



ANNUAL REPORT 2021



THE BRAZILIAN DEVELOPMENT BANK

Understand our core processes, products and services.

STRATEGY

Find out more about our strategic guidelines and goals achieved in the year.

HOW WE GENERATE VALUE

Find out about the results we generate for society.

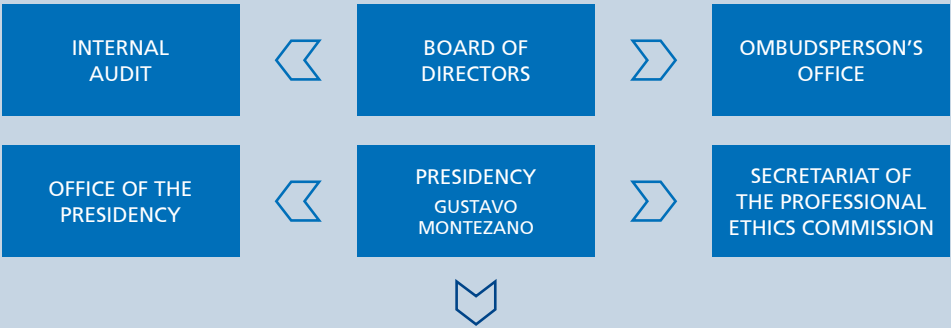
PERFORMANCE

R\$ 64.3 billion disbursed in 191,093 operations with 117,082 clients.

70
YEARS

 **BNDES**

2021 ORGANIZATIONAL CHART



BACK OFFICE

FRONT OFFICE

OPERATIONS	PEOPLE AND CULTURE	FINANCE	COMPLIANCE AND RISKS	LEGAL	CONCESSIONS AND PRIVATIZATIONS	PRODUCTION AND SOCIOENVIRONMENTAL	CREDIT AND GUARANTEES	SHAREHOLDING, CAPITAL MARKET AND INDIRECT CREDIT
RICARDO BARROS	ÂNGELA LINS	BIANCA NASSER	CLAUDENIR BRITO	SAULO PUTTINI	FÁBIO ABRAHÃO	BRUNO ARANHA	PETRÔNIO CANÇADO	BRUNO LASKOWSKY
STRATEGIC PLANNING DIVISION	PEOPLE MANAGEMENT AND ORGANIZATIONAL CULTURE DIVISION	FINANCE DIVISION	INTEGRITY AND COMPLIANCE DIVISION	LEGAL DIVISION 1	GOVERNMENT AND INSTITUTIONAL RELATIONSHIP DIVISION	PUBLIC AND SOCIOENVIRONMENTAL MANAGEMENT DIVISION	ENERGY DIVISION	CAPITAL MARKET, SHAREHOLDING AND COMPANY RESTRUCTURING DIVISION
INFORMATION TECHNOLOGY DIVISION		CONTROLLERSHIP DIVISION	RISK MANAGEMENT DIVISION	LEGAL DIVISION 2	INVESTMENT PARTNERSHIPS STRUCTURING DIVISION	INDUSTRY, SERVICES AND FOREIGN TRADE DIVISION	SANITATION, TRANSPORT AND LOGISTICS DIVISION	OPERATIONS AND DIGITAL CHANNELS DIVISION
BUSINESS SUPPORT DIVISION		INVESTOR RELATIONS DEPARTMENT			COMPANY STRUCTURING AND DIVESTMENT DIVISION	DEPARTMENT OF IMPACT RELATIONSHIP WITH THE CORPORATE SECTOR		
					SERVICE OPERATIONS MANAGEMENT DEPARTMENT			

Note: organizational chart on 12.31.2021. With the new statute, approved by the Central Bank of Brazil in March 2021, the Ombudsperson's Office is now linked directly to the Board of Directors.

ANNUAL **REPORT** 2021

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MESSAGE FROM THE BOARD OF DIRECTORS



For the second consecutive year, the COVID-19 pandemic was the focus of concerns raised both in Brazil and worldwide. In 2021, significant advances were made in addressing the challenges posed by the pandemic, which made it possible to reduce the number of deaths caused by the disease. However, the struggle to manage new variants of the COVID-19 virus continues to challenge essential aspects of our lives.

The year was also marked by the resumption of economic growth. In Brazil, the level reached by gross domestic product (GDP) was slightly higher than pre-pandemic, more than compensating for the decrease seen during the previous year. The BNDES was able to influence these results, whether through the impact of the credit it provides, or the products delivered by its project factory, which contributed to the restoration of investments.

Given the context that emerged in recent years, climate change is a growing risk. Economic growth must be aligned with efforts to limit and stabilize the temperature of the planet and promote the fulfillment of the sustainable development goals (SDGs) agreed upon by Brazil and the remaining member States of the United Nations (UN).

More than just an ethical concern, sustainable development is fundamental to the success and continuity of companies' business activities, bringing to light issues related to climate change, efficient management of natural resources such as water, supply chain management, relationship with workers and building of a corporate culture that generates confidence and promotes innovation.

As seen during the pandemic, development banks are fundamental in responding to emergencies and are at the forefront of identifying challenges and obstacles to economic growth, as well as seeking out solutions for improving quality of life and addressing climate change.

Strategic planning has defined the BNDES' vision as to be the Brazilian sustainable development bank. The institution's missions are primarily related to the SDGs. Support for micro-, small- and medium-sized enterprises (MSMEs), for example, aims to provide jobs, productivity, and competitiveness, thereby contributing to promote "decent work and economic growth" and "reduced inequalities". Stimulating basic education and professional qualifications, which is part of the Bank's education agenda, is a well-established means of reducing poverty. Themes such as building resilient infrastructure, promoting inclusive and sustainable industrialization and fostering innovation remain relevant parts of the institution's strategy.

The BNDES' missions are also aligned with the transition to a low-carbon economy and are focused on expanding renewable energies, developing the carbon market, and providing support for operations in productive sectors that have a positive impact on the environment. In the area of sanitation, the Bank has been working with the Brazilian federal government and subnational entities in order to create mechanisms and channel both public and private resources in order to bolster investment in areas of low viability. In sectors such as urban solid waste and urban mobility, which are essential to building sustainable cities and communities, the institution has also contributed to the structuring of projects, making up for a historical shortfall.

The Bank's great capacity for communication – which allows it to implement coordinated actions with the different spheres of government, other financial institutions, international funds, and multilateral organizations – greatly enhances its performance. These partnerships increase the availability of funding and promote the sharing of risks. As a result, the institution is also gaining importance within the international context as a catalyst for actions aimed at sustainable development.

This movement is complemented by the diversification in the BNDES' solutions and forms of action, with emphasis, in addition to credit, to the structuring of projects, the granting of guarantees, the investments in funds and the issuing of green bonds. In a concurrent fashion, digital transformation and the development of solutions in partnership with financial agents and fintechs have brought the institution closer to MSMEs and entrepreneurs, with direct impact on the generation of employment and income.

Assessment of these and future actions implemented by the Bank demonstrating its results and impacts on Brazilian society is fundamental, and this report is a means of providing transparency with regards to these initiatives.

As the highest body of governance of the BNDES, we are reinforcing our commitment to the strategy that has been put into place and the vision in which the BNDES is "the Brazilian sustainable development bank". We therefore wish to invite readers to learn more about the path that the BNDES has taken in 2021, the details of which are provided in the discussion of objectives and strategic actions presented in this publication. This report is part of our commitment to providing transparency and increasing direct communication with society.



The year of 2021 was marked by economic recovery in the midst of this new global scenario in which disruptive events have increasingly become a routine part of life. This was the moment in which we could truly see the results of the efforts initiated in the previous year, as well as the consolidation of a strategy that seeks to expand the portfolio of solutions that the BNDES offers to society.

Sense of urgency, collaboration and impact: we are investing on truly new financial and technological developments, that have to date remained relatively unexplored within our financial system. We have added more tools and channels allowing the BNDES to express its true purpose: to lead and foster a structured and balanced transition within our economy, leaving no one behind.

In this context, we are moving forward in line with commitments made under the UN Global Compact and the ten universal principles proposed for the areas of human rights, labor, environment and anti-corruption measures. We can and will work in an increasingly open and innovative manner, transforming this institution in Brazil's main sustainable development ecosystem, in addition to seeking out new markets and opportunities.

ESG WINDS

History will remember this period as being the point at which the urgency of socio-environmental issues and disruptions in the adoption of new technologies converged. The moment at which social support networks were solidified through the exponential acceleration of the socioenvironmental revolution. A veritable explosion of opportunities rooted in the ESG philosophy in which Brazil is a protagonist by nature.

This was the direction that our strategic agenda took in 2021. We consolidated our forest conservation and recovery programs, including Floresta Viva, positioning the BNDES not as a mere monopolist seeking a good cause, but rather a partner agent stimulating initiatives along with the market. This is a step not limited to philanthropy, that also includes exploring new possibilities of return in projects aimed at the protection,



measurement, and commercialization of intangible assets, such as Payment for Environmental Services (PSA).

We also placed the Bank on the list of financial institutions that participated in COP26, held in Glasgow. At the summit, we collaborated to position the government of Brazil at the forefront of advancing the regulation for a unified carbon credit market.

A unified and global approach to solutions for reducing gas emissions throughout the entire planet is an essential part of the BNDES' strategy alongside its international partners.

MSMES

Throughout the year, the support for micro-, small- and medium-sized enterprises (MSMEs) was a major focus of our agenda, rooted in the following objectives: (i) expansion of our distribution network, which today includes more than sixty agents through means of partnerships with cooperatives, regional banks, fintechs and niche banks, in addition to commercial banks; (ii) development of alternative instruments such as innovation funds, venture capital, and guarantee funds that increase the allocation of the Bank's resources on the last mile of MSMEs' risk.

More than 129,000 MSMEs and individuals were supported through credit and guarantee operations. We fulfilled the majority of our objectives for the year, strengthening and structuring our activities to further increase our impact in terms of generating sustainable development.

Emergency measures adopted during the Covid-19 pandemic, such as the Emergency Credit Access Program (FGI-PEAC), which fueled our economy with R\$ 92 billion in credit for MSMEs, also demonstrated the relevance of the guarantee funds for this niche market. These initiatives taught us important lessons that suggest that the perpetuation of these tools within the Bank's strategy will be essential in the future.

RECYCLING CAPITAL

In 2021, as part of our divestment strategy, we sold more than R\$ 20 billion of our equity and debenture portfolio. As a result, we now rely on a composition of assets that are less exposed to volatility in stock markets. We are also carrying out a large-scale recycling of capital by redirecting resources previously allocated in mature companies towards supporting burgeoning sectors of the economy.

This was the idea behind the creation of new funds, such as the one related to Internet of Things (IoT), and the investment in receivables funds (FDIC), which direct credit towards small companies through means of card payment machines and marketplaces, among other innovative initiatives.

MANUFACTURING PROJECTS

With regards to infrastructure, we established the BNDES as the world's largest development bank structuring concession agreements, PPPs, and privatizations, with a portfolio that includes more than 150 projects and more than R\$ 300 billion in mobilized capital.

In terms of sanitation, more than 10 million Brazilians will now have access to water and sewage as a result of the commitments made under contracts developed by our Project Factory. It is now time to increase the level of

investments made in urban solid waste and mobility projects capable of significantly improving the lives of Brazilians.

We also made advancements in consolidating project finance within the Brazilian financial system, increasing the number of players present by assuming new risks that are consistent with our role as a development bank. Our focus is on attracting funding by sharing risks through means of securitized syndicated loans, thereby driving participation in private and capital markets.

GOVERNANCE

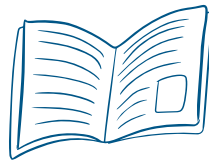
We give priority to each aspect the ESG agenda (environmental, social and governance). However, we understand that governance has been the cornerstone of our reconstruction. Without the capital "G", any economic, social or environmental development agenda would inevitably be compromised. It is essential that we continue to make improvements to the governance structure that we have established in Brazil in recent years, both from a public or private perspective.

This annual report, the integrity of which I hereby guarantee, is the result of a collective reflection process involving all areas of the BNDES and its various decision-making bodies, in addition to consultation with external parties. The most recent edition from 2020 was awarded the 23rd ABRASCA Award of Annual Reports, in the category "closed corporations". This recognition highlights the efforts that the Bank has made towards becoming increasingly transparent and open.

We hope that you enjoy reading the content of this report and that the following pages provide you with further insight into our strategy, governance, and performance.

Gustavo Montezano
President of the BNDES

ABOUT THIS REPORT



GRI

102-21 | 102-29 | 102-32 | 102-43
102-44 | 102-46 | 102-47 | 102-48
102-49 | 102-50 | 102-51 | 102-52
102-53 | 102-54 | 102-56 | 103-1

Our 2020 Annual Report won first place in the 23rd ABRASCA Award – Annual Report, in the closed companies category. Find out more at: <https://premioabrasca.com.br/conheca-os-vencedores-do-23o-premio-abrasca-de-relatorio-anual/>

Our report covers the entire BNDES System: the Brazilian Development Bank (BNDES), BNDES Participações S.A. (BNDESPAR) and the Special Agency for Industrial Financing (FINAME).

The reported period runs from January 1 to December 31, 2021. Relevant events that occurred between this period and the approval of the report by the Board of Directors, on May 20, 2022, were also included. KPMG Auditores Independentes was responsible for its assurance.

This document follows two templates. Under the Law of State-Owned Companies, the adoption of at least one of the two is mandatory.

- **Integrated report, from the Value Reporting**

Foundation: seeks to show how the BNDES generates or intends to generate value in the short, medium and long term for its different audiences of interest. This standard is required by the Federal Court of Accounts (TCU) as an accountability model. Therefore, the Annual Report unifies the activity and management reports in a single document, streamlining efforts. We inform that this report is in accordance with the structure of the integrated report and does not present any omissions of mandatory information

- **Sustainability report, from the Global Reporting Initiative (GRI):** reports sustainability indicators that seek to give transparency to our environmental, social and economic impact. This report has been prepared in accordance with GRI standards: Essential option. Indicators can be identified at the beginning of each chapter and in the GRI content summary at the end of the document.

As in our last report, we also indicate throughout the text how our actions relate to the United Nations (UN) sustainable development goals (SDGs).

The report also presents the information provided by the Global Compact for our Communication of Progress (CoP). Highlights of the evolution in relation to the principles of the pact, which we joined in 2021, are identified throughout the report with the icon

The relation between the indicators answered, the ten principles of the Global Compact and the 17 SDGs is made in the GRI summary.

For more in-depth information on specific themes, visit www.bndes.gov.br/publicacoes and also see:

- Management Report;
- Financial statements of the BNDES System;
- Effectiveness Report;
- Risk Management Report;
- Annual Letter of Public Policies and Corporate Governance;
- Activity Report of the Amazon Fund;
- Annual Report on the Impact of Credit Operations in Combating Inequalities;
- “Transparency and accountability” section on our website;
- “Sustainable development” section on our website;
- ODS panel on our website;
- NDC panel on our website;
- The BNDES’ Investor Relations portal.

This report, in Portuguese and English, as well as a hotsite with its main highlights are available at www.bndes.gov.br/ra2021.

CONTACT

For more information about this document and its contents, send an email to relatorioanual@bndes.gov.br.

If you are interested in becoming a subscriber, access the “Request for publications” option at: www.bndes.gov.br/bibliotecadigital.

MATERIALITY

The materiality of our report has been defined annually due to relevant changes in the Bank’s strategy in recent years. In 2021, we did new research to deliberate on material themes, considering the four principles of report indicated by GRI to define the content: (i) inclusion of stakeholders; (ii) the context of sustainability; (iii) materiality; and (iv) completeness.



As a result of rounding, the sum of the numbers on the charts may not be accurate, as well as the sum of the percentages of the charts may not total 100. For the same reason, there may be little variation between values presented throughout the report.

DEFINITION OF THE MATERIALITY

PHASE 1

CONSULTATION WITH EXECUTIVE DIRECTORS AND SUPERINTENDENTS

Open consultation, in individual or group interviews, asking for indication of relevant themes in the year.

SURVEY IN COMMUNICATION AND RELATIONSHIP CHANNELS

Analysis of the most discussed themes on social networks, in communications with the press and investors, in the Ombudsperson's Office, in the Citizen Information Service (SIC) and in the Call Center.

BENCHMARKING

Evaluation of the most addressed themes in reports from other financial and development institutions that follow the integrated reporting and GRI models.

18 SELECTED THEMES, WITH DEFINITION OF THEIR LIMITS

PHASE 2

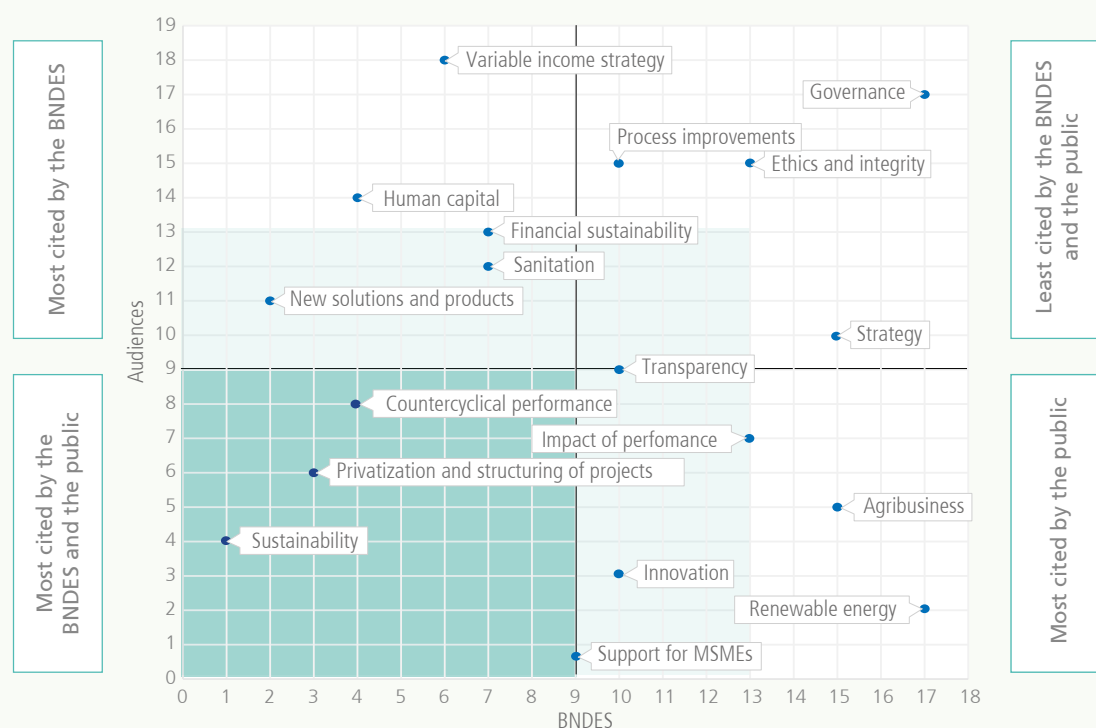
QUESTIONNAIRE FOR STAKEHOLDERS

Quantitative online research with different audiences of interest, such as investors, clients, associations and class entities, government, internal public, control and supervisory bodies, among others. The consultation was sent by email and published on our social networks, being also forwarded to the BNDES Board of Directors. The respondent should have chosen up to five themes among the 18 selected in the previous stage.

PHASE 3

ELABORATION OF THE MATERIALITY MATRIX, CONSIDERING THE RELEVANCE FOR THE BNDES VERSUS THE IMPORTANCE FOR THE PUBLIC OF INTEREST

Cross-referencing was performed between what the BNDES would like to talk about and what our audiences would most like to hear.


















PRESENTATION TO SUPERINTENDENTS AND APPROVAL BY THE EXECUTIVE BOARD

The two most mentioned topics were those that had also been highlighted in 2020: Sustainability and Privatization and structuring of projects. The topic of Countercyclical performance was also widely cited, but the Executive Board assessed that the subject could be addressed throughout the report, since most of the emergency measures implemented by the Bank had already been highlighted in 2020. Thus, the quadrant was expanded to encompass the topics Support for MSMEs, the first most cited exclusively by stakeholders, and New solutions and products, which had great importance in the year. Finally, it was decided to include as a fifth topic the Impact of the BNDES' performance, mentioned as one of the most relevant by our Board of Directors.

5 SELECTED TOPICS

MATERIALITY MATRIX

We present our materiality matrix below, with themes that affect our ability to generate value in the short, medium and long term. We highlight each theme throughout the report, explaining why the theme is material, its limits and its form of management by the BNDES. In addition to the indicated chapters, each material theme is covered in its own highlighted section.

Theme	Limits	Capitals	SDGs	Chapters	Audiences
SUSTAINABILITY GRI: 102-2 102-11 103-1 103-2 103-3 307-1 419-1	Contribution to SDGs; climate issue; support policies and instruments	» Natural » Social and relationship	All	» What we do » Our strategy » Our performance » Highlight New solutions and products	  
PRIVATIZATION AND PROJECT STRUCTURING GRI: 103-1 103-2 103-3 203-1 203-2	Concessions, privatizations and public-private partnerships: process; main projects in progress and in prospecting	» Manufactured » Social and relationship	6, 7, 8, 9, 13, 17	» What we do » Our performance » Our relationships	  
SUPPORT FOR MSMEs GRI: 103-1 103-2 103-3 203-1 203-2	Expansion of access to credit; bank deconcentration; performance of financial agents; participation in total operations and disbursements	» Social and relationship	8, 9, 10, 12, 13, 17	» Highlight New solutions and products » Our performance » Our relationships	  
NEW SOLUTIONS AND PRODUCTS GRI: 102-2 102-6 102-11 103-1 103-2 103-3	Guarantees; co-financing with private agents; operations with debentures; matchfundings	» Financial » Social and relationship	2, 7, 8, 9, 13, 15, 17	» What we do » Financial sustainability » Our performance	  
IMPACT OF THE BNDES' PERFORMANCE GRI: 103-1 103-2 103-3 203-1 203-2	Effectiveness of the Bank's actions	» Manufactured » Intellectual » Social and relationship » Natural	All	» Brazil and the world in 2021 » Our strategy » How we generate value » Our performance	  

Legends



SOCIETY



GOVERNMENT

CONTROL AND
SUPERVISORY
BODIES

INVESTORS



CLIENTS



ACADEMIA

FINANCIAL
AGENT

BRAZIL AND THE WORLD IN 2021



The year 2021 was marked by the advance of vaccination against COVID-19, which allowed the world economy to recover its dynamism. This resumption happened gradually and unevenly in the different regions or sectors, being subject to setbacks with the emergence of new variants and localized outbreaks. Estimates from the World Bank and the International Monetary Fund (IMF), carried out in January 2022, suggest that world GDP increased by 5.7% in 2021 and will grow 4.3% in 2022.

The recovery in activity has been accompanied around the world by higher producer and consumer inflation rates. In addition to the strong increase in demand, which helped reheat the economy, the rise in prices was accentuated by the emergence of productive bottlenecks arising from the scarcity of inputs, logistical difficulties and the disorganization of production chains, especially the more internationalized ones. Therefore, the world ended 2021 at a high rate of growth and with inflation above desirable levels.

The increase in the prices of oil and international energy commodities is part of this general scenario. The international foreign exchange market reached the end of the year with great instability, derived from the behavior of inflation and the appearance of the Omicron variant of the coronavirus. Despite high levels of liquidity, risk aversion has prevailed in particular in emerging economies. Another source of concern is the ability of certain countries to stabilize their public debts, which have increased widely with the implementation of policies to mitigate the effects of the pandemic on the available income of populations.

In Brazil, the economy also resumed in 2021, with a GDP growth of 4.5%, accompanied by the rise of inflation to around 10% per year (p.a.). Aiming to contain the price increase, Selic (reference interest rate of the Central Bank of Brazil – BCB), which at the beginning of 2021 was 2.0% p.a., was progressively raised from March and ended the year at 9.25% p.a.

From the second quarter of 2021, with the advancement of vaccination in the country and the reduction in cases and deaths from

COVID-19, social mobility indicators normalized, with positive impacts on the labor market. As a result, the unemployment rate in the country fell rapidly, reaching 11.6% in November, compared to 14.9% in March.

Despite the aggregate economic recovery and the improvement in the labor market, there was a loss of dynamism in industry and trade in the second half of the year. In the case of the industrial sector, this is due to difficulties in regularizing production, related to the aforementioned disorganization of global supply chains, which should persist until mid-2022. In trade, there is a shift in demand from the goods sector to the services sector due to the normalization of the economy. There is also a deterioration in household consumption, which has lost purchasing power as inflation increases. In addition, a tighter monetary policy, with an increase in the interest rate to contain inflation, also puts pressure on family budgets by increasing the burden of debt on spending.

In general, the recovery scenario of economic activity in 2021 confirmed that the BNDES was right to implement a temporary countercyclical action, with the main emergency actions restricted to 2020. These actions served as a basis for the resumption in 2021, since they contributed to the survival of companies and the maintenance of a significant share of jobs.

The demand for the BNDES' funds remained relatively stable in the year. Loan consultations were only 3% lower than in 2020, totaling R\$ 121.4 billion. Disbursements totaled R\$ 64.3 billion, a much similar value to that verified in 2020 (R\$ 64.9 billion).

For 2022, the BNDES works with an expectation of demand for its resources similar to that of 2021. **MSMEs** represent a relevant segment for growth and job creation, and will continue as a strategic priority of the Bank. In addition, seeking to become the bank of sustainable development, the institution will undertake efforts to expand its impacts on the decarbonization of the economy and the structuring of investment projects, a historical bottleneck for sustained growth of the Brazilian economy.



Find out more in
[Support for MSMEs](#)



WHAT IS A DEVELOPMENT BANK?

The first development banks (DB) emerged in Europe in the mid-19th century, but most of today's institutions were created after World War II due to efforts to rebuild countries or industrialize developing nations. Since then, there have been periods of growth and retraction of these institutions. The last few years have been marked by a movement of emergence of new DBs.

Report of the Institute of New Structural Economics (Inse) of Beijing University pointed out that in 2019 there were 539 development financial institutions in the world, with assets totaling US\$ 18.7 trillion. In addition to Brazil, several countries (developed and developing) maintain strong development institutions, such as Germany, China, South Korea, Spain, Japan, Mexico, France and Russia.

These entities have been playing an important role in the socioeconomic development of countries and regions where they operate, in scenarios of both stability and crisis.

DBs may differ in terms of: capital structure; funding; variety of sectors supported; client size; financing models; credit conditions; regulation and supervision; and corporate governance. There are also a number of support instruments used, such as financing offer, guarantees, insurance, equity participation, non-reimbursable funds and project preparation.

Although each institution has its way of acting, all of them assist in the implementation of public policies, complement the credit offers of the private financial system and contribute to the private and public sectors taking risks and challenges in long-term strategic investments. In general, they also have some form of government support: tax exemption, Union guarantees, access to constitutional and parafiscal funds or subsidies for the implementation of public policies.

Despite the importance of financial performance for the maintenance of activities, DBs do not have profit as the main measure of their results. Maximizing social well-being and economically and environmentally sustainable development are the primary objectives of these institutions.

The long-term strategy of the DBs prioritizes the transition to an inclusive economic model, compatible with climate change and reducing income inequalities. This focus was consolidated by the launch of the 2030 Agenda by the UN in 2015, with the definition of the 17 SDGs, which began to guide investments in the “new economy”.

In addition to their role in supporting strategic investments in the long term, DBs play an important countercyclical role in times of credit market instability, mitigating the drop in the supply of private resources and enabling a faster economic recovery. This type of action was fundamental to mitigate the negative effects on the economy caused by the COVID-19 pandemic, both in the health area and in the provision of liquidity to companies, aiming to maintain business and jobs.

We have made available on our website a section dedicated to disseminating knowledge about the performance of financial development institutions (IFDs), clarifying their contributions to the growth and development of nations. The page brings together studies on the subject, prepared by our staff and already published in our journals or collections, which were divided by the following sub-themes: (i) comparative international experiences; (ii) performance in segments/sectors; and (iii) risk management and regulatory aspects. The section also presents a comparison between the BNDES indicators and other DBs.

WHO WE ARE

We are the Brazilian Development Bank (BNDES), a federal public company, linked to the Ministry of Economy, being the main instrument of the Federal Government, our only shareholder, for long-term financing and investment in the various segments of the Brazilian economy. As a bank at the service of the State, we also structure privatization projects (public-private partnerships – PPP – concessions and privatizations), aiming to attract investors to improve the country's infrastructure. We have been operating since 1952 and we are one of the largest DBs in the world.



Find out more in
[Our performance >](#)
[Emergency countercyclical](#)



Access at:
www.bnades.gov.br/ifds



Find out more in [What we do](#)



Find out more in [Impact of the BNDES' performance](#)



Find out more in [Governance](#)

The BNDES System is formed by three companies: BNDES and its subsidiaries – BNDES Participações S.A. (BNDESPAR), which operates in the capital market, and the Special Agency for Industrial Financing (FINAME), dedicated to promoting the production and marketing of machinery and equipment.

Our **activities take place** through financing and credit; participation in companies; project structuring services; provision of guarantees; granting of non-refundable resources to social, environmental, cultural and technological projects; in addition to the production of knowledge. We provide products, programs and funds, according to the modality and the characteristic of the operations.

We **evaluate** the support to each project focusing on its potential to generate social, environmental and economic impact for the country, directly or indirectly.

Our **governance** is composed of rules and standards of criterious management and involves the relation between internal bodies, such as the Board of Directors, Executive Board, Fiscal Council and other committees; and external, such as National Congress, Brazilian Office of the Comptroller General (CGU), Central Bank of Brazil (BCB), Federal Court of Accounts (TCU) and Brazilian Securities Commission (CVM).

WHERE WE ARE LOCATED

We operate across the national territory. We have headquarters and official forum in Brasília (DF), however, more than 90% of **our employees** are allocated in our central office in Rio de Janeiro (RJ), in its own building – Edserj. We also have representations in São Paulo (SP) and Recife (PE).

To reach other locations and facilitate access to our financing lines, especially for MSMEs, **we also operate indirectly**, that is, through partners who offer our products. We have more than **sixty accredited agents**, including private and public commercial banks, cooperative and automaker banks, regional development banks and development agencies.



Find out more in [Our team](#)



Find out more in the [What we do and Support to MSMEs sections](#)



Find out more at: www.bndes.gov.br/instituicoes-financeiro-credenciadas

CONTINGENCY

During the COVID-19 pandemic, we kept the focus on our institutional mission, managing the changes necessary for the remote performance of our employees.

Our work has been guided by the Incident Management Plan and led by the Contingency Committee, composed of the Executive Board. Decision making is supported by a contingency subcommittee, made up of superintendents, and information provided by specialized teams on continuity of businesses, which act as monitoring points of the situation.

Throughout 2021, we maintained contingency and prevention measures for COVID-19 in our work environments.

In order to avoid the circulation of suspected cases, we established a wide screening of symptoms in access to the Bank's premises in partnership with the occupational medicine team, in addition to mapping potential contact with contaminated people. When necessary, RT-PCR tests were requested. The same team was responsible for guiding employees on their physical and mental health, also analyzing requests for maintenance of the remote regime (home office) due to health and pregnancy conditions, for which there was a recommendation to prioritize remote work or legal prohibition for return.

Periodic employee health examinations were resumed at the Edserj outpatient clinic and in private clinics, in the case of regional offices, complying with regulatory requirements and respecting safety protocols.

The influenza vaccination campaign was carried out in advance and then extended until December, representing an important measure of containment of influenza waves displaced beyond winter in 2021.

Working conditions in the home office continued to be ensured by actions such as the supply of notebooks and permission to borrow ergonomic chairs and accessories on the Bank's premises.

With the advancement of the National Immunization Program and the stabilization of the main health indicators in the locations where we have offices, the Contingency Committee established the necessary guidelines for the structuring of our return to face-to-face work plan. The resumption of the face-to-face regime occurred from November, started by the return of employees with a commissioned function.

Subsequently, new phases were being implemented, considering the limits of occupation of the floors and the age group of the employees. We asked employees for proof of vaccination to access the Bank's premises.

ECO-EFFICIENT OFFICES

In 2021, the Edserj condominium hired specialized consultancy to carry out a technical feasibility study to renew the LEED 2009 for Existing Buildings certification: Operations and Maintenance of the Edserj, obtained in 2017 and valid until the beginning of 2022. We are currently evaluating and implementing measures to obtain the new certification.

ENERGY CONSUMPTION

All the energy consumed in the Edserj is acquired in the private electricity market and is backed by a fostered generation source – small hydroelectric plants (SHP).

The consumption of non-renewable sources consists mainly of diesel oil to supply the emergency generators, a resource that is most often used in tests throughout the year.

WATER CONSUMPTION

The condominium's drinking water comes from a distributor and is used for air conditioning, irrigation, water-sanitary and purifying systems.

The Edserj does not yet have any type of water treatment for reuse or collection of rainwater.

WASTE

The Edserj condominium monitors and controls all waste produced in the building, in accordance with the applicable legislation.

TOTAL WEIGHT OF WASTE (TONS) BROKEN DOWN BY TYPE AND DISPOSAL METHOD (2021)

Landfill	Organic	106.78*	Disposal carried out by a contracted company.
	Debris	297.52	Disposal carried out by a contracted company.
Recycling	General	35.5	Disposal through cooperatives and/or specialized companies, according to the characteristics of the materials/products.
	Lamps	0.89	Disposal through a specialized company, for the recovery of mercury and recycling of the remaining material.
Reuse		1.07	Basically electronic waste: disposal through a specialized company for screening and subsequent reuse.
Other: infectious		0.09	Basically waste from the medical clinic: disposal through a specialized company that performs the autoclaving (decontamination) and subsequent referral to landfill.

* During the pandemic, the waste had the estimated weight (predetermined value per bag: 11 kilos x quantity).

COMPARATIVE SERIES EDSERJ

In 2021, there was a reduction in consumption of practically all elements in comparison to 2020. Although there was a significant drop in the occupation of Edserj in the first quarter compared to the same period of the previous year, marked by the beginning of the quarantine, from April on, there was a continuous increase in the number of occupants of the building, accentuated in November and December with the gradual resumption of face-to-face activities. Conservation and efficiency measures had limited impact on the reduction of energy consumption in 2021, which was mainly due to the lower occupation of the building.

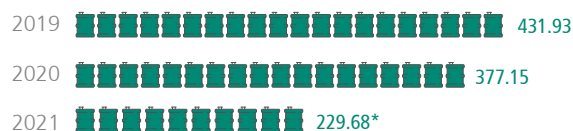
ENERGY CONSUMPTION (MWH)



↓ Reduction of 0.13% in relation to 2020 consumption.

The gradual return to the face-to-face regime and the adjustments in the operation of the air conditioning system due to requirements related to the pandemic resulted in a discrete reduction in consumption.

DIESEL OIL CONSUMPTION (gigajoules)



* 203.96 in non-renewable (diesel) and 25.72 in renewable (biodiesel)

↓ Reduction of 39.10% in relation to 2020 consumption.

The reduction was mainly motivated by the lower number of atypical operations and by the reduction of the load and duration of the tests on the generators, especially between September and December, when the building's diesel tank was replaced.

ENERGY INTENSITY RATE



↑ Increase of 0.02% compared to 2020.

Total electricity consumption (MWh)/employee with full day allocated in Edserj*/year.

* Considers assets on December 31 of each year. Does not include trainees, whose work day is lower than the standard work day of the BNDES' employees.

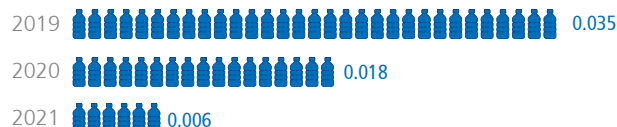
WATER CONSUMPTION (megaliters)



↓ Reduction of 16.85% in relation to 2020 consumption.

The increase of about 6% in the consumption of the air conditioning system was offset by the 24% drop in consumption with hydro-sanitary facilities, resulting from the low occupancy of the building, and 48% of the irrigation system due to adjustments in the programming of the automatic system and a favorable rainfall regime.

CONSUMPTION OF MINERAL WATER PURCHASED IN PLASTIC CONTAINERS (megaliters)



↓ Reduction of 66.79% in relation to 2020 consumption due to the low occupancy of the building in 2021.



ALIGNMENT WITH GOVERNMENT GUIDELINES

In accordance with the Law of State-Owned Companies, we prepare our long-term strategy annually. The content and monitoring of the implementation of the strategy are submitted to our Board of Directors.

Public policies are a fundamental reference for the long-term strategy, which considers the Multiannual Plan and the annual Budget Guidelines Law, approved in Congress and sanctioned by the President of the Republic. To deepen the articulation of our strategy with public policies, we also interacted with the different ministries.

We participate in the PPA management cycles, contributing to the discussions through our sectoral and economic, social and environmental specialists. Throughout the execution of the plan, we monitor and inform the government about the use of the planned resources.

The Budget Guidelines Law of 2021 updates the policy of investing the resources of the official financial development agencies, defining as a general guideline the preservation and generation of employment and, for the BNDES, in particular, the “stimulus to the creation and preservation of jobs aiming to reduce inequalities, protect and conserve the environment, increase productive capacity and increase the competitiveness of the Brazilian economy”, contemplated in our strategy.

In 2021, we sought to broaden the dialog with the Ministry of Economy (ME) and, in particular, with the Secretariat for Infrastructure Development and the Secretariat for the Development of Industry, Trade, Services and Innovation. There was intense articulation between our teams and those of the ME to estimate the investment needs and the challenges and opportunities associated with them.

In this analysis, we considered, among other inputs, the sectoral plans of the Federal Government and interacted with sectoral ministries and Instituto de Pesquisa Econômica Aplicada (IPEA) in defining economic scenarios for the country. The work of surveying the necessary investments in infrastructure was used to prepare the Integrated Long-Term Infrastructure Plan 2021-2050.

Access at: www.gov.br/casacivil/pt-br/assuntos/comite-interministerial-de-planejamento-da-infraestrutura/pilpi.pdf



CORPORATE STRATEGY

STRATEGY MANAGEMENT MACRO PROCESS

Long-term strategy

Our long-term strategy, approved by the Board of Directors, consists of three components: institutional identity; strategic map; and strategic objectives and guidelines. Other important documents that complement it are: the risks and opportunities of the strategy; the business plan; deliveries to society (2020-2022 Triennial Plan); and the financial viability of the strategy, all approved by the Board of Directors.

Map, objectives and strategic guidelines

Our strategic map is the result of a planning process that involves reflection on the challenges of Brazilian development; the evaluation of the necessary investments in infrastructure to remove bottlenecks, universalization of public services and increased productivity; the identification of opportunities to operate in different sectors of the economy; and the analysis of the financing pattern of companies, seeking ways to expand the funding available and prospect partnerships with other financial institutions.

INSTITUTIONAL IDENTITY

In December 2021, we updated some components of our institutional identity to:

PURPOSE: transform the lives of generations, promoting sustainable development.

VISION FOR THE FUTURE: to be the Brazilian sustainable development bank.

MISSION: propose and enable solutions that transform the production sector and promote sustainable development.

VALUES: ethics; public spirit; commitment to development and excellence.

PRINCIPLES: commitment, agility, cooperation, innovation, transparency and effectiveness.

Finally, we have incorporated the following set of **BEHAVIORS** into the institutional identity: decisions based on purpose, excellence in customer service, innovative perspective, engaging leadership, collaboration and integration, and continuous development.

As a result of the strategic planning review carried out in December 2021, our strategic map is now structured in two parts. The top, as in the 2020 map, is composed of missions, which explain the main development agendas with which we contribute.

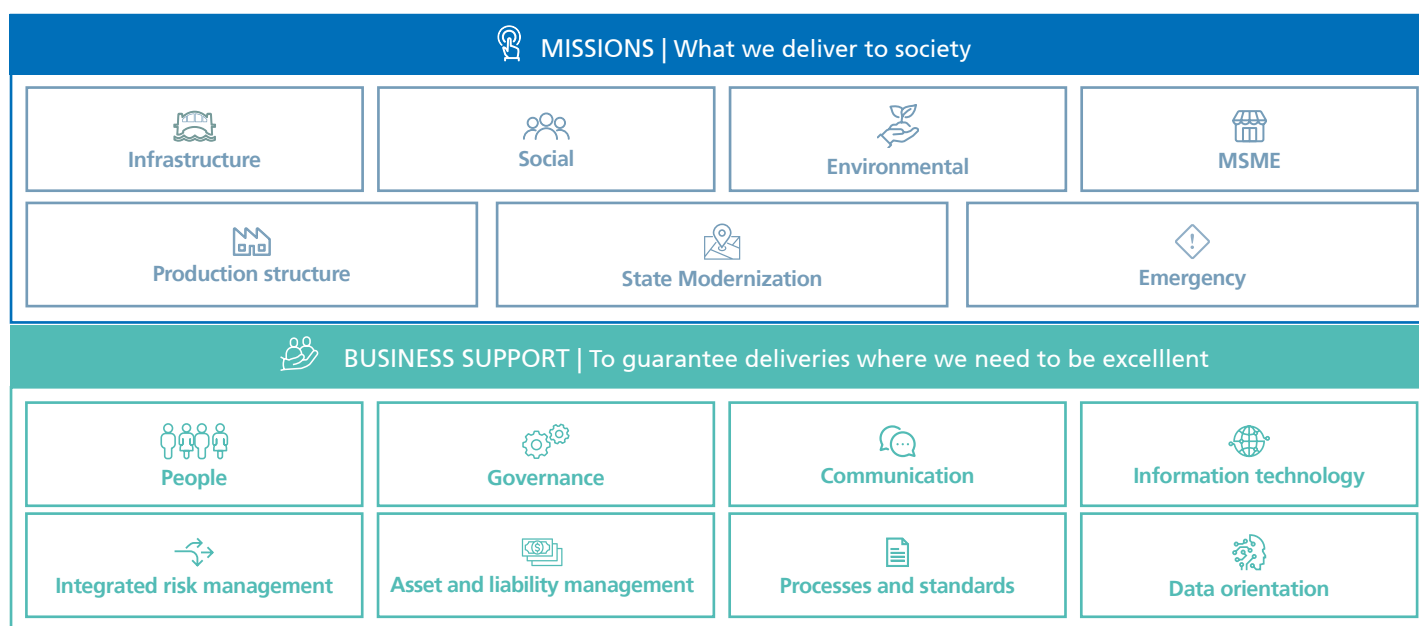
For each of them, in addition to detailing strategic objectives and guidelines, the contributions to the SDGs and the related axes of the Federal Development Strategy (EFD) are presented.

Regarding the missions, we also made some changes: “Socioenvironmental” was broken

down into “Social” and “Environmental”, reinforcing the importance to be given in the strategy for both themes. The theme “MSME” was separated from “Production structure”, configuring a specific mission.

The missions “Innovation”, “Capital market development” and the theme “Territorial Development” – formerly part of the “State modernization and territorial development” mission – had their objectives incorporated into the different missions of the map, in view of their transversality. As a result, the map went on to include seven missions, according to the following figure.

BNDES STRATEGIC MAP (DECEMBER 2021)



For each mission, the associated strategic objectives, SDGs and EFD axes are:

MISSION	STRATEGIC OBJECTIVE	SDG	EFD AXES
Infrastructure	Develop and support projects to increase productivity, expand access and promote integrated, sustainable and resilient infrastructure.	6, 7, 8, 9, 13, 17	Economic, Environmental and Infrastructure
Social	Structure and propagate impactful social initiatives, promoting inclusion, leveraging private sector resources and improving quality and efficiency in service delivery.	1, 3, 4, 8, 9, 16	Economic, Social, Infrastructure
Environmental	Promote the transition to a carbon-neutral, climate-resilient economy, fostering economic growth within the limits of the planet and positioning the BNDES/ Brazil as a hub for sustainable investments in the international scenario.	2, 6, 7, 9, 11, 12, 13, 14, 15, 17	Economic, Social, Environmental, Infrastructure
MSME	Support MSMEs, aiming at maintaining and generating jobs, increasing productivity, competitiveness, entrepreneurship, sustainability and innovation through access to capital credit, bank deconcentration and alternative instruments.	8, 9, 10, 12, 13, 17	Economic, Social, Environmental
Production structure	Support the increase of productivity, competitiveness, qualified employment, integrating innovation, export, entrepreneurship and sustainability by means of access to credit/capital and alternative instruments.	8, 9, 10, 12, 13, 17	Economic, Social, Environmental
State modernization	Develop solutions to public bottlenecks acting in the structuring of partnership projects, privatizations, real estate assets and digital transformation of governments.	2, 8, 9, 10, 12, 17	Economic, Social, Environmental
Emergency	Act in a timely manner to promote the sustainability of the economy and its recovery.	8	Economic, Social,

At the bottom of the map are the eight strategic business support themes, which seek to make the strategy viable. For each theme, the associated strategic guidelines are:

THEME	STRATEGIC GUIDELINES
People	Promote a more agile and flexible organization, with greater economy, efficiency and productivity. Disseminate a purpose-driven culture, with focus on the client, engaging leadership, innovative perspective and meritocracy. Provide a work environment that values mental and physical health of employees, respect for the environment, diversity and inclusive social work.
Governance	Increase the efficiency of the system by which the BNDES is directed, monitored and encouraged. Strengthen the governance of socioenvironmental and risk management issues, contributing to the consolidation of the confidence of stakeholders in the institution.
Communication	Ensure the reputation and increase the degree of knowledge of the BNDES, its favorability and the “brand advocates”. Promote the dissemination of the institutional strategy to internal and external audiences. Promote external and internal communication with effectiveness in reaching and engaging, seeking a more agile, proactive, simple and empathetic communication.
Information technology	Enable business generation and increased productivity through digitalization, consolidating channels and integrating digital processes from the front office to the back office.
Integrated risk management	Support the feasibility of impact projects for the country, including the assumption of greater exposure to credit risk by reducing exposure to market risk, with security and sustainability for the BNDES, through integrated risk management.
Asset and liability management	Enable financial resources and business conditions compatible with the promotion of the country’s development, maintaining the continuous financial and equity balance.
Processes and standards	Simplify and standardize processes and standards, aiming to reduce transaction costs, improve the experience of clients and partners, increase productivity and reduce the operational risk of the BNDES. Implement the BNDES’ digital transformation through more automated and integrated end-to-end processes (front office and back office).
Data orientation	Enable business generation and increase productivity by capturing and analyzing data and developing solutions. Expand the delivery capacity of the center of excellence in data science. Disseminate data-centric culture in the organization. Use artificial intelligence (AI) and data science in the digitization of the Bank’s processes.

2021 Business Plan

The annual business plan specifies the implementation of our strategy through projects, strategic indicators and associated goals. Information on strategy performance is reviewed quarterly by the Management Committee (MC), the Executive Board and the Board of Directors.

Strategic indicators

Strategic indicators are quantitative information used to define expected results and guide behaviors, allowing to monitor the achievement of objectives over time.

There are two types of indicators: corporate and of divisions. Corporate strategic indicators summarize contributions from across the Bank to strategic objectives. The strategic division indicators define the contribution plan of each unit to achieve the objectives.

In a first overview of the 2021 corporate and division indicators, it is observed that most performed at or above the target.

Five corporate indicators were defined for 2021. Three of them are directly related to our missions (Project Factory and privatization, Innovative co-financing operations of infrastructure

and Number of approved infrastructure operations), and the others are associated to the financial dimension (Administrative and staff expenditure and Gross operating result per employee).

All indicators performed better than expected.

CORPORATE STRATEGIC INDICATORS

Indicator	Target 2021	Accomplished on 12.31.2021	Performance 2021
Administrative and staff expenditure (R\$ thousand)*	2,449,221	2,408,724	101.65%
Gross operating result per employee (R\$ million)	4.25	6.21	146.2%
Project Factory and privatization (qty. of milestones)	90	100	111.11%
Innovative co-financing operations of infrastructure (qty.)	10	15	150.00%
Number of approved infrastructure operations (qty.)	26	31.5**	121.15%

* For “Administrative and staff expenditure”, the objective is that the accomplished amount is equal to or below the target. Thus, the performance calculation is made by the target over the accomplished amount.

** The accomplished value, with one decimal place, is due to the fact that the operations whose beneficiaries are public companies, mixed-capital companies or public entities have a weight of 0.5.



Find out more in Our performance > Economic and financial performance

The performance of the gross operating result per employee, higher than the target, is partially explained by the gain from the sale of Vale's participatory debentures, a non-recurring event, occurred in April 2021, in the amount of R\$ 3.8 billion (R\$ 1.6 million per employee).

Within the scope of the Project Factory and privatization indicator, there was an effort to diversify the BNDES' operations in different sectors of the economy and with clients at federal, state and municipal levels. As a result, 100 milestones were completed in the year, above the target of 90, including important sanitation concession projects.

The year was also marked by advances in innovative infrastructure co-financing operations, which totaled 15 out of a target of 10. We improved our credit and guarantee policies, as well as our portfolio of credit granting and service provision solutions, aiming to boost the co-financing of operations and to take greater risk in projects, including the possibility of conducting operations on a pilot basis. These efforts contributed to the fact that

the performance achieved in this indicator was higher than the target. We carried out the first structuring for a public offering of debentures, in the amount of R\$ 1.8 billion. Another highlight was the loan for an urban mobility project in a high capacity system, which included a set of ten banks, including nationals, foreigners and multinational organizations.

Finally, the number of approved infrastructure operations was 31.5 (see note in the corporate indicators table), above the target of 26. In addition to the innovative co-financing operations, detailed in the previous indicator, we highlight the approval of eight wind generation projects – most with energy traded in the free market – five energy transmission projects, four gas distribution projects and three highway projects.

The table below shows the performance obtained in the 47 division indicators selected for 2021. Of this total, six (13%) had a performance below the target set for the year; 15 (32%) had a performance exactly equal to the target; and 26 (55%) had a performance higher than that agreed.



Find out more in Our Performance > Infrastructure



Find out more in Privatization and project structuring



Find out more in Our Performance > Infrastructure

STRATEGIC INDICATORS OF THE DIVISIONS – BUSINESS UNITS

Division	Indicator	Target 2021	Accomplished on 12.31.2021	Performance 2021
Digital Channels and Operations Division (ADIG)	Number of MSMEs and individual clients supported in 2021 (except five largest banks and Safra Plan)	44,400	37,795	85.12%
	Number of credit applicants in the MSME Channel in 2021	100,000	220,686	220.69%
Capital Market, Shareholding and Company Restructuring Division (AMC)	Funds contracted	6	9	150.00%
	Carrying out of NPL (non performing loans) auction	1	2	200.00%
	Divestment operations (over R\$ 100 million)	7	6	85.71%
Government and Institutional Relationship Division (AGOV)	Structuring project origination milestones	16	21	131.25%
	Structuring projects completion milestones	21	24	114.29%
Investment Partnership Structuring Division (AEP)	Structuring projects milestones	23	29	126.09%
Company Structuring and Divestment Division (AED)	Structuring projects execution milestones	30	31	103.33%
Industry, Services and Foreign Trade Division (AI)	Generation of BNDES Exim currencies (in R\$ million)	4,100	4,371	106.61%
	Alternative instruments (portion of the indicator shared with AF)	5	10	200.00%
Public and Socioenvironmental Management Division (AGS)	Number of operations approved by the division	27	28	103.70%
	BNDES training on ESG themes (milestones)	7	7	100.00%
Energy Division (AE)	Free energy market incentive	80%	90%	112.50%
	Increase in installed capacity in renewable energy (MW)	1,000	2,448	244.80%
	Co-financed and risk-sharing operations (shared with AF)	3	10	333.33%
Sanitation, Transportation and Logistics Division (AST)	AST approvals with ESG aspects	6	10	166.67%
	Alternative instruments (portion of indicator shared with AF)	2	4	200.00%

STRATEGIC INDICATORS OF THE DIVISIONS – SUPPORT UNITS				
Division	Indicator	Target 2021	Accomplished on 12.31.2021	Performance 2021
President's Office (GP)	GP basket of corporate projects	100%	100%	100.00%
	Level of knowledge of the BNDES + extensive influence marketing score (IMS)	100%	95%	95.00%
Strategic Planning Division (AP)	Product socioenvironmental risk assessment	100%	100%	100.00%
	AP basket of front office indicators	100%	98%	98.00%
	Satisfaction with the services provided by AP	85%	80%	94.12%
Technology Information Division (ATI)	Satisfaction with software development projects delivered by ATI	90%	99%	110.00%
	Availability of core IT systems	99.5%	99.9%	100.40%
Business Support Division (ASN)	% new services/infrastructure provided (from agreed list)	100%	100%	100.00%
	Average performance of four service level indicators	100%	100%	100.00%
People Management and Organizational Culture Division (APEC)	APEC's strategic delivery basket – management	100%	100%	100.00%
	APEC's strategic deliveries basket – purpose	100%	133%	133.00%
	Satisfaction with HR services – HR and Services Channel	95%	96%	101.05%
Financial Division (AF)	Operations with financial solutions supported by AF (shared with AE, AST and AI)	6	17	283.33%
	Improvements in the governance of asset and liability management	100%	100%	100.00%
	Diversification of funding in the market and with multilateral bodies and official credit agencies	3	3	100.00%
Controllership Division (ACO)	New tax system ACO 2021	100%	100%	100.00%
	Review and implementation of selected processes	100%	100%	100.00%
Investor Relations Department (DERI)	Investor relationship management	96	96	100.00%
	Demands from rating agencies met on time and ESG rating	90%	96%	106.67%
Legal Divisions (AJs)	Level of contribution of the legal divisions to the achievement of the goals of the indicators highlighted by the client divisions	100%	98%	98.00%
	Level of satisfaction with the provision of legal services	85%	87%	102.35%
	% of compliance with advisory opinions within	95%	100%	105.26%
Integrity and Compliance Division (AIC)	Business continuity plans – ESG agenda	90%	100%	111.11%
	Information for decision making	100%	100%	100.00%
Risk Management Division (AGR)	Avg. time of issuance of certificate of registration (CR) project finance (days)*	25	23	108.00%
	Governance of market risk management in variable income	100%	100%	100.0%

STRATEGIC INDICATORS OF THE DIVISIONS – INDEPENDENT UNIT				
Division	Indicator	Target 2021	Accomplished on 12.31.2021	Performance 2021
Internal Audit (AT)	Consistent application of analytics in audits	60%	100%	166.67%
	Measurement of the evolution of TA capacity by IA-CM in 2021	100%	100%	100.00%
	PAINT 2021 audits completed in the year	100%	100%	100.00%

* For this indicator, the objective is that what is accomplished is equal to or below the goal. Thus, the performance calculation is made by the target over the effective amount.

Note: ESG stands for environmental, social and governance.

The two main explanations for some indicators having presented results well above the target are: (i) the fact that some of them are unpublished, with no history that would guide the definition of the goal; and (ii) the internal efforts of the BNDES, especially through corporate project (P1), which aimed to implement infrastructure financing solutions with direct assumption of project risks and mobilization of resources in the credit and capital markets.

As a result, P1 had a significant impact on the unprecedented indicators of AE, AI, AST and AF

related to alternative instruments and co-financed and risk-sharing operations.

The increase in installed capacity for renewable energy (photovoltaic and wind) in approved operations reached 2,448 MW, compared to the target of 1,000 MW. This performance is in line with the dynamics of the sector in 2021. According to Aneel, 7,562.08 MW became part of the Brazilian electricity matrix in 2021 – 57.8% more than estimated at the beginning of 2021.

In the case of the “Number of credit applicants in the MSME Channel in 2021”, performance was boosted by the efforts made in the previous year, amid the emergency countercyclical action related to the COVID-19 pandemic, aimed at expanding access to the channel. The results were not yet very visible in 2020, when the target of the indicator was defined, with the expansion of access concentrated in 2021.

We also highlight the main indicators whose performance fell short of the established goal:

- The satisfaction indicator with the services provided by the PA had 94.1% of performance. However, there is an increase in the average score of the semi-annual satisfaction survey: from 7.8 in the first half of 2021 to 8.1 in the second half, the result of efforts in the division.
- The number of MSMEs and PFs supported in the year (except five largest banks and Safra Plan) was 37.8 thousand. Although lower than the target of 44.4 thousand (85% performance), it was above

the average of the 2016-2020 period (28.8 thousand clients) and the result of 35.8 thousand in 2020, the best in the historical series so far, due to the emergency measures for MSMEs.

- Regarding the divestment indicator of the AMC, six of the seven divestment operations above R\$ 100 million were carried out, mainly due to the fluctuations in the stock market throughout the year.

Corporate projects

The corporate strategic projects seek to contribute to the implementation of the strategic objectives or to the achievement of the indicators, aiming at improvements in our performance.

These are temporary activities, with clear and predefined objectives and are transversal, involving and/or impacting different units of the Bank.

About 95% of the deliveries foreseen in the 2021 projects were completed.

CORPORATE PROJECTS 2021

P1) UNIONIZATION AND ASSUMPTION OF PROJECT RISKS:

implement financing solutions for infrastructure, with direct assumption of project risks and mobilization of market resources. Deliveries of the main fronts:

- » **Credit and guarantees policy:** development of the new transaction rating (with customized guarantees), review of the methodology for calculating exposure limits of economic groups and structuring of pilot cases.
- » **Debentures:** review of the portfolio of debentures products, construction of portfolio governance (books) and improvement of the measurement of the spreads charged.
- » **Other financial solutions:** development of structuring activities and/or coordination of emissions and backstop solution, in addition to improvements in the BNDES Guarantee product.
- » **Co-financing governance:** definition of guidelines and objectives expected with the governance structure, role of each division in the process and standardization pertinent to the **theme**.

P2) CULTURAL EVOLUTION: prepare the functional body for the challenges of an ever-changing world and engage it with the purpose and strategy of the BNDES, jointly building a new organizational culture. Deliveries of the main fronts:

- » **Leadership journey:** diagnosis of the installed culture and definition of the desired culture, in addition to the identification and prioritization of actions for cultural evolution.
- » **HR Journey:** sensitization of APEC and GP teams, as well as diagnosis and recommendations on HR practices and training for action aligned with the purpose and behaviors defined in the institutional identity.
- » **Journey of change:** preparation of a strategic communication plan and beginning to define and monitor indicators of cultural evolution.
- » **Internal communication journey:** definition of governance for image and reputation crisis management, as well as execution of institutional communication and training programs.

P3) BNDES ESG (environmental, social and governance): make the BNDES a development bank reference in the socioenvironmental agenda. Deliveries of the main fronts:

- » **Policies and effectiveness:** revision of the Operational Socioenvironmental Policy, update of the exclusion criteria of the Operational Policy, evaluation of socioenvironmental risk in the creation and review of products, preparation of an impact tool for operations and revision of result indicators. The process to measure the BNDES carbon footprint (administrative scope) was also initiated and instruments of the SocioEnvironmental Capital Market Policy were instituted.
- » **ESG management processes:** preparation of a proposal to improve the BNDES' ESG governance and procedures for social and environmental risk management in indirect operations, definition of the Social and Environmental Responsibility Policy (SERP) work plan and the ESG assessment methodology of companies, formalization of the Socioenvironmental Management System (SGSA) and establishment of ESG management frameworks in the Project Factory, in the operation of non-reimbursable funds and in our credit portfolio.
- » **Governance of ESG innovations:** definition of criteria for characterization of ESG solutions, elaboration of the impact model for comparison between solutions and implementation of the development process of this type of solution.
- » **ESG frameworks for investors:** obtaining a second opinion for the framework for issuing sustainable securities, issuing an ESG rating, and evaluating the relevance of our adherence to ESG principles and pacts, which resulted in our joining the Global Compact and joining the Carbon Disclosure Project (CDP).
- » **People and culture:** mandatory basic training for all employees, in addition to targeted workshops for executives.
- » **Communication:** publicity campaign on sustainability, as well as institutional communication and internal awareness actions.

P4) CREDIT PROCESSES: review and implement more automated, digital and integrated direct credit granting processes, in order to optimize operational activities, allowing better allocation of teams and better customer service. Deliveries of the main fronts:

- » **Clients Portal:** incorporation of normative changes in qualification and processes, improvements to security in the processing of information, advances in the transition to the new system of requesting financing and use of the portal as a workspace by internal teams.
- » **Process of analysis and contracting:** standardization of the process of processing and registration of operations in the stages of analysis and contracting, considering the use of digital signature.
- » **Follow-up process:** implementation of new functionalities in the follow-up system in order to enable it to be the channel of communication with the client and to optimize the treatment of contractual obligations, giving greater transparency and traceability to this stage.
- » **Normative and contractual drafts:** revision of internal regulations seeking their improvement to better serve the client, maintaining our level of compliance.

Corporate strategic projects 2022

The portfolio of strategic projects of 2022 was prepared from the annual update of the strategy, the analysis of its risks and opportunities, and the definition of the main deliveries of the divisions within the scope of the 2022 business plan.

The themes of the four main projects of 2021 were maintained, with the establishment of new deliveries. A new project was created with the objective of structuring, together with the Federal Government, the new public export support system and creating or improving sustainable, competitive and perennial BNDES' mechanisms and instruments to provide guarantee and/or funding for export financing operations of goods and services.

Threats and opportunities

The mapping of threats and opportunities is a fundamental element of our strategic planning and a determination of the Law of State-Owned Companies, being approved by the Board of Directors.

The identification of threats aims to prevent the institution from facing challenges and uncertainties that may hinder compliance with the strategy. The prospecting of opportunities, in turn, aims to enhance our performance. We approved, in December 2021, as part of the annual review of our strategy, an update of threats or opportunities, also reassessing their probability of occurrence and their degree of impact on the achievement of strategic objectives. Threats and opportunities associated with one or more strategic themes were identified, prioritized according to the degree of probability and impact. The following table illustrates some of the prioritized threats and opportunities.

The analysis of threats and opportunities is the basis for updating the long-term strategy and business plan with indicators and corporate projects for the following year. In this sense, for example, the identified opportunity to "develop project finance limited and non recourse markets" is analyzed in the P1 project. The threat of "attack on BNDES cybersecurity", in turn, is addressed in the P4 project.

THREAT (T) OR OPPORTUNITY (O)	LEVEL OF PROBABILITY	LEVEL OF IMPACT	STRATEGIC THEME(S)
(O) Develop project finance limited and non recourse markets	High	High	Infrastructure
(O) Attract funding and promote risk sharing through, among other instruments, securitized loans and syndicated loans	High	High	Infrastructure
(O) Strengthen the concessions and PPPs agenda, improving modeling and risk allocation	Moderate	High	State modernization
(T) Political, legal-institutional or regulatory instability	Moderate	High	State modernization; Infrastructure
(T) Difficulty in making political articulations with the Federal Government, subnational entities and other actors involved	Moderate	High	State modernization
(O) Strengthen the ESG agenda and strengthen the positioning of the BNDES on the subject, making the Bank a global paradigm	High	High	Environmental; Infrastructure; Social; Production structure
(O) Support innovation agendas and initiatives and promote efficiency gains or increased productivity in line with the transition to a low-carbon economy	High	High	Production structure; MSME; Social
(O) Support the export agenda, including through participation in the reformulation of the governance of the public export support system	Moderate	High	Production structure
(O) Development of support system through guarantee	Moderate	High	MSME; Asset and liability management
(T) Failure to adapt the country's structural financing conditions to the complexity of the priority themes	High	High	Production structure
(O) Use learning in the pandemic to develop quick solutions and improve the BNDES' performance	Moderate	High	Emergency
(O) Intensify work in a matrix manner	High	High	People
(O) Assess the impacts of the hybrid work regime, the relationships and the organization of work	High	High	People
(O) Meet the regulatory demands of governance in sustainability and climate, better positioning the BNDES on the ESG agenda	High	Moderate	Governance
(O) Position the BNDES as the Brazilian sustainable development bank	High	High	Communication
(O) Develop and enhance IT tools for task optimization and data-driven culture enhancement	High	High	IT
(T) Attack on BNDES' cybersecurity	Moderate	High	IT; Integrated risk management
(O) Improve integrated risk management with the inclusion of climate risks	High	Moderate	Integrated risk management
(T) Elevation of sector credit risk concentration	High	Moderate	Integrated risk management
(O) Increase the efficiency and productivity of the BNDES	High	High	Processes and standards
(O) Promote a data-driven, task-optimizing culture	Moderate	High	Data orientation

2020-2022 Triennial Plan

The 2020-2022 Triennial Plan was launched in December 2019 with a focus on our deliveries to society in the period. It explains our strategic agendas, relating them to the SDGs, and consolidates the deliveries foreseen in economic and social indicators, with goals associated with each of them.

The goals were defined by senior management and validated by the Board of Directors in December 2019, in line with the project pipeline estimates and the challenges to be overcome. The only subsequent review was approved in 2020, with changes to some goals that were more substantially affected by changes caused by the pandemic. In 2021, it was decided to maintain the goals, even though the achievement of the plan could have different results than expected.

The following tables present a summary of the results achieved in the first two years of the Triennial Plan, highlighting the goals up to

2021 and until 2022, as well as the accumulated for two years and the accomplished in 2021.

The first table shows the deliveries related to the provision of services (Project Factory), based on estimates of what projects with auctions completed in each year should bring benefits to society after they are implemented. The following table presents the deliveries related to the other forms of operation, covering the expected impact of projects supported through financing or guarantees, approved by the Bank in the reference years.

In sanitation, the auction for the **concession of services in the state of Rio de Janeiro** stood out in the year, divided into four blocks, with the prospect of benefiting a total of 14.6 million people, of which more than 7.6 million currently not served by the system. In addition, auctions were concluded in Amapá, which is expected to impact 734,000 including more than 600,000 people in the system, and in Alagoas (blocks B and C), whose estimate is to contemplate 1.3 million people, expanding access to more than 800,000.



Find out more in Our performance > Privatization and project structuring

DELIVERIES OF THE 2020-2022 TRIENNIAL PLAN – PROJECT FACTORY

SECTOR	TRANSFORMATIVE DELIVERY	TARGET TRIENNIAL 2020-2022	TARGET BY 2021	ACCOMPLISHED IN 2021	ACCOMPLISHED 2020-2021
Sanitation	Project structuring to bring sanitation services to people not currently served by the system (thousand people)	20,000	6,000	9,195	10,435
Parks and forests	Grant of national parks and forests conservation units (qty.)	20	N.A.	0	0
Logistics	Project structuring for private management in public ports (% of trade)	30.0%	0.6%	0.0%	0.0%
	Project structuring for extension of granted highways (km)	13,670	4,670	1,477	2,747
Privatization	Carrying out privatization processes: sale of companies or structuring of real state funds (qty.)	30	20	4	6

DELIVERIES OF THE 2020-2022 TRIENNIAL PLAN – CREDIT AND OTHER FORMS OF ACTION

SECTOR	TRANSFORMATIVE DELIVERY	TARGET TRIENNIAL 2020-2022	TARGET BY 2021	ACCOMPLISHED IN 2021	ACCOMPLISHED 2020-2021
Energy	Increase in installed capacity of renewable energy (in GW)	3.0	2.2	2.4	3.8
	Expansion of the natural gas distribution network (km)	2,200	2,000	1,239	2,490
Logistics	Implementation, duplication or modernization of railway sections (km)	2,500	250	0	0
	Implementation, duplication or modernization of road sections (km)	5,000	1,600	997	2,601
Urban mobility	Demand met by new medium and high capacity systems high capacity (thousand users/business day)	1,000	100	633	633
Sanitation	Number of people who will have access to sewage network summed with the number of people benefited by the expansion of sewage treatment (thousand)	5,500	2,271	84	146
	Number of people who will have access to water network summed with the number of people benefited by the expansion of water treatment (thousand)	1,000	270	255	513
ICTs	New access to fixed broadband services – connected people (thousand people)	4,000	2,250	542	1,150
Education	Support, through financial instruments, for basic and/or vocational education (number of students, in thousands)	1,000	400	121	229
Health	SUS units benefited by BNDES support (qty.)	1,000	800	890	1,370
Security	Projects aimed at improving the efficiency of services for intelligence in public security (qty.)	20	10	0	6
Employment	Generation or maintenance of direct and indirect jobs (thousand jobs)	6,572	5,500	804	5,524
MSME	Support to MSMEs and individuals in credit and guarantee operations (thousand clients)	625	525	129	593



Find out more in Our
performance > Privatization
and project structuring

As for the concessions of **national parks and forests conservation** units, there are several projects in progress. During 2021, ten public consultations of state parks were carried out, in addition to public consultation and launch of the notice of the Iguaçu National Park.



Find out more in Our
performance > Privatization
and project structuring

In the case of structuring **port projects**, advances were made in relation to the ports of Vitória (Codesa), Santos and São Sebastião, pioneers of private participation in the management of organized ports. In 2021, the opening of the public consultation of the Port of São Sebastião and the delivery of the studies of the Port of Santos stand out. For the Port of Vitória, due to its pioneering and innovative character, a broad dialog on the project was necessary with the entire port sector, which required a longer period for structuring.

On highways, the BR-153 GO/TO (851 km) and BR-116 RJ/SP (626 km) highway projects were auctioned in 2021, structured by the BNDES in partnership with PSP Infra. It is worth mentioning that three projects had schedules postponed due to updates requested by regulatory agencies, the granting authority and court of audit decisions.

Regarding the sale of companies and/or structuring of securities, four privatization processes were carried out in 2021, covering three state-owned companies in Rio Grande do Sul (CEEE-D, CEEE-T and Sulgás) and one in Amapá (CEA). The postponement of activities and the change in schedules during the pandemic impacted the entire life cycle of the projects.

In the energy sector, our support in 2021 corresponded to a 2.4 GW increase in installed renewable energy capacity, as a result of **approved solar and wind energy** projects.

In turn, the 1,200 km expansion of the natural gas distribution network was the result of the realization of the investment plan of Companhia de Gás de São Paulo (Comgás).

In logistics, the highways deployed, duplicated or modernized with our support totaled 997 km in the year, as a result of the **approval of three projects**: CART Raposo Tavares (834 km), MT-100 (112 km) and additional South Coast contour (51 km). In the case of railways, the results were mainly due to the postponement of early renewals of concession contracts scheduled for 2020-2021 and the fact that the only railroad granted in 2021, the Integration West-East Railway (Fiol), has not yet requested financing from the BNDES or the market.

In urban mobility, our support resulted in more than 633,000 users per day served by new medium and high capacity systems. This increase is mainly related to the approval in 2021 of financing for the São Paulo subway system.

In the sanitation sector, the results result from the approval of the financing to **Companhia de Saneamento do Paraná (SANEPAR)**. The news sanitation regulatory framework demanded adaptations from service providers, thus making the analysis of operations more complex and extending approval times.

In the information and communication technologies (ICT) sector, **the delivery of new access to fixed broadband services** resulted in 542,000 people connected in 2021. The year was marked by the signing of the fourth funding contract with FUNTTEL, with the approval of a FIDC with resources from the fund and the creation of the BNDES Finame FUNTTEL line. We also carried out the first acquisition of telecommunications debentures, among other operations.

In education, 121,000 students will benefit from support for basic and/or vocational education, mainly due to support for the **Cisternas nas Escolas** project, in partnership with the Banco do Brasil Foundation (FBB). The schools contemplated by the project registered a number of enrollments below the average of rural schools in the Northeast, what explains the results.

In the health area, 890 SUS health units benefited. Contributed to this result were the matchfunding Salvando Vidas (502 units), the financing of the Belo Horizonte City Hall (346 units), the PPPs of Belo Horizonte (forty primary care units) and the state of São Paulo (a women's health unit), as well as the credit to the Real Hospital Português de Beneficência in Pernambuco.

In the security sector, the indicator of projects aimed at improving the efficiency of public security intelligence services was impacted by credit restrictions to some public clients and by the concentration of demands on states and municipalities in the second year of the pandemic. In 2021, there were developments in the partnership with BID and the Ministry of Justice and Public Security, specially regarding tools for the structuring of projects based on evidences (Proseg Federativo platform).

The indicator of generation and maintenance of jobs, direct and indirect, registered 804,000 employment positions related to the BNDES' financing.

In turn, the BNDES' operations through credit or guarantee benefited approximately 129,000 MSMEs and individuals in the year, still affected by the pandemic. There was great demand from this segment of clients, especially in the agricultural sector.



Find out more in Our
performance > Infrastructure



Find out more in
Our performance >
Production structure



Find out more in
Our performance >
Socioenvironmental



Find out more in Our
Performance > Infrastructure




Find out more in Our
Performance > Infrastructure

IMPACT OF THE BNDES' PERFORMANCE

GRI

103-1 | 103-2 | 103-3 | 203-1 | 203-2

Access at:
www.bndes.gov.br/wps/wcm/connect/site/4c4dd694-aebe-43f3-bbc9-389beda26075/




We take into account the following concepts to assess the impact of our actions:

EFFICACY

level of fulfillment of the planned deliveries;

EFFECTIVENESS

level of compliance with the objectives set, in terms of promoting development in the economic, social, environmental and/or institutional;

EVALUATION OF EFFECTIVENESS

analysis that seeks to identify through systematic examinations the extent to which the objectives were achieved.



Find out more at:
www.bndes.gov.br/wps/portal/site/home/transparencia/resultados-para-a-sociedade



Access at: <https://web.bndes.gov.br/bib/jspui/handle/1408/20601>

We have a set of monitoring and evaluation activities that has the main purposes of accounting for our results and generate learning that can improve our performance.

As provided for in a **corporate policy on the subject**, our monitoring and evaluation encompasses a set of analytical processes articulated with each other and with our strategic planning, aimed at analyzing the efficacy and effectiveness of our support, in order to promote continuous improvements in our activities.

The impacts of our actions occur both on clients and, in a more aggregated way, on municipalities, regions or sectors, either by the direct and/or indirect effects of our support.

The monitoring and evaluation activities, in this context, seek to investigate the impacts of our support on clients, regions and sectors.

To subsidize these activities, objectives and indicators of efficacy and effectiveness are defined in advance for operations or for financial instruments used. The indicators are selected by the operational divisions from a previously defined set with the unit responsible for monitoring and evaluation. The operational units are responsible for monitoring and analyzing the indicators, in order to contribute to the learning of the organization. Evaluations of effectiveness are also carried out, which are more in-depth studies on certain types of support, according to priorities established by the administration. These evaluations can be performed internally, contracted or carried out in partnership with external evaluators.

EFFECTIVENESS REPORT

We consolidate the results of the indicators and the evidence generated by the evaluations of effectiveness in a report published every two years.

The fifth edition of the **BNDES Effectiveness Report** for the 2020-2021 biennium, will be launched in 2022, after consideration by the Executive Board and the Board of Directors.

EVALUATION OF EFFECTIVENESS

In 2021, we launched four effectiveness evaluation reports.

- Published in February, the first one reviewed the **impacts of BNDES support to urban mobility works** in the Metropolitan Region of Rio de Janeiro. The study brought evidence that

the investments financed had the following effects: (i) reduction in the concentration of total particles in suspension; (ii) reduction of hospitalizations associated with accidents, hypertension and cerebrovascular diseases; and (iii) increase in the number of companies and jobs, especially in the service sector and for workers with high school and higher education.

- In August, we launched a report on the **impacts of investments in sanitation on the health indicators** of municipalities that had liberated resources for this type of work. The results showed significant effects on the health of the population, especially for babies up to one year of age. The estimates obtained indicated that a municipality that receives a new basic sanitation project experiences a reduction in hospitalizations of up to 1.1% for the total population and 4.0% for infants up to one year of age.
- In October, another effectiveness evaluation report was launched, analyzing **the contribution of BNDESPAR's support to corporate governance**. The study found a positive correlation between support via equity participation and improved governance of small and medium-sized enterprises supported in the period evaluated. In the event study carried out – an econometric approach that analyzes the time elapsed after the investment –, some evidence of a positive effect of BNDESPAR's support on the management of companies was found in the period from three to four years after the initial contribution.
- Also in October, we published **an evaluation on the impact of support granted by the BNDES (via credit instruments) and by Sebrae (with business consultancy)** in formal employment in micro and small enterprises. Positive effects of the isolated support of each institution on employment were observed, with greater magnitude for credit support. Another question investigated was whether the effect was greater when a company received, in the same year, the two types of support, that is, whether there was complementarity between them. The estimates obtained showed that yes, noting that the estimated effect of the joint support was between 1.3% and 1.7% greater than our support alone and between 3.1% and 6% greater than the support alone from Sebrae.

In 2021, we also launched the second **Report on the impact of credit operations on the combat against inequalities**, which presents data on the regional distribution of our credit, in addition to its scope with regard to gender, race and people with disabilities and the identification of companies led by women.



Access at: <https://web.bndes.gov.br/bib/jspui/handle/1408/21362>



Access at: <https://web.bndes.gov.br/bib/jspui/handle/1408/21464>



Access at: <https://web.bndes.gov.br/bib/jspui/handle/1408/21483>



Access at: <https://web.bndes.gov.br/bib/jspui/handle/1408/20761>

HOW DO WE GENERATE VALUE

GRI

102-7 | 102-16 | 203-1 | 203-2

WE ACQUIRE

INPUTS

FINANCIAL

R\$ 22.2 billion
of FAT resources

R\$ 26.4 billion
in inputs originating from the
variable income portfolio

R\$ 1.2 billion
of internal and
external funding

R\$ 126.5 billion
in return on credit
transactions

HUMAN

2,471
employees

85%
with undergraduate degree

58%
with graduate degree

INTELLECTUAL

20h
of training per employee

1,367
participations
in training

69 years
of accumulated knowledge
in sector analysis and project
structuring

SOCIAL AND RELATIONAL

more than 7 million
visits to our website
in the year

more than 560
legislative proposals
monitored

1,804
demands received and
dealt with by the
Ombudsperson's Office

26
affiliations with entities
from different sectors of
the economy

more than 112,000
contacts through our
call center

HAVING AS

INSTITUTIONAL IDENTITY



PURPOSE

Transforming the lives of generations, promoting sustainable development



VALUES

Ethics, public spirit, commitment to development and excellence



PRINCIPLES

Commitment, agility, cooperation, innovation, transparency and effectiveness



MISSION

Propose and enable solutions that transform the productive sector and promote sustainable development



VISION

To be the Brazilian sustainable development bank



BEHAVIORS

Decisions based on purpose, excellence in customer service, innovative perspective, engaging leadership, collaboration and integration, and continuous development

STRATEGIC MISSIONS



INFRASTRUCTURE



PRODUCTION STRUCTURE



SOCIAL



ENVIRONMENTAL



MSME



MODERNIZATION OF THE STATE



EMERGENCY

As indicated, some deliveries have already been made, while others reflect the consolidation of the results predicted by projects approved in 2021.

GENERATING

OUTCOMES



FINANCIAL

R\$ 34.1 billion
of net profit

R\$ 15.7 billion
in taxes

R\$ 30.6 billion
in result from shareholdings

0.19% defaults
(+90 days, on 12.31.2021)

Total disbursements equivalent to
0.74% of GDP



MANUFACTURED

542,000

people to benefit from access
to fixed broadband services
(connected people)

633,000

users per working day to be served
by high and medium capacity urban
mobility systems

2.4 GW

expected increase in renewable energy
generation capacity

1,239 km

of natural gas distribution network
expansion deployed

997 km

of road sections expected to be deployed,
duplicated or modernized



INTELLECTUAL

1.3 million

accesses to the BNDES' digital library

more than 30 publications

launched for dissemination of
knowledge and transparency



SOCIAL AND RELATIONAL

129,000

MSMEs and individuals supported

9.2 million people to benefit
from access to sanitation from
structured projects

804,000

jobs generated or maintained during
the implementation phase of the
fixed investments supported

+ de 40% of indirect support and
guarantees for municipalities with
Municipal Human Development Index
(IDHM - 2010) below the national value

121,000

students to
benefit from support for basic
and vocational education

890 health units (SUS) to be
benefited with our support



NATURAL

22.1 million

tons of CO₂eq in
emissions avoided through renewable
energy and urban mobility projects
approved in 2021

+ de 560 ecological sewage
treatment systems delivered,
benefiting more than **3,400 people**

STAKEHOLDERS



SOCIETY



GOVERNMENT



CONTROL AND
SUPERVISORY BODIES



INVESTORS



INTERNAL PUBLIC



CLIENTS



FINANCIAL AGENTS



ACADEMIA

PRODUCTS AND SERVICES



FINANCING (p. 26)



SERVICES (p. 29)



SHAREHOLDINGS (p. 29)



GUARANTEES (p. 29)



NON-REFUNDABLE SUPPORT (p. 30)



KNOWLEDGE PRODUCTION (p. 30)



ATTENTION:

We do not accredit consultants (individuals or legal entities) as intermediaries to facilitate, expedite or approve credit operations.



See more at: www.bndes.gov.br/guia

Our different modes of action complement each other in order to enhance our contribution to the sustainable development of the country. Financing and provision of services are today our main fronts of action.

In addition, we work through participations, guarantees and non-refundable support. Our production of knowledge records learning and provides information for our different support divisions.

FINANCING

We grant funds for a predetermined period, offering financing solutions, credit limits, debentures and credit rights investment funds (FIDC). It is worth mentioning our performance in long-term credit, fundamental for compliance with of our strategy.

Our **financing** may be granted to companies of all sizes and individuals, depending on the purpose, directly or through accredited financial institutions (indirectly).

OPERATIONAL FLOW

Our credit granting process for direct, mixed and indirect non-automatic operations is based on the use of five standardized credit workflows.

After a qualification stage, in which we assess whether or not the client is able to operate with us, based on credit analysis, registration and compliance, the operations follow the different workflows according to their characteristics and their degree of complexity.

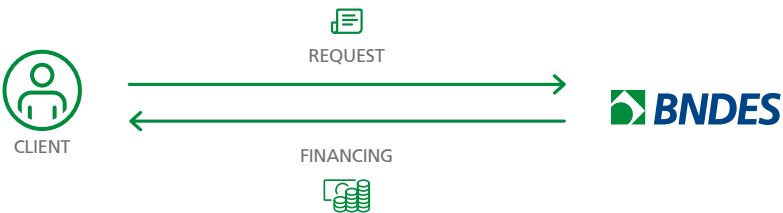
CLIENTS PORTAL

The platform is part of several stages of the relationship with our clients, in particular the request and monitoring of financing contracted directly with the Bank. Today, it is the gateway to most direct financial support requests. In 2021, the Clients Portal started to include new products and integrations with internal and external databases, enabling the processing of 100% of requests for qualification/registration analysis and more than 80% of direct requests for reimbursable financing.

Access at: <https://portal.bndes.gov.br/>

DIRECT OPERATIONS

In this modality, the operations are carried out directly with the BNDES. To request direct support, it is necessary, in general, that the financing has a value greater than R\$ 40 million. In some specific cases, such as in support of innovation projects, sanitation, energy efficiency, regional providers, philanthropic entities, reforestation, machine purchase, equipment and industrial goods, among others, it is possible to request direct support in financing below this limit.

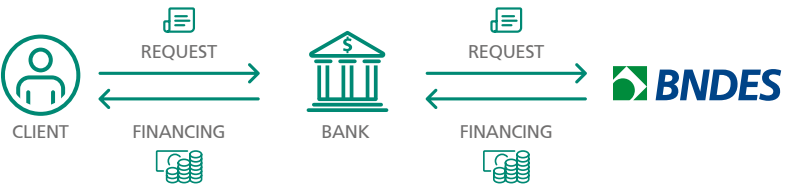


INDIRECT OPERATIONS

These are operations carried out through accredited financial institutions. These entities are responsible for analyzing the financing and negotiating the conditions with clients – respecting some rules and limits defined by the BNDES, in addition to assuming the risk of non-payment of the operation. Therefore, they may or may not accept the credit application.

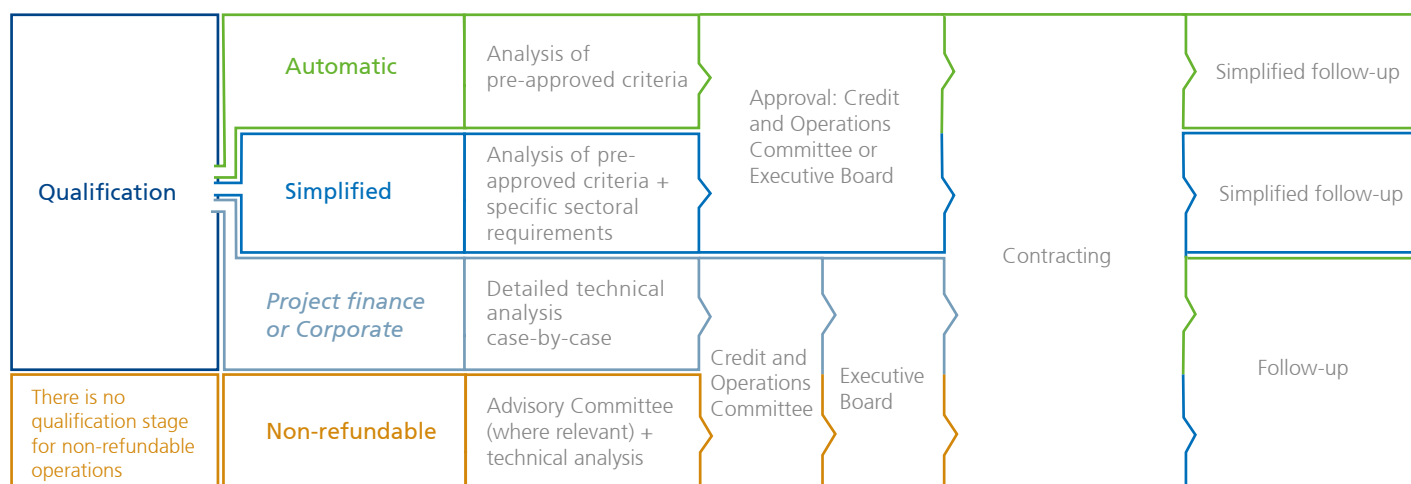
PODEM SER:

- Automatic:** financing operations with a value of up to R\$ 150 million. The accredited financial institution receives and analyzes the request, approves the credit and requests us to approve and release the funds. Upon arriving at the BNDES, these operations are mostly processed automatically, which gives agility to the process, without compromising security, and reduces time between the credit request and its final approval.
- Non-automatic:** operations of at least R\$ 40 million, in which the accredited financial institution, responsible for conditions and risk, sends us prior consultation for analysis. In this case, the financing operations are individually evaluated and approved by us.



MIXED OPERATIONS

These are operations that combine direct and indirect non-automatic forms. In this case, the BNDES and the accredited financial institution share the risk of the operation. Mixed operations usually occur at the suggestion of the Bank or the financial institution.



An application for financing with a defined object, such as the purchase of national equipment, is processed by the automatic workflow. In it, the request is analyzed based on a list of criteria previously approved by the Executive Board and, if it meets all the necessary requirements, it is submitted to the Credit and Operations Committee (CCOp) or to the Executive Board, depending on the value of the operation.

In the simplified workflow, the main difference is that, depending on the object of financing, there is a slightly more complex validation, which takes into account specific sectoral requirements. Monitoring on the simplified workflow is also more detailed than on the automatic one.

More complex projects, such as greenfields and infrastructure in general, follow the corporate or project finance workflows, which differ mainly in relation to the financial structuring and guarantees of the operation.

In these projects, multidisciplinary technical teams specialized in the sector take into account several aspects of the proposal during the analysis, such as

economic and financial viability, socioenvironmental aspects, strategy and governance of the company, market conditions and guarantees offered.

Finally, in operations with exclusively non-refundable resources, there is no qualification stage and the registration is verified during the analysis. These operations follow a specific workflow, given its characteristics. Depending on their objectives, the request for support may be reviewed by an advisory committee before being reviewed by our technical team.

The requests in the corporate, project finance and non-refundable workflows are also analyzed in relation to eligibility, based on our operational and credit policies, and are forwarded to the Credit and Operations Committee for deliberation.

Socioenvironmental regulations

The regulation of socioenvironmental management of operations, which replaced the socioenvironmental policy focused on operations, establishes the procedures for the identification and treatment of social and



Find out more in Sustainability

WHAT WE DO NOT SUPPORT

We do not offer financial support to clients convicted, whether in the administrative or judicial sphere, of acts involving: discrimination of race and gender; child labor; slave labor; moral or sexual harassment; and crimes against the environment. In the event of conviction for these acts, contracting will be prevented until proof of regularization of the situation by the client.


We also consider restrictions imposed by international agreements, such as the financing of chemical and nuclear weapons and polluting substances that deplete the ozone layer.


We do not support investments in the motels, saunas and spa segment, and gambling and betting exploration. There is also a list of activities, enterprises and items from some sectors – agriculture, weapons, banking,

energy, real estate, timber, mining, sanitation and solid waste, steel, and sugarcane/alcohol – which are subject to specific conditions for support.

In the case of the agricultural sector, for example, we do not support the purchase of animals for resale, fishing in prohibited periods or in places prohibited by the competent body. Projects in the mining sector that incorporate processes of rudimentary mining are not supported, as well as projects located in full protection units.

In 2021, we revised our exclusion and conditional support list, ceasing to support activities with high exposure to socioenvironmental risks and establishing conditions for support to other sectors with greater potential for negative impact.

 For more details on activities, enterprises and non-financing items, visit: www.bndes.gov.br/wps/portal/site/home/financiamento/guia/lista-exclusao-atividades-e-itens-nao-apoiaveis-pelo-bndes

 Find out more in the Ethics, integrity and transparency and Sustainability sections



Find out more in [Ethics, integrity, and transparency](#)

environmental impacts of the operations financed and is in line with good international practice. Higher risk operations are subject to more detailed due diligence and follow-up procedures, according to the socioenvironmental sensitivity classification assigned.

The regulation also provides that in the socioenvironmental analysis of clients we should verify the compliance with legal social requirements and our guidelines and procedures regarding the maintenance of employment and **human rights**, such as the protection of people with disabilities and the absence of practices of discrimination of race or gender, child labor or slave labor, moral or sexual harassment.

Follow-up

All approved and contracted projects go through a monitoring stage, in which the financing resources are disbursed to the client according to a pre-established schedule, and our team verifies compliance with contractual obligations and the evolution of the supported investment, making adjustments to the operation, whenever necessary.

We continue to improve the monitoring process and system, aiming to reduce operational costs and risks and improve client experience, transparency and traceability. During the year, functionalities were developed in the Clients Portal that, in addition to allowing the client to make requests related to their contract, such as credit release and extension of deadlines, facilitate our monitoring of contractual obligations.

In automatic indirect operations, monitoring is carried out by accredited financial institutions and verified by us, based on sampling techniques that consider issues such as materiality and risk. We also cross-reference information with internal and external databases to better target the compliance verification and fraud prevention efforts, and we follow the guidelines of the Federal Court of Accounts (TCU) to verify the correct

application of resources and compliance with regulatory requirements.

Monitoring and evaluation

The **monitoring and evaluation** of the efficacy and effectiveness of the projects are started already in the analysis stage. In this first moment, we verify the alignment of the project with public policies, identify expected impacts and define objectives and indicators of efficacy and effectiveness to be monitored. After the completion of the project, a final evaluation is carried out, which compares predicted and accomplished values of the indicators and points out lessons learned.

EXPORTS

Public export support systems exist in more than seventy countries. We are one of the main components of the Brazilian system, which, through a set of instruments aligned with public policies, allows the practice of costs and terms more compatible with the international market.

In addition to our financing, the system has lines operated by Banco do Brasil with resources from the National Treasury (Proex Financing and Proex Equalization) and with the Export Credit Insurance (SCE), backed by the **Export Guarantee Fund (FGE)**, to cover the guarantees provided by the Union for commercial, political and extraordinary risks.

Our export support lines, since their creation, are aimed at segments that have a greater need for financing in the medium and long term, meeting a very specific objective: to enable financing conditions compatible with the international market so that Brazilian companies can export without disadvantage in relation to their international competitors.

This system is undergoing a process of improvement and reformulation within the Ministry of Economy, of which we are participating with protagonism in the diagnosis of current difficulties and in the **construction of solutions**.

FIXED INCOME

We operate as an investor in public offerings in the fixed income corporate securities market since 2006, with the mission of creating products and making investments in order to develop the

Find out more in [Impact of the BNDES' performance](#)



COMPUTERIZED SUPPLIERS ACCREDITATION SYSTEM (CFI)

Machinery, equipment, components, industrial systems and technological services financed by the BNDES are previously registered with the CFI – Finame Accreditation. The accreditation of these items, in addition to indicating the capacity of local supply, which contributes to the generation of jobs and Brazilian industrial development, enables the granting of credit in an automated and secure manner by a wide network of agents that pass on our resources.



Find out more in [Financial sustainability](#)



Find out more in [Our strategy](#)

FOLLOW-UP OF PROJECTS WITH SATELLITE IMAGES

We use satellite images to assess the physical evolution of projects, especially in projects deployed in large areas.

In 2021, more than 45 projects were monitored in this way. This tool has also been used to support the analysis of projects in structuring, seeking to subsidize the teams responsible for understanding the territorial context and the potential impacts on the surroundings of the projects.

fixed income capital market. Our objectives are to act in a complementary way to the private market, offering financing options for Brazilian companies, and to channel private resources to raise investment in the country, in particular in the sectors of logistics and transport, urban mobility, energy and sanitation.

Our financing conditions and credit policies are designed to promote the origination of debentures. Some highlights are: collateral sharing between our financing and market debentures and the possibility of cross default between the debenture and our financing.

SERVICES

As a service bank, we support the Brazilian State and public entities in **privatization** projects in all modalities: concessions, public-private partnerships (PPPs) and privatizations, acting in the structuring of projects and partnerships with new investors and qualified operators.

Acting as a project factory, we play a strategic role in coordinating efforts and resources (public and private) to enable projects in different segments, enabling the reduction of bottlenecks, generation of investment opportunities, reduction of public spending and improvement of services available to the population.

We offer an integrated solution for our public sector clients, providing services from origination to post-auction projects.

We give transparency to information about the service bank at **BNDES Projects Hub**, a website where interested parties can learn more about our portfolio. On **our website**, we provide information on all hires of consultants for privatization projects. In addition, we have the supervision of the TCU and the Brazilian Office of the Comptroller General (CGU), which contribute to the improvement of our processes.

SHAREHOLDINGS

Our solutions involve entering the capital of a company or special purpose company (SPE), as a direct investor or through equity investment funds in companies at all stages of development.

We act in a complementary way to the market and our traditional financing products, contributing not only to the business plans and the strengthening of the capital structure of

Brazilian companies, but also for the development of the country's capital market, through incentives to best corporate governance practices and social and environmental initiatives.

To this end, we invest in shares and/or debentures convertible into shares of publicly-held or privately-held companies, constituted as corporations, in public or private offerings.

Our investments take place in a transitory, minority and non-executive manner, always with a long-term horizon and under market conditions. Therefore, they occur in equitable terms in relation to other investors, not incorporating subsidies for investees, which are subject to terms, structures and dynamics common to all members of the capital market.

We also operate through **investment funds**, which, for the most part, acquire shareholdings or debentures.

We periodically select managers for investment funds focused on the development of markets and sectors in which a greater lack of resources is identified. The action through funds aims to develop innovative companies and production chains that we consider priority, stimulate entrepreneurship and investment in infrastructure, in addition to spreading the culture of venture capital in the country.

GUARANTEES

We operate in the management of three guarantee funds: two are organized from the **Investment Guarantee Fund (BNDES FGI)** – FGI Traditional and Emergency Credit Access Program (FGI Peac) – and the third is the Guarantee Fund for the Promotion of Competitiveness (FGPC). Currently, only the Traditional FGI is open for contracting new operations.

BNDES FGI Traditional aims to contribute to the expansion of credit access opportunities for smaller companies and entrepreneurs, in addition to autonomous cargo carriers, in this case, complementing guarantees for the acquisition of capital goods. The guarantees offered by the fund allow financial institutions to approve financing on better terms, such as longer maturities, fewer entry requirements and even lower interest rates.



Find out more in [Privatization and project structuring](https://hubdeprojetos.bndes.gov.br/pt/index.html)



Access at: <https://hubdeprojetos.bndes.gov.br/pt/index.html>



Access at: www.bndes.gov.br/wps/portal/site/home/transparencia/desestatizacao



Find out more in the [New solutions and products and Our performance > Capitals market](#)

As of December 31, 2021, the shareholders of BNDES FGI were the Federal Government (majority), the BNDES itself and 31 other financial agents.

In 2021, BNDES FGI Traditional presented a significant growth, guaranteeing a financed volume of about R\$ 2.2 billion (approximately 60% higher than 2020).

Currently, **BNDES FGI Traditional** supports credit operations carried out through various lines and financing programs, both from financial agents and other sources of funds, as well as with BNDES onlending.

FGI Peac was established in 2020 with the objective of primarily supporting small and medium-sized enterprises (SMEs), associations, private law foundations and cooperatives (except credit) in obtaining credit during the acute phase of the economic crisis resulting from the COVID-19 pandemic.

In 2021, FGI Peac was integrated into the Credit Information System of the Central Bank of Brazil, allowing honor request and credit recovery processes to be carried out digitally, without human intervention and with a high level of compliance. No new operations were contracted in 2021.

BNDES GUARANTEE



Access at:
www.bndes.gov.br/wps/portal/site/home/Financiamento/produto/bndes-garantia

The **BNDES Guarantee** product was structured in 2020, replacing the BNDES Fianças product, to offer solutions independently or complementary to other products of the Bank, in operations carried out directly. The product provides a personal guarantee to pecuniary obligations assumed by clients with domestic or foreign creditors.

The first operations were contracted in 2021, providing collateral for the issuance of agribusiness receivables certificates (CRA) carried out by agricultural cooperatives.

NON-REFUNDABLE SUPPORT

We invest non-refundable resources in social, cultural, environmental, scientific and technological projects. These funds can be used in addition to the repayable financial support for investment projects or to help attract other partners and may originate in part from our profit, in the case of the BNDES Socioenvironmental Fund, or in external donations, such as the Amazon Fund.

In addition, we have funds to support research and development projects (**BNDES FUNTEC**), preservation and revitalization of Brazilian

cultural heritage (Cultural Fund) and technical studies or third-party research (BNDES FEP).

In 2021, we revised the regulation of the former BNDES Social Fund, which became the **BNDES Socioenvironmental Fund**, reinforcing the possibility of supporting environmental projects. The new regulation also allows broadening support for education projects, prioritizing transformative themes that can contribute to a quality leap in basic education in public networks.

BNDES FEP also had its standards revised in 2021, with the objective of including project structuring initiatives in its scope of support. Thus, the fund now has the following modalities: (i) prospecting and research (sector studies); (ii) project development (technical studies of infrastructure projects); (iii) pro-structuring of projects (preliminary studies for privatization, pilot projects for structuring privatizations, structuring of new financial vehicles); and (iv) environmental, social and governance (ESG) structuring – modeling in the ESG sectors.

In non-refundable support, we prioritize governance structures in **partnership** with civil society and private companies.

KNOWLEDGE PRODUCTION

We regularly produce sectoral and economic analyses, evaluations of effectiveness, seminars and publications aimed at disseminating **knowledge** and broadening the debate on development, in addition to informing society about the results of our operations.

Annually, two editions of the periodicals Revista do BNDES and BNDES Setorial are published. The first presents articles on themes related to economic and social development, while the second brings together analyses related to the sectors of the Brazilian economy that the Bank supports or envisages supporting.

Both have employees of the Bank as authors or co-authors, aiming to **share the technical knowledge** produced internally.



[Find out more in Sustainability](#)



[Find out more in the New solutions and products and Our performance sections](#)



Access at
www.bndes.gov.br/conhecimento



[Find out more in Sustainability](#)



[Find out more in Our relationships](#)

NEW SOLUTIONS AND PRODUCTS

GRI

102-2 | 102-6 | 102-11 | 103-1
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Find out more in [Our strategy](#)



Our solutions and products are developed to enable the implementation of **our strategy**. We seek to offer complementary solutions to those in the market, focusing on differentials such as longer terms, presence in multiple sectors, expertise in services, among others.

We take into account the needs of our current and potential clients, the possibilities of generating positive externalities for society, opportunities for partnerships with market actors, synergies with our portfolio, alignment with our strategic guidelines and existing impact assessments. As a result, we rely on a **variety of solutions** involving credit, services, guarantees, participations and non-refundable support.

Based on the goals and guidelines outlined in our strategic plan and the expected impacts, we designed the portfolio strategy. In 2021, examples of guidelines for new products were:

- promoting productivity and competitiveness;
- stimulating territorial and regional development;
- boosting energy efficiency and decarbonization;
- transforming for the digital economy and society; and
- fostering the management and competence in the public sector.

After the presentation and approval of the proposal by the Management Committee (MC), the concept is developed by the two units with the support of the legal team, appreciated again by the MC and forwarded to the Executive Board for approval. This proposal also includes an analysis of the socioenvironmental impacts of the support instrument and possible contributions to the SDGs.

Upon completion of this process, the support instrument created or amended will be included in our **Operational Policies**.

Our core set of operating regulations, including basic guidelines, cross-cutting regulations, support instrument regulations (products, lines, programs and funds) and tariff regulation.

SOLUTIONS FOR OUR KEY STRATEGIC AGENDAS

In 2021, we launched and improved support instruments that reinforce our role in the development of the country, in relevant themes such as infrastructure, ESG, production structure and MSMEs. We structure new solutions seeking to make our strategy more effective.

Infrastructure

In order to boost the infrastructure agenda, we have improved our credit, guarantee and services policies and solutions to expand co-financing and take more risks in operations. Our risk management unit actively participated in the structuring of pilot operations, especially with regard to the credit risk involved, pricing and modeling of the guarantees offered.

Throughout the year, we used innovative forms of support in unionized financing solutions, with co-financing and risk sharing in road infrastructure and urban mobility operations.

An important milestone was the structuring of our first **project finance non-recourse** operation, which enabled financing for a small highway project in Mato Grosso (MT-100), granted to a medium-sized infrastructure group.

In 2021, we also revised our portfolio of simple debenture products in public offerings, with the creation of a new product more adherent to market practices. BNDES Debentures in Public Offerings – which replaces BNDES Sustainable Debentures and Infrastructure Debentures and BNDES Corporate Bonds in Public Offerings – allows to support issues or series that are intended to finance corporate reorganizations, isolated working capital and financial restructuring.



Find out more in [Our performance](#)

The modality considers as a guarantee only the resources from the enterprise itself, such as revenues from toll tariffs, without requiring corporate guarantees of the partners or bank guarantees.

TREND MONITORING

In addition to the support instruments launched by our peers, both public and private, we also monitor the movements related to innovation and technology, with great impact in the banking market. Examples are the changes brought about by open banking, the new business models of banking as a service and banking as a platform, the regulated and unregulated fintechs, the development of the Internet of Things (IoT) and 4.0 machines and services, and the promotion of carbon credits and instruments aimed at energy efficiency.

PRODUCT MANAGEMENT

The management of our products is governed by an internal regulation that establishes rules, guidelines, processes, roles and responsibilities for the activity.

The process of creating or changing products begins with the elaboration of a concept by an operational division which, from its experience and contact with clients, identifies opportunities and market needs. This concept is forwarded to the unit responsible for product management – which evaluates and supports the alignment of the concept with the corporate strategy and operational policies, the positioning of the support instrument and the analysis of its viability.

This first conceptual proposal includes a preliminary assessment of the market and a description of the solution, indicating its merit for clients and the Bank, and its alignment with corporate strategy and internal policies. It also encompasses a preliminary analysis of the externalities and revenue potential versus costs of developing and operationalizing the solution.

New instruments were also developed to provide the service of structuring and coordinating debenture issues in public offerings and for the provision of contingent credit (backstop).

ESG

To develop solutions related to the ESG agenda, we currently have a department dedicated to listening to the needs of possible partners and the support of our operational divisions. The unit maintains contact with more than 300 companies, with the most diverse focuses of activity.

In 2021, we launched **BNDES ESG Credit**, with the concept of **ESG linked loan**. The product was developed with a focus on sectors considered strategic to reduce emissions (such as steel and mining) or with great carbon capture potential (such as the wood chain), contributing to the transformation of the productive sector and to the sustainable development agenda.

New matchfunding actions were also launched, such as Floresta Viva, which aims to support forest restoration projects from native species and agroforestry systems in the various biomes of the country; and Resgatando a História, aimed at supporting projects to recover the Brazilian historical heritage. Both initiatives have different partner institutions, which add resources to those contributed by the Bank.

Also in 2021, we worked on the preparation of the BNDES Parks and Forests program, launched in 2022 in order to support investment projects in public concessions for natural or urban parks and forests. The program has a budget of R\$ 500 million and may finance special purpose enterprises (SPE), concessionaires or companies controlling SPEs.

We also reviewed the Climate Fund Program, considering new guidelines of the 2021 Annual Resource Application Plan, and BNDES Finame and BNDES Finame Direto, for the inclusion of new classes of low carbon products that can be financed – vehicles for industrial logistics, vehicles and agricultural machinery, and vessels.

ESG and MSME

Another highlight was the creation of a new guarantee solution aimed at investments in energy efficiency made by MSMEs.

Prepared in conjunction with the **Financial Innovation Laboratory (LAB)**, FGEnergia has funds raised with national and international institutions that support initiatives aimed at sustainability. The first funding, in 2021, was through the National Electric Energy Conservation Program (PROCEL), which will allocate R\$ 40 million to the fund, enabling the principle of its implementation.

The **program** went into operation in early 2022. The guarantees offered cover 80% of the financing amount, which can reach R\$ 3 million per company, and the terms of coverage vary from 12 to 84 months.

MSMEs

In 2021, we expanded our operations with **credit funds aimed at MSMEs**, offering resources through new partners and reaching entrepreneurs through alternative channels to traditional banks. Credit rights investment funds (FIDC) – together with fintechs and digital platforms – are an important tool for the development of new credit channels and the private debt market in Brazil.

We also reviewed the rules for BNDESPAR's support to investment funds in participations and projects that invest in emerging companies and seed capital, seeking to expand support for these businesses. The main changes were: the possibility of investing in companies headquartered abroad, provided they have 90% or more of their assets located in Brazil; and the simplification of procedures for BNDESPAR's participation in these funds, according to the percentage it holds of the committed capital.

Other news

In 2021, we created the BNDES Rural Credit Costing subprogram, intended to cover expenses such as the acquisition of inputs for the restoration and recovery of legal reserve areas, and the purchase and application of biological inputs. We also launched the BNDES Gas program to support new investments in the natural gas value chain.

We also disclose BNDES Finame FUNTTEL, which will have an initial allocation of up to R\$ 100 million from the Fund to finance the acquisition of telecommunications equipment previously accredited by the Bank, in the BNDES Finame model. The solution uses the network of accredited financial agents to spray access to FUNTTEL resources, reaching MSMEs and fostering broadband connectivity in Brazil, especially in regions with limited telecommunication services, including through small providers.

Access at: www.bndes.gov.br/wps/portal/site/home/financiamento/produto/bndes-credito-asg



This type of financing allows more attractive conditions to be offered – such as lower interest rates – for clients who prove the improvement of social, environmental and governance indicators during the term of the operation. In addition, it includes minimum counterparts for disclosure and transparency of socioenvironmental actions.

The linked loan model was tested with **BNDES Renovabio**, created at the end of 2020 to assist the biofuels sector in the task of decarbonizing the Brazilian economy. The program served as a pilot for the construction of a more extensive normative framework for financial solutions based on sustainable performance.



Find out more in Our performance > Production structure



Find out more at: www.labinovacaofinanceira.com/lab/



Access at: www.bndes.gov.br/wps/portal/site/home/financing/guarantees/fgenergia

Find out more in

Our performance > Emergency Countercyclical



BLENDED FINANCE

In order to expand the resources available for projects with a positive socioenvironmental impact, we developed a **new hybrid financing** structure. Our goal is to develop pilots combining our non-reimbursable resources, through BNDES Blended Finance Fund, to different types of capital – public, private and philanthropic, national or international.



Find out more at: https://agenciadenoticias.bndes.gov.br/export/sites/default/galleries/download/gallery/BNDES_WHITE_PAPER_BLENDED_FINANCE.pdf



We are a non-dependent State-owned company, with direct control of the Union, not subject to intervention, extrajudicial liquidation or bankruptcy, according to current legislation. The BNDES does not receive financial aid from the Federal Government, our controller, nor from any other governmental body.

FUNDING SOURCES

The return of our own operations, added to resources from the Worker's Assistance Fund (FAT) and the National Treasury, constitutes the main portion of our sources of funds, which is complemented by other government funds, funding from abroad, public issues and banking instruments.

With the establishment of the Long-Term Interest Rate (TLP), which will converge with the market by 2023, and the early repayments of loans taken with the National Treasury, we have structured ourselves to seek funding alternatives.

In this context, we started studies to optimize the use of the BNDES' sources of funds through the development and implementation of our own funding cost curve methodology (FTP – funds transfer pricing).

In addition, we are evaluating the guidelines of a new funding policy, in order to increase the integration between funding, investments and liquidity management.

Due to the measures adopted to combat the effects of the pandemic, in 2020, we did not anticipate payments of remaining loans with the Federal Government, maintaining only regular payments of contracts.

GOVERNMENT SOURCES

National Treasury

In January 2021, the Federal Court of Accounts (TCU) declared the irregularity of the loans granted by the Federal Government to controlled financial institutions, signed through the direct issuance of public securities. In agreement with the Ministry of Economy (ME), in March, we forwarded the return plan, whose effective execution will be subject to our financial planning and conditioned to analysis of liquidity, cash flow, risks, among others. In the schedule, we considered the possibility of payments of R\$ 85.4 billion by December 2022.

In December, TCU considered the schedules presented by the BNDES to be adequate, except for not including the return of R\$ 13.3 billion in Instruments Eligible for Principal Capital (IECP), under discussion in the Mediation and Conciliation Chamber of the Federal Administration (CCAF/AGU). In response to the Court's decision, in April 2022, we approved the early settlement of R\$ 13.3 billion, the effective payment of which will be pending the authorization of the Central Bank of Brazil (BCB).

Prepayments – related to loans made between 2008 and 2014 – were resumed in 2021, totaling R\$ 63.0 billion over the year. Since 2015, we have not raised more funds from this source and have already made the **early return** of R\$ 472.0 billion. With these settlements, the National Treasury ceased to be our main source of funds, and, as of 12.31.2021, our remaining obligations totaled R\$ 124.4 billion.

FAT

The Social Security Reform determined changes in FAT that implied a decrease from 40% to 28% of the PIS-Pasep collection percentage for the BNDES. This collection, originally defined by the Federal Constitution of 1988, aims to generate employment opportunities and protect the unemployed worker. This reduction, however, did not represent a loss of resources for the Bank, since the new text put an end to the incidence of the Divestment of the Union's Revenue (DRU) of 30% on these resources.

In 2021, FAT remained our main source of institutional resources, with a balance of R\$ 347.4 billion on 12.31.2021 (R\$ 340.7 billion



Find out more in Our performance > Economic and financial performance

The FAT resources are captured in two modalities: Constitutional FAT and FAT Special Deposits. The first provides for application in economic development programs based on guidelines established by the Constitutional FAT Resource Application Policy. Approved in 2021, the policy indicates the valuation and integration of the ESG dimensions, the submission of annual programming for the application of resources and mechanisms that make the use of resources by the Bank more flexible.

The FAT Special Deposits modality, in turn, is intended for specific programs and sectors, previously determined and approved by the Executive Secretariat of the Deliberative Council of the Workers' Assistance Fund (CODEFAT).

OTHER GOVERNMENTAL SOURCES

- Merchant Marine Fund (FMM) – In 2021, we renewed the agreement with the Ministry of Infrastructure until 2026 and received onlending from the fund of R\$ 234.93 million.
- National Climate Change Fund (FNMC) – In 2021, two amendments to the 2016 contract were made, with a transfer of R\$ 324.8 million and extension of validity until December 2024.
- National Benefit Sharing Fund (FNRB) – In November 2021, we signed the second amendment to the contract with the Ministry of the Environment, effective for one year. In the course of the year, the fund's equity increased by R\$ 1.25 million.
- Audiovisual Sectoral Fund (FSA) – In December 2021, our contracts with the National Cinema Agency (ANCINE) and BRDE for the transfer of FSA funds – of which we are the central financial agent – were renewed for five years. In the year, we received resources of more than R\$ 337 million for the articulated development of the entire production chain of audiovisual activity in the country.
- Land and Agrarian Reform Fund (FT) – In 2021, we received transfers of R\$ 78.8 million from the fund.
- Telecommunications Technology Development Fund (FUNTEL) – In December 2021, we signed the fourth contract with the Ministry of Communications and received funds of R\$ 184.3 million to support projects aimed at the development and dissemination of technology in the telecommunications sector.

of the Constitutional FAT and R\$ 6.7 billion from FAT Special Deposits).

Throughout the year, R\$ 20.8 billion in resources were raised from the Constitutional FAT and R\$ 1.4 billion from the FAT Special Deposits.

EXTERNAL FUNDING

Issuance of external securities (bonds)

For more than thirty years, we have been working with external securities issues, with the objectives of: expanding and diversifying our sources of funds and our investor base; encouraging the access of other Brazilian issuers to the bond market; developing the ESG securities market; and creating new reference points in our international interest rate term structure.

In 2021, we launched the Sustainability Bond Framework, which facilitates the Bank's issuance of green, social and sustainable bonds, in Brazil and abroad.

Our balance with bond obligations totaled R\$ 9.0 billion on 12.31.2021. In the year, there was an increase of R\$ 609 million due to exchange variation, due to the appreciation of the dollar in relation to the Real (7.4%).

Funding with multilateral organizations

The balance of our loans with government agencies and multilateral institutions totaled R\$ 24.4 billion in 2021. We settled R\$ 4.5 billion in the year, with an effect mitigated by exchange variation of R\$ 1.9 billion.

Such funding is generally intended for specific sectors or business segments and must meet the conditions of the creditor. In recent years, funding with multilateral bodies has been focused on ESG projects.

It is worth highlighting the loans approved in the years 2020 and 2021 with the Inter-American Development Bank (IDB) and the New Development Bank (NDB), in the total amount of US\$ 2.45 billion, which await the approval of the Federal Government guarantee by the Federal Senate for subsequent contracting and disbursement of funds.

As part of the actions to manage our assets and liabilities structure, in 2021, we prepaid debts with the Official Credit Institute (ICO), with a principal balance of US\$ 171 million, and with Japan Bank for International Cooperation (JBIC), with a principal balance of US\$ 143 million.

FUNDING FOR FAMILY FARMING IN THE NORTHEASTERN SEMI-ARID REGION

In 2021, we concluded, together with the International Fund for Agricultural Development (IFDA) and the ME, the negotiation stage of the contractual terms for funding with the Green Climate Fund (GCF) for climate resilience initiative in the semi-arid northeast.



See more at: [https://agenciadenoticias.bndes.gov.br/detalhe/noticia/BNDES-FIDA-e-ME-lancam-R\\$-1-bi-para-seguranca-alimentar-e-resiliencia-climatica-no-semiarido/](https://agenciadenoticias.bndes.gov.br/detalhe/noticia/BNDES-FIDA-e-ME-lancam-R$-1-bi-para-seguranca-alimentar-e-resiliencia-climatica-no-semiarido/)

INTERNAL FUNDING

BNDES financial letters

These operations integrate the strategy of developing new market funding instruments, in addition to our traditional sources of resources, to meet our budgetary needs for investments and future disbursements.

In August 2021, the **Annual Report of the Green Financial Letter** issued by BNDES in 2020 was published. The amount of R\$ 1 billion was backed by wind and solar energy projects, with an installed capacity of 445 MW, enough energy to supply 740,000 homes, and with an emission reduction projection of 1.8 million tons of CO₂e.

TAXES

Governance on taxes is distributed among our different divisions, which are responsible for the calculation, payment and accounting record in the Integrated Tax System.

We monitor changes in tax legislation on a daily basis to assess possible impacts of new regulations on the calculation of taxes. The monitoring process is carried out with the support of the Legalbot tool – which allows from the capture to the monitoring of action plans related to the legislation issued, which may impact our activities – in addition to being carried out in a decentralized manner by the various divisions.

The tax management process is also analyzed within the scope of **operational risk** management, which includes all of our organizational processes.

We cooperate with the Tax Administration based on ethical and transparency principles, providing all the information required for the fulfillment of our obligations.

Our tax expenses, duly audited, are disclosed in our quarterly **financial statements**. As we only operate in Brazil, there is no collection of taxes in other tax jurisdictions.

In October 2021, we joined the Tax Cooperative Compliance Program of the Federal Revenue (Confia Program), which aims to improve the relationship between taxpayers and the Federal Revenue.

INTEREST RATES

LONG-TERM INTEREST RATE (TLP)

Reference for our loans since 2018, TLP is composed of a fixed installment, defined in contracting and announced by the BCB each month, and another

Financial letters are nominative credit securities, transferable and freely negotiable, issued exclusively by financial institutions and other institutions with operations authorized by the Central Bank of Brazil.



Access em: <https://web.bndes.gov.br/bib/jspui/handle/1408/21261>

We are following the discussions in the National Congress on Tax Reform, which changes the calculation basis and the rates of Income Tax and Social Contribution on Net Profit (CSLL). However, the uncertainties about the final text make it impossible for us to ascertain any impact at that time.



Find out more in [Risk management](#)



Access at: www.bndes.gov.br/wps/portal/site/home/transparencia/prestacao-de-acas/informacoes-financeiras/

variable, related to the IPCA. The granting of credit under financial conditions referenced by the TLP may or may not incorporate the monthly variation of the IPCA to the principal of the debt.

The year 2022 will be the last in which a **convergence discount factor** will be applied to market rates.

BNDES FIXED RATE (TFB)

The **TFB** was created in 2018 with the objective of reducing uncertainties regarding the variation in the cost of our financing, mainly for small and medium-sized companies that could have difficulties managing inflation-indexed liabilities.

REQUIRED SELIC

We started to offer a new financial cost option for our automatic indirect products, the Required Selic. In this financial cost reference, it is required to pay the full interest every period, with a faster reduction in the outstanding balance and lower interest expense by clients.

OPERATIONS AS A CENTRAL BANK DEALER

In 2021, we remained accredited to act as a Central Bank of Brazil (BCB) dealer, which allows us to access the direct contracting of go-around operations (informal auction held by BCB daily to provide adequate liquidity to the financial market), bank liquidity leveling and post-Copom repurchase and resale agreements.

Given that the financial volume we transact is quite high, these operations carried out as a dealer are important instruments for the management of our cash. The prerogative to operate directly with the BCB provides flexibility in the face of unforeseen cash flow, reduction of application risk and maximum profitability of resources.

CREDIT RISK

We continuously monitor the credit risk of our debtors. As required by the BCB, we recognized provisions according to the risk classification of operations and the period of late payment of financial obligations. In this way, we maintain sufficient capital to absorb possible losses.

The provisioned amount of R\$ 19.7 billion in 2021 remained stable in relation to R\$ 20.0 billion in 2020, reflecting the revision in the rating of some clients.

In 2021, we updated our risk pricing methodology and calculation of exposure limits for economic groups, which contributed to a more personalized analysis of each project and its guarantee structure, as well as to better sharing and allocation of risks.

RECOVERY OF CREDITS

Although we carry out careful analysis for the approval of our financing, we are subject to the risk of clients facing difficulties to honor their debts and other obligations.

In 2021, the renegotiation rate reached 15.17% of the credit and onlending portfolio, well below the 51.26% recorded in 2020, still impacted by the renegotiated operations within the scope of standstill operations carried out in the year.

NOTICE FOR ASSIGNMENT OF DEFAULTED CREDITS

In April 2021, we held for the first time an auction for the assignment of our portfolio of defaulted loans, which was auctioned for R\$ 500,000 by Brasil Distressed Consultoria Empresarial S.A. (BRD), providing a 25% reduction in the BNDES System's portfolio.

All credits in the portfolio, composed of 249 debtors (321 contracts), had been in default for more than ten years and were derived from indirect operations in banks that had their activities interrupted by intervention or extrajudicial liquidation. By law, these credits were subrogated to BNDES, that is, their ownership was transferred to us.

This initiative aimed to add a new type of credit recovery, as well as rationalize the resources used in this activity. The auction process was preceded by public consultation with investors to ensure that the terms of the notice and assignment agreement adhered to the best market practices.

In 2021, an auction was also held regarding the credits of BNDES and the Credit Guarantee Fund (FGC) qualified in the general framework of creditors of the extrajudicial liquidation of the former Banco Econômico. The credits were sold for R\$ 937.8 million by the Credit Rights Investment Fund Non-Standard Alternative Assets I, whose only shareholder is the BTG bank. The BNDES was responsible for the portion of R\$ 488 million. The decision to hold a joint auction aimed to obtain a better price for the credits.

GUARANTEES

We have as practice the requirement of credit guarantees in our operations, which are considered for regulatory purposes and for pricing the risk of the operation.

EXPORT GUARANTEE FUND (FGE)

The FGE is a fund of an accounting nature through which the Federal Government grants guarantees to Brazilian exports to several countries financed by public and private financial institutions. The fund is in surplus and has assets totaling R\$ 41 billion. The indemnities of our export support operations that have delays in payments have been carried out normally by the FGE under the terms of the guarantee instrument.



Find out more at: www.bndes.gov.br/wps/portal/site/home/financiamento/guia/custos-financeiros/tlp-taxa-de-longo-prazo



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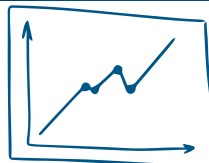
DEFAULT

The **default** of our loan and onlending portfolio reached 0.19% (+90 days) on 12.31.2021, remaining below the rate of the National Financial System (SFN), which registered 2.30% on the same date. The indicator increased in 2021 due to the closing of the standstill granted to several economic groups.



Find out more in Our performance > Economic and financial performance

OUR PERFORMANCE



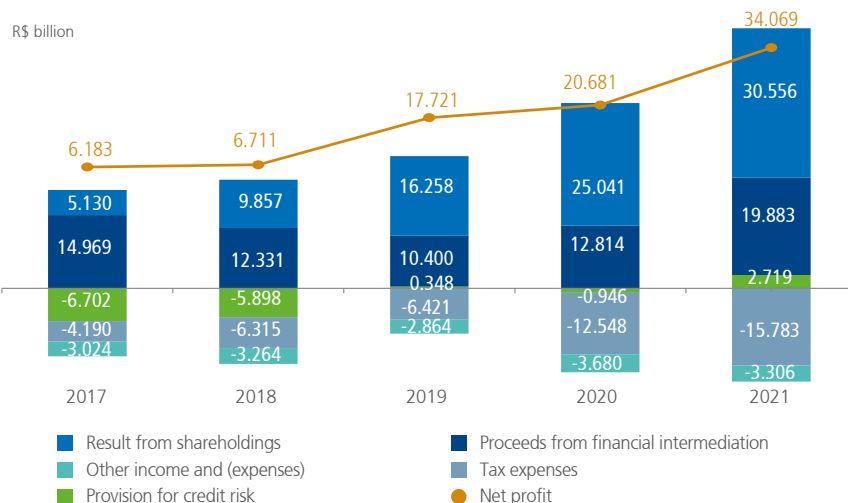
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Economic and financial performance

RESULT

In 2021, our net income reached R\$ 34.069 billion, an increase of 64.7% compared to R\$ 20.681 billion in 2020. The evolution is explained by the results with financial intermediation (increase of 55.2% in relation to the previous year) and with shareholdings (increase of 22.0% in relation to the previous year), as well as by the reversal of the provision for credit risk of R\$ 2.719 billion (compared to an expense of R\$ 946 million in 2020).



RECURRING RESULT

Since 2020, we have disclosed the recurring result of the BNDES System and its reconciliation with net profit, compared to the same period of the previous year.

	R\$ million	
	2021	2020
Accounting net profit	34,069	20,681
Non-recurring effects	(16,726)	(13,192)
Recurring profit	17,343	7,489
Provision for credit risk (PRC)	(2,719)	946
Taxes on PRC	1,173	(413)
Recurring profit, adjusted by the PRC	15,797	8,022

The effects considered non-recurring, although related to our business, do not necessarily occur in all periods, nor in comparable amounts. Its prominence makes it possible to better understand and evaluate recurring profit. The main non-recurring effect is related to the result from disposals of equity interests.

In 2021, recurring profit was R\$ 15.797 billion, an increase of 96.9% compared to R\$ 8.022 billion in 2020, with emphasis on results from financial intermediation and equity interests, mainly income from dividends and interest on equity.

RESULT FROM EQUITY INVESTMENTS

This is composed of income from disposals, income from dividends and interest on equity, income from equity, derivatives and investment funds in equity interests, expense from impairment and other income derived mainly from BNDESPAR's portfolio.

The positive result with shareholdings – of R\$ 30.556 billion in 2021, compared to a result of R\$ 25.041 billion in 2020 – mainly due to revenues from dividends/interest on equity and equity equivalence, in addition to the reversal of Petrobras impairment, in the amount of R\$ 5.449 billion. The disposals of equity interests, which generated the result of R\$ 12.758 billion in the year are aligned with our **divestment strategy**. Among the operations, we can highlight the gross gain from the total disposals of Vale's shares (R\$ 9.536 billion) and Klabin (R\$ 1.536 billion) and the partial sale of JBS (R\$ 1.568 billion). Despite the relevant volume, the gross result from disposals decreased by 43.8% compared to 2020.

FINANCIAL INTERMEDIATION PRODUCT

The financial intermediation product refers to earnings from investments in cash and cash equivalents, credit and on-lending portfolios, and bonds and securities.

The gross gain of R\$ 3.8 billion from the sale of Vale's debentures contributed to the 55.2% increase in financial intermediation product in 2021, in addition to the positive result with interest rate derivatives and the increase in the Selic rate, which remunerates federal cash and securities.

PROVISION FOR CREDIT RISK

The provision for credit risk is constituted according to the criteria established by the CMN Resolution 2,682/1999.

The reversal of the provision of R\$ 2.719 billion, observed in 2021, results from risk reclassifications, in addition to recoveries of credits 100% provisioned in previous periods and receipts under the **Export Guarantee Fund (FGE)**.



Find out more in Risk Management

The consolidated **financial statements** include BNDES, its wholly-owned subsidiaries (BNDESPAR and FINAME) and its exclusive interest financial investment funds: Fundo BB Juno – Fundo de Investimento Multimercado Crédito Privado Investimento no Exterior; Fundo BB Gaia – Fundo de Investimento de Renda Fixa; and Fundo BB Gaia II – Fundo de Investimento em Cotas de Fundos de Investimento de Renda Fixas (the investments of this fund are exclusively in shares of Fundo BB Gaia).



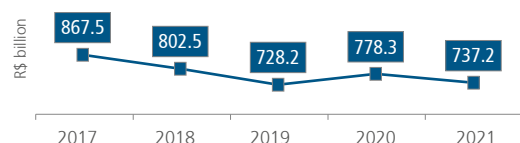
Access at: www.bndes.gov.br/wps/portal/site/home/transparencia/prestacao-de-acas/informacoes-financeiro/.

Find out more in Financial sustainability



ASSETS

TOTAL ASSETS



CREDIT PORTFOLIO AND ONLENDING

This comprises financing granted directly (credit operations) or indirectly through an accredited financial institution (onlending operations), net of provision for credit risk.

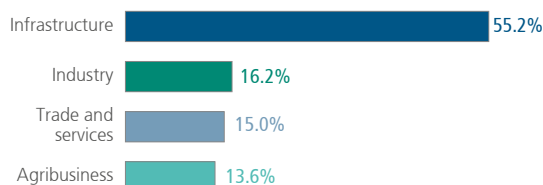


The decrease of R\$ 7.407 billion (1.7%) in the net portfolio in 2021 was influenced by the settlement of operations, which exceeded by R\$ 46.963 billion the disbursements in the year, effects partially offset by the appropriation of interest, monetary restatement and exchange variation in the period.

PORTFOLIO BY TYPE OF OPERATION (2021)



PORTFOLIO BY SECTOR (2021)



In 2021, 53.5% of our loan portfolio (considering direct and indirect non-automatic operations) corresponded to projects aimed at the green economy and social development. Of the total value of the loan portfolio, 22.4% refer to transactions with micro, small and medium-sized enterprises (MSMEs).

EXPANDED LOAN PORTFOLIO

The expanded loan portfolio in December 2021 was R\$ 450.1 billion (R\$ 461.3 billion in 2020), including direct and indirect credit operations and debentures.

SHAREHOLDINGS

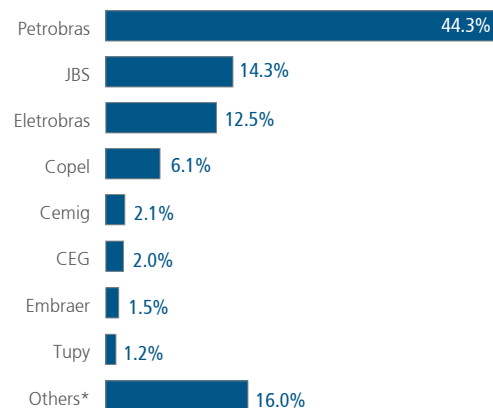
The equity portfolio comprises investments in affiliated and non-affiliated companies, carried out directly within the scope of a public offering or private issuance or, also, by the payment of capital in BNDES by National Treasury; in addition to participation in investment funds in shareholdings managed by market managers chosen through a rigorous selection process.

The 14.5% reduction in the value of the portfolio compared to 2020 reflects, in line with the divestment strategy, the total disposals of Vale and Klabin and partial disposals of JBS, which occurred in 2021.



SHAREHOLDINGS

(shareholdings in affiliates + unrelated companies on 12.31.2021)



* Companies with less than 0.9% shareholding.

TREASURY

Composed of federal government securities and investments in repurchase and resale agreements, which represented 94.4% of the balance on 12.31.2021.



We make financial investments to preserve the value of resources not yet disbursed.

The 6.3% reduction in 2021 mainly reflected advances on payments to the National Treasury (R\$63.0 billion), an attenuated effect due to the inflow of funds from the sale of shares and the return of the loan portfolio.

The resources of third parties represented R\$ 48.9 billion of the Treasury portfolio on 12.31.2021 (R\$ 51.2 billion in 2020).

OTHER ASSETS

These comprise tax credits, debentures and receivables, which represented, on 12.31.2021, 81.6% of the balance of other assets, in addition to credits to the National Treasury.

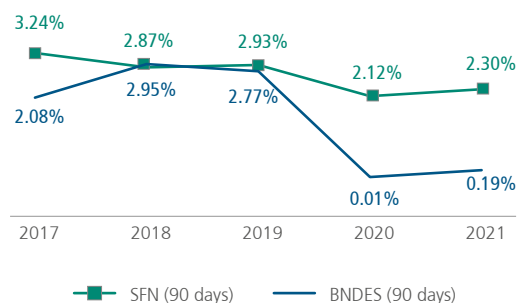


The reduction of 20.0% reflected, mainly, receipt of rights according to contractual flow.

BNDES DEFAULT VS. NATIONAL FINANCIAL SYSTEM (SFN)

Our **default** (+90 days) reached 0.19% on 12.31.2021, lower than the 2.30% default recorded by the SFN.

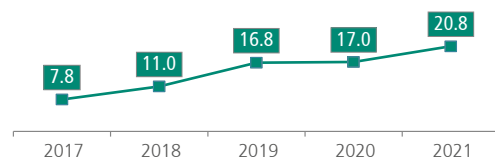
The renegotiation rate reached 15.17% of the credit and onlending portfolio in 2021 (compared to 51.26% in 2020), being impacted by the renegotiated operations within the scope of the electric sector standstill, which reached 6.34% of the gross portfolio. The program, aimed at hydroelectric plants with an installed capacity of more than 50 MW, was inserted not only in the context of the pandemic, but also to face the water crisis of 2021. Disregarding the effects of payment suspensions during the year (standstill of the electricity sector and for companies affected by the pandemic), the renegotiation rate would be 1.66%.



Find out more in Financial sustainability

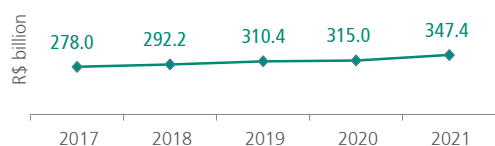
LIABILITIES AND SHAREHOLDERS' EQUITY

EQUITY RATIO (%)



FAT

In 2021, R\$ 22.2 billion of new resources from the **FAT** came in, with 93.7% of these resources from a constitutional source and 6.3% from the Special Deposits modality.



Find out more in Financial sustainability

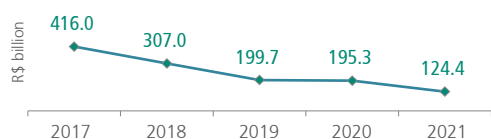
NATIONAL TREASURY

Includes onlending transactions and instruments eligible for principal capital.

The reduction of R\$ 70.8 billion (36.3%) in obligations to the **National Treasury** is mainly due to early settlements of R\$ 63.0 billion, of which R\$ 13.5 billion refers to instruments eligible for principal capital (IECP), and ordinary amortizations in the amount of R\$ 12.8 billion, partially offset by the appropriation of interest, monetary restatement and the effect of exchange variation.

Considering the early settlements carried out since 2015, returns to the National Treasury totaled R\$ 472 billion at the end of 2021.

As of 12.31.2021, Treasury bonds totaled R\$ 124.4 billion, equivalent to 16.9% of total liabilities, of which R\$ 23.1 billion corresponds to IECP and R\$ 101.3 billion, to onlending operations.

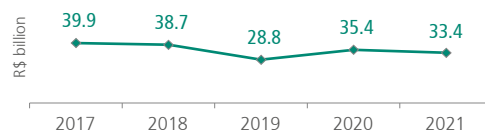


Find out more in Financial sustainability

FOREIGN FUNDING

Includes in bond issues, green bonds, onlending from multilateral institutions and other loans.

In 2021, there was a 5.7% reduction in indebtedness from **external funding** compared to the previous year, with amortization of R\$ 4.5 billion mainly related to prepayments to the Official Credit Institute (ICO) and Japan Bank for International Cooperation (JBIC), mitigated by the effect of exchange rate variation.

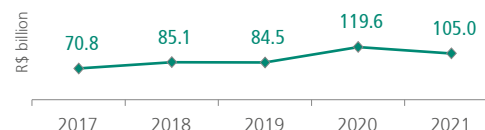


Find out more in Financial sustainability

OTHER LIABILITIES

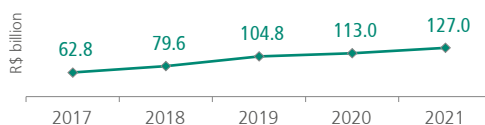
The resources of the Merchant Marine Fund (FMM), the FGTS and the Investment Fund of the FGTS (FI-FGTS) represented 25.7% of the balance of other liabilities on 12.31.2021. In addition to these resources, R\$ 2.1 billion were made up of funding in the domestic market, such as financial bills and FGE onlending.

The decrease observed in 2021 reflects the decrease in the balance of deferred taxes, due to the realization of the disposals of shares.

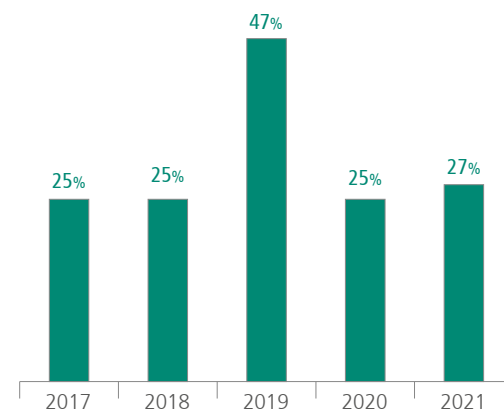


NET EQUITY

The growth of 12.4% in 2021 reflects the effects of net profit of R\$ 34.069 billion in the year, mitigated by the reduction in the equity valuation adjustment of securities available for sale, which reached R\$ 11.4 billion in the year, and by the payment of dividends/interest on intermediate equity in the amount of R\$ 8.7 billion.



REMUNERATION TO THE NATIONAL TREASURY (dividends and interest on equity)



% distributed (percentage in relation to profit subject to distribution, which is equivalent to 95% of net profit)

According to the Dividend Policy approved in 2017, the payment of dividends and interest on equity to the National Treasury is limited to 60% of net profit subject to distribution.

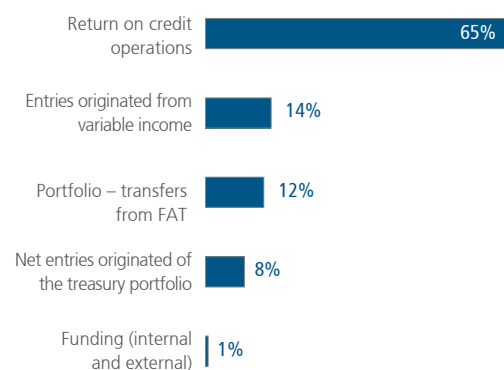
In 2021, we paid dividends to the government totaling R\$ 13.5 billion.

Of this amount, R\$ 4.9 billion was as minimum remuneration on the profit of 2020 and R\$ 8.6 billion, as interim dividends/interest on equity on profit for the first half of 2021. Of this value, R\$ 8.0 billion was allocated to the payment of mandatory minimum dividends (25%), and R\$ 596 million, of complementary dividends.

Other R\$ 10.732 billion (35% of the available result) was allocated to the Reserve for Equalization of Complementary Dividends, the payment of which must be resolved at a meeting, under the terms of the BNDES Bylaws.

CASH FLOW BY SOURCES OF FUNDS (2021)

PROFILE OF RESOURCE ENTRIES (2021)

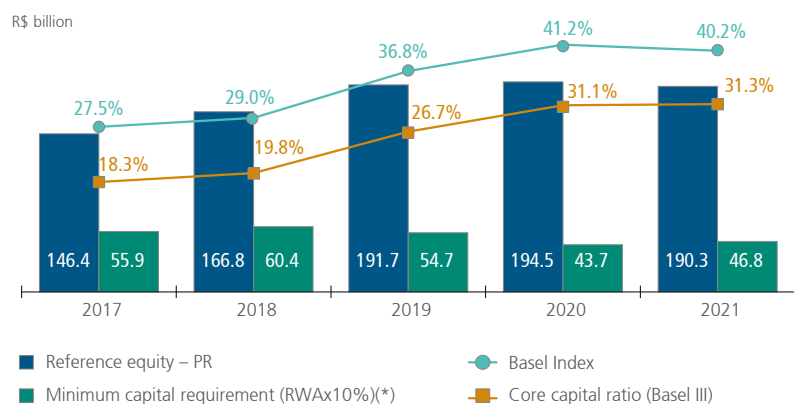


INDICATORS

INDICATORS	2017	2018	2019	2020	2021
Return on total assets (ROA)	0.72%	0.83%	2.47%	2.93%	4.69%
Return on equity (ROE)	12.97%	12.80%	28.64%	26.55%	34.23%
Coverage ratio (provision/ default credits)*	1.07	1.49	1.10	126.83	14.08
Provision/portfolio of credit and onlending	2.27%	4.39%	3.15%	4.29%	4.30%
Index credits AA-C	95.80%	94.70%	95.35%	91.94%	91.26%

* Default: from 30 days late.

REGULATORY CAPITAL



(*) From 2017 to 2019 it was 10.5%. In 2020 = 9.25%. In 2021 = 10%.

WEALTH GENERATED AND DISTRIBUTED (2021)

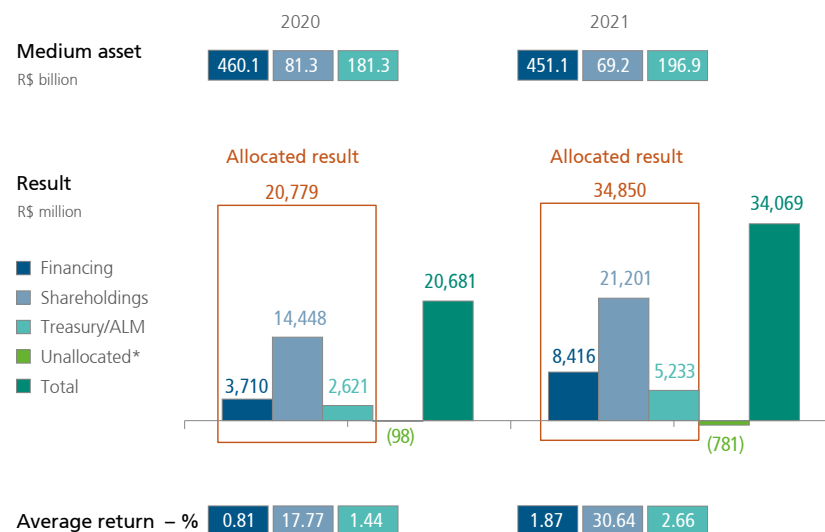
An important indicator of the social role, the Statement of Value Added (DVA) presents, according to a global vision of performance, the company's contribution to the generation of wealth for the economy in which it operates and its effective distribution among employees, the government, financing agents and their shareholders.

The wealth generated and distributed by the BNDES in 2021 was R\$ 52.186 billion, 47% higher than in 2020, caused by the growth in income from shareholdings, with emphasis on revenue from dividends and interest on equity, equity equivalence and reversal of provision for losses on investments, and the product of financial intermediation.

INFORMATION BY SEGMENT (2021)

The BNDES defines its segments based on the nature of the forms of support in reports made available to management for performance analysis and decision-making. The methodology for preparing the result by business segment also portrays the allocation of funding costs based on integrated resource management (asset liability management – ALM).

For more information, see the consolidated financial statements of the BNDES System.



(*) Effect of temporary differences of IR/CSLL and change of tax rate.

FINANCING

Mostly credit portfolios and onlending, net of provision, followed by debentures.

SHAREHOLDINGS

This includes investments, either in related companies (on which there is significant influence) or in other companies, measured at fair value (on which there is no significant influence).

TREASURY/ALM

Mostly government bonds and DI investments, in addition to integrated management of financial assets and liabilities (ALM), which includes funding activities and allocation of funding between segments.

UNALLOCATED

This basically includes the effects of changes in the expectation of realization of deferred tax credits, including any impacts of changes in tax rates.

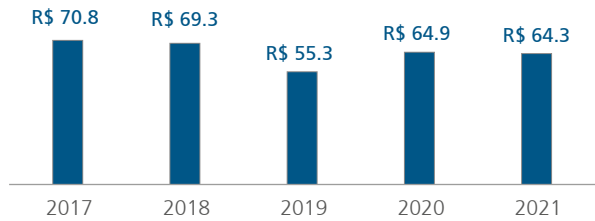
R\$ million	FINANCING	SHAREHOLDINGS	TREASURY/ALM	UNALLOCATED	TOTAL
DISTRIBUTION OF ADDED VALUE	16,464	27,455	8,267	-	52,186
Personnel and charges	1,569	174	89	-	1,832
Direct remuneration	970	108	55	-	1,133
Benefits	474	53	27	-	554
FGTS (Guarantee Fund for Length in Service)	76	8	4	-	88
Other	49	5	3	-	57
Employee profit sharing	217	24	12	-	253
Taxes, fees and contributions	6,256	6,055	2,933	781	16,025
Federal	6,243	6,044	2,932	781	16,000
State	-	-	-	-	-
Municipal	13	11	1	-	25
Rentals	6	1	-	-	7
Interest on equity and dividends	2,146	5,406	1,334	(199)	8,687
Retained earnings/loss for the period	6,270	15,795	3,899	(582)	25,382

Operational performance

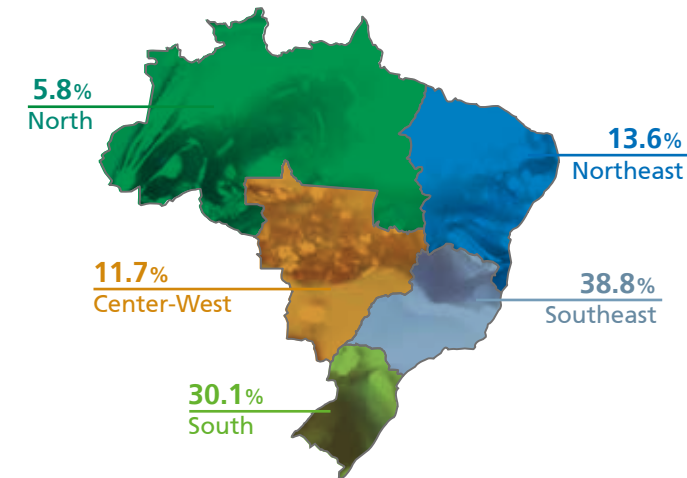
2021 HIGHLIGHTS

In 2021, we disbursed R\$ 64.3 billion, maintaining the same level as in 2020.

HISTORICAL SERIES OF TOTAL DISBURSEMENTS
(R\$ billion)



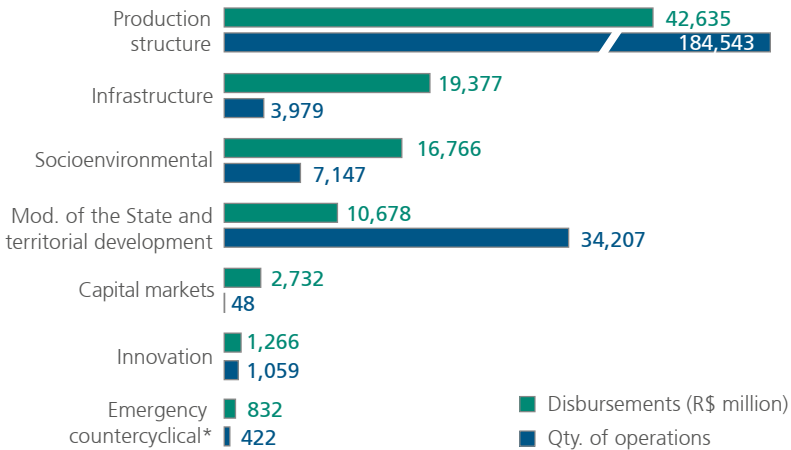
DISBURSEMENTS BY REGION (% of total disbursed)



STRATEGIC AND TRANSVERSAL MISSIONS

Our disbursements for “Production Structure” corresponded to 66% of the total and for “Infrastructure” to 30%.

DISBURSEMENTS AND NUMBER OF OPERATIONS BY MISSION STRATEGY



Note: Sums of disbursements and operations per mission do not reflect the total for the year, as one operation may be associated with more than one mission.

* Does not include guarantee operations and emergency measures carried out with the resources of the Federal Government. Not all emergency countercyclical actions imply disbursement. The following values are considered: BNDES Emergency Direct Credit Program for Health; BNDES Audiovisual; BNDES Credit Small Enterprises; matchfunding Saving Lives; Balance to be released – states; BNDES Productive Chains Credit Program; BNDES Emergency Direct Credit Program (except health); Health Innovation – Embrapii Partnership; and credit funds for MSMEs.

DISBURSEMENT
R\$ **64.3**
BILLION

OPERATIONS
191,093
1,060 DIRECT
190,033 INDIRECT

CLIENTS
117,082
(includes individuals and legal entities)

NEW CLIENTS
50,517
(that did not receive resources between 2016 and 2020)

Note: client numbers and operations do not include guarantee operations and emergency measures carried out with Federal Government resources.

DISBURSEMENTS BY SDGS

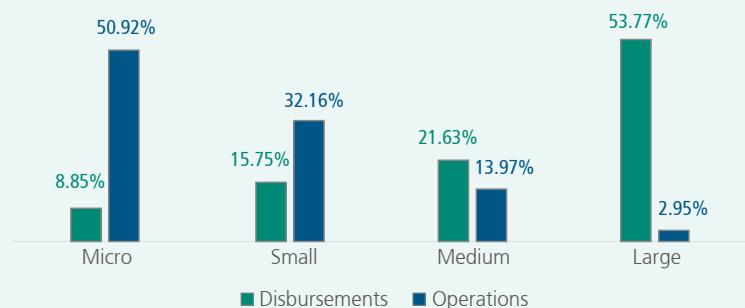
SDG		DISBURSEMENT (R\$ MILLION)	OPERATIONS
SDG 1	NO POVERTY	1,899.7	24,576
SDG 2	ZERO HUNGER	8,636.5	62,194
SDG 3	GOOD HEALTH AND WELL-BEING	1,424.0	1,181
SDG 4	QUALITY EDUCATION	116.3	914
SDG 5	GENDER EQUALITY	2.7	73
SDG 6	CLEAN WATER AND SANITATION	458.0	132
SDG 7	AFFORDABLE AND CLEAN ENERGY	15,888.1	501
SDG 8	DECENT WORK AND ECONOMIC GROWTH	26,256.2	176,805
SDG 9	INDUSTRY, INNOVATION AND INFRASTRUCTURE	27,909.6	21,052
SDG 10	REDUCED INEQUALITIES	9,519.1	32,601
SDG 11	SUSTAINABLE CITIES AND COMMUNITIES	878.1	403
SDG 12	RESPONSIBLE CONSUMPTION AND PRODUCTION	2,068.4	1,734
SDG 13	CLIMATE ACTION	5,926.5	879
SDG 14	LIFE BELOW WATER	293.2	422
SDG 15	LIFE ON LAND	742.2	533
SDG 16	PEACE, JUSTICE AND STRONG INSTITUTIONS	92.0	55
SDG 17	PARTNERSHIPS FOR THE GOALS	2,679.3	179

Note: client numbers and operations do not include guarantee operations and emergency measures carried out with Federal Government resources.

MSMEs

MSMEs had 46% of the total disbursed in 2021, with 22% of the total resources allocated to medium-sized companies.

PARTICIPATION IN DISBURSEMENTS AND OPERATIONS ACCORDING TO COMPANY SIZE



MICRO: annual gross operating revenue less than or equal to R\$ 360,000.

SMALL: annual gross operating revenue between R\$ 360,000 and R\$ 4.8 million.

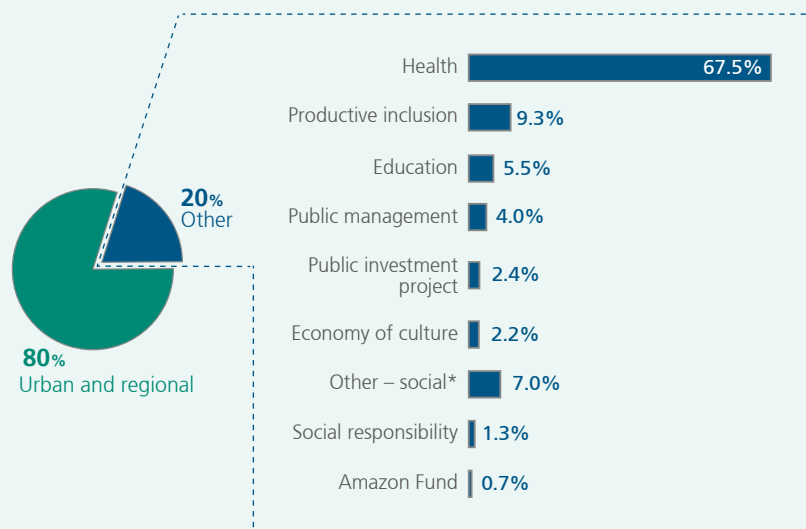
MEDIUM: annual gross operating revenue between R\$ 4.8 million and R\$ 300 million.

LARGE: annual gross operating revenue above R\$ 300 million.

Social development

The theme of urban and regional development continued to be the focus of the largest portion of our disbursements for social development, accounting for 80% of resources. Health support also remained important in 2021, with disbursements 12% higher than in 2020.

R\$ **9.9** billion in disbursements

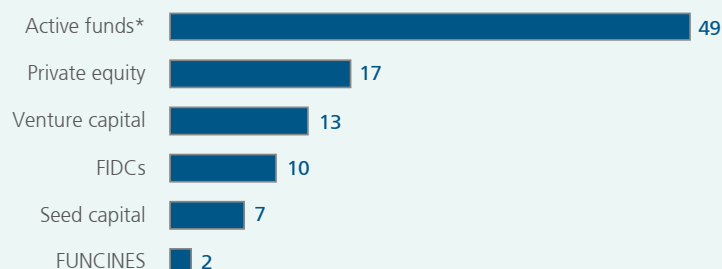


* Includes investment projects of MSMEs associated with the theme, support to social projects, BNDES Socioenvironmental Fund, BNDES Credit Small Enterprises and BNDES Card.

Capital markets

Find out more in Our Performance > Production structure

In 2021, we launched a call for the selection of impact business investment funds and announced the selection of the manager of the fourth fund of the Criatec series, focusing on ESG.



* Does not consider tax incentive funds

SEED CAPITAL: investment model for the support of companies

VENTURE CAPITAL: investment in small and medium-sized companies already established and with high growth potential.

PRIVATE EQUITY: investments in shareholdings in private companies.

CREDIT RIGHTS INVESTMENT FUNDS (FIDC): collective investment vehicles, intended for investment in rights and securities representing credit, also called credit rights.

FUNCINE: financing fund for the national film industry.

HIGHLIGHTS OF THE PORTFOLIO OF FUNDS:

Internal rate of return (IRR) of
17% p.a. (value in portfolio)

250 COMPANIES
supported in **20** States

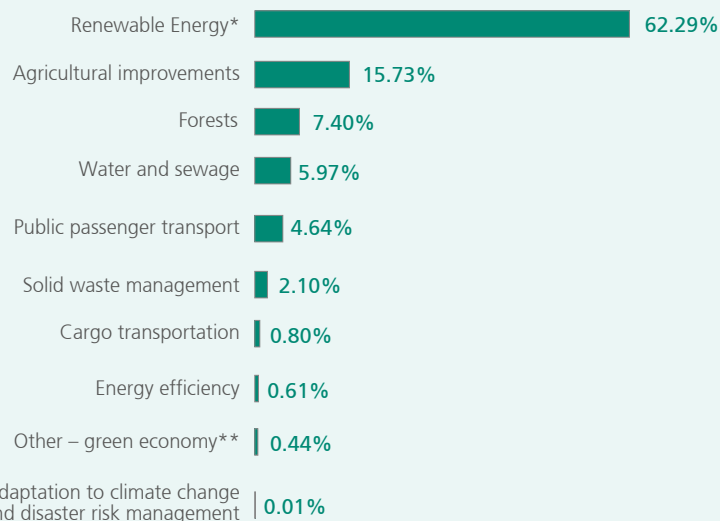
R\$ **6.5** BILLION
in committed capital,
diversified into **17** sectors

R\$ **29** BILLION
leveraged by
BNDESPAR investments

Green economy

We continue to prioritize our support for renewable energies, which recorded a 71% growth in disbursements compared to 2020 and represents 62% of the share of disbursements destined to the green economy in 2021.

R\$ **7.8** billion in disbursements



* Includes hydroelectric plants above 30 MW.

** Includes investments in reducing the use of natural and material resources, Climate Fund and BNDES Card, when related.

INFRASTRUCTURE

To expand investments in infrastructure, which have a great influence on economic growth, on the generation of employment and income and on the improvement of the quality of life of Brazilians, we operate through financing, structuring of privatization projects and issuance of debentures of companies in the sector.

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SANITATION

Our strategic orientation is to increase and deconcentrate investments in the sector, as well as expand access to water and sewage services, and reduce social and regional inequalities.

In 2021, we participated in the debate on the institutional and regulatory issues of the sector, in addition to organizing the fourth and fifth editions of the BNDES Sanitation Week, with webinars on themes such as regulatory framework, project structuring, sources of financing and social impact. During the event, we presented a study completed in the year on the impact of the new legal framework for the industrial supply chain, which brought an assessment of possible industry bottlenecks to meet the expected large volume of investments resulting from sanitation service concessions in progress.

In addition, we published a study on the financing of water and sewage services and the challenges to their universalization.

Among the supported projects that were completed throughout the year, the following stand out:

- expansion of the Metropolitan Landfill West of Caucaia (CE), which serves an urban population of approximately three million people;
- modernization and expansion of the water supply and sewage system in the municipality of Castilho (SP), which enabled the expansion of the treatment index and sewage collection from 95% to 100% and the reduction of the water loss index from 36% to 23%;
- expansion of the water supply system (with an increase from 98% to 100% of population coverage) and sanitary sewage

(increase from 80% to 85% coverage) of the municipality of Jaraguá do Sul (SC); and

- expansion of the water supply system of the municipality of Santana of Parnaíba (SP), with a benefit for approximately 50,000 inhabitants.

GRI

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SANEPAR

We approved financing in the amount of R\$ 311.6 million to Companhia de Saneamento do Paraná (Sanepar) for the expansion of sewage systems in the municipalities of Pato Branco and Araçongas, and water supply systems in Londrina, Dois Vizinhos, Imbituva and Castro. With the execution of the project, about 37,000 people will have access to the sewage system and the reserve capacity of treated water will be increased by 7.2 million liters, increasing the quality of life and security of supply – with reduction of losses in the distribution of treated water and intermittency in supply. In addition, it is estimated that approximately 6,500 jobs will be generated during the construction period.



^ Video still of the project. Check it out at: www.youtube.com/watch?v=TT7QL0Y8Q50.

ENERGY

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Our activity in the sector focuses on supporting renewable sources of energy generation, in line with the guidelines of the National Plan on Climate Change (PNMC), which aims to reduce greenhouse gas emissions.

Solar and wind

One of the prominent projects approved in 2021 was the expansion of the Rio do Vento wind farm, located in Rio Grande do Norte, through R\$ 874 million in financing and R\$ 24 million in debentures.



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Nossos relacionamentos



Acesse em:
https://web.bndes.gov.br/bib/jspui/bitstream/1408/20821/1/PR_Saneamento_215279_P_BD.pdf

SOL DO SERTÃO COMPLEX

In 2021, the Sol do Sertão photovoltaic complex went into commercial operation, with a total installed capacity of 415 MW, enough to generate clean and renewable energy for about 580,000 homes. The project to implement the eight solar plants in the municipality of Oliveira dos Brejinhos (BA) had our financial support, in the amount of R\$ 910 million, generating more than 2,000 jobs during its implementation. The project will contribute to avoiding emissions of about 2.5 million tCO₂e/year.



Photo: Sol do Sertão/Energia Consult.

COOPERATIVA DE GERAÇÃO DE ENERGIA E DESENVOLVIMENTO (COPREL)

Established in 1968 to supply energy to rural producers in the Alto Jacuí basin, Coprel is now present in 72 municipalities. In 2021, it signed a contract in the amount of R\$ 81 million with the Far South Regional Development Bank (BRDE), through the BNDES Automatic line, to build the small hydroelectric plant (SHP) of Tio Hugo, on the Jacuí River, within the limits of the municipalities of Ibirapuitã (RS) and Tio Hugo (RS). The SHP has the capacity to benefit 9,000 families.

Natural gas

In 2021, we launched the **BNDES Gas** program, in order to finance new investments in supply and consumption in the natural gas value chain. We approved about R\$ 2 billion for projects in the distribution segment, with the objective of developing the natural gas infrastructure in the country.

Realizing the context of transformation of the sector, we held the second Gas for Development webinar and published specific studies on the subject, with highlight to the **Gas for Development report – prospects for supply and demand in the Brazilian natural gas market**, which contains a vast mapping of the production chain.

We actively participated in the discussions on the New Gas Market, collaborating with the Natural Gas Monitoring Committee (CMGN) in this initiative of the Federal Government, with emphasis on the preparation of the New Gas Law (Law 14,134/2021).

Debentures

In addition to the operations of Rio do Vento and GNA, we participated in two other issues of debentures in energy projects, with funding sharing: the Tucano I (R\$ 25 million) and Tucano II (R\$ 34.5 million) wind farms in Bahia, totaling an installed capacity of more than 300 MW.



Access at: www.bndes.gov.br/wps/portal/site/home/onde-atuamos/infraestrutura/gas-para-o-desenvolvimento/programa-gas



https://web.bndes.gov.br/bib/jspui/bitstream/1408/20581/1/Relatorio_Gas_Desenvolvimento%20Final.pdf

UTE GNA I – AÇU NATURAL GAS

In 2021, the GNA I Thermoelectric Power Plant came into operation, the first liquefied natural gas thermal power plant we financed and the second largest thermoelectric plant in operation in Brazil. Located in the Port of Açu, in São João da Barra (RJ), it has an installed capacity of 1,338.3 MW, sufficient to serve about 2.8 million households. During its implementation, the project generated more than 8,800 jobs and, in the operational phase, it is estimated to employ about 200 people.

The financing operation, in the amount of R\$ 1.7 billion, was structured in partnership with the German export credit agency Euler Hermes and KfW IPEX-Bank.

The project also had an issue of infrastructure debentures in the amount of R\$ 1.8 billion, our first structuring of its kind. We acquired 30% of the bonds, investing R\$ 550 million. By also acting as investors, our objective is to give confidence to the company and potential investors that there will be demand.



Photo: GNA/Leondenis Junior

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> URBAN MOBILITY

Our work in urban mobility projects is focused on medium and high capacity transport systems that contribute to improve circulation in Brazilian cities and the quality of life of the population. We also seek to promote the use of clean sources and the integration of modes of transport.

In 2021, we structured and approved a co-financing operation for the São Paulo subway in the form of non-recourse project finance and with risk sharing between several guarantor banks. The project foresees the creation of 15 stations and their accesses in 15.3 km of track, the construction of three bus terminals and a train parking lot, the acquisition of 22 new trains (132 wagons) and systems, in addition to social investments in communities around the stations. After the completion of the project, it is estimated that emissions of 200,000 tCO₂e per year will be avoided, since the subway is one of the most sustainable modes of transport.

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> LOGISTICS AND TRANSPORTATION

Support to the sector aims to contribute to the implementation of a more integrated and sustainable transport matrix, which increases user safety, provides greater quality of services, expands the offer of more efficient transport modes and effectively contributes to strengthen the competitiveness of companies. Among the projects completed throughout the year, the modernization of the MRS railway fleet deserves to be highlighted, through the purchase of 15 locomotives, revitalization of another 46, in addition to the acquisition of 577 wagons, through financing of R\$ 252 million.

Another highlight of 2021 was the structuring of pilot operation in the project finance non-recourse modality for the MT-100, highway with fence from 100 km from Alto Taquari (MT) to the border

Find out more in New solutions and products



Photo: MRS/Victor Moreira

with the state of Mato Grosso do Sul. The operation explored the possibilities of easing guarantees and greater risk-taking, thus enabling the financing of a medium-sized infrastructure project, which would have greater difficulty in accessing the Bank's credit.

We also approved, in 2021, financing of R\$ 345 million to the company Wilson Sons Serviços Marítimos for the construction of five vessels and maintenance of 29 tugboats of its fleet, in Guarujá (SP). The project was also approved for the implementation, by the Cosan group, of a railroad terminal for cargo transshipment in the municipality of São Simão (GO), with financing of R\$ 69 million.

Debentures

In 2021, we invested in three issues of highway infrastructure debentures, from the companies Eixo SP, cart and Litoral Sul, totaling R\$ 689 million of an amount of R\$ 3.15 billion issued. Investment in debentures reinforces our co-financing guideline, enabling support to projects with an instrument that, through of the capital market, allows the participation of other sources of resources.

The investment in the issuance of Eixo SP is part of our support for the largest road lot ever granted in Brazil. The operation was a pilot project in which we also worked on structuring the offer. It is worth mentioning that the support was given through a securitizable market instrument, during the period of greatest risk of the project (pre-completion).

The support for the issuance of the cart aimed to restructure the concessionaire's indebtedness, which managed to lengthen the debt profile and improve the project's risk perception, liberating resources for investments. In this case, we moved from the position of the company's largest creditor, with 28% of the total previous debts, to a share of about 15%, making room for other market investors.

Our investment in the South Coast operation was 6.7% of the total value of the issuance of R\$ 2 billion made by the concessionaire. The objective of the emission was to raise funds for the execution of the new contour of Florianópolis (SC), a greenfield project that provides for the implementation of 50 km of double lane, four tunnels and seven bridges. The contour will segregate the urban traffic of the metropolitan region and the BR-101 freight corridor, which drains production and transportation from Mercosur, contributing to improve the mobility of the region.

We also published the sectoral study that explores aspects of modeling and regulation of road concessions and its impacts on the financing of the projects.



Access at: <https://web.bndes.gov.br/bib/ispui/handle/1408/21524>



Find out more in Our Strategy



See more at: <https://agenciadenoticias.bndes.gov.br/detalhe/noticia/Maior-Estruturador-de-projetos-do-mundo-BNDES-registra-lucro-liquido-recorde-em-2021/>

Our work in structuring projects and privatization is an important part of our strategy, within the scope of the modernization mission of the Brazilian State. After two years of building our portfolio of projects, in 2021, we became the **world’s largest structurer of privatization** projects between development banks, multilateral agencies and private companies, according to data from Infralogic consultancy.

We operate through the structuring of both concession projects and asset PPPs, with a limited duration – usually from 20 to 35 years –, as well as projects for the sale of companies or other assets (privatizations).

On these fronts, we coordinate the efforts and resources of several stakeholders, combining our experience and regulatory and public policy knowledge with the good relationship with public entities and the private investor market.

As managers of the National Privatization Fund (FND), we have the task of executing processes of privatization of shares or quotas directly or indirectly owned by the Federal Government, deposited in the Fund, issued by companies that have been included in the National Privatization Program (PND), promoting their sale.

MANAGEMENT

We have units linked to the Concessions and Privatizations Directorate, which, jointly, act as a services bank, dedicating themselves to privatization and project structuring activities.

Governance of privatization projects and portfolio management are centralized in a specific unit,

which also supports the contracting of outsourced services.

Our Policy of Action in Privatization and Project Structuring, approved by the Board of Directors, stipulates the guidelines for these activities, which include the establishment of partnerships for the development of projects aimed at improving public services; the increase in the availability of adequate infrastructure in the country; the viability of investments; and the rationalization of public spending. As such, we have two solutions: **BNDES Project Structuring** and **BNDES Real Estate Project Structuring**.

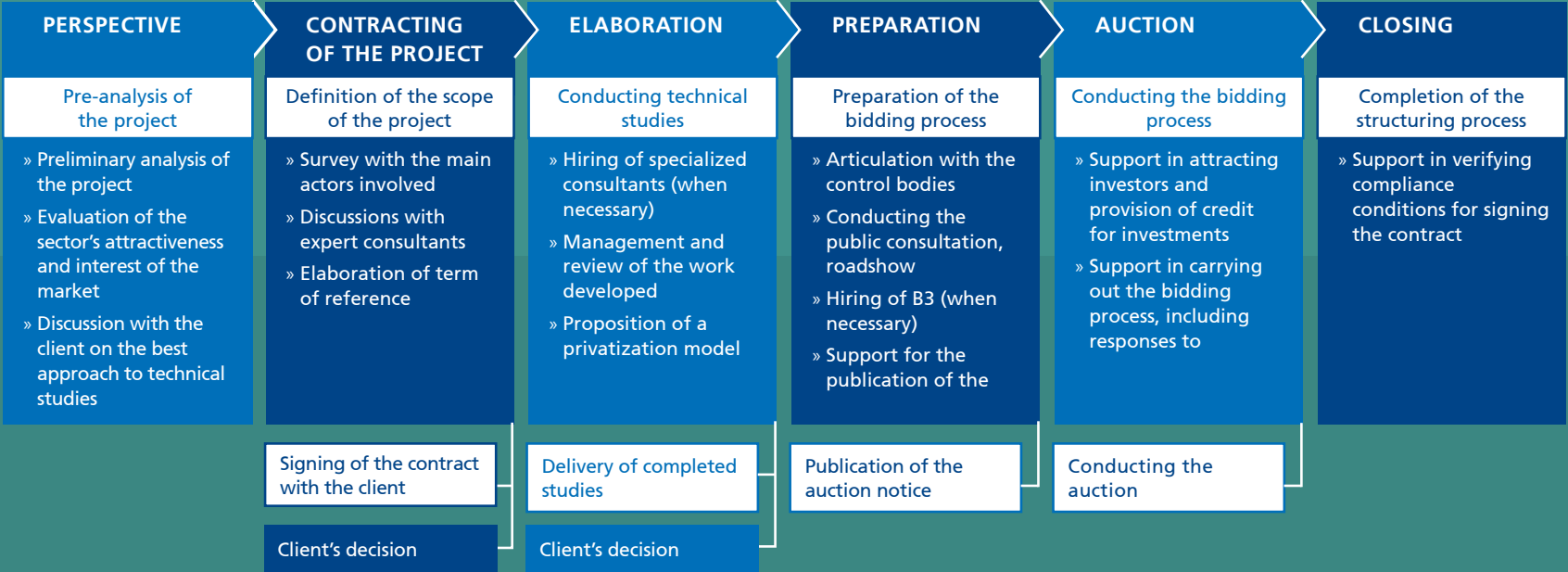
The Project Structuring Committee (CEP), formed by superintendents, appreciates the eligibility of projects and monitors the financial and operational performance of the portfolio, as well as the redirection of funding efforts.

The Collegiate of Project Structuring Executive Directors (CDEP) approves the executive summary of the modeling of structuring projects carried out and the portfolio performance management model, among other attributions.

Finally, our Executive Board is responsible for approving the hiring of consultants who support the structuring of projects, as well as the contract for the provision of services with the client, after evaluation of eligibility by the CEP. In the case of projects in which we have a legal mandate for execution – such as those of the PND – the asset sale notice also goes through the approval of the Executive Board.

Find out about the stages of the privatization process:

See more at: www.bndes.gov.br/wps/portal/site/home/financiamento/produto/bndes-estruturacao-de-projetos#
Find out more at: www.bndes.gov.br/wps/portal/site/home/financiamento/produto/bndes-estruturacao-de-projetos-imobiliarios#










Capital raised: in the case of concessions and PPPs, considers investments for the entire concession period and the concessions already committed or estimated; with respect to privatizations, takes into account the value of transactions already made and the commitment of investments of operations carried out or modeled.

DIRECT AND INDIRECT IMPACTS

Our operations in the segment make it possible to reduce infrastructure bottlenecks and generate opportunities for private investments in projects of public interest.

We ended 2021 with 159 assets in our project portfolio, totaling R\$ 382 billion in capital raised, including 22 companies to be privatized, in several sectors, as shown in the table below.

During the year, 28 new privatization contracts were signed to structure 44 projects, 57 studies delivered to clients, 12 notices published and 11 auctions held. For the first half of 2022, 26 auctions are planned, in different sectors.

 ENVIRONMENT 52	 URBAN INFRASTRUCTURE 34	 SOCIAL INFRASTRUCTURE 8
> Parks 44 > Forests 8	> Sanitation 19 > Mobility 4 > Public lighting 11	> Health 2 > Education 3 > Public safety 3
 TRANSPORT 36	 ENERGY 10	 TECHNOLOGY AND COMMUNICATIONS 4
> Highways 32 > Ports 4	> Electricity 7 > Natural gas 3	> Communications 2 > Technology 2
 OTHER 15		
> Real estate 12 > Supply 1	> Industry 1	> Non-financial services 1

Featured sectors

2021 was a milestone in our operations in the sanitation sector, with the auction of seven projects structured by the Bank in the states of Amapá, Alagoas and Rio de Janeiro, which total more than R\$ 27 billion in grants collected and about R\$ 38 billion in planned investments.

These projects include the provision of water distribution and sewage collection and treatment services – in the case of Amapá, it covers the entire water and sewage chain – benefiting a population of more than 16 million people, of whom 9 million had no access to services. In addition to these deliveries, we are working on structuring six more concession projects in the sector and advising on the privatization of Companhia Riograndense de Saneamento (Corsan).

In the highway segment, studies and public consultations of projects were carried out in the states of Minas Gerais, Rio Grande do Sul, Pernambuco, Rondônia, Mato Grosso and Goiás, which represent more than 6,000 km of roads.

In 2021, there were also public consultations on the privatization projects of the ports of Vitória (ES) and São Sebastião (SP) and the delivery of the studies of the port of Santos (SP). We also started the privatization project of the Companhia das Docas do Estado da Bahia (Codeba) and the organized ports managed by it.

In the electricity sector, we have supported the privatization of the 11th company in the last five years. The 11 projects total investments estimated at R\$ 13 billion in the first five years after the auctions and represent a transfer of debts to the private sector of the order of R\$ 19 billion.

In order to diversify our operations, in 2021, we pioneered the structuring of environmental assets and initiatives in the areas of health, education and security; as well as in the allocation or sale of real estate assets. Our portfolio also has important projects for the privatization of companies in the communication and technology sectors.

EFFECTIVENESS

Based on our macro process of **monitoring and evaluating effectiveness**, the privatization projects we have structured must present, at the time of approval, information on its alignment with public policies and a results framework (QR) that explains objectives and indicators of deliveries (effectiveness) and expected effects (effectiveness).

Thus, after signing the contract with the auction winner, the indicators established in the QR are monitored – preferably annually – and we can verify if the project has achieved the expected effects at the end of the expected period.

In the second semester, we promoted together with the Law School of Fundação Getúlio Vargas de São Paulo (FGV/SP) the Public Real Estate Law Day, with the objective of identifying innovative and efficient legal paths to improve the management of public real estate in the country. The event brought together dozens of legal professionals, resulting in a **publication** that compiles 47 legal statements.



Access at: <https://web.bndes.gov.br/bib/jspui/handle/1408/21763>



Find out more in Impact of the BNDES' performance

SANITATION CONCESSION OF RIO DE JANEIRO

In the first auction for the regionalized concession of water supply and sewage services in the state of Rio de Janeiro, held in April, blocks 1, 2 and 4 were auctioned – by Aegea (1 and 4) and Iguá (2) –, with a total value 134% higher than the minimum stipulated in the notice and collection of R\$ 22.6 billion. The consortium SAAB II (Águas do Brasil group), represented by Itaú broker, was the winner of the auction for the last of the four blocks (block 3). The group's offer was R\$ 2.2 billion, 90% above the minimum amount stipulated for granting the service (R\$ 1.16 billion).

Considering all four blocks, 7.6 million people will have water and sewage services by 2033. The sanitation project of Rio de Janeiro, which is the largest of its kind in Brazil, is expected to generate 45,000 jobs and investments of more than R\$ 32 billion.

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PRODUCTION STRUCTURE

Our work in production structure has as strategic objective to support the increase of productivity, competitiveness and employment, integrating innovation, entrepreneurship, sustainability and export.

AGRIBUSINESS

Agribusiness is, historically, one of our main sectors of support. In 2021, our disbursements to the sector totaled more than R\$ 19 billion, representing about 30% of the total, with emphasis on agriculture (approximately 85% of the total agribusiness) and, to a lesser extent, on agroindustry (mainly processed food, biofuels and paper and cellulose).

Our solutions are available to producers and companies of all sizes, from the family farmer, passing through the medium producer, to the largest cooperatives and agribusiness companies.

We approved during the year seven operations of **BNDES Renovabio**, in the total amount of R\$ 500 million.

Created in 2020 to assist the biofuel sector in the task of decarbonizing the Brazilian economy, the program had its first operation approved in May 2021, in the amount of R\$ 100 million, with the Santa Adélia plant. The resources are destined to the group's biofuel production unit, located in Jaboticabal (SP). The financing will support the company's efforts to improve its efficiency, with the possibility of reducing the basic spread component of the BNDES in the cost of the loan if this objective is achieved.

We also approved an operation with Girassol Agrícola for the installation of a photovoltaic solar energy system aimed at industrial and agricultural consumption of the company. It was our first approval of the Climate Fund's Renewable Energy sub-programme in the **simplified workflow**.



Find out more in [New solutions and products](#)

Find out more in [What we do](#)



CARBONIZATION OF THE TRANSPORT MATRIX

We signed with Volkswagen of Brazil a **protocol of intentions** for the decarbonization of motor vehicles in the country, seeking to propose actions that contribute to disseminate the adoption of electrification associated with biofuels and provide financial support instruments. The company announced the implementation in the country of a center for research and development of technologies in biofuels, in addition to having launched a global strategy to become carbon neutral by 2050.

See more at: <https://agenciadenoticias.bndes.gov.br/detalhe/noticia/Descarbonizacao-de-veiculos-and-focus-of-agreement-between-BNDES-and-Volkswagen/>

AGROINDUSTRIAL COOPERATIVE

In 2021, Cooperativa Agroindustrial Consolata (Copacol) completed a project to build a distribution center for chilled/frozen products in Corbélia (PR). With a total investment of R\$ 124 million, the initiative counted on our financing, in the amount of R\$100 million, contributing to the increase in the co-operative's storage capacity and the generation of 261 direct jobs.



^ Copacol distribution center, in Corbélia (PR). Photo: Copacol/Aline Sandri.

Federal Government Agricultural Programs (PAGF)

We are one of the main transferors of PAGF under the Safra plans, defined by the Federal Government.

In 2021, we approved 16.6 billion in operations with resources from these programs, with R\$ 3.1 billion in the 2020-2021 harvest (January to June) and R\$ 13.5 billion in the 2021-2022 harvest (July to December). It is worth noting that the amount transferred in the second semester corresponds to about 95% of the resources made available to the Bank for the 2021-2022 plan. In this performance, cooperative banks and the credit union system played an important role, which transferred about 43% of the total resources.

BNDES Rural Credit Program

Launched in 2020, the BNDES Rural Credit program aims to maintain a continuous credit offer to the rural sector, regardless of the PAGF's budget. Of the operations approved until 2021, 97% were destined to MSMEs.

Also in 2021, we launched a **new BNDES Rural Credit subprogram** focused on the supply of credit to fund agricultural activities.

Biofuels

During the year, we participated in several working groups of the Future Fuel Program, an initiative led by the Ministry of Mines and Energy (MME) that seeks to increase the use of sustainable and low-carbon fuels. Within the scope of this work, we carried out a joint workshop in November with the

BIO-INPUTS

We have included the possibility of supporting production and the commercialization of bio-inputs in the BNDES Finem lines – aimed at operations exceeding R\$ 20 million – and BNDES Rural Credit Costing – accessible to smaller producers, including individuals. With this, we contribute to the environment by stimulating the use of waste in the agricultural activity itself, in addition to reducing the external dependence on inputs used in the field. The measure is strategically aligned with the National Bio-Inputs Program, launched in 2020 by the MAPA.



Access at: www.gov.br/agricultura/en/assuntos/inovacao/bioinsumos



Find out more at [New solutions and products](#)



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CAPITAL GOODS FINANCED BY BNDES FINAME IN THE MOST DIVERSE SECTORS

S. M. Natureza is a company in Boa Vista (RR) that provides services for the treatment and disposal of non-hazardous waste, from the collection process to the reuse and replacement of products on the market. To reinforce its activities, the company purchased a backhoe through operation in the amount of R\$ 240,000, intermediated by Banco CNH.

In the case of the Hospital de Fraturas, in Recife (PE), which operates with specialized care in orthopedics and traumatology, our support was used to purchase a new CT scanner. The equipment, financed with funds from BNDES Finame through an operation in the amount of R\$701,000 negotiated with Bradesco, allowed the company to start performing neurological surgeries.



^ Hospital de Fraturas (PE) acquired a new CT scanner through BNDES Finame. Photo: André Telles.

MME on the panorama and perspectives of sustainable fuels in Brazilian aviation.

MACHINERY AND EQUIPMENT

For about sixty years, BNDES Finame has been offering financing for the production, acquisition and commercialization of nationally manufactured capital goods. In 2021, product disbursements totaled R\$ 23.6 billion.

At the request of clients, in 2021, we expanded the list of industrialized goods of national manufacture that can be financed by the BNDES Finame Industrial Materials line, seeking to give more dynamism to several sectors of the manufacturing industry.

EXPORTS

In November, we reached the milestone of US\$ 100 billion disbursed through our export financing lines, reached after thirty years of operation. Throughout this period, we supported the exports of more than 1,500 companies from various sectors of the economy, with emphasis on the export of aircraft, industrial and agricultural machinery, oil platforms, buses and trucks, as well as engineering goods and services.

EXPORT OF EMBRAER AIRCRAFT

During the year, we approved **financing for the export of 24 Embraer E175 commercial jets** to SkyWest Airlines, the world's largest regional aviation company, based in the United States. The financing, in the amount of more than US\$ 500 million, follows the line of operations carried out by export credit agencies in countries with leading aeronautical industries.

The operation, through the BNDES Exim Post-Shipment line, was guaranteed by the Aircraft Non-Payment Insurance (ANPI) credit insurance, operated by the consortium of private insurers Aircraft Finance Insurance Consortium (AFIC). The operation was the first of its kind in which we used private credit insurance, as well as Embraer's first export to rely on the ANPI/AFIC guarantee.

See more at: <https://agenciadenoticias.bndes.gov.br/detalhe/noticia/BNDES-apoia-exportacao-de-24-avioes-da-Embraer-para-os-Estados-Unidos/>

In 2021, R\$ 3.9 billion were approved and R\$ 2.6 billion disbursed for export support.

Defense products

In 2021, we approved a regulation for the accreditation of defense products by the Bank, which will allow us to offer credit to a broader set of manufacturers of products included in the **Defense Industrial Base**.

The initiative is the result of a protocol of intent established jointly with the Ministry of Defense (MD) in 2020, in order to propose solutions to expand support to the base.

BASIC AND EXTRACTIVE INDUSTRIES

We support not only large structuring enterprises in the sector, but also companies with an innovative profile and high growth potential.

We seek to place special emphasis on supporting projects committed to sustainability that allow the development of technological routes linked to sustainable mining, advanced materials, circular economy and green chemistry. To enable investments that promote a high socioeconomic impact, we increasingly work together with other financing agents, in order to bring new resources, share risks and offer even better financing conditions.

In 2021, we approved financing operations with companies in the planted forest chain – Irani Papel e Embalagem S.A., Suzano S.A. and **Norflor Empreendimentos Agrícolas S.A.** – totaling approximately R\$ 3.8 billion. The projects have in common the realization of investments aimed at sustainability, either through the absorption of CO₂e, the implementation of a production structure with greater energy efficiency or the performance with communities aiming to reduce regional inequalities.



Find out more at: www.gov.br/defesa/pt-br/assuntos/industria-de-defesa/base-industrial-defesa



Find out more at: <https://agenciadenoticias.bndes.gov.br/detalhe/noticia/BNDES-apoia-plantio-de-eucalipto-no-interior-de-Minas-Gerais/>

KLABIN

In August 2021, the first stage of the Puma II project of Klabin S.A., which consists of an unbleached eucalyptus pulp production line, integrated with a paper production machine, came into operation. The differential of the new line is the manufacture of paper exclusively from eucalyptus fiber, an innovative process that provides better yield of the wood used, lower steam consumption in production, reduction of the weight and final weight of the packaging and reduction of the forest area necessary for the supply of raw material. With a total investment of R\$ 10.3 billion, the project had financing of R\$ 3 billion from the Bank, the remainder being provided by creditors such as IDB/IFC and Finnvera.



^ Klabin's new production line went into operation in 2021.
Photo: Klabin.

PRODUCTION CHAINS

In 2020, we launched BNDES Productive Chains Credit Program, focusing on reaching a large number of smaller companies from vertical networks coordinated by anchor companies. At the end of 2021, the program already had R\$ 337 million in credit contracted through five anchor companies – Renner, Boticário, Arezzo, Malwee and Portobello. Disbursements totaled R\$ 151 million, benefiting 93 anchored MSMEs.

In 2021, the operation of R\$ 200 million with the Boticário group deserves to be highlighted. By December, 41 companies in the group's production chain had already benefited.



Find out more at:
[https://agenciadenoticias.bnades.gov.br/detalhe/noticia/BNDES-aprova-R\\$-697-milhoes-para-Duratex-adquirir-maquinas-industriais-e-equipamentos/](https://agenciadenoticias.bnades.gov.br/detalhe/noticia/BNDES-aprova-R$-697-milhoes-para-Duratex-adquirir-maquinas-industriais-e-equipamentos/)

In line with the strategy of complementing market funding, in 2021 we co-financed a **new soluble cellulose plant**, to be built in Minas Gerais by the joint venture LD Celulose S.A., formed by Duratex S.A. and the Austrian company Lenzing AG. With credit in the amount of R\$ 697 million, we are supporting the acquisition of domestically manufactured machinery, equipment and industrialized materials for the project.

Mining

In November, we signed a protocol of intentions with the MME in order to study, discuss and propose actions aimed at the development of the mineral sector. The protocol provides for the preparation of a work plan that should unfold in several actions over the coming years, related to sustainable mining, innovation and financing mechanisms for the sector

CONSUMER GOODS, TRADE AND SERVICES

We disbursed R\$ 1.38 billion in 2021 for investment projects by companies in the consumer goods industry, trade and some service segments, such as audiovisual and tourism. Disbursements to the industry grew significantly, increasing fourfold compared to 2020.



Find out more at:
<https://agenciadenoticias.bnades.gov.br/detalhe/noticia/BNDES-aprova-credito-para-ciclo-de-investimentos-da-Tramontina/>

Among the operations approved in the year, we highlight the financing of **the investment cycle of the Tramontina group**, in the amount of R\$ 304.4 million, aiming to support the acquisition of machines, equipment and other industrialized materials of national manufacture; and financial support, in the amount of R\$ 150 million, to the growth project of Casa e Vídeo S.A., which foresees the opening of more than three hundred stores by 2023, with the creation of 5,000 direct jobs.

The total investment of R\$ 451 million in the project will be made possible with the participation of other financial institutions.

INNOVATION

TECHNOLOGY AND CONNECTIVITY INTENSIVE INDUSTRIES

Earlier this year, we created a new unit dedicated to supporting technology and connectivity-intensive industries such as telecommunications, information and communication technologies (ICT), automotive, capital goods and aeronautics and defense. Among our priorities are seeking alternative ways to support the universalization of connectivity in Brazil, through support to regional providers; and supporting the productive and technological densification of the automotive industry in the context of decarbonization of the economy.

Telecommunications

Regional providers have been instrumental in accelerating the diffusion of fixed broadband and fiber optics in the country, especially in small and medium-sized cities and rural areas. According to data from the National Telecommunications Agency (Anatel), there are about 6,000 companies of this type in the country, which hold more than 25% of the fixed broadband market (in number of accesses).

In 2021, we participated in the issuance of Brisanet debentures – in the total amount of R\$ 500 million – investing R\$ 10 million in securities issued by the company. The funds will support the company's investment plan, aimed at increasing the supply of high-speed internet in municipalities in the Northeast region of Brazil.



Find out more at:
<https://agenciadenoticias.bndes.gov.br/detalhe/noticia/BNDES-apoia-criacao-de-centro-de-pesquisa-e-desenvolvimento-para-novos-produtos-de-telecomunicacao/>



Find out more in
 Financial sustainability



Find out more in New
 solutions and products

We also approve direct operations to support the investment plans of WKVE (Minas Gerais) and Coprel (Rio Grande do Sul), which will jointly contribute to the connection of more than 28,000 new broadband accesses. Operations that we approve with Intelbras and **DPR Telecomunicações** will also provide the development of technologies related, respectively, to 5G/IoT and network infrastructure.

Fund for the Technological Development of Telecommunications (FUNTTEL)

We signed a new **funding contract with FUNTTEL** in 2021, in the amount of R\$ 184 million. The funds may be transferred through the new **BNDES Finame FUNTTEL** program and the FIDC FUNTTEL, modality in which the Bank may acquire shares of structured funds with interested companies.

FIDC FUNTTEL Padtec was the first contracted in the modality and will serve as a pilot for the following funds. With contributions of up to R\$ 80 million from BNDES and up to R\$ 20 million from Padtec S.A., a Brazilian company that provides optical communications systems, the fund will provide access to credit with lower rates and longer payment terms for dozens of small and medium-sized companies, Padtec's clients.



Brazilian Industrial Research and Innovation Company (Embrapii)

In 2021, we structured a new partnership with Embrapii to raise investments of up to R\$ 510 million in innovative projects related to digital transformation, forest bioeconomy, circular economy, strategic health technologies, advanced materials, new biofuels and defense. The partnership will have R\$ 170 million in non-refundable resources from BNDES FUNTEC and will be operational from 2022.

CAPITAL MARKETS

In 2021, we continued with variable income divestments to reduce our exposure to market risk and reposition our portfolio, reducing its concentration in mature companies and aligning it with our strategic guidelines. **Our disposals**, including shareholdings, subscription rights and

debentures, totaled more than R\$ 20 billion in revenue, mainly related to Vale (R\$ 14.8 billion), JBS (R\$ 2.6 billion), Klabin (R\$ 2.4 billion), Cemig (R\$ 109 million) and Kepler Weber (R\$ 108 million). In the year, we concluded the divestments at Vale, so that we no longer have shares issued by the company. In addition, we carried out a public offering of secondary distribution of Vale's participatory debentures, of the subordinated species, owned by the BNDES, BNDESPAR and the Federal Government, and two auctions referring to non-performing credits from the BNDES System (in April) and related to the extrajudicial liquidation of the former Banco Econômico (in September).

FUNDS FOR INVESTMENT IN INNOVATION

We launched a public call for the selection of investment funds focused on impact businesses. Fourteen proposals were received and three funds were selected, which may receive an allocation of up to R\$ 450 million from BNDESPAR.

We released at the end of 2021 another public call for selection of the manager of the **Criatec 4** ESG fund, aimed at investing in seed capital interests. In its fourth edition, the fund is expected to invest in up to fifty startups from at least four regions of the country.

BNDES GARAGE

In 2021, we launched the second edition of the BNDES Garage program, with the objective of selecting and accelerating up to 45 impact startups, prioritizing solutions aimed at education, health, sustainability, govtech and sustainable cities. The program received 1,366 proposals and selected twenty startups for the creation stage – in which it seeks to create or improve a minimum viable product (MVP) – and 25 for the traction stage – in which the intention is to scale the business. During four months of the program, **participants** will receive free support from the BNDES, the AWL Consortium and market partners to stimulate their business to grow and obtain investments.



Find out more in
 Performance > Economic and
 financial performance



Find out more at: <https://garagem.bndes.gov.br/>

Find out more in
 Our performance > Economic and
 financial performance





Micro, small and medium-sized enterprises (MSMEs) are a key segment for the development of the national economy, since they represent the vast majority of formal establishments and account for a significant share of jobs. Despite their role in the economic dynamics, MSMEs still face restrictions on access to credit that constrain their full development, impacting the country's potential for generating employment and income.

Aware of the potential of these companies for sustainable development, we highlighted the support to MSMEs as one of our focuses in **the update of the strategic planning** carried out at the end of 2021.

Find out more in Our Strategy

As a development bank, we act to democratize access to credit for this segment of companies through direct and indirect financial instruments, the latter being the main form of support to MSMEs.

Find out more in What we do

To enable our **indirect operations**, we have a network of more than sixty accredited financial agents operating with our resources in much of

the national territory, promoting the capillarization of credit and bank deconcentration.

In September 2021, the five largest banks in the National Financial System (SFN) accounted for 70% of the country's loan portfolio. In our indirect loan portfolio, they accounted for less than 50% of the total.

With our support, we contributed to the increase in the productivity of MSMEs and positively impacted the variables that capture the growth of these companies, such as investment, employment and revenue. In addition to the effects on supported companies, there is evidence of positive results for the local economy.

HOW WE SUPPORT MSMEs

In addition to the guidelines and goals defined in the **2021 business plan**, the management of support to MSMEs goes through permanent actions to model **new financial solutions or review existing ones** – including guarantee products, which seek to facilitate and improve the conditions for obtaining credit for these companies. We seek, whenever possible, to incorporate the needs of this audience through differentiated financial conditions or tailor-made instruments. We also work to simplify our processes in order to facilitate MSMEs' access to financing – ours or other financial agents.

Find out more in Our strategy

Find out more in New solutions and products

Currently, our support to MSMEs is mainly through the following financial instruments, which are part of our portfolio in the indirect modality:

- **BNDES Finame** – finances the acquisition of previously accredited national machinery and equipment, including energy-efficient products and 4.0 technology, agricultural equipment, buses and trucks, and industrialized materials.
- **BNDES Automatic** – includes specific lines for MSMEs, such as BNDES Credit Small Enterprises and BNDES Credit Medium Enterprises, which meet the day-to-day needs of companies, in addition to investment projects for modernization and expansion of the production structure.
- **BNDES Credit Services 4.0** – offers financing for contracting technological services, previously advanced manufacturing projects and deployment of smart city solutions and suchlike.

Find out more in Our Performance > Production structure

EXISTENCE OF BANK AGENCY AND BNDES SUPPORT BY MUNICIPALITY IN 2021 (IN INDIRECT OPERATIONS AND FGI)



Categories:
■ Supported without agency ■ No support with agency
■ Supported with agency ■ No support, no agency



Find out more in Performance >
Production structure



Find out more in What we do



Find out more in
Our performance >
Emergency countercyclical



Access at: <https://ws.bndes.gov.br/canal-mpme/#/home>

In 2021, we created an integration of the channel with the Central Bank that allows, upon explicit approval of the clients, the search for their indebtedness information in the Credit Information System (SCR). The objective is to refer the clients to the channel's partners according to their profile and assist in their qualification.

- **Rural credit** – includes the Federal Government's Agricultural Programs (PAGF), which finance investments and expenses to fund rural producers, family farmers and cooperatives; and own lines, such as BNDES Rural Credit
- **Guarantee (BNDES FGI)** – encourages financial institutions to approve financing in better conditions for companies and smaller entrepreneurs, as well as autonomous cargo carriers.
- **BNDES Card** – revolving credit, pre-approved, for the acquisition of goods, supplies and services that are fully or partially manufactured in Brazil and that are previously accredited by the Bank.
- **BNDES Microcredit** – directed to individual micro-enterprises or microentrepreneurs, finances working capital and productive investments in small activities.

In 2021, we also continued one of the emergency measures implemented in 2020, allowing the suspension of payments (**standstill**) for automatic indirect operations with micro and small companies in the period from May to October. The objective was to maintain business and, consequently, jobs, during the pandemic.

MSME Channel

Through this **platform**, we offer financial and non-financial solutions to the public of MSMEs, with the objective of facilitating the segment's access to credit. To do this, we trace an identification between the interests of the clients – micro, small or medium-sized company – and the partners that grant credit and offer services on the channel.

In the year, we reached a total of ten accredited fintechs on the platform, expanding the available credit agents. We also reinforced partnerships with Sebrae to offer quality training to clients in the management of their business and more efficient use of the credits requested.

Metrics were also created to evaluate the performance of the partners of the MSME Channel, seeking to improve service.

Since its launch in 2017, the platform has resulted in R\$ 1.9 billion in contracted credit, 13,000 approved proposals and 5,700 companies that have contracted management systems made available by the channel.

HISTORY OF OPERATIONS AND PERSPECTIVES

Our support for MSMEs has been intensifying over the years. While in the 1990s they represented about 15% of the Bank's disbursements, **in 2021, this participation was:**



Despite this growth, we remain attentive to the needs of this public, which include the structuring of more effective guarantee mechanisms, lower interest rates and the assumption of more risks by the Bank.

In addition, it is important that we can develop **alternative instruments** capable of promoting the productivity and competitiveness of MSMEs through innovation, the expansion of partnerships, guarantee funds and the private debt market.

EVALUATION OF SUPPORT FOR MSMEs

We evaluated the effectiveness of our support to MSMEs through the Theory of Change Framework, a methodology that establishes objectives and indicators to monitor the results of a set of operations.

In 2021, the BNDES Card and the BNDES Credit Small Enterprises line were evaluated through this instrument. The calculation suggested a direct positive impact on the generation of jobs and on the evolution of the revenues of the supported companies.

In addition, we carried out **evaluation of effectiveness**, sometimes in partnership with other institutions, as was the case of a report prepared together with Sebrae in 2021.

RELATIONSHIP WITH MSMEs

MSMEs are responsible for the greater volume of demands on our various **channels of service**, generating, on average, more than 6,800 contacts per month in our Call Center. Through this channel, we provide information about our products and services and other operational matters related to this audience. We also count with corporate email for the direct treatment of the demands of financial agents and other strategic partners in our indirect financing model.

Find out more in
Our performance >
Operational performance



Find out more in
New solutions and products

Find out more in Impact of
the BNDES' performance

Learn about other studies
aboutand the impact of our
support for MSMEs at:
www.bndes.gov.br/wps/portal/site/home/transparencia/resultados-para-a-sociedade/efetividade/avaliacoes-impacto-bndes



Find out more in
Our relationships

SOCIOENVIRONMENTAL

ISE LINE



- > In 2021, several projects financed with resources from the Corporate Social Investments (ISE) line, approved between 2019 and 2020, were completed. Among them, there are reform actions and construction of school facilities, which total about thirty units already operational, directly benefiting more than 15,000 students from public education networks in different regions of the country. This support also contributed to the installation and operation of more than 62 computer laboratories.



- > The completion of projects aimed at water security and access to water, which also had resources from the ISE line, benefited more than 1,080 families in the semi-arid regions of Rio Grande do Norte, Bahia and Pernambuco. The supported actions use social technologies such as trench bricks, tanks in stone slabs and plate cisterns, in addition to promoting the revitalization of wells and the installation of water treatment and desalination units.

More than 560 ecological sewage treatment systems were also delivered in the year, suitable for small rural residential units (ecofossa), and sustainable practices of organic waste disposal (composting), water potability and management of productive backyards were encouraged. These projects were distributed mainly in the states of Rio Grande do Norte and Bahia, impacting more than 3,485 people.

BNDES SOCIOENVIRONMENTAL FUND



Find out more in
New solutions and products



Find out more at:
[https://agenciadenoticias.bndes.gov.br/detalhe/noticia/BNDES-amplia-em-R\\$-50-milhoes-Fundo-Socioambiental-para-apoio-a-educacao-meio-ambiente-e-emprego/](https://agenciadenoticias.bndes.gov.br/detalhe/noticia/BNDES-amplia-em-R$-50-milhoes-Fundo-Socioambiental-para-apoio-a-educacao-meio-ambiente-e-emprego/)

In 2021, the **BNDES Socioenvironmental Fund** had its first **project selection cycle**, in which 37 proposals for initiatives related to themes such as education, job creation and income and the environment were received. After evaluation of the fund's advisory committee, 13 projects, totaling R\$153 million in investments, they were considered fit to follow in the analysis process.

In the form of continued support, the fund receives proposals from non-profit private legal entities, and can contribute up to 50% of the investment provided for in the initiatives, which must have a value of at least R\$5 million.

In early 2022, BNDES Socioenvironmental Fund had its budget expanded to R\$ 150 million, which allows the support of projects up to a value of R\$ 300 million, in the form of continued support.

FLORESTA VIVA

In 2021, we launched the **matchfunding Floresta Viva**, with the opening of the public call for selection of the initiative's managing partner.

The program is aimed at ecological restoration in conservation units and in areas of permanent preservation and legal reserve of rural properties of up to four fiscal modules, focusing on the formation of ecological corridors and recovery of river basins. The initiative covers all Brazilian biomes and will have the executors and restoration sites defined through notices launched in 2022.

The investment target is R\$ 500 million over seven years, with up to 50% of the Bank's resources. We expect to reach between 16,000 and 33,000 hectares of restored area, contributing to the removal of approximately nine million of tons of carbon from the atmosphere – considering a 25-year cycle of forest growth – with a forecast of certification of the carbon credits generated. Also in 2021, the amount of R\$ 50 million was reached in matching and, until May 2022, the total amount has already reached R\$ 676 million, of which R\$ 250 million from the Bank and R\$ 426 million from supporters.

STRUCTURING OF ENVIRONMENTAL ASSETS

Our privatization portfolio had 52 environmental assets **under structuring at** the end of 2021, among parks and forests that add up to 8.3 million hectares. The Iguaçu National Park, which was the first structured project by the Bank in the sector, had its concession notice published in December 2021.

HEALTH

Our support to the sector occurs through the financing of industry projects and health services, the structuring of PPPs and the non-reimbursable support to strategic projects, with resources from our statutory funds.

The implementation of Labcor's manufacturing unit, in the municipality of Contagem (MG), is one of the projects we supported. Completed in 2021, the production unit for prostheses and cardiovascular grafts received financing of R\$ 8 million from the Bank, out of a total investment of R\$ 11 million.

M3 Health completed in the year the internal development of the dental implant manufacturing process via 3D printing, registering 12 products and filing nine patents. Our support, in the amount of R\$ 36 million, was used for the construction of the company's manufacturing unit, completed in 2019,



Find out more at: www.bndes.gov.br/wps/portal/site/home/desenvolvimento-sustentavel/parceria/floresta-viva



Find out more in Privatization
and project structuring



in 2019, and for investments in research and development (R&D), completed in 2021.

Among the projects approved in 2021, we highlight the financing of the concession holder Saúde Primária BH, which won competition from the Belo Horizonte City Hall to implement and manage forty basic health units, through a PPP. The financing, in the total amount of R\$ 180 million, was carried out in partnership with the Development Bank of the State of Minas Gerais (BDMG), which contributed R\$ 60 million in addition to the R\$ 120 million of BNDES.

We also approved credit of R\$ 49 million for the city to modernize the health infrastructure of the municipality. The technological solution to be implemented in 364 health units will provide the computerization of patient care, reducing queues and waiting time, in addition to rationalizing the use of resources.


In the state of São Paulo, we approved credit for the construction of the Reference Center for Women's Health (CRSM), currently Hospital Pérola Byington. The new headquarters will allow the CRSM to increase the number of emergency services by 20% and the number of surgeries and hospitalizations performed in the unit by 30%.

R&D IN HEALTH

In 2021, the implementation of the Center for Research and Development of Medicines (NPDM) of the Federal University of Ceará (UFC) was completed, aimed at conducting pre-clinical and clinical trials of drugs and vaccines. The project, budgeted at R\$ 32 million, had support of R\$ 25 million in non-reimbursable resources from **BNDES FUNTEC**. The NPDM has 57 researchers and 15 technicians working at its facilities. Between 2015 and 2021, the center carried out 23 clinical trials, filed 56 patent applications and two trademarks, in addition to having carried out extensive scientific production.

In 2021, we signed a technical cooperation agreement with the Ministry of Science, Technology and Innovations (MCTI) to support the development of Brazilian vaccines against COVID-19. Through the partnership, we will support with non-refundable resources the realization of the most advanced phases of clinical trials, taking advantage of our expertise in supporting the pharmaceutical sector.

Also in the context of vaccines, we highlight our support for the Henrique Penna Center (CHP), part of the Vaccine Technology Complex of the Oswaldo Cruz Foundation (FIOCRUZ) campus in Manguinhos, Rio de Janeiro. With funds from BNDES FUNTEC, in the amount of R\$ 48 million, we contributed to the 100% national production of the active pharmaceutical ingredient (API) of the vaccine, authorized by the Brazilian Health Regulatory Agency (ANVISA) in January 2022, completing the process of technology transfer from Astrazeneca to FIOCRUZ.

 Find out more in [What we do](#)




> URBAN DEVELOPMENT, CULTURE AND TOURISM

In 2021, we structured a joint project with the National Historical and Institute of National

MATCHFUNDING SAVING LIVES

In the context of the matchfunding **Saving Lives**, launched in 2020 as one of our emergency measures to combat the COVID-19 pandemic, oxygen plants were donated in 2021 to 16 non-profit hospitals that serve the SUS in several states of the country. The donation included funds from seven partner companies, which were doubled by the Bank, totaling R\$ 11 million.

The program will also allow the donation of about four hundred refrigerators for the storage of vaccines – 151 already delivered in 2021 – in partnership with the Coca-Cola Foundation. With a total value of R\$ 7 million, the donation will benefit about five million people by reinforcing the immunization structure of more than 400 Brazilian municipalities. The cities were chosen based on the population (up to 20,000 inhabitants) and on the rates of vaccination coverage and human development (HDI) – criteria defined in conjunction with the National Council of Municipal Health Departments (Conasems).

 See more at: www.bndes.gov.br/wps/portal/site/home/bndes-contra-coronavirus/mais-informacoes/matchfunding-salvando-vidas

Historical and Artistic Heritage (IPHAN) and the Ministry of Tourism (MTUR) to support the Organization of Brazilian World Heritage Cities (OCBPM), aiming to promote investments in tourism infrastructure in 15 Brazilian municipalities. The initiative, which has non-refundable resources in the amount of R\$ 19.8 million, provides for studies for the structuring of tourist interpretation centers and implementation of signage, according to Iphan guidelines, in sites declared cultural heritage of humanity by Unesco.

In February 2021, we entered into a contract with the Digital Port Management Center in order to structure a pilot project for the rehabilitation of historic centers, based on the historical center of Recife (PE). During the year, a cycle of six technical seminars was held on the experience of cities that have undergone urban transformation processes, such as Barcelona, Porto, Nantes, São Paulo, Rio de Janeiro, Hamburg and Quito. For 2022, it is planned to deliver the governance model of the pilot project.

Museums reopened

The new headquarters of the **Casa do Pontal Museum**, in Rio de Janeiro, was inaugurated in October 2021. The project had our support, in the amount of R\$ 4.9 million, for the implementation of museology and the realization of educational programming during the first year of operation.

The museum of the **Padre José de Anchieta National Shrine** (ES), supported by the Bank, was renovated and reopened in November 2021. The works lasted three years and involved new interactive visitation rooms, research center, landscape project, cafeteria and souvenir shop. The project contributes to the financial sustainability of the museum and the qualification of tourism in the state.



Find out more at:
<https://agenciadenoticias.bndes.gov.br/detalhe/noticia/Com-apoio-do-BNDES-Museu-do-Pontal-sera-inaugurado-em-nova-sede/>



Watch the video on the project:
<https://www.youtube.com/watch?v=iiQvUoKdxLk&t=62s>

RIO BIOPARK

In March 2021, the project for the renovation and modernization of the Rio de Janeiro zoo, an important tourism equipment in the city, was completed. Renamed as **BioParque do Rio**, the project received investments of R\$ 74 million (R\$ 51.8 million financed by the BNDES), which served to implement the modern concept of reverse enclosure in an area of 73,000 m², giving more space and better living conditions to the animals. In addition to stimulating tourism, the biopark also works as a research center, acts in the treatment of animals and offers educational experiences for visitors.

📺 🔗 Watch the video about the project: www.youtube.com/watch?v=Heo2TPvcViY&t=71s



^ Inaugurated in 2021, BioParque do Rio had support from the BNDES.
Photo: BNDES/André Telles collection.

Resgatando a História



See more at: www.bndes.gov.br/wps/portal/site/home/onde-atuamos/cultura-e-economia-criativa/patrimonio-cultural-brasileiro/rescuando-a-historia

The **Resgatando a História** initiative, launched in 2021, already has the participation of Ambev Brasil, EDP, Instituto Cultural Vale, Instituto Neoenergia and MRS Logística, who in partnership with the Bank are investing R\$ 240 million in 21 projects for the restoration and revitalization of tangible and intangible heritage and memorial collections. The

initiatives were selected through a public call that had 164 proposals registered, from all over the country. With the action, we consolidated our position as one of the largest and most perennial supporters of the Brazilian historical heritage – reaching the mark of more than R\$ 600 million invested in projects to restore, preserve and revitalize about 200 monuments located in all regions of the country.

Matchfunding BNDES+ Patrimônio Cultural

In a new stage, the program selected **ten projects** in 2021, prioritizing proposals that use the internet to expand the audience experience. Since its first edition, in 2019, BNDES+ has benefited a total of 43 projects to preserve the Brazilian historical and cultural heritage, mobilizing R\$ 6.1 million – R\$ 3.6 million from the Bank and R\$ 2.5 million raised with about 11,000 donors, through a crowdfunding platform.



Find out about the initiatives: <https://agenciadenoticias.bndes.gov.br/detalhe/noticia/Programa-Matchfunding-BNDES-Patrimonio-Cultural-seleciona-10-novos-projetos/>

Memorial archives

Six projects of the security notice in public cultural institutions for the storage of memorial collections were approved in 2021 – Pinacoteca de São Paulo (SP), Palácio Itamaraty (RJ), Museu Imperial de Petrópolis (RJ), Museu Casa de Rui Barbosa (RJ), Sítio Roberto Burle Marx (RJ) and Belas Artes National Museum (RJ). In all, with the completion of the support cycle of the notice, R\$ 15.7 million will be invested in initiatives to prevent and fight fires, modernize electrical installations and protect against atmospheric discharges.

Sítio Roberto Burle Marx **was recognized in 2021 by Unesco as a cultural heritage of humanity**. The space had our support, in the amount of R\$ 5.4 million, in 2019, for its requalification and sustainability.



Find out more at: <https://en.unesco.org/news/sitio-roberto-burle-marx-passa-integrar-lista-do-patrimonio-mundial-das-unescos>

SECOND EDITION OF THE TRADITIONAL AGRICULTURAL SYSTEMS AWARD

In 2021, the second edition of the BNDES Award for Good Practices for Traditional Agricultural Systems (SAT) was completed, held in partnership with the Ministry of Agriculture, Livestock and Supply (MAPA), EMBRAPA, IPHAN and the United Nations Food and Agriculture Organization (FAO).

The award aims to recognize and disseminate actions for the safeguarding and dynamic conservation of intangible cultural assets associated with agrobiodiversity and sociobiodiversity, present in Brazilian SATs, as well as to promote the systems of environmental use, landscapes and agri-food strategies of family farmers and traditional Brazilian peoples and communities.

The second edition of the award, which had a global value of R\$ 560,000, from BNDES Socioenvironmental Fund, awarded **ten actions**. The top three will receive the gross amount of R\$ 70,000 and the other seven of R\$ 50,000.

📺 🔗 Find out about the winners at www.bndes.gov.br/wps/portal/site/home/onde-atuamos/social/premio-bndes-boas-praticas-sistemas-agricolas-tradicional



^ Watch the video about the prize winners at: www.youtube.com/watch?v=qouWdURmSII

Revive Brasil program

Together with the Ministry of Tourism and the Investment Partnerships Program (PPI), we started supporting the Revive Brasil program, which aims to redevelop Brazilian historical heritage properties with tourist potential, allowing them to be granted to the private sector.

We will thus contribute to the realization of feasibility studies of an initial set of real estate during the pilot phase of the program – Forte Orange (PE); Fortaleza de Santa Catarina (PB); Fazenda Pau D'Alho (SP); the former Estação Ferroviária de Diamantina (MG) and Palacete Carvalho Motta (CE).



> EDUCATION

During the year, within the scope of the BNDES Connected Education Initiative, we allocated around R\$ 7.5 million for investments in infrastructure and acquisition of equipment for schools, benefiting more than 6,000 students from about 150 schools in four territories served by the project.

The initiative also contributed to the training of more than nine hundred managers and teachers from six schools in Bahia and Paraná on the use of technology as a pedagogical tool.

Among the 2021 activities, the launch of the Observatório Tecnologia na Escola (OTEC) website – which brings together 35 academic and research institutions, in addition to Fundação Getulio Vargas (FGV) and BNDES, and is part of the initiative's monitoring and evaluation strategy – is worth mentioning; the second work plan signed with the Ministry of Education (MEC); and the renewal and establishment of several partnerships.

National Service of Industrial Training (SENAI)

Under our contract with SENAI, eight new projects focused on professional qualification, productivity and technological innovation in the national industry were inaugurated in the year: four centers for professional training, three in Bahia and one in Minas Gerais; two innovation institutes in Rio Grande do Sul and Pernambuco; and two technology institutes in Bahia and Espírito Santo. The projects are part of a financing agreement entered into in 2012 in the total amount of R\$ 1.5 billion.

CISTERNAS IN SCHOOLS

In August 2021, we entered into a technical cooperation agreement with the Ministry of Citizenship and the Banco do Brasil Foundation (FBB) to enable the implementation of school cisterns under the Cisterns Program. We approved the allocation of R\$ 20 million from BNDES Socioenvironmental Fund to start the actions in the Northeast region in 2022, together with FBB. The estimate is to support around 2,000 rural schools, benefiting 121,000 students in the region.

MODERNIZATION OF THE STATE AND TERRITORIAL DEVELOPMENT

We support the states and the Federal District especially through investment plans, sectoral support and privatization projects, prioritizing investments aimed at improving the supply of basic social services (health, education and public safety) and regional development.

In 2021, we approved the investment project of the Comptroller General of the State of Paraná (CGE/PR), intended to increase the efficiency and impact of the agency's activities. With a total investment of R\$ 51.5 million, of which R\$ 46 million is financed by the Bank, the project involves actions to integrate management and systems, process improvement and adoption of the international audit methodology, as well as the development of innovative control for the state's acquisition processes, based on blockchain technology.

Highways

We approved financing for the improvement of road infrastructure in the states of Santa Catarina and Paraná in 2021. In the first, investments will be destined to the implementation, paving and management of different roads in the state, totaling R\$ 424.8 million, of which R\$ 382.4 million will be financed by the BNDES. In Paraná, the project focuses on the duplication and restoration of the state highway PR-317, with a total investment of R\$ 233 million, with our financing of R\$ 209.7 million. The initiative has synergy



Find out more in Privatization and project structuring



Access at: <https://otec.net.br/iniciativa-bndes-educacao-conectada/>





> Public lighting

The public lighting project in the municipality of Limeira (SP) will count on our support and provides for the implementation of LED technology in up to 33,736 light points. Our financing of R\$ 43.7 million will contribute to the modernization of the city's public lighting park, resulting in benefits such as energy savings, reduction of CO2 emissions, increased safety and enhancement of public space.

Security

We assist in mobilizing the efforts and resources of several agents for investments aimed at strengthening the governance and management of the sector and the transition to a new conception of public safety, based on evidence. With this, we seek to contribute to the reduction of high rates of crime and violence, with positive impacts on quality of life, competitiveness, improvement of the business environment and increased conditions of retention and attraction of capital to the country.

Throughout the year, we provide technical advice for project formulation with analysis of determinants of industry problems and offering evidence-based solutions.

We launched a pilot project acceleration initiative, together with the Inter-American Development Bank (IDB) and its network of experts, to increase the adherence of solutions to the needs of each public entity and streamline the construction of proposals and structured requests for funding.

The public consultation of the PPP of the prison complex of Blumenau (SC) was launched in 2021 and has an auction scheduled for 2022. Investments of around R\$ 240 million are estimated only in the first two years of the contract, which has a term of 35 years. The project consists of the construction, equipping and maintenance of a model prison complex with at least 2,979 vacancies.



> EMERGENCY COUNTERCYCLICAL

In adverse situations, we act in a counter-cyclical way to promote the recovery of the economy and its sustainability. Thus, as of 2020, we have

launched a set of initiatives to overcome the effects of the COVID-19 pandemic. By the end of 2021, these **emergency measures** helped **mobilize more than R\$ 150 billion**, primarily aimed at MSMEs and the health sector.

Although most of the measures were closed in 2020, several initiatives had important developments in 2021:

- **Renewal of standstill** – we opened a new round of temporary suspension of payment of amortizations of financing for public entities and companies in specific sectors with ongoing operations with the Bank.
- **Matchfunding Saving Lives** – we launched a new stage of the program, which should continue until July 2022. The goal is to raise more than R\$ 100 million in donations to support the front line of combating the pandemic. Of this total, R\$ 50 million will come from BNDES Socioenvironmental Fund and used to double donations from the private sector. Saving Lives is a financial support campaign to protect those who are on the front lines of public and philanthropic hospitals that serve the SUS in Brazil.
- **BNDES Productive Chains Credit Program** – the program had R\$ 337 million in operations approved in 2021 (filed in 2020).
- **Credit funds for MSMEs** – in 2020, we launched a public call for the selection of credit funds for MSMEs, with the objective of contributing up to R\$ 4 billion to reinforce credit to small businesses.

By December 2021, we contracted seven funds, having approved R\$ 2.5 billion in credit resources. These resources can be accessed on 100% digital platforms, such as sales machines, marketplaces or fintechs, with potential gains in analysis agility, diversity of guarantee options and less hiring bureaucracy.

BNDES EMERGENCY SUPPORT PROGRAM TO COMBAT THE CORONAVIRUS PANDEMIC

Seven projects supported by the BNDES Emergency Support Program to Combat the Coronavirus Pandemic, launched in 2020, were completed in 2021, and five others are still in execution. ProLife was one of the supported companies, counting on free credit in the amount of R\$ 10 million for the acquisition of inputs and expansion of its production, especially of vital signs monitors.

Find out more at: www.bndes.gov.br/wps/portal/site/home/bndes-contracoronavirus



View the updated results at: www.bndes.gov.br/wps/portal/site/home/bndes-contracoronavirus/mais-informacoes/acompanhamento-medidas-emergenciais-contracoronavirus



We are one of three accredited Brazilian institutions to transfer funds from the Green Climate Fund (GCF), one of the largest global funds to combat climate change.

We think of sustainable development as an integration of the economic, social and environmental dimensions, and this is reflected in our strategy and in our policies, practices and procedures, as well as in our relationship with all stakeholders.

Our social and environmental performance is governed by the provisions of CMN Resolution 4,327/2014 and its updates. We aim to contribute to the Brazilian goals (NDC – Nationally Determined Contribution) established in the Paris Agreement and seek alignment with some international parameters, such as the standards of the International Finance Corporation (IFC) and the socioenvironmental safeguards for export operations of the Organization for Economic Cooperation and Development (OECD). Our strategic agenda has also contributed to the SDGs of the 2030 Agenda.

For us, sustainability goes far beyond supporting the reduction of greenhouse gas (GHG) emissions, preserving biodiversity and carrying out social projects. Through our solutions, we also help to expand access to basic services for the population, reduce regional inequalities, generate decent work, support entrepreneurship and small businesses, strengthen sustainable infrastructure and increase productivity and competitiveness, including through innovation.

SOCIOENVIRONMENTAL IMPACTS OF OUR OPERATIONS

Most of the impacts of our operations are the result of the investments we support, made by our clients. Therefore, we offer differentiated conditions for sustainable investments or that contribute to the transition to a carbon-neutral economy.

We have policies and guidelines for the granting of financial support that provide not only the observance of applicable laws, sector-specific standards and environmental regularity of the projects, but also social and environmental responsibility practices by clients.

In view of our broad spectrum of operations, negative impacts may occur in support of projects in sectors such as mining, agribusiness, oil and gas, among others.

GOVERNANCE OF THE THEME

We have a robust governance structure to address social and environmental issues, ranging from our employees to the Board of Directors.

This governance was revised in 2021 in order to reinforce its importance. As a result, the strategic and transversal activities were concentrated in the planning unit, reinforcing the interaction with the theme. We reformulated the Socioenvironmental Sustainability and Territorial Development Committee (CSS), which was renamed the Sustainability Committee (CS), establishing greater participation of the BNDES' senior management. Finally, we mapped the main activities related to the sustainability agenda to better distribute them among the Bank's teams.

Thematic teams were maintained in the units of corporate relations and investor relations, as well as an area dedicated to socioenvironmental operations – the Public and Socioenvironmental Management Division (AGS) – and an **ESG subcommittee linked to the Board of Directors**. The sustainability agenda also had a thematic core linked to strategic communication, seeking to give greater transparency to our work on the subject.

In order to comply with the guidelines established in our Socioenvironmental Responsibility Policy (SERP), **teams from our various units** work with the support of teams specialized in the socioenvironmental theme.

SERP

Our SERP is a programmatic and strategic policy, of a transversal and comprehensive nature, and has its execution strategy consolidated in three-year implementation plans. It lays the foundations and gives direction for our performance in sustainability. The Bank's commitments are summarized in the principles and guidelines of the policy, which should guide our practices and respond to the demands of stakeholders, including the National Monetary Council (CMN), in the role of regulator.

Launched in 2010, SERP had its last update approved in 2019, the result of a public consultation process open to everyone on our website. The implementation plans covered the periods 2015-2017 and 2018-2020.



Find out more in the Governance section



Understand how different areas contribute to the theme of sustainability: www.bndes.gov.br/vps/portal/site/home/desenvolvimento-sustentavel/o-que-nos-orienta/nossa-governanca-em-desenvolvimento-sustentavel/governanca-sustentabilidade



Find out more in Our Strategy

In 2021, within the scope of the **BNDES ESG** corporate project, we sought to deepen themes present in previous plans, but also to inaugurate new approaches to incorporating sustainability into the Bank's business practices. Thus, the corporate project represented a transition period between the multi-annual plans of SERP, with the approval of the SERP Plan 2022-2024 at the end of 2021.

Management of socioenvironmental risk in operations

In 2021, we revised our internal regulations for the development and management of operational policies, including the analysis of the following aspects **in the approval of each new support instrument**: socioenvironmental classification; contributions to the SDGs; and negative and positive socioenvironmental and climate impacts.

We also reformulated our socioenvironmental policy focused on credit operations, which is now called the **Socioenvironmental Operations Management Regulation**. The Regulation represents the deployment of the SERP in operational terms.

We have incorporated into the regulation the new concept of socioenvironmental sensitivity of operations – based on the ABC category, the value and term of the operation. In addition, we have established a new methodology to evaluate the socioenvironmental management of clients. The two aspects combined determine the treatment to be given to **socioenvironmental risk** management in the stages of analysis and monitoring of operations.

In the case of securities transactions, the subscription must also cover the applicant's prior socioenvironmental assessment, involving its main social and environmental aspects and its regularity before the competent environmental agencies.

For automatic indirect operations, the management of socioenvironmental aspects is carried out by financial agents, observing rules issued by the BNDES and communicated through circular letters. As this is a very large volume of operations of lower value, the monitoring is done by sampling.

In addition, in 2021, we monitored the socioenvironmental risk of the portfolio of operations of financial agents by assessing their ability to manage these aspects in view of the volume of resources managed. This procedure should be repeated periodically in the coming years.

The social and environmental regularity of the supported projects is a contractual commitment of the clients and their non-compliance may lead to the interruption of disbursements and even the early maturity of the debt.

We also carried out the monitoring of socioenvironmental risks, recording data related to actual losses in lawsuits due to socioenvironmental damages.

In 2021, there was no record of socioenvironmental losses related to clients. No significant fines or non-monetary sanctions resulting from lack of compliance with environmental or socioeconomic laws and/or regulations were also identified in 2021.

We also have **other regulations related to sustainability** in its corporate, operational and sectoral dimensions.

STRATEGIC PLANNING

In the review of the strategic planning approved in December 2021, our "Socioenvironmental" mission was broken down into two: "Social" and "Environmental". The first focuses on health, education and public safety. The "Environmental" mission aims to promote the just transition to a carbon-neutral and climate-resilient economy, fostering economic growth within the limits of the planet and positioning the BNDES and Brazil as poles of sustainable investments on the international scene.

From the discussions of our new strategic map, we established some corporate indicators and areas related to sustainability, such as the number of operations approved in the social and environmental focuses; the value of carbon credits acquired; the increase in installed capacity in renewable energy; and the number of sectors reported in our NDC Panel.

For 2022, we approved a new corporate project related to the ESG theme, this time with a greater focus on climate, seeking to make the Bank a leader in the process of a fair transition to a carbon-neutral economy with fewer social inequalities.

ESG RATING

In 2021, we participated of an ESG evaluation and rating process, with the objective of acquiring structured knowledge about our strengths and improvement needs, including how we are in relation to our peers, in addition to meeting a latent demand from investors and other stakeholders for more information about



Find out more in New solutions and products



Access at: www.bndes.gov.br/wps/portal/site/home/desenvolvimento-sustentavel/o-que-nos-orienta/outras-politicas-e-regulamentos/Regulamento-socioambiental/Regulamento-gestao-Socioambiental/

The regulation provides that the socioenvironmental category (ABC) can be established considering the characteristics of the support instrument used, the economic activity of the operation or investment project to be financed.



Find out more in Risk management



See: www.bndes.gov.br/wps/portal/site/home/desenvolvimento-sustentavel/o-que-nos-orienta/outras-politicas-e-regulamentos/outras-politicas-regulations

our positioning and effort to advance this agenda.

The evaluation process for the issuance of the rating was conducted by Vigeo Eiris – one of the most representative agencies in the industry, currently part of Moody's ESG Solutions. The analysis involved our various divisions and was carried out through a qualitative questionnaire and interviews with selected people based on their knowledge and experience, including senior management and employees.

Vigeo Eiris gave the BNDES the A1+ rating, the highest on its scale, and placed the Bank in 86th place among the 4,913 companies participating in the world ranking. The Bank ranked fourth among the 848 organizations analyzed in emerging markets.

The benefits expected from the publication of the ESG rating include the improvement of the image and reputation of the BNDES in the international community, the increase in liquidity in debt securities issued by the Bank and the reduction of funding costs.

UPDATE OF THE SECTOR EXCLUSION LIST

Find out more in What we do



We expanded the scope of **prohibition of support** to sectors and critical enterprises in terms of socioenvironmental risks.

The main changes were:

- In the electricity sector, we have expanded the seal to fossil fuel thermal plants, including, in addition to those powered by coal, oil thermal plants derived from petroleum.
- In the mining sector, we included coal mining projects to supply thermal plants in the exclusion list, in addition to prohibiting support for the extraction and processing of asbestos.
- In the sanitation sector, we established the sewage treatment condition in collection projects.

We also follow a series of **multilateral agreements** – on issues such as endangered species, the ozone layer, pollutants, weapons, among others – that regulate the financing of activities and projects.

All information is available on **our website**, increasing transparency and facilitating the relationship with the clients and other stakeholders.

Find out more at
www.bndes.gov.br/ra2021

Access at: www.bndes.gov.br/wps/portal/site/home/financiamento/guia/lista-exclusao-atividades-e-itens-nao-apoiaveis-pelo-bndes

TRAINING

In 2021, we provided two training courses with the objective of improving the training of our employees on the ESG theme: Introduction to the ESG at BNDES, with broad adhesion of the staff, and socioenvironmental management of operations, mainly aimed at operational teams.

In August and September, the operational teams were trained to implement the gender policy applicable to projects supported with funds from the GCF, of which the Bank is a financial agent. The training on inclusion and diversity was conducted by a specialized consultancy and involved thirty employees from our different areas.

COMMUNICATION ACTIONS

In 2021, we launched the **NDC Panel**, a complement to the SDG panel, focused on climate which shows our contribution to Brazil's greenhouse gas emission reduction goals – based on its NDC – taking into account our performance in the energy, forestry and urban mobility sectors since 2015, when the Paris Agreement was signed.

We also published a navigation tutorial in the **SDG Panel**, in addition to a methodological note that explains how the objectives are inserted in our strategy and how we determine our contribution to each of them.

In addition, we launched a **new sustainability** section on our website, dedicated to organizing and presenting both the Bank's commitments on the agenda and our support and delivery lines.

We conducted two **advertising campaigns on the subject** and an internal campaign, "Sustainability is the basis", with the objective of consolidating the concept of sustainable development among our employees.

In 2021, we approved the work plan for implementing our **Gender Equity and Diversity Valorization Policy**. It is a three-year plan with internal actions aimed at our employees and external actions directed to clients, suppliers and service providers, considering the inducing role of good practices that the Bank can play.



Find out more Ethics, integrity and transparency




Access at:
www.bndes.gov.br/ndc



COP 26

In November, we attended COP 26 in Glasgow, where climate change issues were discussed by participants from different countries.

In addition to being present at the pavilion of the Brazilian government, we took part in the activities conducted by IDFC, which brings together several public development banks around the world.

 Find out more in
Our relationships

We launched at the end of 2021 the **BNDES Sustainability Award**, which aims to encourage the practice of philanthropy, contributing to the structured and perennial development of projects and to raise the power of impact and transformation in society.

It is expected that the award will enable an interaction with different stakeholders engaged in the



Find out more at: www.bndes.gov.br/wps/portal/site/home/desenvolvimento-sustentavel/premio-bndes-todos-pela-sustentabilidade

COMMITMENTS

Global Compact

In August 2021, we adhered to the **UN Global Compact**, which proposes aligning companies' operations and strategies with ten universal principles in the areas of human rights, labor, environment and anti-corruption.

By joining the initiative, we will work together with the Brazilian network of the Global Compact, which structures common projects and actions between the 1,300 national members, contributing to the development of more sustainable business practices across seven action platforms: SDGs, water, sustainable agribusiness, climate, human rights, anti-corruption and communication and engagement.

CDP – Investors Club

We became associated in 2021 with the Carbon Disclosure Project (CDP), an international non-profit organization that encourages companies and governments to reduce their GHG emissions, protect water resources and safeguard forests.

As the CDP is also a platform for transparency of emissions, with annual affiliation and reporting to the entity, we hope to boost corporate environmental transparency, in addition to having access to the largest corporate environmental database in the world, which can be used to inform our investment and financing activities.

PRODUCTS AND INSTRUMENTS

We operate with different origins of resources to support operations that promote sustainability. Whenever possible, we seek to use our own resources combined with those of third parties, mainly private, in order to raise financial support and its positive impacts on society.

In 2021, we raised US\$ 500 million with the New Development Bank (NDB) to support projects that promote the reduction of greenhouse gas emissions and adaptation to climate change, in addition to R\$ 184 million

in resources of **FUNTEL** to be used to expand broadband access in the country.

We also disclose a **framework for the issuance of sustainable securities**, in order to support future funding with investors for investment in projects previously categorized as social and environmental.

During the year, we launched the **BNDES Socioenvironmental Fund** and several **new solutions and products** for the theme. We continued the matchfunding initiative Saving Lives and, through an amendment signed with the Ministry of the Environment (MMA), we once again carried out indirect operations under the Climate Fund.

We also expanded the number of projects with a socioenvironmental focus in our structuring portfolio, integrating initiatives aimed at granting conservation units, such as parks and forests.

As a priority for **BNDES FUNTEC** in the 2021-2022 biennium, we defined the development and dissemination of environmentally friendly technologies. In this context, high impact socioenvironmental issues will be prioritized, such as native forests, basic sanitation (water and sewage) and new biofuels.

Amazon Fund

Our experience as managers of the Amazon Fund is considered a reference in attracting and managing external resources. Created in 2008, the fund supported more than one hundred projects until 2021, with disbursements of R\$ 1.4 billion.

In 2021, about R\$ 120 million were disbursed for projects in progress, leaving R\$ 380 million to be disbursed for projects already approved.

Ten projects were completed in the year, which finalized the processes of reporting, evaluation and accountability of the activities carried out.

Currently, donations to the fund are suspended, while the Brazilian government and the authorities of the donor countries negotiate the restoration of governance of the initiative.



Find out more in
New solutions and products



Access at: www.bndes.gov.br/wps/portal/site/home/desenvolvimento-sustentavel/solucoes-de-financas-sustentaveis



Find out more in the
What we do and Our
performance sections

BNDES FUNTEC is a non-reimbursable support instrument focused on projects research and development (R&D), which seeks to stimulate the technological development and innovation of strategic interest to the country, taking knowledge of academia to companies.



Find out more at:
www.bndes.gov.br/wps/portal/site/home/financing/product/bndes-funtec



For detailed information on the Fund's performance, please visit:
www.fundoamazonia.gov.br/en/home/



GRI

102-9	102-10	102-18
102-19	102-20	102-22
102-23	102-24	102-25
102-27	102-28	102-30
102-31	102-33	102-35
102-36	405-1	

GOVERNANCE MODEL

Our governance structure aims to strengthen our management, favoring a transparent and collective decision-making process. It encompasses the Board of Directors and its subcommittees, the Fiscal Council, the Auditing Committee, the Risk Committee, the Personnel, Eligibility, Succession and Remuneration Committee and the Executive Board, as well as other committees of directors and superintendents.

The bylaws of the BNDES System companies define the powers of the president, the Board of Directors, the Executive Board and other statutory bodies. Some of them can be delegated by the original authorities through normative acts related to the specific subjects. There is also the possibility of sub-delegation by directors, superintendents and heads of departments.

The position of president of the BNDES is occupied by **Gustavo Montezano** since July 16, 2019.


The Board of Directors follows an annual work plan, with regular monthly meetings, updated whenever necessary. It takes part periodically in these meetings of the advisory committees (Risk, Auditing and

Personnel, Eligibility, Succession and Remuneration committees), with an account of their respective members on aspects and most relevant concerns about their technical sphere of activity.

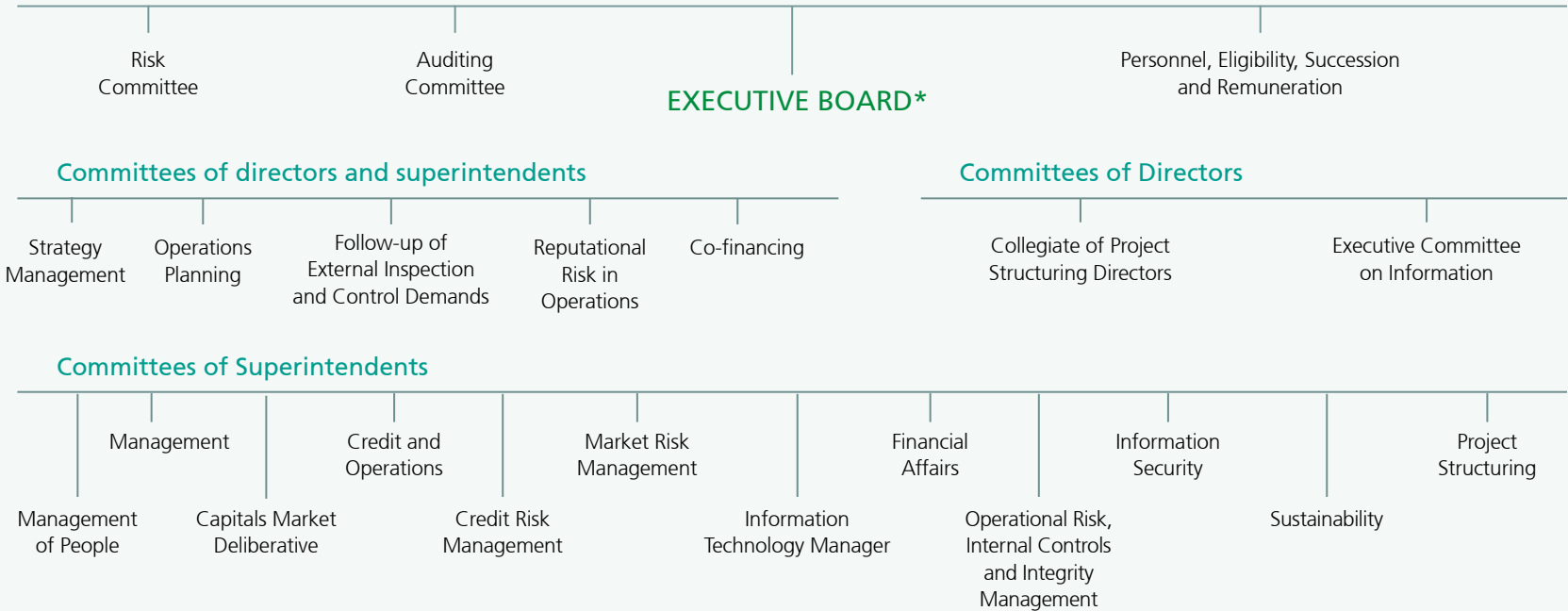
The communication of crucial concerns to the Board of Directors is mainly made by the Auditing Committee, including the compliance by the Executive Board with the recommendations made by it and by independent or internal auditors, as well as in relation to the effectiveness of internal controls. Periodically, the committee submits a report to the Board of Directors that serves as an important instrument for this purpose.

According to the statutory provision, the Executive Board appreciates the matters that go to the Board of Directors and each director participates in the board meetings in the reporting of matters related to their divisions.

The economic, social and environmental aspects are addressed in all spheres of our governance, being attributed to superintendents and department heads, as provided for in the Basic Internal Organization (OIB).

 [View the resume of the president of BNDES at www.bndes.gov.br/gustavo-montezano](http://www.bndes.gov.br/gustavo-montezano)

FISCAL COUNCIL
BOARD OF DIRECTORS

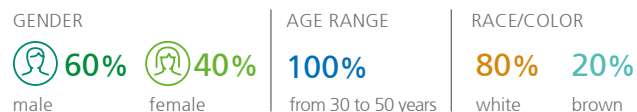


Find out about each committee at: www.bndes.gov.br/ra2021.

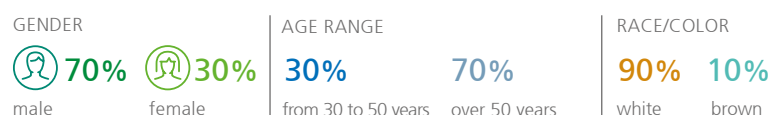
* Throughout the report, we refer to the Executive Board simply as the Board.

COMPOSITION OF THE COLLEGIATE BODIES

FISCAL COUNCIL: supervises the acts of the administrators and verifies the fulfillment of their legal and statutory duties; analyzes the quarterly financial statements of the BNDES; examines and issues an opinion on the semiannual financial statements of the institution, among other attributions.



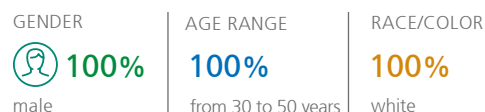
BOARD OF DIRECTORS: this is our highest level of governance. Emits opinion on relevant issues of the country's economic and social development related to our actions; advises the president of the Bank on the general guidelines of its actions; approves the general policies and long-term action programs; expresses its opinion on the institution's financial statements, among other attributions. The president of the Board of Directors does not accumulate another executive function at the Bank.



The members in office on December 31, 2021 have a unified term of office until February 26, 2022.

In 2021, we received the seal of the Women on Board (WOB) institution, awarded to companies that value gender diversity in their corporate environment and that have at least two women on the Board of Directors.

RISK COMMITTEE: proposes recommendations to the Board of Directors on policies, strategies and limits of risk and capital management, stress test program, business continuity management policy, contingency plan for liquidity and capital; assesses risk appetite levels; analyzes the BNDES risk environment, among other attributions.



AUDITING COMMITTEE: decides on the hiring and dismissal of the independent auditor; reviews, prior to publication, the half-yearly financial statements; evaluates the effectiveness and supervises the activities of the independent auditors and the internal audit; monitors the quality and integrity of the internal control mechanisms, the financial statements and the information disclosed by the BNDES; evaluates and monitors risk exposures of the Bank.



PERSONNEL, ELIGIBILITY, SUCCESSION AND REMUNERATION COMMITTEE: it is the body of advisement to the controlling shareholder and to the Board of Directors in the processes of appointment, evaluation, succession and remuneration of managers, fiscal council members and other members of statutory bodies.



EXECUTIVE BOARD: has deliberative power and has a broad structure of committees that act as an instrument of strategic alignment on specific themes. These committees bring together various hierarchical bodies, such as directors, superintendents and department heads, according to their purpose. It is up to the Executive Board, among other responsibilities, to manage the activities of BNDES and evaluate its results. The Executive Board must submit matters that depend on the deliberation of the Board of Directors, manifesting itself in advance when there is no conflict of interest.



BNDES GENERAL ASSEMBLY

This is convened by the Board of Directors or, in cases provided for by law, by the Executive Board, by the Fiscal Council or by the Federal Government. It is carried out ordinarily once a year or extraordinarily by the BNDES' interest. Its competencies include: approval of the annual management report; amendment of the capital stock and bylaws; election and dismissal of members of the Board of Directors and the Federal Constitution; and establishment of the remuneration of the Bank's managers and members of the Board of Directors and the Auditing Committee.

The work of the Assembly shall be led by the Chief Legal Officer, by delegation of the Chairperson of the Board of Directors. At least one member of the Fiscal Council, depending on the matter, and one attorney of the Attorney General of the National Treasury (PGFN), representative of the Federal Government, sole shareholder of BNDES, shall attend the meeting.

HOW ARE MEMBERS OF THE BOARD OF DIRECTORS SELECTED?

The Board consists of 11 members, all elected by the General Assembly, with: four indicated by the Ministry of Economy (ME), one by the Ministry of Foreign Affairs, five by the ministry that is supervising the BNDES and a representative of the Bank's employees, chosen among those active through a direct vote by their peers. At least three of the members appointed by the ministries must be independent. As of December 31, 2021, there were ten active directors and one vacancy not filled. The members of the Board of Directors have a unified term of management of two years, counted from the date of investiture, with a maximum of three consecutive renewals.

Nominees must meet specific requirements, such as having recognized knowledge and academic training compatible with the position. The Secretariat of Coordination and Governance of State-owned Enterprises (SEST) makes the prior analysis of the documents proving the nominee and consults the Civil House of the Presidency of the Republic to confirm the indication. Once this phase is completed and there are no objections, the ME sends the documentation for analysis of our Personnel, Eligibility, Succession and Remuneration Committee.

The committee, by an absolute majority, verified the presence of all requirements and the absence of prohibitions, the ministry responsible for indicating the council member forwards their final decision to the Attorney General of the National Treasury (PGFN). The indication is then submitted to the General Assembly of the BNDES, which is responsible for deliberating on the election and dismissal of the members of the Board of Directors.

Evaluation of the Board of Directors

The Board of Directors performs an annual self-evaluation of its performance through a questionnaire on the effectiveness of its erring to the 2021 cycle, the directors will respond on themes such as: alignment to the purpose; ESG;

We revised the background check standard of statutory members of the BNDES System in 2021, which deals with the verification of legal impediments, situations of conflict of interest and integrity risk (administrative and judicial processes, negative media and list of sanctions).

achievement of strategic objectives; and corporate risk management.

This evaluation allows opportunities for improvement to be identified, so that the collegiate has a continuous progress in its performance, including in economic, environmental and social aspects.

PREVENTION OF CONFLICT OF INTEREST

The prevention of conflicts of interest in relation to members of statutory bodies occurs, initially, at the time of their appointment to the position and, then, each year, in periodic evaluations or in eventual renewals. At these times, through the integrity verification process, the parallel activities and corporate ties of directors and officers are analyzed, in order to identify situations that may generate conflicts. Continuous monitoring of shareholdings of these members is carried out.

The bylaws of the Board of Directors also provide that, in the event of a conflict of interest, the members shall refrain from discussions and deliberations on the matter, and shall communicate their impediment and record, in the minutes of the meeting, the nature and extent of their interest.

As mitigating measures provided for in the bylaws, deliberations on matters involving conflict of interest are held in a separate and exclusive meeting for this purpose, without the presence of the impeded member. The member who identifies impediment of another, not declared voluntarily, must put the theme on the agenda for collegiate deliberation.

We also have a **Policy for Transactions with Related Parties**, whose latest version was approved by our Board of Directors in November 2021. The purpose of this policy is to establish and consolidate the main rules to be observed in



Access at: www.bndes.gov.br/wps/portal/site/home/transparency/provision_of_accounts/regulations-corporate_policies/policy-for-transactions-with-partes-relacionadas

MIX OF COMPETENCIES AND DIVERSITY IN THE BOARD OF DIRECTORS

The year was a milestone in the formation of a collegiate with a high degree of complementarity of competences, with the allocation of advisors in thematic subcommittees according to their knowledge and specific areas of interest, upon indication made by the Board of Directors itself.

The thematic subcommittees contributed to increase the productivity of the meetings of the Board of Directors and made it possible to deepen the knowledge of the advisors in relation to the matters submitted to the collegiate. This structure also increased the collective knowledge of the board, which in its subcommittees had contact with several technical teams of the Bank and various subjects. The following are the themes monitored by each subcommittee.

Subcommittee 1 – ESG, communication, human resources, compliance, legal, operations, image and governance

Subcommittee 2 – Financial, risks, audit and new products

Subcommittee 3 – Capital markets, participations, credit and guarantees

Subcommittee 4 – Infrastructure

the transfer of resources, goods, services or obligations, pecuniary or not, involving a person or entity related to the BNDES, ensuring competitiveness, compliance, transparency, equity and commutativity in transactions.

THE BNDES' MANAGEMENT REMUNERATION POLICY

The global remuneration policy for managers (Executive Board and Board of Directors) and other statutory members is prepared and analyzed by the Personnel, Eligibility, Succession and Remuneration Committee, with support from the People Management and Organizational Culture Division, following the SEST guidelines. Subsequently, it is sent for approval by the Board of Directors and resolution of the BNDES' General Assembly.

The Remuneration Policy of the Directors of the BNDES System Companies regulates the remuneration process of the members of the Executive Board and of the Board of Directors and takes into account its adequacy to the best market practices and to the legal provisions; the recognition of responsibility, time dedicated to the function, competence and professional reputation of the directors; the incentive to behaviors that do not raise the institution's exposure to risks above the levels considered prudent in the short, medium and long term strategies; and the observance of the goals and of the current and expected financial situation of the institution. The remuneration and benefits granted to our officers can be found on **our website**.

Remuneration of executive directors

The fixed monthly remuneration of the members of our Executive Board is established annually by the General Assembly. Directors are entitled to **annual variable remuneration (AVR)**, subject to the achievement of goals and performance indicators previously established in the program, which does not include bonuses, rewards and share-based earnings.

Except in the event of a resolution to the contrary at the General Assembly, the members of the Executive Board are entitled to meal and food allowance; housing allowance; annual leave of thirty days paid with one third in addition to the fixed monthly remuneration; assistance health plan or health care benefit; allowance; employer social security contribution collection; FGTS collection; compensatory remuneration (quarantine); and Christmas bonus (13th salary). The members of the Executive Board do not have educational assistance;

In August 2021, the Board of Directors approved the BNDES System's Corporate Conflict of Interest Control Policy, that defines guidelines for identification and management of situations of conflict of interest arising from the final activities carried out by the Bank.



Access at: www.bndes.gov.br/remuneracao-administrators-e-conselheiros



[Find out more in Our team](#)

FGTS termination fine (40%); vacation bonus (sale of one third of vacation); indemnified notice and transportation allowance.

Remuneration of directors

The members of our boards (Fiscal Council and Board of Directors) are entitled to monthly remuneration equivalent to 10% of the average monthly remuneration of the members of the Executive Board, excluding the amounts related to additional vacation and benefits. The payment of profit sharing of the company, of any kind, to the directors is also prohibited.

Remuneration of other statutory members

The fixed monthly remuneration of the members of the Auditing Committee is equivalent to 50% (for the coordinator) or 40% (other members) of the average monthly remuneration of the members of the Executive Board, excluding the amounts related to the vacation bonus and benefit, it is forbidden to pay participation, of any kind, in the profits.

The remuneration of the members of the Risk Committee, in turn, is equivalent to 10% of the average monthly remuneration of the members of the Executive Board, excluding the amounts related to additional vacation and benefit, and prohibited payment of participation, of any kind, in profits.

On the other hand, the Personnel, Eligibility, Succession and Remuneration Committee consists of three members, who are also part of the Board of Directors or the Auditing Committee, without additional remuneration.

TERMINATION

There is no prior notice to directors or officers. Upon termination, the member of the Executive Board is entitled to receive the balance of days worked and the proportional amounts related to the 13th salary. Members of other statutory bodies are entitled to receive the balance from days to the date of dismissal.

According to the relevant legislation, the members of the Executive Board are prevented, during a period of six months after termination, from exercising activities or providing any services related to the area of competence of the position held, counted from the date of dismissal. For this, a compensatory remuneration is paid by the BNDES – exclusively during the period of impediment after the end of the term of office of the member of the Executive Board – referring to the position that was held, provided that it is approved by the Public Ethics Commission (CEP).

Retirement

The social security benefit plan sponsored by the BNDES System companies is not extended to board members.

ORGANIZATIONAL STRUCTURE

We are organized into specific boards, composed of divisions. Each division is the responsibility of a superintendent. In 2021, we had nine boards, grouped into back office (financial and control activities and business support) and front office (granting financial support and structuring projects and partnerships).

Throughout the year, the composition of our Executive Board had only one change in March: the appointment of Bruno Caldas Aranha to replace Leonardo Mendes Cabral.

INTERNAL AUDIT

Our Internal Audit unit is directly linked to the Board of Directors and its mission is to strengthen corporate governance, risk management and the internal control system through objective evaluations and consultancies and dialog with external control and inspection bodies (OEC): TCU, CGU and BCB.

In 2021, 236 inspections, verifications and audits from these bodies were monitored, which resulted in the monitoring of 63 recommendations, determinations and notes to the BNDES received in the year. The measures adopted in relation to the recommendations and determinations of the TCU and CGU are available on our website, in compliance with TCU Normative Instruction 84/2020.

As a result of the internal audit work carried out in 2021, 248 new recommendations were issued to process managers, which resulted in the implementation of risk mitigating actions. Throughout the year, 197 recommendations were met – from 2021 and previous years. The implementation of risk mitigating actions by the audited units is monitored by the Internal Audit, which reports quarterly on the situation to Auditing Committee and to the Board of Directors and Fiscal Council.

The main control activities carried out by the unit are disclosed annually in the Annual Report of Internal Audit Activities. The result of the annual audits of accounts conducted by the CGU, the inspections and audits carried out by the TCU and the follow-up of the arrangements of the



View our organization chart on the back of the cover



Access at: www.bndes.gov.br/wps/portal/site/home/quem-somos/etica-e-compliance/conformidade/auditoria-interna

respective recommendations or determinations made by these control bodies are made available on our website.

LEGISLATION AND REGULATIONS

COMPLIANCE

We are inserted in one of the most regulated sectors of the economy. Therefore, we maintain mechanisms to mitigate the risk of non-compliance with the **plurality of standards to which we are exposed**, and which may cause damage to the reputation or sanctions to the institution. These mechanisms are gathered in our Compliance Program, which includes the practices for compliance with obligations present in internal and external standards and in the agreements signed by the Bank.

Some of our current compliance management practices are:

- daily evaluation of the propositions of normative acts presented in the National Congress, with monitoring of those considered of high priority and impact for the Bank;
- monitoring the issuance of external standards, as well as monitoring compliance with such standards by our units;
- maintenance of the basis of agreements entered into by BNDES; and
- compliance evaluations, compliance tests that seek to assess the degree of compliance with internal and external standards.

Any non-conformities and control deficiencies identified by the compliance and operational risk management units are discussed with the units involved, which propose action plans for their correction and improvement of procedures. The results of these works are presented to the competent committees of the Bank.

REVIEW AND AMENDMENT OF CONTRACTUAL CLAUSES

We update, whenever necessary, the clauses of our contracts to adapt them to normative changes and the review of operational processes and policies. Among the main changes that occurred in 2021 in the drafts of standardized contractual instruments of our direct operations are:

- Inclusion of a forecast on clients practices and conduct that may lead to contractual resolution in the contractual drafts of non-refundable operations.

- Change in the clauses of special obligations and client statements related to environmental obligations, aiming at reducing transaction costs and improving the client experience, as well as reducing operational risks.
- Inclusion of a contractual clause providing for the system to be adopted in the event of negative interest.
- Exemption from legal requirements due to the flexibility measures resulting from the pandemic (Law 14,179/2021), such as the presentation of a negative debt certificate (CND) – except for social security debts –, proof of regularity with FGTS, RAIS and Rural Territorial Property Tax (ITR).
- Inclusion of a declaration on the non-existence of default with the Union and bodies and entities of the direct and indirect administrations, except for the notes whose treatment was specified. This statement does not cover obligations whose proof of performance must be made through a certificate, due to the legislation in force.

In addition to these specific changes, two minutes were created to allow the operationalization of the **BNDES Renovabio** programs, with special clauses that make it possible to change the interest rate due to the achievement or not of milestones to reduce GHG emissions, and **BNDES ESG Credit**, with clauses to allow a reduction or increase in the interest rate and to provide for ESG commitments by companies.

REVISION OF THE BYLAWS

In 2021, we implemented the revision of BNDESPAR's bylaws, following guidelines already adopted for the BNDES and aligned with the model bylaws for state-owned companies, launched by SEST in 2020.

It is worth mentioning the reorganization of the article that deals with the corporate purpose, with the inclusion of support for instruments and companies that aim to generate socioenvironmental impact and positive financial results in a sustainable way and support for the recovery and restructuring of assets that are part of the BNDES System portfolios.

It was also included an express forecast of the public interest in the direction of the company's activities, as already carried out in the case of the BNDES, reflecting guidance from SEST and an existing forecast in the Law of State-Owned Companies.

A new chapter was added to the bylaws, providing for general rules of management, with emphasis on the liability of managers and fiscal councilors for losses or damages caused in the exercise of their duties.

BIDS AND ADMINISTRATIVE CONTRACTS

To carry out our activities, we use inputs and services acquired through different contracting processes that follow the judgment criteria stipulated in the Law of State-Owned Companies or, also, the auction modality, under the terms of Law 10,520/2002.



See the main standards to which we are submitted at: www.bndes.gov.br/wps/portal/site/home/quem-somos/governanca-controle/Legislacao-do-Sistema_BNDES/legislacao-do-sistema-bndes-statutos



Find out more in [Our performance > Production structure](#)



Find out more in [New solutions and products](#)



Access at: www.bndes.gov.br/licitacoes-contratos

Our administrative contracts are public and can be accessed on **our website**. In 2021, 286 contracts were signed. See below the bids and contracts carried out in the period.

CONTRACTS ARISING FROM PUBLIC BIDDING		TOTAL
Disposals		8
Competitions		12
Electronic trading sessions		51

CONTRACTS, AMENDMENTS AND PAP	TOTAL	ORIGIN
Contracts tendered	63	Biddings
Contracts by waiver and unenforceability of bidding (except small amount)	68	Waiver of bidding and unenforceability
Small value contracting	123	Waiver of bidding
Amendments	82	
Punitive administrative procedure (PAP)	6	
Contracts for privatization	32	Article 28, §3, Law 13,303/2016 Law of State-Owned Companies and Res. Dir. 3,685/2020

In 2021, the new model for **hiring consultancies** to structure privatization projects, implemented during 2020, was the object of favorable positioning of the federal control bodies, with wide debate between the parties and improvements.



Find out more in [Privatization and project structuring](#)

CONTRACTS WITH SUPPLIERS

We are a banking institution of a public nature, which has its core activities carried out as a rule by tendered teams. Thus, the contracting of suppliers is mainly limited to the purchase of inputs or the provision of services ancillary to the Bank's core activity, in accordance with the conditions stipulated by the Law of State-Owned Companies and by resolution of our Board of Directors.

In relation to service providers, activities performed indirectly include: (i) ancillary, auxiliary or instrumental activities, such as general services and information technology; and (ii) those in support of the Bank's final activities, such as services related to privatization projects.

We also have suppliers of materials and equipment to meet our operational needs.

In 2021, we maintained 803 active contracts with 632 suppliers, whose geographical location is presented in the following table, with emphasis on the locations of our offices.

CITY	CONTRACTS	SUPPLIERS	% SUPPLIERS BY LOCATION
Brasília	63	50	7.90%
Recife	13	13	2.05%
Rio de Janeiro	197	165	26.07%
São Paulo	255	182	28.75%
Other cities	275	222	35.23%
Total	803	632	100.00%

The sum of payments made to suppliers totaled R\$ 372.4 million in the year.

Considering our contract base, we did not identify relevant changes in the supply chain in 2021 that could impact our operations.

SUSTAINABLE PURCHASES

According to internal regulations, our bids and contracts must be carried out within sustainable parameters under the social, economic and environmental aspects. It is up to the Bank to adopt rational procedures when making the consumption decision and consider the various aspects related to the execution of the contractual object – such as non-generation, reduction, reuse, recycling and treatment of solid waste; prioritization in the use of recycled and/or recyclable products; greater efficiency in the use of natural resources; and analysis of social impacts arising from implementation, among other criteria.

The regulation also provides that the adoption or not of sustainability criteria should be justified in hiring, taking into account the associated costs and benefits, in addition to the reality of the supply market. Where applicable, the socioenvironmental requirements must be objectively based on the technical specifications of the contract.

FOSTERING GOOD GOVERNANCE PRACTICES IN INVESTEEES

We always seek to encourage investees to achieve increasingly higher corporate governance standards, either through the exercise of voting rights in their boards, or through rights contractually provided for in our shareholders' agreements. Good corporate governance increases investor confidence, mitigating conflicts of interest and, historically, has shown value generation for the company.

In December 2021, we held the Meeting on Governance and Boards of Directors, in which the challenges of the boards of directors to achieve sustainability and improve governance in the post-pandemic scenario were discussed.

The event also addressed the issue of diversity in these collegiate bodies.

Stewardship Code

Understanding the relevance of the role of shareholders in the corporate governance of its investees, we adhered, in 2017, to the Stewardship Code of the Association of Investors in the Capital Markets (Amec). Thus, we publish the *BNDESPAR Stewardship Report* annually, reporting in more detail on the activities developed in the year.

COST MANAGEMENT

We carry out the calculation of costs and results of the BNDES System companies by division, department, line and program operated, with the main objective of providing managers with information for analysis and decision making.

Our process also enables the analysis of incremental costs in the creation of new organizational structures and new products, for example.

The Federal Government's Cost Information System (SIC) is not adopted as the main cost calculation system because it is a tool aimed at direct public administration agencies, municipalities and foundations.

ETHICS, INTEGRITY AND TRANSPARENCY



GRI
102-16 | 102-17 | 205-1 | 205-2
205-3 | 206-1 | 406-1 | 408-1 | 409-1
410-1 | 412-1 | 412-2 | 412-3
417-3 | 419-1

ETHICS AND INTEGRITY

Find out more in Our strategy

Ethics is a duty of our employees, administrators and service providers. The commitment to the subject is expressed in our statement of **values** and in our Code of Ethics, which is also applicable to those who interact with us, including clients and financial institutions accredited to onlending of resources.

In 2021, there was no record of losses arising from fraud or cases of corruption, as well as fines for non-compliance with laws and regulations, except in cases of reprocessing of taxes and collection of taxes in delay.

In the latter situation, only one of them is considered relevant when its value is compared to the risk appetite of the BNDES System. Nevertheless, when this value is compared to the history of losses of this nature, it is considered a typical value.

During the year, we were not subject to any judicial proceedings related to unfair competition, trust or monopoly practices, nor did we record any cases of non-compliance related to communication and marketing.

In judicial or arbitration proceedings, there were no fines or non-monetary sanctions resulting from lack of compliance with socioeconomic laws and/or regulations in 2021.

ETHICS MANAGEMENT

The Ethics Committee of the BNDES System (CET/BNDES) and its executive secretariat – linked to our presidency – are responsible for the management of ethics at the Bank. In 2021, we conducted 133 preliminary procedures, such as consultations related to ethical conduct, and carried out internal preventive actions to disseminate values, such as communication campaigns, courses and events. We also had active participation in the coordination of the National Forum for Ethics Management in State-Owned Enterprises.

Standards

We have several documents that contribute to the prevention and management of the ethical theme and integrity.

We carry out annual mandatory training for employees, as well as for directors and advisors, on the rules and values in force. At this time, the declarations of compliance with these standards

are renewed. In addition to participating in the training, all new members of the governing bodies also need to read and sign a statement, usually associated with the term of investiture. Regular training is also offered to business partners.

ETHICS AND INTEGRITY POLICIES AND GUIDELINES

Integrity Program: brings together the measures, procedures and controls adopted to combat deviations, fraud, irregularities and unlawful acts.

Code of Ethics: presents principles, ethical values and commitments that must be observed by all persons, individuals or legal entities, whether public or private, who, by virtue of law, contract or any legal act, provide services to the BNDES System, of a permanent, temporary, exceptional or occasional nature, even without financial remuneration. The document was created with the entire staff contribution, through public consultation, and was subsequently approved by the Executive Board and the Board of Directors.

BNDES System's Corporate Integrity Policy: establishes guidelines and attributions for the strengthening of integrity, aiming at the prevention, detection and remediation of corruption, deviations, fraud, irregularities or other unlawful acts committed against the BNDES System or against third parties, in the country and abroad, in accordance with applicable Brazilian and foreign laws.

Money Laundering and Terrorism Funding Prevention Policy: establishes guidelines and attributions to prevent the practice of money laundering in operations, in the country and abroad, involving the BNDES System, in addition to reinforcing our commitment to cooperate with national and international PLDFT initiatives. The policy is complemented by a set of internal regulations prepared in compliance with the new regulations of the BCB and CVM.

Corporate Compliance Policy: establishes guidelines and attributions necessary for the execution of compliance activities and for the strengthening of this culture. It was revised in 2021 to reflect normative changes that occurred both in the external environment and in the internal environment.

In addition to the regulations, we also have the following publications: *BNDES Conduct and Integrity Guide*; *Conduct Guide for the BNDES Service Providers*; and *Ethics and Integrity – 10 relationship guidelines with the BNDES*, the latter two focusing on relationships with the external public.

INTERNAL CORRECTION SYSTEM

Our **internal correction system** is composed of the Internal Affairs unit, the investigative procedures and investigation processes committees, the appeal committees and the competent authorities or collegiate bodies to judge the investigation processes of their respective appeals. This system is part of the Integrity Program of the BNDES System with operation supervised by the Board of Directors and the Auditing Committee.

The system aims to detect and correct irregularities related to the activities of companies of the BNDES System and that may constitute a disciplinary infraction, an act of administrative misconduct, an act harmful to a legal entity that is part of the BNDES System and/or a criminal offense.



Find out more at:
www.bndes.gov.br/sistema-de-correicao

PLDFT

In 2021, we prepared our first Money Laundering and Terrorist Financing Prevention Effectiveness Evaluation Report (PLDFT), presenting policies, procedures and internal controls adopted by the Bank for this purpose. The document provides information to the Auditing Committee and the Board of Directors, as well as to the Risk Committee, meeting new Central Bank of Brazil regulations on the subject.

We also issued a Follow-up Report on the PLDFT Action Plans, informing senior management about the measures adopted to solve the deficiencies pointed out in the evaluation report.

We have also updated the Money Laundering Prevention Questionnaire (Wolfsberg Questionnaire), which provides an overview of the money laundering prevention policies and practices we have adopted and is available on our website.

To support the monitoring and reporting to the Financial Activities Control Board (COAF) of suspicious situations, we acquired a new system in 2021.

We have also established procedures for monitoring and identifying individuals and legal entities that have been sanctioned by the United Nations Security Council (UNSC).

Its scope involves investigation processes, which must be conducted with the guarantees of broad defense and contradictory to those processed, as well as investigative procedures, of a confidential, non-punitive and optional nature, established when minimum elements indicative of irregularities that do not constitute sufficient evidence for the initiation of investigation processes are verified.

The Internal Affairs unit is linked to the president of the BNDES and led by the director responsible for compliance.

Investigative procedures and investigation process

In 2021, two investigative procedures and six investigation processes were initiated.

One of the investigative procedures initiated was related to the complaint sent to the Internal Affairs unit related to a case of allegedly irregular conduct in the execution of services under an administrative contract. The final report of this process is being prepared, after the conclusion of the investigation phase.

In the period, ten investigative procedures and an investigation process were completed, with the issuance of their respective final decisions.

Among the investigative procedures concluded in 2021, two, initiated in 2020, were related to allegedly irregular conduct in the execution of services under an administrative contract. The procedures resulted in the classification of these conducts as harmful acts, provided for in art. 5, item IV, item "d", of the Anti-Corruption Law ("defraud public bidding or contract resulting from it"). Thus, two administrative accountability processes were initiated, which are in progress.

A Conduct Adjustment Agreement (TAC) was also concluded, which aims to ensure efficiency and

rationality, and can be concluded when a disciplinary infraction of low offensive potential is observed.

In 2021, there were no cases of corruption involving the BNDES' employees, and consequently there were no penalties related to the subject. In addition, there were no demands related to cases of corruption in the Bank's financial support operations.

HUMAN RIGHTS

In our **Socioenvironmental Responsibility Policy (SERP)**, we assume the public commitment to "fully respect human rights, with a positive agenda for the inclusion of diversity and with the fight against and repudiation of all acts that imply any type of discrimination or violation of rights". The theme is also explicit in our **Code of Ethics**, in which we record the "vital commitment to the human rights of all participants in our chain of relationships".

We also have a Gender Equity and Diversity Appreciation Policy, which seeks to contribute to the elimination of all forms of inequality and discrimination in the work environment and in the institutions that are part of our chain of relationships.

In line with the two policies, our Socioenvironmental Policy of Performance in the Capital Markets also establishes parameters related to the theme, which should be observed in the structuring of an investment by the BNDESPAR. It is noteworthy that there is no work in conditions analogous to slavery, child labor and situations of discrimination. Such parameters are provided for at all stages of the investment process, from the analysis of the eligibility to the monitoring of the operations that received investment.

Among the practices adopted internally are the **verification of procedures related to human rights** during the registration analysis of companies requesting direct financing and the standard social clause adopted in all our contracts, with explicit mention of combating racial or gender discrimination, child labor and slave labor in Brazil.

This allows us to suspend disbursements and, in the last case, require the early expiration of the contract, once we have found non-compliance with the legislation in any of these aspects.

Thus, we did not identify contracts with suppliers and/or the provision of financial support to legal entities that fall into cases of child labor and forced or slave-like labor.



Access at: www.bndes.gov.br/politica-responsabilidade-socioambiental



Access at: www.bndes.gov.br/codigo-de-etica

INTEGRITY CHECK FOR POSITIONS

Prior to the appointment or reappointment of members of statutory bodies, as well as prior to the hiring of external advisors, a process for verification of integrity is executed, in which different databases containing negative media information, administrative and judicial proceedings, shareholdings and prior relationship with the Bank are consulted.

Based on the information collected, it is verified the existence of legal impediments to the institutional relationship with the professional. This evaluation may result in recommendations of non-election, hiring or permanence of the individual. The verification is renewed annually or when there is news of material fact.

In August 2021, we joined the UN Global Compact, which covers commitments derived from the Universal Declaration of Human Rights. We were also already signatories to collective commitments, such as the Open Letter of Companies for Human Rights (2018) and the BRICS Responsible Financing Principles (2020).



Find out more in [What we do](#)

TRAINING IN HUMAN RIGHTS

In 2021, two internal distance education courses on ESG were offered, which, among other themes, addressed the issue of human rights.

In addition, the security team working at Edserj is trained on issues related to human rights, as provided for in Ordinance 3,233/12-DG/PF.



etica@bndes.gov.br or
www.bndes.gov.br/etica



www.bndes.gov.br/ouvidoria

In 2021, the social clause was also extended to contracts with suppliers and service providers, allowing contractual termination in cases of non-compliance.

As they are considered important for the BNDES, issues related to unhealthy and dangerous work environment, as well as risk to the health and safety of potentially affected communities, are considered for the classification of socioenvironmental risk of projects supported by the Bank.

In 2021, CET received a complaint regarding alleged discriminatory acts of a religious nature in relation to an outsourced employee. The committee initiated a preliminary procedure, but the demand did not present the minimum elements necessary for its processing. The contract manager was instructed on how to prevent any discriminatory acts from occurring.

The BNDES Ombudsperson's Office can be accessed for the forwarding of complaints, without prejudice to **CET's** own channel. Upon receiving the complaint, the Ombudsperson's Office may forward it to CET and/or other units, such as the BNDES Internal Affairs division, depending on the circumstances of the case under analysis.

To access the reporting channel, simply go to the **Ombudsperson's Office** website and click on "Send your message to the Ombudsperson". From there, the user will be redirected to the Fala.BR platform, developed and managed by the Ombudsperson General of the Union. This is a confidential environment, hosted outside the BNDES' servers.

It should be noted that although the channels of the Ombudsperson's Office and the CET are different, a demand that has an ethical aspect and is submitted through the Ombudsperson's channel will be directed to the CET.

TRANSPARENCY

ACCESS TO INFORMATION

Under the Access to Information Law (LAI), our Citizen Information Service (SIC) offers service by: telephone (0800-887-6000), correspondence, e-mail sic@bndes.gov.br or by the Fala.BR platform, which gathers, in a single location, the manifestations received by the SICs and ombudspersons of the federal agencies.

SECRECY

All our information not classified by law as confidential can be consulted by the company, as provided by the LAI. The main types of secrecy that we have a duty to maintain are:

- Bank secrecy: individual right of clients and third parties to maintain the confidentiality of their economic and financial data. Thus, financial

ETHICS AND INTEGRITY WEEK



As of 2021, we started celebrating the week in May, due to the National Ethics Day (May 2). Between days 3 and 7, we carried out five actions aimed at internal and external audiences to strengthen the culture of ethics and integrity of the BNDES and to reinforce our commitment to the theme:

- Lecture on Ethics in Work and Business, with professor Clóvis de Barros Filho – 340 participants.
- Conflict of Interest Webinar (emphasis on securities transactions and parallel activities) – 150 participants.
- Conflict of Interest Training and PLDFT – mandatory for all employees and members of senior management, 93.4% of the Bank's employees participated.
- Ethics and Compliance Training – live course with emphasis on the BNDES Service Provider Conduct Guide, with 38 participants.
- Communication of the National Day of Ethics for clients – disclosure of the date and the document Ethics and integrity – 10 relationship guidelines with the BNDES. Messages were sent to 889 contacts.

institutions cannot reveal, outside the legal hypotheses, the data obtained from their clients and third parties in the exercise of its banking activity. Compliance with banking secrecy is a guarantee of public interest, in favor of the credibility, stability and soundness of the financial system.

- Business secrecy: it is a guarantee of protection of data and documents produced by a company in the exercise of its economic activity. The purpose of business secrecy is to protect information which provide the entrepreneur or the entrepreneurial society with competitive advantages fundamental to the success of the activity, such as trademarks, patents, know-how and industrial secrets, the disclosure of which may cause material or moral damage.

TRANSPARENCY ON OUR WEBSITE

In 2021, we launched new **transparency services on our website**, such as consulting the contracts of privatization consultants and visual panels with data from BNDES Finame and rural credit operations.

We made improvements to the section based on the Federal Court of Accounts' evaluation, which should improve the transparency index of our website.

We also included new content in the BNDES Aberto portal, as clarification on **our support to pharmaceutical companies**, due to inquiries received at the beginning of the year.

OPEN DATA PLAN

In 2021, we published our Open Data Plan and made available the first set of data (17 databases). We also launched the **Open Data for Development Award**, seeking to stimulate the realization of studies, analysis and technologies that contribute to improve public management from the data available. The three best works were awarded, obeying criteria of impact, usability, creativity and originality and technical quality.



Access at: www.bndes.gov.br/transparencia



Find out more at: <https://aberto.bndes.gov.br/aberto/caso/farmaceuticas/>



Find out more at: www.bndes.gov.br/wps/portal/site/home/transparencia/iniciativas/premio-dados-abertos

RISK MANAGEMENT



GRI

102-15 | 102-29
102-30 | 205-1

In 2021, among other actions, we reviewed our risk management policies, continued to improve our integrated risk management, prepared a proposal for appetite for socioenvironmental and governance risk (ESG), and established credit risk limits for the priority sectors of our strategic planning. Please find our updated risk matrix below.

	MAIN RISKS	MITIGATION ACTIONS
MACROECONOMIC	Changes in the macroeconomic environment The financial return of our operations depends on the performance of the Brazilian economy, since the payment capacity of clients and the market value of the BNDES' financial instruments are affected by macroeconomic factors, such as inflation, GDP decline, fall in income level, increase in unemployment, fluctuations in exchange rates and interest rates, etc.	<ul style="list-style-type: none"> • Periodic follow-up of the economy's performance and analysis of its impact on our operations. • Establishment of risk limits, monitored periodically, to support the decision-making process of senior management. • Diversification of the financial support portfolio. • Performance of the Financial Affairs Committee and risk management committees.
	SO: Integrated risk management; Financial management of assets and liabilities; and all objectives related to deliveries to society.	
MARKET	Stock market volatility In view of the volume of our stock portfolio, including some of the main assets listed in B3, we are subject to high volatility of the Brazilian stock market, which is reflected in the behavior of our capital over time, also offering risks to compliance with regulatory limits.	<ul style="list-style-type: none"> • Monitoring and control of risks through limits and daily reports. • Application of the sectoral concentration risk quantification methodology. • Performance of the Market Risk Management Committee, with recommendations for improving the management of the variable income portfolio. • Review of the BNDES' risk appetite in relation to exposure to variable income operations. • Improvement in the variable income risk governance process with the more active and timely performance of the market risk management teams.
	SO: Integrated risk management; Financial management of assets and liabilities.	
CREDIT	Concentration of the loan portfolio The portfolio reflects the concentration characteristic observed in the Brazilian business market. Deterioration of credit Increased risk of losses due to the COVID-19 pandemic.	<ul style="list-style-type: none"> • The application of the methodology for quantifying individual concentration risk. • Application of the methodology for monitoring the largest exposures, aiming to anticipate possible alert states. • Increase in the provision for doubtful accounts, compatible with the increase in estimated risk, seeking to act in a preventive manner, due to economic uncertainties.
	SO: Client solutions; Integrated risk management; Financial management of assets and liabilities.	
OPERATIONAL	Losses resulting from external events or from failure, deficiency or inadequacy of internal processes, people or systems, inherent in any business.	<ul style="list-style-type: none"> • Identification and systematic analysis of the main operational risks and their internal controls, with the objective of implementing treatment actions and improving the methodologies used for the management of operational risk.
	SO: all strategic objectives.	
LEGAL	Non-compliance with legal system and internal rules because of the complexity of the legal and normative structure, in addition to changes in the laws or regulations applicable to our performance.	<ul style="list-style-type: none"> • Treatment within the scope of operational risk management methodologies, emphasizing compliance with laws and standards applicable to our performance, and special attention to the determinations of administrative and judicial courts. • Automatic monitoring of the issuance of external standards by the main regulatory bodies and treatment within the scope of operational risk management methodologies, emphasizing compliance with laws and standards applicable to our performance, with special attention to the determinations of administrative and judicial courts.
	SO: all strategic objectives.	
LIQUIDITY	Possibility of the BNDES not being able to honor its obligations, without affecting its daily operations and without incurring significant losses, due to events that affect cash inflow and outflow.	<ul style="list-style-type: none"> • Monitoring and control of liquidity risk indicators through limits and periodic reports. • Periodic evaluations of impacts on liquidity indicators due to events that may affect the BNDES' cash inflow and outflow.
	OE: Socioenvironmental; Integrated risk management; Financial management of assets and liabilities.	
SOCIOENVIRONMENTAL	Possibility of losses resulting from socioenvironmental damage, associated with the deterioration of the institution's image.	<ul style="list-style-type: none"> • Verification of legal compliance and compliance with criteria established in our policies and analysis and monitoring processes, according to the specificities of each operation, as well as establishment of possible specific socioenvironmental conditions with prevention, mitigation or compensation actions complementary to the requirements provided by law. • Investigation, at the time of the registration analysis, about the existence of public civil actions and environmental criminal actions, as well as areas embargoed by IBAMA or the presence in the register of employers who submitted workers to conditions similar to slave labor on behalf of the postulating companies, guarantors and their controllers. • Progress in the implementation of the Multi-annual Plan for the Implementation and Monitoring of our Social and Environmental Responsibility Policy, under the management of the Sustainability Committee.
	OE: Socioenvironmental; Integrated risk management; Financial management of assets and liabilities.	
REPUTATIONAL	Negative perception of the institution by relevant stakeholders, which could affect the ability to maintain or broaden business relationships.	<ul style="list-style-type: none"> • Monitoring and image management of the institution. • Registration analysis of clients with identification of points of attention related to integrity. • Negative media monitoring of clients. • Evaluation and treatment of complaints received by the Ombudsperson's Office.
	SO: all strategic objectives.	
INFORMATION SECURITY AND CYBERNETICS	Events that may affect the integrity, confidentiality and availability of information assets necessary to achieve the Bank's strategic objectives.	<ul style="list-style-type: none"> • Identification and analysis of the main risks of information security, monitoring of cyber threats and internal controls of information security, as well as preparation and planning of actions for the timely treatment of incidents.
	SO: all strategic objectives.	

Note: SO – main strategic objectives impacted (based on the strategic map in force throughout 2020).

INTEGRATED RISK MANAGEMENT

Our Board of Directors is responsible for approving the corporate policies of risk management and internal control, and for determining the implementation of management practices arising from them, in addition to supervising those already established for prevention and mitigation of the main risks to which we are exposed.

It is also up to the Board of Directors to define the global level of risk appetite and the approval of the stress testing program. The board is continuously informed about risk management, through monthly bulletins for monitoring risk indicators – credit, market, liquidity, operational and reputational, among others – and presentations of specific themes. In addition, supplementary market, credit and operational risk reports, prepared periodically, are forwarded to the risk and auditing committees, the Fiscal Council and the Board of Directors.

The main activities and highlights of the exercise related to the themes of operational risk, internal control, compliance and information security are published in a specific annual report, presented to the Executive Board and the Board of Directors.

Any non-conformities and control deficiencies identified by the compliance and operational risk management units are discussed with the responsible units, which propose action plans for correction and/or improvement of procedures. The results of these works are presented to the Operational Risk Management, Internal Controls and Integrity Committee and, when relevant, to the Risk Committee.

The risk management governance structure is constituted to the adequate treatment of the subject in an organized and timely manner, enabling information to go through all organizational levels to support decision-making.

THREE LINES OF DEFENSE

Our risk management is based on the concept of layers or lines of defense. The first layer is formed by the managers of the various units, who have the responsibility to manage the risks of their processes, in addition to defining and maintaining adequate controls.

The second layer, composed of the integrity and compliance and risk management units, is responsible for developing methodologies, supporting managers in their application and monitoring the environment and the management of these issues, referring to the governance structure formed by the Credit Risk Management,

Market Risk Management and Operational Risk Management, Internal Controls and Integrity.

The third layer is formed by the Internal Audit, which has the role of objectively evaluating the integrity and adequacy of the internal control system, risk management and corporate governance, reporting to Auditing Committee and Board of Directors.

RISK MANAGEMENT POLICIES

Our policies formalize concepts, objectives, principles and responsibilities applicable to the credit, market, liquidity, operational and internal control risk management process, and to the business continuity management process. They are reviewed annually in order to adapt to the relevant changes in the internal and external environments.

In 2021, all policies were revised with the main objective of reflecting improvements in the risk management governance process, being approved by the Board of Directors in November.

Continuing the methodology to measure the interactions between credit, market and operational risks, elaborated in 2020, it was necessary to define the governance of monitoring and calculations of integrated risks. In this sense, in 2021, the Integrated Risk and Capital Management Policy was created, having as main objectives: (i) to unify BNDES' integrated risk management and capital management policies in a single normative act, aiming to improve integrated risk governance; (ii) to determine how the global limits per risk category, the integrated risk limit of the BNDES System and the limits of capital indicators are defined; and (iii) to define roles and responsibilities in the integrated risk and capital management process.

During the year, the BNDES System Model Risk Management Corporate Policy was also elaborated and approved, defining processes, roles and responsibilities for risk assessment, monitoring and mitigation associated with the use of quantitative models by the Bank.

EVALUATION PRINCIPLE

The evaluation principle, provided for in our Operational Risk Management and Internal Control Policy, establishes that the operational risks and controls associated with processes and activities must be continuously analyzed by the managers of the respective organizational processes, including the adoption of new products, services and systems.

- Integrated Risk and Capital Management Policy
- Credit Risk Management Policy
- Market Risk Management Policy
- Liquidity Risk Management Policy
- Information Security Management Policy
- Business Continuity Management Policy
- Operational Risk Management and Internal Control Policy

In 2021, internal research related to operational, credit, market and liquidity risk management was carried out, which provided elements to define measures to strengthen the risk management culture at the BNDES.

Find out more at:
www.bndes.gov.br/wps/portal/site/home/quem-somos/governanca-controle/collegiados_do_sistema_bndes/collegiados-bndes



In the case of the creation of products or relevant changes in the procedures for their operation, a feasibility report is prepared, which deals with several relevant aspects, including those associated with operational and socioenvironmental risks.

Once the relevant points are identified, the controls and mitigators that exist are evaluated with the managers, as well as those that will eventually be implemented to reduce the probability of occurrence of operational risk events or their impact.

RISK APPETITE

Since 2013, we have adopted market risk monitoring policies for the variable income and treasury portfolios. Such policies establish a governance regarding the monitoring of risk limits. The practice is common in private and public banks, in addition to being a requirement of local regulation. The greatest benefit of setting limits is to provide risk takers with a clear guideline of the maximum value of loss tolerable by our managers.

Our Risk Appetite Statement (RAS) defines the institution's operational, credit, market and liquidity risk tolerance in qualitative and quantitative terms. The approval of the limits is the responsibility of the Board of Directors and the Executive Board, depending on the case.

Since 2019, as proposed by our Executive Board and our risk management units, we have worked to reduce the appetite for market risk in variable income operations, especially with regard to shares held in the portfolio. Since then, we have carried out **a series of divestment operations**, in order to frame the stock portfolio to the new defined risk limits.

Thus, we have sought to reduce and deconcentrate the risk of the stock portfolio, reallocating it to credit risk and other instruments considered priority.

In 2021, the establishment of quantitative credit risk limits for the sectors defined as priorities in our strategic planning stands out. The approval of the limits is the responsibility of the Board of Directors and the Executive Board.

CREDIT RISK

Within the scope of the **corporate unionization project and risk-taking of projects**, we discuss and evaluate issues related to credit risk, pricing and modeling of guarantees linked to the structuring of **pilot operations**.

In 2021, as **part of one of our corporate projects**, we prepared a proposal for appetite for socioenvironmental risk and governance (ESG) to be incorporated into our RAS. Throughout 2022, a similar methodology will be developed to quantify the BNDES climate risk appetite based on incorporating this aspect into credit risk classifications.



Find out more in [Our strategy](#)



Find out more in [Our performance > Economic and financial performance](#)



Find out more in [Our strategy](#)

Find out more in [New solutions and products](#)



GUARANTEES

In our credit policy, we introduced a new approach regarding the minimum criteria of guarantees required in credit operations, based on customization. Greater flexibility in the structuring and negotiation of collateral will make it possible to enter into transactions that would not be possible on the basis of the previous rules.

LIMITS AND MARGINS

In line with recent developments in the rules for formatting guarantees in credit operations, we have reviewed the process of defining limits and margins for our clients. In this way, the rules pertinent to credit risk for new direct operations, especially **project finance**, will be aligned and modernized.

In addition, internal parameters for calculating client limits will be updated according to the latest definition of risk appetite.



Find out more in [New solutions and products](#)

LEGAL RISK – LEGISLATIVE CHANGES

In 2021, we continued to promote adaptations aimed at preventing money laundering and terrorist financing (PLDFT), due to BCB Circular 3,978/2020.

Other regulations issued by the Central Bank of Brazil (BCB) and National Monetary Council (CMN) during the year also impact our activities, among which we highlight BCB Resolution 131/2021, which updated the sanctioning administrative process and regulated the parameters for the application of administrative penalties provided for in Law 9,613/98 (PLDFT). CMN resolutions 4,943/2021 and 4,944/2021 improved social, environmental and climate risk management rules applicable to financial institutions in general, being complemented by BCB Resolution 139/2021, which established requirements on these same aspects for disclosure of the Social, Environmental and Climate Risks and Opportunities Report (GRSAC).

We are also adapting to CMN Resolution 4,893/2021, which provides for cybersecurity policy, and CVM Resolution 39/2021, which deals with the registration of the Investment Fund in the Agroindustrial Production Chains (FIAGRO).

We also followed the process of adapting to the General Data Protection Law (LGPD), which impacts several of our activities and whose foreseen sanctions became effective as of 2021, with the beginning of the guidelines of the National Personal Data Protection Authority (ANPD).

Finally, the discontinuity of several Libor indices for certain deadlines currently published by the ICE Benchmark Administration (IBA), effective as of 12.31.2021, impacted part of our international financing agreements. With the amendment, announced by the UK Financial Conduct Authority (FCA) in March 2021, it will be necessary to redefine the rate to be adopted in these contracts, in which Libor prevails as a reference, and apply new standards of clauses with reference to substitute indexes.

RISK CONTROL CONCERNING CORRUPTION AND INTEGRITY

We are exposed to risks that administrators, employees or third parties, for their benefit or self-interest, practice harmful acts against the Public Administration, whether national or

foreign, according to acts provided for in the Anti-Corruption Law. The possibility of occurrence of such situations is addressed in risk management activities.

The operational risk assessment, including the categories of fraud and corruption, is applied periodically throughout the institution to 100% of operations and processes.

With regard to integrity risks, we have established risk classification for clients, partners, suppliers and employees. As for the clients of the operations, the existence of people exposed politically in the board or control, the country headquarters of the list of the Financial Action Task Force against Money Laundering and Terrorism Financing (GAFI), the fraud in the registration analysis, the impossibility of identifying the final beneficiary and the news of illicit practice and communication to the COAF are occurrences that increase the classification of integrity risk.

In the evaluations carried out in 2021, no significant corruption risks were identified.

CAPITAL INDICATORS

The prudential indicators remained at comfortable levels throughout 2021, with the Basel Index maintained at values close to 40%, and the Level I Capital Index, close to 31%, as indicated in the table below.

LIMIT OF EXPOSURE TO COMPANIES IN THE SAME GROUP

Regarding the exposure limit per client of 25% of Tier I Capital, given by CMN Resolution

4,677/2018, we have been fully classified since 2020.

EXCLUSION OF THE FAT FROM THE REFERENCE EQUITY

As established by CMN Resolution 4,955/2021, FAT resources will cease to compose Tier II Capital (supplementary capital of a bank) in a staggered manner. The amount of resources recognized in Tier II Capital will be reduced by ten percentage points per year until 2029, when it will be zeroed. In 2022, the amount of Tier II Capital will be 70% of the 2019 balance.

INFORMATION SECURITY

Since the beginning of the pandemic, there has been a widespread increase in attacks, data leaks and electronic fraud attempts on the internet. Numerous private companies and public institutions were victims of information security incidents in 2021, which contributed to highlight the perception of high cyber risk.

In this context, in 2021, among other actions, we increased the frequency of external invasion tests, increased participation in closed information security intelligence information exchange forums, and reinforced internal actions to promote employee and intern readiness. Finally, it should be noted that we did not have any relevant information security incidents.

Throughout the year, we carried out more than 400 actions to reduce cyber risk and improve contingency tests, which represents a number of interventions four times higher than in 2020.

OWN RESOURCES AND RISK-WEIGHTED ASSETS (R\$ MILLION)	DEC. 2017	DEC. 2018	DEC. 2019	DEC. 2020	DEC. 2021
Regulatory Capital (PR)	146,368	166,805	191,684	194,493	190,284
(+) Tier I Capital	97,579	114,126	139,005	147,082	148,140
Common Equity (CP)	97,579	114,126	139,005	147,082	148,140
(+) Tier II Capital	48,789	52,679	52,679	47,411	42,143
Risk-Weighted Assets (RWA)	532,011	574,956	521,228	472,197	473,670
(+) Credit	478,161	468,555	450,484	404,084	392,982
(+) Market	18,465	70,110	26,847	30,298	21,479
(+) Operational	35,385	36,291	43,896	37,815	59,208
Basel Index + ACP (PR/RWA) (regulatory minimum – 10.0%)	27.51%	29.01%	36.78%	41.19%	40.17%
Tier I Capital Ratio + ACP (NI/RWA) (regulatory minimum - 8.0%)	18.34%	19.85%	26.67%	31.15%	31.28%
Common Equity Ratio + ACP (CP/RWA) (regulatory minimum – 6.5%)	18.34%	19.85%	26.67%	31.15%	31.28%



OUR RELATIONSHIPS

GRI

102-12 | 102-13 | 102-40
102-42 | 418-1

We maintain relationships with varied audiences, in line with our institutional strategy and with the articulating role we play in promoting the development of the country. Through these

interactions, we collect information and insights in order to improve our service and adjust our strategy, whenever necessary.

Our relationship policy sets out the guidelines for our interactions, listing the principles that guide our actions – trust, ethics, integration, proximity and transparency – and defining the main stakeholders.

Below we present our most relevant relationship actions in 2021.

GOVERNMENT

In the year, we developed a guide of conduct and good practices in institutional and governmental relationships, with the objective of establishing standardized guidelines for our relationships, always oriented by ethics, transparency, impersonality and public spirit.

FEDERAL EXECUTIVE BRANCH

Together with the Ministry of Economy (ME), we participated in a survey of investment needs in infrastructure and industry, as well as discussions on the challenges and opportunities associated with this theme.

We also signed a technical cooperation agreement with the National School of Public Administration (ENAP), in order to establish an exchange of knowledge, experiences and information. The partnership provides for technical-scientific research aimed at the development of the two institutions, contributing to the training, improvement and specialization of their teams and servers from the three spheres of public administration. Among the highlights of this collaboration is our participation in the Leading for Development program, aimed at new managers of states and municipalities. In addition, the Bank's teams offer programs related to PPPs and concessions, data science, blockchain, planning and financing investments in essential public services.

FEDERAL LEGISLATIVE BRANCH

We monitor the processing of legislative proposals in the National Congress that have a

direct or indirect impact on our activities, seeking to contribute to the formulation and improvement of priority propositions for the Bank and for society.

Currently, we are monitoring a portfolio of 568 legislative proposals, ranging from macroeconomic, fiscal and budgetary issues to issues on microeconomic reforms and sectors. In 2021, we responded to 19 information requirements and three parliamentary indications, forwarded by the ME, prepared 57 letters in response to parliamentary requests and answered questions through several channels.

STATES AND MUNICIPALITIES

Throughout the year, we interacted with states and municipalities in order to consolidate our performance in services for the public sector, strengthening our presence in all regions of the country. With this strategy, important projects were contracted in 2021.

JUDICIARY AND CONTROL AND SUPERVISORY BODIES

We interact routinely with control and inspection bodies, such as the Federal Court of Accounts (TCU), the Office of the Comptroller General (CGU), the Central Bank of Brazil (BCB), the Brazilian Securities Commission (CVM) and the Secretary of Management and Governance of State-Owned Companies (SEST), providing information and clarifications and developing partnerships and cooperation agreements, in order to improve our performance. We maintain an interface with the Federal Public Ministry (MPF), the Federal Police (PF) and the Judiciary in the monitoring of processes, compliance with requests for information and compliance with court orders.

In 2021, we established a technical cooperation agreement with the Federal Supreme Court (STF) aimed at exchanging knowledge, information and experiences, and promoting reciprocal institutional development. Through the implementation of joint actions, the agreement seeks to improve the institutional relationship between the participants, in favor of legal certainty of business and investments.



[Find out more in Our Strategy](#)



[Find out more in Privatization and project structuring](#)

FACE-TO-FACE SERVICE

Due to the COVID-19 pandemic, we did not provide face-to-face services in 2021.



[Find out more in What we do](#)

CLIENTS

CALL CENTER

Throughout the year, we received 112,407 contacts, 77% by telephone, 16% by web form and 7% by other means of service. In addition, about 4,000 active contacts were made to support, mainly, operations with the BNDES Card and [accreditation processes](#). In a satisfaction survey conducted after telephone service – considering more than 35,000 calls – about 86% of respondents considered the service of the center to be excellent and 10% rated it as good.

In 2021, we carried out more than 200 email marketing campaigns, including communications to the market and disclosures of events and BNDES' relationship actions.

Faced with new priorities, the virtual assistant (bot) project, implemented in 2020 with the objective of answering questions about the Bank's emergency measures, needed to be interrupted and should be resumed in the first half of 2022.

RECLAME AQUI PORTAL

We received 58 demonstrations during the year on the Reclame Aqui [Complain Here] portal, mostly related to the difficulty of accessing credit through financial agents. Although all communications were answered, only 23 evaluations have been completed, resulting in an average grade of 6.6 (regular level – yellow) to the BNDES.

CLIENTS PORTAL



[Find out more in What we do](#)

The [improvements](#) made to the platform throughout the year consolidated it as the main communication channel between the BNDES and its clients. In 2021, 559 registration/analysis processes and 408 financing requests were filed, reaching an amount of R\$ 53.5 billion in demands for financial support in this new system.

SOCIETY

CITIZEN INFORMATION SERVICE (SIC)

We received 464 requests for information in the year, all answered within the deadline, with an average response time of 16 days.

Of these requests, 81% of accesses were granted in full, 10% partially and 3% were

denied. The most searched theme was privatization, with the request for information about the processes structured by the Bank. Secondly, there were requests for information regarding the contracting of financing operations, followed by various questions about products, programs and funds that we operationalize or manage.

OMBUDSPERSON'S OFFICE

In 2021, the [Ombudsperson's Office](#) received a total of 1,804 manifestations, of which 927 were complaints. Compared to 2020, there was an increase of 207% in the demands classified as complaints.

In recent years, we have taken measures to adapt the channel to the legislation and good practices of interaction with society, in addition to promoting a constant effort to disseminate it to internal and external audiences. In this sense, in the second half of 2021, the new Ombudsperson's Office regulation was approved, which, among other determinations, instituted the policy of non-retaliation to reports made in good faith.

The only complaints received involving clients privacy violations were related to the misuse of the BNDES Card by third parties (cloning) – five in total.

WEBSITE

In our institutional portal, we maintained our commitment to report on the Bank's actions and disclose our financial products. In 2021, we reformulated the section on sustainable development, in which our policies, products, results and guidelines for promoting sustainability are presented. [New transparency services have also been](#) launched. Finally, technical improvements were also implemented that resulted in increased performance and accessibility of the site.

Throughout the year, the portal received more than 7.1 million visits, down 13.5% compared to 2020 – the first year of the pandemic, when it had more than 8.2 million accesses.

SOCIAL MEDIA

Our work on social networks sought to increase the visibility of news and releases sent by the press office, to give transparency to our actions and to disclose events and communications.



Access at:
www.bndes.gov.br/ouvidoria



Find out more in [Ethics, Integrity, and Transparency](#)



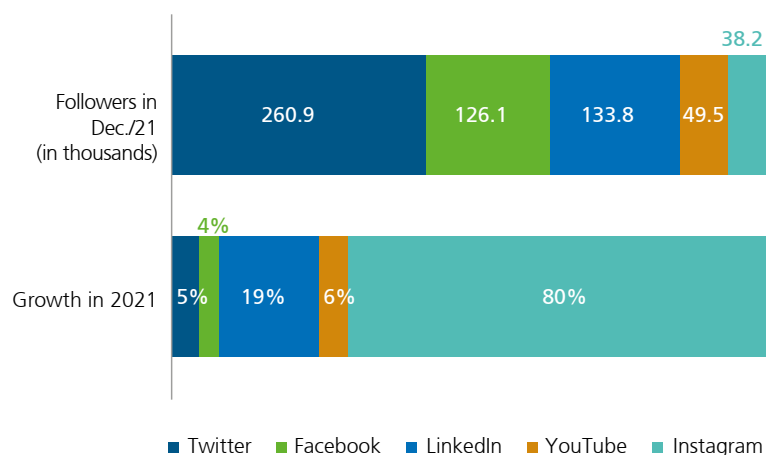
^ Webseries published on our YouTube channel.

The themes that had the most repercussions in 2021 were those related to projects we structured, approvals of financing for large enterprises, new financial products for micro and small companies and support for renewable energies and the health sector.

In 2021, our combined networks surpassed the mark of 607,000 followers, a growth of just over 10% compared to 2020.

A novelty of 2021 was the structuring of a content schedule on YouTube, which already has seven webseries – including content with tips on credit lines and programs, news and stories of transformation made possible by the support of the Bank. The BNDES channel has registered about 25,000 views per month and more than 780 hours of monthly watch time.

FOLLOWERS ON THE BNDES' SOCIAL NETWORKS



ADVERTISING

In 2021, we expanded our advertising communication in relation to recent years. Thus, we estimate that half of the Brazilian population had contact with some of our advertising actions in the period.

From the concept “Brazil can count on BNDES”, we present to the population the benefits arising from our performance. Using an always on strategy (continuous broadcasting), we disseminated, from May to December, different achievements of the Bank through social networks (Twitter, LinkedIn, Instagram and Facebook), radio and digital external media (street panels, subway, residential elevators and airports). On social networks alone, ads have been shown more than a billion times, reaching about 70 million Brazilians. Broadcasting in radio networks covered more than 100 municipalities, including the main capitals; and the digital external media has strengthened the dissemination in the cities of São Paulo, Rio de Janeiro, Brasília and Porto Alegre, with more than 400 million exhibitions.

Sanitation and sustainability, priority agendas in our operations, were also themes of specific advertising campaigns. The action on sanitation had a budget of R\$ 11.3 million and was broadcast on open TV, internet, radio and external media, seeking to emphasize the urgency of the matter and communicate our actions that contribute to the universalization of these services in the country.



Find out more in Sustainability

Regarding **sustainability**, two actions were carried out. The first had a national scope and sought to broaden the understanding of the concept beyond the environmental issue, reinforcing our position as the national bank for sustainable development. The campaign had a budget of R\$ 12.2 million, being broadcast on closed TV, internet and external media. The other action, aimed at the international public, aired on the occasion of COP 26, with a focus on European and North American investors and executives.

With a budget of approximately R\$ 8.3 million, the campaign made use of magazines, newspapers, social networks and TV, presenting the BNDES as the Brazilian bank for sustainable development.

The amount invested in advertising shares over the year totaled R\$ 58.8 million, equivalent to 0.46% of our gross operating revenue in 2020.

In the period, we also approved the BNDES Advertising Regulation, which compiled existing external and internal regulations and good industry practices.

EVENTS

Throughout 2021, we held 18 online events for the internal public and 45 online events open to the general public. Among the latter, it is worth highlighting the 2nd Gas Week for Development, held in February, with 1,100 views; quarterly livestream releases of BNDES results, with more than 5,200 hits, including press participation; and the fourth and fifth editions of BNDES

Sanitation Week, which occurred in June and December, totaling more than 5,500 accesses. Most of the events were broadcast through our YouTube channel. Some of them had **specific pages on our website** – in the case of the three editions of the BNDES Sustainability Forum, held in September, October and December – in which we took the opportunity to disseminate other content related to the theme. As of November, six other hybrid events (face-to-face and online) were held, totaling 69 events in the year.

Our participation in business fairs was also affected by the pandemic. During the year, we were present at the 2021 Digital Entrepreneur Fair, held by Sebrae in October, online and with national reach. In it, we have a virtual stand in which lines and products of the Bank aimed at the audience of the event were exposed.



ESPAÇO CULTURAL BNDES

In 2021, the Espaço Cultural BNDES remained active through its YouTube channel. Throughout the year, 84 videos of musical shows and chats about music and visual arts were published, recalling attractions that passed through BNDES' Theater and Gallery. These videos had a range of almost 15,000 views and engagement of more than 800 hours of watch time.

Our campaign on sustainability sought to show that the concept is present in people's daily lives. Watch at: www.youtube.com/watch?v=O33IRUZewR8.

PRESS

In 2021, we met 504 media demands and were cited in a total of 34,768 articles published by the press. We also produce and disseminate 157 releases, notes, announcements and agenda notices.

In the auctions of concessions, PPPs and privatizations conducted by the Bank, we organized collectives at the headquarters of B3, disclosed to our mailing list of journalists and accompanied by our press office. We also participate in events and groups organized by partners, especially government agencies, to disseminate joint initiatives.

In the **BNDES News Agency**, 197 articles were published, which generated more than 473,000 visits to the website – an increase of 5% compared to the previous year.



Access em: <https://agenciadenoticias.bndes.gov.br/>

INVESTORS

In 2021, we were in contact with 836 entities in more than 260 meetings, mostly virtual, webinars and presentations about the Bank and our projects. In addition to the disclosure of announcements on topics of interest to investors and the events for the presentation of quarterly results, our disclosure actions for this audience



Access at: www.bndes.gov.br/wps/portal/site/home/knowledge/seminars

included the publication of our *Annual Letter of Public Policies and Corporate Governance* and the organization of workshops with rating agencies that accompany the BNDES.

It is worth mentioning the initiative of mapping and contacting investors in specific sectors – namely, ports, highways, mobility, parks, information technology (IT) and postal services. The action comprised the realization of 11 webinars and 19 roadshows or market soundings, in addition to sending 12 newsletters, with the objective of attracting investments for projects structured by the Project Factory.

In August, we launched the Investor Network on the **BNDES Projects Hub** platform, a tool that enables the connection between users with common interests in projects that we have structured in several sectors. With this, we hope to foster new national and international partnerships, contributing to develop the country's infrastructure.



Access at: <https://hubdeprojetos.bndes.gov.br/pt/>

In September, we inaugurated our **investor relations** portal, with bilingual content (Portuguese and English) and new features. The portal provides, in a simple and complete way, general information about the BNDES, its history, organization chart, bylaws, policies that govern its performance, governance, financial information and priority themes, such as sustainability and privatization, as well as publications, communications and contact channels.



Access at: <https://ri.bndes.gov.br/>

PARTNERS

FINANCIAL AGENTS



Find out more in [What we do](#)

In our **indirect operations**, we operate with more than sixty financial institutions accredited to transfer our resources or qualified to operate with BNDES FGI, such as development agencies, automaker banks, credit unions and cooperative, private and public banks.



Find out more in [MSME Support](#)

Thus, we meet the resource needs of **companies of various sizes and individuals**, as well as public sector entities, also contributing to reduce the concentration of the Brazilian banking sector.

In 2021, we consolidated the officers structure using the concept of key account managers – a model in which each financial agent has a focal point at the BNDES, which guides them on various matters, and each officer takes care of a portfolio of agents.

The adoption of the model aimed to deepen the knowledge of the distribution channels – bringing greater specialization and important inputs to the market – and to develop the relationship with partners, offering more information about our solutions and providing greater engagement.

Throughout the year, we held about 190 meetings with financial agents, including promotional events with various banks and individual relationship meetings.

AFFILIATIONS

We are affiliated with **26 non-profit entities**, Brazilian and foreign, in the most varied sectors. Among other benefits, affiliations allow access and exchange of knowledge with other entities in different areas of activity, the expansion of the relationship and institutional actions of common interest and participation in spaces and forums for debate on topics associated with our mission, as well as greater institutional visibility to achieve our strategic objectives.

In 2021, we promoted a review of our membership regulations in order to organize and simplify procedures.

REPRESENTATIVE ENTITIES

We are associated with different representative entities. Among these, we highlight the Brazilian Development Association (ABDE), the Brazilian Bank Association (ABBC) and the Brazilian Federation of Banks (FEBRABAN), with which we maintain constant interaction for the construction, implementation and monitoring of our solutions.

We have technical cooperation agreements with sectoral entities such as the Brazilian Association of Machinery and Equipment Industry (ABIMAQ), National Confederation of Industry (CNI), Federation of Industries of the State of São Paulo (FIESP), the Organization of the Brazilian Cooperatives (OCB) and SEBRAE, in addition to partnerships with about 270 business entities representing the most varied sectors of the economy.

In 2021, we held 43 events involving these partners, 16 of them focused on ESG themes. In addition, on a monthly basis, we send this entity base a newsletter with topics aimed at MSMEs, cooperatives and rural producers.



View the complete list at www.bndes.gov.br/ra2021

Started in June, the BNDES Partners newsletter registered about 7,700 views in 2021.

DEVELOPMENT BANKS AND MULTILATERAL AGENCIES

We interact with international development banks bilaterally or through participation in associations and initiatives that bring together financial institutions. Examples are the International Development Finance Club (IDFC) and the Long-Term Investors Club (LTIC), whose fundamental activities consist of positioning development banks as relevant actors for the sustainability agenda and attracting investments in infrastructure. We also participated in other initiatives such as The Montreal Group (TMG), focused on supporting MSMEs, and the Latin American Association of Development Financing Institutions (ALIDE), which seeks to stimulate the exchange, dissemination and reproduction of financial experiences and practices among its members in the region.

Also noteworthy is our participation, as a member of IDFC, in panels held during the International Union for Conservation of Nature (IUCN) World Conservation Congress (WCC), on biodiversity, and during **COP 26, held in Glasgow**. We also contributed to the organization of the summit of the second Finance in Common, which brought together development banks in order to share best practices, make collective commitments and mobilize different countries in favor of the SDGs. Finally, we participated in TMG seminars focused on solutions for MSMEs and acted as speakers at events organized by ALIDE, with emphasis on themes related to sustainable development and taxonomy.



[Find out more in Sustainability](#)

ESG PARTNERSHIPS

Among the partnerships established in 2021, our adherence to the **UN Global Compact** and the **Carbon Disclosure Project (CDP) Investors Club** is worth mentioning.

Since 1995, we have been voluntarily affiliated to the Financial Initiative of the United Nations Environment Program (UNEP-FI), a global action with more than 350 members. The initiative seeks to mobilize funding for sustainable development and has three sets of principles for the banking, insurance and investment industries.

We have been cooperating since 2019 with the Green Finance Program of the Government of the United Kingdom of Great Britain and

Northern Ireland, starting within the scope of the Prosperity Fund, which aims to reduce poverty in developing countries, and currently with the UK Pact, which aims to support transformational climate projects globally.

We also participated in several working groups of the LAB Initiative, led by CVM and ABDE, in order to promote innovation and sustainable finance in the country.

In 2020, we participated in an informal working group that gave rise to the Taskforce on Nature-related Financial Disclosures (TNFD). With the launch, we became part of the TNFD Forum, a group of institutions around the globe that support the initiative.

In the year, we renewed our participation in Climate Action for Financial Institutions, a voluntary initiative conceived at COP 21, aimed at fostering and structuring investments by financial institutions necessary for the transition to a low-carbon economy. In addition, we signed a memorandum of understanding with the World Bank to exchange experiences and learning in actions related to climate and biodiversity.

We also participated in the Technical Chamber of Energy and Climate Change (CT Clima) and Technical Chamber of Sustainable Finance (CT-FIN) of the Brazilian Business Council for Sustainable Development (CEBDS), with the intent of exchanging experiences, knowledge and developing best practices and partnerships.

Learn about the initiatives, pacts and protocols in which we participate:

COMPACTS

- » BRICS Responsible Financing Principles Statement
- » AMEC Stewardship Code
- » Business Pact for Integrity and Against Corruption
- » UN Global Compact

INITIATIVES

- Sectoral and multisectoral forums
- » International Development Finance Club (IDFC)
- » The Lab – The Global Innovation Lab for Climate Finance
- » Finance Initiative of the United Nations Environment Program – UNEP-FI
- » Brazilian Business Council for Sustainable Development (CEBDS)
- » LAB – Laboratory of Financial Innovation
- » Long-Term Finance Club (D20 – LTIC)
- » The Montreal Group (TMG)
- » Mainstreaming Climate Action in Financial Institutions
- » Brazil Climate, Forestry and Agriculture Coalition

Partnerships

- » Latin American Association of Development Financing Institutions (ALIDE)
- » International Finance Corporation (IFC)
- » Organization for Economic Cooperation and Development (OECD)



[Find out more in Sustainability](#)

ACADEMIA AND OPINION LEADERS

PUBLICATIONS

We share with society our production of knowledge through the different publications that we edit and make available for free, in digital and/or printed version. All of them can be accessed in the knowledge section of our website and in our digital library, where you can also register to subscribe to them. Since the beginning of the pandemic, the sending of printed copies has been interrupted due to social distancing.

In 2021, we launched more than thirty publications, including new editions of our journals BNDES Setorial and Revista do BNDES, sectoral and institutional reports, studies of the Texts for Discussion series, effectiveness evaluation reports, among others.

DIGITAL LIBRARY

Our digital library had 1.3 million accesses in 2021, maintaining the 2020 result. There were more than 2.2 million item views. During the year, 79 new documents were added to the platform, including an unpublished publication, the Cadernos Jurídicos do BNDES.

BLOG OF DEVELOPMENT

We disseminate, through the Blog of development, content related to our production of knowledge in the form of articles, infographics, interviews and white papers. In 2021, we had more than 183,000 views on the blog and produced 54 posts on different aspects of development, dealing with sectoral issues, themes transversal to our performance and

aspects of the Brazilian and world economic scenario, including sustainability, MSMEs, sanitation and health.

The contents are periodically disclosed to a base of more than 7,000 subscribers to our knowledge newsletter, which registered an increase of about 50% in the year.

BNDES ECONOMIC AWARDS

Held since 1977, the BNDES Economic Awards aims to stimulate research on national, regional and sectoral economic issues in the fields of pure and applied economic science.

The winners are awarded in cash and have their works published by the Bank. At the beginning of the year, the results of the master's and doctoral categories of the 38th edition of the award were released.

INTERNAL AUDIENCE

In order to keep our employees informed about the Bank's main activities and promote greater engagement in relevant initiatives and projects, we use various communication resources, such as the production of intranet materials, conducting internal communication campaigns, dissemination of weekly newsletter and reports, among others.

In 2021, we produced 178 internal communication campaigns, with emphasis on the "Back to the Bank" action, which prepared the staff for the return to face-to-face work, including the signaling of several Edserj environments and representative offices. It is also worth mentioning the campaign "Sustainability is the basis", produced with the objective of consolidating the concept of sustainable development among the internal public.

In addition to the internal communication channels, we also have the HR and Services Channel, focused on the demands and doubts of employees. Evaluation of satisfaction with human resources services are carried out periodically, so that requests and questions received are monitored and answered.



Access at: www.bndes.gov.br/conhecimento



Access at: www.bndes.gov.br/bibliotecadigital



Find out more at: www.bndes.gov.br/wps/portal/site/home/conhecimento/premio-bndes-economia/



Access at: www.bndes.gov.br/blogdodesenvolvimento



Find out more in the section The Brazilian Development Bank



OUR TEAM



We have a committed team, selected by public tender, which is always in search of excellence – one of our principles.

STAFF PROFILE

Our team ended 2021 with 2,471 employees: 2,450 hired for an indefinite period through public tender (1,581 males and 869 females), all based on full-time contracts regulated by the Consolidation of Labor Laws (CLT); 20 hired on a transitional basis for the exercise of commissioned positions linked to the administration; and 1 assigned to the BNDES

from a state agency for the same purpose (in total, 17 males and 4 females), in addition to the nine directors and the president. We also maintain some outsourcing contracts.

In the indefinitely hired modality, there is no differentiation in the admission of men and women – all participate in public tenders and are selected according to their performance.

The last public selection occurred in 2012 and its registration expired in June 2015. Since then, in line with the guidelines of the Federal Government, there have been no new public selections to register personnel reserves.

GRI

102-7 | 102-8 | 102-10 | 102-36
102-37 | 102-38 | 102-39 | 102-41
401-1 | 401-2 | 401-3 | 403-1 | 403-2
403-3 | 403-4 | 403-5 | 403-6 | 403-8
403-9 | 403-10 | 404-1 | 404-2
404-3 | 405-1 | 405-2

[Find out more in Governance](#)

HIRING IN 2021*

HIRING		QTY.	RATE
TOTAL		5	23.8%
Type	Temporary employees	5	23.8%
Gender	Male	5	23.8%
Age range	Between 30 and 50 years	4	19.0%
	Over 50 years	1	4.8%
Region	SE	3	14.3%
	CO	2	9.5%

Note: refers to employees hired on a transitional basis and those assigned from other institutions of the Public Administration. The rate shall be calculated on the basis of the total of 21 transitional periods.

TURNOVER RATE

PERMANENT TEMPORARY

1.6% 9.5%

AVERAGE WORKING TIME

13.7 YEARS

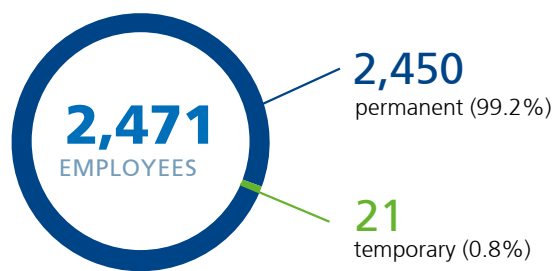
TERMINATIONS IN 2021*

TERMINATIONS		QTY.	RATE
TOTAL		42	1.7%
Type	Temporary employees	2	9.5%
Gender	Male	2	9.5%
Age range	Between 30 and 50 years	1	4.7%
	Over 50 years	1	4.7%
Region	SE	1	4.7%
	CO	1	4.7%
Type	Permanent employees	40	1.6%
Gender	Male	25	1.0%
	Female	15	0.6%
Age range	Under 30 years	1	0.04%
	Between 30 and 50 years	10	0.4%
	Over 50 years	29	1.2%
Region	SE	38	1.5%
	NE	2	0.08%

Note: in addition to temporary employees, dismissals also include terminations due to retirement or on request. The rate is calculated considering the total base of permanent employees (2,450) or transients (21), as the case may be.

* The data do not consider trainees.

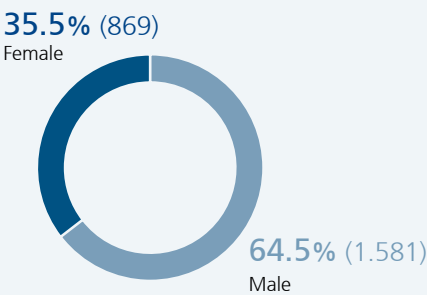
EMPLOYEE PROFILE



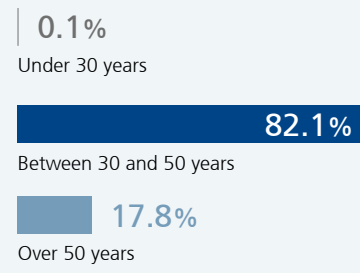
Note: of the total number of employees, 28 assigned to public institutions, 41 assigned in a cooperation agreement for temporary movements, 3 assigned to FAPES, 63 on leave due to unpaid leave and 12 on leave due to illness (on 12.31.2021). Temporary assignments and movements are governed and differentiated by Decree 10,835/2021. All employees are under full regimen.

PERMANENT EMPLOYEES

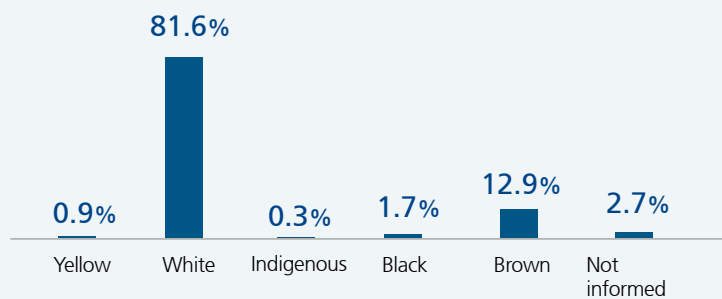
BY GENDER (%/QTY.)



BY AGE RANGE



BY RACE/COLOR

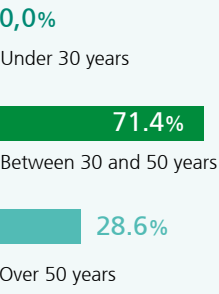


TEMPORARY EMPLOYEES*

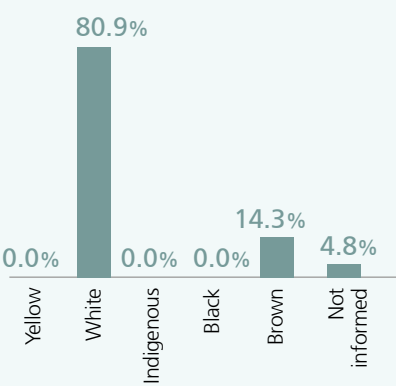
BY GENDER (%/QTY.)



BY AGE RANGE

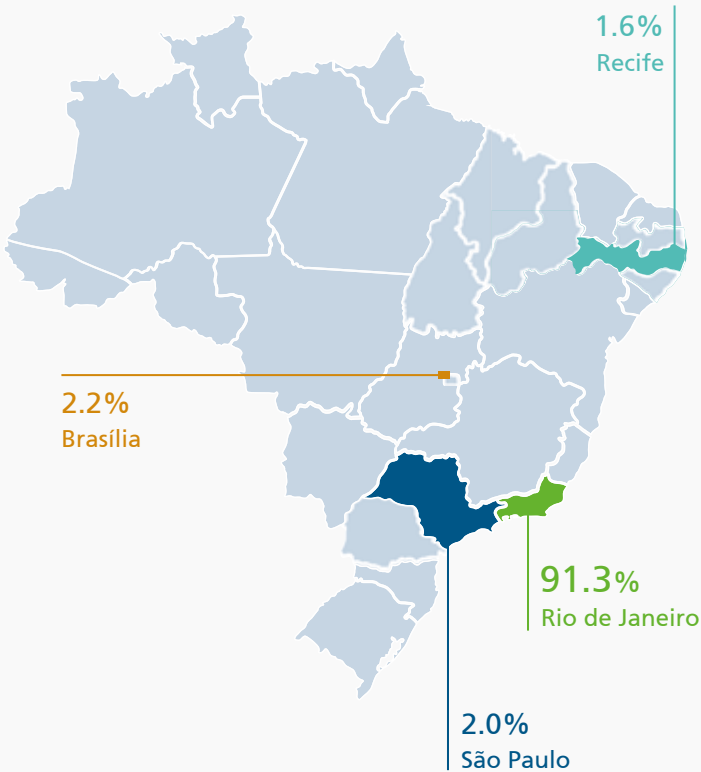


BY RACE/COLOR



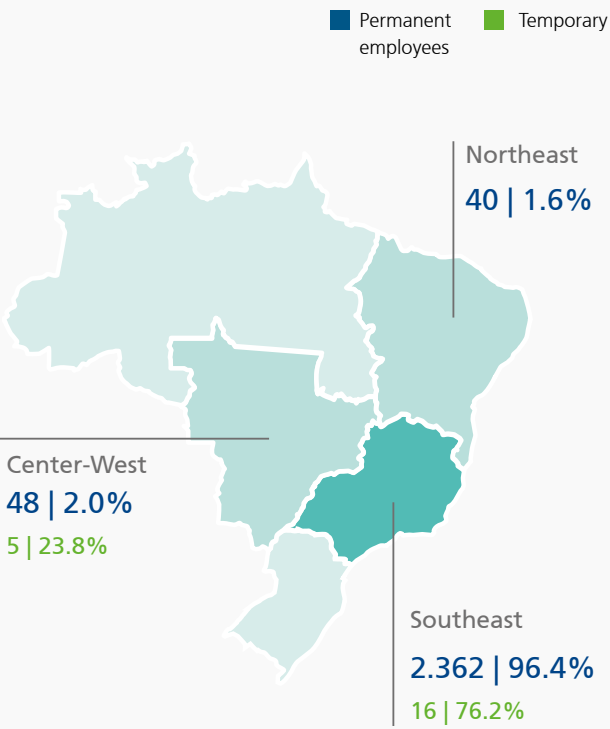
* All temporary workers (21) occupy advisory functions.

BY OPERATING UNIT *



* Including permanent and temporary employees (2,471).
Assigned employees represent 2.9% of the total.

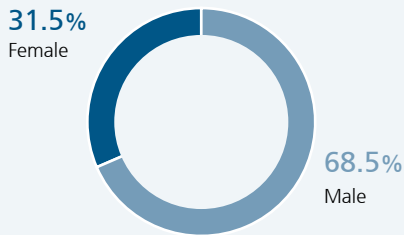
BY REGION



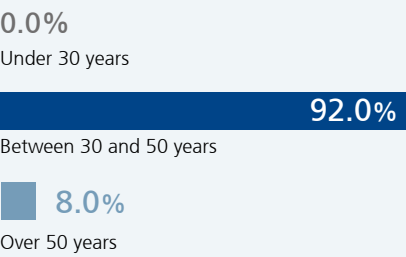
PERMANENT EMPLOYEES

MIDDLE MANAGEMENT
(superintendents, department heads and managers)

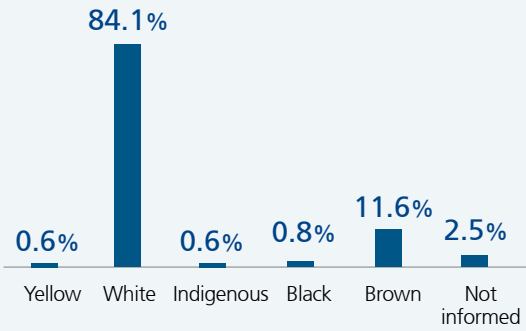
GENDER



BY AGE RANGE

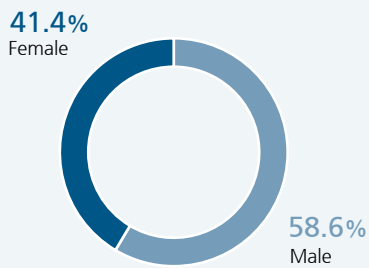


BY RACE/COLOR

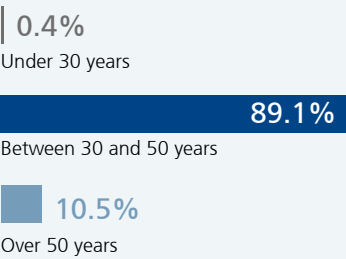


OTHER FUNCTIONS
(coordinators, supervisors, secretaries and advisors)

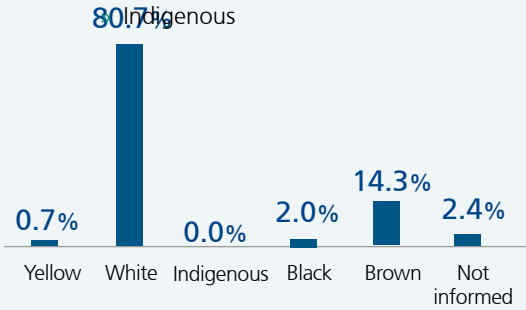
GENDER



BY AGE RANGE

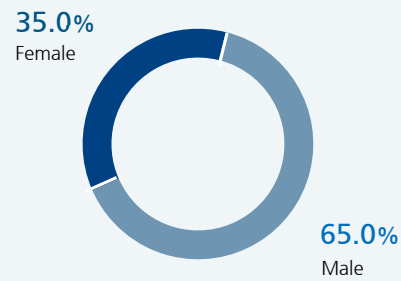


BY RACE/COLOR

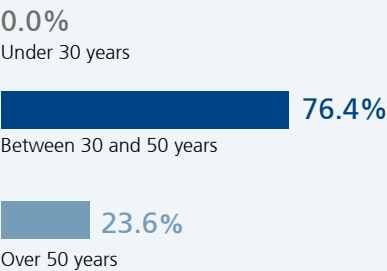


NO FUNCTION

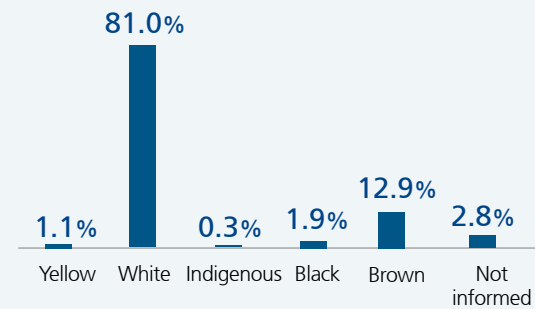
GENDER



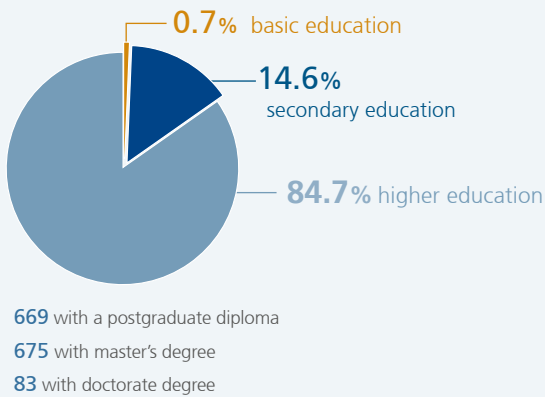
BY AGE RANGE



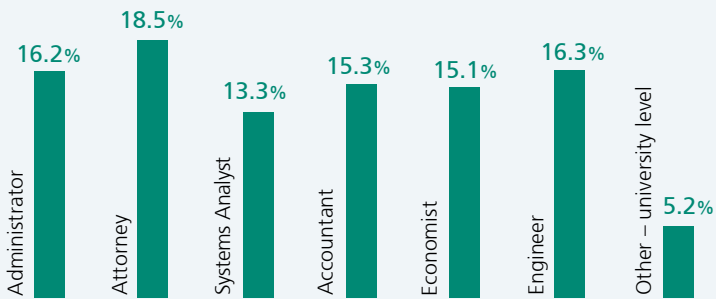
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BY JOB SEGMENT



BY UNIVERSITY EDUCATION

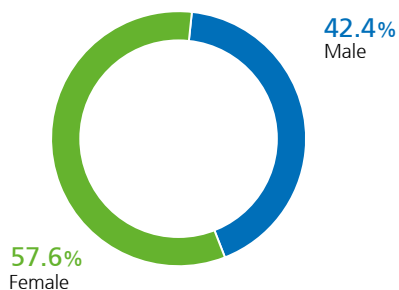


Note: the "Other" category includes architect, archivist, librarian, geologist, psychologist, communication technician and external advisors

INTERNSHIP AT THE BNDES

In 2021, we implemented an intern development program with the following objectives: to contribute to interns becoming people active in society in defense of socioenvironmental issues, engaging them with the purpose of BNDES and with the SDGs of the 2030 Agenda; and increase its degree of future employability, providing the development of technical and behavioral skills required in the current labor market.

As of December 31, 2021, we had 316 interns, 134 male and 182 female.



DIVERSITY AND INCLUSION

In 2021, our Board of Directors approved the work plan for the implementation of our Corporate Policy on Gender Equity and Diversity Appreciation – originally approved in 2015 and updated in 2020. The plan covers external and internal initiatives necessary for the exercise of the permanent commitment to the elimination of all forms of inequality and discrimination in our work environment and in the institutions of our relationship chain.

It presents a triennial schedule, from 2021 to 2023, and seeks alignment with the new cycle of the **Socioenvironmental Responsibility Policy (SERP)** action plan.

In 2021, our staff had 39 people with disabilities, which represents 1.5% of the total number of employees, in addition to 21 people with disabilities interning, corresponding to 6.5% of the total number of interns.

Upon joining, all trainees go through the process of facilitating the inclusion of people with disabilities in the BNDES, receiving support from the personnel management support team and the Specialized Service of Safety Engineering and Occupation Medicine (SESMT).

Our process of selecting trainees aims to reduce inequality of opportunities and contribute to greater diversity in the work environment and social inclusion of these students, by taking into account the socioeconomic history of the candidates.

VOLUNTEERING PROGRAM

Established in 2020, from the pre-launch of the program until the end of 2021, we received the proposition of 23 actions related to education, art, culture, health, sport and welfare, in addition to the enrollment of 36 employees interested in volunteering.

CLIMATE RESEARCH

After carrying out the Great Place to Work (GPTW) climate survey in December 2020, we started in 2021 to develop the communication of results for the divisions and the preparation of improvement action plans.

From the presentation of the results to the executives of each division, a dynamic was suggested to be conducted by the superintendents with their teams. These dynamics sought to stimulate discussion on the most sensitive points of the diagnosis and promote the elaboration of improvement plans.

As a result, several improvements were suggested, categorized into a library of organizational climate actions composed of 23 initiatives. The material was shared with the entire staff in order to generate learning and stimulate climate improvement.

Throughout the second semester, presentations were made on sharing practices among the superintendents, coordinated by the unit responsible for people management.

PURPOSE-DRIVEN CULTURE

In the context of the corporate project Cultural Evolution, six key behaviors were defined as drivers of our culture. These behaviors became part of our **institutional identity**.

Since the beginning of 2021, several activities have been carried out within **the scope of the project**, directed to all employees, aiming to elaborate a diagnosis of the current culture and identify initiatives to be implemented for its evolution. Among them, we highlight the following:

- Culture research: launched by the president in an internal webinar, it had 1,422 respondents.



Find out more in [Sustainability](#)

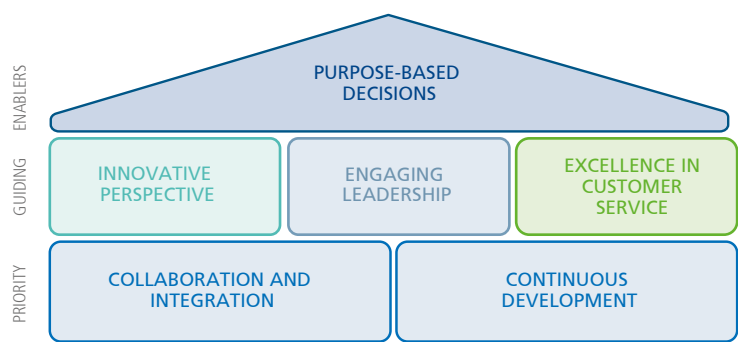


Find out more in [Our Strategy](#)



- Focus groups: conducted with about 300 employees to deepen and make recommendations on the themes of communication, leadership, meritocracy, customer focus, innovation and decision making.
- Key behaviors: definition of behaviors to boost BNDES' culture.
- Leader kit: preparation of materials disclosed in several meetings to encourage leaders to take project information to their teams and carry out engagement actions related to key behaviors.
- Culture multipliers: selection of more than fifty employees, from all divisions of the Bank, to act as agents of project change.

KEY BEHAVIORS:



ALLOCATION OF EMPLOYEES

Respecting the reference quantities established in 2020 for each of our divisions, the changes made in 2021 were limited to the transfer of small units, in order to create greater synergy between the teams and optimize the work. In this context, employees were allocated by board at the end of 2021 as shown in the following table.

Legend:
Blue: back office
Green: front office

EXECUTIVE BOARD	QUANTITY	%
Operations	507	20.5%
People and Culture	89	3.6%
Finance	164	6.6%
Compliance	152	6.1%
Legal	319	12.9%
Production and Socioenvironmental Credit	263	10.6%
Concessions and Privatizations	192	7.7%
Concession of Direct Credit and Guarantees	180	7.2%
Participations, Capital Markets and Credit	281	11.3%
Presidency	127	5.1%
Unallocated/other*	197	7.9%

* In December 2021, 12 employees were on sick leave (0.5%); 50 were allocated to Internal Audit (2.0%); 72, were on assignment (2.9%); and 63 on unpaid leave (2.5%).

SQUAD FORMATION

In 2021, temporary teams (squads) were set up to increase agility and flexibility in meeting priority initiatives and multidisciplinary projects.

In total, six new temporary teams were formed in 2021, with the participation of 31 employees. In addition, six previously composed teams were renewed, with a total presence of 64 employees. Thus, at the end of the year, we had 12 active squads with a total of 95 employees involved.

SELECTION OF EXECUTIVES

In 2021, internal selections were made to fill 26 executive positions. All had wide dissemination and had the formation of specific selection committees to analyze the requested material and the profile of the candidates.

MOVEMENT OF EMPLOYEES

Under the cooperation agreements signed in 2019 for the temporary movement of the BNDES' employees, in 2021, three new selections were made, resulting in the movement of seven employees to the Brazilian Securities Commission (CVM); four employees to the Superintendence of Private Insurance (SUSEP) and one employee to the Brazilian Institute of Geography and Statistics (IBGE). Thus, at the end of 2021, there were a total of 29 employees moved to CVM, seven for SUSEP and five for IBGE.

In addition to strengthening the staff of the institutions of destination, the movements enable exchanges of knowledge and closer collaboration between the bodies involved.

REMUNERATION AND BENEFITS

Upon being hired, employees must enter the first level of the job and salary plan, regardless of previous experience, gender or position in the selection, receiving the same remuneration.

The salary progression occurs by the readjustments negotiated in a collective bargaining agreement, by the evolution at the level in the plan of positions and salaries according to the annual promotion process or by the occupation of an executive position. There is no gender distinction in the amounts received by employees at the same level as the job and salary plan or by executive functions performed.

For the purposes of calculating the salary proportion data between women and men, all employees were considered, separated by functional category, in addition to the 21 temporary employees.

DESCRIPTION	JOB CATEGORY	PROPORTION (WOMEN/MEN)
Average annual base salary ⁽¹⁾	No function	100%
	Other functions	102%
	Middle management	98%
	Temporary employees	104%
Average annual total remuneration ⁽²⁾	No function	99%
	Other functions	102%
	Middle management	99%
	Temporary employees	105%

(1) Base salary: fixed and minimum amount paid to an employee for the performance of their tasks. This amount does not include any additional remuneration, such as overtime payments or bonuses.

(2) Remuneration: additional base salary, such as those based on length of service, bonuses, profit sharing, payment of benefits, overtime, hours due and any additional aid (transportation vouchers, food allowance, educational assistance and others).

As of April 2020, we started to publish on our website, nominally, the value of the remuneration of all our employees. We were the first federal State-owned company to make this kind of disclosure.

The ratio between the total annual remuneration of the highest paid individual and the average annual remuneration of all employees (excluding the highest paid) is 238%.

The proportion between the percentage increase of the total annual remuneration of the highest paid individual and the average percentage increase of the total annual remuneration of all other employees (excluding the highest paid) is 97%.

Our claims regarding supplementary pension, personnel policy, salaries and benefits are analyzed and approved by the State Companies Governance Secretariat (SEST). All our employees are assisted by a collective bargaining agreement (ACT), entitled to the same salary adjustment index, as well as medical and dental assistance benefits, life insurance, educational assistance program (babysitting assistance modalities, daycare assistance and elementary and high school education assistance), meal and food assistance, in addition to profit sharing (PLR) and remuneration compatible with the market.

The negotiation committees of companies and employee representatives negotiate the terms of

the collective bargaining agreement, seeking to resolve conflicts in the negotiating table, with full respect for the exercise of trade union freedom.

The payment of PLR is only made in case of net profit, payment of dividends and performance equal to or greater than 80% of the indicators of public policies, operations and specific priorities of the fundamental units in the program. The PLR program is approved by the BNDES Board of Directors and SEST, and is then negotiated with the unions.

Since 2018, as approved in the ACT, the transportation voucher is made available to employees with a cost of up to 4% of the base salary.

We have the benefit of health care in the modality of self-management by operator (FAPES). The Health Care Plan (PAS) is a collective business plan adapted to Law 9.656/98 and has a portfolio of approximately 10,000 lives between holders (active and inactive employees) and dependents. Its coverage includes medical, dental, hospital and complementary assistance in the systems of directed choice (accredited network) and free choice (reimbursement system, with limits established in regulation).

In March 2018, the plan was closed to new employees and we instituted the health care benefit in the reimbursement modality – up to 50% of the cost of the monthly payment of a plan contracted in the supplementary health market.

Although Resolution CGPAR 23/2018 – which establishes guidelines and parameters for the funding of federal state-owned companies on health care benefits to employees – was stopped by Legislative Decree 26/2021, we continue to seek the sustainability of the benefit, based on the service completed by specialized consulting in 2021. This work consisted of the analysis of health care benefit models that are advantageous for companies of the BNDES System from the economic, financial, actuarial, operational and regulatory point of view.

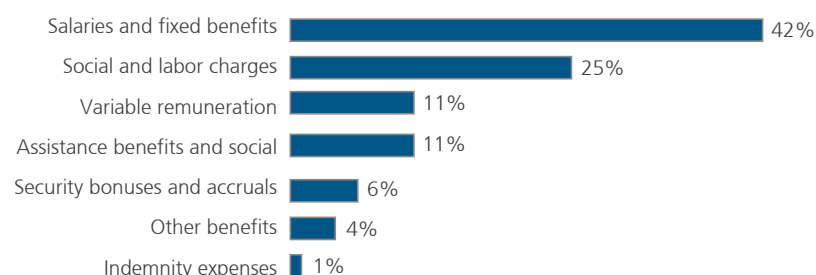
We offer maternity leave or paternity leave to all employees. In accordance with the Citizen-Company Program, paternity leave is twenty calendar days and maternity leave can be extended up to 180 days. In 2021, 42 people were granted maternity leave and 62 paternity leave, with 100% return of those whose leave ended on or before December 31. In addition, the employee retention rate in the 12 months after returning to work after maternity/paternity leave (until April 2022) was 100%.

We provide lactation rooms and daily allowance of one hour for the breastfeeding mother until the child reaches one year of age, in addition to special leave for mothers or fathers of premature babies who need hospitalization.

PERSONNEL EXPENSES

In 2021, the total expense with active employees – including permanent, assigned, transitional staff in commissioned positions, members of the Executive Board and statutory boards and committees – was R\$ 2.023 billion.

DISTRIBUTION OF EXPENSES WITH ACTIVE EMPLOYEES



PERFORMANCE EVALUATION

Performance evaluation in the public sector has been a constant demand of society and an important tool for employee recognition.

In 2021, we managed the performance of our employees through the individual performance management model (GDI), used since 2017 for the entire company. The process is divided into four stages:

- Agreement: alignment of expectations between manager and employee at the beginning of the process.
- Follow-up: possibility to carry out partial evaluations and renegotiations over time, if necessary.
- Evaluation of the manager by the team: subordinates evaluate their managers in relation to the list of competencies pointed out.
- Self-evaluation and evaluation: carried out at the end of the process, by the employee and the manager, respectively, considering the attendance to what was agreed.

Manager and employee agree and monitor the following dimensions throughout the process: deliveries and activities to be performed throughout the year, skills whose development should be prioritized in the same period and development actions that enable the improvement of the employee's delivery capacity.

Of the total number of employees, 98.8% underwent a performance evaluation process in the year.

PERCENTAGE OF EMPLOYEES WHO RECEIVED PERFORMANCE EVALUATION BY GENDER AND JOB CATEGORY (2021).

GENDER	
Male	99.2%
Female	98.7%
JOB CATEGORY	
Middle management	99.8%
Other functions	100.0%
No function	98.0%

Note: only permanent employees are considered in this percentage, except for those absent in the period due to leave of absence and assignments to other agencies.

POINTS SYSTEM

In 2021, we implemented a new process, complementary to the GDI, for comparative evaluation and recognition of employees, called the Employee Points Management System (GPE).

While the GDI evaluation is based on the relationship between what was individually agreed and what was observed at the end of the cycle, the GPE is based on the comparison of the employee's individual performance level with that of their peers.

The process works from the distribution of a total of points for each unit, which must distribute them to employees according to their performances. In addition, employees who contributed to corporate projects and priority initiatives defined by the Executive Board may receive extra points, which encourages participation in these activities and promotes the recognition of multidisciplinary and transversal teams.

From the points attributed to each employee, it is possible to generate a ranking of the unit, which portrays the performance of each employee in relation to the group, contributing to stimulate professional development.

The result of the points system was used for decision making in two reward processes: promotion, with employees at the highest levels of the ranking receiving career level advances; and the individualized portion of PLR, with an increase in the value for employees best positioned in the classification.

Thus, we have sought to disseminate the culture of meritocracy in the Bank, rewarding employees according to their performance, stimulating continuous development and providing more inputs for feedback between manager and subordinate.

PERSONAL AND PROFESSIONAL DEVELOPMENT

In 2021, we continued the employees' personal and professional development actions, although the measures to restrict social life resulting from the pandemic have impacted the training agenda.

Throughout the year, we invested approximately R\$ 2.5 million in short-term external training and certification programs, totaling 1,367 registrations and 28,075 hours of training, an average of 20.5 hours per employee trained in these modalities.

A total of 52 new employee participations in graduate courses were registered, with R\$ 1.2 million invested in this modality, including 16 MBA stakes with a focus on PPPs and concessions.

In the scope of customized internal training, there were 29 synchronous face-to-face and online classes, with a total cost of approximately R\$ 1.2 million. In this segment, 1,968 registrations and 10,775 hours of training were computed, with an average of 5.4 hours per employee.

Internal instructional training was also carried out, free of charge, such as the Introduction to Public Budgeting and Design of PPPs for Development.

In order to remedy identified knowledge gaps, the Employee Development Program and the Leader Development Program, which will have shares offered to all employees over 36 months, based on an expected investment of approximately R\$ 2.2 million.

In the language program, we accounted for 932 registrations and an investment of R\$ 800,000.

We continue to invest in various external online course platforms and to add content to our distance learning platform, BNDES EAD. In 2021, the courses and tutorials on the ESG theme and on open banking stood out. The encouragement of distance learning remains as a driver of corporate learning in the Bank, especially in the context of social isolation that prevailed during the year.

PENSION PLAN

The companies of the BNDES System are sponsors of the Basic Benefit Plan (PBB) – supplementary pension plan, in the defined benefit modality (BD), managed by the Foundation of BNDES Assistance and Social Security (FAPES) – offered to all our employees.

Resolution CGPAR 9/2016 regulates the activities of supervision on the management of FAPES and the benefit plan carried out by the sponsors.

The PBB has been closed for new memberships since December 18, 2018 and already includes part of the amendments (items I, II, VII and VIII of art. 4) determined by CGPAR Resolution 25/2018 – which establishes guidelines and parameters for federal state-owned companies regarding the sponsorship of supplementary pension benefit plans. For the remaining adjustments (items III to VI), an additional deadline was requested for the conclusion of the negotiation between BNDES and FAPES.

Currently, there are two equation plans in place, with the collection of extraordinary contributions from participants, equal to those of the sponsor, for a maximum period of 25 years (until February 2042 and 2044). For the period from April 2021 to March 2022, PBB's Costing Plan showed an overall and linear increase of 32% in normal contributions compared to the previous Costing Plan.

In 2021, studies were carried out to prepare a technical proposal to create a new supplementary pension plan for employees of the BNDES System in the modality of defined contribution (CD). The proposal of the plan regulation and the respective agreement of adherence was approved by the FAPES' and the Bank's collegiate bodies and was sent for approval by the control bodies in May 2022.

HEALTH AND SAFETY AT WORK

We have three formal committees focused on employees' occupational health and safety (OSH). They are the Internal Commission for the Prevention of Accidents (CIPA), the auxiliary escape teams (EAE) and the first aid teams.

Collective bargaining agreements have included themes of this nature, such as regular evacuation simulations of the Bank's main building in Rio de Janeiro; the transfer of information on occupational accidents and diseases; and the constitution of the SESMT, common with FAPES and CIPA.

We keep our Risk Management Program (PGR) updated, in addition to carrying out the Medical Control and Occupational Health Program (PCMSO) and other preventive health programs, according to legal requirements.

In 2021, under the Leader Development Program, we carried out targeted actions to managers, department heads, superintendents and directors. Among them, we highlight a course to improve the communicative competence of executives; a coaching program focused on developing or enhancing skills; individual development plans; advanced leadership program focused on contemporary challenges; and actions to apply knowledge of neuroscience to leadership.

All these initiatives help us to control absenteeism rates, as well as the absence of activities that represent high incidence or high risk of diseases related to our employees' occupation.

The absenteeism rate related to OSH in 2021 was 1.63, calculated by the ratio between absent days and scheduled days, multiplied by one hundred. The rate considers only absences from health and safety at work (in this case, because it considers the leave itself and does not enter the merit of causal link, all are computed, including commuting accidents).

HAZARDOUSNESS, RISK
ASSESSMENT AND INVESTIGATION
OF INCIDENTS

According to the criteria established by the legislation, we are a risk grade 1 (GR-1) company and follow the PGR logic by environmental demonstration. The evaluation of the hazardousness and unhealthiness of our activities is based on external consultancy, being reviewed in our PGR if there is a significant change in the company's risk profile.

Regarding hazards, our occupational activities are characterized as "predominantly administrative, intellectual activity, carried out in commercial buildings with properly controlled environmental conditions, located in urban centers, in a 7-hour day, in the sitting position, with predominant use of computational tools". That is, there is no exposure to flammables, explosives or electrical energy.

It is also noteworthy that, even being a banking company, we do not have agencies or related activities that expose our employees to robberies or other types of physical violence, whether related to personal or property security, in their professional activities.

For purposes of environmental demonstration, in compliance with social security legislation, our employees fall into the situation "not exposed to harmful agent" that can affect health or physical integrity.

In this context, occupational health and safety incidents are usually related to issues of physical arrangement, commuting accidents or other atypical cases that require preventive treatment, such as trips to work.

Accidents are reported to the INSS in compliance with Law 8,113/1991 (currently through eSocial) and investigated for the adoption of corrective measures focused on prevention or certification of registration data.

ACCIDENTS AT WORK

Our activities do not include risks of high criticality and serious consequence, in view of the probability of occurrence and damages caused.

In the following table, we present the OSH rates for 2021, considering all the employees with a bond that requires social security and occupational control (not being contemplated, therefore, trainees, young apprentices and third parties).

In line with our risk profile, no occupational diseases were recorded in 2021.

OSH FEES ⁽¹⁾	2021
Injury rate (TL) ⁽²⁾	zero
Occupational disease rate (TDO)	zero
Lost days rate (TDP) ⁽³⁾	zero
Deaths due to accidents at work or occupational disease	zero
Number of hours worked ⁽⁴⁾	543,620

(1) he data refer to the period between 1.1.2021 and 12.31.2021. The year of 2021 was atypical, due to the COVID-19 pandemic. All of our employees were placed in a teleworking regime as of 3.23.2020. The return to face-to-face occurred in phases since 11.8.2021.

(2) Frequency of accidents with injury (TL) - It is considered 2,000 hours of annual exposure per worker (NBR 14280), that is, 2,000 hours x number of employees, with the base of employees of 12.31.2021. There were a total of three commuting accidents (none in transportation provided by the organization). This means that there was no typical accident in the year 2021.

(3) The lost days rate (TDP) considers the absence of typical accidents and may reflect longer absences from previous years. As these are commuting accidents (none in transportation provided by the organization) or under appeal at the INSS, it is considered no typical accident reflecting on lost days in 2021.

(4) The number of hours worked considers 2,471 employees x 5 days x 44 weeks = 543,620

On October 13, 2021, we successfully entered Phase IV of eSocial – referring to occupational health and safety (OSH) events – by the Federal Government database, in line with the official deployment schedule. In addition, we are preparing internally to migrate to the latest version available, which should occur by May 2022.

SPECIALIZED SERVICE OF
SAFETY ENGINEERING AND
OCCUPATIONAL MEDICINE

We have SESMT that acts as an incident receipt channel, later forwarded to the responsible Bank division so that they can be resolved with the support of condominium administrations.

When emergency medical care is needed, it is provided by the health team coordinated by the SESMT. In addition to an occupational/ emergency outpatient clinic located in Rio de Janeiro, active employees are covered by a hospital removal contract.

The SESMT is composed of the companies of the BNDES System and FAPES, with a minimum staff formed by a specialist in occupational safety engineering, occupational physician, work safety

MONITORING OF EMPLOYEES DURING THE PANDEMIC

With the support of FAPES, we implemented several measures for COVID-19 prevention in our processes and work environments, as well as follow-up actions of health and psychological, social and emotional support of all our strength of work.



Find out more in
The Brazilian
development bank

technician and work nursing assistant. The activities are also supported by several other health professionals of the foundation (such as doctors, nurses and psychologists), as well as administrative employees.

There is provision for SESMT in our ACT, and its activities are validated by CIPA, which has employee representation.

HEALTH PROMOTION IN THE BNDES

The health structure offered to our employees is very broad, covering occupational health and the provision of assistance and emergency care in the workplace. It also includes preventive health programs related to endocrinology and nutrition; encouragement of breastfeeding; vaccine updates; pulmonology, psychiatry and psychology; urology; infectious diseases; and dermatology.

In addition, employees benefiting from the PAS have a wide accredited network of physicians, clinics, hospitals, diagnostic services and other services related to the health area. Under the health plan, beneficiaries can participate in a primary health care program.

Our interns have compulsory insurance to cover any accidents, as provided for in Law 11,788/2008, and have a basic health benefit during the internship period. Young apprentices are linked to the institution hired by the Bank to administer the program, which is responsible for the provision of health insurance.

EMPLOYEE HEALTH DATA

With regard to the control of employees' personal information, because we have a health team separated from the human resources structure, personal medical confidentiality is consistently preserved. Thus, there is a separation between documents that are taken as environmental demonstrations – for legal compliance and regulatory standards, such as the PGR and PCMSO – and those that are personal, including those reflected in physical and digital filings.

Individual documents of employees who do not contain sensitive data transit between health and human resources teams, such as occupational accident communications (CAT) and the occupational health certificate (ASO). Meanwhile, medical certificates presented for justification of absence, records of medical and psychological care and specific reports, which are protected by medical confidentiality, are accessible only to health team professionals.

EMPLOYEE PARTICIPATION AND TRAINING IN HEALTH AND SAFETY ISSUES

The participation of employees in occupational health and safety issues is ensured by CIPA (as provided for in NR-5), to the extent that it is a joint committee, composed of equal numbers of representatives of the employer and employees.

The composition process takes place annually with the indication of the employer's representatives and the election of employee representatives.

Those who make up the committee are properly trained in the theme of health and prevention, meeting monthly to discuss and deliberate on issues that affect the entire staff.

The meetings are open to the participation of all employees, and the committee is able to receive demands and treat them together with the administration, with technical support from SESMT.

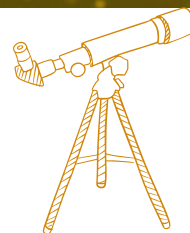
In addition to training for CIPA members, we provide training for EAE and rescue teams, who are trained in various aspects of first aid. All these trainings are offered free of charge and during working hours.

HEALTH AND SAFETY MANAGEMENT

In 2021, adjustments in the concepts of occupational safety and health control were consolidated, due to the new wording of regulatory standards (NR) 1, 7 and 9 (of ordinances 6,730, 6,734 and 6,735 of 2020 of the Secretariat of Social Security and Labor – SEPRTE-ME), which provide for the subject. Considering also the beginning of health and safety events information to eSocial in 2021, we started to reflect the new NRs and requirements in our documents, systems and nomenclatures.

We perform occupational health and safety management in accordance with the text of NR-1, with a management dynamics based on the PDCA approach (plan, do, check, act), widely used in systems that follow the ABNT NBR ISO 45001 standard. However, we have not yet implemented an auditable and certifiable management system.

CHALLENGES AND VISION FOR THE FUTURE



GRI

102-15

Our purpose is to “transform the lives of generations, promoting sustainable development” and, as a vision of the future, we seek to “be the Brazilian sustainable development bank”. To achieve this goal, our mission is: “to enable and propose solutions that transform the production sector and promote sustainable development”.

In order to promote the transition to a carbon-neutral and climate-resilient economy, we are committed to supporting solutions that seek to reduce emissions and the conservation and sustainable use of forest and biodiversity, as well as adaptation to climate change. Among the segments related to this agenda are energy efficiency, low-carbon agriculture, sustainable mining, green chemistry and biofuels. Also the structuring of “green” projects that promote the protection and recovery of native forests, water sources and watersheds or that seek greater efficiency in the use of water resources. We are further committed to pushing the green finance agenda in the country.

To support projects that provide positive externalities, including job and income generation, we must act on market failures, contributing to: (i) eliminate bottlenecks and promote an integrated, sustainable and resilient infrastructure; (ii) structure and propagate social initiatives, favoring inclusion, with an impact on improving income distribution; (iii) increase productivity, competitiveness, entrepreneurship, sustainability, innovation and exports; (iv) promote the improvement of the quality of basic education and help in the development of solutions that increase the qualification and productivity of work; (iv) expand access to credit for MSMEs; and (v) modernize the State, supporting the development of solutions to remove bottlenecks in the provision of public services.

This means that we must be able to act in a timely manner in the face of the challenge of promoting the good performance of the economy and to act in an emergency countercyclical manner.

From our capacity for dialog and articulation with the Federal Government, states, municipalities and the private sector, we aim to build more and more partnerships. We can contribute to the design of public policies, to the structuring consensus among the various actors involved in the same project, as an infrastructure work, and to attract private investors to projects of national interest.

To realize our vision for the future we need to strengthen the public service concessions agenda for the private sector and develop the project finance markets and infrastructure guarantee instruments. We want to leverage our ESG agenda and expand our performance in education, in addition to supporting innovation and efficiency agendas in the economy. We must have a relevant role in the development of financial solutions and partnerships that increase the availability of funding and encourage risk sharing; develop the market for equity funds; promote the unionization and risk-taking of projects; as well as optimize credit granting and export support processes.

In short, we believe that our role is to foster economic growth within the limits of the planet, positioning Brazil and the institution as a pole for sustainable investments in the international scenario. To do so, we need to be agile and flexible, valuing economy, efficiency and productivity, with ethics and public spirit.

Our decisions are made based on the purpose, excellence of customer service, innovative perspective and continuous development of the institution.

STANDARD	INDICATOR	DESCRIPTION	PAGE(S)	GLOBAL COMPACT	SDGS
GENERAL CONTENTS					
GRI 102 – general content 2016	102-1	Name of the organization	11		
	102-2	Activities, brands, products and services	11, 26, 31, 58		
	102-3	Location of the organization's headquarters	11		
	102-4	Location of operations	11		
	102-5	Nature of ownership and legal form	11		
	102-6	Markets served	11, 36		
	102-7	Size of the organization	24, 36, 40, 82		
	102-8	Information on employees and other workers	82	6	5
	102-9	Supply chain	62		
	102-10	Significant changes in the organization and its supply chain	62, 82		
	102-11	Precautionary principle or approach	31, 58	7	
	102-12	External initiatives	75		
	102-13	Participation in associations	75		
	102-14	Statement by the highest executive	5		
	102-15	Key impacts, risks and opportunities	14, 40, 71, 92		
	102-16	Values, principles, standards and code of behavior	14, 24, 68	10	16
	102-17	Mechanisms for guidance and concerns regarding ethics	68	10	16
	102-18	Governance structure	62		
	102-19	Delegation of authority	62		
	102-20	Responsibility of executive-level positions and functions for economic, environmental and social topics	62		
	102-21	Consultation with stakeholders on economic, environmental and social topics	7		
	102-22	Composition of the highest governance body and its committees	62		5
	102-23	President of the highest governance body	62		
	102-24	Selection and appointment to the highest governance body	62		16
	102-25	Conflicts of interest	62		16
	102-26	Role played by the highest governance body in defining purpose, values and strategy	14		
	102-27	Collective knowledge of the highest governance body	62		
	102-28	Evaluation of the performance of the highest governance body	62		
	102-29	Identification and management of economic, environmental and social impacts	7, 14, 71		
	102-30	Efficacy of the risk management process	14, 62, 71		
	102-31	Analysis of economic, environmental and social topics	14, 62		
	102-32	Role played by the highest governance body in the sustainability report	7		
	102-33	Communication of crucial concerns	62		
	102-35	Remuneration policies	62		
	102-36	Process for determining remuneration	62, 82		
	102-37	Stakeholder involvement in remuneration	82		
	102-38	Proportion of total annual remuneration	82		
	102-39	Proportion of percentage increase in total annual remuneration	82		
	102-40	List of stakeholder groups	75		
	102-41	Collective bargaining agreements	82	3	
	102-42	Identification and selection of stakeholders	75		
	102-43	Approach to stakeholder engagement	7		
	102-44	Main concerns and topics raised	7		
	102-45	Entities included in the consolidated financial statements	36		
	102-46	Definition of the content of the report and the boundaries of the topics	7		
	102-47	List of material topics	7		
	102-48	Reformulations of information	7		
	102-49	Changes in reporting	7		
	102-50	Period covered by the report	7		
	102-51	Date of most recent report	7		
	102-52	Reporting cycle	7		
	102-53	Contact for questions about the report	7		
	102-54	Reporting statements in accordance with the GRI standard	7		
	102-55	GRI content summary	93		
	102-56	External verification	7		

STANDARD	INDICATOR	DESCRIPTION	PAGE(S)	GLOBAL COMPACT	SDGS
MATERIAL TOPICS					
SUPPORT FOR MSMEs					
GRI 103 – form of management 2016	103-1	Explanation of the material topic and its limit	7, 51		
	103-2	Management method and its components	51	8	8, 9, 10, 12, 13, 17
	103-3	Evaluation of the management method	51		
GRI 203 – indirect economic impacts 2016	203-2	Significant indirect economic impacts	51		8, 9, 10, 12, 13, 17
PRIVATIZATION AND PROJECT STRUCTURING					
GRI 103 – form of management 2016	103-1	Explanation of the material topic and its limit	7, 45		
	103-2	Management method and its components	45		6, 7, 8, 9, 13, 17
	103-3	Evaluation of the management method	45		
GRI 203 – impactos econômicos indiretos 2016	203-1	Infrastructure investments and service support	45		6, 7, 9, 11
	203-2	Significant indirect economic impacts	45		
IMPACT OF THE BNDES' PERFORMANCE					
GRI 103 – form of management 2016	103-1	Explanation of the material topic and its limit	7, 23		
	103-2	Management method and its components	23		Todos
	103-3	Evaluation of the management method	23		
GRI 203 – indirect economic impacts 2016	203-1	Infrastructure investments and service support	23		6, 7, 9, 11
	203-2	Significant indirect economic impacts	23		3, 4, 6, 7, 8, 9, 11
NEW SOLUTIONS AND PRODUCTS					
GRI 102 – general content 2016	102-2	Activities, brands, products and services	31	8, 9	2, 7, 8, 9, 13, 15, 17
	102-6	Markets served	31		
	102-11	Precautionary principle or approach	31	7	
GRI 103 – form of management 2016	103-1	Explanation of the material topic and its limit	7, 31		
	103-2	Management method and its components	31		2, 7, 8, 9, 13, 15, 17
	103-3	Evaluation of the management method	31		
SUSTAINABILITY					
GRI 102 – general content 2016	102-2	Activities, brands, products and services	58		13
	102-11	Precautionary principle or approach	58	7	
GRI 103 – form of management 2016	103-1	Explanation of the material topic and its limit	7, 58		
	103-2	Management method and its components	58	8	Todos
	103-3	Evaluation of the management method	58		
GRI 307 – environmental compliance 2016	307-1	Non-compliance with environmental laws and regulations	58	7, 8	16
GRI 419 – socioeconomic compliance 2016	419-1	Non-compliance with laws and regulations in the socioeconomic area	58		16
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GRI 201 – economic performance 2016	201-1	Direct economic value generated and distributed	36		8
	201-4	Financial support received from the government	11, 33		
GRI 203 – indirect economic impacts 2016	203-1	Infrastructure investments and service support	23, 24, 40, 42, 45		6, 7, 9, 11
	203-2	Significant indirect economic impacts	23, 24, 40, 45, 51		3, 4, 6, 7, 8, 9, 11
GRI 205 – anti-corruption 2016	205-1	Operations assessed for risks related to corruption	68, 71	10	16
	205-2	Communication and capacity building on anti-corruption policies and procedures	68	10	16
	205-3	Confirmed cases of corruption and measures taken	68	10	16
GRI 206 – unfair competition 2016	206-1	Lawsuits for unfair competition, trust practices and monopoly	68		
GRI 207 – taxes 2019	207-1	Tax approach	33		
	207-2	Governance, control and management of tax risk	33		
	207-3	Stakeholder engagement and management of their tax concerns	33		
	207-4	Country-by-country reporting	33		

STANDARD	INDICATOR	DESCRIPTION	PAGE(S)	GLOBAL COMPACT	SDGS
OTHER GRI INDICATORS REPORTED					
GRI 302 – energy 2016	302-1	Energy consumption within the organization	11	8	12
	302-3	Energy Intensity	11	8	12
	302-4	Reduction of energy consumption	11		12
GRI 303 – water and effluents 2018	303-5	Water consumption	11	8	12
GRI 304 – biodiversity 2016	304-3	Protected or restored habitats	53	8	15
GRI 306 – waste 2020	306-3	Waste generated	11	8	12
	306-4	Wastes not destined for final disposal	11	8	12
	306-5	Waste destined for final disposal	11	8	12
GRI 401 – employment 2016	401-1	New hires and employee turnover	82	6	
	401-2	Benefits offered to full-time employees that are not offered to temporary or part-time employees	82		
	401-3	Maternity/paternity leave	82	6	
GRI 403 – occupational health and safety 2018	403-1	Occupational health and safety management system	82		3, 8
	403-2	Hazard identification, risk assessment and incident investigation	82		3, 8
	403-3	Occupational health services	82		3, 8
	403-4	Worker participation, consultation and communication to workers concerning occupational health and safety	82		3, 8
	403-5	Training of workers in occupational health and safety	82		3, 8
	403-6	Promotion of workers' health	82		3, 8
	403-8	Workers covered by an occupational health and safety management system	82		3, 8
	403-9	Accidents at work	82		3, 8
	403-10	Occupational diseases	82		3, 8
GRI 404 – training and education 2016	404-1	Average hours of training per year, per employee	82	6	
	404-2	Programmes for the improvement of employees' skills and assistance for career transition	82		
	404-3	Percentage of employees receiving regular performance and career development assessments	82	6	
GRI 405 – diversity and equal opportunities 2016	405-1	Diversity in governance bodies and employees	62, 82	6	5
	405-2	Proportion between basic salary and remuneration received by women and those received by men	82	6	5
GRI 406 – non-discrimination 2016	406-1	Discrimination cases and corrective action taken	68	6	
GRI 408 – child labor 2016	408-1	Operations and suppliers with significant risk of child labor cases	26, 68	1, 2, 5	
GRI 409 – forced or slave-like labor 2016	409-1	Operations and suppliers with significant risk of forced or slave-like labor	26, 68	1, 2, 4	
GRI 410 – security practices 2012	410-1	Security personnel trained in human rights policies or procedures	68	1	
GRI 412 – human rights evaluation 2016	412-1	Operations subject to human rights or human rights impact evaluations	68	1, 2	
	412-2	Empowerment of employees in human rights policies or procedures	68	1, 2	
	412-3	Significant investment agreements and contracts that include human rights clauses or that have been subject to human rights evaluation	68	1, 2, 4, 5	
GRI 417 – marketing and labeling 2016	417-3	Cases of non-compliance in relation to marketing communication	68		
GRI 418 – client privacy 2016	418-1	Proven complaints regarding breach of privacy and loss of client data	75	1	
GRI 419 – socioeconomic compliance 2016	419-1	Non-compliance with laws and regulations in the socioeconomic area	68		



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Limited assurance report issued by independent auditors

To the Board of Directors of
BNDES
Brasília - DF

Introduction

We were engaged by Banco Nacional de Desenvolvimento Econômico e Social (“BNDES” or “Banco”) to apply limited assurance procedures on the sustainability information disclosed in the Annual Report 2021 (“Report”), in the accompanying information to this report related to the period ended December 31, 2021.

Responsibilities of BNDES Management

The Management of BNDES is responsible for adequately preparing and presenting the sustainability information in the Annual Report 2021 in accordance with both the Standards for Sustainability Report of Global Reporting Initiative – GRI, with Orientation CPC 09 - Integrated Report (which is correlated with the Basic Conceptual Framework of the Integrated Report prepared by the International Integrated Reporting Council - IIRC), and the internal controls determined necessary to ensure this information is free from material misstatement, resulting from fraud or error.

Independent auditors’ responsibility

Our responsibility is to express a conclusion about the information in the Report based on a limited assurance engagement conducted in accordance with Technical Communication (TC) 07/2012, which was prepared based on NBC TO 3000 (Assurance Engagements Other Than Audits and Reviews), both issued by the Brazilian Federal Accounting Council - CFC equivalent to international standard ISAE 3000, issued by the International Federation of Accountants and applicable to Non-Financial Historical Information. These standards require compliance with ethical requirements, including independence ones, and the engagement is also conducted to provide limited assurance that the information disclosed in the Report, taken as a whole, is free from material misstatement.

KPMG Auditores Independentes Ltda. (“KPMG”) applies Brazilian and international standards on quality control, and consequently maintains a comprehensive quality control system including documented policies and procedures related to compliance with ethical and professional standards, in addition to the legal and regulatory applicable requirements. We comply with the comprehensive code of ethics including detailed independence requirements, established based on the ethical principles of integrity, objectivity, competence and professional care, confidentiality and professional behavior.



A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) consists mainly of questions and interviews with the Management of BNDES and other professionals of the Company involved in the preparation of the information disclosed in the Report and use of analytical procedures to obtain evidence that enables us to reach a limited assurance conclusion about the sustainability information taken as a whole. A limited assurance engagement also requires additional procedures when the independent auditor acknowledges issues which may lead them to believe that the information disclosed in the Report taken as a whole could present material misstatement.

The selected procedures were based on our understanding of the issues related to the compilation, materiality and presentation of the information disclosed in the Report, on other engagement circumstances and also on our considerations regarding areas and processes associated with material sustainability information disclosed where relevant misstatement could exist. The procedures consisted of:

- a. engagement planning: considering the material aspects for BNDES's activities, the relevance of the information disclosed, the amount of quantitative and qualitative information and the operational systems and internal controls that served as a basis for preparation of the information in the BNDES's Report. This analysis defined the indicators to be checked in details;
- b. understanding and analysis of disclosed information related to material aspects management;
- c. analysis of preparation processes of the Report and its structure and content, based on the Principles of Content and Quality of the *Standards* for sustainability report of the Global Reporting Initiative - GRI (GRI - Standards) and with Orientation CPC 09 - Integrated Report (which is correlated with the Basic Conceptual Framework for Integrated Report, prepared by the The International Integrated Reporting Council (IIRC);
- d. evaluation of non-financial indicators:
 - understanding of the calculation methodology and procedures for the compilation of indicators through interviews with management responsible for data preparation;
 - application of analytical procedures regarding data and interviews for qualitative information and their correlation with indicators disclosed in the Report;
 - analysis of evidence supporting the disclosed information;
- e. analysis of whether the performance indicators omission and justification are reasonable to be accepted associated to aspects and topics defined as material in the materiality analysis of the Company.
- f. comparison of financial indicators (GRI 201-1) with the financial statements and/or accounting records.

We believe that the information, evidence and results we have obtained are sufficient and appropriate to provide a basis for our limited assurance conclusion.

**Scope and limitations**

The procedures applied to a limited assurance engagement are substantially less extensive than those applied to a reasonable assurance engagement. Therefore, we cannot provide reasonable assurance that we are aware of all the issues that would have been identified in a reasonable assurance engagement, which aims to issue an opinion. If we had conducted a reasonable assurance engagement, we may have identified other issues and possible misstatements within the information presented in the Report.

Nonfinancial data is subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate or estimate these data. Qualitative interpretation of the data's materiality, relevance and accuracy are subject to individual assumptions and judgments. Additionally, we have not examined data related to prior periods, to evaluate the adequacy of policies, practices and sustainability performance, nor future projections.

Conclusion

Based on the procedures performed, described in this report, we have not identified any relevant information that leads us to believe that the information in the Annual Report 2021 is not fairly stated in all material aspects in accordance with the Standards for Sustainability Report of Global Reporting Initiative - GRI (GRI- Standards) with Orientation CPC 09 – Integrated Report (which is correlated with the Basic Conceptual Framework for Integrated Report prepared by the International Integrated Reporting Council – IIRC), and with the records and files that served as the basis for its preparation.

Rio de Janeiro, May 30th, 2022

KPMG Auditores Independentes Ltda.
CRC 2SP014428/O-6 F-RJ

Original report in Portuguese signed by
Marcelo Faria Pereira
Accountant CRC RJ-077911/O-2

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BNDES

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Graphic design and diagramming

Refinaria Design

Copy editor and proofreading

Tikinet

Published by the Communication Department of the President's Office of the BNDES
June 2022