



Bradesco Organization's Social and Environmental Responsibility Standard

Date
04/07/2021

Manager

Controllership Department

Scope

Bradesco Organization, Related Companies, Overseas Units

Abbreviated description

Social and environmental guidelines linked to business and relationship with stakeholders of the Bradesco Organization.

1. Purpose

Describe the main social and environmental responsibility guidelines of Bradesco Organization highlighting the lines of action and governance.

2. Introduction

The 01.111 - Bradesco Organization's Corporate Sustainability Policy aims to promote the sustainability of its operations and businesses considering the alignment of business with good practices on corporate management.

This Standard highlights the elements of support of this policy in the social and environmental scope, outlining the guidelines that shall be addressed in business and in relation to stakeholders. Mention should be made of the relation of this standard with fundamental principles established by the 01.002 - Code of Ethics.

The preparation of this document observes the Principles of Relevance, Proportionality and Efficiency, according to the terms set forth by the National Monetary Council Resolution No. 4,327/2014 and by the Banking Self-Regulation System (SARB) of the Brazilian Banks Federation, No. 14/2014.

3. Activities and Operations

Guidelines:

3.1. Financial Citizenship

- Consider Financial Citizenship as a core element for the responsible relationship with customers and users.
- The Organization, committed to promoting financial citizenship, seeks to understand the needs of each customer regarding his/her finances, aiming to contribute to the personal development of employees, customers and society. This approach must always provide information and advice for the economic protection of our customers, through a relationship based on ethics, transparency, fair and equitable treatment, providing clear and accurate information. The guidelines on the topic are

expressed in 01.807 - Institutional Policy on Relationship with Customers and Users and 05.1201 - Institutional Standard on Relationship with Customers and Users.

- Continuously foster financial education for our customers, employees and the general audience, through educational activities and the provision of information and financial guidance on products and services appropriate to the profile of customers and users.

3.2. Products and Services

- Adopt social and environmental responsibility and sustainability criteria in the processes of development, review and trading of products and services.
- Identify business opportunities that promote positive impacts on individuals, society and the environment.
- Ensure the provision of clear and accurate information to customers and users of products and services, as established in 05.1201 - Institutional Standard on Relationship with Customers and Users.

3.3. Social and environmental risks

- Control Bradesco Organization's exposure to the social and environmental risks in loan operations, guarantees, investments and relationship with suppliers, by identifying, assessing, classifying, monitoring, and mitigating the social and environmental risks.
- Apply specific mechanisms and criteria for risk evaluation by prioritizing activities and operations with the greatest potential to cause social and environmental damage pursuant to 05.403 - Social and Environmental Risk Standard.
- Manage social and environmental risk in the Organization in an integrated manner with other relevant types of risk.
- Adopt preventive measures for opening accounts and contracting loan operations to individuals or companies that are proven to be involved with the use of slave-like labor, child labor, or criminal exploitation of prostitution, including children. The impediment will be automatic for the people that appear in the "Register of Employers who have submitted workers to conditions analogous to slavery" published and updated by the Ministry of Economy ("Dirty List"). Situations of judicial condemnation, at least in Higher Courts, captured by means of news must go through analysis of indications of irregularity and resolution of framing, following the governance provided for in the Social and Environmental Risk Procedures Manual.

3.4. Social and Environmental Management in Activities

- Identify and manage the social and environmental impacts of the Organization's activities through the implementation of criteria and management processes, monitoring and reporting results.
- Manage and mitigate environmental impacts and the use of natural resources by the Organization, promoting eco-efficiency in processes and offsetting greenhouse gas emissions resulting from operations.

- Minimize environmental impacts and promote efficiency in the consumption of natural and material resources, including generation of waste, effluents and mitigation and adaptation to the effects of climate change.
- Manage and mitigate the social impacts of the Organization's activities and operations, seeking to protect and respect human rights, as established in the Standard 01.037 - Corporate Social Responsibility Management System and 01.823 - Corporate Human Rights Policy.
- Ensure compliance with legislation, standards and regulations that govern the social and environmental management.

4. Relationship with Stakeholders

Bradesco Organization recognizes that the relationship with the various stakeholders, through structured consultations and dialogs, contributes to the improvement of business management and fosters continuous learning for both sides. The guidelines below govern stakeholder relationships, in line with the commitments, guidance, roles, and responsibilities described in Standard 05.1087 - Stakeholder Engagement and in 01.823 - Corporate Human Rights Policy.

4.1. Customers and Users

- Foster communication channels that promote service transparency and quality, promoting customer satisfaction and loyalty;
- Provide physical or digital accessibility to customers and other users.
- Ensure timely meeting of the demands of customers and users, considering the needs and characteristics of the various profiles, as provided for in the Institutional Standard on Relationships with Customers and Users N. 05.1201.
- Promote initiatives that foster customer engagement with ESG (environmental, social and governance) topics.

4.2. Human Capital

- Promote the respect in relation to human rights, its diversity, dignity and equality, preserving their individuality and privacy, not admitting the practice of discriminatory and harassment acts of any nature and child and slave-like labor, and sexual exploitation labor in the workplace environment and in all relations with the internal and external public.
- Promote training and awareness-raising actions related to sustainability to encourage its approach at all levels of the Organization making them available to stakeholders.
- Engage its employees in the practices of volunteer work, highlighting the exercise of citizenship.

4.3. Shareholders and Investors

- Present practices and performance indicators regarding the relevant ESG issues to shareholders and investors in a clear and accurate manner, following methodologies and standards recognized by the market.

4.4. Suppliers

- Incorporate ESG criteria, including from the perspectives of risks and opportunities in processes of contract and management of suppliers and service providers.
- Evaluate, monitor and engage suppliers in accordance with guidelines established in Standard N. 01.769 - Social and Environmental Responsibility of the Supply Chain.

4.5. Society

- Contribute to the dissemination and strengthening of the Sustainable Development Goals (SDGs).
- Dialogue and partner with civil society organizations that contribute to sustainable development.
- Promote donations and sponsorships, in line with the Organization's strategic guidelines, enhancing the contribution to the Sustainable Development Goals (SDGs) agenda, in accordance with Standard 05.1206 - Donations and Sponsorships.
- Promote the review of the Materiality Matrix of the Organization periodically, at least every two years, ensuring the participation of our main stakeholders in the process.

5. Governance structure

5.1. Board of Directors

Responsible for establishing the Bradesco Organization's strategy in compliance with the best market practices and applicable laws and regulations in force, as well as for following best corporate governance and social and environmental responsibility practices, being advised by the Sustainability and Diversity Committee.

5.2. Sustainability and Diversity Committee

- The Sustainability and Diversity Committee is responsible for watching over implementation of Sustainability Policy, Social and Environmental Responsibility Standard, and approving the fulfillment of sustainability commitments by the Organization, pursuant to 01.0184 – Charter of Bradesco Organization's Sustainability and Diversity Committee.
- Responsible for directing and overseeing the Sustainability Strategy, covering the ESG performance and the management of risks and opportunities related to climate change within the Organization.
- This Committee may, with the consent of the Board of Directors, request actions to the other Committees of the Organization, when these are involved in matters related to sustainability and social and environmental responsibility.

5.3. Integrated Risk Management and Capital Allocation Committee

The Integrated Risk Management and Capital Allocation Committee is responsible for assuring the compliance with risk policies and approve the limits of risk exposure.

This Committee is also responsible for advising the Board of Directors in the performance of its duties in the management and control of risks and capital.

5.4. Bradesco Organization's Executive Committee for Risk Management

The Organization's Executive Risk Management Committee is responsible to deliberate on matters related to risk management, crisis management, capital management, models, internal controls and business continuity within the scope of the Bradesco Organization, here understood as the economic and financial consolidated.

5.5. Bradesco Organization's Executive Risk Monitoring Committee

The Organization's Executive Risk Monitoring Committee is responsible for monitoring matters relating to risk management, capital, crisis management, models, information security, Prevention of Money Laundering and Terrorism Financing, internal controls and business continuity within the scope of the Bradesco Organization, here understood as the economic and financial consolidated.

5.6. Sustainability Commission

The Sustainability Commission is responsible for proposing plans and actions that foster the application of best practices and the advancement of the Organization's ESG performance. Advises the Sustainability and Diversity Committee in its duties, in accordance with 01.797 – Charter of the Bradesco Organization's Sustainability Committee.

5.7. Controllership Department, Corporate Sustainability Area

Responsible for:

- Advise the Sustainability Committee and Commission, according to the guidelines of 01.111 - Bradesco Organization's Corporate Sustainability Policy and of this standard.
- Report adherence to and maintenance of voluntary social and environmental commitments to the Sustainability Commission and Committee.
- Support the institutional and business areas in complying with the guidelines of this standard, fostering the implementation of best ESG practices, including the management of factors and impacts related to climate change.

5.8. Integrated Risk Control Department, Area of Analysis and Control of Social and Environmental Risk:

Responsible for:

- Integrate and coordinate the actions of identification, evaluation, control, monitoring and report of the Organization's social and environmental risks by applying the guidelines of 05.403 - Social and Environmental Risk Standard and Procedure Manual for Social and Environmental Risks.
- Meet the criteria established in item 3.3 regarding the identification and analysis of occurrences related to slave-like work, child labor and/or prostitution and follow the established governance.
- Evaluate and issue a social and environmental technical opinion, when requested.

5.9 – Compliance, Conduct and Ethics Department – DCCE

Responsible for the guidelines provided for in the 05.1201 - Institutional Standard on Relationship with Customers and Users and 01.807 - Institutional Policy on Relationship with Customers and Users, in compliance with Resolution No. 4,539 of the Central Bank of Brazil, issued by the National Monetary Council on November 24, 2016.

5.10. Credit Department

Responsible for meeting the criteria established in item 3.3 regarding the non-granting of credit to customers involved in slave-like work, child labor and/or prostitution, according to the established governance.

5.11 Procurement Department

Responsible for supporting the development of Social and Environmental Responsibility actions in the Supply Chain - PBRSA and to submit for evaluation the suppliers who, during the approval or contracting processes, were exposed to social and environmental risks.

5.12 Facilities Management Department

Responsible for:

- Management of resource consumption, such as water and energy, and generation and disposal of waste by the Organization;
- Annual production of the inventory of greenhouse gas emissions from the Organization's operating activities, in accordance with market reporting standards;
- Promotion of employee awareness and engagement actions for eco-efficiency.

5.13 Branches, Departments, Related Companies and Overseas Units

Responsible for acting in accordance with internal policies and standards, voluntary commitments and sustainability indices used by the Organization in its activities and processes.

6. Voluntary Commitments

Bradesco is a signatory of voluntary social and environmental and sustainability commitments that reinforce or complement its Policies and Standards related to the theme, for which the following guidelines are adopted:

- Departments and Related Companies are responsible for proposing membership, implementing agreed principles and requirements, and reporting on their compliance periodically;
- The Controllership Department technically evaluates adherence proposals, as well as accountability and evidence of compliance with commitments;
- The Sustainability Commission assesses adherence to new agreements and compliance with commitments already made; and
- The Sustainability and Diversity Committee decides on new adhesions and the maintenance of existing commitments.

7. Glossary

As established by the National Monetary Council Resolution No. 4,327/2014 and by the Banking Self-Regulation System (SARB) of the Brazilian Banks Federation No. 14/2014, for the purposes of this standard, the terms indicated below shall have the following meaning:

- **Principle of Proportionality:** the compatibility of Social and Environmental Responsibility Policy (PRSA) with the nature of the institution and the complexity of its activities, its financial services and products, as defined in CMN Resolution No. 4,327/14.
- **Principle of Relevance:** the degree of exposure to social and environmental risk of the institution's activities and operations, as defined in CMN Resolution No. 4,327/14.
- **Activities:** internal processes and practices that may cause social and environmental impact, and should not be confused with financial operations or services.
- **Operations:** financial operations identified as being subject of analysis on social and environmental aspects by the institution, defined based on specific methodology.
- **Stakeholders:** these are the customers and users of the products and services offered by the Organization, suppliers, employees and collaborators, and other people who are impacted by the activities developed by the Organization.
- **Social and environmental risk:** the possible occurrence of losses in the Organization resulting from social and environmental damage.

8. Support

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