

Social, Environmental and Climate Risks and Opportunities Report (GRSAC Report)

Reference year: 2023

Summary

Social, Environmental and Climate Risks and Opportunities Report (GRSAC Report)



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GRSAC Report – 2023

Introduction

We are pleased to present the Annual Sustainability Report, which covers the leading environmental, climate, social, and corporate governance indicators in 2023.

This document reflects our ongoing commitment to integrating sustainable practices. We recognise the relevance of these factors in conducting business and creating long-term value for investors, employees, customers, partners, suppliers, and the communities impacted by our operations.

GRSAC Report – 2023

Introduction

The global scenario is undergoing significant changes and is reaching new heights with awareness of social, environmental and climate issues. In this context, we reiterate our commitment to transparency and accountability and recognise that adopting sustainable practices is more than an ethical choice; it is part of the strategy and essential for the resilience and perpetuity of our business.

In this report, we present the results of our efforts to reduce our environmental footprint, promote diversity, equity and inclusion, ensure safe working conditions and strengthen our corporate governance structures.

We thank all the stakeholders who support us on this journey and invite you to explore this report and delve into the details of our practices and performance.

We build a more resilient, equitable, and responsible future for all.



GRSAC Report – 2023

From Conviction to Convenience and Business Strategy



“Set of principles and guidelines of a social, environmental and climate dimensions to be observed by the institution in the conduct of its businesses, activities and processes, as well as in its relations with stakeholders.”



GRSAC Report – 2023

About Travelex Confidence Group

Travelex is a globally recognised foreign exchange specialist in more than 20 countries.

In Brazil, the Group consists of **Travelex Bank**, the country's first exclusive bank for foreign exchange operations regulated by the Central Bank, and the brokerage **Travelex Confidence**, which has over 20 years of experience in the sector.

Among the operations carried out by the Group are cross-border operations such as international transfers and payments, imports, exports, eFX: a solution for payment facilitators and remitters, banknotes, buying and selling more than 20 types of foreign currency, exchanging international checks, selling prepaid cards, travel insurance, international cell phone chips, among others.



GRSAC Report – 2023

About Travelex Confidence Group

The Travelex Confidence Group's customers can also count on omnichannel service, including an online store, an exclusive app, internet banking, trading desks with telephone or WhatsApp service, and more than 120 stores nationwide.

We are proud to be one of the leading foreign exchange specialists in the market, and we work hard every day to keep it that way. We do so by striving to achieve our mission, vision, and strategic pillars and staying true to the values that have helped us build our current leading position.

GRSAC Report – 2023

About Travelex Confidence Group

Our vision

To be the most recognised, respected and reliable brand in international money for our customers and partners.

Our mission

Simplify our customers' access to international money, as and when they need it.

Our Strategic Pillars



Customers at the heart of our decisions

We commit to excellent service and product offerings for our customers and partners across our international reach, distribution network, and broad customer base.



People at the heart of our business

Our colleagues are our key differentiator; from the front line to our support centres, we aim to create a safe and dynamic environment where all colleagues can thrive, feel supported and engaged, and reach their full potential.



Culture of compliance

We have unique regulatory knowledge and capability, putting compliance and risk management at the core of our partnerships and service offerings.



Competitive advantage

Our long-standing brand, expertise, and footprint make us one of the leading specialist providers of international money.



Investment with focus and commitment

We focus on optimising, investing and innovating to deliver value for our customers, partners, and shareholders.

GRSAC Report – 2023

About this report

The Travelex Confidence Group understands that acting with social, environmental and climate responsibility means acting diligently in its activities and relationships to offer products and services in line with its values.

We acknowledge that our business activities impact our workplace, community, and environment in various ways. We know how we run our business can and should make a positive difference in these dimensions.

Our goal is to ensure that continuous efforts are made, advancing strategic actions focused on preserving and repairing the environment, including its recovery whenever possible, as well as our contributions to the transition to a low-carbon economy and to reduce physical climate impacts.



GRSAC Report – 2023

Introduction to the ESG pillars | Highlighted actions



ESG Subcommittee creation: a permanent non-statutory, technical, and advisory body linked to and coordinated by the Risk Management Committee. The purpose of this body is to evaluate and propose recommendations to the Board of Directors on establishing and reviewing the PRSAC (Social, Environmental and Climate Responsibility Policy).



As a result of **equitable and inclusive management**, we achieved **60% women among all employees**, an increase of 2% compared to 2022, **and 52% women in leadership positions**, a rise of 1% compared to the previous year. In addition, **we launched the Well-being Programme**, an initiative to promote our employees' physical and mental well-being with support actions beyond the workplace.



Periodically, **we promote our Whistleblowing Channel**, an official internal and external communication channel for reporting situations such as violations of the Code of Conduct, illegal acts or signs of fraud, suspicious or atypical situations, violations of legislation, regulations and internal rules or procedures involving the Travelex Confidence Group in Brazil, its employees and partners. In addition to this practice, we participate in the global Diversity, Equity and Inclusion Committee.

GRSAC Report – 2023

Introduction to the ESG pillars | Highlighted actions



In sustainability, we have reinforced our actions and responsible management by **implementing targets to reduce the consumption of electricity, water, and printing paper**, alongside monitoring indicators and initiatives that promote the conscious use of natural resources.



The Travelex Confidence Group values ethics in its relationships and business dealings, has earned the **Clean Company badge** and is a signatory to the Business Pact for Integrity and Against Corruption.



Among **our investments in cultural, sports and social projects**, we support the Museu da Imagem e Som (MIS), the Barueri Volleyball Club project, the civil society organisation Vocação, and the Hospital de Amor.

Social, Environmental and Climate Risks and Opportunities Report (GRSAC Report)

Corporate Governance

GRSAC Report – 2023 | Corporate Governance

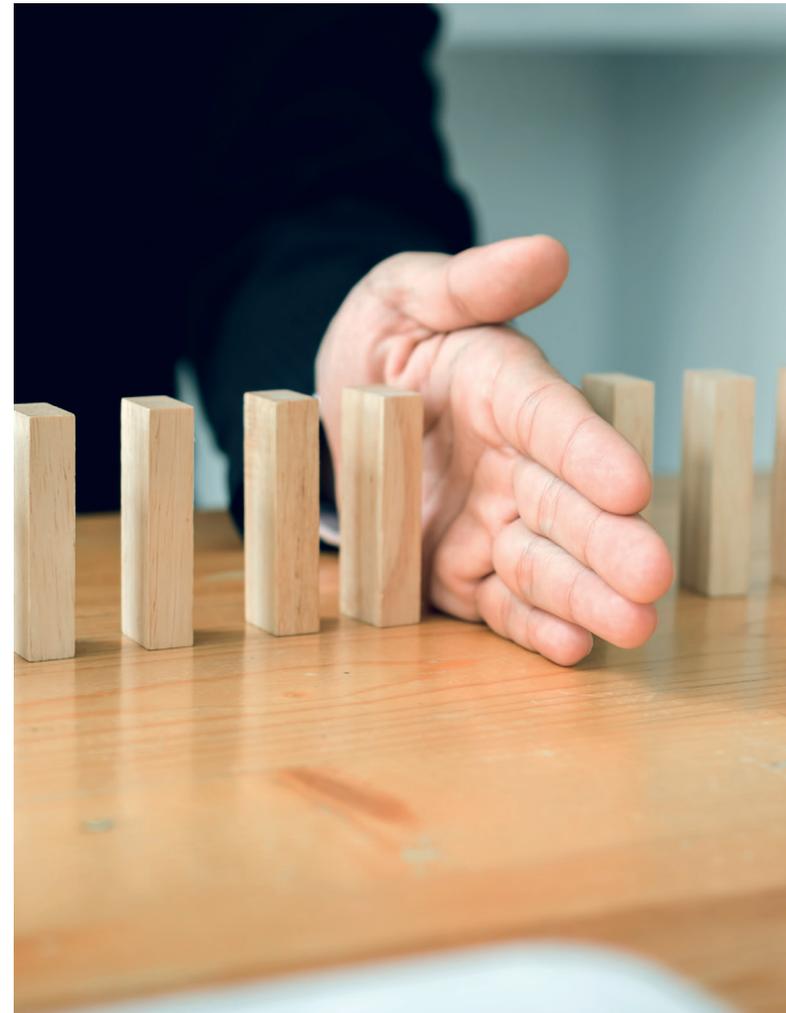
The following highlights the practices, policies, and structures designed to ensure that the Travelex Confidence Group is managed transparently, responsibly, and in compliance with the law and ethical standards.

SANCTIONS

Sanctions, or restrictive measures, are actions taken by a country (unilateral) or several countries (multilateral) to conduct standard (commercial or diplomatic) behaviour.

The objectives/motivations of a sanction on a country or countries can be political, commercial, national security, and/or international regulatory misconduct.

The Travelex Group has a list of sanctioned countries to ensure assertiveness in analysing and complying with the Sanctions Programmes. Any exception will require the approval of the global CCRO (Chief Compliance Risk Officer).



GRSAC Report – 2023 | Corporate Governance

The following highlights the practices, policies, and structures designed to ensure that the Travelex Confidence Group is managed transparently, responsibly, and in compliance with the law and ethical standards.

FINANCIAL CRIME COMPLIANCE (FCC)

The FCC (Financial Crime Compliance) department manages and controls risks related to money laundering and terrorist financing through processes and continuous monitoring to detect signs of atypical or suspicious situations/operations and in risk assessment and measurement processes.

The entire FCC structure is part of the Compliance structure. It follows the global PLDFT (Prevention of Money Laundering and Financing of Terrorism) guidelines, referring to the regulatory framework the Travelex Confidence Group is part of, such as the European Union, United States, United Kingdom, Brazil, and others.



GRSAC Report – 2023 | Corporate Governance

The following highlights the practices, policies, and structures designed to ensure that the Travelex Confidence Group is managed transparently, responsibly, and in compliance with the law and ethical standards.

COMMITTEES' GOVERNANCE

As part of the Corporate Governance process, the Compliance area periodically maps the Committees and Commissions in force in the Travelex Confidence Group.

The Committees form part of our Group's Governance structure, are permanent and have deliberative powers and robust control structures.

A Committee entails the responsibility and obligation to draw up Regulations that include the frequency of meetings, Committee members, duties and responsibilities, resolutions' formalisation in minutes or any other means of communication (e.g. e-mail) that gives publicity and knowledge of the agenda and approved resolutions, among other obligations.

Our committees and commissions

Executive Committee

**Prevention of Money Laundering
and Terrorist Financing**

Risk Management Committee

Risk Management

Credit Management Committee

Products Committee

GRSAC Report – 2023 | Corporate Governance

The following highlights the practices, policies, and structures designed to ensure that the Travelex Confidence Group is managed transparently, responsibly, and in compliance with the law and ethical standards.

WHISTLEBLOWING CHANNEL

The Whistleblowing Channel is the official and dedicated channel for anyone to report evidence related to violations of our Code of Conduct, suspected illegal acts, fraud, money laundering and/or terrorist financing, corruption, violations of external regulations (regulatory bodies) and internal regulations (policies, rules, manuals) involving employees, business partners, customers and/or suppliers of the Travelex Confidence Group.

Whistleblowers can report a concern or wrongdoing **anonymously** or with their identity. We guarantee confidentiality and **impartiality** in handling grievances.

How to access our whistleblowing channel



0800-888-5088

(IVR that allows 24 X 7 recording)



Travelex Bank and Travelex Confidence websites

<https://www.travelexbank.com.br/denuncia/>

<https://www.confidencecambio.com.br/denuncia/>



Travelex Bank and Travelex Confidence e-mails

denunciabanco@travelexbank.com.br

denunciacorretora@confidencecambio.com.br

GRSAC Report – 2023 | Corporate Governance

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ABRACAM CONFORMITY CERTIFICATION

The Conformity Certification badge, designed by ABRACAM (Brazilian Foreign Exchange Association), is for institutions authorised to operate in the foreign exchange market. It aims to standardise the best practices and procedures applied by agents that operate in the foreign exchange market, making it possible for institutions and their clients to be more transparent, robust, and economical.

The assessment process involved the collaboration of Travelex Confidence Group's various departments, which was crucial in renewing the certification badge.

With the renewal of the Certification badges, the Travelex Confidence Group demonstrates its adherence to current regulations, reaffirming its commitment to the adoption of good practices and the robustness of the controls and procedures applied to PLDFT (Prevention of Money Laundering and Terrorist Financing).

Certification badge Renewal - 2023 Cycle

Renewal of the ABRACAM Compliance Certification badge, Cycle 2023, Series 1000 for Travelex Bank and Series 2000 for Travelex Confidence brokerage.



GRSAC Report – 2023 | Corporate Governance

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EMPRESA LIMPA BADGE

The Ethos Institute for Business and Social Responsibility has awarded us the Empresa Limpa badge and recognised us as signatories of the Business Pact for Integrity and Against Corruption.

By becoming a signatory, we have publicly committed to disseminating Brazilian anti-corruption legislation to our employees and stakeholders so that they fully comply with it.

We are a signatory company



GRSAC Report – 2023 | Corporate Governance

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FITCH RATINGS

Fitch Ratings, one of the world’s top 3 rating agencies, has assigned Travelex Bank for the first time the initial national ratings of Long Term BBB(bra) and Short Term F2(bra), indices that signify “good quality” of credit and liquidity, respectively.

Awarding Travelex Bank these ratings places it in a prominent position compared with other institutions in the same sector.

According to Fitch, the bank’s national ratings reflect its business profiles, in-depth knowledge of the primary areas of activity (focusing on the foreign exchange market), adequate risk controls, and good financial profile, primarily regarding profitability and capitalisation.

Our national ratings

Initial national long-term BBB(bra) and short-term F2(bra) ratings.



GRSAC Report – 2023 | Corporate Governance

The governance structure of Social, Environmental and Climate Risk (RSAC) management.



Board of Directors

The Board of Directors is responsible for reviewing and approving the PRSAC (Social, Environmental and Climate Responsibility Policy) with the accountable director's support.



Risk Committee

The Risk Committee is responsible for managing activities related to integrated risk management and ensuring the business unit's alignment with the institution's risk appetite.



ESG Subcommittee

The ESG Subcommittee is a non-statutory, technical-consultative, and permanent body linked to and coordinated by the Risk Committee. Its purpose is to evaluate and propose recommendations to the Board of Directors on establishing and reviewing the PRSAC (Social, Environmental and Climate Responsibility Policy).



Social, Environmental and Climate Risks and Opportunities Report (GRSAC Report)

Social

GRSAC Report – 2023 | Social

The following highlights the practices, policies and structures designed to ensure that the Travelex Confidence Group respects and promotes diversity, equity and inclusion in its business, activities, processes and relations with stakeholders.



Global Equality and Diversity Policy

This policy outlines our approach to equity, diversity, and preventing unlawful discrimination at work. It applies to all aspects of employment with us.



Global Bullying and Harassment Policy

This policy applies to all colleagues and contractors or third parties who work with us.

In addition, it covers colleagues' behaviour outside working hours, which may impact work or working relationships. Harassment and bullying are always unacceptable.



Corporate Sponsorship and Donations Policy

This policy reinforces the Travelex Confidence Group's commitment to establishing partnerships that encourage society's sustainable and ethical development in compliance with local legislation and our corporate guidelines ethically and transparently.



Standards of Whistleblowing Channel

This standard defines, formalises, and discloses how the Group makes available and deals with the Whistleblowing Channel, the primary means of communication for reporting signs of wrongdoing related to the Travelex Confidence Group's activities or that violate corporate policies and internal rules coming from employees, customers, suppliers, business partners, or any interested person.



Youth Apprenticeship Programme

Provides the first job for talented youth, prioritising those in situations of social vulnerability.

An apprentice is a young person between the ages of 16 and 23 who studies, works, and receives training for the profession in which they are learning/training.



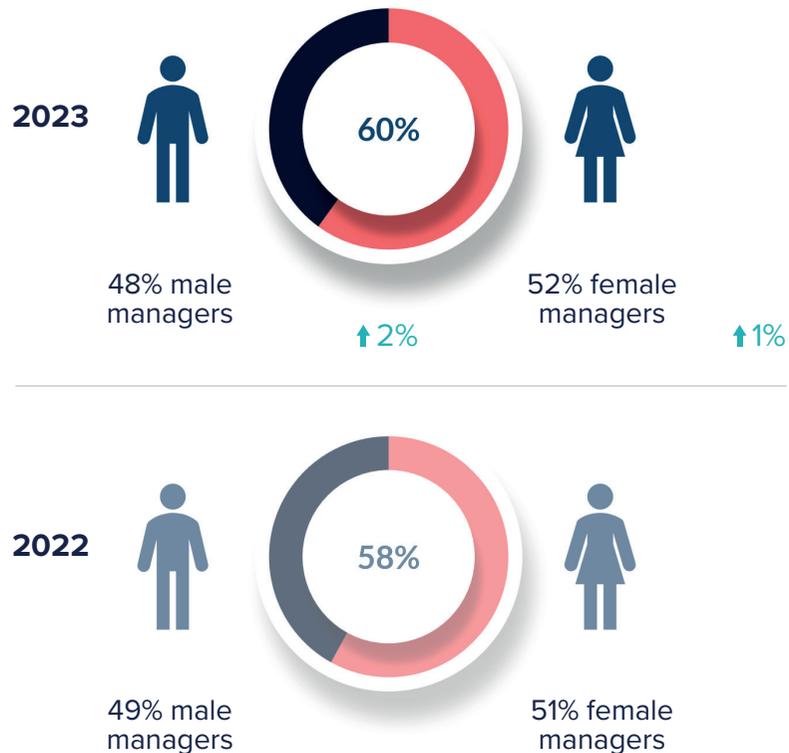
TVX Well-being Programme

Our initiative is to embed a cultural narrative around emotional and mental well-being and support in the workplace. We want all colleagues to feel confident asking for the support they need to thrive.

GRSAC Report – 2023 | Social

The following highlights the practices, policies and structures designed to ensure that the Travelex Confidence Group respects and promotes diversity, equity and inclusion in its business, activities, processes and relations with stakeholders.

Gender equality | Women in the spotlight



Data source: HR indicators for December/2023 and December/2022, referring to the total number of people with employment contracts (CLT) and internships.

Our DE&I actions (Diversity, Equity & Inclusion)

Event with our female executives and talk “Transforming Women Transform” in March 2023.

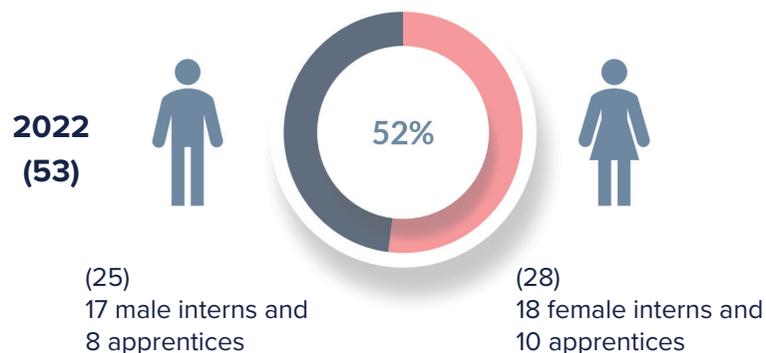
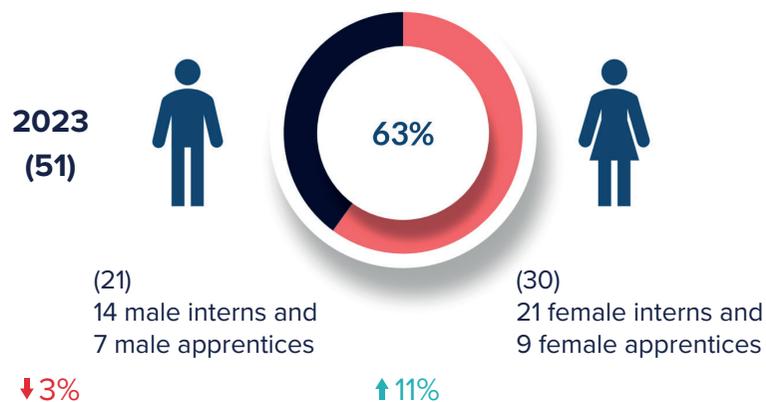
Debate on the relevance of female leadership for business growth and sustainability and practical attitudes for women to be more strategic. Everyone had the chance to participate in the dynamics, learn tips and tricks to improve their self-confidence and change their perspectives on issues that might hinder their progress.



GRSAC Report – 2023 | Social

The following highlights the practices, policies and structures designed to ensure that the Travelex Confidence Group respects and promotes diversity, equity and inclusion in its business, activities, processes and relations with stakeholders.

Youth Talent Programme | Interns and Apprentices



We invest in talented youth.

The 2022 Apprentice Programme has 13 people in different subsystems of the company. We run it in partnership with Nube, which supports us at every stage of the programme. An apprentice is a young person between the ages of 16 and 23 who studies and works while receiving training in the profession they are exercising. They must be enrolled in and attending an accredited vocational-technical institute.



GRSAC Report – 2023 | Social

The following highlights the practices, policies and structures designed to ensure that the Travelex Confidence Group respects and promotes diversity, equity and inclusion in its business, activities, processes and relations with stakeholders.

ACTIONS TO STIMULATE WELL-BEING AND SELF-CARE



There are online and face-to-face meditation sessions and a meditation and mindfulness app.



Our main office has an individual meditation cabin and massage chair. We also offer the GymPass Programme, which offers plans from 2,600 gyms and studios and 24 wellness apps.

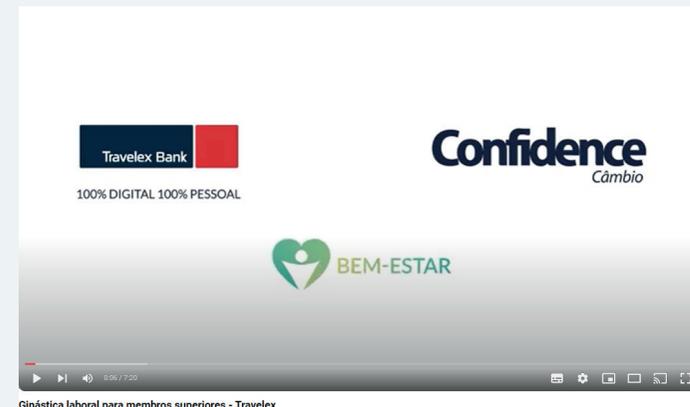
GRSAC Report – 2023 | Social

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ACTIONS TO STIMULATE WELL-BEING AND SELF-CARE



Yoga sessions.



We publish links to exclusive videos about physical activities that promote well-being and self-care for home practice with family or friends.

GRSAC Report – 2023 | Social

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ACTIONS TO STIMULATE WELL-BEING AND SELF-CARE

In partnership with Alelo, we have the **physical and emotional support platform IVI**.

The app is valuable in promoting integral well-being, as it offers personalised monitoring of essential habits for a healthy life, including mood, sleep and food, providing valuable tips and practical resources to promote emotional and physical balance.



The **Auster Programme** provides free access to a vast team of professionals in psychology, nutrition, physiotherapy, and physical education. The services are confidential and are available by telephone from Monday to Friday, 8 a.m. to 8 p.m. This programme is open to employees, spouses, children, and stepchildren.

GRSAC Report – 2023 | Social

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ACTIONS TO STIMULATE WELL-BEING AND SELF-CARE

In support of **Pink October**, which aims to raise women's health awareness, we ran a campaign to encourage our employees and women registered as dependents in our health plan to undergo basic preventive procedures between October and November 2023, with no co-payment. The procedures covered by this exemption were consultation with a gynaecologist, pap smear (or colposcopy), mammography and breast ultrasound.



*Ações de autocuidado
em celebração ao
Outubro Rosa*



GRSAC Report – 2023 | Social

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PROMOTING MENTAL HEALTH

In honour of World Mental Health Day on October 10, we promoted the live event “Strategy and daily practices promoting mental health” on October 4.

Psychologist Priscila Lima gave the talk in partnership with Vital Work, our partner that supports us in well-being actions and events such as yoga sessions and weekly well-being videos. The talk addressed self-care habits and practices that positively impact our mental health, such as physical training, healthy choices with balanced food consumption, and healthy sleep practices that support good quality sleep.

In addition, Priscila demonstrated some relaxing exercises and reinforced all the activities we promote to our colleagues under the Well-being Programme.

We created our intranet’s “World Mental Health Day” page to share relevant emotional and psychological well-being information, self-care tips and tricks, and support channels and centres.

Promoting a culture of self-care and mutual respect regarding mental health creates a healthy and sustainable workplace for all.



GRSAC Report – 2023 | Social

The following highlights the practices, policies and structures designed to ensure that the Travelex Confidence Group respects and promotes diversity, equity and inclusion in its business, activities, processes and relations with stakeholders.

RECOGNITION | ORGANISATIONAL CLIMATE

The GPTW Certification badge is the recognition provided by the Great Place to Work (GPTW) institute to companies that meet the established criteria and standards for being considered excellent places to work.

GPTW conducts organisational climate surveys and evaluates various companies' people management practices. The GPTW Certification badge is a recognition earned by companies that provide an exceptional work environment where employees feel valued, engaged, and satisfied.

This certification is a testament to the quality of the work environment and the company's management practices.

GPTW Certification badge

In 2023, we won the GPTW Certification badge for the fourth consecutive year, with an increase of 3 points in the final score for organisational climate compared to the previous year.



GRSAC Report – 2023 | Social

The following highlights the practices, policies and structures designed to ensure that the Travelex Confidence Group respects and promotes diversity, equity and inclusion in its business, activities, processes and relations with stakeholders.

INVESTMENT IN CULTURE

In 2023, we supported the Museum da Imagem e Som (MIS). Founded in 1970 by the São Paulo State Government's Department of Culture and Creative Economy, MIS is one of the most visited cultural centres in São Paulo.

Its collection has over 200,000 items, including photographs, films, videos and posters. In addition to major national and international exhibitions, the museum offers various cultural programmes, with events in all areas and for all audiences: cinema, dance, music, video, and photography are part of the museum's daily life.

Museu da Imagem e do Som

On September 20, 2023, we gathered a group of employees and their companions to visit the unprecedented exhibition dedicated to B.B. King, the king of the blues.

More than just an exhibition about this music star's life and career trajectory, it addresses aspects of American segregationist culture and politics from the time to its evolution to the present day, an immersion in diversity, equity and inclusion issues.



Travelex Confidence Group sponsors MIS.

GRSAC Report – 2023 | Social

The following highlights the practices, policies and structures designed to ensure that the Travelex Confidence Group respects and promotes diversity, equity and inclusion in its business, activities, processes and relations with stakeholders.

INVESTMENT IN WOMEN'S SPORT

In 2023, we supported the Barueri Volleyball Club team, the brainchild of José Roberto Guimarães, the coach of the Brazilian women's volleyball team since 2003.

It's an athlete training project that started in October 2016 and is developing from the grassroots to the highest performance level.

The project is developed based on planning, knowledge, and commitment. It has achieved significant victories and is an excellent instrument for transforming lives.

There are five grassroots categories (U14, U15, U17, U19 and U21) and an adult category. The latter competes in the Paulista Championship and Superliga A and is among the best teams on the Brazilian scene.

Barueri Volleyball Club

In 2023, the project involved 90 athletes and 16 professionals from various specialities, including volleyball coaches, physical trainers, physiotherapists, a doctor, statisticians, a psychologist and the administrative team (the number of people benefiting was the same as in 2022).



Travelex Confidence Group supports the Barueri Volleyball Club.

GRSAC Report – 2023 | Social

The following highlights the practices, policies and structures designed to ensure that the Travelex Confidence Group respects and promotes diversity, equity and inclusion in its business, activities, processes and relations with stakeholders.

SOCIAL INVESTMENT | ADOLESCENTS AND YOUTH

In 2023, we supported the Vocação project, which for 55 years has been promoting social transformation and guaranteeing the rights of children, adolescents, youth and their families, acting in a network with various partners with a focus on education, technical qualifications and opportunities for work and income, with a nationwide reach.

Volunteer Mentoring Programme

It is an advisory and professional development programme where young people experience the corporate world through meetings with volunteer mentors who help them put their life projects into practice. In 2023, 6 Group employees mentored 6 young people assisted by the project (a 100% increase from 2022).

VocAção

On 10/5/2023, we participated in the Professions Table, a meeting to share knowledge, experiences and inspirations about life and the working world with teenagers.

The action promoted exchanges for these youth's personal and professional development at the start of their careers.

It was an incredible experience with inspiring stories!



Travelex Confidence Group supports the social Project VocAção.

GRSAC Report – 2023 | Social

The following highlights the practices, policies and structures designed to ensure that the Travelex Confidence Group respects and promotes diversity, equity and inclusion in its business, activities, processes and relations with stakeholders.

SOCIAL INVESTMENT | THE OLDER PEOPLE (60+)

In 2023, we supported the Hospital de Amor in Barretos - São Paulo. This institution has a 60-year history of providing free care to cancer patients.

The pillars that guide Hospital de Amor are excellence in care, prevention, teaching and research.

The Older People Support Project

It provides comprehensive care for patients aged 60 or more at Hospital de Amor units. The costs related to the treatment and the multidisciplinary activities carried out on an ongoing basis are covered.



Hospital de Amor

In 2023, the Hospital assisted more than 568,000 older people with the funds obtained through this initiative. The donations encouraged by the Elderly Law aim to fund the São Judas Tadeu Hospital — the Hospital de Amor’s palliative care and older people’s care unit.



Travelex Confidence Group is a partner of Hospital de Amor.

Social, Environmental and Climate Risks and Opportunities Report (GRSAC Report)

Environmental and Climate

GRSAC Report – 2023 | Environment and Climate

The following highlights the practices, policies, and structures designed to ensure that the Travelex Confidence Group manages its business operations in an environmentally sustainable manner by adopting and encouraging the conscious and efficient consumption of natural resources, contributing to a positive impact, and mitigating any issue in its activities, processes, products and services.

HEADQUARTER IN A SUSTAINABLE BUILDING

Our head office is in a condominium with a water treatment plant (WTP). This plant treats the water collected from the groundwater and conveys it for use in the toilets of the entire building, garden irrigation, car wash service, and external condominium washing.

The building has certifications, such as **LEED GOLD** (Core & Shell - Construction) – 2017 and **LEED PLATINUM** (O & M - Operation and Maintenance) – 2022.

A company certified and standardised on the Certificate of Movement of Waste of Environmental Interest (CADRI) conducts waste disposal.

The condominium also has automation systems that turn off the lighting at low circulation times, reducing electricity consumption.

Our headquarter | Edifício Berrini One - São Paulo/ SP



GRSAC Report – 2023 | Environment and Climate

The following highlights the practices, policies, and structures designed to ensure that the Travelex Confidence Group manages its business operations in an environmentally sustainable manner by adopting and encouraging the conscious and efficient consumption of natural resources, contributing to a positive impact, and mitigating any issue in its activities, processes, products and services.

STORES IN SUSTAINABLE SHOPPING MALLS

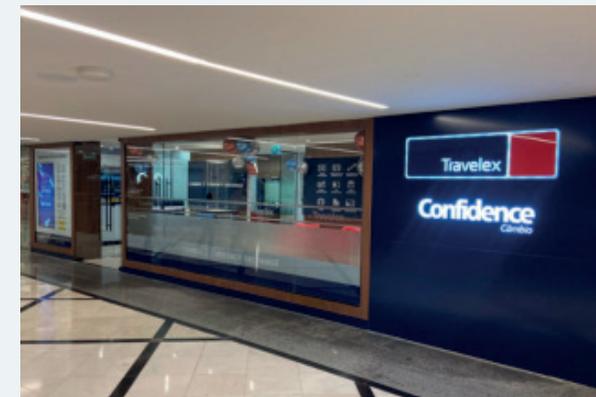
Around **90% of Travelex Confidence brokerage stores are in shopping malls with sustainable initiatives** by their administrators.

We highlight some practices:

- Green roof (gives an ecologically correct destination to the organic waste monthly generated in the food court and provides efficiency in air conditioning consumption),
- Composting (transforms leftover food into a basis for organic food production);
- Selective collection and electronics disposal,
- Water recycling and reuse,
- Oil (collects used cooking oil and produces homemade soap used to clean the installations),
- Solar panels and generation of energy used to operate elevators and escalators.

Our physical stores

It is an example of a shopping mall store where mall management is committed to socio-environmental responsibility and takes actions to mitigate the impact of its operations.



Store in Eldorado Shopping Mall – São Paulo/SP

The background of the slide is an aerial photograph of a city. The top half shows a dense urban skyline with various skyscrapers and buildings under a blue sky with light clouds. The bottom half shows a lush green park area with a river or lake, reflecting the sky and surrounding trees. A semi-transparent dark blue horizontal band runs across the middle of the image, serving as a background for the text.

Social, Environmental and Climate Risks and Opportunities Report (GRSAC Report)

Final Considerations on Social, Environmental and Climate Risk (RSAC)

GRSAC Report – 2023 | RSAC

Primary Monitoring Indicators

Theme	Category	Measurement criteria	Targets set in 2023 for implementation in 2024
Climate and Culture	Employee Satisfaction	Results of the organisational climate survey provided by the Great Place to Work (GPTW) institute	Over 85%
Diversity and Inclusion	Women	Number of female employees / Total number of employees	Maintain in 60%
	LGBT People	Number of LGBT employees / Total number of employees	Minimum of 5%
	People with Disability (Bank and Brokerage) Reference Target source: Article 93 from the Brazilian Law nº. 8,213 of 1991	Number of employees with disability / Total number of employees	Bank 3% Brokerage 4%
	People aged 50+	Number of employees aged 50 and more / Total number of employees	Minimum 5%
Philanthropic Actions	Black people	Number of black employees / Total number of employees	Minimum 5%
	Donations	Number of donation actions executed	3 Actions
	Social Action	Number of social activities excluding donation actions	10 Actions
Resources Management	Electricity Consumption	Amount of kWh	Reduction of 5% in total
	Printing Paper Consumption	Number of paper sheets	Reduction of 5% in total
	Water Consumption	cubic metres of water	Reduction of 5% in total

GRSAC Report – 2023 | RSAC

Social, Environmental and Climate Risk

SOCIAL

- Acts of harassment, discrimination or prejudice.
- Practice related to work in conditions analogous to slavery.
- Irregular, illegal or criminal exploitation of child labour.
- Human trafficking, sexual exploitation or criminal gain from prostitution.
- Non-compliance with social security or labour legislation.



ENVIRONMENTAL

- Actions against fauna or flora, deforestation, causing fires, degradation of biomes and biodiversity and practices associated with trafficking, cruelty, abuse or mistreatment of animals.
- Irregular, illegal or criminal air, water or soil pollution.
- Irregular exploitation or degradation of the environment.
- Non-compliance with environmental licensing conditions.



CLIMATE

- Change in the supply or demand for products and services associated with transitioning to a low-carbon economy.
- Unfavourable perception that negatively impacts the institution's reputation regarding its degree of contribution to the transition to a low-carbon economy.
- Extreme climatic conditions, including drought, flood, storm, cyclone, frost and forest fire.



GRSAC Report – 2023 | RSAC

Integrated RSAC Management

The risk management structure must also provide for social risk, environmental risk and climate risk:

1 **Mechanisms for identifying and monitoring** CSR due to its products, services, activities or processes and the activities carried out by third parties.

2 **Identification, evaluation, classification and measurement** of the RSAC based on consistent and verifiable criteria and information, including publicly accessible information.

3 **Timely identification of customers', financial market's and society's general perceptions** regarding the institution's reputation when this perception could significantly impact the RSAC.

4 Recording **relevant data for management** (losses incurred, broken down as appropriate into social risk, environmental risk or climate risk).

5 **Identifying political, legal, regulatory, technological or market changes**, including significant changes in **consumer preferences**, which could impact the RSAC and procedures for mitigating these impacts.

6 **Integrated risk management reports must include information** regarding material losses and concentration related to RSAC (CMN Res. No. 4,557).



GRSAC Report – 2023 | RSAC

RSAC Future vision

The Travelex Confidence Group believes that principles and guidelines related to social, environmental, and climate will become increasingly relevant and profoundly transform how companies operate and their evaluation.

In this sense, our strategy is to evaluate the adoption of practices in line with benchmarks such as the UN Sustainable Development Goals (SDGs) and the Principles for Responsible Investment (PRI), among others.

Regarding incorporating these guidelines into our processes, our actions will always consider the social, environmental and climate bases in promoting our development and being part of all our business decisions and approaches, from strategic planning to day-to-day management.

The efficacy in ESG practices implementation is an ongoing process requiring commitment and consistent action.



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Social, Environmental and Climate Risks and Opportunities Report (GRSAC Report)

GVR Table: Governance of social, environmental and climate risk management

GRSAC Report – 2023 | GVR Table

Table GVR: Governance of social, environmental and climate risk management

Objective: To describe the governance of social, environmental, and climate risk management.

Content: Qualitative information.

Frequency: Annual.

Following Resolution No. 4,557 of February 23, 2017, should have the description of the role of the Board of Directors (BoD), the institution's senior management, the Chief Risk Officer (CRO), and the risk committee in the governance process for the identification, measurement, assessment, monitoring, reporting, control, and mitigation of social risk, environmental risk, and climate risk.

The Social, Environmental and Climate Risk Management Governance structure is composed by:

- Board of Directors: responsible for approving and reviewing the Social, Environmental and Climate Responsibility Policy (PRSAC) with support from the accountable director;
- Risk Committee: manages activities related to integrated risk management and ensures the alignment of business units to the institution's risk appetite, with the Chief Risk Officer (CRO) as the person in charge;
- ESG Subcommittee: a non-statutory, technical and advisory body of a permanent nature, linked to and coordinated by the Risk Committee, whose purpose is to evaluate and propose recommendations to the Board of Directors on the establishment and review of the PRSAC.

GRSAC Report – 2023 | Tabela GVR

Information Breakdown

a)

Identifying governance bodies' institutions responsible for social, environmental, and climate risk management.

The Board of Directors (BoD) defines the institution's strategies, including policies related to social, environmental and climate risks (RSAC), i.e. they make strategic decisions, approve policies and monitor performance.

The Executive Board is responsible for implementing the directives of the Board of Directors and managing the institution.

The Risk Committee monitors and evaluates risks, including RSAC risks.

The CRO sponsors this issue and regularly reports on risk exposure and mitigation to the Board of Directors and the Executive Board.

The ESG Subcommittee establishment, composed of employees from various Groups' departments, operationalises the PRSAC guidelines.

b)

Describe the responsibilities assigned to the bodies identified in item (a) and their relationship.

The Social, Environmental, and Climate Responsibility Policy (PRSAC) establishes the necessary and required conditions for identifying social, environmental, and climate risks related to the Group's activities, products, and services.

The Travelex Confidence Group understands that acting with social, environmental and climate responsibility means acting diligently in its activities and relationships, offering products and services that are consistent with its values, strategic governance guidelines and actions to mitigate and reduce the impact of RSAC throughout its value chain, to contribute to the sustainable development of its business and society.

For this purpose, the definition of roles and responsibilities of the Group's bodies involved in managing these risks is part of the culture and responsibility of all employees; however, the following structure conducts its management, where the key departments have the described roles and responsibilities:

1. Board of Directors

- Approving and reviewing the PRSAC with its responsible director support.

2. Risk Committee

- Awareness of and approving the Group's PRSAC;
- Promote adequate and reliable disclosure of the PRSAC and its implementation actions;
- Evaluating and approving risk management reports and other relevant regulatory reports, if necessary;
- Participating in and contributing to the decision-making process related to the establishment and review of the PRSAC, assisting the Board of Directors;
- Supporting the implementation of actions aimed at the effectiveness of the PRSAC, assessing the adherence degree to the implemented actions;
- Monitoring and evaluating the implemented actions;

- Requesting improvements to the implemented actions when identifying any shortcomings;
- Ensuring the Group's adherence to PRSAC and actions aimed at its effectiveness;
- Ensuring the compatibility and integration of PRSAC with other policies established by the Group, including credit, human resources management, risk management, capital management and compliance policies;
- Ensure the timely correction of deficiencies related to PRSAC; - Ensure that the remuneration structure adopted by the Group does not encourage behaviour incompatible with PRSAC;
- Proposing recommendations to the Board of Directors on the establishment and review of PRSAC, keeping records of the recommendations;
- The ESG Subcommittee ("Subcommittee") is a permanent non-statutory, technical, and advisory body linked to and coordinated by the Risk Management Committee. The purpose of this body is to evaluate and propose recommendations to the Board of Directors on establishing and reviewing the PRSAC (Social, Environmental and Climate Responsibility Policy).

3. Human Resources

- Disseminate the values and principles that guide businesses and employee relations with customers, suppliers, the internal community and other counterparties;
- Promote workplace equality, diversity, and inclusion for the Group's employees through practical actions that comply with the theme's strategic definitions and targets.

4. Legal

- Assure that the Group's contractual instruments and other official documents comply with legal and regulatory requirements and best practices regarding the RSAC in all its interactions with all its counterparties.

5. Products

- Ensure the execution of prior assessments regarding potential social, environmental, and climate impacts of new products and services, encouraging and guaranteeing opportunities that promote and stimulate adherence to the institution's strategic guidelines.

6. Regulatory Compliance

- Supporting the dissemination and strengthening of a culture of social, environmental and climate responsibility and ways of preventing the associated risks;
- When identifying non-compliance with this PRSA and relevant regulations, propose recommendations for preventive actions or process review, as applicable.

7. Financial Crime Compliance

- Considering the possible identification and assessment of social and environmental risk in PLDFT (Prevention of Money Laundering and Terrorist Financing), analyses conducted for customers, partners, suppliers, and employees (KYC - Know Your Customer, KYP - Know Your Partner, KYS - Know Your Supplier, KYE - Know Your Employee) in the know your customer and monitoring processes, in line with the strategy and appetite for these risks established by senior management.

8. Operational Risk and Internal Controls

- Monitoring and reporting actual losses related to RSAC events on a loss basis, according to the accounting accounts established in the Group's chart of accounts for accounting for losses arising from social, environmental and climatic events;
- Monitoring and evaluating the mitigation plans for corrective actions arising from the materialisation of operating losses;
- Supporting the mapping of risks and controls with a higher degree of exposure and carrying out timely tests to verify the degree of adherence related to the PRSAC, as well as their actual and potential impacts, when considered relevant;
- When identifying any relevant risk without proper mitigation, propose process improvement actions.

9. Financial Risk

- Evaluate the actual and potential impacts, when considered relevant, of the RSAC on the business strategies adopted by the Group;
- Carry out stress tests related to the RSAC, following the regulatory definition;
- Drawing up the policy and ensuring correct adherence to the precepts described therein;
- Consolidate the SAC Risk Management Report with the support of all the areas involved in this process.

10. Credit Risk

- Assessing the social, environmental and climate impacts of companies or projects susceptible to taking out credit;
- Measure sustainability and responsible social practices when granting credit, favouring companies and/or clients that demonstrate commitment to the precepts and certifications described in the PRSAC policies;
- Issuing, in a format and periodicity regulated by the Central Bank of Brazil, the relevant DRSAC document, which the Financial Risk area will send to the regulatory body.

11. Facilities

- Measuring energy and water consumption. Proposing measures to improve efficiency, if applicable;
- Promoting awareness campaigns on rational energy and water resource usage;
- Ensuring that waste management complies with the PRSAC;
- Promote contracting services that use clean technologies and assure environmental preservation to conduct internal and external workplace maintenance and/or office/store adaptation.

12. Other Group's departments

- Act following current internal and external social, environmental and climate responsibility regulations in their activities and stakeholder relationships.

<p>c)</p>	<p>Process and frequency of receiving information on social, environmental, and climate risks from the Executive Committee and, in its absence, the Board of Directors, as described in item (b).</p> <p>The CRO reports to the Executive Committee monthly and quarterly to the Board of Directors.</p>
<p>d)</p>	<p>Description of the criteria used by the Board of Directors and, in its absence, by the Executive Board to ensure that social risk, environmental risk and climate risk, when relevant, are considered in the approval and review processes:</p> <p>The activities related to social, environmental, and climate risk management comply with the principles of relevance (the degree of exposure to social and ecological risk of the Group’s activities and operations) and proportionality (the compatibility of the PRSAC with the core of the Group and the complexity of its activities and financial services and products).</p> <p>When considered relevant, the assessment of actual and potential socio-environmental risk’s impacts on the business strategies adopted by the Group and the actions related to the processes for managing and controlling such risks, which are subordinate to the Risks department, include:</p> <ul style="list-style-type: none"> • The development and monitoring of systems, routines and procedures that make it possible to identify, classify, assess, mitigate and control the RSAC present in the institution’s activities and operations; • Recording and maintaining data on actual losses due to social, environmental and/or climatic damage for at least five years, including amounts, type, location and economic sector involved in the operation;

	<ul style="list-style-type: none">• Prior assessment of the potential negative impacts of new types of products and services, including image risk;• Procedures for adapting RSAC management to legal, regulatory and market changes.
e)	<p>Ways in which the Risk Committee and, in its absence, the Board of Directors monitor the institution’s strategic objectives and, if applicable, targets related to social, environmental and climate aspects.</p> <p>The Risk Committee has a section on social, environmental and climate issues.</p> <p>Indicators and their respective targets monitoring.</p> <p>If the actual and the target differ, an action plan is required, setting out the necessary actions, a responsible person, and a deadline.</p>

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