

Sustainability report 2021



BRASILSEG

A BB Seguros company



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Introduction



PSI Principle 1



Global Pact 10



SDG 16

Materiality

Message from
the Management

Our numbers

About this report

GRI 102-45, 102-46, 102-49, 102-50, 102-52, 102-53

Welcome to the third edition of Brasilseg's Sustainability Report.

The purpose of this document is to report the Company's main financial and non-financial indicators to shareholders, employees, suppliers, communities, and other stakeholders, covering the period from January 1 to December 31, 2021.

As in previous years, the Global Reporting Initiative (GRI) Standards, the Principles for Sustainability in Insurance (PSI), the Integrated Report, the SASB indicators of the Value Reporting Foundation (VRF), the ten principles of the Global Compact, and the Sustainable Development Goals (SDGs) of the United Nations are adopted as guidelines for the report. The structuring of the document followed the prioritization of the environmental, social and governance (ESG) topics of the business, using a new materiality process (read more below).

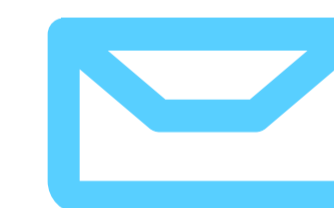
The profile, the business strategy, the year's investments and financial and socio-environmental indicators are presented.

The scope of this report aligns with the Financial Statements for the year (*access them here*). The GRI data covers the units of São Paulo (administrative headquarters) and Franca (Relationship and Business Center). Brasilseg's ESG commitments are also presented, highlighting the year's goals, progress and challenges. There were no reformulations in the data presented. The limits of the material topics also were not changed; however, a new process was implemented, as detailed throughout this report. GRI 201-1

Over the next few pages, we present icons such as those below, which reference the frameworks adopted for the preparation of the document.



This document reinforces
**our commitment to
transparency on
ESG issues**



**If you have any questions
about the information presented,
please contact
sustentabilidade@brasilseg.com.br**

PSI



Principle 1

Decision-making driven by environmental, social and governance (ESG) issues.



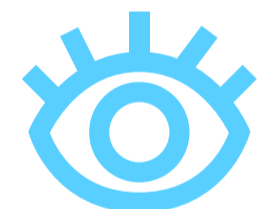
Principle 3

Partnerships with governments, regulatory bodies and other groups regarding broad-based ESG actions in society.



Principle 2

Raising the awareness of clients and partners regarding ESG issues, risks and the development of solutions.



Principle 4

Transparency and regularity of public disclosure of progress made in implementing the Principles.

Global Pact

Check out the icons of the ten principles cited in the report



Material topics

Through icons, visualize the cross-referencing between chapters of the document and the most relevant ESG themes of the Company in the view of its various audiences

SDG

The chapters of the report refer to the objectives Brasilseg considers to be a priority



Materiality

GRI 102-40, 102-42, 102-43, 102-44, 102-47

Since the structuring of its first report, Brasilseg has complied with the GRI Standards and other guidelines, promoting public consultation and engagement processes designed to map the environmental, social, economic and governance topics most relevant to the business and its impacts.

As part of a broader process that led to the definition of the Company's ESG ambitions (*learn more on page 7*), a new materiality process was organized during the year 2021 with the support of specialized consultants, in three stages:

Definition of a long list of potential topics – through research on ESG guidelines relevant to insurance companies and in-depth analysis of Brasilseg's business characteristics;

Consultation with internal and external stakeholders – interviews with Brasilseg's leaders, shareholders, regulatory agencies and suppliers, and client and employee surveys;

Leadership discussion and defining of the final topics.

The process commenced with the preparation of a long list of 21 social, environmental and governance issues. Subsequently, the second phase included interviews with 12 Brasilseg leaders, others from the Broto initiative and 10 representatives of external stakeholders (CNSeg, Susep, Banco do Brasil, BB Seguridade, Mapfre, etc.).

The online survey received more than 1,000 responses, including 603 from clients in the Rural, Mass Market, Life, and Small and Medium Business segments, and approximately 400 employees from different areas. In this process, an analysis of the list of 21 themes for prioritization was requested.















The final list of topics, presented below and validated by the leadership, explores aspects associated with the company's strategic agenda – a connection that needed to be strengthened in 2021 – such as socio-environmental risk management, financial and insurance education and the portfolio of products and services featuring ESG attributes.



Our ESG ambition

“Caring for people and what is valuable to them, leading the supply of innovative social and environmental solutions; promoting the health and well-being of our clients and employees; and contributing to the dissemination of insurance education in Brazil”

Material topics and approach GRI 102-47, 103-1

Material topics	Challenges and approach	Aspects / related GRI indicators	Related SDGs
Health & wellness and longevity	Development of health and wellness practices for our clients and employees	FS7	
Environmental and climate risk management	Integration of ESG into risk subscription policies Inclusion of ESG aspects in business decisions	FS5	 
Expansion of the environmental and social portfolio	Development of products with ESG attributes	FS8	 
Waste management	Adequate management and disposal of administration waste Responsibility for the performance of service providers	306-1, 306-2, 306-3, 306-4, 306-5	
ESG Transparency	ESG Initiatives Internal and External Communication Plan	102-15, 102-18, 102-19	
Financial security education	Appropriate communication and language for insurance products Development of financial and insurance education programs/projects	FS16	
Data privacy and security	Management of the institution's databases and systems Handling incidents related to client data leakage	418-1	
Emissions and climate change	Assessment of risks and opportunities related to climate change in the sector Mitigation Practices and Management of the Operation's Direct Impacts	201-2, 302-1, 305-1, 305-2, 305-3, 305-5, FS5, FS7, FS8	 
Socio-environmental innovation	Development of competitive differentials linked to ESG innovation	-	
Diversity and Inclusion	Awareness-raising program regarding minority groups	405-2	 

Message from the Management

GRI 102-7, 102-14, 102-15

In 2021, I had the honor of assuming the leadership of Brasilseg at a time when the Company was undergoing positive transformations. **With a renewed strategic approach and a sustainability agenda increasingly aligned with the business,** we are passing through a period of intense challenges for our professionals, our partners and our clients – with claims at high levels, a testing macro-economic environment for the country and a tough battle against the Covid-19 pandemic. Even so, we delivered results consistent with the size of the organization, the highest historical production in eight months of the year and ESG solutions that are an integral part of our policyholder value proposition.

Anchored in our values, during the year we remained committed to demonstrating to our clients the care and attention we deem to be fundamental to perceive that, in fact, we are there for them in times of need.

Aware of the importance of enhancing how we service our clients, we made a number of **solutions available over digital channels, structuring a middle office** to monitor the claims and adjustment processes, from their opening through to effective payment, offering even better

service to the segments most affected in 2021. We advanced 25 percentage points in terms of the share of digital claims, comparing the 4th quarter of 2021 with the 4th quarter of 2020. We advanced 43 percentage points in terms of the share of digital claims, comparing the year 2021 with the year 2020.

To reinforce our client-focused policy, **we established a Client Department** and started redesigning all processes and flows, striving for excellence in customer services, claims and assistance journeys, which can be measured by future NPS surveys. Not only do we want to pursue new clients, but we also seek to take great care of those who already have entrusted their security or their assets to Brasilseg.

We fulfilled our commitment to develop new products and, in the first semester, we introduced our **new Home Insurance** product, featuring a number of innovative benefits available to the policyholder, such as the installation of digital locks, a virtual assistant and online decoration services. They represent convenient technology-based solutions, chosen after paying close attention to what our audiences were telling us.

In relation to life insurance and loan protection insurance, we dealt with the challenge of a significant increase in claims, reflecting the pandemic that continued to impact the world in 2021. In the Rural segment, in which we maintained overall leadership with a 55.5% market share (agribusiness), **we grew 35.5% in the fiscal year, underwriting more than R\$ 5 billion in agribusiness net premiums.** The intensive risk management routine followed by our specialists, combined with a solid capital structure, allowed us to close the year with a controlled capital model and a net profit of R\$ 1.44 billion. I attribute our performance in the year to the dedication of our team of professionals, who did not hesitate to remain engaged with the results and be very aware of their roles.

Even with the impacts and facing challenges, we posted a **record year** in terms of production



In 2021, attentive to attracting and retaining the best talents in a sector where there is stiff competition for qualified labor, we drew up the strategic drivers and published our Corporate Personnel Management Policy.

Another highlight of the year was the **effective integration of the ESG requirements with Strategic Planning**. Today, we are proud to say that we are an organization whose vision of the future links growth and profitability with its Sustainability Plan, including topics such as socio-environmental risks in underwriting, socio-environmental innovation and development of products and services.

As a reflection of this maturity, also in 2021, we publicly declared our ESG Ambition: **"Caring for people and what is valuable to them, leading the supply of innovative socio-environmental solutions; promoting the health and wellness of our clients and employees; and contributing to the dissemination of insurance education in Brazil."** Projects to achieve this are already in the strategic execution stage, merging efforts from different areas.

Our vision is to associate the socio-environmental question with the full business cycle: in direct contact with the client, through products and services; in the way the Company manages risk, by monitoring insured areas, especially agribusiness; in the development of the rural chain of supply, by supporting

its technification; and in the ecosystem comprised of employees and partners, by fostering a culture of innovation.

The socio-environmental risk tools are constantly being improved, ensuring the control of agricultural areas through remote sensing and data modeling by way of a verification module that supports our underwriting process and can be used to continuously upgrade services to meet the needs of our clients.

We also achieved good results with the **Broto Platform** – which closed the year with 15,000 connected rural producers, dedicated to boosting their maximum productivity. The broto.com.br website represents a knowledge environment that, along with other content, also offers courses related to the ESG topics.

From the standpoint of innovation, **in 2021 we launched the 2nd cycle of the Impulso Open Program**, which introduced challenges to the startup ecosystem related to solutions that combine sustainability and profitability in the rural producers' chain. At the same time, our intrapreneurship program, which we call **"Lab Boost,"** made room for the development of pilot projects proposed by the company's own employees, generating very interesting tests with good scalability potential.



Rogério Idino
CEO Brasilseg

We expect that 2022 will pose new challenges for our industry, with claims remaining high and an increased risk of client evasion resulting from high unemployment rates and falling household incomes. Our role, more than ever, should be to prove that the insurance culture is an essential investment to protect what matters most – and to take this message to our customers by consistently offering solutions and services that meet their real needs.

I would like **to thank, once again, our capable team for their efforts** and extend my compliments to our partners, clients and shareholders for the trust they have placed in Brasilseg, and for the spirit of collaboration and excellence that will remain evident in the upcoming cycle.

Our numbers* GRI 102-7

1,870

employees



973

active suppliers



5,097,455

clients



10,502,221

of active policies



31,220

service units merged into the Banco do Brasil network



R\$ 12.1

billion in premiums issued



+

We have **+5 million clients** in cities and countryside



*Base date 12/31/2021

Awards and recognition

In 2021, Brasilseg was recognized for its performance in sustainability, innovation, personnel management and customer relations:

Ranking 100 Open Corps 2021: Elected one of the leading open innovation companies with *startups* by the Ranking 100 Open Corps 2021, being in the TOP 3 among insurance companies. The ranking recognizes the companies that do the most open innovation with startups in Brazil, in order to promote business and connections.

Prêmio Clientes S/A: The Voice of the Client Program case history placed the Company into the Leader in Client Management Project/CRM/CX/CS/CSM category of the Prêmio Clientes S/A prize, occupying 3rd place, which identifies and gives prominence to the best client relations practices in Brazil.

Notice from the Ministry of Science, Technology and Innovations (MCTI): Among more than 40 participating companies, Brasilseg was one of the 15 organizations classified in the notification by the Ministry of Science, Technology and Innovations (MCTI) to receive financial support for a project in cooperation with a startup.

XXI ABT Customer Relationship Award: Silver Classification, in the Personnel Management category with the Relationship Center's "Journey of Leaders" case history about mentoring during the selection of coordinators and developers, making the policy even more assertive.

Innovation Ranking Brazil - Valor Econômico: Recognized on the *Valor Econômico* newspaper's Inovação Brasil list as one of the four most innovative insurance companies in the country. In the overall ranking, Brasilseg is among the 100 companies in the country who most invest in and support innovation.

**Trusted relationships
and projects yielded a
prominent position in
the rankings**



We were featured in **GPTW and Amazing Places to Work** in relation to personnel management



Friend of Justice Company - São Paulo

Court of Justice: A seal of approval and certificate in the Bronze category, in recognition of the five years of participation in the Friend of Justice Company program of the State of São Paulo Court of Justice, whose main objective is the dissemination of the social pacification culture through the use of Optional Methods of Conflict Resolution, such as Mediation and Conciliation.

Insurer Brasil Award: The Impulso Open and Lab Programs case histories recognized by the award run by *Segurador do Brasil* magazine, in the Innovation Highlight category.

Abrarec Prize: Awarded the Abrarec Service Award, granted by the Brazilian Client-Company Relations Association, in the Mediator Service category.

GPTW Award: Title of one of the Best Companies to Work In by the Great Place to Work organization, for the second consecutive year.

Amcham's Eco Brasil Award: Finalist in Amcham's Eco Brasil Award with the Remote Sensing project in favor of Sustainability. Brasilseg launched a remote sensing monitoring system for insured crops, whose exclusive technology merges several techniques, including satellite image analysis, generating a data set to create crop development indexes.

Amazing Places to Work Award - FIA and UOL: Brasilseg occupied the 42nd position, among 120 evaluated companies, in the award that recognizes firms concerned with promoting a healthy and productive working environment.

Brasilseg



Principles and guidelines
Business model

Brasilseg

GRI 102-1, 102-2, 102-3, 102-4, 102-5, 102-6

Brasilseg presents itself in its current configuration after a restructuring of the former BB Mapfre Insurance Group through a corporate change that occurred at the end of 2018, which resulted in the insurer's current approach, with a focus on the life, credit loan guarantee, rural, housing, corporate and residential insurance business branches. Brasilseg is the institutional name of a group of three companies: BB Mapfre Participações S.A. (holding company) and its two subsidiaries: Brasilseg Companhia de Seguros and Aliança do Brasil Seguros S.A. (ABS).

The Company is present across the country through Banco do Brasil's service network, and is the overall leader in the branches in which it operates.

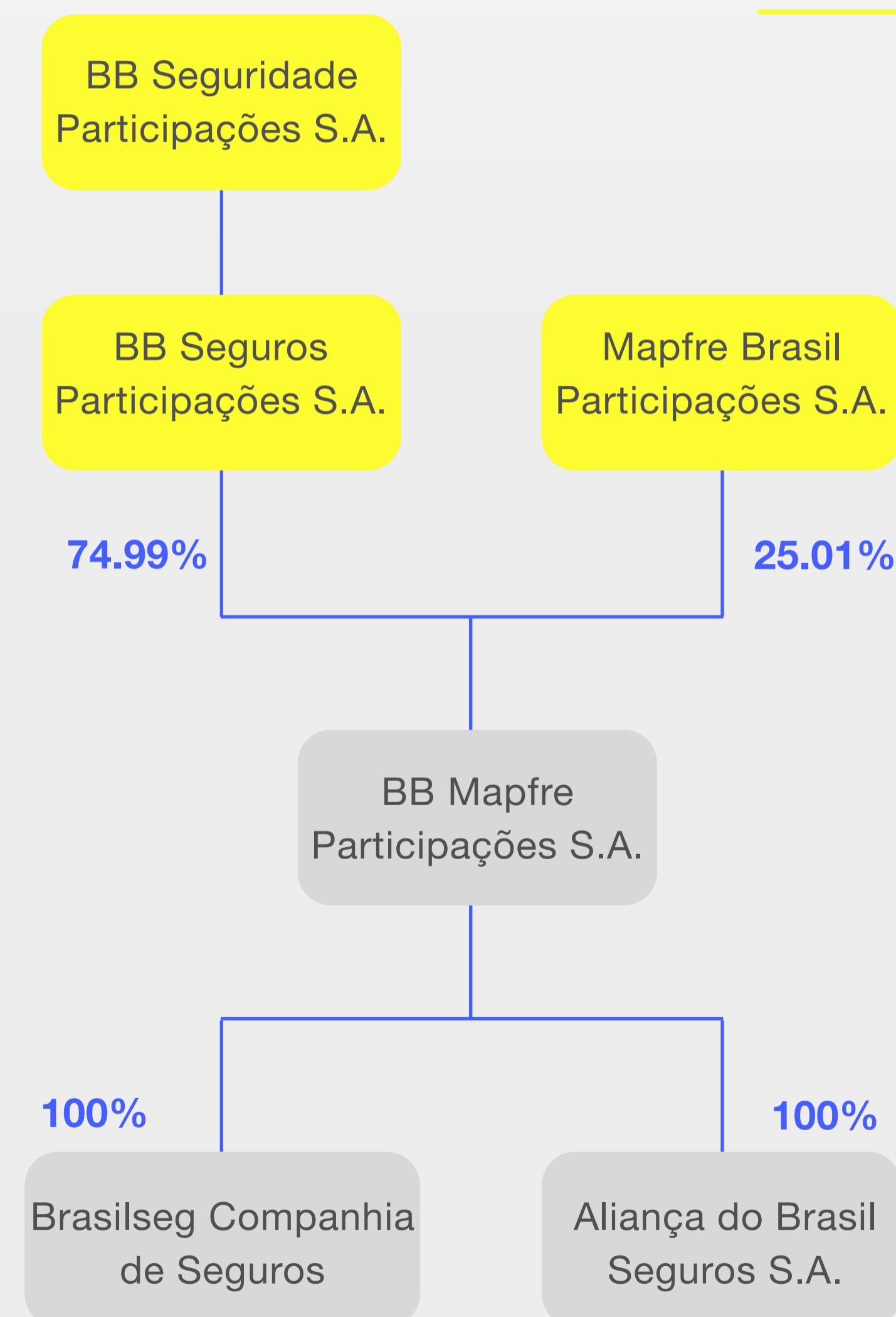
The *bancassurance* model consolidates Brasilseg's capillary products and services distribution network, and in recent years also has invested in expanding its presence on digital channels. Today, they account for 51.85% of the Company's services. In the banking structure, insurance products often are linked to financing and credit agreements.

The operating structure itself is divided between the corporate headquarters, in the city of São Paulo, and the Relationship and Business Center, in Franca (SP). The company's human capital is made up of 1,870 employees, whose efforts are based on a business vision oriented to assuring the satisfaction and well-being of a 5-million-customer base.

With a business strategy that combines aspects such as digital transformation, innovation, customer experience and environmental, social and governance criteria (ESG), Brasilseg in 2021 issued more than R\$ 12 billion in premiums, representing growth of 16.2% over the previous year. It also bolstered its sustainability agenda and continued operating a portfolio of strategic projects that focus on creating and sharing value with its various stakeholders.

Corporate structure

Brasilseg Cia de Seguros, Aliança do Brasil Seguros and BB Mapfre Participações are legal entities that together make up the Brasilseg Group.



Company's operational segments

GRI 102-6

Brasilseg Companhia de Seguros ("Brasilseg")

Aliança do Brasil Seguros ("ABS")

Banking

Banking

Life

Mass Market

Rural life

Companies

Rural

Residential

Rural lien

Rural

Home

BRANCHES



Principles and guidelines

GRI 102-16

The achievement of Brasilseg's strategic objectives is linked to a purpose established soon after the company was structured. *Caring for people and protecting what is valuable to them* is a mission driven by values and an organizational culture that emphasize client needs, dedication to results and respect for people.

Our purpose

Take care of people and protect what is valuable to them.

Our vision

To be the best experience in care and protection, present at all times in the lives of people and companies.

Our values

T

The client first: we provide the best experience to those who are at the center of our attention.

O

Urgent solutions: we are committed daily to the streamlining of processes and services.

C

Transformational innovation: we learn and relearn at all times to accompany and anticipate the constant changes in the world.

A

Dedicated to service: we are always available to deliver what, how, where and when the client prefers.

R

Ownership attitude: we are proactive, responsible for customer satisfaction and the results of the business.

E

Respect and transparency: we act with integrity and value people, their ways of thinking, being and acting.



Business Model

Main capitals accessed

Financial capital

Capex of R\$ 98.3 million in 2021

Human Capital

1,873 employees in five Brazilian states in 2021, with average training of more than 30 hours

Intellectual Capital

Expertise in the insurance market combined with a strong innovation strategy: 125 registered ideas, 8 pilot proposals and 7 approved pilots.

Social and Relationship Capital

5,097,455 clients throughout Brazil in 2021. Focus on open innovation through Impulso Open, with the registration of 112 startups to propose solutions to the organization's and society's main challenges

Manufactured Capital

Service structure with national coverage through the Banco do Brasil service network, in addition to digital service channels.

Main business activities



Client experience

The goal is to guarantee the best experience for clients through the portfolio's products and services monitoring their satisfaction and their service experience through a variety of channels.



Personnel management

The Develop Brasilseg program was implemented, designed to improve employee learning and performance through the "Try," "Share" and "Evolve" pillars. The Care Program offers benefits and initiatives aimed at the physical, mental, social and financial health of employees and, through the Diversity Program, BrasilSeg builds an environment increasingly open to a plurality of people.



Culture of innovation

Focus on digitally expanding the employee journey and the client journey, building an infrastructure that supports the changing work model and delivers the best client experience. Boosting intrapreneurship and the development of an innovation ecosystem.



Comprehensive risk management, including ESG risks

Continuous effort to map and mitigate capital, cyber, credit, strategy, legal and compliance, liquidity, market, operational, reputational, underwriting and socio-environmental risks.



Information security and analysis

In addition to the commitment to data security and the privacy of clients and other stakeholders, data and information analysis can provide an opportunity for the development of products and services that are increasingly aligned with client needs.



Products and services



Rural insurance



Life insurance



Loan Protection Insurance

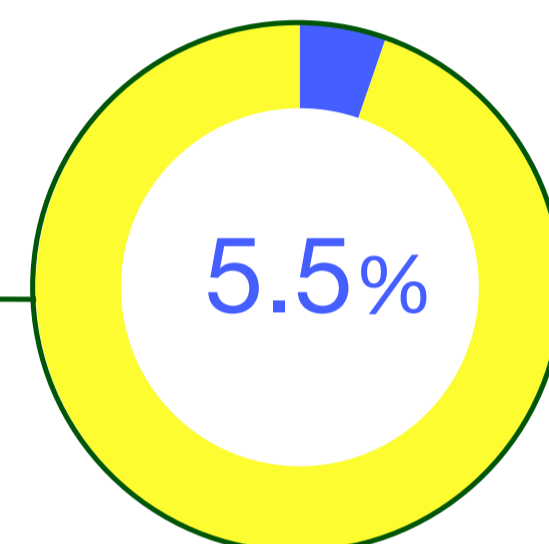
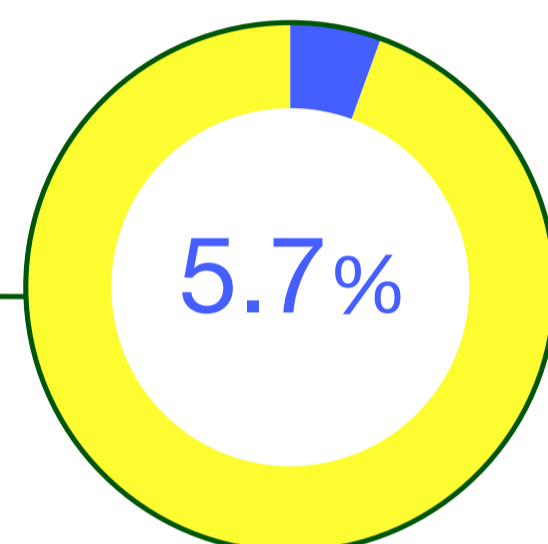
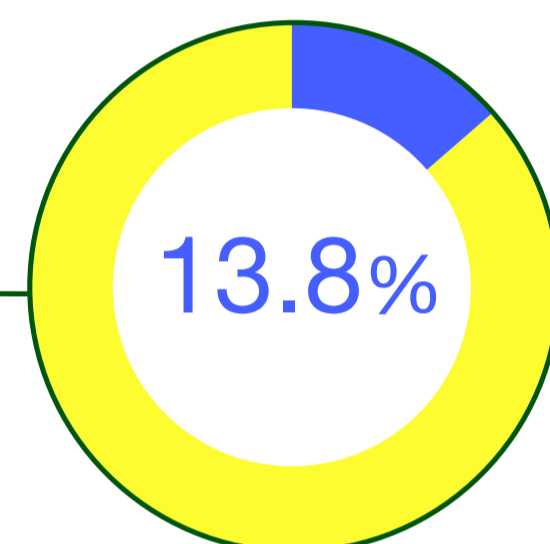
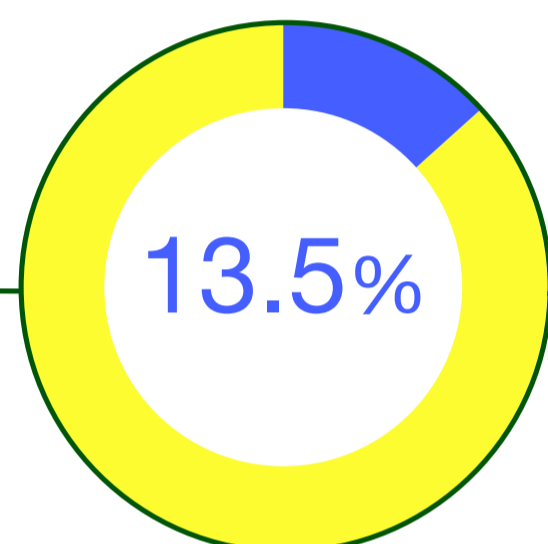
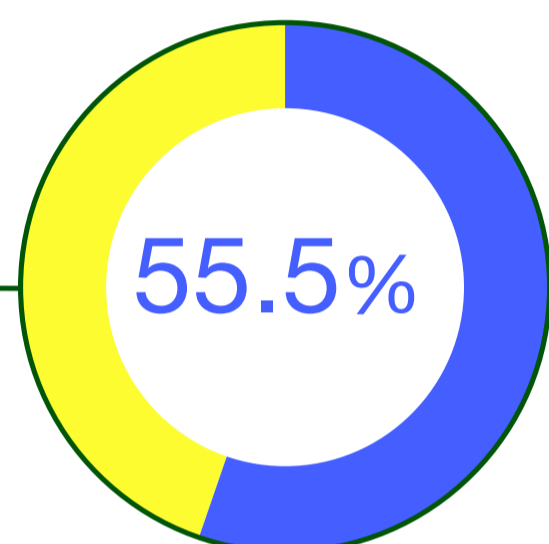


Home insurance



Mass market insurance

Market share



Policies in force

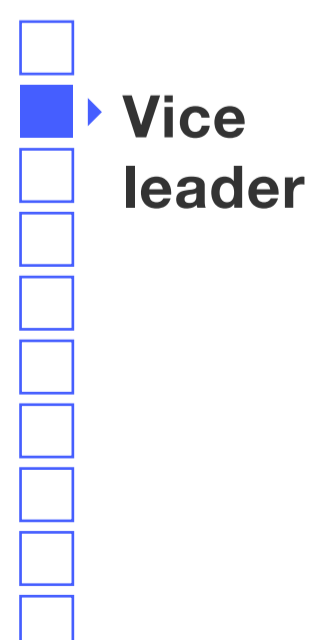
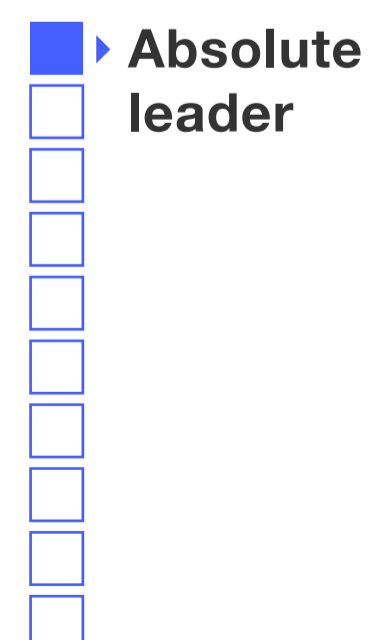
More than 2 million

More than 2.3 million

More than 2.2 million

More than 274 million

More than 1.4 million



Position in Brazil

Key value deliverables

Clients

R\$ 12.1 billion in premiums, with growth driven by the agro and life segments. Recognition in the Clientes S/A Award, ABT Customer Relationship Award and Abrarec Customer Service Award

Shareholders

Over R\$ 666 million in dividends paid out to shareholders

Employees

Development environment, open to diversity and recognized for the 2nd consecutive year by the GPTW and occupying the 42nd position among 120 companies in the Amazing Places to Work award - FIA and UOL

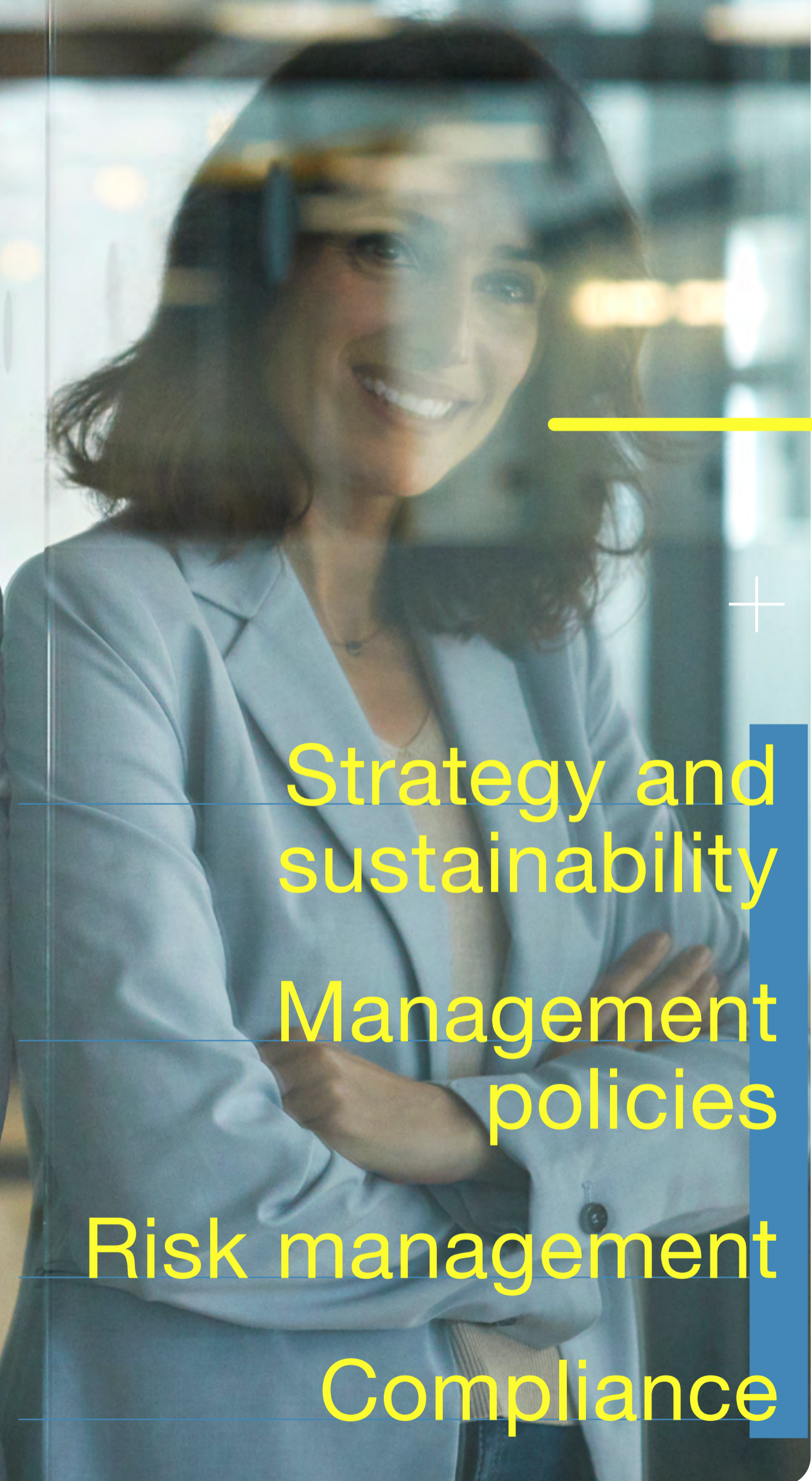
Government

More than R\$ 900 million in taxes, contributions and fees

Society

Actions to support and promote financial and security education for in-house and outside audiences. Broto Platform: connection between rural products in order to stimulate the exchange of experiences, also addressing the ESG aspect. Promotion and encouragement of volunteering, fostering the connection between employees and communities or social institutions. Evaluation and support of outside initiatives in view of the 2030 UN agenda for sponsorship via incentive laws. In 2021, 20 projects from 19 institutions were supported, benefiting more than 64,000 people.

Governance



Strategy and sustainability

Management policies

Risk management

Compliance

Governance

GRI 102-18

The Brasilseg Group is controlled by two economic groups recognized for their robust corporate governance practices. Understanding that adherence to baseline models is a business responsibility to its shareholders and Brazilian society, the Company strives to ensure transparent and balanced decisions at the leadership levels – and precise execution of strategy by its executives.

To establish governance practices and procedures for decision-making, the pillars of transparency, accountability, equality and socio-environmental responsibility are adopted, in line with the Code of Best Corporate Governance Practices from the Brazilian Institute of Corporate Governance (IBGC). Management policies underpin and provide the basis for processes that, in turn, are overseen by senior management's monitoring structures. Learn about the Company's main governance bodies:

General Shareholders Meeting

It is the Company's highest governance body and its purpose is to discuss issues associated with the business guidelines. In 2021, one ordinary and six extraordinary meetings were held, addressing topics described in the Bylaws as under its jurisdiction, including evaluating and voting on financial statements, appointment/dismissal of members of the Board of Directors and the Fiscal Council, and allocation of income. It also defines the remuneration of the managers and board members, updates the Bylaws and decides on changes in the organizational structure.

Board of Directors

The Board of Directors operates through the BB Mapfre Participações holding company and whose strategic guidelines reach the management of the Brasilseg Cia de Seguros and Aliança do Brasil Seguros S.A. subsidiaries, which do not have boards of directors. The composition of the Board of Directors may range from four to eight members, and currently has eight professionals, whose terms end in 2023; with eight sitting members and one alternate. The Board met 23 times in 2021, defining



the strategic guidelines of the Brasilseg Group and evaluating the performance of the executive management. The chairman and vice-chairman of the Board are elected at a General Meeting and may cumulatively hold executive positions on the Executive Board. The terms of office are three years, with the possibility of re-election. The criteria for the appointment of Board members are their unblemished reputation, prestige in their activities, technical qualification for the position, and ethical and upstanding performance.

Executive Board of Officers

In the BB Mapfre Participações holding company, the Executive Board is composed of CEO Rogério Idino and vice-president Sidney Rodrigues. In the subsidiaries, that is to say, in the operating insurance companies, a chief executive officer, a vice-president director, four other statutory directors and a non-statutory director are elected. The Executive Boards of the insurance companies are responsible for ensuring compliance with the strategy in their day-to-day business activities, protecting the Company's results and reputation. In 2021, 71 meetings were held. Board positions are for three-year terms, with reelection permitted.

Fiscal Committee

Permanently seated in the holding company, it has four full members and their alternates, one of them serving as chairman. Its function is to supervise the administrative activities and ensure the integrity of Brasilseg's accounting documents. All members must have experience in the analysis of financial and tax statements and an unblemished reputation.

Advisory committees

The Company has committees that support the Board of Directors, collegiate and advisory in character, along with the participation of specialists in specific areas of interest. In 2021, the following committees were active:

- **Audit** – statutory, it reports directly to the Board of Directors and is responsible for Brasilseg's risk management system. It has three to five members, elected at the General Meeting to maximum terms of five years, and acts upon the recommendations of independent auditing services, reviews the Financial Statements, evaluates the effectiveness of internal and external audits and monitors internal controls.

- **Risks** – non-statutory, the committee has seven full members, including board members and two representatives of each shareholder. The terms of office are for an indefinite period, with appointment by the Board of Directors. The agency analyzes and monitors the corporate risk matrix, works on its review and controls Brasilseg's exposure to risk factors.

- **Financial** – has five full members (three Board members and two shareholder representatives). A non-statutory body, its function is to advise the Board of Directors in the analysis of fund allocation and management of the Company's capital structure.

We maintain **committees and commissions** that support the senior management on topics such as risks, HR and ESG aspects



Commissions

Brasilseg also has six non-statutory commissions that operate at the management level, with members appointed by the Company's Board. Their role is to raise key issues to the top leadership level.

- **People and ESG** – instituted in 2021, its function is to advise the Board on issues related to human resources and sustainability at its various levels and aspects, such as analyses regarding the performance of the Environmental Management System, guided by ISO 14001; the sustainability projects structured in the business units (Rural, Mass Market and Life); and awards, recognitions and sustainability indexes. It has six sitting members appointed by the Board.

- **Clients** – established in 2020, with 14 full members appointed by the Executive Board. The group monitors product management, sales actions and customer relations.

- **Risks and Information Security** – composed of 18 members appointed by the Executive Board. The group is responsible for monitoring and supporting the Executive Board on issues such as compliance, risks and internal controls.

- **Technology** – group composed of five members appointed by the Executive Board. The group is responsible for monitoring and supporting the Board on topics such as analytical intelligence, digitizing processes, simplicity and solutions agility and IT investment profitability.

- **Budgetary** – group composed of ten members appointed by the Executive Board. The group is responsible for accompanying and supporting the Executive Board on issues such as optimization, synergy and cost reductions, with emphasis on: Internal Management Expenses, Sales Expenses (excluding commissions) and Claims assistance and advisory Expenses.

- **Technique with BB Corretora** – group composed of 14 members appointed by the Executive Board. It monitors and supports the Executive Board regarding commercial management, services and client issues, with a view to accelerating the solution of distribution channel problems.



Entities and associations GRI 102-13

Brasilseg participates in a number of outside entities, notably:

- **CNseg**
Confederação Nacional das Seguradoras
- **FenSeg**
Federação Nacional de Seguros Gerais
- **FenaPrevi**
Federação Nacional de Previdência Privada e Vida
- **Sindseg**
Sindicato das Empresas de Seguros e Resseguros

Strategy and Sustainability

The year of 2021 was transformational for Brasilseg's ESG management. After a gradual process of maturing and structuring decision-making premises, the Sustainability topic formally entered the Company's Strategic Planning process – which is prepared and reviewed by the Board of Directors every three years, with the current plan in effect from 2021-2023.

It incorporates environmental, social and governance issues and assumptions that include a focus on developing products and services, controlling risks in the underwriting process, encouraging social and environmental innovation, and linking business growth to impact generation.

The highlight was Brasilseg's participation in the ESG Forum held in BB Seguridade, a holding company that is one of the shareholders. All the companies invested by BB Seguridade participate in this Forum, representing a significant space for the exchange of experiences.

The insurance industry as a whole is going through a transformational moment, in which the generation of results requires actions closely related to incentivizing the insurance culture, financial education, stimulating lower risk habits and practices of people and companies and the diversification of insurance product offers.

+

Portfolio, risk analysis and innovation are some of the ESG focal points

Sectoral scenario

It was a dynamic year for insurers regarding the impacts on claims associated with the Covid-19 pandemic. The National Confederation of Insurance Companies (CNSeg) reported an increase of more than 11.9% in the sector in 2021, in relation to the previous year, with total revenue collection of R\$ 306.4 billion. The data exclude health insurance and personal injury by land vehicles (DPVAT) and evidenced significant growth in rural insurance, led by Brasilseg, in insurance linked to cybernetic risks (a leap of more than 160%, according to the National Federation of General Insurance - FenSeg) and in home insurance policies.

Currently, the outlook is for many opportunities in the sector, especially with the arrival of Open Insurance in Brazil, the use of technology and robotics for underwriting and monitoring processes, along with new approaches such as value propositions.




In 2021, the main segments in which Brasilseg is active reported growth:

damage insurance 

Market: 16.2%

Brasilseg: 20.4%

home owner insurance 

Market: 15.8%

Brasilseg: 23.5%

rural insurance 

Market: 39.3%

Brasilseg: 35.5%

life insurance 

Market: 13.6%

Brasilseg: 17.1%

Source: SUSEP - Considering only the insurance branches in which we operate

The Covid-19 pandemic severely impacted the life insurance sector:

R\$ 900 

million in claims associated with the disease paid by Brasilseg

Brasilseg: Accumulated/21

R\$ 4.3 

billion paid by the entire market in nine months of the year in compensation to families of victims of the pandemic

Market: Accumulated/21

Source: FenaPrevi

Our Strategic Planning

GRI 102-12

Since 2020, Brasilseg has taken a business development path that is based on five guidelines defined by top management:

Be a protagonist in the insurance market;

Turn clients into fans;

Technology transformed into a strategic asset;

Develop new markets and create new solutions;

Have a team that is in love with what they do.

Some ESG commitments were added to these pillars, which include Brasilseg's ambition to be a reference company in sustainable growth, delivering good financial returns to stakeholders, with effective and transparent governance and paying attention to what is new and the constant environmental changes.

Several inputs have been adopted to strengthen the ESG agenda at the top leadership level. Externally, the Insurance Sustainability Principles (PSI) are adopted, which define the working bases of insurance companies in the increase of socio-environmental analyses of the business; and the Sustainable Development Goals of the United Nations (SDGs), prioritized and linked to the company's projects that cover technology, innovation, products and people.

In addition, Brasilseg's materiality matrix was revised in 2021 and, through ten ESG topics, served as an input for the construction of the Company's ESG Ambition and the design of its strategic planning projects.

The portfolio in 2021 totaled more than 75 initiatives that received R\$ 96 million in investments, including the incorporation of technologies, information security, expansion and training of human capital, development of the product portfolio and improvement of the client experience.

In 2022, we intend to structure the Brasilseg Sustainability Plan, formalizing the incorporation of ESG aspects in the business.



Strategic projects 2021-2024

Highlights:

- **Flex Agricultural Insurance:** customized product with the diversification of basic and additional coverages to complement crop protection, according to client needs.

- **ESG products:** new environmental conservation approach toward forest insurance. Expansion of products with environmental attributes (correct disposal of client waste, of the claims, benefits with sustainable/technological gifts) and social attributes (microinsurance).

- **Revitalize Life:** expansion of the product portfolio with social attributes, such as those focused on the health and wellness of the insured, promoting longevity.

- **New Home Insurance:** simpler portfolio architecture pegged to client needs, offering premium benefits linked to the policyholder experience.

- **Personalized Life Simulation:** a tool to accelerate the contracting of life insurance through customization of benefits and personalization of the product.

- **BB Insurance Machinery and Equipment:** product that ensures the safety of machinery, fixed or mobile equipment, for use in industry, commerce or services.

- **Governance and excellence for clients:** starting with the creation of the Client Department and its dialogue with the strategy, technology, and relationship areas; a number of actions were developed, and more than R\$ 24 million invested. One highlight was the Client Digital Journey, a project that received investments to expand the offer of services and insurance in a complete cycle, from contracting through to the filing of claims along with the implementation of a multichannel solution focused on customer retention, applying data intelligence to help reduce *churn*¹.

- **Technology and processes:** projects directly linked to the improvement of the Company's efficiency in processes, decision-making and flows. The following fronts were standouts:

Ultron - continuity of the implementation of the insurance platform, providing flexibility for new businesses and greater agility throughout the operation, in addition to systemic modernization.

Genesys - implementation of a new technological platform that enables omnichannel service (voice, chat, email, SMP, mobile application and social media).

Open Insurance - initiatives to meet Susep's regulatory definitions and prepare Brasilseg to capture business opportunities and defend the customer base.

- **ESG risk management processes:** among the investment focal points, strategic environmental projects were targeted for continuity, especially the Broto Platform (*read more on page 41*) and remote sensing mechanisms, which aim to offer data intelligence for clients to better manage their properties. The service offered by Brasilseg gathers all the necessary data for the efficient management of agricultural properties, including satellite images and climate alerts, in addition to the use of the same information to manage risks in the chain and avoid non-compliance with laws, rules, regulations, the PSI, the SDGs or the United Nations Global Compact.

¹ Periodic evasion and exit of clients from organization bases



Focuses on sustainability for 2022

- **Develop Brasilseg's Sustainability Policy**
- **Inclusion of ESG aspects in the portfolio expansion, strengthening socio-environmental attributes – such as microinsurance and new forest insurance policies**
- **Evolution in geotechnology tools to monitor properties**
- **Encouraging good practices in the agricultural and companies chains**
- **Adaptation of the businesses and solutions to meet climate change**
- **Strengthen the ESG culture through training actions, events and courses**
- **Periodically present the results of the projects to the Personnel and ESG Commission, the Risk and Information Security Commission and the Board of Directors**
- **Disseminate the Good Sustainable Practices Manual to Clients**

Management Policies

GRI 102-16

To orient the actions of employees and partners, Brasilseg has developed a set of policies, standards and codes that prioritize social, environmental, governance, financial and tax issues.

In 2021, in addition to continuing the dissemination and application of the company's Data Privacy Policy, approved in 2020 by the senior management, Brasilseg revised its Authorization Policy, focusing on faster and more qualified decision-making.

Set of guidelines

- **Code of Ethics and Conduct** – as the main template for how the company should act, it consolidates the guidelines on topics such as human rights, conflicts of interest, commercial relations and compliance with labor regulations

- **Corporate Governance Policy**

- **Corporate Investment Policy**

- **Corporate Information Technology and Security Policy**

- **Corporate Risk, Compliance and Controls Policy**

- **Corporate Data Privacy Policy**

- **Corporate Conduct, Clients and Products Policy**

- **Corporate Profit Distribution Policy**

- **Corporate Personnel Management Policy**

- **Corporate Jurisdictions and Competencies Policy**

Risk management

GRI 102-11, 102-15; SASB FN-IN-410a.2



PSI Principle 1

For Brasilseg, risk control involves the insurance company's entire management team, from senior leaders to the technical areas responsible for concept, product commercialization and client portfolio management.

Linked to the Board of Directors and with the direct participation of the company's president, the Risk Committee is the body responsible for examining any factors that may affect the capital, image, reputation and the business' ability to generate results, supported by the actions of the technical area managers, who rely on actuarial and statistical models and evaluate historical patterns of behavior of the insured risks. Issues such as climate change and its impact on agricultural production, exchange rate fluctuations and

the country's macroeconomic situation are also examined, closely integrated into the management of corporate risks.

In 2021, the Corporate Policy on Risks, Controls, and Compliance, the Risk Appetite Statement and the Key Risk Indicators were revised. This permitted the reevaluation of the content, guidelines and monitoring of the strategic objectives, the challenges of the external environment and, also, the new requirements introduced by CNSP 416/2021. The corporate risk inventory also was reviewed, allowing for its refinement as well as the strengthening of the definitions regarding responsibilities, jurisdictions and competencies, and risk governance.

Several **levels of analysis** allow Brasilseg to protect its financial position, image and reputation

Responsibilities

Strengthened and clarified for all levels of the organization, taking into account the job function. This definition is supported by best practices in order to ensure proper accountability, segregation of duties and independence of monitoring and supervisory levels.

Skills and Competencies

Applied to the review of the risk map and risk assessment, corporate and operational, broken down into risk treatment decisions, prioritization and continuous improvement action plans.

Risk Governance

Defined and applied at the various levels, it begins with compliance of execution by the appropriate jurisdictions and competencies, complemented by lines of reporting, monitoring and communication that convey information to the Executive Board (collegiate), the Board of Directors, and also the various advisory bodies, such as: Risk and Safety Commission, Financial Committee, Risk Committee, Tax Committee and Personnel Committee.

Corporate Risk Inventory

These comprise the risks that are considered significant and that, overall, underpin Brasilseg's sustainability; hence, they are monitored by top management through the definition of the risk appetite and the accompaniment of key risk indicators. Check it out below.



Our risks

Capital Risk

Possibility of insufficient resources to honor the commitments and obligations assumed by the insurers, covering all underwriting, credit, market and operational risks.

How we mitigate: Allocation of the regulatory value to cover risks, considering prudential capital; refers to the sensitivity of the main income and equity variables.

Cyber Risk

Possible occurrence of losses arising from compromising the confidentiality, integrity or availability of corporate data or information or that of clients or digital support collaborators as a result of improper handling or damage to equipment or systems used for its storage, processing or transmission, due to third party failures or malicious actions.

How we mitigate: improvement of processes and proactive actions to implement solutions and tools for prevention and protection of the technological environment, corporate information and client and employee data.

Credit Risk

Possible occurrence of losses associated with the non-compliance, by the borrower or counterparty, of their respective financial obligations in the agreed-upon terms, and/or the devaluation of the receivables, resulting from a worsening of the borrower's or counterparty's risk, reflected in their risk classification.

How we mitigate: periodic monitoring of client behavior and reconciliation of amounts, as well as the monitoring of the soundness of its business partners.

Strategy risk

Possibility of variance in the expected result, due to changes in the business environment, macroeconomic shifts, external movements or internal positionings that significantly impact the defined strategy and the performance of the insurance companies.

How we mitigate it: strategic planning cycles with annual reviews, or whenever changes and movements in the market that have a significant impact on the environment in which it operates are identified. Periodic monitoring of indicators and targets in order to adopt corrective measures, as well as identifying and taking advantage of opportunities in the business environment.

Legal and Compliance Risk

Risk associated with the level of compliance with internal and external regulatory requirements, including fines, penalties or compensation resulting from actions by supervisory and control agencies or unfavorable rulings in legal or administrative proceedings.

How we mitigate: monitoring compliance with regulatory requirements, rules or internal policies, including the risk of use of the products or services for illicit money laundering practices and terrorism financing.

Liquidity Risk

The possibility of not being able to efficiently meet financial obligations when due, expected or otherwise, either by not being able to realize its assets in a timely manner or because such realization would result in significant losses and/or noncompliance with regulatory requirements.

How we mitigate: hold assets in an amount greater than or equal to the value of the technical provisions to be covered, considering the additional value of the liquidity *buffer*.



Market Risk

Possible occurrence of losses for insurers resulting from fluctuations in the financial markets that cause changes in the economic valuation of assets and liabilities.

How we mitigate: adoption of best practices and monitoring methodologies, as well as prioritizing the selection of specialized partner(s), in order to ensure the best possible financial result, considering the insurance segment and the macroeconomic situation.

Operational Risk

Possibility of occurrence of losses resulting from failure, deficiency or inadequacy of internal processes, people and systems, or arising from fraud or external events, including provisions and losses from lawsuits or penalties imposed by control agencies and excluding the risks arising from strategic decisions and the institution's reputation.

How we mitigate: identification and evaluation of the criticality of each event, as well as adapting it to the Risk Appetite Statement. In addition, the Company monitors its operating losses arising from process failures, via the Operational Loss Database (BDPO).

Reputational risk

Risk arising from negative perception or distorted image of Brasilseg by clients, counterparties, shareholders, investors, inspectors, government agencies or society.

How we mitigate: analysis of the main promoters and detractors, based on the Net Promoter Score methodology (NPS), and communication strategy with stakeholders, including the social network environment.

Underwriting Risk

Possibility of losses that contradict the expectations associated, directly or indirectly, with the technical bases used to calculate premiums, contributions, quotas and technical provisions of the insurance companies.

How we mitigate: setting technical bases for adopting criteria for accepting or rejecting risks, determining prices and defining Retention Limits, in addition to calculating and constituting Technical Provisions and, periodically, conducting the Liability Adequacy Test. The rules for the execution of the main underwriting activities are formalized in internal regulations to guide the operation of the business.

Social and Environmental Risk

Possibility of losses arising, directly or indirectly, from adverse social and environmental impacts resulting from practices related to the insurers' operations and businesses.

How we mitigate: assessment of environmental and social impacts from processes and operations, within the scope of administrative activities. Specific procedure to approve, contract and evaluate critical suppliers and for business risk underwriting.

The guidelines for responsibility, scope and competencies, and risk governance apply to all these risks. Among them are the governance aspects linked to strategy, a specific socio-environmental issue, as well as business continuity, ethics, and compliance.

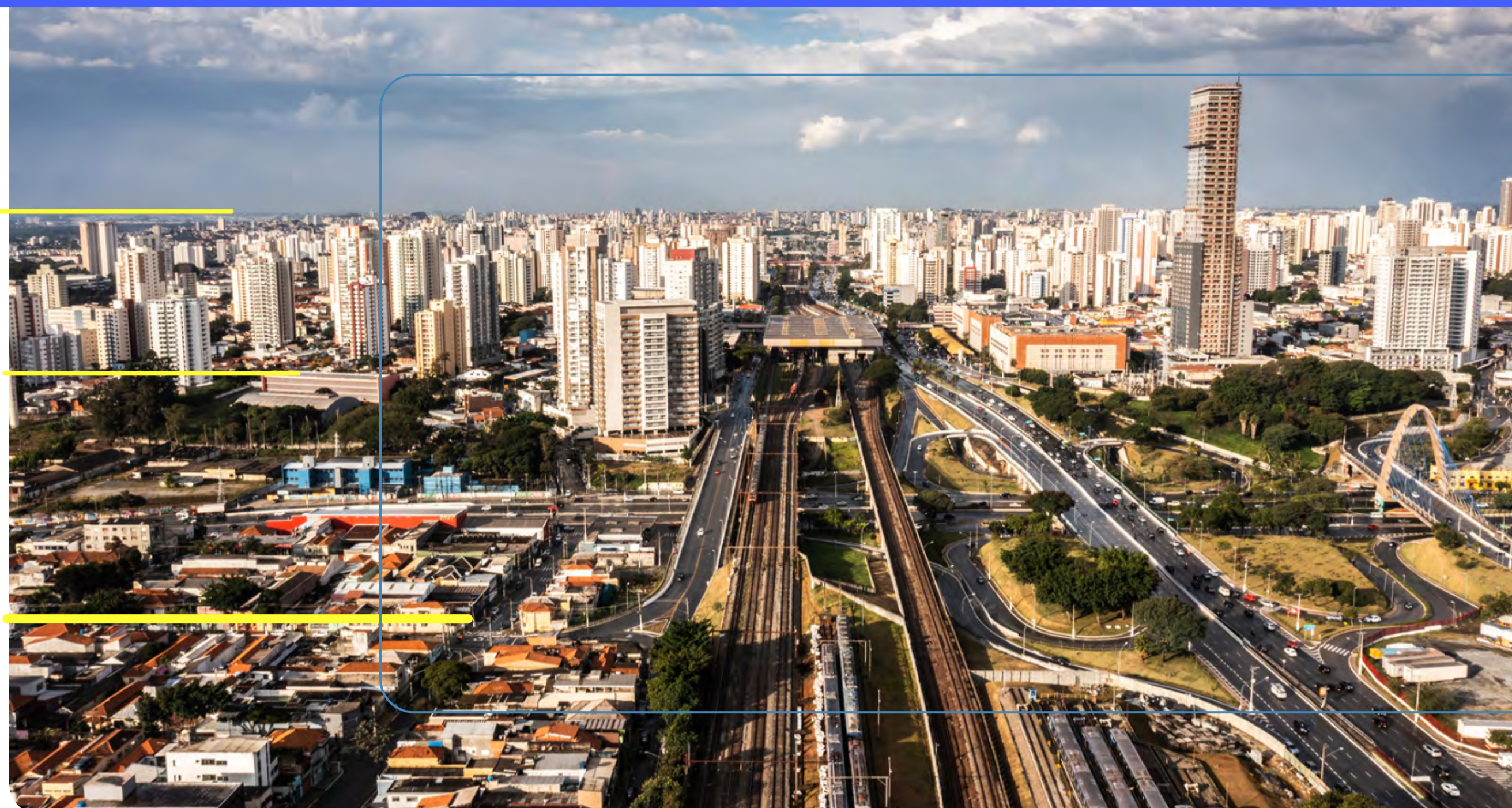


The Risk Management Framework (RMS) and the Internal Control System (ICS) are integrated. Thus, for risk assessment, the control environment is considered, in the case of corporate risks, measured by indicators; and for operational risks, by mapping the controls applied for each risk and the managers' assessment of the magnitude of these risks within previously defined framework parameters.

In the 2021 operational risk assessment cycle, operational risks linked to Environmental, Social and Governance (ESG) issues were addressed, bolstering the visibility of the topic's breadth and reinforcing its importance through assessment by the managers.

As new projects progress and receive expert feedback, the risk map and management assessment will likewise evolve, becoming more robust within the continuous improvement plan being developed for the specific topics.

These reviews, evaluations and monitoring cycles for all risk topics related to organizational sustainability reinforce the top management's commitment to Risk Management, the Control Environment, Ethics, Transparency and Governance.



Climate change

GRI 201-2

Climate change impacts the definition of the company's strategy with regard to rural insurance, including monitoring related to the underwriting and subsequent follow-up of insured properties. In recent years, the claims ratio has shown a slight increase linked to climate change.

Part of the risk management process includes the analysis of the impacts of weather events on insurance policies, based on claims from various affected regions. From this evaluation, studies for new underwriting and pricing rules for the products are carried out. The remote inspection of the risk site favors a

reduction in the emission of pollutants and greenhouse gases, as well as operational and administrative costs. Insurance can offer protection against windstorms, hailstorms, lightning strikes and landslides, protecting businesses and the economic and social chains.

Regarding residential products, Brasilseg offers assistance services such as pest control and pathogenic agent combat, correct waste disposal, directly or indirectly associated with climate issues.



PSI Principle 2



Global Pact 7

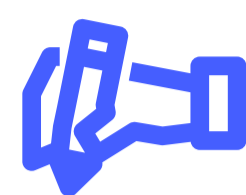


SDG 7 and 13

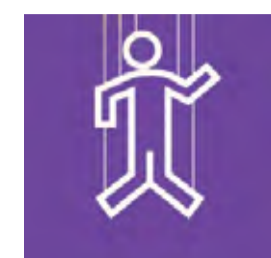
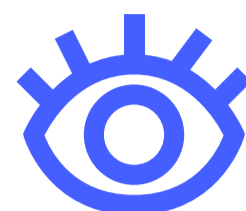


Compliance

GRI 102-16, 102-17, 103-2, 103-3 | 205, 205-2



PSI Principle 1 and 4



Global Pact 10



SDG 16

Brasilseg's relations with clients, partners and society is guided by honest, fair and ethical behavior, whose guidelines are set forth in the company's Code of Conduct and Ethics. The document presents guidelines and rules aimed at mitigating the risks associated with fraud, corruption and behavioral misconduct. To disseminate these principles and preventive practices, practical training and campaigns are carried out focused on a range of topics – including those related to corruption, fraud and money laundering.

Brasilseg has implemented an Integrity Program, supported by Senior Management, based on strategic foundations and developed to strengthen ethics and good conduct in compliance with Decree No. 8.420/2015, which regulated Law No. 12.846/2013 (Anti-Corruption Law). In addition to the Code of Conduct and Ethics, it also has internal rules, a statement of risk appetite and a corporate policy that covers rules for the investigation of suspicions, accusations, fraud and corruption.

The Integrity Program brings to bear internal mechanisms and procedures based on integrity, auditing and the encouragement of whistleblowing, as well as the effective application of the Code of Conduct and Ethics. It permeates

all levels of the organization, and it is up to the Internal Controls and Compliance area to coordinate additional actions and measures, whenever necessary, together with the other areas involved in process and product management.



More than 98% of employees trained in anti-corruption issues

		2021	
Employees who were briefed and trained in anti-corruption policies and procedures, by job category		Briefed	Trained
President/Executive Board	number	5	5
	%	17.86	17.86
Managerial	number	81	81
	%	100	100
Coordinator/Consultant	number	161	161
	%	100	100
Technician/Analyst/Supervision	number	1,591	1,587
	%	99.44	99.19
Total	number	1,838	1,834
	%	98.29	98.07

Governance members (Directors) are not required to conduct training on the anti-corruption policies and procedures adopted by the organization.

All business partners are informed about the anti-corruption policies and procedures adopted by the organization, but are not required to undergo training. In addition, all the contracts include Internal Controls and Ethical Conduct clauses in which the partners declare they have effective procedures and internal controls in place that are consistent with the nature and complexity of their operations, allowing them to understand, prevent and deal with the various risks to which they are exposed, including fraud, money laundering, and corruption. There also is an Ethical Conduct clause that, in addition to ensuring that partners are held to the highest ethical standards over the course of the contract, they also must declare they are familiar with Brasilseg's Code of Ethics and Conduct. All suppliers approved by Brasilseg must remain in due compliance with all the ethical criteria stipulated by the Company, in addition to being evaluated in relation to slave and child labor, labor and tax obligations.

Code of Ethics and Conduct

The document stipulates, among other matters, that Brasilseg's companies must not participate in contributions or financing of political campaigns, nor have staff members involved in contributions to parties or candidates or who express political preferences. It also introduces lines of accountability and actions against employees or partners who violate the legislation and the company's policies.



[access here](#)

Ethical Conduct Channel

GRI 103-2

The Ethical Conduct Channel is available through a specific webpage (www.canaldecondutaetica.com.br/bbseguros) or telephone (0800-444-8256) and allows registration of potential ethical violations 24 hours a day, 7 days a week. Whistleblowers receive guarantees to not suffer retaliation, and they may or may not identify themselves. The cases are handled by a specialized independent company. In 2021, 106 communications were received over the channel.

100% of business partners have been briefed on anti-corruption subjects

Record of complaints via the conduct channel	2019	2020	2021
Number of complaints identified through the mechanism	81	86	106
Number of complaints addressed	81	86	106
Number of complaints resolved	73	77	106
Number of complaints recorded before the reporting period resolved during this timeframe	0	8	0



Our business



Products and services

Innovation culture

Information security

Customer experience



Our business

Attentive to changes in the insurance market, as well as to portfolio development opportunities, Brasilseg offers a range of products that meet the needs of clients in their homes, businesses and professional activities. The solutions are divided into the Life, Loan Protection, Rural, Housing, Residential and Business segments, 100% integrated with the Banco do Brasil network.

Portfolio with leadership or protagonist positions demonstrates business resiliency

Products and services


GRI 102-2, 102-4, 102-6, FS7, FS8

Rural


What they are: they offer security, tranquility and predictability to those who work in one of the country's key sectors, representing one-third of the nationwide Gross Domestic Product (GDP) in 2021. The products are designed for different agricultural business sizes, configurations and structures:

- **Agricultural:** insurance that protects crops from losses caused by climate issues, guaranteeing the production costs;
- **Agricultural revenue:** protects farmers from losses due to crop failure, weather events or price fluctuations;

- **Rural pledge:** focuses on protecting assets offered as collateral in rural credit operations;
- **Forest insurance:** for farmers working on reforestation lands and specific crops with a planting and cutting period;
- **Machinery and equipment:** for those who need protection for agricultural machinery and improvements made with own or financed resources, given as collateral in credit operations;
- **Rural producer life:** credit life insurance to pay off rural loans in case of death.

 37.9%
loss ratio

 R\$ 5.3 billion
premiums issued

 2,006,982
million existing policies

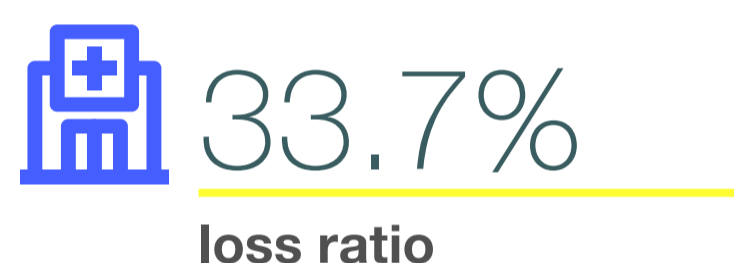
 55.5%
market share

 Absolute leader in
Brazil

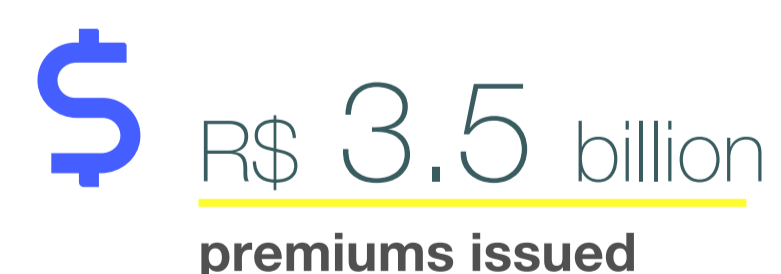
Life

What is it: assures the payment of an indemnity to policyholders and beneficiaries in the case of natural or accidental death, total or partial disability due to an accident, diagnosis of serious diseases and hospital daily expenses. In case of death, there is also funeral assistance in the coverage.

In recent years, Brasilseg has increased the range of services linked to Life insurance, with distinct options related to the health, well-being and longevity of its clients, including support for changes in habits and lifestyles and health monitoring (*read more on page 46*).



◆◆ Vice-leader
in the country



Loan Protection


What it is: insurance that guarantees the payment of debts in case of death of the policyholder, without the family inheriting obligations related to the policyholder's insurance operation, with the creditor as the first beneficiary.



◆◆ 3rd place in the
segment in the country

Home

What it is: focus on the guarantee of payment of real estate financing debt to the bank in case of death or disability of the policyholder. The policy also covers property damages.

 33.6%
loss ratio

 274,122
policies in force

 R\$ 312 million
premiums issued

 5.7%
market share

◆◆ 5th place in the segment in the country

Mass Market

What they are: products divided into residential, companies and condominium portfolios, including asset and property protection against sundry damages.

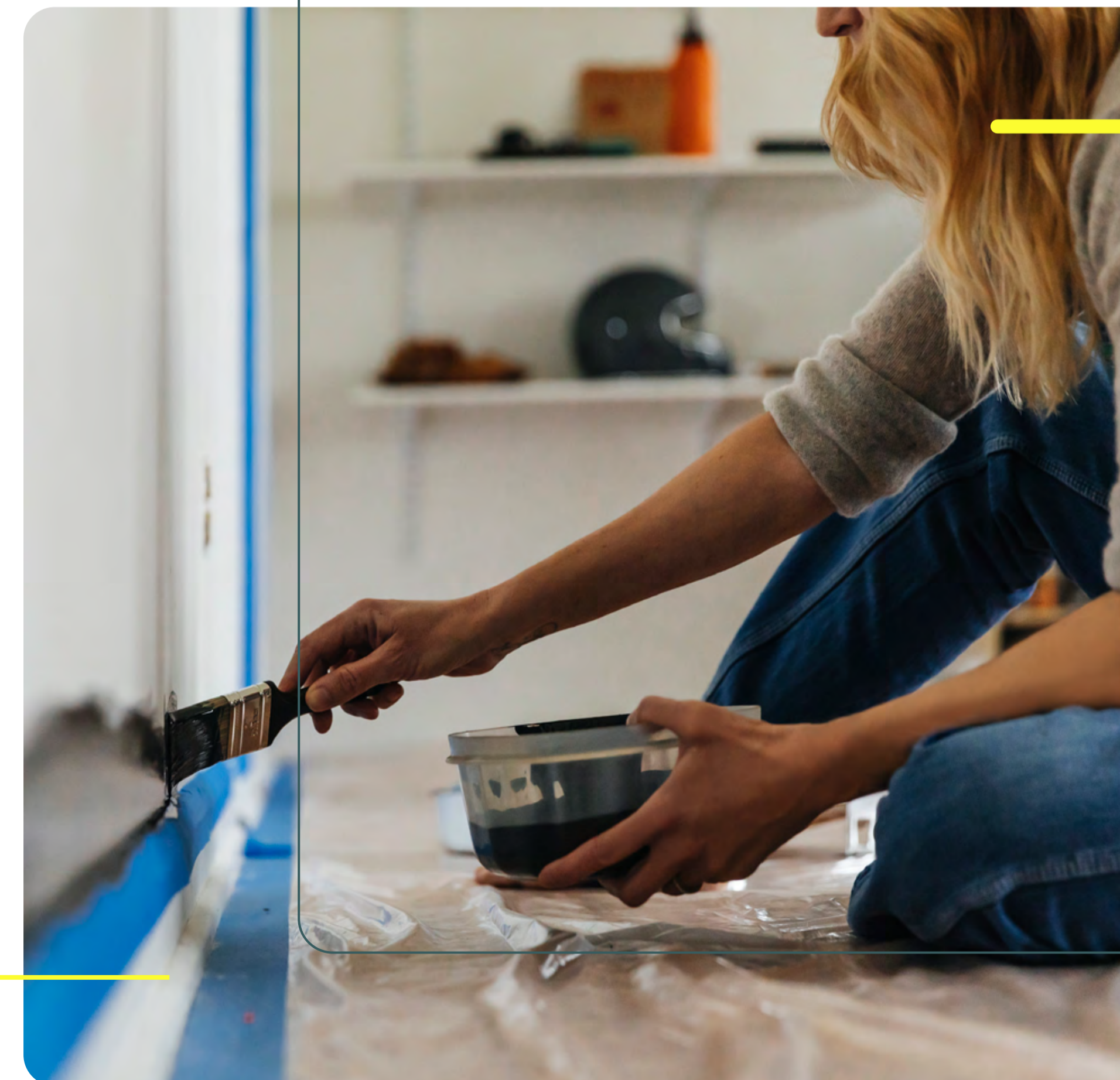
 46.9%
loss ratio

 1,431,717
current policies

 R\$ 756 million
premiums issued

 5.5%
market share

◆◆ 6th place in the segment in the country





Innovation culture



PSI Principle 2



Global Pact 9



SDG 9

Digital services and innovation are part of Brasilseg's strategy, in line with the constant quest to introduce distinctive products to the market while delivering the best client experience.

In 2021, in the in-house sphere, the company invested to digitize all Human Resources processes and develop an information technology structure that could support the hybrid workspace system for administrative employees and customer service teams.

Other investments during the year also led to the digitizing of 100% of Life insurance services, expanding the digital journey that, in 2021, made it possible for clients to contract policies, file claims and schedule a preliminary inspection via the BB Seguros application. Development of a geotechnology platform and supplementary parameters to the ESG agenda enhanced the rural insurance socio-environmental risk analysis process.

In addition to these investments, we have been paying increasingly more attention to innovation, based on the assumption that the transformation of the sector requires strategic alliances and partnerships. The year's highlights were the second cycle of the Impulso Lab and Impulso Open programs, introduced to reinforce innovation by developing solutions for the company's main strategic challenges, internally and externally, respectively.

R\$ 640,000

invested in the Impulso Lab and Impulso Open programs

We are focusing investments to **instill an agile culture** while accelerating the innovation agenda



Impulso Lab

An in-house innovation initiative aimed at developing and disseminating the culture through an ideas program to boost employee engagement in pursuit of solutions that can remedy internal needs and desires. The 2021 cycle posed challenges focused on leveraging customer satisfaction in the services, assistance and claims journeys.

The ideas registered in the program are selected by specific committees that take into account relevance and innovation, and internal teams structure pilot proposals to be pitched for approval. The approved pilots run tests for 30 days, subsequently presenting the results and next steps to the Executive Board, which determines the appropriate course for each project in view of the annual strategic cycle.

125
registered ideas

8
pilot proposals

7
approved pilots

Impulso Open ESG

Open innovation program that aims to solve strategic challenges in an agile and innovative fashion by connecting with startups. In its second edition, the initiative focused on rural insurance solutions designed to lift rural producers to more profitable and sustainable levels. Challenges related to the emission of greenhouse gases (GHG), the carbon credit market, integration with the Payment for Environmental Services Program (PES), the use of alternative sources of power generation and digital inclusion in rural environments were addressed.

112
registered startups

22
startups selected for Pitch Day

Program in progress



Chain management innovation: Remote Sensing GRI 102-11

Brasilseg offers rural insurance customers data intelligence through a remote sensing crop monitoring system. The service can be accessed via the Banco do Brasil application and the BB Seguros website, offering clients an array of information and tools for more efficient crop management, including satellite monitoring images, weather forecasts, climate alerts, planting and harvest simulators, as well as news, podcasts and foreign exchange rates.

Launched in 2020 with free access for 224 growers, in 2021, the service was made available to more than 31,000 users, who received reliable data to support them in the most important decisions for their businesses in order to mitigate risks from the investments necessary for each harvest season.

This same data, aligned with environmental, social and governance (ESG) aspects, enables Brasilseg to decline or adjust agricultural insurance contracts in which the analyzed areas were found to be in disagreement with the Insurance Sustainability Principles (PSI), the Sustainable Development Goals (SDG) and the United Nations Global Compact.

An automated geographic space verification system checks to see if the area of each new farm insurance proposal overlaps any area that might indicate an ESG risk.

The vector data used are from official public databases, including:

- **Slave Labor Conference;**
- **Rural Environmental Registry (CAR);**
- **Permanent Preservation Area (APP declared in the CAR);**
- **Legal Reserve Area (RL declared in the CAR);**
- **Areas embargoed by Ibama;**
- **Areas embargoed by ICMBio;**
- **Sustainable Use Conservation Units;**
- **Full Protection Conservation Units;**
- **Quilombola Communities;**
- **Indigenous Lands;**
- **Archeological sites.**

* Analysis begun in November/2020

* The client can enter one more exclusion criterion

2021

Rural producers able to access information

31,453

clients, corresponding to the monitoring of 54,060 insurance proposals.

Total hectares remotely analyzed (BB Seguros)

7.4

million

Policies classified as critical (Brasilseg)

4,052

(5,720 notifications according to exclusion criteria)

2020

224

clients, corresponding to 300 insurance proposals. In 2020, the offer pilot project was carried out.

6.7

million

72

(161 notifications according to exclusion criteria)

Broto Platform

Broto was created to help farmers expand their businesses, working together from start to finish. It offers a complete store: machinery, implements, solar energy, irrigation and storage; services, inputs and technologies aimed at precision agriculture. It guarantees easy access to Banco do Brasil's credit lines and BB Seguros' protection solutions. In addition, it provides access to quality knowledge, through courses, articles, podcasts, lectures and live events.

In 2021, the platform gained fresh capabilities with the inclusion of training courses from Brasilseg's Sustainability area developed by an outside consulting firm. The program presents an overview of sustainability in agribusiness, explaining concepts, challenges and opportunities. The rural-oriented digital school offered three courses in its launch year: ESG-Sustainability: General Concepts, Challenges, and Opportunities; ESG for Rural Producers; and The Role of Experts and Surveyors in ESG Integration.

15,000
registered users*

R\$ 1.3 billion
in business generated over the platform

* Reference period: from July 2020 to February 2022

92
quotes from solar energy companies (involves components, projects and kits)*

* Reference period: from June 2021 to February 2022

560,000
accesses

5,000
quotations requested

112
enrollments in progress*

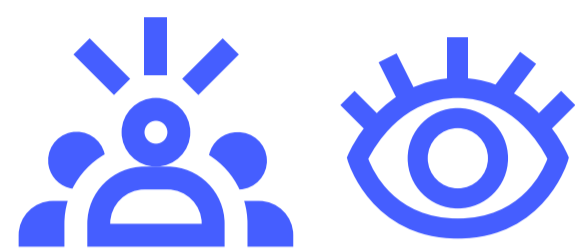
* Reference period: from November 2021 to February 2022



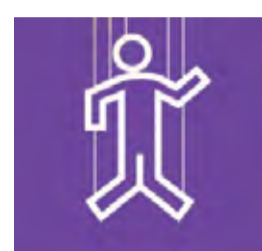
Through Broto, we connect profitability and sustainability to farm operations, generating business networks and creating value in the production chain

Information security

GRI103-2, 103-3 | 418, 418-1



PSI Principle 2 and 4



Global Pact 10



SDG 9

Information security and data privacy are issues that make up part of Brasilseg's Strategic Planning, with monthly follow-ups by the Executive Board. In addition to offering a risk overview, the proper use of information from the databases affords the opportunity to develop products and services that are more customized, accessible and attuned to the needs of current and future customers. Brasilseg has in place a Data Privacy Management Program in compliance with the General Law of Protection of Personal Data (LGPD - Law 13.853/19), receiving over R\$ 581,990.97 in investments in 2021.

The publication of the Brasilseg Privacy Policy in 2020 and the creation of a dedicated Privacy Office have reinforced the company's commitment to the proper management of the personal data of clients, employees, service providers and partners and control of its systems and operational processes. This is in line with its

purpose of "Caring for people and protecting what is valuable to them" and the need to protect the integrity and reputation of the business.

The company has published a Manual of Best Practices for Privacy and Protection of Personal Data designed to provide guidance to all Brasilseg's service providers regarding how to handle personal data shared as a result of the services contracted.

Brasilseg constantly invests in various Data Security fronts to ensure a high level of protection for internal and client data. Following the best market practices, the company instituted a PDSI (Information Security Master Plan) that is constantly updated to be current with the evolution of the Information Security topic in the market and incorporate technological protections for its processes, technologies and people.



In 2021, the Information Security structure was reorganized from the organizational point of view, with the creation of three departments (Risks, Identity Management and Cyber Security).

In 2021, no incidents were identified that led to any type of data leakage/loss or that would have exposed the Company's infrastructure to major impacts.

Client experience

GRI 102-43, 102-44, 102-47, FS5



PSI Principle 2



SDG 4 and 12



Improving the client experience is one of Brasilseg's priorities. To this end, the insurance company invests in initiatives capable of connecting products, services and customer service to its clients' real needs. With the objective of turning clients into fans, every year Brasilseg innovates in terms of management, technology, products and services.

In 2021, the highlight was the creation of the **Client Department**, which centralizes all implemented actions and the development of new practices based on the **Voice of the Client** program, launched in 2020. It involves customer experience management and monitoring of satisfaction indicators in the main product categories, through online surveys per transaction – Net Promoter Score (NPS) – and other tools currently under development.

Also in relation to management, in 2021 Brasilseg posted NPS growth of 1 percentage point compared to the previous year. Special attention was devoted to the life product, creating the middle

office, a reception cell to improve the management of the claims journey in partnership with the technical area, designed to speed up and humanize the process.

The Client Relationship Center started to use the Genesys platform to serve 100% of the policyholders. Kicked off in 2020, digital communication innovation allows omnichannel service (voice, chat, WhatsApp, email, SMP, mobile app and social media).

The starting point for the client experience strategies for the coming years was a result of diagnoses of the three profiles (individuals, companies and rural products) that identify the demands of each segment served.



We implemented **improvements in service** with the middle office project and Client Voice





Value creation

- Sustainable businesses
- Personnel management
- Social impact
- Environment
- Supply chain

Value Creation

GRI 102-13

Brasilseg's attention to the ESG topics includes constant dialogue with the strategies for generating results. By integrating the business and sustainability visions, in 2021 the Company sought to develop a manner of viewing the performance of the businesses that took into account their potential impacts and benefits and their radius of influence in the value chain.

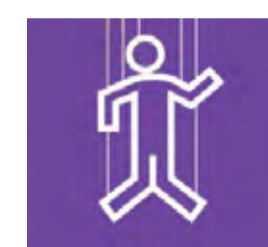
The dialogue with customers, the observation of scenarios and market opportunities and the analysis of good practices in the sector are among the action fronts. These include, for example, participation in CNseg committees, the main entity representing the country's insurance companies. Other achievements in the year included the creation of committees specialized in ESG issues at Brasilseg and at one of its two shareholders.

Sustainable businesses

GRI FS7, FS8; SASB FN-IN-410b.2



PSI Principle 2 and 3



Global Pact 10



SDG 3, 4, 9, 11 and 12

Premised on sustainability, Brasilseg aims to understand which environmental, social and governance aspects can positively or negatively impact its business and society. This socio-environmental risk management model orients the company in the continuous study of opportunities to make products and services with ESG attributes available in its portfolio, thereby encouraging the adoption of sustainable practices by clients while also qualifying analysis of its business-related risks.

The company invests in **products with ESG aspects** in its portfolio








Products and services with ESG attributes

Life Insurance: plans promote the health and wellness of clients through genetic mapping assistance, with identification of characteristics that help in the adoption of healthy habits; smart bracelet and therapy via the platform that connects therapists and patients through audio or video messages.

Home Insurance: offers assistance for the disposal of furniture or appliances in an environmentally correct manner. It also facilitates access to waste disposal containers for construction rubble.

Agricultural Insurance: most notably, Forest Insurance protects plantations of eucalyptus, pine, rubber trees and other species for commercial purposes. Intended for farmers, reforestation landowners, pulp and paper industries, cooperatives and sector associations.

ESG Portfolio

Product	Attribute	Advantages	Use
Full Life Total Life	 Social	Medical <i>Check-Up</i> Nutritional Guidance Sports orientation Psychological Counseling	4,941 Medical <i>Check-Up</i> 3,068 Nutritional Guidance 1,622 Sports Guidance 1,416 Psychological Guidance
Total Life	 Social	Genetic mapping, smart bracelet and online therapy services	7,432 genetic mappings 31,665 smart bracelets 11,174 online therapies
Life Woman Plus Full Life Plans 1, 2 and 3 Life Style 1, 2, 3 Complete Home Home Special Apartment Home Special House	 Environmental	Sustainable disposal	2,423 services requested 140 tons waste generated
Product	Attribute	Advantages	Indemnity
Life	 Social	Covid-19	0.9 billion: indemnity volume for Covid-19. To assist in minimizing the effects of Covid-19, Brasilseg decided to indemnify the beneficiaries in cases of deaths resulting from the pandemic, according to the amounts set forth in the life insurance policies. The exceptional decision overrode the contractual pandemic exclusion clause in order to minimize impacts on society
Rural	 Environmental	Climate events (rain, frost, hail, fire, drought, torrential rain, temperature variation, tornado, strong winds)	R\$ 681,694,290 compensation volume worst weather events



Reversal of result

Another important ESG attribute in the portfolio is the social footprint. Today, Brasilseg earmarks 0.5% of the premium of one of its mass insurance products to the Association of Parents, Friends and People with Disabilities.



98% of the proposals
were analyzed using
Remote Sensing

A keen eye for agribusiness

Due to its leading position in rural insurance, Brasilseg has chosen to support agricultural production as one of its strategic priorities. The actions seek to combine risk analysis in the underwriting processes to the building of alliances and projects that encourage an exchange of experiences and the technical qualification of the production chain.

In 2020, we implemented the Remote Sensing Platform and, in 2021, we conducted analyses via sensing data from more than **98% of BB Seguros' agricultural insurance portfolio, corresponding to 84,200 insurance proposals and 7.4 million hectares**. Paying close attention to agribusiness, in 2021 information from remote sensing analysis was included in the development of a digital platform to share with and in support of our clients, to help them achieve greater production efficiencies and enhance the sustainable use of resources.

With a portfolio mostly comprised of small and medium-sized producers, Brasilseg also provides weather information and vegetation indices to predict possible problems in the development and health of insured crops (*read more on page 31*).

The Broto platform is another prominent development initiative for partners and clients in the production chain. It links producers and encourages innovative, productive, resilient and more sustainable property management – in 2021, we launched courses and modules addressing ESG aspects, as well as an open debate forum on the topic.

Financial and security education

GRI 103-2, 103-3 | 417, FS16

Fostering the insurance culture and care for the present and the future is among our strategic planning priorities. It is also one of the material sustainability topics defined by Brasilseg after consulting its stakeholders in 2021.

Messages, meaningful content and engagement actions linked to client products and services are means of conveying information about financial and insurance education. A series of alliances, such as Brasilseg's participation in CNSeg, enables its involvement in relevant messaging initiatives about the importance of this agenda.

In 2021, during the 8th National Financial Education Week, we made available a virtual game inspired in the "trail" style. It provides guidance on the informed use of financial resources while contributing to a learning experience about the value of money and how to manage one's resources in a planned and responsible manner.

During the event, Brasilseg encouraged employees to follow and participate in the Financial Education Program. The program's first activity was a lecture on Finance and Personal Well-being.

Our financial education efforts are carried out in conjunction with the **promotion of an insurance culture** in the country

The financial education program also reached students from Coopera Agrária, in Paraná. High school students from the Imperatriz Leopoldina Cooperativa Agrária Agrícola Cooperative School, a Brasilseg client entity, participated in the online training session, featuring a recreational approach and a virtual game board. The Brasilseg volunteers "sponsored" groups of students and ran the game.

An action with a group of social network influencers in the fields of decoration, renovation, gastronomy, finance, and gardening, was designed to demonstrate to their followers that home insurance permeates important aspects of life and can bring security to people's assets, as well as assistance for day-to-day activities inside their homes, with a low investment cost.



Personnel management

GRI 102-8, 103-2, 103-3 | 404



PSI Principle 3



Global Compact 2, 3, 4, 5 and 6



SDG 3, 4, 9, 11 and 12

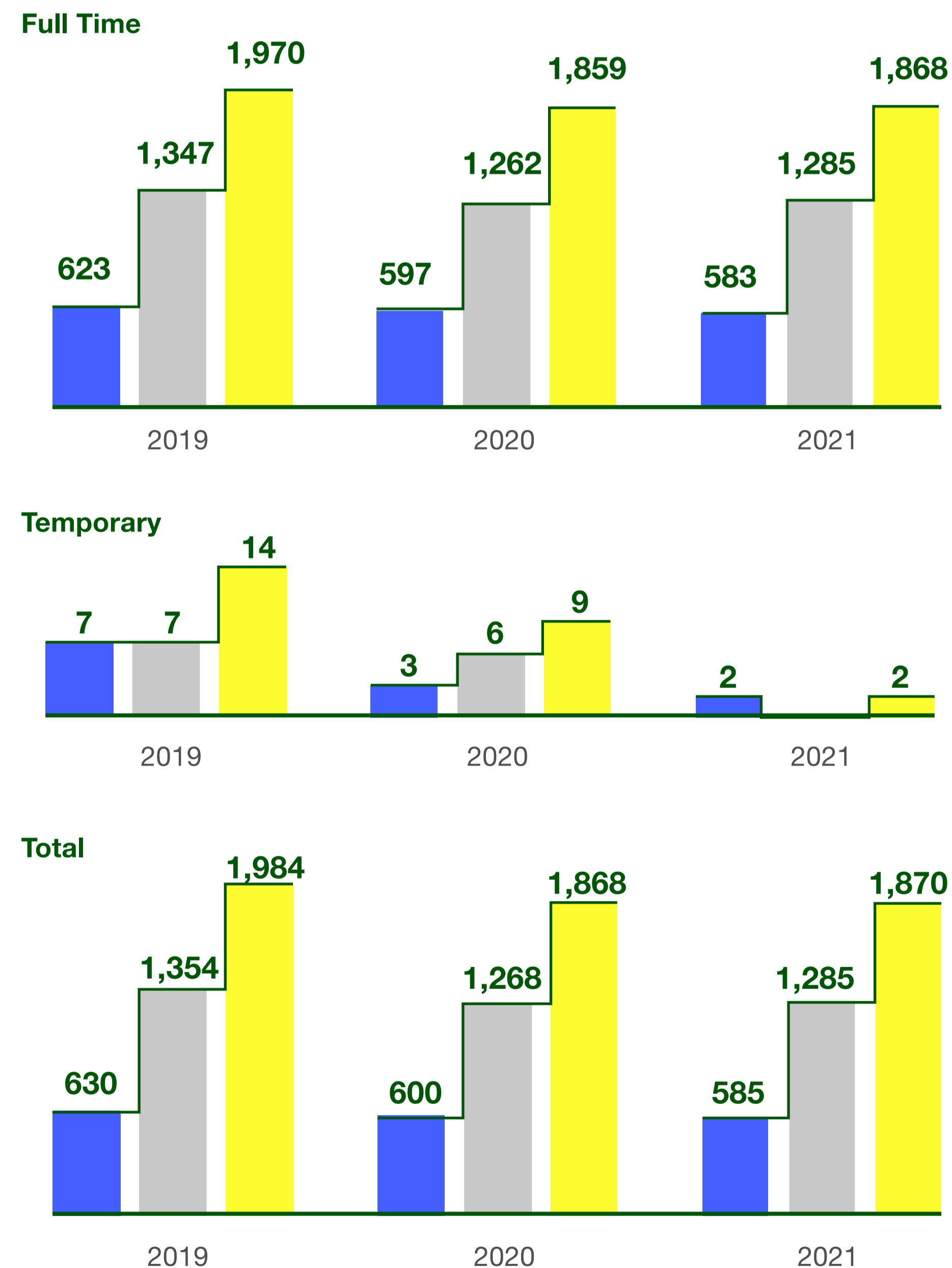
In 2021, the company revised its Personnel Management Policy to consolidate a culture that prioritizes communication and alignment with the company's strategic foundations in a healthy, ethical environment, while respecting differences, appreciating diversity and with people committed to constant evolution.

The new policy was built from a culture mapping process, based on employee research and a *workshop*. The survey detected cultural barriers and introduced inputs for the development of medium and long-term strategies.

Personnel management aims to ensure each employee a positive experience on his or her journey in the company, with commitment, productivity and growth, by encouraging self-development and enabling them to assume the role of protagonist over the course of their professional development and career paths. In addition to compensation compatible with job responsibilities and assignments, performance management and the meritocratic cycle aim to recognize the individual and collective contributions of the employees.

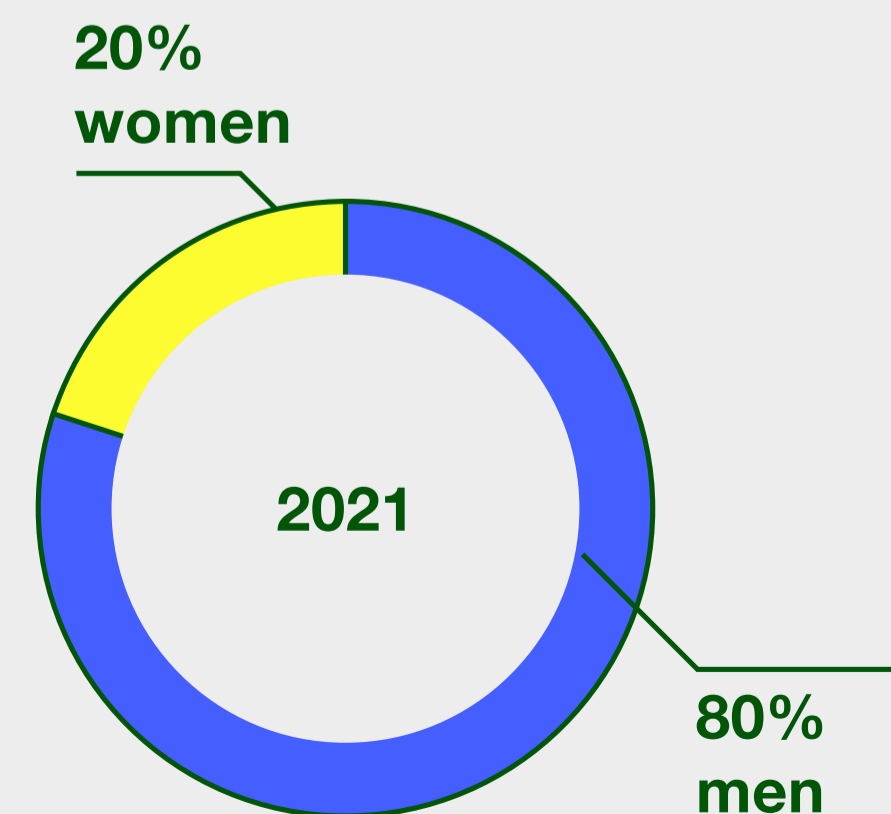
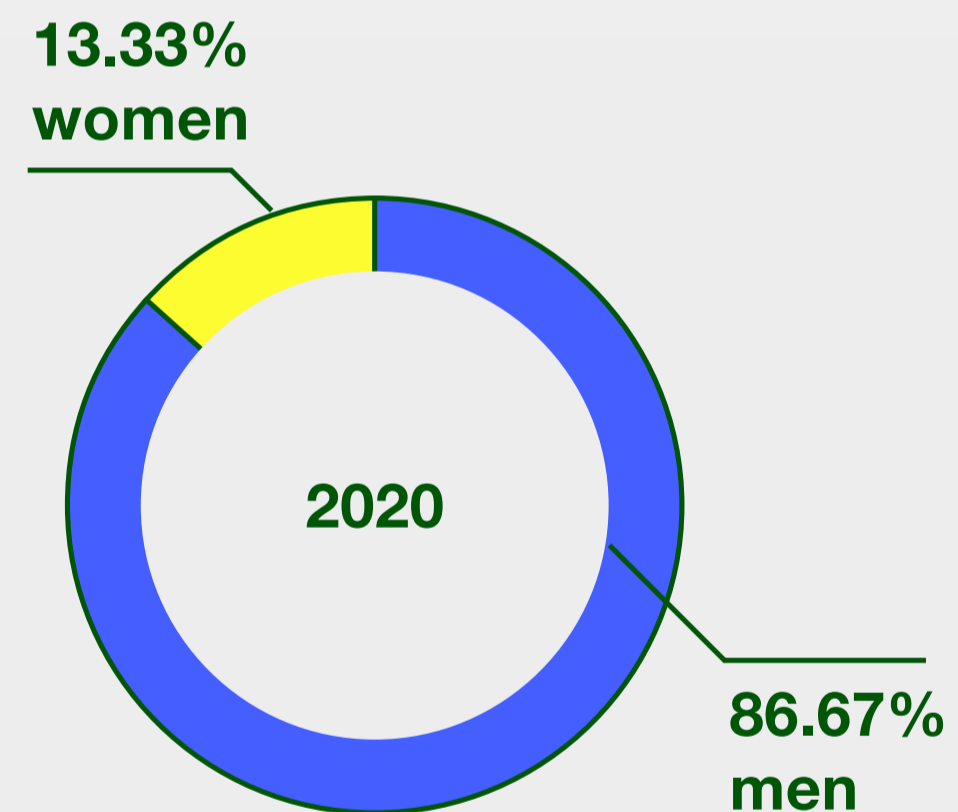
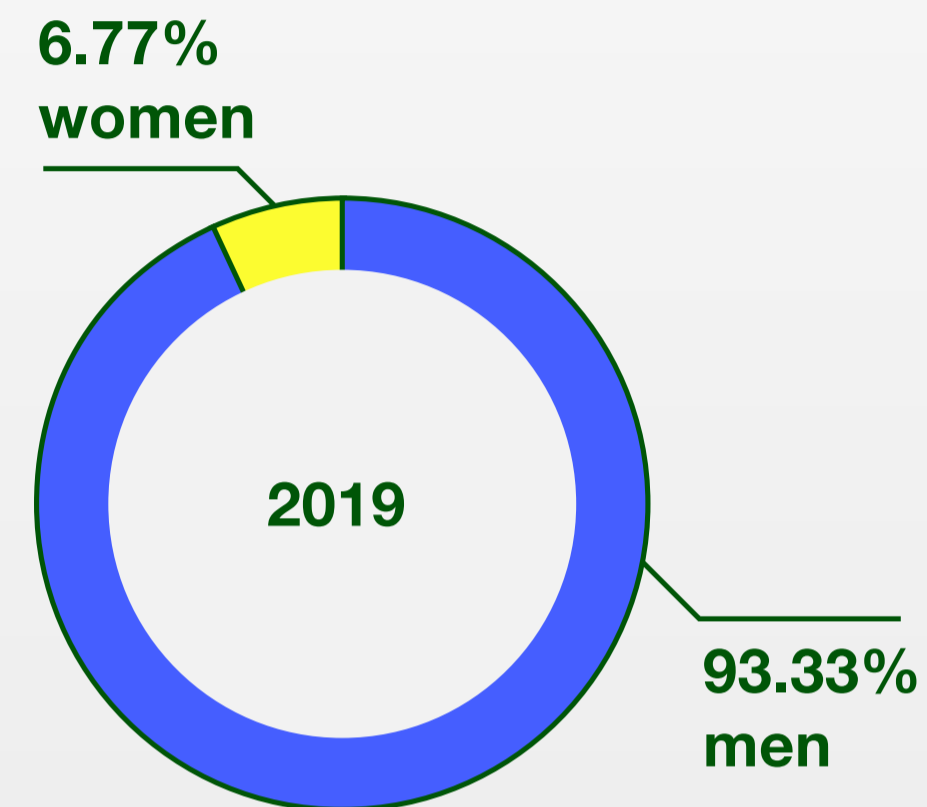
Employees by type of employment contract and gender

Men
Women
Total



Individuals within the governing bodies of the organization, by gender (%)

Members of the governance bodies



Total number of employees per employment contract, by region (2021)

	Temporary	Full Time	Total
North	0	5	5
Northeast	0	21	21
Center-West	0	27	27
Southeast	2	1,782	1,784
South	0	33	33
Total	2	1,868	1,870

Total number of employees by type of employment, by gender (2021)

	Full Time	Part-time	Total
Male	397	188	585
Female	520	765	1,285
Total	917	953	1,870



Aligned with the corporate strategic plan, the new Personnel Management Policy is structured around five strategic drivers, which will guide its actions until 2023:

In 2021, the company introduced actions that are in line with this new policy, such as the engagement of employees in the Desenvolve Brasilseg (Develop Brasilseg) program. Designed to bring out the best in each professional, accelerating the company's learning curve in pursuit of high *performance*, the program is built on three pillars: experiment (70%); share (20%), and evolve (10%).

In the field of health, the company has developed the Caring Program – composed of several initiatives, such as psychological support, lecture programs and campaigns aimed at employees' mental, physical, social, and financial health. The new program adds value to benefits already offered to employees. Among them are medical assistance, through providers recognized by the quality of their services, and the Health Space, an outpatient clinic where professionals are available at the workplace for occupational exams, general practice, lab collection and specialty care (Pilates, RPG, gynecology, psychology, and acupuncture).



1 **Having a team in love with what they do**

Develop a high-performance culture that links employees to the company's purpose and vision; keep employees proud of their differences and the bonds of trust established; encourage the ability to think out of the box, finding ways to manage uncertainty and complexity; develop a growth mindset to ensure employees are always interested in learning more.

2 **Turning employees into fans**

Promote a simple and agile employee journey experience, form leaders who are enablers, and build a strong employer brand and pride of belonging.

3 **Knowledge transformed into a strategic asset**

Promote mapping and development of critical competencies for the future, knowledge management at the service of the business, talent management, potential and succession, and co-creation with employees.

4 **Developing the employees and creating new practices**

Bring out the best in each employee; accelerate the corporate learning curve; raise leadership to a new level of awareness, and implement new development methodologies.

5 **Be a personnel management benchmark organization in the insurance market**

To be recognized as an attractive, relevant and socially responsible employer brand; to promote the continuous evolution of the personnel management model (flexible, agile, and modern) and to achieve excellence in management practices.

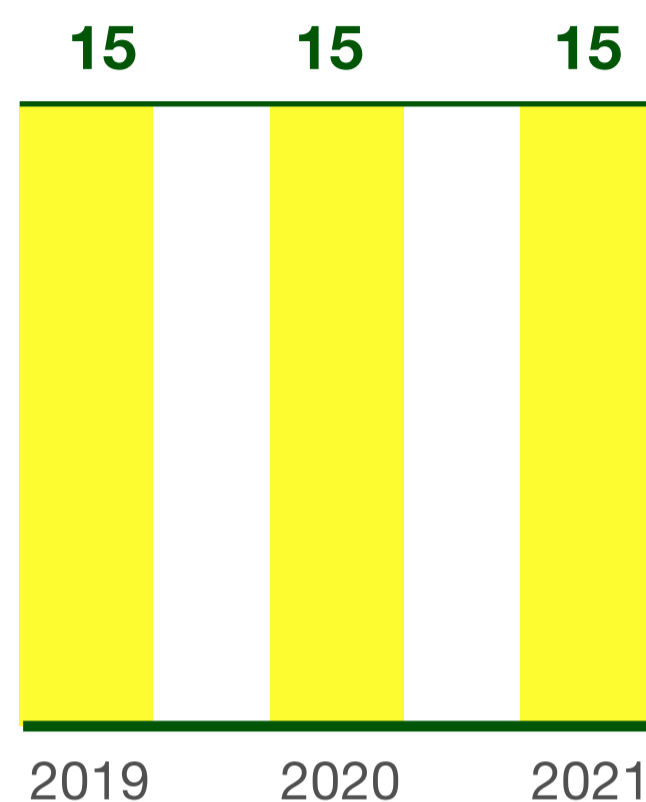
Diversity agenda

GRI 103-2, 103-3 | 405, 405-1

Based on the motto "The first impression that remains is respect," Brasilseg has developed a Diversity Program whose goal is to counteract stereotypes and any type of prejudice. The program involves lectures and communications on specific dates, while employees are encouraged to participate in the workplace group to share ideas and present proposals for affirmative actions related to diversity.

Individuals on the governance bodies

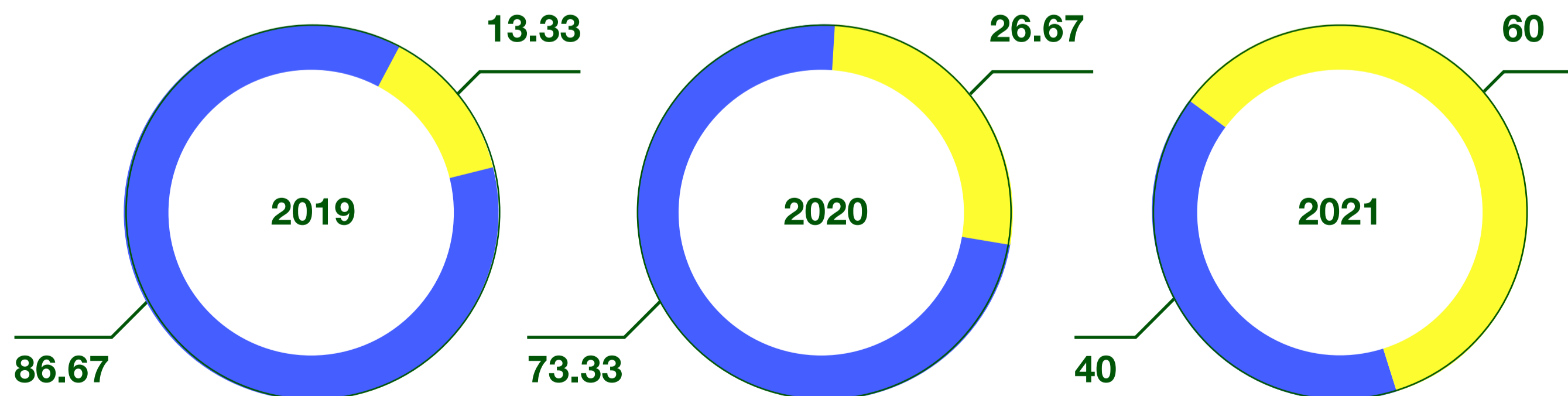
Members of the governance bodies



In terms of gender, we now have a **substantial and positive number** of women who make up our workforce (68%), of whom 47% are in management positions

Individuals within the governance bodies of the organization by age group (%)

- Under 30 years
- Between 30 and 50 years old
- Over 50 years



Employees by age group	Male	Female	Total
Under 30 years	202	535	737
30 to 50	352	696	1,048
Over 50 years	31	54	85
Total	585	1,285	1,870



Employees, by job category and gender (%) GRI 405-1	2019		2020		2021	
	Men	Women	Men	Women	Men	Women
Statuary	100.0	0.0	100.0	0.0	100.0	0.0
Managerial	59.7	40.3	58.6	41.4	53.7	46.3
Technician/ Specialist/ Administrative	40.8	59.2	41.1	58.9	41.9	58.1
Operational/ Call Center	248	75.2	23.3	76.7	22.0	78.0

The ratio between the base salary and compensation of women and those received by men – job category* GRI 405-2	2019	2020	2021
Statuary	1.00	1.00	1.00
Managerial	1.09	1.17	1.11
Technician/Specialist/Administrative	1.18	1.16	1.17
Operational/Call Center	1.26	1.25	1.30

*The proportion was calculated by dividing the average salary of women in each job category by the average salary of men in the same functional category.

Employees by age group			
Age bracket	2021		
	Male	Female	Total
Under 30 years	202	535	737
30 to 50	352	696	1,048
Over 50 years	31	54	85
Total	585	1,285	1,870

+

Women are in the majority in technical, administrative and specialist positions, as well as in the Call Center

Corporate University

Brasilseg's learning and improvement center provides on-site training (behavioral and technical) and online content (Digital, Products, Clients, High Performance, Culture and Leadership) in five schools. With more than 400 content materials available, the Corporate University's virtual environment can be accessed by employees 24 hours a day, from any internet-connected device.

31,631



completion of courses at the university in 2021

76,359



employee training hours conducted

54



new courses announced

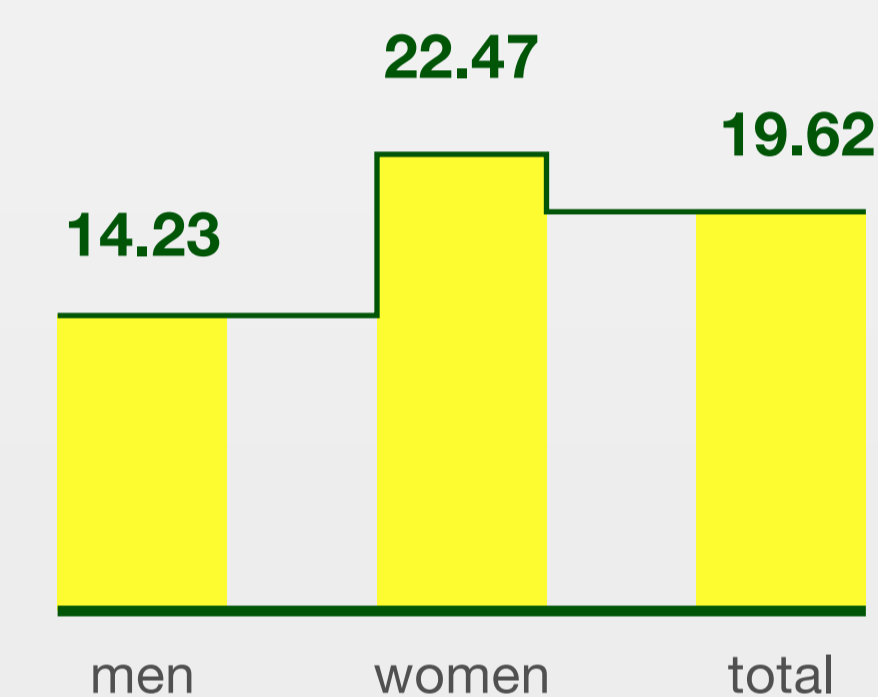
Average hours of employee training by job category	2020	2021
Executive Board/ Presidency	0.67	36.86
Managerial	5.85	22.89
Coordinator/ Consultant	11.20	34.27
Technician/Analyst/ Supervision	22.49	34.30
Total	40.20	32.96

Average hours of employee training by job category	2020	2021
Trainees	18.85	30.03
Trainees	21.20	-
Total	19.11	30.03

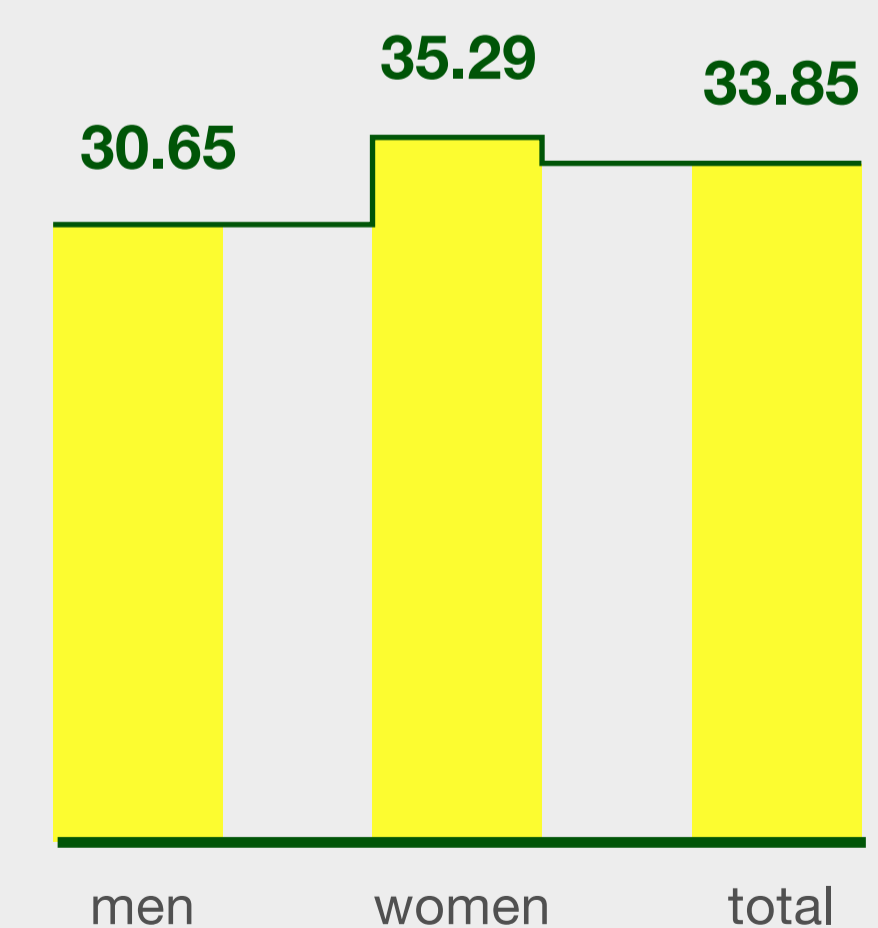
Average hours of training per year, by gender GRI 404-1

By gender

2020



2021



Employees by type of work contract and region

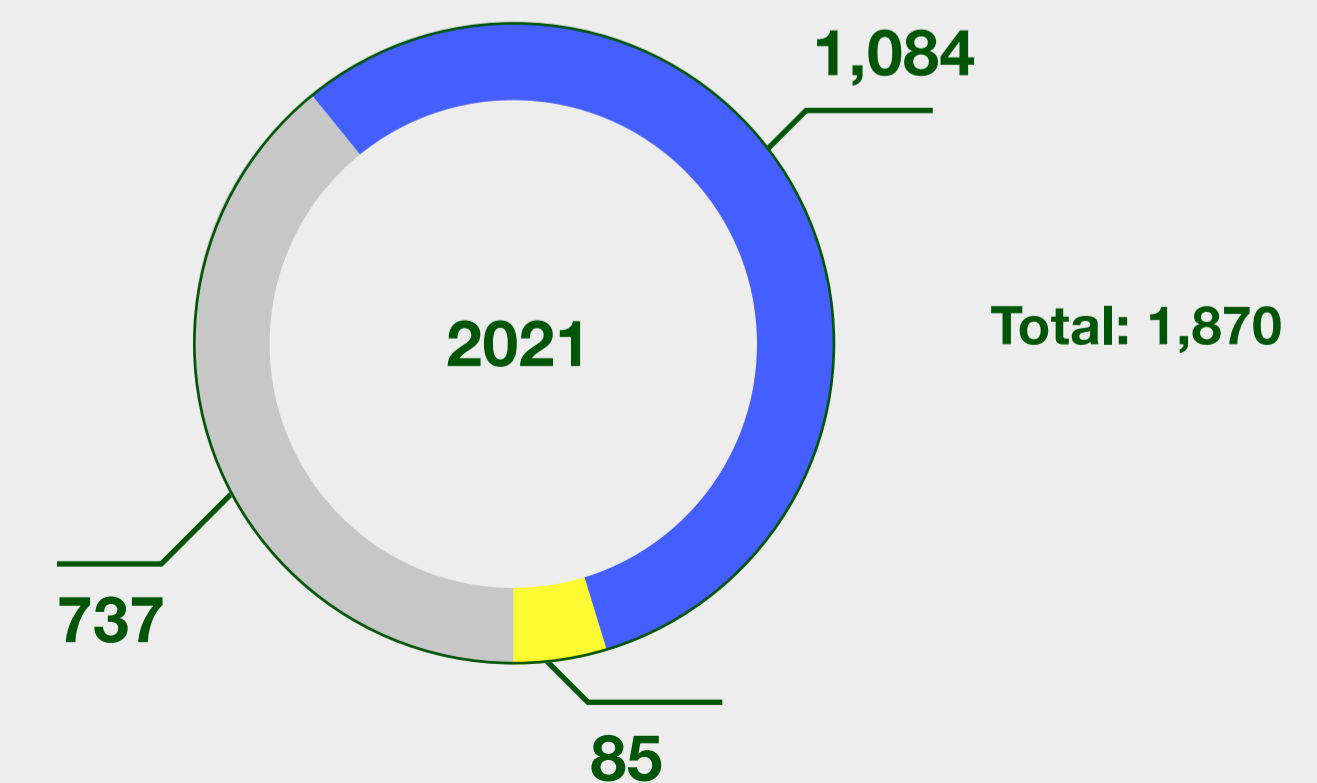
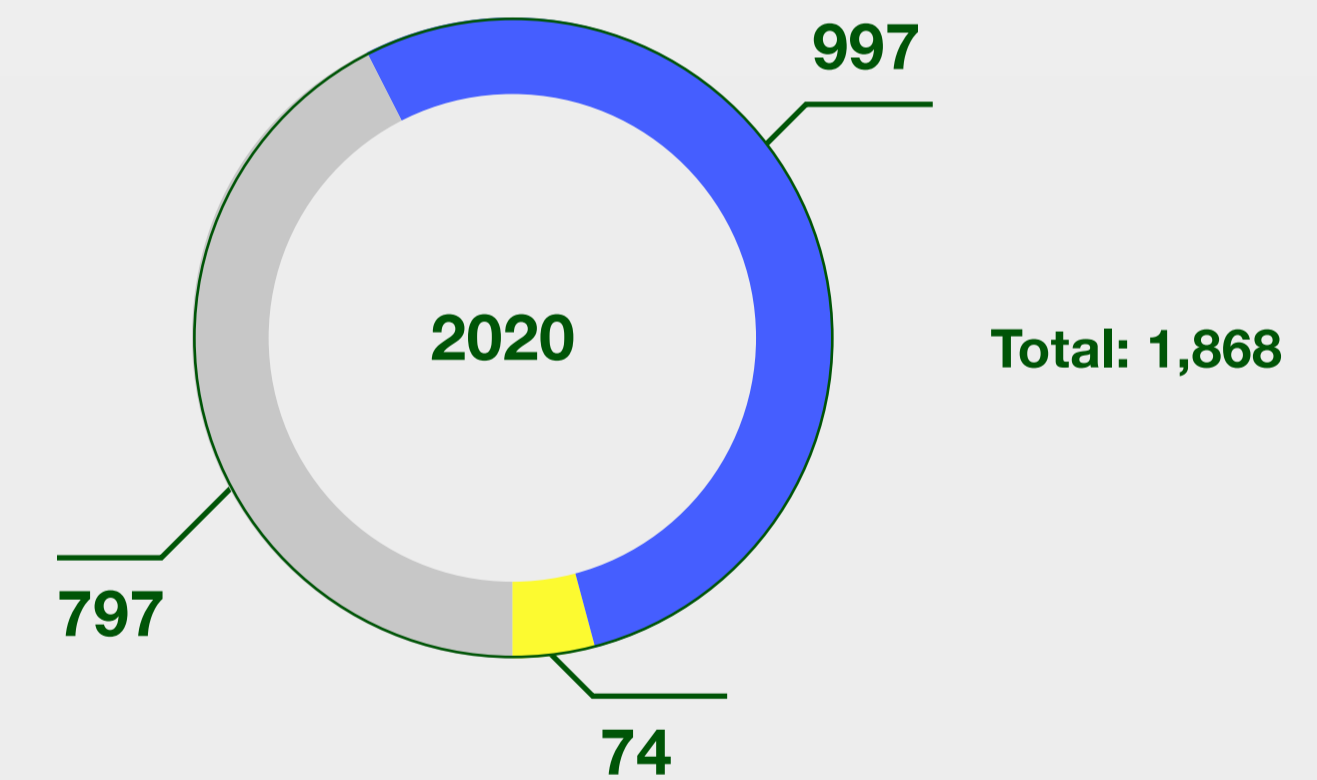
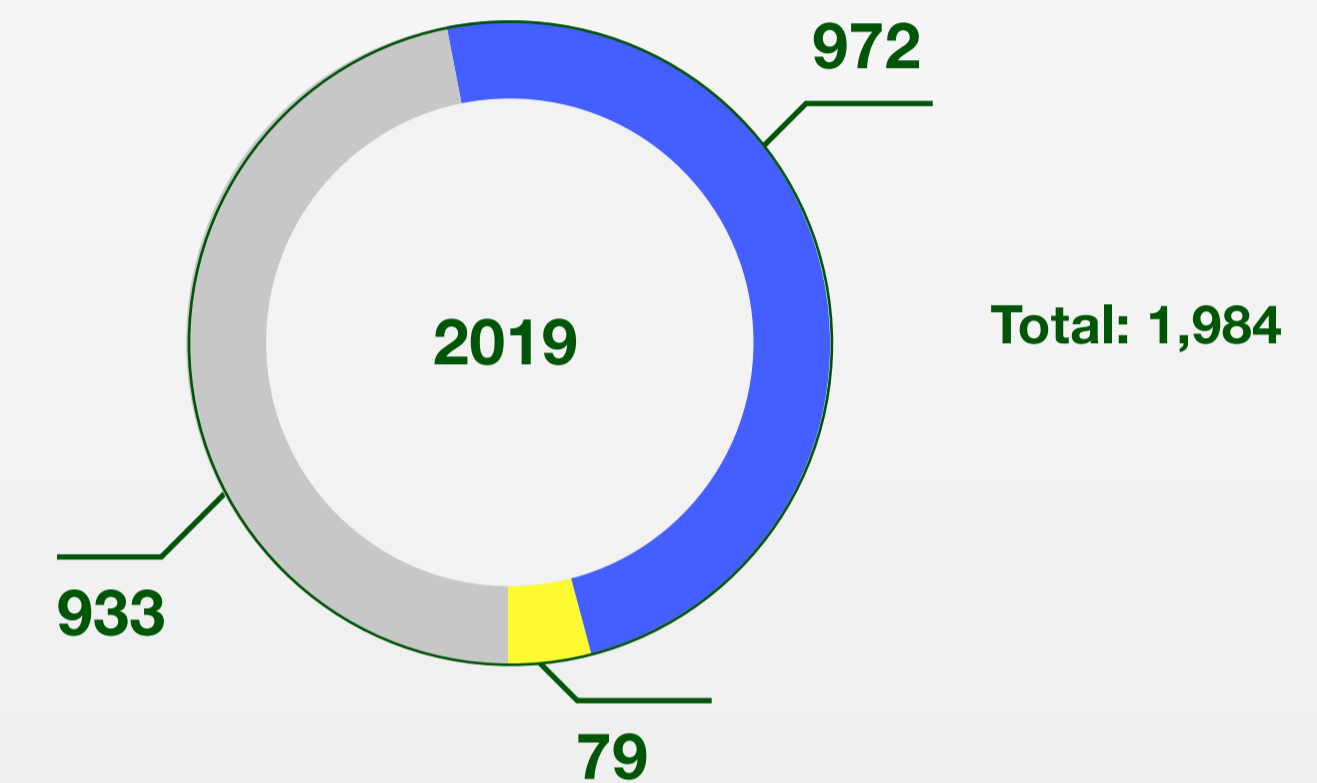
Region	2019			2020			2021		
	Defined time	Indefinite time	Total	Defined time	Indefinite time	Total	Defined time	Indefinite time	Total
North	1	5	6	-	7	7	-	5	5
Northeast	4	16	20	7	18	25	-	21	21
Center-West	11	16	27	11	17	28	-	27	27
Southeast	601	1,306	1,907	564	1,216	1,780	2	1,782	1,784
South	13	11	24	18	10	28	-	33	33
Total	630	1,354	1,984	600	1,268	2	1,868	1,868	1,870

Employees by type of employment

Employment type	2019			2020			2021		
	Men	Women	Total	Men	Women	Total	Men	Women	Total
Fulltime work	388	508	896	399	509	908	397	188	585
Part-time work	242	846	1,088	201	759	960	520	765	1,285
Total	630	1,354	1,984	600	1,268	2	1,868	1,868	1,870

Employees by age bracket

- Under 30 years
- Between 30 and 50 years old
- Over 50 years





Employees by job category and gender ¹

	2019 ²		2020		2021		
	Total	Men	Women	Total	Men	Women	Total
Presidency/Executive Board/Executive Superintendents	26	20	7	27	18	10	28
Managerial	72	45	27	72	47	34	81
Coordinator/Consultant	162	119	135	245	66	95	161
Technician/Analyst/Supervision	1,715	413	1,097	1,510	454	1,146	1,600
Total	1,975	597	1,289	1,886	585	1,285	1,870

¹ In this report, the indicator will be displayed by gender for 2020 and 2021 data.

² In 2019, there were no reports of openings per gender in this indicator.

Workers by job category and gender ^{1 3}

	2019 ²		2020		2021		
	Total	Men	Women	Total	Men	Women	Total
Trainees	9	3	2	5	-	-	-
Trainees	39	18	21	39	11	24	35
Total	48	21	23	44	11	24	35

¹ In this report, the indicator will be displayed by gender for 2020 and 2021 data.

² In 2019, there were no reports of openings per gender in this indicator.

³ Apprentices are not counted in the total number of employees and in 2021 we did not have active trainees; the program will begin in 2022.

Social impact

Brasilsegs' employees are encouraged to participate in voluntary actions in favor of the community, through the Brasilseg Volunteer Program. In addition to engaging in initiatives organized by the company, the program encourages free volunteering, in which people propose and organize actions, open to friends, family or interested parties linked to the company.

In 2021, the program was reinforced by promoting the co-participation of employees in the construction of actions based on their personal experiences. The Tô no Rumo (I'm on the Right Path) project was an outcome of this process, which brought security and financial education to some 60 public school students. The volunteers also helped an action run by the O Craque do Amanhã (Tomorrow's Star) organization. The institution, sponsored by Brasilseg, benefited from a vocational course in chocolate making, offered to family members of the students.

Brasilsegs' social investments are the result of a careful selection of proposals. A prior analysis verifies the fulfillment of the company's established goals and the alignment between the proposed actions and the 17 UN Sustainable Development

Goals (SDGs). A series of government mechanisms are used to make such sponsorships possible: Culture Incentive Law; Sports Incentive Law; the Fund for Childhood and Adolescence; National Fund for the Elderly; the National Program to Support Oncological Care (Pronon); and the National Program to Support the Health Care of People with Disabilities (Pronas), with priority to free projects that help stimulate the country's socio-cultural growth. In 2021, we sponsored 20 projects from 19 institutions across Brazil, benefiting more than 64,000 people. Observing good Corporate Governance practices, Brasilseg's structure is based on a commitment to transparency, accountability, fairness and socio-environmental responsibility, aligning the organization's management with the interests of shareholders and society.

In 2021, we sponsored
20 projects, benefiting
more than 64,000 people

Check out some projects sponsored by Brasilseg in 2021:

“The Next Day” exhibition at the Catavento Museum, São Paulo: in entertaining and sensory spaces, the public experienced the effects of climate change and its consequences in cities.

The **John Graz Exhibition at Estação Pinacoteca, São Paulo:** presented the career trajectory of one of Brazil's most important visual artists.

Orquestra Maré do Amanhã, Rio de Janeiro: an orchestra project created in 2010, to professionalize children and young people from 16 Maré complex shantytowns.

Instituto Olga Kos: music and dance workshops 100% designed for people with physical and/or intellectual disabilities.

Environment

GRI 103-2, 103-3 | 307 and 308, 307-1, FS5



PSI Principle 2 and 3



Global Compact 7, 8 and 9



SDG 7, 11, 12 and 13

Brasilseg's offer of products and solutions is aligned with environmental attributes, while its operations are focused on impact control. This prioritizes the waste management, energy efficiency, emissions and awareness agendas of employees and service providers. Through the Environmental Directive, linked to the administrative operation (Morumbi headquarters, in São Paulo), and management policies, aligned with ISO 14001:2015 certifications, the following environmental criteria have been established for business decisions:

Comply with the applicable environmental legislation and the other requirements subscribed to by Brasilseg that are related to its environmental aspects.

Proactively promote environmental awareness as a transforming agent in the value chain, developing tools and implementing actions to disseminate sustainability concepts among the main stakeholders.

Protect the environment with measures for pollution prevention and conservation of natural resources.

Continuously improve Brasilseg's environmental activities/processes.

Integrate the environment into the day-to-day business activities so that processes, actions and services are conducted in a manner that minimizes environmental impacts.

Brasilseg's environmental education program aims to raise the awareness of 100% of the workforce through online training sessions run by the Corporate University, as well as the integration of service providers with the Environmental Management System (SGA). Brasilseg also acts as a transforming agent in the value chain (service providers and clients), developing tools and implementing actions to disseminate sustainability concepts among the main stakeholders.

The information reaches the client, managers, analysts and service providers through actions such as policyholder orientation about their risks, provider training and risk assessments by inspectors. Management is based on the company's result indicators. It involves

monitoring the portfolio's loss ratio, frequency of claims incurred, administrative expenses and the combined ratio, and contact with the sustainability area and participation in the ESG project, thus improving the socio-environmental competencies and ensuring the solvency of the business, the generation of value for the partner-investor and the protection of mutualism.

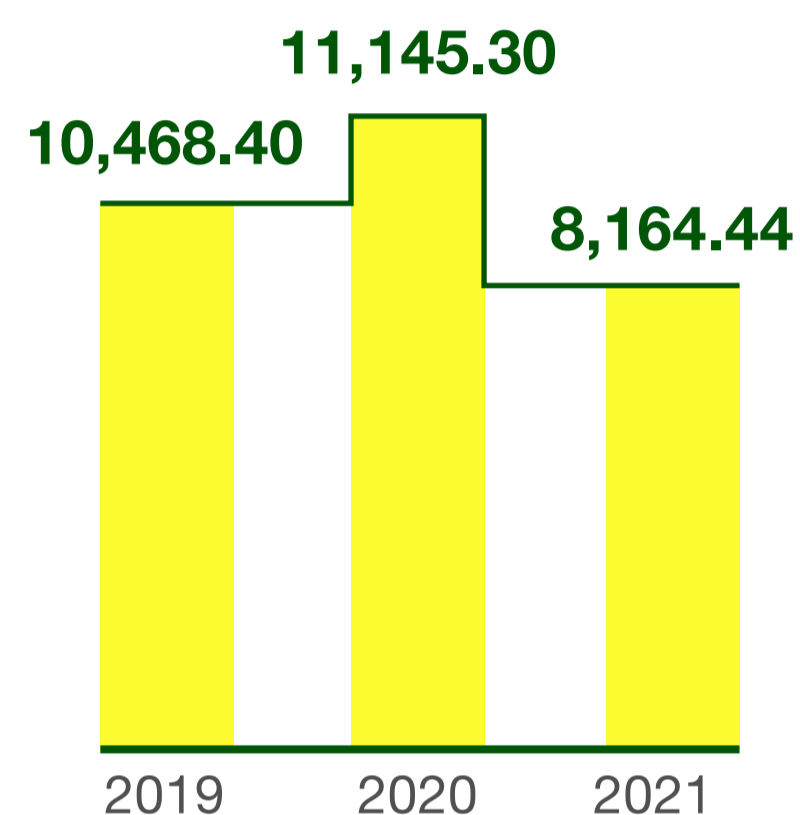
The company developed a Communication Plan in 2021 to map commemorative dates and sustainability-oriented actions in order to conduct campaigns over the social networks, such as on World Environment Day. This includes tips on how to reduce the consumption of natural resources, designed to bolster Brasilseg's position as a caring company.

During the year, the company received no reports of any court filings or administrative proceedings relating to the infringement of the environmental legislation in force. In this same period, no fine payments were registered, nor were any non-monetary sanctions applied.

Energy usage

GRI103-2, 103-3 | 302, 302-1

Energy consumed (GJ)



Waste management

GRI 103-2, 103-3 | 306, 306-1, 306-2, 306-3

The waste derived from the administrative process is identified and disposed of pursuant to the appropriate norms, laws and regulations. In 2021, the reduction in the use of paper reached the mark of 44,806,000 sheets, resulting from the welcome kit - consisting of a policy and letters and, in some cases, the policyholder card - now being delivered in a 100% digital format. During the year, more than 14 million printed policies/letters were no longer sent to clients.

In the year, the company conscientiously disposed of 140.12 tons of waste, including tailings and scrap; in 2020, the total was 133.89 tons.

In order to include ESG aspects in the business, beyond its direct operations, Brasilseg offers products and coverage with socio-environmental attributes, highlighting the Intelligent Disposal model that allows the insured homeowners to request assistance to dispose of furniture or appliances in an environmentally correct manner. The company also offers dumpster service to customers of some home insurance products to correctly dispose of construction rubble.



Sustainability education for employees is among our priorities

Total waste generated in (t)	2020	2021
	Quantity generated (t)	Quantity generated (t)
Sum of the discard of the Tempo Assist and Mapfre Assistência companies	133.89	140.12
Total	133.89	140.12
Total waste diverted from disposal, per operation, in metric tons (t) GRI 306-4	2020	2021
Non-Hazardous Waste	Outside the organization/ Off-site	Outside the organization/ Off-site
Other disposal operations (reuse, recycling and others)	12.444	48.099
Hazardous waste	Outside the organization/ Off-site	Outside the organization/ Off-site
Other disposal operations (lamp decontamination)	0.122	0.645
Total	12,556	48,744

Total weight of waste directed to disposal in metric tons (t) GRI 306-5		
	2020	2021
Composition	Quantity not intended for final disposal (t)	Quantity not intended for final disposal (t)
Batteries and alkaline batteries	0.249	0.683
Appliances	7,154	23,425
Electronic	2,868	9,435
Rubble	3,685	5,775
Furniture	2,096	7,641
Wood	31,677	78,303
Metal	1,355	5,613
Paper	1,295	1,883
Plastic	0.672	1,616
Textile	0.210	0.934
Glass	0.395	1,817
Lamps	0.120	0.645
Total	51,776	137,769

Much of the waste we dispose of is associated with the materials collected by the **intelligent disposal assistance service**

Total waste diverted from final disposal, per operation, in metric tons (t)		
	2020	2021
Non-Hazardous Waste	Outside the organization/Off-site	Outside the organization/Off-site
Incineration (with energy recovery)	87,809	82,759
Incineration w/o Energy Recovery	1,561	1,837
Landfill	24,298	10,412
Total waste destined for final disposal	113,668	95,007

Consumption of fuels from non-renewable sources (GJ) GRI 302-1		
	2020	2021
Diesel (consumption of generators)	1,188.22	237.92
Natural Gas (consumption of generators)	812.17	167.62
Gasoline (own fleet consumption)	1,620.55	919.13
Total	3,620.94	1,324.68
Energy consumed (GJ)		
Electricity	7,524.36	6,839.77
Total energy consumed (GJ)		
Fuels from non-renewable sources	3,620.94	1,324.68
Electric power	7,524.36	6,839.77
Total	11,145.30	8,164.44

BrasilSeg does not currently consume fuels from renewable, refrigeration, steam or heating sources and does not sell energy in any of these forms. The data for the year 2020 was revised to be in alignment with the organization's GHG inventory and the indicator includes fuel consumption of generators, own fleet and purchased electricity.

Climate change and emissions

103-2, 103-3 | 305

Brasilseg's voluntary participation in the Brazilian GHG Protocol Program makes it possible to publicly register the company's CO₂ emissions, ensuring greater transparency about information of material importance to society.

It is part of the impact and indicator disclosure actions developed for the preparation of the Greenhouse Gas (GHG) inventory. Through it,

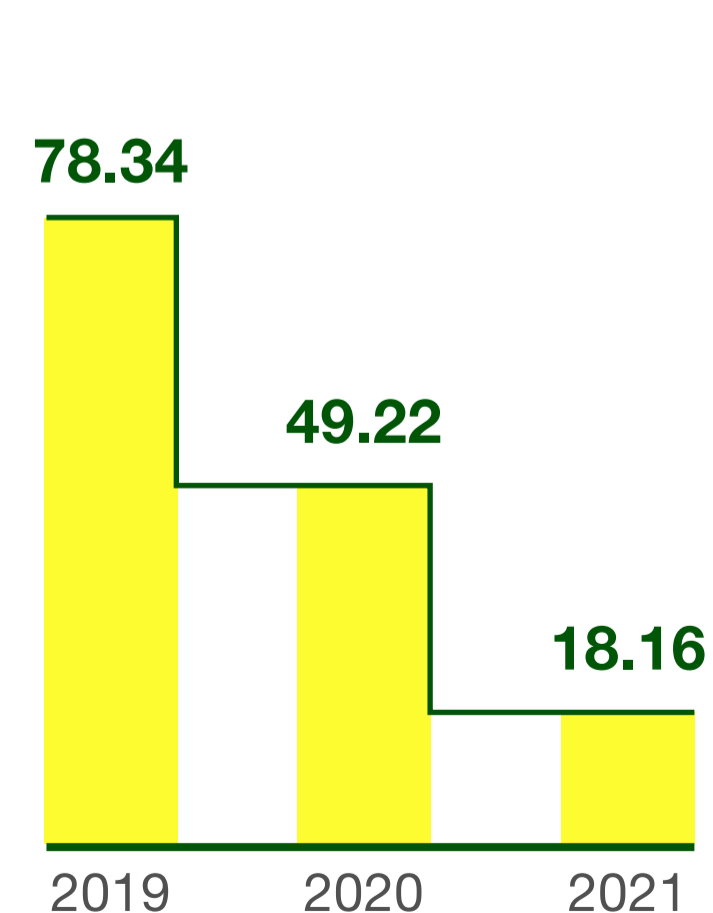
the company annually assesses the footprint of its operation with respect to climate change and can design respective mitigation and compensation plans.

In 2021, Brasilseg measured emissions from the administrative headquarters and Franca through the GHG Carbon Management Tool Protocol designed to offset emissions. The calculation considers energy consumption, waste generated,

employee commuting to the company and business travel. The process covers all employees.

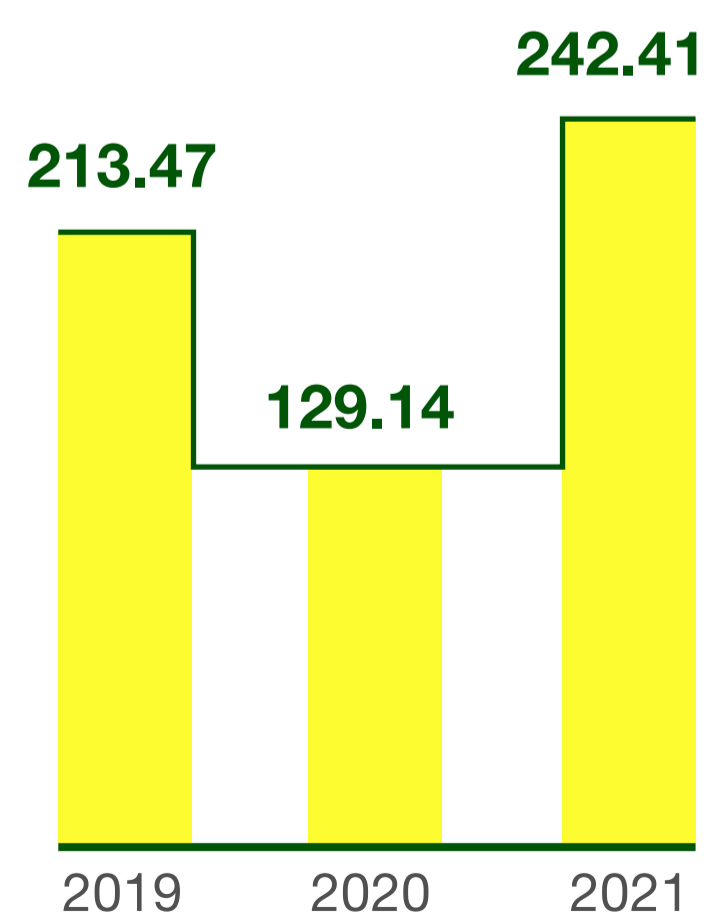
Technological solutions represent another of Brasilseg's contributions to the reduction of CO₂ emissions. This is the case with the remote monitoring of policyholders' agribusiness areas, which permits the reduction of inspections *on-site*, and consequently the emissions of CO₂. *(read more on page 40).*

Biogenic emissions of CO₂ (scope 1), (tCO₂ equivalent)



Indirect emissions from energy acquisition (tCO₂ equivalent)

GRI 305-2



Direct greenhouse gas emissions (tCO ₂ equivalent) GRI 305-1	2019	2020	2021
Power, heat or steam generation	11.7	130.2	26.36
Transportation of materials, products, waste, employees and passengers	315.81	163.31	66.8
Fugitive emissions	23.74	23.75	21.89
Total gross CO₂ emissions	351.25	317.26	115.05

Other greenhouse gas emissions (tCO ₂ equivalent) GRI 305-3	2019	2020	2021
Amount			
Goods and services purchased	0	0.08	0.11
Business Travel	248.28	39.92	19.77
Employee transportation	229.19	44.13	91.04
Total gross CO₂ emissions	477.47	84.13	110.92

The following gases are included in the calculation: carbon dioxide, methane and nitrous oxide.

GHG emission reductions (tCO ₂ equivalent) GRI 305-5	Base-year (2019)	2021	Reduction
Reductions from direct emissions (Scope 1)	351.25	115.05	236.20
Reductions from energy acquisition indirect emissions (Scope 2)	213.47	242.41	-28.94
Reductions from other indirect emissions (Scope 3)	477.47	110.92	366.55
Total gross CO₂ emissions	1,042.19	468.38	573.82

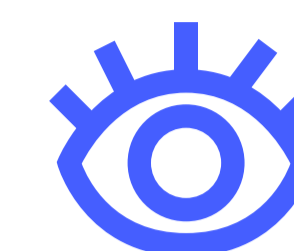
The following gases are included in the calculation: carbon dioxide, methane and nitrous oxide.



Climate Friend

Brasilseg continues to offset its emissions through the Amigo do Clima (Climate Friend) Program, linked to the acquisition of carbon credits under the Clean Development Mechanism (CDM). Some 469 tons of CO₂ were offset for the year 2021, through the voluntary cancellation of carbon credits under the Verified Carbon Standard (VCS).

The Forest Deforestation and Degradation Reduction (REDD) project is located in the Capim River Complex (RCC), in Pará. To learn more, visit the Amigo do Clima website here.



Climate innovation

Aware of the need for a long-term view regarding the impacts of climate change on agribusiness and society in general, Brasilseg seeks innovative solutions through the Impulso Open program in terms of ESG – Climate Change, based on the following challenges:

- **Development of a geotechnology platform and complementary ESG parameters for analysis of the Social and Environmental Risks of Rural, Mass Market and Life products.**
- **Help rural producers reach the level of profitable and sustainable agribusiness, today and in the future, through the Environmental Services Payment Program (PSA).**

Supply chain

GRI 103-2, 103-3 | 414, 102-9



PSI Principle 2



Global Compact 7, 8 and 9



SDG 7, 11, 12 and 13

For the management of social and environmental impacts, Brasilseg develops specific programs and actions for suppliers and service providers regarding safety, ethics, integrity and socioeconomic development. The company strives to mitigate possible risks in the value chain and, at the same time, operate as an enabler of business opportunities and good practices.

All contracted suppliers make social commitments. They include not using child labor or subjecting their employees to inhumane working conditions; respect for human rights so that their professionals do not suffer any kind of discrimination; and the barring of moral or sexual harassment, psychological or physical punishment or any other forms of abuse. The contracts also include a clause on the subject of Environmental Liability. 100% of the contracts include a socio-environmental clause, committing all partners to comply with the provisions of

the National Solid Waste Policy and to practice sustainable management in the performance of the contracted services.

Every year, all approvals are renewed and the criteria are evaluated in their entirety, without prejudice to new complementary analyses during the useful life of the contracts, if necessary. In 2021, of the 21 suppliers evaluated, none were identified as causing a negative environmental impact. GRI 308-2

By the end of 2021, more than 800 companies (from the base of approved suppliers in the "general" category, from which the complete list of criteria for accreditation is required) from eight categories (services, materials, technology, etc.) were negotiating with Brasilseg, 95% of whom were domestic and have operations in Brazil. To remunerate them, more than R\$ 490 million was allocated during the year. Supplier management includes three prominent initiatives:

We strengthened controls and, in 2021, **100%** of contracts with partners **contained socio-environmental clauses**



Socio-environmental contractual clause:

all partners must commit to complying with the National Solid Waste Policy and to sustainable practices in rendering the contracted services.

Audit and monitoring of critical suppliers:

the company maps all its critical partners who interact with its environmental aspects. Processes ensure compliance with legal documents and requirements, before and after contracting.

Code of Conduct:

currently undergoing revision, this policy will reinforce and contextualize Brasilseg's compliance guidelines in its relations with the supply chain, exploring themes such as human rights, ethics and socio-environmental compliance.



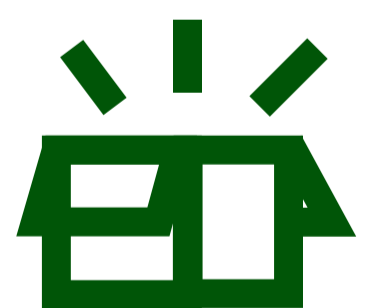
New suppliers that were selected based on environmental criteria
GRI 308-1

	2019	2020	2021
Total new suppliers that were considered for contracts	672	301	859
Total new suppliers hired based on environmental criteria	15	16	21
Percentage of new suppliers hired based on environmental criteria (%)	2.23	5.32	2.44

Percentage of new suppliers hired based on social criteria (%)
GRI 414-1

	2019	2020	2021
Total new suppliers that were considered for contracts	672	301	859
New suppliers that were selected using social criteria	672	301	859
Percentage of new suppliers hired based on social criteria (%)	100	100	100

¹ The result above was achieved due to the approval criteria applied by Brasilseg, considering in this case only suppliers that meet the ISO 14001 Environmental Management System standards.



100% of suppliers were hired based on social aspects



Performance and outlook



Our results in 2021

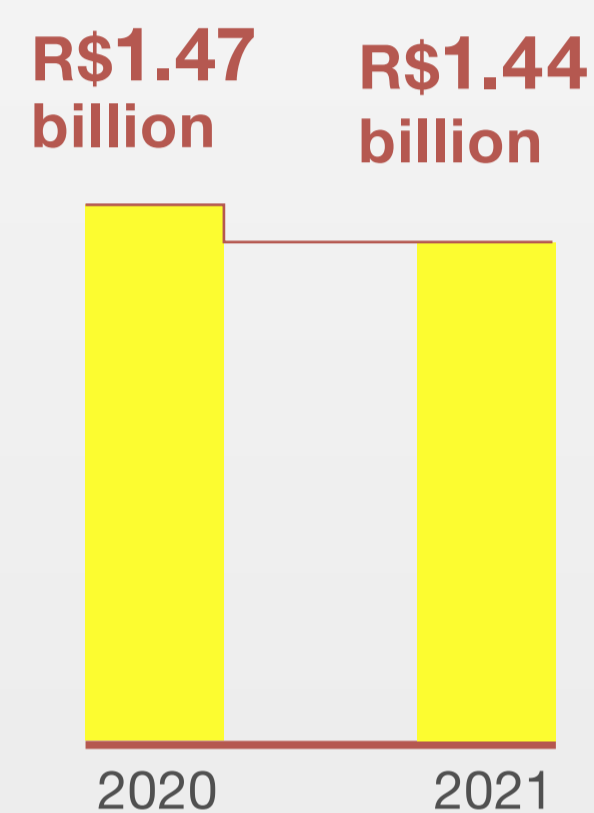
GRI 102-7, 103-2, 103-3 |201

Even in the midst of a pandemic scenario, Brasilseg's results in 2021 reflect the solidity of its business and management's focus on generating value for clients and shareholders. The company ended the year with R\$ 12.1 billion in premiums issued, growth of 16.2% compared to 2020. It was a result that was driven by the agribusiness (35.5% surge) and life (17% rise) segments.

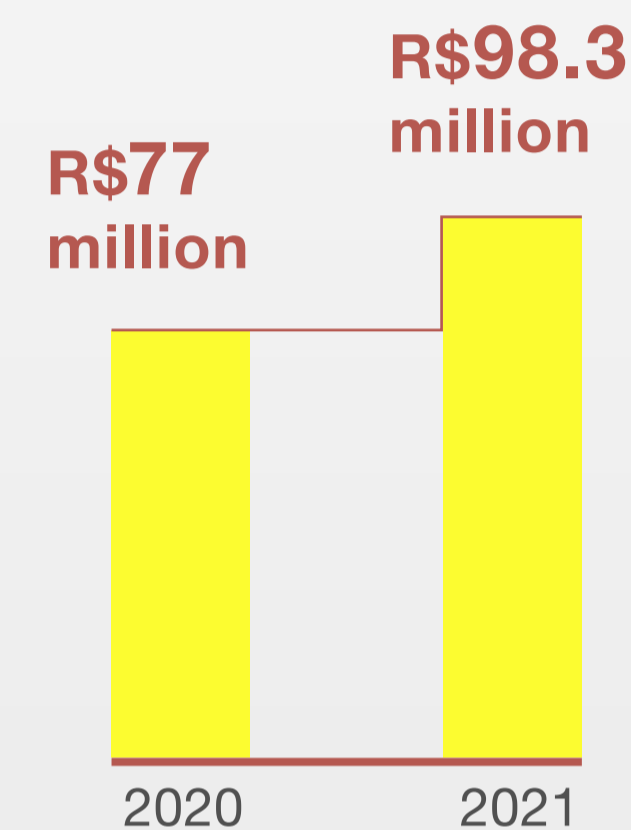
The good performance made it possible for the company to retain its notable position in its main business lines. In 2021, Brasilseg continued as the undisputed leader in agribusiness insurance, with a 55.5% market share and registering record volumes, with R\$ 5.3 billion in net premiums issued, despite the challenges generated by adverse climate factors experienced in some regions of the country. In the Life and Guaranteed Credit Loan branches, it achieved 13.5% and 13.8% market shares, respectively.

Financial indicators

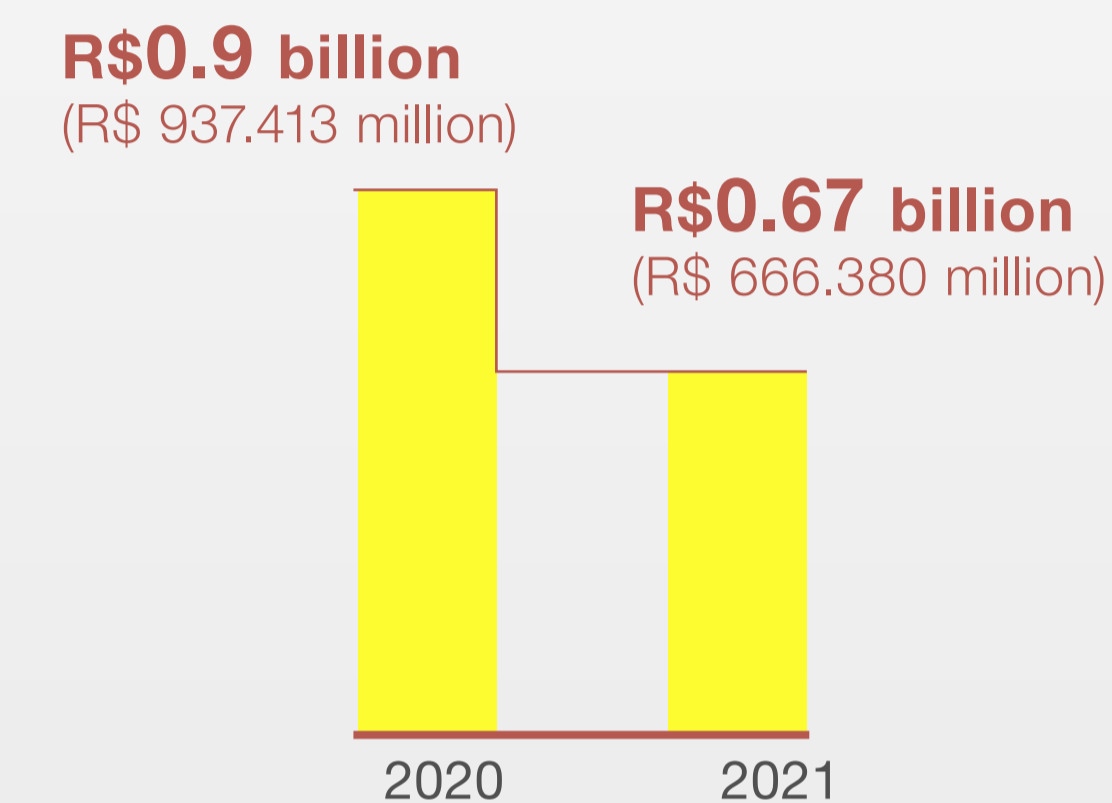
Net profit



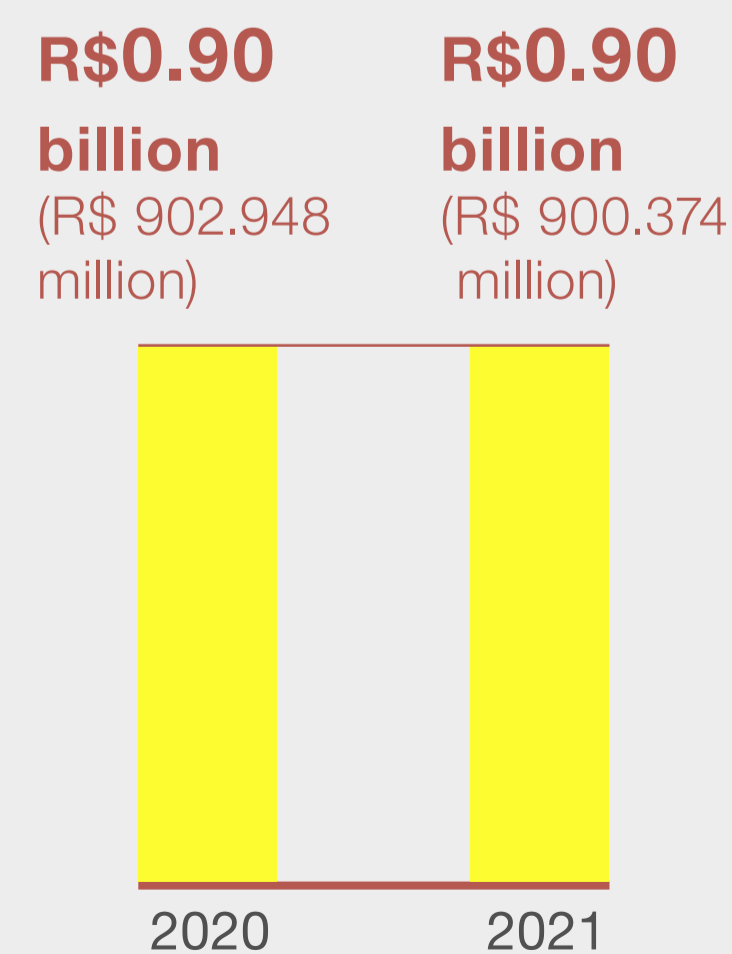
Capex



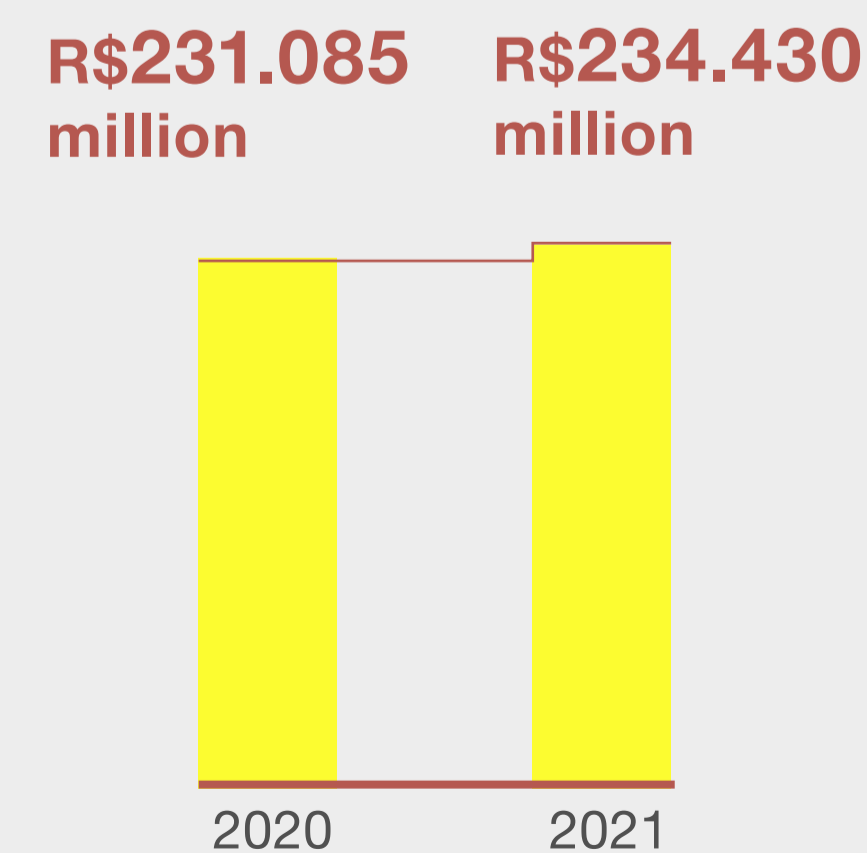
Dividends paid to shareholders



Taxes, contributions and fees



Salary payments





GRI Content Summary





GRI Indicators GRI 102-55

GRI Content Summary

GRI Standards	Contents	Page/URL	Omission	SASB	Sustainable Development Goals
General contents					
GRI 101: Fundamentals 2016					
GRI 101 does not have Contents					
Organizational Profile					
GRI 102: General Contents 2016	102-1 Name of Organization	14			
	102-2 Activities, brands, products and services	14			
	102-3 Location of headquarters	14			
	102-4 Location of operations	14			
	102-5 Nature of ownership and legal form	14			
	102-6 Markets served	14			
	102-7 Scale of the organization	10			
	102-8 Information on employees and other workers	48			8, 10
	102-9 Supplier chain	61			
	102-10 Significant changes in the organization and its supply chain	There were no significant changes.			



GRI Standards	Contents	Page/URL	Omission	SASB	Sustainable Development Goals
Organizational Profile					
GRI 102: General Contents 2016	102-11 Precautionary approach or principle	27, 39		FN-IN-410a.2 Description of the approach for incorporating environmental, social and governance (ESG) factors into investment management processes and strategies	
	102-12 External initiatives	24			
	102-13 Participation in associations	21, 44			
Strategy					
GRI 102: General Contents 2016	102-14 Statement from the most senior executive	8			
Ethics and integrity					
GRI 102: General Contents 2016	102-16 Values, principles, standards and norms of behavior	15, 26, 31			16
Governance					
GRI 102: General Contents 2016	102-18 Governance structure	19			
Stakeholder engagement					
GRI 102: General Contents 2016	102-40 List of stakeholder groups	6			
	102-41 Collective bargaining agreements	100% are covered by collective bargaining agreements.			8
	102-42 Stakeholders identification and selection	6			
	102-43 Approach to stakeholders engagement	6, 42			
	102-44 Main identified topics and concerns	6, 42			



GRI Standards	Contents	Page/URL	Omission	SASB	Sustainable Development Goals
Reporting practices					
GRI 102: General Contents 2016	102-45 Entities included in the consolidated financial statements	4			
	102-46 Definition of report content and limits of the material topics	4			
	102-47 List of material topics	6, 42			
	102-48 Information restatement	There was no restatement of information.			
	102-49 Reporting changes	4			
	102-50: Period covered by this report	4			
	102-51 Date of the most recent report	7/7/2021			
	102-52 Report issuance cycle	4			
	102-53 Contact information for questions concerning the report	4			
	102-54 Declarations of reporting in compliance with the GRI Standards	This report has been prepared in accordance with the GRI Standards "Essential" option			
GRI 102: General Contents 2016	102-55 Summary of the GRI content	66			
	102-56 External assurance	There was no external assurance.			
Material topics					
Economic performance					
GRI 103: 2016 Form of management	103-1: Material topic explanation and its limit	7			
	103-2 The management approach and its components	32, 64			
	103-3 Evaluation of the management approach	64			



GRI Standards	Contents	Page/URL	Omission	SASB	Sustainable Development Goals
Economic performance					
GRI 201: 2016 Economic Performance	201-1 Direct economic value generated and distributed	4			8, 9
	201-2: Financial implications and other risks and opportunities due to climate change	30	Risks and Opportunities are controlled by a number of areas, so there is no specific cost control.		13
Energy					
GRI 103: 2016 Form of management	103-1: Material topic explanation and its limit	7			
	103-2 The management approach and its components	32, 57			
	103-3 Evaluation of the management approach	57			
GRI 302 - 2016 Energy	302-1 Energy consumption within the organization	57			7, 8, 12, 13
Emissions					
GRI 103: 2016 Form of management	103-1: Material topic explanation and its limit	7			
	103-2 The management approach and its components	32, 59			
	103-3 Evaluation of the management approach	59			
GRI 305: 2016 Emissions	305-1: Direct (Scope 1) greenhouse gas (GHG) emissions	59			3, 12, 13, 14, 15
	305-2 Energy indirect (Scope 2) GHG emissions	59			3, 12, 13, 14, 15
	305-3: Other indirect (Scope 3) GHG emissions	60			3, 12, 13, 14, 15
	305-5 Reduction of greenhouse gas (GHG) emissions	60			13, 14, 15



GRI Standards	Contents	Page/URL	Omission	SASB	Sustainable Development Goals
Waste					
GRI 103: 2016 Form of management	103-1 Material topic explanation and its limit	7			
	103-2 The management approach and its components	32, 57			
	103-3 Evaluation of the management approach	57			
GRI 306: 2021 Waste	306-1 Waste generation and significant waste-related impacts	57			3, 6, 11, 12
	306-2 Management of significant waste-related impacts	57			3, 6, 11, 12
	306-3 Waste generated	57			3, 6, 12, 14, 15
	306-4 Waste not destined for final disposal	57			3, 11, 12
	306-5 Waste destined for final disposal	58			3, 6, 11, 12, 14, 15
Environmental compliance					
GRI 103: 2016 Form of management	103-1: Material topic explanation and its limit	7			
	103-2 The management approach and its components	32, 56			
	103-3 Evaluation of the management approach	56			
GRI 307: Environmental Compliance 2016	307-1 Non-compliance with environmental laws and regulations	56			16
Environmental evaluation of suppliers					
GRI 103: 2016 Form of management	103-1: Material topic explanation and its limit	7			
	103-2 The management approach and its components	32, 56			
	103-3 Evaluation of the management approach	56			
GRI 308: 2016 Environmental Evaluation of Suppliers	308-1 New suppliers that were screened using environmental criteria	62			
	308-2 Negative environmental impacts in the supply chain and actions taken	61			



GRI Standards	Contents	Page/URL	Omission	SASB	Sustainable Development Goals
Training and education					
GRI 103: 2016 Form of management	103-1: Material topic explanation and its limit	7			
	103-2 The management approach and its components	32, 48			
	103-3 Evaluation of the management approach	48			
GRI 404: Training and Education 2016	404-1 Average hours of training per year, per employee	52			4, 5, 8, 10
Diversity and equal opportunities					
GRI 103: 2016 Form of management	103-1: Material topic explanation and its limit	7			
	103-2 The management approach and its components	32, 50			
	103-3 Evaluation of the management approach	50			
GRI 405: Diversity and equal opportunities 2016	405-1 Diversity of governance bodies and employees	51			5, 8
	405-2 Ratio of basic salary and remuneration of women to men	51			5, 8, 10
Social evaluation of suppliers					
GRI 103: 2016 Form of management	103-1: Material topic explanation and its limit	7			
	103-2 The management approach and its components	32, 61			
	103-3 Evaluation of the management approach	61			
GRI 414: 2016 supplier social assessment	414-1 New suppliers that were selected using social criteria	62			5, 8, 16
Marketing and labeling					
	FS16 Initiatives to improve financial education by type of beneficiary	47			1, 8, 10
Client Privacy					
GRI 103: 2016 Form of management	103-1 Material topic explanation and its limit	7			
	103-2 The management approach and its components	32, 41			
	103-3 Evaluation of the management approach	41			



GRI Standards	Contents	Page/URL	Omission	SASB	Sustainable Development Goals
Client Privacy					
GRI 418: 2016 Client Privacy	418-1 Substantiated complaints concerning breaches of customer privacy and losses of customer data	41. No substantiated complaints or claims from regulatory agencies regarding breaches of privacy or loss of customer data were identified in the period covered by this report.			16
Product portfolio					
	FS5 Interactions with clients, companies and business partners on environmental and social risks and opportunities	42, 56			10
	FS7 Monetary value of products and services created to provide a specific social benefit for each line of business, separated by purpose	34, 44		FN-IN-410b.2 Discussion of products and/or product features that encourage health, safety and/or environmentally responsible actions and behaviors	1, 8, 9, 10, 11
	FS8 Monetary value of products and services created to provide a specific social benefit for each line of business, separated by purpose	34, 44			



Sustainable Development Goals

1 Eradicate poverty	10. Reducing inequalities
2 - Zero hunger and sustainable agriculture	11. Sustainable cities and communities
3. Health and well-being	12. Responsible consumption and production
4 Quality education	13. Action against global climate change
5. Gender equality	14. Life in water
6. Clean water and sanitation	15. Terrestrial life
7. Clean and affordable energy	16. Peace, justice and strong institutions
8. Decent work and economic growth	17. Partnerships and means of implementation
9. Industry, innovation and infrastructure	

TCFD Summary

Recommended disclosure	GRI correlation
Governance a	102-18; 102-19; 102-20; 102-26; 102-27; 102-29; 102-31; 102-32
Governance b	102-29; 102-31; 102-32
Strategy a	102-15
Strategy b	201-2
Strategy c	-
Risk management a	201-2
Risk management b	-
Risk management c	-
Metrics and Targets a	102-30
Metrics and Targets b	102-29; 102-30; 201-2
Metrics and Targets c	-





KPMG Assessores Ltda.

Rua Arquiteto Olavo Redig de Campos, 105, 6º andar - Torre A

04711-904 - São Paulo/SP - Brasil

Caixa Postal 79518 - CEP 04707-970 - São Paulo/SP - Brasil

Telefone +55 (11) 3940-1500

kpmg.com.br

Limited verification report issued by independent auditors

To the Board of Directors and Shareholders of
Brasilseg Companhia de Seguros
 São Paulo - SP

Introduction

We were engaged by Brasilseg Companhia de Seguros ("Brasilseg" or "Company") to apply limited verification procedures on the sustainability information disclosed in its Sustainability Report 2021 ("Report"), in the accompanying information to this report related to the period ended December 31, 2021.

Responsibilities of Brasilseg's Management

The Management of Brasilseg is responsible for adequately preparing and presenting the sustainability information in the Sustainability Report 2021 in accordance with both the Standards for Sustainability Report of Global Reporting Initiative – GRI 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 verification engagement conducted in accordance with the Standards for Sustainability Report of Global Reporting Initiative - GRI (GRI-Standards) and the methodology developed globally by KPMG for verification of social and environmental information disclosed in sustainability reports denominated KPMG Sustainability Assurance Manual - KSAM, applicable to historical non-financial information.

These standards require compliance with ethical requirements, including independence ones, and the engagement is also conducted to provide limited verification that the information disclosed in the Brasilseg's Report, taken as a whole, is free from material misstatement.

KPMG Assessores 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 verification engagement conducted in accordance with the Standards for Sustainability Report of Global Reporting Initiative - GRI (GRI-Standards) and the KPMG Sustainability Assurance Manual - KSAM consists mainly of questions and interviews with the Management of Brasilseg 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 verification conclusion about the sustainability information taken as a whole. A limited verification 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 Brasilseg'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 Brasilseg'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);
- d. evaluation of non-financial indicators selected:
 - 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.

We believe that the information, evidence and results we have obtained are sufficient and appropriate to provide a basis for our limited verification conclusion.

Scope and limitations

The procedures applied to a limited verification engagement are substantially less extensive than those applied to a reasonable verification engagement. Therefore, we cannot provide reasonable verification that we are aware of all the issues that would have been identified in a reasonable verification engagement, which aims to issue an opinion. If we had conducted



a reasonable verification 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 Sustainability 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) and with the records and files that served as the basis for its preparation.

São Paulo, April 29th, 2022

KPMG Assessores Ltda.

Original report in Portuguese signed by
Marcio Andrade Barreto
Partner

Credits

Superintendency of Strategy, Governance, Sustainability and Innovation

Raquel Gaudêncio

Natália Taranto

Cristiane Zambrana

Integrated editorial project and consulting

grupo report - rpt.sustentabilidade

Copyediting and reporting

Guto Lobato and Cristina Barbosa

GRI Consulting and GHG Protocol

Jeniffer Sant'Anna

Daniel Thurler

Thiago Milagres

Project management and relationship

Ana Carolina de Souza Matsuzaki

Taynah Capecci

Graphic Design and layout

Fabio de Assis

Taiana Granja

English translation

Dash Ltda. Group

Steve Yolen



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