



# Banco do Brasil and the Human Rights

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## 1. INTRODUCTION

Our performance with regard to Human Rights is based on ethically responsible relationships established with our diverse stakeholders, both internally and externally.

This document is aligned to the United Nations Guiding Principles on Business and Human Rights, approved by the Human Rights Council of the United Nations in 2011, and reinforces the compacts and agreements entered into voluntarily by us over the years<sup>1</sup>.

Throughout our structure, from the most basic level of the staff to the most senior executives, we are committed to monitor and mitigate the impacts arising from our activities with respect to Human Rights theme, in accordance with the policies and commitments undertaken, for the purpose of mitigating the risks to which we are exposed with regard to this theme.

We are committed to making an effort to cooperate with the subsidiaries, affiliates, and simple holding companies so that they can define their guidelines based on these instructions, taking into account the specific needs and legal and regulatory aspects to which they are subject.

Our respect for Human Rights is adherent to the best practices of corporate governance and social responsibility. In order to keep this commitment perpetual and strengthen transparency with our stakeholders, we disclose this document that consolidates the guidelines and initiatives related to the theme.

## 2. POLICIES AND GUIDELINES

Human Rights issues are addressed in our Code of Ethics and Standards of Conduct, and in our general and specific policies, comprising the actions in businesses, processes, and relationships with the various stakeholders. These documents guide our behavior and their guidelines are incorporated into internal processes.

The Code of Ethics presents our commitments and guidelines with regard to the stakeholders. The Standards of Conduct present duties and expected behaviors in the workplace. Among the themes related to Human Rights is the repudiation to criminal acts, such as harassment of any nature, crimes against sexual freedom, frauds and unlawful acts; recognition and respect for diversity; the commitment to the eradication of child and slavery-like labor; and abstention from conducts that characterize prejudice and discrimination.

The Code of Ethics and Standards of Conduct are applied to the Senior

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<sup>1</sup> To learn more about the compacts and agreements undertaken voluntarily by us, please visit our sustainability website at <http://www.bb.com.br/pbb/sustentabilidade/governanca-politicas-e-diretrizes/pactos-e-acordos#/>



Management, employees in Brazil and abroad, workers (interns, trainees, managers and employees of contracted companies), and those who are working or providing services on behalf of BB or to BB.

The Socioenvironmental Responsibility Policy guides our behavior and established that the performance in socioenvironmental responsibility is based on ethics; on the promotion of human rights and fundamental labor rights; on the universalization of social rights and citizenship; and on the respect and appreciation of diversity and equity in relationships.

On the other hand, the Specific Anti-Money Laundering, Counter-Terrorism Financing and Anti-Corruption Policy guides our behavior with regard to the prevention of acts of corruption, money laundering, financing of terrorism or any other illegal acts.

With regard to customers, our Specific Policy on the Relationship with Customers and Users of Products and Services includes a model of fair relationship with customers and users; the provision of a decent, courteous and fair treatment respecting the interests and rights of consumers; and the guarantee of the confidentiality of banking information, except for the cases provided for by law.

Specifically in the relationship with suppliers, the Policy provides for working with those who, in their scope of influence, support and respect the protection of internationally recognized human rights, ensuring their non-participation in breach of these rights and commit themselves to adopt practices for the preservation and the fight against corruption and any type of tort. And, yet, we expect to give preference to suppliers who develop programs of support for volunteer work in the community.

The Specific Policies on Credit; Investment in Equity Interests; and Relationship with Suppliers address issues related to the respect to Human Rights such as the fight against sexual exploitation of minors; the non-exploitation of child labor or workers held in degrading conditions or similar to slave labor.

In addition to the Policies, we publish Sustainable Credit Guidelines and Socioenvironmental Guidelines for Controversial Issues, which are documents that consolidate business and administrative practices which we have adopted with a view to mitigating the socioenvironmental risk and reducing the impacts of our financing and investments, strengthening relevant socioenvironmental issues and the themes considered strategic for sustainable development.

We established Sustainability Guidelines for the extension of credit 8 (eight) sectors: Agribusiness, Irrigated Agriculture, Civil Construction, Electric Power, Mining, Oil and Gas, Pulp and Paper, Transportation.

Human Rights is one of the 4 (four) strategic themes that permeate these Guidelines and the relevant socioenvironmental issues includes the violation of Human Rights



(slavery-like labor, child labor and degrading labor); poverty, hunger, discrimination and corruption; disrespect to the rights of indigenous peoples and traditional communities, minorities, consumers, decent work and basic education; food security and water security.

The Socioenvironmental Guidelines for Controversial Issues are intended to make public our position on controversial issues that have gained notoriety with the society. The document is based on 3 (three) segments of actions: non-fulfilled activities, restricted activities, and alert list. Non-fulfilled activities include projects in which, arguably, sexual exploitation of minors or the exploitation of child labor is performed; and customers who submit workers to degrading forms of work or keep them in slavery-like conditions.

These papers are in compliance with the good international practices and strengthen the fulfillment of public commitments undertaken in line with the principles of socioenvironmental responsibility in our general and specific policies.

### **3. PRACTICES AND PROCESSES**

The Human Rights theme is covered in the socioenvironmental risk management, whose structure includes Boards and Units with defined roles and responsibilities, with the participation of the management bodies and strategic committees.

For the risk management and internal controls, we have adopted a reference model of lines of defense. For this model, the management of the risks incurred by the Bank and controls necessary for their mitigation is based on 3 (three) lines of defense:

- First line of defense: composed of the business processes, business support and corporate functions incurring in the various risks to which the Bank is exposed. The performance in the first line of defense implies identifying and evaluating the risks associated with processes, products or services of the Bank, as well as implementing and executing controls that mitigate those risks;
- Second line of defense: typical functions of risk management, internal controls and compliance, and the processes developed by the security, organization and legal functions, aimed to assist the first line of defense in managing the risks incurred. Although integrated, it acts in a segregated and independent manner; and
- Third line of defense: typical internal audit function, its performance is characterized by full autonomy and independence and with a risk-based approach.



Therefore, based on this reference model of lines of defense, each area of the Organization is responsible for the identification, assessment and mitigation of Human Rights-related issues.

Next, we will present the various processes implemented by our different areas to address this topic in the Organization.

### **Employees**

In our people management, we emphasize our commitment to promoting equality and combating discrimination practices. We seek to include diversity focusing mainly on the attention to the disabled person and the implementation of the actions of the Gender and Race Pro-Equity Program, whose goals are the search for equity in various aspects, which can be achieved by the adoption of actions towards the reduction of gender inequality; elimination of all existing forms of prejudices with respect to sexual preference, race and ethnicity; and adaptation of our reality to the needs of disabled persons.

The impact actions carried out by us since the participation in the program include the following:

- Affirmative gender action in corporate programs of career advancement;
- Extension of the period of paternity leave by 15 days, upon formal request of the employee, totaling 20 days of absence; and the possibility of extension by 10 consecutive days for cases of premature birth;
- Granting of maternity leave and adoption leave of up to 180 days;
- Inclusion of the diversity theme in several training sessions of UniBB<sup>2</sup>;
- Assessment and monitoring of occupants of management commissions on race/ethnicity and gender approach;
- Recognition of same-sex partners, with the respective extension of the benefits granted.

In respect for diversity in people management, we regulated the use of the Social Name (the name by which transvestites, transsexuals and transgendered people are socially recognized) on badges, business cards, stamps and institutional email.

To reinforce our commitment to strive for racial equality, we have joined the Business Initiative for Equality, a platform that brings together companies committed to inclusion, promotion and enhancement of ethnic and racial diversity.

We were also the first major Brazilian bank to adhere to the Standards of Business Conduct, created by the UN. The Standards are part of the Free & Equal campaign, in line with the Diversity principles, which strengthens the Bank's commitment to

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<sup>2</sup> Corporate University of Banco do Brasil.



Human Rights and helps demonstrate our support for the LGBTI community (lesbians, gays, bisexuals, transvestites, transgenders, and intersex people) to our customers, employees and shareholders.

In addition, we adjusted the working conditions for employees with disabilities and from the regulation of telecommuting, introduced in the Consolidation of Labor Laws (CLT), we evaluated the expansion of a pilot project of remote and voluntary action, adopting as a premise the prioritization of women, Disabled People (PCD) and people in professional rehabilitation after a sick leave. In the first phase of the pilot project, 98% of those who participated approved the project, which brings gains in quality of life.

We also emphasize our Internal Ombudsman, a direct channel of communication of the employees with the Company, specialized in receiving compliments, suggestions, and complaints about people management and socioenvironmental responsibility processes, in addition to receiving complaints relating to conflicts, ethical misconduct and breach of internal rules. The Internal Ombudsman forwards, every six months, an Executive Summary to the Audit Committee.

The contact with the Ombudsman's Office can be made anonymously or by identifying yourself through various channels: e-mail, phone, letter or in person and the area preserves the secrecy and confidentiality in conducting the demands. Demanding women and transgenders may request the service to be provided exclusively by women whenever a complaint involving evidence of sexual harassment or gender discrimination is registered.

## **Customers**

The main floor of all our facilities has been physically adapted to provide convenience to people with mobility difficulties, visually impaired and wheelchair users. We are also purchasing furniture and other items to provide convenience for people with special needs, such as folding wheelchair, motorized wheelchair, set of waiting chairs for obese people, tactile map support, among others.

We offer, when requested by customers with visual impairment, monitoring of the transactions of their checking account via bank statement prepared in Braille or with Enlarged Characters.

In addition, we have BB Credit Accessibility, a line intended to fund assistive technology goods and services, in order to promote social inclusion and to allow equal opportunities for disabled people.

Regarding migrants, we established initiatives to provide support for banking services and to include refugees in the labor market in 2017. The initial model was defined based on a mutual understanding with institutions that support refugees in Brazil, of which we can highlight:



- Customer service and business model - selection of branches to provide customer service and define the business and training models. Three agencies in São Paulo were selected to increase their relationships with refugees and to understand their real needs, as well as how to assist them in the process of using banking services and financial education. The project also includes training, courses, and materials, according to demand;
- The "Education and Training for Refugees and Migrants" Project, developed by Cáritas Brasileira, in partnership with Fundação Banco do Brasil (FBB), tries to change the reality of these groups in Brasilia and surrounding towns in the Federal District. The project provides training to refugees and immigrants with courses on the Portuguese language and Brazilian culture, labor laws, solidarity economy, entrepreneurship, and basic computer science.

Our External Ombudsman is responsible for addressing demands of customers and users not resolved by primary service channels of the Organization, in addition to those processed by regulatory bodies, consumer protection entities, among others intervening parties. It acts on behalf of all our facilities, the Postal Bank units and other correspondent banks in the country, subsidiaries, affiliates, managed companies and those that have entered into an agreement for a single component of Ombudsman.

We put at the disposal of the population a phone number for exclusive service to hearing or speech impaired people. The system consists of a TD (telephone for the deaf) equipment connected to computers in the customer service positions that, upon receiving calls from another TD device, establishes communication through text messages, since these equipment pieces have an alphanumeric keyboard. Through this service, the hearing impaired have access to the services of SAC - Customer Service (information, questions, suspension, and cancellation of cards and other products and services) and Ombudsman.

Twice a year, the External Ombudsman prepared a consolidated Activities Report which is forwarded to the Internal Audit, the Audit Committee and the Board of Directors of Banco do Brasil.

### **Suppliers**

In the relationship with suppliers, we apply the principles set out in the Specific Supplier Relationship Policy and the Code of Ethics.

In order to meet the requirements of socioenvironmental responsibility, we use contractual clauses and statements expressing compliance with labor, social security and tax legislation and that are followed up during the term of the contracts. We check compliance with these obligations prior to suppliers' payments and analyze evidence/complaints on possible violations and non-conformities.





All contracts with our suppliers are evaluated from the perspective of Human Rights, since they undertake, through contractual clauses and statements, to comply with the Universal Declaration of Human Rights, not to employ, directly or indirectly, people under 18 years old in night shift, dangerous or unhealthy labor, people under 16 years old, except as an apprentice and with the guarantee of school attendance, not to employ, directly or indirectly, illegal labor and/or slavery-like labor, not to adopt practices of discrimination to access and maintenance of employment such as gender, origin, race, pregnancy status, among others.

### **Society**

In line with our Corporate Strategy and our Brand Positioning, we defined, in 2017, the challenge of promoting the “Digital Inclusion and Transformation of the Brazilian Society” as a socioenvironmental cause. This new cause is expressed in our concern and our commitment to transforming Brazil through innovation and digital inclusion, promoting the democratization of access to digital media and information technologies. This is how we seek to enable the communities to take advantage of the opportunities and benefits of the information age.

We also recognize that every person has the right to leisure and culture, and, to that end, we promote actions for the society. We have 4 (four) Cultural Centers of Banco do Brasil (CCBB) - in the cities of Brasília (DF), Belo Horizonte (MG), Rio de Janeiro (RJ) and São Paulo (SP) – with a varied schedule of projects, in addition to a structured Educational Program.

With this investment, we offer equipment of culture available to the population, with free or low-cost access, thus contributing to the development of the society.

### **Partners**

In the relationship with partners we consider socio-environmental impacts in the realization of partnerships, agreements, protocols of intentions and technical-financial cooperation with external, private or public entities.

We also establish partnerships that ensure the same values of integrity, ethics, reputability and respect for the community and the environment.

We instruct the Banco do Brasil’s joint ventures to define their directives based on BB's ethical principles, so that their representatives can base their behavior on these principles.

The Specific Equity Policy addresses issues related to respect for human rights such as no sexual exploitation of minors; no exploitation of child labor or workers held in degrading conditions or analogous to slave labor.



## **Credit and Investment Operations**

In the formalization of credit operations, we based ourselves on our policies, guidelines and voluntary commitments undertaken. All loan operations are subject to the determinations included in the Specific Credit Policy and are the object of assessment of the potential Human Right issues. The proposals in which practices in violation of such Policy are checked are denied on presentation and do not proceed to the other steps of credit analysis.

All our credit instruments have extraordinary/anticipated maturity clause in cases of non-compliance with the laws and rules relating to Human Rights. The following issues are addressed: discrimination of race or gender; child labor and slavery-like labor; acts characterizing bullying, sexual harassment or criminal advantage of prostitution; respect to traditional people and communities, including indigenous, quilombolas, rubber tappers, riparian, among others.

We check the list of employers who submit workers to slavery-like conditions of the Ministry of Labor and Employment and register an entry in the register of customers included in the list, preventing them from operating loans/financing. If the customer already has operations with the Bank and is included in the list, we have the prerogative to terminate operations in advance.

In addition, as a signatory to the Ecuador Principles, we evaluate large-sized projects of candidates to financing according to a socioenvironmental risk matrix and categorized based on potential socioenvironmental risks and impacts. For situations considered to be of high risk, we may request additional documents with a due diligence<sup>3</sup> specific on Human Rights and social/environmental assessment.

## **4. OUR COMMITMENT TO THE FUTURE**

Civil society is increasingly attentive to the standards and the performance of the companies with regard to human rights, in view of the dissemination of several cases of violations and disrespect to those standards that have occurred in recent decades.

In this scenario, it is essential that organizations respect human rights and provide a universally recognized approach, with the socioenvironmental impacts of the companies focused on people.

We, in Banco do Brasil, seek, constructively and transparently, to address the

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<sup>3</sup> Due Diligence is a terminology commonly used in the context of corporate acquisitions to refer to the process of seeking information about a company. The analysis includes aspects such as its activity area, the possibilities and prospects for the future of the business and the state of its assets and liabilities.



challenges of reconciling corporate competitiveness with the construction of a more sustainable and socially fairer world, and, for this reason, the Human Rights theme has great relevance in our Organization.

In order to advance in this context and with an eye on the international scenario and the needs of our Country, as well as the directions of the financial sector, we used the Sustainable Development Goals (SDG) launched in 2015 by the United Nations (UN) as basis to reaffirm the challenges and actions of our Sustainability Plan - Agenda 30 BB. Among the themes identified as critical to our sustainability management is the Human Rights theme.

With our Agenda 30 BB, we work on connecting our business strategies with global priorities. We seek innovative solutions to the challenges while maintaining a sustainable performance model, which combines financial performance with socioenvironmental responsibility, aligned with our history. Therefore, we hope to continue generating long-term value for both shareholders and for society and gradually building a fairer and human world for generations to come.