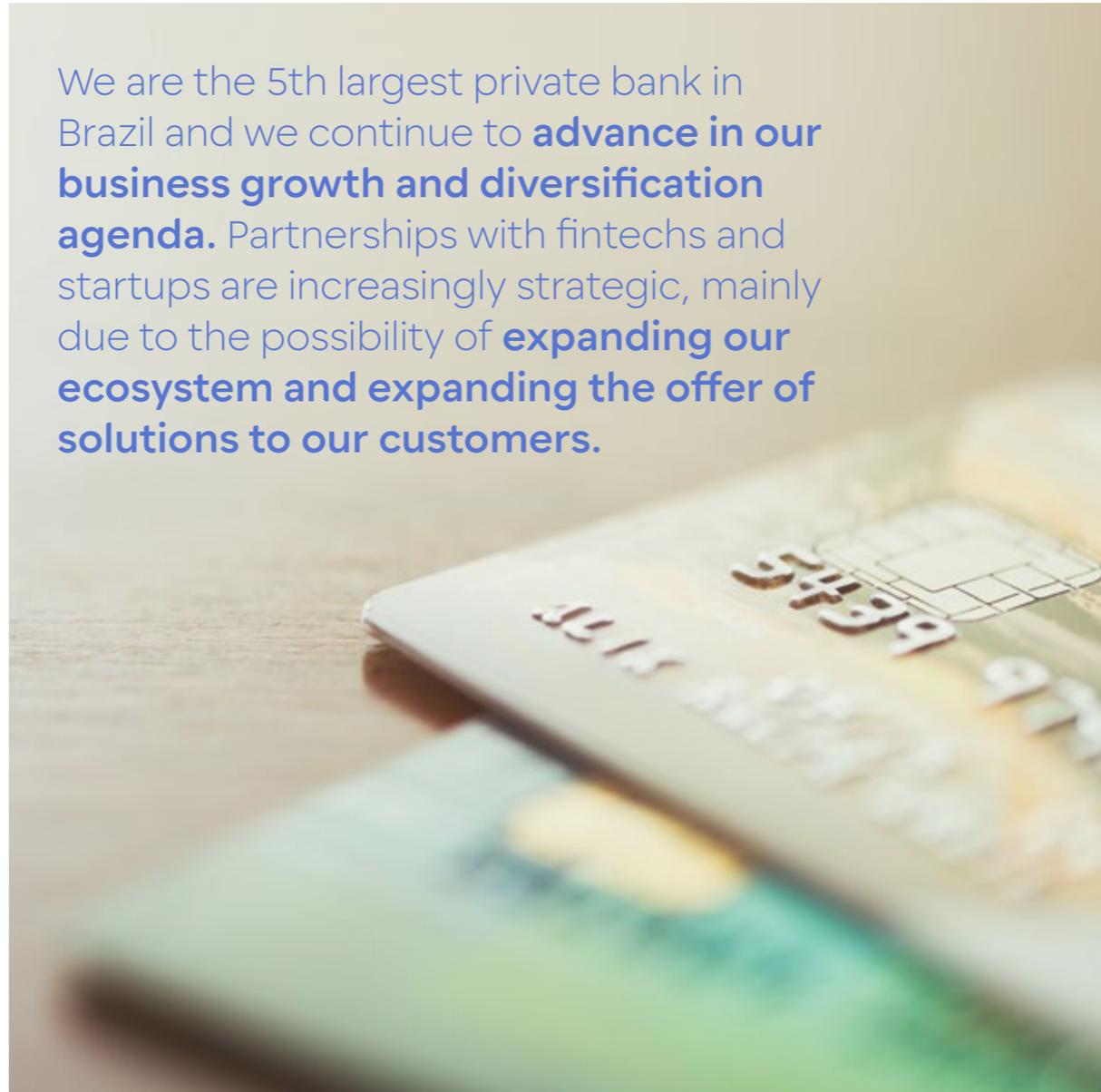
Still on the subject of our mature businesses, another highlight was the issuance of R\$ 1.1 billion in premiums by our insurance broker, now firmly established as one of Brazil's largest. In the wholesale business, the Corporate segment (companies with annual sales of between R\$ 300 million and R\$ 1.5 billion) posted growth of 14% over 2020. Lastly, our wealth management area ended the year with R\$ 52 billion under management, the highlight being BV Asset, which received several awards, such as 3rd place in fixed income; 4th place in money market and 7th place in multimarket funds in the 2021 edition of the FGV Investment Funds Handbook.

The highlight of the avenues of growth was residential solar panel financing. Besides contributing to the bank's strategy of diversification, this product strongly reflects our ESG agenda. This segment has expanded significantly, and the prospects are good given the incidence of sunlight in Brazil, as well as the cheaper cost of solar panels in recent years. With this in mind, in 2021 we announced additional investment in an already existing partnership with Portal Solar, the largest

digital marketplace in this sector and which matches up equipment distributors and installers with the demands of individual customers and small companies throughout Brazil.

And the SME portfolio registered growth of 96%. There is huge potential in this ecosystem in terms of credit volume and the improvement in products and services. So, we have expanded our scope of operations by investing in technology and partnerships with fintechs, as is the case of Trademaster.

Another opportunity for expanding and diversifying our business lies in the Banking as a Service (BaaS) platform which saw an increase of 334% in transaction volume compared to 2020. To expand the offer of this service, BV has entered a strategic partnership with S3 Bank, an integrated financial and payment solutions platform that is modular, secure and scalable. The operation will enable BV to offer the end-to-end service to large and mid-size corporations that want to create a digital account.



We are the 5th largest private bank in Brazil and we continue to **advance in our business growth and diversification agenda**. Partnerships with fintechs and startups are increasingly strategic, mainly due to the possibility of **expanding our ecosystem and expanding the offer of solutions to our customers**.

Digital journey

In 2021, we scaled up our digital bank and reached 2 million Conta BV and credit card customers which represents 53% of our total individual customer base. Initially launched to focus on cross selling to vehicle and card customers, at the end of 2021 we began offering the account to non-customers – a strategy that led to seven-fold growth in the average daily number of accounts opened in the fourth quarter de 2021 in comparison with the same quarter of the previous year.

Founded on innovation and technology, we have consolidated BV as a digital bank that is agile and focused on the customer whose satisfaction can be seen in our score of the Reclame Aqui site on which we enjoy one of the best evaluations in the financial industry; as well as our position in the Complaints Ranking of the Central Bank, which recorded the lowest number of complaints per million customers among the country's leading banks.

Commitment to transparency

In May 2021 we announced our Pact for a lighter future in which we assumed a public commitment to social, environmental and governance actions to be achieved by 2030. **When an institution makes a public commitment, the act ceases to be a temporary agenda, to become a perennial one and part and parcel of the strategy and the way of looking at the business.**

That is why our governance has migrated these issues to the hub of decision making. In this way, besides linking sustainability-related targets to the variable compensation of our management team as a whole, we will now also disclose our progress on some of these commitments through transparent accountability to the market and society.

In 2021, we joined **the Brazil Network of the United Nations Organization Global Compact**, a forum for discussing and putting into practice in business issues involving human rights, labor, the environment and anticorruption, as well as the 17 Sustainable Development Goals (SDGs).



We know we cannot **borrow from future generations to consume today**



We are also proud to be able to emphasize that we use an ESG rating methodology to allocate ratings to each company with whom we in the Wholesale segment, which supports us in taking the most appropriate decisions, including non-granting or better credit conditions. In 2021, we financed and distributed R\$ 6.2 billion to sustainable businesses, including projects involving energy matrix migration, clean mobility and sanitation. Our target is to make it to 2030 with R\$ 80 billions originated in ESG business.

Also in 2021, we issued R\$ 750 million in Green Bonds whose proceeds are tied to projects and assets involving renewable energy, specifically solar or wind energy, as well as projects that meet the eligibility criteria of the Green Bond Principles. We participated in the first issuance of debentures classified as Sustainability Linked Bonds (SLB) of Allonda, an engineering company focused on sustainable solutions. Lastly, we created promotional rates for financing electric and hybrid cars.

Among our social responsibility action in 2021 we created a partnership with the NGO Gerando Falcões and with the fintech Meu Financiamento Solar to supply Latin America's first underprivileged community with solar energy by installing more than 1,000 solar panels to be donated in 2023 to 240 homes. The Marte community is located in São José do Rio Preto, state of São Paulo.

Sustainable businesses create value for the world, and we believe that promoting the creation of socioenvironmental value is an indissociable part of our purpose of adding lightness and peace of mind to the financial lives of our customers, employees and society. That's how BV is: light for living.

Gabriel Ferreira
CEO of Banco BV



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02 About the report

/GRI 102-1 | 102-32 | 102-50 | 102-51 | 102-52 | 102-54 | 102-56/

This year, we have adopted for the first time, in its full form, Global Reporting Initiative (GRI) methodology, thereby reasserting our commitment to transparency when disclosing this Sustainability Report. The document complies with the GRI Standards: Essential option, including the financial industry supplement, as well as the guidelines of the International Integrated Reporting Council (IIRC) and the Sustainability Accounting Standards Board (SASB).

In it, we are presenting our key, **economic, environmental and social results for the from January 1 to December 31, 2021**, and we are flagging the relationship of the texts with the Sustainable Development Goals (ODS) of the United Nations Organization, the global agenda for more sustainable development.



SDGs prioritized by BV



Materiality

/GRI 102-40 | 102-42 | 102-43 | 102-44 | 102-46 | 102-49/

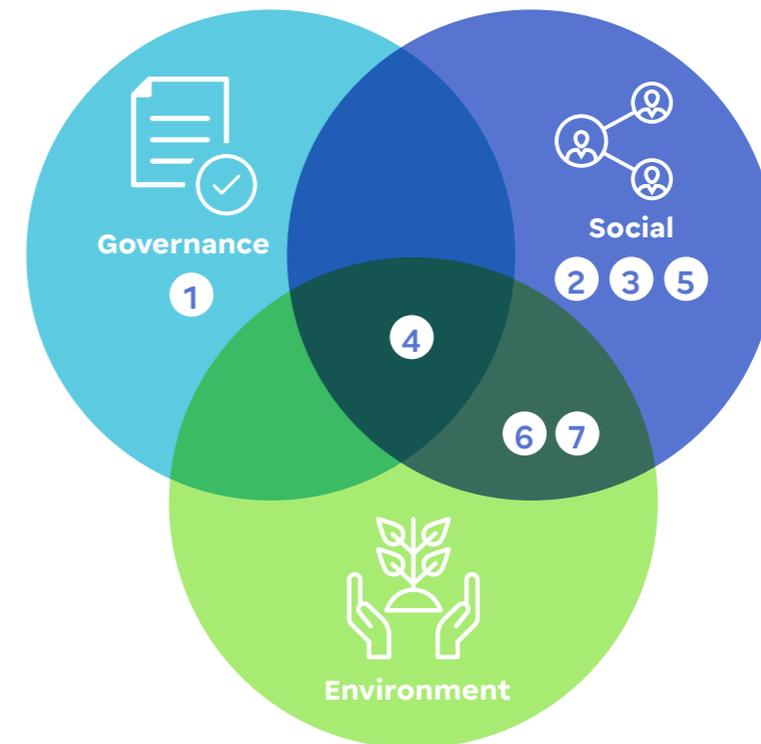
In 2021, we began reviewing the materiality to confirm the topics considered priority for the company and for our stakeholders. The process was broken down into four phases and began with a study of the current scenario in which the finds itself, including internal and external relations and the sustainability context.

In the second phase, we **identified the risks and impacts associated with the business and involved research by secondary sources and engagement with stakeholders considered material for the bank** and who assisted in calibrating the topics currently existing in our day-to-day business, whether the impact is positive or adverse.

The third phase enabled an **analysis of the significance of the adverse and positive impacts generated by our activities on the various topics of sustainability and on the different stakeholders**. The significance was defined bearing in mind the likelihood of certain risks becoming material and the severity of the should this come to pass.

During the final phase, we defined the topics to be prioritized in the Report, bearing in mind the significance verified in the previous phase, as well as the extent of our management approach to each topic. The list and the boundary of the report were tested by aligning with industry-applicable standards.

Material aspects and our ESG pillars



Material aspects

/GRI 102-47/

- 1 Ethics, transparency and anticorruption
- 2 Customer relations
- 3 Diversity and inclusion
- 4 Innovation and technology
- 5 Employee well-being and health
- 6 Socioenvironmental risk management
- 7 Sustainable products and businesses



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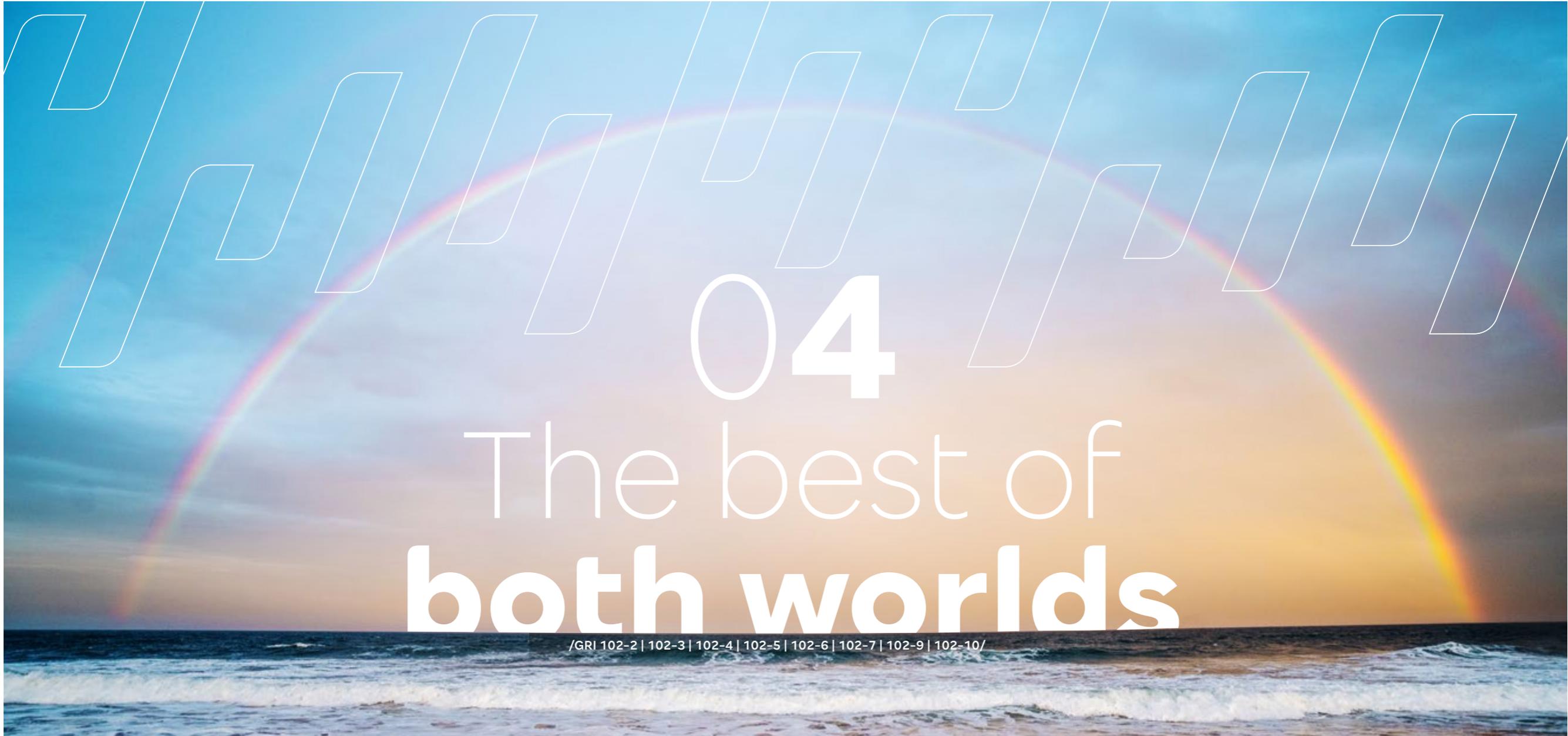
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The best of
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/GRI 102-2 | 102-3 | 102-4 | 102-5 | 102-6 | 102-7 | 102-9 | 102-10/

Diversified businesses

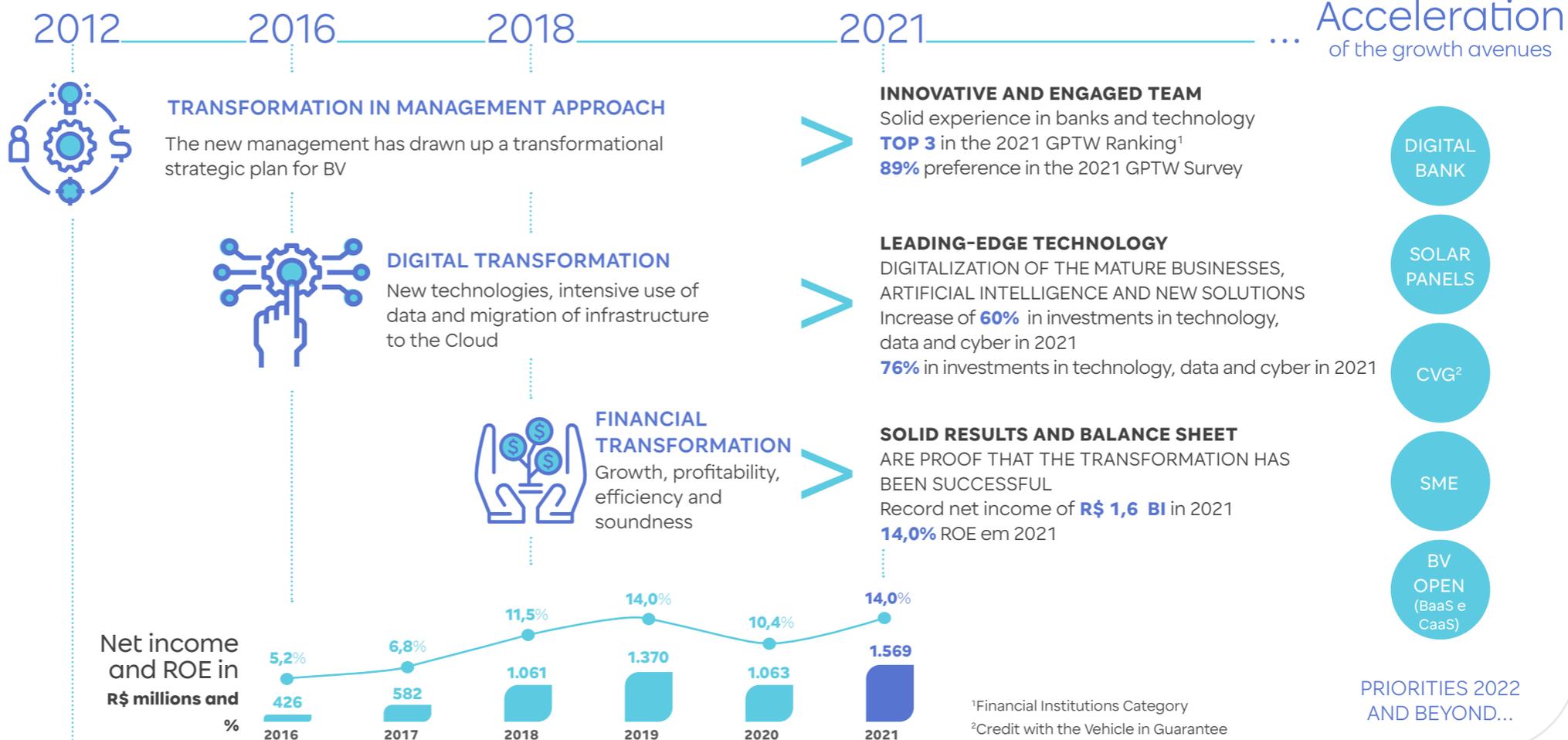
Headquartered in São Paulo, we are present nationwide through a network of over 20,000 vehicle financing partners and 10,000 integrators in financing of solar panels for residential use.

We are a closed capital bank whose shareholders are Votorantim Finanças S.A. and Banco do Brasil S.A. Our track record reflects the solidity of these great institutions, as we came into being in 1988 as a securities distributor. In 1991 we became Banco Votorantim S.A. and, in 2019, the brand was renamed Banco BV.

Our emphasis is on searching for what is new and we continually invest in data, technology and strategic partnerships, operating as a platform that combines the expertise in credit and banking science of the larger banks with the agility and digital mindset of the *fintechs*.

Our transformation

The successful transformation of BV, supported by consistent results of the mature businesses, has increased our appetite for accelerating the growth avenues



86% OF THE PORTFOLIO

MATURE BUSINESSES
CONTINUOUS DIGITALIZATION AND EFFICIENCY

2,7% portfolio growth vs 2020

14% OF THE PORTFOLIO

GROWTH AVENUES
EXPANSION AND DIVERSIFICATION

69% OF THE PORTFOLIO vs 2020

BV DIGITAL BANK

RETAIL

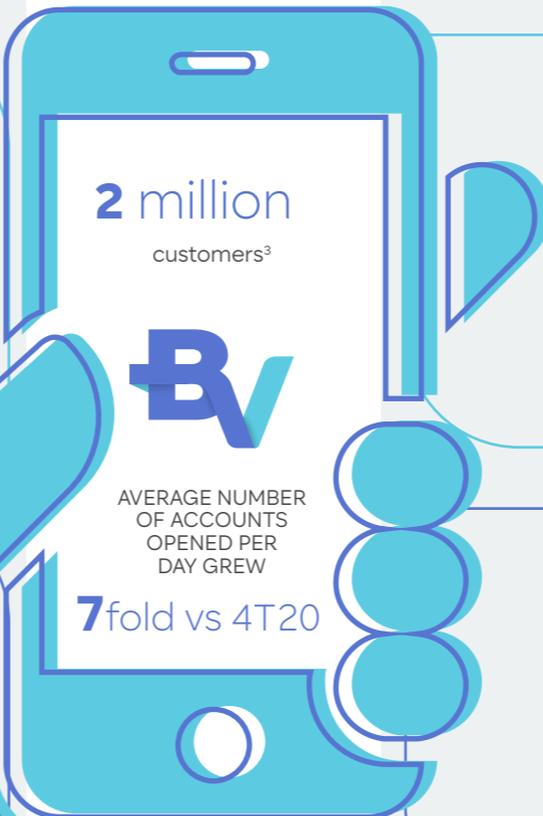
VEHICLES
9th consecutive YEAR AS MARKET LEADER¹

100% digital FINANCING CONVEYOR BELT

INSURANCE BROKER
TOTAL PREMIUMS ISSUED IN 2021

R\$ 1.1 bi

ONE OF BRAZIL'S LARGEST BROKERS



CREDIT CARDS
PORTFOLIO GREW BY
↑57% vs 2020
to reach R\$ 4.6 BI

SOLAR PANELS
PORTFOLIO GREW BY
↑182% vs 2020
E ATINGIU R\$ 2.5 BI

RETAIL

WHOLESALE

CORPORATE BANKING
CORPORATE PORTFOLIO² GREW BY
↑14% vs 2020
TO REACH R\$ 6,7 BI

WEALTH MANAGEMENT
ASSETS UNDER MANAGEMENT
R\$ 52 bi
BV ASSET WON AN AWARD AS ONE OF THE BEST MANAGERS IN 2021

SMALL AND MID-SIZE COMPANIES (PME)
PORTFOLIO GREW BY
↑96% vs 2020
E ATINGIU R\$ 1,2 BI

BANKING AS A SERVICE
TRANSACTION VOLUME ROSE BY
↑334% vs 2020
TO REACH 208 MI IN 2021

WHOLESALE

ONE-STOP-SHOP

Diversified Business Portfolio

Supported on the pillars of Efficiency & Financial Soundness, Digital Strategy, Customer Centricity and ESG Agenda

Retail

VEHICLE FINANCING

- **Leader** in the used light vehicle segment
- **Capillarity:** > 20,9k resellers, digital partners
- **Innovation and Digital Transformation**
- **100% digital** contracting conveyor belt
- **97%** automatic analysis

Segment leader for the 9th consecutive year

OTHER BUSINESSES

- **Credit cards:** new cards portfolio: BV Livre, BV Mais and BV Único. Mastercard, Visa and Elo labels
- **Solar Panel financing:** portfolio growth of 181.6% vs 4Q20
- **Loans:** PC, CVG, private payroll-deductible loans, student loans, medical procedure loans
- **Insurance Brokerage:** we are one of Brazil's largest brokers, with an extensive offering of products: car, loan protection, home, life dental, cards and assistance

Important advances in the diversification strategy with growth of 75% in loans and 57% in cards

Credit portfolio
R\$ 76.3 bi
 +8.6% vs 4T20

R\$ 41.9 bi

+1.4%
 VS
 2020

R\$ 25.0 bi

+7.4%
 VS
 2020

R\$ 9.4 bi

+65.8%
 VS
 2020

R\$ 52.3 bi

sob gestão
 (AuM)

Wholesale

CORPORATE & INVESTMENT BANKING

- **Corporate Banking**
 Corporate (> R\$ 300 million)
 Large Corporate (> R\$ 1.5 billion)
 SME (receivables discounting)
- **Banking as a Service (Baas)**
 Settlement and custodian bank for fintechs and startups

Corporate portfolio grew by 13.9% vs 4Q20
 SME grew by 96.3% vs 4Q20

WEALTH MANAGEMENT

- **BV Asset**
 Recognized as one of the best asset management companies in 2021²
 8th largest real estate investment fund managers
 50% of the funds under management are underpinned by assets from the real economy
- **BV Private:** customized solutions for high-income customers

6 funds rated 5-star by the 2021 FGV Investment Fund Handbook

Initiatives and associations of which we are a part

/GRI 102-12 | 102-13/

It is our belief that the public commitment to sustainable development is a way of operating on multiple fronts, not only internal, but also external, strengthening an agenda of collective construction while creating long-term value for the. Therefore, we participate in the following forums and agendas:

- **Companies and LGBTI+ Rights**, since 2021
- **The Business Network for Social Inclusion**, since 2021
- **Businessmen for Climate**, since 2021
- **The Equator Principles**, since 2016
- **The Principles for Responsible Investment**, since 2019
- **The United Nations Organization Global Compact**, since 2021
- **The Pact for Sport**, since 2021
- **The GHG Protocol**, since 2021
- **Movimento Mulher 360**, since 2018
- **UNO Women**, since 2021
- **The Business Initiative for Racial Equality**, since 2021
- **The Steering Committee and Executive Board of the Brazilian Federation of Banks (Febraban)**, since 1991
- **The Executive Board of the Brazilian Association of Financial and Capital Market Entities (ANBIMA)**, since 1998
- **National Association of Credit, Financing and Investment Institutions (ACREFI)**, since 1996
- **The Brazilian Association of Credit Card and Services Companies (ABECS)**, since 2007
- **The Brazilian Institute of Corporate Governance (IBCG)**, since 2021



Pillars of the BV strategy

- **Eficiência e solidez financeira:** a light and efficient business model combined with a solid balance sheet and a conservative approach to risk management
- **Digital strategy:** a digital mindset focused on innovation, intensive use of data and artificial intelligence, translated into digital solutions and channels and an Open Banking strategy
- **Customer-centricity:** continuous improvement of the experience, putting the customer at the center of our strategy to attend to each profile
- **ESG Agenda:** neutralize our environmental impact, accelerate social inclusion, multiply and humanize financial knowledge and mobilize resources to foster sustainable business



Awards and recognitions received

- **1st Place** in the Respect Award that recognizes companies that most respect consumers, according to the *Consumidor Moderno* site
- **1st Place** in governance in the Corporate Governance Ranking in the banks category of the *Empresas Mais* publication of the “*Estadão*” newspaper
- **BV Asset:** AMP rating 1 (“Very Strong”), according to S&P Global Ratings
- **3rd place** in the Ranking of the Best Companies To Work (GPTW BR) – financial institutions category
- **Top 5** at the *Reclame Aqui* Awards – banks category
- **Lowest number** of complaints among the major banks un the Central Bank Ranking
- **Net Promoter Score (NPS) for Service of 77**, against 70 in 2020
- **Net Promoter Score (NPS) for Collections of 72**, against 53 the previous year
- **2nd Place** in the Ombudsman Quality
- **3rd Place** in the category of Leading Institution in Responsible Investment at the ALAS Institution Brazil award organized by the Principles for Responsible Investment
- **BV Asset:** recognized by the FGV Investment Fund Handbook as one of the best managers in 2021, taking **3rd Place** in fixed income, **4th Place** in money market and **7th place** in multimarket funds
- **150 best big companies** - GPTW
- **Humanizadas** - rating A
- **Ethos** - among the best companies with diversity practices



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Aspiring to sustainability

/GRI 102-16 | 102-17/

Embracing the purchase, culture and strategy of Banco BV, we experience on a day-to-day basis the purpose of bringing more tranquility to the financial life of people and companies, acting in a correct, simple, partnering and courageous way. We believe that, together, many hands support the future better and we are part of this. Our aspiration is to foster social development by sustainably engaging with our ecosystem.



[Click here](#)
to read our
Sustainability
Policy



Since 2014, we have had a Sustainability Policy. The document provides guidance not only on compliance with regulatory requirements, but also with the principle of relevance on account of the degree of exposure to socioenvironmental risks given the nature and complexity of our business, and on proportionality, bearing in mind indirect impacts on society and the environment. The Sustainability Committee and the Risk Committee are responsible for ensuring the implementation of these guidelines with the focus at all times on furthering the topic within the bank's strategy.

We have a structure with areas dedicated to dealing with socioenvironmental risks. We monitor the topics in the Sustainability Committee, the Controls and Risks Committee, the Risks and Capital Committee and the Executive Committee, in charge of incorporating practices into the corporate strategy and the Diversity Forum.

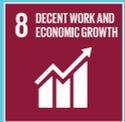


To strengthen this **movement**, in **2021** we entered into a partnership with actress **Tais Araújo** to head up our brand campaigns in videos that encourage society to talk about **economic awareness, climate change, social inclusion** and other **institutional** and **sustainability initiatives** of BV.



Our 2030 commitment – Pact for a lighter future

In May 2021, we launched our “2030 Commitments for a lighter future”, in which we assume five public goals and seek to move closer to the UN Sustainable Development Goals and in line with the Global Compact, to which we are signatories. The goals and results achieved in 2021 were:

<p>To neutralize our environmental footprint.</p>	<p>To accelerate social inclusion.</p>	<p>To mobilize resources in support of sustainable businesses.</p>
<p>GOAL We commit by 2030 to: Offset 100% of the CO₂ from our core business, vehicle financing.</p> <p>Offset 100% of the direct greenhouse gas (GHG) emissions of BV.</p> <div data-bbox="927 826 1204 948">   </div>	<p>GOAL We commit by 2030 to: To reach 50% of leadership positions occupied by those who identify with the feminine gender.</p> <p>Guarantee a participation of 35% of black people in the BV headcount.</p> <div data-bbox="1580 826 1855 948">   </div>	<p>GOAL We commit by 2030 to: Finance and distribute in the capital markets R\$ 80 billion for ESG business.</p> <div data-bbox="2174 826 2604 948">    </div>
<p>2021 RESULT More than 660,000 tonnes offset from vehicles financed in 2021. 3.1 thousand* tons offset from direct emissions.</p> <p><small>*3.1 thousand tons were offset in 2021 for the year 2020</small></p>	<p>2021 RESULT We are already 36% women in leadership positions and 44% women in the general staff. We are 19% black and brown people in our general staff and we hired 272 people in 2021.</p>	<p>2021 RESULT R\$ 6.2 billion financed and distributed to ESG business in 2021, overcoming the target of R\$ 4.9 billion</p>



Get to know our Pact for a lighter future by clicking [here](#).

This is our aspiration of being able to contribute to a lighter future of **economic prosperity, honest and transparent governance, environmental protection** and **social responsibility**.



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Our governance

Colaboradores do banco BV

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At BV we work to the highest standards of governance in a commitment to the principles of transparency, equity, accountability and corporate responsibility. Management of BV is shared between the shareholders Votorantim Finanças S.A. and Banco do Brasil S.A.

Our highest governance body is the Board of Directors (CA), on which each shareholder holds three seats. In addition to the six members, since 2020 there has been an independent lady director appointed in common agreement, making a total of seven directors.

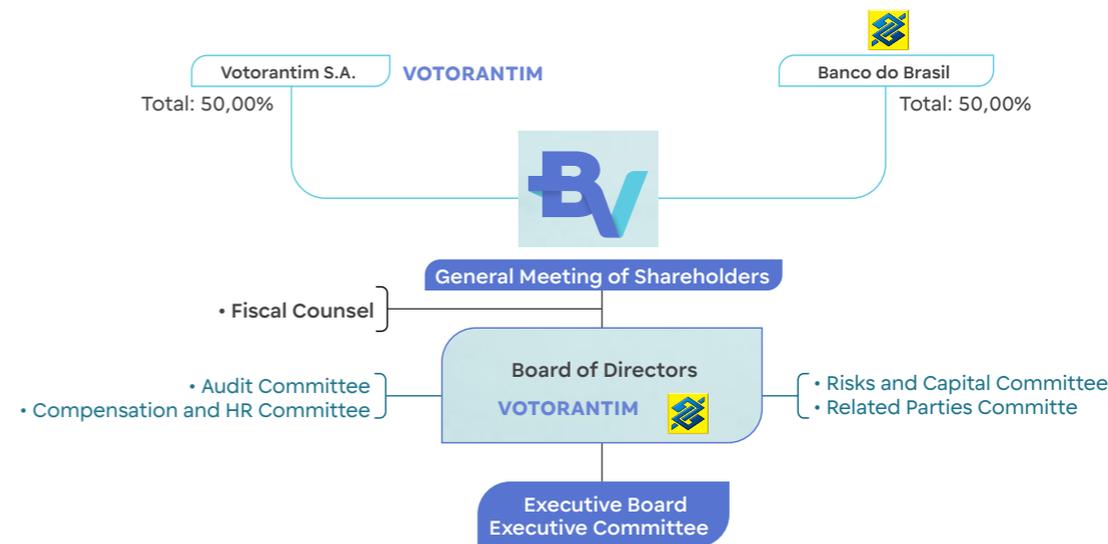
Meetings take place at least six times a year, and decisions are taken by majority, with no casting vote in case of a tie. Decisions on environmental and social topics are evaluated, implemented and monitored by the Executive Committee and the Board of Directors, which, as of June 2022, will be advised by the ESG Committee. We strive for continuous improve-

ment in socioenvironmental aspects through due diligences, evaluating commitment, capability and track record where impact management is concerned.

In April 2021, there was an election for the new term of office of the Board of Directors members, which will remain in force and effect until the Annual Shareholders' Meeting of 2023.

Since **2020**, an independent lady director is part of our Board of Directors

Corporate structure



Name	Title	Nomination
Fausto de Andrade Ribeiro	Chairman	Banco do Brasil
João Henrique Batista de Souza Schmidt	Deputy Chairman	Votorantim Finanças
Andrea da Motta Chamma	Independent Director	Mutual agreement
José Ricardo Fagonde Forni	Director	Votorantim Finanças
José Luiz Majolo	Director	Votorantim Finanças
Renato Luiz Bellinetti Naegele	Director	Banco do Brasil
Jairo Sampaio Saddi	Director	Banco do Brasil

Legal conduct, ethics and integrity

/GRI 102-16 | 103-2 | 103-3 | 205-1 | 205-2/

Conduct in decision making and in internal and external relations at BV abides by different laws and regulations that are based on compliance with the law, ethics and integrity – a culture for which everyone is responsible, and which extends to service providers and business associates.

The transparency of our governance processes and team is ensured by a robust structure involving the Compliance, Internal Controls and Internal Audit areas.



BV bank employees



As part of our Sustainability Policy, we are entitled to **terminate any relations representing any type of social or environmental risk**. In the case of suppliers, a clause in their agreements refers to environmental conservation, compliance with socioenvironmental legislation and the prevention of forced and/or child labor.



BV bank employees



We were acknowledged with 1st place in the banks category in the Corporate Governance Ranking of the Estadão newspaper

In addition, we have due diligence procedures and training related to the prevention of corruption, money laundering, terrorist financing, as well as impacts on the environment and communities. **We carry out our business in accordance with international commitments, the National Monetary Council regulations and under the supervision of the Central Bank of Brazil.** Besides complying with the prevailing legislation and our bylaws, we abide by the following internal guidelines:

- Corporate Governance Policy
- Code of Conduct
- Compliance Policy
- Handbook of Third-Party Compliance and Conduct
- Policy on Preventing Money Laundering, Financing of Terrorism and Corruption
- Risk and Capital Management Policy approved by the Board of Directors.
- Sustainability Policy, all approved by the Board of Directors



Read the documents in full [here](#)

Whistleblower channels

/GRI 102-17 | 205-3 | 206-1 | 103-2 | 103-3/

Employees, suppliers, business associates and customers can make complaints in good faith about complaints situations that are or appear to be non-compliant, including indications of conflict of interest, illegal activity, violations of the Code of Conduct and the Integrity program. The whistleblower can remain anonymous or identify themselves.

In 2021, there were no confirmed cases of corruption involving employees or business associates, nor any court cases for unfair competition, cartel or monopoly practices. Our Code of Conduct provides instructions on respect for freedom of competition, competitors' reputation and values, while also prohibiting any form of corruption, extortion, bribes, money laundering and similar conduct, including fraud.



BV bank employees



Complaints about accounting fraud and irregularities will be received and analyzed by the Audit Committee

comite.auditoria@bancovotorantim.com.br

Internal electronic mail: #Comite-Auditoria

Site: <https://ri.bv.com.br/canal-de-denuncia/>

Complaints about conflicts of interests, personal investments, barriers to information and the Anticorruption Law must be sent to the Compliance Area

falecomcompliance@bancovotorantim.com.br

Internal electronic mail: #BCO-Fale com Compliance

General customer service channels open to internal and external stakeholders.

Seven days a week, 24 hours a day

0800-728 0083 and 0800-701 8661 (for those with impaired hearing and speech)

sac@bv.com.br

Ouvidoria

Available Mondays to Fridays, from 9:00 am to 6:00 pm

0800-707 0083 e 0800-701 8661 (for those with impaired hearing and speech)

canaldedenuncias@bv.com.br

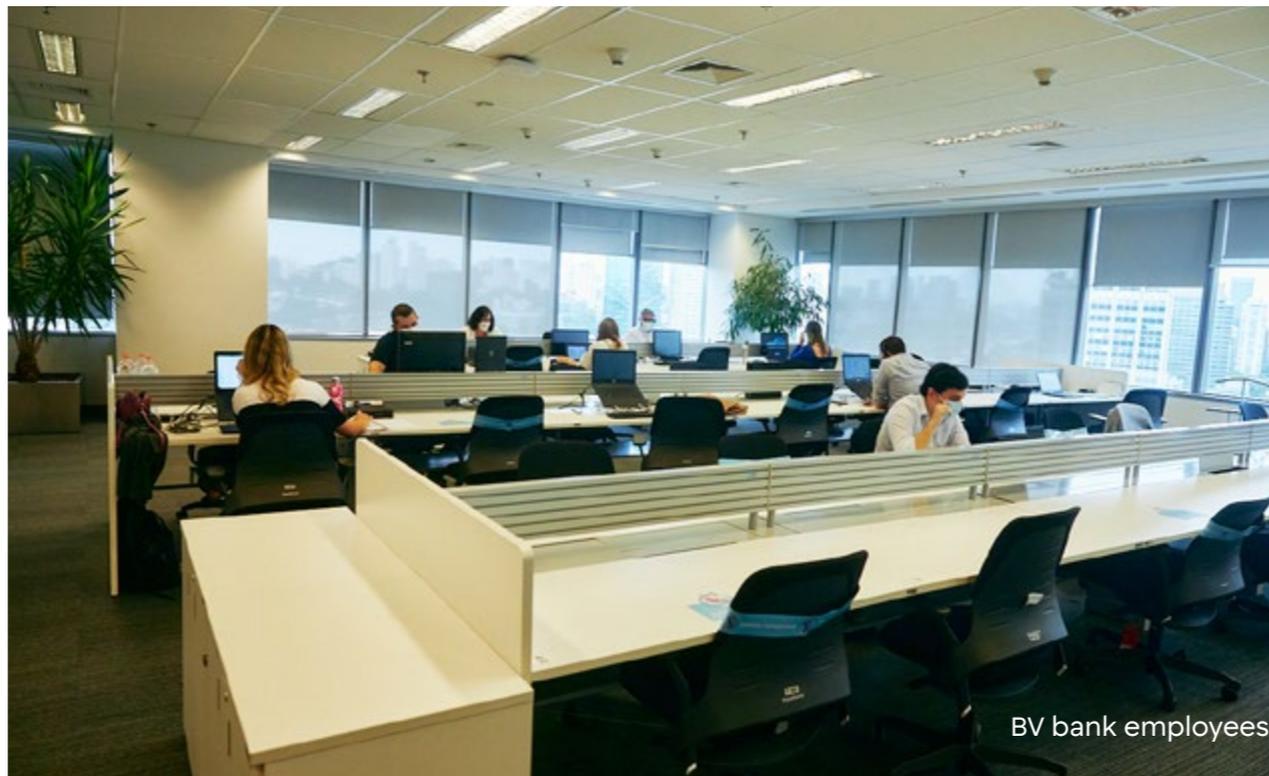


Economic scenario

2021: instabilities and resilience

With the pandemic still causing unexpected shocks and effects on the economic environment, the year 2021 was hallmarked by instability. In spite of this, Banco BV turned in a sound performance both in its mature businesses like used light vehicle financing, corporate & investment banking and third-party asset management, and in its avenues of growth, such as solar panel financing, digital banking and Banking as a Service (BaaS).

On the economic scenario, the fiscal and monetary stimuli still prevailing in Brazil and around the world sustained the good performance of the economy and more than compensated for the accommodation observed in the second half of the year. Contributions here came from control of the public accounts, the continuity



of the concessions program and the advance in the reforms, such as the independence of the Central Bank and the approval of new regulatory frameworks in certain sectors.

As a result, the various shocks to agriculture and industry did not prevent Gross Domestic Product (GDP) growth of 4.6% in 2021, exceeding initial expectations of around 3.5%.

Within this context, the labor market improved, creating formal and informal openings, and credit grew with default rates, interest rates for final borrowers and bank spreads operating at their lowest levels in a decade.

The adverse aspect was inflation. In the light of supply side restrictions on goods and services, the positive behavior in consumption can be ex-



In 2021, **BV** showed a **good performance** in all its **businesses**

plained by the overall increase in prices in several countries. Although the inflationary pressure is partly due to international prices, such as raw materials, climate issues played a role in Brazil, raising the price of food and, primarily electricity. The Broad National Consumer Price Index (IPCA) ended the year at 10.1%, leading to a depreciation of the Real, deteriorating confidence and accommodation in growth.

Solar panel financing rose by



182%

in comparison with 2020



BV bank employees

Faced with such scenarios, the business of Banco BV remained resilient. With production restrictions and an sharp uptick in demand, the automotive market showed marked growth. According to Fenabrave, sales of used light vehicles grew by 19% for the year and reached an historic level. In the case of financing for companies, the pickup in the economy and the strength of the capital markets explain the low levels of default and the increase in corporate debt issuance transactions.

The consistent results of the mature businesses allowed the avenues of growth to accelerate. Take solar panel financing, which rose by 182% in comparison with 2020, enabling Banco BV to remain the market leader (for private individuals), and assisting the in overcoming its recurrent water crises. The experience in 2021, in particular, led to significant impacts on electricity tariffs and was an additional incentive for families and companies to search for cleaner and cheaper energy sources.

Finally, the business environment remained favorable to the advance of rapidly growing sectors like digital banking. In addition to the digitalization of processes and the use of data science, the positive performance of the credit market and the continuous progress of the financial technology sector allowed for rapid growth of digital clients and platforms for providing financial services to other companies and banking institutions.

Therefore, in spite of a year of instabilities and mixed economic behavior, the resilience of the business of Banco BV draws attention for its resilience.

Roberto Padovani

Chief Economist, Banco BV

Value creation model



Financial Capital

- **Record net income:** R\$ 1.6 billion, recording growth of 47% over 2020
- **Leader in used light vehicle financing:** R\$ 42 billion in portfolio
- **Total assets:** R\$ 116.3 billion in 2020, to R\$ 120 billion in 2021
- **Credit portfolio:** R\$ 76.3 billion, up by 11.8% over the previous year (R\$ 70.3 billion)
- **Small and mid-size companies:** increase of 96.3% in comparison with 2020
- **Corporate (companies with annual revenues of between R\$ 300 million and R\$ 1.5 billion):** growth of 14%
- **Solar panel financing:** growth of 182% in relation to 2020
- **Credit cards:** the portfolio grew by 52% in 2021
- **Credit collateralized by vehicles:** increase of 32.5%
- **Wealth management:** R\$ 52 billion in assets under management. BV Asset is Brazil's 8th largest real estate fund asset management company¹
- **Insurance brokerage:** expansion of 49%, making our broker one of the country's largest, with R\$ 1.1 billion in issued premiums



Manufactured Capital

- **BVx:** unit dedicated to innovation
- **Partnerships with around 20,000 used light vehicle outlets** throughout the country
- **Partnership with 10,000 solar panel integrators throughout the country.** We also have a partnership with Portal Solar, the leading marketplace in the sector
- **Digital and self-service channels:** site and a unique application for accessing BV services
- **Launch of the "BV Hotkey" button for cellphone keypads** that perform financial transactions without having to access the bank's application



Intellectual Capital

- **Excellence and competence** in customer service
- **Partnership with the people area:** fostering the evolution of knowledge, focusing on continuous improvement, innovation and intrapreneurship
- **Open innovation:** connection with innovation ecosystems, including universities, accelerators, hubs, incubators and startups
- **Innovation Laboratory (BV Lab):** one of the fronts of BVx, it creates prototypes and tries out new solutions
- **Open finance:** besides contributing to the regulations, we are in a continuous improvement process based on data science and innovation, like analytics and biometric electronic signatures

¹ According to the ANBIMA/Dec 21 classification



Human Capital

- **4,573 employees**, including in-house, apprentices and interns
- **“Do Seu Jeito” Internship and Apprentice Program.** With a focus on diversity, the program prioritized hiring with a focus on gender, LGBTQIA+ people and PCDs. 50% of the vacancies will be allocated to blacks and browns
- **3rd place in the Ranking of the Best Companies to Work For (GPTW) 2021 –financial institutions category:** an award that evaluates attributes for a good work environment
- **Targets 2030:** to reach 50% of leadership positions held by people who declare themselves to be of the female gender; to guarantee a 35% participation of black people among the employee headcounts
- **Elas por Elas:** second edition of this internship program that selected people who declared themselves to be of the female gender
- **Lugar de Mãe é no BV (A Mother’s Place is at BV):** recruitment of 9 women in a leadership or specialist position who were out of the market due to maternity
- **Launch of the <Pra.Elas> Training Program:** capacity building for 60 cis or trans women in the data and technology areas. Of these, 46% are black or brown-skinned. Registrations for this program exceeded 5,200 people



Social and Relationship Capital

- **Lowest number of complaints** among the major banks in the Central Bank Ranking
- **Net Promoter Score (NPS):** 77 for service and 72 in collections
- **R\$ 6.2 billion financed and allocated in businesses with ESG criteria.** The target for 2030 is to reach R\$ 80 billion
- **Most profitable funds, according to “Valor Econômico” newspaper**
- **Launch of the “Vamos falar de dinheiro?” (Let’s Talk Money) campaign,** videos about how people relate to money, starring the actress and brand ambassador Tais Araújo
- **BV Esportes:** support for 10 social projects of athletes and former athletes
- **27 projects supported** under incentive laws for Culture, Sport, and Childhood and Adolescence.
- **Our commitments to sustainable development:** Companies and LGBTI+ Rights Forum, Business Network for Social Inclusion (REIS) and the Brazil Network of the Global Compact



Natural Capital

- **Increase of 182% in residential solar panel financing**
- **Under the Pomar Urbano (Urban Orchard) Project, by 2022 we will have invested R\$ 1 million in restoring the vegetation of the Pinheiros riverbanks in the capital city of São Paulo.** The project began in 2018, and is the largest initiative in urban landscaping using species native to the Atlantic Forest
- **We are the only bank to offset 100% of the carbon emissions of the vehicles financed** beginning in 2021
- **Participation in “Businessmen for the Climate”:** demonstrates the commitment of companies to tackling the climate crisis

A bank in transformation

/GRI 201-1 | 103-2 | 103-3 | GRI FS7 | GRI FS8/

Notwithstanding the impacts of the Covid-19 pandemic on the financial industry, 2021 was a positive year for Bank BV. We set an historic record in net income of R\$ 1.6 billion, ending 2021 with a 47% higher result than in 2020. Using several metrics, the financial result was strong, with a solid balance sheet, which has prepared us to take advantage of new opportunities while facing challenges ahead of us.

We retained the leadership position in used light vehicle financing for the 9th consecutive year, the fruit of our expertise in the agile and efficient granting of credit and the partnership with 20,000 owners of car showrooms across Brazil. This penetration allows us to also offer insurance, and today we are one of Brazil's largest



Historic record in net income of

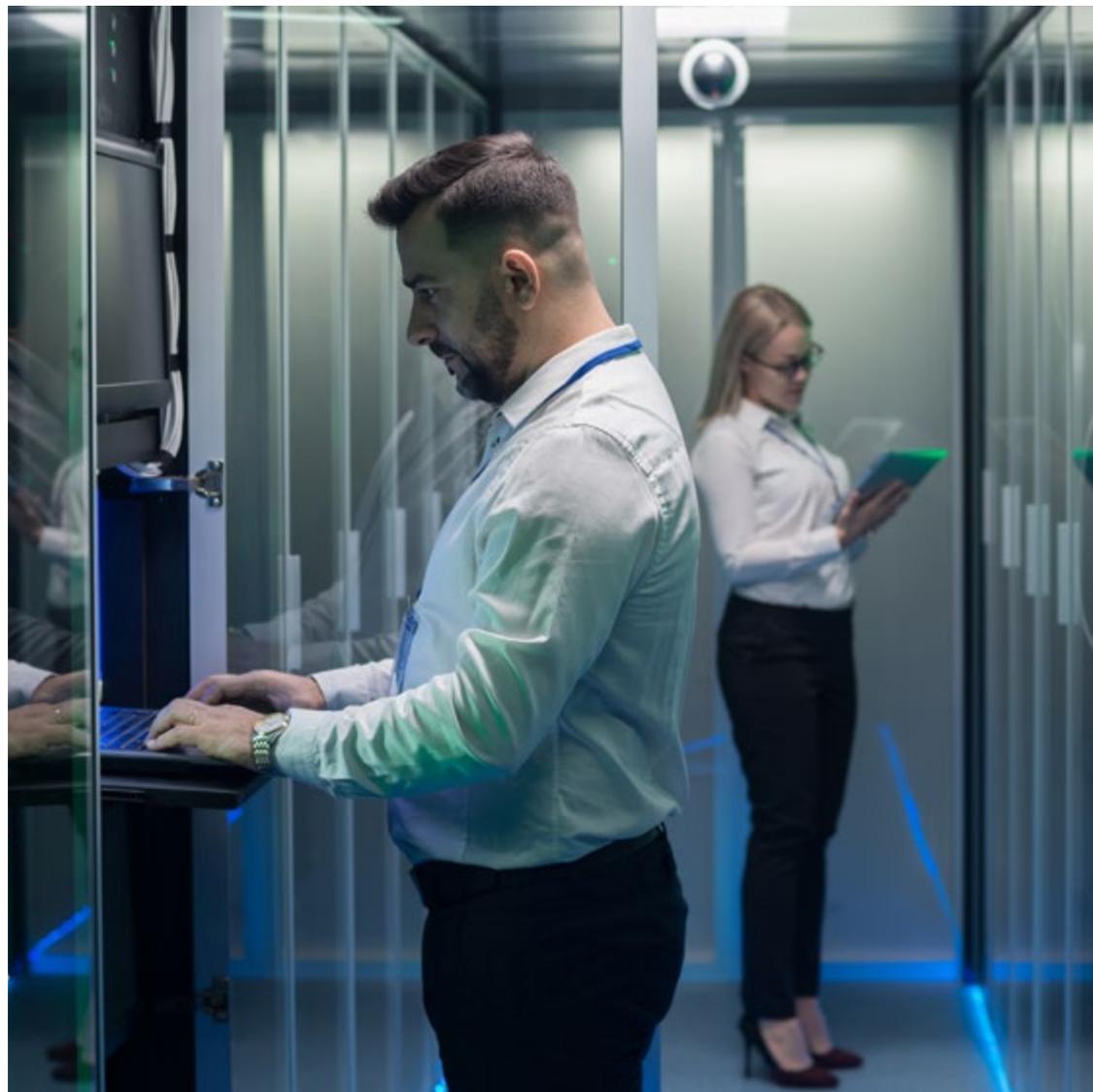
R\$ 1.6 billion

brokerage houses with R\$ 1.1 billion in issued premiums in 2021. Moreover, since the onset of the pandemic in 2020, the demand for online solutions has increased significantly, placing us at a competitive advantage due to the digital transformation we have developed since 2014 – our percentage of digital card sales leapt from 56% in 4Q20 to 84% in 4T21Q; while the digital origination of personal loans went from 82% to 89%. Furthermore, 88% of client enquiries in 4Q21 were dealt with on digital channels, against 80% in 4Q20.

Also worth pointing out is the growth of 14% in the Corporate division for companies with sales of between R\$ 300 million and R\$ 1.5 billion. In the case of small and mid-size companies (SMEs), we grew by 96% in relation to 2020 thanks to a strategy that grants access to credit with better maturity dates and commercial conditions from major industries and distributors. In this market we were propelled by the invest-

ment in Trademaster at the end of 2020. This fintech now serves more than 800,000 small and mid-size retailers, leveraging sales throughout the entire distribution chain via access to credit on better commercial terms and maturities from major industries and their distributors.





We also had good results in Banking as a Service (BaaS), which allows non-banking platforms to provide banking services. To increase this offering, BV has entered into a strategic partnership with S3 Bank, a BaaS platform that offers financial and payment solutions, whereby BV now offers the end-to-end service to large and mid-size corporations. Operations on our platform grew by 334%, boosted by the PIX system launched at the end of 2020, and today we have over 50 partners like Abastece Aí and Neon connected to our BaaS platform.

In 2021, we also recorded growth of 182% in the demand for financing of residential panels for producing photovoltaic energy. Our digital bank has been growing by leaps and bounds and now has over 2 million customers representing 53% of the bank's total individual customer base. Additionally, the average daily number of accounts opened grew sevenfold in 4Q21 when compared to the same quarter of the previous year. We also launched a new cards portfolio (*Livre, Mais and Único*), with a value proposal based on cashback on every purchase the customer makes, with the options of redeeming credits on the invoice or for investment, with higher returns than savings accounts.



2 million

customers in our digital bank

Direct economic value generated and distributed

/GRI 201-1/

2021

DIRECT ECONOMIC VALUE GENERATED	
Revenues/expenses	12,978,542,000
Expenses with financial intermediation	-5,972,325,000
Inputs acquired from third parties	-2,533,068,000
Gross value added	4,473,149,000
Expenses with amortization / depreciation	-200,405,000
Net Added value produced by the entity	4,272,744,000
Value added received via transfer	-1,667,000
Added value to be distributed	4,271,077,000
ECONOMIC VALUE DISTRIBUTED	
Operating costs	54,788,000
Wages and benefits of employees	1,375,656,000
Payments to capital suppliers	700,000,000
Payments to the government	1,265,201,000
Investments in the community	11,594,000
ECONOMIC VALUE RETAINED	
	863,838,000



Risk management with a focus on climate change is part of our strategy

Risks and opportunities arising from climate change /GRI 102-11/

There is series of uncertainties as to how climate change will affect the global economy and, by analogy, its impact on investment decisions. In this scenario, financial transactions with their business partners may result in climate risks for financial institutions. Based on this understanding, since 2020 we have incorporated this topics into risk management of Banco BV.

Besides assessing the exposure of the credit portfolio to climate change, in 2021 during the development of the new model referred to as "ESG Rating", the decision was taken to include a column for "Climate Change". This column assesses the customer's efforts in terms of energy efficiency, greenhouse gas emissions and the impact of physical and transition risks on the company's business.

We began to evaluate the location of their head office, the exposure to climate change-related risk of the counterparty's activity, the taking into account of climate risk in risk management and strategic planning and disclosure about risk management and climatic vulnerabilities.

/GRI 201-2/

Climate risk is defined as:



Transition climate risk

The possibility of losses occurring from events associated with the process of transition to a low-carbon economy in which greenhouse gas emissions are reduced or offset and the natural mechanisms for sequestering these gases are preserved.



Physical climate risk

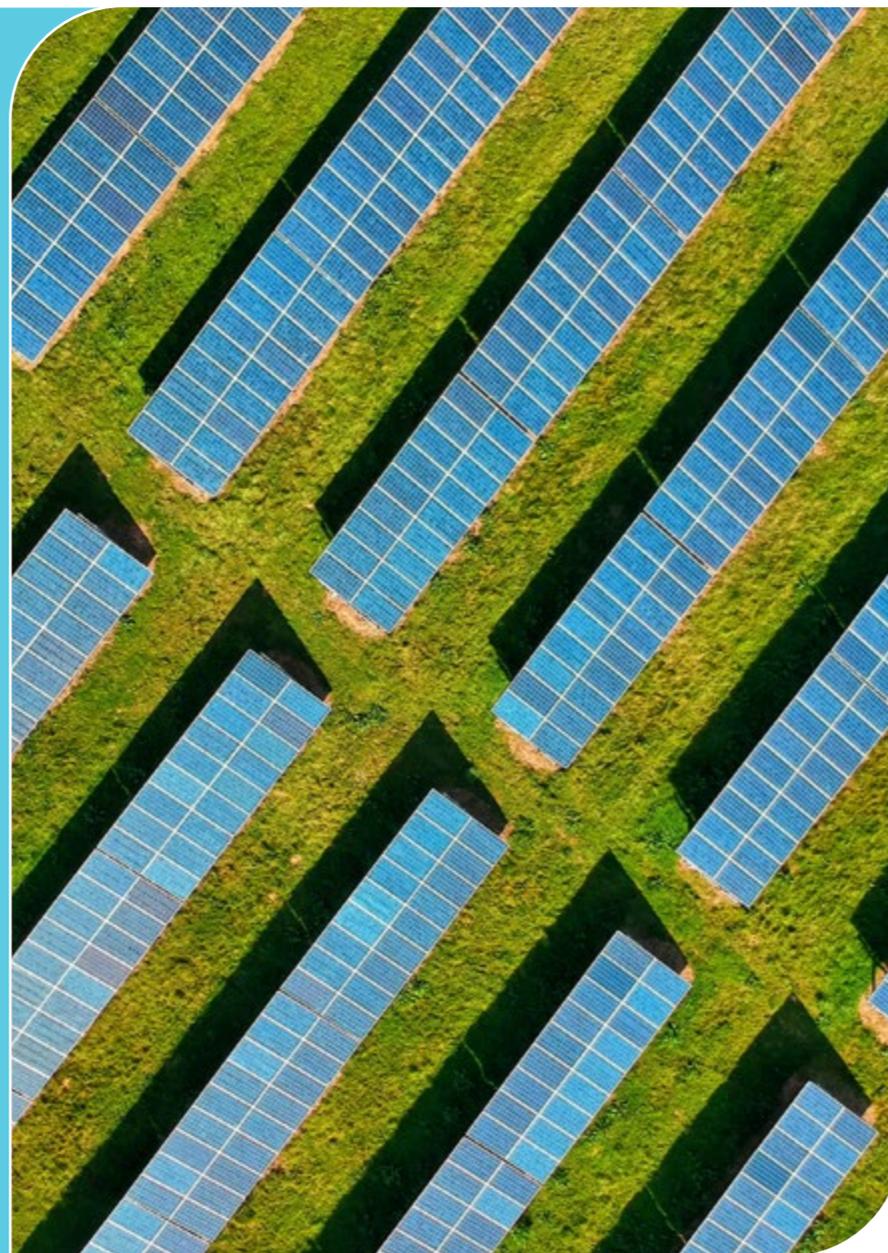
The possibility of incurring losses caused by events associated with frequent and severe bad weather or long-term environmental alterations that could be related to changes in climate patterns.



ESG Agenda

One of the strategic pillars on Banco BV, the ESG Agenda permeates the company's entire business, as well as the manner in which we conduct our business. In 2021, R\$ 6.2 billion of capital market transactions were rated using environmental and social criteria focused on renewable energy, clean mobility and sanitation. Besides these, we issued R\$ 750 million in public Green Bonds the proceeds of which will be used to finance solar energy panels.

This work that emphasizes the ESG agenda has brought us recognition in the form of 3rd place at the ALAS Institution Brazil awards in the Leading Institution in Responsible Investment category organized by the Principles for Responsible Investment international network. BV Asset has been a signatory to the Principles for Responsible Investment since 2019.



Innovation and digital transformation

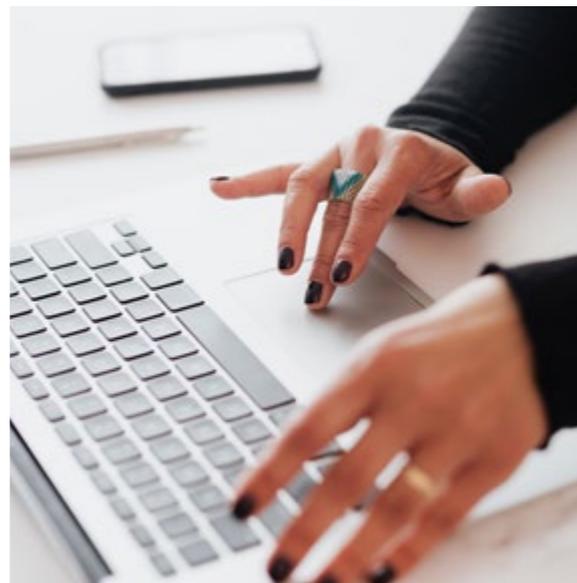
Today, we are a complete, modern, agile bank with digital transformation as our core business. Covering the entire country and with a customer-centric culture, we are working to bring innovation to all our processes, including used light vehicle financing that can now be contracted 100% online while 97% of the analyses are automated, with a response time of less than 1 minute.

This strategic orientation has enabled us to adapt our activities to the virtual mode throughout the pandemic. In the search for simpler operations, we have automated almost every process and have invested in technology and in providing our workforce with the skills to achieve excellence in customer service. One example is the new "BV Hotkey" for cellphones that allows customers to do financial transactions quickly using the touchpad without leaving messaging applications and social networks.



In 2021, we issued **R\$ 750 million** in public Green Bonds

We know that at the same time as we strive for accessibility and comfort, we need to ensure that our customer's data are protected and secure. So, in 2021 our investments in technology, innovation and enhancement in handling data in a cyber security environment rose by 60%. We comply with the Brazilian General Data Protection Law (LGPD) and, in 2019, we implemented the Privacy program. In 2021, there were no complaints about leakage, theft, or loss of customer data.



BVx is our unit dedicated to innovation and it operates on three fronts: **co-creation of products and services; proprietary development; and investments in strategic partnerships.**

Collaboration networks for innovation

One of the key highpoints of 2021 was the agreement reached with Google Cloud. The agreement aims to make the most of new solutions based on cloud technologies, intensive use of data, artificial intelligence and machine learning to assist in adding more agility to financial products and services in a flexible and secure manner, in addition to increasing operational efficiency while reducing operating costs. As part of the agreement, all critical transactions and operations will be processed in the Google Cloud. For BV, this deal represents an opportunity for disruption at a time when

the demands from consumers and regulatory changes require transformations. Furthermore, to boost the quality of customer service, we have entered into partnerships with several startups that add facilities to bureaucracies and make decision-making processes more efficient. In 2021, we started a strategic alliance with the largest independent open innovation ecosystem in Brazil, Distrito Fintech Digital Hub. Together with the process of co-creation of innovative solutions, we are investing in the growth of these startups with which we are increasingly connected.



BV bank employees

Partnerships ecosystem

We currently have over 30 partnerships, including:



<p>Digital Personal Credit</p>		<p>Cards</p>	
<p>Consumer Credit (Solar, Student, Health)</p>		<p>SME Strategy</p>	
<p>Auto World</p>		<p>Settlement and Custody</p>	
		<p>Full BaaS</p>	

Our key assets

Diversity of ideas and people

/GRI 102-8 | 406-1 | 405-1 | 103-2 | 103-3/

The engagement and level of skills of our employees are essential for the growth of BV. These characteristics strengthen our culture, enhance brand value and create a sense of belonging, generating productivity, innovation and an early-mover approach. We encourage and foster diversity in the work force which feels it is part of our ambience.

Own employees	2.454	1.942	4.396
Full time	1,813	1,301	3,114
Part-time	641	641	1,282
Interns and "Summer Student"	5	125	130
Apprentices	16	31	47
Grand total	2,475	2,098	4,573

/GRI 102-8/

From the recruitment phase to reaching recognition and career progression of people, we seek to ensure that the plurality of Brazil is reflected in our work force, representing gender diversity, race, sexual orientation, persons with disabilities and the generation.

To this end, we have a public commitment to allocate 50% of our management positions to people who identify themselves as being of female gender (today, 34%) and to raise from 17% to 35% the presence of black and brown-skinned employees. In December 2021, we had 4,573 employees, 45.9 % of them women and 54.1 % men . /GRI 102-7/

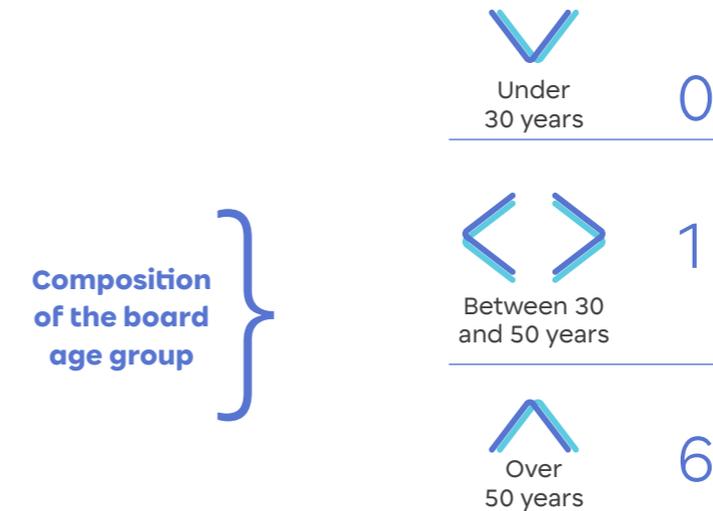
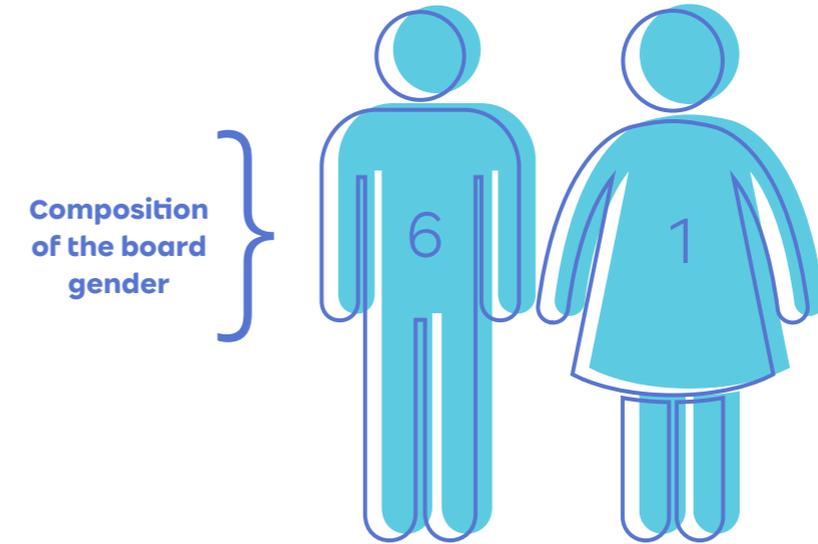


45.9% of our team are women

Percentage of employees by category, according to gender and age group

By functional category	Age Group (%)			Gender (%)	
	< 30 years	30 to 50	> 50 years	Men	Women
CEO / Executive Officer	0.0	68.4	31.6	89.5	10.5
Manager	1.1	91.7	7.2	70.7	29.3
Coordinator / Consultant	16.8	80.6	2.7	65.8	34.2
Technician/Analyst/Supervisor	21.0	74.4	4.6	48.2	51.8
Operational	24.1	72.4	3.4	27.6	72.4
Intern	97.7	2.3	0.0	3.8	96.2
Apprentice	100.0	0.0	0.0	34.0,0	66.0
Total	20.7	75.0	4.3	54.1	45.9

Composition



Translating these figures to the practical world, during the year we created **60 openings in the second edition of the affirmative internship for people that identify with the female gender, the Elas Por Elas program. We received 3,300 registrations chosen at random to ensure equal access from social contexts, including the age or educational institution of the candidates.** In the end, we expanded the openings to 72. Another example was the “*Do seu Jeito*” (Your Way) program launched in the second half of 2021. Open to interns and young apprentices, the focus of the program was diversity. More than 4,600 people registered, of whom 104 were hired, 72% of them black or brown-skinned people.



Complaints can be submitted through our channels: canaldedenuncias@bv.com.br or post box 79545 Postcode 04707-970.

/GRI 406-1/



BV bank employees

Our **Code of Conduct** prohibits any type of **discrimination** and **prejudice** based on race, origin, sexual orientation, age, religion, physical or mental disability. In 2021, we received **no complaints** of discrimination.

We also launched the <Pra.Elas> project focused on skill building for 60 cis or trans women, primarily those in situations of social vulnerability, in the data and technology free of charge and online. The program received more than 5,200 registrations and, after the first phase, there was a screening process to hire those with the best performance to be trained in Excel, BI, statistical probability, Java, Logic, Dev and Web. In all, **38 people were taken on full time, 46% of them black or brown-skinned.**

Still in 2021, we joined the Companies and LGBTI+ Rights Forum and the Business Network for Social Inclusion (REIS) for the valuing and inclusion of persons with disabilities and the LGBTQIA+ community in the market. We recognize that we are part of an unequal society, and, through our initiatives, we want to encourage this change.

New hires

	2020	2021
By age group		
Less than 30 years	189	496
From 30 to 50 years	344	726
Over 50 years	11	13
By gender		
Men	375	683
Women	169	552
Total	544	1,235

/GRI 401-1/

Turnover

	2020	2021
By age group		
Less than 30 years	87	166
From 30 to 50 years	381	583
Over 50 years	31	28
By gender		
Men	277	461
Women	222	316
Total	499	777

/GRI 401-1/

Hours of training

	Total hours	Average hours
	2021	2021
By gender		
Men	37,810.1	15.3
Women	34,996.3	16.7
By functional category		
Executive Officer	352.4	18.5
Superintendent	1,174.5	28.0
Manager	6,694.4	16.1
Coordinator	6,093.0	24.9
Supervisor	158.3	17.6
Specialist	3,625.9	14.0
Analyst	3,867.0	12.8
Assistant / Auxiliary	5,623.7	15.6
Intern / Apprentice	10,243.4	57.9

/GRI 401-1/



With the expansion of **partner platforms**, synchronous online initiatives, as well as **institutional training events**, in 2021 our average training hours (16 hours) **increased** compared to the previous year (13.7 hours).

Occupational health and safety

/GRI 403-1 | 403-3 | 403-4 | 403-6 | 403-9 | 103-2 | 103-3 /

At Banco BV, we are very concerned for the health and safety of people as they go about their duties. The Specialized Occupational Safety Engineering and Health Service (SESMT) monitors staff safety and well-being based on the prevailing Brazilian Regulatory Standards (NRs), so as to identify and minimize potential risks, covering our place of work. Given the nature of the company’s operations, there are no functions involving health hazard risks. No accidents were recorded in 2021.

In accordance with NR-5, all BV units are represented by the Internal Accident Prevention Commission (CIPA). Preventive actions include inspections and every year employees are invited to take part in the Internal Work-related Accident Prevention Week (Sipat) whose central theme in 2021 was “Well-Being in the Era of Complexity”, a virtual event on account of the restrictions imposed by the pandemic.

	2020	2021
Work accident-related deaths	0	0
Work-related accidents with serious consequences (except deaths)	0	0
Mandatory notifiable work-related accidents	1	0
Number of hours worked	6,550,468.19	7,186,982.99

/GRI 403-9/

We promote quality of life through mandatory regular annual checkups, as well as specific voluntary appointment programs according to each person’s need. These include support for patients with chronic illnesses, dietary and psychological counseling, the BV on-board program (support for expectant mothers, whether employees or dependents), as well as the BV Acolhe program that provides free appointments including psychological, social assistance, financial and legal support. Worthy of note in 2021 was the increase in the demand for meditation, as well as the 36 “Happiness Workshops”, weekly chat sessions in which more than 600 employees participated.

All individual health information is confidential, in accordance with the Brazilian General Data Protection Law (LGPD). We also offer health and dental insurance plans to employees and their dependents . /GRI 403-3/

The Covid-19 pandemic

To prevent contamination by Covid-19, during 2021 we maintained social distancing, while office working was non-mandatory. In November, we gave employees the option of coming to the office, provided this was scheduled in advance and all prevailing safety protocols maintained. In 2022, the “BV Anywhere” program was launched with four different modus operandi: in-person, flexible, virtualized and remote in order to suit each team and individual, according to their function and individual requirements. And, besides encouraging vaccination, we maintained a support channel with the Sírío-Libanês Hospital for employees and their dependents wishing to clarify doubts about physical and mental health.

Customers

Customer centricity is one of the strategic pillars of BV as it strives to offer products that are increasingly appropriate for their individual needs. As a digital bank, this is made possible using data analysis and personalized offerings that also create opportunities that set us apart, thanks to a clear, simple and agile sales process that demonstrates responsibility and creativity in supporting our customers during crises like that of the Covid-19 pandemic.

We ended the year with more than 92% of customers using our digital channels. In December alone, 70% of the transactions took place through self-service and, of these, nine out of 10 took place through digital channels. In 2021, in addition to the expansion of services for digital bank customers, vehicle financing and loan customers now have all the most important BV services available in the app. We also launched, in May 2021, a chatbot channel that, in December, surpassed the mark of 1 million interactions per month.

On the voice track, we restructured the IVR channel for financing, loans and cards, contributing to an increase of 10 points in transactional NPS, in addition to expanding the features that resulted in a 30% increase in self-service consumption in this journey. Digital channels are concerned of serving the customer throughout the entire journey, up to collection, where more than 44% of successful negotiations took place through self-service on the BV app and website.

This search for continuous improvement is also reflected in the multichannel approach to customer service, whereby we attend to people according to their preference, including telephone, WhatsApp and the application. Telephone service has been unified in a single number and we have made efforts to improve our self-service facilities robots without excluding accessibility to proper, humanized customer service.

One example was the pilot test of a specific unit for attending to customers over the age



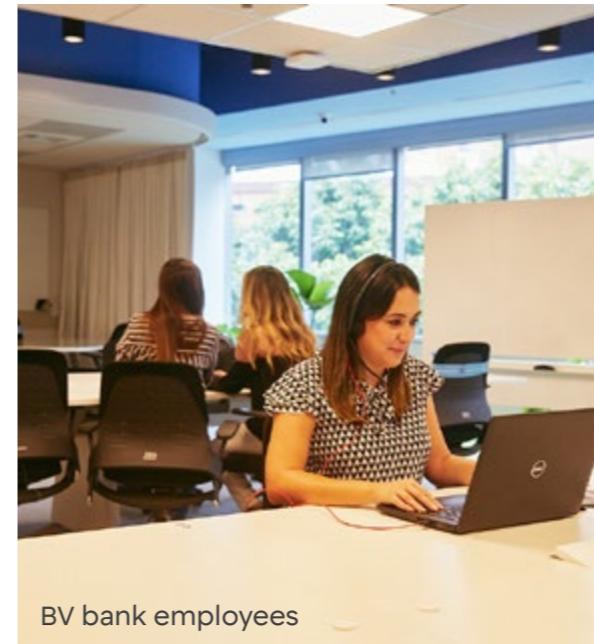
NPS for Customer Service

77



NPS for Collections

72



BV bank employees

of 65. Here, the attendants are over 50 years old and, in addition to operational training, they take specific modules on humanization, empathy, diversity, inclusion and behavioral issues. Calls are automatically redirected once the system has recognized the profile of whoever is accessing the service.

We believe that proof of satisfaction and trust can also be seen in the communications and positioning of Banco BV through the acknowledgements we received during the year. The high points were Top 5 in the *Reclame Aqui* Awards – banks category and the fewest complaints among the major banks in the Bacen² customer ranking, and recognition as the best bank for personal loans in the 18th edition of the Companies that Most Respect Consumers award of *Consumidor Moderno* magazine. Excellent for the sector, our Net Promoter Score (NPS) for Customer Service is 77, while the NPS for Collections is 72; the latter evaluates our amicable collection practices.

² Survey referring to the fourth quarter of 2021

Suppliers

/ GRI 308-2 | 408-1 | 409-1 | 103-2 | 103-3 /

In an effort to encourage sustainable development beyond the borders of the organization, responsible supply chain management is strategic to BV. So, our partners can be evaluated based on socioenvironmental risks according to their core business. In addition to the prevailing legislation, ethical relations with suppliers abide by our Code of Conduct that provides guidance on the inclusion of socioenvironmental criteria in the products and services to be procured.

In 2021, we mapped 276 transactions with 28 suppliers in relation to forced or compulsory labor and we did not identify operations or suppliers with significant risk of cases of child labor.

Ratio of spending with local suppliers

There are no rules for geographical definition or distinction between suppliers in this respect; we only consider suppliers as being domestic and foreign. Given the characteristics and peculiarities of the services e products that BV procures, the huge majority of the suppliers are domestic. So, the percentages referring to local suppliers refer to Brazilian ones.

98.0%

Proportion of expenditures with local suppliers

/GRI 204-1/



BV headquarters in São Paulo

Social responsibility

/GRI 203-1 | 203-2 | 413-1 | 413-2 | 103-2 | 103-3/

Part of BV's commitment to society, social responsibility work is part of our ESG agenda. With the emphasis on social inclusion, it is our understanding that the positive change in behavior leads to more sustainable development and that sport can be means to this transformation. So, since 2018 we have had a sports platform consisting of 10 projects by famous athletes and former athletes, free of charge, for around 1,500 during after-school hours.

Positive behavior change generates more sustainable development

The most recent projects on the platform, which were included at the end 2021, were by the athletes Ítalo Ferreira, Olympic and world surfing champion; Etiene Medeiros, world and Pan-American swimming champion; Diego Hypólito, world champion gymnast and Olympic medalist; and Adria Santos, paralympic sprinter with 13 medals. And to strengthen our support for sport, we have become the largest sponsor of Skate Total Urbe (STU), the largest skateboarding event in Latin America. In addition, we support the Pact for Sport, an alliance in which major companies in Brazil come together to assist with professional management and to increase private investment in Brazilian sport.



Diego Hipólito, Olympic medalist in gymnastics

Under the tax incentive laws, in 2021 we channeled R\$ 10.5 million to 34 projects to be undertaken during 2022 involving culture, sport, children's and adolescents' rights and senior citizens. The projects supported include the São Paulo State Symphony Orchestra (OSESP); *Instituto Baccarelli*; MASP; CCBB; Mozarteum; *Grupo Galpão*, and *Hospital do Amor*, among others.

Still on the issue of culture, it is worth pointing out our First Cultural Call Notice which selected productions created by black women with the objective of inclusion, social participation and independence. **The call notice received 62 responses of which 11 projects were selected. The jury panel included actress Taís Araújo, ambassador of the BV "Let's Talk Money" campaign, in addition to five other women from the cultural milieu.** The projects had to meet at least one criterion: education and leading role of black women, creation and hosting by black women, and memory and consolidation. The resources benefit from the Federal Cultural Incentives Law and amounted to R\$ 2.8 million.

And with the focus on innovation, in December 2021, along with other companies of the Votorantim Group and with the support of the Votorantim Institute, we joined the iV Ventures fund whose objective is to invest in startups with innovative long-term solutions for structural problems in water and sanitation, the low-carbon economy and social interest housing, thereby improving people’s quality of life.

And to encourage economizing on resources and financial sustainability, we donate more than 140 solar panel modules to the *Gerando Falcões*, *Instituto Reação*, *Instituto Esporte & Educação* and *Instituto Baccarelli* projects. The expectation is that this new source of energy will save the institutions up to 95% on their light bills, which may also demystify solar energy for the wider public and demonstrate its benefit.

Lastly, the Marte shanty town will be the first in Latin America to use solar panels to provide energy, the fruit of the partnership between BV and the fintech *Meu Financiamento Solar* with the Favela 3D project of the NGO, *Gerando Falcões*. Around 240 families of a community in São José do Rio Preto, located in upstate São Paulo where connections irregular, stand to benefit. The project, which will receive over 1,000 panels, will serve as a model for both social inclusion and the installation and cost of solar panels, and is expected to be delivered in the second half of 2023.



We donated more than **140 solar panel modules** to the Gerando Falcões projects



Donations

Our competence in rapidly channeling funds in a safe and transparent way has also enabled us to support the communities during the COVID-19 pandemic. In 2021, through our customers, partners and society, we raised R\$ 1.3 million which was transferred as meal tickets and food baskets to socially vulnerable families. Online fundraising used the BV platform “*Abrace Uma Causa*” (Embrace A Cause). For every R\$ 1 donated, the bank donated the same amount up to a total amount of R\$ 1 million. This campaign supplements the more than R\$ 30 million donated by BV in 2020 to support more vulnerable families during the pandemic.

Democratizing financial knowledge

We believe that quality financial education can make people's lives lighter. That is why it is part of our intention to multiply and humanize this knowledge put into practice using online and public guidance on our site and YouTube channel.



We want to improve **people's relationship with money**



In 2021, starting with the "Let's Talk Money" campaign headed up by actress and brand ambassador Tais Araújo, we launched a further 10 videos which, in an entertaining manner and using simple vocabulary, discuss people-money relations involving Banco BV services and products. Famous guests are also featured in a chat format where inspiring stories are told and common issues debated, like how the financial life of couples functions, lack of money, payment for treating illnesses, and personal budgets, among others.

And under the Votorantim Partnership for Education(PVE) coordinated by Instituto Votorantim, we are taking the theme of financial education to public school headmasters and teachers in 191 municipalities across Brazil, including group and individual mentoring. In addition, **at the end of 2021 we took part in the National Financial Education Week created by the National Committee for Financial education headed up by the Ministry of Education, an event at which educational content was shared with employees and 11 civil society organizations, including social projects supported by BV.**

Light for the **future**

We believe that as a sound, innovative financial institution we have the power to transform society and expand our positive impacts. In our approach of encouraging sustainable businesses, we play an active part in promoting the creation of value shared with society. This includes **the influence of environmental aspects in the company's decision making and strategies.**

We have several credit initiatives that encourage the diversification of Brazil's energy matrix based on renewable sources, clean mobility and basic sanitation. The ESG is a proprietary methodology that analyzes social, environmental and climate criteria, corporate governance and sustainability based on

publicly available information and a customer self-declaratory questionnaire, resulting in a rating that demonstrates the risks inherent to the customer's sector, as well as those associated with its activities, in addition to factoring in the positive impact related to opportunities on the theme of sustainability.

This rating is taken into consideration in the process of taking decisions to extend credit, which in 2021 extended R\$ 6.2 billion in credit and distribution to ensure that the businesses are aligned with the ESG commitments embraced by Banco BV. **Also in 2021, the following financing transactions based on environmental and social criteria are worthy of a mention:**

- **Green Bonds (LFVs):** R\$ 750 million for financing solar energy panels.
- **Domestic solar panels:** a product that grew by 182% in 2021, representing a portfolio of R\$ 2.5 billion. We operate with over 10,000 integrators throughout Brazil and through the Solar Portal, the largest digital distributor in Latin America.



We play an active part in promoting the creation of value shared with **society**

Greenhouse gas emissions

/GRI 305-1 | 305-2 | 305-3 | 305-5 | 103-2 | 103-3/

Climate change represents an extremely material issue for BV. So, since 2021 we have carried out our greenhouse gas emissions inventory based on the Brazilian GHG Protocol Program using international instruments and standards of quality to account for the emissions while disclosing the inventories, and the rating of our gold inventory is verified by third parties.

Scope and Category	Emissions (tCO ₂ e)
Scope 1	2,749.54
Mobile combustion	2,643.67
Leakages	105.87
Scope 2	437.73
Electricity purchased	437.73
Scope 3	1,680.93
Goods and services purchased	5.50
Movement of employees (homework)	1,316.09
Waste generated in the operations	278.36
Transport and distribution (upstream)	0.27
Business trips	80.72
Total	4,868.20



Environmental aspects have a strong influence on company decision making and **strategies**



Moreover, since 2021 we have offset 100% of the emissions from new vehicle financings by purchasing carbon credits in biogas, REDD³ and wind power projects, an investment that is all our own without passing the costs on to the customers. Former customers with active financing can also adhere to the program.

This ground-breaking commitment among Brazilian banks has resulted in the neutralization of 661,000 tons of CO₂ produced by the 756,000 vehicles (data from January 21 to December 22, 2021) that were in the program during the year. The values were calculated using a methodology drawn up by outside consultants and is based

on data from the BV financing portfolio and public data in order to arrive at the average CO₂ emissions of each vehicle type (light, motorcycles and heavy). It should be pointed out that this commitment was a ground-breaking commitment and remains unique among Brazilian banks.

The commitment to offset our environmental impact is formalized in our Pact for a lighter future and boosted by our managers having signed a letter that was submitted at COP26, stressing the need and the urgency of the transition to the low-carbon economy and the responsibility and interest of businesses operating in Brazil in contributing to this.

³ REDD (Reduction of Emissions by Deforestation and Forest Degradation) - <http://redd.mma.gov.br/pt/pub-apresentacoes/item/82-o-que-e-redd>



Urban orchard

We sponsor the Urban Orchard project whose objective is the environmental recovery of the Rio Pinheiros expressway in the capital of São Paulo by planting around 300 saplings along a three-kilometer stretch of the road and which should sequester more than 30 tons of CO₂ over the next 20 years. The initiative has been undertaken since 2018 by Reserves Votorantim, a Votorantim Group company, with an investment of R\$1 million over five years.

Outlook

The main challenges of 2022

The challenges of 2022 are known. Changes in global liquidity, geopolitical tensions and debates on the domestic economic agenda are expected to bring about financial instability in a local context of low growth and high public debt.

With global inflation rates reaching their most worrying levels in decades and the

persistence of shocks and imbalances, the central bank's strategy is to withdraw monetary stimulus, with increased interest rates and reduced liquidity. The result is likely to be a slowdown in global growth, increased risks and reduced capital flows to emerging markets.



BV has been **resilient** in periods of instability

In this environment of external uncertainties, there is also a lot of local noise. Inflation has reduced the population's consumption capacity and led to a rise in interest rates by the Central Bank. At the same time, the political cycle and debates on the economic agenda should bring caution and affect consumer, business and consumer confidence.

In fact, growth, inflation and public debt are issues of concern and increase the vulnerability of the Brazilian economy to shocks. Recent performance suggests that the country's ability to grow in the long term may be around the average of 2.0% observed in the last four decades. At the same time, successive inflationary shocks make it difficult to control prices and put pressure on interest rates. With low growth and high interest rates, the challenge of stabilizing public debt will be significant.

This combination of a worsening global environment with local doubts deteriorates financial conditions and slows down the credit market for households and companies, increasing the challenges for the banking system.





We **stand** out in the **financing of solar panels**, a market in strong expansion

In the case of families, the worsening of inflation and the increase in interest rates occurs in a context of greater indebtedness and income commitment to debt payment. The result should be an increase in financing lines, an increase in delinquency rates and a lower supply of credit.

For corporate credit, the scenario of lower growth, high costs and financial instability is also a challenge. Cash and earnings management must face increasing risks and points to greater credit selectivity, both in the capital markets and in banking lines.

Despite this complex environment in the global and domestic economy, Banco BV has instruments to face the expected slowdown in the credit market.

On the one hand, both the share of financed vehicle sales is expected to decline and the strong pace of expansion of solar panel operations may be moderated. On the other hand,



the resilience of the business is given by the fact that the used vehicle market has historically been less sensitive to fluctuations in the economy and climate issues continue to be the order of the day, stimulating the search for alternative energy. At the same time, the Bank has been able to offer more efficient services using data science to deliver the best product or service to the client's needs.

This means that solidity in mature markets and connection with high-growth segments will be fundamental aspects for crossing another year of challenges for the Brazilian economy.

Roberto Padovani
Chief Economist, Banco BV



Introduction

Letter from the CEO

About the report

The best of both worlds

Aspiring to sustainability

Our governance

Business overview

GRI content summary



08
GRI

Content Summary

/GRI 102-55/



GRI CONTENT SUMMARY /102-55/

GRI STANDARD	DISCLOSURE	COMMENT	PAGE
GRI 101: FOUNDATION 2016			
GENERAL DISCLOSURES			
Organizational profile			
	102-1: Name of the organization		9
	102-2: Activities, brands, products, and services		12
	102-3: Location of headquarters		12
	102-4: Location of operations		12
	102-5: Ownership and legal form		12
	102-6: Markets served		12
GRI 102: General Disclosures 2016	102-7: Scale of the organization		12 and 38
	102-8: Information on employees and other workers		38
	102-9: Supply chain		12
	102-10: Significant changes to the organization and its supply chain		12
	102-11: Precautionary Principle or approach		33
	102-12: External initiatives		16
	102-13: Membership of associations		16
Strategy			
GRI 102: General Disclosures 2016	102-14: Statement from senior decision-maker		3
	102-15: Main impacts, risks and opportunities		26



GRI STANDARD	DISCLOSURE	COMMENT	PAGE
GRI 101: FOUNDATION 2016			
Ethics and integrity			
GRI 102: General Disclosures 2016	102-16: Values, principles, standards, and norms of behavior		18 and 23
	102-17: Mechanisms for ethics guidance and concerns		18 and 25
Governance			
GRI 102: General Disclosures 2016	102-18: Governance structure		21
	102-19: Delegation of authority		21
	102-20: Responsibility for Executive-Level Positions and Functions by economic, environmental and social topics		21
	102-21: Consultation with stakeholders on economic, environmental and social topics		21
	102-24: Selection and appointment to the highest governance body		21
	102-25: Conflicts of interest		21
	102-32: Role played by the highest governing body		9
Stakeholder engagement			
GRI 102: General Disclosures 2016	102-40: List of stakeholder groups		11
	102-42: The basis for identifying and selecting stakeholders with whom to engage		11
	102-43: Approach to stakeholder engagement		11
	102-44: Key topics and concerns raised		11



GRI STANDARD	DISCLOSURE	COMMENT	PAGE
Reporting practices			
GRI 102: General Disclosures 2016	102-45: Entities included in the consolidated financial statements		14
	102-46: Defining report content and topic Boundaries		11
	102-47: List of material topics		11
	102-48: Restatements of information	None	
	102-49: Changes in reporting		11
	102-50: Reporting period		9
	102-51: Date of most recent report		9
	102-52: Reporting cycle		9
	102-53: Contact point for questions regarding the report		63
	102-54: Claims of reporting in accordance with the GRI Standards		9
	102-55: GRI content index		53
	102-56: External assurance		9
MATERIAL TOPICS			
ECONOMIC PERFORMANCE			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		11
	103-2: The management approach and its components		31
	103-3: Evaluation of the management approach		31
GRI 201: Economic Performance 2016	201-1: Direct economic value generated and distributed		31 and 33
	201-2: Financial implications and other risks and opportunities		33



GRI STANDARD	DISCLOSURE	COMMENT	PAGE
MATERIAL TOPICS			
Indirect Economic Impacts			
	103-1: Explanation of the material topic and its Boundary		11
GRI 103: Management Approach 2016	103-2: The management approach and its components		45
	103-3: Evaluation of the management approach		45
GRI 203: Indirect economic impacts 2016	203-1: Investments in infrastructure and support for services		45
	203-2: Significant indirect economic impacts		45
Purchasing Practices			
	103-1: Explanation of the material topic and its Boundary		11
GRI 103: Management Approach 2016	103-2: The management approach and its components		44
	103-3: Evaluation of the management approach		44
GRI 204: Purchasing Practices 2016	204-1: Proportion of spending on local suppliers		44
Anti-Corruption			
	103-1: Explanation of the material topic and its Boundary		11
GRI 103: Management Approach 2016	103-2: The management approach and its components		23 and 25
	103-3: Evaluation of the management approach		23 and 25
GRI 205: Anti-corruption 2016	205-1: Operations subject to risk assessments related to corruption		23
	205-2: Communication and training in anti-corruption policies and procedures		23
	205-3: Confirmed cases of corruption and actions taken	Zero	25



GRI STANDARD	DISCLOSURE	COMMENT	PAGE
MATERIAL TOPICS			
Unfair Competition			
	103-1: Explanation of the material topic and its Boundary		11
GRI 103: Management Approach 2016	103-2: The management approach and its components		25
	103-3: Evaluation of the management approach		25
GRI 206: Unfair competition 2016	206-1: Lawsuits for unfair competition, trust and monopoly practices	Zero	25
ENVIRONMENT			
Energy			
	103-1: Explanation of the material topic and its Boundary		11
GRI 103: Management Approach 2016	103-2: The management approach and its components		
	103-3: Evaluation of the management approach		
GRI 302: Energy 2016	302-1: Energy consumption within the organization	3,070,491 kWh	
	302-3: Energy intensity	We do not calculate the energy intensity	
	302-4: Reducing energy consumption		
Emissions			
	103-1: Explanation of the material topic and its Boundary		11
GRI 103: Management Approach 2016	103-2: The management approach and its components		49
	103-3: Evaluation of the management approach		49



GRI STANDARD	DISCLOSURE	COMMENT	PAGE
ENVIRONMENT			
Emissions			
GRI 305: Emissions 2016	305-1: Direct (Scope 1) GHG emissions		49
	305-2: Energy indirect (Scope 2) GHG emissions		49
	305-3: Indirect greenhouse gas emissions (Scope 3)		49
	305-5: Reduction of GHG emissions		49
Environmental Assessment of Suppliers			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		11
	103-2: Forma de gestão e seus componentes		--
	103-3: Avaliação da forma de gestão		--
GRI 308: Environmental Assessment of Suppliers 2016	308-1: Percentage of new suppliers selected based on environmental criteria	In 2021, we renewed the approval of 26 companies that underwent the socio-environmental risk assessment.	
	308-2: Environmental Assessment of Suppliers		44
SOCIAL			
Employment			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		11
	103-2: The management approach and its components		41
	103-3: Evaluation of the management approach		41
GRI 401: Employment 2016	401-1: New employee hires and employee turnover		41



GRI STANDARD	DISCLOSURE	COMMENT	PAGE
SOCIAL			
Occupational Health and Safety			
	103-1: Explanation of the material topic and its Boundary		11
GRI 103: Management Approach 2016	103-2: The management approach and its components		49
	103-3: Evaluation of the management approach		49
	403-1: Occupational health and safety management system		42
GRI 403: Occupational Health and Safety 2018	403-3: Occupational health services		42
	403-6: Promotion of worker's health		42
	403-9: Work accidents		42
Training and Education			
	103-1: Explanation of the material topic and its Boundary		11
GRI 103: Management Approach 2016	103-2: The management approach and its components		41
	103-3: Evaluation of the management approach		41
	GRI 404: Training and Education 2016	404-1: Average hours of training per year per employee	
Diversity and Equal Opportunities			
	103-1: Explanation of the material topic and its Boundary		11
GRI 103: Management Approach 2016	103-2: The management approach and its components		38 and 39
	103-3: Evaluation of the management approach		38 and 39
	GRI 405: Diversity and Equal Opportunities 2016	405-1: Diversity in governance bodies and employees	



GRI STANDARD	DISCLOSURE	COMMENT	PAGE
SOCIAL			
Non-Discrimination			
	103-1: Explanation of the material topic and its Boundary		11
GRI 103: Management Approach 2016	103-2: The management approach and its components		38 and 40
	103-3: Evaluation of the management approach		38 and 40
GRI 406: Non-discrimination 2016	406-1: Discrimination cases and corrective measures taken		38 and 40
Child Labor			
	103-1: Explanation of the material topic and its Boundary		11
GRI 103: Management Approach 2016	103-2: The management approach and its components		44
	103-3: Evaluation of the management approach		44
GRI 408: Child labor 2016	408-1: Operations and suppliers with significant risk of child labor cases		44
Forced or Slave-like Labor			
	103-1: Explanation of the material topic and its Boundary		11
GRI 103: Management Approach 2016	103-2: The management approach and its components		44
	103-3: Evaluation of the management approach		44
GRI 409: Forced or Slave-like Labor 2016	409-1: Operations and suppliers with significant risk of cases of forced or slave-like labor		44
Human Rights Assessment			
	103-1: Explanation of the material topic and its Boundary		11
GRI 103: Management Approach 2016	103-2: The management approach and its components		--
	103-3: Evaluation of the management approach		--



GRI STANDARD	DISCLOSURE	COMMENT	PAGE
SOCIAL			
Human Rights Assessment			
GRI 412: Human Rights Assessment 2016	412-1: Operations subject to entitlement assessments human rights or impact on human rights	Total number of operations	1560
		Number of operations subject to human rights reviews or human rights-related impact assessments	424
		% of operations subject to human rights reviews or human rights-related impact assessments	27%
Evaluation of Suppliers in Labor Practices			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		11
	103-2: The management approach and its components		--
	103-3: Evaluation of the management approach		--
GRI 414: Evaluation of Suppliers in Labor Practices 2016	414-1: New suppliers that were selected based on social criteria	In 2021, we approved/renewed the approval of 26 companies that underwent the socio-environmental risk assessment	
Political Contributions			
GRI 103: Management Approach 2016	103-1: Explanation of the material topic and its Boundary		11
	103-2: The management approach and its components		--
	103-3: Evaluation of the management approach		--
GRI 415: Political Contributions 2016	415-1: Political Contributions	None	
Financial Sector			
FS7: Monetary value of products and services designed to provide a specific social benefit broken down by their purpose			31
FS8: Monetary value of products and services designed to provide a specific environmental benefit broken down by purpose			31

PRODUCTION

Coordination

Marketing, Sustainability and UX Department
Chief Financial and Investor Relations Officer

Technical Execution

Keyassociados

Graphic project and layout

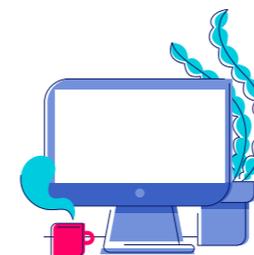
[MagentaLab](#) and Yara Fernandes

Translation

LAG Traduções

Images

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Doubts, suggestions or other requests about the Report can be forwarded to sustentabilidade@bv.com.br.

[/GRI 102-53/](#)

