



Annual Report 2016

Table of Contents

01 About the Report
Page 04

02 Message from the Management
Page 16

03 Profile
Page 18

04

Corporate Governance
Page 22

05

Ethics and Compliance Management
Page 28

06

Risk Management
Page 34

07

Strategy
Page 46

08

Social and Relationship Capital
Page 54

09

Human Capital and Intellectual Capital
Page 82

10

Financial Capital
Page 94

11

Natural Capital
Page 106

Corporate Information
Page 118

Summary of GRI Contents
Page 120

Attachment GRI
Page 128

About the Report

In this cycle, we moved toward with the adoption of principles of Integrated Reporting, focused on relevance and brevity. As an innovation, we listed the resources used and generated by the Bank and the way we interact with the capitals

01

We present our 2016 Annual Report, a document that brings the main initiatives and results of the period. With this publication, we disclose our way to accomplishing the management of the business and the impacts of our activities on the economic, environmental and social spheres.

Our report is published only by electronic means since 2010, on the [Investor Relations website](#), in line with the assumptions of Social and Environmental Responsibility (SER). This document was ensured by KPMG Auditores Independentes.

In line with the good international sustainability and account rendering practices, we adopted the guidelines of the Global Reporting Initiative (GRI), with the comprehensive “agreement” option of the G4 version, including the financial sector supplement. The GRI initiatives can be found throughout the text or, in more details, in Attachment GRI. In the table of contents, GRI indicators are associated with the principles of the Global Compact and the Sustainable Development Goals (SDG), launched by the United Nations (UN) in 2015.

The economic and financial data is in compliance with Act No. 6,404/76 (Business Corporation Act) and with the standards issued by the Brazilian Securities and Exchange Commission (SEC) and by the Central Bank of Brazil (Bacen). The amounts are related to Banco do Brasil and its subsidiaries, in compliance with the standards in force and the Brazilian practices applicable to financial institutions, according to the financial statements available on the [Investor Relations website](#).

The information related to social and environmental indicators comprises Banco

Múltiplo, which, in 2016, contributed with 70.3% of BB’s operating income.

In line with the trends of integration of economic, social and environmental information, we moved toward with the adoption of the basic principles of Integrated Reporting (IR) in this cycle, showing a more concise and relevant corporate reporting. ^{G4-23}

As an innovation, we discussed the resources used and generated by the Company and the way we interact with the Financial, Human, Intellectual, Manufactured, Natural and Social and Relationship Capital, showing our way to generate value for the Organization and for our stakeholders. [See our Business Model on page 12.](#)

Our New Materiality ^{G4-18 | G4-19}

In 2016, we reviewed our materiality according to GRI G4 guidelines, complying fully with the stages of identification, prioritization, and validation of topics relevant to the definition of the content of this report.

It is worth mentioning that, in order to integrate the reporting with the management, our relevant themes represent sustainability challenges agreed upon in our Sustainability Plan, referred to this year as Agenda 30 BB, in alignment with Agenda 2030 Global and the SDG.

Our challenges are mapped from the assessment of national and international trends of sustainability, market indices, demands of society in general and, especially, the connection of our business strategies with SDG. We also take into account our Corporate Strategy. As a result of such evaluation, 25 challenges in sustainability distributed into five pillars of the Sustainable Development Goals have been identified: Prosperity, Partnership, People, Planet, and Peace.

G4-18 | G4-19

Relevant Theme Consultation and Analysis Process G4-45

Our materiality is defined from the two premises of GRI G4, the impact of each challenge and their influence on the insight of stakeholders, as follows:

Analysis of Our Challenges – Prioritization G4-25 | G4-26

Influence

- Interviews with external stakeholders
- Online survey with external stakeholders
- Media Research (insight)
- Sector studies

Impact

- Consultation with executives
- Consultation with internal stakeholders
- Competitors
- Evaluation of the sustainability and strategy areas of BB
- Megatrends

In line with the steps of prioritization of the challenges and definition of actions for the update of our Sustainability Plan – Agenda 30 BB, the activities of engagement with our stakeholders also supported the preparation of the content of this report. The results of such process are as follows:

- Consultation with stakeholders through an online process and interviews. The consultation process was comprehensive and had the participation of 7,145 stakeholders, where 7,117 were through online means and 28 through in-depth interviews. Based on our map of stakeholders, we analyzed and consolidated the contributions according to the priority of each category. In this step, ten challenges were initially prioritized.
- In the 27th Sustainability Forum, our executives evaluated and discussed the 25 challenges in sustainability and, after the validation process, 13 challenges were defined as relevant to guide the content of this report, and challenges 2, 19 and 24 were added to those identified as prioritized in the first step. Minor adjustments have been made to the texts, and the most impacted challenge was 19, in which an addendum on controversial issues was included. Still, all other challenges will continue to be worked on our corporate routine.
- In our VI Sustainable Development Workshop, the result of our materiality matrix was presented to the Senior Management of the Organization, for the purpose of the subsequent definition of actions that promote access to sustainability challenges planned for the next three years.

Our stakeholders G4-24

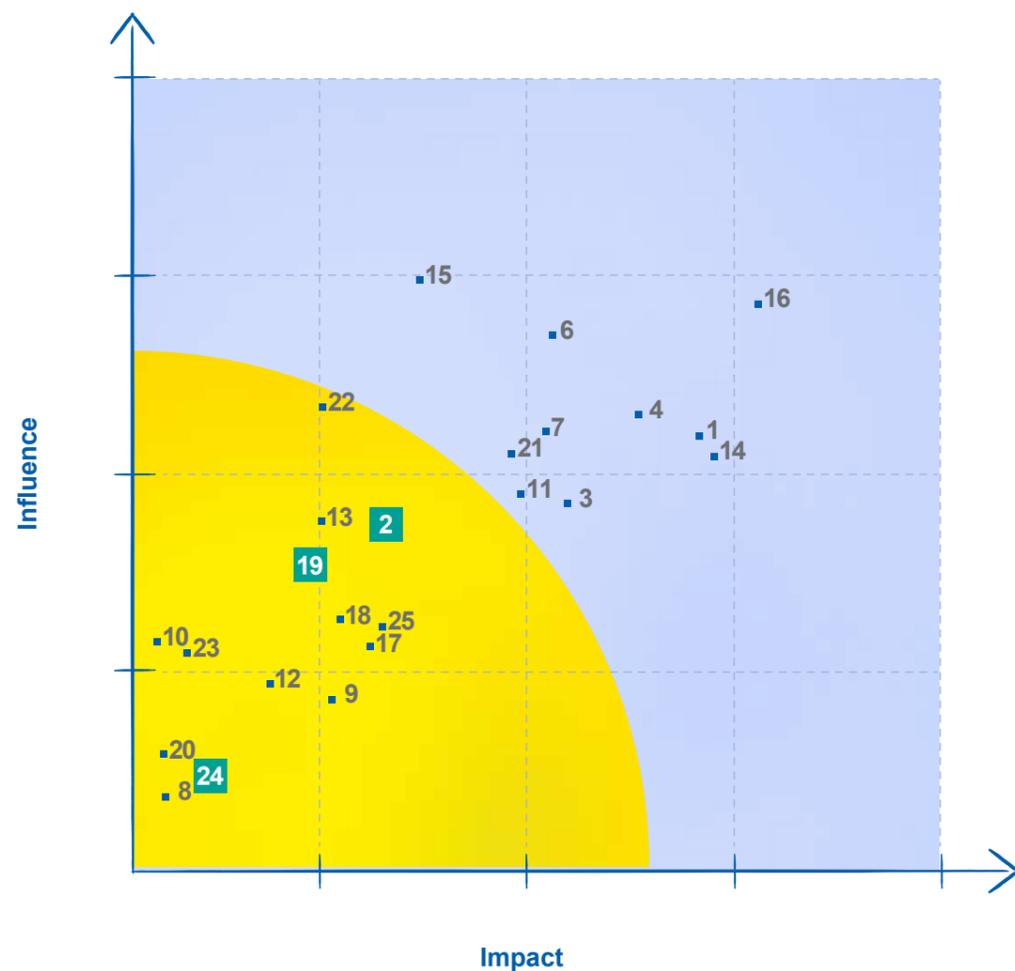


Our Challenges G4-27

Prosperity	Partnership	People	Planet	Peace
<p>Challenge 1: to align the governance of Banco do Brasil to the best international practices and strengthen the role of the Senior Management in the sustainability strategy.</p> <p>Challenge 2: to identify and manage medium and long-term non-financial and/or emerging risks that may significantly impact Banco do Brasil's businesses.</p> <p>Challenge 3: to identify innovations in the financial sector (business and technology models) and anticipate the trends in order to ensure the perpetuity and longevity of Banco do Brasil.</p> <p>Challenge 4: to enhance customer relationship management and increase the satisfaction and retention index.</p> <p>Challenge 5: to enhance the management of Banco do Brasil's tax strategy, with a focus on governance, tax risks, and transparency.</p>	<p>Challenge 6: to strengthen the role of Banco do Brasil in the pursuit of social business through comprehensive, efficient and innovative solutions aligned with public policies.</p> <p>Challenge 7: to enhance Banco do Brasil's initiatives towards the productive development, entrepreneurship and the promotion of social and financial inclusion.</p> <p>Challenge 8: to strengthen the dissemination of the sustainability topic in the entities affiliated with Banco do Brasil.</p> <p>Challenge 9: to enhance the role of Banco do Brasil as an advisor for financial education.</p> <p>Challenge 10: to improve the management of social and environmental risk from social and environmental criteria in the supply chain and in the process of sustainable purchases.</p>	<p>Challenge 11: to ensure greater proportionality of representation of gender and race in all the hierarchical levels of Banco do Brasil.</p> <p>Challenge 12: to expand programs on education and awareness-raising in sustainability for internal stakeholders and the society.</p> <p>Challenge 13: to improve the model of variable compensation of employees, including the Senior Management, expanding the social and environmental criteria and considering the individual performance.</p> <p>Challenge 14: to strengthen the role of Banco do Brasil with regard to human capital, considering the management of health, safety and well-being, the development and the retention of talents.</p> <p>Challenge 15: to strengthen the role of Banco do Brasil with regard to the ethics and anti-corruption theme.</p>	<p>Challenge 16: to develop financial solutions and business models that promote the transition to an inclusive green economy.</p> <p>Challenge 17: to improve the management of the climate change theme in Banco do Brasil in such a manner that it considers the governance, risks, opportunities and adaptations.</p> <p>Challenge 18: to improve the Environmental Management System (EMS) and the eco-efficiency practices in the pursuit of reducing the ecological footprint of Banco do Brasil.</p> <p>Challenge 19: to improve the management of social and environmental risk from social and environmental criteria in the granting of financings, considering also the controversial issues.</p> <p>Challenge 20: to improve the management of social and environmental criteria in own investments and the asset management.</p>	<p>Challenge 21: to develop a social (includes human rights and labor practices) and environmental due diligence process to assess the impacts of operations and commercial relations of Banco do Brasil.</p> <p>Challenge 22: to review and develop the commitments of Banco do Brasil set out in the guidelines of sustainability for the credit and controversial issues.</p> <p>Challenge 23: to improve management and reporting practices of Banco do Brasil on the sustainability performance.</p> <p>Challenge 24: to improve the integration between the Private Social Investment and the business strategy.</p> <p>Challenge 25: to ensure transparency in communication and ethics in the marketing of products and services.</p>

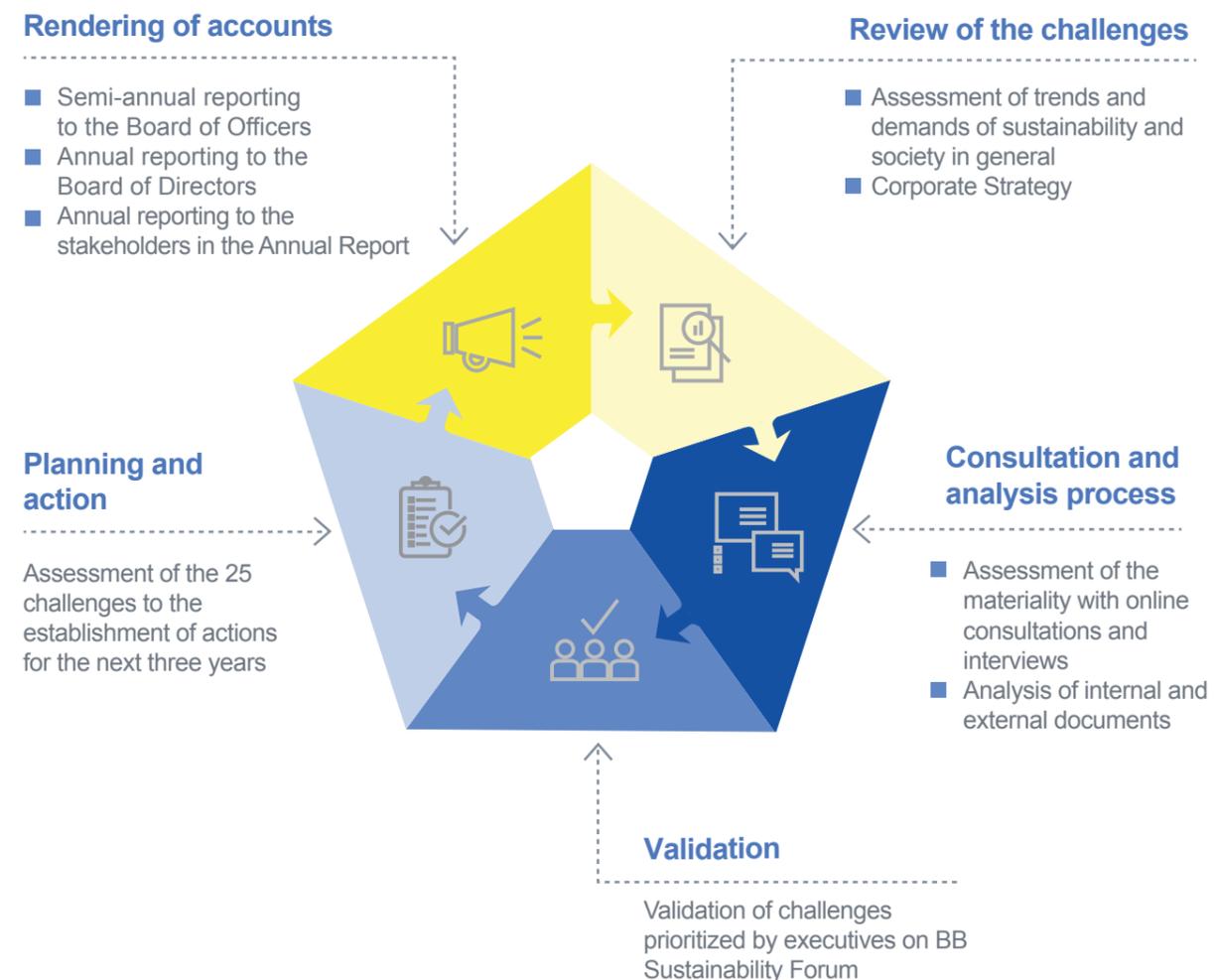
Note: The relevant challenges were highlighted in color.

Materiality Matrix



- Relevant challenges according to the process of materiality
- Relevant challenges added to the validation process
- Irrelevant challenges

Our Materiality Process



This process, which occurs every two years, resulted in our Sustainability Plan – Agenda 30 BB for the period of 2017-2019. To learn more about our sustainability strategy, see the [Strategy chapter](#).



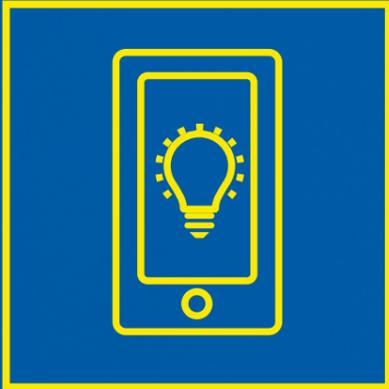
For more financial and governance information, visit the [Investor Relations website](#); to learn more about our sustainability management practices, visit www.bb.com.br/sustentabilidade. To contact our teams, see the data in [Informações Corporativas \(Corporate Information\)](#).



Learn more in the Attachment GRI G4-18 | G4-19 | G4-20 | G4-21 | G4-22 | G4-23 | G4-28 | G4-29 | G4-30 | G4-37

The Integrated Reporting Capitals and their meaning for Banco do Brasil

Intellectual Capital



It consists of intangible assets such as the value of our brand, the accumulated technical knowledge and our ability to innovate in the development of new products, services, and technologies, aimed at the perpetuity of the business.

Financial Capital



It is funds available or invested in own or third-party businesses obtained through borrowings, provision of services and the supply of products to our customers.

Natural Capital



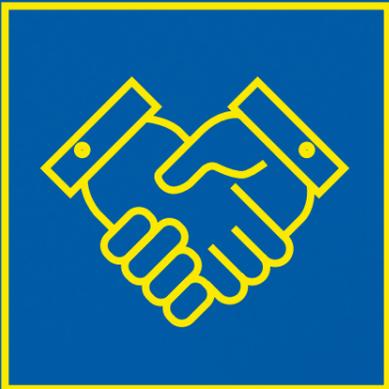
It consists of all environmental, renewable and non-renewable resources, used or impacted by our business, and that support the prosperity of the Bank. It includes mostly water, air, land, forests, biodiversity, and ecosystem health.

Manufactured Capital



It is our facilities and equipment, including buildings, a network of branches, ATMs, systems and applications.

Social and Relationship Capital



It is the ethical relationship we maintain with our stakeholders – customers, shareholders/investors, suppliers, regulatory bodies, society and Government – and shows our ability to share values and improve the individual and collective well-being.

Human Capital



It is our employees, their expertise, experience and capacity for innovation. It includes their alignment with our good governance practices and ethical values; ability to execute our strategy; the motivation to improve processes, goods, and services; and ability to direct, manage and collaborate.



Business Model

A market Bank with public spirit

OUR BUSINESS

- Loan
- Pension Plan
- Asset Management
- Investments
- Fundraising
- Means of Payment
- Customer Service Channels
- Service Network

OUR STRATEGY



Values

- Public Spirit
- Ethics
- Human Potential
- Efficiency
- Innovation
- Customer View

Strategic Drivers

- Profitability, Risk and Capital Management
- Customer Experience
- Digital Transformation
- People Management
- Knowledge Management

Brand Management

Sustainability Plan – Agenda 30 BB



OUR PROCESSES

- Risk Management
- Internal Controls
- Environmental/Eco-Efficiency Management System
- Information Security
- Supplier Management

VALUE CREATION



Human Capital

- Employee satisfaction
- Training and career advancement
- Job and income generation



Intellectual Capital

- Digital Bank
- Brand innovation and perception



Social and Relationship Capital

- Engagement and support for public policies to meet the demands of society
- Customer satisfaction and retention
- Contribution of funds to social, environmental and cultural projects of public interest – Fundação Banco do Brasil and support for sports and culture



Natural Capital

- Development of financial solutions that contribute to the transition to a green economy
- Environmental impacts mitigated in the value chain
- Reduction of consumption of natural resources – Eco-efficiency



Manufactured Capital

- Capillarity – service stations and types
- Modernization of the Administrative and Technological Centers



Financial Capital

- Bank as an agent of economic development
- Compensation to shareholders, employees, Government, suppliers, reinvestments

Key Indicators

G4-9 | G4-EC1

Balance Sheet Items (R\$ billion)	2014	2015	2016
Assets	1,290.5	1,401.1	1,401.4
Shareholders' Equity	80.6	81.5	87.2
Loan Portfolio – Broad Definition ⁽¹⁾	742.0	798.4	708.1
Deposits	468.2	464.4	446.0
Profitability (%)	2014	2015	2016
Adjusted Return on Equity	14.9	12.0	7.2
Global Spread	4.4	4.8	5.1
Productivity (%)	2014	2015	2016
Cost-to-Income Ratio	44.3	41.6	39.7
Fee Income/Personnel Expenses	129.0	118.9	122.1
Fee Income/Administrative Expenses	74.7	70.5	73.8
Loan Portfolio Delinquency Indicators	2014	2015	2016
Provision/Total Portfolio (%)	3.8	4.7	5.5
Coverage +90 days (%)	203.5	209.2	167.7
Capital Structure	2014	2015	2016
Leverage (times)	16.0	17.2	16.1
BIS Ratio (%)	16.1	16.1	18.5
Tier 1	11.4	11.4	12.8
CET1 Ratio	9.0	8.2	9.6
Total Quantity of Shares (million)	2,865.4	2,865.4	2,865.4
Structural Data	2014	2015	2016
Branches	5,524	5,429	5,440
Own Service Network	18,956	17,614	16,625
Customers (thousand)	62,184	63,566	64,798
Checking Accounts (thousand)	38,085	37,841	37,307
Individuals (thousand)	35,655	35,420	34,902
Companies (thousand)	2,430	2,421	2,405
Staff	116,931	113,257	102,950
Employees	111,628	109,191	100,622
Interns	5,303	4,066	2,328
Market Share (%)	2014	2015	2016
Deposits	24.9	23.4	22.2
Loans	20.4	20.4	19.8
Agribusiness	60.9	60.9	59.2
Asset Management	21.7	21.5	22.4
Import Exchange	24.1	17.0	15.5
Export Exchange	27.2	21.8	16.8

G4-9 | G4-EC1

Social Business (R\$ million)	2014	2015	2016
Total	61,729	76,580	89,749
Fund for Financing the Higher Education Student (Fies)	13,594	19,480	27,106
BB Accessibility Credit	119	160	169
Minha Casa Minha Vida Program (PMCMV)	10,662	17,006	19,979
Microcredit for Production with Guidance (MPO)	1,371	663	560
National Family Agriculture Development Program (Pronaf)	35,983	39,271	41,935
Natural Resources	2014	2015	2016
Power Consumption (TJ)	2,651	2,607	2,536
Water Consumption (million liters)	1,913	1,678	1,566
Paper Consumed (t)	8,516	6,601	6,082
CO ₂ Emissions Inventory (tCO ₂ e) ⁽²⁾	2014	2015 ⁽²⁾	2016 ⁽³⁾
Scope 1	6,610	11,547	10,833
Scope 2	98,982	90,358	57,559
Scope 3	66,562	66,619	85,240
Distribution of Value Added (R\$ million)	2014	2015	2016
Total Distributed	39,465	39,437	44,342
Staff	17,109	19,994	21,340
Taxes, Fees, and Contributions	8,444	1,993	11,851
Return on Third-Party Capital	1,191	1,308	1,442
Equity Compensation	12,721	16,142	9,709
Other Relevant Indicators	2014	2015	2016
Ranking of Complaints of the Central Bank of Brazil	8 th	6 th	5 th
Contributions to Fundação Banco do Brasil (R\$ million)	83.1	81.5	76.9

(1) It includes private securities, guarantees provided and the balance of individuals' credit portfolio acquired with co-obligation, in compliance with Resolution CMN No. 3,533/08.

(2) After external verification under the GHG Protocol Program, the data of Scope 1 and 3 of the inventory of 2015 base year was rectified. The emissions of Scope 1 have been adjusted from 5,628 tCO₂e to 11,547 tCO₂e, due to the inclusion of sources of refrigerant gas. In the case of Scope 3, emissions have been updated from 66,674 tCO₂e to 66,619 tCO₂e, due to adjustments in the calculation methodology.

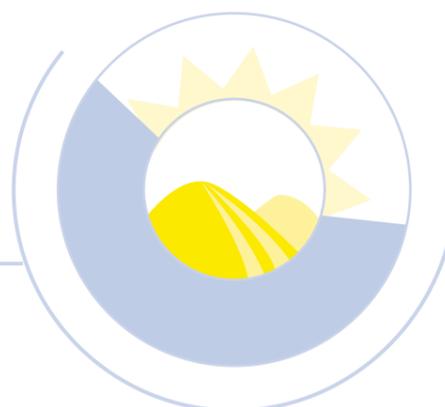
(3) The 2016 inventory data is being verified by an independent third party.

Message from the Management

G4-1



Our results for the period were positive, despite the challenging economic scenario; net income was R\$8 billion and shareholders' remuneration was R\$2.4 billion



G4-1

In 2016, the domestic and foreign macroeconomic scenario was characterized by uncertainties which directly and indirectly affected the business environment of the financial institutions. The international economy continued showing a slight, though unbalanced, recovery. External and internal uncertainties impaired the evolution of the Brazilian economy in various dimensions. Investments, consumption, and GDP retracted in real terms and the domestic job market and financial conditions of the companies deteriorated, affecting directly the credit market.

Despite the poor performance of the economy, inflation remained constrained, leading the Central Bank to keep monetary conditions tight. Despite the difficult scenario, 2016 was also characterized by a major change in the political economy, which shows promising prospects for the macroeconomic scenario over the next few years.

Although the market conditions have been challenging, we achieved positive results. Net income was R\$8 billion. The shareholders' remuneration was R\$2.4 billion, with net income per share of R\$2.84 in the year. The loan portfolio – broad definition was R\$708.1 billion, maintaining our leadership in this market, with 19.8% share.

In line with the role of an agent of economic development of Brazil, we have an essential performance in loans to agribusiness, with 59.2% of market share. Such portfolio grew by 2.8% in the year, totaling R\$179.8 billion, representing 25.4% of our total portfolio in the period. In the asset management segment, BB DTVM is a leader in the national industry of investment funds since 1994 and totaled R\$730.9 billion in funds managed at the end of 2016, an amount corresponding to 20% of the market.

Our results are a direct reflection of our Corporate Strategy. Between 2017-2021, we will continue in the pursuit of improved operational efficiency, business growth and increased return to shareholders. In these terms, we will continue prioritizing the simplification of processes and the digital transformation, keeping our innovative positioning

in view of the new digital reality, in order to provide high-value experiences to customers.

In order to improve efficiency, we began the process of institutional reorganization. One of the initiatives was the adequacy of our service network: inspired by the profile and behavior of our customers, we have increased the use of synergies, optimized structures, and enhanced digital services. Our customers now have a more agile and dynamic system of relationship and business, in addition to extended service hours in digital channels.

Another highlight of the year was the update of our Sustainability Plan that, from 2017, will be referred to as Agenda 30 BB, reflecting the premises of global Agenda 2030 and the Sustainable Development Goals (SDG), launched by the United Nations (UN) in 2015. Agenda 30 – which replaced Agenda 21, valid from 2005 to 2016 – is an instrument to improve our businesses and processes, aligning them to the best world practices, contributing to disseminate the theme and to generate more and more sustainable results.

Our social and environmental performance is proved by the permanence, for the fifth consecutive year, in the Dow Jones Sustainability Index (DJSI) of the New York Stock Exchange, and for the twelfth time in the Corporate Sustainability Index (ISE) of B3 (former BM&FBOVESPA). We further emphasize our entire commitment with the 10 principles of the Global Pact.

It is worth mentioning that without the commitment of our more than 100 thousand employees and the trust of our 64.8 million customers, such results would not be possible. We thank them and reaffirm our commitment to creating value for such stakeholders, as well as to investors, suppliers, and society, by creating a righteous circle of social development.

Paulo Rogério Caffarelli
Banco do Brasil's CEO

Fabício da Soller
Chairman



Profile

03

200 years

With over 200 years, and aligned to our mission of being a market Bank with public spirit, we are one of the main agents of economic and social development of Brazil

Banco do Brasil S.A. (BB) is among the largest financial institutions in Latin America, being a benchmark in confidence and solidity, and occupying a prominent position in their business segments. G4-3

With over 200 years, and aligned to our mission of being a market Bank with public spirit, we are one of the main agents of the economic and social development of Brazil. Operating responsibly to promote social inclusion through job and income generation, we support the agribusiness, micro and small companies and foreign trade.

We are a mixed-capital company, controlled by the Federal Government, and we are part of Novo Mercado, a segment of B3 that counts with the companies with best practices in corporate governance. G4-7

Our social and environmental performance is proved by the presence in the Corporate Sustainability Index (ISE) of B3 and in the Dow Jones Sustainability Index (DJSI) of the New York Stock Exchange.

With over 100 thousand employees and 64.8 million customers, we have the largest service network among the Brazilian institutions, both in Brazil and abroad.

R\$1.4 trillion in assets

19.8% of loans market share

64.8 million customers

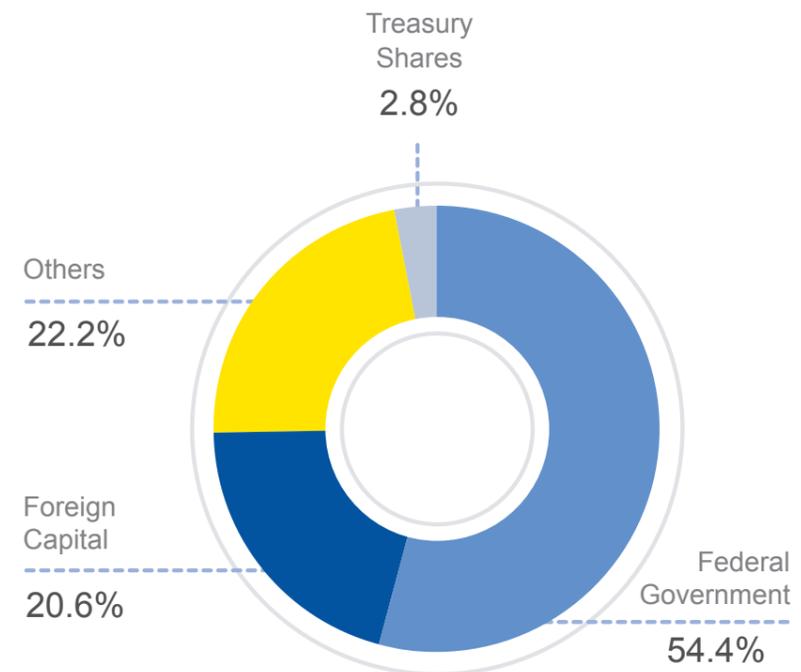
66.5 thousand service points, the largest network in Brazil

100.6 thousand employees

R\$731.0 billion third-party assets under management

R\$446.0 billion in deposits

Shareholding Structure (%)



Business Segments G4-4 | G4-8

 <p>Banking</p> <p>It comprises deposits and loan portfolio, among others, directed to individuals, companies, and Government. It is responsible for the most significant portion of the income of BB.</p>	 <p>Investments</p> <p>It comprises the structuring of primary and secondary market transactions, in addition to equity interests and the provision of financial services through BB-BI.</p>	 <p>Asset management</p> <p>Operations of purchase, sale, and custody of securities, management of portfolios, funds and investment clubs – through BB DTVM.</p>	 <p>Insurance, pension plan, and capitalization</p> <p>Products and services to personal and property insurance, as well as supplementary pension plans and capitalization through BB Seguridade.</p>	 <p>Payment methods</p> <p>Services of filing, collection, processing and financial settlement of transactions by electronic means.</p>	 <p>Other segments</p> <p>Credit recovery, IT, operational support and purchasing pools.</p>
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 [Learn more in the Attachment GRI G4-13 | G4-17](#)

Manufactured Capital – Service Network G4-8

With 66.5 thousand stations, distributed among branches, correspondent banks, and a shared network, we have the largest service network in the Country. We are present in 99.7% of the municipalities, and our 5,440 branches represent 23.2% of the share of the financial system.

The shared network has 36,241 service stations, with almost 20 thousand 24/7 banking service terminals, 13 thousand lottery kiosks and more than 3 thousand terminals in partner banks. The correspondent banks, identified by MaisBB brand, amounted to 13,630 service stations and associated establishments at the end of 2016, among which 6,146 were stations of Banco Postal.

In addition to our network, we have digital platforms that gain more and more importance and are an important differential, speeding up and facilitating the access to a wide range of products and services. In line with the Corporate Strategy and the new trends of behavior, the mobile and internet banking represented 65.9% of total transactions in 2016.

 [Learn more in the Attachment GRI FS13 | FS14](#)

Abroad Service Network G4-4 | G4-8 | FS6

The main purpose of our branches and correspondent banks abroad is to serve the Brazilian companies and individuals, as well as to facilitate the commercial flow of Brazil in the foreign market.

At the end of 2016, the Bank totaled 38 own units in 23 countries, in addition to maintaining agreements with 883 financial institutions and thus ensure the presence in 105 countries.

 [Learn more in the Attachment GRI G4-6](#)

The mobile and internet banking represented 65.9% of total transactions in 2016



The shared network has 36,241 service stations

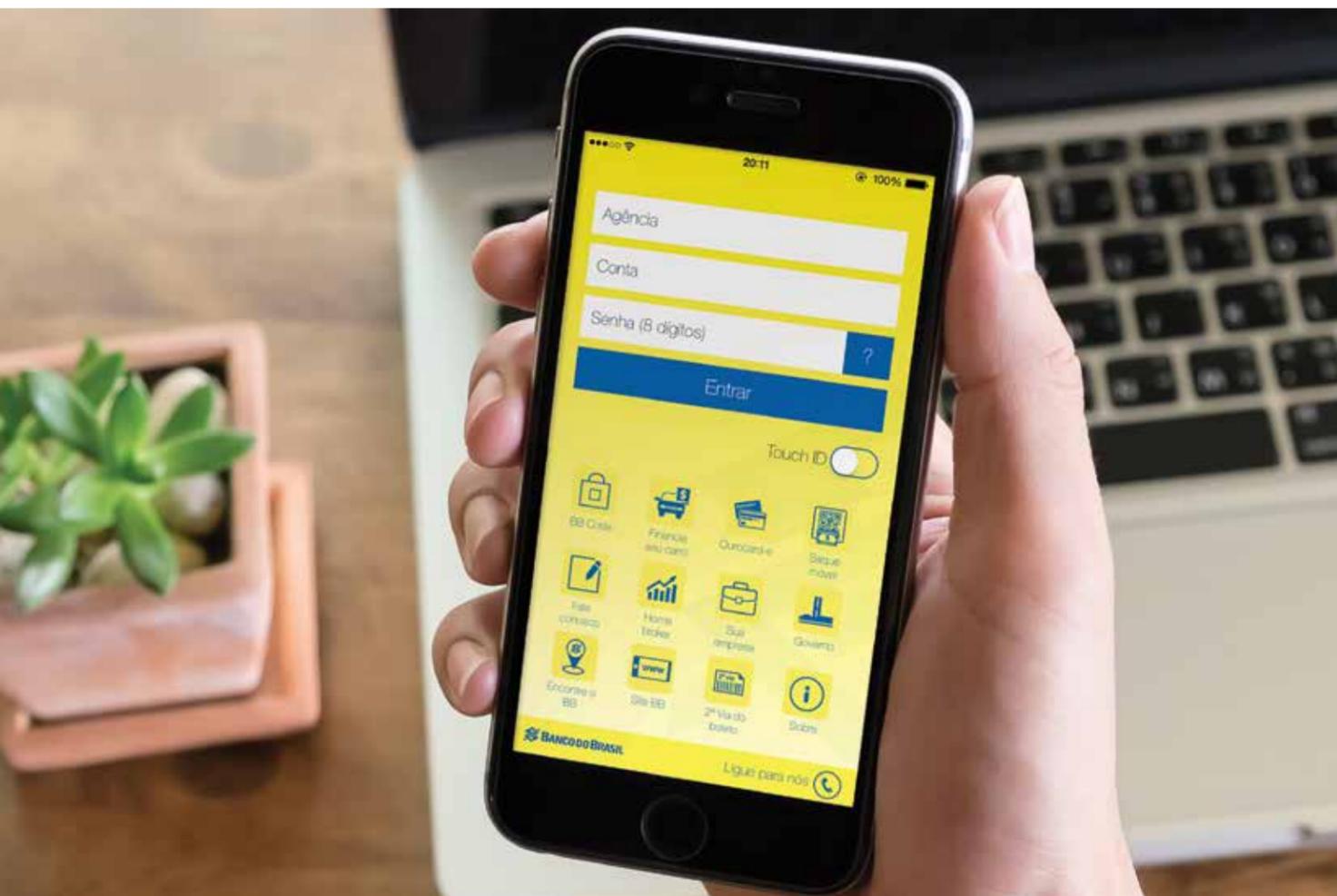
with almost **20 thousand** 24/7 banking service terminals



13 thousand lottery kiosks



over **3 thousand** terminals in partner banks



Corporate Governance



04

Our good corporate governance practices are attested by the membership in Novo Mercado of B3, a segment that counts with companies with high standard of corporate governance

CHALLENGE 1: TO ALIGN THE GOVERNANCE OF BANCO DO BRASIL TO THE BEST INTERNATIONAL PRACTICES AND STRENGTHEN THE ROLE OF THE MANAGEMENT IN THE SUSTAINABILITY STRATEGY.

In Banco do Brasil (BB), we are constantly improving our mechanisms of corporate governance to ensure alignment with best practices, ensuring fairness of shareholders' rights, transparency in the management and rendering of accounts to investors and society, ethics in relations with the various stakeholders and the sustainability of the business.

The excellence of our corporate governance practices is attested by the membership, since 2006, in Novo Mercado of B3, a segment that counts with companies with a high standard of corporate governance. In addition, we are listed in the Special Tag Along Stock Index (ITAG), Special Corporate Governance Stock Index (IGC), Corporate Sustainability Index (ISE) and Dow Jones Sustainability Index (DJSI) of the New York Stock Exchange.



Our management is aligned with the interests of the shareholders of the Bank and the society and complies with the guidelines of the Code of Corporate Governance and the Code of Ethics, both available on the [Investor Relations](#) website.



2016 Progress

The internal regulations of the Compensation Committee, Audit Committee and Board of Auditors and the Code of Corporate Governance were enhanced. The Bylaws of Banco do Brasil was revised, pursuant to the new State law, Decree No. 8,945/16 and the CGPAR Resolutions. We also created the Related-Party Transaction Policy, available on our IR website.

Management Structure G4-34

Our management structure is composed of the Board of Directors and the Executive Board. The Board of Directors has a strategic guiding, elective and supervising responsibilities, not covering operational or executive duties, and it is composed of eight members, with a unified term of office of two years, elected at the General Meeting.

The Board of Directors' members follow up monthly the economic and financial performance of the company, overseeing and guiding the performance of other bodies. In order to assist their activities, they rely on the Audit Committee, responsible for reviewing the financial statements and overseeing the effectiveness of internal controls, and the Compensation Committee, which revises annually the policy of compensation of administrators of the Bank.

The Executive Board, responsible for the management of the Bank, has the attribution for enforcing the Bylaws and resolutions of the Shareholders' General Meeting and the Board of Directors, always complying with the principles of good banking and corporate governance practices. The Executive Board is composed of the members of the Board of Officers and the Statutory Directors. The Directors are active employees of BB and have a three-year term of office, with the right to re-election.

The Board of Officers, composed by the Chairman and 9 Vice-presidents, is responsible for executing the policies, corporate strategy, investment plan, master plan and general budget established by the Board of Directors; approving and executing the plan of markets and the work agreement; and deciding on the internal organization

of the Bank, the administrative structure of the Directorships and the creation, extinction and operation of committees within the Executive Board.

At all levels of the Bank, decisions are taken collectively. In order to involve executives on the definition of strategies and approval of proposals for the various businesses of BB, the Management uses strategic committees that ensure agility and security to the decision-making process. Such a configuration contributes to the sharing of administrative vision, dissemination of knowledge and risk mitigation.

In order to supervise the acts of administrative management and protect the interests of shareholders, we maintain permanently the Board of Auditors. It is composed of five members and their deputies, elected at the General Meeting, with a one-year term of office, and minority shareholders have the right to choose two of its members.

For more information, visit:

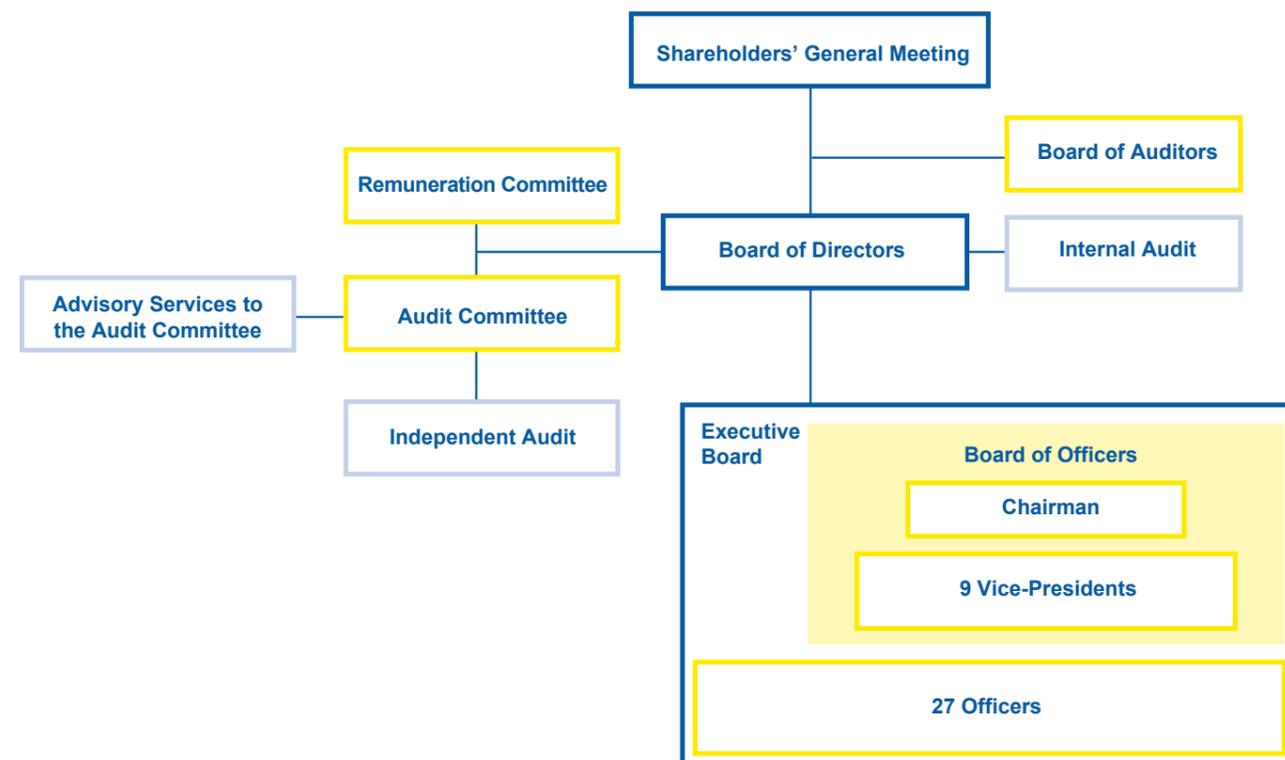
[Policies adopted to ensure a good governance.](#)

[Responsibilities of Boards and Committees; members and their resumes are available in section 12 of the Reference Form.](#) G4-38

[Bylaws.](#)

[Code of Ethics.](#)

Structure of the Meeting, BoD and Executive Board



Transparency

In order to ensure transparency in our activities, we present our earning results to the market on a quarterly basis, including teleconferences in Portuguese and English. At least once a year, we conduct a public meeting with analysts, investors and other stakeholders to disclose information concerning the economic and financial situation, projects and perspectives of our institution. Finally, on an annual basis, we also publish our Sustainability Report. Stakeholders can find the documents, presentations and other information related to our businesses, performance, policies and goals on our [Investor Relations website](#).

Governance of Social and Environmental Responsibility

G4-DMA Portfolio of products | G4-34 | G4-35

We seek to increasingly incorporate – with more quality – the principles of sustainability into the planning and execution of each of our actions, in accordance with our [Specific Social and Environmental Responsibility Policy \(PRSA\)](#).

For that purpose, we maintain structures dedicated to the execution and monitoring of the theme, according to the infographic on the next page.

In 2016, in continuity to the process of improvement of our social and environmental man-



[Learn more in the Attachment GRI](#) G4-35 | G4-36 | G4-39 | G4-40 | G4-41 | G4-42 | G4-43 | G4-44 | G4-45 | G4-46 | G4-47 | G4-49 | G4-50 | G4-51



agement, we updated the Sustainability Plan of Banco do Brasil for the 2017-2019 period, which now is referred to as Agenda 30 BB, in alignment with the Sustainable Development Goals and our Social and Environmental Responsibility policy (see details in [Sustainability Strategy](#), in the Strategy chapter).

The directions on sustainability are evaluated through indicators defined from the Corporate Strategy, ranging from strategic level, with the Master Plan, to the operational level, in the Work Agreement of branches.

The indicators include the assessment of results in the operational plans of the branches, impacting the variable compensation of the statutory officers and employees. The analysis of results, thus, verifies the financial and non-financial performance, including the contribution to society, the concern with the environment and organizational behavior.

The Management's Variable Compensation Program, subject to the distribution of Profit Sharing (PLR) to employees, considers 12 corporate indicators, and two are associated with social and environmental policies. In the case of employees, the variable compensation is linked to the work agreement and consider information about the efficient use of resources (water, energy, paper and selective waste collection) and the involvement of employees in social and voluntary causes.

Entities Affiliated with BB

G4-DMA Active share control

We seek to align the governance of Entities Affiliated with BB (ELBB) to the best international practices, according to the guidelines adopted by the Bank. In these terms, in 2016, we created and shared with the Entities Affiliated with BB the document referred to as Institutional Sustainability Performance – BB, which includes our main initiatives regarding the theme.

Although the Entities Affiliated with BB are organizations with independent legal personality, with business strategies and own policies, we sought to disseminate our resolutions and guidelines so they can serve as a basis for decisions on the sustainability theme. In addition, in order to encourage this ongoing process of alignment of principles and practices in sustainability, actions are planned in 2017-2019 Agenda 30 BB.

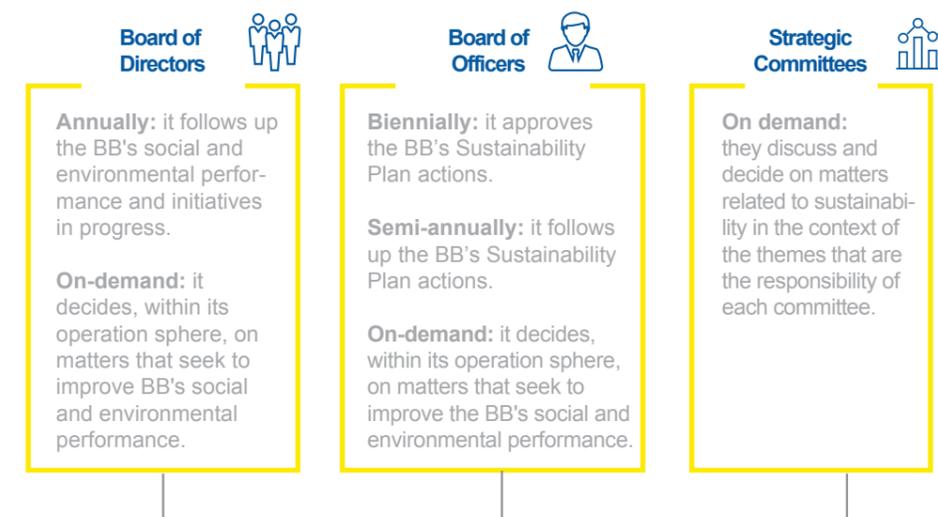
In 2016, we disclosed to employees involved with governance and processes of acquisitions and strategic partnerships of those institutions the social and environmental criteria of the Specific Policy of Investments in Equity Interests.



[Learn more in the Attachment GRI](#) G4-DMA Active share control | FS11

Governance Structure which addresses the Sustainability theme

Non-unique instances on Sustainability G4-45 | G4-48



Unique instances on Sustainability



Compacts and Agreements G4-15

[Learn about the initiatives in favor of sustainability that we support or sign.](#)



Ethics and Compliance Management



05

In addition to strengthening one of our most important corporate values, ethics management consolidates our integrity and transparency in the conduct of business and our respect for stakeholders

Ethics management strengthens one of our most important corporate values and consolidates our integrity and transparency in the conduct of business, in addition to making explicit the commitment and the respect we have towards our stakeholders. The challenging political and economic scenarios of the Country led us to devote even more attention, resources and efforts to improve the instruments of control and combat to illegal practices and maintain compliance with legal obligations.

We strongly invested in education and communications to disseminate our policies, actions, and expectations regarding the behavior of all administrators and employees of BB. In addition, we have a structured model of internal controls and established standards and procedures for the treatment of potential cases of non-compliance with our Code of Ethics and Rules of Conduct, policies or regulations.

We participated in the [National Forum of Ethics in State-Owned Companies](#) and the [Working Group of the Business Pact for Integrity and Anti-Corruption](#), promoted by Ethos Institute.

In 2016, our Board of Directors approved the Integrity Program, which brings together the actions adopted by our institution to prevent, detect and punish detrimental act practices qualified as corruption against public, national or foreign administration, practiced by an employee or third party in the interest or benefit of the Bank.

The program included the participation of all our Strategic Units, which evaluated their processes and identified situations in which we could be considered as potential perpetrators or victims of corruption, the degree of risk involved and the possible corresponding mitigating actions. G4-SO3

CHALLENGE 15: TO STRENGTHEN THE ROLE OF BANCO DO BRASIL WITH REGARD TO THE ETHICS AND ANTI-CORRUPTION THEME.

Ethics Committees



Total: **28 Ethics Committees**, where one is at a Higher level and **27 State-owned** ones.

Function: to analyze and judge ethical misconduct committed by employees.

Election: State Committees have employee representatives, chosen by votes.



AWARD

Seal of *Empresa Pró-Ética* 2016 (2016 Pro-Ethics Company), established by the Ministry of Transparency, Supervision, and Office of the Comptroller-General and the Ethos Institute of Business and Social Responsibility.

The result of the evaluation will contribute to the improvement of controls.

We also validated the Planning of Prevention and Fight Against Corruption for 2016-2017 and the Planning of Prevention and Fight Against Money Laundering and Terrorist Financing (PLD/FT). We disclosed a Specific Internal Control and Compliance Policy internally and to our Affiliated Entities (Entities Affiliated with BB), Sponsored Companies and Foundations. A survey was conducted on risk management focused on

prevention and fight against corruption in the 61 major Entities Affiliated with BB.

Code of Ethics and Rules of Conduct

G4-DMA Anti-corruption | G4-DMA Public policies | G4-DMA Compliance | G4-DMA Non-discrimination | G4-57

Annually, or whenever revisions are carried out, administrators and employees of BB, inside or outside the Country, are required to read and acknowledge our Code of Ethics and Rules of Conduct. Through notices and newsletters, we explain the enforcement

G4-57

of ethical guidelines in the company, pointing out good examples and deviations detected, and encourage employees to report suspicious situations to the Internal Ombudsman. In 2016, we created, on the portal of this body, a link to clarification of questions about the enforcement of the code, which are solved by State Ethics Committees. Our employees may also recourse to the Elec-

tronic System for Prevention of Conflict of Interests (SeCI), of the Ministry of Transparency, Supervision, and Office of the Comptroller General, for questions on this subject, such as those related to the exercise of a parallel professional activity.

The failure to comply with the guidelines of the Code of Ethics and Rules of Conduct of BB

Measures Adopted in 2016

Actions in defense of ethics and to prevent and combat corruption.

- +
- +
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may result in penalties, according to the severity of the case, its circumstances and the level of participation of each party involved. The penalties include the awareness letter and the dismissal for cause.

 [Learn more in the Attachment GRI](#)
G4-SO5 | G4-SO6 | G4-SO8

Contact Channels

G4-DMA Labor practices grievance mechanisms | G4-DMA Environmental grievance mechanisms | G4-DMA Grievance mechanisms for impacts on society | G4-DMA Product and service labeling | G4-37 | G4-57 | G4-58

We guarantee means for our stakeholders to report suspicious or illegal practices committed by our administrators, employees or partners.

In the Internal Ombudsman, we receive via email, corporate intranet, telephone, letter or in person, reports about conflicts in the workplace of BB and accusations about misbehaviors, fraud, and violation of institutional standards. Active employees (in Brazil and abroad), interns, apprentices and contracted workers may use the channel. Reports not classified as “interpersonal

conflict”, relating to violations of laws, the Code of Ethics, the Rules of Conduct and/ or our internal standards, are analyzed and resolved by the body.

[Our External Ombudsman](#) , in turn, receives the claims of customers and users of products and services via email or telephone. Although not primarily intended to receive reports of irregularities, we allow claimants to report them by these means.

Another option to report potential misbehaviors is to contact the [Audit Committee](#), , via the internet, to report eventual frauds or breaches of the legislation or standards.

Finally, we maintained [Empresa Limpa Channel](#) , to collect reports on actions committed against the assets of the Bank or against the public, Brazilian or foreign administration, by employees or third parties linked to our institution or our Entities Affiliated with BB. The reports through such channel can be performed by the internet, on BB Portal, the intranet or the units of the Bank.

Our Internal Ombudsman ensures the free communication and is available to active employees in Brazil and abroad, interns, apprentices and employees from companies contracted



In any of the existing channels, the whistleblower can opt for the anonymous or identified report, and we ensure the confidentiality of the source and the information. Cases of corruption practiced by employees are assessed, analyzed and judged with confidentiality, through disciplinary action. With regard to senior management, the members are subjected to specific rules, the Corporate Law and the Code of Conduct of the Federal Senior Management.

Training Sessions

The awareness of ethical principles and rules of corporate conduct by our administrators and employees is incremented and encouraged through the provision of training. In 2016, our Ethical Trail - series of training sessions offered since 2014 in our Cor-

porate University and whose completion is a prerequisite for career advancement or activity in the company – was incremented with the Learning about the Code of Ethics and Rules of Conduct module.

We also launched the Prevention and Fight Against Corruption course, with content related to the innovations brought by Act No. 12,846/2013 ([Anti-Corruption Act](#) ) and the measures historically adopted by BB to fight against this issue.

We also provided a range of courses related to the Prevention and Fight Against Money Laundering and Terrorist Financing.

 [Learn more in the Attachment GRI](#) G4-SO4

- Ethical Trail with the “Learning about the Code of Ethics and Rules of Conduct” module
- Course of Prevention and Fight Against Corruption
- Courses of Prevention and Fight Against Money Laundering and Terrorist Financing



Risk Management



06

We continuously invest in the risk and capital management processes improvement. Compliant with the international market best practices and the regulatory and supervisory bodies rules

Risk management is essential to the sustainability of the banking system, protecting financial institutions in times of crisis and supporting the generation of positive and sustainable results.

Financial activities and their risks complexity increases in a scenario of constant changes in the world financial environment, from the emergence of new products to the integration of markets, and technological sophistication. Recent financial disasters bring lessons and reinforce the importance of risk and capital management in the banking industry, which are factors that also influence regulators.

We have a formalized policy of management of risk factors and a solid system of governance in which all decisions are made collectively and according to standards and guidelines. Subsidiaries, affiliates and holding companies define their directions based on such guidelines, considering their specific needs and the legal and regulatory aspects to which they are subject.

We invest continuously in improvement of the processes and practices of risk and capital management, always in compliance with the best practices of the international market and the rules of the regulatory and supervisory bodies.

Our Board of Directors (BoD) is responsible for approving specific risk policies, which are reviewed annually and in cases provided for by the regulation. The Higher Committee for Global Risk (CSRG) performs a key role in the governance of risk and capital management by establishing strategies, global exposure limits and risk-based capital allocation. Decisions are communicated to intervening areas through documents that express objectively the positioning taken by the Management, ensuring enforcement at all levels of the Organization.

Our model of governance for risk and capital management includes higher and executive

committees, with the participation of representatives from various areas of the Bank, in addition to the Chairman, Deputy Chairmen and Executives, covering the following aspects:

 **Segregation of duties in the business and risk areas;**

 **Specific structure of risk management;**

 **Defined management process;**

 **Clear rules and authority structure;**

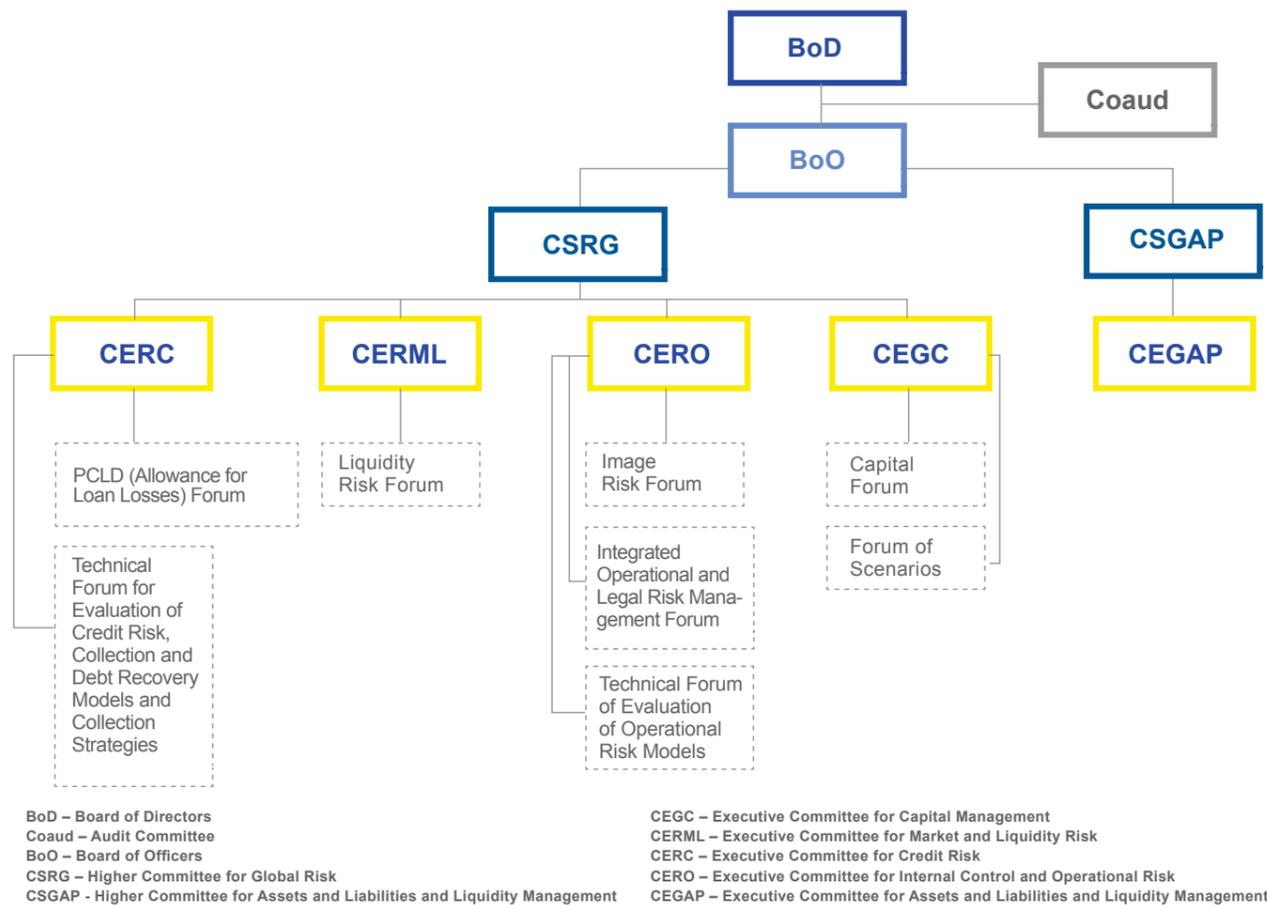
 **Reference to the best management practices.**



AWARDS AND RECOGNITIONS

- We received Banking Awards 2016 – Best ESG Risk Management Team, an award granted by English publication CFI.co – Capital Finance International.
- In the evaluation of 2016 of the Dow Jones Sustainability Index (DJSI) of the New York Stock Exchange, we were the world benchmark and with a score of 100 in Anti-Crime Policies/Measures, Financial Stability and Systemic Risk and Business Risks and Opportunities themes, among others.

Our governance structure is shown in the following figure:



Document [Risk Management Report – Pillar III](#), published quarterly on the [Investor Relations](#) website, brings the main risks monitored by the Bank, to which we add the social and environmental ones and emerging themes.

In addition to following specific policies, our risk management structure is also defined by the Statement of Risk Appetite and Tolerance, the strategies and processes, according to the specificities of each risk and defined standards of action and responsibilities. The risks, reviewed annually, are identified and classified by a structured process, based on quantitative and qualitative criteria.

CHALLENGE 19: TO IMPROVE THE MANAGEMENT OF SOCIAL AND ENVIRONMENTAL RISK FROM SOCIAL AND ENVIRONMENTAL CRITERIA IN THE GRANTING OF FINANCINGS, CONSIDERING ALSO THE CONTROVERSIAL ISSUES.

Social and Environmental Risk

G4-DMA Portfolio of products | G4-DMA Investments | G4-DMA Non-discrimination | G4-DMA Freedom of association and collective bargaining | G4-2 | G4-14 | G4-EC2 | G4-HR9

It refers to the possibility of losses arising from exposure to damages caused by our activities. It is divided into two categories: social, resulting from impacts on the well-being of employees, customers, shareholders, suppliers, creditors, competitors, Government and community; and environment, related to the possibility of harmful effects caused on nature, directly or indirectly.

We manage social and environmental risk in the processes of grant and conduct of loans and financing, in administrative practices, in the supplier relationship, in people management and in the support to businesses and operations.

Our Specific Credit Policy establishes that the Social and Environmental Responsibility

G4-2 | G4-EC2

(SER) and the ability to generate jobs and income of contractors must be considered. We do not assume commitments with customers with legal restrictions or that jeopardize our image; with proven bad reputation or lack of integrity; that are involved in crimes of money laundering or concealment of assets, rights and values; that offer guarantees from illicit activities; that have caused damage to the environment; that subject workers to degrading working conditions or those similar to slave labor; or that commit sexual abuse of minors or child labor.

We adopt the guidelines of the Ecuador Principles, set of social and environmental criteria of voluntary adherence by financial institutions referenced in Performance Standards on Social and Environmental Sustainability of the International Finance Corporation and the Guidelines for Environment, Health and Safety of the World Bank Group. Based on the principles, we require customers to sign contracts undertaking to act in compliance with relevant social and environmental laws, regulations and licenses of the country that operate in all material respects, under penalty of the declaration of the accelerated maturity of the operation. With respect to the projects of Categories A and B, we request evaluation documentation must include measures to minimize, mitigate and offset negative impacts in a relevant manner and compatible with the nature and scale of the proposal. In these cases, specifically, we also demand that the customer develops or maintains a Social and Environmental Management System. Throughout the process, the customer undertakes to act in compliance with the System and provide periodic reports in a format agreed with the Bank, which are presented to the financial agents by independent socioenvironmental experts.

In rural loans, we require the customer and the project to be socioenvironmental compliant with. Rural loans are subject to in loco inspection, in accordance with the criteria set out in the Rural Credit Manual of the Central Bank of Brazil (MCR – BCB), when aspects related to the correct investment of

the credit and the situation of the guarantees and projects are checked. The result of the inspection is described in a standardized report and sent to the branch conducting the operation. The procedure, in cases of irregularities, begins with customer notification and request for regularization, and it may also result in the early settlement of the operation, as provided for in a clause included in the credit instrument.

We ensure our [Sustainability Guidelines for Credit and Controversial Issues](#), whose purpose is to seek guarantees for us to contribute with our products and services to stimulate good initiatives and, at the same time, avoiding negative impacts on ecosystems and the quality of life of people. Therefore, the social and environmental criteria in the analysis for the grant of financing and the evaluation of potential risks are continually strengthened. In 2016, we began the revision of criteria for the grant of funds to eight specific sectors of the economy. In 2016, we began the revision of criteria for the granting of funds to eight specific sectors of the economy, with the articulation of the various intervening parties in the Civil Construction and Electric Power sectors. With regard to the other sectors – Agribusiness, Irrigated Agriculture, Mining, Oil and Gas, Transportation, and Pulp and Paper – we perform strategic monitoring of the macro-environment, aiming to identify legal and market requirements related to socioenvironmental issues specific to each of the sectors.



Progress

In 2016, we developed the [Social and Environmental Risk Indicator Manual](#), which contributes to the control and reporting of exposure to the hazards and sets corporate indicators and operational limits related to them. We classified the BB's portfolio macro-sectors – companies – in view of the social and environmental risk exposure.

Project Finance Contracted
From the perspective of the Equator Principles in 2016 ^{G4-2}

Sector	Category A	Category B	Category C
Mining	0	0	0
Infrastructure	1	0	0
Oil and gas	0	0	0
Energy	0	0	0
Others (Industry)	0	1	0
Subtotal	1	1	0
Region			
The Americas	1	1	0
Europe, Middle East, and Africa	0	0	0
Asia	0	0	0
Subtotal	1	1	0
Designation of the Country			
Designated country	0	0	0
Non-designated country	1	1	0
Subtotal	1	1	0
Independent consulting			
Yes	1	1	0
No	0	0	0
Subtotal	1	1	0
Total		2	

Project Finance Advisory Services
From the perspective of the Equator Principles in 2016

Sector	Quantity
Mining	0
Infrastructure	1
Oil and gas	0
Energy	0
Others	0
Total	1
Region	Quantity
The Americas	1
Europe, Middle East, and Africa	0
Asia	0
Total	1

 [Learn more in the Attachment GRI](#) ^{G4-DMA Child labor | G4-DMA Forced or compulsory labor | G4-14 | G4-EC2 | G4-HR1 | G4-HR4 | G4-SO2}

We use the best practices of corporate environmental management, for the purpose of reducing consumption of natural resources and disposing of non-hazardous and recyclable waste in an environmentally appropriate way. We created a division responsible for overseeing the risk management for the Entities Affiliated with BB that includes social and environmental issues; and we use a model of social and environmental risk assessment of suppliers, considering the premise of green supply chain management. We offer training to our employees with courses intended for the social and environmental risk, aligned with the envisaged by the action plan for im-

plementation of the Social and Environmental Responsibility Policy. In the second half of 2016, the update of the Social and Environmental Risk and Credit course was disclosed in UniBB.

For the social and environmental criteria used in the relationship with our suppliers, see the Social and Relationship Capital – Suppliers chapter.

To learn more about our practices in people management, see the Human Capital chapter.

CHALLENGE 2: TO IDENTIFY AND MANAGE MEDIUM AND LONG-TERM NON-FINANCIAL AND/OR EMERGING RISKS THAT MAY SIGNIFICANTLY IMPACT BANCO DO BRASIL'S BUSINESSES.

Emerging Themes

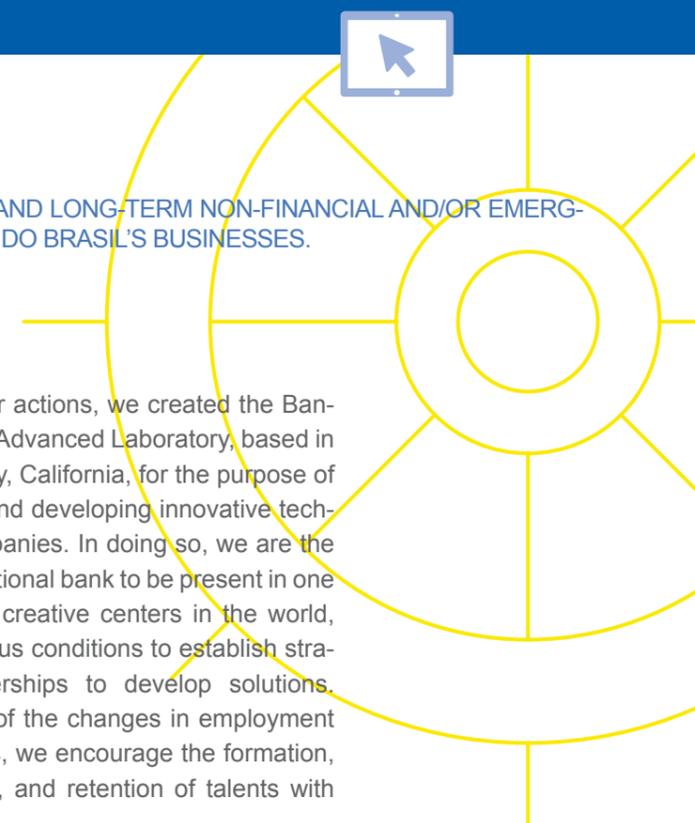
We evaluate continuously the internal and external scenarios, checking macro-environmental and financial industry perspectives as a way of mapping the risks and opportunities for the Bank. Among the current trends, the main ones are the intensive use and the accelerated development of technology, changes in labor relations, the increase in the requirement and empowerment pattern and the engagement of consumers. In the financial industry, particularly, with the increase in the use of IT, the business growth and digital financial services are of particular relevance. Therefore, we invested in Digital Transformation (for information about our Model of Digital Relationship and Digital Business, see Capital chapter), improving processes and practices in pursuit of excellence in the management of potential threats, one of the desired attributes in our Corporate Strategy ([more details in the Strategy chapter](#)).

 [Learn more in the Attachment GRI](#) ^{G4-2}

Among other actions, we created the Banco do Brasil Advanced Laboratory, based in Silicon Valley, California, for the purpose of incubating and developing innovative technology companies. In doing so, we are the first large national bank to be present in one of the main creative centers in the world, which gives us conditions to establish strategic partnerships to develop solutions. Still, aware of the changes in employment relationships, we encourage the formation, appreciation, and retention of talents with digital skills.

We also devote attention to combat cyber-attacks, a growing threat in the world. In order to avoid them, we introduced a series of measures to ensure the preservation, inviolability, and reliability of our systems, corporate information and data of our customers and partners ([see more in Security Management](#)).

We are also aware of the consequences of climate change, which can interfere



in various economic sectors and in our operations. Therefore, in 2015, we approved our Social and Environmental Responsibility Policy, and updated, in 2016, our Sustainability Plan – Agenda 30 BB ([for more information, see the Strategy chapter](#)).

In order to anticipate and mitigate risks arising from climate change, we adopted tools such as the Agricultural Climate Risk Zoning (ZARC), which is essential for the financing of main crops in Brazil, and the Technical Agricultural Reference (RTA) System, which contributes to the selection of viable production systems more resistant to climate change from a database fed by more than 200 agricultural sciences professionals. Such team also monitors weather events to ensure the return of credits granted by the Bank: in 2016, 1,316 municipalities were followed up. In addition, we provide customers with products such as Agricultural Insurance, *seguro faturamento* (price assurance), Proagro and Proagro Mais.

Internal Controls and Audit

G4-DMA Audit

For BB, the internal control mechanisms are essential to achieving strategic goals, to ensure the proper implementation of the policies and procedures for risk management and to meet the expectations of regulators, customers, employees, investors, and society. The priorities are constantly discussed and defined from information such as financial relevance, losses occurred and reports from regulators,

Internal Audit, and independent auditors. Internal control practices are organized and systematized in order to ensure the achievement of the goals at all levels and corporate processes. The factors of greater sensitivity are prioritized and shortcomings are addressed through corrective actions monitored by the governance of the Bank.

The areas operate in an integrated and coordinated manner, following a model based on the concept of lines of defense, in which those responsible for the development and marketing of products and services must maintain effective controls and ensure compliance with policies and standards, both internal as external. The monitoring of the effectiveness of the procedures is carried out by an independent Board and by the Internal Audit, which conducts periodic and independent audits.

The Internal Audit also assesses the adherence to social and environmental policies and sustainability commitments assumed by the Bank, such as the Ecuador Principles. When there is a need for improvement, corrective actions are implemented.

The independent auditors check our financial statements, in compliance with the term of five years for replacement of the technicians responsible for this process and all other obligations set out in CMN (National Monetary Council) Resolution No. 3,606/2008 and its subsequent amendments.

 [Learn more in the Attachment GRI](#) G4-DMA Audit

Security Management

G4-DMA Customer privacy

We perform constant investments in systems, policies, and processes to ensure the security of facilities and information, assessing the external environment and potential threats to create mechanisms of control. Our employees are trained in events and campaigns to strengthen the culture of institutional security. In 2016, 8.8 thousand employees participated in the Information Security Fundamentals course.

We maintain a constant evolution in the security of Information Technology (IT) assets and we respond in a decisive manner to cyber-attacks. We have a structure dedicated to the functions of security governance, management, architecture, construction and operation, including a team that monitors and responds to security incidents 24/7. We also resort regularly to specialized companies for the testing of invasion in our IT systems and infrastructure.

Protection to Customers



Simplified BB Code offer



Review of limits in automatic service terminals out of banking hours



Validation of the new mobile device via SMS + Google account (Android)



Simplification of limit customization



Release of a card with biometrics and the introduction of this identification feature in more terminals



National Social Security Institute – INSS cards with chip



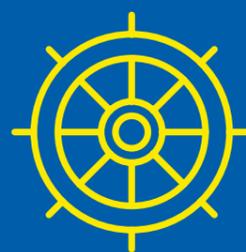
Extended hours for payments via the internet



Option of creating different transactional limits



Communication campaign to guide customers on how to avoid frauds and increase financial security



Drivers

Our structured internal control system evolves from the consolidation of roles and responsibilities, based on world-renowned drivers, such as the Committee of Sponsoring Organization of the Treadway Commission – Framework for the Evaluation of Internal Control Systems (COSO 2013) and Control Objectives for Information and Related Technology (CobIT).



Our Crisis and Business Continuity Management (BCM) ensures the operation of essential services even in critical situations

To minimize the impacts of suspensions in strategic processes, we adopt the methodology of Crisis and Business Continuity Management (BCM), which ensures the operation of essential services even in critical situations and is based on the best Market Prices.

In order to reduce incidents such as robberies, kidnappings, and depredation of terminals, we reinforce the security in payment times and introduce new features in ATMs. We spread the culture of risk and personal security through actions with the network managers. With the

execution of this set of actions, the number of external theft attacks was reduced by approximately 35%.

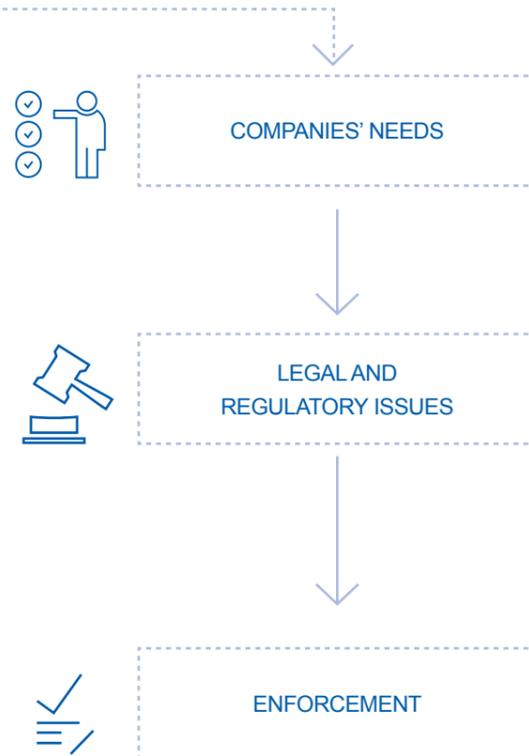
Another initiative is the constant monitoring of processes, services, and products to prevent them from being used in illegal practices related to money laundering, terrorist financing, and corruption. Our products and services are enhanced to establish ways to prevent them from being used in illicit practices. In addition, we train our managers and employees to engage in fighting these crimes.



Tax Strategy

Our tax strategy considers the specific needs of companies and the legal and regulatory aspects to which they are subject, applied in business plans, investments in other countries, corporate structuring projects, companies takeover, service contracting, partnerships and banking and financial product launches.

In our work, we also consider the payment of taxes, in an appropriate and timely manner, in exact amounts to avoid fines and accumulation of tax liabilities. Through the in-depth knowledge of legislation, we adopt alternatives that allow us to minimize impacts and mitigate tax risks, obtaining greater tax effectiveness to keep the tax burden at the levels required by law, which is positively reflected in our results.



The safety and adequacy of our tax strategy are guaranteed by actions carried out continuously and with the global and integrated practice among the various areas, activities, and businesses. Conducted consistently and safely, the tax affairs comply with the tax rules and are guided by principles that aim to maintain our credibility and a transparent and cooperative relationship with the tax authorities of the locations where we operate.

In BB, the tax affairs correct management is an essential part of the corporate culture and practice. Policies, procedures, and programs take into account the tax governance for the perfect adequacy to the legislation in all countries in which we operate, including those considered to have a more favorable taxation.

We are in constant movement to act in accordance with the local and international tax rules and guidelines, with regard to tax avoidance.

We recognize that international cooperation and the provision of tax information contribute to the fulfillment of the international agreements, treaties, and conventions signed by Brazil, always taking into account the need to protect the Information confidentiality.

In compliance with the applicable law, we disclose systematically in our financial statements and financial analyses consolidated information on tax expenses, tax assets and liabilities, major legal provisioned discussions involving taxes and main tax rates of taxes on business and results.

BB, as the final multinational group controller, in compliance with the actions stipulated in BEPS (Base Erosion and Profit Shifting) Plan, provides related information and indicators: the location of its activities; to the amount of the total revenues obtained from related and unrelated parties (Transfer Pricing); taxes paid and due, as well as

all the entities that are part of the group located in those jurisdictions; and economic activities carried out by them.

The provision of this information in the Country-by-Country statement, from 2017, is reflected in the best practices standard increase to be implemented in the tax plan.

In these terms, in addition to complying and follow the terms of the law, our tax management obligations considers the law and doctrinal understanding about the intent of the law. Transactions involving tax aspects are carried out in such a way as to demonstrate clearly the business results and tax impacts, without priority dependence of these impacts to the business feasibility.

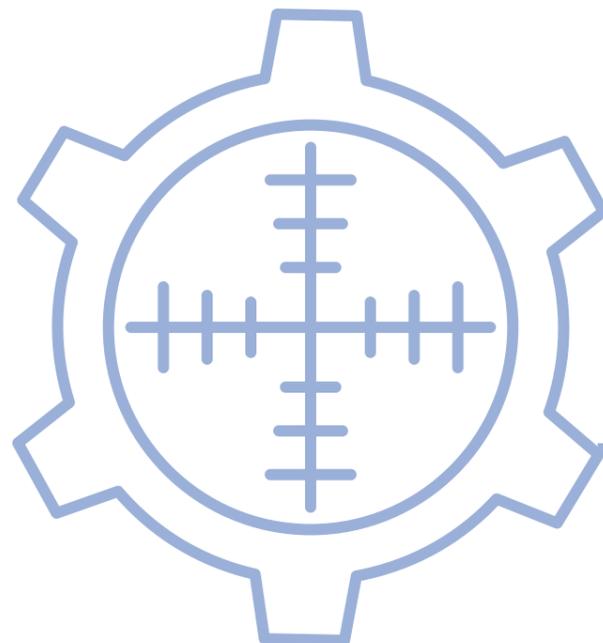
Focuses of the Tax Risk Control

The implementation and dissemination of our tax strategy are guaranteed by specific technical and legal structures, whose core focuses are:

- The preventive identification of tax risks, their mitigation and the maintenance of appropriate levels of tax compliance and

good standing, in order to minimize losses through standardized routines, appropriate and timely procedures for calculation, payment, tax withholding and collection. These actions integrate the strategies associated with the Bank's operational risk management;

- The monitoring of the measures effectiveness for tax risks treatment, to continuously improve processes and systems and minimizing losses;
- The support in decision-making and in the strategy definition to mitigate such risks;
- The detection of changes in the legal and regulatory environment that may impact BB;
- The monitoring, identification and reporting of audits and assessment notices of the National, State and Municipal Departments of the Treasury, through the analysis and follow-up of tax procedures and processes such as Supervisory Procedure Orders (SPO), Tax Verification Instruments (TVI), Tax Reports and Notices of Violation drawn up by these departments;

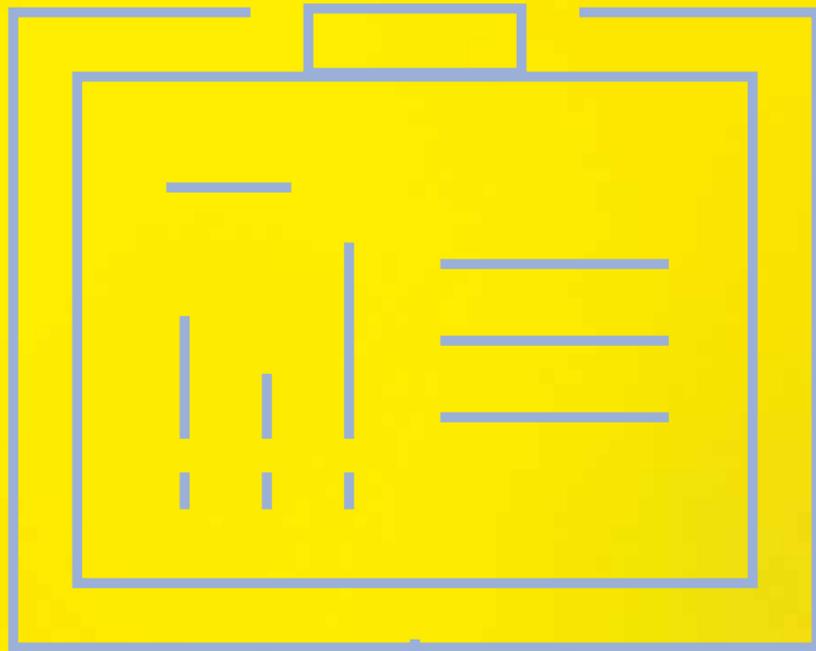


- The relationship with the Brazilian Internal Revenue Service (IRS) and other administrative tax departments to prevent and resolve tax issues in defense of the direct and indirect interests of BB;
- Advisory services to strategic areas of the Bank and corporate structuring and investment projects, by presenting tax standardization-related information. With this, it is possible to support and guide the use of exemptions in the payment of taxes, appropriate tax rates, special taxation regimes, tax credits, tax incentives and benefits besides allowing the adoption of corrective measures aimed at the good standing and compliance when necessary;
- The adoption of contentious administrative and legal measures, in order to protect the rights and interests of BB;
- The studies for the taxes and contributions to be calculated and paid (Bank as a taxpayer) and withheld and collected (Bank as a tax responsible) in an appropriate and timely manner, in exact amounts, seeking tax efficiency and strict compliance with the legal and regulatory rules governing the tax compliance and good standing.

The tax strategy involves: financial risk, business risk, and image risk. The main tax risks mitigated with specific legal and technical structures are related to:

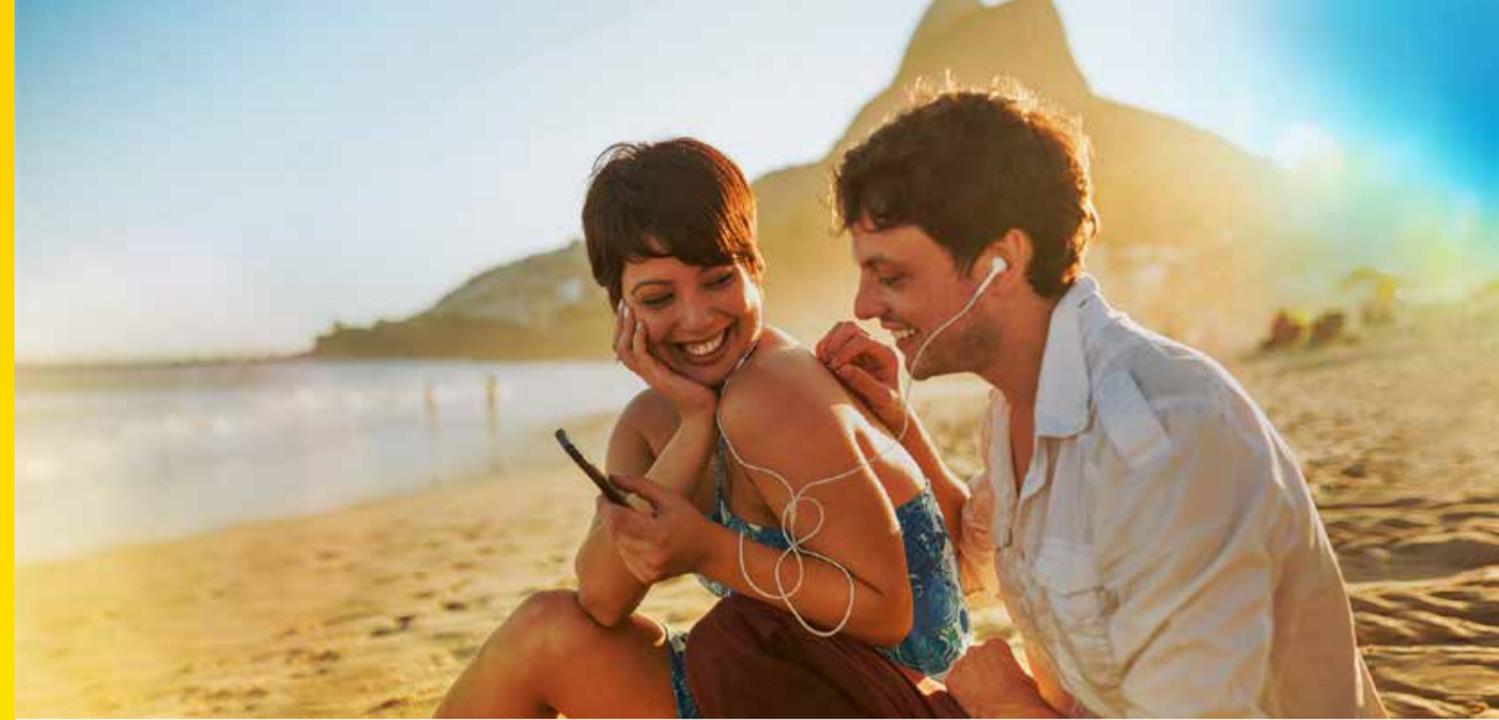
- Incorrect or insufficient interpretation of legal and regulatory tax standards, including the ones regarding exemptions from payment of taxes, appropriate tax rates, special taxation regimes, tax credits, tax incentives, and benefits;
- Non-compliance with the rules for payment, withholding and collection of taxes and contributions, as well as other tax obligations;
- Non-acceptance by the Tax Authority of a tax planning related to new businesses or corporate and investment structuring;
- Non-timely adoption of corrective measures aimed at regularity and compliance when they are identified and necessary;
- Non-acceptance by the Tax Authority of information and documents provided in response to the supervisory procedures and assessment notices.

Strategy



07

Our strategy follows the brand essence and was revised during the year, defining as drivers the people and knowledge management, customer experience, digital transformation, profitability and risk and capital management



The essence of the Banco do Brasil brand expresses the sense of purpose of our company, what makes us unique and differentiates us in the market: A market Bank with public spirit. From the essence of the brand, we defined the way we view our business and our performance, based on our attributes and our positioning.

As a result of our actions, for the fifth consecutive year, we are part of the portfolio of the Dow Jones Sustainability Index (DJSI) of the New York Stock Exchange, which brings together companies with the best sustainability practices in the world. Also, we are the first "Top of Mind" brand (Data-

Folha Institute) in the mind of the population (customers and non-customers) in the bank category.

In 2016, we developed prospective scenarios for the 2017-2021 cycle, considering the main trends of the macro-environment, the financial industry, and specialized business industry. These scenarios were used as an input to the process of formulation and revision of our Corporate Strategy for the period.



[Learn more in the Attachment GRI G4-2 | G4-56](#)

Strategic Priorities:



Profitability



Service revenues



Loss reduction



Gains in efficiency



Improvement in productivity through the simplification of processes and digital



Innovative positioning



High-value experience to customers



Strategic Drivers

We defined our strategic drivers, that is, the Essence (Belief, Mission, Vision, and Values), the Challenges and Strategic Goals, with the respective indicators and goals, from analysis of the internal and external environments.

One of the macro-trends identified in the prospective scenarios for 2017 to 2021 was the accelerated technological development. In the financial industry, it is worth mentioning the growth of relationships, businesses

and digital financial services and the change in the configuration of the branches due to the incorporation of digital technologies.

In 2016, we approved a set of measures for institutional reorganization, with the main purposes of reducing costs and improving operational efficiency. One of the solutions was the change of the service network to meet and adjust to the new profile and behavior of customers, with the use of synergies, the optimization of structures and the expansion of digital services.



CHALLENGE 3: TO IDENTIFY INNOVATIONS IN THE FINANCIAL SECTOR (BUSINESS AND TECHNOLOGY MODELS) AND ANTICIPATE THE TRENDS IN ORDER TO ENSURE THE PERPETUITY AND LONGEVITY OF BANCO DO BRASIL.

The innovation is part of our history and is included in the Corporate Strategy. One of the drivers of the culture of innovation is the Innovation Incentive Program – Pensa BB, which mobilizes employees and disseminates the theme in the organization. Such initiative encourages the generation of innovative ideas which could contribute to overcoming our challenges by identifying possible developments in business and technology models. In 2016, 16 innovative ideas were implemented from the program.

The main solutions implemented in the 2016 edition of Pensa BB, ended in December 2016, were:

- **GAT Mobile:** selected as the best one of the edition, introduced a digital solution through which customers can choose the branch where they could get their service tickets using the BB application.
- **BB Elo Cidade:** the idea reinforces citizens' identification with their city. It is a card with a package of advantages that stimulates the population of small municipalities to buy in local establishments, strengthening trade, reducing the transactions of physical currency and avoiding evasion of funds to neighboring cities. The product is a finalist in Abecs Awards for Best Practices of companies of electronic means of payment, and the expansion of the pilot is under approval.
- **Universidade do Cliente (Customer University):** it was tested on a trial basis with respect to Pensa BB Program, in the university customers-oriented modality. The tests involved a contest of ideas with the university people, requesting them to submit suggestions for innovation for BB.
- **Provision of Credit to National Social Security Institute – INSS Pensioners:** technological solution available in various channels for INSS beneficiaries not yet registered to update their registration forms, enabling the expansion of BB's business with these stakeholders.

Innovation Incentive G4-DMA Product and service labeling

Frentes de Atuação do Pensa BB em 2016

With internal employees: we launched **32** innovation challenges and collected **5,785** ideas from **2,737** authoring employees, an increase of **77%** in the number of ideas and **74%** in the number of authors when compared with the previous year.

With external employees: we created a contest of ideas and suggestions to customers of the university segment. The pilot experiment was made available to **1.2 million** university customers, and the first **45 thousand** customers who registered could participate.

Digital business: ActionBB is an event of innovation and entrepreneurship that works on dynamics of **digital business acceleration and incubation**. It gathered together, in December, the creators of the solutions of 2016 Pensa BB program – five were chosen (Visitas PJ Application; Application BB channel for investment consulting; payment of online purchases using BB Code; system for estimate of queues in branches; and real estate financing tracking by BB Application) to be incubated and developed, encouraging entrepreneurship and generating innovation opportunities for the Bank.

CHALLENGE 4: TO ENHANCE CUSTOMER RELATIONSHIP MANAGEMENT AND INCREASE THE SATISFACTION AND RETENTION INDEX.

During the year, we improved the strategies related to efficiency, results, innovation and customer satisfaction, favoring the digital transformation. Investments in technology increased the offer of solutions and the service convenience, in addition to providing favorable results in both cost reduction and in the increase of customer experience.

The new features, complemented by the physical network, reflect our focus on improving the processes and service, having as a principle the quickness and easiness in operations. Thus, we also contributed to the financial and digital inclusion of new customers.

Sustainability Strategy – Agenda 30 BB

Our Sustainability Plan – Agenda 30 BB is an instrument to improve our businesses and processes, aligning them to the best world practices, contributing to disseminate the theme in the organization and to generate more and more sustainable results.

From 2005 to 2016, such Sustainability Plan was referred to as Agenda 21 BB, aligned to Agenda 21 Global, a commitment to this century that sought to promote actions that integrate economic growth, social justice and the protection of the environment. During this period, approximately 400 strategic actions were carried out.

 [Learn more in the Attachment GRI 64-37](#)

In 2016, the Plan was revised and updated. From 2017, it is referred to as Agenda 30 BB, reflecting the premises of global Agenda 2030 and in line with the Sustainable Development Goals (SDG), launched by the United Nations (UN) in 2015.

The alignment of Agenda 30 BB to SDG is a response from our organization to the United Nations' call so that companies can advance in the sustainable development through investments, solutions, and practices.

The update of the actions included in our Sustainability Plan is a systematic process that involves the whole Organization and our main stakeholders. The implementation of actions also involves almost all our Strategic Units.

The performance of our initiatives is followed up on a quarterly basis by the BB Sustainability Forum and continues up to the highest administrative authorities. The Board of Officers approves and follows up the execution of actions through the half-yearly rendering of accounts. The Board of Directors, in turn, follows up the social and environmental performance and initiatives in progress through annual reporting to the agency, in the annual meeting of October, when the main advances, challenges, opportunities and actions to be developed are presented.



AWARDS AND RECOGNITIONS

- Euronext Vigeo Index – Emerging 70” – we were listed for the second time among the 70 companies with the most advanced economic, environmental and social performance in the Emerging Markets region.
- Global 100 – we were included for the 2nd time in the Global 100 sustainability ranking of Corporate Knights (CK).
- Ranking The Banker/Brand Finance – Top 500 Banking Brands 2016 (52nd place).
- Ranking Kantar Vermeer – The top 10 Brazilian brands most valued in the decade (5th place) – Dinheiro magazine and the WPP British group.
- Top of Mind 2016 – Instituto Datafolha.
- Ranking Interbrand – The Most Valued Brazilian Brands in Brazil 2016 (5th place).

Sustainability Plan Update

G4-37

The update process, which occurred in 2016 and resulted in the adoption of new 2017-2019 Agenda 30 BB, was structured into the following steps:

01 Construction of Materiality Matrix



02 Theme Panels



03 Sustainability Forum



04 VI Sustainable Development Workshop



Validation of the relevant themes and challenges, the definition of the maturity of the themes in society and in the Bank and proposal of innovative actions and solutions that served as an input for the update of the Sustainability Plan – Agenda 30 BB.

Stakeholders: executive managers of the Bank.

Training of the Executive Board and executives of BB and some Affiliated Entities; presentation of the Materiality Matrix; the beginning of the process of definition of actions for the new Sustainability Plan – 2017-2019 Agenda 30 BB.

Stakeholders: Executive Board and executives of BB and some Entities Affiliated with BB.

Identification of challenges and themes for improving sustainable practices from demands of stakeholders and analysis of studies, research and best world practices.

Virtual consultation with internal and external stakeholders for prioritizing challenges; in-depth survey with stakeholders defined as having priority to the Bank.

Stakeholders: internal and external stakeholders.

Discussion on the relevant issues and proposal of innovative actions and solutions that served as an input for the update of the Sustainability Plan – Agenda 30 BB. The themes of the three panels conducted were:

- Green Economy and Eco-Efficiency;
- Private Social Investment and social business;
- SDG with emphasis on Human Rights.

Result: the panels with internal stakeholders were an opportunity for managers and advisors who work in Strategic Units responsible or associated with the themes listed to receive training, discuss and propose solutions.

Stakeholder: managers and advisors of the areas directly involved with the themes.

The update of the actions included in our Agenda 30 BB is a systematic process that involves the whole Organization and our main stakeholders



Social and Relationship Capital



08

Our relationship with customers, shareholders, suppliers and civil society is based on ethics and transparency. In particular, digital transformation, an essential part of our strategic progress, to enhance the customer experience, among other goals

CHALLENGE 4: TO ENHANCE CUSTOMER RELATIONSHIP MANAGEMENT AND INCREASE THE SATISFACTION AND RETENTION INDEX.

Customers

We started, in November, the structural reorganization process to make the Bank even more dynamic, agile and competitive, as well as to strengthen the sustainability of our businesses. The goal is to enhance customer experience and, consequently, resume profitability indexes compatible with our peers in the market, in the medium term.

Digital transformation is an essential part of our strategic progress. Studies show the change in banking consumer behavior, which nowadays gives priority to electronic media. Consumers are more informed and collabora-

tive and take into account indications of other consumers to make their choices. With this direction, we created new relationship models, we have more digital tools now for communication and conducting businesses and established an extended customer service hours.

Internally, new analysis technologies reinforced the knowledge on consumption patterns and expectations of these stakeholders, which allow us to perform more assertive offers of customized products and services, which ensures greater satisfaction, in addition to increasing the retention and profitability index.

Our Customers



INDIVIDUALS: Private, Estilo/Estilo Digital, Personalizado/Exclusivo, Varejo e Mercado Emergente – segmented according to income and assets

- New model for prospecting customers and businesses, with complete and qualified service to Private customers, customizing both corporate solutions and the provision of advisory services to managers in their asset management;
- Leadership in the high-income retail in the Country, with approximately 4 million Estilo, Exclusivo and Personalizado customers;
- Incentive to self-service network access and the responsible use of credit, with lower-risk solutions for the Varejo e Emergente segments, in particular, proceeds receivers and beneficiaries of INSS (National Social Security Institute);
- For rural producers, social and environmental solutions, such as the Programa Nacional de Fortalecimento da Agricultura Familiar – Pronaf (National Family Agriculture Development Program) and models of relationship with teams specialized in rural credit, investment experts and consultant agronomists for advice to customers;
- The main agent of rural and agribusiness segments, with credit offer in the industry;
- Social and environmental solutions, such as the Pronaf;
- Models of relationship with teams specialized in rural credit, investment experts and agronomists.



COMPANIES: Large Corporate, Corporate, Empresarial Upper Middle, Empresarial Middle, Empresa, Pequena Empresa e Microempresa – segmented according to the company's revenues

- Solutions from working capital to financing and foreign trade;
- For small and very small companies, course offerings in order to guide and encourage business models that promote the inclusive economy;
- In 2016, expansion and improvement of the service model for corporate customers with revenues greater than R\$1 million, with the expansion of the network of Corporate Branches, which offer specialized service;
- New model for prospecting customers and businesses in wholesale, with complete and qualified service to Wholesale customers, customizing both corporate solutions and the provision of advisory services to managers in their asset management.



PUBLIC SECTOR: Federal, State, and Municipal

- For Public Sector customers, financial education and public administration services. Micro e Pequena Empresa – MPE (The Public Sector Unibb Portal) completed one year, totaling more than 150 courses, articles and video classes on municipal management, with 4.5 thousand registered managers.

Service Specialization

Specialization is essential in the new models of relationship.

BB Estilo Digital



1 ESTILO

Income > **R\$8 thousand**
 Invest. > **R\$100 thousand**
 Potential Contribution
 Margin > **R\$450**

Escritório Exclusivo



2 EXCLUSIVO

Income > **R\$4 thousand**
 Invest. > **R\$40 thousand**
 Potential contribution
 margin > **R\$200**

Relacionamento Digital para Empresas



3 EMPRESA

Annual Gross Revenues > **R\$120 thousand/year**

Agência Especializada Empresa



4 EMPRESA

Annual Gross Revenues
R\$1 million/year

Especializada Produtor Rural



5 PRODUTOR RURAL

Rural Producers

Módulo de Negócios Varejo



Commercial approaches oriented to retail customers who do not go to the branches

Colabora



Operational integration and cooperation among networks

Customer Satisfaction

In 2016, we stood in a good position in public complaints indicators, occupying the best position among the five largest banks in the Country in the list of the Central Bank of Brazil (Bacen) and also in Consumer Protection Branches (Procon) integrated to the Consumer Protection Information System, with a difference of 71% compared to the worst position, which registered 64,968 entries, while our total was 18,915.



Total complaints - Bacen and Procons

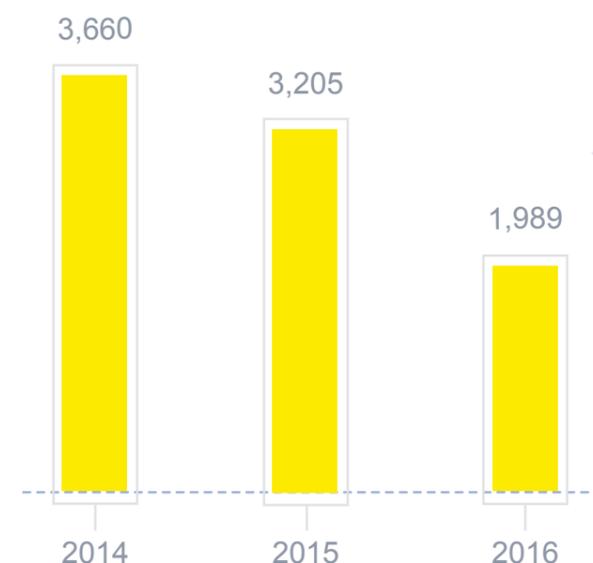
BB: 18,915
 Competitor with the worst position: **64,968**

Difference: **71%**

Customer Satisfaction Program

The Customer Satisfaction Program takes into account the high level of demand and increased competition and integrates all the agents responsible for the service quality in BB. The program aims to raise the level of customer satisfaction of individual customers with face-to-face service in branches from 84.5% in 2017 to 85.5% in 2019.

Valid Complaints in the Central Bank of Brazil



5th Position

Bank and finance companies with over 4 million customers

Source: Central Bank of Brazil/2016 Data – 2H16

The interaction with the consumer defense agencies was positive during the year, with several actions. We created an operation flow to the joint efforts of debt renegotiation, which totaled 20 in the period; and Procon Fone (Procon Phone) for debt renegotiation was enhanced to facilitate for customers to access information about debts and proposals about the service provided in Procon. The average daily phone calls were 10.

We have a complaint governance system that monitors the actions of managers and follows up information from the Ombudsman's Office to create the Top 10 Ranking of Complaints. This allows us to make the correct management and adopt appropriate

measures when necessary. During the year, six of the ten items had a tendency to fall.

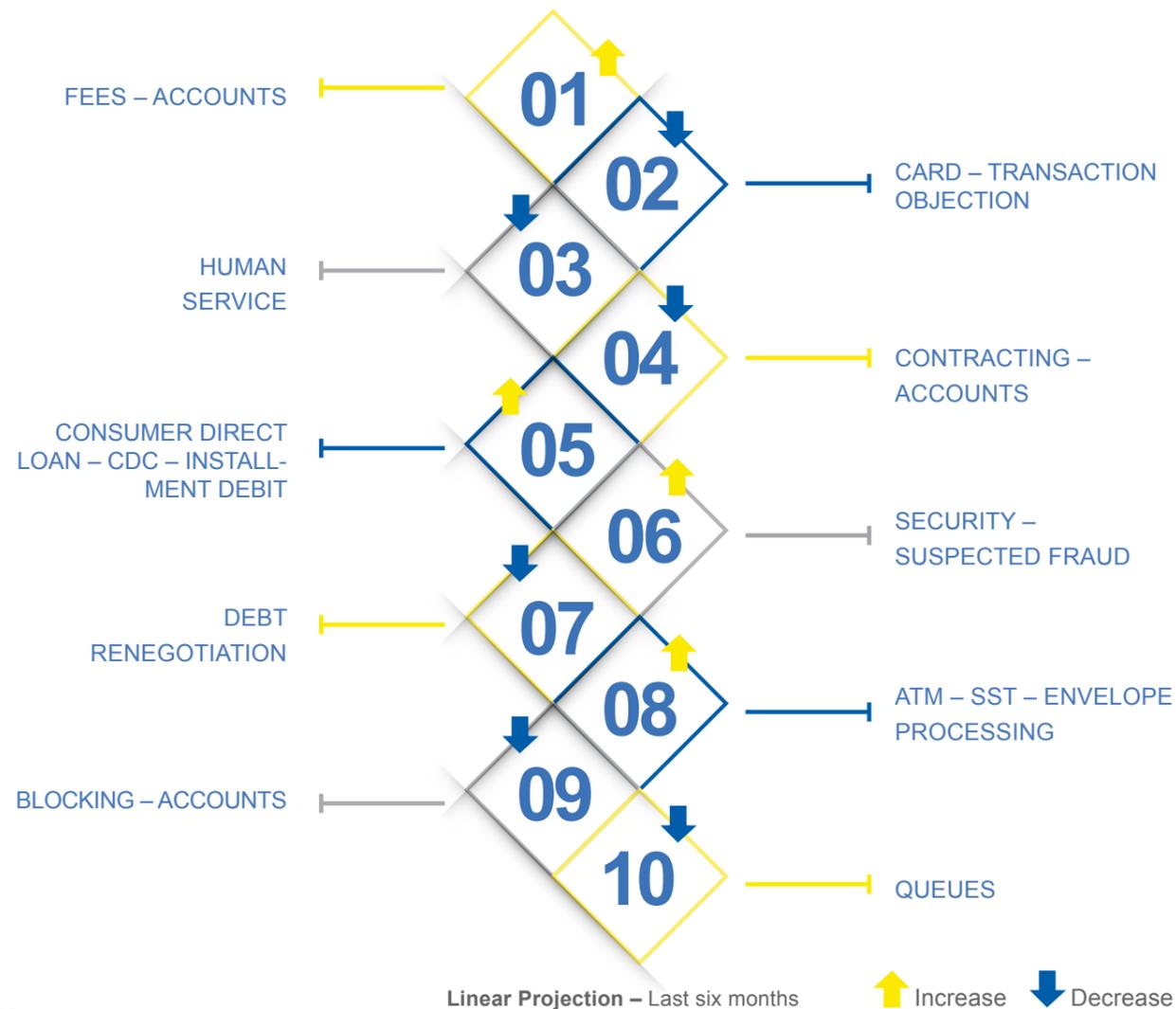
Such a good result reflects our commitment to the improvement of the complaint management. Our External Ombudsman participates monthly in qualified forums to discuss problems and shortcomings, curves of complaints by subject and actions adopted by managers to mitigate difficulties. In addition, the Ombudsman presents semi-annual reports to the Board of Officers and the Board of Directors.

In 2016, the Ombudsman's Office received 10,308 complaints deemed to be valid, out of a total of 27,550 complaints received in this body.

G4-DMA Product and service labeling



Top 10 Ranking of Complaints – Second Half of 2016 Follow-Up G4-PR4



Service

Some changes have been made in our service network to improve customer satisfaction:

Retail, Estilo Digital and Business Office

Service Tickets: since the release of the functionality, on November 28, until December 31, 2016, over **110 thousand tickets** were generated for face-to-face service in the BB's application. The solution will enable the pre-service, through which customers can specify the service they need and schedule an appointment.

Private, Estilo and Personalizado

We improved the financial assistance module via chat for customers of these segments. In 2016, approximately **56 thousand clients** were served, with a result of **R\$1.3 billion** in fundraising.

Individuals, Micro and Small Enterprises

Solução de Dívidas (Debt Solution) Portal is a pioneering initiative in the National Financial System, providing customers the possibility of debt renegotiation with a reduction of **96%** in the operation time when compared to the time spent in branches.

Conta Fácil (Quick Account): implemented in November 2016, Conta Fácil made the account opening process easier, which now is performed by the customers: in three minutes, the account is open and, in 10 minutes, customers can make deposits and other operations. Since the launch of Conta Fácil and until December 2016, BB opened more than **223,053 digital accounts**. Only on November 30, **15.1 thousand accounts** were opened by cell phone against **9.6 thousand** by the traditional way.

Process Improvements

From the findings of our complaint management system, we enhanced some processes in 2016:

+ The envelope processing in ATM was enhanced with the creation of a tracking mechanism by the customer via smartphone, the creation of a daily map and follow-up of cases of envelopes out of base received in the electronic processing, in addition to the regulation review.

+ We offer mechanisms of information to customers on the stage of analysis, formalization, and release of mortgage, disclosing the maximum deadlines for each stage.

+ We allocate the module of security in cloud infrastructure and open the record of card objection calls directly by the customer through the mobile channel.

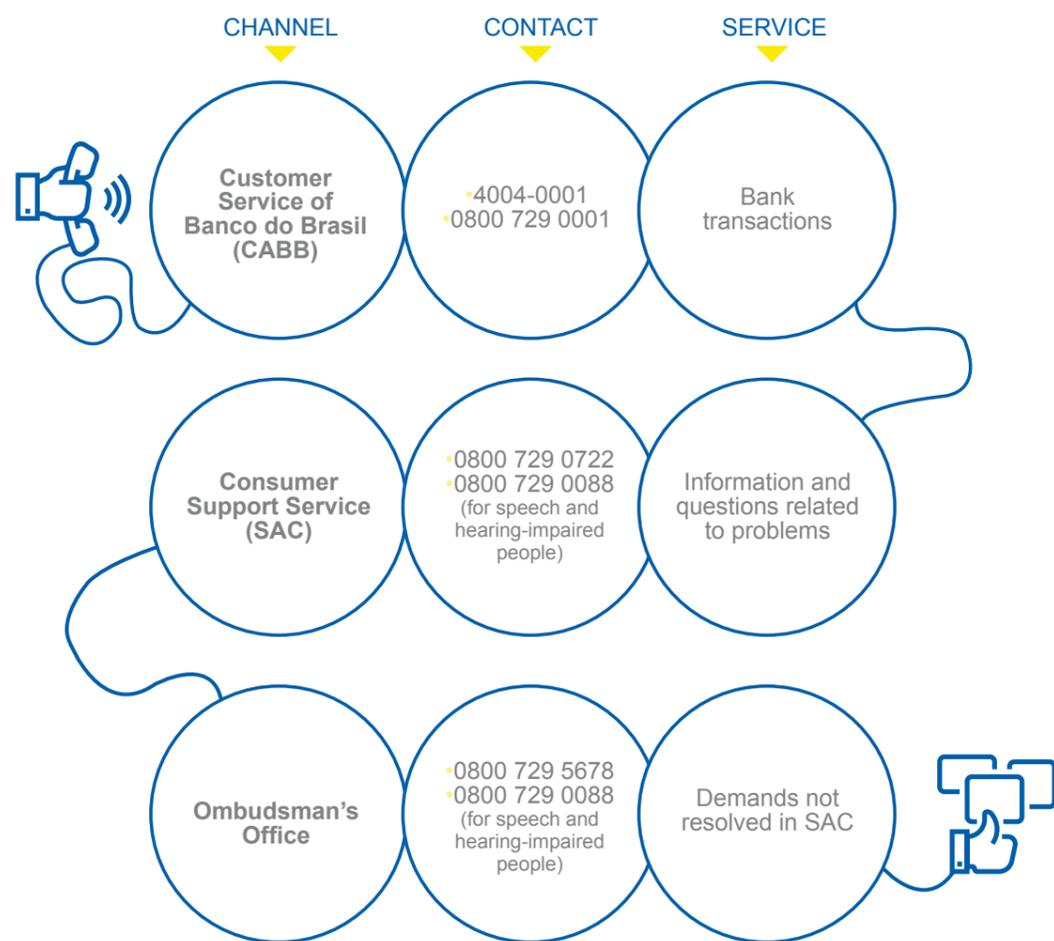
Safe Behavior
With approximately R\$557 million in losses avoided with preventive actions, the *Comportamento Seguro* (Safe Behavior) Project brings together initiatives and actions that mitigate risks with fraud, further increasing the safety of customers, avoiding financial losses and image risk.

OUR COMMITMENT: in 2017, mobile devices will be protagonist as a relationship channel. We are going to conduct surveys with customers to measure the level of satisfaction with segmentation per state (monthly), per region (quarterly) and per branch (four-monthly).



Our service network has several options:

Service Channels G4-PR3



G4-PR3

In cases where it is not possible to resolve immediately the demand addressed to SAC by phone, we register a ticket for a solution within five business days. In the last year, 23 thousand events per month, on average, were registered for subsequent treatment – the total number of phone calls per month, on average, is 430 thousand.

In addition to the demands by phone, those received by the internet/APF, cell phone application and websites consumidor.gov and Reclame Aqui are also forwarded, totaling around 30 thousand events per month. These demands, plus the events via phone (0800) with subsequent treatment, had an average treatment time of 2.6 business days.

With regard to social media (Facebook and Twitter), in 2016, approximately 14 thousand monthly issues were solved.

The information of SAC is used as an input in the improvement of products and services with a focus on improving the customer experience and operational efficiency.

CABB Service

- CALLS ANSWERED – ELECTRONIC MEDIA **135 MILLION**
- CALLS ANSWERED – HUMAN **29 MILLION**
- CALLS FOR SERVICES OFFERING **8,1 MILLION**
- VOLUME OF TRANSACTIONS IN RECEPTIVE INTERACTIONS – **R\$138,8 MILLION**
- VOLUME OF TRANSACTIONS IN ACTIVE INTERACTIONS **R\$118,6 MILLION**
- PEOPLE SERVED VIA CHAT – **56 THOUSAND**
- FUNDRAISING OF INVESTMENTS VIA CHAT **R\$1,3 MILLION**
- ACQUISITION IN INTERACTIONS WITH CARD, LOAN, VEHICLE FINANCING AND DEBT SOLUTION – **R\$43 MILLION**

BB SAC Service

- 430 THOUSAND** MONTHLY CALLS
- 94.5%** RESOLVED IN A FIRST SERVICE CONTACT



AWARDS

- Case “#partiubancodobrasil: Soluções agora! Relacionamentos eternos” won the Gold trophy in the “Melhor Estratégia Multicanal” (Best Multi-Channel Strategy) category of the 2016 LATAM Award. The award was established by the Latin American Alliance of Customer Interaction Organizations (Aloic);
- BB SAC won the Silver trophy in the “Melhor Estratégia de Mídias Sociais” (Best Social Media Strategy) category with action “Os maestros do atendimento que tocam seu coração”;
- Fale com seu Gerente (Contact your Manager) tool won in the “Multicanais” (Multichannel) category of CIAB FEBRABAN Award – Congress and Exhibition of Information Technology of Financial Institutions, the largest technology event for the Latin America financial market;
- The relationship in the social network (Facebook and Twitter) won in first place in Finance segment at International Social Bakers Award – The World Socially Devoted Ranking, relating to the first three quarters of 2016.

OUR COMMITMENT: in 2017, we will develop a new way to browse the electronic service for easy browsing by the customer with more options for transactions and verifications, and a quicker and more integrated service. In the coming years, we also intend to rearrange the electronic service through the telephone; service improvements with the new integrated platform; and strengthening of partnerships with companies contracted as correspondents in the individuals loan segment.

Individual Customers

Our 64.8 million individuals customers are segmented according to their characteristics.

In 2016, we achieved a total of 1.1 million customers served in the Estilo segment, consolidating our leadership in the high-income market in Brazil. Banco do Brasil Estilo Digital strategy success, which, at the end of the year, had 250 branches with an increase of 16%, on average, in customer satisfaction index, according to Net Promoter Score.



Customer Management

Increased customer satisfaction index:

16%

Increased efficiency in managed service:

35%

Increased profitability of customers:

between **20%** and **40%**



The *Exclusivo* segment also increased, reaching 175 thousand customers served in the digital model, which offers tools such as email, instant messaging and video conference, combined with an extended customer service hours, from 8 a.m. to 10 p.m. At the end of the year, it totaled 34 offices.

Customers of Retail and Emerging segments were encouraged to use self-service channels, concentrate their cash flow in BB and use credit responsibly, with lower-risk lines offering. In this segment, the main ones are proceeds receivers and beneficiaries of the National Social Security Institute – INSS.

Available to anyone who performs up to R\$5 thousand in transactions per month, Conta Fácil was created in 2016, also in line

with the strategy of the digital transformation of the Bank. It can be opened quickly via mobile devices in BB application. The product brings several digital solutions. In just two months, between November and late December 2016, 296 thousand accounts were opened.

Rural Producer Customers

We are the main financial agent of the Brazilian agribusiness, contributing significantly to the supply of loan demand in the segment. According to data provided by the Central Bank of Brazil, we had a 59.2% market share at the end of 2016. The National Family Agriculture Development Program (Pronaf) had a record balance of R\$41.9 billion, 6.8% higher than the same period of the previous year.

OUR COMMITMENT: we will continue improving the digital relationship models to serve all kind of customers in a quick and simple way. For the relationship with Retail customers, we will focus on three contexts: flow management in branches; improvement in the call center; and relationship in digital channels. For 2017, we are planning the performance of the network of correspondent banks in priority locations to keep the face-to-face service after the reorganization of the physical network.



Agribusiness Loan Portfolio

59.2% of market share in the industry

Agribusiness is one of the main sectors of the Brazilian economy, with an essential importance for the growth and development of the Country.

Specialized Service

During the year, we innovated in the relationship model specializing branches for agribusiness in Dourados (MS), Araçatuba (SP), and Cascavel (PR), offering services provided by qualified staff, extended customer service hours (by appointment), advisory services, investment experts and more agility in operations analysis.



In 2016, we started to use BB application GeoMapa Rural, which records the location of financed areas and sends it to the database, providing customers with convenience, security in information collection and compliance with the legal requirements. This solution was one of the winners of the 2016 Efinance award, in the “Soluções para Agromercado” (Agribusiness Solutions) category.

The options in self-service channels (mobile, internet and ATM) were also improved, with the possibility of verifying the statement of rural financings, with the history of entries, debit balance and amounts to be debited. Pronaf participants receive

an alert before the expiration of the Statement of Eligibility to Pronaf (DAP).

The other innovation related to the agribusiness in 2016 was the Automatic Asset Valuation (AAV). The tool, intended for internal use, enables the automatic valuation of rural properties and their improvements, reducing time and valuation costs. It also won the 2016 Efinance award, in the “Soluções para Agromercado” (Agribusiness Solutions) category.

These innovations modernize the agricultural and cattle-breeding segment, promoting financings with the agribusiness chain and contributing to bring more technology to the segment.

In addition, we have a network of agricultural science professionals distributed among the main producing regions in the Country. The team performs analyses and studies that make it possible to scale the situation of agricultural and cattle-breeding activities, their risks and profitability margins.

OUR COMMITMENT: in 2017, we will expand digital solutions intended for rural producers for contracting of rural financing and availability of funds that support the technical services of the sector with optimization and operational efficiency.

Corporate Customers

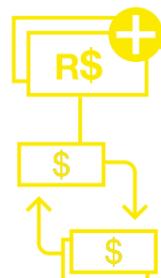
In 2016, innovations included the new version of the Financial Manager for Mobile Devices, which added new features, such as the verification of statements of court orders, digital signature in currency exchange agreements and a new menu of release and statements of receivables.

Our foreign exchange and trade products have self-service options and digital solutions that improve the customer experience and count on their membership: in 2016, 63% of export exchange transactions and 38.4% of import exchange transactions were performed by the internet.

We offer a complete portfolio for Micro and Small Enterprises (MSE), with working cap-

ital solutions, financing of investments and foreign trade, as well as several other options related to cash flow, social security, pension plan, and services. The various segments of Companies, including Individual Microentrepreneurs (MEI), are from financial alternatives to business models that promote the transition to an inclusive economy, by offering financial education courses conducted in partnerships. More information can be accessed on the [Empreendedor](#) website .

In 2016, we opened 17 offices intended to serve MSE, which were added to the three existing ones. We served 36 thousand customers that have digital channels for relationship and extended customer service hours.



Credit for Working Capital

One of the main implementations in 2016 is credit for working capital, which totaled **R\$1.07 billion** in operations: Working Capital Urban Proger – its purpose is the maintenance of employment and income, by providing funds for the purchase of raw material, payment of suppliers and taxes or improvements in the business. On the other hand, the company needs to make a commitment to maintain the same number of jobs until a year after the loan; in case it has ten or more regular employees, it must also hire a Young Apprentice. Launched on July 15, at the end of the year, it totaled **9,984 operations**, with the disbursement of **R\$809.9 million**. BNDES Progeren Working Capital – the credit line that aims to increase production, employment and the payroll was reopened. The contracts were resumed on September 26 and, at the end of 2016, **2,238 operations**, totaling **R\$264.7 million** had been carried out. Additionally, the lines of the Investment Urban Proger, intended for the acquisition of goods, services, and restorations of facilities, had a disbursement of **R\$566.3 million**, an increase of **44.16%** compared to the same period of 2015. On social and environmental area, there are Corporate Urban Proger, Tourism Investment Proger and BB Corporate Credit, which finance items related to photovoltaic power generation and energy efficiency.

Improvements in Customer Service

- Expansion of the model of service to Corporate Retail customers with an Annual Gross Revenue of over R\$1 million;
- Creation of new Corporate Branches, providing specialized service, totaling 38 Corporate Branches, with 300 portfolios and 45 thousand customers;
- Improvement in the level of operational efficiency in the conduct of business;
- Another 71 Business Offices are expected to be opened for this segment;
- Creation of a specialized supplementary service structure for the franchise and cooperative groups.

The Investment Urban Proger, intended for the acquisition of goods, services, and restorations of facilities, had a disbursement of R\$566.3 million, an increase of 44.16% compared to the same period of 2015. On social and environmental area, there are Corporate Urban Proger, Tourism Investment Proger and BB Corporate Credit, which finance items related to photovoltaic power generation and energy efficiency.

The Corporate and *Empresarial* segments developed, in 2016, new solutions along with the digital transformation project of the Bank. The highlights are the Profitability Model, which creates insights and offer-

ings to assist the sales force to execute the business strategy and solve the needs of customers; and Novo Cliente 360°, a more functional relationship tool for fund management. The expected results are an increase in the average contribution margin of customers, an improvement in operational efficiency and an increase in the satisfaction level.

During the year, we advised a Brazilian company on its operation of issuance of bonds, which resulted in the raising of 6.8 billion dollars. That was the largest external issuance of a Brazilian company since March 2014.

OUR COMMITMENT: in compliance with the strategy of efficiency and increase of customer satisfaction in this segment, the new relationship model for Corporate and *Empresarial* is in the qualification stage. It estimates a new cutting point of access to Wholesale (gross annual revenues of R\$45 million), new customer segmentation model considering factors such as potential and complexity, in addition to revenues and a new division of activities among front, middle and back office.



Public Sector Customers

In compliance with our strategic guidance, we support public policies and social and economic development of Brazil. The specialized service to the public sector was expanded by 14.9% in 2016, in a process of expansion that will reach all the municipalities with population over 20 thousand inhabitants in 2017, in addition to the States and the Federal Government.

We are responsible for the legal and voluntary transfers from the Federal Government to the other entities of the Federation, in particular, in areas essential for the development of Brazil – such as health, education, and social assistance – and we offer tools that help bodies to manage these funds. Amounts of the National Social Assistance Fund (FNAS), National Fund for the Development of Education (FNDE) and National Health Fund (FNS), among others, are passed on to the states and municipalities through Banco do Brasil.

Our partnership with the Federal Government includes the collection of taxes and

social security contributions, support for fundraising from culture and sports incentive laws, management of funds and payment of scholarships and social benefits. In addition, we are the preferred institution for receiving of salaries of civil servants and retirees.

Our focus on sustainable development inspires actions complementary to Government programs such as Minha Casa Minha Vida (Real Estate Lending) Program (PMCMV).

In December, we entered into an agreement with the Federal Public Prosecutor to implement anti-corruption measures in the handling of federal public funds. The purpose is to establish restrictions on the transactions in accounts linked to the transfer of federal funds, held by state and municipal governments, with respect to voluntary transfers (Decree No. 6,170/2007) and legal transfers (Decree No. 7,507/2011). Among the measures to be implemented by the Bank is the statutory limitation of the withdrawal in cash and the identification of the purpose of payments in order to provide traceability to public spending.

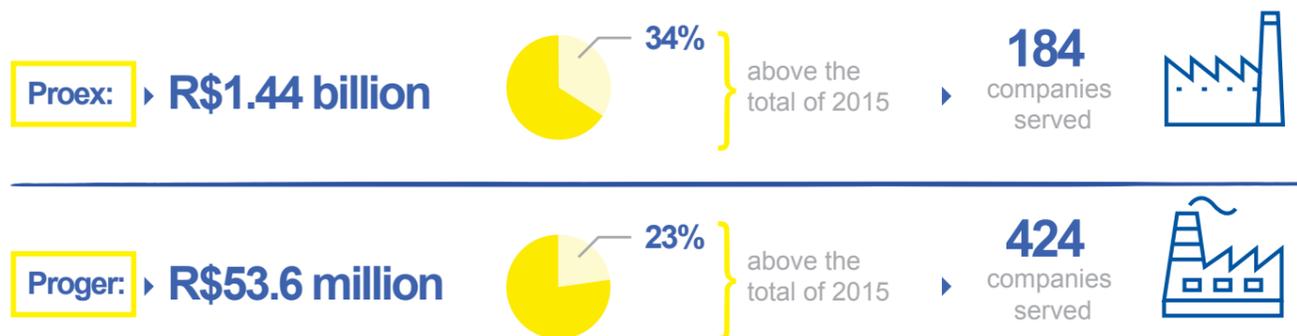
States and Municipalities

Loan portfolio balance: **R\$39 billion**

Projects: urban infrastructure and mobility

Incentive to Foreign Trade

We operate as an exclusive agent of the Federal Government in the Export Financing Program (Proex) and one of the agents in the Income Generation Program (Proger) Export, public policy instruments for productive development, entrepreneurship, social and financial inclusion, and foreign trade.




RECOGNITION

- Ourocard application won the Efinance award, granted by Executivos Financeiros magazine.
- BB application was considered as one of the five most important in the everyday life of people in a survey of the U.S. consulting firm eMarketer.
- Ourocard was appointed for the eighth consecutive year as the preferred card of the Brazilian people according to the 2016 National Credit Card Survey, carried out by CardMonitor and Instituto Medida Certa.

Payment Methods

Our strategy to improve the customer experience inspires continuous improvement of processes and the implementation of new solutions to our debit and credit cards in order to facilitate the purchasing process, without neglecting the security.

The digital transformation allows us to meet the demands of an audience ever more tuned to these means. One of the highlights of the year was the launch of Ourocard application, which allows the payment by approaching the cell phone device to a payment terminal. We are precursors of this technology in Brazil. The model is in constant improvement and our main challenge is to popularize the functionality.

We developed BB Elo Cidades, a unique solution to promote trade in small-sized municipalities. Elo Serviços company, the founder of Elo payment arrangement, reached in 2016 the milestone of 100 million debit and credit cards issued.

Another highlight is the beginning of the operations of the Bank's integration with Livelu, which has risen as one of the largest customer loyalty companies in the Country and with the proposal to change the way the Brazilian people relates to loyalty programs. At the same time that favors the Bank, with gains from the scale of the new business, it benefits the customers, who can have access to more options to exchange or send points.

Delinquency control and financial education

G4-DMA Marketing communications | G4-PR3
We are a reference in delinquency control; we recorded, in 2016, percentages lower than those of the National Financial System (SFN) and credit risk index less than the average of the competitors, among other advantages. We create weekly flow monitoring system and management of prevention and



G4-PR3

collection, complementing this operation with an incentive to the responsible use of credit.

In order to encourage and disseminate the importance of planning before borrowing, we proceeded, in 2016, with ad campaign *Uso Responsável do Crédito* (Responsible Use of Credit), which has as its target audience customers with difficulties in managing budgets, and it was broadcasted in self-service terminals, applications and SMS. In social networks, messages were sent with guidance and tools to perform financial management.

The following are other initiatives that promote financial education:

- **Seu Bolso e Você Workshop:** is conducted by volunteers of the Integration Program, created to promote a closer relationship with retired employees. The volunteers are trained by teams specialized in didactics and conduct classes in poor communities. The content was prepared to assist, mainly, families and small individual entrepreneurs to manage the monthly budget in order to maintain the financial health and stimulate business growth;
- **Minhas Finanças Application:** launched in December 2016, it is being tested with em-

ployees. After the testing and improvement phase, it will be made available to customers and non-customers and will be available in the cell phone application. Its purpose is to assist customers in following up their budget, showing how they can spend their money, helping them in financial control.

- **O Trato Application:** it assists parents in financial education since childhood. The tool makes the theme fun and approaches families together, enabling the inclusion of tasks with challenges to be met by the children in exchange for rewards defined by their parents. The goal is to raise the awareness of young people to value their choices.

Shareholders

We adopted the practice of inviting market analysts to conferences whenever the Management believes to be necessary to clarify specific topics about the company. We conduct on an annual basis an Apimec meeting, in São Paulo, and organize meetings with investors in New York. Our team carried out nine non-deal roadshows (relationship visits) abroad; and we participated in nine conferences in Brazil and 13 others abroad, in addition to promoting four teleconferences about the result. We maintain a team dedicated to the relationship with analysts and investors, which served, until December, 947 people, including participation in meetings and phone calls.



CHALLENGE 21: TO DEVELOP A SOCIAL (INCLUDES HUMAN RIGHTS AND LABOR PRACTICES) AND ENVIRONMENTAL DUE DILIGENCE PROCESS TO ASSESS THE IMPACTS OF OPERATIONS AND COMMERCIAL RELATIONS OF BANCO DO BRASIL.

Suppliers G4-DMA Procurement practices

The relationship with our suppliers is guided by respect and transparency. The quality control and the principles of Social and Environmental Responsibility guide this interaction, whose premises are formalized in the Supplier Relationship Policy, disclosed on [our website](#). The selection is made by a bidding process, pursuant to Act No. 8,666/93. Our chain comprises several sectors and activities, such as goods and chattels and equipment; surveillance, advisory, engineering and architecture and real estate leasing services.

Our commitment to assess business relations based on social and environmental criteria inspired the improvement of rules for contracting. Our bylaws include several standards to strengthen the culture of sustainability between the Bank and its suppliers (value chain). We created a standard sustainable purchasing and disposal document with practices of bids and contracts in order to meet the legal requirements and social and environmental commitments undertaken by the Bank.



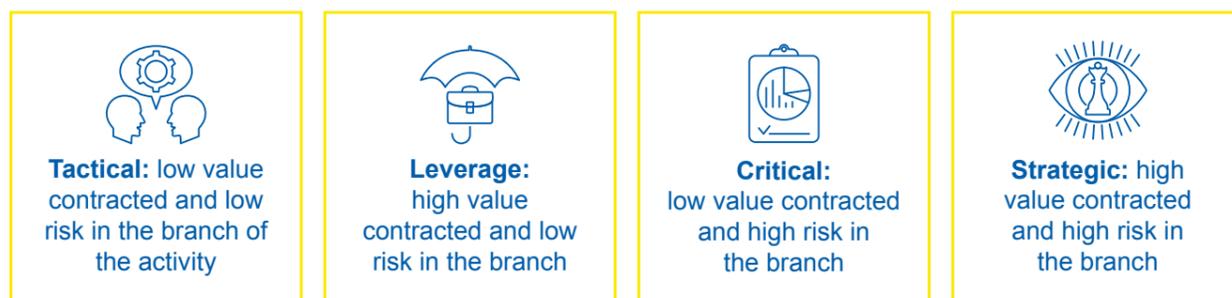
Learn more in the Attachment GRI G4-DMA Child labor | G4-DMA Forced or compulsory labor | G4-DMA Security practices | G4-12 | G4-EC9 | G4-HR4 | G4-HR5 | G4-HR6 | G4-HR7 | G4-HR9 | G4-HR10 | G4-HR11 | G4-HR12

Supplier Management G4-DMA Supplier environmental assessment

Based on the review conducted, in 2015, in the guiding principles of supplier relationship, a study was developed for the segmentation of our suppliers. We used two main analysis variables – the value of the contract and the risk and branch of the activity – to structure the matrix in four segments.

With this classification, it was possible to develop an action plan for each segment, considering main characteristics, strategic importance and level of engagement of BB with the supplier, and create a project to incorporate social and environmental risk variables, having economic, environmental and social dimensions as premises.

Supplier Segmentation



The social and environmental risk assessment model was guided by the development of an own questionnaire that considers the specificities of the financial sector. The data will enable to obtain a global view of each supplier, or even an isolated verification of each dimension (economic, social and environmental), and will serve as an input to operation strategies. The results of the first cycle are planned for November 2017.

We adhered to the Supply Chain Program of the Carbon Disclosure Project (CDP), which aims to assess the environmental impact on the supply chain. In doing so, we will have quantitative and qualitative data related to the risks and opportunities associated with climate change, management of Greenhouse Gases (GHG) and water resources of the value chain of suppliers. The schedule forecasts activities during 2017, from the awareness-raising and mobilization of suppliers, data collection, and treatment to the presentation of the results through a technical report. Up to 500 suppliers will be evaluated, with a focus on

higher-risk segments of the activity/sector and higher-value contracts, according to supplier segmentation parameters developed by BB.



Dissemination of Good Practices

The general supporting service contracts establish that suppliers promote the training of their employees in practices such as selective waste collection and reduction of consumption of electrical power and water. In 2016, we reviewed the rules governing the hiring of general supporting services, with the inclusion of sustainability criteria for the cleaning and conservation service. The new contracts include clauses for reducing and treating waste generated by the cleaning activities, as well as prohibiting the use of materials potentially harmful to human health and the environment.

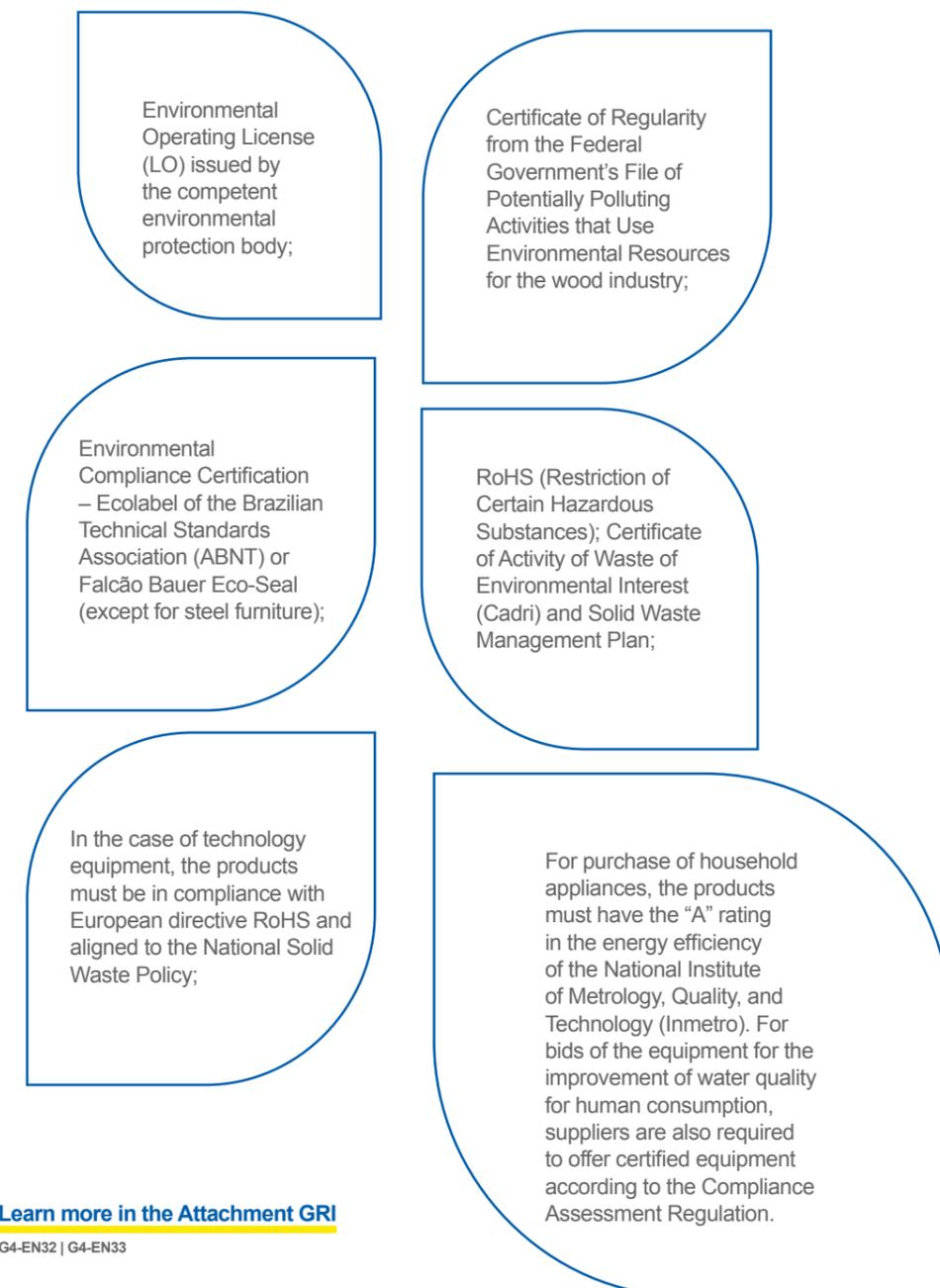
Sustainable Purchases G4-DMA Procurement practices | G4-DMA Products and services | G4-EN27

In the institutional area, we acted in the Special Study Commission on Sustainable Purchases of ABNT, a group that helps determine principles and guidelines of this subject. The work, carried out in coordination with foreign commissions, will be responsible for the publication of ISO 20400.

The discussions already resonate internally, with the development of projects and procedures related to the subject, such as the announcement of the purchase of servers that includes the reverse logistics instrument in its clauses. The requirements indicated by ISO 20400, when it was published, will provide important references for enhancement of supply chain management.

Social and Environmental Requirements for Purchases

In 2016, we required the following documents from the suppliers of furniture:



 [Learn more in the Attachment GRI](#)
G4-EN32 | G4-EN33

Civil Society G4-DMA Indirect economic impacts | G4-EC8

CHALLENGE 6: TO STRENGTHEN THE ROLE OF BANCO DO BRASIL IN THE PURSUIT OF SOCIAL BUSINESS THROUGH COMPREHENSIVE, EFFICIENT AND INNOVATIVE SOLUTIONS ALIGNED WITH PUBLIC POLICIES.

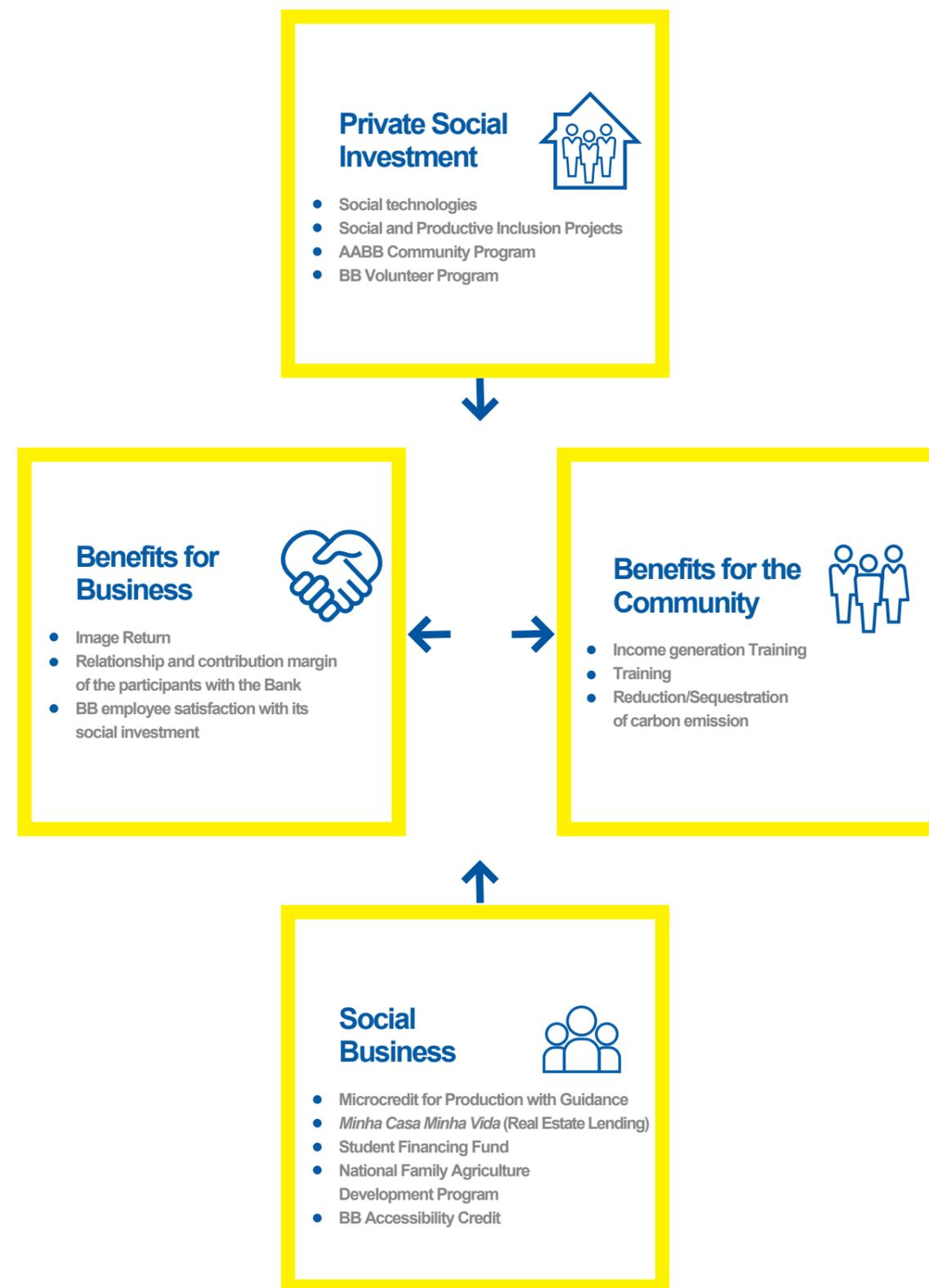
In line with our mission to be a competitive and profitable bank, acting with the public spirit in each of our actions, we seek to contribute effectively to generate income and to the development of the Country on a sustainable basis. This commitment is in line with State policies, the demands, and expectations of the communities and other stakeholders, in addition to following the guidelines of the senior management.

Our performance extrapolates the traditional community investment actions to direct efforts to the achievement of social business, characterized as cost-effective initiatives seeking solutions to the problems of society, contributing to several benefits while ensuring business return.

AWARD
 In 2016, we were certified for the second time as one of the 100 Best Companies in Corporate Citizenship, by company Gestão RH, comprising organizations listed among the 1,000 Best and Largest (Exame) and 150 Best Companies to Work For (Época and Exame).



We seek to create a virtuous cycle that can be summarized in the following diagram:





Social Business

The priority of our social business is the development of initiatives to minimize social problems by using market mechanisms in order to resolve social and economic differences, in a sustainable manner, ensuring income, productive inclusion and access to public services. The initiatives include the Microcredit for Production with Guidance (MPO), Minha Casa Minha Vida (Real Estate Lending) Program, National Family Agriculture Development Program (Pronaf), BB Accessibility Credit and the Fund for Financing the Higher Education Student (FIES), which play an important role in the promotion of public policies and contribute to improving the quality of life and promoting social inclusion.

Microcredit for Production with Guidance (MPO): credit to improve the cash flow or finance the purchase of equipment, furniture or tools for individual micro-entrepreneurs (MEI) with revenues up to R\$60 thousand per year. In addition to promoting banking inclusion, it helps in financial planning, with appropriate guidance and in the right measure for each entrepreneur.

Our performance in the MPO has as main differential the fact of providing entrepreneurs with guidance from agents, combin-

ing financial education to credit offering suited to the needs and conditions of the undertaking. Therefore, it is possible to plan the loan according to the business and their ability to pay, so they can remain in good standing over time.

In 2016, we improved the strategic partnership with Movera, a company affiliated to BB for activity in MPO, intensifying our operations in microfinance. An innovative service was launched in the first half for the release of funds: MPO *Conta Fácil*, which serves non-banking entrepreneurs, offering a simplified and agile way for obtaining loans.

Minha Casa Minha Vida (Real Estate Lending) Program (PMCMV): we are the financial agent of the Federal Government's measure set that aims to facilitate the acquisition of houses by low-income families and reduce the Brazilian housing deficit.

PMCMV brings an important contribution to reducing the housing deficit in Brazil. In 2016, 237 works financed by the Bank were completed, totaling 46,230 new housing units. In addition, we allocated funds to acquire other 27,509 units under the program, contributing to the goals of the housing policies of the Country.

National Family Agriculture Development Program (Pronaf): created by the Federal Government, it aims to promote the sustainable development of family agriculture, in order to provide increased productive capacity, generation of jobs and income improvement. We act as the largest lender of agribusiness in all segments and stages of the production chain, including in the context of family agriculture. Pronaf operates with credit lines characterized by differentiated conditions, especially with regard to financial charges, risk mitigating factors and the marketing of production.

Accessibility Credit: line of financing to disabled people who are customers and have a gross monthly income of up to 10 minimum salaries, for the acquisition of goods

and services of assistive technology based on Act No. 12,613/2012.

Fund for Financing the Higher Education Student (Fies): we act as the financial agent of the fund, a student public policy of the Federal Government intended to finance the Higher Education degree to students who cannot afford to pay their education costs. It enables the financing of up to 100% of face-to-face undergraduate courses with interest of 6.5% p.a., a grace period of 18 months after the completion of the course and period of amortization of three times the number of semesters financed. Only the payment of interest, with a maximum amount of R\$150.00, is required during the use and grace period phase, on a quarterly basis.

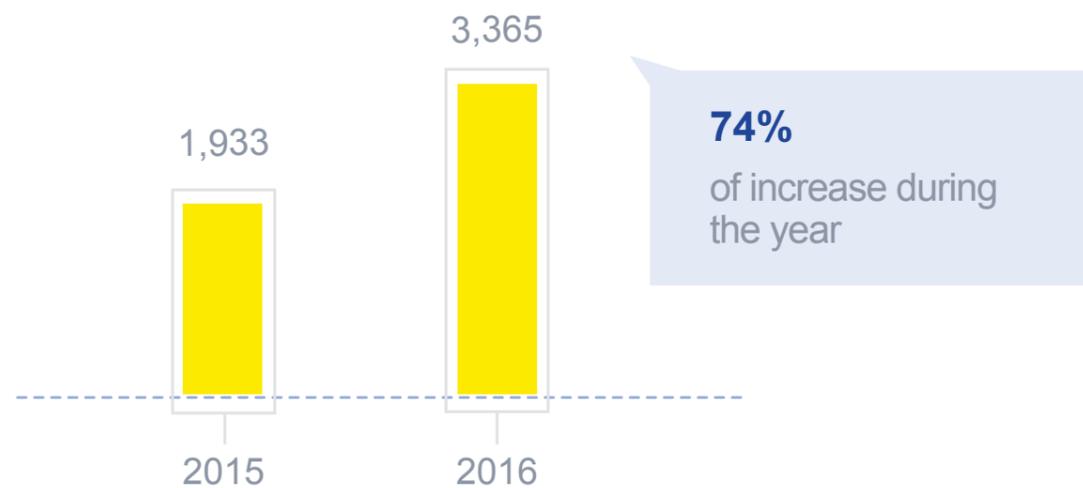
CHALLENGE 7: TO ENHANCE BANCO DO BRASIL'S INITIATIVES TOWARDS THE PRODUCTIVE DEVELOPMENT, ENTREPRENEURSHIP AND THE PROMOTION OF SOCIAL AND FINANCIAL INCLUSION.



Since 2013, we use the Integrated Performance Model in Sustainable Development. Our goal is to contribute to the construction of sustainable businesses and the generation of perennial results, operating from the integrated view on the location of operation and supporting public policies, ongoing projects of partner entities, specific professional segments, among other initiatives.

Our branches use the Sustainable Development Action Plan (SDAP) tool, with which it is possible to identify the potential and the needs of localities and register and monitor the implementation of the economic, social and environmental actions planned.

Sustainable Development Action Plan (SDAP)



Note: We reviewed the total of SDAP in 2015, so the figure above is different from that disclosed in the 2015 Annual Report.



CHALLENGE 24: TO IMPROVE THE INTEGRATION BETWEEN THE PRIVATE SOCIAL INVESTMENT AND THE BUSINESS STRATEGY.

Private Social Investment

Our work in Private Social Investment (PSI) seeks to combine the interests of our stakeholders with the company's business goals.

The Work Agreement (BB and ATB Synergy) gathers together a set of initiatives that are aligned to our principles of Social and Environmental Responsibility (SER), in particular, the social effectiveness index whose purpose is to strengthen the SER culture within the Bank, in addition to increasing employee involvement in social and voluntary causes. Such index has increased the number of employees enrolled in performing volunteer activities, encouraged the training about the subject, reduced the consumption of natural resources and increased participation in local committees that contribute to the development of communities.

Volunteer Program

BB Volunteer Program was enhanced during the period and reached 25,343 users registered as volunteers, 18,609 voluntary actions carried out and 2,436 social entities registered.

Our employees maintained the tradition of supporting social causes with the donation of more than R\$2.7 million, 245 tons of food and 890 million items (clothes, medicines, school and hygiene supplies, among others) to various entities around the Country.

Infância e Vida (Childhood and Life) action, which gathers together several initiatives of the Bank and partners aimed at combating the causes of children and young people cancer, had its second edition during the year, consolidating the campaign with employee engagement. The total amount collected in 2016 represented five times the amount of the previous campaign, totaling more than R\$1 million in donations from

customers (individuals and companies), employees and external stakeholders to the entities affiliated to the National Confederation of Institutions of Support and Assistance to Children and Young People with Cancer (Coniacc).

During the year, the Bank and Fundação Banco do Brasil, through the BB-FBB Volunteer Project, supported 76 social and productive inclusion, environmental and education care projects, in the amount of R\$4.2 million, in addition to investing in other initiatives through Entities Affiliated with BB.

Fundação Banco do Brasil: Effective Actions

Fundação Banco do Brasil (FBB), which completed 31 years in 2016, is the main facilitator of Private Social Investment, responsible for identifying and mobilizing different social players in the search for effective solutions to key aspects of sustainable development of the Brazilian communities. The performance line is defined according to the assumptions of the business strategy of the Bank. For the 2016-2018 period, the foundation defined as a core objective to improve people's lives by promoting the social and productive inclusion, sustainable development and social technologies.

The actions are focused on five vectors: water, agroecology, agro-industry, solid waste, and education. The participating stakeholders are the less advantaged strata of the Brazilian population, with special attention to adolescents and women, because they are population segments more sensitive to social inequalities and more exposed to violence.

In the last ten years, more than 3 million people had their lives transformed by almost 6 thousand projects supported and social investments totaling R\$2.3 billion. More information about FBB can be found at www.fbb.org.br, and the Annual Report is in the Mideateca section. The foundation receives funds based on criteria established according to the bylaws, between 0.3% and 5.0% of our operating income.

Contributions to FBB per source FBB (R\$ million)	2014	2015	2016
BANCO DO BRASIL	51.8	47.6	48.3
BRASILCAP	7.8	9.3	3.8
BBDTVM	0.3	0.5	0.5
FENABB	23.1	24.2	24.2

Note: The amounts and the form of presentation of the contributions to FBB have been revised and will use this new format.



[Learn more in the Attachment GRI](#) G4-S01 | G4-S011



RECOGNITION

Empresa Amiga da Criança (Children-Friendly Company): the Bank was recognized for the 13th consecutive year for social actions for the promotion and defense of the rights of children and adolescents by Fundação Abrinq – Save The Children.

Investments in Sports and Culture

Sports – We sponsor sports projects which are in line with our assumptions of sustainability. In 2016, we invested R\$149.3 million, and most of these funds were intended to athletes and modalities that evoke the national identity. Out of the total, R\$16.6 million were invested through the Sports Incentive Act and benefited court volleyball, beach volleyball, and handball projects. The sports sponsorship aims to add positive attributes to the brand, generate opportunities of relationship with customers or potential future customers and contribute to the development of modalities.

In the sponsored events, whenever possible, considerations of social and environmental responsibility are prioritized: selective waste collection; donation of recyclable materials to

cooperatives; use of recycled or certificated materials in the production of supporting material; use of power-saving techniques; hiring of workforce provided by disabled people or those indicated by entities that support needy communities; and offsetting of carbon emissions, among others.

Culture – The Cultural Centers of Banco do Brasil (CCBB) is our main tool in culture. In 27 years of operation, we received more than 84.8 million visitors and carried out more than 3,850 projects. Our cultural marketing strategy adds value to the brand by demonstrating the appreciation of the stakeholders, strengthening our mission.

In 2016, 5.1 million people visited the CCBB in Belo Horizonte (BH), Brasília (DF), São Paulo (SP), and Rio de Janeiro (RJ).

The investment in culture totaled R\$41.6 million in the period, and out of which R\$24.6 million were encouraged by Rouanet Act, which represents 59% of the total amount. A total of 126 projects that generated more than R\$844.7 million in spontaneous media for the Bank were carried out during the year.

During 2016, exclusive visits to customers, online appointment, exhibitions and meetings with curators and artists were carried out. This action was relevant to the loyalty of customers, reinforcing the bond and expanding the perception of appreciation of these stakeholders.



AWARDS

- Shell de Teatro Award of Best Lighting for the *Estudo para Missa para Clarice* play.
- The highlight of Tourism CIETH/OAB RJ for CCBB Rio de Janeiro, considered as the best cultural center of the city.

Social and Environmental Actions



Social and environmental actions of the four CCBB added:

EDUCATIONAL PROJECT	FREE TRANSPORTATION	EDUCATION TRANSPORTATION	DIRECT JOBS	INDIRECT JOBS	SELECTIVE WASTE COLLECTION
429.075 visitors served	72.998 people	19.671 children of the Education Program	5.863	29.315	720 tons

Donations Encouraged (R\$ million) G4-EC1

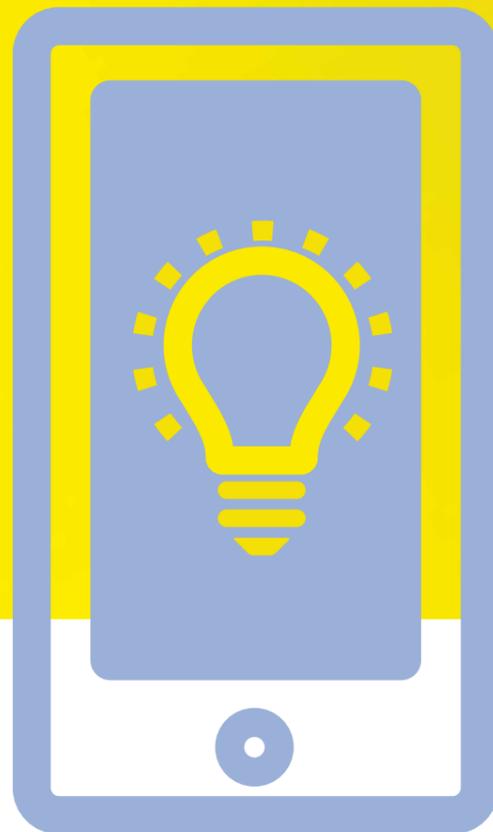
	2014	2015	2016
Culture Support Rouanet Act	46.3	38.0	24.6
Sports Incentive Act	11.7	12.0	16.6
Funds for the Rights of Children and Adolescents	4.3	2.0	9.8
National Fund for the Elderly	4.3	2.0	10.0
National Program for Cancer Care Support (Pronon)	4.3	2.0	9.6



[Learn more in the Attachment GRI](#) G4-EC7

Human Capital and Intellectual Capital

09



Our policies and practices of people management aim to increase employee satisfaction and engagement, supporting the creation of value and alignment with the strategy

Present in our Corporate Strategy, outstanding in our Vision of the Future, the people management theme is a priority topic on our agenda and relevant in the organization. We adopt policies and practices that support the creation of value and the achievement of the strategic goals, favoring the satisfaction and engagement of employees.

Our work is based on three key assumptions: meaning, organization, and skills for the job. Annually, we review the strategic planning in the people management area considering the corporate drivers, employee satisfaction analyses, and market trends.

In these terms, our initiatives include the employee's link with the Bank, the improvement in the organizational environment, the construction of the sense of work, quality of life, health and safety at work, the identification and development of skills, the training of leaders, the offer of customized educational solutions to the areas of performance and the dissemination of the culture of productivity and operational efficiency.

In order to achieve these goals, we have a set of policies and practices that, synergistically and systematically, leverage, attract and retain talents. Our employees can plan their development based on a structured plan of career and succession that, combined with the performance evaluation process, facilitates the achievement of their professional ambitions. The infographic on the next page shows this interactivity and reveals the importance of the Corporate University in this set of initiatives.

The 2017-2021 Corporate Strategy of Banco do Brasil – ECBB sets out strategic drivers related to intellectual and human capital, respectively:

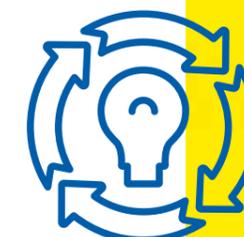


Knowledge Management: which emphasizes the importance of the sharing of experiences and the acquisition of knowledge as a differential for the Company.



People Management: which signals the importance of the development of professional skills, the recognition of talent, the exercise of leadership, the succession program effectiveness, the digital transformation and the quality of workplace as essential requirements for compliance with the Bank's strategies.

For us, innovation culture, knowledge and brand management, and the solutions in information technology are important factors of our intellectual capital. For more information, read about corporate education in this same chapter and about the other topics in the [Corporate Strategy](#) chapter.



Policies



Structured management practices



Maximized performance



Corporate University



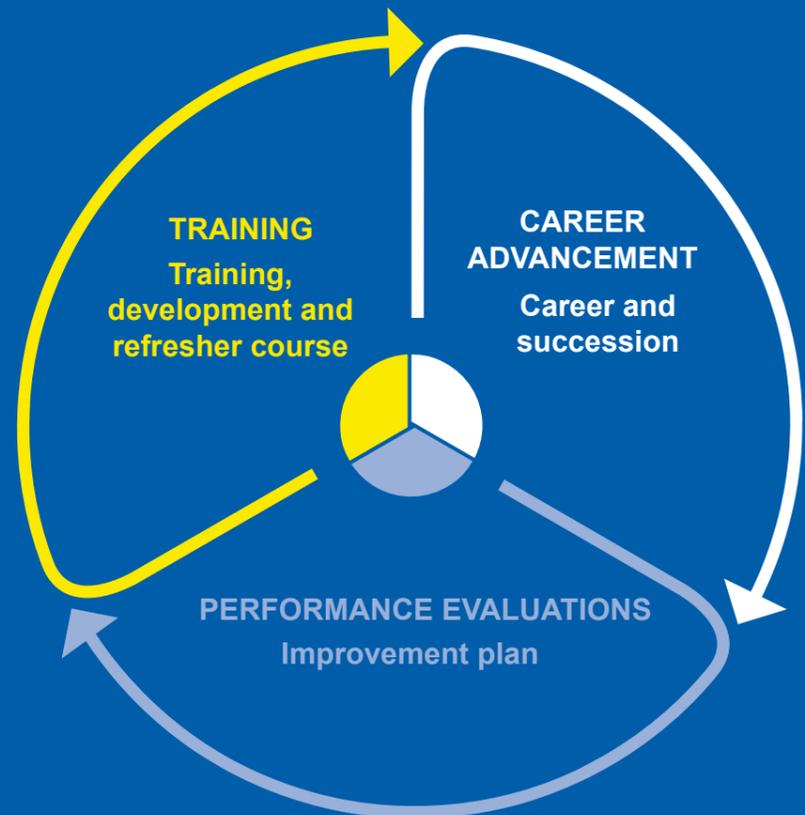
Face-to-face and distance-learning courses



General and specific topics



Continuing education



AWARDS

The level of excellence of our practices and policies of people management is attested by several national and international awards, among which we can mention:

- 2016 Top Employers Certification – Top Employers Institute
- 2016 Você S/A Guide – As 150 Melhores Empresas para Você Trabalhar (The Best 150 Companies to Work For), for the fourth consecutive year – Você S/A magazine and Fundação Instituto de Administração (FIA/USP)
- Ranking of the most attractive employers in Brazil in 2016 (3rd place) – Universum Communications and Exame.com
- 30 Companies Most Admired by HRs in the Country (prominence in DF) – Grupo Gestão RH
- The Best Companies in People Management Practices (PGPs) – Grupo Gestão RH

Employee Satisfaction

G4-DMA Labor/Management relations | G4-DMA Diversity and equal opportunity | G4-DMA Equal remuneration for women and men | G4-DMA Labor practices grievance mechanisms

The improvement of quality in the workplace has gained strategic importance in recent years with the linkage of climate research to the Bank's management instruments and variable compensation of managers and statutory managing officers.

Employee satisfaction is part of our General People Management Policy, which attests our commitment to a continuous schedule of actions to strengthen the bond of employees with the Bank.

The systematic monitoring of climate and satisfaction is an important tool to achieve our goals and assess the quality of relations in the workplace. This analysis comprises conflicts, critical points, strengths and weaknesses, outlining ways to understand themes, such as turnover, absenteeism, poor motivation, fall in output and retention of talents ([see more on Staff Profile item](#)).

The recent institutional reorganization must influence the perception of employees. Our main challenge in 2017 will be to keep the satisfaction index in 82.3% obtained in the latest Organizational Climate Surveys and Job Satisfaction.



To this end, we offer the following tools to improve the climate and satisfaction:

- **Organization Climate Management Workshop:** approximately 80 classes per year, representing over 1,500 managers;
- **Developing the Organizational Climate Methodology:** approximately 140 methodologies per year – three meetings with a duration of 1:30h conducted by facilitators;
- **O Clima e Você (The Climate and You) course:** incentive to the distance-learning course;
- **Roadmap to Improve the Organizational Climate:** incentive to the holding of meetings for the analysis of the results of the survey and structuring of Action Plan.

In 2016, we participated in commissions promoted by the Brazilian Federation of Banks (Febraban), which are composed of representatives of the employees and banks, to discuss aspects related to health, safety, equal opportunities, career advancement and conflict prevention.

Staff Profile G4-DMA Market presence | G4-DMA Employment
 All employees of the Bank are hired through approval in a civil service examination, in compliance with the Brazilian Federal Constitution and the Bylaws of the company. The contracts are entered into in compliance with the Consolidation of Labor Laws (CLT). We seek to improve our mechanisms continuously to ensure diversity and equal career advancement opportunities.



Men:
59,073



Women:
41,549

Total: 100,622

Statutory



Men: 36



Women: 1

Total: 37



Learn more in the Attachment GRI
G4-10 | G4-11 | G4-EC6

CHALLENGE 11: TO ENSURE GREATER PROPORTIONALITY OF REPRESENTATION OF GENDER AND RACE IN ALL THE HIERARCHICAL LEVELS OF BANCO DO BRASIL.

The promotion of diversity is based on the appreciation of human rights, the fairness of internal relations and the elimination of all sources of prejudice.

In 2010, we adhered to the Women Empowerment Principles of the UN, and since 2007, we participate in the Gender and Race Pro-Equity Program coordinated by the Secretariat for Policies on Women of the Presidency of the Republic. At each edition, we propose an action plan focused on the promotion of gender and race equity in the Bank. For the sixth edition, our proposal was prepared based on suggestions submitted by employees in an open forum, on our corporate intranet, and raised in events related to the International Women's Day promoted by Regional People Management Offices (Gepes) Network.

All our corporate programs of career advancement have an affirmative gender and race action, which ensure greater participation in the face-to-face evaluation steps and extend the visibility of employee skills that fit this condition.



In BB, there is no difference in compensation among genders.



Learn more in the Attachment GRI

G4-LA12 | G4-LA13



AWARD

2016 Global Recognition in Good Practices for Disabled Workers – Department of the State for the Rights of Disabled People of the Government of the State of São Paulo.



Institutional Reorganization G4-13

The Extraordinary Stimulated Retirement Plan (PEAI) was established during the year, offering to employees, who were in a position to request retirement until December 31, 2016, a set of benefits that reconciles the interests of the Bank and the applicants. Vacancies for stimulated retirement are being filled based on criteria that favor the democratization of relocation opportunities, mitigating the impact of this initiative on employee satisfaction. We created a map of vacancies to facilitate communication and recruitment, with options to search by location, position or function, in addition to providing updated information constantly. A special version of the system for recruiting and registering competitions for vacancies was developed specifically for that context: the main goals are to encourage moves in laterality and identify and prioritize employees allocated in teams with excess headcount.

 [Learn more in the Attachment GRI G4-10](#)

Turnover Rate



Men:
10.16%



Women:
10.76%

There was an increase in rates compared to the previous year due to the institutional reorganization. Among the actions is PEAJ, which resulted in the removal of 8,760 people. During the same period, a total of 1,428 employees were reinstated.

 [Learn more in the Attachment GRI G4-LA1](#)

Career and Succession

CHALLENGE 14: TO STRENGTHEN THE ROLE OF BANCO DO BRASIL WITH REGARD TO HUMAN CAPITAL, CONSIDERING THE MANAGEMENT OF HEALTH, SAFETY AND WELL-BEING, THE DEVELOPMENT AND THE RETENTION OF TALENTS.

One of our greatest differentials is the set of practices based on the principle of shared career management. With this system, we can offer the ideal conditions for the achievement of goals and objectives, translating our corporate strategy into actions and encouraging the engagement of employees.

The performance evaluation is one of the most important components of the structured career and succession system. Through the Professional Performance Management by Skills and Results (GDP) tool, we provide a formal evaluation to all employees. The analysis is carried out under five perspectives – Financial, Customers, Internal

Processes, Learning and Growth and Socioenvironmental – and it is carried out by the immediate superior, subordinates, peers (co-workers) and by the own employees (self-evaluation). In 2016, 99.68% of the regular employees had their performance accompanied by such tool, and employees under experience agreement and statutory managing officers were evaluated by a specific method.

During the year, the processes were centralized in a web environment, which facilitates the verification of employees and the consequent identification of professional gaps to be improved. In addition, the Result Management Trail was created, bringing together learning solutions to raise the awareness about the impact of the activity of each person on the results.

Radar do Gestor (Manager's Radar) is also an important tool to align the work of the teams with the Bank's strategic goals. It monitors the performance of managers in the last five years on themes linked to Business, Processes, People and Sustainability dimensions, for the purpose of identifying strengths or items requiring improvement.

The subsidies of Radar are used in the Management Certification, created in 2016 and intended for general and business managers of retail network and the Government. Such a recognition may result in career advancement opportunities in the system of Talents and Opportunities (TAO) and makes the process clear and objective. During the period, 6,303 managers were certified.

The discussions in the commissions of Febraban enabled us to define some professional development proposals, including the Career Advancement Panel, in a more modern and accessible format, a change in the criteria for appointment, in order to give greater visibility to the opportunities and more transparency to the process, in addition to dealing with the advancement of PCD (Disabled People) and female employees.

We maintain corporate talent identification programs for promotions and admission in different areas of performance. In order to meet the demands of the Senior Management, in 2016, we started the BB Leaders Project. The initiative mitigates potential succession risks to the functions of Vice-Presidents, Officers, and General Strategic Unit Managers, in addition to guiding the development of the participants and supporting succession decisions.

TAO

The system of Talents and Opportunities (TAO) assists employees in planning their career and complies with the principle of shared management adopted by the Bank. Considering the needs and interests of professionals and organizational strategies, it guides on opportunities and enumerates the requirements valued. The quality made this system a reference in the market of recruitment and selection.

Corporate Programs

We completed, in 2016, some initiatives:

-  Career Advancement Program Regional Retail Superintendent: **277 people enrolled, out of which 32 were qualified;**
-  Career Advancement Program Regional Corporate Superintendent: **71 people enrolled, out of which 9 were qualified;**
-  Career Advancement Program First Investiture - Retail: **this edition had 7,598 people enrolled, out of which 1,740 people were recruited for the face-to-face evaluation phase (technical-behavioral) and 509 people qualified.**

 [Learn more in the Attachment GRI G4-LA11](#)

Compensation G4-52

We seek to keep our compensation compatible with those of major competitors and other financial institutions. To this end, we conduct internal and external studies and, in 2016, we used as a parameter the annual survey from Mercer Human Resource Consulting Firm related to the banking segment. The amounts earned by our employees also include Profit Sharing program (PLR), which offers a semi-annual variable compensation linked to our Work Agreement.

The profit sharing program is negotiated between the company and the employees, represented by representative entities, under the Collective Bargaining Agreement. The proposal is submitted to the annual approval of the Board of Directors and is sent to supervising ministries.

For information about the Management's Variable Compensation Program (RVA), see the Corporate Governance chapter [Corporate Governance](#).

 [Learn more in the Attachment GRI](#)
G4-53 | G4-54 | G4-55 | G4-EC5

Corporate Education G4-DMA Training and education | G4-DMA Portfolio of products

For us, the continuous training of employees is a strategic resource and includes educational opportunities related to professionalization, citizenship development, quality of life at work and organizational culture. Our care with the development and retention of talents is present from the moment the employee is selected through the civil service examination, with the Bem-Vindo ao BB (Welcome to BB) Program, until its separation.

Our human capital performance indicators are monitored to measure the execution of the strategy of development of such capital. Data is checked, such as the number of employees with at least 34 hours of annual face-to-face or distance-learning training courses prioritized by BB for managers and other employees according to their function and area of performance, as well as courses chosen by the employees themselves. The average hours of face-to-face training per employee, hours of distance-learning training and daily access to the Portal of the Banco do Brasil Corporate University (UniBB) are also followed up.

Indicator	Description	2014	2015	2016	2017 Goal ⁽¹⁾
34 hours of training per employee	Percentage of employees with at least 34 hours of annual training	98.12	92.33	92.00	90%

(1) % of the percentage table.

Our Corporate University systematizes educational actions, for the purpose of improving the organizational performance and strengthening the image of the Bank, and offers access to knowledge in face-to-face and virtual classes, on the UniBB Portal and UniBB Mobile application. Our physical infrastructure is composed of classrooms and laboratories in the regional units of people management in all Brazilian states.

We organize educational actions in all management segments and in various hierarchical levels of management. An example is the

First Investiture Managers Workshop, which offers training and provides diplomas to managers of branches appointed for the first time. A total of 300 employees were trained in 2016. The Mentoring project, which seeks to improve the process of management of managers with the exchange of knowledge with more experienced professionals, had the participation of 261 managers in the year.

For Executives

In 2016, reinforcing the work in developing and retaining talents, UniBB initiated the 2015 Career Advancement Program – Executives development phase. A total of 77 employees listed in the program received training and were prepared for the challenges of the exercise of executive functions.

All employees have access, via UniBB Portal and UniBB Mobile application, to hundreds of online courses and learning trails composed of face-to-face and distance-learning courses addressing multiple topics relevant to the achievement of the corporate strategy.

Most Viewed Online Courses
Among the 10 most completed online courses in 2016, there are Ergonomics, with 47,500 completions, and Nutrition and Health, with approximately 38,000 completions.



 [Learn more in the Attachment GRI](#)
G4-LA9 | G4-LA10 | G4-HR2

Investments in corporate education: **R\$97.4 million**

Participation in educational events: **640 thousand**

Total hours of training: **7 million**

UniBB Portal

Total visits: **5,747,867**
Online courses completed: **2 million**
Total courses: **430**
Modes: video classes, flash animations, educational games, infographics, e-books, collaborative activities, articles, and booklets, among other

UniBB Mobile Application

Downloads: **26 thousand**
Visits: **1.6 million**
Total of courses completed: **308 thousand**



AWARDS

- Educorp Award – Best Case in a Corporate University of Brazil – Human Resources Academy.
- Cubic Awards Corporate University Best-in-Class (Universidade Corporativa do Ano – Global – 2016) – International Quality & Productivity Center (IQPC).
- Learning & Performance Award – Best Broad Corporate University – Destaque 15 anos – Institute for Learning Performance MicroPower and Associação Brasileira de Recursos Humanos (ABRH).
- List of the Best Companies in OHDI – Organizational Human Development Index – Grupo Gestão RH.



Health, Welfare, and Safety

G4-DMA Occupational health and safety

Our strategy of promoting the welfare of employees comprises actions in the area of occupational health, safety and quality of life at work, which shows the practical application of our socioenvironmental responsibility. We have teams that care for occupational health, safety at work, sick leave, quality of life at work and the Program for Assistance to Victims of Robbery and Kidnapping (Pavas).

Our Occupational Health Medical Control Program (PCMSO) aims to reduce occupational risks and preserve the health with standards and practices in health, hygiene, and safety. We also have the Quality of Life at Work (QVT) Program, which promotes

actions complementary to those of occupational health and safety at work and contributes to the improvement in the results of examinations of employees.

We also have a network of Services Specialized in Safety Engineering and Occupational Health (Sesmt), consisting of professionals of health and safety at work. Such network performs reviews on all of our branches, through the Environmental Risk Prevention Program (PPRA), Inspections of Safety at Work (IST) and Ergonomic Work Analysis (AET), with the recognition, evaluation, and control of risks. Based on this work, the teams develop individual and collective actions to promote health and prevent diseases,

with an emphasis on occupational diseases, in addition to assisting in adaptation and accessibility of disabled employees. It is also the responsibility of the Sesmt to advise the Internal Accident Prevention Commissions (Cipas) and the Evacuation Groups (GRUAs). G4-DMA SCustomer health and safety

For employees who serve the public, and therefore, are more likely to be the target of occurrences arising from public security problems, we created Pavas, which guarantees medical, psychological, legal and security assistance.

Actions in 2016

- Completion of consultancy hired by FEBRABAN in 2013, which analyzed 20 aspects of Health and Safety at Work in ten banks. We had the second-best result among the studied organizations;
- Implementation of a new computerized system for Services Specialized in Safety Engineering and Occupational Health (SESMT).

The other initiatives of the year include the improvement of internal standards of occupational health, insertion of disabled people and the return to work after a long absence period. Prevention actions were also carried out, such as the use of data from periodic examinations to carry out initiatives for the prevention of muscle pains and posture problems.

 [Learn more in the Attachment GRI](#)
G4-LA2 | G4-LA3 | G4-LA4 | G4-LA5 | G4-LA6 | G4-LA7 | G4-LA8 | G4-LA16 | G4-HR3 | G4-PR1



AWARD
BEST
PSYCHOLOGICALLY
HEALTHY COMPANIES
– EPS (2016 HIGHLIGHT:
BALANCE, LIFE, AND
WORK) – GRUPO
GESTÃO RH.

Financial Capital

10



The simplification of processes and the digital transformation will enable us to increase profitability, maintain default rates under control and increase productivity

G4-DMA | Economic performance

Our economic and financial performance reflects our commitment to generating sustainable results. For the next years, we seek to increase profitability, loss reduction, efficiency gains and productivity improve from process simplification and digital transformation.

The main topics related to BB's economic and financial performance in 2016 and Guidance for 2017 are presented in the following pages. For more information, please consult the [MD&A](#), published quarterly, and available on the [Investors Relations](#) .

- **2016 Performance and Guidance** – The following table shows the 2016 Guidance and its comparison with the year's performance. We emphasize that the 2016 performance was affected by the market conditions and by the domestic and international economies performance.

The loan portfolio performance is related to the balance comparison in 12 months. The indicators related to income are measured by comparing the amounts accrued during the year.

In 2016, the following indicators were different from the expected:

- a) Companies Loan Portfolio: the decrease was influenced by lower demand and amortizations of securities combined effect;
- b) Agribusiness Loan Portfolio: performance reflects the amortizations in agribusiness portfolio;
- c) Administrative Expenses: influenced by the strict expenses control.

%	2016 Guidance	2016 Performance
Adjusted ROE ⁽¹⁾	7 to 8	7.5
Net Interest Income	11 to 15	13.0
Domestic Loan Portfolio – Broad Definition ⁽²⁾	-9 to -6	-8.6
Individuals	1 to 4	1.5
Companies	-19 to -16	-19.2
Agribusiness	4 to 7	2.8
ALL Expenses ⁽³⁾	4,5 to 4,6	4.6
Fee Income	6 to 7	6.8
Administrative Expenses	4 to 6	3.5

(1) Considers the adjusted shareholders' equity, free from the effects of: (i) the restatement of assets and actuarial, liabilities arising from the Deliberation CVM No. 695; and (ii) minority interests in subsidiaries.

(2) Includes the classified loan portfolio in Brazil, private securities and guarantees.

(3) 12 months ALLL expenses accumulated/12 months average classified loan portfolio.

- **Net Income and Profitability** – Banco do Brasil reported net income of R\$8.0 billion in 2016, 44.2% lower than in the previous year, and ROE of 8.4%. The result was mainly impacted by the increase in provision expenses. Excluding one-off items, the adjusted net income was R\$7.2 billion, which corresponds to the adjusted ROE of 7.5%.



Statement of Income with Reallocations – Main Lines (R\$ million)	2014	2015	2016	Variation 16/15 (%)
Net Interest Income	45,707	52,537	59,341	13.0
Allowance for Loan Losses	(17,172)	(23,671)	(31,552)	33.3
Net Financial Margin	28,535	28,866	27,790	(3.7)
Fee Income	22,185	22,470	24,004	6.8
Contribution Margin	46,650	47,015	46,678	(0.7)
Administrative Expenses	(29,859)	(31,709)	(32,817)	3.5
Personnel Expenses	(17,538)	(19,296)	(20,238)	4.9
Other Administrative Expenses	(12,321)	(12,413)	(12,579)	1.3
Commercial Income	16,465	14,839	13,435	(9.5)
Civil Claims	(963)	(1,196)	(1,590)	33.0
Labor Law suits	(606)	(771)	(1,158)	50.2
Other Income Components	1,682	2,895	28	(99.0)
Income Before Taxes	16,722	15,934	10,944	(31.3)
Income and Social Contribution Taxes	(2,436)	(828)	(1,179)	42.4
Statutory Profit Sharing	(1,467)	(1,790)	(919)	(48.7)
Adjusted Net Income	11,343	11,594	7,171	(38.2)

One-off Items (R\$ million)	2014	2015	2016
Adjusted Net Income	11,343	11,594	7,171
(+) One-Off Items	(97)	2,805	863
Economic Plans	(1,307)	(403)	(1,072)
Extraordinary Provision for Law suits	404	(2,057)	882
Additional Allowance for Loan Losses	(143)	(1,876)	3,257
Allowance for Legal Law suits - Param.Adj. and Agreements Politics	385	-	-
Tax Efficiency	260	-	-
Tax Credit on CSLL	-	3,405	-
Funds and Programs Adjustment	-	(127)	-
Prov. for Commitment to Buy Loyalty Program Points from Partners	-	(765)	-
Cateno - Gestão de Contas de Pagamentos S.A	-	11,572	-
Unrealized Earnings - Cateno	-	(3,474)	-
Extraordinary Incentivated Retirement Program	-	(372)	(1,401)
BrasilPrev Effect in Minority Shares	(65)	(74)	-
BrasilPrev, Susep Circular-letter 457/12 and 462/13	325	385	-
Exchange Rate Effect on Banco Patagonia	-	(541)	-
Investment Revaluation in Stocks and Shares	-	(321)	-
Tax Effects and Statutory Profit Share on One-Off Items	43	(2,546)	(803)
Net Income	11,246	14,400	8,034

- **Remuneration to shareholders** – The EPS was R\$2.84 in 2016. With a payout of 25% of the net income, it was allocated R\$2.4 billion to the remuneration of our shareholders in the year.

- **Main Balance Sheet Items** – Our assets were R\$1.4 trillion in December 2016,

slightly higher than at the end of 2015. The main asset lines are credit operations, securities and interbank investments, which responded for 88.1% of the total in the period. Commercial funding accounted for 43.8% of total liabilities.

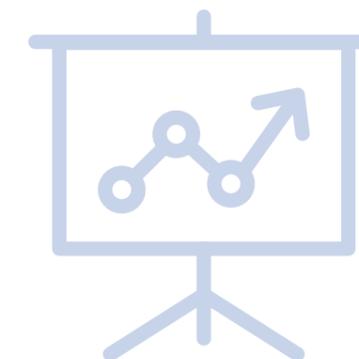
Main Balance Sheet Items (R\$ million)	2014	2015	2016	Variation 16/15 (%)
Total Assets	1,290,541	1,401,129	1,401,377	0.0
Loan Portfolio – Broad Definition	741,981	798,371	708,059	(11.3)
Securities	106,419	117,285	121,269	3.4
Short-Term Interbank Operations	302,482	352,742	405,712	15.0
Total Liabilities	1,290,541	1,401,129	1,401,377	0.0
Commercial Funding	632,913	669,506	613,611	(8.3)
Total Deposits	468,176	464,420	445,981	(4.0)
Demand Deposits	74,224	66,550	69,349	4.2
Savings Deposits	148,699	151,845	151,763	(0.1)
Interbank Deposits	30,354	41,483	20,665	(50.2)
Time Deposits	214,899	204,542	204,203	(0.2)
Judicial Deposits	115,010	113,652	121,969	7.3
Agribusiness Letters of Credit + Mortgage Bonds	116,481	152,944	142,039	(7.1)
Money Market Borrowing	293,920	333,522	374,634	12.3
Shareholder's Equity	80,613	81,536	87,194	6.9

• **BIS Ratio** – The BIS ratio is calculated by the ratio of reference equity to risk-weighted assets. This indicator is important because it reflects the ability of the financial institution to absorb loan risk

or operational problems. In BB, this index was 18.48% in December 2016, remaining above the regulatory minimum. The following table presents the main risk and capital indicators.

Risk and Capital Indicators (%)	2014	2015	2016
BIS Ratio	16.11	16.13	18.48
Tier I Capital Ratio	11.39	11.39	12.79
Core Capital Ratio	9.04	8.17	9.59
Tier II Capital Ratio	4.71	4.74	5.69
Reference Equity (R\$ billion)	126.6	135.6	130.5
Risk-Weighted Assets (R\$ billion)	786.0	840.5	705.9

• **Net Interest Income (NII)** – NII was R\$59.3 billion in 2016, up 13.0% over the previous year. Among the reasons for this performance, we highlight the growth in revenues from loan operations, influenced by the loan portfolio repricing process, and the increase of the recovery of write-offs.



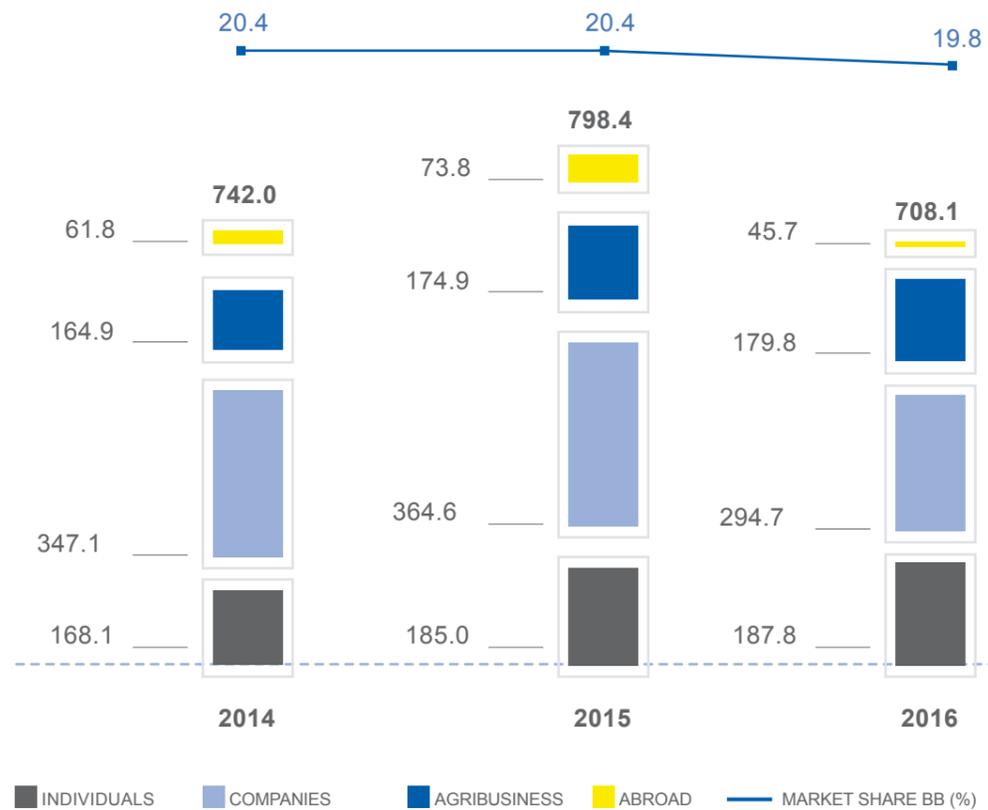
Net Interest Income (R\$ million)	2014	2015	2016	Variation 16/15 (%)
Net Interest Income	45,707	52,537	59,341	13.0
Loan Operations	80,273	94,749	101,637	7.3
Funding Expenses	(34,021)	(42,539)	(44,136)	3.8
Financial Expenses for Institutional Funding	(11,960)	(14,313)	(14,778)	3.2
Recovery of Write-offs	3,312	3,717	4,571	23.0
Treasury	8,103	10,923	12,047	10.3

• **Loan Portfolio** – The loan portfolio – broad definition was R\$708.1 billion in December 2016, a decrease of 11.3% compared to the end of 2015. The performance was influenced mainly by lower demand. Considering the domestic classified portfolio, which considers the transactions in Brazil and excludes transactions with private securities, we highlight our continued leadership in this market, with a 19.8% share.

The companies' loan portfolio declined 19.2% in the comparison 2016/2015, with a balance of R\$294.7 billion. The performance was impacted mainly by the deleveraging process of large companies and lower demand from the very small and small companies.

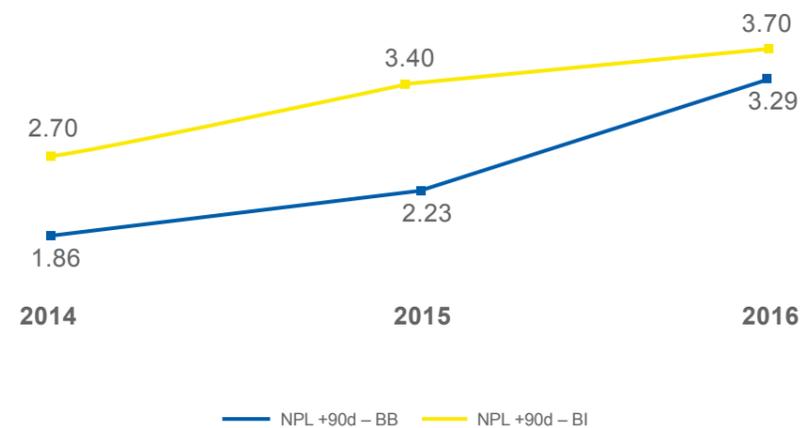
The individuals' loan portfolio was R\$187.8 billion in the period, an increase of 1.5% compared to December 2015. The performance was influenced by our strategy, which consists in concentrating the portfolio in lower risk lines. Considering the organic classified portfolio, which does not consider the acquired loan portfolio, growth was 3.3% in the same comparison.

Our agribusiness portfolio was R\$179.8 billion in December 2016, an increase of 2.8% in 12 months. The growth in this segment, below our expectations, was influenced by the amortizations of the agroindustry portfolio (large companies). Regarding the rural portfolio, which does not include the agroindustrial segment, the growth was 8.6% in the same period, in line with the Guidance 2016.



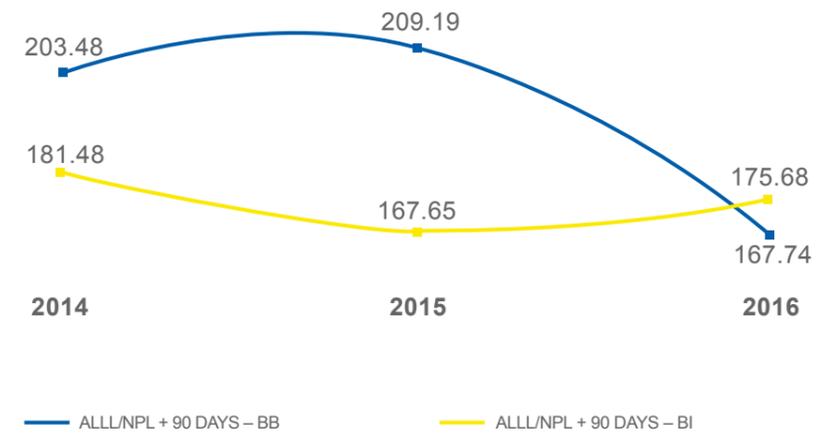
• **Delinquency and Coverage** – Historically, BB has a delinquency ratio lower than the Brazilian Banking Industry (BI), reflecting the consistent credit risk model. The delinquency ratio (NPL+90d), which states

the ratio between the operations more than 90 days overdue and the classified loan portfolio, was 3.29% in the period. The increase in 2016 was due to the decline of Brazilian economy.



Another important indicator related to the quality of the loan portfolio is the coverage index (ALLL/NPL+90d). This indicator expresses the ratio between the total provision (minimum, supplementary

and additional) and the balance of operations more than 90 days overdue. It is worth mentioning that BB has sufficient provision to support potential scenarios changes, such as higher delinquency.



• **Fee Income** – The Bank aims for excellence in customer relationship and service expansion volume. The assertive offer of customized products and services brings the needs of the clients closer to the solutions that the Bank offers, a strategy that generates greater satisfaction, profitability, and, consequently, increase in fee income. In 2016, the fee income

was R\$24.4 billion, up 6.8% over the previous year. Highlight to the performance of account and asset management fees.

It is worth mentioning that fee income related to 2015 includes part of the interchange revenues from Cateno. Excluding these revenues, the evolution of fee income in 2016/2015 comparison would have been 8.8%.



Fee Income (R\$ million)	2014	2015	2016	Variation 16/15 (%)
Fee Income	22,185	22,470	24,004	6.8
Account Fees	4,043	5,224	6,229	19.2
Asset Management Fees	3,190	3,513	3,860	9.9
Insurance, Pension and Premium Bonds	2,704	2,915	3,123	7.1
Collections	1,485	1,699	1,679	(1.2)
Loan Fees	2,058	1,718	1,684	(2.0)
Credit/Debit Cards	3,661	1,806	1,372	(24.0)
Billings	944	1,045	1,046	0.1
Interbank	749	775	846	9.1
Capital Market	453	488	623	27.6
National Treasury and Manag. of Official Funds	355	468	594	26.9
Consortium	336	427	544	27.3
Fiduciary Services	449	491	538	9.7
Other	1,756	1,900	1,867	(1.8)

• **Administrative Expenses** – In the last years, BB has been adopting structuring measures on several fronts, such as the restructuring of the service network and the staff, aiming greater operational efficiency.

In the comparison 2016/2015, the growth of expenses was 3.5%, below the inflation of the period, reinforcing our commitment with expenses control.

Administrative Expenses (R\$ million)	2014	2015	2016	Variation 16/15 (%)
Administrative Expenses	(29,859)	(31,709)	(32,817)	3.5
Personnel Expenses	(17,538)	(19,296)	(20,238)	4.9
Other Administrative Expenses	(12,321)	(12,413)	(12,579)	1.3

• **Productivity Ratios** – The cost-to-income ratio, the main productivity index used in the comparison between financial institutions, expresses the ratio between the administrative expenses and operating revenues. This indicator evolved in the 2016/2015 comparison due to the favorable performance of the

NII fee income, besides the strict expenses control. Additionally, in the next table, it can be observed that the personnel expenses coverage ratio (fee income/personnel expenses) and administrative expenses coverage ratio (fee income/administrative expenses) also evolved in the period.

Productivity Ratios (%)	2014	2015	2016
Cost-to-Income Ratio	44.3	41.6	39.7
Fee Income/Personnel Expenses	126.5	116.4	118.6
Fee Income/Administrative Expenses	74.3	70.9	73.1

• **2017 Guidance** – The Guidance for 2017 is presented in the next table. We emphasize that our results depend on the market conditions and on the domestic and international economies performance.

Regarding the last year, two items have been replaced for the 2017 Guidance, as follows:

- **Adjusted ROE:** the indicator was replaced by the adjusted net income value range. The new indicator is not impacted by shareholders' equity fluctuations.
- **ALLL Expenses:** the indicator was replaced by the ALLL expenses net of write-offs value range. The new indicator is not influenced by the average portfolio calculation and considers the recovery of write-offs effort.

Other five items have been changed for the 2017 Guidance, as follows:

- **Net Interest Income:** the recovery of write-offs revenues is not added to NII and becomes part of the ALLL expenses indicator.
- **Domestic Loan Portfolio – Broad Definition:** the new indicator, organic domestic loan portfolio, does not consider the acquired loan portfolio, because it has a different dynamic than the other portfolios.
- **Individuals Loan Portfolio:** the new indicator does not consider the acquired loan portfolio, composed by payroll loan and auto loans.
- **Companies Loan Portfolio:** the new indicator considers the agroindustrial loan portfolio, which was previously part of the agribusiness loan portfolio.
- **Rural Loans:** the new indicator only considers the rural credit.

%	2017 Guidance
Adjusted Net Income (R\$ billion)	9.5 to 12.5
NII (Net of Recovery of Write-offs)	0 to 4
Organic Domestic Loan Portfolio - Broad Definition	1 to 4
Individuals	4 to 7
Companies	-4 to -1
Rural Loans	6 to 9
ALL Expenses net of Recovery of Write-offs (R\$ billion)	-23.5 to -20.5
Fee Income	6 to 9
Administrative Expenses	1.5 to 4.5

The forecasts for 2017 were prepared considering the following assumptions:

ASSUMPTIONS INFLUENCED BY MANAGEMENT

- Digital intensification service model, with investments in the operational structure efficiently;
- Focus on service excellence, in order to increase the client portfolio profitability and enhance revenues;
- Do not consider new acquisitions and/or partnerships that might be signed to exploit specific segment;
- Current business model maintenance, disconsidering the companies disposal or Bank businesses, notably those fee generators;
- Adjustments in contracts with suppliers and collective bargaining agreement (CBA) aligned with the market;
- Loan portfolio growth in macro strategic sectors observing economic conditions.

ASSUMPTIONS THAT ARE NOT UNDER MANAGEMENT CONTROL

- National and international regulatory changes in the financial market;
- World economy growth at a moderate pace;
- Monetary conditions normalization in the USA;
- Current domestic macroeconomic policy structure maintenance: floating exchange rate, inflation targets and fiscal discipline;
- Maintaining a high level of idleness in the domestic labor market;
- Domestic economy gradual recovery perspective (GDP).



Learn more in the Attachment GRI G4-EC3 | G4-EC4

Natural Capital

11



Our commitment to environmental issues inspires solutions that promote the responsible consumption of resources and the transition to a low-carbon economy

Our commitment to environmental issues is present in the strategies, practices, and businesses, which undergo continuous processes of improvement. We operate effectively under two aspects: internally by adopting measures to consume natural resources in an increasingly responsible manner and dispose of our waste correctly; and externally by acting with socioenvironmental responsibility in lending, investments, contracting of suppliers, development and improvement of products and services with socioenvironmental attributes and inducement of good practices with the society, contributing so that the Bank is a benchmark in the transition to a low-carbon economy.

Our strategic priorities relate to operational efficiency focused on the processes and management, the improvement in the user experience, the improvement in the digital relationship model and the provision of digital products and services. These directions contribute to the reduction of emissions of greenhouse gases (GHG) and comprise actions aimed at mitigating their effects. Among the results, we obtained a reduction in the power consumption of our facilities; decrease in transportations with the use of video conference rooms; optimization of transportation logistics with the sharing of the infrastructure of self-service terminals with other banks; lower rate of customers coming in person to our branches with the business digitization processes.

In broader terms, by extending our operation to society, we assume a commitment to water preservation. We participated in two important forums, CEO Water Mandate, coordinated by the UN, and the Brazil Section of the World Water Council. Our Água Brasil Program, along with the Brazilian Department of Water (ANA), WWF-Brazil and Fundação Banco do Brasil (FBB), operates in order to develop strategies to mitigate the socioenvironmental risk, identify new business opportunities that promote a low-carbon economy and the improvement of well-being and social equality; and in the dissemination of sustainable practices in agriculture, cattle-breeding and in cities, for the purpose of ensuring the water safety of the Brazilian population.

This work is complemented by constant pursuit in the development of solutions that contribute to combating climate change and the use of socioenvironmental criteria in the lending process and the contracting of suppliers, among others. For more information about the socioenvironmental criteria in the lending process, [see Risk Management – Socioenvironmental Risk Chapter](#). Learn more about our practices relating to the management of suppliers in the [Social and Relationship Capital – Suppliers Chapter](#).



[Learn more in the Attachment GRI](#)

G4-EN29 | G4-EN31 | G4-EN34

Environmental Management System

G4-DMA Materials | G4-DMA Energy | G4-DMA Water | G4-DMA Emissions | G4-DMA Effluents and waste | G4-DMA Compliance | G4-DMA Transport | G4-DMA General

Our Environmental Management System (EMS) organizes and follows up the actions to control environmental impacts of our activities, coordinating efforts internally to improve performance in water, energy, materials and wastes; the annual inventory of GHG emissions; and a set of green IT initiatives. Among its premises is employee training in socioenvironmental responsibility, the dissemination of eco-efficiency concepts and practices, the adjustment of spaces and equipment in order to rationalize the use and consumption of goods, the analysis of processes from an eco-efficiency perspective and the adoption of contractual clauses involving the environment. In addition, we are constantly seeking to improve our system in order to certify our processes through ISO 14000 series, among other standards.



Green IT Initiatives

During the year, we increased the percentage of computers in automated hibernation, from 33.0%, in 2015, to 50.0%, in 2016. In 2017, we estimate that hibernation reaches all the computers in the office environment.

We also increased the percentage of computers with 80 plus-certified power supplies, with active power stabilizers and energy efficiency over 85.0%, from 47.0%, in 2015, to 55.0%, in 2016. In self-service terminals, this kind of power supply is already used in 21 thousand equipment pieces, which is equivalent to 50.0% of the total.

As part of the EMS, our Eco-Efficiency Program includes:



Rational Water Consumption (Purágua)



Power Consumption Rationalization (Procen)



Cartridge and Toner Reconditioning (Prorec)



Inventory and Management of Greenhouse Gas Emissions (GHG)



Selective Waste Collection

Eco-Efficiency Program

G4-DMA Products and services | G4-EN27

The management of water consumption, carried out under Purágua, allows the values of monthly water consumption of all the branches to be monitored through the Water Panel, made available on the intranet. With this monitoring, total consumption has been reduced.

The power consumption, which is managed by Procen, also reduced, avoiding an expenditure of R\$13 million. A total of 19.6 million kWh was saved due to the adoption of behavioral measures and adequacy of periods of operation of lighting and air conditioning systems.

Our initiatives in eco-efficiency also caused the reconditioning of 119,218 cartridges, which is equivalent to 97.84% of the total.

OUR COMMITMENTS: we will continue with the study of the economic feasibility of migration from the regulated contracting environment (ACR) to the free contracting environment (ACL) of the 200 largest power consumer units, started in 2016. Profitable units will be the object of a bidding process for contracting a company that will be responsible for the management and implementation of migration and purchase of electric power with the Board of Electric Energy Commercialization (CCEE) – with expectation of savings of up to 20.0% in the amount paid for electric power in these buildings. Another measure expected to 2017 is the replacement of the traditional lighting (fluorescent) with more modern and efficient systems (LED). In addition, the air conditioner replacement program will be continued.



Water consumption

2015: **1,678** million liters

2016: **1,566** million liters

Percentage reduction: **-6,7%**



Learn more in the Attachment GRI

G4-EN8 | G4-EN10



Power consumption

2015: **724.2** million kWh

2016: **704.5** million kWh

Percentage reduction: **-2,7%**



Learn more in the Attachment GRI

G4-EN3 | G4-EN5 | G4-EN6 | G4-EN7

G4-DMA Products and services | G4-EN27

The reduction of GHG emissions is also a constant concern in the Bank. The Inventory of Emissions was improved during the year, including for the first time, fugitive emissions from air conditioners. New sources of information were also added for the calculation of the cash transportation, distribution, and transportation of employees from home to work, making the report broader. The calculations of emissions from business air travel were calculated directly via GHG Protocol methodology.



[Learn more in the Attachment GRI](#)

G4-EN15 | G4-EN16 | G4-EN17 | G4-EN18 | G4-EN19 | G4-EN30

Also as part of our EMS, the Selective Waste Collection Program, which comprises the management of recyclable non-hazardous solid waste (paper, plastic, metal and glass), reached in 2016 the milestone of 1,628 branches with the process implemented.



Indicator	2014	2015	2016	2017 Goal
Branches with selective waste collection implemented	1,165	1,458	1,628	To expand the selective waste collection program to another 100 branches.

Solid Waste Management

In 2015, we approved the Banco do Brasil's Integrated Solid Waste Management Plan (PGRIS BB), which seeks to foster and aggregate internal initiatives and meet the parameters of the National Solid Waste Policy (PNRS). Established by Act No. 12,305/2010, the policy provides for shared responsibility for disposal in all the lifecycle of products.

Our plan was consolidated in 2016, with a survey that indicated the existence of 1,542 tons of solid waste. With this data, we carry out a bidding process for contracting a company specialized in recycling services, including collection, transportation, storage, destruction, reversal manufacturing, disposal and environmentally appropriate final disposal, in compliance with the legislation and technical standards in force.



[Learn more in the Attachment GRI](#)

G4-EN23



During 2016, we reviewed the types of staff transportation for the adoption of a model that reduces the use of vehicles and the generation of waste in order to facilitate transportation in a safety and quick way. Such action is still in progress, expected to be deployed in 2017.

OUR COMMITMENTS: in 2017, we will review the processes of contracting of general support services to reduce the production of waste. We will begin the replacement of air-conditioning equipment by others with greater energy efficiency, a project with estimated funding of R\$52 million.

Environmental Certifications

- +** ISO 14001 – related to the environmental management system. Altino Arantes Building (in the City of São Paulo), certified since 2010, was audited by the BSI Certification Body and recertified in 2016.
- +** ISO 14064 – protocol for a voluntary accounting of greenhouse gases. We maintained the certification regarding our management of GHG emissions.
- +** ISO 20000 – includes quality management of IT services. We renewed the certification in 2015, which is valid for three years.
- +** Leadership in Energy and Environment Design (LEED) – related to sustainable construction. BB's new headquarters, in Brasilia (DF), has been granted the seal of the U.S. Green Building Council.



RECOGNITIONS

- Gold Seal by the Brazilian GHG Protocol Program – our Inventory of GHG Emissions was recognized for fulfilling all evaluation requirements of the Program in 2016, with emphasis on external verification pursuant to standard ISO 14064.
- 2016 CDP Global Climate Change Report – we were listed for the seventh consecutive year among the best companies in carbon management.

Environmental Indicators

The consumption of natural resources and the environmentally correct disposal of waste generated in our branches are monitored through environmental indicators, which aim at disseminating the culture and practice of eco-efficiency among our employees.

The Environmental Footprint Index (PSI), an indicator present in our Work Agreement – the main instrument for the management of the results of the Bank –, enables our branches to be recognized for environmental performance, with goals for the reduction of the use of natural resources (water, electric power and paper) and the execution of selective waste collection by sending solid waste for recycling in compliance with current applicable public policies and legislation and aligned with our Specific Socioenvironmental Responsibility Policy.

Culture of Sustainability

We disseminate the sustainability theme among employees on two contexts. The first one is the Sustainability Trail, which can be accessed at UniBB Portal; and the second one is the Certification in Socioenvironmental Responsibility and Sustainable Develop-

ment, whose evidence is made available on a half-yearly basis to employees enrolled in the Internal Knowledge Certification Program.

In addition, in 2016, one of the challenges of the Innovation Incentive Program - Pensa BB – was the development of ideas for rationalization of the use of water, energy, and paper. The selected suggestions, listed below, are in the process of enhancement:

- A warning to turn off computers, peripherals, and lights during the staff exit command;
- Significant reduction in paper consumption;
- Elimination of card receipt letter;
- Optimization of Linux operating system to reduce energy consumption.

In 2017, we will disclose internally the best idea based on the following criteria for selection: benefits achieved and/or expected; effectiveness of the action plan; perpetuity; strategic alignment; innovation, applicability; financial potential and potential benefits and feasibility of implementation.

The Environmental Footprint Index components are as follows:



Evaluation by the accumulated average of monthly consumption records of the branch, with a consumption target equal to or less than the established regional pattern.



Evaluation by the accumulated average of monthly consumption records of the branch, with a consumption target equal to or less than the established regional pattern.



Evaluation of the compliance with the historical pattern of consumption of the branch established by the ratio of reams fulfilled to the volume of contracted operations, with a linear reduction target of 2.0% compared to the same period of the previous year for the Strategic, Tactical and Operational Units.

Retail branches must present a consumption equal to or less than the standard established, calculated from the sum of operations contracted in the current semester multiplied by the ratio of reams fulfilled to the volume of operations contracted in the previous year.



Evaluation by the record of monthly volume of waste disposed selectively (paper, plastic, metal and glass) and sent for recycling.



Green Businesses G4-DMA Portfolio of products | G4-14 | G4-EC2 | FS6

CHALLENGE 16: TO DEVELOP FINANCIAL SOLUTIONS AND BUSINESS MODELS THAT PROMOTE THE TRANSITION TO AN INCLUSIVE GREEN ECONOMY.

We encourage the development of business models that contribute to improve income, reduce emissions of greenhouse gases and preserve natural resources.

Our credit operations are guided by Credit Sustainability Guidelines (forests and biodiversity, water, climate change, agribusiness, electric power, civil construction, mining, oil and gas, transportation, irrigated agriculture and pulp and paper) and Environmental Guidelines for Controversial Issues. The full content of the guidelines is available at [Sustainable Credit Guidelines of Banco do Brasil and "Controversial" issues](#).

In the case of financing operations classified within the Equator Principles, we require that the project is aligned to the Performance Standards on Socioenvironmental Sustainability of International Finance Corporation (IFC) and the Guidelines for Environment, Health, and Safety of the World Bank Group. Projects are categorized based on their potential socioenvironmental impacts and risk. For more information, see the Risk Management chapter, on page 34.

Also, in terms of business opportunities related to climate change, we have the Program for Incentive to Technological Innovation in Agricultural Production (Inovagro). The initiative favors loans to projects adopting good agricultural practices and crop protection, as well as the environmental regularization of rural properties. In addition, we participate in the Rural Sustainable Project, a partnership with Banco Interamericano de Desenvolvimento (BID) to encourage practices of low emission of GHG. We manage the funds donated by the British Government, before being passed on to rural producers selected by BID.

Our efforts to promote the green economy inspired various actions in 2016. We participated in the definition of the methodology and study O Sistema Financeiro Nacional e a Economia Verde – Mensurando Recursos Financeiros alocados na EV (The National Financial System and the Green Economy – Measuring Financial Resources allocated in EV), prepared by Febraban, the Center for Sustainability Studies of Fundação Getulio Vargas and financial institutions. The initiative allows knowing better the sectors that help in the transition to the green economy and the performance of the Bank, enabling the construction of future strategies.

Also, in coordination with other institutions, we participated in the Emissions Trading System (SCE) of Empresas pelo Clima (EPC) Platform, an initiative of Empresas Pelo Clima, Fundação Getulio Vargas, Bolsa Verde of Rio de Janeiro and Brazilian companies. For the purpose of raising awareness and engaging corporate leaders for the management and reduction of emissions of greenhouse gases and climate risk management, the project will propose public policies for a low-carbon economy and a possible market in Brazil, considering the corporate vision in the theme.

We made progress in the development of the model of Socioenvironmental Information Support system, which will support the analysis and decision-making process with regard to financing and improve the socioenvironmental risk assessments, as well as indicate business opportunities.

Highlights of Socioenvironmental-Bias Products

G4-DMA | Indirect economic impacts | G4-EC8

ABC PROGRAM – encourages the reduction in the Emission of Greenhouse Gases in Agriculture, combating deforestation, promoting the production on a sustainable basis and the expansion of cultivated forests, among other actions. In 2016, the portfolio total was R\$9.16 billion. The program includes agricultural funding to finance no-till farming systems, a practice based on the potential of CO₂ retention. It is worth mentioning the agricultural funding to finance no-till farming systems, which is one of the practices supported by ABC Program based on the potential of CO₂ retention in the soil, with an investment of funds over R\$20.0 billion in 2016.

BB AÇÕES ISE JOVEM FIC – an index of BB DTVM composed of actions of companies with a broad corporate responsibility proposal, which considers aspects of good governance, economic efficiency, environmental balance and social justice; 20.0% of the management fee is intended for Água Brasil Program through FBB. In 2016, R\$34.6 thousand were transferred and the shareholders' equity amounted to R\$8.6 million.

NATIONAL FAMILY AGRICULTURE DEVELOPMENT PROGRAM (PRONAF) – offers various products with environmental attributes. An example is Pronaf Agroecologia (Agroecology), which encourages organic farming and had R\$9.06 million in the portfolio at the end of the year. Other products are Pronaf Florestal (Forest), which invests in projects that meet the requirements of the Department of Family Agriculture for systems of agroforestry, ecologically sustainable gathering of raw material from nature and replenishment and maintenance of permanent preservation areas, among others, and had R\$170 million in the portfolio; and Pronaf ECO, which promotes the adoption of renewable energy, environmental, water storage and other technologies; the amount in the portfolio, in December 2016, was R\$218.0 million.



See the complete list of products bias socio-environmental in the [Attachment GRI](#).

Under the *Água Brasil* Program, we prepared the Socioenvironmental Criteria for the Financing of Sugar Cane in Brazil document, which translates and details the industry overview, description of methodologies, job steps and results obtained. To this end, between September 2015 and October 2016, meetings and workshops

were held with the attendance of 22 experts among representatives from Banco do Brasil, WWF-Brasil, Universities, companies, and entities affiliated with the sugar-ethanol industry. Another initiative was the structuring of an action plan with business models for large-scale forest recovery, wood forest treatment in Amazon, energy efficiency, and water efficiency.



AWARD

The VI Corporate Forum of the Global Compact in Latin America and the Caribbean, in Lima, Peru, recognized the *Água Brasil* Program as one of the four benchmark corporate practices in the Environment theme. *Água Brasil* stood out for the actions in rural areas, implementing and disseminating good agricultural practices and those of natural vegetation cover in watersheds, in addition to actions in the urban environment, with the promotion of projects for the training and awareness on the consumption and waste disposal.

Business case

Through BB Securities, we participated in the structuring and distribution of the issuance of Green Bond of Suzano in the amount of 500 million dollars, with a 5.75% coupon and the deadline for 2026. The company will use part of the funds to finance projects involving forest management and water treatment and that are capable of reducing the consumption of water and chemicals. The projects will involve mainly the plants in Imperatriz (MA) and Mucuri (BA).

Compacts, initiatives, and voluntary commitments

- World Water Council (2011)
- Principles for Responsible Investment (2010)
- Caring for Climate (2009)
- Empresas pelo Clima (2009)
- Sustainable Amazon Forum (2008)
- Brazilian GHG Protocol Program (2008)
- CDP (2005)
- Equator Principles (2005)
- Global Compact (2003)
- Protocolo Verde (Green Protocol) (1995)



Learn more in the Attachment GRI

G4-16 | G4-EC2



Corporate Information



G4-3 | G4-5 | G4-31

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GRI Content Index

– “in accordance”

Comprehensive G4-32



GENERAL STANDARD DISCLOSURES				
General standard disclosures	Page	External assurance	Global compact	SDG
STRATEGY AND ANALYSIS				
G4-1	16 and 17	No		
G4-2	36 to 38, 129 and 138	Yes		
ORGANIZATIONAL PROFILE				
G4-3	19 and 119	Yes		
G4-4	20 and 21	Yes		
G4-5	119	Yes		
G4-6	21 and 129	Yes		
G4-7	19	Yes		
G4-8	20 and 21	Yes		
G4-9	14 and 15	Yes		
G4-10	129 and 130	Yes	6	8
G4-11	130	No	3	8
G4-12	130 and 131	Yes		
G4-13	88 and 131	Yes		
G4-14	36, 114 and 131	No		
G4-15	27	Yes		
G4-16	132	Yes		
MATERIAL ASPECTS IDENTIFIED AND LIMITS				
G4-17	132	Yes		
G4-18	5, 6 and 132 to 134	Yes		
G4-19	5, 6 and 132 to 134	Yes		
G4-20	132 to 134	Yes		
G4-21	132 to 134	Yes		
G4-22	134	Yes		
G4-23	5 and 132 to 134	No		

G4-32

GENERAL STANDARD DISCLOSURES				
General standard disclosures	Page	External assurance	Global compact	SDG
STAKEHOLDER ENGAGEMENT				
G4-24	7	Yes		
G4-25	6	Yes		
G4-26	6	Yes		
G4-27	7	Yes		
REPORT PROFILE				
G4-28	134	No		
G4-29	134	No		
G4-30	134	No		
G4-31	119	No		
G4-32	120 to 127	Yes		
G4-33	178 to 181	Yes		
GOVERNANCE				
G4-34	24 and 25	Yes		
G4-35	25 and 135	Yes		
G4-36	135	Yes		
G4-37	32, 52 and 135	Yes		16
G4-38	24 and 158	Yes		5 16
GENERAL STANDARD DISCLOSURES				
G4-39	142	Yes		16
G4-40	142	Yes		5 16
G4-41	142	Yes		16
G4-42	143	No		
G4-43	143	No		4
G4-44	143	Yes		
G4-45	6, 27 and 143	Yes		16
G4-46	143	Yes		
G4-47	143	Yes		
G4-48	27	Yes		
G4-49	144	No		
G4-50	144	Yes		
G4-51	144	Yes		
G4-52	90	Yes		
G4-53	144	Yes		16
G4-54	144	Yes		
G4-55	144	Yes		
ETHICS AND INTEGRITY				
G4-56	144	Yes	10	16
G4-57	30 to 32	Yes	10	16
G4-58	32	Yes	10	16

SPECIFIC STANDARD DISCLOSURES							
Material aspects	DMA and indicators	Page	Omissions	External assurance	Global compact	SDG	
CATEGORY: ECONOMY							
Economic performance	G4-DMA	95		No			
	G4-EC1	14, 15 and 81		No		2 5 7 8 9	
	G4-EC2	36, 37, 114 and 145	Confidentiality restrictions – costs of measures taken to manage the risk or the opportunity. We do not disclose the amounts invested in the development of the Socio-Environmental Information Support System model and/or other programs due to the confidentiality of the information.	Yes	7	13	
	G4-EC3	145		No			
	G4-EC4	145	Currently not available. Other products that received economic subsidy are missing. They will not be disclosed for strategic and confidential reasons. Due to the complexity of consolidating these data, we are looking for a way to make this information available through the 2019 Annual Report.	Yes			
	Market presence	G4-DMA	86		No		
		G4-EC5	146		No	6	1 5 8
		G4-EC6	146		No	6	8
	Indirect economic impacts	G4-DMA	74 and 115		No		
		G4-EC7	146		Yes		2 5 7 9 11
G4-EC8		74 and 115		Yes		1 2 3 8 10 17	
Procurement practices	G4-DMA	71 and 73		No			
	G4-EC9	146		No		12	

SPECIFIC STANDARD DISCLOSURES						
Material aspects	DMA and indicators	Page	Omissions	External assurance	Global compact	SDG
CATEGORY: ENVIRONMENTAL						
Materials	G4-DMA	108		No		
	G4-EN1	146		No	7 8	8 12
	G4-EN2	146		No	8	8 12
Energy	G4-DMA	108		No		
	G4-EN3	147		Yes	7 8	7 8 12 13
	G4-EN5	148		No	8	7 8 12 13
	G4-EN6	148 and 149		Yes	8 9	7 8 12 13
	G4-EN7	148		No	8 9	7 8 12 13
Water	G4-DMA	108		No		
	G4-EN8	148 and 149		Yes	7 8	6
	G4-EN9		Not applicable. There are no water sources significantly affected by the removal of water.	No	8	6
	G4-EN10	149		No	8	6 8 12
Emissions	G4-DMA	108		No		
	G4-EN15	149		No	7 8	3 12 13 14 15
	G4-EN16	149		No	7 8	3 12 13 14 15
	G4-EN17	149 and 150		No	7 8	3 12 13 14 15
	G4-EN18	150		No	8	13 14 15
	G4-EN19	150		No	8 9	13 14 15
	G4-EN20		Not applicable. Emissions of ozone-depleting substances (ODS) are not significant.	No	7 8	3 12
	G4-EN21		Not applicable. Other emissions, including NOx and SOx, are not significant.	No	7 8	3 12 14 15

SPECIFIC STANDARD DISCLOSURES						
Material aspects	DMA and indicators	Page	Omissions	External assurance	Global compact	SDG
Effluents and waste	G4-DMA	108		No		
	G4-EN22		Not applicable. The significant volume of water is discarded for sewage collection networks.	No	8	3 6 12 14
	G4-EN23	151		Yes	8	3 6 12
	G4-EN24		Not applicable. We do not store significant volumes of chemical products or fuels.	No	8	3 6 12 14 15
	G4-EN25		Not applicable. We do not use or transport products considered hazardous.	No	8	3 12
	G4-EN26		Not applicable. The disposal of effluents is carried out through sewage collection network.	No	8	6 14 15
Products and services	G4-DMA	73, 109 and 110		No		
	G4-EN27	73 and 109		No	7 8 9	6 8 12 13 14 15
	G4-EN28		Not applicable. Our basic activity consists of providing services; we also have programs to mitigate impacts caused by used materials and inputs.	No	8	8 12
Compliance	G4-DMA	108		No		
	G4-EN29	151		No	8	16
Transport	G4-DMA	108		No		
	G4-EN30	151 and 152		No	8	11 12 13
Overall	G4-DMA	108		No		
	G4-EN31	152		Yes	7 8 9	7 9 12 13 14 15 17

SPECIFIC STANDARD DISCLOSURES						
Material aspects	DMA and indicators	Page	Omissions	External assurance	Global compact	SDG
Supplier environment assessment	G4-DMA	72		No		
	G4-EN32	152		No	8	
	G4-EN33	152		No	8	
Environmental grievance mechanisms	G4-DMA	32		No		
	G4-EN34	152		No	8	16
CATEGORY: SOCIAL						
SUBCATEGORY: Labor practices and decent work						
Employment	G4-DMA	86		No		
	G4-LA1	153 and 154		Yes	6	5 8
	G4-LA2	154		No		8
	G4-LA3	154		No	6	5 8
Labor/management relations	G4-DMA	85		No		
	G4-LA4	154		No	3	8
Occupational health and safety	G4-DMA	92		No		
	G4-LA5	155		No		8
	G4-LA6	155 and 156		Yes		3 8
	G4-LA7	156		No		3 8
	G4-LA8	156		No		8
Training and education	G4-DMA	90		No		
	G4-LA9	156 and 157		Yes	6	4 5 8
	G4-LA10	157		Yes		8
	G4-LA11	158		No	6	5 8
Diversity and equal opportunity	G4-DMA	85		No		
	G4-LA12	158 and 159		Yes	6	5 8
Equal remuneration for women and men	G4-DMA	85		No		
	G4-LA13	160		Yes	6	5 8 10
Labor practices grievance mechanisms	G4-DMA	32 and 85		No		
	G4-LA16	160		No		16
SUBCATEGORY: Human rights						
Investment	G4-DMA	36		No		
	G4-HR1	160		Yes	2	
	G4-HR2	161 and 162		Yes	1	
Non-discrimination	G4-DMA	30 and 36		No		
	G4-HR3	162		Yes	6	5 8 16
Freedom of association and collective bargaining	G4-DMA	36		No		
	G4-HR4	162		No	3	8

G4-32

SPECIFIC STANDARD DISCLOSURES						
Material aspects	DMA and indicators	Page	Omissions	External assurance	Global compact	SDG
Child labor	G4-DMA	162		No		
	G4-HR5	162		No	5	8 16
Forced or compulsory labor	G4-DMA	162		No		
	G4-HR6	163		No	4	8
Security practices	G4-DMA	163		No		
	G4-HR7	163		No	1	16
Assessment	G4-DMA	163		No		
	G4-HR9	36 and 163		Yes	1	
Supplier human rights assessment	G4-DMA	163		No		
	G4-HR10	163		No	2	
Human rights grievance mechanisms	G4-HR11	163		Yes	2	
	G4-DMA	163		No		
	G4-HR12	163		Yes	1	16
	SUBCATEGORY: Society					
Local communities	G4-DMA	164 and 176		No		
	G4-SO1	164		Yes	1	
	G4-SO2	164		No	1	1 2
Anti-corruption	G4-DMA	30		No		
	G4-SO3	29		Yes	10	16
	G4-SO4	164 and 165		Yes	10	16
	G4-SO5	166		Yes	10	16
Public policy	G4-DMA	30		No		
	G4-SO6	166		No	10	16
Compliance	G4-DMA	30		No		
	G4-SO8	166		No		16
Grievance mechanisms for impacts on society	G4-DMA	32		No		
	G4-SO11	166		No		16

G4-32

SPECIFIC STANDARD DISCLOSURES						
Material aspects	DMA and indicators	Page	Omissions	External assurance	Global compact	SDG
SUBCATEGORY: Product responsibility						
	G4-DMA	93 and 166		No		
	G4-PR1	166		No		
Customer health and safety	G4-PR2		Currently available – we are evaluating internally to verify the possibility of disclosing the information on the 2019 Report.	No		16
Product and service labeling	G4-DMA	32, 49 and 58		No		
	G4-PR3	60, 69 and 70		No		
	G4-PR4	58 and 166		No		16
	G4-PR5	166 and 167		Yes		
Marketing communications	G4-DMA	69		No		
	G4-PR6		Not applicable. We do not sell prohibited or questionable products.	No		
G4-PR7	167		No		16	
Customer privacy	G4-DMA	41		No		
	G4-PR8	167		Yes		16
Compliance	G4-DMA	30		No		
	G4-PR9	167		Yes		16

SECTOR SUPPLEMENT – FINANCIAL SERVICES						
Material aspects	DMA and indicators	Page	Omissions	External assurance	Global compact	SDG
Product portfolio	G4-DMA	25, 36, 90, 167 and 114		Yes	7	10
	FS6	21, 114 and 168		Yes		1 8 9
	FS7	168, 169 and 172		Yes	6	1 8 9 10 11
	FS8	168 a 171 and 173		Yes	6	
Audit	G4-DMA	40 and 175		Yes		10
Active shareholder control	G4-DMA	26 and 175		Yes		
	FS10	175		Yes		10
	FS11	175		Yes		10
Local communities	G4-DMA	164 and 176		Yes		
	FS13	176		No	7 8	1 8 10
	FS14	176		Yes	8	1 8 10
Product and service labeling	G4-DMA	32, 49, 58, 176 and 177		No	8 9	1 8 10

Attachment GRI

In order to move forward on concision and relevance of our Annual Report, we decided to bring additional information on the GRI G4 indicators for this Attachment. Indicators can be found through the Table of Contents of GRI

General Standard Contents

G4-2 | Submit a description of key impacts, risks, and opportunities.

In the current national scenario, we act in a timely manner to face the downturn period that reaches the financial conditions of the companies and industries and the default rates. The more restrictive stance of the monetary authority, with a long process of monetary tightening (Selic rate increase), required the entire industry to make financial adjustments.

In these terms, our Corporate Strategy (ECBB) provides for, in general, actions to reduce expenses with provisions for future losses, minimize exposure to risks, allocate investments in technology and process improvement, reduce costs and expenses, increase service revenues and improve customer experience.

Additionally, when defining our ECBB, we considered possible conjuncture changes to anticipate scenarios for a period of five years. The 2017-2021 ECBB addressed the growth of the Brazilian economy and the recent technological transformation of the financial sector as the most significant variables. In addition, we believe the relevant trends are:

- **New business models focused on information technology**, as it influences the trust in non-banking companies for use of financial services, increasing the diffuse competition;
- **Investments in the Green Economy (GE)**, as it is able to encourage new business opportunities, in addition to being useful for attracting international funding and for the mitigation of risks;
- **Population growth in marginal decreasing rates, with population aging**, as it represents impacts on the financial industry, with reflections on business strategies, development of products and services and the appropriateness of channels for these stakeholders;
- **Operational, commercial and capital efficiency**, due to the regulation of the financial system and the growing demand for solutions that use digital and remote media – the increase in efficiency is stimulated with a focus on improving customer experience.

Information about the main risks to which we are exposed and detailing on our risk management policy available in sections 4 and 5 of the [Reference Form](#).

G4-6 | Report the number of countries where the organization operates and the name of the countries in which its main operations are located or that are specifically relevant to the sustainability topics addressed in the report.

Information available on [Management Discussion and Analysis \(MD&A\) – 4Q16, section 10.3. Cross-Border Business](#), page 121.

G4-10 | Staff profile.

All our employees who exercise core activities are contractually hired by us and have a permanent employment contract in a full-time regime. In order to join our staff, candidates must be approved in a civil service examination, and the external recruitment is carried out by means of public notice. This process is carried out by an external entity in compliance with the legislation in force.

G4-10

Number of Employees per Employment Contract and Gender	2014		2015		2016	
	Men	Women	Men	Women	Men	Women
Consolidated Labor Laws (CLT)	65,264	46,364	63,809	45,382	59,073	41,549
Statutory ⁽¹⁾	36	0	35	1	36	1

(1) The statutory ones are not considered in the sum of employees.

Number of Employees per Region and Gender	2014		2015		2016	
	Men	Women	Men	Women	Men	Women
South	11,466	8,006	11,306	7,951	10,404	7,495
Southeast	27,179	23,124	26,849	22,547	30	20,294
Midwest	11,325	6,552	10,919	6,456	10,320	6,029
North	3,037	2,047	2,946	2,002	2,785	1,904
Northeast	12,211	6,634	11,781	6,426	10,893	5,826
Overseas	46	1	43	1	41	1
Total per gender	65,264	46,364	63,844	45,383	59,073	41,549
Annual total		111,628		109,227		100,622

In 2016, we had a total of 10,474 terminations, 8,760 through the Extraordinary Stimulated Retirement Plan (PEAI). Recorded on November 20, 2016, the terminations occurred until December 30, 2016. In contrast, during the same period, a total of 1,428 new employees were appointed. Thus, from 2015 to 2016, there was a reduction of 9.2% in our headcount.

G4-11 | Report the percentage of the total number of employees covered by collective bargaining agreements.

The percentage of the number of employees covered by collective bargaining agreements is 100%.

G4-12 | Describe the organization’s supply chain.

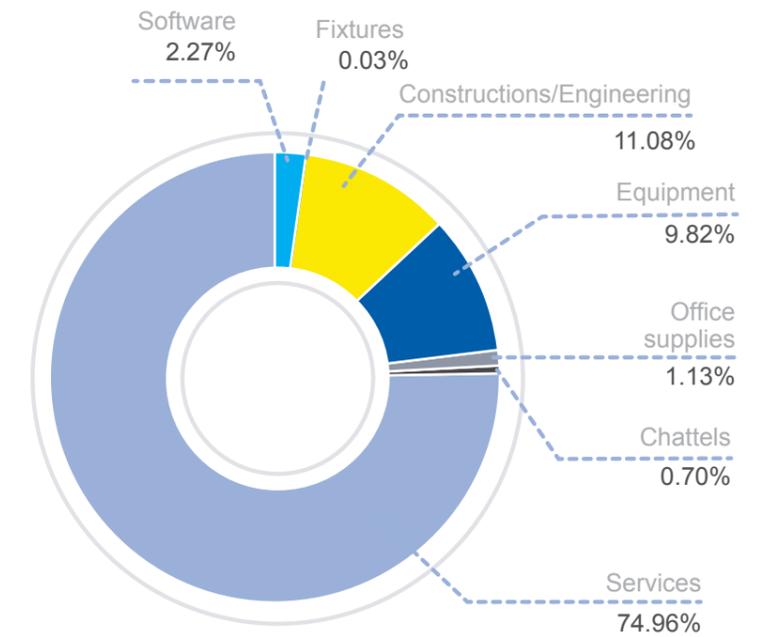
We have selected suppliers through the bidding process, pursuant to Act No. 8,666/93. The following table shows the distribution of settlements performed by us – the number of contracts and amounts in Brazilian reais – to partners, according to classification.

Supply contracts for BB sorted by type	2014		2015		2016	
	Quantity	Amount Paid (R\$ thousand)	Quantity	Amount Paid (R\$ thousand)	Quantity	Amount Paid (R\$ thousand)
Engineering	4,601	168,508	3,044	87,440	4,544	800,204
Equipment	1,741	690,647	978	595,576	589	709,577
Office Supplies	794	101,212	544	92,283	280	81,853
Chattels	973	118,643	608	93,284	324	50,796
Services	12,499	5,127,526	11,010	4,899,700	9,809	5,413,814
Software	75	114,218	61	184,416	68	163,709
Fixtures	1,457	8,690	781	10,119	173	2,459
Total	22,140	6,329,443	17,026	5,962,818	15,787	7,222,412

G4-12

Our suppliers domiciled in Brazil are located throughout the national territory. From 2017, we will have a specific methodology for presenting the data according to the geographical area. Service providers are responsible for over 60% of all contracts in force during the period. The works and restorations represented approximately 30% of the total commitments made.

The following chart shows the percentage of payments to suppliers, by sector, in 2016.



G4-13 | Report any significant changes occurred during the period covered by the report with regard to the size, structure, equity interest or supply chain of the organization.

Information available in Explanatory Note 2 – Corporate reorganizations, in the [Financial Statements](#) document.

G4-14 | Report whether and how the organization adopts the approach or the principle of precaution.

We follow principles of socioenvironmental responsibility and criteria when granting loans to companies or projects. We consider the compliance with the law on the part of contractors and also the risks related to each transaction. We also take into account the socioenvironmental, credit, market, liquidity, operational, strategy and reputation risk analyses.

We do not enter into agreements with customers who subject workers to degrading forms of labor or keep them under conditions similar to slavery, and, for that purpose, we use information disclosed by the Ministry of Labor and Employment.

We do not grant loan either to applicants whose activities do not have a formal authorization of the competent body to, for example, incorporation of new areas in the production process, marketing of extractive products of plant origin and fresh fish, operations of investment in activities that require environmental resources or projects capable of causing environmental degradation.

For rural credit in the Amazon Biome, for example, we require proof of environmental and land regularities of the properties and we do not provide financing to producers included in the list of embargoed areas due to deforestation or illegal burning disclosed by the Brazilian Institute of Environment and Renewable Natural Resources (Ibama).

Finally, our contracts include extraordinary/anticipated maturity clauses for cases of breach of laws and regulations related to the Amazon Biome, environmental licensing, crimes against nature, labor rights, discrimination of race or gender, sexual and moral harassment or criminal advantage from prostitution or property located in a preservation area of archaeological heritage and/or land of traditional people and communities.

G4-16 | List participation in associations (e.g. industry associations) and national or international organizations.

The main bodies, entities or associations of which we are signatories or representatives are as follows:

- Sustainable Finance Theme Chamber (CTFin, coordinated by the Brazilian Corporate Council for Sustainable Development – CEBDS);
- Brazilian Council for Market Sustainable Development (coordinated by CEBDS and by the Ministry of the Environment);
- The Brazilian Committee for the Global Compact (CBPG, coordinated by the United Nations – UN);
- Caring for Climate Council (coordinated by the UN);
- Technical Council for Carbon Disclosure Program (CDP);
- Commission for Social Responsibility and Sustainability of the Brazilian Federation of Banks (FEBRABAN);
- Commission for Special Study on Social Responsibility of the Brazilian Technical Standards Association (ABNT);
- Brazil Section of the World Water Council (Brazilian Department of Water);
- FEBRABAN;
- Federation of Industries of the State of São Paulo (Fiesp);
- Brazilian Association of Savings Real Estate Credit Entities (Abecip);
- Brazilian Association of Credit Card and Service Companies (Abecs);
- National Association of Credit, Financing and Investment Institutions (ACREFI);
- Brazilian Association of Leasing Company (ABEL);
- ABNT;
- Brazilian Association of Financial and Capital Market Entities (ANBIMA);
- Brazilian Investor Relations Institute (IBRI);
- Association of Investment Analysts and Professionals of the Capital Market (Apimec);

- Ethos Institute of Business and Social Responsibility;
- Brazilian Association of Development Financial Institutions (ABDE);
- National Association of Banks;
- Brazilian Association of Publicly-Held Companies (ABRASCA);
- Brazilian Association of Agribusiness (ABAG).

G4-17 | List all entities included in the consolidated financial statements or equivalent documents of the organization.

Information available in Explanatory Note 3 – Presentation of the Financial Statements, in the [Financial Statements](#) document.

G4-18 | Process adopted to define the content of the report – the limits of the aspects. G4-19 | Material aspects identified in the process of definition of the content of the report. G4-20 | Limit of the material aspect inside the organization. G4-21 | Limit of the material aspect outside the organization. G4-23 | Report significant changes with regard to periods covered by previous reports in Scope and Limits of Aspect.

Our process for the definition of the content is described in the About the Report chapter. However, the definitions of the limits of the aspects are listed below.

In order to capture the perception of stakeholders set out in the GRI guidelines, we proposed the evaluation of the challenges as generating impacts inside and outside the organization, and the outside impact group was evaluated in three subdivisions:

- Customers;
- Suppliers;

G4-18 | G4-19 | G4-20 | G4-21 | G4-23

- Others (discusses the collective aspect outside the business scope, such as institutional partners and Non-Governmental Organizations (NGOs), local communities, Governments, environment, etc.).

The application of a mathematical logic, based on the divisions created, allowed the definition of the challenges methodically in three main limits: inside, outside and both.

Material challenges are presented in descending order in the following table:

Prosperity	Limit	Sub-limit
Challenge 1: To align the governance of Banco do Brasil to the best international practices and strengthen the role of the Senior Management in the sustainability strategy. G4-1 G4-34 G4-35 G4-36 G4-38 G4-40 G4-42 G4-43 G4-44 G4-45 G4-46 G4-47	Internal	Internal
Challenge 2: To identify and manage medium and long-term non-financial and/or emerging risks that may significantly impact Banco do Brasil's businesses. G4-DMA Portfolio of products G4-DMA Audit G4-2 G4-14 G4-EC2 G4-EN15 G4-EN16 G4-EN17 G4-EN18 G4-EN19 G4-EN27 FS6 GFS9 (Economic performance, Emissions and Products and services aspects)	Internal	Internal
Challenge 3: To identify innovations in the financial sector (business and technology models) and anticipate the trends in order to ensure the perpetuity and longevity of Banco do Brasil. G4-EN6 G4-EN7 G4-PR8 (Energy and Customer privacy aspects)	Internal	Internal
Challenge 4: To enhance customer relationship management and increase the satisfaction and retention indexes. G4-PR1 G4-PR2 G4-PR3 G4-PR4 G4-PR5 G4-PR7 G4-PR8 G4-PR9 G4-DMA Product and service labeling (Customer health and safety, Product and service labeling, Marketing communications, Customer privacy and Product or service compliance aspects)	Internal	Internal
Partnership	Limit	Sub-limit
Challenge 6: To strengthen the role of Banco do Brasil in the pursuit of social business through comprehensive, efficient and innovative solutions aligned with public policies. G4-DMA Product and service labeling G4-PR1 G4-PR2 G4-PR3 G4-PR4 G4-PR5 G4-PR7 G4-PR8 G4-PR9 (Customer health and safety, Product and service labeling, Marketing communications, Customer privacy and Product or service compliance aspects)	External	Customers, Suppliers, and Others
Challenge 7: To enhance Banco do Brasil's initiatives towards the productive development, entrepreneurship and the promotion of social and financial inclusion. G4-EC7 G4-EC8 FS13 FS14 (Indirect economic impacts and local communities aspects)	External	Customers

G4-18 | G4-19 | G4-20 | G4-21 | G4-23

People	Limit	Sub-limit
Challenge 11: To ensure greater representation of gender and race in all the hierarchical levels of Banco do Brasil. G4-10 G4-LA3 G4-LA12 G4-LA13 G4-HR3 (Employment, Diversity and equal opportunities, Equal compensation for women and men and Non-discrimination aspects)	Internal	Internal
Challenge 14: To strengthen the role of Banco do Brasil with regard to human capital, considering the management of health, safety and well-being, the development and the retention of talents. G4-11 G4-LA1 G4-LA2 G4-LA4 G4-LA5 G4-LA6 G4-LA7 G4-LA8 G4-LA9 G4-LA10 G4-LA11 G4-HR7 G4-HR9 (Employment, Labor relations, Health and safety at work, Training and education, Security practices and Evaluation in human rights aspects)	Internal	Internal
Challenge 15: To strengthen the role of Banco do Brasil with regard to the ethics and anti-corruption theme. G4-41 G4-56 G4-57 G4-58 G4-SO3 G4-SO4 G4-SO5 (Anti-corruption aspect)	Internal	Internal
Planet	Limit	Sub-limit
Challenge 16: To develop financial solutions and business models that promote the transition to an inclusive green economy. G4-EC2 G4-EN6 G4-EN19 G4-EN31 (Economic performance, Energy, Emissions and General aspects)	Both	Internal, Others and Customers
Challenge 19: To improve the management of socioenvironmental risk from socioenvironmental criteria in the granting of financings. G4-DMA Portfolio of products (FS1, FS2, FS3, FS4, FS5) G4-DMA Audit (FS9) G4-DMA Active share control (FS12) FS10 FS11	External	Customers
Peace	Limit	Sub-limit
Challenge 21: To develop a social (includes human rights and labor practices) and environmental due diligence process to assess the impacts of operations and commercial relations of Banco do Brasil. G4-HR1 to G4-HR7, G4-HR9 to G4-HR12 G4-SO1 G4-SO2 G4-SO11 (Local communities, Mechanisms of complaints related to impacts on society, Investments in human rights, Non-discrimination, Freedom of association and collective bargaining, Child labor, Forced or slavery-like labor, Security practices, Evaluation in human rights, Evaluation of suppliers in human rights and Mechanisms of complaints related to human rights aspects)	Internal	Internal
Challenge 24: To improve the integration between the Private Social Investment and the business strategy. G4-EC4 G4-EC7 G4-EC8 G4-SO1 (Economic performance, Indirect economic impacts, and Local communities aspects)	External	Customers and Others

G4-22 | Report the effect of any updates of information provided in previous reports, and the reasons for such updates. G4-28 | Period covered by the report (e.g., fiscal or calendar year) for information provided. G4-29 | Date of most recent previous report (if any). G4-30 | Reporting cycle (annual, biennial, etc.).

Our Report is published annually and, in this Edition, it covers the period from January 1 to December 31, 2016. The previous report was published in June 2016. Eventual updates of information and their respective reasons are outlined throughout the document.

G4-35 | Report the process used for the delegation of authority on economic, environmental and social topics by the highest governance body for senior executives and other employees. G4-36 | Report whether the organization has designated one or more executive-level offices and functions as responsible for economic, environmental and social topics and whether those responsible people report directly to the highest governance body.

Our Bylaws stipulates that the Board of Directors (BoD) is responsible for establishing the number and electing the members of the Executive Board who shall exercise the actions defined by the BoD. The environmental and social topics, specifically, are addressed by the Strategy and Organization Board, linked directly to the President.

Other areas related to the management of economic, environmental and social issues are as follows:

- a. Strategy and Organization Board (Direo), reporting directly to the President;
- b. Vice-Presidency (VP) of Retail Distribution and People Management, reporting to the People Management Board;
- c. VP of Financial Management and Investor Relations (IR) – reporting to Finance Board and Controllershship Board;
- d. VP of Government – reporting to the Government Board.

G4-37 | Report the query processes used between the stakeholders and the highest governance body with regard to economic, environmental and social topics. If the query is delegated to other structures, bodies or people, please indicate to whom and any existing processes of feedback to the highest governance body.

As a result of the process of interaction with our stakeholders, we present below the rendering of accounts of the actions taken in 2016 with respect to 2015-2017 Agenda 21 and the commitments of 2017-2019 Agenda 30 BB. Such interaction involved the Organization in the pursuit of the improvement in sustainable practices and businesses undertaken in our Sustainability Plan.

Rendering of Accounts – Agenda 21 BB

Challenge 1. To improve the sustainability governance structure involving Senior Management (Board of Directors and Executive Board), reinforcing the commitment of the Bank to the theme.	Expiration date: 12/31/2016
	Actions: To develop and implement programs for training on the socioenvironmental responsibility to the Board of Directors, Board of Officers and Executive Board.
	Status: Action not completed on time. However, given the importance of the theme, a new action for this purpose has been approved for 2017-2019 Agenda 30 BB.
Challenge 11. To enhance customer relationship management and increase the satisfaction index.	Expiration date: Continuous (on a half-yearly basis)
	Actions: To establish differentiated business conditions and/or benefits to Individual, Corporate and Governmental customers through the use of online services and inhibition of prints.
	Status: Action completed on time considering the implementation of initiatives related to the digital relationship model and use of online services for Individual, Corporate and Governmental stakeholders.

Challenge 15. To enhance and systemize the identification of business opportunities for the development of products that meet the demands caused by environmental issues (trends/new regulations about the use of natural resources) and climate change (demand for infrastructure financing for adjustment to climate changes).	Expiration date: Continuous (on an annual basis)
	Actions: To adjust/develop innovative products and services with the following assumptions: Wholesale Pillar: BBecoEficiente, innovation and socioenvironmental value creation. Examples include: Credit lines with a socioenvironmental attribute for the financing of green technologies; carbon credit market; consulting services; Equity products with environmental attributes; fixed-income investments with environmental attributes; environmental and climate change criteria across the credit and investment process.
	Status: Action completed on time with the inclusion of BB MM Global Acqua Private Fund in the Private Fund Allocation Model and implementation of the Operational Efficiency GPA enabling batch signature of up to 50 exchange contracts at a time.
	Actions: Retail Pillar: BBecoEficiente, innovation and socioenvironmental value creation. Examples include: Real estate financing for the acquisition, construction/restoration of sustainable developments; credit lines with a socioenvironmental attribute for the financing of green technologies; fixed-income investments with environmental attributes; environmental and climate change criteria across the credit and investment process.
	Status: Action completed on time with the review of internal standards for the expansion of the target audience of Corporate Urban Proger and Tourism Investment Proger and with promotional campaigns with BB customers for the purpose of disseminating and encouraging the lines for adhesion/renewal of machinery and equipment with a focus on items related to the photovoltaic solar power generation.
Challenge 19. To improve socioenvironmental risk management, based on the provisions of CMN Resolution No. 4,327.	Expiration date: 06/30/2016
	Actions: To include risk assessment models, the weighting of situations involving illegal practices of damage to the environment.
	Status: Action completed on time considering the process of review of criteria for risk assessment approved in the Subcommittee on Credit Risk.
Challenge 20. To improve the relation between the Private Social Investment and the business strategy.	Expiration date: Continuous (on a half-yearly basis)
	Actions: To develop strategies/initiatives to leverage sales of products with a socioenvironmental attribute that transfer funds to FBB.
	Status: Action completed on time due to the implementation of direct marketing and commercial actions focusing on products with the transfer of funds to Fundação Banco do Brasil.
	Expiration date: 06/30/2016 (the action was extended)
	Actions: To develop and implement a management system for the Private Social Investment (ISP), which includes the establishment, implementation, and monitoring of socioenvironmental and financial impact indicators related to ISP actions.
	Status: Action not completed on time. However, due to the importance of the theme, three new actions for that purpose have been approved on 2017-2019 Agenda 30 BB. For more information, see page 131.

Challenge 23. To improve the system of variable compensation of employees, including Senior Management, taking into account the individual performance.	Expiration date: Continuous (on an annual basis)
	Actions: To develop initiatives to increase the percentage of employees whose compensation is affected by the individual performance evaluation (management by goals and multidimensional performance evaluations). Actions: Action completed on time due to a proposed payment of part of the Remunerated Performance Program (PDG) in shares of Banco do Brasil.
Challenge 26. To maintain and expand the Bank's role as a driver of sustainable development through financial inclusion and social business (MPO, Fies, Minha Casa Minha Vida, BB Accessibility Credit, Pronaf, among others), so as to integrate programs and public policies, partnerships with the private sector and the BB's sustainable development strategies (private social investment, volunteer work, digital inclusion, sustainable regional development, model for integrated involvement in sustainable development, among others).	Expiration date: Continuous (on a half-yearly basis)
	Actions: To implement a performance model in sustainable development.
	Status: Action completed on time due to the expansion of the Sustainable Development activity model.
	Expiration date: Continuous (on a half-yearly basis)
	Actions: To determine concept, for BB, of "financial inclusion" and establish indicators capable of measuring the performance of the actions of the Bank, with monitoring and reporting to Senior Management.
	Status: Action completed on time, in view of the adoption in BB of the concept of financial inclusion of the Central Bank of Brazil, but with a performance focused on the use of banking services and the establishment of the following indicators: Social Business ownership – (MPO, MCMV, PRONAF, FIES, BB Accessibility Credit); Use of alternative channels; Products directed to the banking inclusion; Business with cooperatives.
Challenge 26. To maintain and expand the Bank's role as a driver of sustainable development through financial inclusion and social business (MPO, Fies, Minha Casa Minha Vida, BB Accessibility Credit, Pronaf, among others), so as to integrate programs and public policies, partnerships with the private sector and the BB's sustainable development strategies (private social investment, volunteer work, digital inclusion, sustainable regional development, model for integrated involvement in sustainable development, among others).	Expiration date: Continuous (on an annual basis)
	Actions: To prepare an annual integrated communication plan on the BB's results for the benefit of sustainable development.
	Status: Action completed on time with the preparation of an Integrated Communication Plan aimed at the disclosure of the BB's results towards the Sustainable Development with a focus on commemorative dates.
	Expiration date: 06/30/2016
	Actions: To develop/propose guidelines for the development of new products, customer service channels, and services to deal with the target audience of the financial inclusion and social business actions.
	Status: Action completed on time considering the guidelines for the development of new products and services, customer service and price for actions related to the financial inclusion and social business described in the Value Proposition and Relationship Model for the stakeholders concerned, reviewed annually.

2017-2019 AGENDA 30 BB G4-2

PROSPERITY PILLAR OF THE SUSTAINABLE DEVELOPMENT GOALS	
<p>Challenge 1: To align the governance of Banco do Brasil to the best international practices and strengthen the role of the Senior Management in the sustainability strategy.</p>	<p>Deadline: 12/31/2017</p> <p>Action 4. To establish a Committee for Eligibility of the process of nomination and evaluation, linked to the Board of Directors, to assist shareholders in the nomination of members to the Board of Directors, Board of Auditors, Executive Board and Advisory Committees to the Board of Directors.</p> <p>Source: Action from the process of update of the Sustainability Plan – 2017-2019 Agenda 30 BB.</p> <p>Action 5. To create a Sustainability Committee or include the sustainability subject as a theme under the formal responsibility of an existing committee, linked to the Board of Directors (BoD), with at least one member of the BoD in the composition.</p> <p>Source: Action from the process of update of the Sustainability Plan – 2017-2019 Agenda 30 BB.</p>
	<p>Deadline: 06/30/2018</p> <p>Action 7. To develop sectoral studies comparing risk and return of high-impact activities and a green economy for forwarding to the customer/product management departments.</p> <p>Source: Action from the process of update of the Sustainability Plan – 2017-2019 Agenda 30 BB.</p>
	<p>Deadline: 12/31/2017</p> <p>Action 8. To identify innovations in the financial sector (business and technology models) and anticipate the trends in order to ensure the perpetuity and longevity of Banco do Brasil.</p> <p>Source: Action 32 of 2015-2017 Agenda 21 BB.</p>
<p>Challenge 4: To enhance customer relationship management and increase the satisfaction and retention index.</p>	<p>Deadline: 12/31/2017</p> <p>Action 9. To evaluate the implementation of the process for external verification of information related to the number of customers using online financial services.</p> <p>Source: Action 35 of 2015-2017 Agenda 21 BB.</p> <p>Deadline: 12/31/2019</p> <p>Action 10. To include the ethical marketing topic in employee training actions.</p> <p>Source: Action from the process of update of the Sustainability Plan – 2017-2019 Agenda 30 BB</p>

PARTNERSHIP PILLAR OF THE SUSTAINABLE DEVELOPMENT GOALS	
<p>Challenge 6: To strengthen the role of Banco do Brasil in the pursuit of social business through comprehensive, efficient and innovative solutions aligned with public policies.</p>	<p>Deadline: 06/30/2018</p> <p>Action 12. To review social business-related processes, with an emphasis on digitization in order to gain efficiency and comprehensiveness.</p> <p>Source: Action from the process of update of the Sustainability Plan – 2017-2019 Agenda 30 BB.</p> <p>Deadline: 12/31/2018</p> <p>Action 13. To structure a model of fundraising, management, and investment in social business of high social and environmental impact.</p> <p>Source: Action from the process of update of the Sustainability Plan – 2017-2019 Agenda 30 BB.</p> <p>Deadline: 12/31/2018</p> <p>Action 15. To develop and implement social business training actions, with an emphasis on the use of digital media to potential social business and Private Social Investment customers and to internal stakeholders.</p> <p>Source: Action from the process of update of the Sustainability Plan – 2017-2019 Agenda 30 BB.</p>
	<p>Deadline: 12/31/2017</p> <p>Action 20. To define and implement procedures, from the identification of business opportunities in the supply chain.</p> <p>Source: Action 16 of 2015-2017 Agenda 21 BB.</p> <p>Deadline: 12/31/2017</p> <p>Action 21. To review the Sustainability Trail for all hierarchical levels with an emphasis on content about Social Business.</p> <p>Source: Action 38 of 2015-2017 Agenda 21 BB.</p>

PEOPLE PILLAR OF THE SUSTAINABLE DEVELOPMENT GOALS

Challenge 11: To ensure greater proportionality of representation of gender and race in all the hierarchical levels of Banco do Brasil.	Deadline: 06/30/2018
	Action 26. To develop and implement actions of staff training in human rights in order to generate opportunities in gender, race and color matters.
	Source: Action from the process of update of the Sustainability Plan – 2017-2019 Agenda 30 BB.
	Deadline: Continuous on an Annual Basis
	Action 27. To strengthen the gender equity in BB from the development of a corporate action plan, with the definition of indicators and targets per organizational unit.
	Source: Action 44 of 2015-2017 Agenda 21 BB.
	Deadline: 06/30/2017
	Action 36. To establish a process for communication and/or negotiation with confederations and trade unions in the event of organizational changes.
	Source: Action from the process of update of the Sustainability Plan – 2017-2019 Agenda 30 BB.
Challenge 14: To strengthen the role of Banco do Brasil with regard to human capital, considering the management of health, safety and well-being, the development and the retention of talents.	Deadline: 12/31/2018
	Action 38. To develop an action plan and implement measures that enhance the levels of health and well-being of employees (to develop a model of prevention of stress at work, promoting the quality of life at work and the satisfaction of employees).
	Source: Action from the process of update of the Sustainability Plan – 2017-2019 Agenda 30 BB
	Deadline: 12/31/2017
	Action 39. To strengthen competence development actions for digital transformation, operational efficiency, and people management.
	Source: Action from the process of update of the Sustainability Plan – 2017-2019 Agenda 30 BB.
	Deadline: 12/31/2017
	Action 41. Conduct an employee satisfaction assessment from a statistically reliable representative sample of the population of BB's employees.
	Source: Action from the process of update of the Sustainability Plan – 2017-2019 Agenda 30 BB.
Challenge 15: To strengthen the role of Banco do Brasil with regard to the ethics and anti-corruption theme.	Deadline: 06/30/2018
	Action 42. To reevaluate and enhance communication plans and training actions related to the ethics theme, with an emphasis on Human Rights and the anti-corruption, to BB and its Affiliated Entities.
	Source: Action from the process of update of the Sustainability Plan – 2017-2019 Agenda 30 BB.

PLANET PILLAR OF THE SUSTAINABLE DEVELOPMENT GOALS

	Deadline: 12/31/2018
	Action 44. To develop actions of training on "Inclusive green economy" to the internal stakeholders, with an emphasis on business opportunities by market segment.
	Source: Action from the process of update of the Sustainability Plan – 2017-2019 Agenda 30 BB.
Challenge 16: To develop financial solutions and business models that promote the transition to an inclusive green economy.	Deadline: 12/31/2019
	Action 45. To adjust/develop real estate loan products and businesses (MCMV (Minha Casa Minha Vida)/Employee's Severance Guarantee Fund – FGTS) and corporate real estate loan with the premises of eco-efficiency, innovation and social and environmental value creation.
	Source: Action from the process of update of the Sustainability Plan – 2017-2019 Agenda 30 BB.
	Deadline: Continuous on an Annual Basis
	Action 46. To prospect and assess the feasibility of proposing, in conjunction with customer and product managers, financial solutions and business models that promote the transition to an Inclusive Green Economy specific to the various business pillars of Banco do Brasil (Wholesale, Corporate Retail, Individual Retail, Agribusiness, Government and Private).
	Source: Action from the process of update of the Sustainability Plan – 2017-2019 Agenda 30 BB.
	Deadline: 06/30/2017 7 – construction of socioenvironmental rating, from the application of questionnaires and creation of the risk matrix. 12/31/2019 – incorporation of loss data by socioenvironmental rating in the process of pricing of credit operations.
	Action 64. To develop routines and procedures to identify, classify, evaluate, monitor, mitigate and manage social and environmental risk in operations, in compliance with the provisions of CMN No. 4,327, Art. 8; and SARB No. 14, Arts. 3 rd , 7 th , 9 th , 10 th , 11 th , 12 th , 13 th , 14 th , 15 th , 16 th , 17 th and 18 th .
	Source: Action 60 of 2015-2017 Agenda 21 BB.
Challenge 19: To improve the management of social and environmental risk from social and environmental criteria in the granting of financings, considering also the controversial issues.	Deadline: 12/31/2018 – construction of the basis of losses to Social and Environmental Risk.
	Action 65. To define technical specifications and require the development of the IT system that supports social and environmental risk management.
	Source: Action 61 of 2015-2017 Agenda 21 BB.
	Deadline: Continuous on an Annual Basis
	Action 66. To update annually the Sustainability Guidelines for BB Credit, with two per sector and one per topic, and disclose them publicly.
	Source: Action from the process of update of the Sustainability Plan – 2017-2019 Agenda 30 BB

PEACE PILLAR OF THE SUSTAINABLE DEVELOPMENT GOALS

Challenge 21: To develop a social (includes human rights and labor practices) and environmental due diligence process to assess the impacts of operations and commercial relations of Banco do Brasil.	Deadline: 06/30/2019
	Action 69. To define and implement actions of training of internal stakeholders in issues related to socioenvironmental due diligence – financings.
	Source: Action from the process of update of the Sustainability Plan – 2017-2019 Agenda 30 BB.
	Deadline: 12/31/2019
	Action 72. To disclose the performance of BB publicly considering the process of socioenvironmental due diligence.
	Source: Action from the process of update of the Sustainability Plan – 2017-2019 Agenda 30 BB.
	Deadline: 12/31/2019
	Action 73. To define and implement actions of training of internal stakeholders in issues related to socioenvironmental due diligence – supplier management.
	Source: Action from the process of update of the Sustainability Plan – 2017-2019 Agenda 30 BB.
Challenge 24: To improve the integration between the Private Social Investment and the business strategy.	Deadline: 12/31/2017
	Action 76. To review the guidelines for Private Social Investment of BB integrating them with BB conglomerate.
	Source: Action from the process of update of the Sustainability Plan – 2017-2019 Agenda 30 BB.
	Deadline: 12/31/2017
	Action 78. To identify and establish, in coordination with Fundação Banco do Brasil, the best models of Private Social Investment.
	Source: Action 6 of 2015-2017 Agenda 21 BB.
	Deadline: 12/31/2018
	Action 79. To apply the methodology established by BB and FBB for assessment of the Private Social Investment by using the bases of beneficiaries obtained at the Zero Milestone.
	Source: Action 6 of 2015-2017 Agenda 21 BB.
Deadline: 12/31/2019	
Action 80. To validate the information obtained in the assessment of the Private Social Investment and implement the Private Social Investment management system.	
Source: Action 6 of 2015-2017 Agenda 21 BB.	
Deadline: 12/31/2018	
Action 82. To evaluate the possibility to define and implement fundraising systems for Fundação Banco do Brasil with the companies of the Conglomerate and customers of Wholesale and Private pillars.	
Source: Action from the process of update of the Sustainability Plan – 2017-2019 Agenda 30 BB.	

G4-39 | Report whether the chairman of the highest governance body is also a CEO.

The Chairman of the Board of Directors (BoD) does not exercise any function in our Executive Board.

G4-40 | Report the processes of selection and appointment for the highest governance body and its committees, as well as the criteria adopted to select and appoint the members of the highest governance body.**G4-41 | Report the processes used by the highest governance body to ensure the prevention and management of conflicts of interest. Report whether the conflicts of interest are disclosed to stakeholders.**

Information available in Section 12 of the [Reference Form](#), item 12.1 to 12.5, Description of the administrative structure of Banco do Brasil, from page 218 on; in section 15, items 15.4 Organization chart of the controlling

shareholders; 15.5 Shareholders' agreement filed at the headquarters or of which the controlling shareholder is part; and Section 16 Related-Party Transactions, at www.bb.com.br/pbb/pagina-inicial/relacoes-com-investidores/governanca-corporativa#.

G4-42 | Report the roles performed by the highest governance body and the senior executives in the development, approval and update of the purpose, in the statement of mission, vision and values and in the definition of strategies, policies and goals related to the organization's economic, environmental and social impacts.

The members of our Board of Directors (BoD), according to our Bylaws, approve policies, Corporate Strategy, Investment Plan, Master Plan and the General Budget, among other tasks. The documents define our purpose, mission, vision, values and goals.

G4-43 | Report the measures taken to develop and improve the knowledge of the highest governance body on economic, environmental and social topics.

The Corporate University of Banco do Brasil (UniBB) offers training to administrators and executives regarding economic, social and environmental topics, offering courses aligned to our Corporate Strategy and on topics such as corporate governance, business environment, strategic management, banking services and financial system in the global market.

The Program for Training of the Executive Board, Board of Directors and Board of Auditors has a specific budget and offers approximately 20 courses from renowned business school on various subjects, in addition to the integrated virtual platform with over a thousand of videos and 1.5 thousand articles and a magazine with trends, content and current concepts. The program also benefits general managers of strategic units.

Directors and executives can also access our training materials Sustainability Trail – with information on, for example, the management of socioenvironmental responsibility in the Bank – and Ethical Trail – with topics related to the theme.

G4-44 | a. Report the processes of evaluation of the performance of the highest governance body with regard to the governance of economic, environmental and social topics.

The performance of the Board of Directors (BoD) and the related committees and bodies is evaluated on an annual basis, as provided for in our Bylaws and Internal Regulations of the BoD. Such evaluation includes goals set out in our strategic documents and includes the expectations with regard to economic, social and/or environmental performance. Directors also promote a self-evaluation, but we do not have a formal process to respond to findings of the performance of the BoD.

G4-45 | Report the role performed by the highest governance body in the identification and management of impacts, risks, and opportunities derived from economic, environmental and social issues. G4-46 | Report the role performed by the highest governance body in the analysis of the effectiveness of the risk management processes of the organization for economic, environmental and social topics. G4-47 | Report how often the highest governance body assesses impacts, risks, and opportunities derived from economic, environmental and social issues.

Among the tasks of the Board of Directors (BoD) is to approve our policies, our corporate strategy, our investment and capital plans, our master plan, our statement of risk appetite and tolerance and our general budget, in addition to monitoring the economic and financial performance and impacts, risks and opportunities related to environmental and social aspects. After making its decision, the BoD forwards to responsible areas the guidelines for the management of different themes and often determines the frequency with which the new results should be reported by them. For the follow-up, it uses mechanisms approved for the company, as well as specific reports. The BoD meets, ordinarily, at least once a month and, extraordinarily, whenever convened by its chairman or at the request of at least two directors. The accounts related to our socioenvironmental performance are rendered on an annual basis. For more details, see the [Risk Management Report](#).

G4-49 | Report the process adopted to communicate critical concerns to the highest governance body.

Our Board of Directors (BoD) follows up critical issues through specific management reports prepared by internal areas, according to the frequency of its meetings. The subjects began in the branches, Superintendence Offices or Directorships and pass through Strategic Committees and the Board of Officers before reaching the BoD.

G4-50 | Report the nature and the total number of critical concerns reported to the highest governance body and the mechanism(s) adopted to address them and resolve them.

Through technical notes containing the description of the problem, its relevance, and severity, we report monthly to the Board of Directors (BoD) various subjects. Those that require greater monitoring are included in a tool of control, with the indication of the person in charge and the deadline for resolution. Currently, there are 18 subjects classified as such, including macroeconomic scenario, legal and/or audit demands, risk assessments, digital business and result analysis.

G4-51 | Report the compensation policies applied to the highest governance body and senior executives and how the performance criteria of the compensation policy apply to economic, environmental and social goals of these managing groups.

Information available in Section 13 of the [Reference Form](#).

G4-53 | Report how the opinions of stakeholders are requested and taken into account with regard to compensation, including the results of ballots on compensation policies and proposals, if applicable.

The compensation of our statutory members is approved by the Board of Directors (BoD), after a preliminary review of the Compensation Committee and the Department of Coordination and Governance of State-Owned Companies (SEST), of the Ministry of Planning, Development and Management. The total amount decided in the BoD is subject to the decision of the Annual General Meeting of our shareholders, pursuant to the legal determination.

The compensation of our employees and the annual adjustments are defined in the Collective Bargaining Agreement (ACT). Our Profit Sharing (PLR) program, which includes all employees, is submitted annually to the approval of the BoD and is the subject of negotiation between us and employees, and is also integrated into the ACT. Once approved, the program is sent for approval of the Departments of the Treasury and, Planning, Budget and Management.

G4-54 | Report the ratio of the total annual compensation of the highest-paid individual in the organization in each country where the organization has significant operations to the average total annual compensation of all employees (excluding the highest-paid individual) in the same country.

The ratio of the compensation is 9.7. Information available in the [Financial Statements](#), Explanatory Note 30 – letter (f), page 121.

G4-55 | Report the ratio of the percentage increase in the total annual compensation of the highest-paid individual in the organization in each country where it has significant operations to the percentage increase in the total annual compensation of all employees (excluding the highest-paid individual) in the same country.

The ratio of the percentage increase in compensation is 103%. Information available in the [Financial Statements](#), Explanatory Note 30 – letter (f), page 121.

G4-56 | Describe the values, the principles, the standards and the rules of conduct of the organization, such as codes of conduct and ethics.

Information available at www.bb.com.br/pbb/pagina-inicial/sobre-nos/quem-somos# and <http://www.bb.com.br/pbb/pagina-inicial/sobre-nos/etica-e-integridade#>.

Specific Standard Contents

Category: Economic**G4-EC2 | Financial implications and other risks and opportunities for the organization's activities due to climate changes.**

Review annually the socioenvironmental risks linked to our businesses to mitigate them and find opportunities. The initiatives related to climate change are, among others:

- **Low-Carbon Agriculture Program (ABC Program):** we were pioneers in the operation and we are also leaders in the contracting of financing within this initiative.
- **Pronaf Florestal, Pronaf Eco and Pronaf Eco-Dendê (Oil Palm) and Seringueira (Rubber Tree):** support projects that result in retention or reduction of Greenhouse Gases (GHG) in family agriculture.
- **Program for Incentive to Technological Innovation in Agricultural Production (Inovagro):** lending support also to projects that enable adaptation to climate changes.
- **Agricultural Funding:** investment of funds over R\$20 billion, in 2016, for the financing of no-till farming systems, a practice supported by ABC Program.
- **Sustainable Rural Project (partnership with Banco Interamericano de Desenvolvimento – BID):** we manage the funds donated by the British Government, before being passed on to producers selected for the practices of low emission of GHG.

We adopted tools such as Agricultural Climate Risk Zoning (ZARC), indispensable for the financing of main crops in Brazil, to anticipate and mitigate risks from climate changes. Another instrument used is the Technical Agricultural Reference (RTA) System, capable of contributing to the selection of feasible production systems more resilient to climate changes. Based on it, we direct rural credit operations, according to the risks identified.

Our technical agricultural sciences staff monitors weather events that are logged as Alerts in a Crop Monitoring Panel – Monitoring of Climate Risk. During 2016, 1,316 municipalities were followed up in this respect. Finally, we made available to our customers a portfolio of products such as Agricultural Insurance, Agricultural Revenues Insurance, Proagro and Proagro Mais.

G4-EC3 | Coverage of the obligations set forth in the benefit pension plan of the organization.

Information available in Explanatory Note 26 to the [Financial Statements](#).

G4-EC4 | Financial aid received from the Government.

In 2016, financings under the National Plan for the Rights of People with Disabilities – Viver Sem Limite, carried out through BB Accessibility Credit, recorded a total of R\$6.1 million, relating to the economic subsidy, in the form of interest rate equalization.

G4-EC5 | Variation of the proportion of the lowest salary, broken down per gender, compared to local minimum salary in significant operational units.

The wage floor is applied, regardless of gender, to all employees who initiate their career with us. In 2016, when the national minimum salary was R\$880.00, our lowest compensation was R\$2,645.97, i.e. 3.01 times higher.

G4-EC6 | Proportion of members of the senior management hired in the local community in significant operational units.

The Board of Directors (BoD), the Executive Board, composed of the Board of Officers, and other Directorships are composed of Brazilian citizens, and all of them are residents in the Country as laid down in art. 24 of the Bylaws.

G4-EC7 | Development and impact of investments in infrastructure and services provided.

Through the Cultural Centers of Banco do Brasil (CCBB), we offer public culture equipment, available to the population, with free or low-cost access. In 2016, we performed various investments in the maintenance of the infrastructure of the buildings where CCBBs are located, offering more cultural resources to communities. It is worth mentioning the inauguration of the Museum of Banco do Brasil, in CCBB DF, with more than 6 thousand m². See more at culturabancodobrasil.com.br/portal/o-ccbb.

G4-EC9 | Proportion of expenditures with local suppliers in significant operational units.

In 2016, we had 15.8 thousand effective agreements with 2,989 companies. The payments made to suppliers reached the amount of R\$7.2 billion. Out of that amount, R\$70.7 million (0.98% of the total) were paid to nine companies domiciled abroad (11 agreements). In other words, 99% of our payments were made to suppliers domiciled in Brazil, located throughout the national territory.

Category: Environmental

G4-EN1 | Materials used, broken down per weight or volume.

The materials consumed are described below:

Paper Consumption (t)	2014	2015	2016
Total direct materials used	8,516	6,601	6,082
Consumption paper in office	3,361	1,061	924
Paper of materials stored in the storeroom and at the BB Print Shop	5,155	5,540	5,158

Cartridge and Toner Reconditioning Program (Prorec – in units)	2014	2015	2016
Total Consumed	110,517	115,105	121,849
Volume Reconditioned	107,178	112,800	119,218
Percentage of Items Reconditioned ⁽¹⁾	97	98	98

(1) The percentage informed is the result of comparing the consumption of reconditioned toner cartridges and the total number of toner cartridges consumed during the period.

G4-EN2 | Percentage of materials used that came from recycling.

In 2016, we used 408 tons of A4 paper recycled (7% of total inputs consumed) and 119.2 thousand cartridges reconditioned (98% of the total).

G4-EN3 | Power consumption within the organization.

In 2016, we reduced by 12% the consumption of oil-based fuels intended for the fueling of vehicles. The drop reflects the success of our Eco-Efficiency Program, which stipulates the lower use of automobiles.

Fuel (liters) ⁽¹⁾	2014	2015	2016
Total consumption of diesel oil for vehicles	39,121	42,400	58,129
Total consumption of diesel oil for generating set	585,162	550,980	392,722
Total gasoline consumption	2,826,056	2,409,250	2,200,062
Total ethanol consumption	671,712	578,194	518,281

(1) In 2015, the form of calculating the consumption of diesel oil changed. In previous years, the assessment considered Diesel S10 and Diesel products, disregarding that the market offers other options. Therefore, from 2015 on, we opted for the assessment based on the type of engine that uses such fuel, in this case, vehicles and power generators. The amounts for diesel consumption presented in the 2014 Annual Report were recalculated based on new parameters to enable the comparison of the consumption of each period.

We also recorded a decrease of 2.7% in the power consumption, according to data collected through our corporate system.

Regional Parameters of Efficiency Indicators



Power Consumption	2014	2015	2016
GWh	736.5	724.2	704.6
TJh	2,651	2,607	2,536

Note.: in order to convert GWh to TJh, we used the conversion value of 3,600.

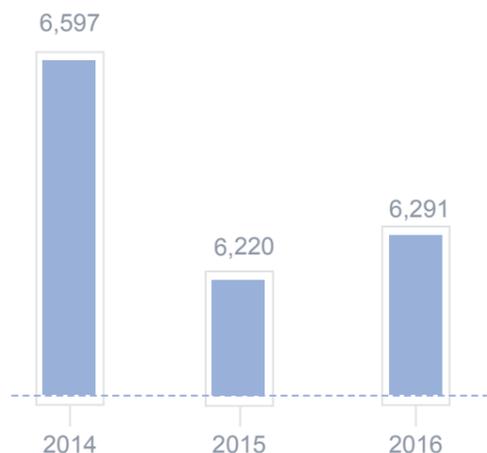
G4-EN5 | Energy intensity.

For this measurement, we used the indicator that relates power consumption with the number of employees of Banco do Brasil. In 2016, the registered growth (1.14%) was due to the lower number of employees during the period.

G4-EN6 | Reduction in power consumption | G4-EN7 | Reductions in energy requirements of products and services.

In 2016, we recorded savings of 19.6 million kWh compared to the previous year. A reduction of 2.7% in power consumption is a result of the adoption of behavioral measures and adequacy of periods of operation of lighting and air conditioning systems that represented an expense avoided of R\$13 million/year. The financial expenses resulting from that input presented an increase of 40.8% as a result of tariff realignment promoted by the Federal Government, which had an increase of 3.6% compared to 2015. We use electric power supplied by utilities from various states. The reductions of other energy sources are available in the GHG Emissions Inventory – BB table.

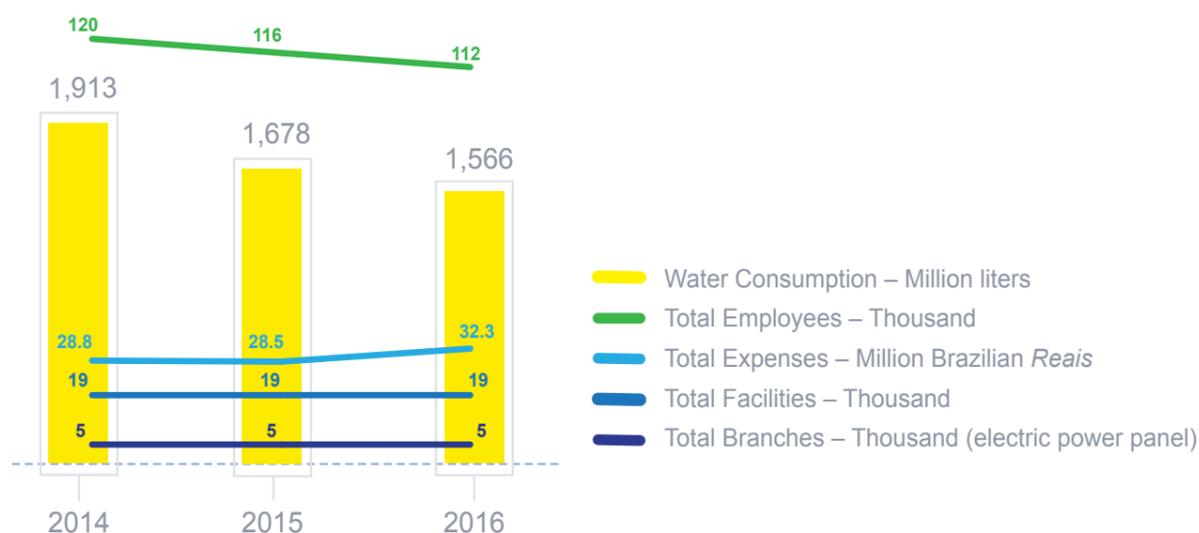
BB Power Intensity
Power consumption (kWh)/Employee/Year



G4-EN8 | Total water extraction per source.

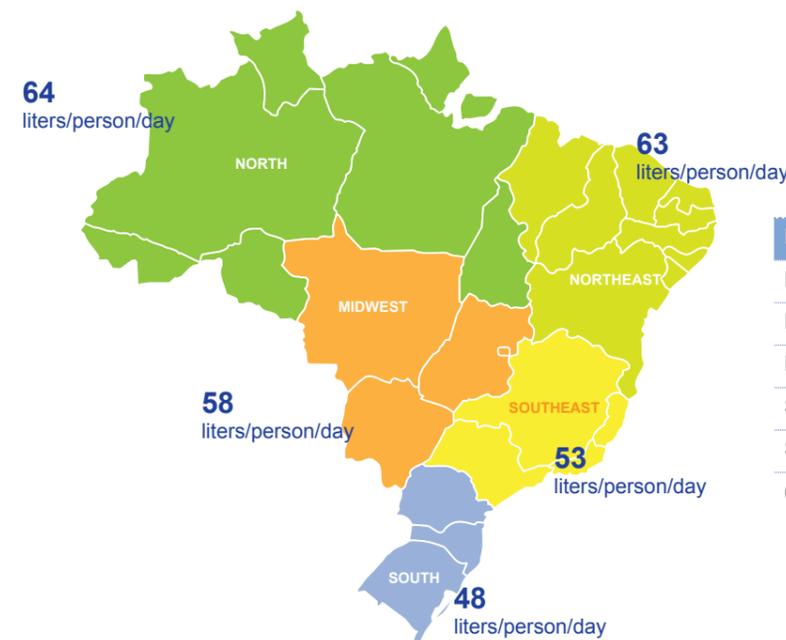
We do not use surface water, groundwater and stormwater directly collected by the Bank nor wastewater from another organization. We calculate the monthly water consumption (m³) of all branches through the Water Panel, via the corporate intranet. In order to identify branches with higher-than-expected consumption, we use a specific indicator, referred to as Efficient water consumption, with values broken down per region. In 2016, we recorded a consumption of 1,566 million liters, with a reduction of 6.7% in comparison with the previous period.

Water Consumption



G4-EN8

Regional Parameters of Efficiency Indicators



Region	2014	2015	2016
North	54	64	64
Northeast	45	63	63
Midwest	15	58	58
Southeast	45	53	53
South	16	48	48

(1) liters/person/day

G4-EN10 | Percentage and the total volume of water recycled and reused.

There is no water recycled and/or reused.

G4-EN6 | G4-EN15 | Direct emissions of greenhouse gases (GHG) (Scope 1) | G4-EN16 | Indirect emissions of greenhouse gases (GHG) from the acquisition of electric power (Scope 2) | G4-EN17 | Other indirect emissions of greenhouse gas (GHG) (Scope 3).

Inventory of GHG Emissions – BB						
Scope	Emission Source	2014	2015	2016 ⁽¹⁾	Variation (%) 2015-2016	
Scope 1		6,610 tCO ₂ e	11,547 tCO ₂ e	10,832 tCO ₂ e	(6)	
		5,008 tCO ₂ e	4,208 tCO ₂ e	3,939 tCO ₂ e		
	Mobile Combustion (own fleet vehicles)	Ethanol – 578 thousand liters		Ethanol – 671 thousand liters		Ethanol – 525 thousand liters
		Gasoline – 2.83 million liters		Gasoline – 2.4 million liters		Gasoline – 2.2 million liters
		Diesel – 39.7 thousand liters		Diesel – 44 thousand liters		Diesel – 62 thousand liters
	Stationary Combustion (electric power generator)		1,602 tCO ₂ e	1,420 tCO ₂ e		975 tCO ₂ e
Diesel – 609 mil litros			Diesel – 580 mil litros	Diesel – 398 mil litros		
Fugitive Emissions (refrigerant gases)		– ⁽²⁾	5,919 tCO ₂ e	5,919 tCO ₂ e		
Biogenic			2,060 tCO ₂ e	1,764 tCO ₂ e		
Scope 2	Purchase of Electric Power	98,982 tCO ₂ e	90,358 tCO ₂ e	57,559 tCO ₂ e	(36)	
		736 million kWh	724 million kWh	704 million kWh		

G4-EN17

Inventory of GHG Emissions – BB					
Scope	Emission Source	2014	2015	2016 ⁽¹⁾	Variation (%) 2015-2016
Scope 3		66,562 tCO ₂ e	66,619 tCO ₂ e	85,240 tCO ₂ e	28
	Transportation and Distribution (Upstream)	TCM – 28 million km	TCM – 33 million km	TCM – 29 million km	
		Cash transportation – diesel – 8.2 million liters	Cash transportation – diesel – 7.5 million liters	Cash transportation – diesel – 17 million liters	
	Solid Waste from the Operation	Paper acquired – 8,516 ton	Paper acquired – 6,601 tons	Paper acquired – 6,082 tons	
	Wastewater Generated in the operation	1.5 million m ³	1.6 million m ³	1.5 million m ³	
	Business Travel	59,981 air tickets	49,200 air tickets	38,504 air tickets	
		Ground Transp. – 16 million km	Ground Transp. – 15 million km	Ground Transp. – 23 million km	
	Transportation and Distribution (Downstream)	Diesel – 250 thousand liters	Diesel – 245 thousand liters	Diesel – 142 thousand liters	
	Staff Transportation (home – work)	5 million km	5.9 million km	3.3 million km	
	Biogenic	5,696 tCO ₂ e	6,953 tCO ₂ e	5,379 tCO ₂ e	

(1) Data in process of verification by an independent third party.

(2) The sources of fugitive emissions were calculated from the GHG inventory of the reference year of 2015.

G4-EN18 | Intensity of greenhouse gas (GHG) emissions.

Information available at www.registropublicodeemissoes.com.br/participantes.

G4-EN19 | Reduction of Greenhouse Gas (GHG) emissions.

In 2016, with the actions related to the Environmental Management System, specifically the Eco-Efficiency Program, it was possible to save in consumption of the main inputs and electric power, advancing considerably in the reduction of direct emissions (Scopes 1 and 2). Globally, those of Scope 1 decreased by 6% in comparison to 2015, from 11,547 tCO₂e to 10,833 tCO₂e. This was possible due to the reduced fuel consumption. Thus, the emissions linked to the mobile and stationary combustion ranged from 5,628 tCO₂e in 2015 to 4,913 tCO₂e, in 2016, that is, they fluctuated, negatively, by 13%.

The power consumption was 2.7% less – decreased from 724 kW to 704 kW in a year. This reduction, added to the update of the factor of emission of the input of the National Interconnected System (SIN), represented a decrease of Scope 2 emissions of 36%.

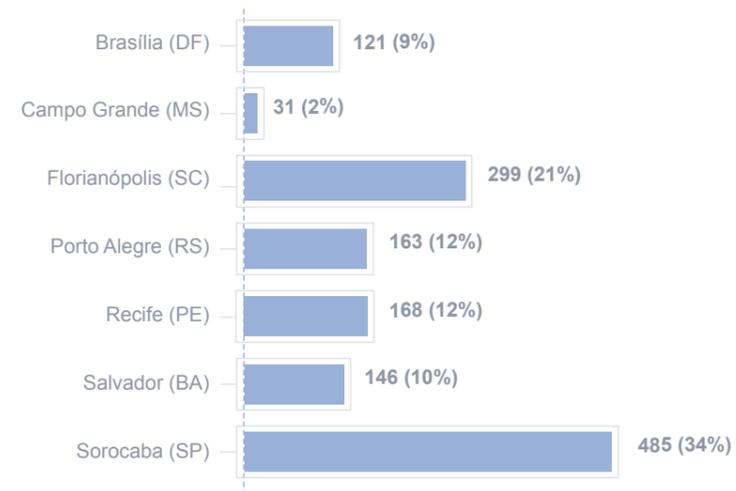
Despite the decrease recorded in most of the indicators related to indirect GHG sources, the increase in diesel-based transportation expenditure resulted in an increase of 28% in Scope 3 emissions (66,619 tCO₂e in 2015 and 85,240 tCO₂e in 2016). However, we emphasize the important cutback of 22% in the purchase of air tickets during the year, from 49,200 tickets in the previous period to 38,504 in 2016.

In 2016, we neutralized 63.3 tons of our carbon emissions in 11 events sponsored by BB and performed by the Brazilian Volleyball Confederation (CBV). The offset occurred through the assignment of definitive carbon credits to a project – replacement of fuel oil with natural gas in Solvay plant (Santo André – SP) of PVC monomer production. The project allowed other industries in the region to also use natural gas. All values have been certified by specialized companies and are in compliance with standard ABNT NBR 15948:2011.

G4-EN23 | Total weight of waste, broken down per type and method of disposal.

In 2016, we disposed of 1,413 Self-Service Terminals (SST) with a total weight estimated at 1,342.35 tons. The chart below shows the distribution of SSTs by quantity and location.

Quantity and percentage of SST per municipality with an existing warehouse in the Country.



The recyclable waste disposed of are managed by a specific system, in which our branches register, by estimate, the quantities of waste by type and destination (donation to recycling entities or public selective waste collection service), on a monthly basis. Organic and non-recyclable waste is intended for public collection. In 2016, 549.3 tons of mixed or non-recyclable waste were sent to public collection by the participating branches of the BB's Selective Waste Collection Program.

In 2015, the process of assessment of information and the own system of Selective Waste Collection Program data were updated to correct inconsistencies and adjust to the process of expansion to various branches in the Country, as well as legal specifications. Consequently, we chose to restart the historical series of tracking of data related to the Program, by defining such year as the ground zero of the new series.

Waste under the BB Selective Waste Collection Program per Type (t)		
	2015	2016
Paper	2,040.8	2,067.3
Plastic	232.8	252.1
Metal	45.2	63.6
Glass	22.4	46.7
Total	2,341.2	2,429.7

Source: GRS. Verification date: January 10, 2017.

G4-EN29 | Monetary value of significant fines and the total number of non-monetary penalties imposed as a result of non-compliance with environmental laws and regulations.

In 2016, we did not record any judicial or administrative proceedings that have generated significant fine for non-compliance with environmental laws and regulations.

G4-EN30 | Significant environmental impacts from the transportation of products and other assets and materials used in the organization's operations, as well as transportation of its staff.

The impact arises mainly from the greenhouse gas emissions from the vehicles used in the transportation of staff. We have adopted a series of measures to minimize this impact, such as contractual clauses entered into with our suppliers requiring the adjustment of vehicles to reduce the emission of pollutants and the control of noise pollution caused by exhaust pipes. Also, we required from them the proper disposal of tires and waste of the processes of maintenance and cleaning of vehicles.

We review regularly the contracted transportation modes, in order to identify routes that cause less environmental impact.

We have introduced other measures that contribute to mitigating the environmental impact caused by our transportation operations, such as:

- Digital Image Clearing (CDI) System – the process of scanning of all checks issued in the Country, resulting in less need for physical transportation of these documents. Since 2012, such process has eliminated approximately one thousand routes of ground transportation and 50 air transportation, plus a few routes conducted by boats, avoiding the emission of 5 thousand tCO₂e per year.

G4-EN30

- Authorized Direct Debit (ADI) – we recorded more than 10 million registered people in the Country, with approximately 270 million annual payment slips issued digitally. We estimate that, for our operations, the measure represents a mitigation of Greenhouse Gas (GHG) emissions in the amount of 23 thousand tCO₂e.
- Audio and video conferencing rooms – we have 437 audio and video conferencing rooms, which allows a reduction in the use of vehicles, the number of air tickets issued and reimbursement of taxi expenses.
- Shared Pouch Transportation FEBRABAN/Cash – we share the transportation of pouches and cash, which allowed a reduction between 15% and 20% of daily routes, which may affect the reduction of Scope 3 emissions.

G4-EN31 | Total investments and expenses in environmental protection, broken down per type.

In 2016, we invested R\$253.0 thousand in the acquisition of appropriate tools at the disposal of recyclable solid waste, R\$40.0 thousand in Greenhouse Gas (GHG) Protocol initiative and R\$12.8 thousand in certification ISO 14064 for the GHG emissions inventory.

For environmental prevention and management, R\$449.1 million were invested in Technological and Industrial Development Program, R\$2.0 million in transfers to WWF-Brasil and Fundação Banco do Brasil (FBB) for the execution of the actions of Água Brasil Program and R\$26.2 million in the purchase of reconditioned cartridges.

G4-EN32 | Percentage of new suppliers selected based on environmental criteria.

In 100% of our purchase processes, we consider environmental criteria. In the contracts that we enter into, there is a socioenvironmental responsibility instrument and, in 2016, the Standard Sustainable Purchases and Disposals document guided bids and contracts strengthening the culture of sustainability among our suppliers.

G4-EN33 | Actual and potential significant negative environmental impacts on the supply chain and measures taken in this regard.

In 2016, we did not identify suppliers with the high negative environmental impact that has motivated termination of the relationship.

G4-EN34 | Number of complaints related to environmental impacts recorded, processed and resolved through the formal mechanism.

In 2016, no individual occurrences were registered classified as Complaints related to environmental impacts in the External Ombudsman's Office.

Category: Social Subcategory: Labor Practices and Decent Work

G4-LA1 | Total number and rates of new employees hired and turnover of employees per age group, gender, and region.

The turnover rate shows the percentage of the number of employees replaced in the total headcount.

Turnover per Gender	2014	2015	2016	
Number of Employees⁽¹⁾				
Women	46,472	45,873	41,549	
Men	65,450	64,537	59,073	
Total	111,922	110,410	100,622	
Separations during the Period				2016 New Hires
Women	1,324	2,596	4,470	509
Men	2,424	4,436	6,004	915
Total	3,748	7,032	10,474	1,424
Turnover Rate (%)				2016 Hires Rate (%)
Women	1.18	2.35	4.44	0.51
Men	2.17	4.02	5.97	0.91
Total	3.35	6.37	10.41	1.42

(1) (Dismissals in the period/number of employees on December 31) X 100. 2014 and 2015 amounts recalculated to allow comparison.

Turnover Rate per Age Group in 2016 ⁽¹⁾	Separations	Rate of Turnover (%)	New Hires	Rate of Hires (%)
Up to 30 years of age	318	Turnover (%)	New Hires	Rate of
From 30 to 50 years of age	2,186	Hires (%)	516	0.51
Over 50 years of age	7,970	7.92	19	0.02
Total	10,474	10.41	1,424	1.42

(1) The change in the calculation considering the number of employees on December 31 prevents the comparison with the data of previous years.

G4-LA1

Turnover Rate per Region	2014	2015	2016	
Separations During the Period				2016 New Hires
South	646	1,159	1,570	124
Southeast	1,394	2,727	4,649	282
Midwest	822	1,200	1,833	311
North	221	311	344	146
Northeast	665	1,635	2,078	561
Total	3,748	7,032	10,474	1,424
Turnover Rate (%)				Hires Rate (%)
South	0.58	1.05	1.56	0.12
Southeast	1.25	2.47	4.62	0.28
Midwest	0.73	1.09	1.82	0.31
North	0.20	0.28	0.34	0.15
Northeast	0.59	1.48	2.07	0.56
Total	3.35	6.37	10.41	1.42

G4-LA2 | Benefits granted to full-time employees that are not offered to temporary or part-time employees, broken down per the major operational units of the organization.

All our employees, regardless of workload hours, receive the same benefits. Information available in Section 14 of the Reference Form at www.bb.com.br/pbb/pagina-inicial/relacoes-com-investidores/downloads#.

G4-LA3 | Rates of return to work and retention after maternity/paternity leave, broken down per gender.

Maternity/Paternity Leave-Related Indicators per Gender	2014		2015		2016	
	Women	Men	Women	Men	Women	Men
Employees Entitled to a Leave	43,367	65,279	67,184	47,657	41,549	59,073
Employees Who Took a Leave	2,613	2,864	1,871	2,631	2,789	2,778
Employees who Returned after a Leave	2,589	2,846	1,866	2,614	2,082	2,668
Employees who Remained in the Bank 12 Months	764	286	2,613	2,864	2,914	2,834
Rate of Return (%)	99.0	99.0	100.0	99.0	74.7	96.0
Retention Rate (%)	98.0	99.0	99.0	98.0	71.5	94.1

G4-LA4 | Minimum period of notification about operational changes and whether they are specified in collective bargaining agreements.

The notification about changes in our operations is not specified in collective bargaining agreements.

G4-LA5 | Percentage of the workforce represented in formal health and safety committees, composed of employees of different hierarchical levels, which help to monitor and guide programs of health and safety at work.

The Internal Commissions for Accident Prevention (CIPA) are scaled to the units that have more than 100 employees. Therefore, 27% of the employees are represented.

In addition, we have Teams for Communication and Self-Development (Ecoas) that can act, for example, in actions related to socioenvironmental responsibility, eco-efficiency, and quality of life of the employees. Its members can assist CIPA on dissemination of prevention campaigns.

G4-LA6 | Types and rates of injuries, occupational diseases, lost days, absenteeism, and the number of work-related deaths, broken down per region and gender.

The Notification of Occupational Accident (CAT) is a legal obligation of the company and complies with the guidelines of ILO – Code of Practice on recording and notification of occupational accidents and disease. These guidelines are available on our internal standards.

Safety and Health at Work	Region	2015		2016	
		Men	Women	Men	Women
Injury rate (number of injuries/ number of employees)	North	0.12	0.14	0.01	0.01
	Northeast	0.11	0.12	0.01	0.00
	Midwest	0.04	0.07	0.00	0.01
	Southeast	0.02	0.03	0.01	0.01
	South	0.02	0.05	0.00	0.01
Rate of occupational diseases (frequency of disease/number of employees)	North	0.09	0.12	0.00	0.00
	Northeast	0.10	0.11	0.00	0.00
	Midwest	0.04	0.07	0.00	0.00
	Southeast	0.01	0.02	0	0
	South	0.01	0.04	0	0
Rate of lost days (%) (days ⁽¹⁾ /hour)	North	0.49	0.63	0.46	0.58
	Northeast	0.42	0.59	0.42	0.58
	Midwest	0.34	0.62	0.36	0.62
	Southeast	0.33	0.47	0.34	0.46
	South	0.25	0.43	0.27	0.42
Lost days ⁽¹⁾	North	26,941	23,501	25,777	22,161
	Northeast	93,219	71,137	91,072	67,729
	Midwest	72,641	75,855	74,652	75,204
	Southeast	167,741	197,826	166,245	186,805
	South	52,298	63,434	56,617	62,498

G4-LA6

Safety and Health at Work	Region	2015		2016	
		Men	Women	Men	Women
Absenteeism rate (%) (lost days ⁽¹⁾ /estimated days)	North	3.93	5.01	3.7	4.66
	Northeast	3.35	4.69	3.34	4.65
	Midwest	2.76	4.93	2.89	4.99
	Southeast	2.66	3.74	2.70	3.68
	South	2.00	3.44	2.18	3.34
	Work-related deaths ⁽²⁾ (units)	North	0	0	0
	Northeast	0	0	0	0
	Midwest	0	0	0	0
	Southeast	2	0	1	0
	South	0	0	0	0

(1) Lost days due to sick leaves with occupational and non-occupational causes.

(2) The indicated death refers to the journey accident, i.e., it is not related to working conditions.

G4-LA7 | Employees with a high incidence or high risk of diseases related to their job.

There are no employees involved in occupational activities that present a high incidence or high risk of specific diseases.

G4-LA8 | Topics related to health and safety covered in formal agreements with trade unions.

The Collective Bargaining Agreement (ACT), which we entered with an entity representative of our employees, addresses, in approximately 14% of its clauses, the health and safety themes. We guarantee a payment, for up to 540 days after the return to work, of the cash bonus to employees who were granted a leave of absence due to Repetitive Strain Injury (RSI). We also guarantee the salary complementation when granting Social Security Sickness Benefit or Accident Sickness Benefit, and, for these same cases, the payment of the updated amount of the commission received on their last day of work before the leave for a period of 12 months. With respect to employees with restrictions on the performance of their usual activities, we promote their rehabilitation, according to the medical indication and ergonomic evaluation. In 2016, we reinserted 82 people who were on a sick leave.

G4-LA9 | Average number of hours of training per year per employee, broken down per gender and functional category.

Consolidated Training Indicators ⁽¹⁾	2014	2015	2016
Final Count	111,628	109,191	100,622
Trained	111,020	107,887	99,999
Training	2,092,867	2,043,766	2,275,615
Hours	9,343,210	8,261,981	7,271,306
Percentage of Trained People	99.46	98.81	99.38
Training Sessions per Employee	18.75	18.72	22.62
Hours per Employee	83.7	75.67	72.26

(1) Employees in situation 100, 211, 506, 510, 324, 326 and 580 were considered. All employees who have situation 580 and are assigned in prefixes of assignment informed by Dipes/Desaf. Classification considered for the definition of segments presented are excluded.

G4-LA9

Training Session per Gender and Function	2014				2015				2016			
	Men		Women		Men		Women		Men		Women	
	Managerial	Non-Managerial										
Final Count	23,694	41,153	12,856	33,287	23,506	40,303	12,782	32,600	21,469	37,604	11,521	30,028
Trained	23,623	40,878	12,821	33,083	23,347	39,642	12,720	32,178	21,441	37,238	11,517	29,803
Training	421,998	786,784	226,444	646,768	417,562	765,603	229,812	630,789	497,886	833,163	270,073	674,493
Hours	1,969,136	3,600,772	1,052,703	2,940,805	1,811,867	3,054,828	956,420	2,438,866	1,633,626	2,697,812	855,433	2,084,435
Percentage of Trained People	99.7	99.3	99.7	99.4	99.3	98.4	99.5	98.7	99.9	99.0	100.0	99.3
Training Sessions per Employee	17.8	19.1	17.6	19.4	17.8	19.0	18.0	19.4	23.2	22.2	23.4	22.5
Hours per Employee	83.1	87.5	81.9	88.4	77.1	75.8	74.8	74.8	76.1	71.7	74.3	69.4

Training Sessions per Employee Category	Senior Management		Management		Advisory		Operational		Technical	
	2015	2016	2015	2016	2015	2016	2015	2016	2015	2016
Final Count	229	240	36,059	32,750	7,989	7,270	60,779	56,122	4,135	4,240
Trained	218	228	35,849	32,730	7,952	7,242	59,752	55,572	4,116	4,227
Training	1,708	1,925	645,666	766,034	135,522	136,398	1,194,065	1,297,105	66,805	74,153
Hours	13,881	10,094	2,754,406	2,478,965	539,433	424,873	4,740,158	4,120,437	214,103	236,937
Percentage of Trained People	95.20%	95.00%	99.42%	99.94%	99.54%	99.61%	98.31%	99.02%	99.54%	99.69%
Training Sessions per Employee	7.46	8.02	17.91	23.39	16.96	18.76	19.65	23.11	16.16	17.49
Hours per Employee	60.62	42.06	76.39	75.69	67.52	58.44	77.99	73.42	51.78	55.88

G4-LA10 | Programs for the management of skills and ongoing learning that contribute to continued employment relationship of employees in the period of preparation for retirement.

In partnership with Previ, we have Caminhos para Aposentadoria (Paths to Retirement) Program for employees with 28 years or more of social security contributions, which provides the possibility to prepare a project of life for retirement, using the organizational support and contemplating social, economic, emotional and health aspects.

In addition, we offer undergraduate and graduate scholarships offered by Higher Education Program and courses in Language Program that enable the continuous training of employees whose skills developed can be applied on active duty or after retirement.

Finally, in the Corporate University of Banco do Brasil (UniBB), there are various courses intended for employees' personal improvement, topics applicable on active duty or after retirement, such as training of social educators, literacy teachers of BB Educar Program, voluntary action, and personal financial management.

G4-LA11 | Percentage of employees receiving performance and career development reviews on a regular basis, broken down per gender and functional category.

In 2016, 99.68% of our employees had their performance followed up by means of an instrument referred to as Professional Performance Management by Skills and

Results. Employees in experience agreement and statutory managing officers have their performance evaluated by a specific tool.

Employees Who Have Had Their Performance Followed Up by GDP (%)		
2014	2015	2016
99.48	99.30	99.68

Employees who Participated in the GDP per Functional Level and Gender	2014		2015		2016			
	Women	Men	Women	Men	Women	%	Men	%
Managerial	12,875	23,842	12,782	23,506	11,521	27.7	21,469	36.3
Technical	1,806	3,639	1,757	3,544	1,651	4.0	3,555	6.0
Operational	10,381	10,061	10,497	9,746	9,774	23.5	8,932	15.1
Advisory	2,849	4,385	2,750	4,073	2,528	6.1	3,776	6.4
Others	18,453	23,337	17,596	22,940	16,075	38.7	21,341	36.1

G4-LA12 | Composition of groups responsible for governance and description of employees per category, according to gender, age group, minorities and other diversity indicators.

G4-38

Diversity in Governance (%) ⁽¹⁾	2014	2015	2016
Per Gender			
Women	3.92	5.56	3.39
Men	96.08	94.44	96.61
Per Age Group			
Up to 30 Years of Age	0.00	0.00	0.00
From 30 to 50 Years	56.86	48.15	61.02
Over 50 Years of Age	43.14	51.85	38.98
Per Minority Groups			
Indigenous	0.00	0.00	0.00
Afro-Descendant	0.00	1.85	1.69
Brown-Skinned	1.96	1.85	6.78

(1) Includes members of the Board of Directors, the Executive Board, the Board of Auditors and the Audit and Compensation Committees.

G4-LA12

General Indicators of Staff Diversity (%)	2014	2015	2016
Per Gender			
Women	41.53	41.56	41.29
Men	58.47	58.44	58.71
Per Age Group			
Up to 30 Years of Age	13.71	12.81	11.19
From 30 to 50 years	67.92	70.52	75.26
Over 50 years of age	18.37	16.67	13.55
Per Minority Groups			
Indigenous	0.22	0.22	0.21
Afro-Descendant	2.55	2.62	2.79
Brown-Skinned	18.79	19.12	19.62

Staff Diversity in 2016 (%)	Managerial	Technical	Operational	Advisory	Others
Per Gender					
Women	11.45	1.64	9.71	2.51	15.98
Men	21.34	3.53	8.88	3.75	21.21
Per Age Group					
Up to 30 Years of Age	1.61	0.32	2.59	0.21	6.46
From 30 to 50 years	27.72	4.19	13.87	5.42	24.05
Over 50 years of age	3.45	0.66	2.13	0.63	6.67
Per Minority Groups					
Indigenous	0.04	0.01	0.05	0.02	0.10
Afro-Descendant	0.81	0.13	0.53	0.15	1.17
Brown-Skinned	5.91	1.04	3.10	1.09	8.48

Diversity	2014	2015	2016
Race and Ethnicity			
Afro-Descendant, Brown-Skinned or Indigenous	24,071	23,979	22,765
Leading Position			
Afro-Descendant, Brown-Skinned or Indigenous	7,283	7,319	6,808
Disabled People			
People with Special Needs	1,319	1,495	1,537

G4-LA13 | Salary and compensation mathematical ratio between women and men, broken down per functional category and relevant operational units.

Average Compensation per Gender and Job Category (R\$)	2014		2015		2016		Mathematical Ratio between Men and Women in 2016
	Men	Women	Men	Women	Men	Women	
Managerial	9,729	8,272	10,619	9,038	11,157	9,513	1.2
Technical	8,588	8,032	9,412	8,741	10,117	9,308	1.1
Operational	4,527	4,371	4,747	4,632	4,910	4,820	1.0
Advisory	10,562	10,151	11,423	11,040	12,123	11,617	1.0
Others	3,588	3,414	3,813	3,695	3,882	3,767	1.0

The compensation policy is independent of the geographic location of employees and complies with the clauses negotiated in the Collective Bargaining Agreement And the relevant operational units are all operations in Brazil, without discrimination per size and region.

G4-LA16 | Number of complaints related to labor practices recorded, processed and resolved through the formal mechanism.

In 2016, we received 1,409 complaints in the Internal Ombudsman's Office regarding people management processes, which were addressed by the responsible areas. Out of these, 358 were considered valid and forwarded for resolution.

Subcategory: Human Rights

G4-HR1 | Total and percentage number of significant investment agreements and contracts that include human rights clauses or that were submitted for review regarding human rights.

All our credit instruments have extraordinary/anticipated maturity clause in cases of non-compliance with the laws and rules relating to human rights.

Under the Equator Principles, the contracts entered into stipulated criteria related to human rights. During the period, three operations, two related to project finance and one related to the project finance advisory services, were contracted.

Additionally, we inform that, in 2016, there were no investments in other entities so that we became the majority shareholder.

G4-HR2 | Total number of hours of training of employees on human rights policies or procedures concerning Aspects of human rights relevant to the organization's operations, including the percentage of employees trained.

Course	Learning Goal and/or Expected Performances	Training Hours
Intercultural Skill (code 5049)	- Showing responsiveness and openness to learn, recognize and accept cultural diversity; - Identifying the main cultural characteristics of the people, acting in a tolerant and respectful manner.	6 hours
Complementary Actions <i>Minha Casa Minha Vida</i> (Real Estate Lending) Program (code 4669)	Preparing the staff for the preparation of the Social Work Project (PTS), which should be developed with beneficiary families, through a set of inclusive actions, of social and educational nature, aimed at strengthening the autonomy of families, their productive inclusion, and citizen participation, contributing to the sustainability of the housing developments.	8 hours
<i>Equidade de Gênero: uma Questão Cultural?</i> ("Gender Equity: A Cultural Matter?") (code 6067)	Promoting, in their daily routine, actions that promote gender equity, respecting women's participation in the organization.	1 hour
Diversity (code 3791)	Respecting and living together with differences among people, as a condition to follow up the ongoing social transformations.	1 hour
Accessibility – Disabled Customer Service (code 4963)	Identifying the peculiarities of the disabled customer service in compliance with the legislation in force.	6 hours
Disabled People – PcD (code 5443)	Identifying the different types of disabilities and their main characteristics.	1 hour

Course	Diversity	Complementary Actions <i>Minha Casa Minha Vida</i> (Real Estate Lending) Program	Accessibility – Disabled Customer Service	Intercultural	Disabled People – PcD	Gender Equity: A Cultural Matter?	Total
Managerial	4,822	419	423	411	3,890	956	1,786
Technical	455	71	46	116	625	168	355
Advisory	758	93	45	137	823	374	604
Operational	8,970	818	870	850	8,430	2,000	3,668
Others	71	0	17	9	87	29	38
Total	15,076	1,401	1,401	1,523	13,855	3,527	6,451
Hours	1	8	6	6	1	1	
Trainees Hours	15,076	11,208	8,406	9,138	13,855	3,527	61,210

G4-HR2

2016	Quantity of the Final Count	Quantity of Trainees	Quantity of Training Sessions	Quantity of Hours	% Trained
Managerial	32,990	1,538	1,802	6,900	4.66
Technical	5,206	369	435	1,548	7.09
Advisory	6,304	500	588	2,076	7.93
Operational	18,706	1,197	1,372	5,454	6.40
Others	37,416	2,416	2,663	10,123	6.46
Total	100,622	6,020	6,860	26,101	5.98

G4-HR3 | Total number of discrimination cases and corrective measures taken.

In 2016, we did not register any discrimination cases.

G4-HR4 | Identified operations and suppliers in which the right to practice freedom of association and collective bargaining might be infringed or there is a significant risk, and measures taken to support such right.

In compliance with the Equator Principles, in projects classified in categories A and B, we require our customers to establish complaint mechanisms for receiving comments and complaints about the socioenvironmental performance of undertakings and to facilitate the search for solutions to the demands, which favors the guarantee of freedom of association of people.

In the relationship with suppliers, we adopt selection criteria that include the right to guarantee the exercise of freedom of association and collective bargaining.

G4-DMA | Child labor. G4-DMA | Forced or slavery-like labor.

Our Specific Credit Policy stipulates that we do not conduct credit operations with customers that submit workers to degrading or slavery-like forms of work or that commit the exploitation of child labor or sexual exploitation of children. In addition, we are signatories to the Ecuador Principles and apply the Socioenvironmental Sustainability Standards of International

Finance Corporation (IFC) and the Performance Standards of the World Bank Group.

In our relationships with suppliers, we consider the fulfillment of the requirements of socioenvironmental responsibility through our Supplier Relationship Policy and our Code of Ethics, which expresses the compliance with labor, social security and tax legislation – including the non-use of a child or slavery-like labor. Such assumptions are required and monitored during the provision of services.

We require that our suppliers undertake, through a statement, not to employ a person under 18 years old in the night, dangerous or unhealthy work, as well as not to employ directly or indirectly a person under 16 years old, except as an apprentice and with a guarantee of school attendance.

G4-HR5 | Operations and suppliers identified as at risk for the occurrence of cases of child labor and measures taken to contribute to the effective eradication of child labor.

In 2016, no significant risks were identified and no complaints were received.

G4-DMA | Evaluation. G4-DMA | Evaluation of suppliers in human rights. G4-DMA | Mechanisms for complaints related to human rights. G4-HR6 | Operations and suppliers identified as at a significant risk for the occurrence of forced or slavery-like labor and measures taken to contribute to the elimination of all forms of forced or slavery-like labor. G4-HR9 | Total number and percentage of operations subjected to analysis or evaluations of human rights of impacts related to human rights. G4-HR10 | Percentage of new suppliers selected based on criteria related to human rights | G4-HR11 Actual and potential significant negative human right impacts on the supply chain and measures taken in this regard. G4-HR12 | Number of complaints related to human right impacts recorded, processed and resolved through the formal mechanism.

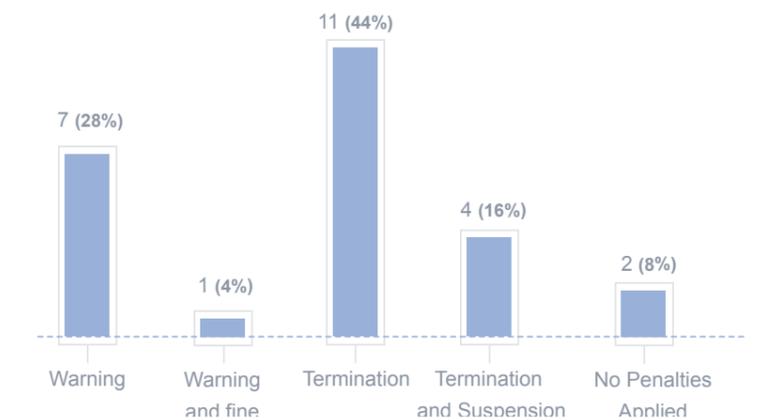
Since 2005, we participate in the Compact for Combating Slave Labor proposed by Ethos Institute. In 2016, we requested from the Ministry of Labor and Employment (MTE), supported by the Information Access Act, the list of Registry of Employers that have subjected workers to slavery-like conditions.

Our calls for bids establish that suppliers must submit various documents, including:

- a) Proof of good standing with the National Treasury for all federal taxes and the Federal Overdue Tax Liability, including social security contributions;
- b) Proof of good standing in the Employee's Severance Guarantee Fund (FGTS);
- c) Proof of non-existence of debts in arrears in the Labor Court.

We required and checked compliance with labor, social security, and tax obligations by analyzing evidence or complaints on possible violations and non-compliance.

During the execution of the contract, in case a violation of contractual or legal provisions is verified, administrative proceedings are opened aiming at the enforcement of an administrative penalty or, ultimately, unilateral termination of the contract. In 2016, out of 15,787 effective contracts, 25 (0.15%) were verified to be in non-compliance with labor legislation. Out of these, one was related to the engineering sector and the others of the service sector. The following figure presents the type of penalty imposed and the percentage with regard to breaches, after completion of the administrative proceedings, with proper defense guarantee provided to the supplier.



In 2016, we did not identify operations and suppliers with significant risk for occurrence of labor or slavery-like labor. No complaints involving degrading or slave labor, or complaints involving non-compliance with human rights were registered in the Internal Ombudsman's Office. We had no contract terminated for this reason.

G4-DMA | Security practices. G4-HR7 | Percentage of security personnel trained on the organization's policies or procedures relating to human rights that are relevant to operations.

We require, in agreement, that 100% of the employees of the companies contracted in the area of security are trained on surveillance with material approved by the Federal Police Department, that includes aspects of human rights and relations at work.

Subcategory: Society

G4-DMA | Local communities. G4-SO1 | Percentage of operations with programs implemented for local community engagement, impact assessment, and local development.

We work in partnership with Fundação BB (FBB), in 124 projects contracted under the Minha Casa Minha Vida (Real Estate Lending) Program (PMCMV), National Urban Housing Program (PNHU), range 1. In 2016, 44 of them were fulfilled, i.e. 35.5% of the total planned, comprising 20.3 thousand participants.

In the year, our Foundation also initiated the process of evaluation of the effectiveness of social programs and projects related to its practice vectors: Water, Agribusiness, Agro-Ecology and solid waste, Education and Other initiatives. This occurred through the application of questionnaires and information gathering. At the end of the period, we were still consolidating the data, which have not yet been disclosed.

FBB performs monitoring of projects in progress, assesses compliance with the clauses of the agreement, the execution according to the work plan approved and the fulfillment of the object proposed for the project. With that, we assess the impact of each action in its different dimensions (social, economic and environmental) to obtain evidence that they helped to transform the reality of the communities served.

G4-SO2 | Operations with actual and potential significant negative impacts on local communities.

In compliance with the Equator Principles and the performance standards of International Finance Corporation (IFC), the large-sized projects in the pursuit of financing are evaluated on a matrix of socioenvironmental risk:

- **Category A** – with potential significant adverse socioenvironmental risks and/or impacts, which are multiple, irreversible or unprecedented;
- **Category B** – with potential limited adverse socioenvironmental risks and/or impacts, in a reduced number, generally local, widely reversible and readily controllable through mitigating measures;
- **Category C** – without any adverse socioenvironmental risks and/or impacts or with minimum socioenvironmental risks and/or impacts.

In 2016, within category A, an operation was contracted to the infrastructure sector, in the North Region, in order to enable the outflow of grain production through the waterway. Mitigating actions

focused on consolidation of the infrastructure with Environmental Management and Control Programs of the project and Environmental Support and Offset Programs for the Local Community. In all the projects categorized as A or B, we required the customer to develop or keep an Environmental and Social Management System.

G4-SO4 | Communication and training on policies and procedures to combat corruption.

Our specific policy for the prevention and fight against money laundering, terrorist financing and corruption is widely known by all members of our governance bodies. The document is reviewed annually or extraordinarily, at any time, and is available in nine languages, to contemplate all the locations where we operate. In 2016, we approved the integrity program, which presents our actions in order to prevent, detect and punish practices of detrimental acts qualified as corruption.

Courses whose contents cover with specificity the anti-corruption theme are offered to the Senior Management staff (Officers, Executive Managers, General Managers of Strategic Units and Regional Superintendents). Out of the 218 employees that comprised this professional category on December 22, 2016, 37 performed such type of training, i.e. 17% of the total. It is worth mentioning the participation of employees of this segment in training contracted in the market.

In addition, the Corporate University of Banco do Brasil (UniBB) implemented the course of prevention and fight against corruption, available to all employees. The total employees who received training in the fight against corruption in 2016 are presented below.

G4-SO4

In the bids area, 3,305 contracts contain a clause in which companies undertake to comply with the legal principles and prohibit the use of names of employees or companies that work on behalf of the Bank to obtain improper advantages. In 2016, we prohibited the participation of companies with Government officials in their shareholding structure – including those who have occupied this function type previously – and their relatives up to the third degree in bids. With that, BB mitigates risks, in particular, the conflict of interests and corruption.

Managers Trained per State							
State	Count	Trained	%	State	Count	Trained	%
AC	77	8	10.39	PB	471	140	29.72
AL	258	78	30.23	PE	975	260	26.67
AM	264	118	44.70	PI	372	48	12.90
AP	120	19	15.83	PR	2,341	651	27.81
BA	1,603	368	22.96	RJ	2,580	638	24.73
CE	793	237	29.89	RN	500	123	24.60
DF	2,467	613	24.85	RO	247	55	22.27
ES	532	141	26.50	RR	87	33	37.93
GO	955	213	22.30	RS	2,126	574	27.00
MA	593	153	25.80	SC	1,725	552	32.00
MG	3,297	909	27.57	SE	232	47	20.26
MS	494	147	29.76	SP	9,687	3,186	32.89
MT	631	139	22.03	TO	250	76	30.40
PA	654	162	24.77	Overseas	49	6	12.24
Total Count	34,380	Total Employees Trained	9,694	Count (%)	100	Trained (%)	28.20

Technical and Administrative Segment per State							
State	Count	Trained	%	State	Count	Trained	%
AC	218	177	81.19	PB	902	388	43.02
AL	577	223	38.65	PE	2,086	845	40.51
AM	435	321	73.79	PI	785	191	24.33
AP	161	52	32.30	PR	5,971	2,530	42.37
BA	3,323	1,071	32.23	RJ	4,421	1,862	42.12
CE	1,602	690	43.07	RN	935	345	36.90
DF	9,238	3,419	37.01	RO	471	184	39.07
ES	876	396	45.21	RR	134	86	64.18
GO	1,673	620	37.06	RS	3,329	1,528	45.90
MA	1,185	455	38.40	SC	3,003	1,491	49.65
MG	6,473	2,736	42.27	SE	440	143	32.50
MS	795	379	47.67	SP	19,228	9,746	50.69
MT	1,084	465	42.90	TO	478	199	41.63
PA	1,186	461	38.87	Overseas	16	7	43.75
Total Count	71,025	Total Employees Trained	31,010	Count (%)	100	Trained (%)	43.66

G4-SO5 | Confirmed cases of corruption and measures taken.

In 2016, we did not register any judicial proceedings related to corruption filed against our institution and/or employees and no case linked to practices of acts referred to in article 5, of Act No. 12,846/2013. Also, we did not terminate nor fail to renew any contract as a result of violations.

However, we completed five administrative procedures with the determination of responsibilities in instances involving the charge or receipt of improper commission for a service provided, which resulted in the dismissal of five employees, the authors of the torts, and other disciplinary penalties for those indirectly involved.

G4-SO6 | Total amount of contributions to political parties and politicians, broken down per country and recipient/beneficiary.

We did not provide financial support to political parties.

G4-SO8 | Monetary value of significant fines and the total number of non-monetary penalties imposed as a result of non-compliance with environmental laws and regulations.

In 2016, we did not register any case of a significant fine.

G4-SO11 | Number of complaints related to impacts on society recorded, processed and resolved through the formal mechanism.

In 2016, we did not register any cases in the External Ombudsman’s Office, a channel responsible for receiving this kind of complaint.

Subcategory: Product Responsibility

G4-DMA | Customer health and safety. G4-PR1 | Percentage of categories of significant products and services for which impacts on health and safety are assessed seeking improvements.

In all architecture and engineering interventions that we conduct, we comply with internal standards and legislation in force, including the Fire Department, Environmental Agencies, and Historical Heritage. We comply with legal standards in 100% of cases.

G4-PR4 | Total number of cases of non-compliance with regulations and voluntary codes concerning information and labeling of products and services, broken down per type of results.

Customer Complaint		2014		2015		2016	
		Volume of Demands	Annual Index ⁽¹⁾	Volume of Demands	Annual Index ⁽¹⁾	Volume of Demands	Annual Index ⁽¹⁾
Demands Closed by the External Ombudsman’s Office	Direct	19,980	32.41	24,479	43.68	27,550	46.54
	Central Bank of Brazil	26,620	43.18	24,904	44.43	31,641	53.45
	Procon	10,256	16.64	15,793	28.18	17,099	28.89
Legal	Court System	53,574	-	69,802	-	76,339	-

(1) The number of complaints divided by the number of customers, multiplied by 100,000 equals the number of complaints for every group of 100,000 customers. Total customers on the conjugate database of the Customer Register of the National Financial System (CCS) and the Credit Information System of the Central Bank (SCR). Note: from 2015, the demands related to Administrative Hearings in Procons of the Country were incorporated into the Volume of Demands.

G4-PR5 | Results of customer satisfaction surveys.

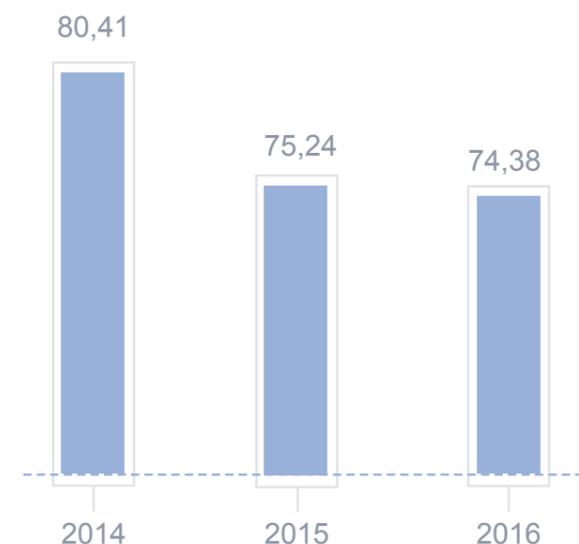
Since 1997, we conduct customer satisfaction surveys, including all stakeholders (Individuals, Companies and public sector).

G4-PR5

Banco do Brasil hires marketing research institutes affiliated with the Brazilian Association of Research Companies (ABEP) or the European Society for Opinion and Marketing Research (ESOMAR) to carry out satisfaction surveys for it.

The survey is carried out in two phases, qualitative, aiming at raising the attributes of satisfaction and perceptions of customers about the bank. This occurs on average every three years. The second phase is quantitative, held annually in order to measure perceptions and satisfaction attributes assessed in qualitative step.

Generally speaking, the attributes most valued by our customers in the composition of their degree of satisfaction are those linked to the relationship with our employee responsible for their account. The degree of satisfaction noted in the surveys of the last three years presented the results in the following chart, obtained by means of the weighted average of all stakeholders. They are within the zone of satisfaction – grades 4 and 5 on the 5-point Likert scale.



G4-PR7 | Total number of cases of non-compliance with regulations and voluntary codes concerning marketing communications, including advertising, promotion, and sponsorship, broken down per type of results.

We did not identify any case of non-compliance.

G4-PR8 | Total number of proven complaints regarding the violation of privacy and loss of customers’ data.

In 2016, our External Ombudsman’s Office received 170 complaints from Individual customers related to the breach of bank secrecy, three of them considered reasonable. We did not receive complaints from regulatory branches.

G4-PR9 | Monetary value of significant fines applied due to non-compliance with laws and regulations relating to the provision and use of products and services.

In 2016, no cases of significant fine from judicial and administrative proceedings were identified. However, we recorded the amount of R\$5.8 million relating to the sum of penalties for non-compliance with laws and regulations relating to the provision and use of products and services and charges relating to the time in the queue.

Sector Supplement – Financial Services

G4-DMA Portfolio of products

In 2016, we enhanced the offer of Sustainable Development course in BB. Intended for all operators and managers involved with the theme, it represents our efforts to ensure that the Model of Integrated Performance in Sustainable Development is used for the implementation of our sustainability strategy.

In order to prepare employees for extending credit consciously and socially responsible, the Socioenvironmental Credit and Risk course was updated in 2016. Since then, it has been performed by 3,706 employees.

We contribute to the universalization of social rights and citizenship. For this, we made available courses Essence: Ethics and Learning about the Code of Ethics and Rules of Conduct.

We made available to all employees the Sustainability Trail, which aims to ensure further alignment of training solutions in this topic to the corporate strategy. For managers, Sustainability Trail – Leadership is available, comprising the evaluation of managers of Business Units in the sustainability dimension.

G4-DMA Portfolio of products

Both development trails are linked, on the UniBB (the Corporate University of Banco do Brasil) Portal, to the profile of all the employees of the technical/administrative and managerial segments, respectively.

FS6 | Percentage of the portfolio of each business line, broken down per region, size (e.g. micro, small, medium or large enterprise) and business segment.

Information available in Explanatory Note 10 – Loan Operations, in the [Financial Statements](#) document [Financial Statement](#) and [Sustainable Credit Guidelines of Banco do Brasil](#).

FS7 | Monetary value of products and services with social benefit, separated by each business line and broken down per goal. FS8 | Monetary value of products and services with an environmental benefit, separated by each business line and broken down per goal.

Social Business

Product	Description	Total in the Portfolio in 2016 (R\$ million)	Number of Transactions Carried Out In 2016
Pronaf	It aims at professionalization of producers and their families, the modernization of the production system and the appreciation of the family rural producer. It is intended for financial support of farming and non-farming activities exploited through direct employment of the workforce of rural producer family.	41,934.6	562,950
BB Accessibility Credit	Line of Financing to customers with a gross monthly income of up to 10 (ten) minimum salaries, intended for the acquisition of goods and services of assistive technology based on Act No. 12,613 of April 18, 2012.	169.3	9,488
Fund for Financing the Higher Education Student (Fies)	We act as the financial agent of Fies, a student loan public policy of the Federal Government intended to finance the Higher Education degree to students who cannot afford to pay their education costs and the democratization of the access to quality education. Fies provides financing of up to 100% of face-to-face undergraduate courses. From the 2 nd half of 2015, the financing has the following characteristics: interest of 6.5% p.a., a grace period of 18 months upon completion of the course and period of amortization of three times the number of semesters financed. Only the payment of the financing interest, with a maximum amount of R\$150.00, is required during the use and grace period phase, on a quarterly basis.	27,106.4	80,398
Minha Casa Minha Vida (Real Estate Lending) Program (PMCMV) ⁽¹⁾	It includes funding for projects that meet requirements such as the inclusion of elderly and disabled people; environmental prevention standards and attitudes, such as the use of equipment and solutions; fulfillment of recommendations on execution of works; and execution of discussions and dissemination among its members of awareness of the reuse of materials, rational use of natural resources, low-cost alternative measures of water heating/degradable materials for construction or other uses, risks arising from the failure to preserve the environment and other irrelevant issues.	19,978.6	60,527
BB Microcrédito Empreendedor (Entrepreneur Microcredit)	Line of credit intended for Individual and Corporate customers aligned with the National Program for Microcredit for Production with Guidance (MPO), intended for working capital or investment, dedicated to meeting the financial needs of entrepreneurs of small-sized productive activities. It uses a methodology based on direct relationship with entrepreneurs, aimed at guiding and monitoring the business.	560.1	411,643

(1) In the Individual segment, 27,547 operations were carried out, which results in the portfolio of R\$19,437.7 million. On the Corporate segment, 32,980 operations were carried out, with R\$540.9 million at the end of 2016.

Loan FS7

Product	Description	Total in the Portfolio in 2016 (R\$ million)	Number of Transactions Carried Out In 2016
Worker Support Fund (FAT) Tax Driver	Car financing line whose fuel are of a renewable origin intended for individuals. This line uses FAT funds and promotes the generation of jobs and income.	350.6	4,965
BB Giro Rápido	Pre-approved credit line to meet the working capital needs of micro and small enterprises. The line comprises two types of credit – overdraft facility and fixed reusable credit, which adds social value by providing market differentials to micro and small enterprises. The product offers advantages such as the simplified process of extension of credit and contracts with the linkage of the guarantee of the Operation Guarantee Fund (FGO), which facilitates access to credit, including via mobile devices.	2,001.1	7,043
Proger	Financing line intended for micro or small enterprises for investment projects, with or without associated working capital, providing the generation or maintenance of employment and income in the urban area, in order to achieve sustainable development of microenterprises and small enterprises, aligned to Urban Proger.	2,272.1	6,527

Agribusiness Loan FS8

Product	Description	Total in the Portfolio in 2016 (R\$ million)	Number of Transactions Carried Out In 2016
ABC Program	Its main purposes are to reduce emissions of Greenhouse Gases (GHG) from agricultural activities and deforestation and stimulate the recovery of degraded areas.	9,166.2	3,438
Pronaf Florestal (Forest)	It aims to support investments in projects that meet the requirements defined by the Department of Family Agriculture/Ministry of Agricultural Development for: agroforestry systems; ecologically sustainable extraction exploitation; handling plan and forest handling, including the costs related to the deployment and maintenance of the project; and enrichment of areas that have diverse forest cover, with the planting of one or more native forest species of the biome.	170.3	88
Pronaf Agroecologia (Agroecology)	Credit line intended for farmers eligible to Pronaf for investments related to specific projects of agroecological or organic production systems, including the costs related to the deployment and maintenance of the project.	9.1	93
Pronaf Eco-Dendê (Oil Palm)/ Seringueira (Rubber Tree)	Credit line intended for farmers eligible to Pronaf for investments in the deployment of crops of oil palm or rubber tree, with associated costs for maintenance of the crop.	10.8	2

FS8

Product	Description	Total in the Portfolio in 2016 (R\$ million)	Number of Transactions Carried Out In 2016
Pronaf Eco	Line intended for farmers eligible to Pronaf who intend to deploy, use, retrieve or adopt renewable and/or environmental energy technologies, water storage, small hydroelectric plants, forestry or practices for conservation and correction of acidity and fertility of the soil.	218.2	384
Moderagro	Fixed credit line intended for agricultural investments with funds from BNDES. It promotes actions related to animal defense and the implementation of animal traceability systems for human food. The program supports the recovery of soils, in addition to promoting the sectors of production, processing, industrialization and storage of beekeeping, aquaculture, poultry farming, chinchilla farming, rabbit farming, floriculture, fruit growing, horticulture, fishing, sheep and goat husbandry, dairy farming, frog breeding, sericulture and pig farming products.	640.0	429
Pronamp	A program intended to finance the normal expenses of costing and investment, aiming to promote the development of rural activities of medium-sized producers and provide an increase in income and employment generation in rural areas.	24,560.3	124,443
Warehouse Construction and Expansion Program (PCA)	It aims to support investments needed for the expansion and construction of new warehouses. Therefore, it contributes to the improvement of the income of rural producers and the distribution and storage of food produced in the Country, supporting food safety.	3.5	206
Semiárido (Semi-arid)	Financing for the region of Sudene (Superintendence for the Development of the Northeast) with reduced financial charges regarding rural financing to other regions of the Country. The region of Sudene has as main feature the frequent droughts that may be characterized by the absence, scarcity, high spatial and temporal variability of rainfall. It is not rare the succession of consecutive years of drought.	20,207.7	106,563
Agricultural Funding with No-Till Farming	Financing with the use of a no-till farming system that follows the logic of forests. As well as the organic material fallen from trees turns into a rich natural fertilizer, straw decomposed from previous crops, macro and micro-organisms, becomes the "food" of the soil. The advantages are a reduction in the use of chemical inputs and control of erosion processes since the water infiltration becomes slower by permanent soil coverage. The No-Till Farming System in the straw (SPDP) contributes so the soil is not taken by the erosions and store more nutrients, fertilizers, and correctives.	20,455.3	96,734
Inovagro	Program for Incentive to Technological Innovation in Agricultural Production (INOVAGRO) supports investments necessary for the incorporation of technological innovation in rural properties, aiming at increasing productivity, the adoption of good agricultural practices and rural property management and the competitive insertion of rural producers in different consumer markets.	2,129.6	1,216

Means of Payment FS8

Product	Description	Number of Cards Issued in 2016	16/15 Growth (%)
Ourocard Empreendedor	Credit card specific to meet the Individual Micro-Entrepreneurs (MEI), exempt from the annual fee, for the purpose of leveraging the credit in this segment and facilitating the use of banking services and the transaction of financial funds.	15,731	(19.9)%
Ourocard Origens Reciclado	Our first card produced with recycled plastic. Each card requested, the customer donates R\$5.00 to Instituto Terra, which promotes the recovery and sustainable management of forests of Atlantic forest region, adheres automatically to the service of invoice rounding and helps with the planting of one of 400 trees necessary to promote recovery from a spring.	11,629	(17.4)%
Payment Card of Civil Defense (CPDC)	Card intended for the payment of expenses with actions of support and assistance to victims and recovery of essential services, used exclusively in emergency situations or public disaster situation and recognized by the National Department of Civil Defense.	2,144	(9.3)%
Rounding of Invoice	Ourocard-holding customers that adhere to this service will have their invoice amount rounded up to the next integer value, above, and the cents corresponding to the difference will be donated to a partner non-profit organization. Currently, donations are intended solely to Instituto Terra, which promotes reforestation of deforested areas of Atlantic forest and is responsible for the recovery of more than 40 million square meters.	96,522	27.5%

Insurance and Capitalization FS7

Product	Description	2016 Revenues (R\$ million)	Share in the Total Revenue of the Portfolio in 2016 (%)
<i>Ouro Vida</i>	It transfers to Fundação Banco do Brasil (FBB) 50% of its revenue of stipulation to be applied in the social programs of that entity.	751.1	26.9%
<i>BB Seguro Vida Mulher (Women Life Insurance)</i>	It transfers to FBB 50% of its revenue of stipulation to be applied in the social programs of that entity.	347.8	12.4%
<i>Ouro Vida Grupo Especial</i>	It transfers to the National Federation of Athletic Associations of Banco do Brasil (FENABB) 2.19% of the percentage of the stipulation.	804.3	28.8%
Customized	It transfers the percentage of stipulation to FENABB.	133.8	4.8%
<i>Ourocard Torcida – Monthly Payment</i>	Education – it transfers to FBB the percentage of 0.5% of total funds raised in payment by subscribers of the second monthly payment and 0.5% of the third monthly payment of capitalization bonds from R\$600 to R\$1 thousand through direct debit and credit card.	349.1	6.2%
<i>Ourocap Torcida Brasil – Lump-sum payment</i>	Education – it transfers to FBB the percentage of 0.25% of the total funds raised in payment by subscribers of a lump sum of capitalization bonds from R\$600 to R\$1 thousand through direct debit.	524.1	9.3%
<i>Ourocap Torcida Brasil – Lump-sum payment</i>	Environment – it transfers to FBB the percentage of 0.25% of the total funds raised in payment by subscribers of a lump sum of capitalization bonds from R\$2 thousand to R\$5 thousand through direct debit and from R\$1 thousand to R\$5 thousand through credit card.	874.0	15.5%
<i>Ourocap Torcida Brasil – Monthly Payment</i>	Education – it transfers to FBB the percentage of 0.25% (point twenty-five percent) of total funds raised in payment by subscribers of the second monthly payment and 0.25% (point twenty-five percent) of the third monthly payment of capitalization bonds from R\$400 to R\$1 thousand through direct debit and credit card.	233.6	4.1%
	Education – it transfers to FBB the percentage of 0.25% (point twenty-five percent) of total funds raised in payment by subscribers of the second monthly payment and 0.25% (point twenty-five percent) of the third monthly payment of capitalization bonds from R\$200 to R\$350 thousand through direct debit and credit card.	234.4	4.2%
	Education – it transfers to FBB the percentage of 0.25% (point twenty-five percent) of total funds raised in payment by subscribers of the second monthly payment and 0.25% (point twenty-five percent) of the third monthly payment of capitalization bonds from R\$60 to R\$300 thousand through direct debit and credit card.	579.1	10.3%
<i>Ourocap Estilo Flex</i>	Environment – It transfers to FBB the percentage of 0.25% (point twenty-five percent) of the total funds raised in the payment, by subscribers, of the 48 (forty-eight) monthly payments of capitalization bonds PP 93 E, in the amount from R\$250 to R\$500, through direct debit.	18.8	0.3%

Investments FS8

Product	Description	Shareholders' Equity in 2016 (R\$ million)	Profitability in 2016 (%)
<i>BB Referenciado DI Social 50</i>	It transfers 50% of the management fee to FBB, in order to benefit social projects.	105.3	11.2%
<i>BB Ações ISE Jovem FIC</i>	It transfers 20% of the management fee to FBB, in order to benefit the initiatives of <i>Água Brasil</i> Program. The portfolio of the Corporate Sustainability Index (ISE) consists of shares of companies that present a proposal for comprehensive corporate responsibility, which considers aspects of good governance, economic efficiency, environmental balance and social justice.	8.6	11.7%
<i>BB Multimercado Global Acqua LP Private FI</i>	It invests part of its equity in Brazilian and global companies that include water treatment or processing in their production process.	254.1	12.9%
<i>BB Ações Carbono Sustentável FIA</i>	It follows the Carbon Efficient Index (ICO2), created by BNDES and B3, consisting of shares of IbrX 50 member companies, which adopt transparent practices with regard to their GHG emissions.	4.0	27.1%
<i>BB Previdenciário Ações Governança</i>	Fund intended for own social security regimes established by the Federal Government, by States or by the Municipalities and that follows the Corporate Governance Index (IGC) of B3, composed of companies recognized by good corporate governance practices, whose shares are traded in tiers I and II of corporate governance in Novo Mercado.	107.9	28.4%
<i>FIP Brasil de Governança Corporativa</i>	Structuring of a fund intended for the purchase of interests in companies that may be conducted at the stage of the global corporate governance company (pre-IPO), with solid fundamentals of management, with the possibility of enhancement of corporate governance practices and application of self-sustainability concepts, with maturity for conflict management and treatment of environmental issues.	151.5	(58.8)%
<i>Brasil Sustentabilidade FIP</i>	Structuring of a fund intended to the purchase of interests in companies whose activities include projects with the potential to generate carbon credits, with the incorporation of sustainability principles to investment decisions.	215.9	7.1%
<i>Brasil Agronegócio FIP</i>	Structuring of a fund (FIP) intended for the purchase of interests in Brazilian companies in which solid grounds have been identified and that can benefit from contributions of capital, in order to take them to the stock market. The focus of investments of the Fund will comprise the entire production chain of agribusiness. Investees must adopt standards of socioenvironmental responsibility (seeking to minimize possible impacts harmful to the environment arising from their activities) and adopt good corporate governance practices.	389.9	(24.8)%
<i>Fundo Brasil de Internacionalização Empresas FIP</i>	Structuring of a fund (FIP) intended for the purchase of interests in medium-sized Brazilian companies, already active in foreign trade, or that have the potential for internationalization. E.g.: high value-added sectors, leading companies in national sectors and sectors in which Brazil is competitive. Investees must adopt standards of socioenvironmental responsibility (seeking to minimize possible impacts harmful to the environment arising from their activities) and adopt good corporate governance practices.	233.3	(2.2)%

Product	Description	Shareholders' Equity in 2016 (R\$ million)	Profitability in 2016 (%)
<i>Brasil Portos e Ativos Logísticos FIP</i>	Structuring of a fund (FIP) intended for the purchase of a company in the various sectors of logistics, including: port, dockside and storage assets, distribution centers, assets for handling and transportation of loads. Investees must adopt standards of socioenvironmental responsibility (seeking to minimize possible impacts harmful to the environment arising from their activities) and adopt good corporate governance practices.	226.8	(3.0)%
<i>FIP Fundo Brasil Óleo e Gás</i>	Structuring of a fund (FIP) intended for the purchase of companies and/or projects related to oil and gas production chain, in particular, service providers and manufacturers of capital goods. Investees must adopt standards of socioenvironmental responsibility (seeking to minimize possible impacts harmful to the environment arising from their activities) and adopt good corporate governance practices.	80.4	(0.6)%
<i>Fundo Brasil de Internacionalização Empresas II FIP</i>	Structuring of a fund (FIP) intended for the purchase of interests in medium-sized Brazilian companies, already active in foreign trade, or that have the potential for internationalization. E.g.: high value-added sectors, leading companies in national sectors and sectors in which Brazil is competitive. Investees must adopt standards of socioenvironmental responsibility (seeking to minimize possible impacts harmful to the environment arising from their activities) and adopt good corporate governance practices.	343.8	2.8%
<i>BNDES Governo</i>	Line of financing intended for the states and the Federal District for investments in public works, equipment, and facilities, focused on social benefits for the people affected by the actions.	5.8	3
<i>Provias</i>	Line of financing intended for the municipalities for the purchase of machinery and equipment for interventions on public roads, highways, and roadways, focused on the social benefits to the people affected by the actions.	1.1	1
<i>Modernization of Tax Administration and Management of Basic Social Sectors Program (PMAT)</i>	Financing to support investment projects of municipal public administration focused on the modernization of tax administration and the improvement of the quality of public spending, aiming at providing an efficient public management which generates revenue increase and/or reduction of the unit cost of services provided to the community.	4.1	5
<i>BB Public Sector Financing (operations with states)</i>	Financing, with the transfer of external or our funds, of programs and actions specified in strategic planning of the states. It causes social impacts due to the improvement in the quality of life of the population.	150.3	1

G4-DMA Audit

Our Internal Audit Unit conducts surveys, periodically and independently, about the risks to which we are exposed. We plan the actions of the mentioned body in compliance with the requirements of the Ministry of Transparency and Supervision – Office of the Comptroller-General (CGU). Therefore, we conduct audits at least every year and at most every three years, when we evaluate our adherence to environmental policies and commitments that we undertake. If we identify the need to improve our practices, we stipulate corrective actions, with people in charge and deadlines.

Currently, we have the limited assurance by a third party about the information and indicators relating to sustainability theme within the scope of this Annual Report.

G4-DMA Active share control

For the General Meetings of the Entities Affiliated with Banco do Brasil (ELBB), we recommend the attendance of the shareholder, partner or legal representative – and their votes – regarding topics such as: approval of accounts for the previous fiscal year, dividend distribution, election of directors and stipulation of the amount of the overall compensation of the administrators. In 2016, we followed up the resolutions about socioenvironmental and sustainability issues in the meetings of the Board of Directors (BoDs) of the following Affiliated Entities:

- **Ativos:** we worked on the revision of the Unified Risk Management Policy (including socioenvironmental risk);
- **Cielo:** we participated in the review of the Socioenvironmental Responsibility Policy;
- **Banco Patagonia:** we were present at the approval of the RSE Report, which details the socioenvironmental programs conducted in the previous year;
- **Neoenergia:** there were voting guidelines, registration of votes/decisions and matters addressed/resolved involving environmental, socioenvironmental and sustainability issues.

FS10 | Percentage and number of companies in the portfolio of the institution with which the reporting organization interacted regarding socioenvironmental issues.

Under the Equator Principles, in 2016, we interacted with customers in the following number of processes/contracted operations: i) project finance: 2; and ii) advisory services: 1.

In addition to the Ecuador Principles, we adopted socioenvironmental criteria in the evaluation of the study of the credit limit of companies and investment projects. Currently, such procedures are applied to companies or economic groups with Gross Operating Income (GOI) verified or estimated above R\$200 million and investment projects with the amount financed by us less than or greater than R\$2.5 million. In 2016, 5,272 evaluations were applied to the study of the credit limit of companies and 24 evaluations of investment projects.

FS11 | Percentage of assets subject to environmental and social screening (positive and negative).

We, through BB Gestão de Recursos DTVM S.A., managed R\$730.9 billion in third-party funds at the end of 2016. Out of this total, R\$483.4 million were subject to some sort of socioenvironmental screening, which corresponds to funds with socioenvironmental characteristics.

With regard to assets, in December 2016, 1.1% of them were submitted to positive screening. For this kind of analysis, we developed a methodology for the incorporation of environmental, social and corporate governance aspects, which includes general and specific indicators. The first ones were segmented into four distinct pillars comprising issues related to the governance structure, socioenvironmental aspects and the positioning of the company with regard to sustainability indexes. The specific indicators were defined according to the needs of each area.

Such methodology is aligned with BACEN (Central Bank of Brazil) Resolution No. 4,327/2014. These evaluations refer exclusively to third-party funds.

G4-DMA Local communities | FS13 | Access points in areas with low population density or economically underprivileged population, broken down per type | FS14 | Initiatives to improve the access to financial services by underprivileged people.

We are present in 99.8% of Brazilian municipalities, through our own network, corresponding channels (Banco Postal and Mais BB) and the shared network (Tecban, Caixa Econômica Federal – CEF – and Banco Regional de Brasília – BRB). Since 2012, our entire self-service park is in compliance with the accessibility standard ABNT 2005/15,250.

Our decisions about the opening or closing of service stations are taken through strategic positioning analysis and adoption of measures to improve our operational efficiency. The activity of the shared network and Banco24Horas occurs from resolutions agreed with partners.

In 2016, the network of correspondent banks presented normal turnover. A summary of the configuration of our service network is described below.

Region	Branches		Stations		Banco24Horas		Points Shared		Correspondent Banks	
	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing	Opening	Closing
North	-	-	2	55	111	155	58	145	38	41
Northeast	5	-	9	126	265	383	69	211	754	1,113
Midwest	4	-	7	84	152	166	38	166	118	231
Southeast	10	4	11	595	1,183	1,621	180	350	565	559
South	9	13	5	251	167	140	54	247	179	393
Total	28	17	34	1,111	1,878	2,465	399	1,119	1,654	2,337

G4-DMA Product and service labeling

We promote a series of initiatives to educate our employees and customers financially and contribute so they can recommend or make more suitable options when contracting or using their funds.

For external stakeholders, the activities developed in 2016 included:

Seu Bolso e Você (Your Wallet and You) Workshop – face-to-face, it involves the stakeholders of segments D and E of the population, beneficiaries of social programs, public policies and projects of FBB, microentrepreneurs, and community in general and provides them with training on personal, family and/or business financial planning.

Portal do Banco do Brasil – it includes courses and digital content for individuals and micro-entrepreneurs about financial planning and how to manage personal and family budget.

Tá na hora (It's time) Portal – financial education webpage, intended for external stakeholders, bringing learning possibilities in three main axes: Deciding, Planning and Making dreams come true.

Financial advice – we provide this service via telephone and, in 2017, service provided by credit specialists will also be available.

Uso Responsável do Crédito (Responsible Use of Credit) Campaign – advertising campaign through radio, TV and social network, which stimulates education and financial management.

G4-DMA Product and service labeling

Educação Financeira BB (BB Financial Education) Portal – in order to stimulate the practice of responsible use of credit, we disclose guidance, courses, simulators, tips and links on the theme on the Portal at www.bb.com.br/educacaofinanceira.

Orientador do Crédito (Credit Advisor) – sa digital solution that “dialogue” with customers, whether account holders or not. Through answers provided, the tool helps them to identify the most suitable option for their situation.

Trato – this application helps parents to stimulate their children’s financial education since childhood.

Solução de Dívidas (Debt Solution) Portal – a tool that provides customers with a broader view of their financial commitment with us, with the possibility of renegotiation and adequacy of their monthly installments.

Products and services – we promote financial education and banking inclusion through appropriate products and services to customers.

Participation in events – in May 2016, we participated in the 3rd National Week of Financial Education (Enef) and promoted actions aligned with the guidelines defined along with the other banks participating in the Financial Education Committee, coordinated by FEBRABAN.

Financial advisory services and experts – through Banco do Brasil Estilo, we provide Financial Advisory Service and, during the year, we added experts in investments, social security, pension plan and real estate credit to the digital model.

Minhas Finanças (My Finances) – in the testing phase, the functionality will be available on the BB application for cell phone and will assist customers in monitoring their budget.

Credit Experts – we also prepared a team to act as Experts in Credit. In addition to branch employees, we also provide training to the call center staff members.

Universidade do Cliente and Pensa Universitário – we launched, in November, bb.com.br/conhecereinnovar, platform, which allows customers to access informational and collaborative content.



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Independence Statement

To the Board of Directors and Shareholders of
 Banco do Brasil S.A.
 Brasília - DF

Brasília, May 09, 2017

In connection with the action to be taken with respect to the issuance of the Independent Auditors on the sustainability information disclosed in the Annual Report of the Banco of Brasil SA, related to the year ended December 31st 2016 we declare that KPMG is independent in relation to the Banco do Brasil SA and there was no conflict of interest in the verification of environmental and social data on the sustainability information in accordance with the rules of the International Federation of Accountants (IFAC) Code of Ethics and local rule CFC Resolução CFC 1.312/10.

Very truly yours

KPMG Auditores Independentes
 CRC SP-014428/O-6 F-DF
Original report in Portuguese signed by
 Marcelo Faria Pereira
 Accountant CRC RJ-077911/O-2

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Independent Auditors' Limited Assurance Report G4-33

To
 The Board of Directors, Shareholders and Management
Banco do Brasil S.A.
 Brasília - DF

Introduction

We have been contracted with the purpose of applying limited assurance procedures on the sustainability information disclosed in the Annual Report of Banco do Brasil S.A., related to the year ended December 31, 2016.

Responsibilities of Company Management

The management of the Banco do Brasil is responsible for the preparation and adequate presentation of the sustainability information disclosed in the Annual Report according to the Guidelines for Sustainability Reports of the Global Reporting Initiative - GRI (GRI-G4) and using the internal controls that it determined as necessary to enable preparation of such information free of any relevant distortion, even though it was resulted by fraud or error.

Independent auditors' responsibility

Our responsibility is to express a conclusion about the information in Annual Sustainability Report based on the limited assurance engagement conducted in accordance with Technical Notice (CT) 07/2012 approved by the Federal Accounting Council and prepared in accordance with NBC TO 3000 (Assurance Engagements Other Than Audits and Reviews), issued by the Federal Accounting Council - CFC, which is the equivalent to international standard ISAE 3000 issued by the International Federation of Accountants applicable to Non-Historical Information.

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

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G4-33

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) primarily consists of questioning to the management of Company and other Company's professional involved in preparing the information in the Annual Report and also applying analytical procedures to obtain evidence that allows us to make a limited assurance conclusion about the information taken as a whole. A limited assurance engagement also requires additional procedures when the independent auditor learns of issues which lead them to believe that the information in the Annual Report, taken as a whole, could present material misstatement.

The selected procedures were based on our understanding of the issues related to the compilation and presentation of the information in the Annual Report and other engagement circumstances and considerations about areas where material misstatement could exist. The procedures consisted of:

- a. the planning of the work, considering the relevance, amount of quantitative and qualitative information and the operational systems and internal controls that served as a basis for preparation of the information in the Annual Report;
- b. the understanding of the calculation methodology and the consolidation procedures used to of the indicators through interviews with the personnel in charge of the preparation of the information;
- c. the application of analytical procedures to the quantitative information and inquiries about the qualitative information and its relation to the indicators disclosed in the information presented in the Annual Report; and
- d. the comparison of the financial indicators with the financial statements and/or accounting records;

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our limited conclusion.

Scope and limitations

The procedures applied in a limited assurance engagement are substantially less extensive than those applied in an assurance engagement aiming to express an opinion about the information in the Annual Report. Due to this, it does not ensure us that we are aware of all the issues that would be identified during an assurance engagement which aim to express an opinion. If we had conducted an engagement in order to express an opinion, we may have identified other issues and possible misstatements which can be in the information presented in the Annual Report. Therefore, we are not expressing an opinion about this information.

The nonfinancial data is subject to more inherent limitations than the financial data, due to the nature and diversity of the methods used to determine, calculate or estimate this data. Qualitative interpretations of the data's materiality and accuracy are subjected to individual presumptions and judgments. Additionally, we did not examine data informed for prior periods or future projections and targets either.

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2



G4-33

The objective of our work was to apply limited assurance procedures on the sustainability information disclosed in the Annual Report of Banco do Brasil, not including its greenhouse gas emissions data, neither the assessment of the appropriateness of its policies, practices and sustainability performance.

Conclusion

Based on the applied procedures, described in this report, nothing has come to our attention that leads us to believe that the information contained in the Annual Report 2016 prepared by Banco do Brasil SA, were not compiled, in all relevant aspects, in accordance with the Sustainability Reporting Guidelines of the Global Reporting Initiative - GRI (GRI-G4).

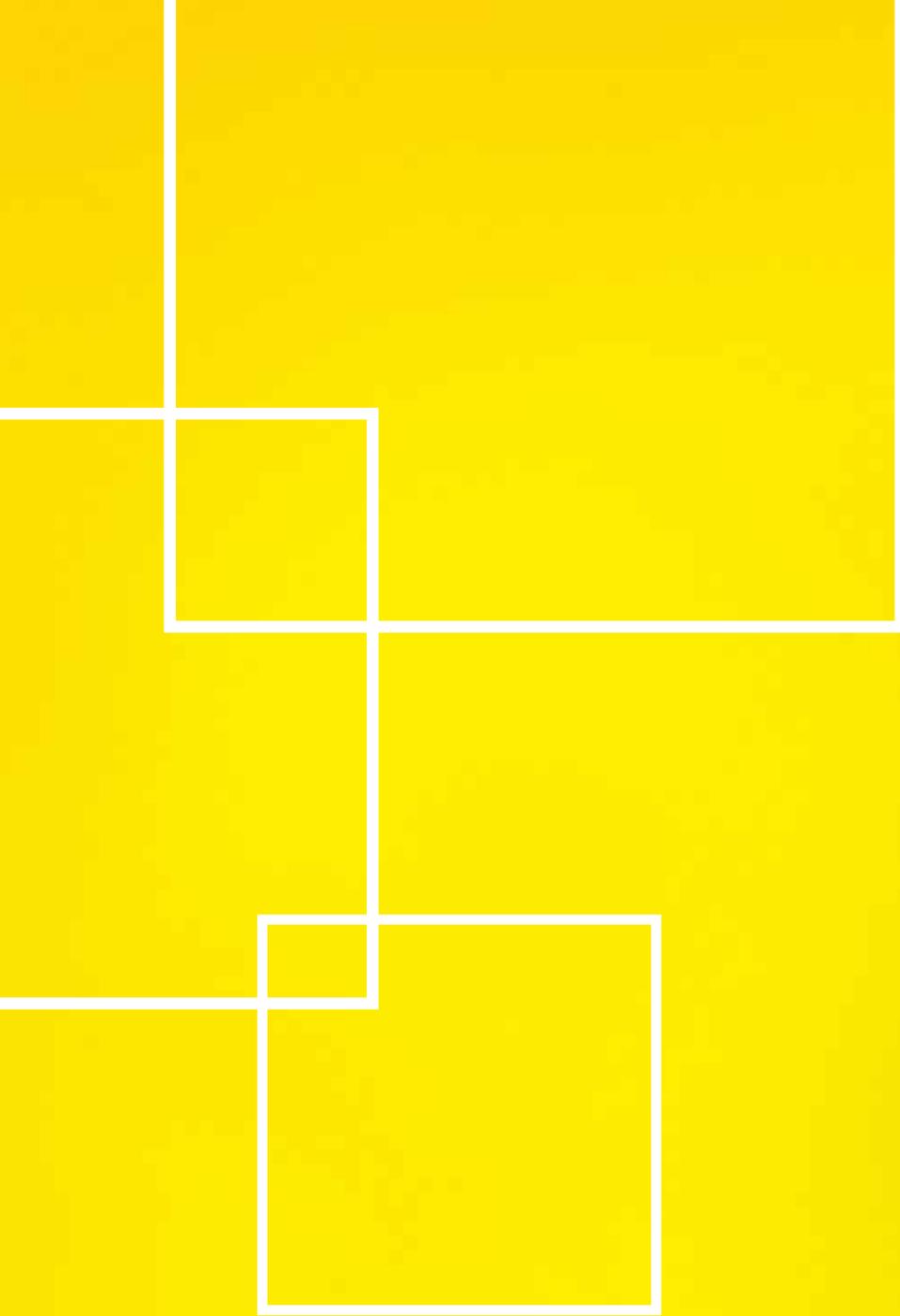
Brasília, May 09, 2017

KPMG Auditores Independentes
CRC SP-014428/O-6 F-DF
Original report in Portuguese signed by
Marcelo Faria Pereira
Accountant CRC RJ-077911/O-2

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3



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