

Principles for Responsible Banking

2023 self-assessment



About this report



Principles for Responsible Banking

The PRB (Principles for Responsible Banking) is a commitment based on a structure proposed by the United Nations (UN), by its environmental program focused on financial initiatives, UNEP FI. It aims to ensure that banks' strategies and practices are aligned with the vision established by civil society, through the Sustainable Development Goals (SDGs) and the Paris Climate Agreement.

We were the only Brazilian bank to participate in the development of the principles that guide the PRB and the first Brazilian bank to adhere to the commitment. This demonstrates our understanding of the transformative role we play in the national context, acting as financial intermediation agents for different publics and businesses, and contributing to the development of different sectors of the economy.

We started to implement the PRB in 2020 and we have disclosed our progress annually in relation to the six principles, following the fundamental steps described in the Guide for Banks, created by UNEP FI.

The information disclosed in this report was subject to assurance by independent auditors, in accordance with the [Independent Auditors' Limited Assurance Report](#) available in this document.

Principle 1: Alignment



We will align our business strategy to be consistent and contribute to the individual needs and objectives of society as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional structures.

Business model

Describe (high level) the business model of your bank, including the segments of clients supported, types of products and services provided, the core sectors and types of activities in the principal geographies the bank is active in or offers their products and services to. Also quantify the information by, for example, disclosing the distribution of your bank's portfolio (%) in terms of geography, segments (meaning, by balance sheet and/or off balance sheet) or disclosing the number of clients and people supported.

Response:

Bradesco is a Brazilian bank, established as a corporation. As a private publicly-held company, our shares are traded not only in Brazil, on B3, but also in the United States, on the New York Stock Exchange (NYSE) and in Spain, on Latibex (Madrid Stock Exchange).

With 81 years of history, our journey is marked by pioneering, innovation and expansion, which consolidates us as one of the largest financial groups in Brazil.

We are present throughout the Brazilian territory and have most of our operations concentrated in the domestic market. Our international operations also play an important role and enhance our capacity to offer global financial services, with branches, subsidiaries and/or representative offices in the Americas, Europe and Asia.

We serve a wide range of clients, from low-income individuals to large corporations in retail, insurance, asset management, private banking, corporate banking and investment banking activities, among others. Our diversified range of products and services includes: current and savings accounts, payments and transfers, loans and financing, foreign exchange operations, investments, insurance, pension plans, financial advisory, bonds issuance, asset management, trading and brokerage, among others.

2023 Highlights:

- 71.1 million clients, of which 38.1 million are account holders
- 7,388 service points (branches + PAs/PAEs + business units)
- 38,264 Bradesco Expresso units (banking correspondents)
- 98% of all Bank transactions were made through digital channels
- R\$ 877.3 billion in expanded credit portfolio



Links and references

ESG Report 2023:

- [Main figures: page 8](#)
- [About us: page 9](#)
- [Where we are: page 12](#)
- [Ecosystem: page 13](#)

1.2 Alignment of strategy

Does your corporate strategy identify and reflect sustainability as a strategic priority(s) for your bank?

Yes No

Describe how your bank has aligned and/or plans to align its strategy to remain consistent with and contribute to society's goals as expressed in the Sustainable Development Goals, the Paris Climate Agreement and relevant national and regional frameworks.

Response:

We base our business strategy on meeting client expectations, considering their needs and stages in life, with the aim of increasing their satisfaction through an excellent experience in all interactions with the Organization.

Our operating strategy is based on four fundamental pillars that support our purpose of creating opportunities for the fulfillment of people and the sustainable development of companies and society: Clients, Digital transformation, People and **Sustainability**.

Thus, sustainability, being one of our fundamental strategic pillars, holds a central position to ensure our business strategy is aligned with the societal goals and is addressed in an integrated and transversal manner, permeating all our operations and decisions.

As one of the largest financial institutions in Brazil, we reinforce our purpose of contributing to sustainable development through our operations and by fostering businesses and initiatives that generate positive impacts on society and the environment.

In this context, our sustainability strategy considers local and global challenges and trends on the topic, focusing on three main areas:

- **Sustainable Business:** Boost businesses with a positive impact that promote social and environmental development.
- **Climate Agenda:** Ensure our business is prepared for climate challenges, raising awareness and engaging our clients about risks and opportunities.
- **Financial Citizenship:** Promote financial education and inclusion to leverage social and economic development.

We have a robust governance structure that allows us to internalize ESG aspects in our operations and business decisions, in line with the expectations and interests of our stakeholders. As part of this structure, we maintain a Sustainability and Diversity Committee that reports directly to the Board of Directors and is advised by the Sustainability Commission.

Aligned with our sustainability strategy and reinforcing our commitment to generating value for our stakeholders, we prioritize the six SDGs most aligned with our activities, monitoring our contribution to global goals, as well as our progress in implementing the Principles for Responsible Banking (PRB). In the process of prioritizing the SDGs, we consider: stakeholder consultation, sector benchmarking study, our relevance matrix, the strategic pillars of the Organization, the Brazilian context (major social and environmental issues) and recommendations and guidelines for reporting and performance, among others.

As members of Net Zero Banking Alliance, we are also committed to measuring our financed emissions and acting in accordance with the Paris Agreement, which aims to limit global temperature rise to 1.5 °C, making our credit portfolio Net Zero by 2050.



Links and references

ESG Report 2023:

- [Prioritized SDGs: page 4](#)
- [Strategy: page 14](#)
- [Governance and sustainability strategy: page 16](#)
- [Sustainability Strategy: page 17](#)
- [Sustainable Business: pages 18-25](#)
- [Climate agenda: pages 26-33](#)
- [Climate Risk: page 37](#)
- [Financial Citizenship: pages 93-100](#)

[Climate Report](#)

Does your bank also reference any of the following regulatory sustainability reporting frameworks or requirements in its strategic priorities or policies to implement them?

- UN Guiding Principles on Business and Human Rights
- Fundamental Conventions of the International Labor Organization
- UN Global Compact
- UN Declaration on the Rights of Indigenous Peoples
- Other applicable regulatory reporting requirements on environmental risk assessments, such as climate risk – please specify which:

Other applicable regulatory reporting requirements on societal risk assessments, such as, for example, on risk of modern slavery – please specify which:

None of the above

Response:

Our actions are based on the guidelines of Resolution No. 4,945/2021 of the National Monetary Council (CMN), which mandates Social, Environmental and Climate Responsibility Policies (PRSAC) for financial institutions.

As part of our Governance, the guidelines for managing our Sustainability strategy and ESG aspects rely on a normative framework with policies and standards, among which we highlight:

- Sustainability Policy: encompasses the principles that govern Bradesco's corporate sustainability management.

- Social, Environmental and Climate Responsibility (PRSAC): describes the main guidelines for Bradesco's sustainability and social, environmental and climate responsibility, in defining its strategy and conducting its business, activities and processes, highlighting the main lines of action and governance.

Social, Environmental and Climate Risk Standard: establishes the scope of analysis of exposure to social, environmental and climate risks in operations with clients, suppliers, grantees and invested companies, in line with the principles of proportionality and relevance defined by the National Monetary Council.

The Bradesco Organization's respect for and protection of human rights is expressed in its Corporate Human Rights Policy.

It is worth highlighting that the governance structures and the regulatory framework for sustainability and social, environmental and climate risks are convergent and aligned with Bradesco's purpose and strategy.

We have also joined a number of globally relevant initiatives that address joint efforts to tackle the main challenges for sustainable development. In doing so, we strengthen our strategy, articulate learnings and solutions, and contribute to the joint and multisectoral progress of companies in Brazil.



Links and references

ESG Report 2023:

- [Governance and sustainability strategy: page 16](#)

[Bradesco Organization's Sustainability Corporate Policy](#)

[PRSAC – Social, Environmental and Climate Responsibility Standard](#)

[Social, environmental and Climate Risk Standard](#)

[Corporate Policy on Human Rights](#)

Integrated report 2023

- [Voluntary commitments: page 76](#)

Principle 2:

Impact and Target Setting



We will continuously increase our positive impacts while reducing the negative impacts on, and managing the risks to, people and 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.

2.1. Impact Analysis (Key Step 1)

Show that your bank has performed an impact analysis of its portfolio/s to identify its most significant impact areas and determine priority areas for target-setting. The impact analysis shall be updated regularly¹ and fulfil the following requirements/elements (a-d)²:

a) Scope: What is the scope of your bank's impact analysis? Please describe which parts of the bank's core business areas, products/services across the main geographies that the bank operates in (as described under 1.1) have been considered in the impact analysis. Please also describe which areas have not yet been included, and why.

Response:

As a financial institution, our operations and business activities can generate, directly or indirectly, positive and negative externalities for our various stakeholders.

Understanding how these externalities impact both the organization's internal and external environment is essential for aligning them with

our operational strategy, focusing efforts on maximizing positive impacts and minimizing negative ones.

We base our actions on the guidelines of PRSAC-Social, Environmental and Climate Responsibility, in compliance with the terms set forth in resolution No. 4.945/2021 of the National Monetary Council and by SARB - Banking Self-Regulation System of the Brazilian Federation of Banks No. 14/2014.

PRSAC establishes principles and guidelines for managing the social, environmental and climate impacts of our business and operations, allowing us to continuously improve management and monitor our performance in these areas.

In accordance with PRSAC guidelines and the relevance of our operations in Brazil, we have selected our credit portfolio in Brasil as the scope for impact analysis and goal-setting. This enables us to assess our strategic performance in two main areas of impact: Sustainable Business and Climate change.

It is worth highlighting that the themes of Financial Citizenship (Education and Financial Inclusion) and Human Rights are also covered and inherent to our operating strategy.

¹ That means that where the initial impact analysis has been carried out in a previous period, the information should be updated accordingly, the scope expanded as well as the quality of the impact analysis improved over time.

² Further guidance can be found in the [Interactive Guidance on impact analysis and target setting](#).

- **Sustainable Business:** Financial institutions play a key role in promoting sustainable development by allocating resources to activities and sectors with positive impacts, and supporting the transition to business models with reduced negative impacts.

At Bradesco, we are committed to supporting the generation of sustainable businesses by walking side by side with our clients, engaging and guiding them on social, environmental and climate risks and opportunities.

To enhance this commitment, we have set a target to allocate R\$ 250 billion towards sustainable businesses by 2025. We assess our impact in this pillar following the taxonomy proposed by the Brazilian Federation of Banks (Febraban), considering credit granted for activities classified as having a positive contribution, financial products and services with a social and environmental focus, as well as advisory in structuring of credit and debt solutions linked to ESG criteria.

With these actions, we reinforce our commitment to act as agents of positive transformation in society, in accordance with our purpose and the voluntary commitments we have undertaken, such as the PRB.

- **Climate Change:** With a focus on identifying risks and opportunities, we seek to reduce our operational and business impacts while developing products and services that play a relevant role in supporting the transition to a low-carbon economy and tackling the impacts of climate change, allocating resources and getting closer to our clients.

The Climate agenda is part of Bradesco's sustainability strategy and integrated risk management, incorporating the assessment of risks and opportunities and supporting decision-making and corporate strategy directions, with a focus on business resilience.

As signatories of the Partnership for Carbon Accounting Financials (PCAF), the Net Zero Banking Alliance (NZBA) and the Principles for Responsible Banking (PRB), we are committed to measuring our financed emissions and taking action in accordance with the Paris Agreement, in which aims to limit global temperature rise to 1,5 °C, making our credit portfolio Net Zero by 2050.

Financed emissions represent the indirect climate impact generated by our business and guide our portfolio decarbonization strategy.

Within our analysis scope, we cover GHG emissions generated by corporate lending across all legal entity segments in Bradesco's expanded credit portfolio, as well as investments managed by Bradesco Asset Management.



Links and references

[PR SAC](#)

ESG Report 2023

- [Sustainable Business: pages 18-25](#)
- [Climate Agenda pages 26-33](#)
- [Social, environmental and climate risks in business: pages 34-37](#)
- [Financial Citizenship: pages 93-100](#)
- [Human Rights: pages 111-113](#)

[Climate Report](#)

b) Portfolio composition: Has your bank considered the composition of its portfolio (in %) in the analysis? Please provide proportional composition of your portfolio globally and per geographical scope

i) by sectors & industries³ for business, corporate and investment banking portfolios (i.e. sector exposure or industry breakdown in %), and/or

ii) by products & services and by types of customers for consumer and retail banking portfolios.

If your bank has taken another approach to determine the bank's scale of exposure, please elaborate, to show how you have considered where the bank's core business/ major activities lie in terms of industries or sectors.

Response:

For impact analysis exercises, we consider our expanded credit portfolio, as disclosed in our Economic and Financial Analysis Report.

In Climate change, we have analyzed our expanded credit portfolio for companies, excluding values related to endorsements and sureties.

Due to the timing of our clients' emissions inventories, the reported emissions results reflect previous year's portfolio. This practice ensures greater consistency in disclosed figures and alignment with market practices.

It is worth noting that we began measuring emissions resulting from loans in 2019 and have used the Partnership for Carbon Accounting Financials (PCAF) standard since 2020 to calculate emissions from the bank's corporate credit portfolio and investments

managed by Bradesco Asset Management, across both fixed income and equity portfolios.

Throughout 2023, we significantly enhanced our emissions calculation process by integrating new technologies for capturing internal data, assessing financial data compatibility with GHG emissions inventories, and applying PCAF's new emission factor database.

In Sustainable Business, in line with our goal of allocating R\$ 250 billion to sustainable businesses by 2025, we follow the taxonomy proposed by the Brazilian Federation of Banks (Febraban), considering credit granted for activities classified as having a positive contribution, financial products and services with a social and environmental focus, as well as advisory in the structuring of credit and debt solutions linked to ESG criteria.

Our portfolio includes a series of social and environmental products financed through our own resources or BNDES transfers. Environmental products allocate resources to assets or projects that contribute to the environmental and climate agenda, while social products support projects and assets with positive social impact in key areas such as education, health, accessibility, and financial inclusion.

The growing market demand for responsible and sustainable business has led companies to calculate the total impact of their actions. We are constantly keeping an eye on market methodologies and benchmarks to improve and expand our operations in compliance with Brazilian regulations.

In 2022, our impact assessment focused on our operations in Retail segment. However, we recognize the materiality of the Corporate segment is more significant and aligns with market demands, voluntary commitments (PCAF, NZBA) and the Brazilian regulatory landscape.

³ 'Key sectors' relative to different impact areas, i.e. those sectors whose positive and negative impacts are particularly strong, are particularly relevant here.

c) Context: What are the main challenges and priorities related to sustainable development in the main countries/regions in which your bank and/or your clients operate?⁴ Please describe how these have been considered, including what stakeholders you have engaged to help inform this element of the impact analysis.

This step aims to put your bank's portfolio impacts into the context of society's needs.

Response:

Considering various national and international literature, including the main agendas addressed by UNEP-FI, the main challenges and opportunities for the financial sector in promoting sustainable development are related to the themes of Sustainable Business, Climate Change, Education and Financial Inclusion, among others.

Promoting sustainable development in Brazil requires overcoming complex hardships and the financial sector plays a key role in this challenge. In general, Brazilian Financial System needs to finance projects with social and environmental add-ons, such as green infrastructure and renewable energies, or ensure social and environmental compliance processes for funded projects and clients.

At Bradesco, to address these challenges and opportunities, we have a strategy based on four pillars: Clients, Digital Transformation, People and Sustainability.

Aware of the relevance and urgency of generating positive impact through our operations and business activities, Sustainability, as one of these pillars, reinforces our commitment to sustainable development, generating long-term value for our clients, employees, suppliers, shareholders and society.

Our sustainability strategy considers local and global challenges and trends, in search of increasingly sustainable performance and aligned with the United Nations' Sustainable Development Goals (SDGs). We focus on promoting an agenda for change on three main areas: Climate Agenda, Sustainable Business and Financial Citizenship.

To achieve this, it is crucial to direct our efforts effectively, understanding both the areas we impact and those that have the potential to impact our operations and business.

In this sense, we also update our materiality matrix every two years, engaging with representatives of our stakeholders, incorporating significant issues based on their perceptions and expectations regarding social, environmental and financial impacts.

To select the two main areas for the impact exercise, we considered: i) stakeholder perceptions and demands, including the most material themes identified in our materiality matrix, ii) the regulatory framework under PRSAC, iii) Bradesco's operating strategy, iv) the Sustainability strategy, supporting the choice of Sustainable Business and Climate Change themes.

It is also worth mentioning that PRSAC, the sustainability strategy and the process of preparing the materiality matrix followed Sustainability governance, including the validation steps.



Links and references

ESG Report 2023

- [Materiality and Sustainable Development Goals \(SDGs\): page 4](#)
- [Strategy: page 14](#)
- [Sustainability Strategy: page 17](#)

[Materiality Report](#)

⁴ Global priorities might alternatively be considered for banks with highly diversified and international portfolios.

Based on these first 3 elements of an impact analysis, what positive and negative impact areas has your bank identified? Which (at least two) significant impact areas did you prioritize to pursue your target setting strategy (see 2.2)⁵? Please disclose.

Response:

In 2023, we conducted the impact exercise for the themes of **Sustainable Business** and **Climate Change**, based on their previously described significance.

d) For these (min. two prioritized impact areas): Performance measurement: Has your bank identified which sectors & industries as well as types of customers financed or invested in are causing the strongest actual positive or negative impacts? Please describe how you assessed the performance of these, using appropriate indicators related to significant impact areas that apply to your bank's context.

In determining priority areas for target-setting among its areas of most significant impact, you should consider the bank's current performance levels, i.e. qualitative and/or quantitative indicators and/or proxies of the social, economic and environmental impacts resulting from the bank's activities and provision of products and services. If you have identified climate and/or financial health&inclusion as your most significant impact areas, please also refer to the applicable indicators in the Annex.

If your bank has taken another approach to assess the intensity of impact resulting from the bank's activities and provision of products and services, please describe this.

The outcome of this step will then also provide the baseline (incl. indicators) you can use for setting targets in two areas of most significant impact.

Response:

In **sustainable business**, we are committed to allocating R\$ 250 billion to sectors and assets with a positive social and environmental impact.

From our expanded corporate credit portfolio, we constantly assess our allocation towards sectors with a positive impact, considering i) corporate credit (all credit operations with clients from selected sectors, following the taxonomy proposed by the Brazilian Federation of Banks (Febraban)), ii) social and environmental products (our portfolio of social and environmental products, such as green loans, photovoltaic CDC, microcredit, among others) and iii) investment banking (ESG securities and advisory services for selected companies and sectors).

We understand that by leveraging our sustainable business activities, aligned with the regulatory framework, governance and social, environmental and climate risk strategy, we also reduce and mitigate our negative impacts on sectors that are not aligned with sustainable development.

In addition, among the different positive impact sectors financed, we also selected the Sanitation sector to deepen our exercise, due to its relevance in our loan portfolio and its importance for sustainable development, from the perspective of public health, quality of life and economic development in Brazil.

We can say that investments in basic sanitation are recognized for their high social return, capable of generating multiplier benefits across several areas, from disease prevention to increased economic productivity and improved education.

In Climate Change, we recognize our role in promoting capital allocation towards business models that contribute to reducing greenhouse gas (GHG) emissions, stimulating a low-carbon

⁵ To prioritize the areas of most significant impact, a qualitative overlay to the quantitative analysis as described in a), b) and c) will be important, e.g. through stakeholder engagement and further geographic contextualisation.

economy in the production chains of all economic sectors that we support, reinforcing our commitment to climate transition.

As signatories of the Partnership for Carbon Accounting Financials (PCAF), the Net Zero Banking Alliance (NZBA) and the Principles of Responsible Banking (PRB), we are committed to measuring our financed emissions and acting in accordance with the Paris Agreement, which aims to limit global temperature rise to 1.5 °C, making our credit portfolio Net Zero by 2050.

Throughout 2023, we conducted several studies mapping greenhouse gas emissions scenarios, assessing sectoral decarbonization curves and identifying climate transition opportunities, seeking to advance businesses and initiatives that contribute to a low-carbon economy.

Financed emissions represent the indirect climate impact generated by our business and guide our portfolio decarbonization strategy.

In this context and in compliance with NZBA requirements, we developed and disclosed targets for power generation and coal sectors, along with their respective transition plans.

As previously mentioned, Human Rights and Financial Citizenship are also included in our Sustainability strategy. The strategy and indicators are available in our ESG Report.



Links and references

ESG Report 2023

- [Sustainable Business: pages 18 and 19](#)
- [Climate Agenda: pages 26-33](#)
- [Social, environmental and climate risks in business: pages 34-37](#)
- [Financial Citizenship: pages 93-100](#)
- [Human Rights: pages 111-113](#)

[Climate Report](#)

Self-assessment summary:

Which of the following components of impact analysis has your bank completed, in order to identify the areas in which your bank has its most significant (potential) positive and negative impacts?⁶

Scope:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Portfolio composition:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Context:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No
Performance measurement:	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> In progress	<input type="checkbox"/> No

Which most significant impact areas have you identified for your bank, as a result of the impact analysis?

Sustainable Business, Climate change mitigation, climate change adaptation, financial health & inclusion and human rights.

How recent is the data used for and disclosed in the impact analysis?

- Up to 6 months prior to publication
- Up to 12 months prior to publication
- Up to 18 months prior to publication
- Longer than 18 months prior to publication

⁶ You can respond "Yes" to a question if you have completed one of the described steps, e.g. the initial impact analysis has been carried out, a pilot has been conducted.

2.2 Target Setting (Key Step 2)

Show that your bank has set and published a minimum of two targets which address at least two different areas of most significant impact that you identified in your impact analysis.

The targets⁷ have to be Specific, Measurable (qualitative or quantitative), Achievable, Relevant and Time-bound (SMART). Please disclose the following elements of target setting (a-d), for each target separately:

a) **Alignment:** which international, regional or national policy frameworks to align your bank's portfolio with⁸ have you identified as relevant? Show that the selected indicators and targets are linked to and drive alignment with and greater contribution to appropriate Sustainable Development Goals, the goals of the Paris Agreement, and other relevant international, national or regional frameworks.

You can build upon the context items under 2.1.

Response:

In line with PRB requirements and supporting our Sustainability strategy, we have made commitments and set goals linked to the impact areas of our business, which aligns with the SDGs and the targets of the Paris Agreement.

Below are the main targets established by Bradesco that address the most significant impact areas identified in our materiality analysis:

⁷ Operational targets (relating to for example water consumption in office buildings, gender equality on the bank's management board or business-trip related greenhouse gas emissions) are not in scope of the PRB.

⁸ Your bank should consider the main challenges and priorities in terms of sustainable development in your main country/ies of operation for the purpose of setting targets. These can be found in National Development Plans and strategies, international goals such as the SDGs or the Paris Climate Agreement, and regional frameworks. Aligning means there should be a clear link between the bank's targets and these frameworks and priorities, therefore showing how the target supports and drives contributions to the national and global goals.

- **Climate Change:** Alignment with PRB, Net Zero, Paris Agreement, SDGs, PRSAC, among others.

As signatories of the Partnership for Carbon Accounting Financials (PCAF), the Net Zero Banking Alliance (NZBA) and the Principles of Responsible Banking (PRB), we are committed to measuring our financed emissions and taking action in accordance with the Paris Agreement, which aims to limit the global temperature rise to 1.5 °C, making our credit portfolio Net Zero by 2050.

It should be noted that the process of setting these targets entails big challenges regarding the data availability and quality and methodologies, the suitability of available decarbonization scenarios to Brazilian sectoral contexts, among others. Thus, the targets already set are subject to updates as more suitable options for the aforementioned aspects emerge that are most aligned with our reality and that allow for better measurement of impact and progress.

- **Sustainable Business** – Alignment with PRB, SDG, Febraban's Taxonomy for Green Economy, Climate Bond Initiative (CBI), International Capital Market Association (ICMA), PRSAC, among others.



Links and references

ESG Report 2023

- [Sustainable business: pages 18-25](#)
- [Metrics and targets: pages 31-34](#)

Climate Report

- [Metrics and targets: pages 30-40](#)

b) Baseline: Have you determined a baseline for selected indicators and assessed the current level of alignment? Please disclose the indicators used as well as the year of the baseline.

You can build upon the performance measurement undertaken in 2.1 to determine the baseline for your target.

A package of indicators has been developed for climate change mitigation and financial health & inclusion to guide and support banks in their target setting and implementation journey. The overview of indicators can be found in the Annex of this template.

If your bank has prioritized climate mitigation and/or financial health & inclusion as (one of) your most significant impact areas, it is strongly recommended to report on the indicators in the Annex, using an overview table like below including the impact area, all relevant indicators and the corresponding indicator codes:

In case you have identified other and/or additional indicators as relevant to determine the baseline and assess the level of alignment towards impact driven targets, please disclose these.

Response:

For monitoring our performance in the impact areas we have prioritized and set targets for, we have defined the key performance indicators for monitoring and measuring the progress of these agendas:

- Sustainable Business

1. Total volume allocated to sectors and assets with positive social and environmental impact
2. Financial volume in credit operations with clients from selected sectors

3. Financial volume in contracting social and environmental products, such as Green Loans, CDC Photovoltaic, Microcredit

4. Financial volume in investment banking operations (ESG bonds, advisory services for companies in selected sectors)

5. Engagement and training in sustainable business (internal staff and clients)

- Climate Change

1. Financed emissions – expanded corporate credit portfolio (scopes 1, 2 and 3)

2. Invested emissions from Bradesco Asset Management

3. Sectoral Emissions for items 1 and 2

4. Emissions intensity for items 1 and 2

5. Portfolio decarbonization targets (NZBA requirements)

6. Operational Emissions (scope 1, 2 and 3)

- Financial Citizenship

Based on the study carried out in 2022, we monitor the following indicators:

1. Opening of new current accounts by financially underserved clients

2. Number of clients served by the Floating branch and the number of transactions carried out in the year

3. Opening of new MEI (Individual Microentrepreneur) accounts

4. MEI clients who accessed training content

5. Volume of credit linked to Local Productive Arrangements - LPA and Earmarked Productive Microcredit - MPO in the year

6. Opening of new accounts in youth and children inclusion initiatives

7. Number of people benefiting from financial education initiatives

8. Number of people who accessed our financial guidance features



Links and references

ESG Report 2023

- [Sustainable business: pages 18-25](#)
- [Climate agenda: pages 26-33](#)
- [Financial Citizenship: pages 93-100](#)

c) SMART targets (incl. key performance indicators (KPIs)⁹): Please disclose the targets for your first and your second area of most significant impact, if already in place (as well as further impact areas, if in place). Which KPIs are you using to monitor progress towards reaching the target? Please disclose.

Response:

Sustainable Business:

Goal: To allocate BRL 250 billion by 2025 to assets, sectors and activities with a positive socio-environmental benefits.

Climate Change:

Goal: align our credit and investment portfolios to achieve net-zero carbon emissions by 2050.

- Net Zero Targets: We disclosed our first round of targets and the respective transition plans for the coal and power generation sectors.

Decarbonization targets:

Power Generation:

Scope: Direct emissions (Scopes 1 and 2)

Metric: Emissions intensity (kgCO₂e/ MWh)

2021 baseline: 56

2030 target: 23 (-59%)

Reference scenario: Intergovernmental Panel on Climate Change (IPCC SSP 1-1.9 Brazil)

Coal:

Scope: Direct and indirect emissions (Scopes 1, 2 and 3)

Metrics: Absolute emissions (tCO₂e)

2021 baseline: 7.4 thousand

2030 target: 0 (-100%)



Links and references

ESG Report 2023

Information about the Sustainable Business target

- [Sustainable business: page 18](#)

Calculation and disclosure of our financed emissions

- [Metrics and targets: pages 31-34](#)

Climate Report

- [Portfolio decarbonization goals: page 30](#)

⁹ Key Performance Indicators are chosen indicators by the bank for the purpose of monitoring progress towards targets.

d) Action plan: which actions including milestones have you defined to meet the set targets? Please describe.

Please also show that your bank has analysed and acknowledged significant (potential) indirect impacts of the set targets within the impact area or on other impact areas and that it has set out relevant actions to avoid, mitigate, or compensate potential negative impacts.

Response:

Climate change and **Sustainable Business** have been identified as pillars of the sustainability strategy, supported by robust governance.

In the scope of climate change, we strive to ensure our business is prepared for climate challenges by raising awareness and engaging our clients about risks and opportunities.

To achieve our goals, we have integrated climate considerations into our governance structures, focusing on both risk and opportunities, and promoting engagement with diverse stakeholders.

As part of this strategy, we developed a Climate Transition Plan, following the guidelines of the NZBA and GFANZ. The plan includes fundamentals, governance, implementation and engagement strategy and metrics and objectives associated with our climate transition.

In Sustainable Business, we seek to boost businesses that generate positive impact and foster social and environmental development.

Furthermore, we constantly review our portfolio of products and services through a process that, among other aspects, assesses

environmental, social and governance factors. This process allows us to develop solutions tailored to our clients' needs and enable corporate clients to conduct their activities with lower social and environmental impact.

We have dedicated teams for structuring these operations in both the capital markets and other operations, offering the necessary support to identify opportunities, prepare documentation and assist in the assessment process.

Our experience encompasses the issuance of ESG-labeled financial instruments, both through loans and financing (in categories such as green, social, sustainable and sustainability-linked loans) and capital markets issuances (green, social, sustainable and sustainability-linked bonds). In addition to engage in international fundraising to expand financial support through strategic partnerships, promoting sustainable development.



Links and references

ESG Report 2023

• [ESG Operations and Social and Environmental Products: page 21](#)

Self-assessment summary

Which of the following components of target setting in line with the PRB requirements has your bank completed or is currently in a process of assessing for your...

... first area of most significant impact: **Climate Change**

... second area of most significant impact: **Sustainable Business**

(If you are setting targets in more impact areas) ..your third (and subsequent) area(s) of impact:

Alignment

Yes

In progress

No

Yes

In progress

No

Yes

In progress

No

Baseline

Yes

In progress

No

Yes

In progress

No

Yes

In progress

No

SMART targets

Yes

In progress

No

Yes

In progress

No

Yes

In progress

No

Action plan

Yes

In progress

No

Yes

In progress

No

Yes

In progress

No

2.3 Target implementation and monitoring (Key Step 2)

For each target separately:

Show that your bank has implemented the actions it had previously defined to meet the set target.

Report on your bank's progress since the last report towards achieving each of the set targets and the impact your progress resulted in, using the indicators and KPIs to monitor progress you have defined under 2.2.

Or, in case of changes to implementation plans (relevant for 2nd and subsequent reports only): describe the potential changes (changes to priority impact areas, changes to indicators, acceleration/review of targets, introduction of new milestones or revisions of action plans) and explain why those changes have become necessary.

Response:

The actions to meet the set target were described in detail in item 2.2.

Our progress in Sustainable Business:

Indicator	2022	2023
Volume allocated to sectors with a positive socio-environmental impact	BRL 172.7 billion (69.1% of the target of R\$250 billion for Sustainable Business)	BRL 227 billion (90.8% of the target of R\$250 billion for Sustainable Business)
Financial volume in credit operations with customers from selected sectors*	-	-
	Products balance	
Financial volume in contracting** socio-environmental products, such as: Green Loans, CDC Photovoltaic, Microcredit products balance	BRL 1.1 billion with environmental benefits and BRL 533 million balance with social benefits	BRL 2.3 billion with environmental benefits BRL 975 million with social benefits
Financial volume in investment banking operations (ESG securities, Advisory services for companies in selected sectors)	BRL 5.9 billion	BRL 6.1 billion
Engagement and training in sustainable business (internal staff and clients)	Meetings with 700 relationship managers from the Wholesale segment and 250 clients	Meetings with 860 relationship managers from the Wholesale segment and 174 clients

* Not disclosed for strategic reasons

** Contracted volume not disclosed for strategic reasons, but we present the related balance.

Progress in Climate Change:

Throughout 2023, our emissions calculation process underwent significant improvements due to the integration of technologies for capturing internal data, the assessment of the compatibility of financial data and GHG emissions inventories and the application of PCAF's new emission factor database. The new methodological process impacted the coverage of the credit portfolio, calculated emissions and the calculation quality score in relation to the values disclosed in the previous year.

Indicator	2021	2022
Sectoral emissions of corporate loans – Scope 1 and Emissions (MtCO2e)	10.15	10.64
Total financed emissions Bradesco Asset – Scope 1 and Emissions (MtCO2e)	1.67	2.1
Sectoral emissions	See ESG Report 2023 Metrics and targets: page 33	
Total financed emissions - Emission intensity (MtCO2e/BRL billion) Bradesco	0.03	0.03
Total financed emissions - Emission intensity (MtCO2e/BRL billion)	0.02	0.02
Decarbonization goals	See ESG Report 2023 Metrics and targets: page 33	
Operational Emissions scope 1, 2 and 3	See ESG Report 2023 Inventory Results: pages 47 and 48	

Note: Due to the disclosure period for our clients' emissions inventories, the emissions results presented consider the previous year's portfolio, thus ensuring greater consistency in the figures disclosed and alignment with market practices.

Progress in Financial Citizenship:

Although Financial Citizenship was not prioritized in our latest impact analysis, we continue to monitor the progress of related indicators due to the importance of this subject, which is material for the Organization and one of the pillars of our sustainability strategy.



Links and references

All the indicators described are available in the reports below:

ESG Report 2023

- [Sustainable Business: pages 18-25](#)
- [Climate agenda: pages 26-33](#)
- [Financial Citizenship: pages 93-100](#)

Integrated Report 2022

- [Sustainable business: pages 163-183](#)
- [Climate agenda: pages 184-202](#)
- [Financial citizenship: pages 84-94](#)

Principle 3:

Clients and Customers



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.

3.1 Client engagement

Does your bank have a policy or engagement process with clients and customers¹⁰ in place to encourage sustainable practices?

- Yes
- In progress
- No

Does your bank have a policy for sectors in which you have identified the highest (potential) negative impacts?

- Yes
- In progress
- No

Describe how your bank has worked with and/or is planning to work with its clients and customers to encourage sustainable practices and enable sustainable economic activities¹¹. It should include information on relevant policies, actions planned/implemented to support clients' transition, selected indicators on client engagement and, where possible, the impacts achieved.

This should be based on and in line with the impact analysis, target-setting and action plans put in place by the bank (see P2).

Response:

Financial institutions play a key role in promoting sustainable development by allocating resources to activities and sectors with a positive impact, and supporting the transition to business models with a lesser negative impact.

At Bradesco, we are committed to walking side by side with our clients, supporting the generation of sustainable businesses and guiding and engaging clients in relation to social, environmental and climate risks and opportunities.

¹⁰ A client engagement process is a process of supporting clients towards transitioning their business models in line with sustainability goals by strategically accompanying them through a variety of customer relationship channels.

¹¹ Sustainable economic activities promote the transition to a low-carbon, more resource-efficient and sustainable economy.

To ensure the internalization of the sustainable business strategy within the Organization, we have a continuous process of engaging our clients and employees — especially the commercial teams.

In 2023, we engaged 860 relationship managers from the Wholesale segment in sustainable business and the potential risks and opportunities related to environmental, social and climate issues. Furthermore, we held a series of sectoral events aligned with our Net Zero commitment and the climate agenda.

Committed to engaging our clients on opportunities and risks of the ESG agenda, we met with 174 of them throughout 2023.

We implemented specific ESG agenda-related training to Bradesco Asset's internal audience, covering topics such as Governance, Carbon Pricing and Invested Emissions. In 2023, 222 employees participated in at least one of these trainings.

We also promoted discussions with our analysts about the materiality of ESG aspects for sectors and companies and trained them on the Personal Investment Policy and Abusive Practices in the Capital Markets. In addition, during the year, we directly engaged 35 companies from our investment portfolio, encouraging the adoption of best ESG practices, focusing on critical issues to mitigate risks and seize opportunities. We also held a webinar with Bradesco Asset Management clients about ESG investment opportunities.

We believe that we can improve our clients' experience through innovation. Thus, we have created an innovation ecosystem capable of supporting and inspiring the institution, building paths and conditions that put it at the forefront of financial and non-financial products and services. In 2023,

14 events addressed ESG topics, including climate change. Around 1,895 people signed up for the sessions, held both in-person and remotely.

Moreover, we engaged our audience through the Insights Podcast, created in April 2020 to cover a wide range of discussions, from investments to lifestyle. Throughout 2023, Insights featured 9 episodes directly related to ESG issues, including climate change. It is worth highlighting the sections covering the net zero agenda from the perspective of the steel and aluminum sector, as well as preparatory discussions for COP28. The sections specifically focused on net zero discussions garnered more than 11,000 accesses.



Links e Referências

ESG Report 2023

- [Engagement and training in sustainable business: page 25](#)

Climate Report

- [Engagement and awareness: pages 22-24](#)

3.2 Business opportunities

Describe what strategic business opportunities in relation to the increase of positive and the reduction of negative impacts your bank has identified and/or how you have worked on these in the reporting period. Provide information on existing products and services, information on sustainable products developed in terms of value (USD or local currency) and/or as a % of your portfolio, and which SDGs or impact areas you are striving to make a positive impact on (e.g. green mortgages – climate, social bonds – financial inclusion, etc.).

Response:

As part of our sustainable business strategy, we have developed customized credit and debt solutions to help our clients structure and improve ESG best practices, reinforcing our commitment to acting as agents of positive transformation in society, in line with our purpose and directly contributing to SDGs 5, 8, 9, 10 and 13, as stated in our Sustainability strategy.

To enhance this commitment:

- We set the goal of allocating R\$ 250 billion to sustainable businesses by 2025. Up to December 2023 we had already allocated 90.8%, R\$ 227 billion.

- We have specialist teams dedicated to structuring these operations both in the capital markets and for other operations, offering all the necessary support to identify opportunities, prepare documentation and support the operation assessment process.

Our experience encompasses the issuance of ESG-labeled financial instruments, both through loans and financing (in categories such as green, social, sustainable and sustainability-linked loans) and capital market issues (green, social, sustainable and sustainability-linked bonds), in compliance with the major international guidelines and principles, subject to a Second-Party Opinion (SPO).

From the perspective of Responsible Investments, Bradesco Asset Management also has a dedicated ESG team and 99.93% of the assets under management included ESG analysis in 2023.



Links and references

ESG Report 2023

- [Sustainability Strategy: page 17](#)
- [Sustainable Business: page 18](#)
- [Social and Environmental Products: page 19](#)
- [ESG Operations: page 20 and 21](#)
- [Responsible Investments: pages 22-25](#)

Sustainability website

- [Sustainable Business](#)

[Sustainable finance framework](#)

Principle 4: Stakeholders



We will proactively and responsibly consult, engage and partner with relevant stakeholders to achieve society's goals.

4.1 Stakeholder identification and consultation

Does your bank have a process to identify and regularly consult, engage, collaborate and partner with stakeholders (or stakeholder group¹²) you have identified as relevant in relation to the impact analysis and target setting process?

Yes

In progress

No

Please describe which stakeholders (or groups/types of stakeholders) you have identified, consulted, engaged, collaborated or partnered with for the purpose of implementing the Principles and improving your bank's impacts. This should include a high-level overview of how your bank has identified relevant stakeholders, what issues were addressed/results achieved and how they fed into the action planning process.

Response:

We are continually engaging and establishing strategic partnerships with our stakeholders to promote sustainable development.

As part of this process we highlight:

- Materiality matrix: We periodically assess the relevance of sustainability topics by engaging representatives from all our stakeholder groups in a structured listening process. This process results in the update of the materiality matrix, based on their perceptions and expectations regarding the issues they perceive to be most relevant. We also consider key market trends and the regulatory environment.

The results obtained enable more assertive communication, guiding the reporting of strategy, indicators, targets and performance.

This process takes place every two years and the last review was in 2022. The next review will be held in 2024.

In addition, we have recurring consultation and engagement meetings with relevant stakeholders such as: clients, investors, regulators and associations, to discuss risks and opportunities identified in the Sustainability agenda, including reporting, performance and transparency of our strategy.

¹² Such as regulators, investors, governments, suppliers, customers and clients, academia, civil society institutions, communities, representatives of indigenous population and non-profit organizations

In conducting our voluntary sustainability commitments, we also participate in various national and international working groups, with the aim of leveraging the agenda and engaging our diverse stakeholders. We share information and enrich the debate on topics of such as banking responsibility, climate, and financial inclusion, in collaboration with UNEP FI, NZBA, GFANZ, and others.



Links and references

[Stakeholder Engagement Standard](#)

[Materiality Report](#)

ESG Report 2023

- [Materiality and Sustainable Development Goals \(SDGs\): page 4](#)
- [Engagement and training in sustainable business: page 25](#)
- [Relationship with institutions: page 111](#)
- [How we relate to stakeholders: page 138](#)

Integrated Report

- [Voluntary commitments: page 76](#)

Principle 5:

Governance & Culture



We will implement our commitment to these Principles through effective governance and a culture of responsible banking

5.1 Governance Structure for Implementation of the Principles

Does your bank have a governance system in place that incorporates the PRB?

- Yes
- In progress
- No

Please describe the relevant governance structures, policies and procedures your bank has in place/is planning to put in place to manage significant positive and negative (potential) impacts and support the effective implementation of the Principles. This includes information about

- Which committee has responsibility over the sustainability strategy as well as targets approval and monitoring (including information about the highest level of governance the PRB is subjected to),
- Details about the chair of the committee and the process and frequency for the board having oversight of PRB implementation (including remedial action in the event of targets or milestones not being achieved or unexpected negative impacts being detected), as well as

- Remuneration practices linked to sustainability targets.

Response:

Sustainability, integrated into our corporate strategy, is implemented and monitored across the board, supported by a robust governance structure that allows us to internalize ESG aspects in our operations and business decisions, in line with the expectations and interests of our stakeholders.

Our Board of Directors is responsible for defining the strategy and monitoring the Organization's sustainability performance, in its regular meetings, as established in the bylaws and in accordance with the guidelines of our PRSAC - Social, Environmental and Climate Responsibility.

Our Board is advised by the Sustainability and Diversity Committee, composed of members of the Board of Directors and the Executive Board, including the Chief Executive Officer. The committee meets on a bimonthly basis and is responsible for monitoring the progress and implementation of the sustainability strategy.

We also have a Sustainability Commission, comprising executive officers and directors from various areas, who meet on a bimonthly basis. It is responsible for advising

the Committee decisions, by proposing strategies and solutions that promote the implementation of best sustainability practices to the Organization's activities and businesses.

The Policy on Nomination and Succession of Bradesco Organization's Administrators, which comprises the members of the Board of Directors and the Board of Executive Officers at their various hierarchical levels, aims to ensure that Administrators are aligned with the policies and practices aimed at business sustainability and organizational longevity.

The individual assessment of Administrators is also based on personal performance, according to their functions, and their respective area of activity, including ESG management indicators and Bradesco's positioning in the main sustainability indexes and ratings.



Links and references

[PR SAC - Social, Environmental and Climate Responsibility](#)

[Regulations of Sustainability and Diversity Committee of Bradesco Organization](#)

ESG Report 2023

- [Governance and sustainability strategy: page 16](#)
- [Corporate Governance: pages 115-117](#)
- [Evaluation and succession: page 118](#)
- [Remuneration: page 120](#)

[Policy on Nomination and Succession of Bradesco Organization's Administrators](#)

Reference Form

- [Remuneration: pages 250 and 251](#)

5.2 Promoting a culture of responsible banking:

Describe the initiatives and measures of your bank to foster a culture of responsible banking among its employees (e.g., capacity building, e-learning, sustainability trainings for client-facing roles, inclusion in remuneration structures and performance management and leadership communication, amongst others).

Response:

As previously mentioned, Sustainability is one of the pillars of Bradesco's strategy. To enhance the strategy and increasingly promoting our role as a responsible bank, we provide several initiatives and measures for our employees. Among them, the following stand out:

Skill-building and training:

We have a corporate university (UNIBRAD) with 10 years of experience, whose mission is promoting education for professional excellence and social mobility, as well as becoming a reference in skills and leadership development, strengthening the value of our brand and our social commitment to the perpetuity of our business.

UNIBRAD offers 4,500 asynchronous learning solutions and 1,160 courses in the synchronous virtual model with several schools, including the School of Citizenship and Sustainability.

The Citizenship and Sustainability Track is a structured learning model, with on-site and remote learning actions that integrate the vision of business continuity into the Organization's culture, covering economic, environmental and social aspects. In 2023, we recorded 87,089 participations in Sustainability pillar solutions.

To ensure the internalization of the sustainable business strategy within the Organization, we maintain a continuous engagement process with our commercial teams.

In 2023, we engaged 860 relationship managers from the Wholesale segment in sustainable business and the potential risks and opportunities related to environmental, social and climate issues.

In addition, we implemented specific ESG agenda-related training to Bradesco Asset Management's internal audience, covering Governance (process and standard), Carbon Pricing and Invested Emissions. In 2023, 222 employees participated in at least one of these trainings. We also promoted discussions with our analysts about the materiality of ESG aspects for sectors and companies and trained them on the Personal Investment Policy and Abusive Practices in the Capital Markets.

We believe that we can improve the experience of our employees and clients through innovation. Thus, we have created an innovation ecosystem capable of supporting and inspiring the institution, building paths and conditions that put it at the forefront of financial and non-financial products and services. In 2023, 14 events addressed ESG topics, including climate change. Around 1,895 people, including our employees, signed up for the sessions, which are held both in-person and online.

To address the most diverse discussions, from investments to lifestyle, we have the Insights Podcast. In 2023, Insights featured 9 episodes directly related to ESG issues.

Compensation linked to ESG metrics

ESG aspects, including those related to the climate agenda, are incorporated into the compensation and recognition

processes. In the variable compensation process for executives and the assessment of their respective areas, ESG aspects and performance on key sustainability indices and ratings are considered, as detailed in section 5.1 of this report.

'Sustainable Business' and 'Climate Change' also contribute to the scoring of the Corporate Managers' goals program (POBJ) as a financial incentive. POBJ is a balanced scorecard, prepared based on the Organization's strategic drivers and goals, for the purpose of encouraging and monitoring the performance of our commercial force.



Links and references

ESG Report 2023

- [Engagement and training in sustainable business: page 25](#)
- [UNIBRAD: pages 64, 65 and 66](#)

Climate Report

- [Climate Report: pages 22 and 23](#)

(Complementary Information)

Integrated Report 2023

- [Human Capital: pages 60-67](#)

[Unibrad website \(available only in Portuguese\)](#)

5.3 Policies and due diligence processes

Does your bank have policies in place that address environmental and social risks within your portfolio?¹³ Please describe.

Please describe what due diligence processes your bank has installed to identify and manage environmental and social risks associated with your portfolio. This can include aspects such as identification of significant/salient risks, environmental and social risks mitigation and definition of action plans, monitoring and reporting on risks and any existing grievance mechanism, as well as the governance structures you have in place to oversee these risks.

Response:

As a financial institution, our exposure to social, environmental and climate risks is predominantly indirect, arising from our business relationships with the supply chain and with clients, through financing and investment activities.

Our risk and capital management structure complies with the standards issued by the National Monetary Council (CMN) and the Central Bank of Brazil (BCB) and is aligned with best management practices.

It is made up of committees, commissions and areas that support the decision-making of our Senior Management, defined as the Board of Directors, the Chief Executive Officer (CEO), the Chief Risk Officer (CRO) and the Executive Board.

The basic operating guidelines are reviewed at least once a year by the Board of Directors.

The management of social, environmental and climate risks is supported by the Social, Environmental and Climate Risk Standard, which, in turn, is in compliance with the Sustainability and Social, Environmental and Climate Responsibility Policies (PRSAC).

According to the scope and criteria set in the social, environmental and climate risk standard, our credit assessment for clients in sectors with significant social and environmental impact and high credit exposure follows several steps: updating the scope of clients assessed, ESG methodology, sectoral checklists, research, analysis and classification.



Links and references

ESG Report 2023

- [Social, environmental and climate risks in business: pages 34-37](#)
- [Risk and Capital Governance: page 117](#)

(Due diligence)

- [Suppliers: pages 102-104](#)
- [Human Rights pages 111-113](#)

[Bradesco Organization's Sustainability Corporate Policy](#)

[PRSAC – Social, Environmental and Climate Responsibility](#)

[Social, Environmental and Climate Risk Standard](#)

¹³ Applicable examples of types of policies are: exclusion policies for certain sectors/activities; zero-deforestation policies; zero-tolerance policies; gender-related policies; social due diligence policies; stakeholder engagement policies; whistle-blower policies etc., or any applicable national guidelines related to social risks.

Self-assessment summary

Does the CEO or other C-suite officers have regular oversight over the implementation of the Principles through the bank's governance system?

Yes No

Does the governance system entail structures to oversee PRB implementation (e.g. incl. impact analysis and target setting, actions to achieve these targets and processes of remedial action in the event targets/milestones are not achieved or unexpected neg. impacts are detected)?

Yes No

Does your bank have measures in place to promote a culture of sustainability among employees (as described in 5.2)?

Yes In progress No

Principle 6:

Transparency & Accountability



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

6.1 Assurance

Has this publicly disclosed information on your PRB commitments been assured by an independent assurer?

Yes In progress No

If applicable, please include the link or description of the assurance statement.

Response:

The information presented in this report was reviewed and audited by KPMG, an independent auditing company. The process followed the guidelines contained in our corporate policies and Audit Committee regulations.



Links and references

[Independent Auditors Assessment](#)

6.2 Reporting on other frameworks

Does your bank disclose sustainability information in any of the listed below standards and frameworks?

- GRI
- SASB
- CDP
- IFRS Sustainability Disclosure Standards
- TCFD
- Other: SDG

Response:

Every year, we publish a set of reports aimed at providing more transparency for our stakeholders, presenting our financial and sustainability information, including environmental, social and climate aspects.

These reports offer a complete and integrated view of our strategic priorities, business performance and commitments made:

- **2023 Integrated Report:** It integrates institutional, business, financial and sustainability information, in line with IIRC frameworks, with an emphasis on how we generate and share value.
- **ESG Report:** Based on GRI and SASB standards, we report the most relevant environmental, social and governance indicators for our stakeholders.
- **ESG Indicators Spreadsheet:** includes the main quantitative ESG indicators for the last four years.
- **Climate Report:** a report on the management of climate-related risks and opportunities, in accordance with recommendations from the Task Force on Climate-related Financial Disclosures (TCFD);
- **Economic and Financial Analysis Report:** Our consolidated economic and financial performance, reported in accordance with practices applicable to institutions authorized to operate by the Central Bank of Brazil;
- Among others.



Links and references

[Integrated Report 2023](#)

[ESG Report 2023](#)

[ESG Spreadsheet](#)

[Climate Report](#)

[Economic and Financial Analysis Report](#)

6.3 Outlook

What are the next steps your bank will undertake in next 12 month-reporting period (particularly on impact analysis¹⁴, target setting¹⁵ and governance structure for implementing the PRB)? Please describe briefly.

Response:

The process of implementing and managing the PRB at Bradesco Organization in 2024, will focus on the following actions:

1. Review of our materiality matrix - every two years, we update our matrix, engaging with representatives from our stakeholders groups to incorporate significant issues based on their perceptions and expectations regarding social, environmental and financial impacts, increasingly seeking alignment with the PRB guidelines.
2. Deepening the methodologies and benchmarking for impact analysis and valuation, aiming to expand the scope of our impact exercises in line with market practices and the economic and regulatory context in Brazil.
3. Continuing to leverage our strategy, identifying and monitoring the main positive and negative impacts generated in the economy, society, environment and climate.
- 4- We will continue to move forward in the transparency of our actions and our reports, addressing the PRB guidelines and key reporting frameworks, such as GRI, IFRS/TCFD, among others.

¹⁴ For example outlining plans for increasing the scope by including areas that have not yet been covered, or planned steps in terms of portfolio composition, context and performance measurement

¹⁵ For example outlining plans for baseline measurement, developing targets for (more) impact areas, setting interim targets, developing action plans etc.

6.4 Challenges

Here is a short section to find out about challenges your bank is possibly facing regarding the implementation of the Principles for Responsible Banking. Your feedback will be helpful to contextualise the collective progress of PRB signatory banks.

What challenges have you prioritized to address when implementing the Principles for Responsible Banking? Please choose what you consider the top three challenges your bank has prioritized to address in the last 12 months (optional question).

If desired, you can elaborate on challenges and how you are tackling these:

- Reporting
- Assurance
- Prioritizing actions internally
- Other: ...

- Embedding PRB oversight into governance
- Gaining or maintaining momentum in the bank
- Getting started: where to start and what to focus on in the beginning
- Conducting an impact analysis
- Assessing negative environmental and social impacts
- Choosing the right performance measurement methodology/ies
- Setting targets
- Customer engagement
- Stakeholder engagement
- Data availability
- Data quality
- Access to resources

Independent Auditors' Limited Assurance Report

To
Board of Directors and Shareholders of
Banco Bradesco S.A.
Osasco - SP

Limited assurance report of independent auditors on the non-financial information contained in the Report on Principles for Responsible Banking ("PRB")

We were engaged by Banco Bradesco S.A. ("Bradesco") to present our limited assurance report on the non-financial information contained in the Bradesco Report on Principles for Responsible Banking ("PRB Report") about items 2.1. Impact Analysis, 2.2. Target Configuration, 2.3. Goals Implementation and Monitoring, and 5.1. Principles for Responsible Banking (PRB) Governance Structure for the year ended December 31, 2023.

Our limited assurance does not cover prior-period information, or any other information disclosed together with the PRB Report, including any incorporated images, audio files or videos.

Responsibilities of the Management of Bradesco

The Management of Bradesco is responsible for:

- selecting and establishing adequate criteria for the preparation the information contained in the PRB Report;
- preparing the information in accordance with the United Nations Environment Programme Finance Initiative ("UNEP FI") self-assessment report template ;

- designing, implementing, and maintaining internal controls over the significant information for the preparation of the information included in the PRB Report, which is free from material misstatement, whether due to fraud or error.

Independent Auditor's Responsibility

Our responsibility is to express a conclusion on the non-financial information contained in the PRB Report (items 2.1., 2.2., 2.3. and 5.1.), based on our limited assurance engagement in accordance with the Assurance Guidance to undertake limited assurance on Principles reporting, issued by the United Nations Environment Programme ("UNEP FI"), based on the Brazilian standard NBC TO 3000 (revised) Assurance Engagements Other than Audit and Review, also issued by the CFC, which is equivalent to the international standard ISAE 3000 (revised) - Assurance engagements other than audits or reviews of historical financial information, issued by the International Auditing and Assurance Standards Board (IAASB). Those standards require the planning of work and the execution of procedures to obtain limited assurance that the non-financial information contained in the PRB Report taken as a whole, are free from material misstatement.

KPMG Auditores Independentes Ltda. ("KPMG") applies the Brazilian Standard for Quality Management (NBC PA 01), which requires the firm to plan, implement and operate a quality management system, including policies or procedures related to compliance with ethical requirements, professional standards, and applicable legal and regulatory requirements. We comply with the independence and other ethical

requirements of the Accountant's Code of Professional Ethics and Professional Standards (including the Independence Standards) based on the fundamental principles of integrity, objectivity, professional competence and care, confidentiality, and professional behavior.

A limited assurance engagement conducted in accordance with NBC TO 3000 revised (ISAE 3000 revised) consists mainly of inquiries to Bradesco's Management and other Bradesco professionals who are involved in preparation of the information, as well as the application of procedures analytical to obtain evidence that allows us to conclude in the form of limited assurance on the information taken as a whole. A limited assurance engagement also requires the performance of additional procedures, when the independent auditor becomes aware of matters that lead him to believe that the information disclosed in the PRB Report (items 2.1., 2.2., 2.3. and 5.1.), taken as a whole, may present material misstatements.

The procedures selected are based on our understanding of the aspects related to the compilation, materiality, and presentation of the information included in the PRB Report (items 2.1., 2.2., 2.3. and 5.1.), other circumstances of the engagement and our analysis of the areas and processes associated with the significant information disclosed in the PRB Report in which significant misstatements might exist. The procedures comprised, among others:

(a) planning the work, taking into consideration the materiality and the volume of quantitative and qualitative information and the operating and internal control systems that were used to prepare the information included in the PRB Report;

(b) understanding the calculation methodology and the procedures adopted for the compilation of indicators through inquiries of the managers responsible for

the preparation of the information;

(c) applying analytical procedures to quantitative information and making inquiries regarding the qualitative information and its correlation with the indicators disclosed in the PRB Report; and

(d) when non-financial data relate to financial indicators, comparing these indicators with the financial statements and/or accounting records.

Scope and limitations

The procedures applied in a limited assurance engagement vary in nature and timing and are less detailed than those applied in a reasonable assurance. Consequently, the level of assurance obtained in a limited assurance engagement is substantially lower than the level that would be obtained in a reasonable assurance engagement. If we had performed a reasonable assurance engagement, we might have identified other matters and possible misstatements in the information included in the PRB Report (items 2.1., 2.2., 2.3. and 5.1.).

Non-financial data are subject to more inherent limitations than financial data, due to the nature and diversity of the methods used to determine, calculate and estimate these data. Qualitative interpretations of the relevance, materiality, and accuracy of the data are subject to individual assumptions and judgments. Furthermore, we did not consider in our engagement the data reported for prior periods nor future projections and goals.

As to the information included in the PRB Report (items 2.1., 2.2., 2.3. and 5.1.), we assessed its consistency in relation to the information and data assured in the context of the 2023 ESG Report.

Conclusion

Our conclusion was formed based on and is limited to the matters described in this report.

We believe that the evidence we have obtained is sufficient and appropriate to support our conclusion, in the limited form.

Based on these procedures performed, described herein, and on the evidence obtained, no matter has come to our attention that causes us to believe that Bradesco's statement that the non-financial information contained in the PRB Report (items 2.1., 2.2., 2.3. and 5.1.) for the year ended December 31, 2023 of Banco Bradesco S.A. has not been prepared, in all material respects, in accordance with the United Nations Environment Programme Finance Initiative ("UNEP FI") self-assessment report template.

São Paulo, August 6, 2024



KPMG Auditores Independentes Ltda.
CRC 2SP-027685/O-0 F SP

Original report in Portuguese signed by

Gustavo Mendes Bonini
Contador CRC 1SP-296875/O-4

