



## Progress Report 2018 Brasilcap Capitalização S/A

Report on progress in advancing Environmental, Social and Governance (ESG) issues during the period from January to December 2018.

This report reviews our performance against the Principles for Sustainable Insurance (PSI) based on disclosures taken from our annual report 2018 ([click here](#) to read the full report), which presents information prepared in accordance with the Global Reporting Initiative (GRI) framework (PSI 4). The relevant Principles for Sustainable Insurance (PSI) are shown in brackets in each heading throughout the body of the report.



### Foreword (PSI 4)

Brasilcap, a BB Seguros premium bond Company, helps to improve people's lives through solutions designed for each customer profile, helping both businesses and individuals to successfully plan their future. This Report reviews our performance on environmental, social and governance issues and highlights our most significant corporate social responsibility initiatives in the year, as well as describing our financial results, strategy, management approach, corporate governance framework and approach to engagement with internal and external stakeholders, in a year of significant change in the premium bond market.

### About Brasilcap (PSI 4)

Founded in 1995, Brasilcap is an industry leader that has been behind many of the innovations introduced in our market, such as the first 100% redeemable premium bonds. With the changes announced in the regulatory framework for the premium bond market, the Company is preparing to launch further innovations in 2019 to ensure we remain at the forefront of our industry. Brasilcap's leadership was recognized in 2018 by our listing in the *Finanças Mais* annual list (published by the newspaper *O Estado de S.Paulo*) as the number 1 premium bond company for "Total Assets", "Technical Provisions" and "Return on Equity". We were also presented with a Corporate Citizenship Certificate by the Rio de Janeiro State Regional Accounting Board (CRC- CRCRJ) for the eighth year in a row. In addition, Brasilcap won the 5<sup>th</sup> National Conference on Business-Customer Relations (CONAREC) award for contact-center excellence in the "Pensions and Premium Bonds" category.

### Strategic principles (PSI 1)

Learn more about the strategic principles (our Mission, Vision and Values) underpinning our business sustainability, our supply chain, our material topics, and our approach to monitoring and mitigating risks.

### Mission

Provide premium bond solutions helping people and businesses to achieve their goals

### Vision

To help improve people's lives through premium bonds, to be a leader in our segment and to contribute to the sustainable development of our society

### Values

- Adaptability
- Commitment
- Excellence
- Innovation

### Material Topics (PSI 1)

Brasilcap's management approach addresses a set of material topics that are relevant to our strategy and our business sustainability. Our material topics were defined in 2015 in a process in which stakeholders suggested aspects based on our strategic plan.

The table below presents a list of our 13 material topics and the stakeholders most directly affected.

Material topics		Stakeholders
1.	Economic performance	Market, employees, shareholders, suppliers, partners
2.	Market presence and regulatory risks	Market, government shareholders, regulators
3.	Enhanced corporate governance	Shareholders, employees, communities, regulators
4.	Cross-functional integration	Employees
5.	Increased workplace engagement and productivity	Employees, customers
6.	Financial and insurance education	Employees, customers
7.	Indirect economic impacts	Society
8.	Government relations	Government, regulators, communities
9.	Workplace conditions, including health and safety	Employees, suppliers
10.	Anti-corruption	Employees, suppliers, shareholders, regulators, communities
11.	Transparency and accountability	Regulators, government, communities
12.	Labor practices	Employees, suppliers
13.	Protecting human rights	Employees, society

## Risk management (PSI 1)

Our approach to risk management at Brasilcap includes segregation of duties (business x risk), policies and standards on risk management and a governance structure that includes a Risk Department and a Risk Committee advising the Board of Directors. Brasilcap's Risk Committee is composed of the Chief Financial Officer, risk and compliance managers, and external members representing shareholders.

Under the guidelines established by the Brazilian private insurance regulator, SUSEP, risks relating to premium bonds fall under four major groups: underwriting, credit, operational and market risks.

After reviewing and expanding our risk management framework and mechanisms in 2017, with duties segregated between the Risk Management team and individual business functions, in 2018 Brasilcap focused efforts on improving controls. A consulting firm specializing in risk management and governance was engaged to assist in revisiting our internal controls and compliance processes. This included a review of our Risk Appetite Statement (which formalizes limits on exposure to monitored risks) and a revision of our Risk Management Policy and Risk Profile, covering business continuity, corruption, strategic, reputational, market, credit, liquidity, underwriting and fraud risks. The review incorporated topics related to environmental and social responsibility (ESR) and money-laundering.

A dedicated matrix addressing risks related to developments in the regulatory framework is also being developed and will be submitted to the Board of Directors for review and approval in 2019.

## Anti-corruption (PSI 1)

Brasilcap's anti-corruption policy documents include our Code of Ethics & Conduct and our standards on Anti-bribery, Internal Controls & Compliance, Offering & Receiving Gifts, Fraud Prevention, and Money Laundering Prevention. Corruption risk in our operational processes is periodically assessed through interviews with the relevant managers (control self-assessment). In addition, Brasilcap's organizational structure includes an Internal Audit function tasked with improving internal controls, and independent audits are commissioned on an annual basis.

Brasilcap also has a mandatory anti-bribery training program for internal stakeholders, including employees, board members and executives. The training, which is provided when individuals move into new roles, contains guidance on corruption, how it can be mitigated, as well as other training content. In 2018, 76.28% of Brasilcap employees receive training on anti-bribery policies and procedures (50% of the Executive Board, 61.76% of middle management employees, 79.53% of administrative-level employees, and 83.33% of operational-level employees). [GRI 205-2](#)

Implementation of the Integrity & Compliance Program developed in 2017 was among the commitments we undertook in 2018. The Program guidelines and the content of our Integrity Policy will be submitted to the Executive Board and Board of Directors for approval in 2019. Brasilcap's Integrity Policy will include content deriving from our standards on Anti-Bribery, Offering and Receiving Gifts, Fraud Prevention, and Money Laundering Prevention.

In 2018, we completed a project to improve internal controls that has created opportunities for improvement in our compliance mechanisms. Another important development was the internalization of audit activities, further strengthening the three lines of defense.

New regulatory requirements announced by SUSEP (*read more in Performance in 2018*) required us to review our premium bond product documentation—including rules, registration forms and other information—to ensure it is compliant. We also progressed further on integrating risk management and internal controls processes, in an effort that is due to be completed in 2019.

In 2018 no instances of bribery practices were identified. Implementation of the Brasilcap Integrity Program will include a number of anti-bribery measures, including measures designed

to prevent, detect and remediate domestic or foreign corrupt practices, in accordance with Act 12846/2013. GRI 205-3

### Assessment of corruption risks (PSI 1)

Brasilcap conducts risk assessments annually at the strategic level and on a two-yearly basis at the operational level. Both risk-assessment processes cover corruption and bribery risks. The 2018 cycle identified six corruption and bribery risks, one of which was considered material. The Advisory Risk Committee monitors the status of this risk as part of the governance processes in place. Other risks are monitored by the Executive Board and by the relevant executive managers.

Operations assessed for risks related to corruption		
Operations	2017	2018
Total number of operations within the organization	252	252
Total number of operations within the organization that are assessed for risks related to corruption	95	30
Percentage of operations within the organization that are assessed for risks related to corruption	37.70%	11.90%

In 2019 the risk assessment process will cover all operations not included in the scope in 2018.

### Ethics Hotline (PSI 1)

Brasilcap's Ethics Hotline receives reports about conduct in violation of our ethical principles and/or applicable law. Any person can submit a report either on the Hotline website (<https://canaldeetica.com.br/brasilcap/#home>) or via a toll-free number (0800-377-8003). All reports are kept confidential and are processed by an independent firm. Internal committees investigate cases considered material in a process that is documented at each stage. Violations of the Brasilcap Code of Ethics and Conduct are also reported via the Ethics Hotline.

The topics covered in the Code range from employees' commitment to Brasilcap's Values and supporting a fair and ethical work environment, through our relations with external stakeholders, to issues such as money laundering, conflict of interest and fraud. The Code also supplements our Customer Relations Policy in addressing customer privacy. The data privacy commitments we have undertaken include: maintaining controls for data provided by our customers, prohibiting the sale or disclosure of any customer data, and obtaining prior authorization for the use of customer testimonials or any other customer information. All commercial partners, suppliers and employees are required to maintain strictly confidential all information, data and documents received from customers. In 2018 Brasilcap received no complaints relating to data privacy. GRI 103 | 418, 418-1

Our suppliers are also required to sign an affirmation form in which they undertake to comply with the requirements in the Code. All reports received in 2018 were handled appropriately.

## Changes in the Regulatory Framework (PSI 3)

SUSEP Circulars 569, 576 and 582, published in May and December 2018, created a new regulatory framework for the premium bond sector, establishing requirements that premium bond companies are required to implement no later than the end of April 2019. One of the most significant developments is the addition of two new premium bond categories—Guarantees and Charity—to the four existing categories (Traditional, Scheduled Purchase, Popular and Incentive).

While these products were already marketed within the Traditional, Popular and Incentive categories, they are now subject to special rules under the new Framework. Products in the Charity category allow customers to assign their redemption rights under the bond to a previously selected charitable organization, while retaining the right to participate in draws over the term of the contract; products in the Guarantee category are used as guarantees in replacement of bank guarantees, sureties or surety bonds, such as under a lease agreement.

Another change in the framework relates to the need for a new process for communicating transfers of redemption proceeds to registered charities, making the process more transparent for society and not only to the regulator. As from 2019, monthly reports on transfers to charities will be published on the Company website.

Brasilcap participated in a public consultation in 2017 to provide inputs into the new Framework, and in 2018 prepared intensively for implementation of the regulatory changes. Efforts to adapt our portfolio spanned virtually all functions within the Company, and included a review of our contracts and yield calculations, and adjustments to communications materials on our service offering. Other changes in the framework include requirements on risk management and internal controls and compliance mechanisms (read more in About Brasilcap). All products being developed for launch in 2019 will be compliant with the new framework.

### Representation at FenaCap GRI 102-12, 102-13

Brasilcap's efforts to implement the Regulatory Framework were honored at an event organized by the Brazilian Premium Bonds Federation (FENACAP), titled "Trilhas FenaCap 2019 – Retrospectiva 2018 e Oportunidades". The event recognized the policy efforts of FENACAP Technical Committees throughout 2018.

## Communications and customer Relationship initiatives (PSI 4)

In a year marked by significant change in the regulatory environment, Brasilcap's customer communications were focused on further strengthening the BB Seguros brand, which covers premium bond, private pension, dental insurance and other insurance products available from Banco do Brasil. A particularly significant communications initiative in the year was a campaign in print and electronic media titled "For all your futures", featuring solutions available from affiliates that can help people plan their future with optimism and confidence.

### Digital channels

One of Brasilcap's communications priorities is engaging with customers via digital channels. Our editorial guidelines prescribe the use of plain, objective language to provide financial education showing how planning ahead can help customers organize their life and their finances, and ultimately achieve their goals and aspirations.

During the World Cup, a campaign titled “#AcreditaQueVai” was launched on our website and on social media. The campaign was designed to capture the enthusiasm and excitement among Brazilian fans during the competition. Centered around digital media and endomarketing initiatives, the campaign showed how purchasing premium bonds can be a bridge to achieving goals and a tool that can improve people’s lives. The main characters in the commercials were a group of supporters from Santa Maria de Jetibá (ES) who fulfilled their dream of going to Russia to watch the World Cup. Three years of savings in Ourocap premium bonds provided enough funds to cover costs on accommodation, flight tickets and tickets for the first round of matches.

The idea behind the campaign was to use the opportunity afforded by the World Cup to tell the true story of a group of Brazilian fans. This helped to disseminate financial planning as a basic requirement to achieve goals, to as large an audience as possible. We presented Ourocap primarily as a financial education product and as a starting point for customers to learn and start to plan their personal finances.

### Highlights

Using a customer-oriented strategy that aimed to humanize the brand and use more emotionally-charged language, Brasilcap’s engagement and conversion efforts in digital media comprised the following formats in 2018:

- **Videos:** Brasilcap has sought to reach users/consumers through an approach that resonates with digital trends, using videos as a format with a potentially extensive reach. Throughout the year, a number of videos were published on YouTube, social media and other digital channels to demonstrate the features, the value and how easy it is to purchase products using the Banco do Brasil mobile app. Some of the highest-impact videos in the year included: a live-streamed video of a customer being informed that she had won a prize of R\$ 2 million; a fun tutorial explaining how to purchase Ourocap products using the Banco do Brasil app; and a video telling the true story of a customer who, after using Ourocap bonds to pay for their son’s education, also won a large prize to boot.
- **Micro influencer:** Brasilcap’s #AcreditaQueVai campaign starred Fabrício Silva, a business account manager at a Banco do Brasil branch in Santa Maria de Jetibá (RS) who organized a trip with a group of friends to watch the World Cup in Russia using their Ourocap savings. On YouTube, the video garnered almost 100,000 views.
- **“Zero Perrengue” Blog:** in 2018 the blog reported on the Brazilian friends’ adventures in Russia, and performed particularly well in terms of views and conversions. During the campaign, the number of visits increased by 1,027% and the number of new users rose by 1,209%. In total, the blog recorded a 79% increase in visits compared with the previous year.
- **Brasilcap Website:** although our strategy in the year was focused on user acquisition for the Banco do Brasil mobile app, the Brasilcap website received a substantial 1.33 million visits in 2018. During the #AcreditaQueVai campaign, visits to the “Ourocap Family” page increased by 270%, with a conversion rate of 3.6%—compared with a Brazilian market average of 1.4%.
- **Social media:** Brasilcap ended 2018 with 219,000 social media followers, a 77% increase in user engagement with published content, and more than 370,000 post likes.

### Online survey

In 2018, an online survey of customers who purchased Ourocap premium bonds through our mobile app and internet banking channels elicited their perceptions of the channels in the context of current digital trends and the specific aspects of the purchasing journey.

Below are some of the key responses from the survey: [GRI 102-43](#), [102-44](#)

- 63.3% of respondents described Ourocap as a way to save money and participate in prize draws;
- 62.2% purchased Ourocap products as a way to save money;
- 94.9% encountered no difficulties in purchasing Ourocap premium bonds via the mobile app or internet banking channels;
- 95.9% found it easy to locate the information they required;
- 98% satisfaction rate with the purchasing experience;
- 86.7% of customers are promoters (people who are highly likely to recommend the experience to other customers).

The survey provided a wealth of meaningful information about the online purchasing experience, and a better understanding of consumer behavior and key expectations. It also provided key insights to inform new and better-targeted Ourocap marketing initiatives.

#### Satisfaction survey GRI 102-43, 102-44

Our annual satisfaction survey in 2018, through Brasilcap’s Contact Center (telephone) channel, addressed customers who have purchased Ourocap premium bonds. This survey used a sample that reflects the composition of our customer base.

From 2019 Brasilcap will use Net Promoter Score (NPS) as a survey metric. The aim of this method is to gauge customer perceptions to inform improvements to our products and services, and ultimately our brand. As a widely adopted method, NPS supports benchmarking against, and is also used as a profit-sharing target by, companies in different sectors and of different sizes who are industry leaders for product quality and customer service. The purpose of the NPS method is to measure the extent to which customers are loyal to the brand. Our goal is to reach an NPS score of 19.

Customer satisfaction with Ourocap products (%)	2016	2017	2018
Satisfaction	72.0	75.7	73.00
Repurchase	27.0	30.9	30.6
Referral	44.6	53.2	49.1

Customer satisfaction with Customer Service is another performance indicator we monitor. A satisfaction survey after each call measures each customer’s perceptions of the service they have just received.

A target satisfaction rate has been set for our Customer Relationship function and is used to inform initiatives to improve customer service processes in order to either maintain or improve on satisfaction rates. We recognize that the customer experience within our most extensively used service channel needs to be continually improved.

Satisfaction rates have remained stable over recent years, indicating that our customer relationship policy has delivered the performance expected by both Brasilcap and customers. Our goal for the next few years is to expand our satisfaction survey to other customer touch

points, such as chat, email, our website and social media.

Customer satisfaction with customer service (%)	2016	2017	2018
Customer Service	90.0	92.0	91.6

### Responding to complaints and grievances GRI 103-2

Complaints received through our service channels are investigated and responded to by the persons responsible. When a complaint is found to be substantiated, corrective action is taken and the customer receives a reply via the same channel. Customers receive a response even when the complaint is found not to be substantiated.

The most frequent subjects of complaints in 2018 included redemptions, cancellations, the purchasing process, death and products.

Grievance mechanisms		
Grievances	2017	2018
Number of grievances about human rights impacts filed through grievance mechanisms	9,356	7,792
Number of grievances addressed	9,356	7,792
Number of grievances resolved	9,306	7,728
Total number of grievances about human rights impacts filed prior to the reporting period that were resolved during the reporting period	0	0

## People Management Initiatives (PSI 1)

### *Ativamente* GRI 103 | 404

Created near the end 2017, the Brasilcap corporate education program—called “*Ativamente*”—provides a learning experience that spans the different learning profiles within the organization and uses innovative tools such as augmented reality and storytelling. Use of the platform was intensive in 2018, with most internal stakeholders receiving personalized, online training.

One of the new education pathways launched in 2018 was Formacap, a course designed to improve employees’ knowledge about the business and how premium bonds work. Activities in this pathway use a game format that provides participants with a walk-through of the premium bond purchase, savings and prize-draw process. A total of 97% of eligible employees participated in the Formacap training pathway. The Integrity & Compliance pathway provided training to 100% of employees, supporting legal compliance.

A specific pathway on social responsibility was also created, as an effort to improve Brasilcap’s performance on Ethos indicators. Our leadership development pipeline, based on our “Leader of the Future” training course, was delivered as planned, training eligible employees on the foundations of management.

### Engagement survey

Our annual engagement survey, which gages our organizational climate and helps to identify the needs of our internal stakeholders, achieved a response rate of 90% and a significant favorability rating. Using the pulse method, the survey is conducted in two different periods during the year based on a more concise survey questionnaire that addresses the topics that are most material to Brasilcap, allowing the findings from the survey to be acted upon on a timelier basis.

Nine different topics were addressed by the survey in 2018, with especially positive ratings in the “Communications” and “Sustainable Engagement” categories. The results are presented to function leaders, who commit to implementing recommended actions in order to either maintain and/or improve the organizational climate. Our priority for 2019 will be to improve favorability ratings in the “cooperation and teamwork” category.

One of our people management goals for 2019 is to implement the Employee Net Promoter Score (eNPS) system to capture and gain a better understanding of employee perceptions on the organizational environment. The tool, which is widely used by companies in different industries, measures the level of loyalty to an organization within a given audience.

### Supplier and contractor management (PSI 1 and PSI 2)

Our suppliers are responsible for the management of their employees. Where individuals are engaged as suppliers, their service agreements include provisions on conduct, obligations and timekeeping that are consistent with Brasilcap’s internal policies. All contracts with suppliers have provisions requiring tax, social security and labor compliance.

To ensure our suppliers are compliant with corporate and regulatory requirements, an individual is appointed at each supplier to be responsible for monitoring activities under the contract. All supplier contracts include specific provisions on: licenses and permits required for the services under the contract; compliance with Brasilcap policies; requirements on employing skilled personnel; and provisions forbidding suppliers from presenting themselves as representatives or agents of Brasilcap without prior written consent.

Our Procurement and Contracting Standard requires all procurement to be conducted in accordance with the principles and standards of conduct outlined in our Code of Ethics and Anti-Bribery Policy, the environmental, social and governance (ESG) requirements to which Brasilcap is subject, and legal and regulatory requirements.

Invitations to tender for contracts, and the wording of draft contracts, include provisions on child, forced and slave labor. Suppliers are not permitted to employ people under the age of 18 in nighttime work or work that poses a safety or health hazard, and may not employ children under the age of 16 for any work other than as apprentices from the age of 14. In relation to forced labor, contractors are required to comply with labor standards and collective bargaining and union agreements applying to their employee categories, and to ensure their employees and contractors are provided with a work environment that meets minimum regulatory requirements. In 2018 none of the risks above were identified for any suppliers across our operations. Brasilcap has recently introduced a policy of screening suppliers against a blacklist available on the Ministry of Employment website (a list of employers who have been implicated in investigations of slave or forced labor).

We are also voluntary signatories of the Principles of Sustainable Insurance (PSI), and encourage our suppliers to address environmental, social and governance issues in their strategies. Brasilcap has also received *Empresa Cidadã* (Corporate Citizenship) certification from the Rio de Janeiro Regional Accounting Board for our policy of screening suppliers against child or forced labor practices. [GRI 408-1, 409-1](#)

Although the number of new suppliers declined in 2018 with the increased utilization of existing suppliers, the number of new suppliers that were screened using social criteria was

still slightly higher in the year. In 2018, 2% of our suppliers were newly onboarded suppliers screened against social criteria, compared with 1.16% in 2017. No suppliers were identified as having significant actual or potential negative social impacts. GRI 414-1, 414-2

## **Social and environmental responsibility (PSI 1 and PSI 2)**

Brasilcap's efforts to re-signify our products and services have included a reassessment of our approach to social, environmental and governance issues. Just as our premium bonds help to improve people's lives, Brasilcap's social and environmental responsibility initiatives provide opportunities to build a better future through educational and cultural projects, environmental protection initiatives, and corporate governance initiatives that effectively contribute to the sustainability of the business. In 2018, these initiatives became further connected to Brasilcap's Mission, Vision and business strategy, and efforts were made to increase the engagement of our salesforce and business partners.

All initiatives are strictly compliant with Company guidelines as expressed in policy documents such as our Social and Environmental Responsibility Policy, which establishes guidelines on social and environmental topics that are based on the UN Sustainable Development Goals, Instituto Ethos indicators, and the environmental, social and governance (ESG) practices recommended by the National Insurance Confederation (CNseg). In addition, Brasilcap is the only premium bond company in Brazil to have subscribed to the Principles for Sustainable Insurance (PSI)—a framework of recommendations developed by the United Nations Environment Program – Finance Initiative (UNEP FI) for the insurance industry to address risks and opportunities in managing corporate sustainability. [GRI 102-12, 102-13](#)

To ensure our social and environmental indicators are effective and continually improved, Brasilcap uses the Ethos Indicators as a tool we believe is best suited for our organizational culture and effective in monitoring and implementing new indicators.

Our Social and Environmental Responsibility Policy also requires compliance with laws and regulations, and encourages support for public initiatives. Brasilcap supports and promotes these initiatives through publications on social media and initiatives involving our employees, such as the Pink October Campaign. Financial education initiatives are also included in this context. GRI 103 | 415.

To achieve further progress on ESG issues, a new strategic plan will be launched in 2019 that will ensure sustainability is more firmly embedded in our strategy. In 2018, our priority sustainability commitment was to implement a financial education program aligned with our vision of premium bonds as a savings vehicle for customers. This goal was achieved with the launch of the Brasilcap Financial Education Program (EDUCAP). Our support for the Association for Assistance to Disabled Children (AACD) was also maintained in the year, with contributions of redemption proceeds from our Parcela Premiável products setting a new record in the year. In addition, the Company retained its position as a leading cultural sponsor with its support for the *Jean-Michel Basquiat* exhibition, a high-profile attraction at the Banco do Brasil Culture Center (CCBB) during the year.

### **EDUCAP (PSI 1, PSI 2 and PSI 3)**

Launched in 2018, the Brasilcap Financial Education Program (EDUCAP) provides training and supports social projects promoting financial education in Brazil. The program aims to achieve five objectives aligned with the business:

- Delivering on our responsibility for sustainable development by

- encouraging discussion on financial education;
- Improving our performance on social indicators;
- Strengthening our role as a socially responsible Company;
- Contributing to people’s financial health so they can lead a happier life with greater peace of mind;
- Addressing material topics for Brasilcap and the insurance industry.

Delivery on these objectives began during National Financial Education Strategy Week (ENEF) when we opened a “smart room” on the campus of the Federal University of Rio de Janeiro (UERJ) to administer training developed by the Online Mobile Learning Support (SOMA) project. Within that week alone, the EDUCAP program provided 72 public school teachers with introductory training on financial education. These teachers will now disseminate the knowledge they have learned to their primary and secondary education students.

EDUCAP supported the SOMA project—which uses innovative technology to disseminate knowledge about financial planning—in partnership with Instituto da Criança. In 2018, R\$ 121,000 was invested in the program and free training was provided to a total of 1,188 people, including both teachers and students, using audiovisual equipment furnished by the Brazilian Association of Technological Innovation (ANITEC). The number of people trained exceeded our initial target (780) by 52%.

### Environment Program (PSI 1)

Launched in 2017, the Brasilcap Environment Program was further strengthened in 2018. Initiatives within the program aim to raise employee awareness about the importance of environmental stewardship in their day-to-day activities. The most significant initiative in the year was D Cap Day, in which employees at our headquarters were encouraged to segregate office materials for recycling, in an initiative that also resulted in a tidier office space. A total of 236.9kg of items were collected and sent to the Recicladores Ambientais Transformando cooperative, one of Instituto da Criança’s partner organizations.

Another significant achievement within the Program was a reduction in paper usage at the Customer Relationship department. The payment approval process in the case of complaints or requests has now been fully digitized, with authorizations now sent by email. This saved hundreds of sheets of printed materials in 2018.

### Other environmental initiatives

#### Support for SOS Mata Atlântica

Brasilcap continued to support the *Florestas do Futuro* (“Forests of the Future”) project, an SOS Mata Atlântica (SOSMA) initiative that works to remediate degraded Atlantic Rainforest areas. This support is part of our initiative to neutralize CO<sup>2</sup> emissions from business travel (by air or using third-party vehicles). In 2018, 1,239 saplings were donated to SOSMA and planted around the Promissão hydropower dam reservoir in the municipality of Guaiçara (SP). Remediating these areas supports water resource conservation in an area covered by Atlantic Rainforest (the East Coast, Southeast and South of Brazil), helping to protect and increase local biodiversity while also reducing levels of CO<sub>2</sub> in the atmosphere.

Emissions from business travel were not calculated in 2018 due to the unavailability of data from the travel agency providing services to Brasilcap during the period. The agency was wound up and was unable to report as effectively as in the previous years. Beginning in 2019, our new supplier will be responsible for tracking mileage, the type of fleet and the type of fuel.

### Partnerships with Fundação Banco do Brasil

As part of our partnership with Fundação Banco do Brasil (FBB), Brasilcap supported Cataforte, a program that provides capacity-building support to recyclable waste picker groups and is helping them to organize into a national network. Launched in 2009, the project has supported 33 solidarity entrepreneurship organizations that help to reduce environmental impacts through recycling.

Also in partnership with FBB, Brasilcap has actively participated in the *Água Brasil* program, an initiative supported by WWF-Brazil and the National Water Agency. Organized into four fronts (social and environmental projects, communications and engagement, risk mitigation and sustainable business), the program is present across all Brazilian biomes, with projects in seven drainage basins and five cities. In rural areas, the program implements projects that promote sustainable farming, agroecology, forest restoration, extraction and production practices.

Brasilcap has been a partner to FBB for more than 10 years, during which more than R\$ 35.5 million in proceeds from some Ourocap products have been contributed to FBB, benefiting approximately 110,000 people. Although these products and the contributions to FBB have now been discontinued, Brasilcap has continued to maintain close relations with program stakeholders, and is following market trends to inform the development of future products.

## Commitment to Sustainability

As we pursue further improvement in social and environmental performance, in 2019 we will continue to promote concepts, material topics and practices supporting progress on sustainability.

Thank you for reading our report.

For any questions, suggestions, critiques or feedback on this report, please write to: [rsa@brasilcap.com.br](mailto:rsa@brasilcap.com.br)

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### Coordination

Corporate Social Responsibility Department