

ESG Progress

2nd Quarter, 2020

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ESG Progress

ESG during COVID19 pandemic

2020 has been showing changes in matters of perception and focus, on ESG (Environmental, Social, Governance). During the COVID-19 pandemic, the theme Climate Change, from the Environmental Pillar, kept its importance, but started to share its major attention with the Social Pillar. Nowadays, emergency needs began to occupy a greater space in the debate about concerns related to the future of humanity and planet earth.

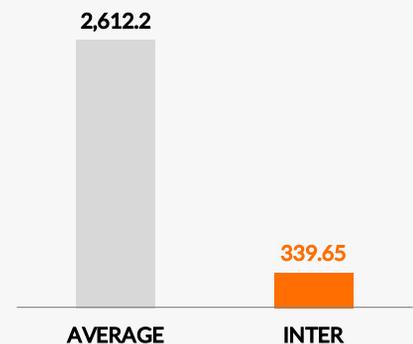
Internally, most of our employees started to work from home, which has been very successful plan, since we could sustaine our operations safely and even gain productivity on several fronts, as it will be shown later in this report. In addition, we have implanted several internal adaptations such as: workstations distancing and frequent cleaning, temperature and oxygen saturation measurement at the headquarters entrance and throughout the day, night disinfection, among others.

Externally, we focused on our clientes, by offering advantages in the use of our platform. For the society, we had donated resources to the public health system and to assist the most vulnerable population needs. All these actions were highlighted in our [1Q20 Management Report and Financial Statements](#). Once again our digital business model stands out, the fact of having no physical agencies throughout the country and a Marketplace are, an inhibitor of social agglomerations, for example. Additionally, due to the need for social distancing we had to suspend our face-to-face volunteering, but as a way to continue supporting our social institution partners, we offer our free means of payment to assist them in fundraising.

When it comes to atmospheric emissions, our business model has proven to have a lower absolute and compared negative impact, which can be seen in our Sustainable Revolution Report- the first official sustainability document we report, based on 2019 emissions data.

Learn more details about our comparative sustainability in our [Sustainable Revolution Report](#).

Atmospheric Emissions
(tons of CO2 equivalent per million costumers)



Globally, studies¹ indicate that global atmospheric emissions will decrease by 4% to 7% (compared to 17%² during the pandemic) in the post-pandemic world. We are always attentive and committed to this theme, which is fundamental in reducing risks that will impact business and future generations. With the internal adaptations, we can perceive, like other companies, the positive impact resulting from social distancing in environmental terms. With the transition in March about **of 90% of our employees were on work from home regime**. The suspension and further **significant reduction of air travel**, we were able to quantify the atmospheric emissions that were avoided from two categories of Scope 3.

This quantification became possible due to our **first Emissions Inventory for 2019**, which was audited by a third party and will be published in the Public Emissions Registry of the **Brazilian GHG Protocol Program**. Thus, it was possible to have comparison parameters to measure this year's variations with the previous year's emissions.

¹ Nature Climate Change Magazine (2020). Available in: <https://www.nature.com/articles/s41558-020-0797-x>

² Estimate for specific activities such as: electricity generation, industry, surface and air transport, trade and services, public and residential sectors.

In addition, considering that 90% of our employees were working from home during 2 months, it is possible to estimate that about **138 tons of CO2e were avoided**. Impact that can be considered even greater, taking into account that only 20% more of our employees, approximately, returned to the office by the end of June. The emissions avoided, together, are 2 times the sum of our Scopes 1 and 2 of 2019.

Our digital DNA helped on our adaptation to the pandemic context. Our teams maintained their full work potential, we were even able to reach a **10.4% increase in the opening of checking accounts in 2Q20 compared to 1Q20**, by offering complete, digital, free and inclusive solutions. With a lean physical structure, digital products and remote service, **we can fluidly adapt our operation.** Fortunately, **it was possible to maintain our staff and continue our recruitment process and business growth strategy.**

The pandemic scenario has validated the simplicity and security of our business model. As a learning experience, we understand that our operation works very well in a scenario of social distancing. However, we highly value the synergy and creativity from human contact in the construction of our organizational culture and constant journey of innovation. We learned that air travel can be optimized and working from home it is very useful when possible and needed. Thus, we can use the tools of distance relations in favor of the environment and society, without losing the importance of the social contacts that form our collective intelligence.

2030 Agenda for Sustainable Development

The 2030 Agenda, with its 17 Sustainable Development Goals and respective goals, serves as a guide for sustainable and inclusive development, where individuals, businesses and governments contribute to poverty eradication, protection of the planet and ensuring that people achieve peace and prosperity.

In 2019, we began our approach with the Brazilian chapter of the Global Compact, through the process of prioritizing the SDGs and their respective goals. By identifying the goals that our business model can generate the most impact, we can better evaluate how our purpose can help Brazil reach its sustainability goals by 2030. In 2020, we reviewed the process of prioritization and deepened even more the analysis of our relationship with each SDG, which resulted in a new Inter SDG Map, where the priority objectives are: **Reduced of Inequalities (SDG 10); Decent Work and Economic Growth (SDG 8), Industry, Innovation and Infrastructure (SDG 9); Responsible Consumption and Production (SDG 12).**



SDGs Relevance for our bussiness model is from inside out of the map



We are now proud to announce that we have made our participation as signatories of the **Global Compact official**. With this, we formalize our commitment to act actively to achieve the goals in the national context and reflect in our strategies and operations the 10 universal principles of the Global Compact, in the areas of Human Rights, Labor, Environment and Anti-Corruption.

Sustainability Strategy

A new era of capitalism is beginning. An era in which every stakeholder is important and should always be considered in business guidelines. Stakeholder Capitalism has come to enhance the purpose of organizations that already have it and invite others to take this step **through the modernization and adaptation of their business models**. With this, it will be possible to observe a positive transformation regarding generation of shared value. Considering the relevance of this context, in 2019 we held our first Listening to Stakeholders, which showed us what are the priorities and expectations of our stakeholders in various topics related to our **pillars of sustainability: FASG (Financial, Environmental, Social and Governance)**.



After defining our materiality, we realized the need to correlate the topics chosen as materials and other topics consulted in listening with our main strategic objectives. With this, it was possible to identify possible gaps of perception and engagement, to define action plans and put them on practice. To make this analysis practical, we are seeking to incorporate the material and strategically elected topics, related to the topics, correlating them to our pillars in our projects and processes. Thus, we hope to map possible ESG interfaces in our routines, and then encourage possible improvements of sustainability and helping to strengthen these concepts in our Organizational Culture.

We understand that the relevance of sustainability has only increased and we continue to leverage the benefits that only a business model equal to ours has!