

sustainability

customers

people

efficiency

innovation

# integrated report

2 0 1 9

# contact channels

Any questions, suggestions or critiques about this report can be submitted to our Investor Relations website ([banco.bradesco/ri](http://banco.bradesco/ri)) or by email to: [investidores@bradesco.com.br](mailto:investidores@bradesco.com.br).

GRI 102-53

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# foreword

GRI 102-46; 102-47; 102-50; 102-54



Our Integrated Report 2019 describes our most significant activities and results for the year across the four pillars that form the basis of our strategic plan (sustainable and profitable growth, customer relations, efficiency and innovation, and human capital) and the 12 topics currently deemed most material by us and our stakeholders, as identified in our most recent stakeholder survey in 2018. The 12 topics are:

- Customers;
- Technology and innovation;
- Human capital;
- Market and competition;
- Business strategy;
- Efficiency;
- Economic environment;
- Social and environmental responsibility;
- Corporate governance;
- Risk management;
- Regulation and compliance;
- Capital management.

In developing this report, we have continued to draw guidance from the Global Reporting Initiative (GRI) and International Integrated Reporting Council (IIRC) guidelines. In addition to the GRI, we have also followed the integrated reporting guidelines to bring Bradesco's financial and non-financial information together into a coherent whole. Other sources of guidance include the Sustainability Accounting Standards Board (SASB) meth-

odology, the B3 (Brazilian Exchange & OTC), Corporate Sustainability Index (ISE), the Dow Jones Sustainability Index (DJSI), the Carbon Disclosure Project (CDP), the Task Force on Climate-related Financial Disclosures (TCFD), addressing climate-related risks and opportunities, and the ABRASCA Listed Company Self-Regulation Code and Good Practices. We also report on our performance and challenges in supporting the United Nations (UN) Sustainable Development Goals (SDGs) as part of 2030 Agenda.

This report has been prepared in accordance with the GRI Standards: Core Option, for the period January 1 to December 31, 2019. The publicly available social and environmental disclosures in this report cover more than 75% of our revenues. Where relevant, the report also provides information about the first months of 2020, as part of a commitment to disclose up-to-date information to our stakeholders.

Our Integrated Report has again been a collective effort of employees from across different functions at Bradesco.

The report is published in two formats: a condensed version in print and the full report in PDF, available for download from the Bradesco investor relations website: [banco.bradesco/ri](https://banco.bradesco/ri).

We hope you find this report useful and informative.

# how to read this report

Our Integrated Report 2019 describes our essence as an Organization and the results we achieved in 2019 with the support of our fundamental pillars. In the report, we present our DNA, our organizational structure and our strategic vision, followed by an account of the key ways we have delivered across the three dimensions of sustainable business management: economic, social and environmental.

Each chapter features icons (see *below*) that correlate the topics discussed with the relevant integrated reporting capitals, the stakeholders affected and the SDGs supported by our activities.

For the purpose of standardization, when we refer to Bradesco as a whole, we use the terms Organization or Bradesco. When we refer to banking activities only, we

use the term Bank. The Bradesco Seguros Group is also referred to as Group and Insurance Group. Other subsidiaries are referred to by their respective names. When referring to our professional team, we always use the term employee. Third-party employees are referred to as such.

## FULL VERSION OF THE INTEGRATED REPORT 2019

In this full version of our Integrated Report 2019, published after the COVID-19 pandemic began to escalate, we have updated our outlook to reflect current circumstances. These updates have been made to the sections listed below:

- > **Commitment to the future**, from page 20;
- > **Economic value**, from page 111.
- > **2020 Outlook Chart**, with previously published guidance that has been suspended post-pandemic.

Additional information on the COVID-19 pandemic is also provided in the Statement from the Board of Directors (from page 8) and the Statement from the CEO (from page 10).

**In the following pages we describe the main initiatives in our response to the coronavirus crisis.**

### CAPITALS

-  **FINANCIAL**
-  **HUMAN**
-  **INTELLECTUAL**
-  **SOCIAL**
-  **MANUFACTURED**
-  **NATURAL**

### STAKEHOLDERS

-  **CUSTOMERS**
-  **INTERNAL STAKEHOLDERS**
-  **SHAREHOLDERS & INVESTORS**
-  **SUPPLIERS**
-  **GOVERNMENT/REGULATORS**
-  **COMMUNITY/SOCIETY/THIRD SECTOR**

### SDG<sup>1</sup>

-  **1 NO POVERTY**
-  **2 ZERO HUNGER**
-  **3 HEALTH & WELL BEING**
-  **4 QUALITY EDUCATION**
-  **5 GENDER EQUALITY**
-  **6 CLEAN WATER AND SANITATION**
-  **7 AFFORDABLE AND CLEAN ENERGY**
-  **8 DECENT WORK AND ECONOMIC GROWTH**
-  **9 INDUSTRY, INNOVATION AND INFRASTRUCTURE**
-  **10 REDUCED INEQUALITIES**
-  **11 SUSTAINABLE CITIES AND COMMUNITIES**
-  **12 RESPONSIBLE CONSUMPTION AND PRODUCTION**
-  **13 CLIMATE ACTION**
-  **14 LIFE BELOW WATER**
-  **15 LIFE ON LAND**
-  **16 PEACE, JUSTICE & STRONG INSTITUTIONS**
-  **17 PARTNERSHIPS FOR THE GOALS**

1. Throughout the report, we illustrate how we have contributed directly and indirectly to the 2030 Agenda (SDGs). Learn more in the chapter "Sustainability", p. 43.



# Update on COVID-19

While our Integrated Report is primarily intended to provide information on our activities and results of operations in 2019, we can't neglect the recent impacts from the novel coronavirus, COVID-19. Countries and people around the world, and private organizations in different industries, have been impacted by this unprecedented, global crisis.

When the coronavirus pandemic hit, we assembled a crisis committee formed by the Chief Executive Officer, all Vice-Presidents and the Chief Risk Officer (CRO), who meet daily to evaluate the evolution of the COVID-19 crisis and our operations, to agree on actions to be taken to keep our people safe, and explore ways to continue to serve our customers and contribute to society.

Banks were not the source of the crisis, but certainly can be part of the solution. We are doing our part through our belief that the solution will not be one-sided, but a collective effort. This is a time for solidarity and to reinvent our future.

Despite the current uncertainties, we are responding as promptly as the circumstances require, demonstrating resilience and leadership as we fulfill our commitment to taking care of people. Bradesco is made of people who care about other people.

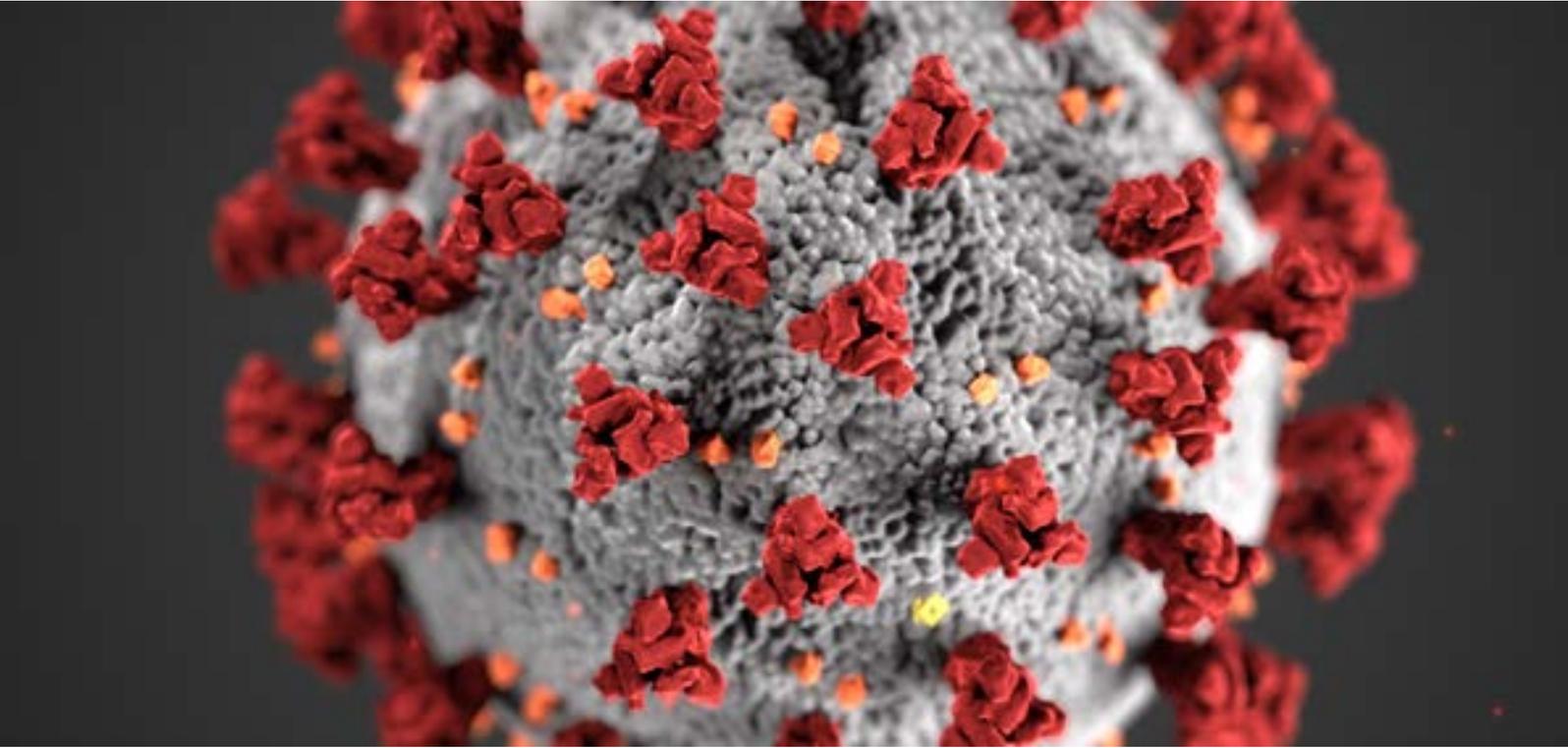
Below are some of the measures we have taken in our response so far:

## **FOR OUR EMPLOYEES:**

We took immediate action to protect our employees, ensure their well-being, provide safe working conditions and safeguard their health.

All at-risk employees were immediately either placed on leave or instructed to work from home, following social-distancing guidance issued by the health authorities. Most employees who are not in the at-risk group are also working from home.

For employees working on-site, we implemented local rotation schedules, distancing between workstations, flexible working hours and a requirement to wear masks for respiratory protection. We also provided alcohol-based hand sanitizers for employees and customers, and implemented other prevention measures, including hygiene, social distancing, the cough etiquette, and changes



in cleaning schedules to increase cleaning frequency and intensity. All corporate events have been canceled and any meetings are required to be via conference calls.

For qualified employees, we provide the technology and equipment to work from home. We have communicated constantly and transparently with our employees through different channels, including management webcasts and interactions via Live Office—a channel that our employees can use, for example, to send videos reporting on their routines working from home.

We have provided professional training via our corporate University website, Unibrad. Another important media platform is our *Viva Bem* (“Live Well”) wellness program and *LIG VIVA BEM* employee support channel, which are available to answer questions from our team about the COVID-19 coronavirus and help them cope with related issues, such as social isolation. Bradesco Saúde created a channel providing medical guidance to employees and their families on issues related to the COVID-19 coronavirus. Our vaccination campaign for influenza and H1N1,

which have similar symptoms to COVID-19, was accelerated and carried out safely. To support our employees' health and well-being, the fitness centers with which we have contracts are now providing classes online.

To provide our employees with financial security, we announced an advance of the 13<sup>th</sup> salary and undertook a commitment not to terminate any employees at this time.

#### **FOR OUR CUSTOMERS:**

We focused efforts on maintaining our services to customers and are confident to say that we have been successful. Working with the Central Bank of Brazil and the broader financial services industry, through the Brazilian Federation of Banks (FEBRABAN), since the pandemic began we have worked to support our customers in coping with the crisis.

We have maintained services at our branches in accordance with World Health Organization (WHO) recommendations. Our branches have been kept operational in 100% of locations where they are permitted to do so, with special hours reserved for the elderly and other at-risk individuals. Branch staff are working on a rotating basis and we have intensified hygiene efforts and tightened access control to enforce safe distancing.

Alongside our branches, our service capabilities include a contingent of 36,000 managers who are equipped and ready to process the

business and transactions, offer advisory services via audio- or videoconferencing, assist customers in managing their personal finances, and support them with credit or lengthened repayment periods.

We have also encouraged our customers to use our digital channels, which have played an essential role in servicing customers during the crisis. Digital transactions today account for 96% of total banking transactions at Bradesco.

We have enhanced communications on our website and social media accounts, and created a dedicated page on our website with information on the steps we have taken and answers to frequently asked questions: [bradesco.com.br/coronavirus](https://bradesco.com.br/coronavirus).

We have also actively contacted customers via SMS about available remote channels, and have pushed messages via the Bradesco app about how to use our digital channels and about new features and services available.

Inovabra has continued to connect startups (which can provide innovative solutions to navigate the crisis) to corporates, Bradesco itself and other partner companies with circumstantial needs, helping to find solutions for the benefit of our communities. Events, discussions and other interaction involving industry players have also taken place online and remotely.

Recognizing the significant impact the pandemic is likely to have on our corporate customers, we have joined the emergency payroll fund for small- and medium-sized businesses to help them, and the jobs

they provide, to survive the crisis. In addition, we promptly provided our individual and corporate customers the opportunity to lengthen their loan repayment schedules.

For investors of all segments, we held daily conference calls and live streams to provide investment guidance and discuss newly announced regulations and governmental measures.

The Bradesco Seguros Group launched a hot site with information about the novel coronavirus, and Bradesco Saúde and Mediservice launched a 24/7 medical helpdesk for policyholders.

We will continue to support our customers, including individuals, small and medium-sized businesses and corporates, as we have always done throughout our history.

#### **FOR SOCIETY:**

Our commitment to the Brazilian society has been further strengthened in this time of crisis. Below are some examples of our initiatives in the last few weeks for the benefit of communities, working with other banks and companies.

#### **Donations:**

As part of our response to the novel coronavirus pandemic, Bradesco is collaborating with Itaú Unibanco and Santander to purchase 5 mil-

lion rapid test kits, 30 computerized tomography scanners, 30 PCR units for real-time diagnostics and 15 million masks, to be donated directly to the Ministry of Health and state departments of health.

We have also exercised solidarity through strategic partnerships with corporations and organizations in the healthcare industry to provide further support, including the following:

- Construction of the Lagoa Barra field hospital (RJ);

- Renovations, new equipment and air conditioning for ICU beds at Santa Casa hospitals;

- 500 patient monitors;

- Support for the development and production of low-cost ventilators.

In our Meu Doutor NOVAMED network, we created an exclusive service for suspected COVID-19 cases and expanded clinic hours, with clinics now open seven days a week.

## governance, policy and risks

We have adjusted our governance and policies to the current circumstances.

**Lending Policies:** in our lending policies, our primary focus at this time is on supporting customers, while adequately assessing risks. We have mapped our exposure to the most affected industries and companies, and have maintained constant communications through our customer relationship teams. Our loan recovery teams have remained 100% active helping to find solutions to customers' needs. We have factored new risk variables reflecting current conditions in our credit models, to ensure our assessment of the situation is accurate.

**Capital and Liquidity:** our ability to continue to assist customers is dependent on our sustained financial strength. We are facing the crisis with a solid capital base and an adequate, robust liquidity margin to continue to cater to customers' needs and sustain the business. The Central Bank of Brazil has also maintained continuous communications with Brazilian banks and taken measures to further strengthen the liquidity and solvency of the financial system. In the ordinary course of operations, we have used funding deriving from these measures and have originated lending transactions in greater volume than those made available by the Central Bank of Brazil.

**Risk Governance:** we have continuously monitored and adjusted our operational and risk-appetite limits and reviewed and timely adapted our risk scenarios to reflect the current circumstances.



# Statement from the Chairman of the Board of Directors

GRI 102-14

Bradesco's founding in 1943 ushered in a transformation in the way banking was done in Brazil. An open-doors bank policy made us a pioneer in providing democratic access to financial services. This innovative, adaptable and inclusive DNA, which has been passed on from one generation to the next, is among our differentiators today.

We are a relationship-oriented bank. This defines our identity, and our reality. Our purpose is to be the bank and insurer of choice for our customers by offering best-in-class products and services across both physical and digital channels, in a simplified, practical and secure customer journey.

We build trust-based relations with our customers, acting as a partner to understand their needs and the

stage they are at in their life cycle, and then create opportunities that support their life achievements. This is our mindset and our way of doing banking.

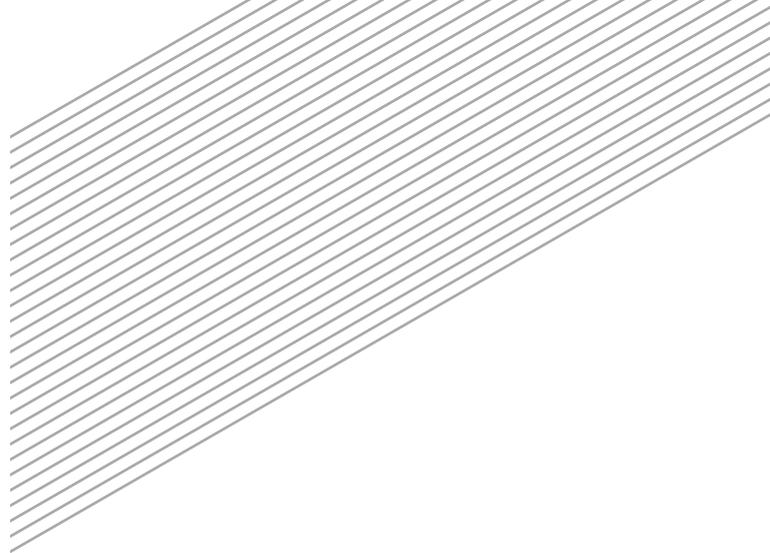
We are aware of the constant changes around us and responsive to emerging trends, and work effectively to anticipate technological developments to ensure the longevity of the business.

These changes create the ideal environment for a bank like ours, with our unwavering principles and values when it comes to ethics,

and our focus on providing the best possible experience to our diverse customers. Our customers are the reason we exist.

2019 was again a testament to the strength of our strategic plan and business model. With our teams' continued commitment, we succeeded in achieving set goals.

Education has remained a flagship of our social commitment, and a driving force for a fairer, more equal and more prosperous society. We are proud to have provided free, high-quality education to 90,198 students in 2019 through the 40 schools of the Fundação Bradesco, which are present in severely underdeveloped areas



in every state of Brazil and in the Federal District.

2020 will present new challenges, but we are aware and prepared to meet them and continue to create value for shareholders and society. We remain confident of Brazil's potential and the capabilities of its people, and work continually to support the country's continued economic and social development. We live in a country of opportunity, with an exciting present and a promising future.

I end my message with a tribute to Mr. Lázaro de Mello Brandão, chairman of Bradesco's parent

companies, who passed away at age 93 after 76 years of dedicated service with Bradesco. He has left a legacy for Brazil's financial services industry and for everyone who has had the opportunity to work with him. He will always be a role model of integrity, energy and wisdom for us.

On behalf of Bradesco, I would like to thank our shareholders and customers for your support, trust and preference.



**Luiz Carlos Trabuco Cappi**  
*Chairman of the Board of Directors*

## **STATEMENT FROM THE BOARD OF DIRECTORS ON THE COVID-19 PANDEMIC**

As a result of the crisis emerging in 2020, our positioning for the following years will inevitably change. Unlike other crises, the current one is marked by a wartime-like shortage of both global supply and demand.

Against this backdrop, the early months of 2020 have been marked by economic weakness and insecurity, but we are aware and prepared to stand by Brazil in navigating this period together.

We are confident of Brazilian society's resilience and ability to tackle the crisis, and are committed to supporting the country's economic and social growth.



# Statement from the CEO

GRI 102-14

Bradesco was founded with a mission to provide full-service banking to all customers, while generating returns for shareholders and society. We can proudly say that, throughout our more than 77 years of banking history, we have successfully fulfilled this mission.

We recognize that our market is highly competitive. In recent years, we have witnessed fierce competition from new entrants, a changing domestic regulatory environment, and societal transformation. These developments have further underlined our strengths and have proven that our strategy is both sound and responsive to change.

We are well positioned to capture the benefits from Brazil's economic recovery. Projections point to

conditions for growth and a new and potentially extended credit cycle, with low interest rates and inflation under control.

We remain on our journey forward, delivering innovation through a pioneering mindset. A prime example of this is BIA (Bradesco Artificial Intelligence), a key step in our roadmap to embedding innovation in our service to customers. Next, our native digital banking platform, has also grown at a remarkable pace.

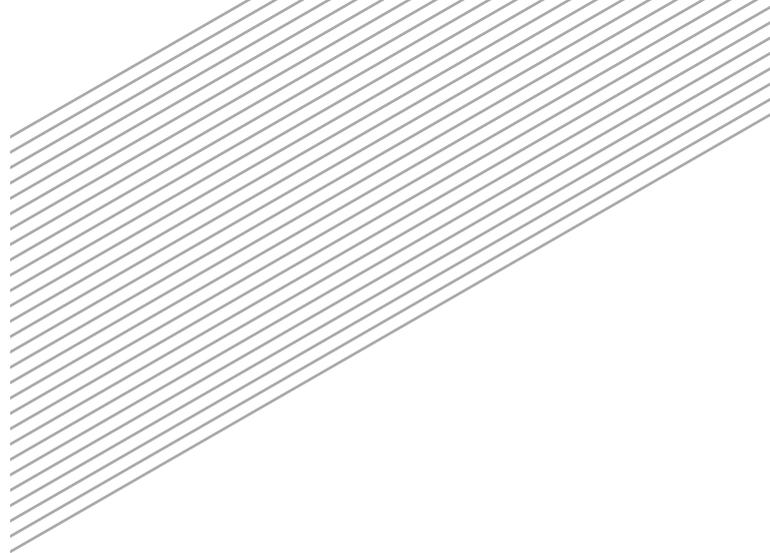
With a team of approximately 98,000 highly skilled professionals who are committed to our values, we serve more than 72 million customers in all regions of Brazil and in strategic locations abroad, through both physical and digital channels, with solutions designed for each customer profile.

Year 2019 saw a number of im-

portant developments, such as the revitalization of Ágora—our investment house—into a digital, open platform, and Bradesco's signing of a purchase and sale agreement to acquire BAC Florida Bank, a bank specialized in financial services for the high net worth segment.

We reported a book net income of R\$ 22.6 billion, or R\$ 2.81 per share, and return on average equity of 18.0%. We paid our shareholders gross interest on equity and dividends of R\$ 15.9 billion.

These results have been thanks to the commitment, responsibility



and dedication of our employees. This, coupled with our vision for business sustainability and our confidence in Brazil, places us as one of the most attractive companies for investment and helps to ensure our sustainability as an Organization.

We are optimistic that in 2020 we will continue to deliver re-

sults, with strong expansion of our loan portfolio and a focus on further enhancing the customer experience.

I would like to thank our stakeholders for your trust and warmly invite you to read our Integrated Report 2019.



**Octavio de Lazari Junior**  
CEO

## STATEMENT FROM THE CEO ON THE COVID-19 PANDEMIC

Before the current crisis, the world economy was on a course of recovery from previous crises. The outlook was positive both at global level and for Brazil.

In the course of our history we have gone through multiple crises and have surmounted enormous challenges with determination and responsibility, underpinned by values that are based on our commitment to act with ethics and integrity.

This crisis did not originate in the financial system as previous ones have, and the financial solidity of banks such as ours has been recognized as a potential solution to be pursued.

In 2020, we will have an enormous challenge ahead, but we are not standing still and will continue to support our customers promptly and effectively in addressing needs arising from the COVID-19 pandemic. Surmounting this global cycle of difficulties will require complex decisions and a concerted effort, and above all, resilience. Bradesco will, as we have always done, continue to stand by our people, our customers and our communities and we are confident we will weather this, yet another crisis.



# materiality matrix

GRI 102-40, 102-42, 102-43, 102-44

In 2018, we conducted a materiality assessment—with a wider range of stakeholders and increased involvement of the Board of Directors—to identify our most relevant and challenging topics and align expectations with stakeholders.

The assessment included a review of industry research (Sustainability Topics for Sectors (GRI), RobecoSAM (DJSI), Sustainability Accounting Standards (SASB), Commercial Banks and Investment, The Global Risks Report 2017 (World Economic Forum))

and Bradesco's internal strategic planning documents. This initial analysis generated a long list of topics affecting our business.

Inputs from business managers and an industry survey were then used to map out stakeholder responses and prioritize listed issues.

In 2020, we will conduct a new exercise to revise our materiality matrix.

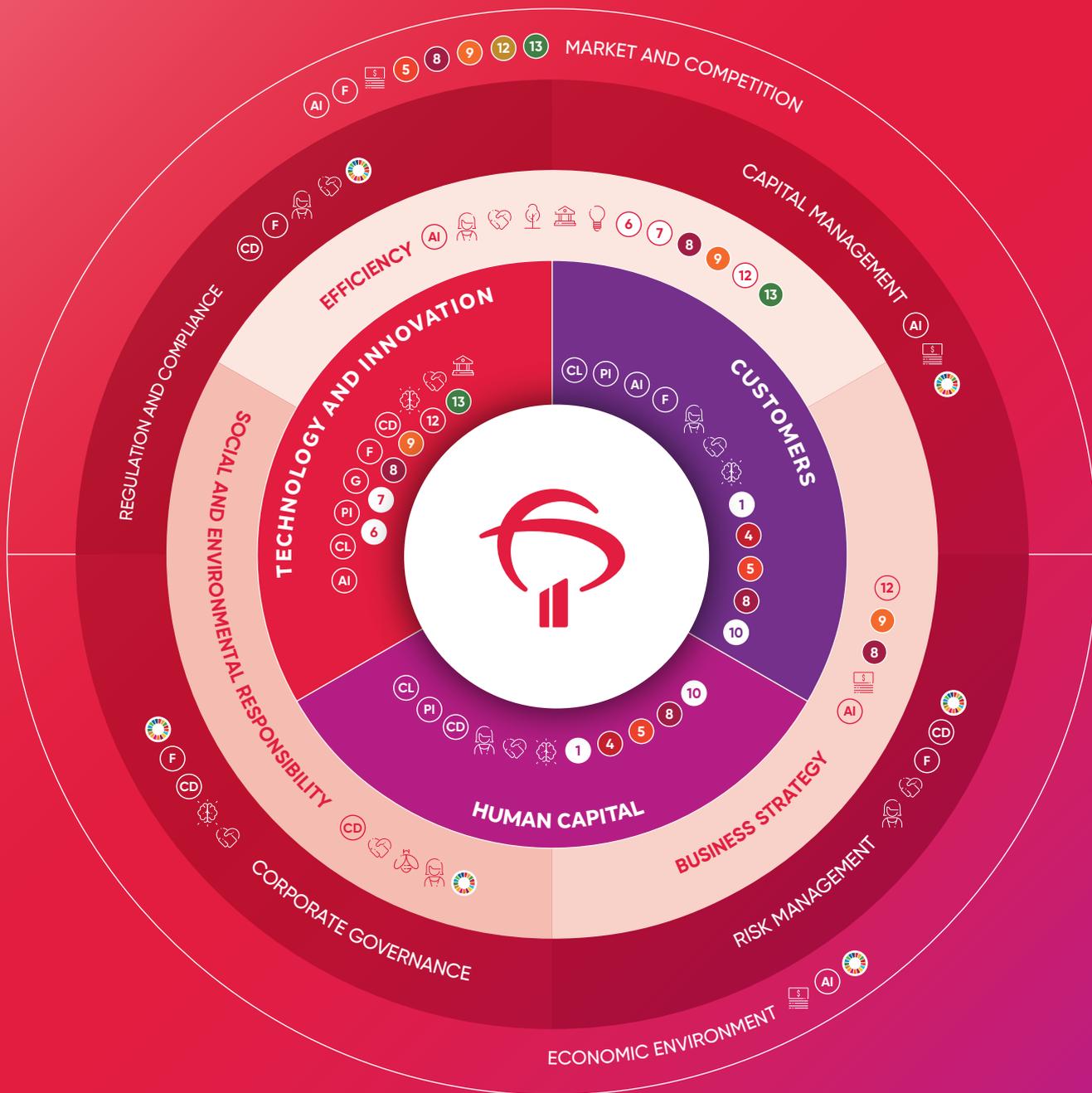
In total, the materiality review included more than 1,000 interactions with the following stakeholders:

- › **Senior leadership**
- › **Investors**
- › **Regulators and trade associations**
- › **Suppliers**
- › **Society**
- › **Employees**
- › **Customers**

The assessment showed that the expectations of internal and external stakeholders are aligned. The

resulting materiality matrix lists the 12 most relevant issues for the Bank and how they relate to the SDGs.

# aspects related to identified material issues



# Bradesco's Ecosystem

GRI 102-16

## How we create and share value

Our vision, mission and values underpin everything we do at Bradesco. Over the years, we have built a **solid foundation** across the different dimensions sustaining the business: human, intellectual, financial, social, manufactured and natural.

This foundation, combined with Bradesco's guiding principles, enables us to pursue and evolve a **strategy** which has **customers at its core**. In doing so, we create value for these and other stakeholders in our network, supporting the longevity of the Organization and the sustainable development of broader society.

CAPITALS



**Natural**



**Manufactured**



**Intellectual**



**Human**



**Social**



**Financial**

**MISSION**

Contribute to **people's fulfillment** and sustainable development by offering highly diversified and accessible financial and insurance solutions, products and services.

**VISION**

To be the **bank of choice** for customers in both the physical and digital environment, delivering differentiated, efficient service to all market segments.

**VALUES**

- Customers are **our reason to exist**;
- We are **Ethical** in all business activities and relations;
- We are **Transparent** in providing needed information to stakeholders;
- We Believe in **people's value and capability to develop**;
- We Respect human **dignity and diversity**;
- We exercise social and environmental Responsibility and promote initiatives towards sustainable development.



\*\*SDGs 4, 5, 8, 9, 10 and 13 have been prioritized as goals we believe we can support most effectively. Learn more about the prioritization process in the chapter "Sustainability", page 43.

## NATURAL CAPITAL

### Climate Commitment



**100%**  
of Bradesco's operations will be supplied with electricity from renewable sources in 2020



**100%**  
of carbon emissions neutralized beginning in 2019

## INTELLECTUAL CAPITAL



**R\$ 2 billion**  
invested in innovation

**inovabra**  
an ecosystem that supports innovation

## MANUFACTURED CAPITAL



**4,478** Branches  
**80,222** Service Points

## SOCIAL CAPITAL



**72 million**  
customers



**440,000**  
shareholders and investors



**7,693**  
suppliers

## HUMAN CAPITAL



**97,329**  
Total employees

**R\$ 200 million**  
Invested in training and development

## FINANCIAL CAPITAL



**R\$ 1.4 trillion**  
in total assets

**R\$ 25.9 billion**  
in recurring net income

## VALUE CREATED AND SHARED

Employees  
**R\$ 19.3 billion**  
in employee compensation



Government  
**R\$ 20.4 billion**  
in taxes



Bradesco  
**R\$ 18 billion**  
reinvested in our businesses, products and services



Investors  
**R\$ 7.9 billion**  
distributed\*

\* Not including extraordinary dividends of R\$ 8 billion paid in 2019 based on retained earnings. Including these dividends, a total of R\$ 15.9 billion was distributed in 2019.



\* Not including extraordinary dividends of R\$ 8 billion paid in 2019 based on retained earnings. Including these dividends, a total of R\$ 15.9 billion was distributed in 2019.

# 2019 headlines

## A Solid Organization

 An expanded loan portfolio of  
R\$ 605 billion

 R\$ 25.9 billion  
in recurring net income

R\$ 282 billion  
in market capitalization

## An Innovative Organization

The first bank to deploy Artificial Intelligence, with more than

269 million

interactions with BIA (Bradesco Artificial Intelligence)

More than

1,900 people

involved in our innovation ecosystem – inovabra

R\$ 2 billion  
invested in innovation annually



next

A fully digital,  
open banking platform

## A diverse Organization that believes in its people's potential



More than

97,000

employees across four generations, of which more than **50.4% are women** and **26.4% are black**

R\$ 200 million  
invested in training and development

## An Organization committed to sustainable development

More than

R\$ 665 million

invested by Fundação Bradesco – the largest private education initiative in Brazil



The only bank present in all Brazilian municipalities

Present in the leading sustainability indexes and ESG ratings

Corporate Sustainability Index (ISE), Carbon Efficient Index (ICO<sub>2</sub>), Dow Jones Sustainability Index (DJSI), Bloomberg Gender-Equality Index (GEI), among others



The only Brazilian bank to have participated in developing the UN Principles for Responsible Banking (PRB)



# our DNA

## CAPITALS



## SDGS



## STAKEHOLDERS





# A strengthened organizational culture

At 77 years of age in 2020, Bradesco is a leader in Brazil's financial services industry. In our nearly eight decades of operating history, we have built and consolidated a set of values and principles that have enabled us to navigate often-challenging circumstances and emerge a stronger Organization. These values and principles are distinguishing marks of our organizational culture and our way of doing business, and are passed on as a legacy to each generation of professionals joining the Organization. Among them is our commitment to Brazil's development and to reducing regional inequalities in a country of continental size and complexity. Another non-negotiable value at Bradesco is our commitment to delivering the best services to customers across all income levels, social classes and geographies. Also inscribed in our DNA is a commitment to act at all times with ethics and integrity, fostering employee motivation and well-being and delivering superior returns to shareholders

by capturing the right opportunities and adjusting our costs to changing economic conditions. Our passion for innovation and awareness that we can improve education in Brazil and support its sustainable development are also a part of our organizational culture. **GRI 102-1**

Over the years, these values and beliefs have become key strengths. Our aspiration to support Brazil's development has led us to grow our banking presence; our drive for innovation has made us pioneers in our industry on many occasions; and our strong customer focus has helped us to build a customer base of more than 72 million people across diverse customer profiles, to whom we provide helpful, straightforward and friendly services.

We are proud to present below the values that form our DNA and the ethos of each of our employees:

- › **Customers** are our reason to exist;
- › We are **Ethical** in all business activities and relations;
- › We are **Transparent** in providing needed information to stakeholders;
- › We **Believe** in people's value and capability to develop;
- › We **Respect** human dignity and diversity;
- › We exercise social and environmental **Responsibility** and promote initiatives towards sustainable development.

Our values are also translated into the following success factors:

- › The **strength of the Bradesco brand**, with a long-standing presence in the financial, capitals and insurance market;
- › A **solid culture and corporate governance framework** focused on business continuity;
- › **One of the best networks** in Brazil in terms of technology and coverage;
- › A **broad portfolio** of products, services and solutions for all segments;
- › **Strong investment** in technology.



# commitment to the future<sup>1</sup>

We are in a period of major challenges and uncertainties arising from the COVID-19 pandemic. This is the defining global health crisis of our time, according to the World Health Organization (WHO). The response to the pandemic has involved joint efforts by governments and the private sector to minimize both human and economic losses. Despite these efforts, global GDP is projected to enter into recession in 2020, and Brazil will not be immune to the negative impacts on the business environment, the job market and business and workers' confidence. The business environment will be highly challenging and different from what we anticipated earlier in 2020.

However, it is important that we continue to look to the future with confidence that the current crisis will be overcome. Brazil's fundamentals remain positive. The country is poised for strong growth as soon as the crisis dissipates. Progress has been made on efforts to contain government spending, improve efficiency, and reform the pension system. These reform efforts have currently been displaced by the pandemic response, but will be resumed in the near future. There is much to be done for Brazil's economic growth potential to materialize. The private sector will remain the primary driver of devel-

opment over the coming years. The financial services industry, in particular, will continue to find opportunities, but in an environment with increasingly strong competition.

With so many transformations occurring, and in such adverse conditions, it is clear to us that we, as an Organization, also need to reinvent ourselves. And this transformation is already underway at Bradesco. We are preparing for the future, but without leaving behind our legacy and our set of strengths. In the future we aspire for, customers, people, efficiency and innovation acquire yet greater importance and, together with the fourth pillar of our strategy—Sustainable and profitable growth—will take Bradesco forward in this new chapter of transformation.



# business model

As we pursue our mission of contributing to people's fulfillment and sustainable development by offering highly diversified and accessible financial and insurance solutions, products and services, we feel prepared to capture the opportunities and meet the challenges presented to us in our journey of creating value for shareholders and society.

Our business model, combining banking and insurance, helps to diversify our sources of revenue and create resilience. Through Bradesco's scale and country-wide reach (a physical presence in all Brazilian municipalities as well as a digital presence through our internet banking and mobile app channels), an extensive portfolio, segmented service capabilities and strong investment in technology and innovation, we are able to deepen relations with customers of different profiles, provide tailored solutions, and deliver a practical, secure and efficient

*1. The text published in the summary version of our Integrated Report 2019, in March 2020, has been updated in this full version to reflect developments from the COVID-19 pandemic crisis.*

customer experience. Concurrently, we have developed a differentiated value proposition to attract future customers. We are also committed to increasing efficiency and cutting costs in our processes and operations as an imperative for further improvement in both our financial and our social and environmental performance.

Bradesco's strategy and future vision rest on four pillars that guide us on our journey to sustainability:

- › **Customer relations;**
- › **Sustainable and profitable growth;**
- › **Efficiency and innovation;**
- › **Human capital.**

Below we present each of our pillars and relevant strategic developments in 2019: **GRI 102-10**



## CUSTOMER RELATIONS

We serve all customer segments with a goal of being the bank and insurer of choice of our customers, and we demonstrate our commitment to each customer by recommending products, services or transactions that are suited to their needs, interests and goals.

Several other initiatives also reflect the importance that customers (both individual and corporate customers) have to our business sustainability. After creating a department dedicated to non-checking-account customers in 2018, we launched a Non-Checking-Account Portal in 2019 that allows cus-

tomers to purchase products and services online without having a checking account. In the corporate customer segment, we created a sole proprietorship portal (MEI Portal) that helps independent workers to formalize their business without costs or red tape.

Another highlight in the year was our acquisition of BAC Florida Bank in Miami for US\$ 500 million, which will enable us to expand our financial services and products in the US to Bradesco customers in different segments. The conclusion of the transaction is pending the regulator's approval.

In addition to the initiatives described above, Bradesco has undertaken a wide range of actions that have placed the customer at the center of our strategy. Among these is our current governance structure, with committees and commercial initiatives within our customer-centric model. Examples of these include the Executive Committee for Quality and Service Solutions and the Executive Committee for Customer Relationship Management. Bradesco's organizational structure is designed to provide the best possible customer experience, and we work continually to improve our service levels and operating efficiency. An example of this was our recent creation of a Department for Digital Channels and Customer Experience (CDEC) as part of a reorganization.

The following are the pillars of Bradesco's business strategy, which position us to meet the challenges ahead.



We also implement actions to gain a better understanding of customers' expectations and needs at each stage or touch point in the customer journey. This allows us to transform our offering of products and services into a pleasant and comprehensive customer experience combining customer journeys, processes and pricing, supported by new real-time decision-making technologies. To improve customer satisfaction, we conduct extensive assessments and develop effective solutions that promptly and effectively address issues.

Customer relations are among the prioritization criteria for our technology project pipeline—*oTimize*—and we also have an extensive pipeline of projects deriving from our Managers Workshop, our largest corporate event in Latin America, which brings together commercial managers from across Brazil to discuss initiatives to improve our relationship with customers, giving voice to customer-facing professionals throughout the network.



### **SUSTAINABLE AND PROFITABLE GROWTH**

We are committed to sustainable and diversified growth, creating value for all stakeholders by striking an optimal balance between risks and returns.

Our initiatives are focused on optimizing our processes and technologies to accelerate transformations needed to enhance the customer experience, anticipate customer needs, and offer profile-appropriate products and services.

Our goal is to strike an optimal balance between risks and returns, a fundamental aspect of business sustainability.

Among our initiatives in the year was the merger of subsidiary Banco Bradesco Cartões S.A. into Bradesco. The move came as part of a strategy to consolidate card portfolios and customers which interact with us primarily through our branches into a single legal entity in order to simplify communications with customers and the market and achieve synergies and operational efficiency.



### **EFFICIENCY AND INNOVATION**

We recognize the importance of delivering efficiency and the best possible customer experience, and work to embed technology and innovation into our business models. We ensure our different customer profiles are serviced through appropriate business models.

We have a physical presence in all Brazilian cities that is consistent with regional development potential, and we periodically review the business models chosen for each geography and/or customer profile for suitability. Our digital channels have steadily evolved—in 2019, 96% of our customer transactions were made through digital channels. An important asset in our digital offering is BIA (Bradesco Artificial Intelligence), an initiative implemented with support from our inovabra ecosystem, which has been actively interacting with customers since its launch in the second half of 2017. Also as part of our digital journey, towards the end of 2017 we launched next, Bradesco's native digital banking platform. The latest addition to our ecosystem of solutions, next offers a unique value proposition for hyper-connected customers. In 2020, next will have independent management and infrastructure to increase agility and flexibility, further advancing the Bank's successful journey in the fintech market. Another significant initiative is inovabra, an innovation ecosystem that fosters collaboration among employees, business functions, clients, companies, startups, technology partners, investors and

mentors to address customers' changing needs and secure the long-term sustainability of the business.

Bradesco's most recent initiative has been another demonstration of our agility and flexibility in the era of innovation. *Ágora*, an investment house 100% owned by the Organization, has been revitalized to become our official investment

platform, with 100% digital onboarding, new product options and expert advisory, providing a convenient and trusted platform for investment.

For greater integration, an investment specialist is available at Prime branches and all branches with more than 500 investment clients.

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We are committed to sustainable and diversified growth, creating value for all stakeholders.



## HUMAN CAPITAL

The foundation of our strategy is built on people. That is why we work continually to enhance our ability to attract, develop and retain the right talent for each business in support of our corporate strategy.

The importance of people management in delivering our strategy has led our leadership to implement a modern, best-practice management approach that is responsive to emerging demands in the labor market, helping us to sustain diversity, a healthy balance sheet and consistent profitability.

Our succession plan identifies critical positions within each function and employees with the potential to fill strategic positions. To support our team, our Corporate University offers a diverse range of learning solutions that deliver on our commitment to developing our people and boosting their careers.

Bradesco's public initiatives and commitments on the Diversity front are a testament to our belief in each person's transformational potential and our respect for individuality and plurality. We encourage our employees to strive to achieve their full potential, as part of our belief that outstanding results are achieved when individual values are aligned with the Organization's broader strategy.

Some of the human resources guidelines and practices in place at Bradesco include: performance re-

views and competency mapping for 100% of our workforce; structured individual development plans (IDPs); and training and development supported by Unibrad, our corporate University. Other initiatives include our *Viva Bem* health and well-being program, and the Bradesco Volunteers Program, which encourages employees to participate in volunteering initiatives.

In 2019, we launched the Extraordinary Performance Awards (PDE), which recognize employees working in commercial functions at our branches who have exceeded performance expectations.

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## Strategy planning and execution

Bradesco's corporate strategy—which includes our mission, vision and values, our strategic goals, performance and risk indicators, and strategic targets and initiatives—is periodically revisited by the Board of Executive Officers.

During the budgeting process, the different departments throughout the Organization take guidance from our corporate strategy in developing their individual budgets.

Strategic initiatives define what actions we will implement to promote efficiency and optimal resource allocation and investment decisions.

To enhance effectiveness in delivering our strategy, Bradesco has invested in our Corporate PMO and several local project management and strategy offices. This year we were recognized as having the best PMO in the world in the PMO Global Awards 2019, an initiative hosted by the PMO Global Alliance.

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Façade of the Praça Benedito Calixto branch (São Paulo - SP)

# 77 years of service with excellence and innovation



**1943**

Amador Aguiar establishes Bradesco in Marília, in the southeast of Brazil.

**1951**

After only eight years in business, Bradesco becomes the largest private bank in Brazil.

**1956**

The Fundação Bradesco is created, later to become Brazil's largest philanthropic educational organization.



**1968**

Bradesco launches Brazil's first credit card. Branches are present in all states of Brazil.



**1995**

Bradesco launches the first internet banking platform in Brazil and the fifth worldwide.



**2001**

Bradesco stocks are listed on the New York Stock Exchange (United States).



**2006**

Bradesco introduces biometrics in its ATMs.



**2009**

Present in all municipalities in Brazil.



**2012**

Bradesco launches inovabra, an open innovation ecosystem.



**2016**

Bradesco launches BIA (Bradesco Artificial Intelligence), a testament to our innovative spirit.



**2019**

Bradesco becomes a signatory of the UN Principles for Responsible Banking (PRB).



# strategic positioning

## CAPITALS



## SDGS



## STAKEHOLDERS





# customers are at the center of our attention

Our business is managed by the Board of Executive Officers, while the Board of Directors exercises oversight and provides support to the Board of Executive Officers (*read more in Governance and compliance*).

Bradesco has two primary businesses—banking and insurance—offering a diversity of products and services. In November 2017, following the adoption of Resolution 4539/16, Bradesco implemented a Corporate Customer and User Engagement Policy under the oversight of our Compliance, Conduct & Ethics Department (DCCE). The policy outlines principles on interaction with clients and users, and establishes a governance framework.

Recognizing that our customers have different profiles and needs, we implement continual improvements in our processes and procedures to ensure we deliver high-quality services that accommodate their needs, interests, goals, profiles and freedom of choice.

The Ombudsman's Department plays an essential role in ensuring these principles are adhered to. Product marketing and service journeys are assessed against poli-

cy guidelines, and any weaknesses are addressed to improve our relationship with clients and users.

Our business structure is designed to provide all customers with efficient and flexible services that are tailored to the stage they are at in their life cycle, their goals, and their plans. Three of our executive vice presidents are dedicated to retail, wholesale and high-net-worth customers, and one of them is responsible for Organization-wide business support across Human Resources, Technology, Finances, Legal and Risk Management, and other functions.

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With a customer-centric culture, Bradesco is organized under four executive vice presidents: three dedicated to retail, wholesale and high-net-worth customers, and one responsible for business support functions.

## main businesses GRI 102-2; 102-6



### banking

- › Accounts: Checking, Savings, Payroll, International, *Click Conta* and *Bradesco Universitário* (checking accounts for underage customers and undergrad students)
- › Premium Bonds
- › International and foreign-exchange transactions
- › Securities brokerage
- › Investment advisory
- › Cards
- › Service packages
- › Pooled finance
- › Capital market solutions
- › Property auctions
- › Banking services (direct debit, checks, transfers and deposits, etc.)



### insurance

- › Life and personal accident insurance
- › Health insurance
- › Auto insurance
- › Property and liability insurance
- › Private pension plans (individual and corporate)
- › Premium bonds
- › Pension investment contracts

# CORPORATE

## INSTITUTIONAL SEGMENT<sup>1</sup>

### LARGE CORPORATES

Annual revenues from R\$ 4 BILLION

### CORPORATES

Annual revenues from R\$ 500 MILLION to R\$ 4 BILLION

### CORPORATE ONE

Annual revenues from R\$ 30 MILLION to R\$ 500 MILLION

### BUSINESS

Annual revenues up to R\$ 30 MILLION

## INDIVIDUAL CUSTOMERS

### PRIVATE BANKING

Investments from R\$ 5 MILLION

### PRIME

Monthly income from R\$ 10,000

OR

Investments from R\$ 100,000

### CLASSIC

Monthly income up to R\$ 4,000

### EXCLUSIVE

Monthly income from R\$ 4,000 to R\$ 10,000

OR

Investments of up to R\$ 40,000

### NON-CHECKING-ACCOUNT CUSTOMERS<sup>2</sup>

1. Asset management, pension funds and securities brokerage.  
2. Individual or corporate customers that use Bradesco products and services without having a checking account.

With a continuing focus on driving banking inclusion, we offer a comprehensive range of service channels and invest in initiatives to progressively integrate the physical and digital environments. Most products and services available from physical channels are now also available from digital channels. Expanded access to digital channels and innovative service models have made the banking experience more conve-

nient, efficient and secure for our customers, with the added benefit of attracting hyper-connected customers and helping to cut costs. As a result of this strategy—which is responsive to the changes taking place in society—96% of transactions were made through our digital channels in 2019.

**In 2019, we created an Institutional segment** for corporate customers with specific needs related to the capital market, in the most recent addition to our service capabilities.

## Bradesco at a glance – 2019

More than

**72 million**  
customers



More than

**R\$ 60 billion**  
in consumer finance

**30.1 million**  
checking account customers

**1.8 million**  
new digital checking account  
customers

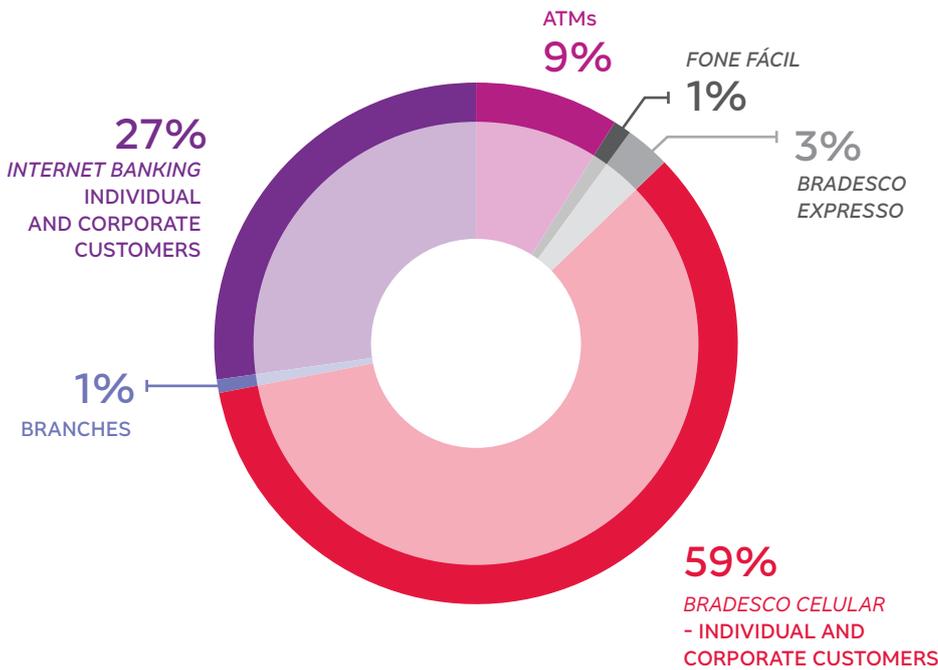


**R\$ 15.9 billion**  
paid to shareholders as interest  
on equity and dividends



**R\$ 55 billion**  
in credit card transactions

**SERVICE CHANNELS  
TRANSACTION VOLUME**



**A COMMITMENT TO  
SUSTAINABLE DEVELOPMENT**

We remain committed to embedding environmental and social aspects into decision-making within the Organization. We strive to ensure the longevity and success of the business in the long term while supporting the bankarization and success of our current and future customers and the sustainable development of broader society.

There are many examples of how we have delivered on this commitment: from Bradesco’s growing presence in the mortgage lending market, with a portfolio of R\$ 54.6 billion in 2019 and more than 219,000 active contracts, mostly (216,700 contracts) with individual customers; through our exclusive digital account product for sole proprietorships, offering a range of advantages and sup-

porting entrepreneurs and business formalization in Brazil; to our subscribing to the United Nations (UN) Principles for Responsible Banking (PRB) in 2019. We were the only financial institution in Brazil to participate in developing the framework, which has been created to accelerate the industry’s contribution to achieving the Sustainable Development Goals (SDGs) and the Paris Agreement.

**SASB FN-MF-270A.1**

We recently established two new commitments as part of our agenda on climate change. In 2020, 100% of Bradesco’s operations will be supplied with electricity from renewable sources. The initiative will make us one of the first major financial institutions in the world to complete the transition. In addition, we will neutralize 100% of the greenhouse gas (GHG) emissions from Bradesco’s operations across

the different scopes in our GHG Inventory, beginning with emissions generated in 2019. The initiative will make Bradesco the first major Brazilian bank to achieve this level of emission offsets.

We are a publicly traded company listed on the B3 (Brazilian Exchange & OTC), New York (NYSE) and Madrid (Spain) stock exchanges. Bradesco’s market capitalization in 2019 was R\$ 282 billion, equivalent to 2.1 times our shareholders’ equity, an increase of 16.3% on 2018. We were also nominated for the 14<sup>th</sup> time to the Dow Jones Sustainability Index (DJSI), in the World and Emerging Market categories. These results reflect not only our financial strength, but also the positive perceptions that investors and other stakeholders have of intangible aspects that increasingly underpin our business. **GRI 102-5**



# the strength of our distribution network

GRI 102-2; 102-4; 102-6; 102-7

We are present in every municipality in Brazil.

80,222  
service units<sup>1</sup>

4,478  
branches

39,100  
*Bradesco  
Expresso*  
(banking correspondents)



57,720  
ATMs

33,900  
Bradesco ATMs

4,439  
Bradesco ATMs  
with banknote auto-  
feeding systems

159  
Bradesco ATMs with  
readily available dollar  
and euro withdrawals

23,820  
Banco24horas  
ATMs

1. Including branches; service points (PAs); ATMs located on companies' premises (PAEs), Bradesco Expresso and Bradesco Financiamentos (banking correspondents); Losango; and Banco24Horas ATMs.

# global presence

GRI 102-4; 102-6; 102-7



## MAIN OPERATIONS GRI 102-2

### banking

- › Banco Bradesco S.A.
- › Banco Bradescard S.A.
- › Banco Bradesco Financiamentos S.A.
- › Bradesco S.A. Corretora de TVM
- › Ágora Corretora de Títulos e Valores Mobiliários
- › BRAM – Bradesco Asset Management S.A.
- › Bradesco Leasing S.A. Arrendamento Mercantil
- › BEM DTVM

### Insurance, private pension plans and premium bonds

- › Bradesco Seguros S.A.
- › Bradesco Auto/RE Cia. De Seguros
- › Bradesco Vida e Previdência S.A.
- › Bradesco Capitalização S.A.
- › Bradesco Saúde S.A.
- › Mediservice Operadora de Planos de Saúde S.A.
- › Atlântica Companhia de Seguros
- › Bradesco Saúde – Operadora de Planos S.A.



# Much more than a bank

GRI 102-2

We offer a broad portfolio of products and services across the banking/financial service, capital and insurance segments. All customers have access to support from expert professionals.

## ASSET MANAGEMENT PLATFORM

Through our Asset Management Platform, we provide remote and in-person investment advisory services across all of Bradesco, Bradesco Previdência and Ágora Investimentos products. Advisory services are tailored to customers' stage of life, investor profiles and needs.

## ÁGORA INVESTIMENTOS

Ágora, Bradesco's investment house, offers an extensive product portfolio with investments for every investor profile and stage in life, including products from Bradesco and the broader market. These include variable income securities, futures, treasury direct, structured transaction certificates (COE), funds, government bonds and private fixed-income securities. We also provide specialist advisory services, personalized portfolio recommendations, exclusive Capital Market content, and modern and secure digital platforms.

## BRADESCO CORRETORA

Bradesco Corretora now serves institutional customers exclusively. Through Bradesco BBI, Bradesco Corretora additionally provides extensive analysis coverage of companies and industries. Our

Bradesco Securities units serve the North American, European and Chinese markets in ADR (American Depositary Receipt) trading and distribution of government and private securities to investors.

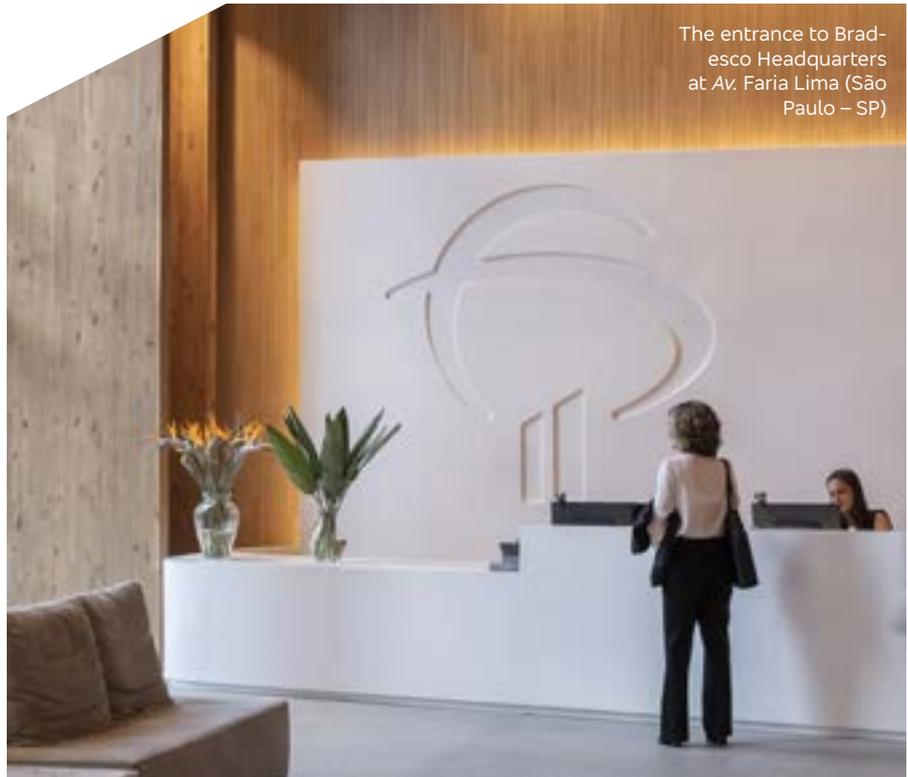
## LENDING

Banco Bradesco Financiamentos offers specialized lending solutions including Direct to Consumer (DTC) Loans and Leasing facilities to purchase light vehicles, motorcycles, trucks, buses, machinery and equipment, through an extensive partner network of dealerships throughout Brazil;

and Payroll-Deducted Loans for public pensioners, civil servants (Federal, state and municipal) and the Armed Forces, through a nationwide, diversified network of authorized correspondents.

## LOAN OPERATIONS

Our credit management policies are continually revisited to ensure they reflect current economic conditions. We have continued to expand and diversify our offerings across distribution channels, and especially digital channels, which are supplemented by our Branch and Banking Correspon-



The entrance to Bradesco Headquarters at Av. Faria Lima (São Paulo – SP)

dent network. Bradesco's capillary presence enables us to offer loans and financing both directly and through strategic partnerships with retail chains. Some of our key business lines include: Consumer Finance; business loans; Bradesco Corporate; Agribusiness Finance; Mortgages; and Onlending.

### **INVESTMENT BANK**

#### **SASB FN-IB-410A.1**

Banco Bradesco BBI, our investment banking arm, advises clients on primary and secondary share offerings; mergers, acquisitions and asset sales; structuring and issuing debt instruments; and project finance. The Global Markets division, which is responsible for securities and relations with institutional clients, has a highly qualified market research team covering different industries and listed companies in São Paulo, Buenos Aires, Mexico, New York, London and Hong Kong. R\$ 236.6 billion was transacted in 191 investment banking transactions.

### **CASH MANAGEMENT SOLUTIONS**

In 2019, we became the most prestigious brand in Cash Management Solutions as perceived by customers, and were named the Best Cash Management Bank in Brazil by *Euromoney*, ranking first in the Best Service and Market Leader categories. A broad portfolio of products and services, financial solidity, security, tailored solutions and platform integration support companies, utilities and government agencies in managing accounts receivable and payable and tax and fee revenue. Our Global Cash Management division offers structured solutions for global companies operating in the Brazilian market and Brazilian compa-

nies operating in foreign markets. The division has partnerships with 50 international banks and access to the Swift Network, enabling companies referred by partner banks to open accounts.

### **GOVERNMENT PRODUCTS AND SERVICES**

Exclusive platforms for government clients throughout Brazil, with business managers who are trained to provide secure, high-quality products, services and solutions to clients in the Executive, Legislative and Judiciary branches across the Federal, state and municipal levels as well as independent agencies, public foundations, government-owned companies and the Armed and Auxiliary Forces. On a monthly basis, more than 11.4 million public retirees and pensioners receive their benefits via Bradesco, the largest benefits payer among banks in Brazil. Learn more at [bradescopoderpublico.com.br](http://bradescopoderpublico.com.br).

### **CARDS**

A complete line of payment method solutions for individual and corporate customers of all social and economic profiles. We work with the main card networks as well as private-label cards in partnership with leading companies.

### **POOLED FINANCE**

Products for all consumer profiles, available from the Bradesco branch

network and digital platforms: internet banking and mobile. Bradesco was ranked as market leader for user experience in the *Relatório Bancário* awards. Bradesco is the market leader in the automotive, real estate and heavy vehicles segment.

### **ASSET MANAGEMENT**

BRAM (Bradesco Asset Management) offers complete investment fund and portfolio management solutions to clients of all profiles and segments, including Bank clients and institutional investors in Brazil and other markets. In 2019, we launched our first ETF (Exchange Traded Fund) on B3 (Brazilian Exchange & OTC). An ETF is an investment fund traded on stock exchanges that is benchmarked against Ibovespa, the main stock market index in Brazil.

### **CAPITAL MARKET SOLUTIONS**

We offer the capital market a diversified set of services and solutions, including fiduciary management services for investment funds, qualified custodian services and agency services for nonresident investors.

### **INTERNATIONAL FOOTPRINT**

We are also active in the foreign-exchange, export, import, transfers and trade finance markets. We have specialized units and service offices in Brazil and globally, as well as an international network of correspondents.

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We offer a broad portfolio of products and services for a wide range of customer profiles.



# Ágora Investimentos

GRI 102-2

Our investment house was restructured in 2019 into an open platform. Ágora's value proposition rests on three pillars:

- › A product portfolio and recommended baskets on an open platform providing originator – and issuer-agnostic access to any products on the market, and investment curatorship providing recommendations on the best product combinations to match customers' goals, needs and profiles;
- › Specialized advisory services provided across different service channels, designed to create value for customers through a complete offering of investment products and solutions that are ideally suited to the needs of our investment, checking-account and non-checking-account customers according to their stage in life, net worth and profile;
- › State-of-the-art, digital trading channels that provide quick, easy and full-service access to customers.

## Ágora offers a portfolio of investment products for every investor profile, on an open platform.

Our investment management services are supported by branch managers and a team of investment advisory specialists who provide advice on banking products, investment funds, capital market products brokerage and private pensions. Customers also benefit from recommended baskets that combine a diversity of financial products and are developed monthly based on projections for the domestic and international markets.

We offer the convenience of being able to invest via our internet banking, mobile and other channels, including telephone or chat service; customers can use these channels to process transactions and obtain investment advice.

With a market-leading position, Ágora Investimentos and Bradesco Corretora are prepared to advise investment customers on transactions in the domestic and international capital markets, fixed and variable income (stocks and derivatives) securities, investment funds, structured transaction certificates (COE), futures and public offerings (fixed income and stocks) issued

by Bradesco and third parties. In partnership with Bradesco BBI, they additionally provide extensive analysis coverage of companies and industries. Ágora Investimentos is a platform serving both both individual and corporate customers, while Bradesco Corretora is dedicated to institutional investors.

Internationally, our Bradesco Securities units serve the North American, European and Chinese markets with services that include trading stocks represented by ADRs and stocks listed on local stock exchanges, and distributing government and private securities to investors.

R\$ 57 billion  
in assets under custody



### LEARN MORE

About Ágora Investimentos at: [agorainvestimentos.com.br](http://agorainvestimentos.com.br)



# Bradesco Seguros Group

GRI 102-2; SASB FN-IN-410B.2

Our insurance, private pension plan and premium bond businesses are operated through the Bradesco Seguros Group, the Brazilian and Latin American market leader, which has consistently contributed to Bradesco's consolidated results. The Group offers a wide range of solutions to its more than 28.7 million policyholders and customers, in the following categories: Auto and Property & Casualty Insurance (homeowners and property insurance for individual and corporate customers); Health Insurance; Dental Insurance; Life Insurance; Premium Bonds; and Private Pension Plans. Through the SRCBSB (Swiss Re Corporate Solutions Brasil Seguros S.A.) joint venture between the Bradesco Seguros Group and Swiss Re Corporate Solutions, we also have a presence in the large-risk segment, including medium and large corporates in different industries (aerospace, automotive, heavy industry, etc.). The Bradesco Seguros Group also offers credit cards with exclusive benefits to policyholders.

The Group has a strong customer focus and service capabilities that include web and mobile channels, call centers, physical offices staffed by commercial teams, the 4,478 Bradesco bank branches, and a network of more than 28,000 professionals. In addition, Bradesco Seguros offers exclusive services such as *Meu Doutor* No-named clinics to Bradesco Saúde and Mediservice policyholders, providing outpatient care, physi-

cian consultations and lab testing and imaging studies. Another differentiator is Bradesco Auto Centers—a network of auto repair shops accredited by Bradesco Auto/RE, delivering excellence in claims service, pre-insurance inspections and exclusive services and benefits, providing added value to insurance policies.

In digital channels, the Bradesco Seguros app provides a one-stop platform for information and service spanning all products across all categories. Other available apps include the Bradesco 24h Roadside Assistance App, which provides 24 hour access to auto insurance



R\$ 235 million on average in benefits and insurance claims paid per business day

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The market leader in Brazil and Latin America, the Bradesco Seguros Group has state-of-the-art service capabilities serving more than 28 million customers.

coverage and services, and *Dirija Bem*, which captures information about users' driving habits and generates a report that encourages responsible and defensive driving. Another initiative is *Meu Doutor*, a program in which users can schedule appointments online with an exclusive network of physicians. The platform uses electronic health records that allow physicians and

other health professionals to store patient information that can later be readily accessed. Bradesco Seguros Group's customers can also use our BIA (Bradesco Artificial Intelligence) virtual assistant within the Bradesco Seguros app to search for information on products. In addition, they can use BIA in the Bradesco Seguros app to request services, such as finding a network physician.



## Bradesco Seguros at a glance – 2019

With administrative buildings in Rio de Janeiro (RJ) and Curitiba (PR) and headquarters in Alphaville, Barueri

(SP), the Bradesco Seguros Group is present in all regions of Brazil.

**142**  
commercial  
insurance  
branches

**38**  
Bradesco  
Auto Centers

**28.7**  
million  
policyholders

More than  
**3.7 million**  
Bradesco Saúde  
policyholders

More than  
**3 million**  
Bradesco Auto/RE  
policyholders<sup>1</sup>

More than  
**7.3 million**  
dental  
policyholders

<sup>1</sup> Bradesco Seguros has approximately 1.4 million P&C (Property & Casualty) and 1.6 million Auto insurance customers.

More than  
**354,000**  
claims  
paid by  
Bradesco Auto/RE

**15**  
Meu Doutor  
Novamed  
clinics<sup>2</sup>  
and another 14  
scheduled to be opened  
in 2020

**99**  
Meu Doutor Novamed  
clinic user satisfaction points

<sup>2</sup> External clinics are located in São Paulo, Osasco, Guarulhos and Porto Alegre (RS). We also have six in-company units – the Cidade de Deus campus, Bradesco's headquarters, has an on-site Meu Doutor Novamed clinic.

More than

835,000  
downloads

and

160,000  
updates

of the Bradesco Seguros,  
24h Roadside Assistance,  
*Dirija Bem* and other apps

16%

of towing requests made  
via the Bradesco Auto app

More than

19  
million

doctor's appointments  
provided to Bradesco Saúde  
policyholders

92.63%  
of reimbursement  
previews

requested via digital  
channels (Bradesco  
Saúde)





# sustainability



Sustainability is among our strategic drivers at Bradesco. Managing environmental, social and governance (ESG) aspects is crucial to our longevity and growth in an increasingly fast-changing and challenging business environment. As we seek to generate shared and long-term value for investors, employees, suppliers, customers and society, we also contribute to the sustainable development of the country.

We have incorporated this vision into our management primarily through a robust governance framework that combines effective corporate policies and standards, continuous management of social and environmental risks and

opportunities, and engagement with stakeholders.

## **SUSTAINABILITY GOVERNANCE**

In responding to the continuous economic, social and environmental changes around us, we rely on a set of guidelines and dedicated capabilities to manage these aspects of the Organization.

Under the leadership of our Sustainability Committee, sustainability governance at Bradesco involves the highest levels of the Organization and aims to ensure that we create long-term value, are responsive to stakeholders' needs, and contribute to social and economic development.

### **Board of Directors**

Each year, one of the meetings of the Board of Directors is dedicated to discussing the main sustainability challenges and opportunities facing the Organization, and establishing strategic guidance for sustainability.

### **Sustainability & Diversity Committee**

The Sustainability Committee is composed of members of the Board of Directors, CEO and executives, and meets at least quarterly to discuss sustainability strategies and monitor sustainability performance within the Organization.

### **Sustainability Committee**

The executive and departmental levels meet on a monthly basis to discuss corporate and departmental plans and projects to implement our sustainability strategy.

### **Dedicated teams**

We have 40 employees at different departments who are dedicated to environmental, social and governance (ESG) topics, including: Corporate Sustainability, Social and Environmental Risk and Institutional Relations, and Sustainability at the Bradesco Seguros Group.

Alongside dedicated organizational structures, a number of management forums are also in place throughout the Organization to address social and environmental aspects within their scope of authority. These include the Credit Committee, management committees and commissions, and the Products and Services Committee. Employees from virtually all departments are engaged in processes and projects to implement best practices in sustainability and enhance our social and environmental performance.

### **POLICY FRAMEWORK**

Our activities are governed by best practices and local regulations, including CMN Resolution No. 4,327/14, which introduces Social and Environmental Responsibility Policy (“PRSA”) guidelines for financial institutions.

Among the guidelines we adhere to are policies and standards that guide our practices at Bradesco, and voluntary commitments we have made that support our strategic drivers.



### **LEARN MORE**

To learn more about these policies and standards, please visit [banco.bradesco/ri](http://banco.bradesco/ri)

#### **Sustainability Policy**

Our Corporate Sustainability Policy contains guidelines that foster social and environmental responsibility in our operations and business, in line with the requirements laid down in Resolution No. 4,327.

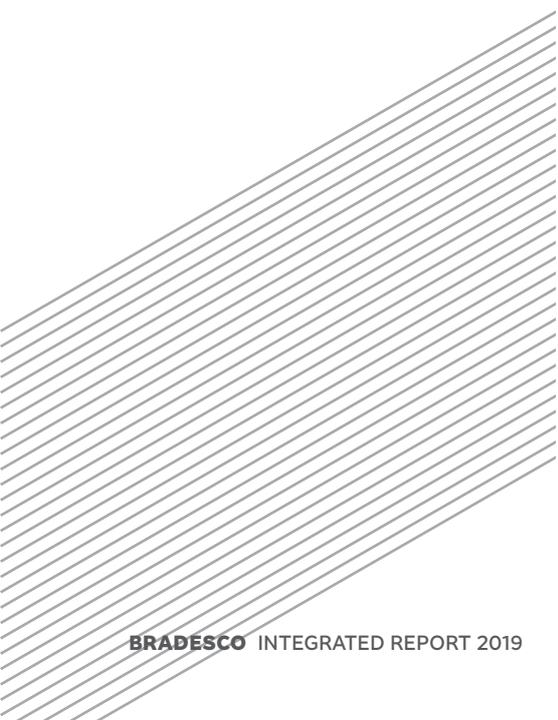
#### **Social and Environmental Responsibility Standard**

Our Social & Environmental Responsibility Standard establishes key social and environmental compliance procedures that apply to our businesses, stakeholder relations and related governance processes.

#### **Social and Environmental Risk Standard**

The Social and Environmental Risk Standard establishes the scope and the approach to managing social and environmental risks.

**Learn More** in Social and environmental risk management, p. 74.



To further the implementation of Resolution No. 4,327., we have developed a plan comprising short-, medium- and long-term initiatives in the following dimensions: Human Capital; Customers; Suppliers; Environmental Management; Institutional/Management; Stakeholders; Products & Services; and Social & Environmental Risk. The plan includes a management and monitoring system that is supervised by senior management. At year-end 2019 we had implemented 100% of planned initiatives. Progress on the themes contained in the SERP is described throughout this report.

General guidance on social and environmental sustainability and risks is addressed in subject matter-specific policies and standards—such as our Human Rights Policy and the BRAM Responsible Investment Standard—and through ESG provisions incorporated into our business management practices, such as our Procurement policy.

## VOLUNTARY COMMITMENTS

### GRI 102-12

Bradesco's commitment to sustainability is also strengthened by our engagement in industry-led initiatives and voluntary commitments.

Sector-based	Sustainable Development	Climate Change	Human Rights, Inclusion and Diversity
			

### SUSTAINABILITY STRATEGY

In 2019, we revisited our Sustainability Strategy to reflect the major challenges and global megatrends affecting our business, the contents of our Materiality Matrix, our business goals, and national and international sustainable development agendas—especially the Sustainable Development Goals (see more in the box on the opposite page).

Strategic planning is conducted by governance and sustainability forums and involves different departments across Bradesco. This has resulted in a new set of strategic pillars to guide and prioritize our corporate efforts.

### INTEGRATING THE SDGs INTO OUR BUSINESS STRATEGY

Bradesco has actively participated in an agenda to engage Brazilian businesses around the Sustainable Development Goals (SDGs) and the UN Global Compact, both through our membership of the Brazilian Committee for the Global Compact (CBPG) and the Open Working Group on Sustainable Development Goals, and through our sponsorship of studies—such as “Integrating the SDGs into the Business Strategy”.

Since 2015, the SDGs have been used as a reference framework in gaining understanding, integrating and setting our strategy for action on the 2030 Agenda, as evidenced by our materiality exercises (Materiality Matrix) and social and environmental investment.

In 2019, five years after the 2030 Agenda was launched and following an extensive study that explored the practices already in place at Bradesco, the perspectives of stakeholders and the Organization's potential impact on the surrounding environment, Bradesco identified a set of priority SDGs.

Bradesco's activities support several of the SDGs, as described throughout this report. By prioritizing six goals, Bradesco has reinforced our commitment to aligning our businesses with the 2030 Agenda and to measuring our impact and enhancing our contribution toward society's goals, in line with the Principles for Responsible Banking (PRB).

## PRIORITY SDGS<sup>1 2</sup>



1. The prioritization process was based on a stakeholder survey, industry benchmarking, our materiality matrix and strategic pillars, the state of affairs in Brazil (the most pressing social and environmental issues) and reporting and performance recommendations and guidelines.

2. The results from the prioritization process were audited by independent consultants ERM Brasil Ltda (Environmental Resources Management), with a favorable opinion.

## LEARN MORE

[https://pactoglobal.org.br/ods\\_empresas](https://pactoglobal.org.br/ods_empresas)

## Six new strategic pillars

### Sustainable business



Our goal is to expand our offering of products and services that contribute to building a more inclusive society and support customers in their transition to a more sustainable economy.

### Climate change



We also work to ensure that our businesses are prepared for climate challenges and to create greater transparency around our climate impacts.

### Customer relations



Our purpose is to serve customers with excellence in a way that is responsive to their needs and goals and supports their life achievements.

### Diversity



Bradesco embraces and promotes diversity among our employees and customers. Our goal is to attract and engage talents, increase access to career opportunities and serve an increasingly diverse spectrum of customer profiles.

### Innovation



Leveraging our innovative force—a force that is embedded in our DNA and practices—in support of sustainability, creating positive transformations in our business operations and in our relations with customers.

### Private social investment



As one of the largest private donors in Brazil, we aim to amplify the results and impacts with our social investment in Brazil.

## CLIMATE CHANGE

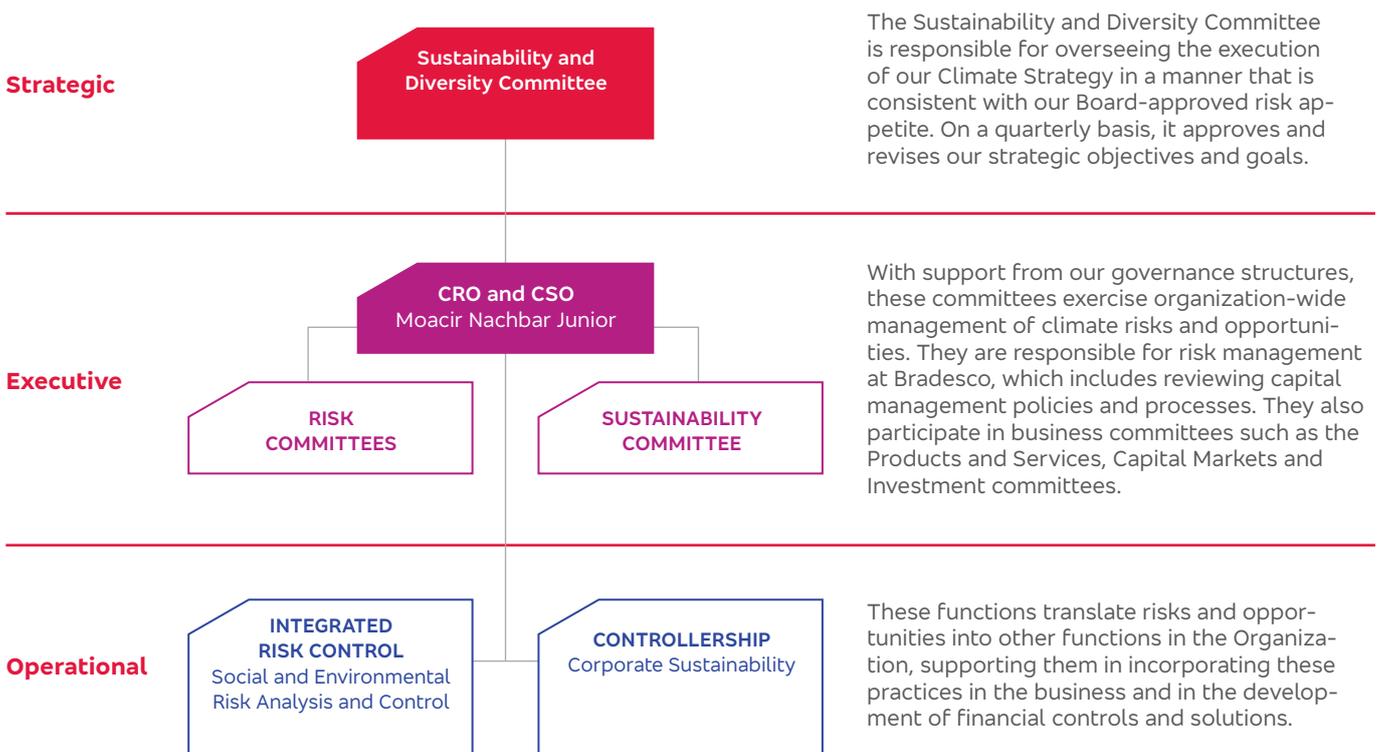
Climate change will significantly impact our society and economy in both the short and long term, creating both risks and opportunities for the financial services industry. These impacts will include both physical or environmental factors such as warmer global temperatures and increasingly severe and frequent extreme weather events, as well as political and market developments such as new regulations and changes in consumption and production patterns.

In this context, Bradesco has worked to ensure that our operations and businesses are prepared to tackle climate change by strengthening our climate governance and implementing strategies and processes for managing climate risks and opportunities.

[Learn More](#) in Emerging Risks, p. 68.

## Climate Change Governance

Climate Change governance at Bradesco is an integral part of our existing risk management and sustainability management structure.



## CLIMATE STRATEGY

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### 13.3

Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning.

### TARGET 13.B

Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalized communities.

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With support and guidance from our management and governance structure, Bradesco's climate strategy works towards four major goals:

- › **Reduce and mitigate greenhouse gas emissions** from our operations and manage our operations' exposure to climate risks.
- › **Provide financial solutions** that support lower carbon consumption and production patterns and increased resilience to climate impacts.
- › **Incorporate assessments of current and future climate risks and opportunities into business decisions and business management.**
- › **Promote engagement and raise awareness among our stakeholders, including employees, partners and suppliers, customers and civil society organizations.**

Learn about some of the highlights of our efforts in 2019 as part of our climate strategy.

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### TARGET 13.1

Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

### TARGET 13.3

Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

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## Operations, Digital Strategy and Climate Commitments

### OPERATIONS

Through Bradesco's Eco-Efficiency Management Program, we have invested in initiatives designed to achieve specific goals in reducing the environmental impact, especially greenhouse gas emissions. For example, between 2017 and 2019 we reduced our electricity consumption and total greenhouse gas emissions from our operations by 3%—for further information, see the chapter Environmental Value, on page 202.

### DIGITAL STRATEGY

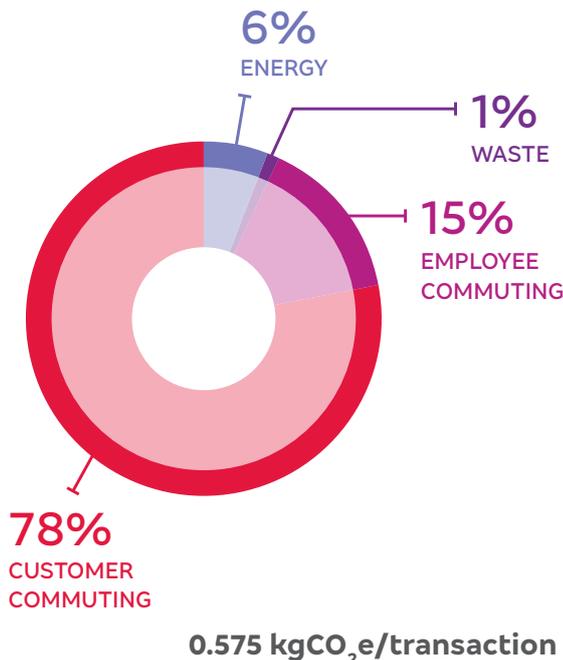
Our eco-efficiency efforts include reducing consumption of natural resources and waste generated by operations, and are incorporated in the guidance set out in our business model. Our digital presence strategy, for example, helps to reduce carbon emissions, expand and facilitate customer access to our services, and reduce our dependence on physical service structures, which are more impact-intensive and more exposed to the risk of disruption from climate factors (such as flooding). An internal survey<sup>1</sup> of transaction and eco-efficiency data from our Integrated Report 2018 found that a transaction

via a digital channel (internet, smart phone, self-service and telephone banking) generates 300 times less carbon emissions per transaction than an equivalent transaction via a physical channel (branch), as a result of electricity savings, reduced cash-in-transit requirements, and reduced employee and customer commuting.

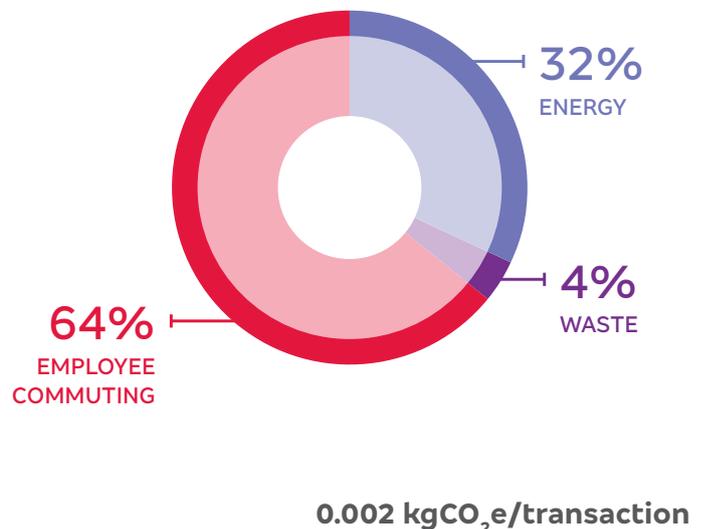
### LEARN MORE

Technology & Innovation, p. 46  
Environmental value p. 202

### TRANSACTIONS VIA PHYSICAL CHANNELS



### TRANSACTIONS VIA DIGITAL CHANNELS



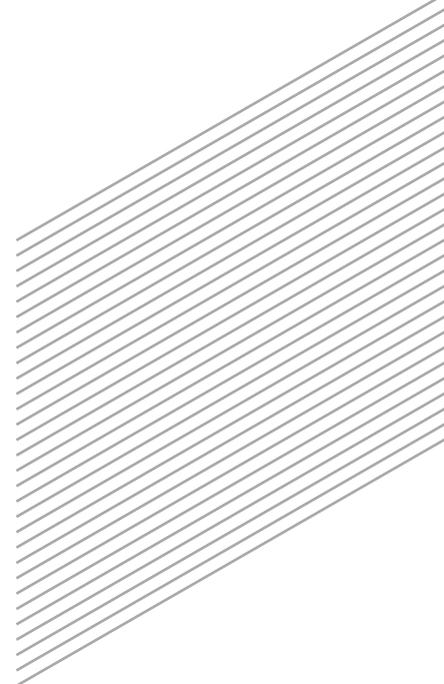
1. The study was based on transaction data (number of transactions per channel) published in our Integrated Report 2018 and data from Bradesco's Greenhouse Gas Inventory 2018 (this information was published in our Integrated Report 2018 and is available on RegistroPublicoCodeEmissoes.com.br). Customer commuting calculations were based on the assumption that each customer performs 1.5 transactions per visit to a Bradesco branch. The study was conducted by the Sustainability team at Bradesco and assured by consultancy firm ERM Brasil Ltda (Environmental Resources Management).

## CLIMATE COMMITMENTS

In addition to our efforts to reduce our carbon footprint, Bradesco is committed to neutralizing emissions from our operations. Since 2006, we have offset 100% of direct emissions and emissions from purchased electricity (respectively scope 1 and 2) against carbon credits from carbon mitigation or greenhouse gas sequestration projects, such as forest remediation and conservation initiatives. Building on this commitment and to further mitigate our impacts, Bradesco has announced the following climate commitments:

- **Renewable energy:** From year-end 2020, 100% of Bradesco's operations will be supplied with electricity from renewable sources. The initiative will make us one of the first major financial institutions in the world to complete the transition.

- **Carbon offsets:** In addition, we have committed to neutralizing 100% of the greenhouse gas (carbon equivalent) emissions from our operations<sup>1</sup> from 2019, becoming the first major Brazilian bank to achieve this level of carbon offsets.



### TARGET 13.1

Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

### TARGET 13.3

Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

### TARGET 13.B

Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalized communities



### TARGET 8.3

Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and

innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services

*1. Scope 1, 2 and 3 are based on the current coverage of Bradesco's Greenhouse Gas Emissions Inventory. Not including indirect emissions, for example, from investments or the operations of customers in our business portfolios.*

## CLIMATE BUSINESS

The greatest potential we have to positively influence the environment and the economy is in the way we manage and leverage our business as an agent of change in the financial services industry.

One of our fronts of action is to offer products and services as well as advisory services to support customers in their transition to a low-carbon economy that is more resilient to the potential impacts caused by climate change.

### CDP

- > In 2019, Bradesco received a “B” rating (Management level) in our CDP Climate Change assessment, demonstrating our ability to implement strategies and make effective decisions in managing climate change within the Organization.
- > We raise awareness among our suppliers about the risks and opportunities stemming from climate change through the CDP Supply Chain Leadership Collaboration, which we have worked on to disseminate. In 2019, 61% of selected suppliers participated in the program.

## Headlines:

### Integrated Crop-Livestock-Forest Systems (ICLFS)

Bradesco is the only member of the Integrated Crop-Livestock-Forest Systems (ICLFS) network created by EMBRAPA and agribusiness companies. The network aims to accelerate the adoption of systems that integrate crop, livestock and forestry operations in a single area. This increases farm diversification, provides additional revenue streams, reduces environmental stress from expansion, minimizes soil degradation and mitigates carbon emissions from farming. In 2019, we provided R\$ 500,000 to support the ICLFS Network.

### LowCarbon Farming (BNDES)

The program offers special interest rates for farmers to remediate pastureland and forests and adopt farming technologies that help to reduce GHG emissions, achieving both conservation and financial returns. In the last three years, Bradesco has onlent over R\$ 1.5 billion as part of the program, and has supported customers in implementing more sustainable and environmentally compliant practices in agribusiness.

### Financing for Solar Energy

With one of the highest levels of solar resources in the world, Brazil has significant potential to expand its solar power capacity. To finance projects to harness this potential, Bradesco offers a direct-to-customer (DTC) loan product (*CDC Fotovoltaico*) for purchasing and installing solar power equipment on properties owned by individuals or businesses. Through additional marketing efforts, our *CDC Fotovoltaico* loan portfolio grew 25-fold from 2018 to 2019, reaching R\$ 169.3 million.

### Support for renewable energy

Bradesco is one of the biggest funders of renewable energy in Brazil. For example, in 2019, BBI arranged approximately 30 loans for renewable power transmission and distribution projects, amounting to a total of R\$ 10 billion.

## CLIMATE RISKS MANAGEMENT

Climate risks are factored in risk assessments of Bradesco's operations, businesses, customers and portfolios. Alongside other risk components, we consider environmental and climate-related factors in our methodologies, models and tools for measuring and risk control.

## LEARN MORE

**Social and Environmental Risk Management**, p. 74

**Asset Management** p. 78

**Suppliers** p. 174



### 13.1

Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

## FUTURE VISION



### TARGET 13.1

Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

### TARGET 13.3

Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

### TARGET 13.B

Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, youth and local and marginalized communities

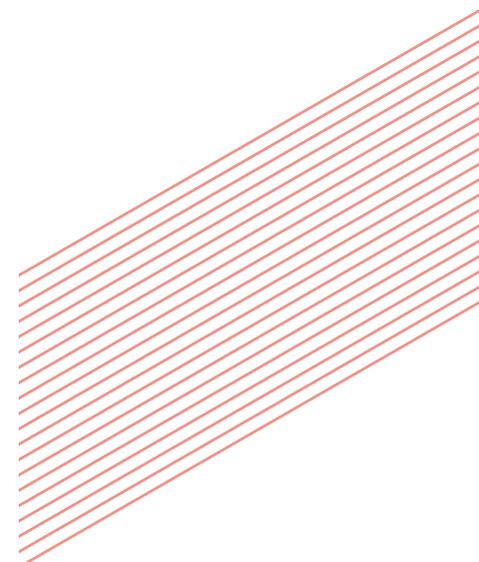
Assessing impacts from climate change on businesses requires a long-term vision and an understanding of different scenarios and their inherent risks and opportunities. In 2019, we continued to use different tools and methodologies to improve our understanding of current and future impacts from climate change. An overview of these methodologies is provided below:

## MEASURING CLIMATE CHANGE RISK

In 2019, we continued to play an active role in a working group created by the UNEP FI that collaborates with specialist consultants and banks in different countries to develop methodologies and tools for measuring the potential impacts from climate change on financial institutions' loan portfolios.

In the second cycle of the project, we expanded the number of indus-

tries assessed using methods that cover both physical transition risks and risks from climate change. The goal of the project is to determine the potential impacts from global warming and their environmental, political, technological, market and business effects on customers operating in critical industries highly sensitive to climate change and highly weighted both in our loan portfolio and in Brazil's economy.



SASB FN-MF-450A.3	PILOT I (2017-2018)	PILOT II (2019-2020)
<b>Physical Risk</b>	<b>Agriculture</b>	<b>Real estate</b>
INDUSTRY	Agriculture	Real estate
SECTOR	Grain production	Residential real estate
PRODUCT	Agricultural loans	Mortgages
RISK	Extreme heat waves	Floods
IMPACTS ON	Productivity and revenue	Property value
SCENARIO ASSUMED	2°C and 4°C (2040)	
<b>Transition Risk</b>	<b>Transportation</b>	<b>Oil and Gas</b>
INDUSTRY	Transportation	Oil and Gas
SECTOR	Manufacturing (automotive and parts); transportation (maritime, road and air)	Mining and manufacturing (oil and gas); other (pipes for conveyance and marketing)
PRODUCT	Corporate and Businesses	Lending (wholesale)
RISK	Policy, technology and market developments affecting the direct and indirect costs of carbon emissions, the capital required for climate adaptation and revenues.	
SCENARIO ASSUMED	2°C (2040)	

As our methodologies evolve, our goal is to incorporate the results of scenario analyses into business decisions, advise customers in managing exposure to climate risks,

and support them with financial solutions focused on reducing the vulnerability of their businesses to climate-change impacts.

## CARBON PRICING

Carbon pricing mechanisms, such as carbon markets, are a reality in more than 40 countries and dozens of jurisdictions around the world. While Brazil has yet to imple-

ment carbon pricing mechanisms, Bradesco is taking steps to gain an understanding of them and be prepared for business.

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### Corporate investments

Following a pilot-project initiated in 2019, this year we will implement carbon pricing in the cost composition as part of our analysis of major infrastructure investments and acquisitions.

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### Asset management

We published a study about the sensitivity of BRAM portfolio companies to carbon pricing, including both taxation and the carbon market.

Learn More at [https://www.bradescoasset.com.br/BRAM/static\\_files/portal/files/PDF/Home/Precificacao\\_de\\_Carbono\\_Bram\\_Bradesco\\_2019.pdf](https://www.bradescoasset.com.br/BRAM/static_files/portal/files/PDF/Home/Precificacao_de_Carbono_Bram_Bradesco_2019.pdf)

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### Intermediation

We act as financial operators in the Emissions Trading System (SCE) simulation used by the FGV Center for Sustainability Studies.

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## METRICS AND TARGETS

Building metrics and establishing targets is essential in effectively managing climate impacts on business. In 2019, we implemented a number of new climate metrics at Bradesco.



### 13.3

Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

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## eco-efficiency management

Eco-efficiency is part of our approach to strategic management, which reconciles environmental and financial performance through process optimization, recycling, innovation and improved resource and materials efficiency. The goal is to reduce the environmental impact and drive operating efficiency.

To better plan and monitor our initiatives and track their results, in 2010 we began building multi-annual plans outlining projects and targets to reduce consumption and waste, including greenhouse gas (GHG) emissions.

We are currently implementing our third Eco-Efficiency Master Plan (2019-2021); some of the targets in this edition (electricity consumption, road fleet and air fleet) are aligned with the ambition under the Paris Agreement to limit global warming to 2°C, using the sector tools outlined by the Science-based Targets initiative (SBTI).

We measure the results from these initiatives and have reported them in the chapter Environmental Value as well as in our Annual GHG Emissions Inventory in accordance with the Brazilian GHG Protocol Program guidelines.

We aim to achieve the following reduction targets by 2021 from a 2018 baseline

GHG emissions  
-4.5% tCO<sub>2</sub>e

energy consumption  
-12.6% MWh

water consumption  
-6.8% m<sup>3</sup>

[Learn More](#)

Bradesco Sustainability Website  
Environmental Value, p. 202

## FINANCED EMISSIONS

In 2019, we conducted the first study of financed emissions in industries that are highly weighted in our loan portfolio and in Brazil's economy, and which are considered critical in terms of carbon emissions.

Our next steps will be to amplify and refine these studies and the effective use of these metrics to manage our loan portfolios in a way that reduces emissions financed by Bradesco.

[Learn More](#)

Sustainable Business (below)

General disclosures	Portfolio disclosures		
Amounts and assets financed in 2019	Properties	Vehicles	Agribusiness
Potential emissions over the term of the contract	Construction and consumption of electricity and natural gas	Manufacture of goods and fuel combustion in their use	Emission factor by type of herd and type of crop

## tCO<sub>2</sub>e/R\$ 10,000 financed



real estate  
0.45



vehicles  
3.54



agribusiness  
14.38

## SUSTAINABLE BUSINESS

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### TARGET 5.A

Undertake reforms to give women equal rights to economic resources, as well as access to ownership and

control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws

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### TARGET 8.3

Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services

### TARGET 8.10

Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all

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### TARGET 9.3

Increase the access of small-scale industrial and other enterprises, in particular in developing countries,

to financial services, including affordable credit, and their integration with value chains and markets

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### TARGET 10.2

By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age,

sex, disability, race, ethnicity, origin, religion or economic or other status

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### TARGET 13.1

Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries

### TARGET 13.3

Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning

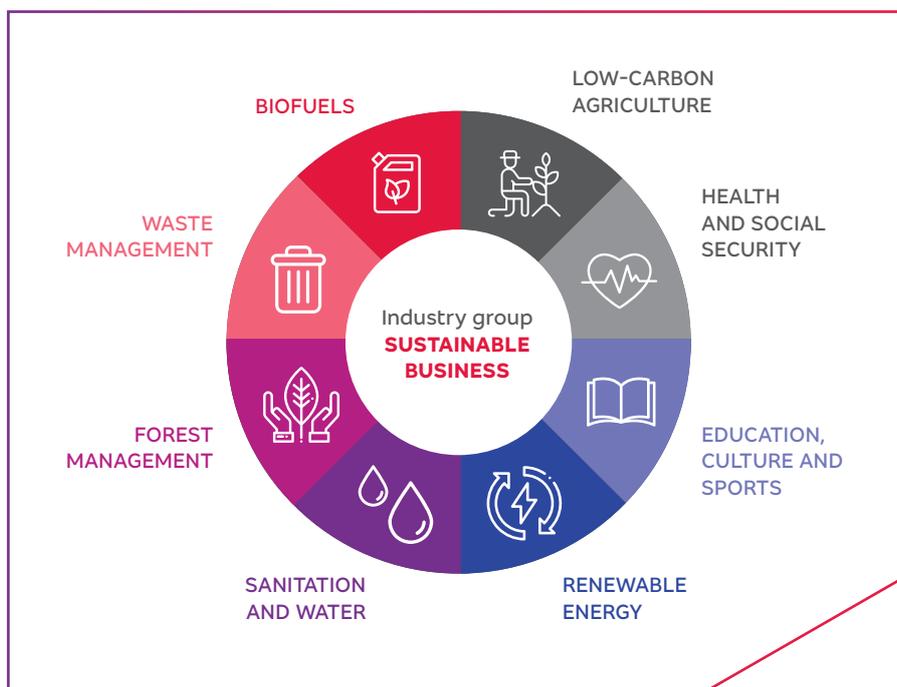
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Financial institutions have an essential role to play in promoting social and economic development and supporting international, sustainable development agendas. They can target funding to activities and industries that generate social and environmental benefits, and to manage social and environmental risks.

Our mission includes a commitment to contributing to sustainable development by offering financial solutions and products that are inclusive and accessible. In 2019, we incorporated a “Sustainable Business” pillar in our Sustainability Strategy to combine financial results with social and environmental aspects, as well as improve our ability to measure and manage the risks and impacts caused by our business.

### SUSTAINABLE BUSINESS AT BRADESCO

We have a proprietary classification for determining which industries and activities fall within our vision for Sustainable Business. The classification was developed based on benchmarked industry practices, best corporate practices and internationally recognized government taxonomies. As a result, we have identified eight major key sectors that we consider to be central in promoting sustainable development in line with our business strategies.



### SOLUTIONS GENERATING SOCIAL AND ENVIRONMENTAL BENEFITS

**GRI 103-2; 103-3; FS7; FS8**

We offer optimal solutions that support our customers in adopting more sustainable behaviors and practices, and provide production finance to corporate customers to help them minimize their social and environmental impact.

We continually review our portfolio of products and services using a process that takes into account social, environmental and other factors in assessing and determining whether to maintain those solutions. This enables us to identify and mitigate any indirect impacts from our portfolio, and to explore opportunities and create shared value.

We currently offer more than 20 solutions focused on generating positive social and environmental results. In 2019, new contracts for these products more than doubled, with especially significant growth in solar power DTC loans.

<b>Bradesco</b>		<b>Customers</b>	<b>Balance in 2018 (R\$)</b>	<b>Qty.</b>	<b>Balance in 2019 (R\$)</b>	<b>Qty.</b>
Accessibility	Products for the purchase of goods or services for people with disabilities (e.g. vehicle adaptations, healthcare services)	Individual & corporate	286,021	44	183,972	31
Construction	Loans to purchase construction materials for home renovations and improvements	Individual	7,936,576	1,484	8,515,941	1,280
Individual microcredit <b>SASB FN-CB-240A.1</b>	Credit for sole proprietors	Individual	73,928,827	32,390	104,695,751	41,537
Corporate microcredit <b>SASB FN-CB-240A.1</b>	Credit for small businesses	Corporate	40,377,340	10,428	30,816,346	6,284
APL	Credit solutions offered to micro- and small-sized enterprises within Local Productive Arrangements (APLs)	Individual & corporate	48,194,175	589	50,190,156	675
Education	Student loans for tuition, participation in academic events, supplies, and other purposes	Individual	380,238	203	647,373	141
Environmental management and Renewable energy	Products for the purchase of equipment for renewable energy projects and loans for environmental preservation and certifications	Individual & corporate	6,915,956	145	169,427,866	2,255
<b>TOTAL</b>			<b>178,019,133</b>	<b>45,283</b>	<b>364,477,405</b>	<b>52,203</b>

We also onlend funds available from the Central Bank of Brazil (BNDES) and the Government Severance Indemnity Fund (FGTS) to finance production practices that are environmentally friendly and have high productivity, especially in

agribusiness, as well as public infrastructure services. As onlenders, we directly advise clients on the optimal use of their loans and on maximizing the positive social, environmental and economic impact from their use of the funds.

<b>BNDES and FGTS Onlending</b>		<b>Customers</b>	<b>Balance in 2018 (R\$)</b>	<b>Qty.</b>	<b>Balance in 2019 (R\$)</b>	<b>Qty.</b>
Moderagro Solo/ Produsa	Loans for soil improvement, degraded pasture rehabilitation, agricultural development of wetlands and environmental rehabilitation of farm properties, particularly legal reserves and permanent protected areas	Individual & corporate	2,319,210	30	0	0
ABC Program	Financing to reduce greenhouse gas emissions from farm operations and deforestation	Individual & corporate	571,345,900	5,757	483,211,543	5,476

<b>BNDES and FGTS Onlending</b>		<b>Customers</b>	<b>Balance in 2018 (R\$)</b>	<b>Qty.</b>	<b>Balance in 2019 (R\$)</b>	<b>Qty.</b>
Moderagro	Agricultural finance project to increase productivity, product quality and sanitary/environmental compliance (BNDES onlending)	Individual & corporate	39,878,165	77	40,021,120	111
Sanitation for All (FGTS) – Formerly Pró-Saneamento	Financing for sanitation projects such as water supply, sewage, solid waste treatment, among others (FGTS onlending)	Corporate	0	0	5,537,771	41
Propflora	Financing for the development and maintenance of forest plantations for industrial use and for the maintenance and reforestation of legal reserves and protected areas (BNDES onlending)	Individual & corporate	94,701,025	61	82,476,007	52
Profruta – Prodefruta	Financing to support the development of the fruit growing industry in Brazil through investment to improve fruit yields, production, quality and marketing conditions for fruit produce	Individual & corporate	132,140	5	26,615	1
Prodecoop	Financing for projects and/or machinery and equipment to improve competitiveness at Brazilian agricultural cooperatives	Individual & corporate	7,977,601	12	16,426,343	12
<b>TOTAL</b>			<b>716,354,041</b>	<b>5,942</b>	<b>627,699,399</b>	<b>5,693</b>

Bradesco Seguros Group's products, services and solutions that support customers and non-customers in

generating positive social and environmental results.

<b>Bradesco Seguros Group SASB FN-IN-410B.2</b>		<b>Customers</b>	<b>Balance in 2018 (R\$)</b>	<b>Qty.</b>	<b>Balance in 2019 (R\$)</b>	<b>Qty.</b>
Private pension	<u>Prev Classic – 3 in 1</u>	Individual	8,559,888	5,573	5,979,830	9,915
	<u>Prev Jovem</u>					
	<u>Sob Medida</u>					
Microinsurance	<u>Personal Protection</u>	Individual	12,240,016	1,961,035	8,843,381	2,896,312
	<u>Premium Accident Microinsurance</u>					
	<u>Meu Seguro Bradesco</u>					
	<u>Top Clube</u>					
	<u>Tranquilidade Familiar First Protection</u>					
Life Insurance	<u>Vida Segura</u>	Individual & corporate	184,426,851	1,398,816	242,560,792	1,237,319
	<u>ABS Senior</u>					
	<u>Top Senior</u>					
	<u>Business Life Insurance</u>					
	<u>Bilhete AP Bradesco</u>					
<b>TOTAL</b>			<b>205,226,754</b>	<b>3,365,424</b>	<b>257,384,003</b>	<b>4,143,546</b>

<b>Bradesco Seguros Group (other services and support) SASB FN-IN-410B.2</b>		<b>Since</b>	<b>Target audience</b>
<b>Sustainable Collection Services from Bradesco Home Insurance</b>	This service helps policyholders to dispose of furniture, mattresses, home appliances and other items in an environmentally compliant manner. The service is requested through our Customer Service channel, through which customers schedule a date and time to collect materials, which are then dismantled and separated for either recycling or compliant disposal ( <i>read more in Environmental value – Waste</i> ).	2016	Homeowner insurance policyholders
<b>Disaster Response (response to severe natural disasters) GRI 201-2</b>	Bradesco Auto/RE provides coverage for severe weather events. Homeowners insurance products offer coverage for windstorms and hail, as well as efficient claims support. Bradesco Auto/RE has a Climate Disaster Response action plan for responding to homeowner insurance claims resulting from exceptional weather events. This action plan, which has been activated on 29 occasions since inception, aims to shorten the time taken to respond and pay insurance claims to policyholders affected by natural disasters. In 2019, the Climate Disaster Response action plan was activated three times, with a total of R\$ 1,579,003.84 in claims paid to 326 clients in 21 cities. Claims were primarily related to windstorms and hail.	2015	Homeowner insurance policyholders
<b>Auto Recycling Program</b>	Bradesco Auto/RE's Auto Recycling Program sends wreckage scrap and parts to recycling companies, which are required to be certified as specialized scrap collection and recycling companies ( <i>read more in Environmental value – Waste</i> ).	2009	Homeowner insurance policyholders
<b>Dirija Bem App</b>	Our Dirija Bem car owner's assistant app uses telemetry data to support better driving practices that help to reduce fuel consumption, emissions and traffic accidents. Using GPS sensors, the app monitors driving behavior and provides driving tips. Since its launch in 2017, the Dirija Bem app has been installed by 8,869 users to date, including 2,739 users in 2019.	2017	The app is available to the general public, including non-policyholders
<b>Guardian Angel</b>	When policyholders request tow-truck service, Bradesco first dispatches a motorcycle responder, or "Guardian Angel", to attempt minor, low complexity repairs and avoid the need for towing, thereby reducing fuel consumption and pollutant emissions. The service also allows for a faster response—a tow truck takes an average of 40 minutes to arrive, whereas a Guardian Angel responder takes just 15 minutes. The cities covered by this service include Belo Horizonte, Brasília, Campinas, Curitiba, Fortaleza, Goiânia, João Pessoa, Osasco, Porto Alegre, Recife, Niterói, Salvador, Rio de Janeiro, São Bernardo do Campo, São Paulo, Santo André, São Caetano do Sul, Guarujá, Bertioga, São Vicente and Praia Grande. In December 2019, our Net Promoter Score (NPS)—which measures customer satisfaction and loyalty—was 87%, denoting the positive performance of our Guardian Angel service. The cost for the Bradesco Seguros Group Auto/RE of outsourced Guardian Angel services is R\$ 316,000 per month. A total of 144 Guardian Angel responders are active throughout Brazil.	2017	Auto Insurance Policyholders

## TAILORED WHOLESALE SOLUTIONS

Bradesco is also preparing to serve wholesale customers in developing tailored lending and investment solutions to improve corporations' management of impacts, offer securities with social and environmental attributes, and arrange transactions in sectors generating positive social and environmental impacts.

## INDICATORS OF EXPOSURE TO SOCIAL AND ENVIRONMENTAL RISKS

As described in the chapter on Risk Management, we factor social and environmental aspects in our risk management processes, especially in loan underwriting and over the life of financed operations.

Concurrently, we use indicators to monitor exposure to industries that are highly relevant or critical to our management of social and environmental risks. This supports the integrated management of social and environmental risks in our business portfolios, and informs decisions on where to target our capital.



### LEARN MORE

Social and Environmental Risk Management, p. 74

## Investments in 2019 in companies manufacturing or marketing

	Investments	
	Amount (R\$ million)	% of total portfolio
Products and services that can cause death, chemical or psychic dependence, risks or damage to the health and physical integrity of users	609	0.10
Fossil fuels and/or fossil fuel products	2,427	0.40
Products and services which, when used or consumed as intended, can cause risks or damage to public health or food or nutrition safety	975	0.16



### LEARN MORE

For a breakdown of our loan portfolio by industry and economic activity, you can view our **4Q19 Economic and Financial Analysis Report on [banco.bradesco/ri](https://bradesco.ri.com.br)**.



# The Amazon

SASB FN-CB-240A.2

Bradesco's activities in the Amazon include education and financial inclusion initiatives, banking intermediation and products and services, and support for social and environmental programs.

Our Bradesco Expresso and Service Point (PA) network provide a banking presence in remote regions with limited availability of financial services. Of our 3,997 PAs throughout Brazil, 6% are in the North.

In 2019, we launched a floating branch in the State of Amazonas. The *Voyager V* travels a 1,600 kilometer route between Manaus and Tabatinga, in a 15-day round-trip voyage touring 11 municipalities and 50 communities with a total population of 250,000 people who previously had no access to financial services.

We also provide information, training and access to credit to support local development and entrepreneurship through our Advisory-Supported Business Microcredit product. **Learn More** in Financial Inclusion, p. 187.

Also within our banking inclusion efforts, Bradesco's financial education program helps to improve the financial health of employees, customers and non-customers. Unibrad, our corporate university, has implemented financial education and entrepreneurship initiatives in Amazon communities, benefiting 2,400 people in 2019. **Learn More** in Financial Education, pp. 183 - 186.

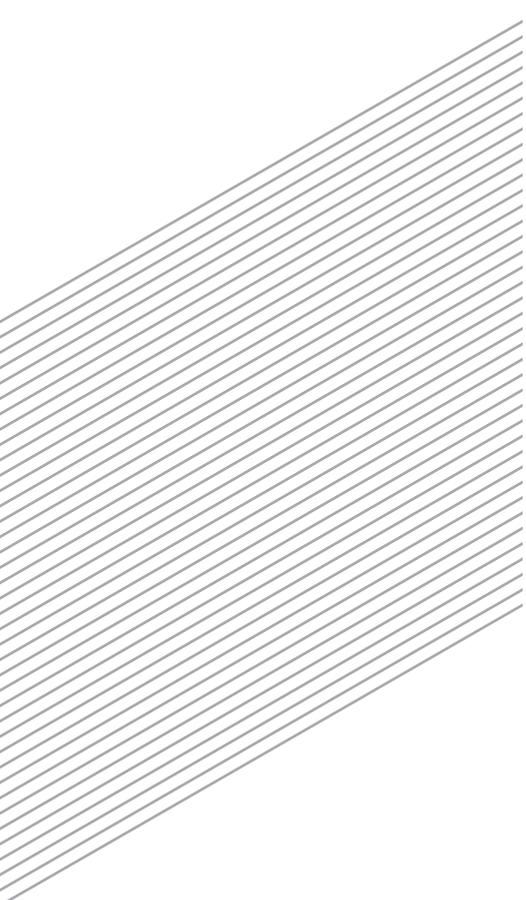
Under our business strategy, we work to strengthen an agenda of positive impacts, including in the Amazon region. Our commercial approach to the agribusiness segment, for example, includes special credit facilities for sustainable irrigation, businesses with environmental certification, and low carbon farming activities, among other uses. **Learn More** in Sustainable Business, pp. 53 - 58.

We share concerns about global levels of deforestation and its implications for climate change, economic development and ultimately for the business environment in which we operate. We work to continually improve our social and environmental risk management policies in our loan underwriting process, using criteria that support efforts to contain illegal deforestation. A multidisciplinary technical team dedicated to socio-environmental risk analysis uses detection

and assessment tools, industry checklists, satellite imagery (georeferencing) and media tracking to mitigate potential social and environmental impacts from our activities. **Learn More** in Social and environmental risk management, pp. 74 - 77.

In our interaction with communities, the Fundação Bradesco, our flagship social initiative, works in severely underdeveloped areas to provide basic and professional education to more than 90,000 students each year. The Amazon biome has 11 units, benefiting approximately 24,678 students.

Through Bradesco's Social & Environmental Investment agenda, we support remote Amazon communities within protected areas, contributing to inclusion and local development. We also support local projects through strategic partnerships in the region. **Learn More** in Civic engagement and philanthropy, p. 195.



## OUR COMMITMENT TO HUMAN RIGHTS

### GRI 103-1; 103-2; 103-3; 412-1

Bradesco has undertaken a public commitment to human rights that is aligned with nationally and internationally accepted principles, including: the Universal Declaration of Human Rights, the UN's Framework on Business and Human Rights and applicable International Labor Organization (ILO) conventions ratified by Brazil.

As part of our commitment to respecting and protecting fundamental rights, incorporating industry best practice and complying with regulatory guidance on social responsibility, since 2018 Bradesco has published relevant guidelines through our Corporate Human Rights Policy. Human rights are also addressed in other internal policies and standards, such as our Code of Ethical Conduct, Sustainability Policy, Social and Environmental Risk Standard, Diversity & Inclusion Policy and Human Resources Management Policy. We also have specific human rights policies in place to prevent the risks to which we are exposed in our relations with employees, customers, suppliers, partners and communities.

Within our Corporate Social Responsibility Management System, we have communication channels through which direct and third-party employees can report concerns about potential human rights violations. In addition, we have a structured process for handling reports and monitoring related indicators. In addition, we regularly publish content and provide training on human rights. Learn more in the chapter on Non-discrimination and Respecting Human Rights, p. 150.

In relation to suppliers, the Bradesco Supply Chain Social Responsibility Program (PBRSA CS) promotes adherence to ethical, integrity and sustainability principles, with a focus on human rights and social and environmental management. Learn more in Suppliers, p. 174.

For customers and business partners, and especially in our lending activities, we monitor for potential human rights violations as part of our social and environmental risk management efforts under the oversight of the Integrated Risk Control Department (DCIR). Learn More in Risk Management, p. 64.

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## LEARN MORE

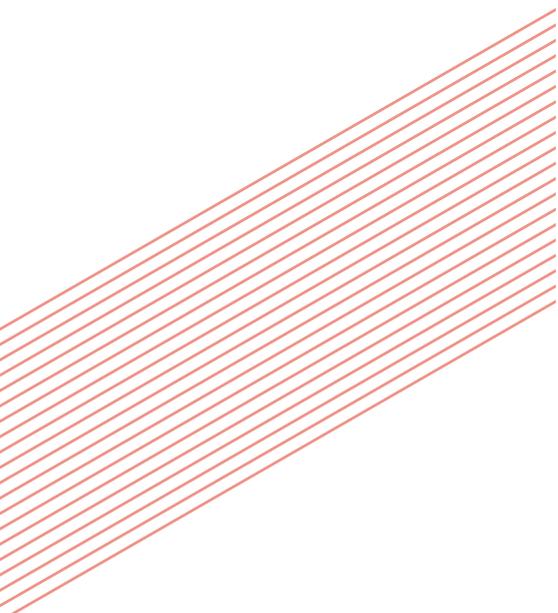
[Click here](#) to learn about our Human Rights Policy

In our card business, all correspondent banking agreements for credit card sales, lending and factoring linked to the BradesCard and Bradesco S. A. joint ventures contain provisions on fighting child and slave labor, environmental protection and other matters. These provisions are drafted in accordance with best practices recommended by Bradesco's legal departments. Although the parties to the joint ventures are independent, and their employees are typically subject to separate codes of ethics, Bradesco also distributes its own Code of Ethical Conduct for information and to improve workplace conditions and minimize social and environmental impacts. Periodic oversight visits are conducted and any identified misconduct or issues are escalated to the highest governance

bodies of the relevant partners to ensure that action is taken.

In asset management, as a signatory of the Principles for Responsible Investment (PRI), Bradesco Asset Management S.A. (BRAM) has responsible investment standards that address social and environmental aspects, including human rights, in assessing assets. Learn more in Asset management, p. 78.

Our social responsibility performance is also enhanced by voluntary commitments to which we have subscribed, as reported on p. 42.



## **PRINCIPLES FOR RESPONSIBLE BANKING**

Bradesco was the only Brazilian bank to participate in the development of the Principles for Responsible Banking alongside 30 financial institutions from all continents in alliance with the United Nations Environment Programme Finance Initiative (UNEP FI), the financial arm of the UN Environment Program.

The Principles outline the role that banks can play as agents for positive change in society, and especially the contributions that financial institutions can make to

national and international development agendas—such as the United Nations Sustainable Development Goals.

Implementing the commitments we have undertaken required an effort spanning the entire Organization and crosscutting initiatives ranging from internal stakeholder engagement to strategy reviews.

Principles	Supporting initiatives
<p><b>1. Alignment</b> We will align our business strategy to be consistent with the needs of individuals and society's goals, as expressed in the Sustainable Development Goals, the Paris Agreement and relevant national and regional frameworks.</p>	<p>The Sustainability Strategy we developed toward the end of 2019 includes guidance from the 2030 Agenda and the Paris Agreement, but also reflects the different circumstances and key market trends in Brazil.</p> <p><b>Learn More</b> Sustainability Strategy Climate Change Integrating the SDGs into our business strategy</p>
<p><b>2. Impact and target setting</b> We will continuously increase our positive impacts while reducing the negative impacts and managing the risks to people and the environment resulting from our activities, products and services. To this end, we will set and publish targets where we can have the most significant impacts.</p>	<p>Assessments of our structure, our product portfolio in our businesses include assessments of impacts from our operations and businesses. By managing and setting targets for climate change, promoting sustainable business and managing risks, we maximize positive impacts and minimize potential negative impacts on society and the environment, as well as encourage sustainable practices—such as the transition to a more inclusive and low-carbon economy.</p> <p><b>Learn More</b> Climate Change Risk Management Sustainable Business</p>
<p><b>3. Clients &amp; Consumers</b> We will work responsibly with our clients and our customers to encourage sustainable practices and enable economic activities that create shared prosperity for current and future generations.</p>	<p>Recognizing our responsibility in our relations with clients, and the ability we have to influence more sustainable behaviors and practices, we offer individual and corporate customers products and services supporting those behaviors and practices, and help individual customers to broaden their knowledge of financial management through advisory services, engagement and capacity building. In addition, we promote ethics and integrity in our interactions with clients.</p> <p><b>Learn More</b> Ethics &amp; Integrity      Sustainable Business Climate Change      Society</p>
<p><b>4. Stakeholders</b> We will consult, engage and partner with relevant stakeholders proactively and responsibly to achieve society's goals.</p>	<p>Our Stakeholder Engagement Policy calls for stakeholders to be involved, where practicable, in building and revising our strategies.</p> <p>In addition, Bradesco engages in a number of (sector, multisector and institutional) discussion forums; supports voluntary commitments; and forms partnerships with a focus on sustainable development.</p> <p><b>Learn More</b> <a href="http://banco.bradesco/ri">banco.bradesco/ri</a>      Voluntary Commitments</p>
<p><b>5. Governance &amp; Culture</b> We will implement our commitment to these Principles through effective governance and a culture of responsible banking.</p>	<p>Our corporate governance framework guides our management of sustainability. This includes dedicated structures such as our Sustainability Commission and Sustainability and Diversity Committee, which are responsible for setting and implementing policies, standards and strategies.</p> <p>Guidelines and communication, engagement and capacity building initiatives help to build a culture of banking responsibility and sustainability. Examples of this are our financial education initiatives, which increase our employees' subject-matter knowledge, generating positive, direct impacts on our relations with clients and enabling us to provide better targeted financial advice, products and services.</p> <p><b>Learn More</b> Sustainability Governance Social Value</p>

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## Principles

### 6. Transparency & Accountability

We will review our individual and collective implementation of these Principles periodically and be transparent and accountable for our positive and negative impacts and our contribution to society's goals.

## Supporting initiatives

We have gradually improved our approach to measuring and reporting on our management practices, results and impacts from our operations and businesses. To this end, engaging with customers, industry associations and research organizations is instrumental in improving understanding and enhancing transparency in our reports.

**Learn More** in the chapter "Forward"

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## LEARN MORE

about our performance on [banco.bradesco/ri](http://banco.bradesco/ri)

## ENVIRONMENTAL, SOCIAL AND GOVERNANCE (ESG) PERFORMANCE

Bradesco's progress on sustainability and performance on ESG (environmental, social and governance) issues have been recognized by the main stock-exchange sustainability indexes and ESG rating agencies.

In 2019, Bradesco's performance was largely rated above the market average, as a result of a corporate effort to implement best corporate sustainability practices.

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## STOCK EXCHANGE INDEXES

**Dow Jones Sustainability Index** – Bradesco was again included in the Dow Jones Sustainability Index (DJSI), in both the World and Emerging Markets indexes, and was the best rated among Brazilian private banks.

**Corporate Sustainability Index** – Bradesco was nominated for the B3 ISE index for the 15<sup>th</sup> consecutive edition.

**Learn More** in [https://www.bradesco.com.br/siteBradescoRI/Paginas/obradesco/200\\_sustentabilidade.aspx](https://www.bradesco.com.br/siteBradescoRI/Paginas/obradesco/200_sustentabilidade.aspx)

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## SPECIALIZED AGENCY ASSESSMENTS AND RATINGS



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## AWARDS

**Guia Exame de Sustentabilidade** – Bradesco was among the four top-rated financial services institutions in 2019.

**Sustainability YearBook Award 2020** – Bradesco was recognized for the 2<sup>nd</sup> consecutive year in the silver category.

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# risk management

SASB FN-IN-550A.3

The nature of our operations, the wide range of financial products and services we offer, and the globalization of the business expose us to a range of risks (credit, market, operational, liquidity, reputational, social, environmental and other risks) and require a robust and integrated risk management structure. Risk management is crucial for the long-term sustainability and stability of the business, and to provide security and assurance to stakeholders.

Our approach to risk management is based on guidelines established by the Board of Directors and by our committees, which set global risk management goals that are

then translated into targets and limits for the individual business units managing the relevant risks. Capital risk control and management units support management by monitoring and assessing risk and capital.

We also have consistent processes (measurement and control methodologies, models and tools) for proactively identifying, measuring, monitoring and reporting on risks so they are prevented or mitigated.

Bradesco monitors and controls capital sufficiency and liquidity levels to ensure that both minimum regulatory levels (established by the Central Bank of Brazil and published quarterly in Risk Management Reports – Pillar 3, available on: [banco.bradesco/ri](http://banco.bradesco/ri)) and Risk Appetite Levels (buffers), defined and approved by the Board of Directors, are met. This process uses stress testing scenarios to help calibrate and set buffers. Stress testing not only deepens and broadens our knowledge about the Organization’s risk profile, but also

enables us to anticipate weaknesses and mitigate stressors, and to assess the impact on the business. We also have a Business Continuity Management (GCN) program that guides our departments in continually planning our response to incidents that could disrupt our operations, thereby mitigating potential impacts

SASB FN-CB-550A.2; FN-IB-550A.2

## risk map

- › Lending
- › Market
- › Operational
- › Underwriting
- › Liquidity
- › Social & Environmental
- › Strategy
- › Reputational
- › Model
- › Contagion
- › Compliance, Conduct and Ethics
- › Cyber

## LEARN MORE

Risk management instruments at Bradesco are continually evolving. Read more in our Risk Management Report – Pillar 3, available on: [banco.bradesco/ri](http://banco.bradesco/ri)

## RISK GOVERNANCE

Our risk and capital management structures are composed of committees, commissions and departments that advise the Board of Directors, the CEO, the Chief Risk Officer (CRO) and the Board of Executive Officers in decision-making.

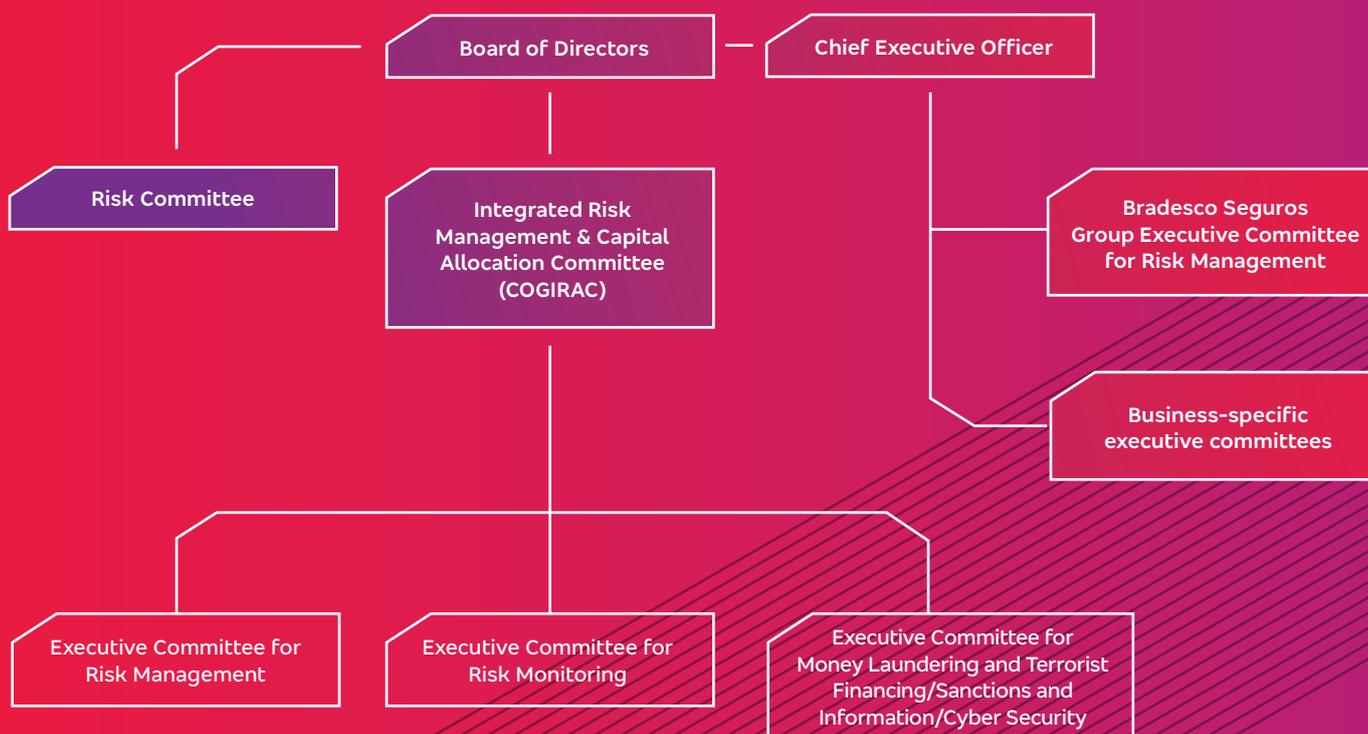
Our Integrated Risk Management and Capital Allocation Committee advises the Board of Directors on its duties related to risk management policies and exposure limits, ensures compliance with related processes, policies and standards within the Organization, as well as applicable laws and regulations.

This committee is advised by the following committees: a) Risk Monitoring; b) Risk Management; c) Money Laundering and Terrorist Financing/Sanctions and Information/Cyber Security; and d) Risk Management Committees at the Bradesco Seguros Group and BSP Empreendimentos Imobiliários. We also have an Executive Committee for Products and Services and business segment-specific Executive Committees which, among other things, suggest exposure limits and the relevant risks and develop and submit mitigation

plans to the Integrated Risk Management and Capital Allocation Committee and the Board of Directors.

A Risk Committee is responsible for assessing Bradesco's risk management framework and recommending improvements as necessary.

The Integrated Risk Management and Capital Allocation Committee and the Risk Committee jointly advise the Board of Directors on its risk and capital management duties.



## Stress Testing Program

This program has the following goals:

- Build maturity in the Organization's governance and management processes by disseminating and strengthening a risk culture;
- Increase the level of engagement across the organization in discussing and developing prediction models and assumptions;
- Use macroeconomic, idiosyncratic and reverse scenarios, extending the scope of the stress-testing exercises;
- Make stress testing more timely and frequent, assisting the Board of Executive Officers in taking decisions and calibrating our risk appetite limits and recovery plan.

## Business Continuity Management (GCN)

This program aims primarily to:

- Map out and periodically review critical processes;
- Continually assess our business continuity strategies;
- Provide continuous training to employees;
- Implement business continuity plans;

Our business continuity initiatives are implemented internally based on best practices published by internationally recognized organizations, such as US-based DRI International and the UK-based Business Continuity Institute (BCI).

### RISK MANAGEMENT GUIDELINES

To disseminate our risk culture, Bradesco has risk and capital management policies, standards and procedures in which senior management sets out basic guidelines that conform to the integrity standards and ethical values upheld by the Organization. These guidelines apply to all activities within Bradesco and our subsidiaries.

Our policies, standards and procedures ensure we maintain a control structure that is consistent with the nature of our operations, the complexity of our products and

services, activities, processes and systems, and the scale of our exposure to risk.

Our risk and capital management policies are in line with our strategic goals, local and international best practice, and legal and regulatory requirements, and are revised at least once per year by the Board of Directors and disseminated to all employees and affiliates via our corporate intranet.

## capital risk management policies

- › Corporate Governance
- › Risk Management
- › Credit Risk
- › Market Risk
- › Liquidity Risk
- › Operational Risk
- › Underwriting Risk
- › Model Risk
- › Strategy Risk
- › Business Continuity
- › Third Party Contracting and Management
- › Corporate Sustainability
- › Capital Management
- › Internal Controls
- › Compliance

### RISK MANAGEMENT AT THE BRADESCO SEGUROS GROUP

The Bradesco Seguros Group has its own risk management structure, which is designed to ensure that the risks to which it is exposed are properly identified, reviewed, measured and addressed in accordance with applicable risk management standards, criteria, controls and procedures.

On an annual basis a calculation is made of the solvency margin required to cover losses resulting from catastrophic risks involving Bradesco Auto e Ramos Elementares, Bradesco Saúde and Bradesco Vida e Previdência, including man-made and natural disasters such as wind storms, earthquakes, rain and hail, floods and landslides.

The primary challenges for the Risk Management department are to ensure a formal risk management process is in place and to disseminate a risk management culture in the corporate environment by establishing processes, methods and tools to identify, assess, measure, address and monitor exposure to current and emerging, material or priority risks, and ensuring that standards, criteria, controls and procedures are in place to achieve an adequate level of risk management at the Bradesco Seguros Group and that a strategy and action plans exist in the event of a crisis.



## Emerging risks GRI 102-11

Bradesco works to continually perfect our approach to managing emerging risks in order to ensure they are adequately managed and measures are taken to prevent risks from materializing, minimize adverse effects, and maximize opportunities.

The process consists of identifying, assessing and monitoring emerging risks, and is managed by a cross-departmental committee that reports

to the Organization's risk control forums. The commission is led by the Integrated Risk Control Department (DCIR) and includes a function dedicated to discussions related to emerging risks.

Our currently identified emerging risks include climate change and disruptive innovation in financial services (fintechs). Below we describe our approach to managing risks related to climate change and disruption from fintechs.

### **CLIMATE CHANGE GRI 201-2**

The climate crisis is recognized as the single largest global risk over the following decade. According to a global risk report published in 2019 by the World Economic Forum, of the ten dominant long-term risks, five are related to climate change. Organizations must therefore be prepared to address these risks, which are complex and create significant challenges to long-term business sustainability.

At Bradesco Organization, climate-change risks are classified as emerging risks and have been gradually incorporated in our management of social and environmental risks and impacts as part of our operations and business processes.

For the financial services industry, potential impacts include increased delinquency and loss of value of projects and companies

in the most exposed industries (such as agriculture, energy and transportation); depreciation of investment portfolio assets, financed assets or assets obtained as guarantees; and increased insurance claims.

As a risk strongly dependent on future circumstances and social, economic and environmental conditions that differ from current or historical conditions, traditional risk-assessment and economic models are unable to predict with sufficient accuracy the impacts from climate change. Our approach to climate change therefore requires complex and coordinated efforts in both the real economy and in the financial services industry, as well as studies to anticipate potential impacts.

Within our efforts to deepen our understanding of the topic, in 2019, we included climate change preparedness actions in our Sustainability Strategy. These included actions and practices with a fo-

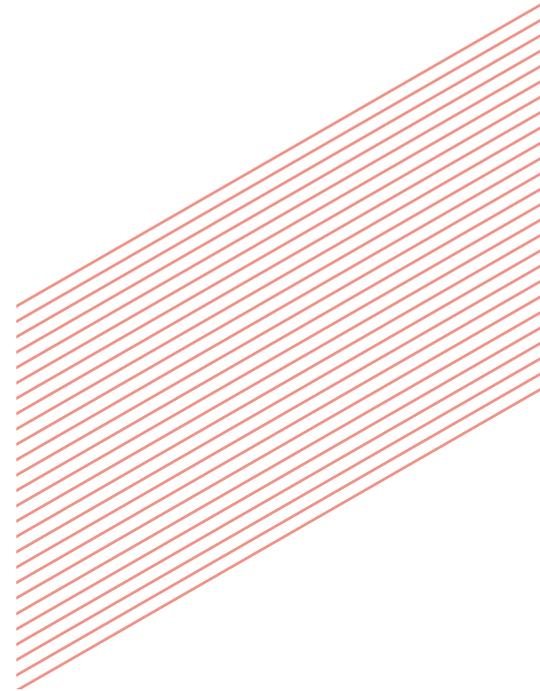
cus on measuring, monitoring and managing climate-change effects on our operations and businesses, as part of our social and environmental risk management activities. Learn more in Sustainability/Climate change, p. 44.

Among our projects in this area is our participation in working groups (phases 1 and 2, between 2017 and 2020) of the United Nations Environment Programme – Finance Initiative (UNEP FI) to develop methodologies to measure the financial impacts on loan portfolios from macro economic conditions influenced by climate change. The methodologies developed in phase one, for physical and transition factors, have already been published. Learn more in Sustainability/Measuring climate change risks, p. 50.

Progress on implementation is tracked by our Sustainability and

Diversity Committee, Risk Committee and Sustainability Committee, as well as by other departments throughout the Organization. Learn more in Sustainability/Climate Governance, p. 44.

To further this agenda and incorporate new practices in our management approach at Bradesco, we also engage with stakeholders in sector-based and multisector forums, such as the thematic chambers of the Brazilian Business Council for Sustainable Development (CEBDS), the committees and working groups of the Brazilian Federation of Banks (FEBRABAN) and the National Business Confederation (CNSEG), and the Business for Climate (EPC) platform, Applied Lifecycle (CiViA) initiative and Admissions Trading System (SCE) of the Getulio Vargas Foundation (FGV-EAESP) School of Business Administration's Center for Sustainability Studies (GVces).



## **INNOVATION IN FINANCIAL SERVICES (FINTECHS)**

Innovation in financial services has changed the way customers access products and services, and this has affected value perceptions. The ways people interact with each other and with companies are changing and are increasingly based on digital devices that provide a seamless experience and an extensive network structure.

Concurrently, regulators around the world are pursuing an agenda that includes, among other objectives, financial inclusion and modernization of financial products and services. Recent developments include regulations on open banking, in which customers' financial information is shared and payments by third parties can be authorized by customers. Other developments include Brazil's recently approved General Data Protection Act (LGPD), regulations on instant payments (and the Central Bank of Brazil's development of the instant payment system, PIX), regulatory sandboxes and other measures as part of an agenda being pursued by the Central Bank of Brazil and other regulators involved.

In addition, the new ways in which information technology is used in the financial industry—such as crowd funding platforms, robo-advisers, artificial intelligence solutions for operational support and the development of blockchain-based technology—could increase the speed and ease with which information is exchanged between service providers, potentially disrupting current business models in the banking industry.

Meanwhile, financial services offerings are being affected by new business models based on innovation and new technologies. Our primary new competitors in this market are fintechs and big techs that are creating new, technology-intensive business models to deliver financial products and services, often combined with other services within a given customer journey.

Whereas fintechs initially were intended as a replacement for banks, they are now increasingly moving towards partnerships within incumbents, in a win-win arrangement. New digital banks are also emerging and joining forces with other fintechs and startups to expand their service offerings. The use of artificial intelligence and other technologies, combined with a focus on the customer experience and the advantage of not having to deal with legacy systems, increases their efficiency. New entrants, however, face challenges in ensuring transaction security and protecting confidential information.

Big techs, meanwhile, have sought to maintain their status as tech-

nology companies, but are now creating financial service offerings (often through partnerships with banks). These companies have deep pockets from which to invest, are technology intensive and leverage non-structured, real-time data to generate new business opportunities. Their business models are often based on structuring networks connecting users to service providers, which enables them to grow sustainably and explore new business opportunities with different market agents.

Lastly, technology is evolving at an accelerated pace, leading to growing use of artificial intelligence, big data, IOT, blockchain and other technologies in the financial services industry. Due to the impacts of these innovations, including increased exposure of sensitive information, the financial system has become more vulnerable and now requires added security layers. Meanwhile, opportunities are emerging to create new business models offering both financial and nonfinancial products and services. Potential challenges and opportunities in the regulatory framework governing the development and dissemination of these technologies will also need to be assessed, and measures will need to be taken to improve cyber information security to ensure digital systems are resilient and privacy is protected when using customer information.

Open banking, as previously described, will be implemented over the coming months. On the one hand, financial institutions will be required to create all the API

infrastructure required to deploy client data sharing and payment authorizations. But on the other, there will be a wide range of opportunities to explore, such as aggregation of customers' financial information (by retrieving information from other banks and institutions), product and service comparisons, integrated service offerings, etc. In addition, there are potentially new revenue sources to be explored, such as banking-as-a-service, platform-based service offerings, building ecosystems and participating in third-party platforms. These aspects are already being addressed at Bradesco across different coordinated fronts.

Given the complexity, and to ensure we effectively leverage opportunities and mitigate risks and the consequent challenges arising from financial services disruption, we have structured innovation as a strategic pillar for Bradesco and as one of the priority topics in our materiality matrix.

With a focus on enhancing the customer's journey, we work to accelerate our innovation pipeline through internal development and strategic partnerships with the world's leading technology players and new market entrants. We annually invest approximately R\$ 6 billion in technology, and have based our strategy on three pillars: digital acceleration, 100% digital banking (next), and a new open banking business model. We are transforming the way we do business and enhancing functionality and customer satisfaction through tools such as BIA and our inovabra innovation ecosystem (see below).

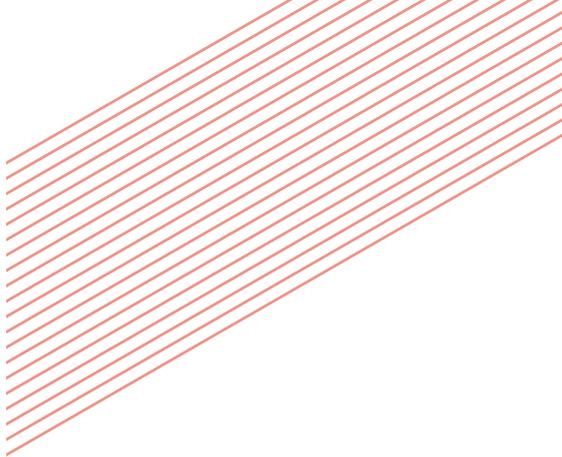
- **BIA** (Bradesco Inteligência Artificial; Bradesco Artificial Intelligence) interacts with users, answers questions about products and services and assists with transactions. BIA is embedded in the Bradesco app and can also be accessed via WhatsApp and Google Assistant.

- **inovabra**: an eight-platform ecosystem designed to foster innovation and accelerate new solutions through collaborative work involving employees, business functions, customers, businesses, startups, technology partners, investors and mentors.



## LEARN MORE

Digital innovation  
p. 84



# cyber risk and information security

GRI 103-1; 103-2; 103-3 | SASB FN-CB-230a.2; FN-CF-230a.3; FN-EX-550a.3

Our risk management process also covers risks related to information and cybersecurity. Our controls comprise procedures, processes, organizational frameworks, policies, standards and IT solutions that conform to the principles of information confidentiality, availability and integrity. Reputational impacts or financial losses arising from cyber attacks and data breaches are covered by the Cybersecurity area of our Operational Risk function, which is supported by other risk management functions. Our Operational Risk Commission reviews operational losses across our businesses/sites and ensures the processes and controls in place are efficient and effective. The commission reports to the Executive Capital Management Committee. Material issues discussed at this level are reported to the Integrated Risk Management and Capital Allocation Committee, which reports to the Board of Directors.

We have a Corporate Information and Cyber Security Policy that sets out guidance for all Bradesco employees and executives on confidentiality and adequately protect the Organization's and client data in order to mitigate risks to the Organization and society. Data privacy is managed by our Corporate Security Department, with the involvement of different functions and fronts. The organizational levels and programs responsible for different areas of information and cyber security are described below.

- **Information Security:** this function is responsible for establishing and maintaining related policies and standards, identifying and managing Information Security risks, maintaining our Corporate Information Security Awareness and Education Program and organizing workshops and awareness raising sessions (read more in the box on the following page).
- **General Data Protection Act (LGPD) Implementation Program:** this program is responsible for adapting our processes and systems to ensure that data subjects' rights under the Act are respected.

- **Cyber Security and Incident Governance:** this function is responsible for developing, monitoring and tracking our cyber maturity and cyber risk map in alignment with our strategic guidelines, new business models, and identified cyber risks and threats, and for ensuring compliance with regulatory requirements. It also manages our Operational Information Security Model (MOSI), metrics and indicators, Data Breach Prevention (DLP) and Prevention of Information Security Incidents, and is responsible for developing our Information Security Master Plan (PDSI) and disseminating our Integrated Information Security Vision across the Organization.

- » Central Bank of Brazil's Resolution No. 4,658 Compliance Program: this resolution establishes requirements on cyber security policies and other requirements for data processing, data storage and cloud computing services.

- **Prevention of Money Laundering and Terrorist Financing (AML/TF):** this function is responsible for developing, maintaining and implementing relevant policies and standards, and developing and enhancing monitoring tools to identify and investigate suspected incidents of money laundering and terrorist financing. It reports to the Brazilian financial oversight regulator, COAF, transactions and/or situations in which money laundering and/or terrorist financing is suspected.

- **Electronic and Document Fraud Prevention and Security Solutions:** this function develops projects and processes to identify and mitigate the risk of financial losses or image crises. This includes monitoring transactions via digital channels, reviewing documentation submitted to open accounts, including digital accounts, and developing solutions to improve user-friendliness and user security.

**SASB FN-CF-230a.2**

- **Access and Identity Management:** this function is responsible for access management to prevent unauthorized use of our systems, as well as for authentication device (Token, Biometrics, etc.) governance, for both employees and customers.

- **Physical & Property Security:** this function has the capabilities, including specialized human and material resources and security devices, required for implementation of security standards conforming to Act No. 7,102 (June 20, 1983) and the Security Plan outlined by the Federal Police, and is responsible for continually monitoring devices and logistics at

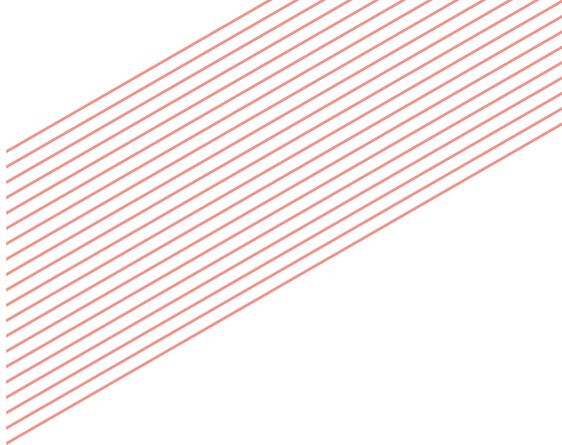
## employee awareness

Our Information Security function participates in meetings, forums, working groups, internal and external commissions and sub-commissions, and technical events to assist the Executive Committee for Money Laundering and Terrorist Financing/Sanctions and Information/Cyber Security. Bradesco's Human Resources Department runs a comprehensive employee training program (including course titles such as Introduction to Information Security, Corporate Security Basics, a podcast series entitled "Proteja-se", Mobility and Social Media and a video series on corporate security). *Employees are required to take our e-learning training course on information and cyber security, and to score at least 70% to pass the course exam.* Bradesco's Corporate Information Cyber Security Policy is available to all employees and stakeholders on our Investor Relations website, and on posters placed at our offices

vulnerable points. The Physical & Property Security function has a 24 hour helpdesk to prevent, and provide instructions on minimizing potential security breaches.

In addition to our dedicated cyber and information security functions, Bradesco also has an Executive Committee for Money Laundering and Terrorist Financing/Sanctions and Information/Cyber Security, reporting to the Executive Board, and a multidisciplinary Corporate Security Commission with representatives from different functions. There have not been any instances of leaks, theft or loss of identified client data in the last four years.

**GRI 418-1**



## social and environmental risk management SASB FN-CB-410a.2

Social and environmental risks related to financial institutions are largely indirect risks arising from business dealings, including dealings with the supply chain (*read more in Suppliers, p. 174*) and customers through lending and investment activities. Our Social and Environmental Risk Standard sets out the scope of assessments for exposure to social and environmental risks.

This standard is aligned with our Corporate Sustainability Policy and is under the oversight of Bradesco's Integrated Risk Control Department (DCIR), which advises our Executive Capital Management Committee. This committee, in turn, supports our CEO in addressing relevant matters. Material issues discussed by the executive committee are reported to the Integrated Risk Management and

Capital Allocation Committee and the Risk Committee, which both report to the Board of Directors.

In 2009, Bradesco implemented standards on social and environmental assessments for loan underwriting. Prior to approving a client's loan, social and environmental risks are assessed through searches on internal and public databases, such as the Employers Database (for slave or forced labor), the environmental regulator (IBAMA) blacklist and degraded areas listed by state environmental regulators. We also conduct media searches for reports related to environmental accidents, impacts on traditional communities, displacement of families, suspension of environmental licenses and violations involving slave, forced or child labor. As part of these assessments, we request additional documents and clarification and then perform regular follow-up.

We became voluntary signatories of the Equator Principles in 2004 and ensure that all major projects that are funded or advised by Bradesco and are subject to the Equator Principles are developed and managed in a socially responsible manner and implement environmental and human rights practices that support sustainable development. Where necessary, we also conduct due diligence in order to prevent, mitigate and manage adverse impacts. For projects (both greenfield and brownfield projects) within the

scope of our commitment, Bradesco's assessments are conducted in accordance with the International Finance Corporation (IFC) Performance Standards and World Bank Group Environmental, Health, and Safety Guidelines, going beyond minimum legal compliance. Bradesco's due diligence checklists evaluate environmental, social, health and safety, corporate governance and climate change issues.

For monitored projects, independent consultants develop action plans laying out issues required to be addressed over the term of the relevant contract. For example, where impacts related to involuntary displacement are identified, an action plan is developed requiring that displaced communities receive appropriate assistance, and that the client hold meetings to reach amicable agreements between the parties, under the oversight of lawyers and auditors specializing in social matters. The client is also required to provide families with assistance as they select and purchase their new properties, to perform any required renovations on purchased properties, and to monitor all new installations.

Bradesco is currently preparing to implement the new version of the Equator Principles, which are due to enter into effect in the second half of 2020. Following implementation of the fourth version of the

# 78 projects

monitored in 2019 against environmental, social and human rights criteria

Equator Principles, we will address human rights and climate change issues more comprehensively to ensure we are aligned with international best practices.

Bradesco's Social and Environmental Risk Analysis and Control area, operating under the Integrated Risk Control Department (DCIR), issues opinions to communicate loan underwriting decisions, evaluations of mortgage guarantees and private equity investments, development of products and services, policymaking, donations and sponsorship, and supplier relations. In addition to risk detection and assessment tools, we also use industry checklists, satellite imagery (georeferencing) and media tracking.

In 2019, we revised our social and environmental risk assessment methodology for lending transac-

tions. With support from specialist consultants, we updated the scope of risk assessments and developed a new information-gathering tool designed to expand the collection of ESG information, target our analyses to industries with the greatest potential for social or environmental impacts and which are the highest weighted in our loan portfolio, and perfect our social and environmental risk rating methodology. The new approach will be implemented in 2020.

On the Bradesco Sustainability website, we periodically publish case studies describing how we have assessed potential social and environmental risks and impacts relating to our clients and projects (see the *testimonial from a customer monitored in accordance with the Equator Principles since 2015*).

Our Social and Environmental Risk Analysis and Control team undergoes periodic assessments by Bradesco's Internal Audit function to identify opportunities for improvement of the methodologies used, the reports produced and the governance framework for social and environmental risks.



## LEARN MORE

Our Social and Environmental Risk Standard and social and environmental risk and impact assessment methodology for clients and projects are published on [bradescosustentabilidade.com.br](https://bradescosustentabilidade.com.br)



*Since the very first cycle, the audits for compliance with International Finance Corporation (IFC) Performance Standards have proven to be an important tool for continual improvement and for incorporating good practices that help to maintain and improve our social and environmental performance. Our partnership with Bradesco, a signatory of the Equator Principles, has provided an important foundation for the development of our business, with the Equator Principles framework providing support across all functions. An example of this was the implementation of an Integrated Management System, which has also led to further certifications."*

**A Bradesco client in the port industry**

## PROJECT AND TRANSACTION FINANCE – IMPLEMENTATION OF THE PROJECT AND TRANSACTION FINANCE POLICY

Project/transaction due diligence <sup>1</sup>	2017	2018	2019
Total number of projects/transactions	1,709	1,703	1,677
Number of projects/transactions <b>screened</b>	1,709	1,703	1,677
Percentage of total projects/transactions <b>screened</b>	100%	100%	100%
Total number of projects/transactions <b>approved with qualifications</b>	296	275	268
Percentage of total projects/transactions <b>approved with qualifications</b>	17%	16%	16%
Total number of projects/transactions <b>approved</b>	1,209	1,339	1,316
Percentage of total projects/transactions <b>approved</b>	71%	79%	77%
Total number of projects/transactions <b>rejected</b>	204	89	93
Percentage of total projects/transactions <b>approved</b>	12%	5%	5%

1. Our social and environmental risk management process is designed to assess, identify and monitor, as applicable, potential risks, with the following thresholds: a. slave labor: all transactions of any value; b. environmental violations and contamination: transactions equal to or greater than R\$ 15 million; c. real estate development projects: real estate credit limits equal to or greater than R\$ 30 million; d. Mining and pig iron projects: credit limits equal to or greater than R\$ 25 million; e. Project Finance transactions exceeding US\$ 10 million (Transactions falling under the Equator Principles); f. projects not falling under the Equator Principles: credit limits equal to or greater than R\$ 150 million; e.g. sectors with potential social and environmental risks, as outlined in our Social and Environmental Risk Standard (Groups 1 and 2): credit limits equal to or greater than R\$ 25 million.

### Monitoring social and environmental portfolios with human-rights clauses<sup>1</sup> GRI 412-3 (R\$ million)

Projects	2017		2018		2019		
	No.	Amount financed	No.	Amount financed	No.	Amount financed	
Subject to the Equator Principles	A	10	3,994	9	3,918	10	3,797
	B	16	1,980	11	1,623	14	1,525
	C	7	1,973	6	1,733	4	728
Not subject to the Equator Principles	96	6,266	64	4,413	50	3,368	
<b>Total</b>	<b>129</b>	<b>14,213</b>	<b>90</b>	<b>11,687</b>	<b>78</b>	<b>9,418</b>	

1. Assessments declined in the period due to the liquidation and termination of active project contracts within the portfolio monitored by our social and environmental risk function. Our current portfolio of funded real estate projects is covered by standard social and environmental clauses under which human rights issues are addressed and monitored for all transactions.

**Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening GRI 412-3**

Agreements	2017	2018	2019
Total number of agreements	129	90	78
Total number of agreements that include human rights clauses	129	90	78
Percentage of agreements that include human rights clauses	100%	100%	100%
Total number of agreements that have undergone human rights screening	129	90	78
Percentage of agreements that have undergone human rights screening	100%	100%	100%

## Task Force on Climate-Related Financial Disclosures (TCFD)

Bradesco supports the market in reporting on the financial impacts of climate-related risks and opportunities based on the recommendations published by the Task Force on Climate-related Financial Disclosures (TCFD).

The initiative, created in 2017, aims to support financial decision-making that takes into account the effects of climate change on business.

In 2019, Bradesco participated in two sector-based initiatives with a focus on developing climate risk management methodologies and tools for the banking industry, in line with TCFD recommendations. At an international level, we are part of UNEP FI's second pilot-project alongside 32 other banks in different countries; in Brazil, we are a member of the working group organized by the Brazilian Federation of Bank (FEBRABAN). Additional information and reporting is available on [unepfi.org](http://unepfi.org).

### SOCIAL AND ENVIRONMENTAL RISKS AT BRADESCO SEGUROS GROUP

**GRI 201-2 | SASB FN-IN-410a.2; FN-IN-450a.3; FN-MF-450a.3**

The Bradesco Seguros Group has a dedicated social and environmental risk assessment function that is independent of Bradesco. In 2019, controls were implemented to mitigate social

and environmental risks affecting the Bradesco Seguros Group in line with Central Bank of Brazil Standard No. 4,327/14. This standard establishes guidelines to be observed in creating and implementing Social & Environmental Responsibility Policies (SERP) at financial institutions and other institutions authorized to operate by the Central Bank of Brazil.

A working group with representatives from different Group departments and companies has developed and implemented two related standards: one on social and environmental responsibility and the other on risk. Both contain guidelines on ESG (environmental, social and governance) issues and are applicable to all of the Group's companies.

The Social and Environmental Risk Standard outlines risk management processes that include requirements on identifying, assessing, rating, controlling and mitigating environmental, social and governance risks in Group activities, in the development and marketing of products and services, and in managing real estate projects. The standard also requires due diligence on ethics and social and environmental responsibility for suppliers, clients and business partners in transactions involving donations and sponsorship and in managing contracts and investments. In addition, it establishes a zero tolerance policy on discrimination, harassment of any nature, child and forced labor, and sexual exploitation.

In line with Bradesco's corporate policy, our Social and Environmental Responsibility Standard requires that environmental, social and governance criteria be incorporated in Bradesco Seguros' activities, and that environmental protection be incorporated in the development and marketing of products and services and in the management of real estate developments. On the environmental front, eco-efficiency and climate change have been set as priorities to ensure that products and services are developed to support these topics.



## asset management

GRI 103-2; 103-3; SASB FN-AC-270a.3; FN-AC-410a.2

BRAM (Bradesco Asset Management) manages investment funds and portfolios for clients of different profiles and segments. At year-end 2019, it had R\$ 560.4 billion in assets under management. As a signatory of the Principles for Responsible Investment (PRI), BRAM has a standard on responsible investment that addresses, among other aspects: corruption and conflict of interest, compliance with legal requirements, transparency and accountability, respect for human rights and labor rights, and environmental impacts and climate change. BRAM uses a set of methodologies to assess risks, opportunities and potential impacts from environmental, social and governance (ESG) aspects on the performance of its assets. Of its total assets under management, R\$ 556.7 billion or 99.3% were assessed—including on environmental, social and governance issues—in 2019.

**GRI FS11 | SASB FN-AC-410a.1**

Our methodology establishes different weights for monitored aspects and spans all asset classes (variable income, fixed income—corporate and government securities—and investment funds). For private securities, the assessment covers material issues in each industry to identify the risks and opportunities facing companies, while for government securities, the method covers regulatory

quality and the extent to which government programs are able to provide citizens with high-quality basic services, while protecting the environment and reducing inequalities. Assessments are based on publicly available documents and discussions with the target companies, which inform ESG ratings.

In the specific case of socially responsible funds (SRI Performance of Private Credit), assets are selected for our portfolio by benchmarking against the best-in-class company. Our Investment Analysis function screens target companies against ESG criteria to identify risks and opportunities. When selecting target assets, managers prioritize the best rated assets in order to reduce fund exposure to risks and capture opportunities.

**GRI FS16 | SASB FN-AC-550a.1**

In other BRAM funds (variable and fixed income portfolios), ESG risk and opportunity assessments aid managers in allocations, and provide rationale for modulating investor decisions, providing benefits to all stakeholders.

Internally, our Responsible Investment Standard contains guidance on incorporating ESG attributes in asset analysis and management, engaging portfolio companies, stakeholder relations, exercising voting rights, and transparency and accountability. Respect for human

rights and sound labor practices are included in our asset analysis and management procedures. BRAM's Investment Analysis function works with portfolio managers to engage with investees on environmental, social and governance matters. In all, 123 companies were engaged in 2019. **GRI FS10; FS15; FS16**

In addition to its own Responsible Investment Standard, BRAM adheres to the guidelines established in the Bradesco Code of Ethical Conduct, the Department Code of Ethical Conduct for Bradesco Financial and Capital Market Professionals, and our Corporate Standard on Stakeholder's Engagement.

BRAM has a Voting Rights Policy for internally managed investment funds and portfolios to ensure that all voting in the general meetings of investees is done in the client's interest. Decisions are taken weekly on who will attend and how they will vote in each general meeting. Attendance at general meetings is mandatory where BRAM-managed funds hold an aggregate interest exceeding 5% and/or where an individual fund holds an interest exceeding 10% in the relevant company. The table on the following page lists the policies in place on compliant development and marketing of BRAM financial products and services.

The goal for January 2020 is to train all managers and analysts on the Responsible Investment Assessment Standard and all employees in commercial and product functions on responsible investment. In all, 120 people will receive

training. These training goals had originally been set for 2019. Another goal for 2020 is to publish a report on the carbon footprint of the BRAM portfolio, and organize forums to engage employees around ESG issues.

BRAM is also a member of a working group of signatories of the Principles for Responsible Banking (PRB) that assesses companies with high corruption exposure/risk and engages them in improving their ESG ratings. **GRI FS16**

## LEARN MORE

Our Responsible Investment Standard can be viewed on the BRAM website on: [https://www.bradescoasset.com.br/BRAM/static\\_files/portal/files/Governanca/Políticas%20BRAM/en/BRAM\\_Norma\\_de\\_Investimentos\\_Responsaveis\\_V3.pdf](https://www.bradescoasset.com.br/BRAM/static_files/portal/files/Governanca/Políticas%20BRAM/en/BRAM_Norma_de_Investimentos_Responsaveis_V3.pdf)

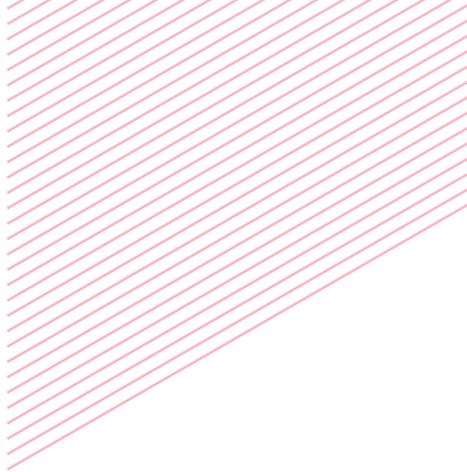
### Percentage of assets under management assessed on ESG issues - GRI FS11

2015	2016	2017	2018	2019
2.52%	15.21%	72.67%	99.4%	99.3%

**POLICIES ON COMPLIANT DEVELOPMENT AND MARKETING OF FINANCIAL PRODUCTS AND SERVICES** GRI  
 FS15 | SASB FN-AC-270A.3; FN-AC-410A.3

<b>Policies, principles and/or codes of conduct</b>	<b>Description and scope</b>	<b>Mechanisms to ensure that these policies are being implemented and/or enforced</b>	<b>Department responsible</b>	<b>Available on</b>
BRAM Conflict of Interest Standard	Rules on identifying, managing and mitigating potential or actual conflict of interests.	Published on the BRAM website Available on the Corporate Portal	BRAM	<a href="https://www.bradescoasset.com.br/SiteBram/pt/Governana/Normas-BRAM">https://www.bradescoasset.com.br/SiteBram/pt/Governana/Normas-BRAM</a>
Insider Trading – BRAM	Rules on securities trading by BRAM employees.	Published on the BRAM website Available on the Corporate Portal	BRAM	<a href="https://www.bradescoasset.com.br/SiteBram/pt/Governana/Normas-BRAM">https://www.bradescoasset.com.br/SiteBram/pt/Governana/Normas-BRAM</a>
Investment of Own Assets – BRAM	Guidance and rules on investing BRAM assets.	Published on the BRAM website Available on the Corporate Portal	BRAM	<a href="https://www.bradescoasset.com.br/SiteBram/pt/Governana/Normas-BRAM">https://www.bradescoasset.com.br/SiteBram/pt/Governana/Normas-BRAM</a>
Risk Management – BRAM	Risk Management rules covering Market Risk, Credit and Counterparty Risk, Liquidity Risk, Operational Risk and Concentration Risk.	Published on the BRAM website Available on the Corporate Portal	BRAM	<a href="https://www.bradescoasset.com.br/SiteBram/pt/Governana/Normas-BRAM">https://www.bradescoasset.com.br/SiteBram/pt/Governana/Normas-BRAM</a>
Handbook of Rules, Procedures and Internal Controls	Guidelines on internal controls to ensure continual compliance with applicable standards, policies and regulations on investments, portfolio and securities management, and ethical and professional standards.	Published on the BRAM website Available on the Corporate Portal	BRAM	<a href="https://www.bradescoasset.com.br/SiteBram/pt/Governana/Normas-BRAM">https://www.bradescoasset.com.br/SiteBram/pt/Governana/Normas-BRAM</a>
Voting Policy	Minimum requirements and principles to be observed in exercising voting rights, and procedures to ensure that these principles are stringently adhered to in order to protect the interests of unit holders in managed funds and comply with the requirements of the Code.	Published on the BRAM website Available on the Corporate Portal	BRAM	<a href="https://www.bradescoasset.com.br/BRAM/static_files/portal/files/Governanca_de_Fundo/Segurana_para_o_Investidor/Proxy_Voting_maio_2017.pdf">https://www.bradescoasset.com.br/BRAM/static_files/portal/files/Governanca_de_Fundo/Segurana_para_o_Investidor/Proxy_Voting_maio_2017.pdf</a>

Policies, principles and/or codes of conduct	Description and scope	Mechanisms to ensure that these policies are being implemented and/or enforced	Department responsible	Available on
Segregation of Duties – BRAM	Rules and procedures on Segregation of Duties at BRAM	Published on the BRAM website Available on the Corporate Portal	BRAM	<a href="https://www.bradescoasset.com.br/SiteBram/pt/Governança/Normas-BRAM">https://www.bradescoasset.com.br/SiteBram/pt/Governança/Normas-BRAM</a>
Investor Profile Analysis	On July 1, 2015 CVM Directive No. 539 introduced new rules requiring financial institutions to ensure that products, services and transactions they recommend are suited to clients' profiles. The directive requires that when recommending products, processing transactions or providing services, branch managers ensure they are adequate for the client's profile. Individual and corporate customers are now all required to undergo Investor Profile Due Diligence (API) except where exceptions are allowed under the new rules. The API process identifies client profiles before and after they invest and any mismatch between investor profiles and their portfolios so clients are notified and can make a decision accordingly.	Bradesco has a system on its corporate portal that identifies investor profiles and manages and maintains information uploaded from API Questionnaires.	Investment Department	The process is standardized and reference material is available on the corporate intranet for employees, and on our internet banking site and mobile platform for customers
Governance of recommended investment portfolios	The Investment Department reviews the portfolio building process on a monthly basis, working with the Treasury, BRAM, DEPEC and the Brokerage division to analyze and interpret economic data/developments and build unique portfolios for each asset class and segment and for clients' different investor profiles.	Portfolios are then submitted to the Executive Investment Committee	Investment Department	Reference material is available on the corporate intranet for employees, and on our internet banking site and mobile platform for customers.



# technology and innovation

Innovation is a part of Bradesco's culture. We have always actively followed trends in society and in the financial services industry to anticipate developments and transform challenges into opportunities.

The current technology and innovation landscape is more challenging than ever. We have witnessed the systematic development of disruptive technologies, changes in behavioral patterns, the emergence of a new regulatory landscape and growing competition between incumbent financial institutions and new entrants, such as fintechs, big techs and insurtechs. We are aware of these developments and understand the prominent role that technology and innovation play in our business. Indeed, these aspects already permeate our strategy and are recognized as key levers in our journey into the future. By investing in technology and innovation, we will continue to deliver the best value proposition and the best experience to all Bradesco customers.

We annually invest approximately R\$ 6 billion in technology and have robust information technology

infrastructure and well-established cybersecurity programs (*read more in the subchapter Risk management*); we use agile methodology in our business routines and employ user experience design concepts to deliver products and services that are more user-friendly and responsive to customers' and users' needs.

Through inovabra, we have established a complete ecosystem that promotes innovation inside and outside Bradesco through collaboration among employees, business functions, clients, companies, startups, technology partners, investors and mentors, helping to address customers' changing needs and securing the long-term sustainability of the business (*read more below*).

Our efforts have translated into new products and business models and process improvements and simplification, the benefits of which are felt each day by our customers.



R\$ 6 bn  
invested in  
technology  
each year

## DIGITAL INNOVATION

new products, services and technologies available from our digital channels which, in combination with physical channels, simplify life for customers and provide a convenient, efficient and secure customer experience.

**BRADESCO'S  
INNOVATION  
STRATEGY IS  
CENTERED ON  
THREE FRONTS:**

## OPEN BANKING

With new regulatory developments requiring information sharing among financial and non-financial institutions, banks now have an opportunity to establish external partnerships to offer new products and serve new niche markets.

## NEXT

a native digital bank designed to transform hyper connected users' relationship with money.



## user experience

Bradesco and the Bradesco Seguros Group invest in studies and research to continually improve customer experience. All products, channels or services we develop are based on user experience design methodologies that are applied by a dedicated team with support from strategic partners. Based on customer persona and journey investigations, we develop prototypes and run tests with users using an agile approach, in a process in which multidisciplinary teams are organized into a network and are able to independently make decisions, accelerating the process. User experience and usability facilitate customers' digital convergence and reduce the time it takes to deliver products and services.

## data science to enhance our offering

*Two ongoing projects at Bradesco are leveraging big data and advanced analytics to create offerings that are more relevant for customers.*

*In one project, called CRM 2.0, we are reorganizing the offering governance process in an analytics-intensive project for which 80 data scientists have been recruited, and implementing a special technology in partnership with a leading CRM decision support software developer.*

The second project, called BRAIN (*Bradesco Inteligência de Negócio*, or Bradesco Business Intelligence), is using data intelligence to transform our lending product offering for our customers by integrating journeys, processes, pricing and credit analysis using real-time decision support technologies.

In addition, in 2017, we implemented a data analytics structure that operates as a center of excellence. More than 200 data scientists and engineers interact with specialist cells at business and support functions across the Organization. In addition to projects focused on improving the customer experience, the team applies algorithms and models on different cases to increase operating efficiency and improve controls.

## supporting innovation in Brazil

One of the ways we promote innovation in Brazil is by providing master's grants for researchers at leading institutions in Brazil. In another initiative, we have provided financial support to structure an integrated computing research hub at the State University of Campinas (UNICAMP), which will allow us to collaborate with researchers at the institution to develop projects in the field of data science.

We are also partners of the Inova Talentos program, an IEL and CNPq initiative in which we host grant holders (undergraduate, master's and PhD students and newly graduated alumni) working in-house on innovation projects alongside our own staff. Bradesco hosted a total of 30 grant researchers over the past three years, working in data science fields such as natural language processing, mathematical optimization and quantum computing. Many of these researchers have now joined Bradesco as employees.



## digital innovation

BIA (Bradesco Artificial Intelligence)—an initiative implemented with support from the inovabra ecosystem—has been a major lever in Bradesco's digital transformation, establishing the Bank as a leader in artificial intelligence and in innovation.

In the first phase, in 2016, BIA was used to support branch employees in responding to questions about banking products and services. In August 2017, BIA was deployed in voice and text interactions with customers via the Bradesco app, using natural language based on the cognitive capabilities provided by the artificial intelligence engine.

In addition to getting information about financial services and products, users can now also use

BIA to check their account balance, recent account transactions, financial indexes and nearby branches through geolocation.

In August 2019, we took BIA to the next level with the launch of voice-based wire transfers between Bradesco accounts, in a light and intuitive, fully voice controlled customer journey using the Bradesco app for individual customers. BIA can now understand customers' oral instructions for hands-free transfers between accounts, in an initiative way that has delivered on our purpose of innovating and providing customers with the best possible experience.

In the second half of 2019, we implemented a feature that allows BIA to identify customers' credit needs and offer loan options that customers can opt into within the mobile journey.

Besides the Bradesco Celular app, BIA is available on the next

and the Bradesco Seguros Group apps. It can answer questions via WhatsApp text messages, and has been integrated with Google Assistant, Alexa (from Amazon) and Apple Business Chat.

We have already recorded 269 million BIA-mediated interactions to date; on WhatsApp alone, 3.5 million people have chatted with BIA.

### OTHER FRONTS

After pioneering palm biometrics on all ATM machines, now we also offer voice biometrics in the *Fone Fácil* service and are testing face recognition. In June 2019, our palm

3.5  
million

people have interacted with  
BIA to date via WhatsApp.

biometrics technology was upgraded to increase validation accuracy and efficiency.

We also expanded the number of ATMs with banknote auto-feeding systems in the year. With the solution, customers are no longer required to use envelopes; deposited cash is credited into customers' accounts in real time, and the banknotes are fed back into cash cartridges for use in other customers' withdrawals. In 2019, 4,400 ATM machines were equipped with the new technology, in more than 1,300 municipalities throughout Brazil. The self-service channel also gives users the option to send the deposit receipt by email rather than print it, reducing paper consumption.

Another recently initiated project will deploy technology and innovation at the more than 40,000 Bradesco Expresso partners throughout Brazil. Several partners will shortly receive a new tablet with additional features that will simplify day-to-day activities and can boost business volumes.

In 2019, Bradesco attracted 1.8 million new digital checking account customers. Out of a total of 30.1 million checking accounts, 17.1 million are digital customers.

The Bradesco app recorded 37.7 million downloads (across the Classic, Exclusive, Prime, Private and Net Empresa apps). Of our total transactions, 59% are now made via the mobile app for individual and corporate customers, representing 11.8 billion transactions in 2019.

On the Bradesco app, checking account opening for individual customers is now 100% online. We also offer an exclusive digital account for sole proprietors that can be opened via the Bradesco Net Empresa app. Since implementation, in May 2019, a total of 21,100 accounts have been opened.

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The Bradesco app recorded 37 million downloads (across the Prime, Classic, Exclusive, Private and Net Empresa apps).

There was also expansion in the volume of loans underwritten through digital channels (internet banking, *Bradesco Celular*, ATM machines and *FoneFácil*), which allow customers to purchase products and services directly. Personal loans transacted via digital channels increased by 47% and business loans by 40% compared with the previous year. **SASB FN-CF-270A.2**

Digitization is also making strides at the Bradesco Seguros Group. In 2019, approximately 40% of health insurance reimbursement claims at Bradesco Saúde were made via digital channels, while the percent-

age of reimbursement previews via digital channels reached 92.6% in the year. At Bradesco Auto e Ramos Elementares, more than 8% of inspections and 16% of tows were arranged via a mobile app. At Bradesco Vida e Previdência, 175,000 applications were signed electronically. Contact Center automation has also progressed, with 40% of Bradesco Saúde Reimbursements and 63% of Bradesco Auto e Ramos Elementares claims processed through electronic agents.



17.1  
million  
Bradesco  
customers have digital  
checking accounts



## digitization in numbers



11.8 billion  
mobile transactions  
(individual and corporate  
customers) in 2019



269 million  
interactions  
with BIA



82%  
of wire transfers

via our mobile app or Internet banking  
service – Individual customers

91%  
of DOC/TED  
wire transfers

via our mobile app or internet banking  
service – Individual customers

99%  
of payments

via our mobile app or internet banking  
service – Corporate customers



## next - A digital native bank

Our second technology and innovation front is next, which in 2019 was named the best digital bank in Latin America by *Euromoney*. next was also recognized for the second year running as the best digital bank in Brazil by *Global Finance*, and was well ranked in the Business Digital Transformation category in *MicroPower's* Learning & Performance Awards.

Designed as a 100% digital platform, next applies user experience design, intelligent customer journeys and predictive algorithms to offer superior functionality and a better user experience, anticipate user actions, and suggest optimal financial management solutions for customers. It has also been designed and has established itself as a hub for connecting to other digital platforms, creating added value for customers. Next offers bank account and credit card products with no fees, provides unlimited withdrawals from Bradesco and Banco24horas ATM machines, free transfers (DOC and TED), investment funds, CDB and installment payments, as well as discounts from partner brands and personalized experiences.

The result is a high level of satisfaction. In 2019, next had an NPS (Net Promoter Score) of 77 points—on a scale from negative 100 to positive 100—placing next among the best digital banks in Brazil.

Launched toward the end of 2017, next had 500,000 accounts in December 2018, and jumped to 1.4 million accounts in September 2019, ending the year with 1.8 million

customers. Of next's total customers, approximately 80% were not Bradesco checking account customers when they opened their next account, meaning customers are not migrating from Bradesco to next, as expected. The current level of customer churn is 3.7%, in line with other competitors. We expect to reach 3.5 million next accounts by year-end 2020.

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A fee-free bank account and credit card, unlimited withdrawals, free transfers, and discounts from partner brands are some of the benefits of next.



Next's new head offices  
(São Paulo – SP)

## STRATEGIC PARTNERSHIPS AND BUSINESS MODEL

As part of a transformation of the digital account distribution process, throughout 2019 next concluded strategic partnerships with companies and other sectors, such as a recently concluded partnership with a large cosmetics company. This created a new business model that offers a range of important benefits to beauty consultants, including access to a free, 100% digital next bank account and a mobile credit card machine.

The goal of these partnerships is to reach 200,000 new accounts, with partners centralizing payments in those accounts and operating as next distributors to the general public.

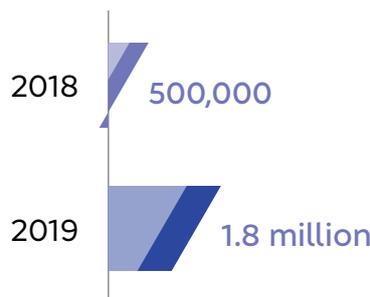
In addition to the benefits for beauty consultants, the products from partner brands will be available from the next perks hub at a discount for all customers. The perks area operates as a benefits platform for next customers. A total

of 290 partners now offer special discounts within the app. Further strategic partnerships are expected to be established within this model in 2020.

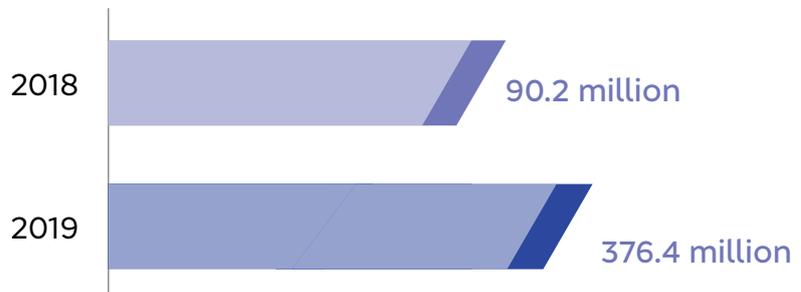
Alongside the new distribution model, next now also handles payroll for companies whose employees fall within the next customer profile, leveraging Bradesco's strength in wholesale.

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### GROWTH IN NEXT CUSTOMERS



### NUMBER OF TRANSACTIONS PROCESSED





## open banking

Open banking is the third front in our innovation strategy, where opportunities to develop new products and services and new business models are being evaluated. The term “open banking” refers to the possibility of exchanging information with other financial service institutions at the customer’s discretion, including the possibility of one institution authorizing payments in an account held by the customer in another institution.

Open banking is a movement led by regulators, banks and fintechs that aims to explore opportunities from sharing data and services. In general, open banking is enabled by APIs (Application Programming Interfaces), which allow systems and programs to interact with each other through a standardized connection.

With open banking, customers can check their account information and make payments out of their account on other platforms and not only through the conventional channels offered by financial institutions. In Brazil, the Central Bank of Brazil is responsible for establishing rules on data sharing. The new open banking framework is currently undergoing a public consultation, and is expected to enter into effect in 2020.

Open banking provides an opportunity to develop new partnerships with third parties and create financial products and services with added features, expanding the value proposition and generating new sources of revenue.

The open banking concept has already been incorporated in next, which distributes non-financial

products (perks) to customers, and on *Ágora*, a one-stop investment platform combining Bradesco’s investment portfolio with third-party products. Our sole proprietorship portal now also incorporates open banking, in an initiative implemented with support from the *inovabra* ecosystem. The platform (*mei.bradesco*) was launched in 2018 as a provider of financial and non-financial services for sole proprietorships—including Bradesco customers and non-customers—assisting them in managing their businesses, opening sole proprietorships and developing as entrepreneurs. In addition to offering customers the opportunity to open digital sole proprietor accounts via the Bradesco Net Empresa app, with a range of benefits, the portal offers services and content from our initiative partners: Sebrae, DicasMEI, MarketUP, Cielo and Stelo.

### MEI Portal

More than

20,000

Bradesco MEI  
accounts

opened via our mobile app

### Ágora

– Your Investment House

R\$ 57.2 billion  
under custody

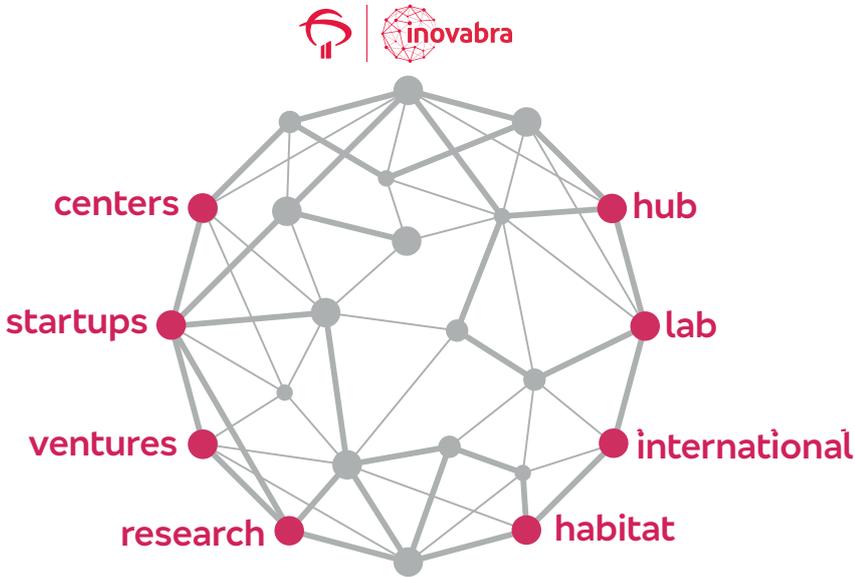
366,000  
customers

**INOVABRA**

inovabra is an innovation ecosystem developed to support our corporate strategy by promoting innovation through collaboration with employees, business func-

tions, clients, companies, startups, technology partners, investors and mentors. inovabra provides the ideal platform for sharing business insights, accelerating new solutions and materializing innovation within the Organization, helping to address customers' changing needs and secure the long-term sustainability of the business. inovabra comprises eight mutually synergistic programs:

**INNOVATION ECOSYSTEM**



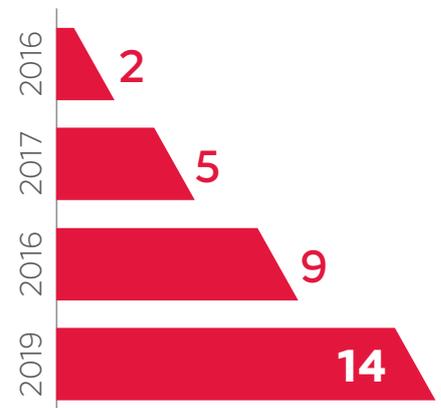
**INOVABRA CENTERS**

Created in 2012, inovabra centers is an internal innovation program that stimulates creativity and entrepreneurship in our employees by disseminating a culture of innovation throughout the Organization. Innovation projects are prioritized, structured and managed from conceptual design, through business model development and validation, to market launch. The program brings together more than 100 employees from different business functions, who interact with each other and with external startups with a focus on developing innovative solutions to improve customer experience.

**INOVABRA STARTUPS**

Launched in 2014, inovabra startups is an open innovation program designed to support strategic partnerships between Bradesco and startups offering solutions that can be applied or adapted to financial and non-financial services offered or used at Bradesco or partner companies. A total of more than 40 proofs of concept have been developed and 14 startups have been engaged to date, including three in 2019. The program provides startups with the opportunity to work with real-world customers, tests solutions and build scale.

**INOVABRA – NUMBER OF STARTUPS ONBOARDED**



**TARGET FOR 2020: 14**

### **INOVABRA VENTURES**

inovabra ventures is a private equity fund launched in 2016, and currently has R\$ 400 million in available funding. The fund is managed by Bradesco's Private Equity department and invests in startups developing innovative technologies and/or business models. inovabra ventures helps to raise startup valuations and develop an entrepreneurial environment, especially where solutions are being developed to address our clients' needs. Investments have been made in seven startups to date.

### **INOVABRA RESEARCH**

A multidisciplinary team of analysts and researchers who study in depth about new technologies and business models for this frontier of knowledge, and develop use cases. Working closely with partners, universities and research institutions in Brazil and around the world, the team supports inovabra in the innovation process. The team is also responsible for conducting artificial intelligence research at Bradesco, led by the Bradesco Center of Excellence for Artificial Intelligence (CEBIA).

In addition, we have partnerships with institutions such as the Computer Architecture and Network Laboratory of the Polytechnic School at the University of São Paulo (POLI-USP); Instituto Euvaldo Lodi (IEL), in which we are partners of the Inova Talentos program in a collaboration with the Brazilian Council for Scientific and Technological Development (CNPq); the Sloan School of Management (CISR) and the Design Lab/Mobile Experience Lab, at the Massachusetts Institute of Technology (MIT); Forrester Research, CB Insights, Gartner; and EFMA, an international association of financial service industry players.

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14 startups have been engaged through inovabra startups to date to develop solutions for Bradesco and our partners.

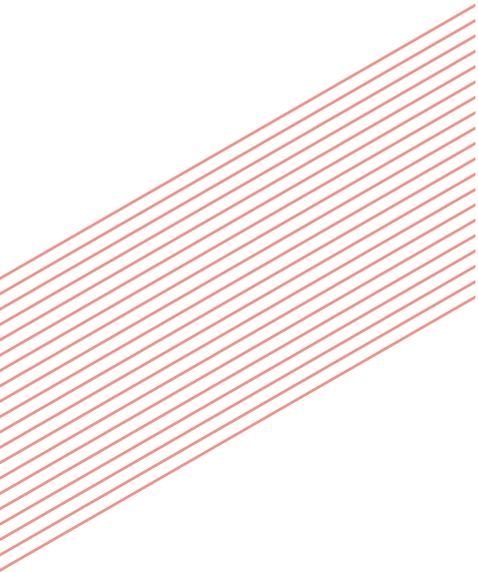
### **INOVABRA HUB**

In 2017, we launched inovabra hub, a digital, collaborative platform that connects startups to business opportunities at Bradesco and partner companies. More than 1,800 startups have registered to join the inovabra ecosystem.

### **INOVABRA LAB**

Opened in late 2017, *inovabra* lab is a 1,700 square-meter facility at Bradesco's Alphaville (SP) campus that houses 16 technology laboratories designed to operate within a collaborative working model alongside large technology partners co-hosted within the environ-

ment. This approach drives operational efficiencies by optimizing and generating 60% time savings in certification of new technologies (hardware and software), prototyping, experimentation, proofs of concept, product launches and solutions to new challenges. It also provides optimal connectivity between business functions and IT departments and technology partners and brings the Organization closer to emerging frontier technologies. A total of 523 certifications and 28 POCs have been completed to date.



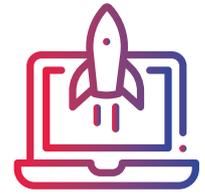
### **LEARN MORE**

Further information about inovabra and its child programs is available on: [www.inovabra.com.br](http://www.inovabra.com.br).

## INOVABRA INTERNATIONAL

In early 2018 we launched inovabra international, a program structured within a New York-based innovation environment and with links to London to provide an observatory of the innovation ecosystem and global startup activity. A dedicated team of employees works in a collaborative environment, in partnership with a specialized firm, to identify solutions that can create value for the

business, and to monitor emerging technologies and consumer trends. More than 950 startups have been assessed and 26 solutions are being developed at inovabra lab and inovabra startups.



1,800

startups

are registered on  
our digital platform:  
inovabra hub

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inovabra habitat currently hosts  
191 startups and 92 resident  
corporates.

## INOVABRA HABITAT

In February 2018, Bradesco launched *inovabra habitat*, a building measuring more than 22,000 square meters in area, situated squarely in São Paulo's innovation and cultural hub—between *Avenida Angélica* and *Rua Consolação*, near *Avenida Paulista*—where large companies, startups, investors and mentors work collaboratively to co-innovate and develop business opportunities. In just a short space of time, *inovabra habitat* now has approximately 191 resident startups and 92 corporates, with a total of 1,500 people working collaboratively to innovate. More than 240 contracts have been concluded between companies and resident startups, including 23 with Bradesco, of which 16 were concluded in 2019. In addition to driving entrepreneurship and a culture of innovation in organizations, habitat will support Brazil's aspirations to take a leading position in global innovation.

inovabra also establishes partnerships with other industry players. Partners are selected based on their potential to connect entrepreneurs within their areas of activity, in different segments, and enhance the inovabra network in terms of human capital, technology and innovation. Centers matching these criteria receive training from inovabra partners before joining the Bradesco innovation ecosystem. Our current partner centers are ACATE (Santa Catarina Technology Association, in Florianópolis), which has 1,200 members at 13 innovation hubs in Santa Catarina, and works across 26 areas of interest, and Porto Digital, a technology park in Recife (PE) with more than 9,000 professionals, including 800 entrepreneurs, who are active in the fields of Information and Communication Technology (ICT) and the Creative Industry (CI).

## inovabra awards

- › *Valor Inovação Brasil 2019*: 1<sup>st</sup> place in the banking category (3<sup>rd</sup> consecutive year);
- › **Efma innovation of the month**: Sole Proprietorship Portal case study;
- › **Efma innovation Awards 2019** – **Digital Marketing**: *Vagalume* case study;
- › **Gartner Eye on innovation**: MEI Portal case study;
- › **FELABAN CLAB 2019**: BIA case study;
- › **Whow! Award – Banking Category**;
- › **Bank Reporting Award**: Blockchain-Ripple case study;
- › **Bank Reporting Recognition**: Move Caronas app;
- › **Learning & Performance Brazil 2019/2020**: BIA, in the Best in Brazil category.

The inovabra habitat co-innovation space at Av. Angélica, in downtown São Paulo – SP. The panel by artist Kobra and the Unicorn sculpture have made the façade one of the most Instagram-worthy spots in the city





# governance and *compliance*

CAPITALS



SDGs

16

STAKEHOLDERS



A symbol of growth, renovation and openness, with roots in a successful past and a vision for the future (A sculpture at the corner of Av. Faria Lima and Juscelino Kubitschek – São Paulo – SP)



# committed to the highest standards of governance

Bradesco is listed at Corporate Governance Tier 1 on B3 – Brazilian Exchange & OTC, reflecting our high standards of corporate governance, our commitment to transparency and disclosure, and our successful, integrated management model that reconciles financial with social and environmental aspects. Our shares are also included in other B3 indexes, including the Special Corporate Governance

Stock Index (IGC) and the Corporate Sustainability Index (ISE). We are also a constituent of the Dow Jones Sustainability Index (DJSI).

Our governance practices are based on the guidelines contained in the Abrasca Listed Company Self-Regulation Code and Good Practices outlined by the Brazilian Association of Public Stock Corporations (ABRASCA). We also support the Corporate Governance Best Practice Code of the Brazilian Corporate Governance Institute (IBGC), of which we are members and sponsors. In addition, we

adhere to the guidelines laid down by the US Securities and Exchange Commission (SEC). Internally, our bylaws and a set of standards and policies govern our activities.

Our governance practices are testament to Bradesco's commitment to creating long-term value for shareholders, employees and broader society. Our control framework was created by Amador Aguiar with the aim of ensuring business continuity through any leadership successions or economic crises. Reflecting his desire to convey a significant

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Our governance practices are based on the guidelines contained in the ABRASCA Listed Company Self-Regulation Code and Good Practices and on international standards.

portion of Bradesco's profits to charitable education programs, Amador Aguiar transferred part of his stock to the Fundação Bradesco, Brazil's largest philanthropic education organization. Another substantial portion of Bradesco's stock was transferred to a company, now BBD Participações S.A., the shares in which are held by the board of directors and senior management. With this structure, BBD Participações S.A. and the Fundação Bradesco share control of the Bank through Nova Cidade de Deus (see our ownership structure). Under this framework, shares in BBD Part. S.A. can only be redeemed when senior management personnel end their

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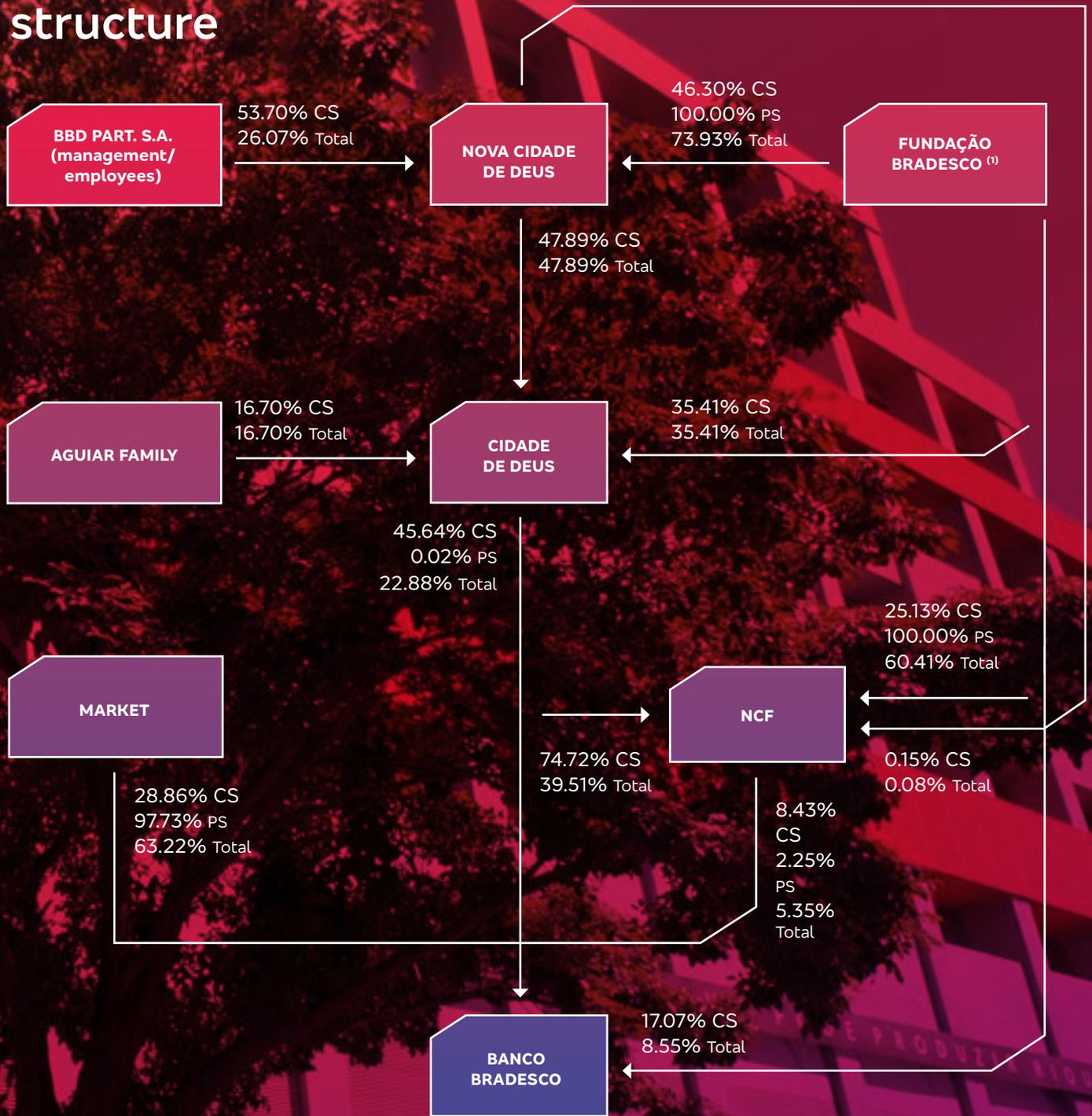
A significant portion of our profits is reverted to social programs through Fundação Bradesco, Brazil's largest philanthropic education organization.

careers with the Bank, helping to secure a balance between generating short-term results and delivering on our vision for sustainability, while also increasing stability in management.



Students at Fundação Bradesco – Unit II (Osasco-SP)

# ownership structure



1. Bradesco senior managers (Board of Executive Officers and Board of Directors) make up the Fundação Bradesco's highest governance body.  
CS: common shares; PS: preferred shares



# Governance framework

[GRI 102-18]

Our highest decision-making body is the Shareholders' Meeting, which has powers to decide on all business matters pertaining to the Bank and to appoint members to the Board of Directors and the Fiscal Council. Under Brazilian regulations, only shareholders holding common shares (CS) are entitled to vote in General Meetings. However, in electing members to the Board of Directors and Fiscal Council, shareholders holding preferred shares (PS) and minority shareholders holding common shares (CS) are entitled to vote.

The primary duties of the Board of Directors are setting business strategy, appointing or removing members of the Board of Execu-

tive Officers, overseeing the Chief Executive Officer appointing or removing Independent Auditors. Previously composed of eight members, in March 2020 the Board was expanded to ten external members, of whom two are independent, who jointly appoint a chair and a vice chair. The chair is not permitted to serve as CEO other than in exceptional circumstances, and in any case for a period not exceeding 180 days. Board of Directors members serve a renewable term of two years. The Internal Audit and the Governance Office—which is responsible for, among other duties, supporting all governance bodies and managing general meetings—report directly to the Board.

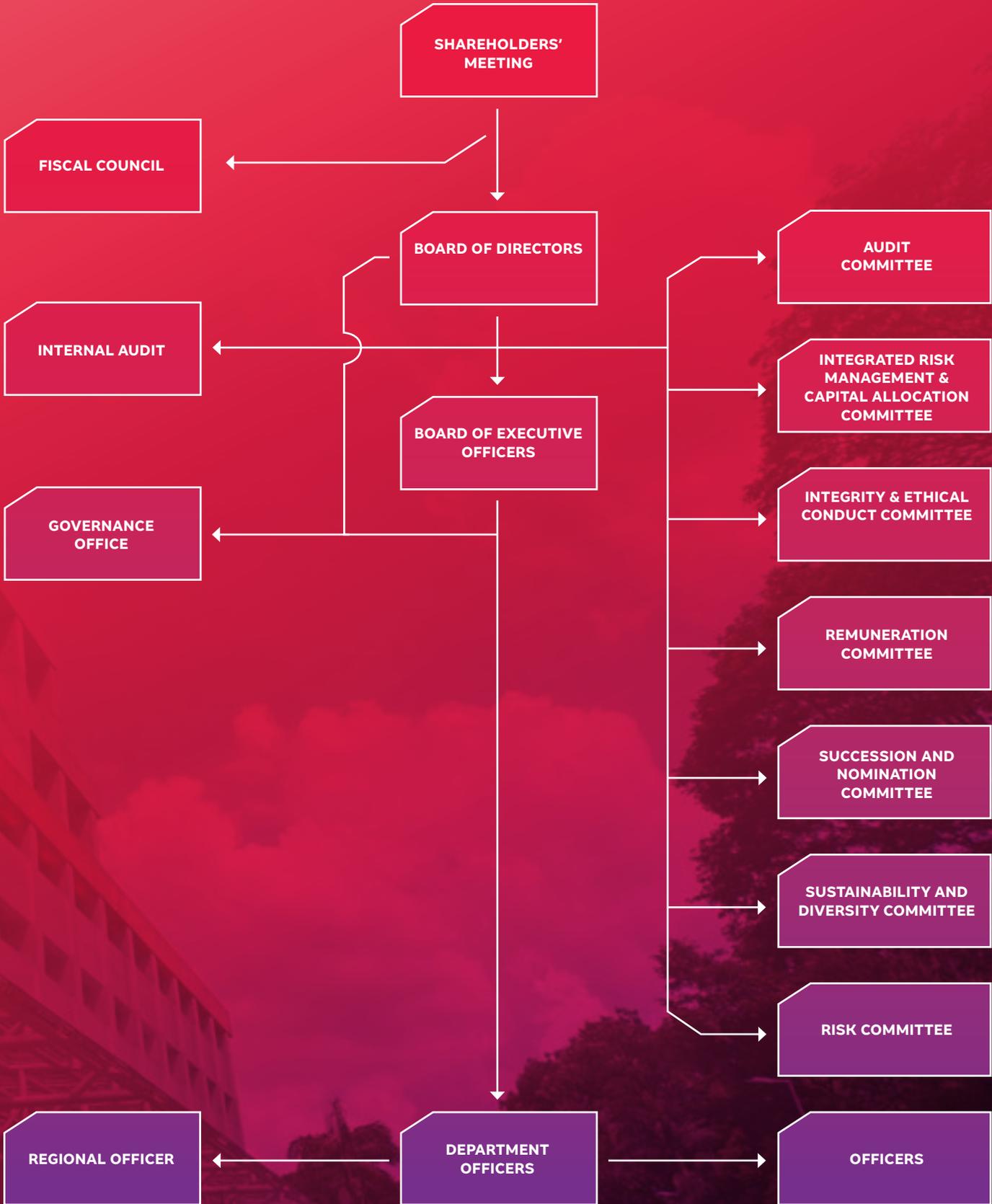
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## The Board of Directors and the Board of Executive Officers are supported in decision-making by advisory committees.

The Board of Directors is advised by seven supporting committees, each of which has its own rules of procedure establishing members' duties, composition, and the frequency of meetings. Bradesco also has a Fiscal Council in place since 2015, responsible for overseeing the activities of bank directors. The Fiscal Council is composed of five members and

five substitutes, with two members and their substitutes elected by minority shareholders.

The Board of Executive Officers executes business strategy and continuously monitors the effectiveness of decision-making. Officers are appointed for renewable terms of two years and are supported by a number of executive committees.



## GOVERNANCE OF SUBSIDIARIES

Bradesco's parent companies and subsidiaries use an interdependent governance model that is based on the same principles underpinning our broader governance structure. Subsidiaries, in particular, meet periodically with members of our Board of Executive Officers and Board of Directors to report on the execution of our strategic plan and on their business performance, and have Bradesco executives and board members in their governance bodies.

## Number of members of governance bodies

GRI 102-8

## Board of Directors

2017: 6

2018: 8

2019: 8

In addition, the seven committees advising the Fiscal Council are also active at subsidiaries, supporting unified management in all activities across Bradesco. Some subsidiaries have their own advisory committees as well.

## Composition of the Board of Directors GRI 102-22; 405-1

	2017	2018	2019
<b>Gender</b>			
Men	89%	88%	87.5%
Women	11%	12%	12.5%
<b>Age group</b>			
Under 30	0%	0%	0%
30 to 50	19%	0%	0%
Over 50	81%	100%	100%
<b>Race/color</b>			
White	97%	88%	97%
Black	0%	0%	0%
Asian	3%	12%	3%
Indigenous	0%	0%	0%

## Board Member Profiles

- **Luiz Carlos Trabuço Cappi** (*Chairman*)

Luiz Cappi holds an undergraduate degree in philosophy and a graduate degree in Social Psychology. He began his career at Bradesco in 1969. Between 2003 and 2009 he served as President of the Bradesco Seguros Group. He served as CEO of Bradesco from March 2009 to March 2018, concurrently holding the position of Vice Chairman of the Board from March 2014 to October 2017, when he was named chairman of the Board.

- **Carlos Alberto Rodrigues Guilherme** (*Vice Chairman*)

With a degree in law, Carlos Alberto Rodrigues Guilherme began his career with the Bank in 1957. From 1999 to 2009 he served as Managing Executive Officer, and was appointed as a member of the Board in 2009. Since October 2017 he has served as Vice Chairman of the Board.

- **Denise Aguiar Alvarez**

Denise Aguiar Alvarez has an undergraduate degree in Pedagogy and a Master's degree in Education. As a representative of the Aguiar Family, she serves in a senior management capacity at the Bank's controlling entities, including Cidade de Deus – Companhia Comercial de Participações, BBD Participações S.A. and Fundação Bradesco. In 1990 she became a member of the Board of Directors at Bradesco.

- **João Aguiar Alvarez**

João Aguiar Alvarez holds a degree in Crop Science. As a representative of the Aguiar Family, he also serves in a senior management capacity at the Bank's controlling entities, including Cidade de Deus – Companhia Comercial de Participações, BBD Participações S.A. and Fundação Bradesco. In 1990 he became a member of the Board of Directors at Bradesco.

- **Milton Matsumoto**

With a degree in Business Administration, Milton Matsumoto began his career with the Bank in 1957. From 1999 to 2011 he served as Managing Executive Officer, and was appointed as a member of the Board in 2011.

- **Alexandre da Silva Glüher**

Alexandre da Silva Glüher holds a degree in Accounting Science and Business Administration. He began his career with the Bank in 1976. He was appointed Deputy

Executive Officer in 2010, and Managing Executive Officer in 2012. From 2014 to 2018 he served as Executive Vice President. In 2018, he was named to the Board of Directors at Bradesco.

- **Josué Augusto Pancini**

Josué Augusto Pancini has an undergraduate degree in Mathematics and a graduate degree in Financial and Business Economics. He started his career at Bradesco in 1976. He was appointed Deputy Executive Officer in 2010, and Managing Executive Officer in 2012. In 2014 he was promoted to Executive Vice President. From 2018 to 2019 he concurrently served as a member of the Board of Directors. Since January 2019 he has served only as a member of the Board.

- **Maurício Machado de Minas**

With a degree in Electrical Engineering, Maurício Machado de Minas began his career with the Bank in 2009. He was appointed Deputy Executive Officer in 2009, and Executive Vice President in 2014. From 2018 to 2019 he concurrently served as a member of the Board of Directors. Since January 2019 he has served only as a member of the Board.

- **Samuel Monteiro dos Santos Junior**

(*independent member*)

With a degree in Accounting Sciences and extensive experience in the insurance market, Samuel Monteiro dos Santos Junior joined Bradesco Seguros S.A. in 1999 as Vice President, where he remained until March 2011. From November 2011 to April 2014, he served as Chief Executive Officer at BSP Empreendimentos Imobiliários S.A., where he is currently a Member of the Board of Directors. Concurrently, in 2007 he was elected as an Officer at Bradesco Dental S.A., and he was elected a Member of the Board of Directors of Odontoprev S.A. in 2014, a position he currently holds. In March 2020 he was named an independent member of the Board of Directors at Bradesco.

- **Walter Luis Bernardes Albertoni**

(*independent member*)

With a degree in Law, Walter Luis Bernardes Albertoni has worked for several years as a third-party legal advisor to the Association of Investors in the Capital Markets (AMEC), issuing opinions and preparing institutional statements in defense of the rights and interests of minority shareholders. In March 2017, he was elected an effective member of the Fiscal Council of Banco Bradesco S.A. In March 2020 he was named an independent member of the Board of Directors.

## Governance activities in 2019

Body	Number of meetings and attendances	Primary subjects discussed
General Meeting	Five general meetings attended by shareholders representing 79.79% of our common shares and 45.43% of our preferred shares	Capital increase; alteration of Audit Committee members' term of office from five years to two years; distribution of dividends; remuneration of members of the Board of Directors and Fiscal Council; merger of Bradesco Cartões into Bradesco; acquisition of BAC Florida Bank
Board of Directors	Six planned ordinary meetings and 206 extraordinary meetings, with an average of 83% of members in attendance.	Approval of extraordinary dividends and interest on equity; appointment of new members to the Board of Executive Officers; alteration of Audit Committee Members' term of office—from five to two years
Fiscal Council	77 meetings	Capital increase; merger of Bradesco Cartões into Bradesco; opinion on the financial statements
Committees advising the Board of Directors	The seven committees held a total of 394 meetings	<i>For further details, see Committee activities</i>
Officers	Weekly meetings as well as extraordinary meetings as necessary. In all, 139 meetings were held	Oversight of business strategy execution

## Committee activities in 2019

Committees	Purpose	Number of meetings
Remuneration (statutory)	Advises the Board of Directors on the management remuneration policy.	12
Audit (statutory)	Makes recommendations to and advises the Board of Directors on matters related to the accounting practices adopted in preparing the financial statements of the Bank and its subsidiaries, and on engaging independent auditors.	319
Integrity & Ethical Conduct	Proposes initiatives to disseminate and enforce compliance with Bradesco's department-specific Codes of Ethical Conduct and anti-bribery and antitrust rules.	5
Integrated Risk Management & Capital Allocation	Advises the Board of Directors on its duties related to risk management policies and exposure limits, ensures compliance with related processes, policies and standards within the Organization, as well as applicable laws and regulations.	17
Risk Committee	Assesses Bradesco's risk management framework and oversees the duties of the Chief Risk Officer (CRO), which include exercising independent oversight of the development, implementation, performance and improvement of our risk management framework, reporting to the Risk Committee, the CEO and Board of Directors.	12
Succession and Nomination Committee	Advises the Board of Directors on Management Succession and Nomination Policy and on the appointment of qualified professionals to serve in a management capacity.	23
Sustainability and Diversity Committee	Advises the Board of Directors on matters related to the sustainability strategy.	5

## internal audit

The internal audit, which is certified by the Institute of Internal Auditors (IIA), was recertified in June 2019, attesting to its conformity to International Standards for The Professional Practice of Internal Auditing and the Code of Ethics published within the International Professional Practices Framework (IPPF).

## senior leadership assessment and succession

Since 2006, both the Board of Directors as a body and its individual members have undergone annual assessments. Individual assessments cover compliance with our bylaws and confidentiality requirements, professional expertise, conflicts of interest, and other matters. Through our Integrity Program—which is focused on providing guidance on and preventing misconduct among our directors, employees and business partners—in 2019, we undertook an initiative directed to the Board of Directors.

It is important to note that the Board is composed primarily of former executives who throughout their careers have acquired a wealth of broad-ranging expertise through rotation across functions. Assessments of the Board as a body cover aspects such as diversity, segregation of duties, sustainability, risk management and compliance. Based on assessment results, controlling shareholders provide recommendations

on improvement and on members whose performance warrants re-appointment. The performance of the CEO is assessed by the Board of Directors. The CEO, in turn, assesses vice presidents and these assess the executives under them. Assessments are performed on a quarterly or six-monthly basis, as agreed by the Board of Directors. Assessments are also conducted of succession and nomination processes. In 2019, the performance of executives and the Board of Directors as a body met established expectations. **GRI 102-28**

The CEO and executives are appointed by the Board of Directors, and members of the Board of Directors are elected in general meetings, based on the results from these assessments and in accordance with our Succession and Nomination Policy, under the oversight of our Succession & Nomination Committee. This policy establishes, among other requirements, that diversity aspects (gender, race, ethnicity and age group) be fac-

tored in succession processes and that top leadership maintain alignment with practices that support the longevity and sustainability of the business. **GRI 102-24**

### MANAGEMENT REMUNERATION

The remuneration of members of the Board of Directors and Board of Executive Officers is approved in a Shareholders' Meetings based on guidelines established in our Directors' Remuneration Policy. The composition of directors' remuneration is based on a number of indicators, including return on average equity (ROAE), the efficiency index, customer satisfaction and social and environmental performance.

The infographic on the following page provides an overview of the composition of annual remuneration paid to members of the Board of Directors, Board of Executive Officers, Fiscal Council and Audit Committee. For confidentiality reasons, information is provided in limited detail (further details are available in our Reference Form).

# Composition of the Management's Annual Remuneration

**Fixed Annual Compensation** approved in Shareholders' Meetings for the duration of their term, and paid monthly in the form of management fees.

No manager or non-management member receives compensation for their duties on committees at Bradesco.

**Fixed Annual Compensation** approved by the General Meeting and paid in the form of monthly fees not exceeding ten percent (10%) of the average monthly remuneration paid to executives.



**BOARD OF DIRECTORS  
AND BOARD OF EXECUTIVE  
OFFICERS**

**Variable Compensation** is paid according to the extent to which performance targets and indicators are achieved, with multiple monthly remuneration payments up to the limit approved by the General Shareholders' Meeting.

**Post-employment benefits** are provided in the form of pension plans approved by the Shareholders' Meeting to ensure that managers are committed to supporting the longevity of the business and creating long-term value.

**Fixed Annual Compensation** established by the Board of Directors based on benchmarked figures. Remuneration is paid in the form of monthly fees, and is fixed over members' term of office.

**AUDIT COMMITTEE**



**FISCAL COUNCIL**



The Coordinating Member of this committee receives fees only for their duties as a member of the Board of Directors.

## LEARN MORE

Further information about our corporate governance structure is available on: [bradescori.com.br](http://bradescori.com.br). From the portal, users can download our most recent Reference Form and Corporate Governance Report, among other documents.



# ethics and integrity

GRI 102-16; 102-17; 103-2; 103-3; 205-1

The Bradesco Code of Ethical Conduct sets out requirements on the conduct of managers and employees at all Bradesco companies, as well as all third-party employees and contractors. Using plain and objective language, the Code describes expected and prohibited behaviors across issues such as transparency, conflict of interest, insider information, recognition, social and environmental responsibility, political and party activities, and leadership. It also sets out guidelines on dealings with our different stakeholders, including customers and users, shareholders and investors, competitors, suppliers, the media, communities, government agencies and regulators, and trade associations.

The Bradesco Seguros Group has its own Code of Ethical Conduct. We also have profession-specific codes of ethical conduct, includ-

ing codes governing the activities of employees working in the financial and capital markets, procurement personnel, and auditors and inspectors.

Supplementing these are the Bradesco Integrity Program and the Bradesco Antitrust Compliance Program, which contain guidance on preventing, detecting and addressing any behavior and actions in violation of the Brazilian Anti-bribery Act (Law No. 12,846/13), the Brazilian Antitrust Act (Law No. 12,529/11), and international legislation. These programs—which extend to all areas of the Organization, including foreign-based business units—are supported by

corporate anti-bribery and antitrust policies and standards, as well as documents containing guidelines on report handling, donations and sponsorship, contributions to political candidates and parties, accounting practices, and other matters.

Our Corporate Anti-Bribery Standard prohibits financial and other donations (donating or offering assets on loan, providing labor or office or advertising space, sponsoring events in which candidates can present themselves to the public, distributing fliers, etc.) to political parties, candidates and campaigns. This is in line with Brazil's current legislation (Direct Constitutionality Action No. 4,650, adjudicated by the Federal Supreme Court on September 17, 2015), under which political con-

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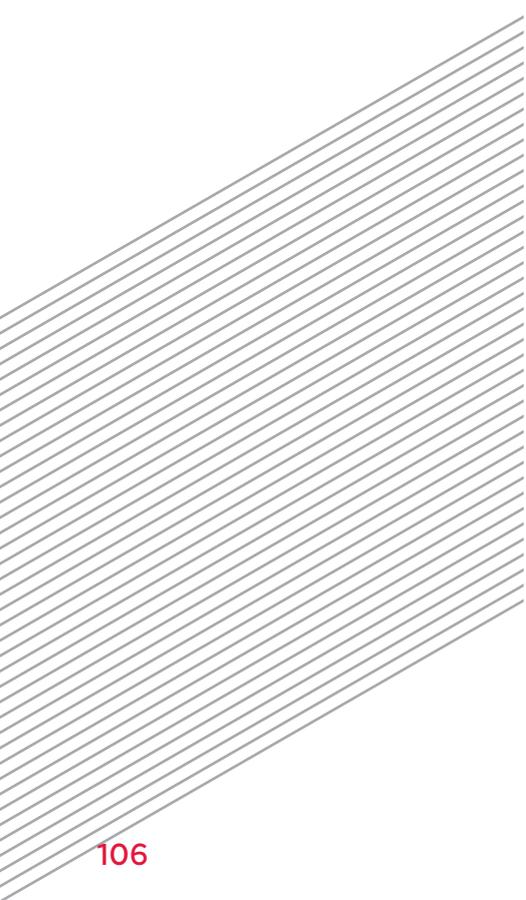
The Code of Ethical Conduct is our primary reference framework for direct and third-party employees.

tributions made by corporations are deemed unconstitutional. While donations by individuals are permitted, we recommend that individuals in statutory positions at Bradesco refrain from doing so – this suggestion also extends to their dependents, such as children. In the last five years, no donations have been made to politicians, political parties, candidates or campaigns, whether directly or indirectly. In addition, we have not made any contributions or expenditure to influence political campaigns or public policy. **GRI 415-1**

Confirmed violations can result in disciplinary action, up to and including dismissal of employees and directors, or termination of contracts with business partners. Over the last three years there have been no instances of corruption at Bradesco and we have not been parties to any legal actions for anti-competitive, anti-trust, or monopoly practices.

**GRI 205-3; 206-1 | SASB FN-AC-510a.1; FN-IB-510a.1; FN-EX-510a.1**

The Bradesco Integrity Program and Antitrust Compliance Program are managed by our Compliance, Conduct & Ethics Department (DCCE). Other functions also provide support and senior management has committees that are continuously engaged in disseminating and ensuring compliance with the program and our Code of Ethical Conduct, such as the Integrity & Ethical Conduct Committee, which reports directly to the Board of Directors. The board is also responsible for ratifying all policies at Bradesco. In 2020, the Bradesco Integrity Program will be updated as part of our continual improvement process.



## reporting channels

**GRI 102-17 | SASB FN-AC-510a.2; FN-CB-510a.2; FN-EX-510a.2; FN-IB-510a.2**

Bradesco provides a set of channels for anonymous and confidential reporting on ethics and integrity concerns. Direct and third-party employees can also make reports directly to their immediate manager or the Officer above them.

Our Corporate Social Responsibility Management System (SGRSC)

aims to improve the quality of our employee relations and workplace conditions for employees, business partners and other stakeholders, based on applicable policies, standards and regulations, the fundamental principles and rights at work, and other commitments to which we have subscribed. Our commitment to human rights, children's rights, and the Fundamental Principles and Rights at Work is also extended to suppliers.

Through our Management System we reaffirm these commitments and support the social pillar of sustainability and socially responsible management.

To ensure that our practices conform to this Standard, the SGRSC is validated through periodic audits by an independent and accredited certification body.

Reporting channels are available to employees, business partners and other stakeholders. All reports are treated anonymously, confidentially and without retaliation,

and are investigated individually in accordance with the guidelines contained in our Code of Ethical Conduct and Human Resources Management Policy. This reinforces our commitment to strengthening dialog and fostering open relationships based on trust and respect and seeking the common good.

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#### THE BRADESCO GROUP REPORTING CHANNELS

##### e-mail

- › [etica@bradesco.com.br](mailto:etica@bradesco.com.br);
- › [anticorrupcao@bradesco.com.br](mailto:anticorrupcao@bradesco.com.br);
- › [concorrencial@bradesco.com.br](mailto:concorrencial@bradesco.com.br) (for antitrust concerns);
- › [respsocial@bradesco.com.br](mailto:respsocial@bradesco.com.br);

##### telephone numbers

- › Bradesco Ombudsman  
0800 727 9933
- › Audit Committee  
(11) 3684 9110
- › Audit Department (11) 3684 2266
- › Social Responsibility  
0800 776 4240



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#### FOR THE BRADESCO SEGUROS GROUP

##### e-mail

- › [etica@bradescoseguros.com.br](mailto:etica@bradescoseguros.com.br);
- › [prevençãofraude@bradescoseguros.com.br](mailto:prevençãofraude@bradescoseguros.com.br);

##### telephone numbers

- › Fraud Hotline  
0800 701 2788
- › Bradesco Seguros Ombudsman  
0800 701 7000
- › Hearing or speech impaired 0800  
701 7877

## training and engagement

As part of our efforts to engage our employees in ethics, integrity and compliance, in 2019, we posted 1,420 publications through our internal communication channels, including Sempre em Dia, Rede em Dia and Bom Dia Prime. In 2019, approximately 17,000 people attended anti-bribery workshops. In June and August, we held an antitrust workshop with 345 people attending. In December we organized Integrity Week events that were attended by more than 1,200 employees and our leadership team.

As well, we posted 1,301 publications in our internal channels specifically addressing conduct and dealings with customers and users. We also organized a customer relationship management event, Expo Relacio-

namento, with 1,217 employees attending. Our “Making the Difference” event for the Bradesco branch network was attended by 7,079 participants in ten states. Employees also attended in-person (426 people) and online (91,689 training completion certificates issued) training throughout the year.

Our Code of Ethical Conduct, other policies and standards and a description of the Bradesco Integrity Program, Antitrust Compliance Program and Customer and User Relationship Management Program are available to our directors, employees and business partners. Employees who join Bradesco attend induction training on ethical conduct, anti-bribery and dealings with customers and users.

### **OPERATION ZEALOTS**

Criminal proceedings are currently pending before the 10<sup>th</sup> Federal Court of the Federal District against two former members of our Board of Executive Officers, in connection with Operation Zealots, an investigation into alleged wrongdoing by members of the Administrative Council for Tax Appeals (CARF). The discovery phase has ended and the case is currently pending a lower-court decision.

Bradesco’s management has conducted an in-depth internal review of related records and documents and has found no evidence of any illegal acts committed by the representatives. Bradesco has provided all requested information to the relevant authorities and regulators, both in Brazil and in other jurisdictions.

Following news reports about Operation Zealots, a class action was brought on June 3, 2016 against Bradesco and members of the Board of Executive Officers before the United States District Court for the Southern District of New York under Section 10(b) and 20(a) of the US Securities Exchange Act

of 1934. On July 1, 2019, we and the Lead Plaintiff entered into an agreement to terminate the Class Action, with the payment of US\$ 14.5 million by us. The Agreement was finally approved by the Court on November 18, 2019 and the case was closed in relation to us and the former members of our Board of Executive Officers. The Agreement does not represent the recognition of guilt or admission of liability by us, and we only entered into it to avoid uncertainties, costs and onus related to the progression of the Class Action.

Also as a result of Operation Zealots, the General Office for Internal Affairs of the Ministry of Finance (*Corregedoria Geral do Ministério da Fazenda*) began an administrative investigation to verify the need to file Administrative Accountability Proceedings ("PAR"). The filing decision of the related procedure was published in Section 2 of the Federal Official Gazette on February 3, 2020. The decision by the Official of the Ministry of Economy accepted in full the Final Report of the Procedural Committee, the Opinion of the National Treasury Attorney General's Office and the Joint Order of the General Coordination of Management and Administration, and of the Leadership of the Advisory and Judgment Division, which expressly recognized the lack of evidence that we had promised, offered or given, directly or indirectly, an unfair advantage to public agents involved in the related operation, in accordance with the provisions laid down in Article 5, section I, of Law No. 12,846/13.

### **MONEY LAUNDERING AND TERRORIST FINANCING**

The on-going anti-corruption agenda in Brazil, including the prevention of money laundering and the financing of terrorism ("AML/TF"), may result in new investigations or legal proceedings. Financial institutions, including Bradesco, could be involved in legal actions resulting from the actions perpetrated by individuals or corporate entities related to the inappropriate use of the financial system for various purposes or unlawful acts, despite us being in compliance with our current obligations. Involvement in these actions may result in negative publicity for us, and adverse conclusions may negatively affect our financial condition, our results of operations and the market value of our shares, preferred shares ADSs and common shares ADSs.

In 2019, in the context of the Operation Over and Out, an offshoot of Operation Car Wash ("*Operação Lava Jato*"), two of our former managers were investigated and charged by the Federal Attorney's Office for alleged involvement in the opening and maintenance of current accounts of companies with irregularities. We conducted a thorough internal investigation and adopted the governance measures we deemed necessary, putting ourselves at the disposal of the authorities to contribute to the verification of the facts.

# a focus on creating value

CAPITALS



SDGs



STAKEHOLDERS





# economic value

GRI 103-2; 103-3

With efforts currently focused on tackling the COVID-19 pandemic, it is likely that Brazilian government reforms will be temporarily halted. When the current health crisis has receded, attentions should again turn to more structural issues. Therefore, without neglecting to address the current crisis with its challenging complexities, and its human and economic toll, we should also not lose sight of the future. Despite its many challenges, Brazil presents a wealth of business opportunities. Among the country's strengths are entrepre-

neurs who are creative and adaptable, an abundance of natural resources, and a sizable consumer market with a potential for expansion that is rare in the current global context. The banking and insurance industries will tend to benefit from this potential when the health crisis recedes<sup>1</sup>.

Concurrently, we are experiencing a period of profound, technology-driven change that is reshaping the way people purchase products and services and interact with organizations, with attributes like security, efficiency, ethics and transparency becoming increasingly high in demand. Especially in the banking and insurance industries, we have witnessed new

regulatory frameworks and seen new competitors enter the market—such as fintechs, big techs and insurtechs—introducing more flexible and competitive business models. Lastly, growing concerns over economic, social and environmental issues (especially issues surrounding climate change) have made this an important differentiator for organizations.

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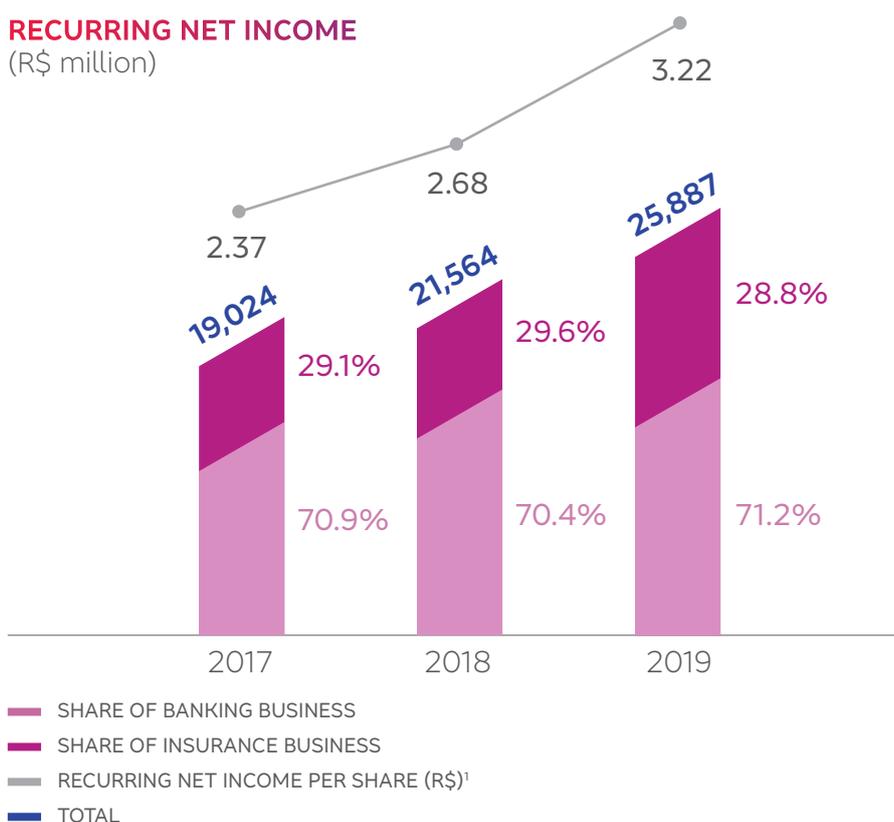
Technology-driven change is reshaping the way people purchase products and services, and interact with organizations.

1. The text published in the summary version of our Integrated Report 2019, in March 2020, has been updated in this full version to reflect developments from the COVID-19 pandemic crisis.

## OUR RESULTS

The Return on Average Equity (ROAE) saw continued growth to 20.6% in 2019, an increase of 1.6 p.p. from 2018. Operating performance has continued to drive improvement in net income year over year. Recurring net income was R\$ 25.9 billion in 2019, an improvement of 20.0% year over year. The growth in net income from 2018 to 2019 reflects higher net interest income, the contribution from our insurance, pensions and premium bonds businesses, growth in fee and commission income and reduced ALL (Expanded) expenses and other operating revenue/expense, which offset the higher operating expenses in the period, primarily relating to variable expenses.

## RECURRING NET INCOME (R\$ million)



- SHARE OF BANKING BUSINESS
- SHARE OF INSURANCE BUSINESS
- RECURRING NET INCOME PER SHARE (R\$)<sup>1</sup>
- TOTAL

1. For the 12-month period (shares were adjusted to reflect stock dividends paid and share splits during the relevant period).

## BOOK NET INCOME – R\$ MILLION

	2019
Recurring net income	25,887
Non-recurring events (net of tax effects)	(3,305)
Tax Credit	6,403
Contingent Liabilities <sup>1</sup>	(3,524)
Expanded ALL <sup>2</sup>	(2,468)
Impairment of Non-Financial Assets <sup>3</sup>	(1,080)
Amortization of goodwill (gross)	(1,545)
Voluntary Severance Program 2019 (PDV)	(1,091)
<b>Book net income</b>	<b>22,582</b>

1. This item consists of operational provisions, especially for civil and labor claims;

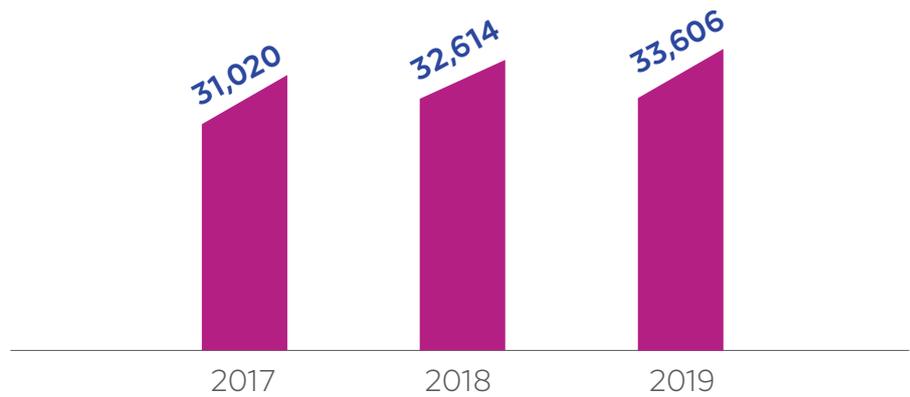
2. Reflecting a rating downgrade and improvements to the criteria for measuring provision for guarantees – sureties and guarantees.

3. In 2019, this item primarily consists of impairment of investments, assets related to the right to provide financial services (payroll) and systems/hardware.

### FEE AND COMMISSION INCOME

The fee and commission income was R\$ 33.6 billion in 2019, an increase of 3.0% compared with the previous year. The positive performance was driven by higher checking account revenue reflecting an increase in our checking account customer base and strong revenue from pooled finance management, custody and brokerage services, and underwriting/financial advisory services. During the period, adjustments were made in relation to asset management and secured transaction fees and lower card acquiring revenue.

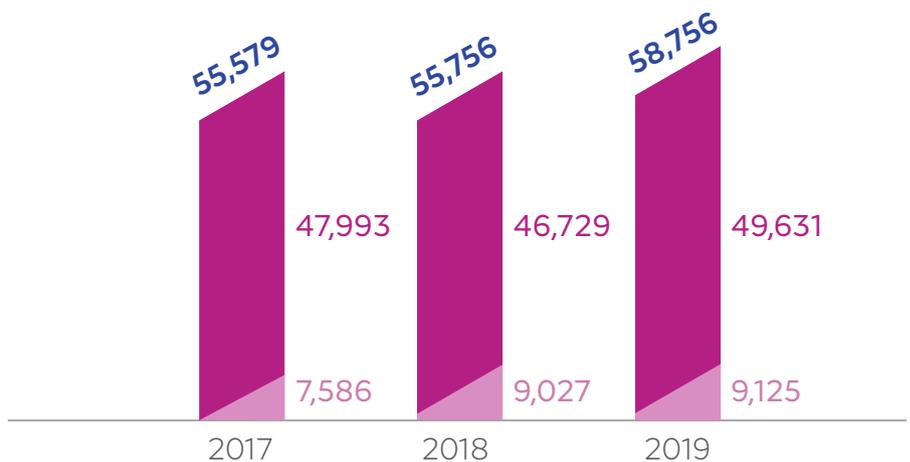
### FEE AND COMMISSION INCOME (R\$ million)



### NET INTEREST INCOME

The net interest income grew 5.4% compared with the previous year. The net interest income was driven primarily by net interest income - Customer portion and was benefited by higher average transaction volumes, especially personal loans, driven by growth in consumer finance (personal and payroll deducted loans, vehicle loans and credit cards). These improvements also supported stronger performance across the broader product mix.

### NET INTEREST INCOME (R\$ million)

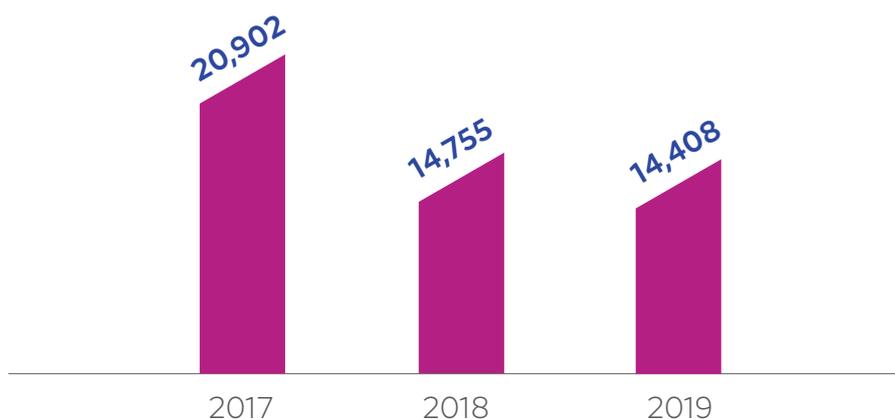


- NET INTEREST INCOME – CUSTOMER PORTION
- NET INTEREST INCOME – MARKET PORTION
- TOTAL

### ALLOWANCE FOR LOAN LOSSES (ALL) EXPENSE

The reduction in ALL (Expanded) Expense from 2018 to 2019 reflects higher revenue from credit recoveries, lower impairment of financial assets and discounts granted/other, which offset the higher ALL (Expanded) Expense as a result of loan growth and changes in the portfolio mix, especially expansion in individual and medium-sized enterprises loans.

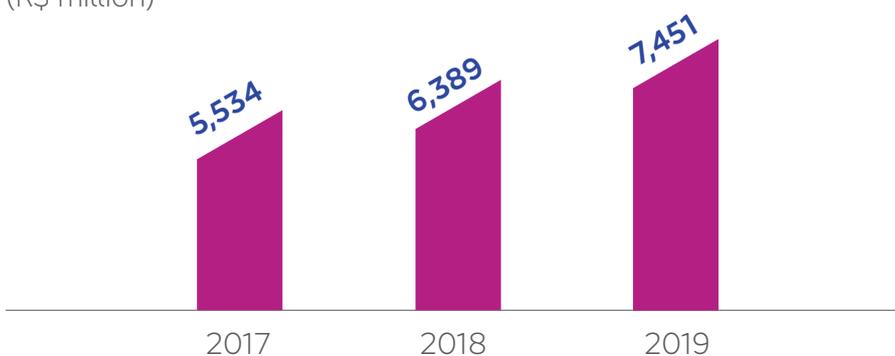
### ALL (EXPANDED) – EXPENSE (R\$ million)



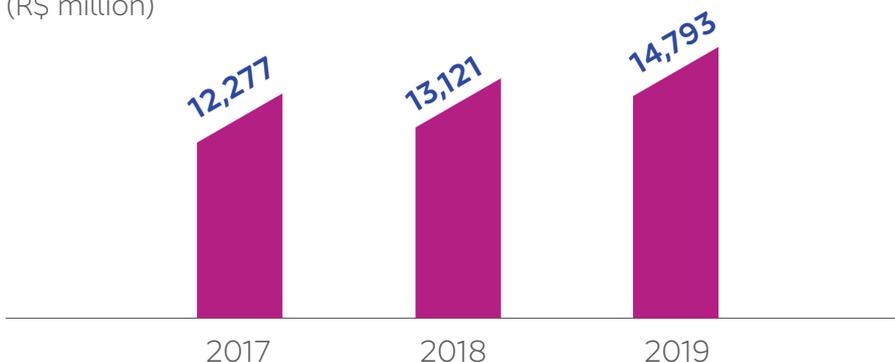
### INSURANCE, PRIVATE PENSION PLANS AND PREMIUM BONDS

The Bradesco Seguros Group net income was R\$ 7.4 billion in 2019, an increase of 16.6% over 2018 primarily as a result of higher operating income, reflecting strong revenue performance—with especially strong growth in the health, premium bond and life insurance business lines—and higher financial revenue, reflecting stronger performance in variable income and multi-market securities and IPCA-indexed investments, which contributed to a Return on Average Equity (ROAE) of 23.5% in 2019.

### NET INCOME FROM INSURANCE, PENSION PLANS AND PREMIUM BONDS (R\$ million)



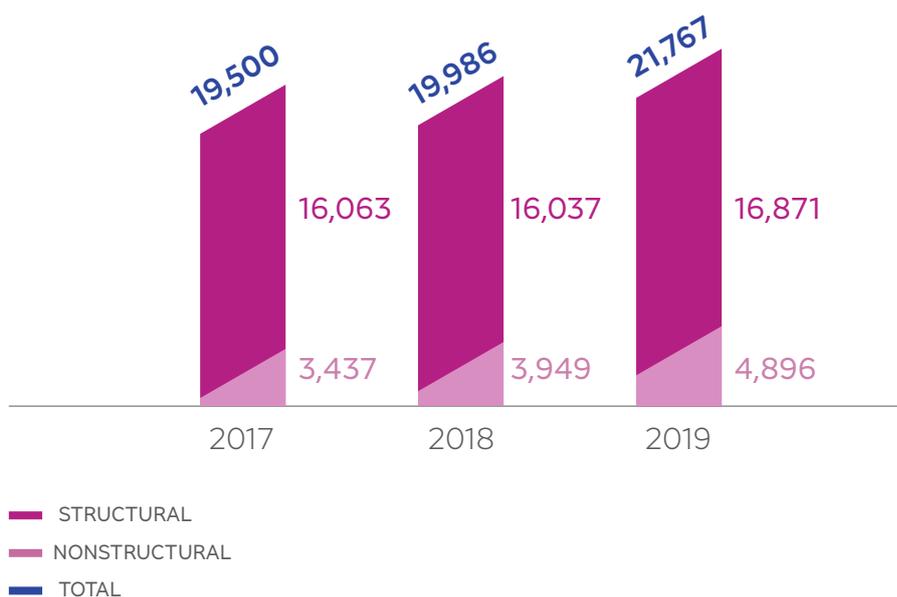
### INCOME FROM INSURANCE, PENSION PLANS AND PREMIUM BONDS (R\$ million)



## PERSONNEL EXPENSES

Personnel expenses were R\$ 21.8 billion in 2019, an increase of 8.9% relative to the previous year reflecting higher expenses on salaries and social security taxes due to a 4.3% raise under a collective bargaining agreement, higher variable expenses (profit sharing—a variable compensation program was implemented in 2019) on branch network employees, and higher expense on provision for labor claims, reflecting the settlements concluded.

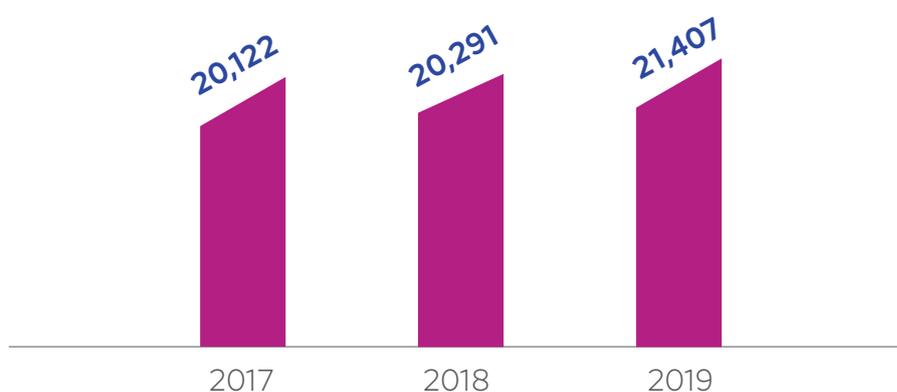
## PERSONNEL EXPENSES (R\$ million)



## ADMINISTRATIVE EXPENSES

Administrative expenses were R\$ 21.4 billion in 2019, 5.5% higher than in 2018. The year-on-year increase largely reflects expenses in connection with higher business volumes (“variable portion”), which increased by 7.5%, while other expenses (“fixed portion”) increased by 5.1% over the same period driven by higher advertising expenses. It is important to note that despite the higher investment in digital transformation and process improvements, administrative expenses (“fixed portion”) grew below the rate of inflation (IGP-M 7.3%).

## ADMINISTRATIVE EXPENSES (R\$ million)



BREAKDOWN OF PERSONNEL AND ADMINISTRATIVE EXPENSES (R\$ MILLION)	Change %				
	2017	2018	2019	2018 vs. 2017	2019 vs. 2018
<b>Personnel Expenses</b>					
Structural	16,063	16,037	16,871	(0.2)	5.2
Payroll/social security charges	11,467	11,557	12,042	0.8	4.2
Benefits	4,596	4,480	4,829	(2.5)	7.8
Non-structural	3,437	3,949	4,896	14.9	24.0
Profit Sharing	1,850	2,173	2,865	17.5	31.8
Provision for Labor Claims	980	1,315	1,490	34.2	13.3
Training	171	175	200	2.3	14.3
Termination Costs	436	286	341	(34.4)	19.2
<b>Total</b>	<b>19,500</b>	<b>19,986</b>	<b>21,767</b>	<b>2.5</b>	<b>8.9</b>
<b>Administrative Expenses</b>					
Outsourced services	4,741	4,716	5,086	(0.5)	7.8
Depreciation and amortization	2,748	2,913	3,040	6.0	4.4
Data processing	2,511	2,603	2,553	3.7	(1.9)
Communication	1,865	1,726	1,791	(7.5)	3.8
Advertising	1,079	1,352	1,573	25.3	16.3
Asset maintenance	1,276	1,205	1,316	(5.6)	9.2
Rent	1,211	1,213	1,299	0.2	7.1
Financial system services	1,020	964	1,065	(5.5)	10.5
Security and surveillance	822	751	745	(8.6)	(0.8)
Transportation	796	764	807	(4.0)	5.6
Utilities (water, electricity and gas)	411	417	445	1.5	6.7
Materials	287	241	204	(16.0)	(15.4)
Travel	270	274	315	1.5	15.0
Other	1,085	1,152	1,168	6.2	1.4
<b>Total</b>	<b>20,122</b>	<b>20,291</b>	<b>21,407</b>	<b>0.8</b>	<b>5.5</b>
<b>Total operating expenses</b>	<b>39,622</b>	<b>40,277</b>	<b>43,174</b>	<b>1.7</b>	<b>7.2</b>

## EFFICIENCY RATIO (ER)

The higher Efficiency Ratio (ER) in the period was affected by net interest income, income from insurance, pension and premium bond operations, and fee and commission income, which offset the higher operating expenses largely in

connection with variable expenses linked to performance. The continual improvement in Risk-Adjusted ER reflects a reduction in the 12-month ALL (expanded) expense.

### EFFICIENCY RATIO - %

	1Q18	2Q18	3Q18	4Q18	1Q19	2Q19	3Q19	4Q19
ER – quarterly	49.0	49.7	49.4	50.4	48.6	49.2	49.9	48.3
12-Month Risk-Adjusted ER	70.2	68.4	67.0	65.2	64.5	64.2	63.9	63.4
12-Month ER	49.0	49.4	49.3	49.6	49.5	49.4	49.5	49.0

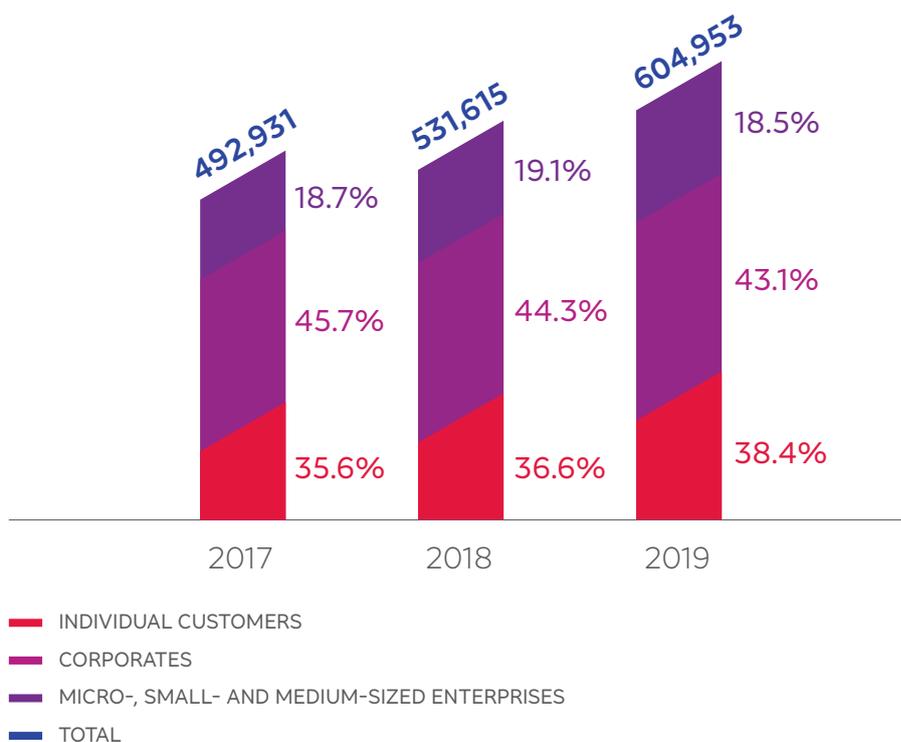
## EXPANDED LOAN

### PORTFOLIO SASB FN-CB-410a.1

The 13.8% growth in the expanded loan portfolio compared with 2018 was primarily due to growth in lending transactions as well as changes in the portfolio mix, especially expansion in personal and micro-, small- and medium-sized enterprises loans.

## EXPANDED LOAN PORTFOLIO

(R\$ million)



**EXPANDED LOAN PORTFOLIO BY SECTOR SASB FN-CF-270a.2**

<b>R\$ million</b>	<b>Dec 2017</b>	<b>%</b>	<b>Dec 2018</b>	<b>%</b>	<b>Dec '19</b>	<b>%</b>
<b>Sector</b>						
Public sector	13,518	2.7	13,531	2.5	13,919	2.3
Oil, oil products and related activities	11,097	2.3	10,626	2.0	9,623	1.6
Electricity	1,260	0.3	1,844	0.3	3,496	0.6
Other sectors	1,161	0.2	1,061	0.2	800	0.1
Private sector	479,413	97.3	518,085	97.5	591,034	97.7
Legal entities	303,944	61.7	323,362	60.8	358,852	59.3
Real estate development and construction activities	36,380	7.4	32,011	6.0	30,321	5.0
Retail	33,565	6.8	37,898	7.1	40,444	6.7
Transportation and concessions	23,159	4.7	26,539	5.0	32,109	5.3
Services	25,485	5.2	28,852	5.4	35,802	5.9
Wholesale	13,307	2.7	14,695	2.8	18,658	3.1
Automotive	13,370	2.7	16,022	3.0	17,508	2.9
Food	10,453	2.1	14,036	2.6	13,268	2.2
Other sectors	148,225	30.1	153,309	28.8	170,743	28.2
Individuals	175,469	35.6	194,723	36.6	232,182	38.4
<b>Total</b>	<b>492,931</b>	<b>100.0</b>	<b>531,615</b>	<b>100.0</b>	<b>604,953</b>	<b>100.0</b>

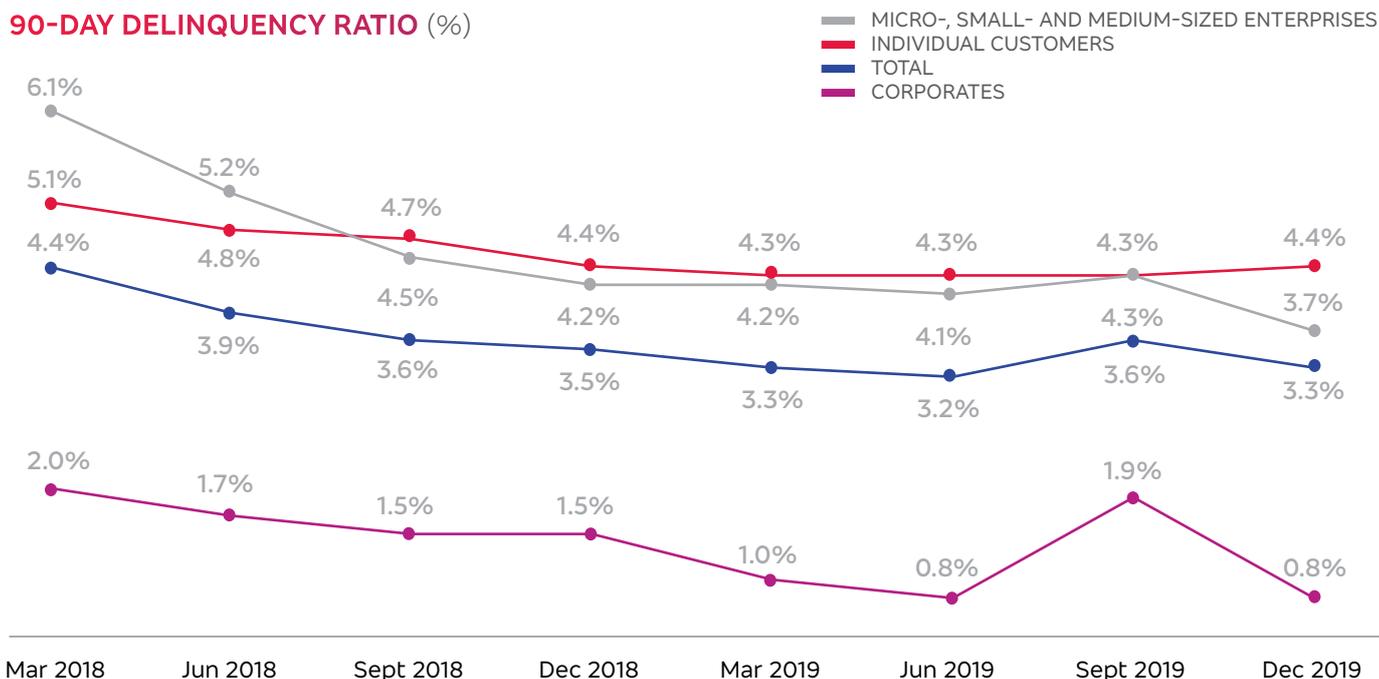
**90-DAY DELINQUENCY RATIO**
**SASB FN-CB-410a.1**

Despite strong loan growth (+14% year on year) and the changes in the portfolio mix, the overall delinquency ratio improved by 0.3 p.p. in the quarter and by 0.2 p.p. in the year, reflecting the quality of new loans and adjustments to the loan

underwriting and credit recovery processes. The delinquency ratio for individual customers remained virtually level in the quarter and in the year. The lower total ratio is explained by the improvement in delinquency for corporates and micro-, small- and medium-sized enterprises. Since early 2018, all

segments have shown improvement in delinquency and the total ratio has declined by 2.3 p.p. since it peaked in March 2017.

### 90-DAY DELINQUENCY RATIO (%)



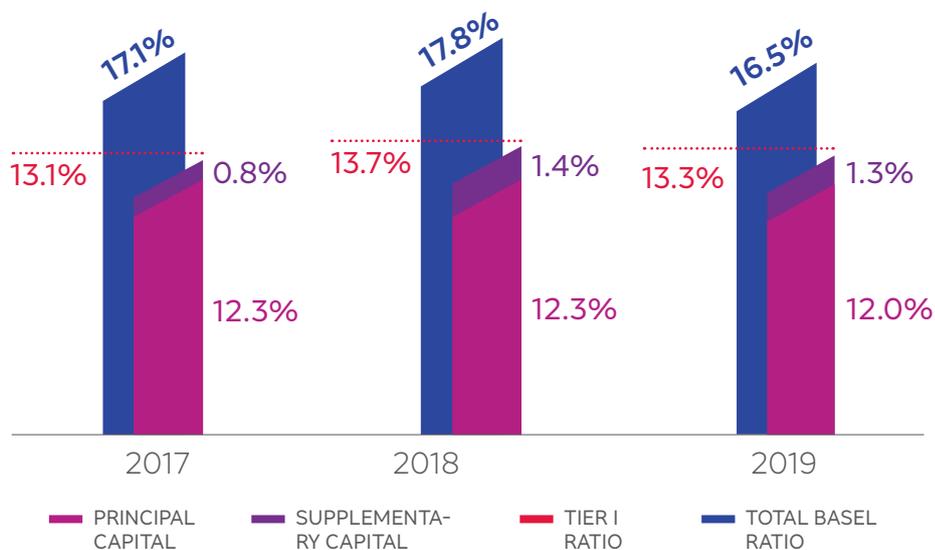
### BASEL RATIO

#### SASB FN-CB-550a.1

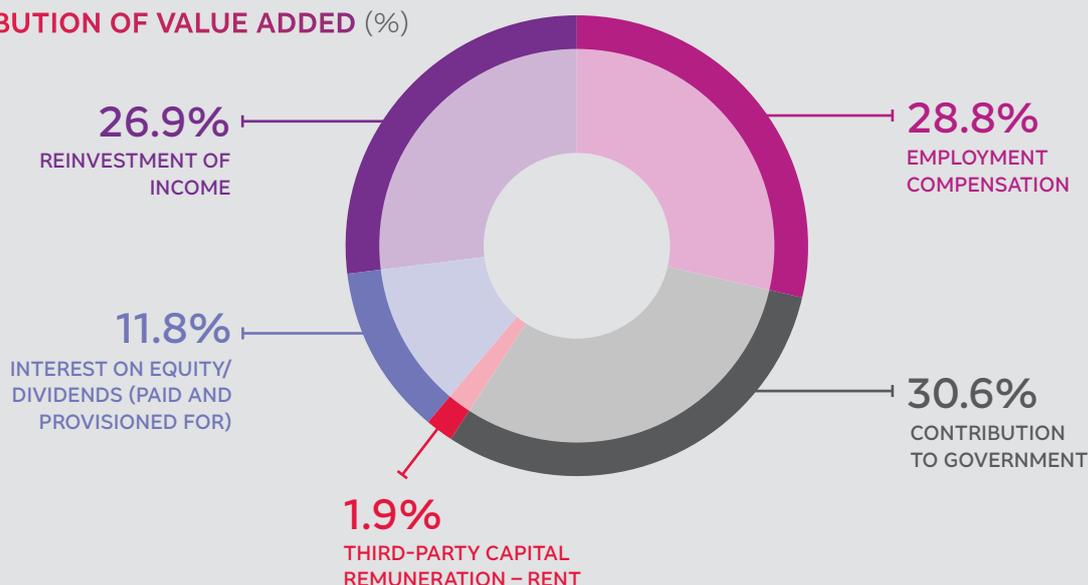
Our total Basel Ratio was 16,5% in 2019, a reduction from 2018 primarily reflecting the payment of R\$ 8 billion in extraordinary dividends in October 2019 as well as prudential adjustments reflecting an increase in tax credits. These effects were partly offset by strong capital generation (net income) and fund reallocation via dividends from the Insurance Group.

### BASEL RATIO – BASEL III

(%)



## DISTRIBUTION OF VALUE ADDED (%)



## DISTRIBUTION OF ADDED VALUE (R\$ MILLION) SASB FN-CF-270a.1

Description	2017	2018	2019	%
Employment compensation	17,171	17,665	19,278	28.8
Contribution to government	16,126	20,552	20,440	30.6
Third-party capital remuneration – rent	1,211	1,213	1,299	1.9
Interest on equity/dividends (paid and provisioned for) <sup>1</sup>	7,204	7,299	7,863	11.8
Reinvestment of income	11,820	14,265	18,024	26.9
<b>Total</b>	<b>53,532</b>	<b>60,994</b>	<b>66,904</b>	<b>100.0</b>

1. Not including R\$ 8 billion in extraordinary dividends paid in 2019 from retained earnings, for a total of R\$ 15.9 billion paid out to shareholders in 2019.

## estimates for 2020

9% to 13%  
expanded lending portfolio

4% to 8%  
net interest income

3% to 7%  
fee income

0% to 4%  
operating expenses  
(personnel + administrative + other  
operating expenses net of revenue)

1. Includes financial income.

4% to 8%  
Income from insurance, pension  
plans and premium bonds<sup>1</sup>

R\$ 13.5 to  
R\$ 16.5 bn  
Expanded ALL

## Update on estimates for 2020 – COVID-19

On April 30, 2020 Bradesco issued a notice to the market announcing it had suspended its guidance for 2020.

The decision came due to the increasing uncertainty as a result of the COVID-19 pandemic and its many potential impacts on the economy.

The Board of Directors will issue new guidance as soon as greater predictability is established.

KEY INFORMATION	Change %				
	2017	2018	2019	2018 vs. 2017	2019 vs. 2018
<b>Headlines</b>					
<b>Statement of income for the period - R\$ million</b>					
Recurring net income <sup>1</sup>	19,024	21,564	25,887	13.4	20.0
Total net interest margin	55,579	55,756	58,756	0.3	5.4
Net interest income - Customer portion	47,993	46,729	49,631	(2.6)	6.2
Net interest income - Customer portion, net of expanded ALL	27,091	31,974	35,223	18.0	10.2
Expanded ALL <sup>2</sup>	(20,902)	(14,755)	(14,408)	(29.4)	(2.4)
Fee and commission income	31,020	32,614	33,606	5.1	3.0
Administrative and personnel expenses	(39,622)	(40,277)	(43,174)	1.7	(7.2)
Income from Insurance, Pension Plans and Premium Bonds <sup>3</sup>	12,277	13,121	14,793	6.9	12.7
<b>Statement of Financial Position – R\$ million</b>					
Total assets <sup>4</sup>	1,298,328	1,386,010	1,409,305	6.8	1.7
Securities <b>SASB FN-AC-550a.3</b>	584,650	658,501	657,504	12.6	(0.2)
Loan operations – Expanded Portfolio <sup>5</sup>	492,931	531,615	604,953	7.8	13.8
- Individual	175,469	194,723	232,182	11.0	19.2
- Business	317,462	336,892	372,771	6.1	10.7
Allowance for Loan Losses (ALL)	(36,527)	(35,084)	(36,796)	(4.0)	4.9
Total deposits	265,278	342,879	368,948	29.3	7.6
Technical provisions	246,653	258,755	274,765	4.9	6.2
Shareholders' equity	110,457	121,121	133,723	9.7	10.4
Assets under management	1,987,487	2,181,893	2,259,133	9.8	3.5
<b>Performance Indicators (%)</b>					
Recurring net income per share – R\$ <sup>6 7</sup>	2.37	2.68	3.22	13.4	20.0
Book value per common and preferred share – R\$ <sup>7</sup>	13.75	15.08	16.65	9.7	10.4
Annualized return on average equity <sup>8 9</sup>	18.1	19.0	20.6	0.9 p.p.	1.6 p.p.
Annualized return on average assets <sup>8</sup>	1.5	1.6	1.8	0.1 p.p.	0.2 p.p.
Fixed Asset Ratio	43.4	36.3	38.3	(7.1) p.p.	2.0 p.p.

KEY INFORMATION				Change %	
Performance Indicators (%) - continued	2017	2018	2019	2018 vs. 2017	2019 vs. 2018
Combined Ratio - Insurance <sup>10</sup>	86.1	80.8	84.2	(5.3) p.p.	3.4 p.p.
Efficiency Ratio (ER) <sup>6</sup>	48.8	49.6	49.0	0.8 p.p.	(0.6) p.p.
Coverage Ratio (Fee and commission income/ Administrative and personnel expenses) <sup>6</sup>	78.3	81.0	77.8	2.7 p.p.	(3.2) p.p.
Basel Ratio – TOTAL	17.1	17.8	16.5	0.7 p.p.	(1.3) p.p.
Market capitalization – R\$ million <sup>11</sup>	200,521	242,606	282,075	21.0	16.3
<b>Loan Portfolio Quality (BACEN) %</b>					
ALL/Loan portfolio	9.9	8.6	8.1	(1.3) p.p.	(0.5) p.p.
Non-performing Loans (> 60 days <sup>12</sup> /Loan portfolio)	5.6	4.3	4.2	(1.3) p.p.	(0.1) p.p.
Delinquency Ratio (> 90 days <sup>12</sup> /Loan portfolio)	4.7	3.5	3.3	(1.2) p.p.	(0.2) p.p.
Coverage Ratio (> 90 days <sup>12</sup> )	211.4	245.3	244.9	33.9 p.p.	(0.4) p.p.
Coverage Ratio (> 60 days <sup>12</sup> )	175.0	201.6	193.6	26.6 p.p.	(8.0) p.p.
<b>Other information – Units</b>					
Employees	98,808	98,605	97,329	(203)	(1,276)
Outsourced employees and interns	15,064	15,013	15,078	(51)	65
Branches	4,749	4,617	4,478	(132)	(139)
PAs <sup>13</sup>	3,891	3,816	3,997	(75)	181
PAEs <sup>13</sup>	928	907	874	(21)	(33)
Banco24Horas ATM network	11,050	12,697	14,763	1,647	2,066
Bradesco Expresso (correspondent banks)	38,708	39,100	39,100	392	-
ATMs (Bradesco and Banco24Horas networks)	56,849	58,099	57,720	1,250	(379)
Active checking-account customers (million) <sup>14</sup>	27.8	28.3	30.1	0.5	1.8
Savings account customers (million) <sup>15</sup>	63.4	63.5	63.9	0.1	0.4

1. As per the extraordinary events described on the next page of this section.

2. Includes provision for sureties and guarantees, revenue from credit recoveries, discounts granted, gains/losses on the sale of foreclosed assets, and impairment of financial assets.

3. Income From Insurance, Pension Plans and Premium Bonds = Retained Insurance, Pension Plan and Premium Bond Premiums - Change in technical reserves for Insurance, Pension Plans and Premium Bonds - Retained Claims - Premium Bond Draws and Redemptions - Insurance Plan, Pension Plan and Premium Bond Selling Expenses + Financial Income.

4. For further information, see Note 4 - Statement of Financial Position and Managerial Statement of Income in the 4Q19 Report on Economic and Financial Analysis.

5. In addition to the loan portfolio as defined by the Central Bank of Brazil, the Expanded Loan Portfolio includes guarantees, letters of credit, advances on credit card receivables, debentures, promissory notes,

and co-obligation under real estate and agricultural credit receivables certificates.

6. 12-Month ER.

7. For comparability, shares were adjusted to reflect stock dividends paid and share splits during the relevant period.

8. Cumulative recurring net income in the year.

9. Excludes asset valuation adjustments recorded in equity.

10. Excluding additional provisions.

11. Number of shares (less treasury shares) vs. Common and Preferred share price on the last day in the period.

12. Overdue loans.

13. Service Points (PAs): the aggregate of Banking Service Offices (PABs), Local Service Offices (PAAs), in accordance with Resolution No. 4,072/12; and ATMs located on companies' premises (PAEs).

14. Includes payroll accounts.

15. Number of accounts.

## NON-RECURRING EVENTS (RECURRING NET INCOME VS. BOOK NET INCOME)

The main non-recurring events that affected the book net income in the periods below are presented in the following comparative chart:

R\$ million	2017	2018	2019
Recurring net income	19,024	21,564	25,887
Non-recurring events (net of tax effects)	(4,365)	(2,479)	(3,305)
Tax Credit	-	-	6,403
Contingent Liabilities <sup>1</sup>	(212)	(158)	(3,524)
Expanded ALL <sup>2</sup>	-	-	(2,468)
Impairment of Non-Financial Assets <sup>3</sup>	(325)	(514)	(1,080)
Amortization of Goodwill (Gross)	(2,302)	(1,976)	(1,545)
Special Voluntary Severance Program (PDVE)	(1,262)	-	(1,091)
Other <sup>3</sup>	(264)	169	-
Book net income	14,659	19,085	22,582

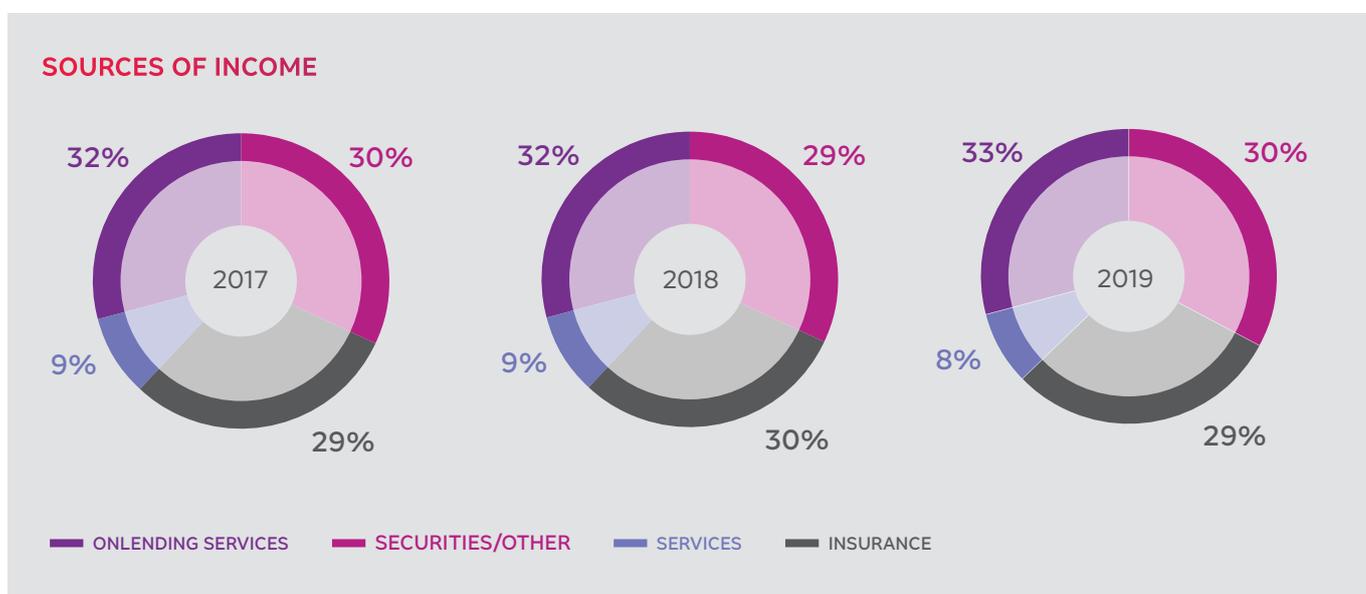
1. This item consists of operational provisions, especially for civil and labor claims.

2. Reflecting a rating downgrade and improvements to the criteria for measuring provision for guarantees – sureties and guarantees.

3. In 2019, this item primarily consists of impairment of investments, assets related to the right to provide financial services (payroll) and systems/hardware.

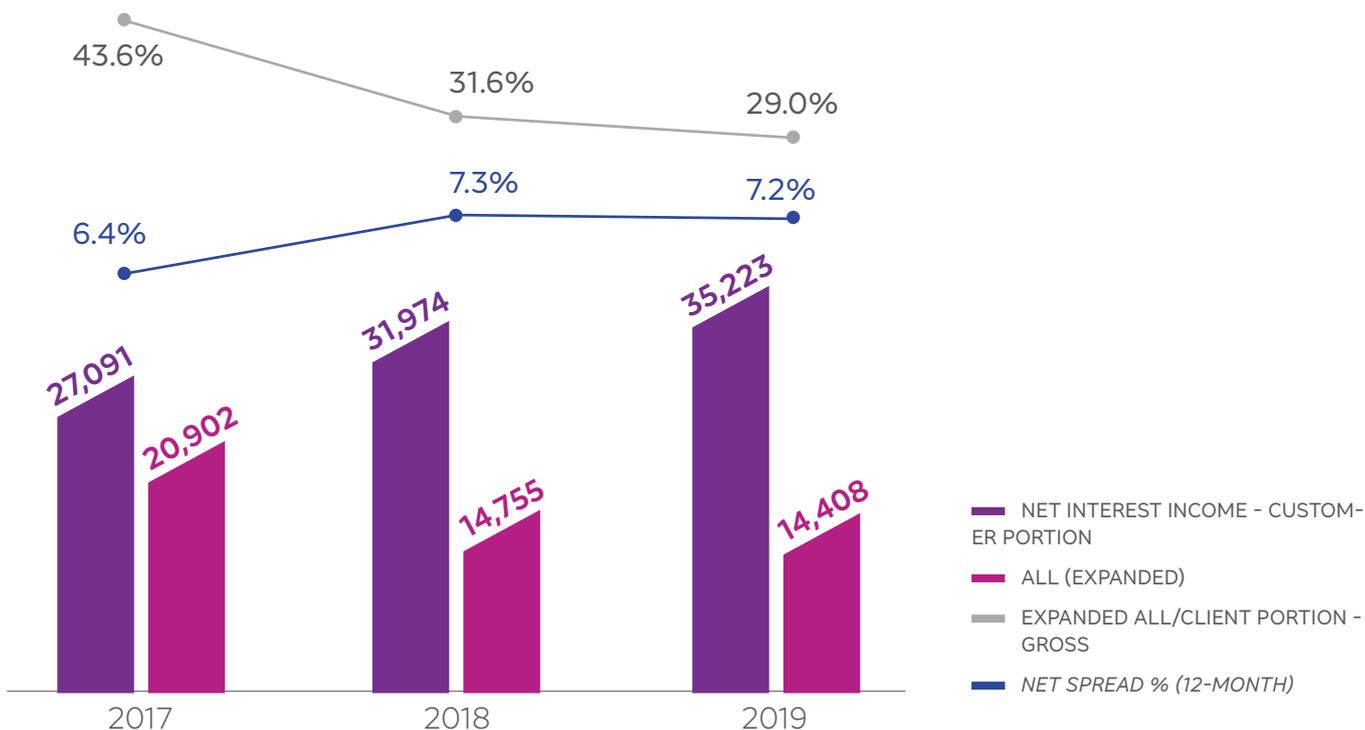
R\$ million	2017	2018	2019	Change %	
				2018 vs. 2017	2019 vs. 2018
Net Interest Income	55,579	55,756	58,756	0.3	5.4
- Net interest income - Customer portion	47,993	46,729	49,631	(2.6)	6.2
- Net Interest Income – Market Portion	7,586	9,027	9,125	19.0	1.1
ALL (Expanded)	(20,902)	(14,755)	(14,408)	(29.4)	(2.4)
Gross income from financial intermediation	34,677	41,001	44,348	18.2	8.2
Income from insurance, pension plans and premium bonds <sup>1</sup>	12,277	13,121	14,793	6.9	12.7
Fee and commission income	31,020	32,614	33,606	5.1	3.0
Personnel expenses	(19,500)	(19,986)	(21,767)	2.5	8.9
Other administrative expenses	(20,122)	(20,291)	(21,407)	0.8	5.5
Tax expenses	(6,944)	(7,200)	(7,383)	3.7	2.5
Equity in earnings of unconsolidated associates	192	195	297	1.6	52.3
Other operating income/(expense)	(5,308)	(6,609)	(5,852)	24.5	(11.5)
Operating income	26,292	32,845	36,635	24.9	11.5
Nonoperating income	(127)	(21)	32	(83.5)	-
Income Tax/Social Contribution	(6,852)	(11,031)	(10,568)	61.0	(4.2)
Non-controlling interests in subsidiaries	(289)	(229)	(212)	(20.8)	(7.4)
Recurring net income	19,024	21,564	25,887	13.4	20.0

1. Income from Insurance, Pension Plans and Premium Bonds = Retained Insurance, Pension Plan and Premium Bond Premiums - Change in technical reserves for Insurance, Pension Plans and Premium Bonds - Retained Claims - Premium Bond Draws and Redemptions - Insurance Plan, Pension Plan and Premium Bond Selling Expenses + Financial Income.



## NET INTEREST INCOME AND ONLENDING VS. ALL (EXPANDED)

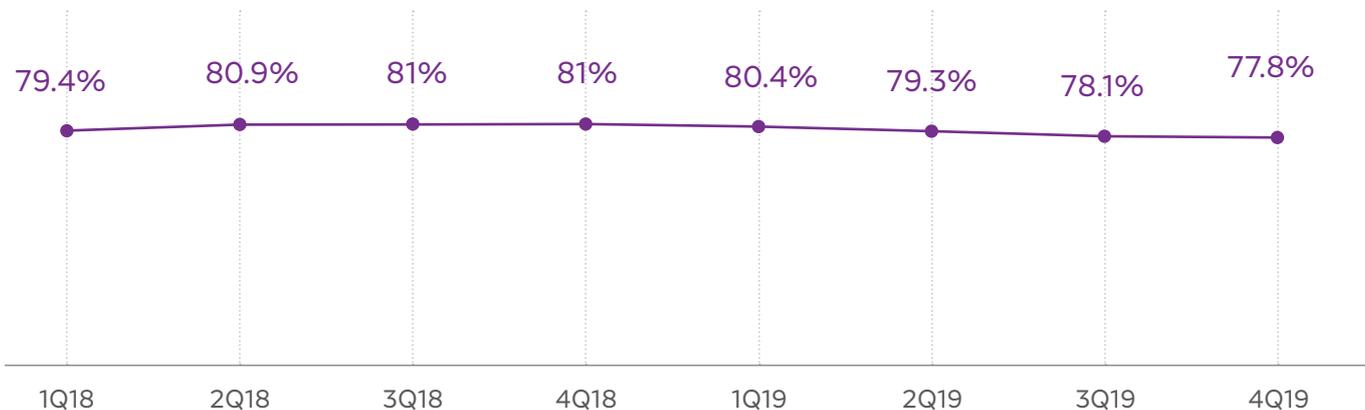
(R\$ million)



## OPERATING COVERAGE RATIO<sup>1</sup>

The operating coverage ratio in the quarter reflects higher operating expenses primarily driven by

variable expenses linked to performance and results.



1. Fee and Commission Income/Administrative and Personnel Expenses (12-month).

STATEMENT OF FINANCIAL POSITION				Change	
R\$ million	Dec 2017	Dec 2018	Dec 2019	2018 vs. 2017	2019 vs. 2018
<b>Assets</b>					
Current and noncurrent assets	1,267,893	1,356,727	1,381,473	7.0	1.8
Cash and cash equivalents	15,224	19,869	19,202	30.5	(3.4)
Interbank investments	154,270	104,044	58,214	(32.6)	(44.0)
Securities and derivative financial instruments	584,650	658,501	657,504	12.6	(0.2)
Interbank and interbranch accounts	68,197	89,026	91,104	30.5	2.3
Loans and leases	324,439	344,467	379,538	6.2	10.2
Allowance for Loan Losses (ALL)	(36,527)	(35,084)	(36,796)	(4.0)	4.9
Other receivables and assets	157,640	175,904	212,707	11.6	20.9
<b>Permanent assets</b>	<b>30,435</b>	<b>29,283</b>	<b>27,832</b>	<b>(3.8)</b>	<b>(5.0)</b>
Investments	2,182	2,192	2,187	0.5	(0.2)
Property and equipment and leased assets	7,949	8,382	10,161	5.4	21.2
Intangible assets	20,304	18,709	15,484	(7.9)	(17.2)
<b>Total</b>	<b>1,298,328</b>	<b>1,386,010</b>	<b>1,409,305</b>	<b>6.8</b>	<b>1.7</b>
<b>Liabilities</b>					
Current and non-current liabilities	1,185,764	1,262,743	1,273,444	6.5	0.8
Deposits	265,278	342,879	368,948	29.3	7.6
Open-market funding	313,562	281,897	216,675	(10.1)	(23.1)
Funds from securities issues	135,011	147,721	170,743	9.4	15.6
Interbank and interbranch accounts <sup>1</sup>	30,034	26,332	25,047	(12.3)	(4.9)
Borrowing and onlending	51,669	56,659	53,966	9.7	(4.8)
Derivative financial instruments	14,084	15,993	13,826	13.6	(13.5)
Provisions for insurance, private pension plans and premium bonds	246,653	258,755	274,765	4.9	6.2
Other liabilities <sup>1,2</sup>	129,473	132,507	149,474	2.3	12.8
Deferred income	410	380	326	(7.3)	(14.2)
Non-controlling interest in subsidiaries	1,697	1,766	1,812	4.1	2.6
Shareholders' equity	110,457	121,121	133,723	9.7	10.4
<b>Total</b>	<b>1,298,328</b>	<b>1,386,010</b>	<b>1,409,305</b>	<b>6.8</b>	<b>1.7</b>

1. Under BACEN Circular No. 3,828/17, in 2017, payment arrangement (Credit Card) transactions were reclassified from "Other Liabilities - Miscellaneous" to "Interbank accounts - Receipts and Payments to be Settled".

2. In 2017, "Provisions for Tax Risks" were reclassified from "Other Liabilities - Tax and Social Security" to "Other liabilities - Miscellaneous" pursuant to BACEN Circular No. 3,782/16.

## STATEMENT OF CHANGES IN EQUITY

R\$ million	2017	2018	2019
Opening balance	100,442	110,457	121,121
Asset valuation adjustments	2,560	(1,122)	5,884
Provision for interest on equity	(7,204)	(7,299)	(7,372)
Provision for dividends	-	-	(8,491)
Recurring net income	19,024	21,564	25,887
Non-Recurring Events	(4,365)	(2,479)	(3,306)
Closing balance	110,457	121,121	133,723

BREAKDOWN OF EXPANDED LOAN PORTFOLIO BY TYPE OF CUSTOMER, PRODUCT AND CURRENCY				Change	
R\$ million	Dec 2017	Dec 2018	Dec 2019	2018 vs. 2017	2019 vs. 2018
<b>Individuals</b>	<b>175,469</b>	<b>194,723</b>	<b>232,182</b>	<b>11.0</b>	<b>19.2</b>
<b>Consumer Finance</b>	<b>116,066</b>	<b>130,353</b>	<b>160,006</b>	<b>12.3</b>	<b>22.7</b>
Pension-deducted loans	43,968	50,932	62,987	15.8	23.7
Credit cards	34,437	35,850	41,114	4.1	14.7
DTC/Vehicle Leasing	20,784	23,696	28,987	14.0	22.3
Personal Loans	16,877	19,874	26,918	17.8	35.4
<b>Mortgages</b>	<b>33,687</b>	<b>38,284</b>	<b>44,288</b>	<b>13.6</b>	<b>15.7</b>
<b>Other Products</b>	<b>25,716</b>	<b>26,086</b>	<b>27,888</b>	<b>1.4</b>	<b>6.9</b>
Agricultural loans	7,947	7,979	8,545	0.4	7.1
BNDES/FINAME Onlending	6,394	6,229	5,879	(2.6)	(5.6)
Other	11,374	11,878	13,464	4.4	13.4
<b>Corporate customers</b>	<b>317,462</b>	<b>336,892</b>	<b>372,771</b>	<b>6.1</b>	<b>10.7</b>
Working capital	40,075	40,932	46,284	2.1	13.1
Foreign transactions	29,776	32,728	27,791	9.9	(15.1)
Export finance	26,335	36,629	40,128	39.1	9.6
Mortgages	27,179	23,000	16,935	(15.4)	(26.4)
BNDES/FINAME Onlending	24,261	18,941	16,671	(21.9)	(12.0)
Overdraft account	6,566	6,255	6,196	6.1	(0.9)
DTC/Leasing	7,249	9,977	14,946	37.6	49.8
Agricultural loans	5,618	5,467	5,598	(2.7)	2.4
Endorsements and guarantees	78,267	72,143	77,569	(7.8)	7.5
Transactions bearing credit risk - commercial portfolio	39,980	45,883	61,770	14.8	34.6
Other	32,155	44,937	58,884	39.8	31.0
<b>Total</b>	<b>492,931</b>	<b>531,615</b>	<b>604,953</b>	<b>7.8</b>	<b>13.8</b>

### 15-90 DAY DELINQUENCY RATIO

Since early 2018, all segments have shown improvement in delinquency. The 0.1 p.p. increase in the total ratio compared with Sept 2019 is

explained by specific cases in the micro-, small- and medium-sized enterprises portfolio, and therefore does not indicate a trend.

### 15-90 DAY DELINQUENCY RATIO<sup>1</sup>

%



1. As defined by the Central Bank of Brazil.

### COVERAGE RATIOS

Coverage ratios (60 days and 90 days) were at very comfortable levels and provisioning levels in the loan portfolio reflect im-

proved transaction quality and perfected provisioning models based on statistical methods that capture historical, actuarial and prospective data.

### COVERAGE RATIOS

R\$ million	Mar 2018	Jun 2018	Sept 2018	Dec 2018	Mar 2019	Jun 2019	Sept 2019	Dec 2019
Total provision (A)	35,763	35,240	35,237	35,084	36,987	36,860	36,142	36,796
Loans more than 60 days past due (B)	19,900	18,610	17,538	17,403	16,798	17,611	19,171	19,008
Loans more than 90 days past due (C)	16,311	15,323	14,474	14,302	13,739	13,795	16,024	15,026
Coverage Ratio - more than 90 days past due (A/C)	219.3%	230.0%	243.4%	245.3%	269.2%	267.2%	225.5%	244.9%
Coverage Ratio - more than 60 days past due (A/B)	179.7%	189.4%	200.9%	201.6%	220.2%	209.3%	188.5%	193.6%

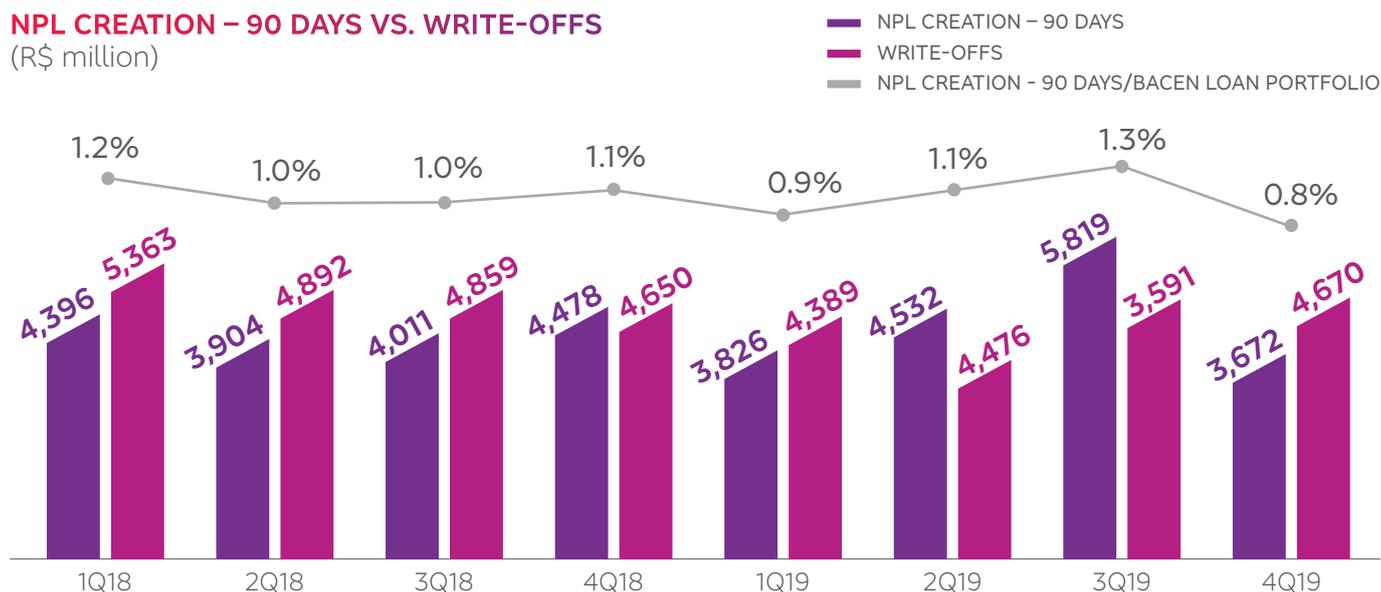
## NPL CREATION – 90 DAYS VS. WRITE-OFFS

NPL Creation in relation to the loan portfolio stood at 0.8% in 4Q19, the

lowest level to date. The improvement is the result of improved delinquency for corporates and micro-, small- and medium-sized enterprises.

## NPL CREATION – 90 DAYS VS. WRITE-OFFS

(R\$ million)



ASSETS UNDER MANAGEMENT	Change				
R\$ million	Dec 2017	Dec 2018	Dec 2019	2018 vs. 2017	2019 vs. 2018
Demand Deposits	34,082	36,134	40,701	6.0	12.6
Savings Deposits	103,333	111,171	114,178	7.6	2.7
Time Deposits + Debentures	170,068	204,818	217,073	20.4	6.0
Borrowing and onlending	51,669	56,659	53,966	9.7	(4.8)
Funds from securities issues	135,011	147,721	170,743	9.4	15.6
Subordinated debt	27,050	18,650	12,606	(31.1)	(32.4)
Eligible debt capital instruments	23,130	34,993	36,708	51.3	4.9
<b>Subtotal</b>	<b>544,343</b>	<b>610,146</b>	<b>645,975</b>	<b>12.1</b>	<b>5.9</b>
Open-market funding <sup>1</sup>	269,109	272,054	213,122	1.1	(21.7)
Interbank deposits	2,247	599	549	(73.3)	(8.3)
Bradesco/managed working capital	81,720	93,604	107,703	14.5	15.1
Foreign exchange portfolio	7,655	5,554	15,489	(27.4)	-
Collection of taxes and similar duties	1,114	643	712	(42.3)	10.7
Technical provisions for insurance, private pension plans and premium bonds	246,653	258,755	274,765	4.9	6.2
<b>Funds raised</b>	<b>1,152,841</b>	<b>1,241,355</b>	<b>1,258,315</b>	<b>7.7</b>	<b>1.4</b>
Investment funds and managed portfolios	834,646	940,538	1,000,818	12.7	6.4
<b>Total Assets under Management</b>	<b>1,987,487</b>	<b>2,181,893</b>	<b>2,259,133</b>	<b>9.8</b>	<b>3.5</b>

1. Not including debentures.

## DIRECT ECONOMIC VALUE GENERATED AND DISTRIBUTED

### GRI 201-1

The economic performance is an essential part of the decision-making process for management, which must direct and outline strategies that deliver sustainable results and achieve the best possible ratio of risk to return. Investors use this performance indicator to com-

pare us against our competitors and secure optimum returns on their investments.

Bradesco has guidelines in place on accounting for and reporting business and financial information. The economic value distributed was a total of R\$ 66.9 billion in 2019 (see below).

DIRECT ECONOMIC VALUE GENERATED GRI 201-1			
(R\$ million)	2017	2018	2019
Gross Income from Financial Intermediation	42,458	41,001	44,348
Fee and Commission Income	30,810	32,614	33,606
Other Income/Expense	(19,736)	(12,621)	(11,050)
<b>Total</b>	<b>53,532</b>	<b>60,994</b>	<b>66,904</b>
Distributed (R\$ million)			
<b>Distribution of value added</b>	<b>53,532</b>	<b>60,994</b>	<b>66,904</b>
Employment Compensation	17,171	17,665	19,278
Contribution to government	16,126	20,552	20,440
Third-Party Capital Remuneration - Rent	1,211	1,213	1,299
Interest on equity/dividends (paid and provisioned for) <sup>1</sup>	7,204	7,299	7,863
Reinvestment of Income	11,820	14,265	18,024
Distributed (%)			
Employment Compensation	32.1	29.0	28.8
Contribution to government	30.1	33.7	30.6
Third-Party Capital Remuneration - Rent	2.3	2.0	1.9
Interest on equity/dividends (paid and provisioned for)	13.5	12.0	11.8
Reinvestment of Income	22.1	23.4	26.9
<b>Total</b>	<b>100.00</b>	<b>100.00</b>	<b>100.00</b>

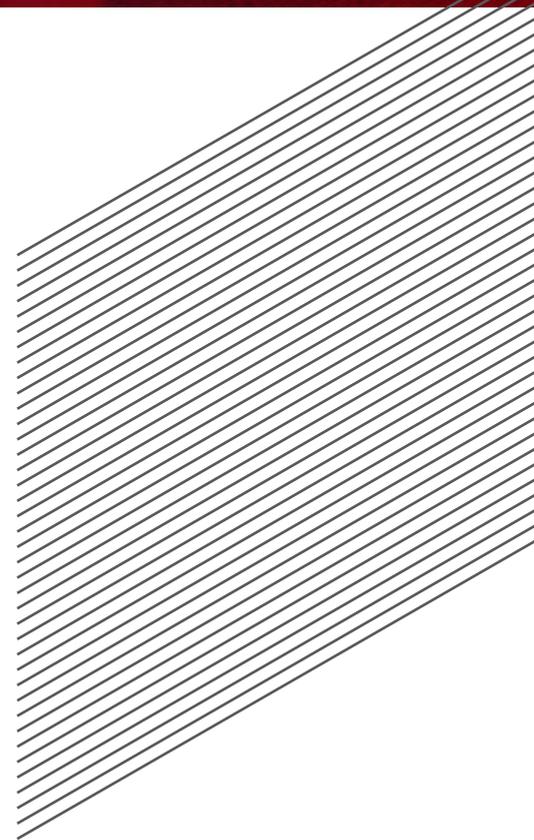
1. Not including R\$ 8 billion in extraordinary dividends paid in 2019 from retained earnings, for a total of R\$ 15.9 billion paid out to shareholders in 2019.



# social value

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In the following pages we describe how Bradesco has worked to create value for our key stakeholders.





# employees

GRI 103-1; 103-2; 103-3

Bradesco is fully focused on serving all customers of all backgrounds. This can only be achieved with a diverse makeup of people who are committed to our purpose and our belief that each customer is unique and deserves the best service and the best solutions at all times. Our more than 97,000 employees are truly the foundation sustaining our business.

Bradesco's approach to managing human capital is governed by a set of principles: excellence, respect, transparent relations, continual investment and development, knowledge sharing and recognition of human value without discrimination. We also seek to provide a safe and healthy work environment for all direct and third-party employees and a healthy work-life balance. These principles, which are outlined in our Human Resources Management Policy, guide the activities of Bradesco's Human Resources Department.

We remain committed to supporting our employees' careers within Bradesco, as an organization that has always believed in the benefits of employee development in tandem with business development. Reflecting this commitment, 56.4% of our employees have progressed in their careers in the last two years. Some of the human resources guidelines and practices in place at Bradesco include: performance reviews and competency mapping for 100% of our workforce; structured individual development plans (IDPs); training and development supported by Unibrad, our corporate university; an attractive benefits package that is consistent with market practices; and other practices that enhance employee engagement and satisfaction in working with Bradesco, such as our *Viva Bem* health and well-being initiatives, and our program to encourage employees to participate in volunteering initiatives.

In 2019, we launched the Extraordinary Performance Awards (PDE), which recognize employees working in commercial functions at our branches who have exceeded performance expectations.

To support our HR processes, new innovation and digital acceleration solutions have been deployed to provide scalability and a better employee experience. Partnerships with startups, system upgrades and the launch of Integra RH (a unified people management platform) are some of Bradesco's initiatives with a focus on human capital. Integra RH was created to perfect and integrate three fundamental pillars: Bradesco Corporate University (Unibrad), people management functions responsible for performance reviews, and the succession process at Bradesco.

## EMPLOYEE PROFILES

At Bradesco, 50.4% of employees are women and 26.4% are black. We also have employees across different age brackets and from different academic backgrounds, from data scientists through psychologists to user experience designers.

### EMPLOYEE PROFILE GRI 102-8; 405-1

	2017					2018					2019				
	Indefinite term (%)		Definite term (%)		Total (%)	Indefinite term (%)		Definite term (%)		Total (%)	Indefinite term (%)		Definite term (%)		Total (%)
	M	W	M	W		M	W	M	W		M	W	M	W	
North	2.05	1.58	0.02	0.03	3.68	2.05	1.61	0.02	0.04	3.73	2.13	1.66	0.02	0.05	3.86
Northeast	6.97	5.87	0.08	0.11	13.02	7.24	5.99	0.11	0.15	13.49	7.45	6.00	0.10	0.14	13.69
Midwest	2.91	2.44	0.01	0.03	5.38	2.89	2.37	0.02	0.03	5.31	2.87	2.34	0.02	0.03	5.25
Southeast	29.98	33.24	0.33	0.52	64.08	30.01	33.29	0.31	0.49	64.09	30.19	33.13	0.29	0.49	64.11
South	6.87	6.91	0.02	0.04	13.83	6.67	6.60	0.04	0.07	13.37	6.49	6.46	0.04	0.11	13.09
<b>Total by gender</b>	<b>48.77</b>	<b>50.04</b>	<b>0.45</b>	<b>0.74</b>	<b>100.00</b>	<b>48.85</b>	<b>49.86</b>	<b>0.51</b>	<b>0.78</b>	<b>100.00</b>	<b>49.13</b>	<b>49.54</b>	<b>0.48</b>	<b>0.81</b>	<b>100.00</b>
<b>Grand total employees<sup>1</sup></b>	<b>98,808</b>				<b>100.00</b>	<b>98,605</b>				<b>100.00</b>	<b>97,329</b>				<b>100.00</b>

1. Not including members of the Board of Directors, the Statutory Board of Executive Officers or third-party employees.

### PERCENTAGE OF EMPLOYEES BY EMPLOYMENT TYPE AND GENDER<sup>1</sup> GRI 102-8

Employment type	2017		2018		2019	
	M	W	M	W	M	W
Full time	37.31%	37.35%	36.26%	36.36%	38.09%	38.76%
Part time	11.93%	13.41%	13.10%	14.28%	11.51%	11.64%
<b>Total by gender</b>	<b>49.24%</b>	<b>50.76%</b>	<b>49.36%</b>	<b>50.64%</b>	<b>49.60%</b>	<b>50.40%</b>

1. Not including members of the Board of Directors, the Statutory Board of Executive Officers or third-party employees.

## revitalizing our headquarters

Bradesco's headquarters at Cidade de Deus, which is currently home to 11,000 employees (11.3% of our workforce), underwent a major renovation throughout 2019 that reflects Bradesco's commitment to providing optimal working conditions and well-being in a safe, healthy and accessible workplace environment.

The newly built spaces provide greater convenience to employees and improve quality of life, making Cidade de Deus a more pleasant workplace that fosters collaboration and sharing experience.

The renovated office space now features socialization areas, services (fitness center, laundry room, express sewing services, hairdressers, a barbershop, manicure and pedicure service, a shoe repair shop, a drugstore and a grocery store) and food service, including cafeterias and restaurants.

The Meu Doutor Novamed specialist clinic and the dental clinic at our headquarters, which are available to both employees and their families, will soon feature new facilities, including a testing and imaging laboratory, a lactation room for mothers, and an ambulance available 24/7.





## A strong employer reputation

GRI 102-43; 102-44; 103-2; 103-3

Our guiding principles—such as respecting and valuing people—and our efforts to deliver an attractive and compelling value proposition to our team have established us as a recognized employer brand that annually attracts around 400,000 candidates for positions at Bradesco. We understand that a strong reputation is built on public and market perceptions, and therefore we track and monitor a number of different rankings, such as the “Dream Company” survey by Grupo Cía de Talentos.

In recent years, we have been recognized in a range of different people management rankings and lists. In 2019, we were again named one of the Best Workplaces in Brazil in a Great Place To Work (GUPTA) survey published in weekly business magazine *Época Negócios*. We were also among the Best Workplaces in São Paulo

in the Corporates category, and among the Best Workplaces in the *Barueri* area. For the 21<sup>st</sup> year, we were nominated for the Best Companies for You list and the list of Best Companies for Career Beginnings, based on a survey developed by Fundação Instituto de Administração (FIA) and *Você S/A*. For the 16<sup>th</sup> consecutive year, Bradesco ranked prominently in the *Valor Carreira* Best in People Management survey by *Valor Econômico*.

Our organizational climate survey is carried out every two years, with the first survey being conducted in 2018. A specialized consulting firm interviews employees, interns, apprentices and the leadership team at Bradesco. All employees were invited to participate in the survey, with 84% responding. Survey results were also sorted by gender. In 2020, we will conduct a new cycle of the climate survey.

We were also certified as a Top Employer Brazil 2020. This international survey is run annually by Top Employers Institute to identify the world’s best employers in terms of workplace conditions, talent

development at all levels of the organization, and efforts to optimize human resources practices.

Our turnover rate in 2019 was 7.5%, not including the effects of the Voluntary Severance Program (PDV) launched in 2019. Employees joining the program are offered additional benefits to assist them in their career transition. Including employees who have opted to join the Voluntary Severance Program, the turnover rate in the year was 10.7% (for further details, see the tables below). **GRI 401-1**

## HIRES AND TURNOVER<sup>1</sup> GRI 401-1

	2016		2017		2018		2019	
	Number	Rate	Number	Rate	Number	Rate	Number	Rate
Men	1,449	1.3%	3,029	3.1%	3,990	4.1%	4,761	4.9%
Women	1,360	1.3%	2,737	2.8%	3,741	3.8%	4,332	4.5%
<b>Total</b>	<b>2,809</b>	<b>2.6%</b>	<b>5,766</b>	<b>5.8%</b>	<b>7,731</b>	<b>7.9%</b>	<b>9,093</b>	<b>9.3%</b>

### Employee hires by region

North	128	0.1%	260	0.3%	357	0.4%	501	0.5%
Northeast	461	0.4%	984	1.0%	1,130	1.1%	1,158	1.2%
Midwest	114	0.1%	329	0.3%	438	0.4%	481	0.5%
Southeast	1,771	1.6%	3,620	4.0%	4,803	4.9%	5,871	6%
South	279	0.3%	513	0.5%	1,003	1.0%	1,136	1.2%
Abroad	56	0.1%	60	0.1%	0	0	0	0.0%
<b>Total</b>	<b>2,809</b>	<b>2.6%</b>	<b>5,766</b>	<b>6.1%</b>	<b>7,731</b>	<b>7.9%</b>	<b>9,093</b>	<b>9.3%</b>

### Employee hires by age group

Under 30	2,694	2.5%	5,188	5.3%	7,100	7.2%	8,136	8.4%
30 to 50	111	0.1%	578	0.6%	631	0.6%	954	1%
Over 50	4	0.0%	0	0.0%	0	0.0%	3	0%
<b>Total</b>	<b>2,809</b>	<b>2.6%</b>	<b>5,766</b>	<b>5.8%</b>	<b>7,731</b>	<b>7.9%</b>	<b>9,093</b>	<b>9.3%</b>

### Turnover by gender

Men	4,193	3.9%	7,410	7.5%	3,987	4.1%	5,193	5.3 %
Women	3,803	3.5%	8,710	8.8%	3,878	3.9%	5,299	5.4 %
<b>Total</b>	<b>7,996</b>	<b>7.3%</b>	<b>16,120</b>	<b>16.3%</b>	<b>7,865</b>	<b>8.0%</b>	<b>10,492</b>	<b>10.8%</b>

### Turnover by region

North	255	0.2%	354	0.4%	340	0.3%	432	0.4%
Northeast	971	0.9%	1,365	1.4%	831	0.8%	1,267	1.3%
Midwest	404	0.4%	576	0.6%	488	0.5%	593	0.6%
Southeast	5,479	5.0%	10,247	10.4%	4,981	5.1%	6,632	6.8%
South	871	0.8%	3,525	3.6%	1,225	1.2%	1,568	1.6%
Abroad	16	0.0%	53	0.1%	0	0.0%	0	0.0%
<b>Total</b>	<b>7,996</b>	<b>7.3%</b>	<b>16,120</b>	<b>16.3%</b>	<b>7,865</b>	<b>8.0%</b>	<b>10,492</b>	<b>10.8%</b>

### Turnover by age group

Under 30	3,574	3.3%	3,884	3.9%	3,555	3.6%	3,270	3.4%
30 to 50	2,970	2.7%	7,159	7.2%	3,599	3.7%	4,746	4.9%
Over 50	1,452	1.3%	5,077	5.1%	711	0.7%	2,476	2.5%
<b>Total</b>	<b>7,996</b>	<b>7.3%</b>	<b>16,120</b>	<b>16.3%</b>	<b>7,865</b>	<b>8.0%</b>	<b>10,492</b>	<b>10.8%</b>

1. The total headcount used in the calculation does not include members of the Board of Directors, the Statutory Board of Executive Officers or third-party employees.

## HIRES AND TURNOVER<sup>1</sup> GRI 401-1

	2016	2017		2018		2019	
	Total	Without PDVE <sup>2</sup>	Total	Without PDVE <sup>2</sup>	Total	Without PDV <sup>3</sup>	Total
Total employee turnover rate	7.9	8.74	15.51	7.72	8.0	7.5	10.7
Voluntary employee turnover rate	1.08	1.35	8.12	1.63	1.92	1.6	4.8

1. Not including members of the Board of Directors, the Statutory Board of Executive Officers or third-party employees.

2. PDVE: Special Voluntary Severance Program.

3. PDV: Voluntary Severance Program.

## recruitment and selection platform

In June 2019, we launched a global collaborative platform—an initiative supported by our inovabra innovation ecosystem—for processing recruitment and selection tests online, in a project that has transformed and improved the candidate and recruiter experience.

A number of internal tasks were automated and effort was streamlined for all parties involved in the candidate testing process. The initiative is revolutionizing the way selection processes are done, breaking a decades-long paradigm and making Bradesco an even more attractive Organization for external candidates.

The tool provides more than 1,200 tests developed by different authors around the world, across a diverse range of areas of knowledge. The solution uses proprietary algorithms to automatically rank candidates, and has useful features such as the ability to create customized tests. To date more than 1,600 tests have been taken with the new tool, in a fully paperless process.

While other tools are available that perform similar functions, this collaborative testing platform model is globally unique.

The main impacts from the new platform include:

- **Reduced candidates commuting and use of paper for tests;**
- **Faster feedback;**
- **The qualifications of candidates passing the tests are higher in the following stages;**
- **A faster process: candidates take an average of 65% less time to complete tests than in the conventional method;**
- **Greater operational efficiency: the duration of the test step is reduced by 60%;**
- **A larger pool of candidates tested: 70% of invited candidates respond; and**
- **An average 50% decrease in recruitment costs per candidate in the test stage.**

### PERFORMANCE REVIEW GRI 404-3

It is an established practice at Bradesco to annually assess the performance of 100% of our employees, at all levels of the Organization. We believe performance assessments help employees and leaders to strengthen their mutual relationships and commitment and their alignment with goals, as well

as helping to keep teams on track. Following performance assessments, employees receive feedback and build Individual Development Plans that support their professional development.

At Bradesco, employees are assessed on two different levels. In competencies assessments, the

employee's behavior is evaluated against each of our organizational competencies, helping to identify their strengths and areas for improvement. In performance assessments, the employee's performance is evaluated to inform goals and targets to be agreed between employees and their immediate managers.



# Learning journeys

GRI 103-2; 103-3

Training and development pathways are designed in accordance with the Bradesco Education, Training and Development Policy and are largely administered by the Bradesco Corporate University (Unibrad). Unibrad has 13 campuses with 80 classrooms and 12 auditoriums throughout Brazil—a new Unibrad campus is currently being built in the district of Barra Funda, São Paulo City, and is due to be opened in 2020 as the university's main campus. The training and courses available from Unibrad are aligned with our strategy, address behavioral competencies and are responsive to current challenges, such as new business models that are emerging on the back of innovation and digitization. Unibrad currently has ten corporate education schools: Corporate citizenship and sustainability; Digital; Operational excellence; People; Organizational identity; Business intelligence; Leadership; Business; Customer relationship management; and Security and operational solutions.

We had set a goal of having 80% our employees attend at least four Unibrad learning solutions throughout the year in 2019. We provided 2,780 courses and more than 84% of employees met the four-solution target. Bradesco recorded more than 1 million attendances—206,000 in person and more than 829,000 online. Our investments in the university were a total of R\$ 200 million. Our target for 2020 is for 40% of employees to complete at least two learning solutions—the lower target reflects the constraints caused by the pandemic in Brazil.

In 2019, training activities at Unibrad were focused on a lean culture, agile working methods, innovation, digitization and collaboration. We also continued to prioritize training on diversity—across gender, ethnicity, people with disabilities and LGBTI+—and on financial education, with this training extending to other

audiences in addition to employees. In 2019, we launched a training course, titled *How to prepare financially for retirement*, that is designed to change people's relationship to money, helping employees manage their personal finances and prepare for a financially sustainable retirement. Another financial education course is entitled *Your finances, your future*. **GRI 404-2**

Unibrad has supported the organization of special events, such as the Innovation Week and Integrity Week, hackathons to collaboratively redesign conventional working

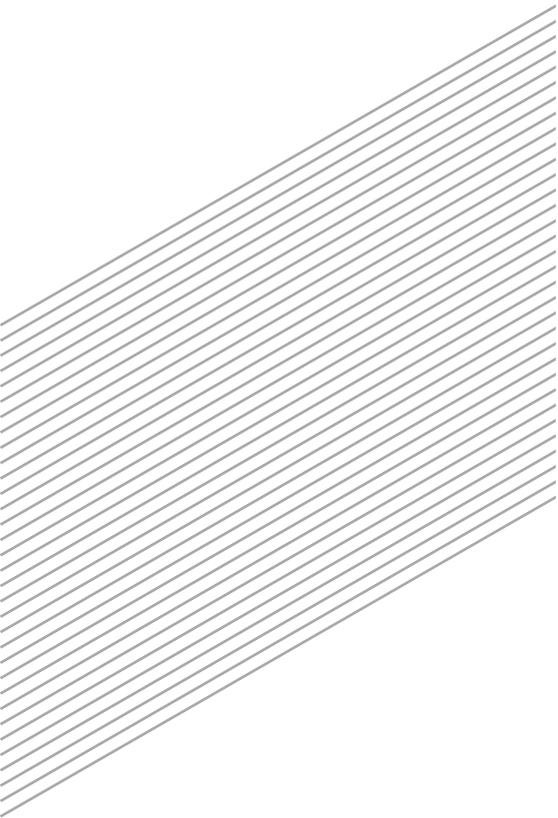
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We had set a goal of having 80% of our employees attend at least four Unibrad learning solutions throughout the year in 2019. More than 84% of employees met the target.

models, and our Customer Relationship Expo—an event aimed at enhancing employees' skills in customer service and customer relationship management.

In 2018, we launched Unibrad digital (Unibrad.com.br), a portal open to all Bradesco stakeholders, including employees' families. The portal features articles, news, an event agenda and online courses. Portal courses are built around five major

pillars: Careers and the Market, Innovation and Technology, Ethics, Financial Education and Diversity. We work to develop portal content that is attractive and current, and regularly revisit the portal pillars so they are aligned with current issues and incorporate the content produced by our Corporate University.



## partnerships with education institutions

We also sponsor specialization, MBA and master's courses for our employees at different institutions, such as Fundação Getulio Vargas (FGV) and Insper.

Bradesco has established education partnerships with some of these institutions to provide education grants for our employees or their dependents. Grants are available for undergraduate, specialization, MBA, reskilling and language courses.

## SUCCESSION PLANNING AND LEADERSHIP DEVELOPMENT

Our Succession Map identifies employees with potential to take on/rise to leadership positions, or positions involving greater complexity for employees pursuing specialist careers. As of 2019, a total of 2,692 employees were assessed within the succession process.

Bradesco's Advanced Development Program (PDA)—a customized professional capacity building program created by Unibrad—is designed to further develop the technical

and soft skills of our executives. Unibrad also runs a Managerial Development (PDG) and Advanced Management (AMP) program as a partnership with ISE Business School. The first is for vice presidents at Bradesco and is focused on professional development and building leadership and management skills. The Advanced Management (AMP) program, for department heads and executives, is additionally focused on developing management skills based on best practices in corporate governance, sustainability and risk management.

## PROFESSIONAL DEVELOPMENT AT THE BRADESCO SEGUROS GROUP

### GRI 102-43; 102-44; 404-1

Created in 2004, the University of Insurance (UniverSeg) aims to disseminate and build knowledge and a culture of insurance among employees and brokers, preparing them for an increasingly competitive, agile and innovative market. UniverSeg organizes a wide range of initiatives throughout Brazil in support of technical and behavioral development. UniverSeg and Unibrad have an integrated and mutually supplementary offering that provides comprehensive content for professional and personal development. In 2019, UniverSeg recorded more than 98,036 employee attendances and 40,589 broker attendances.

Learning pathways are organized into three categories: corporate, comprising technical and behavioral subjects that are selected by employees themselves; leadership, with pathways that help to build related skills; and capacity building, with training programs designed specifically for the duties and roles of managerial, administrative and operational employees, such as Human Resources, Marketing, Information Technology, etc.

Another significant program is *Você em Foco*, which features workshops that develop self-awareness and address current issues relating to prevention,

health and building more humane relationships. In the second half of 2019, an eight-week mindfulness program and an Ethics and Literature program for managers were incorporated in the initiative.

In 2019, the Insurance group also launched training related to agile methodologies and digital transformation.

In addition, we organized workshops to strengthen our sustainability culture among employees at the Governance Office and insurance branch managers. The program will be expanded in 2020.

## TRAINING GRI 404-1

### AVERAGE NUMBER OF HOURS OF TRAINING PER EMPLOYEE

Employee Category	2017			2018			2019		
	M	W	TOTAL	M	W	TOTAL	M	W	TOTAL
Board of Executive Officers + Board of Directors	40	68	41	44	117	48	45	68	47
Senior Management	65	120	72	56	49	55	67	61	66
Manager	34	31	33	42	40	41	38	37	37
Supervisory/ Administrative	32	31	32	51	40	45	32	31	31
Operational	20	19	19	15	14	15	27	28	28
Apprentice	10	8	9	6	6	6	15	16	15
Intern	40	31	35	33	27	30	20	23	21
<b>Total</b>	<b>29</b>	<b>27</b>	<b>28</b>	<b>42</b>	<b>35</b>	<b>38</b>	<b>32</b>	<b>30</b>	<b>31</b>

# diversity and inclusion

GRI 103-1; 103-2; 103-3

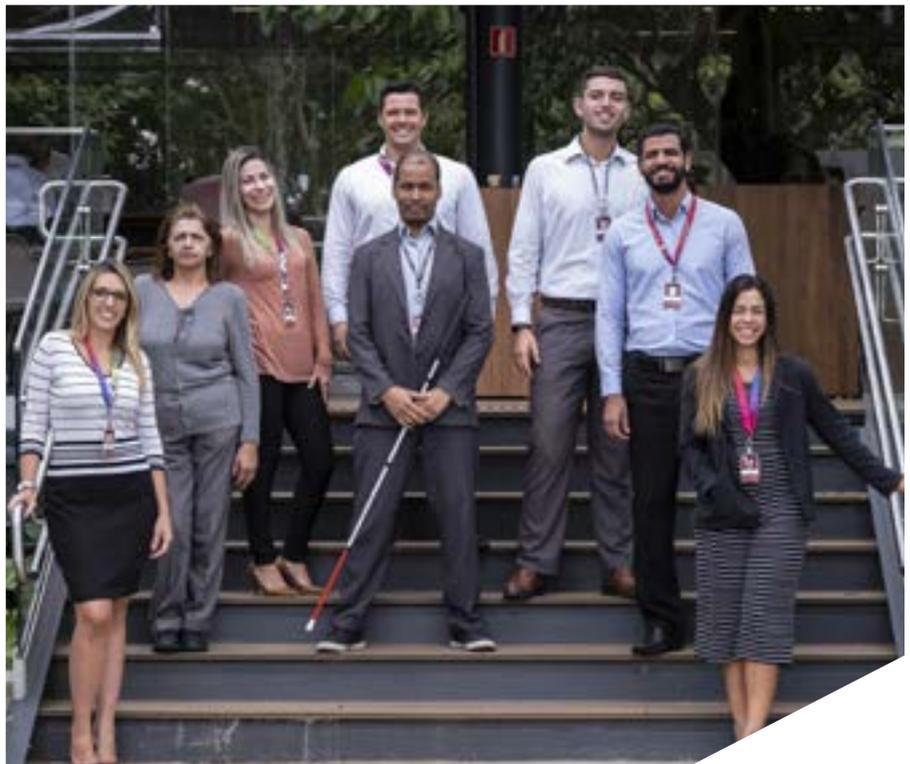
Our commitment to diversity and inclusion is expressed in the Bradesco Code of Ethical Conduct, our Human Resources Management Policy and our Diversity & Inclusion Policy. We have a function dedicated to Diversity within the Human Resources Department, which is responsible for implementing initiatives that deepen diversity within the Organization and foster respect and human dignity. The Sustainability and Diversity Committee is structured at the senior management level and reports directly to the Board of Directors. We also have a Diversity & Inclusion Working Group, and Gender, Ethnicity, Accessibility and Sexual Orientation and Gender Identity Affinity Groups.

Bradesco has well-established initiatives to address the inclusion of black people, people with disabilities and women. We are continually evolving on these issues and on LGBTI+ inclusion. Learn more below:

Employees  
at Bradesco  
headquarters  
(Osasco – SP)

## Recognition in 2019

- › **Present in the Bloomberg Gender-Equality Index**, an index that brings together 325 companies that create work environments supporting diversity and gender equality.
- › **Named one of the Best Workplaces for Women** by Great Place to Work.
- › **Named one of the Best Workplaces for People with Disabilities by Great Place to Work.**
- › **Won a *Sim à Igualdade Racial* award** in the Best Ethnic and Racial Practices category, presented by Instituto ID\_BR and Great Place to Work.
- › **Elected one of the Best Companies for Diversity** by the Business Initiative for Racial Equality.



## WOMEN

Bradesco's workforce is currently more than 50% women—our sales force, in particular, is now largely composed of women. We work to support women's professional growth and to grow the presence of women in leadership positions. Of our total workforce, 33% of women are in junior, middle or senior management positions. In 2018, we endorsed the Women's Empowerment Principles and joined the He For She movement, two initiatives promoted by UN Women and the Global Compact. We also joined the Coalition to End Violence Against Women and Girls, an initiative launched in August 2019 with support from UN Women.

Bradesco has an active Gender Affinity Group composed of employees from different functions

who voluntarily engage and help to develop studies, analyses and initiatives related to gender equity and women's empowerment, helping to ensure these topics are addressed at a strategic level at Bradesco.

In 2019, we launched a leadership program called *#MulheresPraFrente* to further strengthen women's empowerment in the Organization. The program is initially working with women managers in Bradesco's Wholesale department. Another significant initiative in the year was an event organized on November 25 (International Day for the Elimination of Violence against Women) under the theme "It's Our Business". The purpose of the event was to provide information about the support available from our internal channel, *Lig Viva Bem*, in cases of

domestic violence, including social, emotional, legal and financial support, provided either in person or over the phone.

Our benefit plan includes a Healthy Pregnancy Program, in which pregnant employees or dependents receive telephone support from an obstetric team during their pregnancy. Women employees are entitled to 180 days of maternal leave and, on returning to Bradesco, can receive support from the Motherhood Support Program available from our *Lig Viva Bem* channel. Bradesco also provides daycare and babysitter allowances to all employees with children up to 5 years and 11 months old, or indefinitely for dependent children with permanent disabilities (see page



The "It's Our Business" event on November 25 (International Day for the Elimination of Violence against Women)

154 for a complete list of benefits available to all employees).

In 2019, the rate of employees who returned to work after maternity leave was 99%, while our retention rate—or the number of employees who were still employed at Bradesco 12 months after returning to work—was 96%. **GRI 401-3**

Bradesco marks Pink October with initiatives such as providing employees and dependents with exemption from fees for cancer screening tests, helping to raise health awareness among women employees.

As part of our efforts to drive a transformation in broader society, we have established a partnership with Laboratória, an organization that provides training in technolo-

gy to help women who studied at public schools or with scholarships to enter the employment market. Each year, Laboratória organizes a hackathon, called Talent Fest, in which students work on real-world challenges presented by companies in the market, including Bradesco. Some of the best-performing students in the hackathon were then hired and are now part of our team.

Externally, we also participate in, sponsor and promote events for women's empowerment. One of these initiatives is Bradesco Women #MulheresPraFrente, which has brought together more than 2,000 women in two editions to date. In addition, we ran a mobilization initiative, dubbed #conectadas-pelamúsica (#connectedbymusic), during Carnival in 2019.

## ETHNICITY

In 2019, we celebrated the 15<sup>th</sup> anniversary of our partnership with Zumbi dos Palmares University (FAZP), through which we promote the inclusion of black professionals at Bradesco and in the broader job market. In May, the month that marks the Abolition of Slavery in Brazil, an event was held at our headquarters to welcome 50 interns hired from the 15<sup>th</sup> class in the Bradesco Professional Qualification Program.

In 2019, Bradesco had 26.4% black employees. An Ethnic-Racial Affinity Group, composed of employees with different roles, works to promote ethnic and racial inclusion and nondiscrimination at Bradesco.

We are signatories of the Business Initiative for Racial Equality, a platform bringing together companies committed to addressing ethnic and racial issues, including initiatives to improve employability for black youth.

Within Bradesco's #aliadospelorespeito (#alliesforrespect) platform, we launched a multimedia project, called BravoZ, on Black Awareness Day, November 20. During the course of one year, each month we organized performances by two black Brazilian artists, which were streamed on our social media channels. Guest artists included names such as Fióti, Margareth Menezes, Jair Oliveira, MC Rebecca, Carol Conka and Gilberto Gil.

Bradesco participated in a project, called *Diversidade Racial* (Racial Diversity), in partnership with the FEBRABAN Institute for Education (INFI-Febraban), the Brazilian Association of Financial and Capital Market Entities (ANBIMA), Zumbi dos Palmares University, Faculdade Zumbi dos Palmares, the Business for Equality Initiative and Instituto Ser +. We also sponsored awards and events promoting diversity in society.

## EMPLOYEES WITH DISABILITIES

Our commitment to supporting the professional development of our team extends to all employees with disabilities. We offer these employees opportunities for professional development, and believe and invest in their potential. Bradesco also works to understand the difficulties imposed by their disabilities to help address them. In 2019, the subject of disabilities saw even greater focus at Bradesco as we joined The Valuable 500, a global movement putting disability on the business leadership agenda.

Through the Fundação Bradesco, in 2010, we launched the Bradesco Capacity Building Program for People with Disabilities, which, in 2019, trained 39 professionals who

## ACCESSIBILITY AT OUR HEADQUARTERS

Bradesco's headquarters have been designed to provide accessibility for people with disabilities.

have now joined as employees. Immediately after being hired, new employees initiate a course on Banking Management. With support from the Fundação Bradesco and Unibrad, the six-month course includes practical activities at Bradesco branches.

These employees' managers also attend training, such as our Diversity As a Leadership Strategy course. Other employees can similarly

attend training on the subject, such as the Diversity, Inclusion & Accessibility course. We also organize internal initiatives that foster discussion, and participate in external events and sponsor them.

Bradesco's volunteer Accessibility Affinity Group plays an essential role in discussing and proposing initiatives related to disabilities.



*I was born in an inner-city neighborhood. At 17, I started my academic life at Zumbi dos Palmares University (FAZP), but could only afford to complete the first semester. That is when I learned about the inclusion partnership between Bradesco and the university. I passed the selection process and got my first job.*

*The opportunity provided by Bradesco, combined with my dedication and effort, enabled me to complete my undergraduate studies and expand my horizons. I was ultimately hired and today, at age 24, I am a manager with a CPA-10 (ANBIMA) certification. I am now studying toward a CPA-20 certification to take the next step in my career at Bradesco."*

**Mary Grace Fernandes Ribeiro**  
Account manager, Bradesco

## SEXUAL ORIENTATION AND GENDER IDENTITY

### GRI 102-43; 102-44

Our commitment in this dimension was ratified in 2019 when we joined Fórum de Empresas e Direitos LGBTI+, a movement bringing together large corporations around commitments to respecting and promoting human rights for LGBTI+ people in the corporate environment and in society.

Among the initiatives newly structured in 2019 is our Sexual Orientation and Gender Identity Affinity Group. Employees have volunteered to work on solutions to raise employee awareness about challenges related to the LGBTI+ community.

In June— the LGBTI+ Pride Month—, Bradesco's headquarters were decorated with the colors of the rainbow, posters, banners and stickers celebrating our support for the cause.

We also offer employees the option to use their preferred name. Through the *Lig Viva Bem* channel, we provide social, psychological, medical and legal support on different issues, including gender transitioning.

Beyond initiatives for our own team, we organized a variety of social media initiatives during the LGBTI+ Pride Month, including

a video as part of our #allies-forrespect campaign. We also sponsored the Reaching Out: Brasil Summit, an event for LGBTI+ students and young professionals, and we supported OUTStand, a movement of financial-market companies that work to raise awareness about the LGBTI+ cause in their workplaces, promoting diversity and inclusion.

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In 2019, we joined *Fórum de Empresas e Direitos LGBTI+*, which supports LGBTI+ inclusion in the corporate environment.

## the diversity agenda at the Bradesco Seguros Group

Diversity is also featured in our *Você em Foco* program, a series of roundtables organized by the Bradesco Seguros Group. In 2019, roundtables were organized to discuss the social role of women in the modern world and women empowerment. In addition to employees attending the roundtables live, Bradesco Seguros streams the events online so that employees at other locations, and even their families and friends, can also participate.

PERCENTAGE OF EMPLOYEES, BY EMPLOYEE CATEGORY AND AGE GROUP

GRI 102-8; 405-1 | SASB FN-AC-330A.1; FN-IB-330A.1

Age group	2017				2018				2019			
	Up to 30	31 to 40	Over 40	TOTAL	Up to 30	31 to 40	Over 40	TOTAL	Up to 30	31 to 40	Over 40	TOTAL
Board of Executive Officers + Board of Directors	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.1%	0.1%	0.0%	0.0%	0.2%	0.2%
Senior Management	0.0%	0.0%	0.2%	0.2%	0.0%	0.2%	0.3%	0.5%	0.0%	0.2%	0.3%	0.5%
Manager	2.9%	6.0%	6.3%	15.2%	1.3%	5.0%	5.8%	12.1%	1.3%	5.2%	5.3%	11.8%
Supervisory/ Administrative	18.8%	19.2%	12.4%	50.4%	25.6%	24.7%	14.9%	65.2%	23.3%	26.4%	14.1%	63.8%
Operational	20.8%	5.5%	5.1%	31.4%	13.6%	2.4%	2.7%	18.7%	15.4%	2.5%	2.2%	20.2%
Apprentice	1.2%	0.0%	0.0%	1.2%	1.3%	0.0%	0.0%	1.3%	1.3%	0.0%	0.0%	1.3%
Intern	1.6%	0.0%	0.0%	1.6%	2.0%	0.0%	0.0%	2.0%	2.2%	0.0%	0.0%	2.2%
<b>Grand total</b>	<b>45.2%</b>	<b>30.8%</b>	<b>24%</b>	<b>100.0%</b>	<b>43.8%</b>	<b>32.3%</b>	<b>23.8%</b>	<b>100.0%</b>	<b>43.6%</b>	<b>34.3%</b>	<b>22.1%</b>	<b>100%</b>

PERCENTAGE OF EMPLOYEES, BY EMPLOYEE CATEGORY AND BY GENDER GRI 102-8; 405-1

Gender	2017		2018		2019	
	M	W	M	W	M	W
Board of Executive Officers + Board of Directors	0.1%	0.0%	0.1%	0.0%	0.15%	0.01%
Senior Management	0.1%	0.0%	0.4%	0.1%	0.42%	0.11%
Manager	10.0%	5.2%	8.1%	4.0%	7.93%	3.92%
Supervisory/ Administrative	23.2%	27.2%	29.7%	35.6%	29.29%	34.48%
Operational	14.6%	16.7%	9.6%	9.1%	10.30%	9.88%
Apprentice	0.7%	0.4%	0.5%	0.8%	0.46%	0.79%
Intern	0.8%	0.8%	1.1%	0.9%	1.17%	1.08%
<b>Grand total</b>	<b>49.3%</b>	<b>50.7%</b>	<b>49.5%</b>	<b>50.5%</b>	<b>49.73%</b>	<b>50.27%</b>

**PERCENTAGE OF EMPLOYEES BY EMPLOYEE CATEGORY  
IN MINORITY AND/OR VULNERABLE GROUPS**

**GRI 405-1**

Race	2017				2018				2019			
	White	Black	Asian	Indigenous	White	Black	Asian	Indigenous	White	Black	Asian	Indigenous
Board of Executive Officers + Board of Directors	0.1%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%	0.1%	0.0%	0.0%	0.0%
Senior Management	0.2%	0.0%	0.0%	0.0%	0.5%	0.1%	0.0%	0.0%	0.5%	0.1%	0.0%	0.0%
Manager	11.4%	3.5%	0.3%	11.4%	9.3%	2.5%	0.3%	0.0%	9.1%	2.5%	0.3%	0.0%
Supervisory/ Administrative	38.8%	10.6%	0.8%	38.8%	48.7%	15.4%	1.0%	0.1%	47.2%	15.6%	1.0%	0.1%
Operational	21.6%	9.4%	0.3%	21.6%	12.1%	6.2%	0.2%	0.0%	12.8%	7.1%	0.2%	0.0%
Apprentice	0.6%	0.6%	0.0%	0.0%	0.6%	0.6%	0.0%	0.0%	0.6%	0.6%	0.0%	0.0%
Intern	1.1%	0.5%	0.0%	0.0%	1.4%	0.5%	0.0%	0.0%	1.6%	0.6%	0.0%	0.0%
<b>Grand total</b>	<b>73.8%</b>	<b>24.5%</b>	<b>1.5%</b>	<b>0.2%</b>	<b>72.9%</b>	<b>25.4%</b>	<b>1.5%</b>	<b>0.1%</b>	<b>71.8%</b>	<b>26.4%</b>	<b>1.5%</b>	<b>0.2%</b>

	2019
<b>Employee category</b>	<b>PwDs</b>
Board of Executive Officers + Board of Directors	0.0%
Senior Management	0.0%
Manager	0.1%
Supervisory/Administrative	1.8%
Operational	2.2%
Apprentice	0.0%
Intern	0.0%
<b>Grand total</b>	<b>4.1%</b>

**PARENTAL LEAVE<sup>1</sup> GRI 401-3**

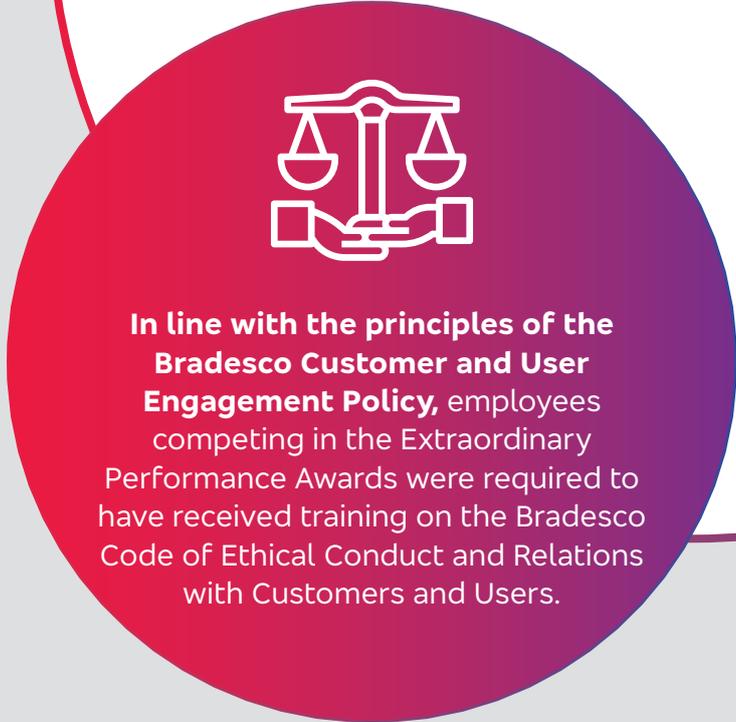
	Gender	2017	2018	2019
Total employees entitled to parental leave	M	2,531	2,491	2,488
	W	3,121	2,815	2,679
Total employees who took parental leave during the current year	M	2,166	2,249	2,328
	W	3,121	2,815	2,673
Total employees who took parental leave during the current year and whose parental leave ends in the current year	M	2,164	2,180	2,232
	W	1,766	1,510	1,485
Total employees who took parental leave during the current year and whose parental leave ends the following year	M	2	69	96
	W	1,355	1,305	1,188
Total employees expected to return in the current year	M	n.a.	2,182	2,301
	W	n.a.	2,865	2,790
Total employees who returned to work during the reporting period after parental leave ended	M	2,163	2,103	2,288
	W	1,735	2,721	2,770
Total employees who did NOT return to work during the reporting period after parental leave ended	M	n.a.	79	13
	W	n.a.	144	20
Total number of employees that returned to work after parental leave ended that were still employed 12 months after their return to work	M	n.a.	1,927	2,026
	W	n.a.	1,497	2,602
Return rate	M	n.a.	96%	99%
	W	n.a.	95%	99%
Retention rate	M	n.a.	89%	96%
	W	n.a.	86%	96%

1. This table has been prepared using a new methodology for calculating parental leave data adopted as of 2018.



**Launched in 2019,** the awards recognize employees working in commercial roles at our branches who have exceeded performance expectations.

## Extraordinary Performance Awards



**In line with the principles of the Bradesco Customer and User Engagement Policy,** employees competing in the Extraordinary Performance Awards were required to have received training on the Bradesco Code of Ethical Conduct and Relations with Customers and Users.



**Eligible employees in 2019:** more than 32,000 employees, of which 50.8% were women and 49.2% were men.

## RATIO OF BASIC SALARY AND REMUNERATION OF WOMEN TO MEN GRI 405-2

Employee category	2017	2018	2019
	Ratio of basic salary of women to men	Ratio of basic salary of women to men	Ratio of basic salary of women to men
Board of Executive Officers + Board of Directors	1.29	0.92	0.95
Senior Management	0.99	0.87	0.90
Manager	0.85	0.87	0.89
Supervisory/Administrative	0.88	0.88	0.89
Operational	0.95	1.00	0.98

## RATIO OF HIGHEST TO MEAN REMUNERATION AT BRADESCO

	2015	2016	2017	2018	2019
Ratio	11.3	12.5	12.6	12.4	12.3

# non-discrimination and respect for human rights

GRI 103-2; 103-3

Within Bradesco's Corporate Social Responsibility Management System, we provide communications channels through which direct employees, apprentices, interns, third-party employees and other stakeholders can report concerns about potential misconduct, human rights violations and other concerns. These channels can be reached through the toll-free number 0800 776 4240, by email to [respsocial@bradesco.com.br](mailto:respsocial@bradesco.com.br), using suggestion boxes available at the Cidade de Deus campus or using an electronic form available on our corporate portal.

Bradesco is committed to investigating all reports, identifying the root cause and implementing any required corrective actions. Reports are received, documented via a software system, and handled anonymously and in confidence. Reports are submitted on a weekly basis to the Corporate Social Responsibility Evaluation Group and on a quarterly basis to the Integrity & Ethical Conduct Committee, under the Board of Directors. Bradesco seeks to respond to reports within a maximum of 45 business days. We also invest in raising awareness and disseminating related content to our direct and third-party employees.



## addressing concerns

Concerns and reports are received through a variety of channels, and documented using a software system accessible only to case owners.

Our available reporting channels, which are widely disseminated, include:

- A form on our Corporate Portal,
- e-mail [respsocial@bradesco.com.br](mailto:respsocial@bradesco.com.br),
- A toll-free number, and
- Suggestion boxes at our head-quarter buildings.

All information reported through these channels is kept anonymous and confidential.

Bradesco's Human Resources Department, which manages the system through a working group of people management specialists, reviews all concerns and reports and coordinates the response.

The group meets on a weekly basis, on a fixed schedule, to review reports received in the previous week. The review draws on group members' knowledge about Bradesco's management; the results from potential, skills and performance reviews; and the nature of the concern or report. The findings from this review determine whether the case will be escalated to Officers, Regional Managers or the Audit Department for a solution. Internal HR Consultants provide support where cases are escalated to Officers and Regional Managers. The person handling the case reports to HR-Social Responsibility within a pre-established deadline on actions taken to investigate the report, the results from the investigation, the solution implemented, and follow-up action taken.

To mitigate and prevent misconduct, especially cases involving harassment or discrimination or recurring misconduct, and regardless of whether the report is confirmed, the immediate superior of the individual involved is instructed to identify potential causes and take appropriate action, with support from the Internal HR Consultant.

The result of an investigation of a concern or report can be either feedback, development activities, targeted training, career reorientation, and disciplinary measures, including termination, depending on the seriousness of the case, in accordance with our Corporate Consequences Policy and Consequences Standard.

In addition to policies and standards accessible to all employees and managers via Bradesco's Standards System, we also provide training on the Responsibility Management System, such as vid-

eos about ethics and harassment, and e-learning courses about the Social Responsibility Management System. We communicate available reporting channels across the Organization by distributing gifts such as pens, paper pads, posters and stickers, through emails about the management system, in ethics workshops, etc. Awareness raising content is also published on our Corporate Portal.

In addition, Bradesco organizes awareness initiatives for outsourced workers and their managers to communicate the channels available for them to report concerns. Reports received are forwarded to the relevant contract managers,

who are responsible for investigating the report, developing a solution with the contractor and reporting the solution to HR-Social Responsibility.

Bradesco received 518 reports from 225 locations in 2018, and 865 from 251 locations in 2019. Of those 865 reports, 202 were related to inappropriate behavior, 272 were related to bullying and/or sexual harassment, 25 were related to discrimination, and 47 were related to misconduct.

Each report has been addressed by mitigation and remediation actions applied in accordance with the procedures described above.

## DISCRIMINATION GRIEVANCE MECHANISMS

Grievances	2017	2018	2019
Total number of grievances about human rights impacts filed through grievance mechanisms	29	30	25
Number of grievances addressed	29	30	25
Number of grievances resolved	28	29	23
Number of complaints filed prior to the reporting period that were resolved during the reporting period	1	2	3
Number of grievances resolved through mediation and the form of remediation	15 confirmed or partly confirmed	5 confirmed and 6 partly confirmed	3 confirmed and 3 partly confirmed

## HUMAN RIGHTS GRIEVANCE MECHANISMS

Grievances	2017	2018	2019
Total number of grievances about human rights impacts filed through grievance mechanisms	731	750	865
Number of grievances addressed	731	750	865
Number of grievances resolved	720	686	719
Number of complaints filed prior to the reporting period that were resolved during the reporting period	52	24	65
Number of grievances resolved through mediation and the form of remediation	339 confirmed or partly confirmed	129 confirmed and 195 partially confirmed	197 confirmed and 190 partially confirmed

## INCIDENTS OF DISCRIMINATION AND CORRECTIVE ACTIONS TAKEN **GRI 406-1**

### TOTAL NUMBER OF INCIDENTS OF DISCRIMINATION, THEIR STATUS AND ACTIONS TAKEN

	2017	2018	2019
Number of incidents reviewed	28	30	25
Number of incidents reviewed for which remediation plans are being implemented	0	1	2
Number of incidents reviewed for which remediation plans have been implemented, with results reviewed through routine internal management review processes	28	29	23
Number of incidents no longer subject to action (resolved or concluded)	28	29	23

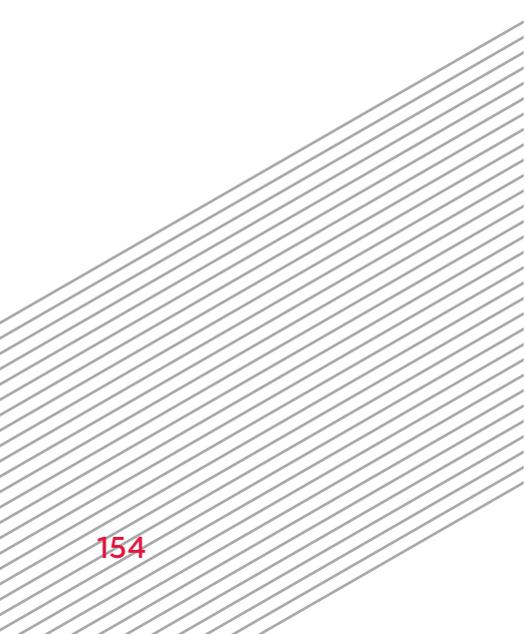
### FREEDOM OF ASSOCIATION AND COLLECTIVE BARGAINING

#### **GRI 102-41; 103-2; 103-3; 407-1**

Our Human Resources Department has a Union Relations function that centralizes union matters and maintains a permanent channel for dialog and negotiation with union representatives throughout Brazil. This function is responsible for receiving any complaints,

answering questions and building relations based on ease of access, efficiency and proactivity, seeking to avoid or minimize conflicts. All employees have freedom of association, union representation and are covered by collective bargaining agreements. Currently 47.4% of our employees are union members, the equivalent of more than 45,500 employees.

Employees are free to participate in collective bargaining negotiations through general meetings, and information about union activities is published on bulletin boards and in Union Newsletters available at site entrances.



# benefits

GRI 401-2

Bradesco offers a comprehensive package of benefits to employees and dependents, as detailed below:

- **Health and dental insurance:** our employees and their dependents have health and dental insurance with premiums fully paid by Bradesco. Our health insurance plan covers consultations, urgent, emergency and elective surgery (including all types of transplants), obstetric care, refractive surgeries for myopia and hypermetropia, inpatient care (with no limit on the period of inpatient care, including ICU care), outpatient care, tests, therapies, psychiatric consultations, ambulance transportation, family planning, and AIDS treatment (with reimbursement for AIDS drugs). Coverage is also provided for unconventional treatments, such as dialysis, acupuncture, homeopathy, GPR, heart valves, physiotherapy, nutrition, psychotherapy and speech therapy. Dental insurance plans cover preventive, surgical, restorative, pediatric, endodontic, periodontal and prosthetic treatment. Implants are offered at lower-than-market costs through partners.
- **Meu Doutor Novamed Clinics:** The Bradesco Seguros Group operates *Meu Doutor Novamed* clinics at our Cidade de Deus campus and at our office buildings in Alphaville and Rio de Janeiro—where the Bradesco Seguros Group is headquartered. These clinics provide occupational healthcare, consultations, laboratory testing and emergency care.
- **Group life, personal accident and funeral insurance:** All Bradesco employees are eligible to group life and personal accidents insurance, including funeral coverage, at lower costs and with greater coverage than available on the market. Employees receiving social security pensions who have been terminated without cause have the option of retaining the policy at a reduced cost.
- **Parental leave:** In addition to the maternal leave period established in Brazil's Consolidated Labor Regulations (CLT), mothers are eligible to an additional 60 days of leave, for a total of 180 days of paid maternity leave. In addition to the paternal leave period established by law, fathers are eligible to an additional 15 days of leave, for a total of 20 days of paid paternal leave. For both fathers and mothers, parental leave rights also apply to adoption and to homosexual couples.
- **Daycare and babysitter allowance:** available to all employees.

- **Private pension plans:** our employees are offered a Pension Plan in which Bradesco matches 5% of the participants' basic income, including their 13<sup>th</sup> month salary. The plan covers retirees and their widowers and children up to the age of 24.

- **Lig Viva Bem social and psychological counseling service:** a psychosocial support channel that provides free, confidential counseling to employees and their families, including interns and apprentices. The channel operates 24 hours per day, seven days a week. In-person counseling is also available for prevention and promotion of emotional health.

- **Medicines:** partnerships with pharmacies provide exclusive discounts linked to employees' and dependents' health insurance plans.

- **Vaccination:** influenza and H1N1 vaccination for employees and dependents (read more in Health, safety and well-being – Live Well in Health).

- **Quality-of-life and recreational activities:** discounts and special perks at 70 partner fitness centers throughout Brazil. Our Cidade de Deus campus, in Osasco (SP), has infrastructure where employees are encouraged to engage in sports. A partner fitness center is also available at our headquarters building. In addition, we offer special discounts at salons and recreational activities for children to improve self-esteem, well-being and quality of life (read more in Health, safety and well-being – Live Well in movement).

## home office

In 2019, we initiated a home office project in response to market trends and as part of our commitment to supporting the quality of life of our employees. The primary goal of the project is to enable employees to perform all work-related tasks outside our premises. Around 100 volunteers participated in the pilot stage, in which they received training on behavioral and technical aspects to help them adapt to remote working. Recognizing that meeting a set of prerequisites would be crucial for the success of the project, Bradesco provided all equipment required for remote working, and the project team collected feedback to ensure we learn from best practices and implement them.

The lessons learned and initiatives developed as a result of this project have been essential in enabling 90% of our active office-building employees to work from home while being sheltered during the COVID-19 pandemic.

- **Healthy Motherhood Program:** support from a specialist team for pregnant employees and dependents (read more in Health, safety and well-being – “Live well in health”).

- **Social loans:** loans provided to employees with zero or reduced fees and charges, for emergency needs or situations involving employees and/or their first-degree relatives (parents and children) or immediate family, subject to a social and economic analysis and the production of proof of the relevant expenses. Social loans are offered to active employees who require financial aid and seek support within the Lig Viva Bem program (read more about the program in Health and quality of life).

- **Online shopping:** the ShopFácil Funcionário shopping portal offers products and services at special discounts and with special payment terms for Bradesco employees.

- **Flexible working hours:** We have had electronic timekeeping systems in place since the mid-1990s, with timekeeping control based on the employees' contractual working hours. In 2019, the Board of Executive Officers approved a flexible working hours project that aims to provide employees with greater freedom in managing their work schedule where their contracts establish a minimum number of hours worked but not specific start and end times. The project began with a 3-month pilot-project with more than 2,000 employees who met the eligibility criteria. The project also included the development of an organizational policy, communication plan and performance indicators. However, the coronavirus pandemic prevented the pilot-project from being completed, and implementation of the project was accelerated. Flexible working hours are currently available to more than 20,000 employees.



# health and quality of life

GRI 103-2; 103-3

Bradesco believes it is essential that employees strike a good work-life balance. Launched in 2012, the Bradesco *Viva Bem* ("Live Well") well-being program was strategically repositioned in 2019 with a focus on disease prevention and promoting healthy lifestyles, mindsets and behaviors. The program comprises three pillars: "Live Well in Balance", "Live Well in Health" and "Live Well in Movement".

We have also disseminated content to encourage employees to invest in their health and well-being. In-person activities in 2019 were attended by more than 23,000 people. Part of the content, which includes videos and podcasts, is available on our corporate portal to all employees. In 2019, there were more than 22,000 visits.

## • Live Well in Balance

This pillar comprises activities that support emotional health and prevention. A counseling service, called *Lig Viva Bem*, is available to all employees and their families 24/7. Specialized professionals provide confidential psychological, social, legal, financial and nutrition support in strict confidence. The service also provides psychology consultations, and home or hospital visits for social and emotional support. In 2019, the service recorded 43,293 inbound and outbound calls and in-person consultations. Through the channel, users can request support for issues such as drug addiction, domestic violence, accidents, health problems and issues involving the LGBTI+ community.

Bradesco also has an Emotional Health Program to raise awareness about emotional health, with a focus on prevention, through in-person meetings with employees. A total of 1,271 people participated in the program in 2019. Another initiative is our Motherhood and Fatherhood Support Program, which provides assistance to employees who are returning to work. For other employees returning to work from leave, our Professional Rehabilitation Program provides assistance to help them readapt to the workplace environment. In 2019, the program supported 474 people returning to work.

Bradesco's Organizational Development Program for Continual Improvement in Labor Relations works to engage managers in providing a healthy, safe and collaborative work environment that increases employee satisfaction. In 2019, the program began to address the subject of self-care, including relaxation experiences and healthy living. A total of 35 theoretical and practical sessions were attended by 1,000 leaders in management positions.

## • Live Well in Health

This pillar comprises a range of health promotion and disease prevention initiatives. Our Healthy Motherhood Program is open to employees and dependents, and includes support throughout pregnancy up to the immediate postpartum period, to prevent, identify and monitor pregnancy risks. In 2019, the program provided support to 200 expecting mothers.

In 2019, we conducted an activation session with a focus on cardiovascular disease, reaching an audience of 1,322 employees at our office buildings. In addition to awareness sessions, participants took blood pressure and bioimpedance measurements. Employees whose test results showed changes were referred to specialist care. To preserve their visual health, employees undergo eye check-ups and visual acuity tests performed by eye doctors. In 2019, 1,312 employees at our office buildings were examined.

Bradesco conducts annual influenza and H1N1 vaccination campaigns for all employees at no cost, and for dependents at a special discount. In 2019, 84,344 doses were administered. In a

campaign over the space of two weekends at the Cidade de Deus campus, another 2,000 dependents were vaccinated.

We annually publish health newsletters with information about seasonal outbreaks (mumps, dengue, zika, yellow fever and other diseases). To mark Pink October and Blue November, we organize initiatives such as lectures by physicians, communications on our corporate portal, and exemption from co-payments for cancer screening tests for employees and dependents.

We also mark Occupational Accident Prevention Week (SIPAT) with a mix of in-person and digital activities, and have worked to enhance the event format each year to increase employee engagement and awareness around issues related to safety, health and quality of life. In the 2019 edition, more than 13,000 people attended in-person events, and more than 18,000 accessed related digital content.

Bradesco has nine corporate outpatient clinics at our office buildings, offering clinical care and laboratory testing services. Some outpatient clinics offer specialist care of gynecologists, cardiologists, family physicians and other specialties. In 2019, we provided 42,000 episodes of care at our corporate outpatient clinics. On our medical support channel, we provide medical and nursing guidance for specific health situations, including treatment and hospitalization.

To encourage healthy nutrition, the Silver Building at the Cidade de Deus campus and our new headquarters building on *avenida Faria*

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## Live Well in Balance, Live Well in Health and Live Well in Movement are the three pillars of Bradesco's wellness program.

Lima, in São Paulo City, now have eating areas that implemented a selfstore concept in 2019. Vending machines with healthy snacks and beverages have been installed and are operated by employees and customers without assistance. *Other units will implement self store spaces in the near future.*

Lactation rooms are available in some office buildings where mothers returning from maternity leave have a space reserved to express breast milk, as an incentive to continue breastfeeding.

### • Live Well in Movement

The focus of this pillar is on improving quality of life for employees and their families by encouraging Exercise. Fitness centers throughout Brazil offer discounts and other perks, and many of our sites now have bicycle racks available. The Cidade de Deus campus, in Osasco, offers a large tree-canopied area with pools, sports courts and a running track for employees and their families. At the sports courts, employees can engage in activities such as yoga, Pilates and Zumba under the supervision of physical education coaches. We also orga-

nize volleyball, soccer and futsal competitions between departments. Across all sports within the program, we recorded more than 19,000 participations in classes at the sports courts in 2019.

In 2019, our Human Resources and Facilities Management departments conducted renovations to the recreational facilities at our headquarters. For example, the turf of the soccer pitch used by employees was replaced. Following the renovations, the soccer field was certified by the International Football Federation (FIFA).

We also held the fourth edition of the Bradesco Cidade de Deus Running and Walking Event, with the participation of employees and their families. Two editions of our *Movimento Viva Bem* event were organized in the year, featuring recreational activities for children, exercise, massage, and a service offering healthy snacks at the sports courts, as well as sessions to disseminate our volunteering program.

As a way of improving self-esteem and well-being for employees, Bradesco has special arrangements providing discounts at local beauty salons.

## occupational health and safety management system GRI 103-2, 103-3

Bradesco's Corporate Occupational Health & Safety Management System covers all companies of the Organization and is grounded on the 20 strategic guidelines on health & safety published by the International Labor Organization (ILO). The system is certified to OHSAS 18001 and to Bradesco's Corporate Responsibility Management System Standard, and is audited annually by a certification body. Other examples of our health and safety management practices include our: Workplace Risk Prevention Program (PPRA), Ergonomics Assessment Program (AE) and Occupational Health & Safety Program (PCMSO).

### Flu vaccine

(% of employees vaccinated)

2015: **62.5**  
2016: **63.3**  
2017: **66.3**  
2018: **68.2**  
2019: **70.6**  
2020 Target: **72**

### Absenteeism rate

2013: **3.75**  
2014: **3.90**  
2015: **3.87**  
2016: **3.02**  
2017: **3.64**  
2018: **3.57**  
2019: **3.36**

### HEALTH AND WELLNESS AT THE BRADESCO SEGUROS GROUP

**GRI 103-2; 103-3**

In line with the practices in place at the Bank, the Bradesco Seguros Group provides a range of benefits including health and dental insurance for employees, and annual influenza and H1N1 vaccination. In 2019, 5,012 Group employees and 862 dependents were vaccinated. Employees also benefit from our *Lig Viva Bem* program, which in 2019 provided 929 telephone (inbound and outbound) and in-person counseling sessions to the Insurance

Group team and their dependents. Bradesco Seguros has programs in place for managing chronic diseases, including a program providing support to employees diagnosed with diabetes. As part of a program to support expecting mothers during and after pregnancy, 370 employees received care in 2019.

To encourage exercise, the Bradesco Seguros Group employees are eligible to discounts of between 25% and 75% at fitness centers in the Gympass network.

Employees also receive advice on health and quality of life in workshops as part of the *Você em Foco* initiative and in content on the Long Live Longevity portal, which is also disseminated through internal communication channels.



# volunteering: doing good feels good



## LEARN MORE

To learn more about our volunteer program, visit: [voluntariosbradesco.com.br](http://voluntariosbradesco.com.br)

Bradesco's Volunteering Program was created in 2007 to encourage employees at all Bradesco companies to volunteer in their communities. Today, the program comprises a wide range of program-organized and employee-led initiatives throughout Brazil. On the Bradesco Volunteers Portal ([voluntariosbradesco.com.br](http://voluntariosbradesco.com.br)), employees can connect with the program, explore opportunities for engagement, and view a variety of useful content, such as our Volunteering Policy, Volunteer Manual and activity calendar. All activities that employees volunteer in are related to at least one of the Sustainable Development Goals (SDGs) adopted by the United Nations (UN) in 2015. The most significant projects in 2019 included:

- **Aprender para o Bem:** a series of events organized by Unibrad and the Bradesco Volunteers Program with the participation of the "Good Example Hunters" (a couple that is traveling the world to catalog projects generating positive impact on society). In each event, employees watch a presentation by the Good Example Hunters and are then invited to participate in activities to develop skills and create benefits for charities. At the close of each event, Bradesco's Volunteering Program's team presents available options for employees looking to participate in the program. In 2019, the program

toured 12 cities and engaged 857 employees, who dedicated 3,368 hours in activities that benefited 800 children.

- **VoluntáriosMAIS 2019:** Since 2013, our VoluntáriosMAIS program has used social games to develop volunteers' skills and create benefits for communities. In the 2019 edition, employees and interns were invited to develop initiatives in partnership with organizations helping people with disabilities, with the requirement that their initiative support at least one of the Sustainable Development Goals (SDGs). Between October and November, 34 initiatives were implemented, involving 1,121 volunteers and benefiting 3,629 people.
- **Mobiliza Bradesco:** a day to mobilize employees, interns and their families in volunteering in their communities. Organized by Bradesco's Volunteering Program's facilitators, the first edition of the event included more than 100 activities that ran simultaneously in all regions of Brazil in November. The initiative engaged 1,270 participants who collectively dedicated 3,965 hours of volunteer work for the benefit of 7,478 people.
- **Christmas Angels 2019:** 120 volunteers known as "Christmas Angels"—including Bradesco employees and interns and

their families—participated in Bradesco's traditional Christmas pageant at Palácio Avenida, in Curitiba. (PR), assisting the child choir singers during their rehearsals and performances. In total, they dedicated 4,155 hours to volunteer work.

- **Bradesco Seguros Good Examples:** a lecture presented by the Good Examples Hunters to celebrate National Volunteering Day (August 28) inspired the Bradesco Seguros Group employees to launch a Bradesco Seguros Good Examples campaign. A total of 35 initiatives were registered on the Bradesco Volunteers portal and 1,128 employees dedicated more than 8,000 hours to volunteer work, benefiting 3,756 people. During the campaign, the employees also had the opportunity to share stories about volunteer work and how they set a good example for others.

Bradesco's Volunteering Program recorded a total of 240 initiatives in the year, with a total of 41,380 hours of volunteer work—including 5,663 hours during employees' work shifts which, if paid for, would be worth a total of R\$ 620,830.02. The Program also organizes an annual celebration to recognize participating volunteers for outstanding work. The overall program, across its different fronts, involved an investment of R\$ 1,239,184.57 in 2019.



# customers

With a strong customer focus, we work to provide convenient, efficient, fast and secure service to all customers, offering solutions that are ideally suited to each customer's profile and needs. Our primary goal is to deliver the best possible experience—whether in person or digital—and achieve the highest level of satisfaction with the Organization.

Bradesco has a segmented service structure staffed by professionals who provide customized service to both individual and corporate customers. We also invest systematically in technology and innovation to create digital solutions that make customers' routine interactions with Bradesco more user-friendly and streamlined. The results are seen in the numbers of digital checking account customers, which rose to 17.1 million in 2019, an increase of 1.8 million compared with December 2018.

We ended the year with 96% of transactions completed via digital channels (internet banking, *Bradesco Celular*, ATM machines and *Fone Fácil*), especially the *Bradesco Celular* app. The volume of underwritten loans (R\$) to both individual and corporate customers increased by 87% in 2019.

Across all digital channels, the loan growth was 43% in the year.

BIA (Bradesco Artificial Intelligence) learns more every day, and the number of interactions with the digital assistant rose by 205% in 2019 compared to the previous year.

The following phases will allow BIA to learn about new subjects and be more transactional, offering a pleasant, efficient and intuitive user experience.

The technology also supports our employees in their duties at branches. Using Bradesco Link, managers can consult a wide range of products and services and purchase them via a corporate mobile device that streamlines the service.

This has made our branch activities increasingly advisory and less



96%

of transactions  
made via digital channels in  
2019

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Our goal is to provide a superior customer experience—whether digital or physical.

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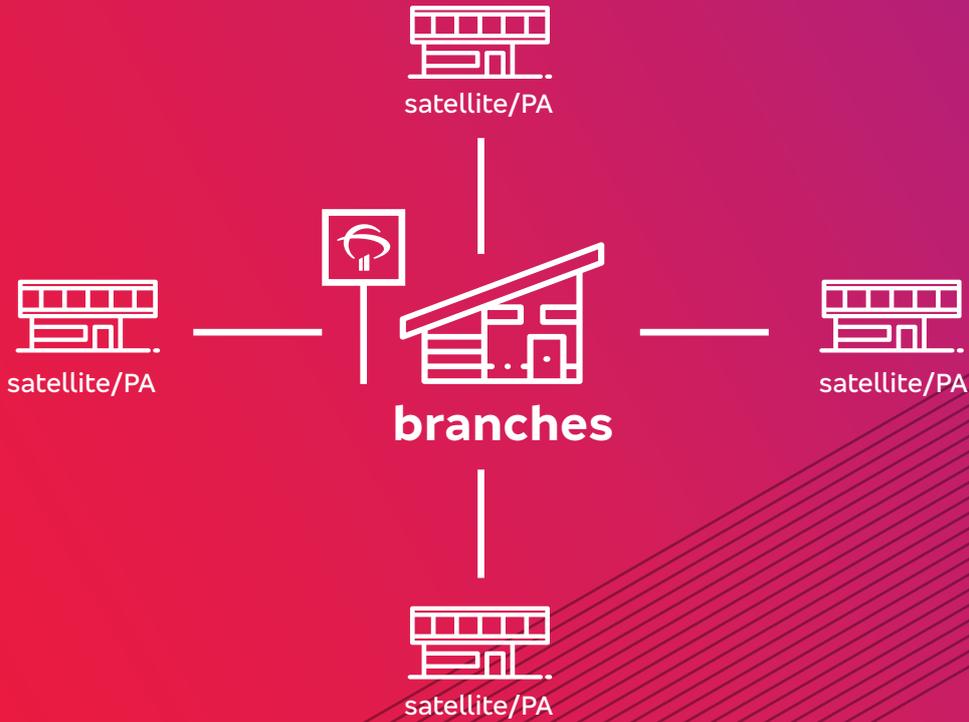
## We designed a new branch format that enhances our advisory role.

operational in nature, and we have accordingly continued a process to restructure our network. We are also investing in redesigning our branches in two formats: smaller (satellite) branches that connect to larger (hub) branches. However, we have maintained our presence in all regions of Brazil.

These developments combined have helped us to offer superior service and a superior portfolio of products and services to our more than 72 million customers, including both checking as well as non-checking account customers who purchase products or services from Bradesco's extensive portfolio. After structuring a dedi-

cated department for non-checking-account customers in 2018 and strengthening our relations with this audience, in 2019, we launched a portal ([banco.bradesco/naocorrentista/](http://banco.bradesco/naocorrentista/)) where non-checking account customers can purchase a range of Bradesco's products and services from the comfort of their homes.

### A NEW BRANCH MODEL



## Bradesco's first Touring PA

In 2019, Bradesco launched its first Touring Business Unit (Touring PA), fully equipped and prepared to take the Bradesco brand everywhere—especially to trade shows and events—where customers have access to high-quality services and an extensive portfolio of Bradesco's products and services.

Customers can open accounts, access Bradesco systems, create passwords, request credit/debit

cards, perform loan transactions (via a terminal), download the Bradesco app, register their biometrics, and use other services.

In 2019, the Bradesco Touring PA toured a number of events in the states of São Paulo, Minas Gerais, Paraná, Rio Grande do Sul and Santa Catarina. Another two units are planned to be launched in 2020.



## NEW HEAD OFFICES IN THE FINANCIAL CENTER OF SÃO PAULO

In 2019, we opened a new 14-floor head office building with approximately 19,000 square meters of office space, strategically located in one of the most important financial centers in São Paulo. The new offices will house the BBI, corporate, international & foreign exchange, private banking, and BRAM (Bradesco Asset Management) teams.

## IN SOCIAL MEDIA

Bradesco's social media function was created in 2004 and its pioneering and innovative approach has earned it recognition from the market. With a focus on relation-

ship building, content co-creation and brand monitoring, we have a presence on Facebook (5.1 million followers), Twitter (179,000 followers), LinkedIn (943,000 followers – we also rank 12th on the LinkedIn Top Companies list), Instagram (243,000 followers), Medium and YouTube, where we have 3.2 million subscribers. In all, Bradesco has more than 9 million followers.

On social media, we are positioned as the leading bank for content across the community. Using natural, plain language, we develop content not only about our products and services, but also about our

values and about art and culture. Our social media content includes FAQs (*Bradesco Explica*), live podcasts about investments, market trends and appropriate products, and other varied content, such as our coverage of the annual Lollapalooza Festival.

We also have a dedicated team of social media experts who respond to customer and non-customer queries 24 hours a day, seven days a week. With our social media outreach, conversations and interactions with users are more consistent and personalized, making the customer's experience more positive.

## OUR SOCIAL MEDIA OUTREACH AT A GLANCE



More than  
**9 million**  
social media  
followers



Present on  
**LinkedIn**  
Top Companies



**3.2 million**  
YouTube subscribers

With more than  
**1.9 billion**  
views (cumulative from  
2014 to 2019)

Our short animation **#ShineYourWay** topped 190 million views for a single video and was the most viewed brand video on YouTube in 2019.



## capital market solutions

Bradesco offers partners in the capital market a diversified portfolio of services designed to deliver excellence and state-of-the-art technology. We are among the leading solutions providers in this segment and have a nationally and globally leading position in qualified custodian services (as ranked by ANBIMA). Our main services include:

- Qualified custodian services for investors and issuers;
- Controllership services for investment funds, investment clubs and managed portfolios;
- Securities bookkeeping (shares, Brazilian Depositary Receipts (BDRs), investment fund quotas, Real Estate Receivable Certificates (CRIs), and debentures);
- Custodian services for shares underlying Depositary Receipts;
- Securities lending;
- Settlement;

- Depositary services (escrow account - trustee);
- Settlement agent services;
- Tax and legal advisory services for nonresident investors;
- Fiduciary management for investment funds.

Bradesco Custódia is ISO 9001:2015 (Quality Management) certified for services provided to the Capital Market; GoodPriv@cy for data protection; and ISAE 3402 for reports on Assurance of Controls in Service Organizations. These standards provide assurance of quality, safety and process controls.

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### MARKET LEADERSHIP<sup>1</sup>

R\$ 7.823 trillion in assets under custody in Brazil. Bradesco holds a leading market share of 23.7% in this segment.

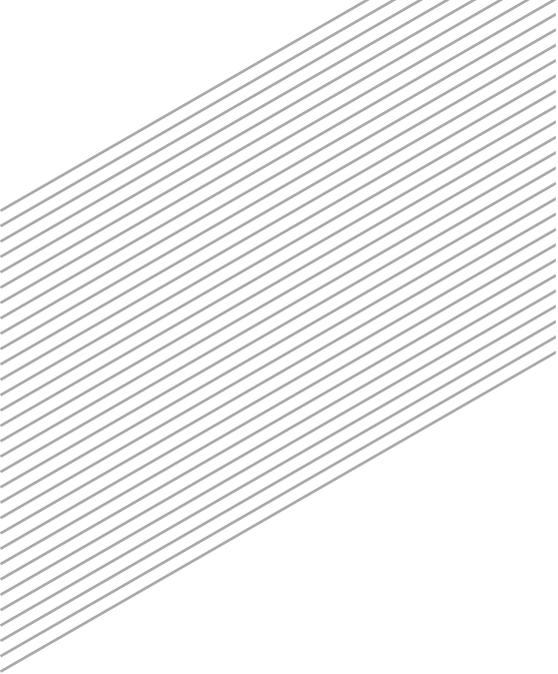
### COMMITMENT TO SUSTAINABILITY

**GRI 102-43; 102-44; 103-2; 103-3; FS7; FS14**

In 1998, we became pioneers in providing a set of tools that help customers with hearing, physical, visual and intellectual disabilities to be more self-sufficient and independent. Some examples include:

- Bradesco card welcome kits and monthly bank statements in Braille and in large font, for fully or partially visually impaired customers;
- **Token DV:** an electronic device that generates and spells out numerical passwords used to validate transactions in our internet banking and *Fone Fácil* banking

1. Source: Brazilian Association of Financial and Capital Market Entities (ANBIMA) Ranking – as of December 2019.



services, also available with a large sized display and keypad for the visually impaired;

- **Virtual Vision:** screen reading software that reads out the information displayed on a computer screen to enable the visually impaired to use our Internet banking services;
- **Our digital Libras interpreter** translates the text content on the Bradesco website into Brazilian Sign Language and also provides assistance in ATM withdrawals;
- **#PraCegoVer:** images posted on our social media accounts are accompanied by explanatory captions that can be read out loud by voice or screen-reading software installed on users' smart phones or computers.

ATMs are also equipped with voice software that reads out the number and denominations of the banknotes dispensed, by means of voice software—the visually impaired can simply plug in their earphones to receive instructions. ATMs additionally have tactile markings and devices at an adequate height for use by

people in wheelchairs. Many of our branches also have access ramps and tactile floor markings, as well as other accessibility features.

In our *Fidelize* program, civil servants with disabilities receive personalized service from employees specializing in accessibility. The program involved civil servants in Guarulhos (SP) and João Pessoa (PB) and a healthcare company in São Paulo (SP). In 2019, we also expanded our accessibility training to branch network employees. Retirees and pensioners can also complete their proof of life process—which is mandatory under social security rules—using Bradesco or Banco24Horas ATMs, without having to go to a branch.

In 2019, we participated in Reatech, an international accessibility trade show, where we presented our digital accessibility solutions and held workshops on supporting the employability and empowerment of people with disabilities. We also showcased our pioneering digital tool, Bradesco Digital Libras, which has been used at Bradesco since 2018 to allow managers to interact with customers with hearing impairment. Using video and 3D animation features, the tool connects managers to an internal service desk and a sign language assistant, at branches with a large number of customers with hearing disabilities. Bradesco Digital Libras received an efinance award in the Accessibility category from the magazine *Executivos Financeiros*.

## ACCESSIBILITY AT THE BRADESCO SEGUROS GROUP

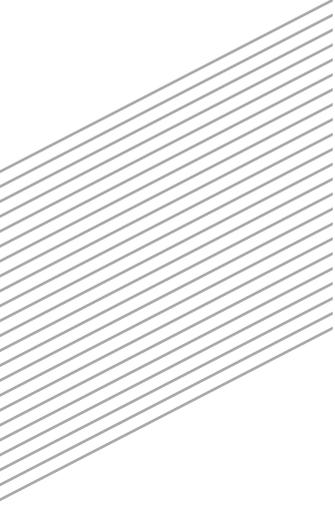
### GRI 103-2; 103-3; FS14

At the Bradesco Seguros Group, insurance branches are compliant with accessibility requirements. On the Insurance Group website our Bradesco Seguros Libras program allows people with hearing disabilities to browse the website using an application that translates Portuguese phrases into Brazilian sign language (Libras). Visual contrast and font settings are also available for people with visual disabilities. Bradesco's Service Desk for the Hearing Impaired provides customer service and ombudsman support to people with hearing and speech disabilities. In addition, the Group provides classroom-based and virtual sign language training to employees, and sign-language interpretation during internal workshops.

The Group also uses our #PraCegoVer solution in its Facebook accounts.

For the elderly and people with cognitive impairment, Bradesco Vida e Previdência uses a two-step confirmation process for purchased products, and allows customers to return products they purchased inadvertently.

In addition to observing our Group policies and guidelines, Bradesco Saúde has special control mechanisms and processes in place to protect the confidentiality of medical information on all beneficiaries. Confidentiality agreements are signed with customers, employees and third-party suppliers, including those providing medical, clinical, laboratory and hospital services.



## satisfaction

Bradesco uses an approach that places the customer at the center of our decisions, making them more effective and transparent. We adjust our systems, products, services and solutions to make them increasingly aligned with each customer's needs. Concurrently, primary sources help to capture

customer feedback and consumer perceptions and identify future trends so we are able to anticipate solutions, leverage possibilities and multiply opportunities.

We periodically conduct customer and competition surveys, primarily using the Net Promoter Score (NPS) methodology. A widely used, proven methodology, NPS measures the degree to which customers are loyal to Bradesco and would recommend us, our service channels, products and services. The survey is conducted at a national level and covers all seg-

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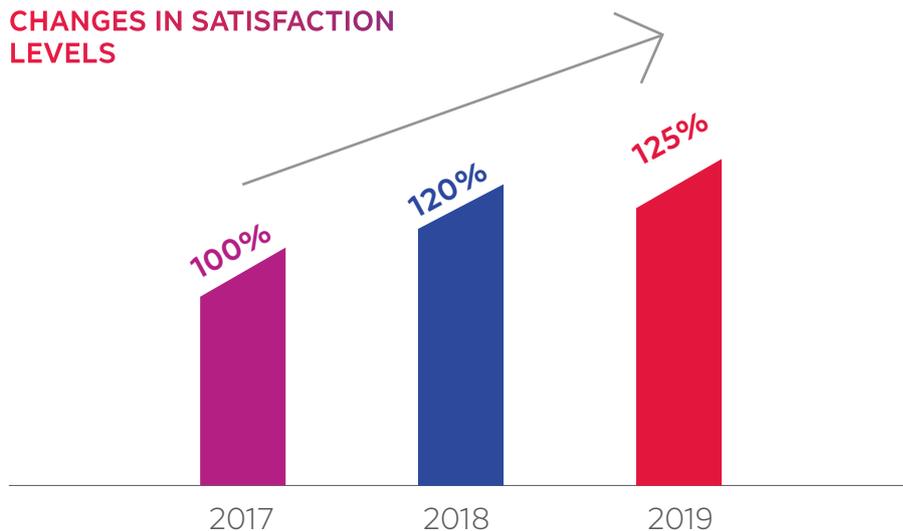
We continually capture customer perceptions at each stage of their journey and their experience with Bradesco.



A customer service area at Bradesco headquarters at Av. Faria Lima (São Paulo – SP)

ments in which we operate, in both Retail and Wholesale. In addition to NPS surveys, we also conduct continuous and one-off surveys using a range of quantitative and qualitative methodologies, such as: Brand and Communications Tracking, Neuroscience, Usability, Channel Satisfaction, Product and Service Concept Testing, Mystery Shopper and Customer Communities. These surveys help us to gain a better understanding of trends, habits and mindsets, assess customer perceptions of our brand, and develop products and services that meet their needs. With 2017 as base 100, our NPS customer survey performance improved by 25% in 2019.

### CHANGES IN SATISFACTION LEVELS



Note: 2017 Base 100



Digital Business Space, Shopping Tamboré (Barueri – SP)

### INSIGHT FOR IMPROVEMENT

To ensure our efficiency and performance indicators continually improve, in 2019, we began developing a new model designed for continuous, mass capture of customer perceptions at each stage of the customer’s journey and experience with Bradesco. We want to take a step beyond mere metrics. By looking closely at all touch points, we can increase the level and quality of information about consumers’ needs and expectations, which is crucial in improving customer relationships and increasing satisfaction. The path to this transformation is a long journey, but we have already made significant strides together with our leadership. We want to be seen as a company that makes life easier for customers, shares in their challenges and helps them to pursue their dreams.

## QUALITY COMMITTEE

Our Quality Committee helps to translate customer perceptions and preferences into effective actions to improve products, services and solutions, establishing a virtuous cycle of continuous improvement. This governance structure generates engagement and commitment across all departments and organizational levels within Bradesco. The committee's working groups, commission and executive committee are composed of multidisciplinary

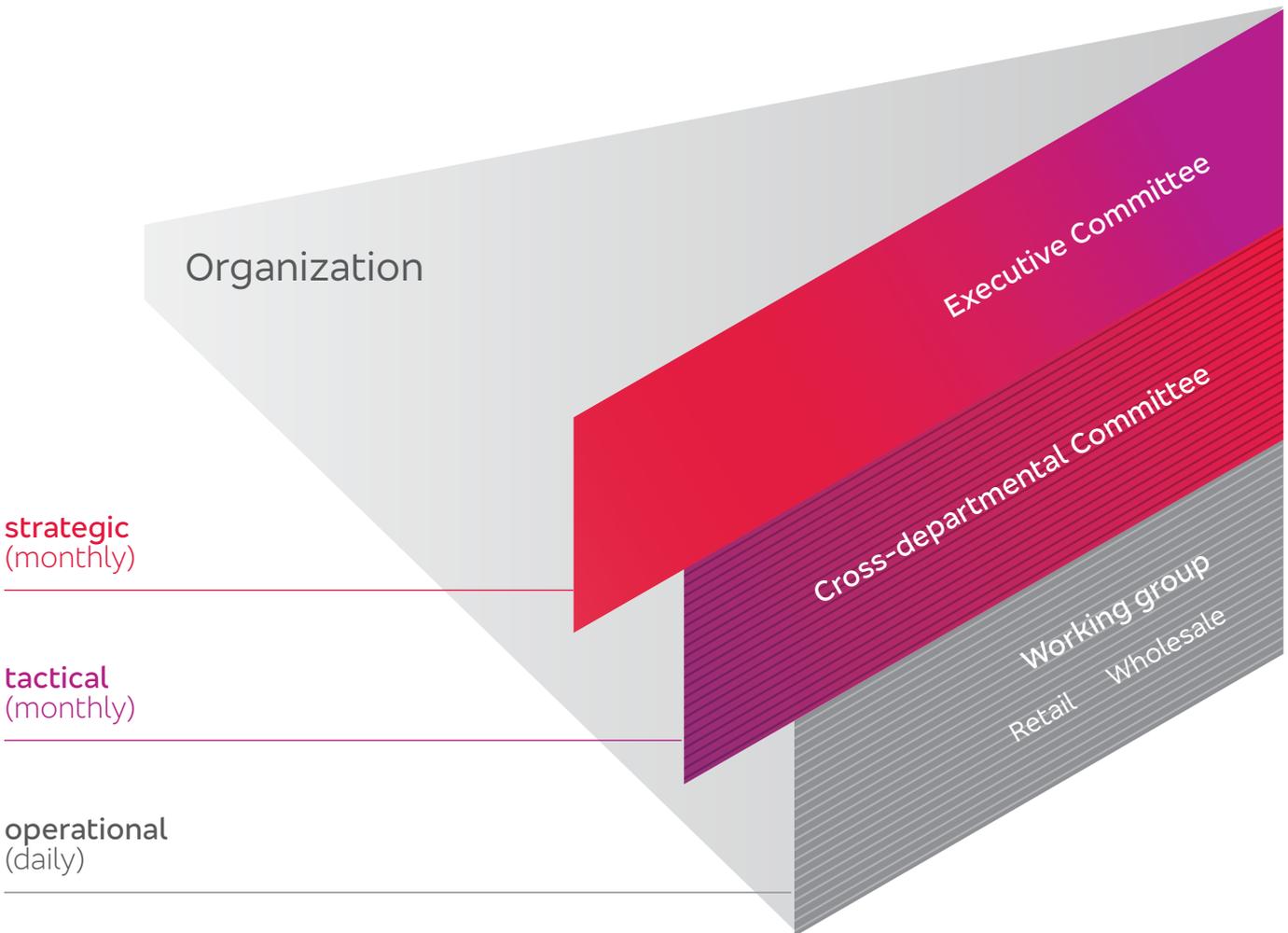
representatives of all functions, who directly or indirectly contribute to providing customers with a superior experience at Bradesco.

Within the Quality Committee, feedback from surveys and complaints provides insights that help to identify the root causes of problems. Working groups then

translate these insights into corrective actions to ensure greater effectiveness and a better customer experience, an essential step in building loyalty and evolving our products, services and processes.

The Quality Committee assesses consumer perceptions and recommends continuous improvement plans, ensuring that customers are provided with the best experience and the best journey.

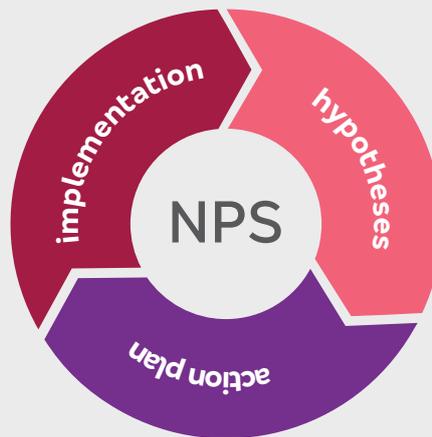
## QUALITY COMMITTEE GOVERNANCE



**WORK PROCESS  
– NET PROMOTER SCORE (NPS)**

**Prioritize quality initiatives**

**Monitor** and report to the Executive Committee



Elicit customer views | NPS |  
Identify key gaps  
(sources of problems)

**Review other surveys**

**Additional analyses**  
(prove hypotheses)

**Internal and external information** (Central Bank of Brazil, Customer Service, Ombudsman and social media)

**Propose actions by managers**  
(Products, Channels, Operations etc.)

**Indicators of coverage**  
(comprehensiveness and relevance)  
and complexity

**Validate and communicate information to stakeholders** (share and validate information with the committee)

**CLIENT SATISFACTION AT THE  
BRADESCO SEGUROS GROUP**

**GRI 102-43; 102-44**

The Bradesco Seguros Group also conducts an annual Corporate Client Satisfaction Survey through telephone interviews. The average satisfaction rating in 2019 was 8.3 on a scale of 1 to 10.

The survey was addressed to clients from the following businesses: Life Insurance and Pensions; Premium Bonds; Auto/RE; and Health Insurance, covering a total of 5,002 users and product managers at client companies.



# customer service channels and Ombudsman

GRI 102-43; 102-44; 103-2; 103-3

In 1985, we launched *Alô Bradesco*, a consumer service channel that became the precursor of our Ombudsman office. In 2005, two years before ombudsman's offices became mandatory under National Monetary Council Resolution 3,477, we structured an Ombudsman office responsible for reviewing complaints from customers who are dissatisfied with the response they received from first-tier service channels, in accordance with requirements established by the Central Bank of Brazil, the Brazilian Securities Commission (CVM), consumer protection services and public legal aid services.

Today, our Ombudsman office has a dedicated Director and Ombudsman reporting directly to the CEO,

increasing autonomy, impartiality and independence. We provide a wide range of service channels to address customers' needs and ensure their satisfaction. Customers can report concerns through Customer Service/Alô Bradesco, the "Contact Us" channel (by email), branches, Transaction Centers, the Ombudsman Contact Center, the "Contact the Ombudsman" channel, and via the press.

We also address reports filed with the consumer protection service (PROCON), the Central Bank of Brazil, the Brazilian Securities Commission, and public legal aid services. On a daily basis, we contact the parties making the reports to gain an understanding of their needs and address their cases, strengthening our relations with these customers. We also use artificial intelligence to implement targeted, preventive actions.

Our Ombudsman office sees the customer's voice as its most important asset to inform continual

improvement and our strategic direction at Bradesco. We invest and target efforts in internal processes and human capital to ensure that customer journeys directly reflect our values.

On a daily basis, customer complaints are entered into the Customer Support System (SACL) where they are managed and tracked. The system allows users to identify the subject of the complaint and the product or service involved, the root cause of the complaint and the department responsible for handling the case.

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Our Ombudsman office sees the customer's voice as its most important asset to inform continual improvement and our strategic direction at Bradesco.

Filed complaints are then directed to the relevant product/service managers, who are responsible for reviewing the customer's report, identifying the underlying issue and proposing appropriate and sustainable solutions to provide a better experience to new customers. Following the product/service manager's review, the customer receives a response from the Ombudsman through their preferred channel (telephone, email or letter).

On our websites, we provide links to the Consumer Protection Code and the Federal Government consumer protection service website, Consumidor.gov. We also handle questions and complaints received through our social media accounts and on the ReclameAqui consumer complaint aggregator, as well as other media channels.

At Bradesco, we continually invest in improvements to our processes. In 2019, for example, we restructured our Customer Service/*Alô Bradesco* channel to provide greater autonomy and introduce internal support capabilities that ensure responses to complaints are given promptly during the initial interaction with the customer, improving loyalty and customer satisfaction. In our Ombudsman channels, we structured a unique complaint handling model in which the same agent who received the customer's original complaint is responsible for tracking the case and contacting the customer at the end of the process. This ensures a more humanized, empathetic and personalized service.

In 2019, 22% of complaints across all Ombudsman channels were

solved within five business days. Our target for 2019 was 5%, and the same target has been maintained for 2020. In our Ombudsman Contact Center and "Contact the Ombudsman" channels, 69% of complaints were solved within five business days.

This governance structure, combined with our commitment to continual improvement, enabled us to reduce average complaint response times, improve quality of services and increase customer satisfaction. Our Ombudsman was recognized by the Brazilian Ombudsman Association (ABO) and the Brazilian Association of Customer Relations (ABRAREC) as one of the top 10 ombudsman offices in Brazil, as ranked by the magazine *Consumidor Moderno*. We are the only Brazilian bank to have received recognition in all editions of the Brazil Ombudsman's Awards.

On a six-monthly basis, the Ombudsman undergoes an internal audit and reports are submitted to the Audit Committee and the

Board of Directors. In 2019, there were no incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling or marketing communications. To protect users' security, we provide information on the secure use of card products on our Internet Banking website (on each card product page) as well as other materials, such as the benefits guide. **GRI 417-1; 417-2; 417-3**

All complaints about alleged privacy breaches or loss of client data are thoroughly investigated by the Ombudsman, and reported to the Integrity & Ethical Conduct Committee. In 2019, as in previous years, there were no customer complaints about privacy infringement. **GRI 418-1 | SASB FN-CF-220a.2; FN-CF-230a.1; FN-EX-550a.2**

*\* Information on disclosure 418-1 refers to Bradesco only.*

## GRIEVANCE MECHANISMS – BANK SASB FN-AC-270A.1; FN-CF-270A.4

Channels	2017			2018			2019		
	Total No. of grievances identified	No. of grievances addressed	No. of grievances resolved	Total No. of grievances identified	No. of grievances addressed	No. of grievances resolved	Total No. of grievances identified	No. of grievances addressed	No. of grievances resolved
Toll-Free Number – Ombudsman	28,475	28,475	28,475	26,481	26,481	26,481	27,240	27,240	27,240
Consumer Protection Services	79,158	79,158	79,158	72,046	72,046	72,046	57,701	57,701	57,701
Central Bank of Brazil	45,027	45,027	45,027	44,800	44,800	44,800	46,063	46,063	46,063
Letter/press	6,341	6,341	6,341	6,868	6,868	6,868	5,528	5,528	5,528

### Percentage of total grievances received through dedicated contact channels that are resolved within 5 business days

Bradesco	90%	94%	95%
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## BRADESCO SEGUROS OMBUDSMAN

**GRI 102-43; 102-44; 103-1; 103-2; 103-3**

In accordance with the standards established by the Brazilian Private Insurance Authority (SUSEP) and Private Health Care Agency (ANS), the Bradesco Seguros Group Ombudsman addresses concerns received from Insurance Group customers and users through both internal and external channels (the consumer protection service, the Central Bank of Brazil, SUSEP, ANS, public legal aid services, and the Consumidor.gov portal).

We seek to provide a prompt and satisfactory response to customers' concerns, as part of a deep and permanent commitment to customers. The Group's Ombudsman office has received more than 23 external accolades, such as the Brazil Ombudsman Award from the Brazilian Association of Customer

Relations (ABRAREC), in which our Insurance Group Ombudsman has ranked as one of the top ombudsman channels in Brazil for eight years running.

In 2019, 89% of the total complaints received at the Bradesco Seguros Group were solved within five business days. We had set a target of 85% for 2019, and our target for 2020 is 90%.

All of Bradesco Seguro Group's products and services conform to the same set of standards and requirements established by SUSEP, the Brazilian private pension regulator (PREVIC) and, in the case of

Bradesco Saúde, the ANS. Bradesco Saúde is also compliant with the guidelines laid out by the Executive Standards Board (CENP), which provides recommendations on advertising activities. In addition, the Insurance Group has a dedicated structure for developing and marketing profile-appropriate products and services **GRI 417-1; FS15**

When registering portfolio products with the appropriate regulator, all relevant product information is submitted. All contracts, including digital contracts, require customers to sign affirmation statements. There were no incidents of non-compliance with regulations and voluntary codes concerning product and service information and labeling for marketing communications in 2019. **GRI 417-2; 417-3**

## GRIEVANCE MECHANISMS – BRADESCO SEGUROS GROUP<sup>1</sup> SASB FN-IN-270A.2

	2017	2018	2019
Consumer Protection Services	4,205	4,842	5,712
SUSEP	3,766	3,327	4,018
Central Bank of Brazil	3,466	3,156	3,652
ANS	1	1	3
Ombudsman's Department	20,610	26,242	31,016

### Percentage of total grievances received through dedicated contact channels that are resolved within 5 business days

Bradesco Seguros	-	85%	89%
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1. Includes customer complaints relating to the Bradesco Seguros Group products, processes and services. All complaints were adequately identified, addressed and solved.

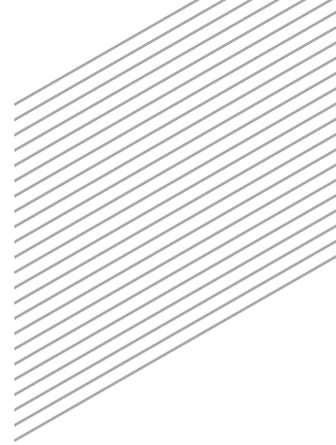
## POLICIES ON COMPLIANT DEVELOPMENT AND MARKETING OF FINANCIAL PRODUCTS AND SERVICES OF THE BRADESCO SEGUROS GROUP – GRI FS15 | SASB FN-IN-270A.4

Policies, principles and/or codes of conduct	Description and scope	Mechanisms to ensure those policies are being implemented and/or enforced	Department responsible	Available on:
Premium Bond Treinet (e-learning)	Online training programs have been developed to provide branch managers with training on Premium Bonds.	This training is mandatory for managers selling Premium Bond products	Human Resources	Intranet
Department Code of Conduct for the Bradesco Seguros Group and BSP Empreendimentos Imobiliários	The Code helps to build trust and engagement among managers, employees and business partners of the Bradesco Seguros Group, and provides guidance to improve relations with stakeholders.	Ethical Conduct Committee	Internal Controls, Compliance and Human Resources Functions at the Bradesco Seguros Group	Institutional website and corporate intranet
Bradesco Seguros Group's committees and commissions	We ensure decisions are taken by governance bodies with the right levels of authority and responsibility	ELC (Entity Level Control)	Governance Office, Internal Controls and Compliance, functions acting in an advisory capacity to committees and commissions	Bradesco Standards



# suppliers

GRI 102-9; 103-2; 103-3



Bradesco's scale and capillarity mean our suppliers play an essential role in achieving our goals and results and delivering best-in-class, high-quality and efficient solutions to customers. In 2019, we had 7,693 registered suppliers, and 1,151 new suppliers came on board during the period.

The different stages of our relations with these strategic stakeholders are guided by recommendations contained in a set of standards, policies and programs, which are accessible on [bradescofornecedores.com.br](http://bradescofornecedores.com.br) and/or [banco.bradesco/ri](http://banco.bradesco/ri).

Examples include the following:

- Procurement Policy;
- Bradesco Code of Ethical Conduct;
- Department Code of Conduct for the Bradesco Seguros Group and BSP Empreendimentos Imobiliários S.A.;
- Procurement Professional's Code of Ethical Conduct;
- Bradesco Integrity Program;
- Corporate Information and Cyber Security Policy;
- Corporate Sustainability Policy;
- Corporate Anti-bribery Policy;
- Policy on Engaging and Managing Third-Party Services;
- Corporate Human Rights Policy;
- Social and Environmental Responsibility Standard;
- Social and Environmental Responsibility Standard of the Supply Chain; and
- Social and Environmental Risk Standard.

We also draw guidance from the Corporate Sustainability Index and the Dow Jones Sustainability Index (DJSI), of which we are a constituent.

## our supply chain at a glance

GRI 102-9

1,151  
new suppliers  
screened in 2019

7,693  
companies  
in our current supplier  
base

procurement volumes higher than  
R\$ 19 billion

2,696  
active  
contracts in 2019

Prospective suppliers are screened by the Procurement Department against registration, commercial, economic, financial, social and environmental requirements. The screening process addresses aspects of social and environmental responsibility such as labor practices, freedom of association and collective bargaining, forced labor, child labor, our commitment to ethics and integrity and against corruption and bribery, diversity and environmental aspects (condemned and contaminated sites). All 1,151 suppliers that came on board in 2019 were screened against social and environmental criteria. **GRI 308-1; 414-1**

We also take the suppliers' location into account to ensure we select suppliers that are as near as possible to the service site. This helps to develop the local economies where we are present, and support the development of smaller suppliers.

Because we have a presence in all Brazilian states, we consider all suppliers based in Brazil to be local suppliers. As in the previous two years, in 2019 payments to local suppliers accounted for 100% of our procurement budget. In 2020, we plan to continue to allocate 100% of our budget or a large part of it to local suppliers. **GRI 204-1**

All the new suppliers are requested to commit to complying with our code of ethical conduct and other policies and standards. Supplier contracts also include provisions on forced and child labor, anti-bribery, and social and environmental aspects.

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## In 2019, all newly onboarded suppliers were screened against social and environmental criteria.

### **MONITOR AND DEVELOP**

#### **GRI 103-1; 103-2; 103-3**

From the time suppliers come on board as partners, we work to monitor risks and impacts and develop our suppliers to help them build their business. An example of this is the Bradesco Supply Chain Social Responsibility Program (PBRSA CS), which conducts periodic audits on three socio-environmental pillars: social responsibility, environment, and health & safety. Audits are conducted on all critical suppliers—i.e. security, call center, data and voice communications, cash-in-transit, cards, civil works, clothing, timber, visual communications, infrastructure equipment, and information technology services and equipment suppliers. After an audit, suppliers are required to develop action plans to address identified nonconformities and areas for improvement. In 2019, we conducted 250 audits,

including 150 on-site audits, and all have been addressed by action plans. We also introduced remote audits, with 100 suppliers being audited by this method in 2019. Suppliers found to pose a high or very high level of risk undergo an on-site audit in the following year.

Since 2018, suppliers in the Bradesco Supply Chain Social Responsibility Program (PBRSA CS) have participated in our "Multiplying Impact" challenge, which encourages suppliers to develop supplier management initiatives incorporating social and environmental responsibility concepts. This allows us to impact the second link in our supply chain. During the Supplier Conference, in 2019, six suppliers were recognized for good social and environmental practices and for their engagement around the challenge.

In 2019, we also introduced workshops with suppliers participating in the PBRSA CS, similarly focusing on driving social and environmental development. Two workshops were held in 2019. The first, in partnership with Unibrad and with 62 delegates from 18 companies attending, addressed the subject of financial health. The second discussed the 17 UN Sustainable Development Goals (SDGs), and was attended by 67 delegates from 45 suppliers. In 2020, we plan to organize three workshops to address the most recurrent nonconformities found during audits of the program.

Bradesco also conducts Supplier Performance Assessments on the following requirements: quality, schedule, communication, behavior, efficient problem-solving, technical expertise, information management, cost management, social and environmental issues, and ethics/integrity. The goal is to drive process improvements, efficiency and compliance, as well as build closer relationships with these suppliers. These assessments also extend to critical suppliers.

Since 2006, we have held annual Supplier Meetings to raise supplier awareness on the importance of implementing positive social and environmental practices, and the importance that Bradesco gives to sustainability. Each edition addresses a different topic. The 2019

edition discussed the 17 Sustainable Development Goals as part of the UN's 2030 Agenda. During the event, we presented the most significant results from the Bradesco Supply Chain Social Responsibility Program (PBRSA CS). The meeting was attended by 189 delegates from 80 suppliers.

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## financial analyses

In May, we launched a financial review program for the new suppliers in which we review their balance sheets for the previous three financial years, public certificates and commercial information. The review generates a report in which the suppliers are placed into different risk tiers, ranging from low risk to very high risk. For suppliers rated as high risk or very high risk, meetings are held with contract managers and the relevant supplier to determine the reason for the risk rating. In 2019, a total of 315 financial reviews were completed.

We also conducted the first assessment of our suppliers' financial dependence on Bradesco.

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## social and environmental risks involving suppliers

GRI 103-2; 103-3; 308-2; 407-1; 412-1; 414-2

In accordance with our Social and Environmental Risk Standard, we manage social and environmental risks—including human rights risks—relating to new and existing commercial partners by periodically monitoring for violations and fines involving each partner or their industry. These assessments are performed by the Procurement Department and, when any issues are identified, the relevant supplier is included and is audited as part of the Bradesco Supply Chain Social Responsibility Program (PBRSA CS). Social and Environmental Rating analyses are also conducted by the Integrated Risk Management Department (DCIR).

These analyses rate each social and environmental risk at one of four levels: low, medium, high and very high. The analysis results are delivered to business area managers, who then decide on required actions, such as developing joint mitigation plans or terminating our relationship with that supplier. In 2019, 19 suppliers were assessed as posing negative environmental risks; improvement plans were agreed with all of these suppliers. We also identified 14 outsourced labor suppliers posing negative social impacts, for which action plans were established. We identified no suppliers in which the right to freedom of association and collective bargaining may be at risk of infringement.

### NEGATIVE ENVIRONMENTAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN GRI 308-2

	2017	2018	2019
Number of suppliers assessed	1,151	746	1,151
Number of suppliers identified as having significant actual and potential negative environmental impacts	22 <sup>1</sup>	20 <sup>1</sup>	19 <sup>1</sup>
Number of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of the assessment	22	20	19
Number of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of the assessment	0	0	0
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which improvements were agreed upon as a result of the assessment	100%	100%	100%
Percentage of suppliers identified as having significant actual and potential negative environmental impacts with which relationships were terminated as a result of the assessment	0%	0%	0%

1. Significant negative environmental impacts identified: condemned areas and contaminated areas. The relevant suppliers are located in the South and Southeast.

## NEGATIVE SOCIAL IMPACTS IN THE SUPPLY CHAIN AND ACTIONS TAKEN **GRI 414-2**

	Labor suppliers			Other suppliers		
	2016	2017	2019	2017	2018	2019
Number of suppliers assessed for social impacts	845	901	893	1,151	746	1,151
Number of suppliers identified as having significant actual and potential negative social impacts	17	21	14	2 <sup>1</sup>	0 <sup>2</sup>	0 <sup>2</sup>
Number of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of the assessment	17	21	14	0	0	0 <sup>2</sup>
Number of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of the assessment	0	0	0	2	0	0
Percentage of suppliers identified as having significant actual and potential negative social impacts with which improvements were agreed upon as a result of the assessment	100%	100%	100%	0%	Not applicable	Not applicable
Percentage of suppliers identified as having significant actual and potential negative social impacts with which relationships were terminated as a result of the assessment	0.0%	0.0%	0.0%	100%	Not applicable	Not applicable

1. In 2017, we received two confirmed reports of forced labor and/or negative media coverage (alleged violations without the supplier providing an explanation). Based on these reports, our relationship with the suppliers was terminated.

2. In 2018 and 2019, there were no reports or records of suppliers engaged in forced or child labor.

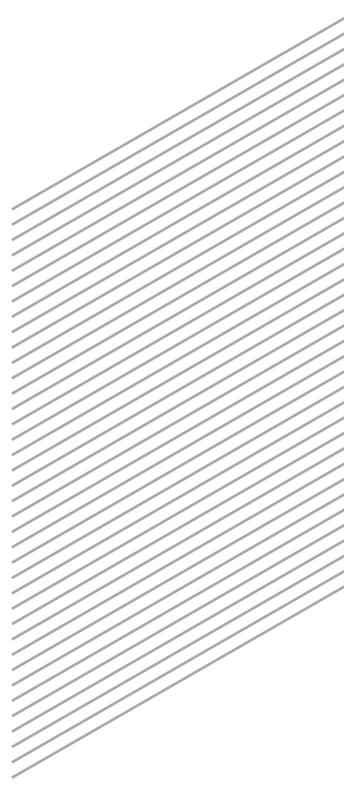
**TOTAL NUMBER AND PERCENTAGE OF OPERATIONS THAT HAVE BEEN SUBJECT TO HUMAN RIGHTS REVIEWS OR IMPACT ASSESSMENTS GRI 412-1**

	2017		2018		2019	
	Own operations	Suppliers	Own operations	Suppliers	Own operations	Suppliers
Total number of operations, third parties or suppliers	1,845	845	1,880	901	1,677	893
Number of operations, third parties and suppliers that have been subject to human rights reviews or impact assessments	1,845	179	1,880	235	1,677	228
Percentage of operations, third parties or suppliers that have been subject to human rights reviews or impact assessments	100%	21%	100%	26%	100%	26%
Number of operations, third parties or suppliers assessed in which human rights risks have been identified	160	17	130	21	102	14
Percentage of suppliers assessed in which human rights risks have been identified	8.67%	9%	6.91%	9%	6.08%	6%
Number of operations, third parties or suppliers with human rights risks identified and mitigation or remediation plans implemented	59	17	40	21	31	14
Percentage of operations, third parties or suppliers with human rights risks identified and mitigation or remediation plans implemented	0.37%	9%	0.31%	9%	0.30%	6%



# regulators

GRI 102-43; 102-44; 103-2; 103-3



In Brazil, financial institutions and insurers are regulated by the government, and this requires us to continually interact with different regulators—the Central Bank of Brazil, the Securities Commission (CVM), the Brazilian Private Insurance Authority (SUSEP) and the Brazilian Private Health Care Agency (ANS), among others.

To ensure integrity in these interactions, our Department of Institutional Relations supports the Board of Directors and the Board of Executive Officers in institutional relations with government agencies and private organizations on relevant matters.

We also have specific policies and standards designed to ensure we conform to all applicable laws, regulations and self-regulation codes, both in Brazil and in other jurisdictions. These include our Corporate Compliance Policy and our Regulatory Compliance Standard, which are managed by the Compliance, Conduct & Ethics Department (DCCE).

The Bradesco Seguros Group has its own framework for interactions

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## Internal standards and policies help to ensure that we conform to all regulations to which we are subject.

with regulators exercising oversight of its activities, including SUSEP, ANS PREVIC and others. The Internal Controls and Compliance function helps to ensure compliance with applicable regulations, monitors the receipt of and responses to correspondence from regulators, complies with periodic regulatory requests, and follows regulatory audits.

We also work proactively to anticipate issues and manage related risks in order to avoid significant

variance in the number of judicial and extrajudicial proceedings involving Bradesco. This is managed by the Legal Department and extends to all subsidiaries. No fines in the social or economic area exceeding R\$ 50,000 were imposed by the consumer protection service in 2019, excluding the Bradesco Seguros Group. Fines paid by the Insurance Group to the consumer protection service, SUSEP, ANS and GEFIN amounted to a total of R\$ 28.5 million. **GRI 419-1 | SASB FN-MF-270A.3**

SIGNIFICANT FINES – ECONOMIC AND SOCIAL AREA (R\$) GRI 419-1 | SASB FN-CF-270A.5

		2017	2018	2019
Fines paid in the year	Insurance products and services	40,137,719.37	33,972,990.264	28,543,236.19
	Banking products and services <sup>1</sup>	681,987.95	93,978.975	0
<b>Total</b>		<b>40,819,707.32</b>	<b>34,066,969.23</b>	<b>28,543,236.19</b>

1. Fines exceeding R\$ 50,000, excluding fines imposed on the Bradesco Seguros Group, paid up to December 30, 2019.



## relations with industry associations

GRI 102-13

Through our relations with trade associations, we strengthen our role as agents of change and catalysts of social and economic development. We work in partnership with trade associations that allow us to interact with different audiences and gain insights about the financial services industry, as well as participate in the development of self-regulation policies and joint initiatives with other institutions to positively influence society.

The associations we choose to be a member of are aligned with our values, helping to strengthen our ethics culture; build trust, respect and solidarity in all internal and external relations; prevent and manage conflicts of interests; and protect the Bank's reputation and brand.

In 2019, our total financial contributions to trade associations amounted to R\$ 54,689,244.13, an increase of 26% compared to our contributions in 2018, demonstrating our commitment to creating

value for society through coordinated and shared efforts.

Our most significant contributions to industry associations in 2019 are detailed below:

> **Brazilian Federation of Banks (FEBRABAN): R\$ 43,259,488.87**

The primary organization representing the banking industry in Brazil, FEBRABAN is committed to strengthening the financial system and its relations with society, and supporting sustainable economic and social development in the country.

FEBRABAN represents members in all branches of the government—Executive, Legislative and Judiciary—and organizations representing society, with the mission of developing the regulatory framework, driving continual improvement in services, and reducing levels of risk. It also leads efforts to increase access to financial products and services.

Learn More on <https://portal.febraban.org.br/#>

> **Brazilian Private Health Insurance Federation (FenaSaúde): R\$ 4,188,917.80**

FenaSaúde fosters structured discussion on the primary challenges facing the industry, and helps to strengthen industry advocacy with society and governments. It also represents members in recommending common ideas, proposals and instruments to enhance and improve the sustainability of private healthcare services, and best practices in serving policyholders.

Learn More on <http://fenasaude.org.br/conheca-a-fenasaude/a-federacao/a-fenasaude.html>

> **Brazilian Association of Credit Card and Services Companies (ABECS) R\$ 1,360,116.68**

ABECS has actively supported the sustainable development of the card market since 1971, contributing to strengthen and expand the industry, and representing members before the market, the different branches of government, consumer protection agencies and the general public. It is currently engaged in an effort to intensify the responsible use of electronic payment methods through an education campaign geared both to cardholders and to merchants. It is also active on other fronts, such as publishing monthly card market statistics, implementing the Self-Regulation Code of Ethics and providing financial education for consumers.

Learn More on <https://www.abecs.org.br/#>

> **Brazilian Private Pension and Life Insurance Federation (FenaPrevi): R\$ 1,265,164.13**

FenaPrevi is a nonprofit civil association affiliated with the National Confederation of General Insurance, Private Pension and Life Insurance, Health Insurance

and Premium Bond Companies (CNSEG) that brings together and represents Brazilian-based companies in the private pension and personal insurance segments, helping to strengthen its members' operating segments and contributing to Brazil's economic and social development.

Learn More at <http://fenaprevi.org.br/conheca-a-fenaprevi/a-federacao/o-que-e-a-fenaprevi.html>

> **Brazilian Association of Mortgage and Savings Entities (ABECIP): R\$ 972,439.80.**

As a representative of financial agents, ABECIP's core mission is to monitor the mortgage market in all its aspects; propose and mediate public debate around measures to improve the market, as well as constructive dialog with authorities and stakeholders; and contribute to the development of an institutional environment conducive to the expansion of homeownership and mortgage products in general, fulfilling its role as a catalyst of economic growth, employment opportunities and well-being.

Learn more on <https://www.abecip.org.br/institucional-about-us/a-abecip>

Through our engagement with these associations, we contribute to public policy-making and advocacy. Bradesco's support of public policymaking is aligned with established institutional and/or industry positions.

All relations with industry associations are subject to the oversight of regulatory agencies such as the Central Bank of Brazil, the Private Health Care Agency (ANS), the Brazilian Private Insurance Authority (SUSEP), the Brazilian Securities Commission (CVM) and the US Securities and Exchange Commission (SEC).

We also engage with a variety of non-government organizations (NGOs). This includes participation in working groups and discussion forums led by organizations such as the Global Compact, Ethos Institute, and the Brazilian Group of Institutes, Foundations and Companies (GIFE), as well as support for social and environmental investment initiatives.

Learn more on p. 69.

## CONTRIBUTIONS IN THE LAST 4 YEARS (R\$)

	2016	2017	2018	2019
Lobbying, advocacy or similar activities	0	0	0	0
Local, regional or national political campaigns/candidates	0	0	0	0
Trade associations, chambers of commerce and embassies (total amount) <sup>1</sup>	22,620,223.85	35,908,296.03	43,235,271.22	54,689,244.13
<b>Total contributions and other expenditure</b>	<b>22,620,223.85</b>	<b>35,908,296.03</b>	<b>43,235,271.22</b>	<b>54,689,244.13</b>



# society

GRI 103-2;

103-3; 203-2; FS16

Bradesco works to create positive value for society both through the Fundação Bradesco and across a variety of other fronts. We support the social and economic development of Brazil and its people through an extensive banking network with a presence in all municipalities of Brazil—including branches, service offices (PAs) and banking correspondents (Bradesco Expresso)—and through our various digital and remote service channels, providing millions of people with access to financial services. But we recognize we can do more, and use our expertise in the financial services industry to promote and support education and financial inclusion. In a win-win relationship, our efforts on this front promote the bankarization of an increasing number of people and support the responsible use of money and credit. On our part, we deliver on our commitment to financial sustainability and social responsibility, and strengthen our relations with partners, customers, future customers and the broader community.

A number of different initiatives are focused on education and financial inclusion, from web portals dedicated to the subject, through social media content and lectures with support from our employees, to Bradesco products and solutions

designed to facilitate access to credit. An example of these products is microcredit, an inclusive product for small businesses that gives entrepreneurs a boost by providing funds to purchase goods and equipment or as working capital. In December 2019, our productive microcredit loan portfolio was worth R\$ 135 million, and we have set a target to build an investment portfolio of R\$ 200 million. Bradesco has provided microcredit to a total of 136,000 customers since 2012, with an average ticket of R\$3.5 thousand. **SASB FN-CB-240A.1**

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## Addressing financial education and inclusion: one way we create positive value for the broader society.

On the internet, our Financial Education Portal features educational content organized by subject (Organizing your finances; Learning to save; *EducaKids*, etc.) and other interactive tools. The portal provides sign language translation for the hearing impaired. Another available education channel is the *Saber para Crescer* (Learning to Grow) Facebook blog, which has more than 500,000 followers. In 2018, we also launched our MEI Portal, for people who are or are

looking to become sole proprietors (*read more in the chapter "Innovation"*), and an Investment Portal with educational videos, simulators and information about investment products, providing financial education to investment clients and non-clients. In addition, we have an Asset Management Platform through which we advise our investment clients, provide product information and deliver remote services, assisting clients in making better decisions on how to invest their assets.

Unibrad, our corporate university, recently launched its own web portal, providing any person connected to the Internet with access to articles, news and courses online, such as our personal finances course. In social media, Bradesco publishes a range of videos and clips on the subject, addressing real-world issues with guest economics experts. An example is a series launched in December 2019 called “*Da Sua Conta*”, with Mari Ferreira, a financial education expert. The series can be viewed on IGTV (Instagram) and will feature additional episodes in 2020. In 2019, Unibrad partnered with Saint Paul Business School to publish a free series about personal finances, called *Na Real*, with videos, presentations and podcasts featuring tips, techniques, practical examples and real-world situations, as well as spreadsheets and exercises. The series can be accessed either via a mobile app or on a desktop computer and, after each episode, participants can receive a certificate. The videos in this series have had 166,600 views. View the videos on: [www.serienareal.com.br](http://www.serienareal.com.br)

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## on the web



Our Financial Education Portal,

*Saber para Crescer* (Learning to Grow) blog, MEI Portal and Investment Portal provide advice and financial education for all audiences.

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Unibrad also fosters a culture of prudent money management and responsible credit. Alongside the website, the university offers learning solutions and educational programs for micro-entrepreneurs, public and private school students, residents in low-income communities, indigenous tribes and river-side communities in the Amazon, and other audiences.

For the Bradesco Seguros Group, balancing finances is also essential for quality of life, as financial independence supports well-being and health. This has therefore been selected as one of the four pillars of longevity (finances, well-being, knowledge and harmonious

cohabitation). The Group organizes a variety of initiatives on this topic. In November, a specialized firm held a workshop with employees at our Rio de Janeiro, Curitiba and Alphaville campuses—the workshop in Alphaville was broadcast live to other locations and to employees’ families and friends. On the Business Portal, a web channel for insurance brokers, new features were incorporated for managing business and interaction with clients, including quotes, policies pending renewal, policy queries and other features.

For clients, the Insurance Group portal provides simulators for life insurance, pension plans, auto



*I moved to the Tumbira community and started making home-baked bread, but was unable to standardize bread sizes. With a microcredit loan from Bradesco, I bought equipment that not only solved this problem, but also made bread-making a faster process. The next step will be to set up my bakery and install all the needed machinery.”*

### **Joaquim da Costa Filho**

a baker in the riverside community of Tumbira, on the banks of Rio Negro (river), in the Amazon.

insurance, travel insurance, and other products. With these tools, customers enter their personal details and can find out which products are best suited for their profile. Communication channels are also available to consult specialists about the responsible use of products and services, financial education and responsible consumption. A Policyholder's Manual describes the rules and details of policyholders' health insurance plans, helping them

to use their plans responsibly. Our "Long Live Longevity" portal ([vivaalongevidade.com.br](http://vivaalongevidade.com.br)) also publishes a variety of articles on financial education. Bradesco Vida e Previdência is training BIA (Bradesco Artificial Intelligence) to provide information about private pensions—in which there has been growing interest since the pension reform was passed in 2019—and simulate the best private pension plan for each individual.

**EMPLOYEES: CHAMPIONS FOR FINANCIAL EDUCATION**

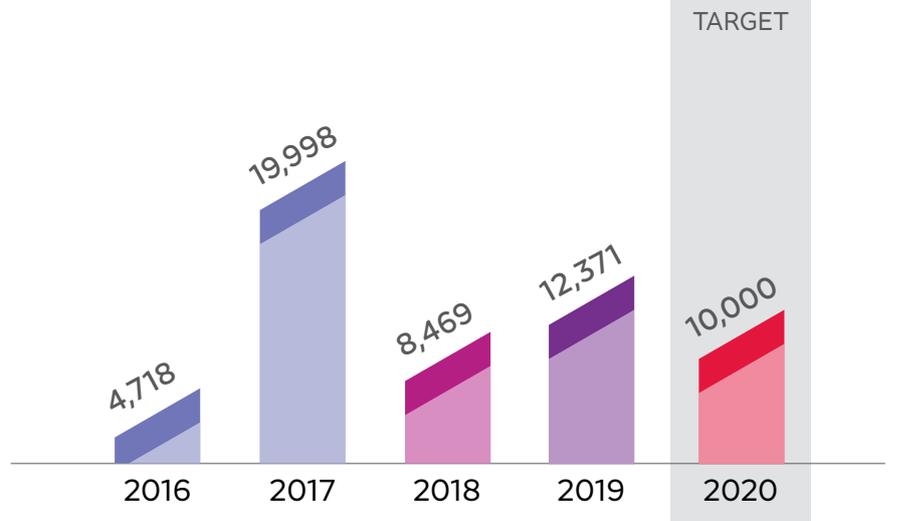
**GRI FS16 | SASB FN-CB-240A.4**

Our employees also take training on financial education. In 2019, a total of 12,371 employees received training, more than our target of training 10,000 employees in the year. As spokespersons for the Organization, they help to disseminate financial education on a daily basis, both at work in their interaction with customers and at home with their families and friends. Employ-

ees also attend events that we organize each year.

Another initiative is our Investment Specialist Training Program, under the responsibility of our Investment Department. The program comprises a set of training courses designed to provide branch managers and Asset Management Platform staff with in-depth knowledge about all our investment products so they can provide better advice to clients.

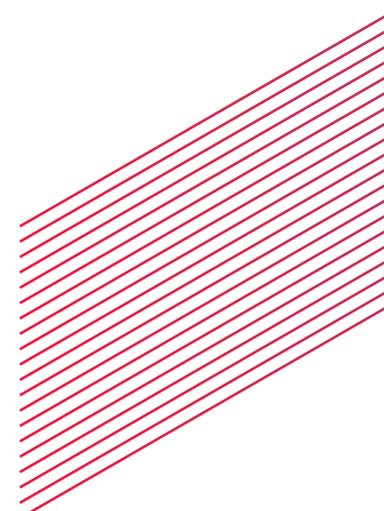
**EMPLOYEES TRAINED IN FINANCIAL EDUCATION COURSES**



Training in the program is also provided to employees at Bradesco's Investment Department, which provides both in-person and remote client service.

Since 2010, we have organized Regional Bradesco Events in underdeveloped locations. These events are open to the general public and include workshops facilitated by the Bradesco Expresso commercial team about responsible borrowing and other products and services, and about managing personal finances. Participants also receive special educational materials. Since 2015, the project has had more than 75,600 participants, including 15,121 participants in 319 meetings in 2019—our target was to organize 320 events for 16,000 people.

Unibrad launched the Unibrad Semear program in 2018, in partnership with the Bradesco's Volunteering Program and social enterprise Carlotas. The goal is to develop community skills in financial education and socio-economic competencies. After reaching 1,050 people in the Rio Pequeno (SP) area in the first edition, in 2019, the initiative was expanded to another municipality in São Paulo State, benefiting approximately 5,000 municipal school students. The project began with training for volunteering employees. Volunteers then trained public school teachers as financial education facilitators for third grade primary school students.



#### CREDIT EVENTS

	2016	2017	2018	2019	Target for 2020
Events	319	312	311	319	320
Participants	13,500	15,917	13,161	15,121	16,000
Average participants per regional event	42	51	42	50	50

## in partnership GRI FS16

We also support external initiatives, such as the SEBRAE-SP Entrepreneurship Fair for micro and small franchise entrepreneurs. In 2019, we participated in the National Financial Education Strategy Week (ENEF Week), an initiative organized by the Brazilian Financial Education Committee (CONEF).

The Bradesco Seguros Group is a member of the Microinsurance Networking group—which promotes insurance services for people living in socio-economically vulnerable communities—and the CNseg Inclusive Insurance Commission.



## financial inclusion

GRI 103-2; 103-3; 203-2;  
FS6; FS7; FS16

Bradesco's portfolio features products and services that support financial inclusion. Some of our products are exclusively for small- and medium-sized enterprises within Local Productive Arrangements (APLs)—groups of businesses and projects within a given area that specialize in the same production activity and have some form of integration and governance. Bradesco is the only private organization in the financial services industry to participate in working groups for APLs as part of a Federal Government initiative. Our activities cover 423 APLs, serving more than 47,000 companies in 57 industries, in 1,543 Brazilian municipalities. Bradesco's participation in the movement led to an agreement with the World Bank's International Finance Corporation (IFC) and a syndicate of international banks to offer a financing package exclusively to these businesses. In 2018, Bradesco raised a three-year US\$ 300 million financing package from the IFC with a maturity of three years. We also offer other products such as stock replenishment loans and microcredit.

In addition, Bradesco offers products that generate benefits for the environment and society, such as card rewards programs that allow customers to donate redeemed points to social programs, and fixed and variable income investment products incorporating environmental attributes (read more in Sustainability – Solutions with social and environmental benefits).

Other examples include our university accounts, which can be opened without proof of income and provide exclusive products and services; *Click Conta Bradesco*, a product designed for young customers aged up to 17 years to manage their monthly allowances or other amounts while receiving advice from Bradesco on how to manage their finances from an early age; and sole proprietor accounts, which are 100% digital and provide exclusive benefits for micro-entrepreneurs. One of the ways we support financial inclusion and bankarization is through an agreement with the leading mobile telecommunications operators in Brazil under which users can access the Bradesco app without being charged from their mobile data package.

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Bradesco is the only private organization in the financial services industry to participate in working groups for APLs as part of a Federal Government initiative.

We also offer cards for retirees and pensioners that can be used to pay expenses by direct debit. In 2019, we issued approximately 2.3 million cards. Retirees and pensioners have access to a wide range of services, including pension-deducted loans at special rates and repayment periods of up to 72 months, and credit cards with special benefits for installment-paid purchases. Businesses have access to different services according to their needs and revenues, with different solutions that streamline day-to-day business.

Our Insurance Group supports a number of indirect jobs in services linked to our portfolio, such as

mechanics and inspectors. Bradesco Auto/RE has more than 20,000 registered auto repair and service centers, adding to its current service network of more than 1,600 shops.

The Group's activities also help boost local economies. The Bradesco Seguros Group offers a variety of products supporting inclusion and financial education. For example, a number of private pension plans are available that require minimal monthly investment and encourage customers to use money responsibly and plan for the future. Life insurance, of which there are multiple options available, is another way of raising customer awareness on the

importance of financially protecting their families in difficult times. Life insurance for micro- and small-sized enterprises is also available at affordable rates. Bradesco Saúde offers an insurance product for businesses starting at three lives. The product offers an optimal combination of availability, quality and efficiency at competitive costs. Another option is Losango Personal

Protection Microinsurance, which includes coverage for involuntary unemployment, permanent disability due to injury and accidental death.

The Group also offers an auto insurance product for individual and corporate customers, called Seguro Auto Light, which provides all the covers and benefits of conventional insurance at more

affordable costs, and is the first Bradesco Auto/RE product with 100% digital paperwork.

Bradesco Vida e Previdência ensures that insurance premiums never exceed 4% of the income declared by customers with an income equal to or greater than one minimum wage, or customers who have large amounts of debt.

#### DISBURSEMENTS IN THE CROP YEAR<sup>1</sup> – R\$ MILLION GRI 203-2

Source	2013/14	2014/15	2015/16	2016/17	2017/18	2018/19	Total – six years
Agricultural loans provided by Bradesco	13,657	11,908	8,757	10,255	12,281	9,224	66,081
Agricultural loans provided by the market	135,845	126,068	136,099	132,456	138,077	136,251	804,796
Gross agricultural production value	442,073	476,797	523,491	539,046	559,304	608,628	3,149,339
Ratio of lending/gross production value	31%	26%	26%	25%	25%	22%	26%
Estimated production value created from Bradesco loans	44,442	45,036	33,682	41,734	49,745	41,204	255,843
Bradesco multiplier (production value created for each Bradesco-lent Real)	3.25	3.78	3.85	4.07	4.05	4.47	3.87

1. Crop year: July to June.



*When we were offered the opportunity to implement Bradesco Expresso at our inn and restaurant, I initially thought it wouldn't work. But the technicians were very helpful and I quickly adapted to working as a banking correspondent. Bradesco Expresso has really boosted the local economy. Shop owners no longer need to go to town to purchase goods, nor pensioners to receive their benefits. Tourists are also using the services and now spend more money within the community."*

**Roberto Brito**

a tourism entrepreneur in the riverside community of Tumbira, on the banks of Rio Negro (river), in the Amazon.

## BEING WHERE THE CUSTOMER IS

### GRI 203-2; FS16 | SASB FN-CB-240A.2

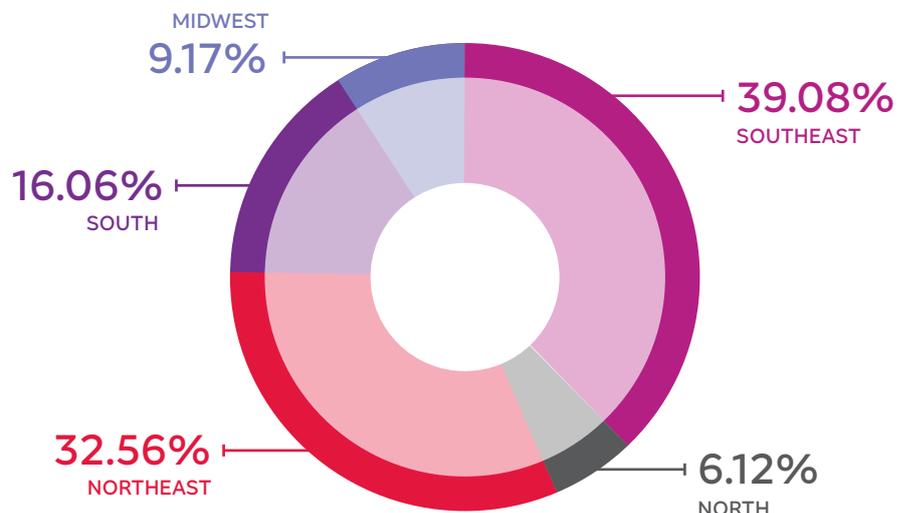
In addition to products, we also provide solutions that make it easier for people to access banking and credit. Our Bradesco Expresso and service point (PA) network provides a banking presence in municipalities with a limited offering of banking products and services, including 1,461 municipalities without any other bank available. We ended 2019 with 1,456 PAs and 2,998 active Bradesco Expresso points.

There are ongoing efforts to identify locations and regions with latent demand and to monitor movements by other institutions (branches being open and closed). Agreements with municipal governments and corporations to handle payroll are also a part of our strategy.

We continue to operate our floating branch aboard the *Voyager V*, which travels on the Rio Solimões (river) between Manaus and Tabatinga, in Amazonas. The touring branch makes life easier for approximately 250,000 people—mostly indigenous—living in remote areas in northern Brazil, who previously had to go to larger cities to withdraw cash and for other banking business. Our floating branch also helps to boost the local economies of these 50 riverside communities and 11 municipalities.

Bradesco is also present in remote communities in the Amazon within protected areas. This initiative is part of a partnership with Fundação Amazonas Sustentável (FAS) and reaches more than 4,000 people. Unibrad has implemented financial education and entrepreneurship initiatives in 397 communities, benefiting 2,400 people in 2019.

## DISTRIBUTION OF THE BRADESCO EXPRESSO NETWORK, BY GEOGRAPHY (%)





# civic engagement and philanthropy

GRI 203-2

Bradesco also develops and supports projects that promote education, culture, sports, health, social development and environmental

preservation. Below are some of our key areas of action and highlights in 2019:



Students at Bradesco Foundation - Unit II (Osasco-SP)

More than

# 90,000

students are benefited by the Fundação Bradesco.

## Fundação Bradesco

More than six decades ago, our belief in the transformational power of education led us to undertake a commitment to Brazil. In 1956 we founded the Fundação Bradesco, which provides free, high-quality education to children, teenagers and young adults in socially vulnerable areas. The

brainchild of Bradesco's founder, Amador Aguiar, the Fundação Bradesco was one of the first private social responsibility programs in Brazil and today is the largest social and educational program in the country, recognized globally for its consistent track record of results.

With a mission of promoting social inclusion through education and championing educational best practices, the Fundação Bradesco manages 40 schools that help to better the lives of 90,000 students, of which 90% are from the local communities surrounding the schools. The remaining 10%

are Bradesco employees or their children. Fundação Bradesco schools are present in all states of Brazil and the Federal District. The Foundation works across the education spectrum including early childhood, primary and secondary education as well as associate-level professional education. It also provides young adult education and initial and continuing education, with courses that support employability, income opportunities and entrepreneurship in our communities. Currently, most students are in Basic Education (46%) and Initial and Continuing Adult Education (48.9%). Among students attending Early Childhood and Primary Education, the average grade-passing rate is 96%.

In addition to education, we also provide accommodation, food, uniforms and other assistance to students. Headquartered at the Cidade de Deus Campus in Osasco (SP), the Fundação Bradesco employs more than 3,000 people—including 1,500 teachers.



Fundação Bradesco students - Bodoquena Unit - MS

## #TransformationThruEducation

In 2019, we ran a broadcast TV and social media campaign, themed #TransformationThruEducation, to showcase the social impact that the Fundação Bradesco has had on society.

More than  
**1,500**  
teachers working at the  
Fundação Bradesco.

## 2019 HIGHLIGHTS

Total Foundation investment in 2019 was R\$ 666.4 million. Part of the funds was invested in infrastructure and educational technology.

Educational transformation was established as a priority. In a new approach to teaching, students, teachers and staff use agile and modern methodologies focused on efficiency and engage the staff in improving the quality of education.

In October, a renovation of the accommodations at the school in Bodoquena (MS) was completed. Throughout the renovations, students were involved in discussions about their needs and previous ex-

periences. The modernization project included the dormitories, TV room and central squares.

The Foundation has also carried out other projects and initiatives through collaborations. In 2019, we partnered with Futura, a broadcast TV channel, to produce a series called *Futura Responde*, in which teachers, instructors and coordinators from around Brazil submit questions to be answered by leading researchers and experts in different fields.



**LEARN MORE**  
at [fundacao.bradesco](http://fundacao.bradesco)

## escol@ virtual

Our Virtual School ([ev.org.br](http://ev.org.br)) has provided a way for the Fundação Bradesco to reach out beyond our classrooms and further expand the number of people benefited. The platform offers more than 90 online

courses in Business Administration, Accounting & Finance, Information Technology, Education, and Personal & Professional Development. In 2019, more than 1.1 million students completed at least one of the distance learning courses available on the e-learning portal.

### FUNDAÇÃO BRADESCO AT A GLANCE



More than  
**R\$ 666 million**  
invested in 2019



More than  
**90,000**  
students enrolled

**More than 1.1 million**  
students attending Escol@ Virtual

**40 schools**  
throughout Brazil



*I studied at the Fundação Bradesco from age 5 to 17. Throughout my time there, the school was more than a learning environment—it was a second home. I made friends that I still have today, I had teachers who encouraged me and who I admire. I received not only an education, but also values that have stuck with me for life. My greatest desire is that my daughter, like me, can receive her education at the foundation, an institution that gave me support and made me the professional I am today at Bradesco.”*

**Thainá Vargas Martins**  
a former Fundação Bradesco student and  
currently an employee of Bradesco



*The Fundação Bradesco is creating new curriculum pathways with new combinations of knowledge, soft skills and digital civic engagement. Our students will have up-to-date knowledge and be prepared to lead in their communities, within their groups, and wherever they go, anywhere in the world.”*

**Edson Lanzoni**  
Language Coordinator at the Fundação  
Bradesco



## MEI portal

A pioneering initiative, Bradesco's MEI portal (mei.bradesco) offers a portfolio of financial and non-financial solutions that assist micro-entrepreneurs in their day-to-day business activities. In 2019, a new feature was launched that allows users to open their MEI accounts using the Bradesco app. A MEI account offers bene-

fits that include a tailored service package, business checks, factoring (cards, checks and trade bills) and targeted microcredit. On the platform, users can also access content and services developed by our partners in the initiative.

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The platform (mei.bradesco) was launched in 2018 as a provider of financial and non-financial services for sole proprietorships—including Bradesco customers and non-customers—assisting them in managing their businesses, opening sole proprietorships and developing as entrepreneurs.

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*Bradesco has streamlined the process of formalizing businesses as sole proprietorships through the MEI portal, and MEI bank accounts provide a wealth of benefits and tips that help us better manage and grow the business."*

a photographer and sole proprietor client

### **BRADESCO SPORTS AND EDUCATION PROGRAM:**

With more than 30 years of activities, this program supports the development of children and youth through women's basketball and volleyball. The program promotes health and develops talents at all Fundação Bradesco schools, at municipal sports centers, at state and private schools, and at our Sports Development Center—all in Osasco (SP). Around 1,500 girls aged 8 and up participate in activities annually as part of Training and Specialist Programs. To be eligible to participate, students must be enrolled in school. Participants also receive civic education instruction—including guidance on preventing drug abuse and unwanted pregnancy—and students at Specialist Centers are offered health insurance, transportation, food, an allowance and other benefits.

### **FUNDAÇÃO AMAZONAS SUSTENTÁVEL:**

Bradesco is a partner of Fundação Amazonas Sustentável (FAS), whose mission is to protect the Atlantic Forest while improving the quality of life for communities in the region. In 2019, Bradesco contributed the equivalent to R\$ 3.5 million as part of the partnership.

In a decade of activities, FAS has developed an ecosystem services compensation program that has become a global benchmark for poverty reduction and environmen-

tal preservation in forest areas. The program benefits around 40,000 people in 581 riverside communities located within 16 protected areas, covering a total area the size of Portugal. In 10 years, the average income of people living in these communities rose by 202%, and deforestation fell by 76%. Among the programs currently in place are initiatives to create a sustainably managed supply chain for *pirarucu*, which connects fisherpeople directly to consumers to expand sales opportunities and increase earnings from fish-catch sales. Since

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## Fundação Amazônia Sustentável receives UNESCO Prize

In 2019, FAS was the first organization in South America to be presented with a UNESCO-Japan Prize on Education for Sustainable Development.

Other recognitions in the year included:

- › **Best NGO and Best NGO - North Region awards**, from Instituto Doar and Fundação Getulio Vargas,
- › **Honorable mention** in the Qualidade Amazonas awards.



**202%**  
increase in  
average income among  
residents and communities  
benefited by Fundação  
Amazônia Sustentável.

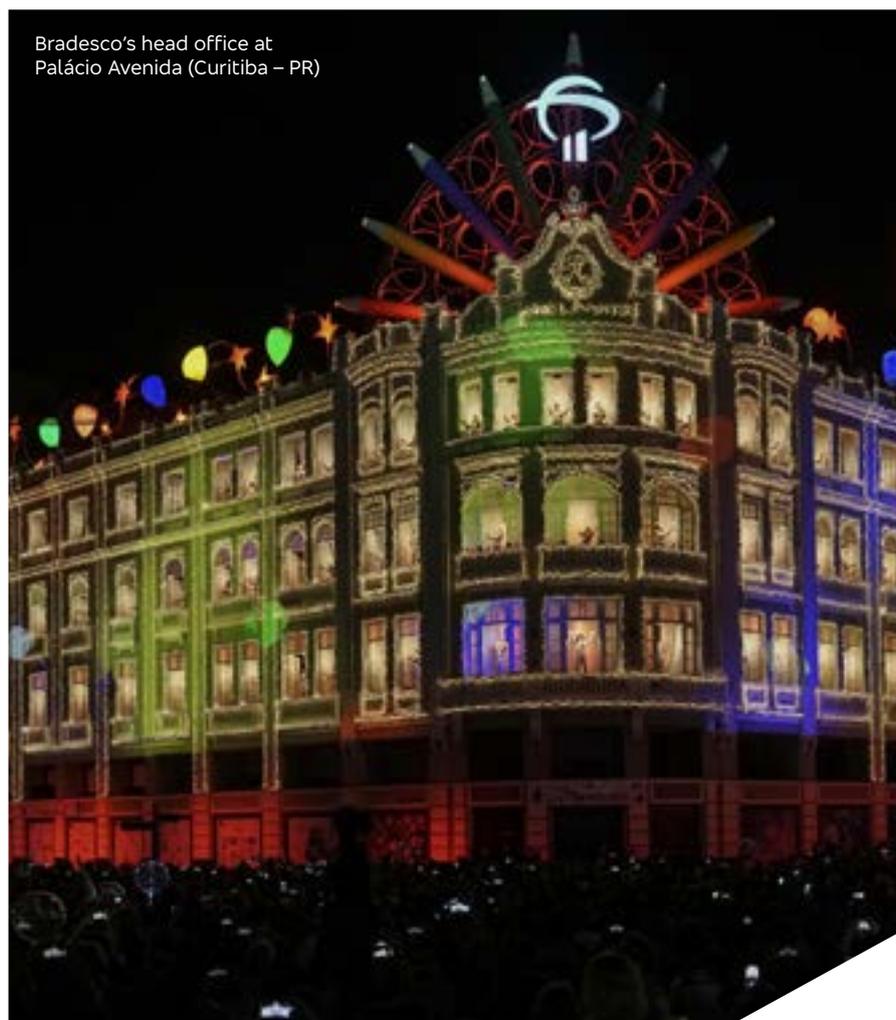
2017, a total of 373 families have participated in the program, with gross incomes of \$2.8 thousand. Another entrepreneurship program has been implemented in the Uacari Sustainable Development Reserve. Six young adults participated in a technical workshop administered by FAS and now operate a startup that in 2019 processed and sold 3 metric tons of andiroba oil, generating revenues of R\$96 thousand that are cascaded to 51 almond collector families in the region. In the Rio Negro Sustainable Development Reserve, two local agents provide microcredit mentorship to local entrepreneurs. On the education front, FAS has been supported by Bradesco in building and maintaining five Sustainability and Conservation Centers, where 410 students from 33 communities currently receive training. Through the Amazônia Edu 2019 platform, the Foundation also organizes immersion courses to train leaders on sustainability. Since 2014, 111 people have attended the courses, including students from all states of Brazil and from other countries.



**Children participating in Bradesco's Education Program** also star in our Christmas Pageant in Curitiba (PR).

### **EDUCATION PROGRAM:**

Bradesco provides free after-school activities to vulnerable children and teenagers in greater Curitiba (PR). The program includes medical and psychological care, as well as musical appreciation, singing and choir lessons for children aged 7 to 12. In 2019, the program benefited 400 children and teenagers at eight children's homes and three public schools. At the end of the year, the children attending musical lessons star in the Bradesco Christmas Pageant through the windows of the historical building *Palácio Avenida*, which houses our head office and a branch in downtown Curitiba (PR).



Bradesco's head office at Palácio Avenida (Curitiba – PR)

### SOS MATA ATLÂNTICA:

Bradesco has been a partner of SOS Mata Atlântica since 1989. In 2019, Bradesco contributed more than R\$ 1.2 million to the organization. Among the initiatives we have implemented in partnership with the organization is native tree planting.

## donations and sponsorship GRI 205-1

Our Corporate Donation Policy, Corporate Sponsorship Policy and Standard on Donations and Sponsorship establish guidelines governing these practices at Bradesco. No donations are made in exchange for favors and/or seemingly as compensation for any type of service. Sponsorship is provided to programs and projects that resonate with our values, including quality, security, society and environmental protection. Sponsorship with the intent to conceal corruption, influence peddling or money laundering—or where the sponsored organization is involved in unlawful acts—is strictly forbidden. The standard and policies are available for reference on our Investor Relations website on: [bradescori.com.br](http://bradescori.com.br).

More than  
R\$ 72  
million

invested (out of both Bradesco-provided and tax-deducted funds) in projects focused on education, culture, sports, the environment and other areas.

### • Social Donation – R\$ 8,045,890.00

In 2019, a number of organizations were benefited by Social Investment. We identified social gaps through internal processes, and supported initiatives benefiting underprivileged communities and addressing priority issues. This included donations of groceries and wheelchairs, maintenance services for organizations supporting the development of beneficiaries, construction of water storage cisterns in the Northeast, and initiatives to protect refugees.

In Education, we invested in higher education programs, library

modernization projects, education grants and reading programs.

In healthcare, investments were made in country-wide projects to improve living conditions for people with disabilities.

The Bradesco Sports and Education Program supports the development of children and young people through women's basketball and volleyball, combining sports, education, health and civic engagement. We also provided financial support to other sporting organizations as an instrument for citizen transformation.

• **Tax-deducted donation**  
**ECA - R\$ 21,717,666.00**

Under the Statute of the Child and Adolescent, in 2019, we supported organizations focused on improving well-being for children with disabilities. This included financial support to purchase equipment to increase muscle strength in children with disabilities; diagnostic services; social and educational initiatives to help children and adolescents develop independence, civic engagement, critical thinking and inclusion in the employment market; production of books for the visually impaired; and efforts to protect integrity, reduce injury and prevent risks in the rehabilitation of beneficiaries.

We also supported projects that aim to strengthen families by identifying threats and providing preventive assistance and psychosocial support and counseling to minors and families experiencing problems with domestic violence, truancy and drug trafficking.

• **ELDERLY - R\$ 21,316,920.00**

Under the Elderly Fund Statute, we invested in infrastructure improvements in outpatient clinics and hospital rooms, expansion of rehabilitation and recreational facilities, home visits from physicians following hospitalization, and adapted vehicles to improve the quality of life for elderly patients.

• **PRONON – R\$ 11,327,883.00**

Within the National Cancer Care Program, our initiatives included research using tools to monitor pediatric patients with solid tumors, expansion of healthcare services, procurement of computerized tomography scanners to support early diagnosis of cancer and subsequent treatment, rehabilitation and recovery.

• **PRONAS – R\$ 9,662,858.05**

Within the National Health Care Program for People with Disabilities, our initiatives included expansion of training in social assistance, occupational therapy, psychology, physiotherapy and speech therapy, and art and sports projects for socially vulnerable children, young people and adults. The goal of the program was to expand the relationship networks of people with disabilities as a way of discovering new talents, opening channels for communication, honing skills and engaging in new social contexts.

## SOCIAL AND ENVIRONMENTAL INVESTMENTS – R\$ MILLION GRI 203-2

### BRADESCO

Projects	2017	2018	2019
Business-School Integration Project	0,918	0,834	
Bradesco Sports (tax-deducted)	11,370	11,726	10,634
Fundação Amazonas Sustentável (FAS)	5,000	4,500	3,500
Fundação SOS Mata Atlântica	4,500	4,500	1,250
Other	0,180	3,896	-
<b>Total</b>	<b>21,968</b>	<b>25,456</b>	<b>15,384</b>

### TAX-DEDUCTED INITIATIVES

Tax incentive laws	2017	2018	2019
Rouanet	77,524	33,927	38,710
Audiovisual	4,474	-	-
Sports	12,486	5,842	8,730
Statute of the Child and Adolescent	20,686	18,213	21,718
PRONON and PRONAS <sup>1</sup>	7,118	14,849	20,991
Elderly	20,643	17,989	21,317
<b>Other</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Total</b>	<b>142,931</b>	<b>90,820</b>	<b>111,466</b>

### INSTITUTIONAL SUPPORT<sup>2</sup>

Bank funds	2017	2018	2019
Donations	21,270	14,009	8,046
Sponsorship	66,618	112,466	74,097
<b>Trade Fairs</b>	<b>2,054</b>	<b>2,442</b>	<b>11,409</b>
<b>Total</b>	<b>89,942</b>	<b>128,917</b>	<b>93,552</b>

### Fundação Bradesco

Amount invested	621,128	606,908	666,382
Bradesco Sports & Education <sup>3</sup>	3,231	2,955	4,888
<b>Total</b>	<b>624,359</b>	<b>609,863</b>	<b>671,270</b>

1. PRONON: National Cancer Care Program. PRONAS: National Health Care Program for People with Disabilities.

2. Donations and sponsorship from our insurance business were included in 2017.

3. Program supported by Fundação Bradesco.

# Bradesco Seguros Group's social initiatives

GRI 203-2

Like Bradesco, it is also a practice at the Bradesco Seguros Group to organize and support programs that create positive value for society, with a focus on initiatives relating to business areas where we see an opportunity to provide an even greater contribution to society.

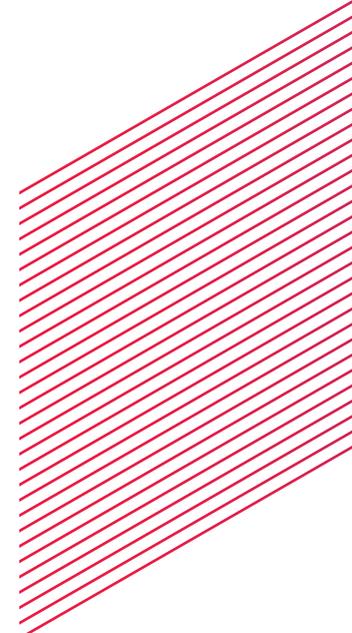
## **BUSINESS-SCHOOL INTEGRATION PROJECT:**

In 2004, Bradesco Seguros launched the Business-School Integration Project (PIEE), working with Fundação Bradesco to assist children in Rio Comprido, Rio de Janeiro. The program has 858 available spots and includes cultural workshops (visual arts, dance, music and drama) and sports activities (soccer, swimming, futsal,

volleyball, basketball and capoeira), as well as social and environmental initiatives. A total of 966 children were benefited throughout 2019. The program also ran a campaign to collect used cooking oil, which was sent to a recycling company to be processed into soap. In exchange, the partner supplies cleaning products that are donated to children and adolescents at a charity—102 children aged 6 to 15 received free



Bradesco Seguros Headquarters  
(Rio de Janeiro – RJ)



products. In 2019, a total of 190 liters of oil were collected. Another environmental education initiative was a cleanup at Afonso Pena Square, in the district of Rio Comprido. Fourteen children helped to collect three bags full of litter. In 2019, PIEE supported and managed the Fundação Bradesco student choir in Rio de Janeiro, organizing weekly rehearsals with 22 children. Their debut performance was held during Christmas at the Insurance Group's Port Corporate building.

#### **LONGEVITY PROGRAM:**

For the Bradesco Seguros Group, longevity is about well-being and continuous learning; it's about having a high-quality social life, feeling useful, and being financially prepared for both the present and the future. The Group's "Long Live Longevity" portal ([vivaalongevidade.com.br](http://vivaalongevidade.com.br)) publishes periodic content with tips, discussions and inspiring stories. In 2019, the portal received more than 1.1 million visits and 3,800 new registered users. A total of 545 content assets have been published. We also sponsored the 2019 edition of the "Long Live Longevity" seminar organized by the newspaper *O Globo*, which discussed the importance of quality of life at all ages. The seminar was broadcast on the Long Live Longevity portal. Nine speakers addressed an audience of more than 600 people. In addition, we organized the seventh edition of the Interna-

tional Longevity Forum, primarily addressing the theme of lifelong learning. We also organized three editions of our Longevity Talks, a compact edition of the Longevity Forum, which generates debate on related topics.

On Elderly Day, which is celebrated on October 1, the Bradesco Seguros Group organized a Longevity Day event with health promotion activities in a busy outdoor area of the City of São Paulo.

Another initiative in the year was our Longevity Circuit, a program of running races and hikes for all ages that encourages people to exercise and improve their health and social life through sports. In the 2018/2019 season, nine cities hosted Longevity Circuit events: Marília (SP), Ribeirão Preto (SP), Recife (PE), São Paulo (SP), Curitiba (PR), Rio de Janeiro (RJ), Salvador (BA), Porto Alegre (RS) and Brasília (DF), with a total of more than 32,000 people participating. Revenue from registrations is donated to social organizations recommended by the hosting municipal governments. Since 2007, we have donated more than R\$ 4 million in registration revenue.

#### **BRADESCO SEGUROS CULTURAL CIRCUIT:**

The Bradesco Seguros Cultural Circuit sponsors drama plays, exhibitions and dance and music performances. The program is advertised on the Bradesco Seguros Group website and on social media. In 2019, 19 performances were staged in 24 cities, including the musicals *The Phantom of the Opera* and *The 70s? The Decade of the Wonderful Divine*. The performances attracted a total audience of 2.5 million people.

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The Bradesco Seguros Group shares our practice of systematically supporting projects that create positive value for society.

# environmental value

As members of the financial services industry, our greatest opportunities to create environmental value arise indirectly through the funding we can provide to our value chain, and especially our customers. As a signatory of the Equator Principles, we take environmental, social and governance (ESG) compliance into account in underwriting loans. The loan underwriting process includes a review of social and environmental risks by a technical team using specialized tools, which generates a social and environmen-

tal rating. We also have products and services that help our clients invest in a way that ensures their activities are increasingly compliant with sustainable production and consumption standards (for a list of products with social and environmental benefits, see the chapter on Sustainability).

In addition, Bradesco recognizes the direct environmental impacts from our activities and our facilities, especially our usage of water, energy and paper and our greenhouse

gas (GHG) emissions, as well as effluents and waste. We have focused our efforts on two major action areas—Eco-efficiency and Climate Change—and continually manage these efforts using an integrated, Organization-wide approach.

Bradesco's Eco-Efficiency Master Plan is our primary source of guidance on environmental management, including guidance on environmental targets, the initiatives to achieve them, and how we will track performance. In the (2016-2018) cycle, we met five of the eight proposed targets. Water savings in the period, for example, reached 556,084 m<sup>3</sup>.

Based on lessons learned during the cycle, we set new goals for 2019, 2020 and 2021, as well as overall targets for the period. Some goals are aligned with the Paris Agreement to keep global temperature rise this century below 2 degrees Celsius above pre-industrial levels.

## SUSTAINABILITY AT OUR HEADQUARTERS

In 2019, we opened three socialization and convenience areas at the Cidade de Deus campus, with a total area of 3,800 m<sup>2</sup>, including seven food courts, five general services areas and a fitness center adjoining the sports complex. A new medical and dental clinic is also being built at our headquarters, with a total area of 3,000 m<sup>2</sup>.

All buildings have been designed to be environmentally sustainable. Steel structures have been used and the natural terrain has been kept intact, reducing both costs and construction waste. The new spaces also feature artificial wood materials made from scrap wood and polymers, which are more durable. Other features include a green roof with automated irrigation systems, toilet flushes supplied with recy-



An electric bus circulating at Bradesco's headquarters campus in Osasco – SP

bled water from the Wastewater Treatment Plant, solar panels used to heat water for the showers at the fitness center, LED lighting and waste segregation.

Air-conditioned electric buses are also available for employees to get around within the campus. The Cidade de Deus Campus has 10 bus stops with tactile flooring, providing accessibility to people with disabilities, as well as highly efficient LED lighting and awnings with UV

protection films. Solar panels provide power to the lighting outlets and USB sockets available at the bus stops—an automatic device activates the lighting only after dark.

Green roofs with automated irrigation, solar panels and highly efficient LED lighting are some of the sustainable features at our headquarters.



A fitness center within the sports complex at Bradesco's headquarters in Osasco - SP

#### ECO-EFFICIENCY MASTER PLAN 2019-2021

	Absolute targets		Results		Absolute targets		Total plan target
	2019	2019	2020	2021	2020	2021	
Water (m <sup>3</sup> )	-2.0%	+9.05%	-2.5%	-2.5%	-2.5%	-2.5%	-6.84%
Electricity – reduce consumption (kWh)	-3.7%	+0.32%	-5.6%	-3.7%	-5.6%	-3.7%	-12.46%
Electricity – clean energy (tCO <sub>2</sub> e) <sup>1</sup>	-0.5%	-0.78%	-4.0%	-7.0%	-4.0%	-7.0%	-11.16%
Printing paper - purchasing and processes (sheets)	-20.0%	-17.6%	-2.98%	-2.98%	-2.98%	-2.98%	-24.47%
Vehicle fleet – Bradesco-owned (liters)	-4.5%	+7.5%	-4.5%	-4.5%	-4.5%	-4.5%	-12.9%
Aircraft fleet – Bradesco-owned (liters)	-	-19%	-6.78%	-6.78%	-6.78%	-6.78%	-13.2%
Taxi transportation (R\$)	-4.2%	+0.6%	-1.12%	-1.12%	-1.12%	-1.12%	-6.53%
Cash-in-transit (R\$)	-0.86%	-0.10%	-0.83%	-0.81%	-0.83%	-0.81%	-2.47%
Air travel (km)	-	-2.5%	-1%	-1%	-1%	-1%	-2.04%

1. Scope 2 emissions in 2018 and emissions avoided by purchasing electricity from alternative sources in the free market in 2019.

## Bradesco Seguros Group's new headquarters

The Bradesco Seguros Group also opened its new headquarters in 2019, in the port area of Rio de Janeiro. Combining state-of-the-art technology with resource efficiency, the building has its own rainwater harvesting system and other green solutions, and is eligible for LEED (Leadership in Energy and Environmental Design) certification for sustainable building design and construction.



## water

GRI 103-2; 103-3; 303-1

Since December 2012, we have monitored monthly water consumption at our facilities throughout Brazil using a software-based system managed by a specialized firm. The raw consumption data shown on facilities' utility bills are used to set specific annual targets.

More than just measuring consumption, we work continuously to identify potential new water efficiency projects and engage our direct and third-party employees around responsible consumption. An example of these efforts is our

Efficiency Campaign, an ongoing initiative at Bradesco that includes communication and education initiatives, such as awareness workshops and training for local facilitators, who then cascade what they have learned at their workplaces.

Bradesco's Eco-Efficiency Master Plan set a target to reduce overall water consumption across the Organization by 2% in 2019

compared with the previous year. As a result of renovations at the Cidade de Deus campus (which created new socialization and convenience spaces) and at other sites throughout the Organization, overall water consumption increased by 9% in the year. Our target for 2020, with the completion of the new water system and enhanced awareness initiatives for employees, is to reduce water consumption by 2.5%.

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Water consumption monitoring throughout Brazil informs annual targets and water efficiency projects.

## WATER CONSUMPTION – ACTUAL VERSUS TARGET GRI 303-1

	2017	2018	2019
Water withdrawal (m <sup>3</sup> )	1,498,936	1,362,556	1,485,835
Reduction target (%)	-2.50%	-2.00%	-2.00%
Actual (%)	-6.01% <sup>1</sup>	-9.09% <sup>1</sup>	9.05%

1. With more available water invoice data, the baseline data for 2017 and 2018 was restated based on estimates of water consumption. The data now also reflects the use of water from a deep cased well at one of our office buildings.

## TOTAL (NEW) WATER WITHDRAWAL BY SOURCE (M<sup>3</sup>) GRI 303-1

	2017	2018	2019
Groundwater	211,144	196,308	181,000
Rainwater	1,786	1,609	1,052
Utility	1,286,006	1,164,639	1,303,782
<b>Total</b>	<b>1,498,936</b>	<b>1,362,556</b>	<b>1,485,835</b>

## RECYCLED AND REUSED WATER GRI 303-1

	2017	2018	2019
Recycled water – reuse (m <sup>3</sup> )	71,045	71,186	72,166
Total water withdrawal (m <sup>3</sup> )	1,498,936	1,362,556	1,485,835
Ratio of recycled and reused water to total water withdrawal	5%	5%	5%
Percentage of recycled and reused water out of total water withdrawal	5%	5%	5%
Percentage of water withdrawal out of total water consumed	95%	95%	95%



# energy

GRI 103-2; 103-3

The tool used to monitor water consumption, which was implemented at year-end 2012, also monitors our monthly electricity consumption by location. We also set segmented annual targets and have a regularly updated ranking of the most efficient units, which is sent to regional officers and office buildings to encourage energy saving initiatives. The energy management process is audited in accordance with ISO 14064 (greenhouse gas emission inventories) and ISO 14001 (environmental management systems). In addition, in 2017, we developed an Energy Efficiency Master Plan with recommendations and guidelines on energy efficien-

cy projects and responsible energy usage. By the end of the second plan cycle (2018-2022), we hope to reduce electricity consumption by 22% from a 2016 baseline of 1,954,374 GJ.

Throughout the year, we invested R\$ 89 million in a set of optimization initiatives, such as LED lighting retrofits at our branches, automation at our office building, and replacement of machinery and equipment with more efficient models.

Our Eco-Efficiency Master Plan set a reduction target of 3.7% for 2019 compared with the prior-year's baseline. Due to weather conditions requiring increased use of air conditioning, we recorded an increase of 0.32% in electricity us-

age. Consumption was also affected by office building renovations in the year and new spaces opened at our headquarters. Despite the expansion in 2019, we have maintained our target of reducing consumption by 5.6% by 2020 and 22% overall by 2022. To achieve this, the original initiatives in the Energy Efficiency Master Plan will be restructured.

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## We invested R\$ 89 million in initiatives to optimize energy consumption in 2019.

We ended 2019 with 3% of our electricity requirement deriving from cleaner sources (such as wind, solar and a small hydro) in the free market. Approximately 89% of our electricity requirement is derived from the National Grid (SIN) and the remaining 8% from conventional sources in the free market. On-site diesel generator sets are used only in the event of an outage. Generator automation analyzes the risk of

human error and resulting environmental impacts.

We are subject to the regulations governing the power sector, including regulations on Medium Voltage Contracts (CUSC and CCER), MP 579 and potential future regulations on the free market and distributed generation. We are also subject to Regulatory Standard No. 414/2010 of the electric power sector regulator, ANEEL.

## ENERGY CONSUMPTION IN THE ORGANIZATION GRI 302-1

	2017	2018	2019
Energy consumption (GJ)	1,928,771.45 <sup>1</sup>	1,869,924.89 <sup>1</sup>	1,875,997.23
Reduction target from the prior-year's baseline (%)	-1.5%	-1.3%	-3.7%
Actual (%)	-1.4%	-3.0%	0.32%

1. The energy consumption figures in our Annual Report 2018 were incorrect and have been restated in this report.

### FLEET MANAGEMENT GRI 302-1

The second cycle of our Eco-Efficiency Master Plan establishes targets for reducing the use of Bradesco's road and air fleets, both of which directly affect the energy consumption and greenhouse gas (GHG) emissions of our operations.

In 2019, gasoline consumption by our vehicle fleet increased by 11.8% (in GJ) compared to the previous year, while ethanol consumption decreased by 0.04% (in GJ). Absolute vehicle consumption (in GJ) rose by approximately 8.15% due to increased Board of Executive Officers activities. Although no target had been set for 2019, fuel combustion by our aircraft fleet (jet fuel) decreased by 19% compared to 2018. Our target for 2020 is to reduce vehicle and aircraft fuel consumption (in liters) by respectively 4.5% and 6.78%.

For both our vehicle and aircraft fleets, we ensure the fuel we

purchase is high quality and perform all required maintenance at OEM-approved facilities. These practices help to improve performance and fuel efficiency. In 2019, we renovated our fleet, which now includes three hybrid electric vehicles. For our air fleet, we purchased a new, more fuel-efficient model that will begin operating in 2020.

We have also set targets for reducing expenses on cash-in-transit, taxi and air travel. In 2019, we achieved the following reductions:

- **+0.1%** in cash-in-transit costs compared to a reduction target of 0.86%;
- **+0.7%** in taxi expenses compared to a reduction target of 4.2%;
- **-12%** in the number of commercial flights taken by executives and employees compared to the previous year. No target had been established for this type of air travel in 2019.

### MOVE CARONAS GRI 201-1

Launched in February 2019, *Move Caronas* is a secure ridesharing platform that connects employees looking to share a ride when commuting to and from the Cidade de Deus Campus. The platform is part of the *Bradesco Mobilidade* (ridesharing) program and has been implemented with support from our inovabra ecosystem. The platform has been designed to improve employee mobility and reduce the flow of vehicles at our headquarters. With fewer vehicles on the streets, it also helps to indirectly reduce resulting GHG emissions. In 11 months, the program reached 111,200 rideshares and 890,000 km covered, avoiding 160.2 tCO<sub>2</sub> in emissions.

Our ridesharing program reached 111,000 rideshares and avoided 160 metric tons of CO<sub>2</sub>.

## TOTAL ENERGY CONSUMED, BY SOURCE (GJ)

	2017 <sup>1</sup>	2018	2019
Nonrenewable fuels	16,338.56	30,517.62	27,766.77
Renewable fuels <sup>2</sup>	2,337.17	2,339.35	2,335.13
Energy (electricity) consumed	1,928,771.45	1,869,924.89	1,875,977.23
<b>Total</b>	<b>1,947,447.18</b>	<b>1,902,781.86</b>	<b>1,906,099.13</b>

1. Total energy consumption figures have been revised to reflect the combustion of nonrenewable fuels by Bradesco's vehicle fleet.

2. The calculation methodology has been corrected in relation to the previous report.

## ENERGY CONSUMPTION IN THE ORGANIZATION<sup>1</sup> (GJ) GRI 302-1

	2017 <sup>2</sup>	2018	2019
<b>Nonrenewable sources (vehicle fleet)<sup>1</sup></b>			
Gasoline	9,017.95	7,567.15	8,472.1
Diesel	131.84	50.92	69.36
Air (aviation fuel)	7,188.77	8,681.42	7,004.46
Generators – diesel <sup>3</sup>	Not available	14,218.13	12,220.85
<b>Total energy from nonrenewable sources</b>	<b>16,338.56</b>	<b>30,517.62</b>	<b>27,766.77</b>
<b>Fuel consumption – renewable (GJ)<sup>4</sup></b>			
Ethanol	2,337.17	2,339.35	2,335.13
<b>Total energy from renewable sources</b>	<b>2,337.17</b>	<b>2,339.35</b>	<b>2,335.13</b>
<b>Electricity consumed</b>			
National Grid (SIN)	1,928,653.01	1,869,827.33	1,864,817.04
Distributed generation (photovoltaic solar panels) <sup>5</sup>	118.44	97.56	34.56
Free Contracting Environment	-	-	11,145.63
<b>Total electricity consumed</b>	<b>1,928,771.45</b>	<b>1,869,924.89</b>	<b>1,875,997.23</b>
<b>Total energy consumed</b>	<b>1,947,447.18</b>	<b>1,902,781.86</b>	<b>1,906,099.13</b>

1. Historical figures converted to GJ (conversion factor: 1 GJ = 277.777 kWh – Source: Brazilian GHG Protocol Program). Conversion factors used: automotive gasoline (pure), 0.0323 GJ/liter; diesel oil (pure), 0.0355 GJ/liter; aviation fuel, 0.0348 GJ/liter; hydrous ethanol, 0.0213 GJ/liter (source: Brazilian GHG Protocol Program – Calculation tool, v2018, 1.4, and BEN 2018, year 2017).

2. Energy consumption related to the combustion of nonrenewable fuels by the Bank's fleets has also been taken into account for 2017.

3. The total amount of diesel fuel consumed by power generators across all office buildings and branches.

4. The calculation methodology has been corrected in relation to the previous report.

5. Solar energy generated by photovoltaic panels installed at two branches.



# emissions

GRI 103-2; 103-3

Bradesco has compiled greenhouse gas (GHG) emission inventories since 2006 and was the first bank in Brazil to publish its emissions (scopes 1, 2 and 3). Two years later, in 2008, we were among the founders of the GHG Protocol Brazil Program and began reporting emissions in accordance with the protocol that same year.

Our annual inventory is published in the Public Emissions Register and is audited by an independent third party accredited by the Brazilian Institute for Metrology, Quality and Technology (INMETRO). Good practices have ensured our conformity to ISO 14064, a standard on greenhouse emissions reporting, and have earned us the Gold certification within the GHG Protocol Brazil. **GRI 201-2**

Our emission calculations include CO<sub>2</sub> (carbon dioxide); CH<sub>4</sub> (methane); N<sub>2</sub>O (nitrous oxide); HFCs (hydrofluorocarbons); PFCs (perfluorocarbons); SF<sub>6</sub> (sulfur hexafluoride); and NF<sub>3</sub> (nitrogen trifluoride).

The data is compiled and analyzed on a quarterly basis so that reduction targets can be promptly set, emission offset projects can be timely planned and any needed adjustments to strategies and measures can be promptly made.

In addition to targets for achieving electricity savings and fuel savings in our vehicle and aircraft fleets, and reducing taxi travel, commercial flights and cash-in-carry mileage, which affect our

performance in indirect emissions, we have also set specific targets for reducing scope 1, 2 and 3 emissions from a 2018 baseline (see the tables below).

In 2019, our direct emissions (scope 1) were 10,333.76 tCO<sub>2</sub>eq. Indirect scope 2 emissions were 38,346.97 tCO<sub>2</sub>eq, while indirect scope 3 emissions stood at 189,157.96 tCO<sub>2</sub>eq. We also monitor our emission intensity per unit of revenue (R\$ million), per unit of book net income (R\$ million) and per capita (per employee). In 2019, our emission intensity was 2.44 tCO<sub>2</sub>eq per capita. **GRI 305-1; 305-2; 305-3; 305-4; 305-5**

## DIRECT GREENHOUSE EMISSIONS (SCOPE 1) (tCO<sub>2</sub> EQUIVALENT)

**GRI 305-1**

Scope 1 <sup>1</sup>	2017	2018	2019
Production of electricity, heat or steam	944.12	844.81	765.97
Transportation of materials, products, waste, employees and passengers	1,054.09	1,046.51	973.40
Fugitive emissions	6,036.73	11,700.52	8,594.39
<b>Total gross CO<sub>2</sub> emissions</b>	<b>8,034.94</b>	<b>13,591.84</b>	<b>10,333.76</b>

## Biogenic CO<sub>2</sub> emissions (t)

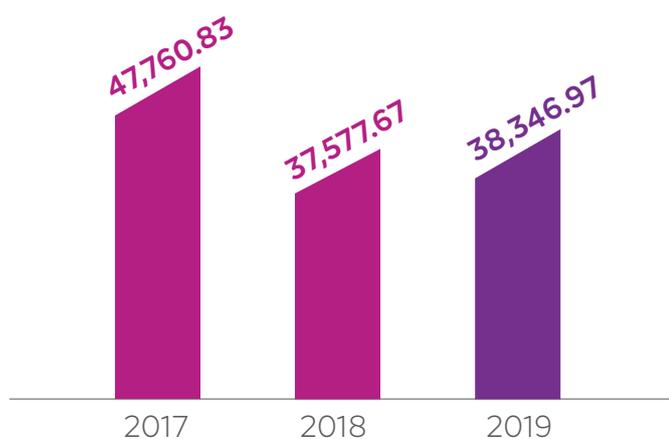
Production of electricity, heat or steam	72.45	72.68	79.89
Transportation of materials, products, waste, employees and passengers	270.09	256.76	268.32
<b>Total biogenic CO<sub>2</sub> emissions</b>	<b>342.54</b>	<b>329.43</b>	<b>348.22</b>

1. Since 2015 the calculation has excluded emission sources related to the combustion of LPG and natural gas for cooking (0.02% and 0.04% of scope 1 emissions in 2011), fugitive emissions from recharging fire extinguishers (0.89% of scope 1 emissions 2014) and emissions from composting organic waste at Cidade de Deus (0.36% of scope 1 emissions in 2014) as these emissions are less than the uncertainty in the GHG inventory.

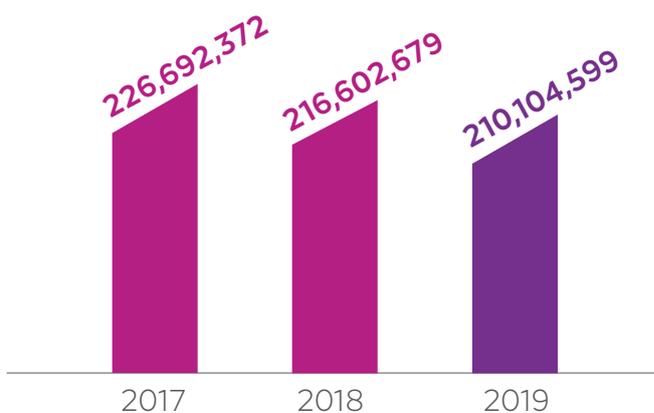
## GHG EMISSIONS (SCOPE 1) – TARGET VERSUS ACTUAL REDUCTION

Year	Emissions scope 1 (tCO <sub>2</sub> e)	Reduction target from a prior-year baseline (%)	Reduction from previous year (%)	Reduction from baseline (%)
2016	6,350.89	-18.80%	34.87%	34.87%
2017	8,034.94	-1.00%	26.52%	70.63%
2018 (baseline)	13,591.84	-1%	69.16%	188.63%
2019	10,333.76	-0.13%	-23.98%	-23.98%

## INDIRECT (SCOPE 2) GHG EMISSIONS (tCO<sub>2</sub> EQUIVALENT) GRI 305-2



## TOTAL DISTANCE TRAVELED<sup>1</sup> BUSINESS TRAVEL BY AIR, BUS CAR, OTHER FORMS OF TRANSPORTATION (km) GRI 305-2



1. Includes 100% of distance traveled data.

## GHG EMISSIONS (SCOPE 2) – TARGET VERSUS ACTUAL REDUCTION

Year	Emission scope 2 (tCO <sub>2</sub> e)	Reduction target from a prior-year baseline (%)	Reduction from previous year (%)	Reduction from baseline (%)
2016	44,707.68	-4.70%	-23.90%	-23.90%
2017	47,760.83	-4.70%	6.83%	-18.71%
2018 (baseline)	37,577.67	-4.70%	-21.32%	-36.04%
2019	38,346.97	-4.29%	2%	2%

## OTHER INDIRECT (SCOPE 3) GHG EMISSIONS (tCO<sub>2</sub> EQUIVALENT) GRI 305-3

Scope 3	2017	2018	2019
Transportation and distribution (third-party fleet – upstream) <sup>1</sup>	60,131.65	49,813.48	63,088.79
Waste generated in operations	9,827.48	6,450.37	5,234.02
Business travel <sup>2</sup>	26,362.31	23,532.02	21,330.55
Employee commuting	92,492.24	94,022.86	99,504.60
<b>Total</b>	<b>188,813.69</b>	<b>173,818.73</b>	<b>189,157.96</b>

### Biogenic CO<sub>2</sub> emissions (t)

Transportation and distribution (third-party fleet – upstream)	12,361.98	5,664.39	7,988.93
Business travel	2,274.04	3,407.78	3,065.69
Employee commuting	19,938.94	21,326.13	22,623.14
<b>Total</b>	<b>34,574.96</b>	<b>30,398.30</b>	<b>33,677.76</b>

1. Transportation and distribution (upstream) includes: cash-in-transit services; medevac transportation (Bradesco Seguros); mailbag transportation; and cargo transportation.

2. Business travel includes: air travel by employees; reimbursement for mileage; and taxi rides.

## GHG EMISSIONS (SCOPE 3) – TARGET VERSUS ACTUAL REDUCTION

Year	Emissions scope 3 (tCO <sub>2</sub> e)	Reduction target from a prior-year baseline (%)	Reduction from previous year (%)
2016	149,380.91	-1.57%	-3.06%
2017	188,813.69	-1.57%	26.40%
2018 (baseline)	173,818.74	-1.57%	-7.94%
2019	189,157.96	-0.15%	8.82%

## GHG EMISSIONS INTENSITY (tCO<sub>2</sub>e) GRI 305-4

Scopes 1, 2 and 3	2017	2018	2019
By revenue (R\$ million)	0.448	0.97	1.03
By book net income (R\$ million)	8.110	11.79	10.53
Per capita (employees)	0.846	2.30	2.44

## GHG EMISSIONS REDUCED AS A DIRECT RESULT OF REDUCTION INITIATIVES (tCO<sub>2</sub>e) GRI 305-5

	2017	2018	2019
Reduction of direct emissions (Scope 1)	-	-	3,106.13
Reduction of indirect emissions from purchased electricity (Scope 2)	-	10,183.16	294.76
Reduction of other indirect (Scope 3) GHG emissions	-	14,994.96	1,577.07
<b>Total reduction of GHG emissions</b>	<b>-</b>	<b>25,178.12</b>	<b>10,252.55</b>



## paper usage

GRI 103-2; 103-3; 301-1

Our Eco-Efficiency Master Plan includes a commitment on reducing paper usage for printing throughout Bradesco—our target for 2019 was to reduce consumption by 20%. We successfully reduced paper usage by 17.6% in the period, reflecting a number of initiatives that have been in place for several years and that were intensified throughout 2019. Examples of these initiatives include self-enveloping credit card bills, eliminating the use of envelopes, and 100% digital invoices for expenses below a given threshold. Digital invoices reduce not only paper usage, but also GHG emissions from transporting these documents by post. We have also

reduced the number of printed documents sent to customers, such as credit card rules, which can now be read online. A number of newly introduced products, such as loans and financing, now have fully digital journeys—contracts are signed digitally, avoiding the need for customers to go to one of our branches, which means indirect emissions are also positively affected.

360° tours of our branches are another initiative implemented with

support from our inovabra ecosystem, helping to reduce paper usage. The platform has been used by Bradesco's Facilities Management Department in the oversight and inspection of branch renovation projects. Previously, technical project reports, which included images, could be as many as 70 pages long. The initiative has also improved efficiency and quality.

In relation to other materials, the Standardization area within the Facilities Management Department is responsible for exploring sustainable raw materials that can minimize impacts on the environment. Some of the practices that have been adopted include: purchasing only FSC-certified decorative laminates and furniture; using visual communication materials made of PVC, metal or glass (recyclable); and using only metallic perimeter fencing (reusable).

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Paper usage was reduced by 17.6% in 2019 as a result of several optimization initiatives.

### **ZERO PAPER AT THE BRADESCO SEGUROS GROUP GRI 201-2**

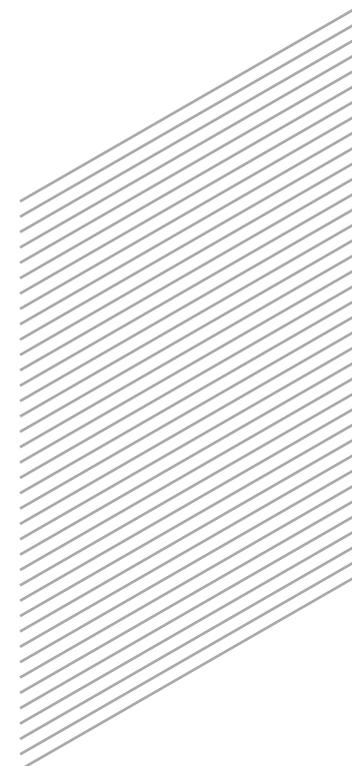
The Bradesco Seguros Group has also performed well on our commitment to reduce paper usage. A Zero Paper program has been implemented to engage all employees at Bradesco Seguros around our paper reduction targets. In 2019, printing volumes requested by employees at the Organization

and Projects Department—which is responsible for stationary, printing and postage—declined by 33% compared to the volumes requested in the previous year.

At Bradesco Vida e Previdência, product contracting and portability journeys are now 100% digital, reducing printed proposal volumes by approximately 32% in 2019 compared to 2018. The

introduction of new features on the app and website have reduced the requirement to send printed documents (statements and certificates, for example) to Bradesco Vida e Previdência customers. In 2019, mailing volumes declined by 14% compared to the previous year. In 2019, the Premium Bonds business introduced the option to redeem premium bonds via our Fone Fácil channel. To protect transaction security, customers are requested to provide their electronic signature and a positive ID. At Bradesco Saúde, increas-

ing numbers of customers have opted into digital services, such as requesting reimbursements via our app and website, and sending digital statements and network provider lists via web. The technical department at Bradesco Saúde has also discontinued the use of printed reports. At Bradesco Seguros, insurance policies are now available on the Vida portal, which is hosted on the Bradesco Seguros website, and cancellations can be requested via the customer service desk without customers having to go to a branch.



#### MATERIALS USED BY WEIGHT OR VOLUME <sup>1</sup> GRI 301-1

Managing department	Absolute targets	Results	Volume or weight used		
	Material <sup>2</sup>	Unit of measure (weight or volume)	2017	2018	2019
Facilities management <sup>3</sup>	Paper	Metric ton	2,906.9	2,556.5	2,272.3
	Certified wood (pencils)	Kilogram	434	352	302.95
	MDP (furniture)	Square meter	unavailable	1,720	unavailable
	Polyethylene (waste bin)	Units	unavailable	8,853	6,325
	Plant vases	Units	unavailable	718	827
Cards	PVC	Metric ton	157.0	164.0	225.56
	Recycled PET	Kilogram	47	49	30.2
	Paper	Metric ton	1,890.0	1,969.0	1,518.45
	Metal	Metric ton	unavailable	unavailable	0.0532

1. The data shown is for Bradesco and our affiliates, including the Bradesco Seguros Group.

2. All materials are renewable except PVC (reported by Bradesco Cartões) and plastic (reported by Bradesco Seguros Auto).

3. Data on polyethylene waste bins and plant vases began to be compiled in 2018 through the Works Procurement function at the Facilities Management Department. Data on recycled PET and PVC materials is no longer measurable due to changes in the internal methodology used at the Facilities Management Department; outsourced companies now purchase these materials during construction/maintenance work, which prevents the material from being accurately measured. Data on MDF furniture was initially monitored in 2018, but in 2019 furniture management was outsourced to third-party suppliers, preventing accurate measurement. In 2020, plant vase data will no longer be available as these materials will also be placed under the responsibility of third-party companies.



# effluents and waste

GRI 103-2; 103-3

After restructuring our Corporate Solid Waste and IT Waste Management Plan, we have been able to inventory and manage most of the waste materials generated at Bradesco. With a focus on process optimization, we had set a target of reducing organic waste by 2%, and achieved a reduction of 19% in 2019. The biggest contributor to meeting the target was the implementation of waste segregation at 36 office buildings—for other office buildings, no suppliers were identified that could meet our requirements. As an offset, we expanded waste segregation to 524 branches in Greater São Paulo. The process is currently in progress and should be completed in 2020.

At the Cidade de Deus campus, dry leaves and twigs that are raked up from beneath approximately 4,300 trees across an area of 115,000 m<sup>2</sup> at our headquarters, are shredded

and used as fertilizer, avoiding the need for disposal in a landfill. Grass cuttings are also mulched into fertilizer. Dry leaves and twigs are similarly used as fertilizer at the Núcleo Campus, with its roughly 110,000 m<sup>2</sup> of grounds and more than 3,200 cataloged trees. At both campuses, an average of 7,200 metric tons of rakings is shredded each month.

In relation to effluents, all sludge collected at the Sewage Treatment Plant at the Cidade de Deus campus is sent for composting and subsequently used to produce fertilizers. Part of the treated sewage is re-used in cooling towers, for irrigation and for toilet flushing.

## RECYCLING INITIATIVES AT THE BRADESCO SEGUROS GROUP

Other initiatives have been implemented at the Bradesco Seguros Group. Bradesco Auto/RE has a program for recycling wreckage scrap and vehicle parts. The materials are sent to certified recycling companies, which use an online system to see which Bradesco repair shops have material available to be collected, improving logistics and preventing these materials from being abandoned on the banks of rivers or on vacant lots. Since the initiative was launched, in 2009, more than 17,000 metric tons of automotive materials have been recycled, including 926,000 metric tons in 2019 alone.

With the Sustainable Collection Services from Bradesco Homeowners Insurance, clients can dispose of unwanted items, such as furniture, mattresses and home appliances, in an environmentally compliant manner. The customer service desk schedules a date and time to pick up the materials, which are then dismantled and separated for reuse or disposal. The service also includes telephone advice provided to all homeowners' insurance products, in which policyholders can call the customer service desk and receive tips on water and electricity savings, waste recycling and other things they can do to make their homes more sustainable.

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## EFFLUENTS

In 2019, the Wastewater Treatment Plant and wells at the Cidade de Deus campus were recognized with an ECO Amcham Estadão Award.

## WASTE — TOTAL WEIGHT BY TYPE AND METHOD OF DISPOSAL GRI 306-2

### Bank — Total non-hazardous waste produced, by method of disposal (metric ton)

Method of disposal	Type of waste	2017	2018	2019 <sup>2</sup>
Recycling	Paper, plastic, metal, glass	4,062.67	6,440.68 <sup>2</sup>	-
	Plastic <sup>1</sup>	-	-	335.245
	Glass <sup>1</sup>	-	-	19.943
	Metals <sup>1</sup>	-	-	8.79
	Metallic salts <sup>1</sup>	-	-	26.685
	Copper <sup>1</sup>	-	-	23.04
	Aluminum <sup>1</sup>	-	-	34.07
	Iron <sup>1</sup>	-	-	249.173
	Refractories <sup>1</sup>	-	-	56.93
	Electrolyte <sup>1</sup>	-	-	0.186
	Other <sup>1</sup>	-	-	167.13
Composting	Grounds maintenance waste	101.70	53.47	33.97
Landfill	Organic waste	12,107.50	7,944.89	6,481
Total non-hazardous waste generated (in metric tons)	38,333.19	16,271.87	14,439.04 <sup>2</sup>	8,701.50

### Total hazardous waste produced, by method of disposal (units)<sup>3</sup>

Recycling (decontamination)	Lamps and ballasts	2,065	6,350	-

1. In 2019, a change was implemented in the waste counting process; during the recycling process, waste materials are decharacterized and each component is weighed individually. For this reason, waste volumes are presented separately.

2. In 2018, we disposed of a massive number of ATM (Bradesco Dia & Noite) machines and materials kept at storage companies, which explains the change in total volumes compared to 2019.

3. In 2018, we initiated a retrofit project to replace fluorescent lamps with LED lamps, drastically reducing the volumes of used fluorescent lamps for disposal. In 2019, a change was also implemented in the waste counting process; during the recycling process, waste materials are decharacterized and each component is weighed individually. See a breakdown of the waste materials above, under nonhazardous waste.

**Bradesco Seguros — Total non-hazardous waste produced, by method of disposal (metric ton)**

Method of disposal	Type of waste	2017	2018	2019 <sup>4</sup>
Recycling	Paper and cardboard <sup>1</sup>	654.73	623.58	558.75
	Plastic <sup>1</sup>	19.95	19.95	33.09
	Glass <sup>1</sup>	0.09	0.90	1.15
	Metals <sup>1</sup>	3.09	4.10	1.05
	Steel <sup>2</sup>	1,157.44	1,081.94	817.76
	Plastic <sup>2</sup>	219.39	138.79	64.04
	Aluminum <sup>2</sup>	36.86	20.45	12.50
	Rubber <sup>2</sup>	30.76	13.12	8.65
	Glass <sup>2</sup>	14.01	7.01	4.06
	Wood <sup>2</sup>	1.19	1.64	1.60
	Paper/cardboard <sup>2</sup>	56.09	20.47	14.23
Landfill	Organic waste <sup>3</sup>	113.48	116.17	131.70

1. Waste materials from office buildings in São Paulo and Rio de Janeiro and the recyclable portion of IT waste.

2. Recycled at steelworks (scrap materials collected via the Bradesco Seguros Auto/RE Auto Recycling Service).

3. Waste materials from office buildings in Rio de Janeiro and São Paulo.

4. In 2019, a change was implemented in the waste counting process; during the recycling process, waste materials are decharacterized and each component is weighed individually. For this reason, waste volumes are presented separately.

**Bradesco Seguros — Total hazardous waste produced, by method of disposal<sup>1</sup> (metric ton)**

Method of disposal	Type of waste	2017	2018	2019 <sup>2</sup>
Recycling	Lamps <sup>2</sup>	5.6534	6,153 <sup>4</sup>	5,587 <sup>4</sup>
	Ballasts <sup>2</sup>	0 <sup>4</sup>	37 <sup>4</sup>	83 <sup>4</sup>
	Metallic salts <sup>2</sup>	0.24	1.83	2.31
	Copper <sup>2</sup>	0.11	0.92	2.07
	Aluminum <sup>2</sup>	0.19	1.52	2.96
	Iron <sup>2</sup>	1.13	5.80	13.41
	Refractories <sup>2</sup>	0.00	0.00	0.00
	Electrolyte <sup>2</sup>	0.00	0.00	0.01
	Nickel <sup>2</sup>	0.00	0.00	0.00
	Batteries <sup>3</sup>	1.10	0.72	3.29

1. Biological waste, chemical waste, regular waste and sharp objects. Novamed manages the biological, chemical and regular waste and sharp objects from its operations, which are sent for treatment or disposal by third-party companies duly licensed to operate in each municipality. All materials are stored compliantly within the unit until final disposal at scheduled times by the third-party janitor team.

2. Technological Waste (Industrial process: separation, dismantling, sorting and chemical reaction)

3. Decontamination of chemical waste and subsequent transportation for recycling at steelworks.

4. Unit of measure used: unit.



## environmental compliance

GRI 103-2; 103-3

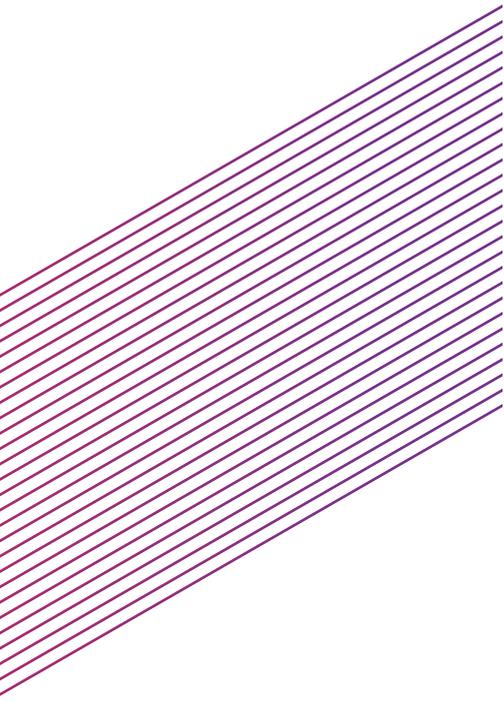
An Environmental Management System conforming to ISO 14001 is in place at the Cidade de Deus, Paulista/Itapeva, BH Comércio, Campinas, Vila Leopoldina, Núcleo Alphaville, Alpha Building and Santa Cecília sites. In 2019, eight administrative sites were ISO 14001 certified, with 23% of our operations now certified. The percentage is based on the number of employees. One certified site is the Bradesco Seguros Group office building in Alphaville (SP), which already has LEED certification for aspects such as consumption and disposal of materials, management of construction waste and compliant disposal of organic, recyclable and technological waste.

To ensure we are compliant with environmental legislation, each month we monitor our conformity to applicable requirements and identify any regulatory developments. Our performance is monitored by the Board of Executive Officers.

In other locations, our contract with service providers requires compliance with environmental regulations. Segment managers are responsible for monitoring compliance. In 2019, we incurred no fines or sanctions for noncompliance with environmental regulations. **GRI 307-1**



# investor relations



The primary purpose of our Market Relations Department (DRM) is to communicate information, insights and strategies to the financial community so that Bradesco's shares are adequately valued at fair market value. The department is also responsible for keeping our management informed about market perceptions of our performance.

Information about Bradesco is consolidated on our Investor Relations website and is kept up to date. We also organize regular meetings and conference calls to engage more closely with local and international investors. In 2019, we organized 272 events, with 4,016 attending investors.

In March, we held Bradesco Analyst Day, with more than 520 participants, both in person and via webcast. In November we hosted APIMEC Bradesco Day at our headquarters, where we presented our strategy to more than 300 people. The event is supported by the Brazilian Association of Capital Market Analysts and Investment Professionals (APIMEC). We also held API-MEC-sponsored meetings in Belo

Horizonte (MG), Brasília (DF), Rio de Janeiro (RJ) and Porto Alegre (RS). As with our quarterly earning calls, these events are transmitted via webcast with simultaneous translation. More than 1,200 people viewed the webcast. In the following month, the Bradesco Seguros Group organized the Insurance Day, which was attended by 141 people.

Another highlight was our first international roadshow to present our commitment on environmental, social and governance (ESG) issues and our current practices. The roadshow toured Frankfurt (Germany), London (England) and Paris (France), with 25 attending analysts.



An annual meeting with analysts and investors at the Bradesco headquarters in Osasco – SP

## THE BEST IR PROFESSIONAL AND TEAM

In 2019, *Institutional Investor* nominated us the No. 1 Investor Relations team and professional in the Financial Services/Banking category in Latin America.

## Contact our IR department

- › Investor Relations website: [banco.bradesco/ri](http://banco.bradesco/ri)
- › [investidores@bradesco.com.br](mailto:investidores@bradesco.com.br)
- › Customer Service: 0800 704 8383
- › Shareholder services: 0800 701 1616

# Priority SDGs

	Targets	Further information in the Integrated Report:
	<p><b>Target 4.4</b> By 2030, substantially increase the number of young people and adults who have relevant skills, including technical and vocational skills, for employment, decent jobs and entrepreneurship</p> <p><b>Target 4.5</b> By 2030, eliminate gender disparities in education and ensure equal access to all levels of education and vocational training for the vulnerable, including people with disabilities, indigenous peoples and children in vulnerable situations</p>	<p>Sustainability, p. 40</p> <p>Social value, p. 131</p>
	<p><b>Target 5.1</b> End all forms of discrimination against all women and girls everywhere</p> <p><b>Target 5.5</b> Ensure women's full and effective participation and equal opportunities for leadership at all levels of decision-making in political, economic and public life</p> <p><b>Target 5.a</b> Undertake reforms to give women equal rights to economic resources, as well as access to ownership and control over land and other forms of property, financial services, inheritance and natural resources, in accordance with national laws</p> <p><b>Target 5.b</b> Enhance the use of enabling technology, in particular information and communications technology, to promote the empowerment of women</p> <p><b>Target 5.c</b> Adopt and strengthen sound policies and enforceable legislation for the promotion of gender equality and the empowerment of all women and girls at all levels</p>	<p>Business model, p. 20</p> <p>Sustainability, p. 40</p> <p>Social value, p. 131</p>

	Targets	Further information in the Integrated Report:
	<p><b>Target 8.3</b> Promote development-oriented policies that support productive activities, decent job creation, entrepreneurship, creativity and innovation, and encourage the formalization and growth of micro-, small- and medium-sized enterprises, including through access to financial services</p> <p><b>Target 8.4</b> Improve progressively, through 2030, global resource efficiency in consumption and production and endeavor to decouple economic growth from environmental degradation, in accordance with the 10-Year Framework of Programmes on Sustainable Consumption and Production, with developed countries taking the lead</p> <p><b>Target 8.7</b> Take immediate and effective measures to eradicate forced labor, end modern slavery and human trafficking and secure the prohibition and elimination of the worst forms of child labor, including recruitment and use of child soldiers, and by 2025 end child labor in all its forms</p> <p><b>Target 8.10</b> Strengthen the capacity of domestic financial institutions to encourage and expand access to banking, insurance and financial services for all</p>	<p>Business model, p. 20</p> <p>Sustainability, p. 40</p> <p>Risk management, p. 64</p> <p>Technology &amp; innovation, p. 82</p> <p>Ethics and integrity, p. 105</p> <p>Social value, p. 131</p>
	<p><b>Target 9.3</b> Increase the access of small-scale industrial and other enterprises, in particular in developing countries, to financial services, including affordable credit, and their integration into value chains and markets</p> <p><b>Target 9.5</b> Enhance scientific research, upgrade the technological capabilities of industrial sectors in all countries, in particular developing countries, including, by 2030, encouraging innovation and substantially increasing the number of research and development workers per one million people and public and private research and development spending</p>	<p>Business model, p. 20</p> <p>Strategic positioning, p. 26</p> <p>Sustainability, p. 40</p> <p>Risk management, p. 64</p> <p>Technology &amp; innovation, p. 82</p> <p>Social value, p. 131</p>
	<p><b>Target 10.2</b> By 2030, empower and promote the social, economic and political inclusion of all, irrespective of age, sex, disability, race, ethnicity, origin, religion or economic or other status</p> <p><b>Target 10.4</b> Adopt policies, especially fiscal, wage and social protection policies, and progressively achieve greater equality</p> <p><b>Target 10.5</b> Improve the regulation and monitoring of global financial markets and institutions and strengthen the implementation of such regulations</p>	<p>Business model, p. 20</p> <p>Strategic positioning, p. 26</p> <p>Sustainability, p. 40</p> <p>Risk management, p. 64</p> <p>Social value, p. 131</p>
	<p><b>Target 13.1</b> Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries</p> <p><b>Target 13.2</b> Integrate climate change measures into national policies, strategies and planning</p> <p><b>Target 13.3</b> Improve education, awareness-raising and human and institutional capacity on climate change mitigation, adaptation, impact reduction and early warning</p> <p><b>Target 13b</b> Promote mechanisms for raising capacity for effective climate change-related planning and management in least developed countries and small island developing States, including focusing on women, young people and local and marginalized communities</p>	<p>Strategic positioning, p. 26</p> <p>Sustainability, p. 40</p> <p>Risk management, p. 64</p> <p>Social value, p. 131</p> <p>Environmental value, p. 202</p>

# Material topics vs. GRI Disclosures

GRI 102-47; 103-1

Material topics and subtopics	Approach <sup>1</sup>	GRI Topics	Related disclosures
<b>1. Technology &amp; Innovation</b>	Risk management/Cyber and information security risk	Customer privacy	GRI 418-1 Bradesco: technology and innovation investment Bradesco: technology and innovation partnerships
<b>2. Customers</b>	Customers/Commitment to sustainability	General disclosures	GRI 102-43, 102-44
	Customers/Customer service channels and Ombudsman	Marketing and labeling	GRI 417-1, 417-2, 417-3
		Management approach	103-2
	Customers/Commitment to sustainability	Local community	FS14
	Social inclusion/Financial inclusion	Product portfolio	GRI FS6 Bradesco: number of digital versus physical transactions
Social value/Society	Product responsibility	FS16	
<b>3. Human Capital</b>	Social value/Employees	General disclosures	GRI 102-8, 102-41, 102-43, 102-44
		Employment	GRI 401-1, 401-2, 401-3
		GRI Content Index	GRI 403-3
		Training and education	GRI 404-1, 404-2, 404-3
		Diversity and equal opportunity	GRI 405-1, 405-2
	Non-discrimination	GRI 406-1	
Social value/Employees and Suppliers	Freedom of association and collective bargaining	GRI 407-1	

1. The way we address these issues is described in the relevant chapters.

<b>4. Efficiency</b>	Social value/Suppliers	Procurement practices	GRI 204-1
	Environmental value	Material	GRI 301-1
		Energy	GRI 302-1
		Water	GRI 303-1
		Emissions	GRI 305-1, 305-2, 305-3, 305-4, 305-5, 305-6, 305-7
		Effluents and waste	GRI 306-2
		Environmental compliance	GRI 307-1
	Social value/Suppliers	Supplier environmental assessment	GRI 308-1, 308-2
Supplier social assessment		GRI 414-1, 414-2	
<b>5. Social &amp; Environmental Responsibility</b>	Social value/Society	Indirect economic impact	GRI 203-2
	Sustainability; Risk management; Social value/Suppliers	Human rights assessment	GRI 412-1, 412-3
<b>6. Business Strategy</b>	Risk management; Social value/Society; Environmental value	Economic performance	GRI 201-2
	Sustainability	Product portfolio	GRI FS7, FS8
	Asset management	Active ownership	GRI FS10, FS11
	Customers/Commitment to sustainability	Local community	GRI FS14
	Asset management; Social value/Society	Product responsibility	GRI FS15, FS16
<b>7. Regulation &amp; Compliance</b>	Governance and compliance; Social value/Society	Anti-corruption	GRI 205-1, 205-3
	Risk management; Social value/Suppliers	Human rights assessment	GRI 412-1, 412-3
	Governance and compliance	Public policy	GRI 415-1
<b>8. Capital Management<sup>2</sup></b>	Economic value	Economic performance	-
<b>9. Corporate Governance</b>	Governance and compliance	Ethics and integrity	GRI 102-16, 102-17, 102-18, 102-24, 102-28
<b>10. Risk Management</b>	Risk management; Social value/Society and Environmental value	Economic performance	GRI 201-2
	Governance and compliance	Public policy	GRI 415-1
	Asset management	Active ownership	GRI FS11
<b>11. Market &amp; Competition</b>	Governance and compliance	Anti-competitive behavior	GRI 206-1
	Social value/Regulators	Social and economic compliance	GRI 419-1
<b>12. Economic Environment</b>	Risk management; Economic value; Social value/Society and Environmental value	Economic performance	GRI 201-1, 201-2

2. This issue is reported on throughout the report.



# GRI Content Index

GRI 102-55



GRI's Content Index Service assesses whether disclosures are in the right sections of the GRI content index and labeled appropriately with report content.

The service was applied to the Portuguese version of the report.

GRI Standard	Disclosure	Page	Omission	SDG
<b>General disclosures</b>				
<b>GRI 101: Foundation 2016</b>		-	-	-
	GRI 101 contains no disclosures	-	-	-
<b>Organizational profile</b>				
<b>GRI 102: General disclosures 2016</b>	102-1 Name of the organization	19	-	-
	102-2 Activities, brands, products, and services	28, 32, 33, 34 and 37	-	-
	102-3 Location of headquarters	Cidade de Deus, Osasco (SP).	-	-
	102-4 Location of operations	32	-	-
	102-5 Ownership and legal form	31	-	-
	102-6 Markets served	28 and 32	-	-
	102-7 Scale of the organization	32 and 33	-	-
	102-8 Information on employees and other workers	100, 133 and 146	-	8
	102-9 Supply chain	174	-	-
	102-10 Significant changes to the organization and its supply chain	None	-	-
	102-11 Precautionary principle or approach	68	-	-
	102-12 External initiatives	42	-	-
	102-13 Membership of associations	181	-	-

GRI Standard	Disclosure	Page	Omission	SDG
<b>Strategy</b>				
GRI 102: General disclosures 2016	102-14 Statement from senior decision-maker	8 and 10	-	-
<b>Ethics and integrity</b>				
GRI 102: General disclosures 2016	102-16 Values, principles, standards, and norms of behavior	14 and 105	-	16
	102-17 Mechanisms for advice and concerns about ethics	105 and 106	-	16
<b>Governance</b>				
GRI 102: General disclosures 2016	102-18 Governance structure	98	-	-
	102-24 Nominating and selecting the highest governance body	103	-	5, 16
	102-28 Evaluating the highest governance body's performance	103	-	-
<b>Stakeholder engagement</b>				
GRI 102: General disclosures 2016	102-40 List of stakeholder groups	12	-	-
	102-41 Collective bargaining agreements	153	-	8
	102-42 Identifying and selecting stakeholders	12	-	-
	102-43 Approach to stakeholder engagement	12	-	-
	102-44 Key topics and concerns raised	12	-	-

GRI Standard	Disclosure	Page	Omission	SDG
<b>Reporting practices</b>				
<b>GRI 102: General disclosures 2016</b>	102-45 Entities included in the consolidated financial statements	Our consolidated financial statements cover Banco Bradesco, its foreign branches, subsidiaries in Brazil and other jurisdictions, Special-Purpose Entities (SPEs) and investment funds of which Bradesco entities are the primary beneficiaries or in which they hold the principal obligations, as established in Financial Reporting Standard CPC 36 (R3), under "Control". Source: <a href="#"><i>4Q19 Report on Economic and Financial Analysis</i></a> . Note 02 to the Consolidated Financial Statements, p. 86	-	-
	102-46 Defining report content and topic Boundaries	2	-	-
	102-47 List of material topics	2	-	-
	102-48 Restatements of information	none	-	-
	102-49 Changes in reporting	none	-	-
	102-50 Reporting period	Calendar year 2019	-	-
	102-51 Date of most recent report	Calendar year 2018	-	-
	102-52 Reporting cycle	Annual	-	-
	102-53 Contact point for questions regarding the report	Inside cover	-	-
	102-54 Claims of reporting in accordance with the GRI Standards	This report has been developed in accordance with the GRI Standards: Core option.	-	-
	102-55 GRI Content Index	224	-	-
	102-56 External assurance	246	-	-

GRI Standard	Disclosure	Page	Omission	SDG
<b>Material topics</b>				
<b>Economic performance</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	222	-	-
	103-2 Management approach and its components	111	-	1, 5, 8, 16
	103-3 Evaluation of the management approach	111	-	-
<b>GRI 201: Economic performance 2016</b>	201-1 Direct economic value generated and distributed	130 and 207	-	8, 9
	201-2 Financial implications and other risks and opportunities due to climate change	209 and 212	-	13
<b>Indirect economic impacts</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	222	-	-
	103-2 Management approach and its components	183 and 187	-	-
	103-3 Evaluation of the management approach	183 and 187	-	-
<b>GRI 203: Indirect economic impacts 2016</b>	203-2 Significant indirect economic impacts	183, 187, 188, 189, 190, 199 and 200	-	1, 2, 3, 8, 10, 17
<b>Procurement practices</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	222	-	-
	103-2 Management approach and its components	174	-	-
	103-3 Evaluation of the management approach	174	-	-
<b>GRI 204: Procurement practices 2016</b>	204-1 Proportion of spending on locally-based suppliers at significant locations of operation	175	-	12
<b>Anti-corruption</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	222	-	-
	103-2 Management approach and its components	105	-	-
	103-3 Evaluation of the management approach	105	-	-

GRI Standard	Disclosure	Page	Omission	SDG
<b>GRI 205: Anti-corruption 2016</b>	205-1 Operations assessed for risks related to corruption	105 and 197	-	16
	205-3 Confirmed incidents of corruption and actions taken	106	-	16

### Anti-competitive behavior

<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	222	-	-
	103-2 Management approach and its components	105	-	-
	103-3 Evaluation of the management approach	105	-	-
<b>GRI 206: Anti-competitive behavior 2016</b>	206-1 Legal actions for anti-competitive behavior, anti-trust, and monopoly practices	106	-	16

### Materials

<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	222	-	-
	103-2 Management approach and its components	212	-	-
	103-3 Evaluation of the management approach	212	-	-
<b>GRI 301: Materials 2016</b>	301-1 Materials used by weight or volume	213	-	12

### Energy

<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	222	-	-
	103-2 Management approach and its components	206	-	-
	103-3 Evaluation of the management approach	206	-	-
<b>GRI 302: Energy 2016</b>	302-1 Energy consumption in the organization	207	-	7, 8, 12, 13

### Water

<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	222	-	-
	103-2 Management approach and its components	204	-	-
	103-3 Evaluation of the management approach	204	-	-
<b>GRI 303: Water 2016</b>	303-1 Water withdrawal by source	204 and 205	-	6

### Emissions

<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	222	-	-
	103-2 Management approach and its components	209	-	-
	103-3 Evaluation of the management approach	209	-	-

GRI Standard	Disclosure	Page	Omission	SDG
<b>GRI 305: Emissions 2016</b>	305-1 Direct (Scope 1) GHG emissions	209	-	13
	305-2 Indirect (Scope 2) GHG emissions	209 and 210	-	13
	305-3 Other indirect (Scope 3) GHG emissions	209 and 211	-	13
	305-4 GHG emissions intensity	209 and 211	-	13
	305-5 Reduction of GHG emissions	209 and 211	-	13
	305-6 Emissions of ozone-depleting substances (ODS)	-	Information not applicable. Our emissions report has been prepared in accordance with the Brazilian GHG Protocol Program guidelines, which do not require this information to be disclosed (or this disclosure falls outside the scope of our operations). Emissions of these substances from our operations are not deemed to be material, and therefore we do not intend to monitor them.	13
	305-7 Nitrogen oxides (NO <sub>x</sub> ), sulfur oxides (SO <sub>x</sub> ), and other significant air emissions	-	Information not applicable. Our emissions report has been prepared in accordance with the Brazilian GHG Protocol Program guidelines, which do not require this information to be disclosed (or this disclosure falls outside the scope of our operations). Emissions of these substances from our operations are not deemed to be material, and therefore we do not intend to monitor them.	13

#### Effluents and waste

<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	222	-	-
	103-2 Management approach and its components	214	-	-
	103-3 Evaluation of the management approach	214	-	-
<b>GRI 306: Effluents and waste 2016</b>	306-2 Waste by type and disposal method	215	-	12

GRI Standard	Disclosure	Page	Omission	SDG
<b>Environmental compliance</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	222	-	-
	103-2 Management approach and its components	217	-	-
	103-3 Evaluation of the management approach	217	-	-
<b>GRI 307: Environmental compliance 2016</b>	307-1 Non-compliance with environmental laws and regulations	217	-	12, 13, 14, 15, 16
<b>Supplier's environmental assessment</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	222	-	-
	103-2 Management approach and its components	174	-	-
	103-3 Evaluation of the management approach	174	-	-
<b>GRI 308: Supplier environmental assessment 2016</b>	308-1 New suppliers that were screened using environmental criteria	175	-	-
	308-2 Negative environmental impacts on the supply chain and actions taken	177	-	-
<b>Employment</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	222	-	-
	103-2 Management approach and its components	135	-	-
	103-3 Evaluation of the management approach	135	-	-
<b>GRI 401: Employment 2016</b>	401-1 New employee hires and employee turnover	135	-	5, 8
	401-2 Benefits provided to full-time employees that are not provided to temporary or part-time employees	154	-	8
	401-3 Parental leave	143 and 148	-	5, 8
<b>Occupational health and safety</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	222	-	-
	103-2 Management approach and its components	156 and 158	-	-
	103-3 Evaluation of the management approach	156 and 158	-	-

GRI Standard	Disclosure	Page	Omission	SDG
<b>GRI 403: Occupational health and safety 2016</b>	403-3 - Workers with high incidence or high risk of diseases related to their occupation	-	Not applicable. Office positions are not deemed to pose a significant health risk to employees	3, 8

### Training and education

<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	222	-	-
	103-2 Management approach and its components	138	-	-
	103-3 Evaluation of the management approach	138	-	-
<b>GRI 404: Training and education 2016</b>	404-1 Average hours of training per year per employee	140	-	4, 5, 8
	404-2 Programs for upgrading employee skills and transition assistance programs	138	-	4, 8
	404-3 Percentage of employees receiving regular performance and career development reviews	137	-	5, 8, 10

### Diversity and equal opportunity

<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	222	-	-
	103-2 Management approach and its components	141	-	-
	103-3 Evaluation of the management approach	141	-	-
<b>GRI 405: Diversity and equal opportunity 2016</b>	405-1 Diversity of governance bodies and employees	100, 133 and 146	-	5, 8, 10
	405-2 Ratio of basic salary and remuneration of women to men	150	-	5, 8, 10

GRI Standard	Disclosure	Page	Omission	SDG
<b>Non-discrimination</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	222	-	-
	103-2 Management approach and its components	150	-	-
	103-3 Evaluation of the management approach	150	-	-
<b>GRI 406: Non-discrimination 2016</b>	406-1 Incidents of discrimination and corrective actions taken	153	-	5, 8, 10, 16
<b>Freedom of association and collective bargaining</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	222	-	-
	103-2 Management approach and its components	153 and 177	-	-
	103-3 Evaluation of the management approach	153 and 177	-	-
<b>GRI 407: Freedom of association and collective bargaining 2016</b>	407-1 Operations and suppliers in which the right to freedom of association and collective bargaining may be at risk	153 and 177	-	8
<b>Human rights assessment</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	222	-	-
	103-2 Management approach and its components	60	-	-
	103-3 Evaluation of the management approach	60	-	-
<b>GRI 412: Human rights assessment 2016</b>	412-1 Operations that have been subject to human rights reviews or impact assessments	60, 177 and 179	-	-
	412-3 Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	76 and 77	-	-
<b>Supplier's social assessment</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	222	-	-
	103-2 Management approach and its components	174	-	-
	103-3 Evaluation of the management approach	174	-	-

GRI Standard	Disclosure	Page	Omission	SDG
<b>GRI 414: Supplier social assessment 2016</b>	414-1 New suppliers that were screened using social criteria	175	-	-
	414-2 Negative social impacts in the supply chain and actions taken	177 and 178	-	5, 8, 10, 16
<b>Public policy</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	222	-	-
	103-2 Management approach and its components	105	-	-
	103-3 Evaluation of the management approach	105	-	-
<b>GRI 415: Public policy 2016</b>	415-1 Political contributions	106	-	16
<b>Marketing and labeling</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	222	-	-
	103-2 Management approach and its components	170	-	-
	103-3 Evaluation of the management approach	170	-	-
<b>GRI 417: Marketing and labeling 2016</b>	417-1 Requirements for product and service information and labeling	171 and 172	-	12, 16
	417-2 Incidents of non-compliance concerning product and service information and labeling	171 and 172	-	16
	<b>417-3 Incidents of non-compliance concerning marketing communications</b>	171 and 172	-	-
<b>Customer privacy</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	222	-	-
	103-2 Management approach and its components	170	-	-
	103-3 Evaluation of the management approach	170	-	-
<b>GRI 418: Customer privacy 2016</b>	418-1 Substantiated complaints regarding breaches of customer privacy and losses of customer data	73 and 171		16

GRI Standard	Disclosure	Page	Omission	SDG
<b>Social and economic compliance</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	222	-	-
	103-2 Management approach and its components	72 and 170	-	-
	103-3 Evaluation of the management approach	72 and 170	-	-
<b>GRI 419: Social and economic compliance 2016</b>	419-1 Non-compliance with laws and regulations in the social and economic area	180 and 181	-	16
<b>Product portfolio</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	222	-	-
	103-2 Management approach and its components	54	-	-
	103-3 Evaluation of the management approach	54	-	-
<b>Financial Services Sector Supplement - Product portfolio</b>	FS6 Percentage of the portfolio for business lines by specific region, size (e.g. micro/sme/large) and by sector	187	-	1, 8, 9
	FS7 Monetary value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	54, 164 and 187	-	1, 8, 9, 10, 11
	FS8 Monetary value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	54	-	-
<b>Active ownership</b>				
<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	222	-	-
	103-2 Management approach and its components	78	-	-
	103-3 Evaluation of the management approach	78	-	-

GRI Standard	Disclosure	Page	Omission	SDG
<b>Financial Services Sector Supplement - Active ownership</b>	FS10 Percentage and number of companies held in the institution's portfolio with which the reporting organization has interacted on environmental or social issues	79	-	10
	FS11 Percentage of assets subject to positive and negative environmental or social screening	78 and 79	-	10

### Local community

<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	222	-	-
	103-2 Management approach and its components	164 and 165	-	-
	103-3 Evaluation of the management approach	164 and 165	-	-
<b>Financial Services Sector Supplement - Local communities</b>	FS14 Initiatives to improve access to financial services for disadvantaged people	164 and 165	-	1, 8, 10

### Product responsibility

<b>GRI 103: Management approach 2016</b>	103-1 Explanation of the material topic and its Boundary	222	-	-
	103-2 Management approach and its components	78	-	-
	103-3 Evaluation of the management approach	78	-	-
<b>Financial Services Sector Supplement - Product responsibility</b>	FS15 Policies for the fair design and sale of financial products and services	79, 80, 172 and 173	-	-
	FS16 Initiatives to enhance financial literacy	79, 185, 186, 187, and 189	-	-

# SASB Disclosures



General Category	Disclosure Topic	Code	Unit of Measure	Report Reference
<b>Asset Management &amp; Custody Activities</b>				
<b>Sales &amp; Product Labeling Practices</b>	Transparent Information & Fair Advice to Customers	FN-AC-270a.1	Number and percentage of covered employees with a record of investment-related investigations, consumer-initiated complaints, private civil litigations, or other regulatory proceedings	Grievance Mechanisms (Bradesco), p. 172
		FN-AC-270a.2	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of financial product-related information to new and returning customers	–
		FN-AC-270a.3	Description of approach to informing customers about products and services	Policies on compliant development and marketing of financial products and services, p. 80 Asset management, p. 78
<b>Employee Engagement, Diversity &amp; Inclusion</b>	Employee Diversity & Inclusion	FN-AC-330a.1	Percentage of gender and racial/ethnic group representation for executive management, non-executive management, professionals, and all other employees	Percentage of employees, by job category and gender, p. 146
<b>Product Design &amp; Lifecycle Management</b>	Incorporation of Environmental, Social, and Governance Factors in Investment Management & Advisory	FN-AC-410a.1	Amount of assets under management, by asset class, that employ integration of environmental, social, and governance (ESG) issues, sustainability themed investing, and screening	Asset Management, p. 78
		FN-AC-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment and/or wealth management processes and strategies	Asset management, p. 78
		FN-AC-410a.3	Description of proxy voting and investee engagement policies and procedures	Asset management, p. 80 and 81

General Category	Disclosure Topic	Code	Unit of Measure	Report Reference
<b>Business Ethics</b>	Business Ethics	FN-AC-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Ethics and integrity, p. 106
		FN-AC-510a.2	Description of whistleblower policies and procedures	Reporting channels, p. 106
<b>Systemic Risk Management</b>	Systemic Risk Management	FN-AC-550a.1	Percentage of open-end fund assets under management by category of liquidity classification	Asset management, p. 78
		FN-AC-550a.2	Description of approach to incorporation of liquidity risk management programs into portfolio strategy and redemption risk management	-
		FN-AC-550a.3	Total exposure to securities financing transactions	Securities, p. 121
		FN-AC-550a.4	Net exposure to written credit derivatives	-
<b>Commercial Banks</b>				
<b>Information Security</b>	Information Security	FN-CB-230a.1	Number of data breaches, percentage involving personally identifiable information (PII), number of account holders affected	-
		FN-CB-230a.2	Description of approach to identifying and addressing data security risks	Cyber and information security risk, p. 72 and 73
<b>Accessibility</b>	Financial Inclusion & Capacity Building	FN-CB-240a.1	Number and amount of loans outstanding qualified to programs designed to promote small enterprises and community development	Individual microcredit, p. 55 Corporate microcredit, p. 55 Society, p. 183
		FN-CB-240a.2	Number and amount of past due and non-accrual loans qualified to programs designed to promote small enterprises and community development	The Amazon, p. 59 Being there for customers, p. 189
		FN-CB-240a.3	Number of no-cost retail checking accounts provided to previously unbanked or underbanked customers	-
		FN-CB-240a.4	Number of participants in financial literacy initiatives for unbanked, underbanked or underserved customers	Employees: champions for financial education, p. 185

General Category	Disclosure Topic	Code	Unit of Measure	Report Reference
<b>Product Design &amp; Lifecycle Management</b>	Incorporation of Environmental, Social, and Governance Factors in Credit Analysis	FN-CB-410a.1	Commercial and industrial credit exposure, by industry	Loan portfolio , p.117 90-day delinquency ratio , p. 118
		FN-CB-410a.2	Description of approach to incorporation of environmental, social and governance (ESG) factors in credit analysis	Social and environmental risk management, p. 74 to 77
<b>Business Ethics</b>	Business Ethics	FN-CB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Ethics and integrity, p. 106
		FN-CB-510a.2	Description of whistleblower policies and procedures	Reporting channels, p. 106
<b>Systemic Risk Management</b>	Systemic Risk Management	FN-CB-550a.1	Global Systemically Important Bank score, by category	Basel Ratio, p. 119
		FN-CB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Risk management, p. 74
<b>Consumer Finance</b>				
<b>Customer Privacy</b>	Customer Privacy	FN-CF-220a.1	Number of account holders whose information is used for secondary purposes	-
		FN-CF-220a.2	Amount of monetary losses as a result of legal proceedings associated with customer privacy	Customer service channels and Ombudsman, p. 171
<b>Information Security</b>	Information Security	FN-CF-230a.1	Number of data breaches, percentage involving personally identifiable information (PII), number of account holders affected	Customer service channels and Ombudsman, p. 171
		FN-CF-230a.2	Card-related fraud losses from card-not-present fraud and card-present and other fraud	Electronic and document fraud prevention and security solutions, p. 73
		FN-CF-230a.3	Description of approach to identifying and addressing data security risks	Cyber and information security risk, p. 72 and 73

General Category	Disclosure Topic	Code	Unit of Measure	Report Reference
<b>Sales &amp; Product Labeling Practices</b>	Sales Practices	FN-CF-270a.1	Percentage of total remuneration for covered employees that is variable and linked to the amount of products and services sold	Distribution of added value (R\$ million) Employment compensation, p. 120
		FN-CF-270a.2	Approval rate for credit and pre-paid products for applicants with FICO scores above and below 660	Loans underwritten through digital channels, p. 85 Expanded loan portfolio, p. 118
		FN-CF-270a.3	Average fees from add-on products, average APR, average age of accounts, average number of trade lines, and average annual fees for pre-paid products, for customers with FICO scores above and below 660	-
		FN-CF-270a.4	Number of complaints filed with the Consumer Financial Protection Bureau (CFPB), percentage with monetary or non-monetary relief, percentage disputed by the consumer, percentage that resulted in investigation by the CFPB	Grievance Mechanisms (Bradesco), p. 172
		FN-CF-270a.5	Amount of monetary losses as a result of legal proceedings associated with sales and services of products	Significant Fines – social and economic area, p. 181
<b>Insurance</b>				
<b>Sales &amp; Product Labeling Practices</b>	Transparent Information & Fair Advice to Customers	FN-IN-270a.1	Total amount of monetary losses as a result of legal proceedings associated with marketing and communication of insurance product-related information to new and returning customers	-
		FN-IN-270a.2	Complaints-to-claims ratio	Grievance mechanisms (Bradesco Seguros Group), p. 172
		FN-IN-270a.3	Customer retention rate	-
		FN-IN-270a.4	Description of approach to inform customers about products	Policies on compliant development and marketing of financial products and services of the Bradesco Seguros Group, p. 173

General Category	Disclosure Topic	Code	Unit of Measure	Report Reference
<b>Product Design &amp; Lifecycle Management</b>	Incorporation of Environmental, Social, and Governance Factors in Investment Management	FN-IN-410a.1	Total invested assets, by industry and asset class	-
		FN-IN-410a.2	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment management processes and strategies	Social and environmental risks at the Bradesco Seguros Group, p. 77
	Policies Designed to Incentivize Responsible Behavior	FN-IN-410b.1	Net premiums written related to energy efficiency and low carbon technology	-
		FN-IN-410b.2	Discussion of products and/or product features that incentivize health, safety, and/or environmentally responsible actions and/or behaviors	Bradesco Seguros Group, p. 37 Bradesco Seguros Group Table + Bradesco Seguros Group (other services and support), p. 56 and 57
<b>Physical Impacts from Climate Change</b>	Environmental Risk Exposure	FN-IN-450a.1	Probable Maximum Loss (PML) of insured products from natural weather-related catastrophes	-
		FN-IN-450a.2	Total amount of monetary losses attributable to insurance payouts from modeled natural catastrophes and non-modeled natural catastrophes, by type of event and geographic segment (net and gross of reinsurance)	-
		FN-IN-450a.3	Description of approach to incorporation of environmental risks into the underwriting process for individual contracts and the management of firm-level risks and capital adequacy	Social and environmental risks at the Bradesco Seguros Group, p. 77
<b>Systemic Risk Management</b>	Systemic Risk Management	FN-IN-550a.1	Exposure to derivative instruments by category: total potential exposure to noncentrally cleared derivatives, total fair value of acceptable collateral posted with the Central Clearinghouse, and total potential exposure to centrally cleared derivatives	-
		FN-IN-550a.2	Total fair value of securities lending collateral assets	-
		FN-IN-550a.3	Description of approach to managing capital- and liquidity-related risks associated with systemic non-insurance activities	Risk management, p. 64

General Category	Disclosure Topic	Code	Unit of Measure	Report Reference
<b>Investment Banking &amp; Brokerage</b>				
<b>Employee Engagement, Diversity &amp; Inclusion</b>	Employee Diversity & Inclusion	FN-IB-330a.1	Percentage of gender and racial/ethnic group representation for executive management, non-executive management, professionals, and all other employees	Percentage of employees, by job category and gender, p. 146
<b>Product Design &amp; Lifecycle Management</b>	Incorporation of Environmental, Social, and Governance Factors in Investment Banking & Brokerage Activities	FN-IB-410a.1	Revenue from underwriting, advisory, and securitization transactions incorporating integration of environmental, social, and governance (ESG) factors, by industry	Investment banking, p. 35
		FN-IB-410a.2	Number and total value of investments and loans incorporating integration of environmental, social, and governance (ESG) factors, by industry	-
		FN-IB-410a.3	Description of approach to incorporation of environmental, social, and governance (ESG) factors in investment banking and brokerage activities	-
<b>Business Ethics</b>	Business Ethics	FN-IB-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Ethics and integrity, p. 106
		FN-IB-510a.2	Description of whistleblower policies and procedures	Ethics and integrity, p. 106
<b>Systemic Risk Management</b>	Systemic Risk Management	FN-IB-550a.1	Global Systemically Important Bank score, by category	-
		FN-IB-550a.2	Description of approach to incorporation of results of mandatory and voluntary stress tests into capital adequacy planning, long-term corporate strategy, and other business activities	Risk management, p. 64

General Category	Disclosure Topic	Code	Unit of Measure	Report Reference
<b>Mortgage Finance</b>				
<b>Sales &amp; Product Labeling Practices</b>	Lending Practices	FN-MF-270a.1	Number and value of residential mortgages of the following types: Hybrid or Option Adjustable-rate Mortgages (ARM), Prepayment Penalty, Higher Rate, and Total, by FICO scores above or below 660	Commitment to sustainable development - Ex-Mortgage Loans, p. 31
		FN-MF-270a.2	Number and value of residential mortgage modifications, foreclosures, and short sales or deeds in lieu of foreclosure, by FICO scores above and below 660	-
		FN-MF-270a.3	Amount of monetary losses as a result of legal proceedings	Regulators, p. 180
		FN-MF-270a.4	Description of remuneration structure of loan originators	-
	Discriminatory Lending	FN-MF-270b.1	Mortgages issued to minority and all other borrowers by FICO scores above and below 660	-
		FN-MF-270b.2	Amount of monetary losses as a result of legal proceedings associated with discriminatory mortgage lending	-
		FN-MF-270b.3	Description of policies and procedures for ensuring nondiscriminatory mortgage origination	-
<b>Physical Impacts from Climate Change</b>	Environmental Risk to Mortgaged Properties	FN-MF-450a.1	Number and value of mortgage loans in 100-yr flood zones	-
		FN-MF-450a.2	Total expected loss and Loss Given Default attributable to mortgage loan default and delinquency due to weather-related natural catastrophes, by geographic region	-
		FN-MF-450a.3	Description of how climate change and other environmental risks are incorporated into mortgage origination and underwriting	Measuring climate change risk, p. 50 Social and environmental risks at the Bradesco Seguros Group, p. 77

General Category	Disclosure Topic	Code	Unit of Measure	Report Reference
<b>Security &amp; Commodity Exchanges</b>				
<b>Product Design &amp; Lifecycle Management</b>	Promoting Transparent & Efficient Capital Markets	FN-EX-410a.1	Number and average duration of halts related to public release of information and pauses related to volatility	-
		FN-EX-410a.2	Percentage of trades generated from automated trading systems	-
		FN-EX-410a.3	Description of alert policy regarding timing and nature of public release of information	-
		FN-EX-410a.4	Description of policy to encourage or require listed companies to publicly disclose environmental, social, and governance (ESG) information	-
<b>Business Ethics</b>	Managing Conflicts of Interest	FN-EX-510a.1	Total amount of monetary losses as a result of legal proceedings associated with fraud, insider trading, anti-trust, anti-competitive behavior, market manipulation, malpractice, or other related financial industry laws or regulations	Ethics and integrity, p. 106
		FN-EX-510a.2	Discussion of processes for identifying and assessing conflicts of interest	Ethics and integrity, p. 106
<b>Systemic Risk Management</b>	Managing Business Continuity & Technology Risk	FN-EX-550a.1	Number of significant market disruptions and duration of downtime	-
		FN-EX-550a.2	Number of data breaches, percentage involving personally identifiable information (PII), number of customers affected	Customer service channels and Ombudsman, p. 171
		FN-EX-550a.3	Description of efforts to prevent technology errors, security breaches, and market disruptions	Cyber and information security risk, p. 72 and 73



# governance bodies

BASE-DATE APRIL 15, 2020

## BOARD OF DIRECTORS

### CHAIRMAN

Luiz Carlos Trabuco Cappi

### VICE CHAIRMAN

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### MEMBERS

- Denise Aguiar Alvarez
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- Milton Matsumoto
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(independent member)
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### EXECUTIVE OFFICERS

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- Marcelo de Araújo Noronha
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- Glaucimar Peticov
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- Marcelo de Araújo Noronha
- André Rodrigues Cano
- Cassiano Ricardo Scarpelli
- Eurico Ramos Fabri
- Moacir Nachbar Junior
- Antonio José da Barbara
- Carlos Wagner Firetti
- Marcelo Santos Dall'Occo
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- Antonio Campanha Junior
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- Domingos Aparecido Maia
- José Maria Soares Nunes
- Ivanyra Maura de Medeiros Correia

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- Reginaldo Ferreira Alexandre

###### **Ombudsman's Department**

Nairo José Martinelli Vidal Júnior – Ombudsman

###### **General Accounting Department**

Oswaldo Tadeu Fernandes  
Accountant – CRC 1SP271968/O-5



# Independent auditors' assurance report

GRI 102-56

The Shareholders and Board of Directors of Bradesco S.A. Osasco - SP

## Introduction

We have been engaged by Banco Bradesco S.A ("Bradesco") for the purpose of applying limited assurance procedures on the Sustainability Information contained in its Integrated Report 2019 ("Report") for the financial year ended December 31, 2019.

## Management's responsibility

Bank management is responsible for the preparation and fair presentation of the information disclosed in the Report in accordance with the Global Reporting Initiative Standards (*GRI Standards*) as described in the "GRI Content Index" of the Report, and for the internal controls necessary to ensure this information is free from material misstatement, whether due to fraud or error.

## Independent Auditors' Responsibility

Our responsibility is to express a conclusion about the information disclosed in the Report, based on our 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 of 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 and that the engagement be conducted so as to provide a limited assurance that the information disclosed in the Report taken as a whole is free from material misstatement.

A limited assurance engagement conducted in accordance with NBC TO 3000 (ISAE 3000) primarily consists of making inquiries to Company management and other employees involved in preparing the infor-

mation in the Report and applying analytical procedures to obtain evidence that permits 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 Report taken as a whole could present material misstatement.

The selected procedures were based on our understanding of aspects related to the compilation and presentation of the information in the Report, as well as other engagement circumstances and our considerations about areas in which material misstatement could exist. Our procedures consisted of:

(a) planning the engagement, considering materiality, the volume of quantitative and qualitative information and the operating and internal control systems that were used to prepare the information disclosed in the Report;

(b) understanding the calculation method and procedures used to compile disclosures through interviews with the managers in charge of preparing the information;

(c) applying analytical procedures to the quantitative information and inquiries about the qualitative information and how it relates to the disclosures contained in the Report; and

(d) comparing financial figures against the financial statements and/or accounting records.

Our limited assurance engagement also included an assessment of compliance with the requirements and guidelines outlined in the Global Reporting Initiative Standards (GRI Standards) in preparing the information disclosed in the Report.

We believe that the evidence obtained in our engagement is sufficient and appropriate to provide a basis for our limited assurance conclusion.

### Scope and limitations

The procedures applied in a limited assurance engagement are substantially less in extent than those applied in a reasonable assurance engagement for the purpose of issuing an opinion on the information contained in the Report. Consequently, we are not able to obtain reasonable assurance that we would become aware of all significant matters that would be identified in a reasonable assurance engagement, the objective of which is to issue an opinion. Had we conducted a reasonable assurance engagement, we might have identified other issues and possible misstatements in the Report. Therefore, we do not express an opinion on this information.

Non-financial data is subject to more inherent limitations than 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 subject to individual assumptions and judgments. Furthermore, we did not perform any procedures on any data provided for prior periods, or on any future projections.

### Criteria for preparing the sustainability information in the summary version of the Integrated Report

The sustainability information contained in the summary version of the Integrated Report for the financial year ended December 31, 2019 has been prepared by Management in accordance with the criteria described in the section "Foreword" of the Summary Version of the Integrated Report.

### Conclusion

Based on the procedures described herein, no matter has come to our attention that causes us to believe that the information in the Report was not compiled, in all material respects, in accordance with the GRI Standards, as described in the "GRI Content Index" of the Bradesco Integrated Report.

*Osasco, May 19, 2020*

**KPMG Auditores Independentes**  
CRC SP – 028567/F

**André Dala Pola**  
Accountant CRC 1SP214007/O-2



# corporate information

## **BANCO BRADESCO S.A.**

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To exercise rights or to obtain information about shares, dividends or other matters, Bradesco shareholders can contact the Bradesco branches where they operate their accounts. For other information, please contact:

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# credits

## **OVERALL COORDINATION**

Bradesco - Market Relations Department

## **PARTNER CONSULTANTS (EDITORIAL COORDINATION, GRI CONSULTING AND DESIGN)**

Report Sustentabilidade

## **PHOTOGRAPHS**

Deco Cury and Bradesco photo archive

## **ILLUSTRATIONS**

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## **PRINTING AND FINISH**

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