

PRINCIPLES FOR SUSTAINABLE INSURANCE - BRADESCO SEGUROS

2016 - 2017 REPORT

PRESENTATION

Just as important as a profitable company, is a company that is recognized for good practices and initiatives that will maintain its profitability over time. This is **Sustainability Linked to the Business**, a topic that permeates our entire organization through a set of good practices that generate value to all the public with whom we interact.

Sustainability can be translated into the daily lives of our group through permanent investment in technology, governance and risk management models, information security, product development and comprehensive segmentation services and customer communication channels, the best use of natural resources and other aspects that promote the continuity of our operations and businesses.

There is a growing global tendency for investors to consider socially responsible, sustainable and profitable companies for the application of their resources, considering the generation of shareholder value in the medium and long term, in order to better prepare the organizations against the economic, social and environmental risks. With this in mind, Banco Bradesco has been working to be eligible for Sustainability Indices, such as the São Paulo Stock Exchange's Corporate Sustainability Index (ISE) and the New York Stock Exchange's Dow Jones Sustainability Index (DJSI), important corporate indicators on the best practices and initiatives in Sustainability. We, of the Bradesco Seguros Group, due to contributing with a significant part of the Bank's Recurring Net Income, about 29% in 2017, play an important role in fostering responses to these indices.

Aiming at improving these indicators and the greater engagement of our associates in the Insurance Group, we have the support of a multidisciplinary commission called the Corporate Sustainability Commission of the Bradesco Seguros Group and BSP Empreendimentos Imobiliários. Our Sustainability Commission was created in 2017 and reports to the Executive Committee of Bradesco Seguros and has the participation of members of several areas and companies of our Insurance Group. Our objective is to evaluate the best market practices, to propose strategies and initiatives, as well as to promote a Culture of Sustainability Linked to the Business, which will reflect on the evolution of the results of the DJSI and ISE sustainability indices in which we participate.

In line with the sustainability strategy and the Corporate Sustainability Policy guidelines of the Bradesco Organization, whose objective is to promote sustainability in our business with social and environmental responsibility, we work internally in the Bradesco Seguros Group and BSP with motivators to move forward on this topic, namely:

- **Leverage performance in the DJSI, ISE and CDP indices;**
- **Give visibility to Capital, Risks and Opportunities Management;**
- **Engagement of stakeholders;**

- **Promoting advance in Corporate Governance; Financial Inclusion; Innovation and Technology and Efficiency Improvement.**

PRINCIPLE 1 - We will embed in our decision-making environmental, social and governance issues relevant to our insurance business.

SUSTAINABILITY COMMISSION

The main forum to discuss themes related to sustainability is the Sustainability Committee, which reports directly to the Board of the Bradesco Organization. The Bradesco Seguros Group Board of Executive Officers approved the creation of a Sustainability Commission for Bradesco Seguros Group and BSP Empreendimento Imobiliário in December 2017, which will initiate activities in 2018. This governance body will develop strategies and solutions to implement best corporate sustainability practices in the activities and businesses of Bradesco Seguros Group and BSP Empreendimento Imobiliário, improving their ability to create sustainable value.

‘LEARNING WITH PECHA KUCHA’

Good governance practices are encouraged through the 'Learning with Pecha Kucha' institutional profile, made available only to employees, where videos in which the employees of the insurance company present their department are posted periodically. In addition to increasing internal knowledge about what everyone else does, we want to convey the importance of teamwork in an environment of cordiality and collaboration. It is the interdependence in our day to day.

GUARDIAN ANGEL

An initiative supporting Bradesco Auto/RE's new brand positioning by wowing policyholders with fast roadside breakdown or accident response. If a policyholder's car breaks down or is involved in an accident, in addition to requesting a tow truck to respond, Bradesco will also dispatch a motorcycle responder, or "Angel", who will arrive at the scene ahead of the tow truck and is trained to provide the policyholder with needed assistance. The motorcycle responder will be equipped with the tools needed for minor repairs, ensuring a fast response. In the case of a dead battery, for example, the "Angel" responder can solve the problem immediately, avoiding the need to dispatch a tow truck to the scene and reducing fuel burn and emissions. Motorcycle responders are instructed to stay with the policyholder until help arrives. Policyholders can also opt to continue to their destinations and let the Angel responder watch their vehicles until the tow truck arrives. The service is complete with a snack kit. The goal is to

convey a sense of protection and support from the insurance company and responders, and to provide a quick solution to policyholders.

EFFICIENCY CAMPAIGN

We ran an Efficiency Campaign involving communication and education actions throughout the Organization, in which facilitators were trained to disseminate the water and energy efficiency content to employees. Awareness lectures were also organized in partnership with utilities to minimize water and electricity consumption.

INSURANCE CULTURE MULTIPLIERS

Our Insurance Culture Multipliers initiative ran from March to May 2017 to mark National Financial Education Week. The initiative trained Bradesco Seguros Group employees in Rio de Janeiro and São Paulo to disseminate an insurance culture through lectures delivered to janitorial, security and maintenance service providers; parents and students within the Business-School Integration Project; and doorkeepers and facilities managers within the Elderly-Friendly Doorkeepers Program.

“OPERAÇÃO CALAMIDADE”

In 2017, we maintained the “Operação Calamidade”, an innovative insurance process that identifies, analyzes and prioritizes situations which are related to a catastrophe, concentrating efforts to quantify and indemnify the insured party involved in natural disasters as quickly as possible.

AUTO RECYCLING PROGRAM

This program avoids the abandonment of substituted auto parts and scrap iron from car dumps, through partnerships with companies specialized in collecting and recycling such materials. The partners collect the material from repair shops and destine them to appropriate recycling venues promoting the environmental protection and generating revenue to low-income families.

INCENTIVE CAMPAIGNS – RECOGNIZING GREAT PROFESSIONALS

“Bradesco Seguros Insurance Talent” is one of the longest standing sales initiatives in Brazil’s insurance industry. In 2017, the initiative was themed around “Earning your place among the

best”, providing motivation to 35,000 brokers and broker assistants registered with Bradesco Seguros Group. The goal was to encourage Brokers to take on challenges, develop their skill set and work towards higher achievement to become stars in the insurance world. The campaign covers all products available from Bradesco Seguros across Vehicle Insurance, Property & Casualty Insurance (mass and corporate), Health, Dental and Life Insurance, Pension Plans and Pooled Finance.

UNIVERSEG

Created in 2004, Universeg (Insurance Universe) 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 through a range of activities throughout Brazil – both in person and online – focusing on technical and behavioral development. In 2017, capacity building and development activities were attended by a total of 130,632 people, of which 68,610 were in person and 62,022 online.

Our **Universeg Portal** provides access to online courses as well as “Bradesco Seguros Video Lectures” and materials with content related to insurance.

In leadership development, we launched a “**Leadership Journey**” in partnership with the Bradesco Corporate University (UniBrad). Comprising 60 integrated solutions focused on the challenges faced at each level of Management, the “Leadership Journey” aims to develop and enhance essential leadership skills with a focus on succession, business sustainability and delivering results.

We also have an “**Executive Coaching**” program that supports and prepares leaders in their professional and personal development through tools and methodologies to help them manage for high performance and achieve superior results.

PRINCIPLE 2 – We will work together with our clients and business partners to raise awareness of environmental, social and governance issues, manage risk and develop solutions.

DIRIJABEM

Dirija Bem is a car owner’s assistant app for iOS and Android designed to support better driving and vehicle maintenance practices that help to reduce fuel consumption, emissions and traffic accidents using telemetry technology. Utilizing the device’s GPS sensors, data such as journey time, distance, speed and driving smoothness are collected and this information is used to provide driving and vehicle maintenance tips. Drivers also receive an overall traffic behavior score. The higher the score, the better their driving performance. In 2017, the application was

tested and had approximately 500 users, 458 of them active, 8200 trips logged and 545,000 kilometers traveled.

FINANCIAL/INSURANCE EDUCATION

The Bradesco Organization provides training solutions for employees to help support and advise customers through a variety of channels and especially the Financial Education portal, which provides training options on responsible borrowing, financial planning, personal finances and insurance education, for example.

Our users also have access to guides, handbooks, book recommendations, and an online calculator for financial management. The Portal provides more than 20 free courses, including Business Planning and Budgeting, Financial Mathematics, Personal Finances and Energy Savings. Since 2013, these courses have attracted more than 1,350,000 visiting users. Another available education channel is the Learning to Grow Facebook blog, which has more than 510,000 followers.

Bradesco Seguros' Viva a Longevidade website offers financial information, tips on how to better manage money in the long term, and simulators that indicate the best pension plan for users - VGBL or PGBL - making the planning process easier for our clients and associates.

MANAGEMENT OF SUPPLIERS

The registration of suppliers to participate in the procurement processes of the Bradesco Organization is carried out through an approval tool, under the management of the Procurement Department, in which suppliers are evaluated under the socio-environmental, registration, commercial and economic-financial aspects.

Among the issues that address Social and Environmental issues, the following aspects are evaluated:

- Environmental Management - certifications related to environmental aspects and licenses provided by law; policies and procedures adopted by the supplier; and the monitoring and control of the environmental wastes arising from their actions.
- Anti-corruption - practices and policies adopted in accordance with the law to fight corruption and/or bribery; internal policies of the company for preventing and fighting against corruption;

And issues related to the practice and effectiveness of Human Rights:

- Social Responsibility - such as not using child labor and labor forced or analogous to slavery; freedom of association and collective bargaining of third parties with their employees, working conditions for people with special needs and commitment to valuing and promoting equity and diversity.

- Occupational health and safety management: ensure good working conditions, health and safety, certification of some occupational health and safety management standard and commitment to health and safety at work.
- Relationship with the local community: educational and/or public interest campaigns in the community, active participation in a local/national development agenda (Eg: Global Compact, Agenda 21).

With the tool, potential risks to suppliers are mitigated at the moment of the homologation process, following the principles of the BM & FBOVSPA Corporate Sustainability Index (ISE) and Human Rights principles in regards to the Dow Jones Sustainability Index (DJSI). The protection of human rights, fundamental labor rights and the rights of children and adolescents are also included in the homologation.

Socio-environmental responsibility is a fundamental theme for the definition of partners, which are seen as key for the maintenance of quality, innovation and efficiency standards adopted by Bradesco. To sensitize suppliers on the importance of these aspects, the Bank annually holds the Bradesco Suppliers Meeting, in addition to workshops and training.

INCLUSIVE INSURANCE

Bradesco First Protection: At a monthly cost of R\$ 5.50, this product provides coverage for personal accidents as well as individual funeral coverage.

Double Protection Microinsurance: This product provides coverage for fire, lightning strikes, gas explosions and accidental death with premiums starting at R\$ 4.50 per month.

Personal Protection Microinsurance: Product offered at Losango Stores offering coverage for death, permanent invalidity due to injury and involuntary unemployment.

Bradesco Premium Accident Microinsurance: Product available exclusively from Losango Stores with premiums of only R\$12,00, this insurance product offers coverage for Accidental Death with a payout of R\$10,000.00.

Tranquilidade Familiar: An insurance product providing coverage for death, as well as funeral coverage in Individual, Family or Plus categories, with premium payments starting at R\$ 5.00 per month.

ABS Senior: A late-life insurance product for customers aged 60 to 80, with monthly premiums starting at R\$ 33.73.

Prev Classic - 3 in 1: A pension plan with monthly contributions starting at R\$ 79.00, providing 3 benefits in a single product: accumulation, survivor's benefit and draws.

SobMedida Prev Jovem: A pension plan for children and youth with contributions starting at R\$ 50.00 per month, helping to provide financial education to this audience.

PRINCIPLE 3 – We will work together with governments, regulators and other key stakeholders to promote widespread action across society on environmental, social and governance issues.

NATIONAL INSURANCE CONFEDERATION (CNSEG)

Bradesco Seguros actively participates in the National Insurance Confederation (CNseg) Sustainability & Innovation Commission (CSI), which promotes integration around ESG (Environmental, Social and Governance) issues in insurance operations and the insurance value chain by generating knowledge and establishing industry commitments to foster the development of new business, strengthen risk management and improve the industry's reputational capital. Bradesco Seguros is also active on the Inclusive Insurance Commission (CS Inclusivos), which promotes initiatives to address barriers to the development and marketing of insurance products for low-income consumers, who are more financially vulnerable to risks. The commission works towards this objective through sectoral debates, interaction with regulators, and other government bodies and national and international organizations with subject matter expertise.

BRAZILIAN BUSINESS COUNCIL FOR SUSTAINABLE DEVELOPMENT (CEBDS)

Bradesco Seguros Group is also a member of the Brazilian Business Council for Sustainable Development (CEBDS), in which it participates in Thematic Chambers bringing together member companies to build and develop projects related to major sustainability issues.

LONGEVITY

The Bradesco Seguros Group, to encourage the achievement of longevity, with health, quality of life and well-being, promotes a series of actions that seek to spread to the population the importance of regular physical exercise, adoption of healthy habits and financial planning.

The **Longevity Circuit** encourages people to engage in exercise through short marathons (6 km) and walks (3 km). Amateur runners, athletes and sedentary people of all ages meet around the same objectives: improving health and social life through sports. The circuit runs from July to December, with 41,000 entrants. R\$ 300,000.00 were collected for donations in 2017, benefiting a number of charities.

The **Bradesco Seguros Longevity Awards** aim to recognize and showcase great stories about longevity, foster discussion about the subject in Brazil, as well as recognizing locally developed research on longevity.

Organized annually since 2006, the **Longevity Forum** (in which national and international experts meet in São Paulo and Rio de Janeiro) is an event organized by Bradesco Seguros to foster debate and discussion about longevity and active aging. It also discusses the importance of combining financial protection and planning with future quality of life and well-being. The initiative brings together scientists, economists, sociologists and other experts and stakeholders to discuss developments and attend debates and lectures about longevity.

MOVIMENTO CONVIVA

The Conviva Movement is a project launched and developed by Bradesco Seguros to promote the harmonic coexistence between car drivers, bike riders and pedestrians, besides encouraging cycling as a sport and a healthy and sustainable life habit, especially in big cities. That is why Bradesco Seguros actuates with São Paulo City Hall to open new spaces for using bicycles during Sundays and holidays. The project had approximately 120,000 cyclists, 124.3 km of cycle tracks and 1,000 volunteers who worked on the safety of crossings in 2017.

PLANT A TREE

In mid-2017 we also organized a Plant a Tree initiative, in which Bradesco Seguros Group employees and business partners planted around 6,000 Atlantic Rain Forest tree saplings in Rio de Janeiro and São Paulo.

PEEE

With regard to projects with the community, the Bradesco Seguros Group continues to develop Projeto Integração Empresa Escola - PIEE (the Company-School Integration Project) created in June 2004, which works in partnership with Fundação Bradesco in actions complementary to education, and has the mission of contributing to social integration, citizenship and promotion of quality of life through the encouragement and development of sports and cultural activities. In 2017, the project assisted 1271 children. Among the actions of PIEE held in 2017 are Football, Easter events, the project's anniversary event, children's day, as well as volleyball, basketball, futsal and swimming events.

ELDERLY-FRIENDLY DOORKEEPERS PROGRAM

The Elderly-Friendly Doorkeepers Program is a free training course focused on serving elderly citizens. It helps doorkeepers to build rapport with the elderly and understand the aging process in all its aspects. Participants share experience and are encouraged to use a warm and preventive approach in dealing with elderly residents, through dynamic activities in which they experience and can reflect on the limitations inherent to aging. In 2017 the Elderly-Friendly

Doorkeepers Program has trained over 620 professionals, reaching 3,323 professionals since its launch in 2010, ready to contribute to the work environment and to the community itself.

RELATIONSHIP WITH THE GOVERNMENT AND SOCIETY

We collaborate, through Febraban, in the development of public policies and lobbies/advocacy. Bradesco's participation regarding public policies is always aligned with an institutional and/or sectoral position.

RELATIONSHIP WITH REGULATORY/SUPERVISORY BODIES AND ENTITIES

All our activities are supervised by bodies such as the Central Bank, the National Supplementary Healthcare Agency (ANS), the Superintendency of Private Insurance (Susep), the Brazilian Securities and Exchange Commission (CVM) and the US Security and Exchange Commission (SEC).

ORGANIZATIONS OF THE THIRD SECTOR (NGOS)

We maintain an open relationship with several non-governmental organizations (NGOs), participating in groups and discussion forums of organizations such as Ethos Institute, Group of Institutes, Foundations and Companies (GIFE), Brazilian Business Council for Sustainable Development (CEBDS) and Akatu Institute, among others, as well as in social and environmental investment initiatives.

PRINCIPLE 4 – We will demonstrate accountability and transparency in regularly disclosing publicly our progress in implementing the Principles.

CERTIFIED LEED GOLD

Bradesco Seguros' head office building has been built in conformity with international LEED sustainability requirements and has been certified LEED Gold. The LEED system was developed by the United States Green Building Council (USGBC) as the most internationally recognized voluntary environmental performance assessment system.

The system addresses five assessment categories across the three dimensions of sustainability (economic, environmental and social): Sustainable Land; Water Efficiency; Energy Efficiency; Materials & Resources and Interior Quality. Because materials consumption is monitored under the system, issues related to materials consumption and disposal are addressed by Bradesco

Seguros. A waste management plan is in place covering construction waste, disposal of organic matter and recyclables and technological waste materials.

ECO-EFFICIENCY

We collect, verify, consolidate and monitor data related to the eco-efficiency of the companies belonging to the insurance group on a monthly basis, always aiming at improving economic and environmental performance. We manage paper consumption, card consumption, water consumption and electronic waste related to our operations, as well as the amount of materials collected in the automotive recycling of damaged insured vehicles.

In addition, within the insurance company, we collect all information from our companies that provide data related to the direct and indirect emission of greenhouse gases (GHG) for their own vehicles, leased vehicles, mileage reimbursement, taxi, emergency transport, organic waste, recyclable waste and energy consumption, which make up the inventory of GHG emissions from the Bradesco organization. The inventory is submitted annually for audit by the **ISO 14064 certification**, a relevant international standard responsible for reporting GHG emissions in organizations that voluntarily aim to monitor their carbon emissions, important to show our commitment to reducing emissions in the group, promoting transparency for investors and other stakeholders.

ECONOMIC SOCIO-ENVIRONMENTAL INDICATORS

We adopted, in our management process, national and international economic socio-environmental indicators, such as the Dow Jones Sustainability Indices (DJSI), the Corporate Sustainability Index (ISE, of B3) and the Carbon Efficient Index (ICO2, also of B3), as well as the guidelines and indicators of the Global Reporting Initiative (GRI).

CLIMATE CHANGE

As a participant of the **Task Force on Climate-related Financial Disclosures (TCFD)**, which is developing a set of climate-related financial risk disclosures for use by companies in providing information to lenders, insurers, investors, and other stakeholders, the Organization is piloting pioneering approaches that will increase the amount of information made available about the exposure of financial institutions to climate-related risks and opportunities.

Since 2006 we have been part of the **Carbon Disclosure Project (CDP)**, an initiative that aims to evaluate the management of risks and opportunities related to climate change and reporting of greenhouse gas emissions. Since 2008, we have also assumed the role of multipliers of the CDP Supply Chain Leadership Collaboration (SCLC), which aims to encourage our partners in the management and disclosure of their GHG emissions, as well as to respond to the CDP Supply Chain questionnaire. Annually, in conjunction with the other members of the CDP Supply Chain

initiative, training workshops are held for supplier companies to assist in the preparation of GHG inventories and create actions for their reduction. In more than ten years, the improvement of management strategies led Bradesco to join the group of leading companies in this theme in 2017.