



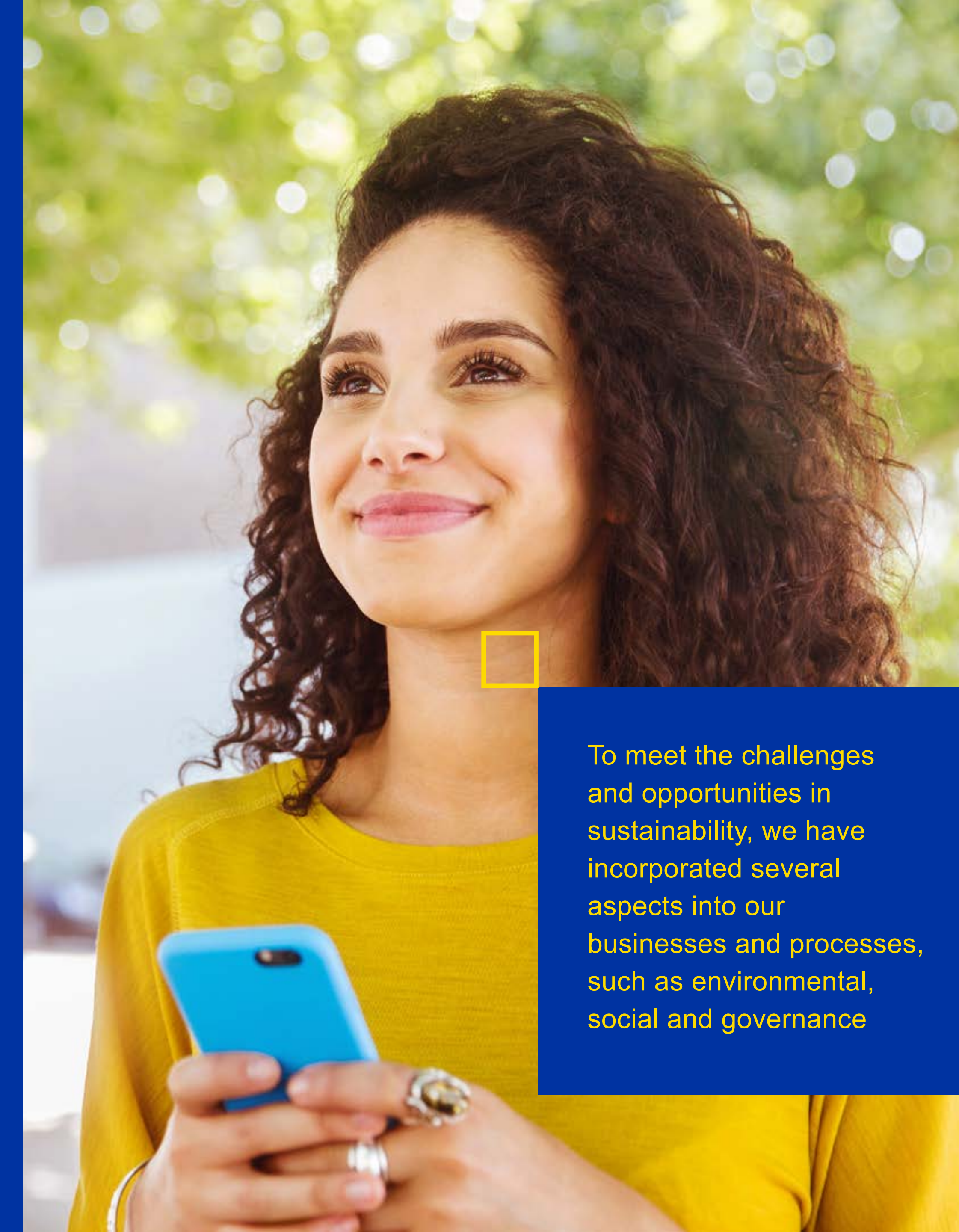
Annual Report 2019





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To meet the challenges and opportunities in sustainability, we have incorporated several aspects into our businesses and processes, such as environmental, social and governance

□ Introduction

The 2019 Annual Report presents the main initiatives and results from the period and how we generated value for the Company and for our main stakeholders: shareholders, investors, employees, customers, suppliers, partners, government and society representatives.

For our directives to be aligned with the demands of the market and those of our stakeholders, we seek to understand the global and national context and evaluate the impacts to which we are exposed. Improving the relationship with customers and their financial business experience, creating sustainable profitability for stakeholders by remunerating the invested capital, developing financial solutions related to the green economy, improving climate and environmental risk management, strengthening corporate governance and cultivating good practices in human resources management are the goals present in our organization, both to ensure the perpetuity of the business and a sustainable future for society.

To meet the challenges and opportunities in sustainability, we have incorporated several aspects into our businesses and processes, such as environmental, social and governance (ESG) factors. This is expressed in our Sustainability Plan – Agenda 30 BB, which branches out through commitments that reflect the connection of our business strategies with global priorities for sustainable development and climate change established in protocols such as Sustainable Development Goals (SDGs) and Paris Agreement.

In line with the main world trends related to transparency in accountability, this report was elaborated according to the Global Reporting Initiative (GRI) and ensured by Deloitte Independent Auditors. The GRI publications are marked throughout the text and can be viewed in detail in the [GRI Appendix](#). The [GRI Content Summary](#) presents a correlation with the 10 Global Pact Principles and the 17 SDG. By means of this report, we also demonstrate our alignment with the Integrating Report principles as we approach, in an integrated manner, our financial and socio-environmental



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performance, as well as the internal and external factors that affect our creation of shared value, with content guided by a multi-stakeholder materiality process.

The report is divided in chapters that reflect on our [business model](#), our [transformative role in society](#), as well as risk management and [corporate governance](#) aspects. After that, information on [financial](#), [social](#) and [environmental value](#) creation are presented.

The economic and financial data are in conformity with the Brazilian Corporation Law (Lei das Sociedades por Ações) and with norms emitted by the Brazilian Securities and Exchange Commission (CVM) and by the Central Bank of Brazil (BACEN). The balances presented refer to the BB Conglomerate performance, in accordance with the financial statements available on the Investor Relations website (<https://ri.bb.com.br/en/>). The information on social and environmental disclosures refer to 100% of Banco do Brasil, which, in 2019, contributed 68.79% of the BB Conglomerate operational results.

Good reading!

Relevant Topics 102-44

In 2018, we reviewed our sustainability challenges in light of the Corporate Strategy 2019-2023, comprising sectorial studies, renowned national and international sustainability indexes (Corporate Sustainability Index – ISE and the Dow Jones Sustainability Index – DJSI) and society demands. We highlight below the relevant topics for reporting on management and sustainability. [See more on the GRI Appendix](#).

- Progress in governance practices
- Management of non-financial and/or emerging risks
- Innovations in the financial sector and anticipation of trends
- Customer satisfaction
- Improvement of variable remuneration
- Productive development, entrepreneurship and social and financial inclusion
- Promotion of diversity and gender and race representation
- Development of human capital
- Ethics and anti-corruption practices
- Transition to green and inclusive economy
- Management of socio-environmental risks



In 2019, we generated a positive impact for society in the order of R\$ 45.7 billion. We will continue to work tirelessly in favor of customers, shareholders, employees and Brazilian society.

□ Letter from the Management [102-14]

The year of 2019 was marked by great results. Financially, we registered a record adjusted net profit of R\$ 17.8 billion, a growth of R\$ 4.3 billion (+32.1%) in comparison to the result of the previous year. The return on equity (ROE) reached 17.3%, a 3.4% increase in relation to 2018.

The adjusted return on assets (ROA) reached 1.24% in 2019, a growth of 26 points in relation to the previous year. A driver for this process was risk rebalancing and credit portfolio returns, which led retail operations to gain more relevance in the total credit portfolio.

This process of financial mix change was accompanied by the control over defaults on payments. In 2019, the allowances for loan and lease losses (ALLL) decreased 2.4% (-R\$ 481 million) in relation to 2018.

The strategic goal of providing the best experience for our customers has been pursued via specialization and segmentation

of customer service. Moreover, it is appropriate to mention the availability of an ample portfolio of products and services, developed with a focus on each our publics' profile, offering convenience and increasing customer satisfaction.

With strategy centered on relationship and the best customer experience, fee income from the service network grew R\$ 1.8 billion in relation to 2018, reaching R\$ 29.2 billion.

The optimization of the service network, combined with digital transformation, allowed for gains in operational efficiency, elevating in 36.1% the cost to income ratio, the best in our historical series.

We are on the right track to excellence in customer services and in digital transformation, with modern, safe and innovative solutions for our customers. The BB app has the best evaluation on Play Store (4.6) and on Apple Store (4.7), with over 14 million recurring users,

We are focused on improving our financial and socio-environmental performances. We reached 1.1 trillion in assets by means of the BB DTVM management, with R\$ 177.3 billion in assets subject to positive screening, considering socio-environmental and corporate governance aspects. The commitment of developing business solutions also reflects on the investment of R\$ 174.0 billion in green economy sectors.

As a result of this performance, we were recognized in 2020 as one of the most sustainable financial companies in the world by the Corporate Knights' Global 100 ranking – the announcement took place at the World Economic Forum in Davos, Switzerland. We also take part in national and international sustainability indexes, such as the New York Exchange's Dow Jones Sustainability Index

(DJSI), the London's Stock Exchange's FTSE4 Good Index Series, and the B3's Corporate Sustainability Index (ISE). In 2019, we were reintegrated in the DJSI's "World" portfolio, reaching second place in the "Banks" sector.

These achievements demonstrate that we are on the right track when it comes to social and environmental impacts associated to profitability in the management of activities and businesses that generate value to stakeholders, customers, employees and society. We also point out the commitment to the actions established in our Sustainability Plan and to the 10 principles of the Global Pact.

In 2019, we generated a positive impact in society that amounts to R\$ 45.7 billion. Of this amount, R\$ 23.1 billion benefited more than 93 thousand employees, R\$ 6.7 billion were

distributed among shareholders in the form of interests on equity, R\$ 534.6 million were paid in taxes and R\$ 11.2 billion were reinvested, reinforcing our capital.

We would also like to thank all employees for their dedication and effort in achieving the excellent 2019 results, even in times of great banking transformations. We presented record results, met our shareholders' expectations and elevated our customers' satisfaction, operating in a sustainable manner.

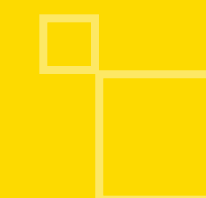
In 2020, we want to maintain this delivery of consistent results. We will work tirelessly to favor our customers, shareholders, employees and Brazilian society in an innovative, efficient and sustainable manner. Thank you all for your trust in our work. We invite you to get to know more details of our 2019 results on the following pages.

Hélio Lima Magalhães

Chairman of the Board of Directors
of Banco do Brasil

Rubem de Freitas Novaes

CEO of Banco do Brasil





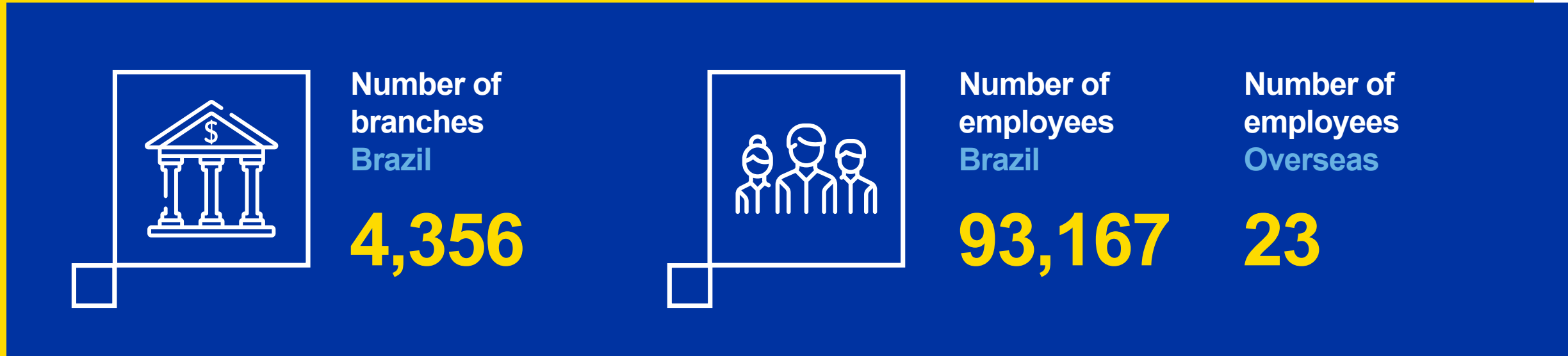
□ About us

We are Banco do Brasil S.A. (BB), a privately-owned, publicly-traded corporation with a mixed economy, controlled by the Federal Government, which holds 50% of the shares; the first bank to operate in the country and also the first company to hold a public share offering in the Brazilian capital market; and the only Brazilian bank listed on Novo Mercado that has advanced requirements of corporate governance. With over 210 years of existence, we actively contribute to Brazil's development. The values that guide the organization are as follows: Customer Centricity, Innovation, Sense of Ownership, Ethics, Efficiency, Reliability and Public Spirit. [|102-1](#) [|102-5](#) [|102-16|](#)

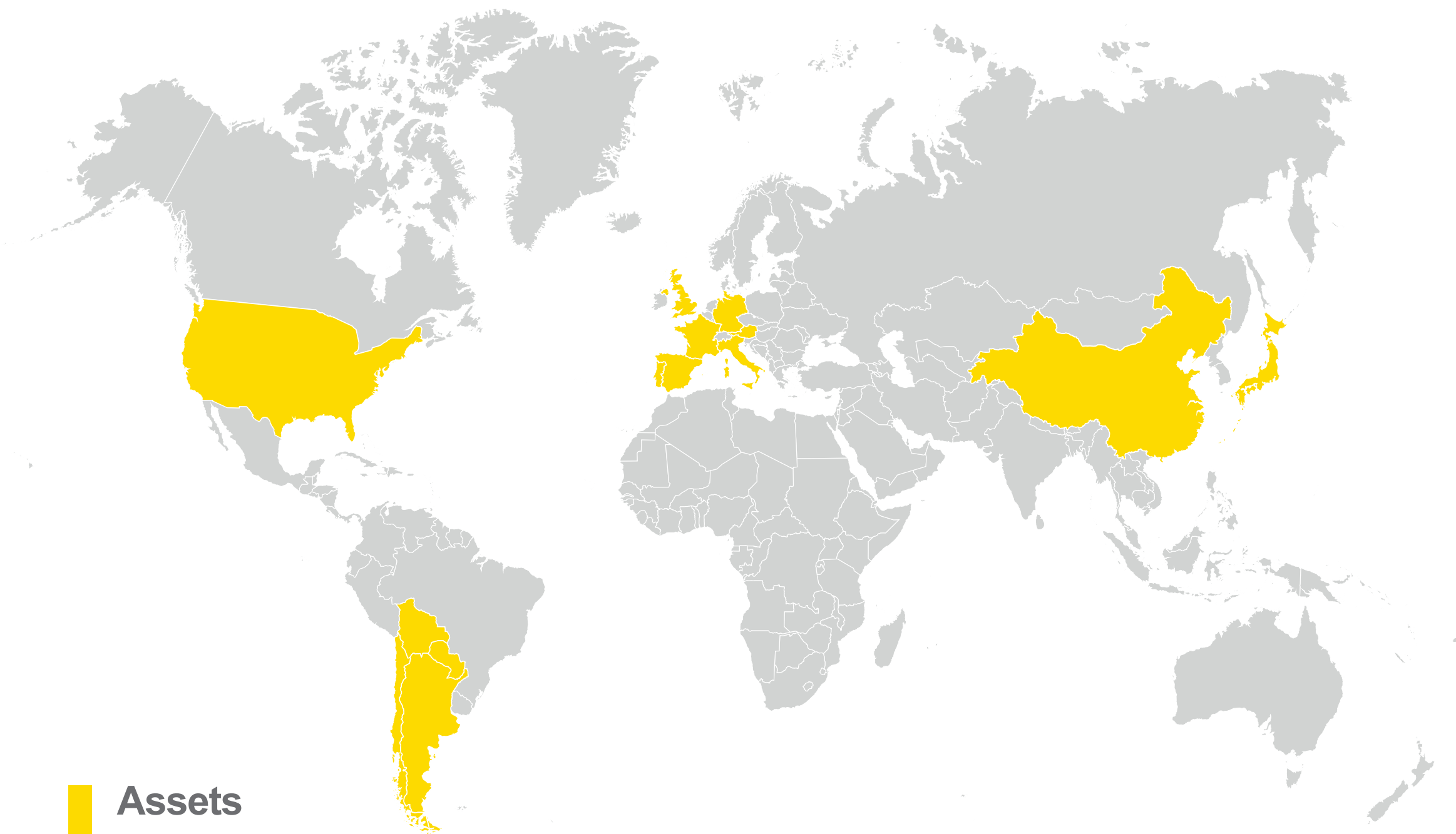
Our Management has a solid commitment to the delivery of consistent and sustainable results, transparency, accountability, equity and socio-environmental responsibility. Due to these efforts, we integrate B3's (Brasil, Bolsa, Balcão) Novo Mercado and the State-Owned Enterprises Governance Program (Programa Destaque em Governança de Estatais – PDGE), and we are also present on B3's Corporate Sustainability Index (Índice de Sustentabilidade Empresarial – ISE). We are also listed in the World portfolio and emerging markets portfolio of the New York Stock Exchange's Dow Jones Sustainability Index (DJSI).

We are present in 99.24% of Brazilian municipalities with more than 50 thousand service points (among own network service points and partnerships with third parties). These 4,356 branches stand for a 21% share of the National Financial System. The overseas network is also comprised of 24 units located in 16 countries. We also have agreements with financial institutions abroad to operate as correspondents for 858 banks in 106 countries. [|102-4](#) [|102-6|](#)

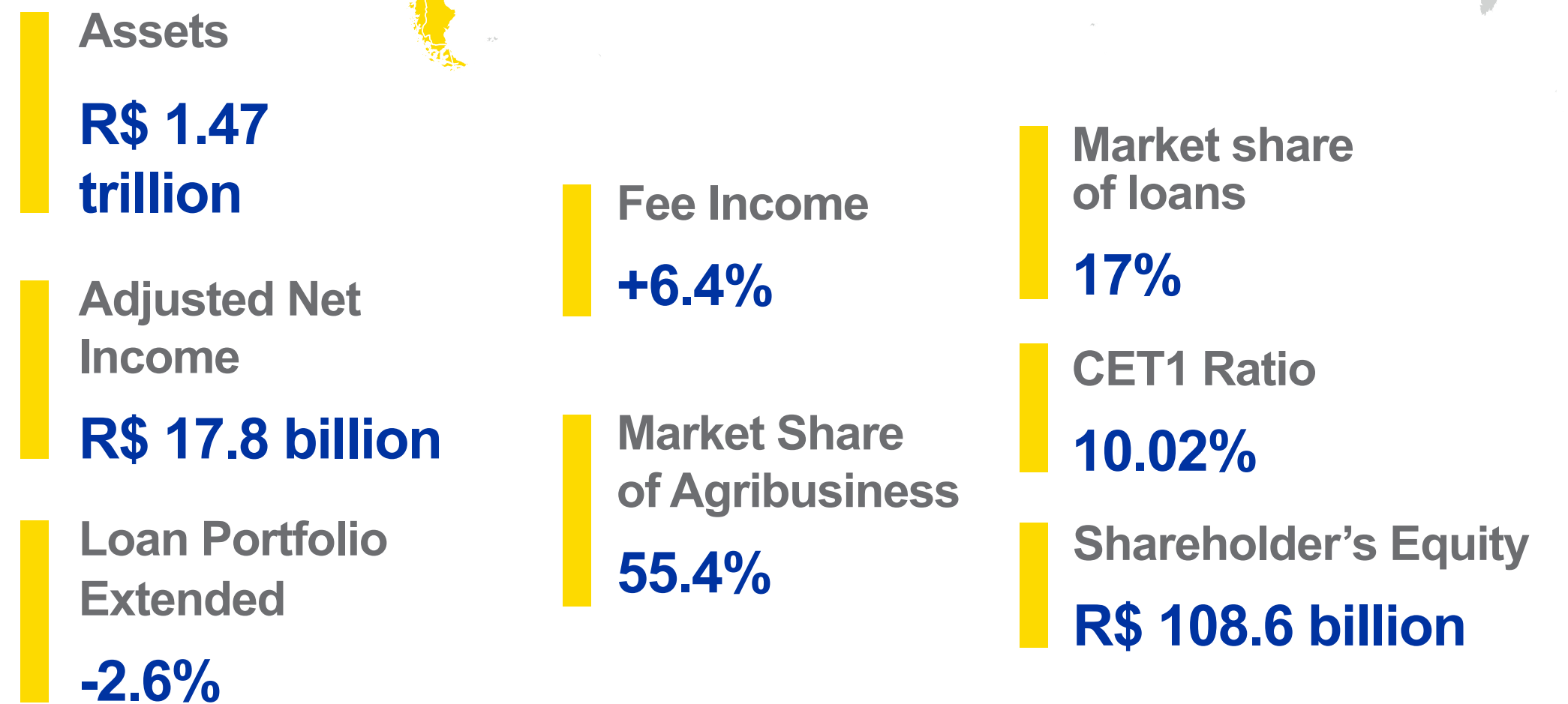
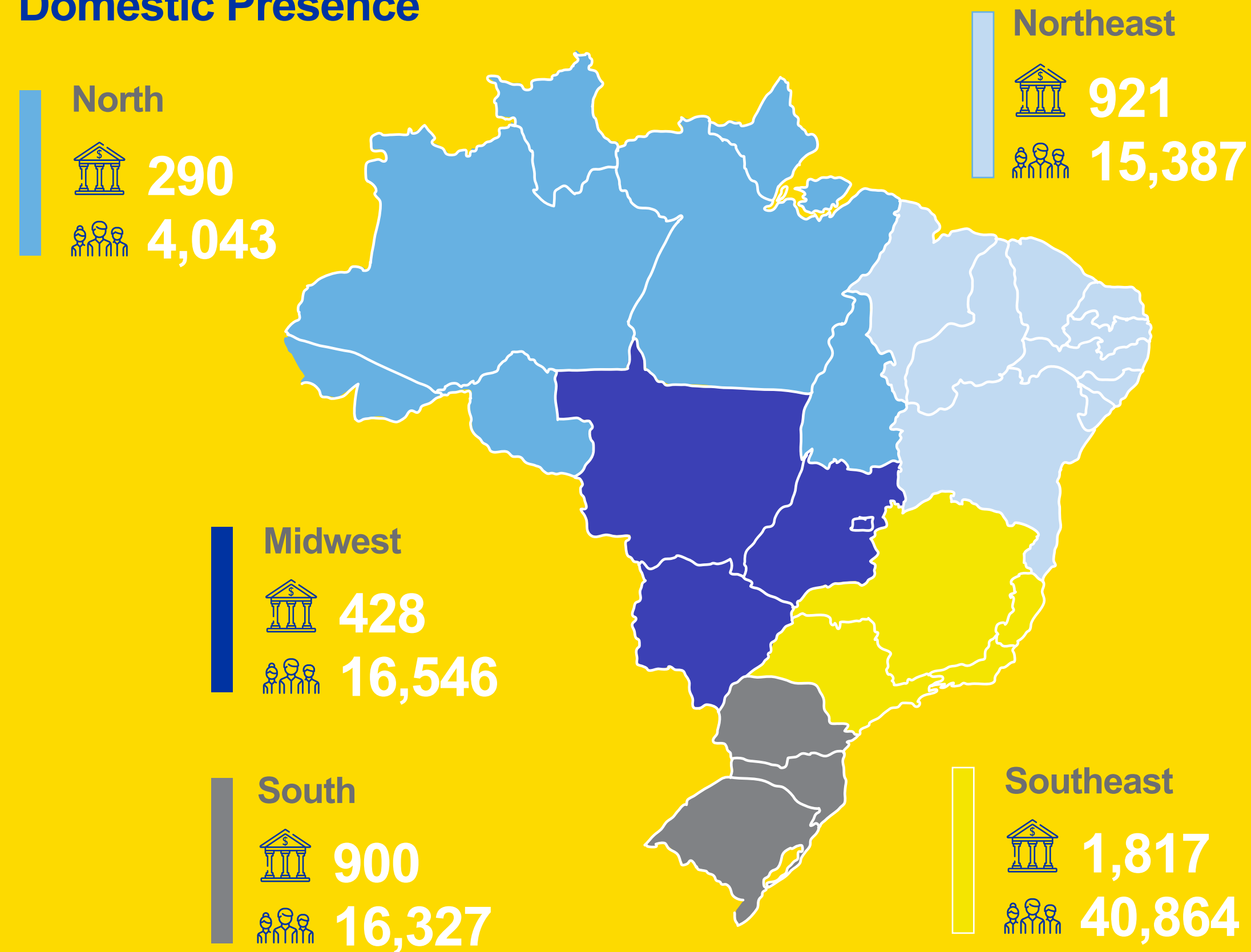
Present in
99.24%
of Brazilian municipalities



International presence since 1941



Domestic Presence



□ 2019 Earnings Summary

R\$ 17.8 billion adjusted Net Income

We registered a record R\$ 17.8 billion net income in 2019 – a 32.1% growth in relation to 2018 – with particular highlight to the net interest income, associated to the drop in net Allowance for Loans and Leases Losses (ALLL) expenses and to the behavior of fee income, which grew nominally (and proportionally) more than administrative expenses. The accumulated growth from 13.9% to 17.3% in return on equity, in twelve months, reinforces the commitment to increase profitability in the long term.

In 2019, we distributed R\$ 6.7 billion in interest over own capital to our shareholders, a 30.4% growth in comparison to 2018. The adjusted profit per share evolved from R\$ 4.85 in 2018 to R\$ 6,26 in 2019, while our dividend yield reached 4.5% in the year, compared to 4.0% in the previous year. These metrics reinforce the quality of our deliveries and the sustainability of our result.

Next, we will present the evolution of the main items that comprise our result:

Net Income

R\$ Million	2018	2019	s/2018
Net Interest Income	49.911	53.086	6.4
Net Allowance for Loan Losses	(14,221)	(13,003)	(8.6)
ALLL Expenses - Credit Risk	(20,229)	(19,748)	(2.4)
Credit Recovery	6,008	6,745	12.3
Net Financial Margin	35,689	40,084	12.3
Fee income	27,452	29,209	6.4
Contribution Margin	58,552	64,834	10.7
Administrative Expenses	(30,679)	(31,537)	2.8
Resultado Comercial	27,332	32,799	20.0
Other Operating Income	(90)	(728)	704.8
Income and Social Contribution Taxes	23,319	25,038	7.4
IR e CSLL	(6,696)	(3,140)	(53.1)
Corporate Profit Sharing	(1,715)	(2,347)	36.8
Adjusted Net Income	13,513	17,848	32.1
One-Off Items	(651)	315	
Net Income	12,862	18,162	41.2

Net Interest Income grows 6.4%

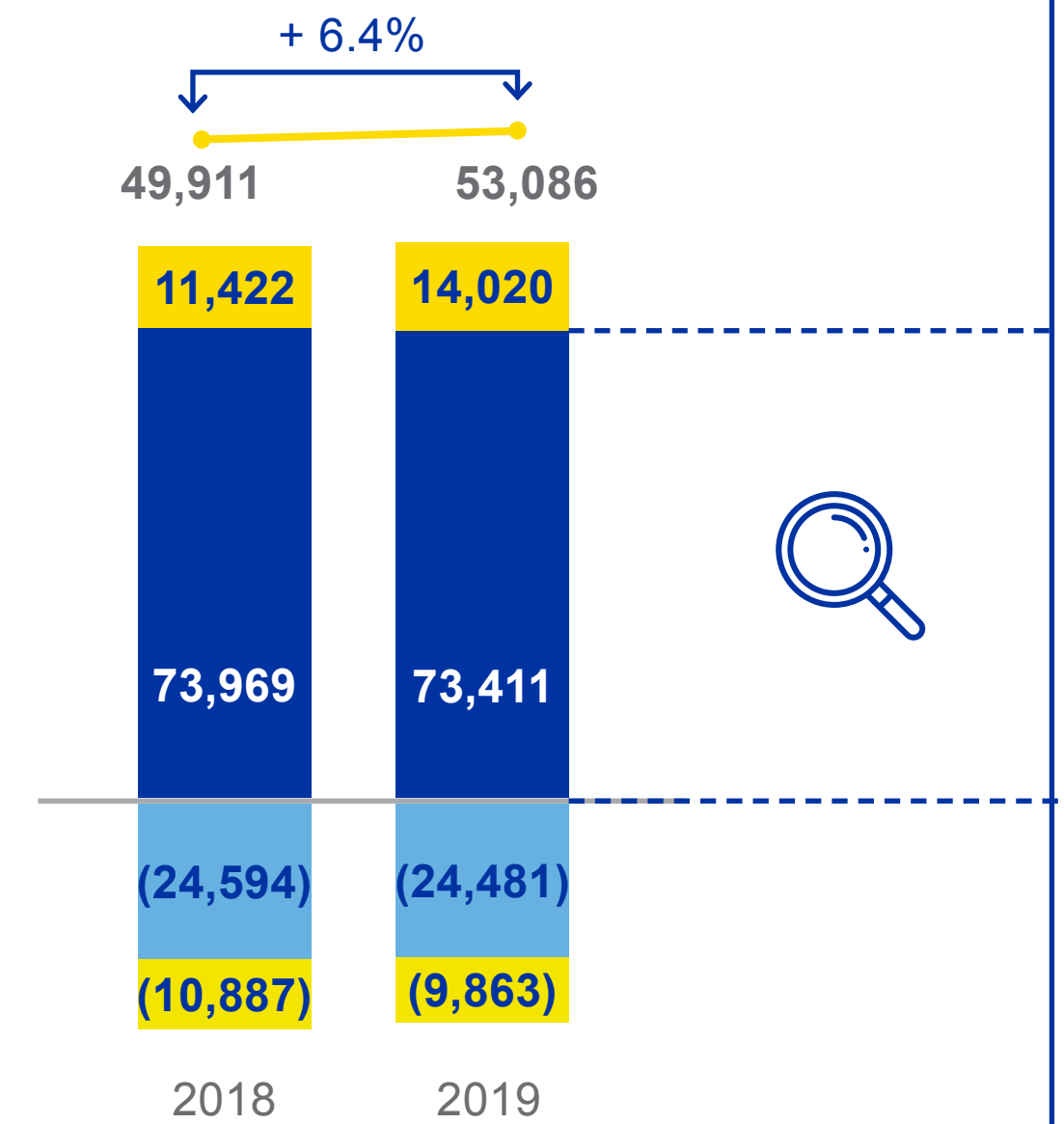
Banco do Brasil's Net Interest Income (NII) is comprised of financial income with credit operations, financial and institutional funding expenses, and treasury results. In 2019, it amounted to R\$ 53.1 billion, a 6.4% growth in comparison to 2018.

Among the NII components, we emphasize the resilience of revenue with credit operations that dropped 0.8%, even with a 2.6% decreased credit portfolio and the decrease of the average Selic rate (Taxa Média Selic – TMS) in the period (6.43% in 2018 to 5.96% in 2019).

Throughout the year, we reinforced the strategy to change the credit portfolio mix, focusing on the most profitable operations, particularly in the individuals retail segment (PF Varejo) and the Small and Medium entrepreneur (SME) segment. With this, the individuals credit operation revenue grew 5.7% in the year, bolstered mainly by the growth of the consumer loan portfolio, which advanced 45.2% in the period, yielded by the strategy of expansion of the non-payroll loan lines portfolio.

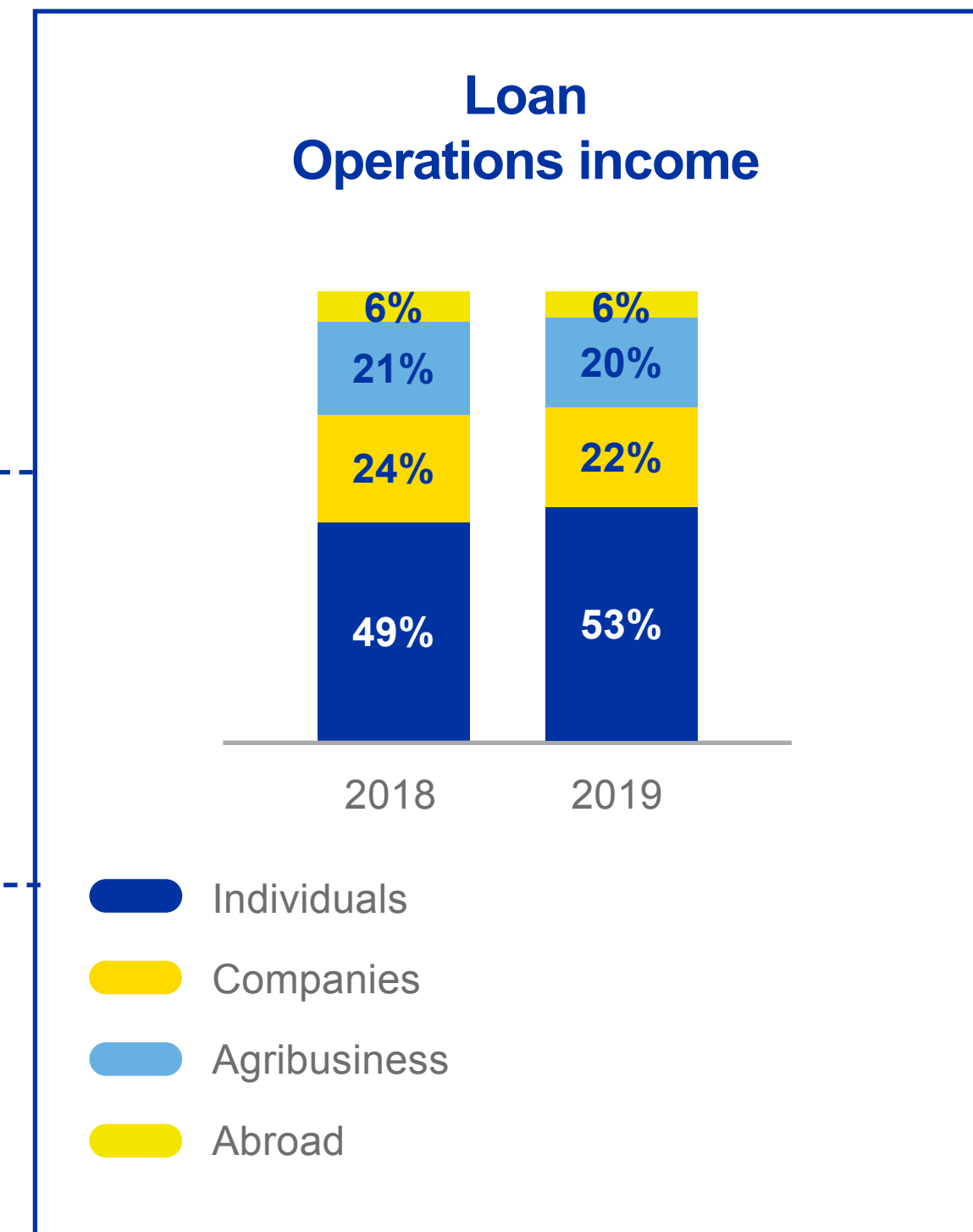
The decrease of balance in the Companies Segment portfolio (Companies – Pessoa Jurídica, PJ), especially in the working capital lines and ACC/ACE, coupled with the drop of interbank deposit certificate (CDI) rates, to which part of the operations is indexed, contributed to the decrease of revenue in this segment. It is worth pointing out that the portfolio growth strategy for retail softened this drop in credit revenue and that customer service to the large companies segment through capital markets tends to increase fees income.

Net Interest Income (R\$ Million)

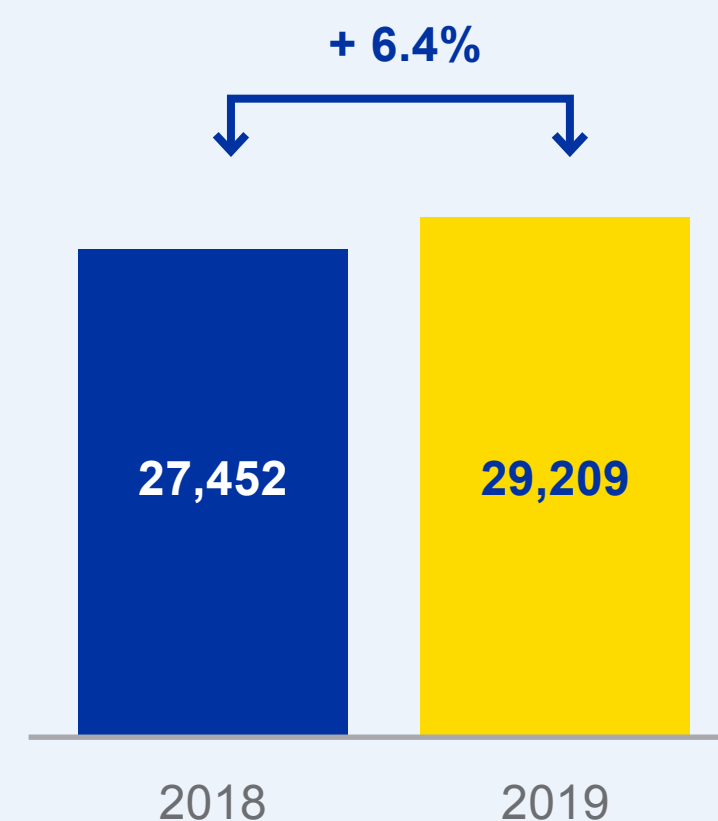


- Treasury Income
- Loan Operations income
- Funding Expenses
- Financial Expense for Institutional Funding
- Net Interest Income

Loan Operations income



Fee income



Highlights

- **29.9% (R\$ 281.3 million)** in 'consortium': mobile engagement comprised 18.9% of the total amount.
- **23.7% (R\$ 186.5 million)** in 'capital market'.
- **18.0% (R\$ 581.2 million)** in 'insurance, pension plans and capitalization bonds'.
- **6.3% (R\$ 460.2 million)** in 'current accounts'.
- **+ 6.2% (R\$ 375.8 million)** in asset management fees.

Financial revenues from agribusiness were impacted mainly by the average Selic rate (TMS) drop, which comprises the equalization rates. Considering the credit financial revenue to agribusiness, excluded the equalization revenue, we had growth influenced by the growth of the rural portfolio.

The TMS drop also impacted positively the financial funding expenses (-0.5%) and the institutional funding expenses (-9.4%), the latter having greater impact on borrowings, assignment and onlendings, and financial letters (Letras Financeiras – LF).

The treasury results were influenced mainly by the TMS drop, with an effect on the floating rates portfolio, as well as the lower volume of securities negotiation. In this line, we presented a 27.4% growth.

Fee Income grows 6.4%

The fee income with service provision grew 6.4% in relation to 2018, amounting to 29,2 billion, yielded by our strategy focused on relationship, segmented service and in the constant improvement of the customer's experience.

In 2019, we highlight the growth (opposite 2018) of:

- 29.9% (R\$ 281.3 million) in 'consortium': record number of consortium commercialization. Particularly, the mobile engagement comprised 18.9% of the total amount.
- 23.7% (R\$ 186.5 million) in 'capital market', explained by the strategy of services to the demands of large companies through the capital market and the increase of income in bonds issuance commissions through the BB Investment Bank (BB-BI).

- 18.0% (R\$ 581.2 million) in 'insurance, pension plans and capitalization bonds', particularly in the insurance segment, bolstered by the increase in sales volume and through performance remuneration received by BB Corretora (brokerage).
- 6.3% (R\$ 460.2 million) in 'current accounts', justified by the expansion of the retail customer base. In 2019, we made progress with the improvement of relationship with investing customers, self-employed professionals, companies managing partners, besides rural producers and high income customers, which reinforces our commitment to offering the best solutions, tailored specifically to each of our customers' profile, improving their experience and promoting the increase of their satisfaction.
- 6.2% (R\$ 375.8 million) in asset management fees, a result of the resources managed during the period, which reached R\$1.1 trillion opposite R\$941 billion in 2018, a growth of 12.2%

36.1% Cost-to-income Ratio

We constantly aim to improve efficiency in operations and productivity by controlling our expenses with administration and staff while promoting sustainable and diversified increases to our revenue base.

In 2019, administrative expenses grew 2.8% in comparison to 2018, below the inflation rate, both in expenses with staff (3.5%) and other administrative expenses (1.6%).

The coverage ratios for personnel expenses, administrative expenses and cost-to-income ratio (administrative expenses/total operational revenue) improved in comparison to those of 2018, especially due to the growth of the NII and the fee income, besides the control of administrative expenses.

Credit Portfolio

The expanded credit portfolio amounted to R\$7 billion, a drop of 2.6% in comparison to 2018.

Operations in retail (PF and SME) grew 9.0% opposite December 2018. We point out the growth of representativity of these portfolios, which went from 36.7% in December 2018 to 41.1% of the total portfolio in December 2019.

The expanded individual credit portfolio grew 9.1% opposite December 2018, yielded from our positive performance in payroll and personal loans.

The expanded companies credit portfolio retracted 9.0% in relation to December 2018, mainly due to the volume of amortizations in the large companies segment. We point out the return of SME portfolio growth in the year, with an 8.5% growth compared to December 2018. Our strategy in this segment is to focus on operations with guarantees and receivables, favoring shorter durations. In this sense, the SME's working capital line had a 28.4% growth in the period.

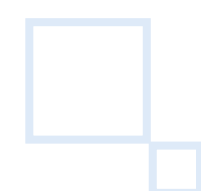
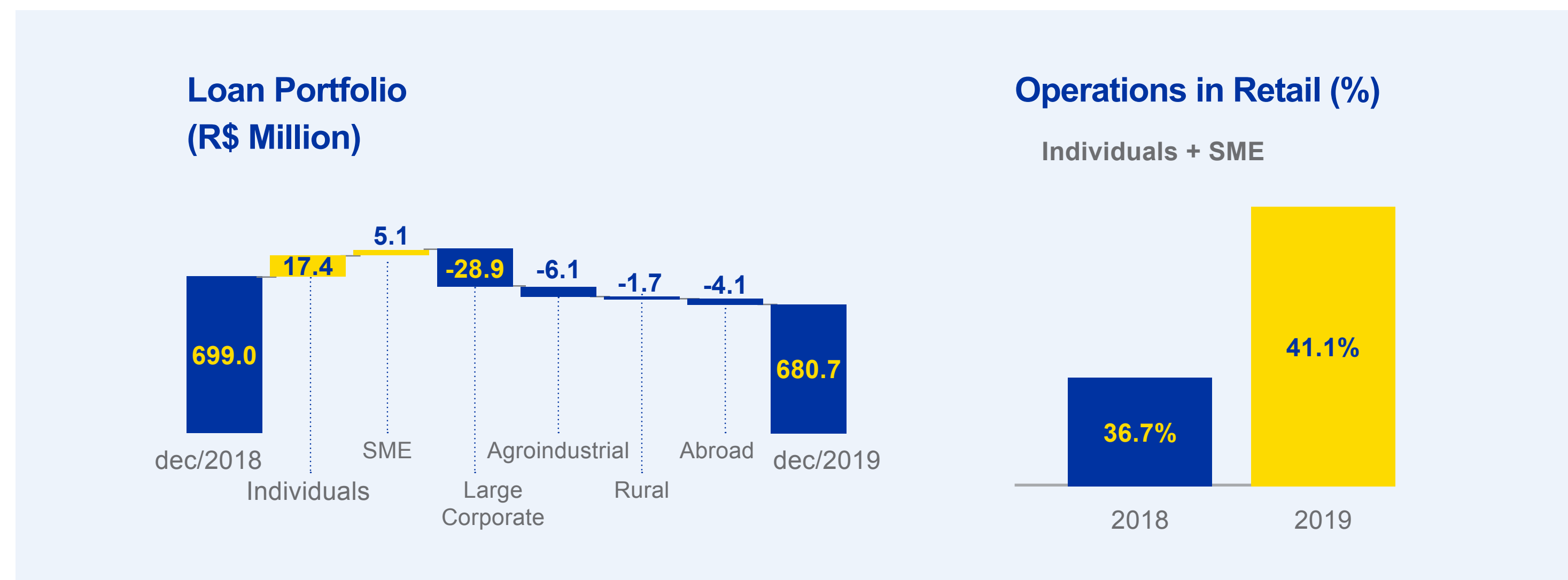
Rural credit presented a 1.0% decrease in relation to Dec '18, a drop of R\$ 5.6 billion in Agricultural Commercialization, offset by the increase in FCO Rural portfolio (+R\$ 2.0 billion) and Agricultural Investment (+R\$ 2.3 billion).

Expenses with Allowances for Loan and Lease Losses (ALLL) down 2.4%

The expenses with ALLL dropped 2.4% in relation to 2018, reaching R\$19.7 billion in 2019, a result of the increased availability of credit with enhanced quality.

The net ALLL expenses, which considers credit recovery, dropped 8.6% in comparison to 2018, positively impacted by the increase of 12.3% in credit recovery. This increase reflects our proactive strategy and efficient management of our credits written off as losses.

We remark that in the last quarter of the year we constituted an extraordinary prudential provision of R\$ 2.9 billion, performed in the as followed: R\$ 1.2 billion for the individuals segment, R\$ 1.1 billion in the companies segment, and R\$ 570 million in the agro-industrial segment.



Credit Quality

The delinquency ratio (INAD+90d – relation between non-performing loans past due for over 90 days and the balance of the classified credit portfolio) increased in relation to Dec '18 and reached 3.27% in Dec '19. When disregarding the effect of a specific case pertaining to the judicial reorganization process of a group of the large corporate segment, the index would remain relatively stable in 2.54%. This specific case began to impact the portfolio quality indicators from the 2nd quarter in 2019.

We kept coverage compatible with the risk profile of our portfolio. The coverage index was 196.1% in 2019. When disregarding the effect of the specific case, the index would be at 252.6%.

It is noticeable, in the delinquency and coverage ratios per segment analysis, a great improvement in the quality of the companies portfolio, disregarding the effect of the specific case, particularly due to the better yields of the micro, small and medium entrepreneurs (SME) portfolio.

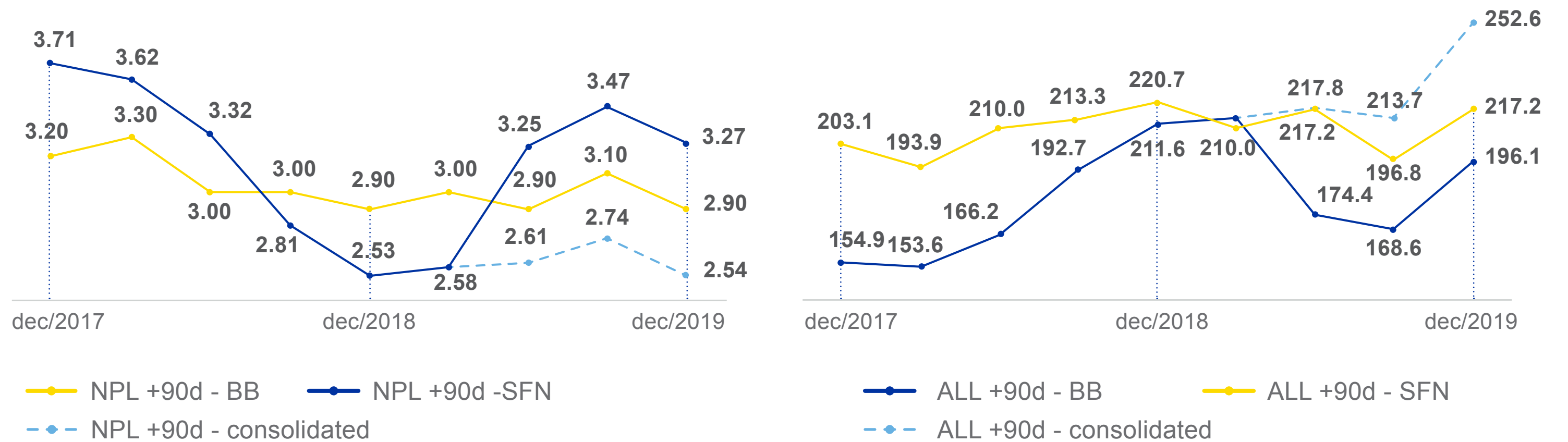
Basel Ratio of 18.6%

We maintain a three-year prospective view of Capital Planning that considers: (a) Risk Appetite and Tolerance Statement, (b) Corporate Strategy and (c) Corporate Budget.

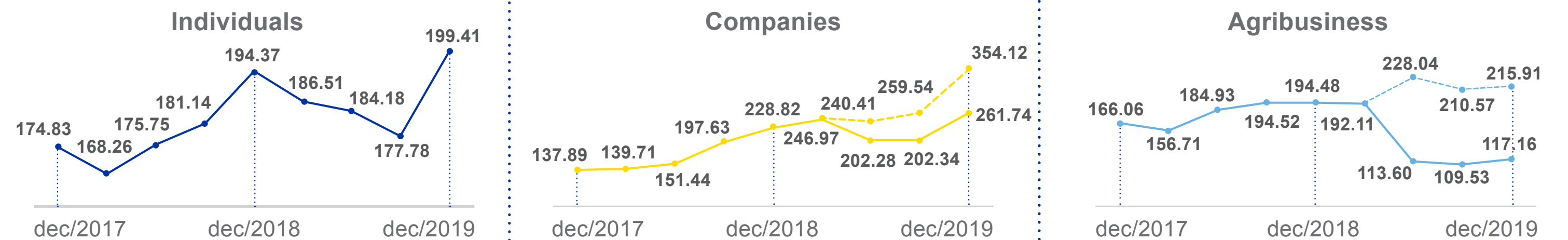
In 2019, the Basel ratio was 18.6% and the tier I capital ratio was 13.5%, with 10.02% in core capital ratio, stable in relation to 2018. According to the Risk Appetite Statement and Capital Plan, the goal is to maintain at least 11% of the core capital ratio by January 2022.

Credit Quality

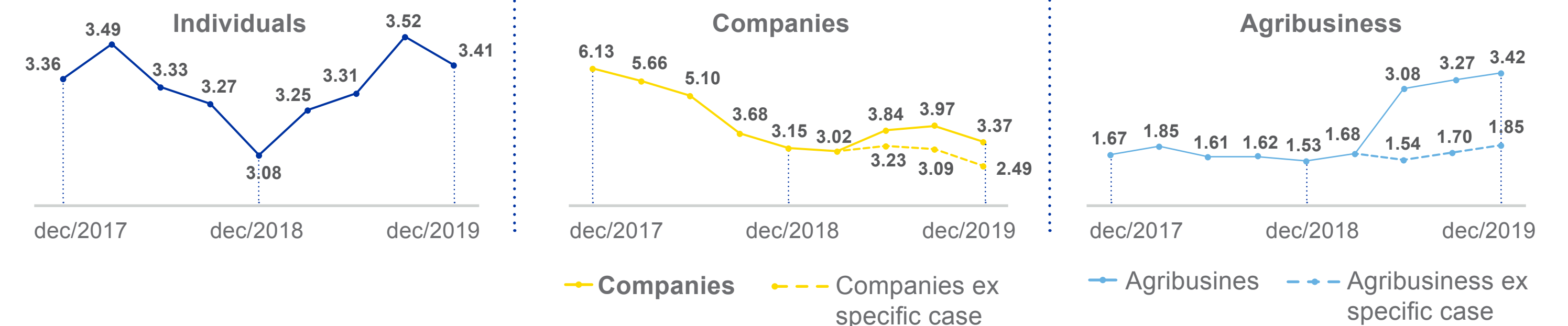
NPL + 90 days (%)



Coverage by Segment +90d - %



NPL by Segment - %



Digital Strategy

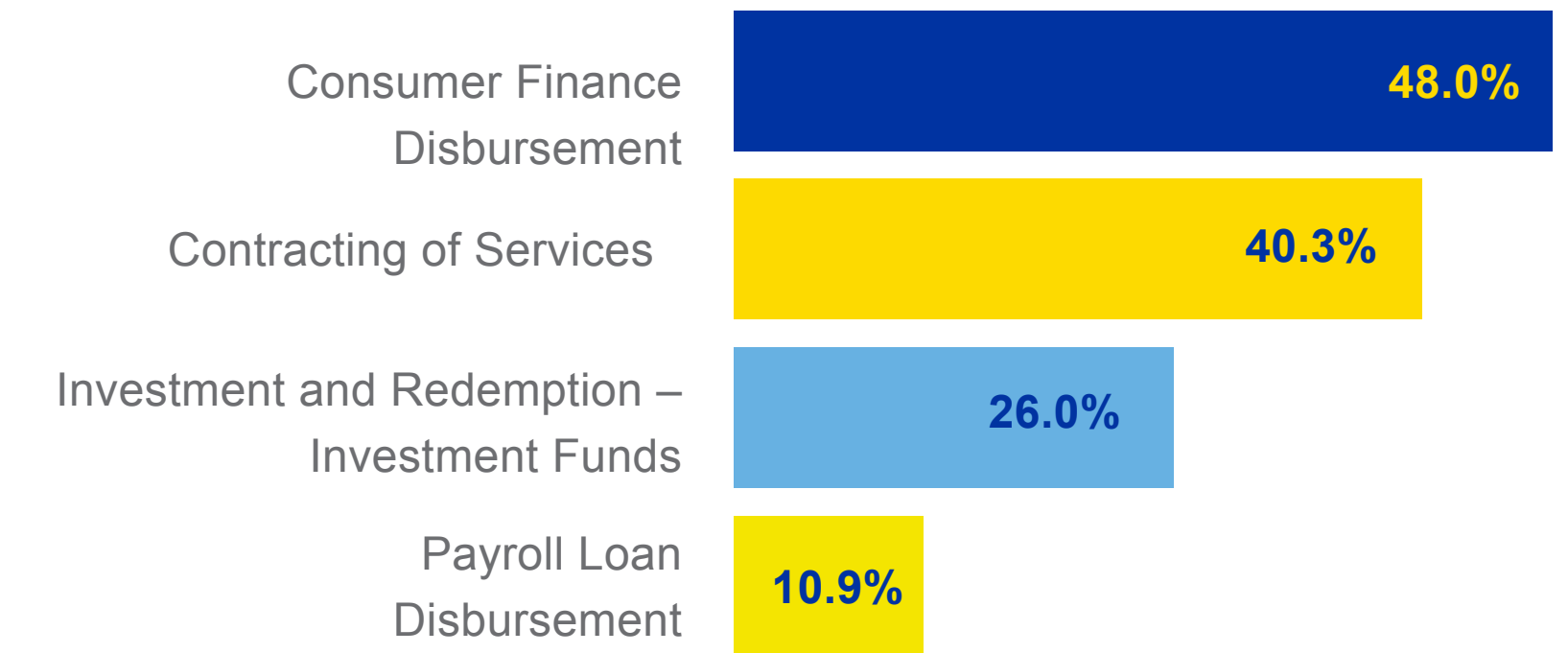
The digital age has changed customers' habits and behaviors in such a manner that their demand level has increased. Imbued with an unprecedented power, customers demand dialogue, commitment and transparency from companies. In such a context, we are stimulated to develop new business models that are more efficient and agile and to continue to spearhead digital solutions, keeping our values and identity.

The number of digital native customers who began their relationship with the bank through digital channels, presented a 56.0% growth in twelve months. From these customers, 83.1% are no more than 40 years-old.

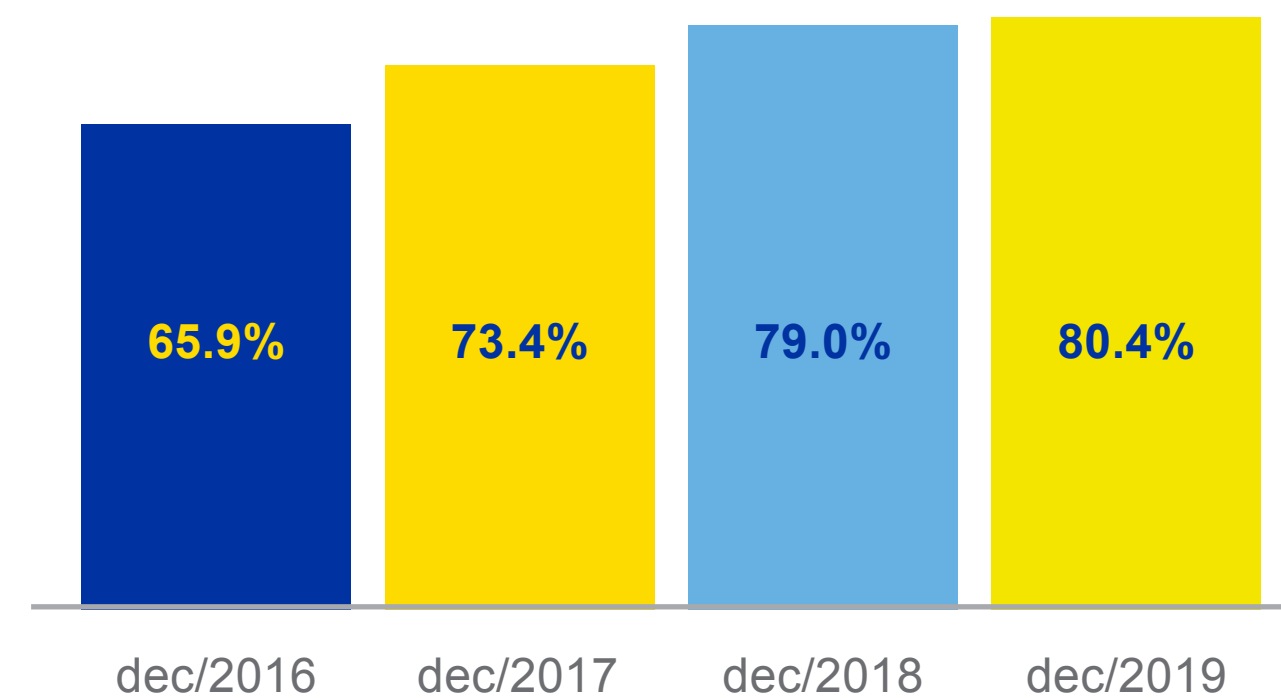
This growth reinforces the bank's commitment to the expansion of the business volume with new customers (particularly the young demographic).

In 2019, transactions performed on the internet and via mobile service channels represented 80.4% of the transactions performed by our customers. (See more about our digital strategy in the [Financial Value](#) chapters and [Social Value](#)).

Digital Channels Participation in Banking Operations



Transactions by Internet + Mobile Channel



The digital channels (internet and mobile) represented 48.0% of the disbursement in consumer loans, 10.9% in payroll loans, 26.0% of the applications and investment fund withdrawals and 40.3% in the quantity of operations in services (accounts, service packs, investment funds, cards, capitalization bonds, insurance and consortium).

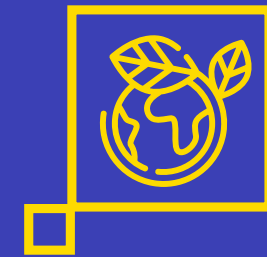


Native Digital Clients – Million



□ Main Indicators

Transformative Role



R\$ 174.0 billion in green business balance.

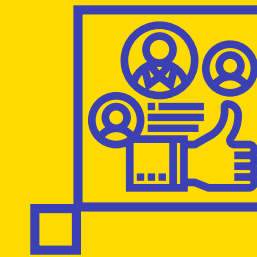
Agro Energy Program: aims to stimulate the use of renewable energy in rural areas. In 2019, we observed a growth of 28.3%, which makes up the order of R\$347.9 million distributed in the Program's scope.

Approximately 221 thousand family farmers are served through the National Program to Strengthen Family Farming (Programa Nacional de Fortalecimento da Agricultura Familiar – Pronaf) present in 87.7% of Brazilian municipalities.

The Banco do Brasil Cultural Centers (CCBB) hosted 265 cultural initiatives, with 3.36 million visitors.

R\$51.8 million in funding provided through Fundação Banco do Brasil (FBB).

Corporate Governance



Level 1 Seal, with maximum score on the Governance Index (IGSEST) of the Secretariat of Coordination and Governance of State Enterprises (Secretaria de Coordenação e Governança das Empresas Estatais – SEST) in all four cycles of evaluation performed by SEST.

Integrated Governance and Management Index (Índice Integrado de Governança e Gestão – IGG) of the Brazilian Federal Court of Accounts (Tribunal de Contas da União – TCU) – classified as Advanced, with an index of 94%.

Since 2018, the BB features and publishes the Management Remuneration Policy, approved by the Board of Directors.

Banco do Brasil Report on the Brazilian Code of Corporate Governance (Report) prepared in accordance with the instructions of the Brazilian Securities and Exchange Commission (CVM).

Risk Management



We reevaluated the Corporate Socio-environmental Responsibility (Responsabilidade Socioambiental Empresarial – RSAE) aiming to strengthen principles and guidelines about the topic, besides bringing greater efficiency to strategies of risk management.

We support initiatives to mitigate climate change, such as the Low Carbon Agriculture Program (Programa de Agricultura de Baixo Carbono – ABC Program), through which positive financial implications are identified with the contracting of R\$ 1.45 billion in operations in 2019.

Intensification of efforts to incentive the use of BB Code, a solution that uses the QR Code technology to authorize financial transactions, resulted in a 35% increase in the number of Internet accesses with BB Code by Individuals and 54% by Companies. In 2019, we surpassed the mark of 39 million customers with registered biometrics.

Financial Value Creation



R\$ 177.32 billion in assets subject to positive screening, which considers socio-environmental and corporate governance aspects.

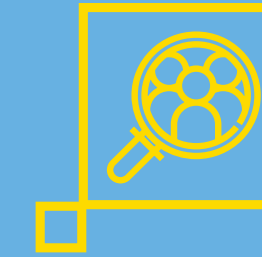
R\$ 1.7 billion of resources are invested in funds with socio-environmental characteristics.

55.4 % market share in agribusiness financing.

Social Business (balance in portfolio)

- Accessibility Credit – R\$ 184.0 million;
- Student Funding (Fies) – R\$ 45.2 billion;
- Government Low-Income Housing Project (Minha Casa Minha Vida – MCMV) – R\$ 22.4 billion;
- Guided Productive Microcredit (MPO) – R\$ 164.5 million; and
- National Program to Strengthen Family Farming (Pronaf) – R\$44.4 billion.

Social Value Creation



80.4% of all transactions were made using cell phones and the internet.

The App is responsible for 62.38% of all performed transactions: over 12.8 million individual users access the app monthly.

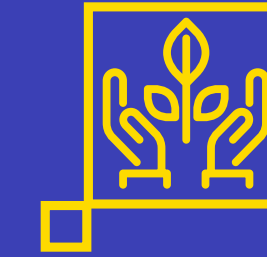
Structuring of the Retail relationship model, currently present in 35% of business units.

R\$ 8.0 billion in payments to suppliers, R\$ 17.5 million of which was paid to four suppliers based abroad.

96.9% of satisfied employees.

R\$ 96.9 million invested in Corporate Talent Development and Retention Programs.

Environmental Value Creation



Decrease of 22.3% paper consumption in 2019, which corresponds to 1.2 ton.

Decrease of 5% in electricity consumption in 2019.

Estimated 17.9% decrease in water consumption in 2019.

85,818 printer cartridges refilled (which makes up 99% of the total used in 2019), with savings of R\$ 35 million.

1,679 units have deployed a Selective Waste Collection (Recycling) Program.

□ Awards and Recognition

In 2019, we received a number of awards, recognition and certifications that attest to our commitment to qualified relationship with interested parties and with sustainable development. Highlights include:

Dow Jones Sustainability Index (DJSI): we integrate the Emerging Markets and World portfolio of the New York Stock Exchange Index.

Corporate Sustainability Index (Índice de Sustentabilidade Empresarial ISE): BB was listed for the 15th consecutive year on the B3 – Brasil, Bolsa, Balcão index.

FTSE4 Good Index Series: BB was listed for the 4th consecutive year on the London Stock Exchange Index.

Global 100 – 100 of the world's leading companies in sustainability in 2020: recognized for the 2nd consecutive year as one of the most sustainable companies in the world in the Corporate Knights (CK) ranking. The result was released at the World Economic Forum in Davos, Switzerland, and BB was the only Brazilian company from the financial sector in the ranking.

The B3's Carbon Efficient Index (Índice Carbono Eficiente – ICO2): we remain on the ICO2, a portfolio of IBrX-50 companies that adopt good practices with regards to GHG emissions.

Wazecarpool App: we were recognized as the largest corporate user of shared rides in the world.

Conformity Report – Febraban: we were certified by Febraban in the Conformity Report in three axes: Consumer Relations; Prevention and Combat of Money Laundering and Terrorism Financing; and Socio-environmental Responsibility.

5th most valuable brand in Brazil: in Interbrand's 2019 ranking.

Top of Mind in the Banks category: recognized as the most remembered brand in the Banking category, a position that has been maintained uninterruptedly for the 29 years that the Datafolha award has been running.

Top of Mind HR: in the Corporate Education and E-learning category, sponsored by Grupo Editorial Fênix, with the support of the Folha de São Paulo newspaper.

Ranking Best Bank to Invest: BB DTVM scored first place in the Fixed Income and second place in the Equity Fund and Selective Retail, according to the IstoÉ Dinheiro magazine.

Guia Exame de Sustentabilidade: Banco do Brasil and Brasilseg were elected amongst the most sustainable companies in Brazil, according to the Sustainability Exame Guide, which evaluates companies in the Economic, Environmental, Social and Climate Change dimensions.

Social Security Valor/FGV Guide: Brasilprev was recognized as the best overall manager and leader in 5 more categories. The survey was performed by the Valor Econômico newspaper in partnership with Fundação Getulio Vargas (FGV).

Guia Época Negócios 360°: for the 2nd consecutive year we were considered as the best bank in the country in an evaluation performed by Época Negócios Magazine in partnership with the Dom Cabral Foundation.

Guia Você S/A's Best Companies: listed among the 150 Best Companies in the guide, conducted by Você S/A in partnership with Fundação Instituto de Administração – FIA/USP.

Top 10 General Ranking Broadcast Projections: BB received an

award for leading the Top 10 General Broadcast Projections Ranking in 2Q19.

Annual Top 5 Focus research Ranking: we were awarded for the accuracy of our economic projections and the only bank to appear in first place in two aspects of the Central Bank's macroeconomic ranking.

Pro-Ethics Company Seal: we were awarded the Pro-Ethics Seal for a 3rd year, which evaluates and publishes the volunteer companies engaged in the construction of an environment of integrity and trust in commercial relations.

Prêmio Relatório Bancário (Banking Report Award) 2019: awards won for four cases of digital technologies (Sentiment Analysis, Cognitive Assistant BB via WhatsApp, Cognitive Platform in Card Service and Banco do Brasil Google Assistant).

E-Finance 2019 Award: 38 winning cases in 8 award categories.

Information Technology (IT): the IT cases were recognized with three Agilidade Brasil 2019 awards (Agility Brazil), two Bots Brasil Awards 2019, two The Innovators 2019 awards, three Tela Viva Móvel (Living Mobile Screen) awards; VII Prêmio A La Innovación Financiera (7th Award to Financial Innovation) FELABAN-CLAB 2019 (third place).

Best Ombudsman in Brazil Awards: in 2019 we had a case awarded by the Brazilian Association of Customer-Company Relations (Associação Brasileira Relações Empresa Cliente – Abrarec), prizes that aim to recognize and reward organizations and ombudsmen that work to strengthen and expand the institute of Ombudsmen in Brazil and in the world.

Global CCU Awards 2019: in the Human and Holistic Digital Approach category. with the game DesEnvolVer.

1

Business Model

- 19 | Macroeconomic Environment: context and perspectives
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□ Macroeconomic Environment: context and perspectives



Selic ended 2019 at 4.50%, its all-time low



2019 was marked by a heightened level of volatility and uncertainty, whether in exterior environments or domestic ones. This resulted in relevant impacts in the prices of emergent market assets, which fluctuated throughout the year.

The escalation of commercial tensions between the United States and China was the central element of this scenario and negatively impacted both the financial environment and the perspective of world growth. Although a partial deal was forwarded at the end of the year, there are other strategic elements related to, for instance, technological hegemony, which might keep bringing volatility to markets in 2020.



In the European continent, negotiations concerning the United Kingdom leaving the European Union remained in the international scenario and collaborated to increase risk aversion in the global financial markets. In this context, the main central banks around the world once again took expansionist monetary policies and contributed, in a certain measure, to avoid an even stronger deacceleration of world activity.



Despite price volatility, overall, the year was reasonably favorable to some commodity groups. The prices of goods linked to the energy and food sectors finished the year above what was verified at the end of 2018. Even if metal prices displayed a reduction pattern, some specific items gained value, such as iron ore. Therefore, the behavior of agriculture, energy and iron ore commodities presented a neutral to positive evolution for Brazil, given the importance of our export agenda.

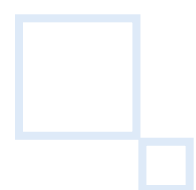
Still in the domestic scope, uncertainties in relation to the agenda of reforms, especially the social security reform, focused most of the attention of the markets in the first quarter. Moreover, the Brumadinho disaster and the crisis in Argentina were factors that ended up halting the Brazilian economy's dynamism, leading to continuous revisions of growth projections for 2019.

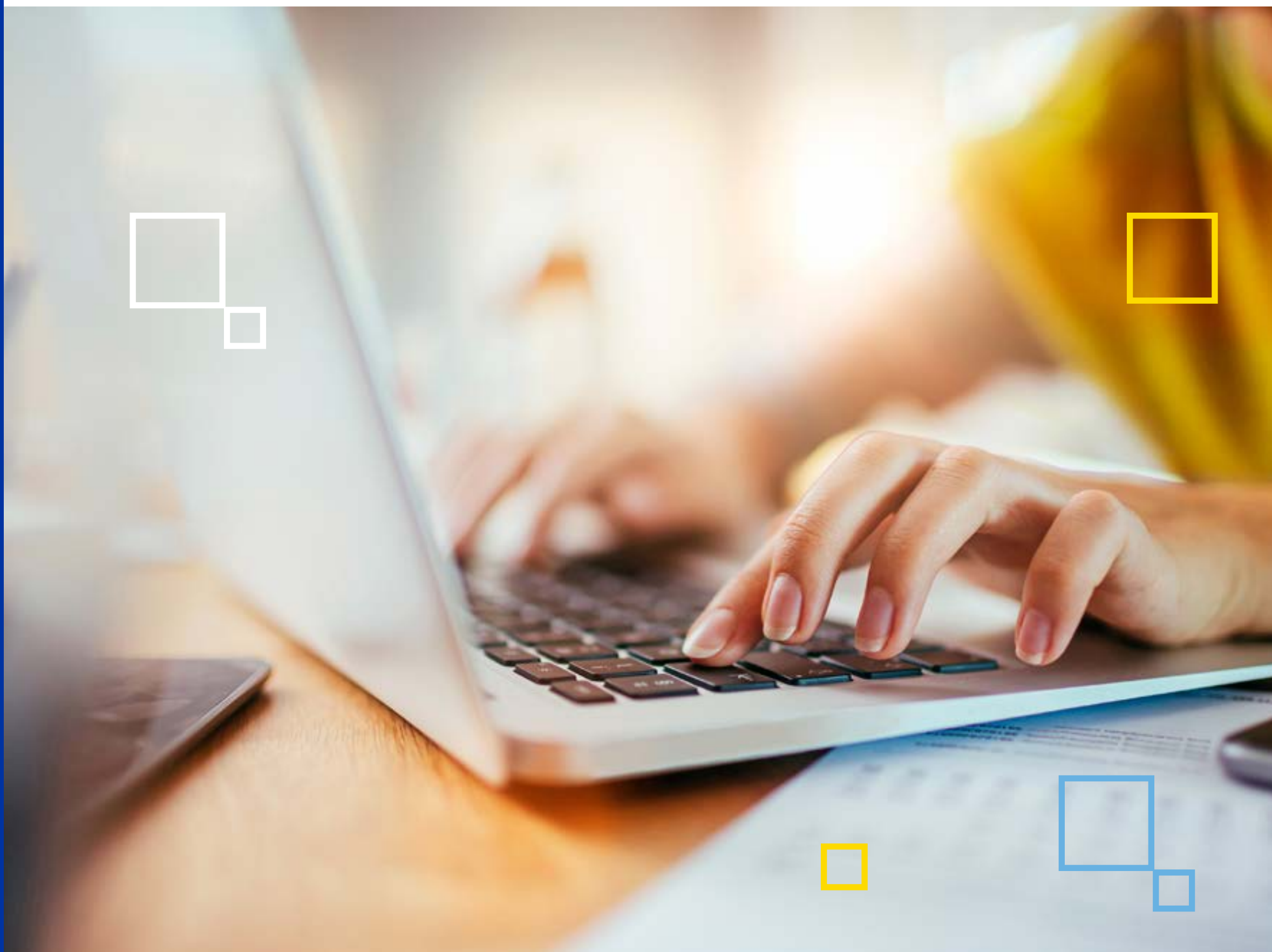
Starting from the second half of the year, reflecting a combination of structural (the approval of the social security reform in the first round) and conjunctural (effects of an ample expansionist monetary policy

and temporary mechanisms stimulating consumerism) factors, economic activity began to display acceleration signs, encouraging a new round of growth revisions.

In this context, the public sector's primary deficit finished 2019 in R\$ 61.9 billion, below half the R\$ 132 billion goal initially stipulated by the government. This result may be explained by the extraordinary revenue and difficulties in executing expenses after measures to reduce contingency. The consolidation of this fiscal policy pattern was an important factor for the Central Bank to decrease Selic, which started the year at 6.50% and ended 2019 at 4.50%, its all-time low.

Evidently, the benign behavior of inflation in the bigger part of the year was the dominant factor for the Central Bank to keep decreasing the Selic rate. Even with the new spike in food prices in the last months of last year (influenced largely by the behavior of animal protein), the Consumer Price Index (Índice Nacional de Preços ao Consumidor Amplo – IPCA) finished 2019 at 4.3%. marginally above the 4.25% goal established by the National Monetary Council (Conselho Monetário Nacional – CMN).





The drop in the interest rate, the upturn in activity and reduction in the unemployment rate bolstered consumption and the total balance of the credit portfolio. The recovery of the real workforce salaries and the acceleration in hiring in formal workplaces contributed for this dynamic. Besides the performance in operations in the traditional bank system, direct financing to companies through the capital market kept an expressive growth pace, surpassing two digits. The decrease in interests in the domestic market and the contracting of the BNDES portfolio were dominant factors for this movement.

Regarding perspectives, in the beginning of 2020 our expectations were for continuous world economy growth, even if still displaying some deacceleration compared to 2019. For the Brazilian economy, the scenario was relatively more optimistic, with projections for the GDP situated around 2.5%. However, the appearance of a new pandemic in China and its spread to other countries drastically changed the scenario in the world activity level.

The uncertainties in the relation to the negative repercussions of the Covid-19 pandemic over the growth of the world economy remain high. With some level of confidence, it can be stated that the impacts will be negative for production due to containment measures of the new coronavirus. The restrictions to people's transit and the closing of commercial establishments will also affect consumerism in the main economies. In this environment, new investment decisions tend to be delayed, intensifying worries with the world economy activity. Brazil's economy is certainly included in this context and should have its growth significantly stalled by the current world crisis.

Macro Environment and the Financial Industry |102-15|

2019 was also challenging for the financial industry and will continue to be so in the next years. In the demographics field, behavioral patterns continue to display changes stemming from new family formations, changes in life expectancy and birth and digital nativity rates. The behavioral revolution allowed by mobile and social platforms keep empowering customers, who will increasingly demand agile solutions that provide good experiences in simple, immediate and safe ways.

In relation to environmental matters, financial institutions represent an important link in the productive chain, as they are responsible for financing an ample variety of sectors and activities directly responsible for the transformation of natural resources and raw materials linked to eco-systemic services. In this scenario, efforts were and will continue to be guided by the co-responsibility principle, based on socio-environmental and climate risk management, ensuring that supported enterprises potentialize their positive aspects and avoid environmental damages that negatively impact society.

Regarding regulatory aspects, we should highlight the new Agenda BC#, released in May 2019, focused on contributing to the sustainable growth of the Brazilian economy, incentivizing the growth of the private sector to ensure a solid and efficient financial system. In this sense, the implementation of the Positive Credit and the publication of the fundamental requirements for the implementation of the open banking system tend to modify even more citizens' relationships with financial institutions.

The Instant Payment platform is also slated to go live in 2020, which will impact the business of payment means, and the General Data Protection Regulation (GDPR), which will regulate companies' use of personal data.

Besides regulation aspects, changes in consumer behavior will keep fostering changes in financial institutions' business models. The dissemination of niche culture and personalization allows the sector to create increasingly flexible and adaptable products. This new super customer's characteristics will lead to price steadily ceasing to be the dominant factor in their choices, thus making experience the main distinguishing brand feature.

In the following years, new digital revolutions will bring challenges and create opportunities for financial institutions, 5G mobile internet, the internet of things, autonomous cars, smart cities and technologies are also some examples of the transformation that tends to make for an even more competitive bank environment. Currently, if fintech companies are already a reality among customers, and possibly, with the arrival of bigtech companies offering financial solutions, the competition gets even rougher, with deep reflexes on the way customers and banks carry out their relationships. Technology has made the divide between industries increasingly invisible and not just in the financial industry. Profitable business models of today may disappear or change radically, and competition might come from players not previously identified.

This diminishing of frontiers, the speed of digital and human interactions, the understanding of the world as an immense global village, urge that current scenario screening models introduce, in addition to diverse topics that include those related to the environment, such as climate events, projections that account for the possibility of events related to epidemiology, including pandemics.

Among so many transformations, financial institutions will have to guide their investments in technological innovations to ready themselves at an adequate pace to a new age of automation and artificial intelligence, aiming to remain competitive and relevant to society. All of this in a low-interest macroeconomic environment and with pressure to reduce spreads.

□ Corporate Strategy BB 2020–2024

[102-21|102-29|102-43]

In 2019, Corporate Strategy BB (Estratégia Corporativa – ECBB) was revised for the 2020-2024 period through a systemic process that featured the active participation of the Bank’s stakeholders, such as employees, statutory managers, representatives of linked entities (Banco do Brasil conglomerate companies), customers, shareholders and market analysis.

The strategy review aimed to preserve simplification and efficiency premises, as well as emphasizing customer experience, innovation and result maximization.

The first stage of the ECBB 2020-2024 formulation process comprised the identification of megatrends and critical uncertainties and the elaboration of scenarios for the financial industry and its impact on business. External factors (political, economic, social, technological, environmental and legal) and specific factors of the financial industry were evaluated, based on different dimensions (customers, technology, traditional competitors, new competitors, regulation and sustainability).

In the discussions that took place, efforts were defined to enable the achievement of the strategic goals and value generation for customers. These efforts, amongst others, involve:

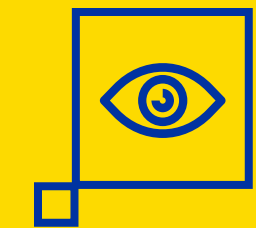
- enhancement of customers’ digital experience, through the provision of new solutions and optimization of existing ones;
- process transformation impacting the customer’s journey, generating greater efficiency and decrease in response time;
- intensifying analytic knowledge and customer behavior analysis methodology;
- expansion of partnerships with digital ecosystem companies through a development of financial and non-financial solutions;
- enhancement of products and services, increasing the product/service portfolio for certain niche/segments and availability channels.

Values



- Customer Centricity
- Innovation
- Ethics
- Efficiency
- Sense of Ownership
- Reliability
- Public Spirit

Vision



To be the company that provides the best experience for people’s lives and promotes the development of society in an innovative, efficient and sustainable way.

The vision materializes through effective dissemination, alignment and execution of the corporate strategy, in all of the organizational levels, and the resulting achievement of long-term strategy goals.

Uncertainties

The future of banking



Will banks keep on acting as banks or will they become multi-service companies? Is there a possibility that banks will cease to act as traditional banking service providers and expand their service range to include non-financial ones?

Big Techs' strategy in financial services



Will tech giants focus their efforts in specific niches or take the lead in the financial service markets? Who will be the center of the financial ecosystem?

Consumers' relationship with the Brand



Will the brand exert a significant influence in the consumers' decisions or will it stop being a decisive factor in consumer relationship?

Service and relationship with consumers/ customers



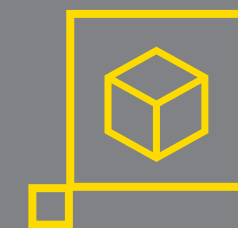
Will society keep valuing the traditional service with a priority focus on interpersonal relationships or will it favor a completely digital service focused on convenience? With that, will the bank branch networks become a space for relationships and experimentation in specific places?

Behavior of the Brazilian consumer – Open Banking



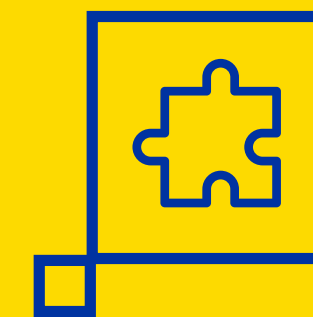
Will consumers prefer safety and avoid sharing their data or will they accept the risks to enjoy newer, cheaper products?

Blockchain dissemination and applications



Will blockchain application be restricted to specific solutions in the National Financial System (SFN) or will it be predominant in transactions of the system as a whole? In a future with less physical currency and more virtual currencies, will blockchain position itself as a relevant security factor for the SFN?

ECBB 2020-2024



Strategic Drivers



The corporate strategy guidelines are put into practice in the day-to-day work by means of other plans that comprise the strategic architecture, the budget and the induction mechanisms and performance analysis.

Results are monitored by performance indicators, a strategy management tool, as well as through periodic reports from the governance bodies.

The drivers synthesize strategic goals, in five different performance perspectives, to guide institutional decisions and efforts.

Customer

The focus will be on the provision of high value customer experience, prioritizing actions that will increase their satisfaction and lead to the increase of our customer base.

Financial

We will prioritize the reach of sustainable profitability and the optimization of capital investment.

Processes

We will continue to invest in digital transformation, through which we have continuously improved our methods, products and communication channels, making them simpler, agile, innovative, integrated and customer-oriented.

People

We will focus on the necessary cultural transformation to face the challenges identified in the coming years, as well as allowing meritocracy to continue guiding our succession processes so as to recognize and retain talent.

Sustainability

The focus is to improve our sustainability performance, ensuring the adoption of the best governance and corporate sustainability practices.

2020-2024 Market Business Plans

The Market Business Plans (Plano de Negócios dos Mercados – PNM) is part of the BB Strategic Architecture, as it is the guiding document to our efforts in maximizing the value delivered to customers and ensuring the alignment between Corporate Strategy and the markets' strategy, according to its features.

The planning model was improved for the markets in which we operate, and, since 2019, we have adopted a business plan for each customer segment. The plans are comprised of: macroeconomic scenarios, analyses of information and market studies, scenarios, value proposal per customer segment, strategic goals prioritized for the market with respective indicators and goals, as well as efforts to make the defined strategy viable.

□ Sustainability Strategy [102-15]

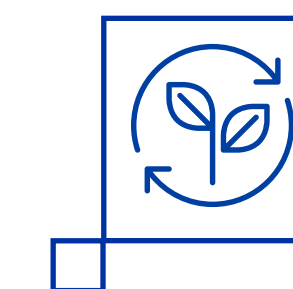
Corporate Socio-environmental Responsibility (Responsabilidade Socioambiental Empresarial – RSAE) is a cross-cutting aspect of business management. We believe that it is possible to reconcile the interests of shareholders with socially and environmentally sustainable business practices by establishing ethical and responsible relationships with our diverse stakeholders.

The importance of embedding sustainability principles into the planning and execution of actions is disseminated throughout the value chain. Aiming to generate value to stakeholders and minimize eventual negative impacts, we have leaders who are committed to the challenge of joining corporate competitiveness with the construction of a fairer and more inclusive society.

In this context, the Socio-environmental Responsibility Policy (Política de Responsabilidade Socioambiental – PRSA) guides behavior in relation to socio-environmental responsibility. The principles are also laid out in the Sustainability Plan – Agenda 30 BB and in the internal normative guidelines and instructions, which results in the weighting of economic, social and environmental variables in the design and development of processes, products and services.

As a means of achieving these results, sustainability drivers are assessed using indicators that are defined based on Corporate Strategy, which range from the strategic level to the operational level, covering all units.

□ Sustainability Plan – Agenda 30 BB [102-43| 102-44]



Our Sustainability Plan contributes to the enhancement of business and administration practices when it solidifies efforts with a socioenvironmental perspective. Revised every two year and guided by sustainability challenges prioritized by the senior management, the Plan unfolds in commitments established for a three-year period.

Stakeholder perceptions bring relevant input to the process. The result of the wide-range consultation performed in 2016 served as a starting point for the revision of the sustainability challenges in 2018.

As well as basing itself on the responses received during this consultation, and to obtain even better results in the coming years, the Agenda 30 BB 2019–2021, approved February 2019, was updated on the evaluation of national and international sustainability trends, market indexes such as the Dow Jones Sustainability Index (DJSI), societal demands, the alignment to UN’s Sustainable Development Goals (SDG) and the convergence of these actions in relation to the Corporate Strategy.

This new version includes 50 actions and 86 indicators that aim to improve governance in sustainability, socioenvironmental and climate risk management, promote social and financial inclusion initiatives in the context of the Green Economy, adopt sustainable projects and solutions, amongst others.



Our Stakeholders [102-40|102-42]

In 2016, we reaffirmed the relevance of the main stakeholder categories established in 2014, based on the principles of the AA1000 Stakeholders Engagement Standard: dependency and responsibility; proximity; influence; diversity. The process of prioritizing and validating the importance of stakeholders counted on the involvement of executives who are members of the BB Sustainability Forum. This mapping process, aligned with the technical review carried out in 2016, allowed us to expand our focus on value creation, as represented below:

Priority

- Shareholders/Investors
- Customers
- Employees
- Government (legal institutional environment)

Important

- Competitors
- Suppliers
- The Press/Media
- Regulatory bodies

Very important

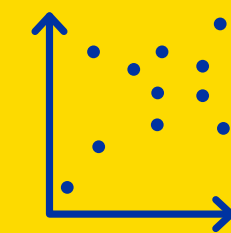
- Representatives of civil society

Secondary importance

- Sustainability specialists
- Partners



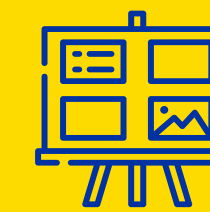
We list below the steps of the update process of the seventh version of the Sustainability Plan – Agenda 30 BB 2019-2021. [102-19]



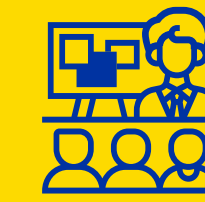
1 **Review of the Materiality Matrix** resulted in the identification of 21 sustainability challenges; of which 11 were considered material (that is, relevant) and guide our sustainability management and reporting;



3 **Holding of the 35th BB Sustainability Forum**, which was attended by Executive Managers from various areas of BB in order to validate the new Materiality Matrix and prioritize actions to advance sustainability management;



2 **Holding of thematic panels** to provide training for the technical staff from various departments on these topics aiming to propose innovative efforts and solutions to the topics: Sustainable Finance, Impact Measurement and Assessment, Socio-environmental Risk and Diligence in Human Rights;



4 **Holding of the VII Sustainability Workshop** with the participation of Directors. General Managers and Executives of the BB and the ELBBs to discuss the theme “Megatrends with emphasis on Sustainable Finance”; and



5 **Evaluation and validation of the actions** proposed by the Strategic Units Management Committee and the Board of Directors.


[see more below](#)




Management Approach and its Components [103-2]

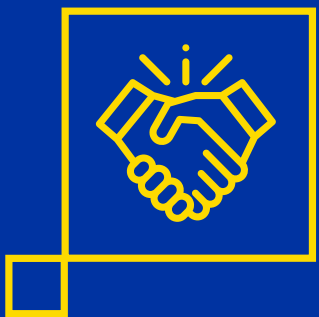
The Sustainability Plan – Agenda 30 BB 2019–2021 includes 50 efforts and 86 indicators linked to the 21 challenges taken, which positively impact the global agenda for sustainable


development. Next, we highlight the public indicators linked to the challenges deemed relevant, which are structured over the five SDGs (Prosperity, Partnerships, People, Planet and Peace).

	Material Challenge	Capital	Major Actions Performed for Agenda 30 BB 2019–2021	Agenda 30 BB 2019–2021 Actions/Commitments
 Prosperity	<p>Challenge 1: Align Banco do Brasil's governance with best practices in order to strengthen the role of senior management role in the sustainability strategy.</p>	<p>Social and Relationships</p>	<p>Action: Implement criteria to enhance Board of Directors' efficiency.</p> <p>Indicator: Proposition of periodic independent appraisal of the Board of Directors.</p> <p>Deadline: 12/31/19.</p> <p>Development of periodic independent Board of Directors' evaluation studies should no proposal be submitted to decision-making instance deliberation up to the established deadlines.</p>	<p>Action: Implement criteria to enhance Board of Directors' efficiency.</p> <p>Indicator: Study to review the composition of the Board of Directors to verify the possibility of increasing the percentage of independent members.</p> <p>Deadline: 12/31/20.</p>
	<p>Challenge 2: Identify and manage non-financial and emerging medium and long-term risks that could have significant impacts on Banco do Brasil's business.</p>	<p>Financial</p>	<p>Action: Enhance in strategic formulation the view of the more significant long-term emerging risks for BB business in the Sustainability Forum.</p> <p>Indicator: Presentation of a study of the emerging long-term risks with impacts to BB's business.</p> <p>Deadline: 06/30/19.</p> <p>Presentation of a study of long-term emerging risks with business impact mapping, spotlighting the new risks considered relevant, in the BB Sustainability Forum.</p>	<p>The action and indicators referring to this challenge were concluded in 2019.</p>





	Material Challenge	Capital	Major Actions Performed for Agenda 30 BB 2019–2021	Agenda 30 BB 2019–2021 Actions/Commitments
 <p>Prosperity</p>	<p>Challenge 3: Identify innovations in the financial sector (business models and technologies) and anticipate trends to guarantee Banco do Brasil's continuity and longevity.</p>	<p>Intellectual</p>	<p>Action: Structure a relationship model with startups.</p> <p>Indicator: Presentation of a relationship model proposal for startups.</p> <p>Deadline: 12/31/19.</p> <p>Structuring and approval of a relationship model for startups.</p>	<p>Action: Implement a platform that allows interaction between investors and sustainable projects using a crowdfunding or startups model.</p> <p>Indicator: Presentation of a feasibility study of the platform implementation that allows the interaction between investors and sustainable projects in a crowdfunding or startups model.</p> <p>Deadline: 06/30/2020.</p>
	<p>Challenge 4: Improve customer relationship management and increase satisfaction and retention rates.</p>	<p>Social and Relationships</p>	<p>Action: Implement initiatives to improve the BB customers' satisfaction level. with checks to the reach of the established goal.</p> <p>Indicator: Presentation of a report of initiatives implemented for the Personal Retail and Private. Wholesale Business. Micro and Small Enterprises and Public Sector customers.</p> <p>Deadline: 12/31/19</p> <ul style="list-style-type: none"> ■ Expansion of the service expertise model to Personal. Business and Public Sector audiences, with the creation of new portfolios and bot service via WhatsApp. ■ Improvement on tools related to management and service monitoring. ■ Training for expert advisory. ■ Workshop realization and Customer Council meetings. among other initiatives. 	<p>Action: Implement initiatives to improve the BB customers' satisfaction level, with checks to the reach of the established goal.</p> <p>Indicator: Presentation of a report of initiatives implemented for the Personal Retail and Private. Wholesale Business. Micro and Small Enterprises and Public Sector customers.</p> <p>Deadline: ongoing until 12/31/2021.</p>

	Material Challenge	Capital	Major Actions Performed for Agenda 30 BB 2019–2021	Agenda 30 BB 2019–2021 Actions/Commitments
 <p>Partnerships</p>	<p>Challenge 6: Strengthen the Banco do Brasil initiatives that promote productive development, entrepreneurship and social and financial inclusion, including social business.</p>	<p>Social and Relationships</p>	<p>Action: Finance through Guided Productive Microcredit (MPO) projects for natural resource efficient use.</p> <p>Indicator: Presentation of a feasibility study for the financing of natural resource use efficiency projects through MPO.</p> <p>Deadline: 12/31/19.</p> <p>Development of a study that displays the unfeasibility of creating a specific investment line. through MPO resources, for natural resource use efficiency projects.</p>	<p>The action and indicators referent to this challenge were concluded in 2019.</p>

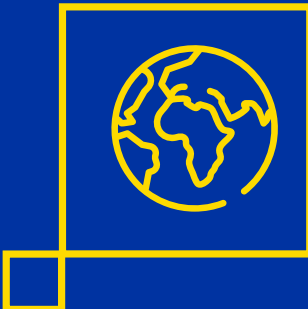
	Material Challenge	Capital	Major Actions Performed for Agenda 30 BB 2019–2021	Agenda 30 BB 2019–2021 Actions/Commitments
 <p>People</p>	<p>Challenge 9: Ensure greater proportionality of gender and racial representation in all hierarchical levels of Banco do Brasil (formerly Challenge 11).</p>	<p>Human</p>	<p>Action: Increase the percentage of women in all hierarchy levels, aiming to strengthen gender equity in BB.</p> <p>Indicator: Increase the percentage of women in management positions.</p> <p>Deadline: 12/31/19 (Annual – ongoing).</p> <p>Surpassing of the established management roles women appointment goal, below senior management.</p>	<p>Action: Increase the percentage of women in all hierarchy levels, aiming to strengthen gender equity in BB.</p> <p>Indicator: Increase the percentage of women in management roles.</p> <p>Deadline: ongoing annually to 12/31/2021.</p>
	<p>Challenge 11: improve the variable remuneration model for employees, including senior management, broadening the socio-environmental criteria and contemplating individual performance.</p>	<p>Human</p>	<p>Action: Increase the percentage of employees whose reward is impacted by the individual performance evaluation.</p> <p>Indicator: Increase the percentage of employees covered by the systematic use of measurable targets agreed upon with the direct superior, with direct impact on remuneration.</p> <p>Deadline: 12/31/19 (Annual – ongoing).</p> <p>We verified that 49% of employees are covered by the systematic use of measurable targets agreed upon with the direct superior with impact on rewards, below the established target.</p> <p>Indicator: Increase the percentage of employees covered by the multidimensional performance evaluation with reward impacts.</p> <p>Deadline: 12/31/19 (Annual – ongoing).</p> <p>We verified that 78% of employees, in real workforce, possess multidimensional performance evaluation with impacts in reward, surpassing the established goal.</p>	<p>Action: Increase the percentage of employees whose reward is impacted by the individual performance evaluation.</p> <p>Indicator: Increase the percentage of employees covered by the systematic use of measurable targets agreed upon with the direct superior, with direct impact on remuneration.</p> <p>Deadline: ongoing annually to 12/31/2021.</p> <p>Indicator: Increase the percentage of employees covered by the multidimensional performance evaluation with reward impacts.</p> <p>Deadline: ongoing annually to 12/31/2021.</p>

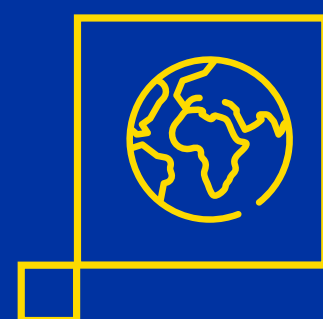


	Material Challenge	Capital	Major Actions Performed for Agenda 30 BB 2019–2021	Agenda 30 BB 2019–2021 Actions/Commitments
 <p>People</p>	<p>Challenge 12: Strengthen Banco do Brasil’s actions in relation to human capital, including health, safety and wellbeing management, development and retention of talent.</p>	<p>Human</p>	<p>Action: Improve employee engagement survey coverage.</p> <p>Indicator: increase in the percentage of engaged employees.</p> <p>Deadline: 12/31/19 (Annual – ongoing).</p> <p>Indicator: increase in the engagement survey coverage.</p> <p>Deadline: 12/31/19 (Annual – ongoing).</p> <p>Achievement of 78.4% engaged employees and 67% of the engagement survey coverage, surpassing both goals.</p>	<p>Action: Improve employee engagement survey coverage.</p> <p>Indicator: Increase in the percentage of employees engaged in the engagement survey.</p> <p>Deadline: annually ongoing to 12/31/2021.</p> <p>Indicator: Increase in the coverage of the engagement survey.</p> <p>Deadline: annually ongoing to 12/31/2021.</p> <p>Action: Implement an external independent health, well-being safety verification process.</p> <p>Indicator: hiring of external independent verification.</p> <p>Deadline: 06/30/2020</p> <p>Indicator: present a report on the verification process issued by an independent third party.</p> <p>Deadline: 12/31/20.</p>
	<p>Challenge 13: strengthen the work of Banco do Brasil in relation to ethics and practices to combat corruption, unlawful acts and money laundering.</p>	<p>Human</p>	<p>Action: Implement a solution to provide to suppliers on the Code of Ethics and Standards of Conduct for suppliers</p> <p>Indicator: provide specific content about the Code of Ethics and Standards of Conduct to share with suppliers.</p> <p>Deadline: 12/31/19.</p> <p>Formatting of specific content about the “Code of Ethics and Standards of Conduct”.</p>	<p>The action and indicators referring to this challenge were concluded in 2019.</p>

	Material Challenge	Capital	Major Actions Performed for Agenda 30 BB 2019–2021	Agenda 30 BB 2019–2021 Actions/Commitments
	<p>Challenge 14: develop financial solutions and business models that promote the transition to a green and inclusive economy.</p> <p>»</p>	<p>Social and Relationship/ Financial</p>	<p>Action: Implement financial solutions that promote the transition to a green and inclusive economy.</p> <p>Indicator: presentation of a feasibility study for the implementation of (a) new financial solution(s) that promote(s) the transition to a green and inclusive economy.</p> <p>Deadline: 12/31/19.</p> <p>Realization of financial solutions’ technical studies that promote the transition to a green and inclusive economy, of which we highlight:</p> <ul style="list-style-type: none"> ■ Revision of the credit line destined to Business to finance machines and related equipment to green economy initiatives such as photovoltaic solar energy panels; ■ Development of a credit line destined to the Individual customers in the Midwest region, which is intended to finance the acquisition, implantation and legalization of equipment and services for the installation of micro and mini electricity generation, aiming to generate credit for compensation among the local energy distribution companies. 	<p>Action: Implement financial solutions that promote the transition to a green and inclusive economy.</p> <p>Indicator: Implementation of new proposed financial solution(s).</p> <p>Deadline: 06/30/2020.</p>



	Material Challenge	Capital	Major Actions Performed for Agenda 30 BB 2019–2021	Agenda 30 BB 2019–2021 Actions/Commitments
 <p>Planet</p>	<p>Challenge 14: develop financial solutions and business models that promote the transition to a green and inclusive economy.</p>	<p>Social and Relationship/ Financial</p>	<p>Action: Implement differentiated business conditions for products/services aimed at the transition to a green economy.</p> <p>Indicator: assessment of attributes or offer of differentiated business conditions for products/ services aimed at the transition to a green economy.</p> <p>Deadline: 31/12/19.</p> <p>Assessment of differentiated business conditions for maturity and/or rates for the BB Crediário and BB Parcelado de Contas modalities, in the agreements made with solar energy supplying/installing companies. and for the Agro Energy credit line</p>	<p>Action: Implement differentiated business conditions for products/services aimed at the transition to a green economy.</p> <p>Indicator: Implementation of differentiated business conditions for products/services aimed at the transition to a green economy.</p> <p>Deadline: 06/30/2021.</p>
	<p>Challenge 17: improve socio-environmental risk management in the supply chain, in lending, in financing, in own investments and in the asset management of third parties, also considering controversial subjects.</p> <p>»»</p>	<p>Financial</p>	<p>Action: Develop routines and procedures to identify, classify, assess, monitor, mitigate and control socioenvironmental risk in operations, considering the provisions of CMN No. 4,327, article 8; and SARB No. 14, articles 3, 7, 9, 10, 11, 12, 13, 14, 15, 16, 17 and 18.</p> <p>Indicator: incorporation of socio-environmental rating losses data in the lending pricing process.</p> <p>Deadline: 31/12/19.</p> <p>Readjusted indicator due to the revision of the Socio-environmental Responsibility Policy (PRSA) and the approval of a new action plan by the Board of Directors (Conselho de Administração). The new indicators were embedded to Agenda BB 2019-2021.</p>	<p>Action: Develop routines and procedures to identify, classify, assess, monitor, mitigate and control socioenvironmental risk in operations, considering the provisions of CMN No. 4,327/2014, 4,557/2017 and SARB No. 14.</p> <p>Indicator: Review roles and functions aiming to improve the socio-environmental risk evaluation procedures.</p> <p>Deadline: 01/31/2020.</p> <p>Indicator: Review the socio environmental questionnaire including a sector and customer analysis to evaluate socio-environmental risks.</p> <p>Deadline: 30/03/2020.</p> <p>Indicator: Review the socio-environmental rating.</p> <p>Deadline: 03/30/2020.</p>



Planet

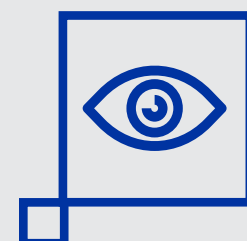
Material Challenge	Capital	Major Actions Performed for Agenda 30 BB 2019–2021	Agenda 30 BB 2019–2021 Actions/Commitments
<p>Challenge 17: improve socio-environmental risk management in the supply chain, in lending, in financing, in own investments and in the asset management of third parties, also considering controversial subjects.</p>	<p>Financial</p>	<p>Indicator: review of the socio-environmental questionnaire, including analysis by sector and by customer, to assess exposure of credit/financing operations to socio-environmental risk and impacts on customer credit limits.</p> <p>Deadline: 12/31/19.</p> <p>Revision of the Socio-environmental Responsibility Evaluation questionnaire aiming to evaluate in a more assertive fashion socio-environmental topics.</p> <p>Action: Update the BB Sustainability Credit Guidelines and the conditions for financing contained in the Social-environmental Guidelines for Controversial Issues.</p> <p>Indicator: publication of the revised BB Sustainability Credit Guidelines (Diretrizes BB de Sustentabilidade).</p> <p>Deadline: 12/31/19 (annual – ongoing).</p> <p>Publishing of the updated Sustainability BB Guidelines for Credit document, covering two new sectors – Steel Industry and Concrete.</p>	<p>Indicator: Review the socio-environmental questionnaire including a sector and customer analysis to evaluate socio-environmental risks.</p> <p>Deadline: 30/03/2020.</p> <p>Indicator: Review the socio-environmental rating.</p> <p>Deadline: 03/30/2020.</p> <p>Indicator: Apply the socio-environmental rating to business flow, as well as its integration to credit risk models.</p> <p>Deadline: 09/30/2020.</p> <p>Indicator: Review the losses base constitution process due to socio-environmental damage.</p> <p>Deadline: 12/30/2020.</p> <p>Action: Update the BB Sustainability Credit Guidelines and the conditions for financing contained in the Social-environmental Guidelines for Controversial Issues.</p> <p>Indicator: publication of the revised BB Sustainability Credit Guidelines (Diretrizes BB de Sustentabilidade).</p> <p>Deadline: ongoing annually to 12/31/2021. Indicator: publication of the revised Social-environmental Guidelines for Controversial Issues</p> <p>Deadline: 06/30/2020.</p>

Value Creation

We show below the results and the creation of shared value in our business model Form of Management.

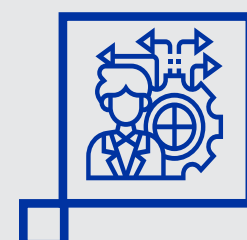
Vision

To be the company that provides the best experience for people's lives and promotes the development of society in an innovative, efficient and sustainable way.



Governance

- Transparency
- Accountability
- Equality
- Corporate Responsibility



We adopted a collegiate decision model, so that all decisions, regardless of hierarchical level, are made with the involvement of unit representatives and support from executive committees in defining strategies and approving proposals for different businesses.

International environment

- macroeconomic and Financial Industry Context
- Megatrends and Uncertainties



Capital



Financial

- R\$ 1.47 trillion in assets
- R\$ 1,055.90 billion in third-party assets managed



Human

- 93,190 employees



Natural

- Electricity: 568 GWh
- Water: 1,136 thousand m³
- Paper: 4,035.4 ton



Manufactured

- 4,356 branches
- 80.4% of transactions via smartphone/internet



Social and relationships

- More than 498 thousand shareholders
- 70.2 million customers
- 37.6 million account owners



Intellectual

- R\$ 3.4 billion – investment in technology

Forma de gestão

Strategic drivers	Services
Customers	Banking
Financial	Investment
Process	Fund management
People	Insurance, pensions and capitalization
Sustainability	Means of payment

The guidelines of the Corporate Strategy are expressed in our daily lives through the other plans that make up the strategic architecture, the budget and the instruments for inducing and evaluating performance.

Capitais



Financial



Human



Natural



Manufactured



Social and Relationships



Intellectual

Financial value added (DVA 2019)*

R\$ 45.7 billion

- **R\$ 17 billion:** Other Own Capital Interest + Retained Earnings + Non-controlling interest in retained earnings;
- **R\$ 23.1 billion:** in salaries + profit share of employees and directors + Benefits and training + FGTS (social security) + Other charges;
- **R\$ 1.3 billion: Rents;**
- **R\$ 4.2 billion:** Interest on Equity of the Federal Government, Interest on the instrument eligible for Federal Government capital, taxes;

Results and other forms of value creation

- **Efficiency ratio of 36.1%**, the best of the historical series.
- **R\$ 1.72 billion in third-party funds** fulfilled the socio-environmental requirements and governance (ESG).
- **R\$ 174.0 billion of balance** in green businesses.
- **55.4% participation** in financing for agribusiness.
- **221 thousand family farmers attended at Pronaf in 2019, reaching 87.7% of Brazilian municipalities.**
- **R\$ 68.8 billion** is the portfolio balance in Social Business.
- One of the **most sustainable financial companies in the world** by ranking Global 100, from Corporate Knights.
- **Presence in the Dow Jones Index Sustainability Committee (DJSI)** of the New York, at the **FTSE4 Good Index Series** – the London Stock Exchange, and in the Corporate **Sustainability Index (ISE)** of B3.
- **84.78% of satisfied employees** highest result obtained by BB.
- **99.05% adherence** to the Code of Ethics.
- **R\$ 607.7 million:** material, water, energy and gas.
- The general customer **satisfaction index** reached **75.62**.
- **Digital channels** achieved satisfaction **86.07%**.
- **More than 12.8 million users** only access the APP monthly.
- **R\$ 8.0 billion in payments** to suppliers.
- **R\$ 51.8 million contributed** to the Foundation Banco do Brasil (FBB).
- Banco do Brasil Cultural Centers (CCBB) hosted **265 cultural initiatives**, with **3.36 million visitors**.
- **R\$ 75.7 million:** Training.
- **R\$ 455.3 million:** Data processing.
- **R\$ 498.2 million:** Advertising and Publicity.
- **R\$ 96.9 million:** Corporate Education.

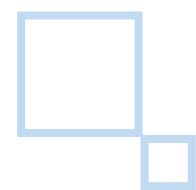
* Added Value Demonstration

2

Transformative Role

- 38 | Our Role in Society
- 39 | Inclusive and Green Economy
- 44 | Private Social Investment
- 46 | Sport and Culture Investment
- 47 | Measures Adopted to Face the Covid-19





□ Our Role in Society



We play a transformative role in society, fostering entrepreneurship and production in all regions of Brazil

Through the supply of credit, we play a transformative role in society, fostering entrepreneurship and production in all regions of Brazil. Activities range from microcredit operations to financial solutions for large corporations, capital markets and the government, with an especially prominent position in agribusiness lending.

As part of the financial system, we have a crucial responsibility: to direct the investment of funds and to assist in the transition from a high-impact economy to a low-carbon and Green and Inclusive Economy with proper risk management and the development of innovative fundraising models.

We adopt the premise of structuring financially sustainable solutions, which allow for the rational use of natural

resources and the implementation of more efficient projects, embedding socio-environmental variables in the project evaluation process. We contribute, therefore, for society's access to new technologies, innovative production models and generate growth and development to the country, in an agile and simplified manner.

The main challenges include fostering sustainable national economic growth, so that it encompasses productive chains with lower socioenvironmental risk and higher returns. Over the next few years, we will continue to focus on models for raising investment funds for projects that focus on sustainability and opportunities to finance reforestation, urban infrastructure, mobility, decentralized energy generation, energy efficiency and sustainable production chains for agriculture and livestock rearing.



Green and Inclusive Economy [203-2]

Management Approach: [103-1]

| Product portfolio |

Challenge 14

Develop financial solutions and business models that promote the transition to a Green and Inclusive Economy.

COMMITMENTS OF AGENDA 30 BB 2019–2021

Presentation of a feasibility study for the implementation of (a) new financial solution(s) that promote(s) the transition to a Green and Inclusive Economy;

Implementation of (a) new proposed financial solution(s);

Assessment of attributes or offer of differentiated business conditions for products/services aimed at the transition to a Green Economy; and

Implementation of attributes or differentiated business conditions for products/services aimed at the transition to a Green Economy.

Management Approach: [103-1] [103-2]

| Economic Performance |

| Indirect economic impacts |

| Product portfolio |

The position as a finance provider for sustainable productive chains reinforces the alignment with the provisions of the United Nations' Environment Program's Green Economy Initiative and with the best business practices. This has a positive impact on the relationship with customers, employees and investors, increasing the reliability of the capture of internal and external resources.

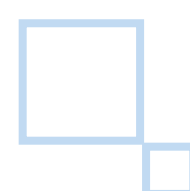
For customers, Green Economy business models provide sustainable solutions that generate financial returns and bring social benefits, while helping to preserve the environment and reduce carbon emissions. The solutions encourage energy efficiency, renewable energy generation, protection of natural resources, and improvements in mobility and urban infrastructure, as well as cleaner and less harmful production practices.

The biggest demands for solutions and green business models come from the customers themselves, who increasingly seek to consume sustainable products and services and establish relationships with socially and environmentally responsible companies. Market requirements are considered in the

planning and definition of the sectors for credit offerings, in the fundraising strategies and in the priority areas for action. The choice of which productive chains to concentrate our efforts on will depend on where it is most needed.

The commitment to develop business solutions with a socio-environmental orientation is stated in the Socio-environmental Responsibility Policy (Política de Responsabilidade Socioambiental – PRSA). It is also supported by the **Sustainability Guidelines for Credit** (Diretrizes de Sustentabilidade para o Crédito), which are in synergy with the international commitments assumed by the federal government, including those related to the mitigation of the effects of climate change and the adaptation to them.

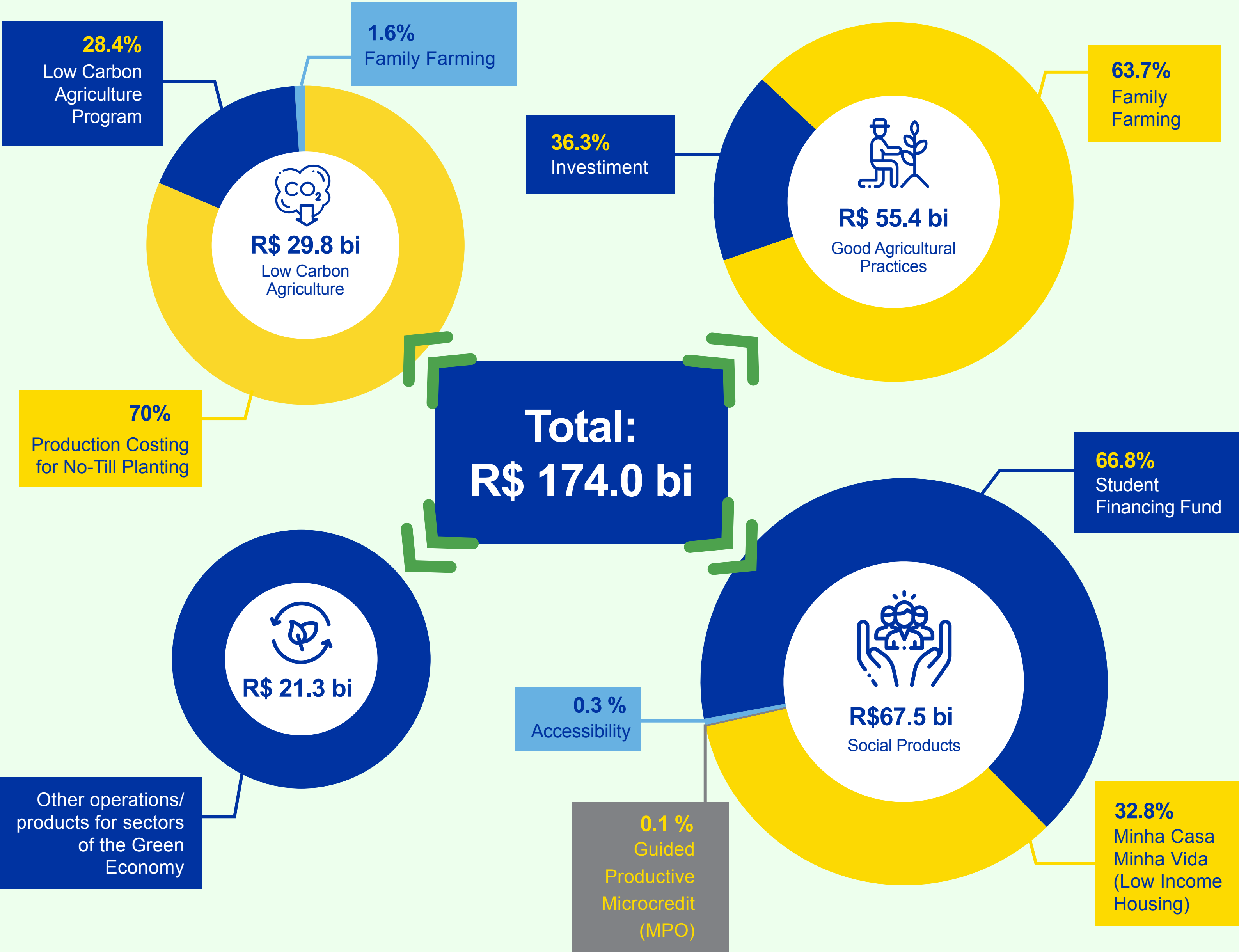
With our national prominence in the development of financial solutions and business models that promote the transition to a Green and Inclusive Economy, we consider climate change in planning and prioritize businesses that take advantage of the opportunities of a low-carbon economy, especially in order to meet the emission reduction requirements pledged by Brazil in the Paris Agreement.



Green Portfolio

Based on a methodology developed by the Brazilian Federation of Banks (Federação Brasileira de Bancos – FEBRABAN) that deals with the measurement and identification of funding invested in sectors of the Green Economy, the balance of the green business portfolio yielded R\$ 174.0 billion in 2019. The portfolio is comprised of credit operations related to investments and loans for renewable energy, energy efficiency, sustainable construction, sustainable transport, sustainable tourism, water, fishing, forestry, sustainable agriculture and waste management. In addition, in order to foster an inclusive economy, social factors such as education, health and local and regional development are also considered in this portfolio. The sectors are classified in accordance with the UN Environment Program and with specific products from activities related to the Green Economy. A revision of this methodology by Febraban is slated for 2020.

This total amount of funding from the Green Portfolio was destined to companies of different sizes (Small and Micro, Corporate, Wholesale), to Retail and Private personal customers, and also to BB's Public Sector customers. [102-6]



Initiatives related to the Green Economy developed in 2019:

- Agro Energy (Agro Energia) Program: aims to stimulate the use of renewable energy in rural areas. In 2018, the volume of funds destined to the program comprised R\$ 271.2 million in investments. In 2019, a growth of 28.3% was noted, amounting to R\$ 347.9 million.
- Partnership with the Inter-American Development Bank (IDB): a cooperation agreement was signed with the purpose of incorporating the following actions to BB's planning: the realization of the Sustainable Finance Thematic Panels. Impact Measurement and Assessment. Socio-environmental Risk and Diligence in Human Rights; study of green financing benchmark; agribusiness energy efficiency study and development of Sustainable Financial Models for the issuance of green debts and loans.

Inclusive Businesses

CHALLENGE 6

Strengthen the Banco do Brasil initiatives that promote productive development, entrepreneurship and social and financial inclusion, including social businesses

COMMITMENTS OF AGENDA 30 BB 2019–2021

Presentation of a feasibility study for the financing of natural resource use efficiency projects through the Guided Productive Microcredit (MPO – Microcrédito Produtivo Orientado).

Management Approach: |103-1 |103-2|

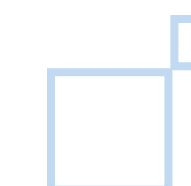
- | Indirect economic impacts |
- | Customer health and safety |
- | Marketing and labeling |
- | Socioeconomic compliance |
- | Local communities |

Through social businesses, the company works to promote productive development, entrepreneurship and the promotion of social and financial inclusion. To this end, we include products aimed at specific and strategic target groups, as they enable the renewal and loyalty of the customer portfolio, while encouraging the country's economic development.

In the scope of partnerships with Micro and Small Companies (MPE), in 2019 we celebrated the technical cooperation agreement with the Brazil Support Service to Small and Micro companies (Serviço Brasileiro de Apoio às Micro e Pequenas Empresas – Sebrae), to support credit and financial service access in a conscious manner.

The Guided Productive Microcredit (Microcrédito Produtivo Orientado – MPO) is a product for financial inclusion and, consequently, for the banking needs of a significant niche of about eight million microentrepreneurs, many of whom still operate informally. The customers seek financial institutions to meet their need to expand sales, especially for the acquisition of inputs and/or raw material for trading or service provision.

Sustainable farming is supported aiming to achieving long-term sustainable returns, and the adoption of more sustainable technologies is encouraged. Support for these kind of initiatives helps to reduce the customer's risk and enables the identification of new business opportunities. These interactions occur through technical advisory services, public communication and directed lending.



All initiatives are in line with the commitments of the Socioenvironmental Responsibility Policy (Política de Responsabilidade Socioambiental – PRSA) and the [Sustainability Guidelines for Credit](#) (Diretrizes de Sustentabilidade para o Crédito). In the case of the MPO, our actions are regulated, guided and limited by the public policies adopted by the federal government – where the initiative originated. The actions in the sustainable agriculture areas comply with environmental legislation and the regulations of the National Monetary Council (Conselho Monetário Nacional), and we also participate in the Low Carbon Agriculture Program (Programa de Agricultura de Baixo Carbono – ABC). [Learn more on the Sustainability website.](#)

Sustainable Agriculture [203-2]

As one of the main drivers of agribusiness development in the country and a supporter of the sector throughout all stages of its production chain, we provide solutions with socio-environmental attributes for agribusiness customers, such as the National Program to Strengthen Family Farming (Programa Nacional de Fortalecimento

da Agricultura Familiar – Pronaf), which is supported by teams trained in agribusiness lending, investment specialists and agronomist. The program focuses on providing specialized assistance to small farmers, promoting income generation and strengthening the activities developed by family farmers.

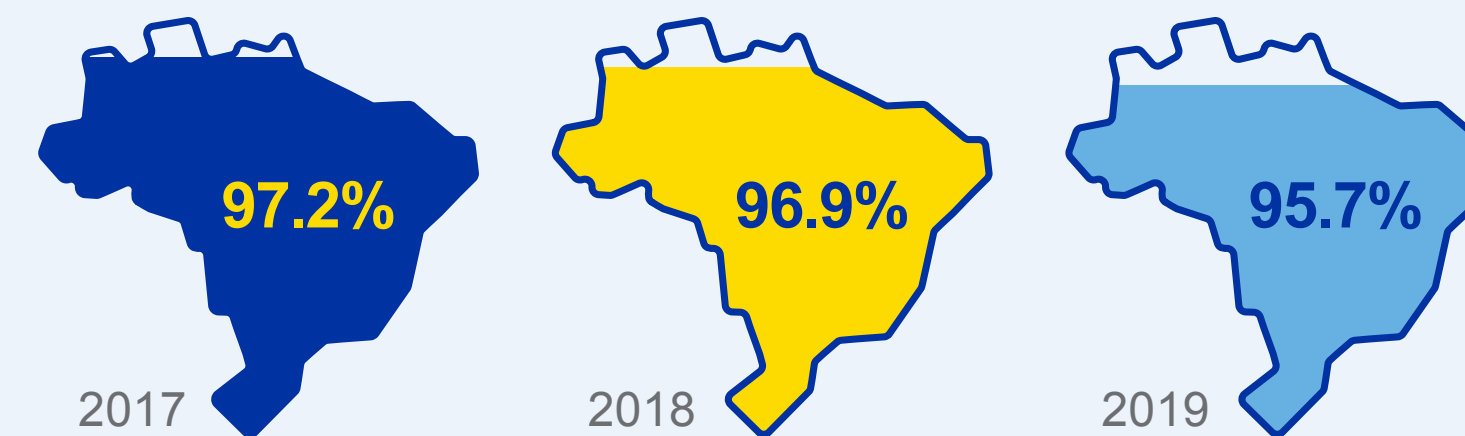
In 2019, concerning Pronaf’s scope, approximately 221 thousand family farmers received assistance, with BB participating in 49.8% of market contracting in costing, investment and industrialization operations. Business reached 87.7% of Brazilian cities, which showcases the program’s scale and range.

In 2019, we remained the market leader in the contracting of financing under the Low Carbon Agriculture Program (Programa de Agricultura de Baixo Carbono – ABC), reaching 68.8% of the market. The initiative finances sustainable agricultural production systems with a recognized capacity to reduce or sequester Greenhouse Gas (GHG) emissions and promote the production of vegetation/biomass and food, as well as preserving the environment.

Portfolio Information⁽¹⁾ – Pronaf [102-48]

⁽¹⁾ (Operations in stock + contracted operations in 2019)

Percentage of Brazilian Municipalities with at Least One Case of Loan/Finance Contracting



Portfolio Information⁽¹⁾ – ABC Program

⁽¹⁾ (Operations in stock + contracted operations in 2019)

Percentage of Brazilian Municipalities with at Least One Case of Loan/Finance Contracting



Number of Family Farmers Benefited



Number of Family Farmers Benefited



Low-Income Housing ^[203-2]

We are financial agents for the federal government's set of measures to facilitate low-income families to become homeowners, especially through the Minha Casa Minha Vida (MCMV) Program. By providing home loans, we help to support the Brazilian economy and society, reduce the housing shortage, favor the growth of the whole construction industry chain and improve the population's quality of life.

In 2019, 42 building developments were completed, with a total of 7,621 new homes. Eleven of these developments were built as part of MCMV, delivering 1,95 new homes. A further R\$ 209,57 million was also approved for the construction of 31 new projects, 13 of which are part of MCMV, to provide 7,070 new homes. A further 15,615 operations were carried out through MCMV in the Individuals segment.

In total, 142 developments were completed between 2018 and 2019 with a total of 23,543 new homes. Of this total, 56 were built as part of MCMV, delivering over 8,892 thousand new homes.

Productive Development and Support for Entrepreneurship ^[203-2]

Appropriate solutions are offered for micro and small companies and individual microentrepreneurs to support their development and to stimulate an entrepreneurial culture in Brazil, such as the BB Conta Fácil MEI 100% Digital (digital account for Microbusiness) and entrepreneur credit card that features exclusive advantages.

Aiming to support and finance entrepreneur productive activities and support the capital needs for productive activity by Individuals and Companies, we offer the Guided Productive Microcredit (MPO), using methodology based on guidance and monitoring. We closed 2019 with 117,244 thousand active customers and over 116 thousand credit operations contracted.

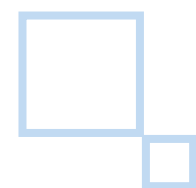
In order to intensify our operations in microfinances, we have developed a strategic partnership with Movera, which operates through microcredit agents specialized in offering loans and giving qualified advice for entrepreneurs.

We also offer the BB Financing credit line to allow project and sustainable solutions implementation, such as solar energy/ photovoltaic systems. This operational agility, allied to a variety of financeable items and adequate taxes, made the line reach, in a little over eight months, R\$ 81 million that were destined to financing Green Economy and/or renewable energy related items.

MPE Week

For the second consecutive year, we realized the MPE Week, a campaign supporting small and microbusinesses, from October 5 to October 26. Small and micro companies were invited register for offers or exclusive benefits for overall customers in a proprietary digital platform, entirely free. There were over 4 million site views and 35.7 thousand subscribed MPEs and over 38.2 thousand available offers.





Through FBB, we seek to improve the lives of the most vulnerable people and promote sustainability by encouraging socio-productive inclusion, sustainable development and reapplication of social technologies throughout Brazil



□ Private Social Investment

Private Social Investment (PSI) encompasses the voluntary, monitored and systematic transfer of private funds to social, environmental and cultural initiatives of public interest. PSI can be leveraged through fiscal incentives and the destination of nonfinancial and intangible resources.

▮ Fundação Banco do Brasil – FBB

FBB's social investment is destined to actions in urban and rural environments in two areas: the environment and education. Through FBB, we seek to improve the lives of the most vulnerable people and promote sustainability by encouraging socio-productive inclusion, sustainable development and reapplication of social technologies throughout Brazil.

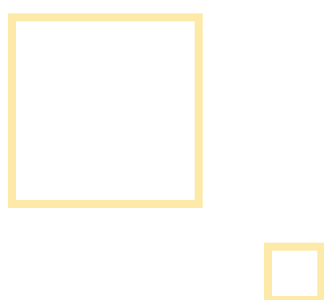
Monitoring and evaluation of program and project effectiveness are considered essential management tools, and their results are used to direct the work performed and to improve the actions implemented, besides contributing to decision-making and to understanding the success factors for enterprises.

In 2019, FBB selected a sample of 60 projects that were subject to additional layers of monitoring. Of the total, two projects responded remotely to the requests for information and 58 of them received site visits by a technician from the Monitoring and Evaluation area. In addition to identifying the project's

development stage and the possible need for adjustments, this monitoring also evaluated issues such as the participation and engagement of young people and women, acquisition of knowledge and development of skills, compliance with human rights aspects and the formation of partnerships for project development and/or assistance for its participants.

In relation to human rights, FBB invested, in 2018, R\$ 1.53 million in three projects in the cities of Rio de Janeiro, São Paulo and Brasília (Federal District and surroundings) that were developed across 2019, aimed at supporting over 600 refugees through the deployment of IT laboratories and educational and training activities. The project also involved the participation of social workers to provide assistance, with the aim of making them feel welcome and guiding them in the Process of adaptation and relocation into Brazilian society. These efforts involved not only training, but assistance in CV elaboration and participation in job interviews.

In a partnership with UN Women, the FBB supported four projects focused on the strengthening of rural women networks, via articulation, mobilization, commercialization and solidarity economic enterprise management. These projects started in 2019 in the states of Pará, Rio Grande do Norte, Mato Grosso do Sul, Rio Grande do Sul, Rio de Janeiro and Paraná, and provide



training and mobilization efforts, as well as the structuring of these ventures, with activities starting in 2019.

The FBB, in partnership with Banco do Brasil National Federation of Athletic Associations (Federação Nacional das Associações Atléticas Banco do Brasil – FENABB) and local institutions, invested R\$ 16.56 million in the AABB Comunidade (Community) program, with 32,291 people benefitting in 243 municipalities. The program offers supplementary schooling for children and teenagers in the public education network, covering 6 to 18-to-be year-old students.

Contributions to Fundação Banco do Brasil by Source

(R\$ million)

Funding Source	2017	2018	2019
Banco do Brasil ⁽¹⁾	54.5	53.4	51.8
Brasilcap	0.1	0.1	0.1
BB DTVM	1.8	3.1	2.4
FENABB	22.8	21.1	20.9

(1) Limited to 5% of operating income by the Bylaws.

Volunteering

The BB Volunteering Program introduces and consolidates the concept and principles of volunteering in the organizational culture, supporting and encouraging the involvement of employees (active or retired), family and friends to provide voluntary services.

An internet platform was set up (<https://voluntariadobb.v2v.net/pt-BR>) to facilitate interaction through communication and contact between BB Volunteers, institutions, branch committees, human Resources Management and the general public. The BB Volunteering Portal reached a total of 33,050 users registered as volunteers, recorded 25,444 voluntary actions and registered 3,055 social entities.

Within the scope of the program, the BB/FBB 2019 Internal Call for Volunteers – which aims to support social projects run by non-profit entities that involve the participation of BB Volunteers – resulted in a total of 673 proposals with individual costs of between R\$ 50,000 and R\$ 100,000. A total of R\$ 3.2 million in non-returnable funding was provided to support 34 of the proposals.



Fiscal incentives

Our incentives follow specific legislation and are destined for the Childhood and Adolescence Funds (FIA), the Elderly Fund, the National Program for Cancer Care Support (Pronon), National Program for Support to the Healthcare of the Disabled People (Pronas/PCD) as well as the promotion of Sports and Culture. The FIA and the Elderly Fund work with groups of people prioritized by the State for social inclusion and protection, while donations from Pronon and Pronas support initiatives and services developed by entities, associations and private non-profit foundations in the field of oncology and disabilities (PCDs).

Fiscal incentives (R\$ million)	2017	2018	2019
Childhood and Adolescence Funds (FIA)	1.5	0	0.8
The Elderly Fund (Fundo Nacional do Idoso)	0.9	0	0.9
National Program for Cancer Care Support (Pronon)	0.9	0	0.9
National Program for Support to the Healthcare of Disabled People (Pronas/PCD)	0.2	0	0.9
Culture Incentive Law (Rouanet Law)	31.8	23.9	28.9
Sports Incentive Law	2.4	5.0	5.2
Total Value in Donations	37.7	28.9	37.6

□ Sport and Culture Investment

Our sponsorship of sport plays an important social function and fosters training academies by maintaining one of the longest-lasting partnerships between a company and the national sport: volleyball (beach and hard court).

More than 150 volleyball events (beach and hard court) brought together around 300 thousand people in matches held at arenas and sports halls throughout Brazil. Social projects run by the Brazilian Volleyball Confederation reached about 4 thousand children (between 7 and 14 years old) at 15 training centers/schools in different cities around the country.

The Banco do Brasil Running Circuit, also took place alongside this initiative, passing through 10 cities spread across all regions of the country and uniting more than 30,000 people. This helps to convey the importance of quality of life and encourages families to practice sports.

Another very important action during the year was the Embaixadores do Esporte (Sports Ambassadors) project, which brings together

national idols to act as spokespersons for the dissemination of values and internal attributes and of sport in general. In 2019, 135 actions were held with sportspeople in 45 cities across all regions of Brazil.

BB's Private Social Investment in Culture includes the four Banco do Brasil Cultural Centers (CCBB) in the cities of Belo Horizonte (MG), Brasília (DF), Rio de Janeiro (RJ) and São Paulo (SP). In 2019, CCBB RJ turned 30 years-old. The selection of projects for the cultural program takes place through public selection announcements and careful prospection in the cultural market, in order to democratize opportunities, maintain transparency and guarantee quality and adherence to the curatorial principles of the CCBB.

In 2019, the CCBB hosted 265 cultural initiatives, with 3.36 million visitors and a return of R\$ 956.43 million in spontaneous media coverage, according to the CDN News Company (IQEM-V).

Socio-environmental Actions CCBB 2019

The Educational Program serves students and the general public and creates didactic material, developed for the exhibitions with the greatest outreach, with appropriate language for elementary and high school students. All of the exhibitions have specific programs on cultural themes, such as museology and education, as well as visits supported by sign language for the inclusion of the hearing-impaired.

■ Free transport
28,246 people

■ Educational transport
27,856 children from
the Educational
Program

Educational project

■ 371,305
visitors
assisted

■ Recycling
11.4 tons

■ Indirect Jobs
17,345

■ Direct Jobs
3,469



□ Measures taken against COVID-19

During the final process of drafting the Annual Report 2019, the coronavirus pandemic (COVID-19) evolved in Brazil. We took several actions, reaffirming the commitment to the health and safety of customers, employees, shareholders, and other stakeholders as a way of coping with the new scenario, reinforcing our purpose of “Taking care of what is valuable to people”. At the same time, we have been working to guarantee quality financial services to customers and society.

Among the actions taken to overcome this moment of adversity, we highlight:

■ Employees and Organizational Culture

- Since the beginning of March, we have implemented the policy to send home for 14 days employees showing symptoms or who have been exposed to confirmed or suspected cases (social distancing). In the same period, we implemented a seven-day quarantine measure for employees traveling to Brazil counting from the date of leaving the country (social distancing).
- We have prioritized remote working according to the criticality of the process and the nature of the work for employees considered to be in the risk group or who live with people in the risk group. Before the pandemic, we had 900 employees with the possibility of remote access. With investments

in technology, we have rapidly expanded to 35 thousand employees working remotely, with the capability of up to 70 thousand accessing simultaneously.

- We have developed courses and complete training modules in our Corporate University to support and facilitate the development of remote work.
- Flexible working hours, changes to vacation periods, and the use of licenses. First installment of the year-end bonus paid to our employees in advance.
- Replacement of in-person meetings with videoconferences and audioconferences.
- Distribution of 25 thousand individual protection masks, of the face shield type, to branches throughout Brazil. We have also offered branch managers the option of purchasing acrylic protection equipment for cashier windows in operation in this contingency period.
- Flu vaccination campaign carried out in advance.



Individual Customers

- Our communication channels have been used as a priority for spreading content that brings safety and convenience to customers during this period. The topics covered include card limit changes, guidelines for pension beneficiaries and their families, and encouragement for using self-service channels, especially the App. We have also invested in campaigns to encourage card use and to present the convenience and features offered by products such as the Ourocard-e virtual card, invoice management via apps and NFC (Near Field Communication) purchases.
- We have prioritized the opening of self-service rooms, supplying ATMs and their operation. We reduced the hours of on-site operation in the branches (10:00 am to 2:00 pm) for the general public and established a special time (9:00 am to 10:00 am) exclusively for pension retirees and customers most at risk.
- We support the Federal Government, through the Ministry of Citizenship, in paying the emergency aid provided in Law 13,982, of April 2, 2020. Moreover, we negotiated another 47 agreements for the payment of benefits offered by various municipal, state and federal public administration bodies

from different regions of the country. The total number of people benefiting from these agreements exceeds 4 million, with disbursement nearing to R\$ 1 billion in the coming months.

- For Private customers, we have forwarded daily information addressing the main macroeconomic news and presenting impact assessments in various market sectors. We also maintain the service of high-quality specialized financial advice in order to assist customers regarding asset classes, due to increased volatility.
- We have intensified actions aimed at Private customers in the rural segment to proactively identify the groups that need more support and credit solutions at this time. For this, we created a multidisciplinary committee that monitors, identifies and implements solutions for business continuity that especially impact customers in this niche.

Business Customers

- We have expanded the period for using the Financial Manager (7 am - 10 pm) from Monday to Friday and added a feature for business customers to change and unlock the eight-digit password through this channel.

- We have extended and renegotiated credit lines that we normally have with Corporate customers, as well as provided short-term technological solutions that allowed extension in on-lending lines, such as in FCO, BNDES Finame, BNDES Automático, and BNDES Giro.
- We have adjusted the relationship strategy and proximity to Corporate customers, with daily contact from account managers, which has allowed us to maintain proximity between companies and our employees.

Public sector

- We have extended access to the digital channel (“Talk to BB” chat) to all customers, providing agile and resolute service to their needs, without the need for customers to go to their branches.
- We have exempted the collection of reimbursement for the use of the Licitação-e platform for electronic auctions until December 2020.
- We have intensified the expansion of the interconnectivity of our systems with the Courts, which will accelerate the payment of permits by electronic means and the continuity of the service for society. Depending on the agreements with each public entity, the flexibilization of tariffs

for payment and receipt services can be extended under the same conditions currently in force for a period of sixty days.

Service Channels

- We offer several options for unlocking and registering passwords through the App, ATM, BB’s telephone service, in addition to digital assistance by managers.
- We have adjusted the withdrawal limits at ATMs and Banco24h, as well as the limits for payment and transfer transactions on the App, according to the customer’s profile.
- Our artificial intelligence Bot (on WhatsApp, Twitter and Facebook) helps users, customers, and employees and performs the first service to registered users and customers. Since the beginning of the pandemic, the number of services by WhatsApp has multiplied by more than four times.
- We have increased by more than 80% the number of employees allocated to digital services responsible for human interactions with customers.
- We have expanded qualified human service on the BB App (“Fale.Com”), reaching more than ten million customers with access

to customer service via chat, contributing to reduce the movement of customers in agglomerated environments, as well as delivering a practical and convenient experience for customers. Customers can ask questions, request financial advice, purchase products and services, request loans and negotiate debts directly with a remote employee.

- We have issued in advance cards due to expire in the coming months, to ensure that customers have the payment method available for use. Through the use of analytics tools, we have contacted more than one million customers with suggestions of financial solutions that seek to optimize payment capability and reestablish customers' purchasing power.

Credit

- We continue to evaluate and monitor potential impacts on the credit portfolio, considering the peculiarities of the various segments, sectors and credit lines. We have also adopted proactive measures for risk and capital management
- We have made available up to R\$ 100 billion for credit lines aimed at individuals (R\$ 24 billion), companies (R\$ 48 billion), agribusiness (R\$ 25 billion), in addition to health supplies for municipalities and

governments (R\$ 3 billion). The funds are intended to reinforce existing credit lines, especially those aimed at personal loans and working capital.

- In line with a note issued by Febraban, we offer individual and corporate customers the possibility to renegotiate debts due in the coming months for extended 60 days for companies, and up to 180 days for individuals. We also offer a special credit line aimed at financing up to two payrolls for companies with annual gross sales over R\$ 360 thousand up to R\$ 10 million, limited to R\$ 2,090.00 per employee (monthly) according to the rules provided in the Provisional Measure nº 944, of 04/03/2020 (Medida Provisória nº 944, de 03/04/2020).
- We offer an option for SME customers to extend the payment of up to two installments of their credit operations and, thus, balance cash flow, maintaining the liquidity of the business and freeing up resources to guarantee payment for employees and suppliers. The measure migrates these two installments to the end of the operation. The main lines covered are: BB Giro Digital, BB Giro Empresa, BB Giro Rápido, BB Giro Cards, BB Giro Corporate, BB Financiamento. According to investment rules, BNDES and FCO lines may also be extended.

- We have announced special conditions to support and extend the rural operations of vegetable, fruit, and flower / ornamental plant producers who had their production sales hindered as a result of social distancing measures.
- Of the R\$ 25 billion we made available to reinforce credit lines for agribusiness, R\$ 5 billion is for commercialization, R\$ 15 billion for financing agricultural production, R\$ 2 billion for investment operations, and R\$ 3 billion for working capital. The resources serve both individual rural producers and companies that operate in agribusiness.
- For customers in default, depending on the modality, we announced and provided a series of support and guidance measures, such as interest flexibility, reducing entry percentages and waiving the ability to pay analysis. Debt recovery units are publicizing these new conditions and emphasizing the use of remote channels to access these solutions and give more impulse to those who need it most.

Foreign trade

- For our customers that operate in foreign trade, we have invested in spreading daily and relevant content on international business to support their demands and decision making.

- We have made available the renewal, for up to 60 days, of the Advance on Exchange Contract (Adiantamento sobre Contrato de Câmbio – ACC) operations in which the term exceeds the regulation (up to 360 days) and where product shipping was delayed.
- For Import Refinancing, we have excluded the requirement of 20% amortization of the installment value of the operation's main capital.

Financial advice

- We have released a playlist of daily podcasts on investment and main market facts, "Investimento em Foco", which complements the already known "Investalk" playlist.
- We provide daily analyzes and reports from our specialists to assist customer service.
- We have reduced the initial investment value in some funds and the brokerage fee in the variable income market on digital channels.

Insurance and Pension Plans

- BB Seguros has intensified customer relationship actions, with a focus on guiding the use of digital channels. We have also increased the number of consultants to assist in offering and contracting loans and rural insurance solutions.

- Guaranteed full payment, on an exceptional basis, of Life Insurance indemnities (individual and group) and Borrower Insurance (Seguros Prestamista) for cases of confirmed Covid-19 deaths, although the general conditions of certain policies may exclude the risk of a pandemic.
- BB Seguros has also provided access to a Digital Reading Platform to carry out therapies aimed at emotional health, using video sessions with psychologists and other professionals of the field on an online platform.

Suppliers

- We are in constant contact with our suppliers, which number more than 2,700 across the country, to understand their financial conditions, that of their employees, assess their contingency plans and capacity to respond to the Bank's demands, especially with those who provide services considered strategic and essential.
- We guide and share hygiene and good practices measures with our suppliers, reinforcing prevention during the pandemic, in line with what we do in our facilities, requesting wide disclosure among their employees.

- We are renegotiating contracts, evaluating services not provided or partially provided, and advising our partners to follow the relevant legislation, with the intention of reducing the impact on employment. We believe that we have to face this scenario considering the continuity of contracted services and supplies.

Society

- Engagement of companies in our conglomerate in donating to Fundação Banco do Brasil (FBB), with emphasis on donations made by BB Seguros in the amount of R\$ 40 million, and by bank BV, in the amount of R\$ 15 million. The funds will be used to buy food, hygiene and cleaning products for people in situation of social vulnerability and under the effects of quarantine, especially in the regions most impacted by Covid-19. The FBB has also launched a website (<https://coronavirus.fbb.org.br/>) to receive institutional donations and welcome volunteers who want to contribute with the actions.
- We have also announced the donation of R\$ 20 million to the Oswaldo Cruz Foundation (Fiocruz), through the holding company Elopap, for the production of one million covid-19 quick diagnostic kits, destined for the Ministry of Health.

Shareholders and holders of debt instruments

- We have been in touch with our investors, market analysts, and rating agencies to clarify possible impacts and demonstrate the resilience of our governance. We are highly committed to accountability and shared information.
- We have also kept in touch with our debt instrument holders, especially with those with subordinated debt, to clarify the clauses of their securities and share information about our strategy.
- On March 24, we published a notice to the market listing the main measures taken to support our stakeholders and, on April 7, we informed the market about the limitation of dividend payment to the minimum established by our bylaws, in compliance with CMN Instruction 4.797 / 2020 (Instrução CMN 4.797/2020), ensuring our holders of subordinated perpetual debt securities issued by BB that this measure had no impact on the payment of the instruments' coupons.

3

Corporate Governance

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Our Governance |103-2|

CHALLENGE 1

Align Banco do Brasil's governance with the best practices in order to strengthen the senior management role in the sustainability strategy

COMMITMENTS OF AGENDA 30 BB 2019–2021

Proposition of the Board of Directors periodic independent appraisal; and

Study to review the Board of Directors composition to verify the possibility of increasing the percentage of independent members.

The adoption of good corporate governance practices shows our commitment to the basic principles of transparency, accountability, fairness and corporate responsibility; as such, we foster trust in relations with all stakeholders, especially shareholders and investors – a critical element for decisions to invest and, therefore, for attracting capital. We display commitment to sustainable management that weighs up and protects the interests of all stakeholders, so that nobody benefits to the detriment of others.

Banco do Brasil's operations are in line with best practices applicable to the Brazilian backdrop and it is successful in adopting them, Its actions are governed, directed and limited by the State-owned Enterprises Law (Lei das Estatais), which goes beyond the requirements of the Brazilian Corporation Law (Lei das Sociedades Anônimas) in terms of corporate governance.

Being a publicly-traded company and given our area of operations, we are subject to Brazilian Securities and Exchange Commission (CVM)

and the National Monetary Council (CMN) regulations, which deal with various corporate governance aspects. We are listed on the Novo Mercado – the most demanding segment of the B3 stock exchange in terms of corporate governance – and we were one of the first companies to be certified by the State-Owned Enterprises Governance Program (Programa Destaque em Governança de Estatais).

Internally, the governance architecture is based on the Bylaws, the Minutes of the General Shareholders' Meeting, the Internal Regulations of the governing bodies and the advisory committees to the Board of Directors and on policies and standards.

The collegiate decision-making model has been in place since 1995, through which all decisions, regardless of the internal level, are taken with the involvement of the representatives of the branches/units and with the support of strategic committees for the definition of strategies and the approval of different businesses proposals.

We adopt the segregation of functions within the scope of corporate governance. The units responsible for risk management and internal controls, for example, are not under the direct supervision of the Vice-Presidency, in which executive officers or units responsible for business activities are linked; the boards or units responsible for the credit risk analysis activities cannot be under the direct supervision of the Vice President to which the boards or units responsible for credit granting or guarantee activities, except in the case of credit recovery; and the Vice-Presidents, Directors or any other person responsible for the administration of the Bank's own resources cannot manage the resources of third parties. The objective, clear, reliable and timely provision of information is ensured. All facts are subject to disclosure, except those of a restricted nature, which put the activity and institutional image at risk, or which are protected by law.



BB Leadership Project (Dirigentes BB) |102-27|

The BB Leadership Project has been running since 2016, in partnership with an external company. It focuses on succession and development for senior management positions. Its objectives include the assessment and mitigation of possible successional risks, the guidance and development of the participants and the provision of information from which to make decisions on movement and succession. The identification of the necessary requirements for senior management positions was based on interviews and workshops with the statutory officers and references from the market for equivalent functions in large companies.

In 2019, 85 leaders were assessed using behavioral profile online tools; 245 Executives/ Superintendents and Statutory evaluated by management committees; 54 position mapped (49 Statutory Managers from 19 Joint Ventures (Entities Affiliated to Banco do Brasil – ELBB) and 5 International General Manager) and over a 100 names for potential successors were evaluated to substantiate succession decisions for 20 roles.

Senior Management Remuneration

Management Approach |103-2|

| Economic performance | Market presence | Indirect economic impacts | Anti-corruption | Supplier environmental assessment | Employment | Labor/Management relations | Occupational health and safety | Training and education | Diversity and equal opportunity | Nondiscrimination | Child labor | Forced or compulsory labor | Security practices | Human rights assessment | Supplier social assessment | Customer health and safety | Marketing and labeling | Customer privacy | Socioeconomic compliance | Product portfolio | Audit | Active ownership | Local communities |

The amounts of fixed remuneration and benefits paid to senior managers are determined based on market research, internal balance, and the skills and responsibilities required, according to the specifics of each position.

Annually, the portions that make up the total remuneration (fixed remuneration, variable remuneration and benefits) are submitted for approval by the Ordinary General Meeting, considering compliance with pertinent legal provisions.

In compliance with the CMN Resolution, the bank has a Compensation and Eligibility Committee, whose purpose is to assist

the Board of Directors in establishing the remuneration policy for senior management.

[102-36]

The body is composed of five effective members, with one chosen from among the members of the Board of Directors, appointed by minority shareholders; one chosen from among the members of the Board of Directors, appointed by the Federal Government; and three chosen at the discretion of the Board of Directors, observing that the committee should maintain a majority of independent members.

[102-36] [102-37]

The management remuneration policy, is available on the [Investor Relations website](#) and aims to sustainably attract, incentivize, reward and retain senior management, observe the appropriate risk limits in the short, medium and long-term strategies and reconcile the interests of shareholders and other stakeholders. The amounts actually paid are also disclosed for each period, in accordance with the legislation and regulations in effect.

The Management Variable Remuneration (Remuneração Variável de Administradores – RVA) program is exclusively intended for the members of the Board of Executive Officers

and takes place annually. Amounts are defined by the risks and activities of the executives and conditional on the activation of the Profit and Results Sharing Program for Employees (Programa de Participação nos Lucros ou Resultados dos Empregados – PLR) and the size of positive accounting profits.

The RVA is based on corporate, individual, collegiate and management unit-based indicators, linked to the business plan execution and the Corporate Strategy. Part of the value of the program is paid in cash and part in shares, partially deferred for a period of four years. Receiving the deferred installments is conditional on maintaining results and therefore they may be reversed in our favor, Management approach. [103-2]

In 2019, the RVA was measured through ten indicators at the corporate, unit, collegiate and individual levels. Two indicators are notable for assessing financial returns: Adjusted Return on Equity and Adjusted Operating Efficiency Ratio.

The percentages of pension contributions made to the highest governance body are the same as for other employees, i.e. the contributions and payments made through both the General Social Security System – RGPS (Regime Geral de Previdência Social – INSS) and the

Supplementary Pension Scheme are equal for all linked or associated employees.

The Closed Supplementary Pension Plan Funds (Entidades Fechadas de Previdência Complementar – EFPC) through which the benefit plans are sponsored not distinguish between the participants and the benefits are granted under the Regulations of each Plan.

[102-35]

Senior Management Evaluation

The Executive Board members performance assessment uses a specific mechanism for the analysis of professional capabilities, covering a range of aspects such as management actions and quality of decision-making, strategic communication, commitment, mobilization and engagement, relationships with stakeholders, sustainable results, innovation, customer focus, and strategic and market insight. Since 2009, the Board of Directors has evaluated the collegiate performance of the Executive Board and from 2018 onwards is also evaluates the executives' individual performance.

On a six-monthly basis, the members of the Executive Board undergo a self-assessment process and are also appraised by their hierarchical superior, i.e, the members of the

Board of Directors evaluate the CEO, who in turn evaluates the Vice-presidents and Officers directly linked to him and finally the Vice-presidents evaluate the Executives related to their area of activity.

The performance of the units is used to measure the amount of variable pay to be received and is measured by a corporate tool called the Work Agreement (Acordo de Trabalho – ATB). The evaluation model, based on the objectives proposed in the Corporate Strategy, provides a balance between short and long-term visions, The ATB indicators relate to a number of topics, including business and financial performance, customer satisfaction and experience, operational efficiency, risk management, human resources management and Corporate Socioenvironmental Responsibility. [102-28] [102-35]

Sustainability directives are assessed through indicators ranging from the strategic level – the Master Plan – to the operational level – the Work Agreement for the Unit and the employee performance evaluation (Radar do Gestor), The indicators include the evaluation of results in the units' operational plans, which affects the variable pay of the statutory officers and employees of the strategic, tactical and operational units. [102-28]

Evaluation of the Board of Directors

Each year the members of the Board of Directors evaluate the performance of the Board itself and the committees established within it, using a specific mechanism as set out in the Bylaws and the Internal Rules of the Board of Directors. In 2018, the internally developed evaluation model was revised, resulting in the inclusion of additional evaluation criteria, such as the actions of the Chairman of the Board and each member of the committees. The items included in the evaluation mechanism for the Board have been updated and cover different aspects of corporate governance.

The evaluation mechanism includes economic, environmental and social issues. The evaluations are not independent, use a self-assessment format, and take place annually. There is no formal process in place to respond to the performance evaluation of the Board of Directors. [\[102-28\]](#) [\[102-35\]](#)

Innovation and Adaptability in Governance

Since 2017, we have been certified by the B3's State-Owned Enterprises Governance Program (Programa Destaque em Governança de Estatais – PDGE). In 2019, we received

once again, the Level I Governance Seal from the Secretariat of Coordination and Governance of State Enterprises (Secretaria de Coordenação e Governança das Empresas Estatais – SEST) from the Ministry of Economy, attaining a maximum score (of 10) in all of the criteria evaluated. Such recognition comes from many improvements in structure and internal governance practices.

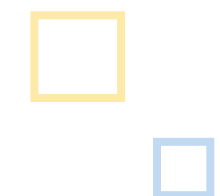
In 2019, structure and governance practices improvement efforts were promoted, among which we highlight:

- Review of the Remuneration for Directors Policy, Related Party Transactions Policy and Appointment and Succession Policy (Políticas de Remuneração de Administradores, de Transações com Partes Relacionadas e de Indicação e Sucessão de Administradores);
- Review of the contents of the Annual Chart of Corporate Governance;
- Review of the Bylaws, approved by the Shareholders' General Meeting in November 2019. Among the changes, we highlight: (i) the provision that the management of third party resources may also be realized through the contracting of an affiliate company of

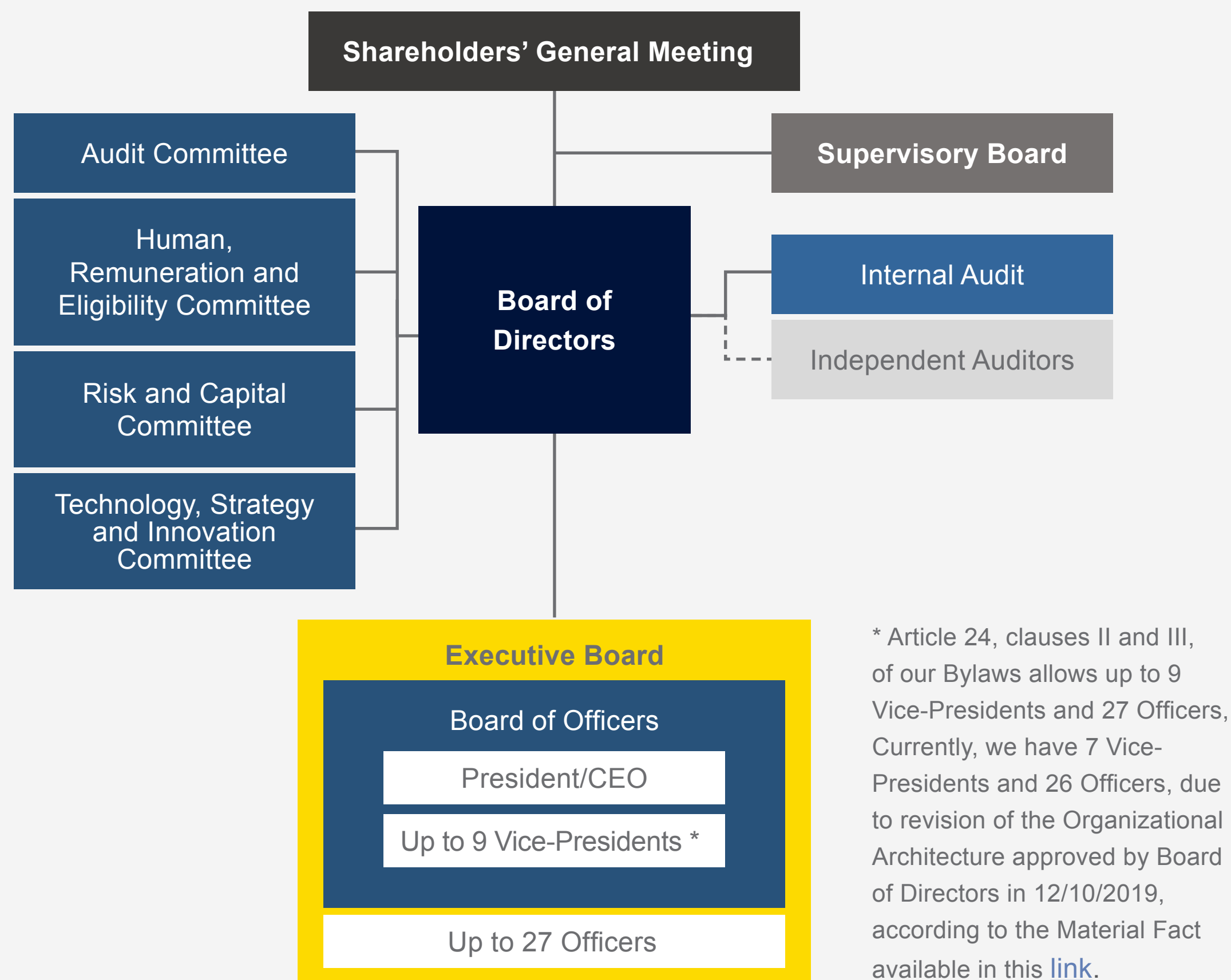
BB's; (ii) the provision that members of the management body of the Bank are resident in the country; and (iii) the improvement of the requisites for induction in Executive Management roles, maintaining additional requisites, as demanded by article 24, clause II, from Decree 8,945/2016;

- Creation of the Technology, Strategy and Innovation Committee (Cotei), to assess the Board of Directors in themes related to technological trends to new business models, projects or innovation initiatives to cope with the trends and its effects over Banco do Brasil, as well as the following of Corporate Strategy execution;
- Increase of the performance scope of the Remuneration and Eligibility Committee (Corem), which was renamed Human, Remuneration and Eligibility Committee. Besides assisting the Board of Directors in establishing the managers' remuneration policy and the internal appointment and succession policy and weighing in to help shareholders in managers, committee members to assist the Board of Directors and fiscal advisers' member indication. Corem has also begun to assist the Board of Directors in the establishment of human resources management policy;

Review of the BB Organizational Architecture (Arquitetura Organizacional do BB), approved by the Board of Directors in December 2019, decreasing the Executive Board and reorganizing its attributions. The amount of Vice-presidents was decreased from nine to seven, and the amount of directorships was decreased from 27 to 26. The flowchart is available in the [Investor Relations website](#).



Governance Structure [102-18|103-2]



General Shareholders' Meeting

In addition to the duties provided for in the Brazilian Corporation Law and other legal requirements, the General Meeting is responsible for deciding on the following:

- The sale of all or any shares of the capital stock of the Bank or its subsidiary companies; initial public offering; increase of capital stock through subscription of new shares; waiver of rights of subscription of shares or debentures convertible into shares of subsidiaries; sale of debentures convertible into shares of the Bank issued by subsidiaries; or, also, issuance of any other securities in Brazil or abroad;
- Transformation, spin-off, merger, takeover, dissolution and liquidation of the company;
- Exchange of shares or other securities; and
- Differentiated practices of corporate governance and execution of a contract for this purpose with the stock exchange.

Board of Directors

This governing body incorporates strategic, advisory, elective and oversight duties, and is not involved in operational or executive functions.

Executive Board

The Executive Board is responsible for the Bank's Management and is composed by the CEO (President), Vice-presidents and Executive Officers, The Executive Board is responsible for complying with and enforcing the Bylaws and the deliberations of the General Shareholders' Meeting and the Board of Directors, as well as performing the duties assigned to it by the Board of Directors while observing the principles of good banking practice and good corporate governance practices.

Board of Officers

A collegiate body formed by the CEO (President) and the Vice-presidents, is responsible for proposing and executing the Bank's policies, corporate strategy, investment plan, master plan and general budget; approving and enforcing the market plan and the labor agreement; deciding on the internal organization and management structure; distributing and applying the profits calculated, as determined by the General Meeting or by the Board of Directors, in compliance with current legislation, among other statutory duties.

Supervisory Board

The Supervisory Board is a permanent body responsible for supervising the actions of the management, with the purpose of protecting the interests of the bank and its shareholders and ensuring the fulfillment of requirements for the public good and the social function of the Company.

Audit Committee

A permanent body in charge of advising the Board of Directors regarding the performance of its auditing and supervising duties. It is responsible for permanently supervising the activities and appraising the works by the independent audit and performs its duties and responsibilities before the controlled companies that adopt the unified Audit Committee regime. It is also tasked with monitoring and evaluating Internal Audit activities, evaluating and monitoring risk exposure, monitoring accounting practices and transparency of information and advising the Board of Directors on decisions on matters within its competence, notably those related

to oversight of the bank's management and the fulfilment of the principles and rules of compliance, corporate accountability and governance.

Human. Remuneration and Eligibility Committee

A permanent body responsible for advising the Board of Directors, among other outlined functions in legislation, on the following: establishing human resources management policies, remuneration policy for executive officers and the internal appointment and succession policy; issuing opinions to assist shareholders in the appointment of senior executives, members of the advisory committees to the Board of Directors and members of the Supervisory Board regarding the fulfillment of requirements and the absence of impediments for the respective elections; checking the conformity of the evaluation process for senior management. members of the advisory committees to the Board of Directors and members of the Supervisory Board.

Risk and Capital Committee

A permanent collegiate body with the main purpose of advising the Board of Directors on risk and capital management, Thus, among other functions, the Risk and Capital Committee supervises the Board of Directors' observance of the Risk Appetite Statement terms; evaluates the proposal for creating and revising the policies regarding risk and capital management; oversees the compliance to the terms risk and capital management policies; evaluates the adherence of risk management process to the policies related to risk and capital management.

Technology. Strategy and Innovation Committee

A collegiate body created to assist the Board of Directors in themes related to technology trends and new business models, projects or innovation initiatives to cope with the trends and their effects head on, as well as following up on the execution of Corporate Strategy.

Internal Audit

The Internal Audit is bound to the Board of Directors and is responsible for assessing the adequacy of internal control, the effectiveness of risk management and governance processes and the reliability of the process of collection, measurement, classification, accumulation, recording and disclosure of events and transactions, in preparation for the financial statements.

Independent Auditors

It is the responsibility of the Independent Auditors to audit and opine on financial statements, including the adequation to accounting standards stemming from the CMN and Banco Central do Brasil (Bacen); evaluate the quality and adequacy of internal controls, including electronic data processing systems, presenting all verified potential flaws; and describe non-compliance with any applicable legislation that is relevant to the financial statements or activities. The Board of Directors is responsible for choosing and removing the independent auditors, whose names may be subject to a duly explained veto by the elected advisor.

□ Corporate Social Responsibility (CSR) Governance 103-21

Corporate Social Responsibility (CSR) permeates the organizational structure and is expressed through policies and the various voluntary commitments assumed.

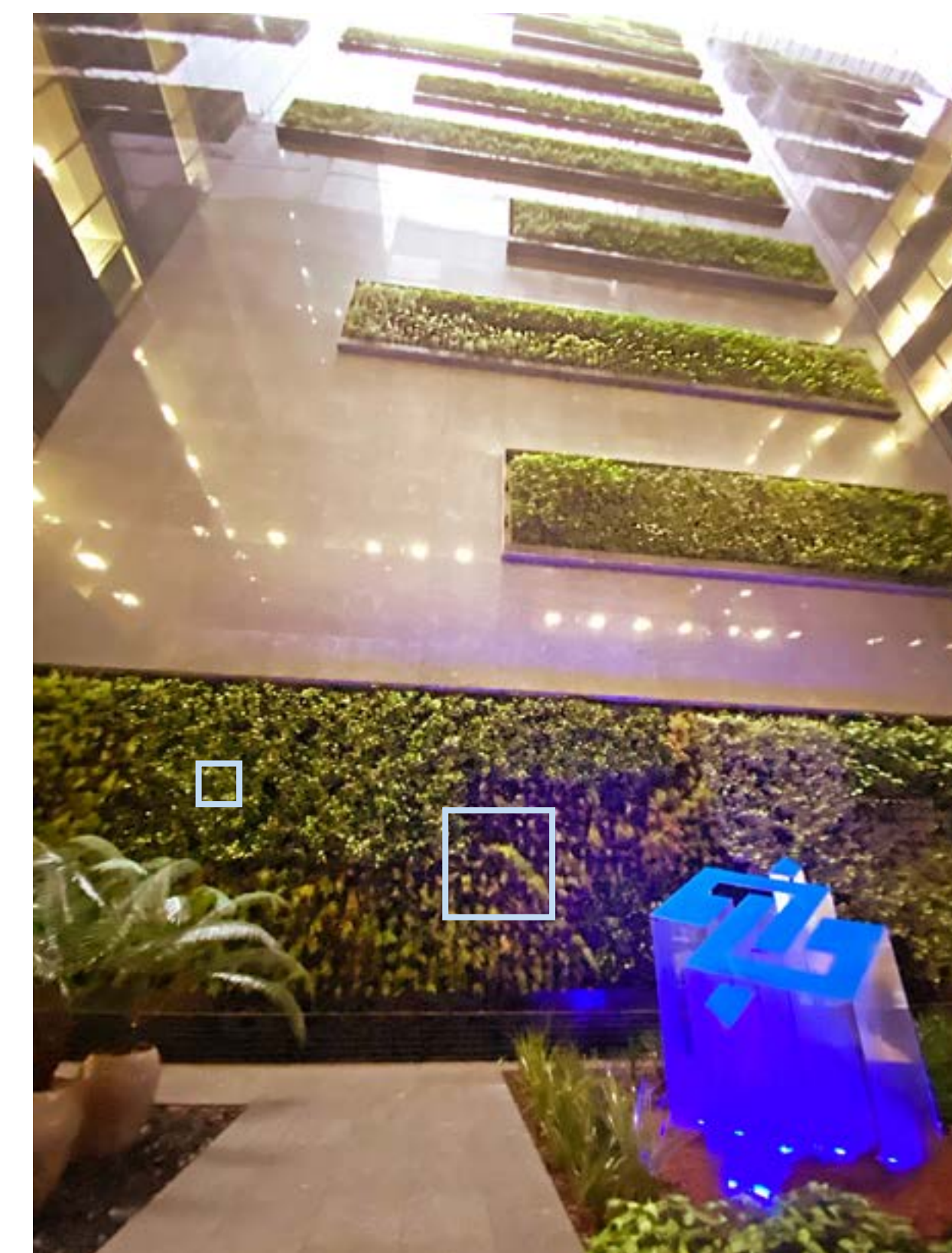
The main objective of CSR governance is to manage socio-environmental performance, based on the Socio-environmental Responsibility Policy (Política de Responsabilidade Socioambiental – PRSA), which considers the integrated economic, social and environmental dimensions in business and in the ethical and transparent relationship with stakeholders.

In 2019, the PRSA was updated due to the market's evolution, with greater adherence to CMN Resolutions 4,557/2017 and CMN 4,237/2014. Normativo SARB nº14 from 2014 and the practices BB has adopted. The monitoring of the action plan for PRSA implementation is done through the Sustainability Plan – Agenda 30 BB (see more about Sustainability Strategy – Agenda 30 BB in the [Business Model chapter](#)).

The other policies also cover a number of social and environmental aspects, which are also considered in business and administrative practices, e.g. in lending and investment operations and relationships with suppliers and employees. Because of their importance, these guidelines are replicated in the [Sustainability Credit Guidelines](#) (Diretrizes de Sustentabilidade para o Crédito) and the [Social and Environmental Guidelines for Controversial Issues](#) (Diretrizes Socioambientais para Assuntos Polêmicos).



We manage, in an integrated manner, the economic, social and environmental dimensions in business and in an ethical and transparent relationship with stakeholders



Structure and Roles |102-18|

The CSR governance is structured as follows:

Board of Directors – Accompanies social and environmental performance and ongoing initiatives on an annual basis;

Board of Officers – Responsible for approving the actions of the Sustainability Plan – Agenda 30 BB every two years and for the six-monthly monitoring of related initiatives;

Risk and Capital Committee – Advises the Board of Directors in the performance of its functions related to risk management, including socio-environmental and capital risk;

Sustainability Forum – An entity composed of the Executive Managers and Fundação Banco do Brasil (FBB), it supports the incorporation, alignment and dissemination of sustainability principles and practices, as well as monitoring socio-environmental initiatives and the implementation of Agenda 30 BB actions. This forum meets quarterly and reports to the Executive Business Committee;

Relation with Investors and Sustainability Unit (*) – Unit linked to the Financial Management and Investor Relations Vice-presidency, responsible for guiding the socio-environmental corporate responsibility theme and for the specific management of socio-environmental risk in 1st Line of Defense;

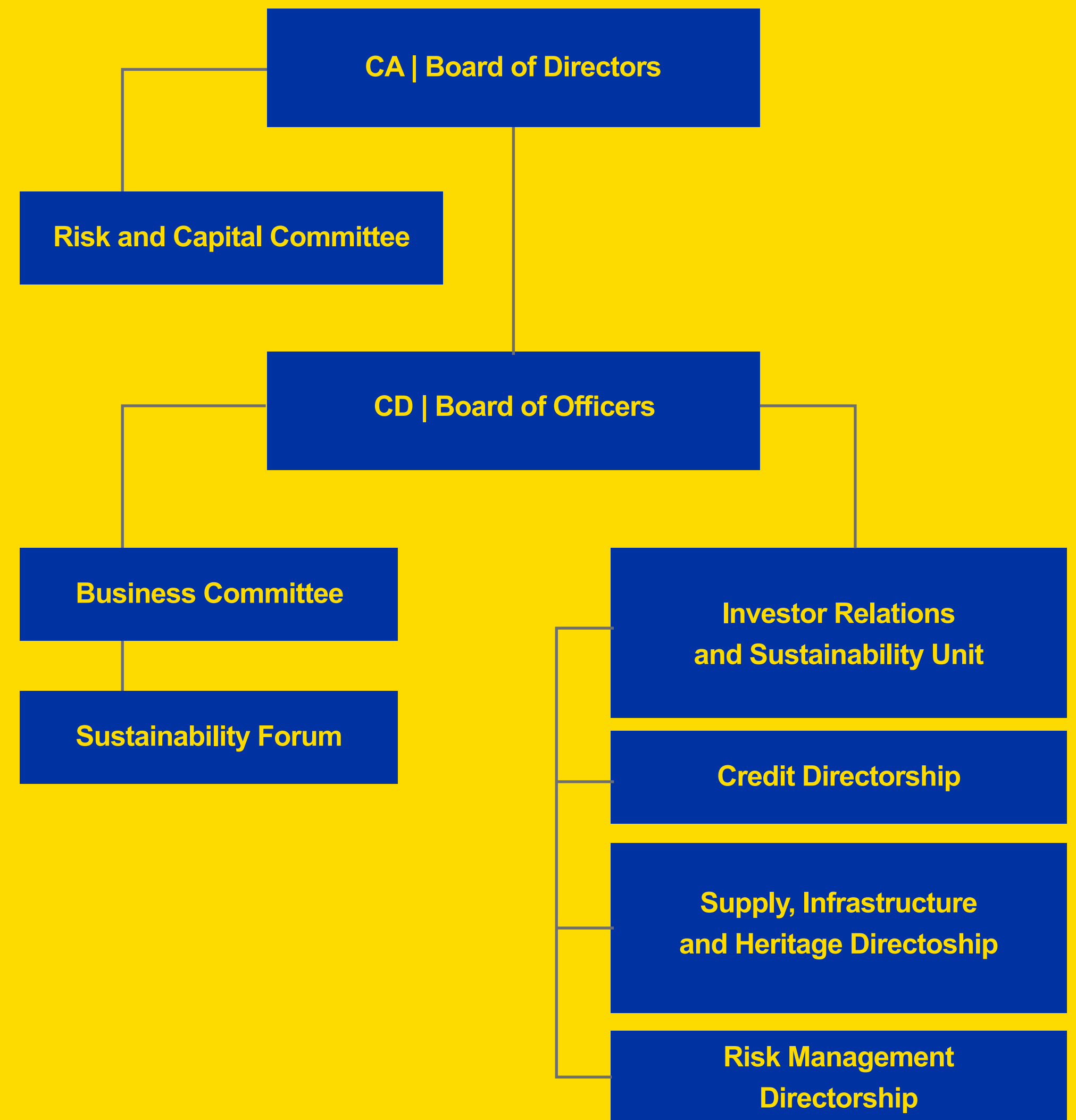
Credit Directorship – unit responsible for the specific management of 1st Line of Defense socio-environmental risk related to the credit process;

Supply, Infrastructure and Equity Directorship – unit responsible for the specific management of socio-environmental risk in 1st Line of Defense related to purchases, contracting, logistic and eco-efficiency resource management;

Risk Management Area – Unit responsible for managing socio-environmental risk in 2nd Line of Defense.

(*) In 2019 the socio-environmental responsibility management was under the responsibility of the Strategy and Organization Directorship.

Governance of Risk Management



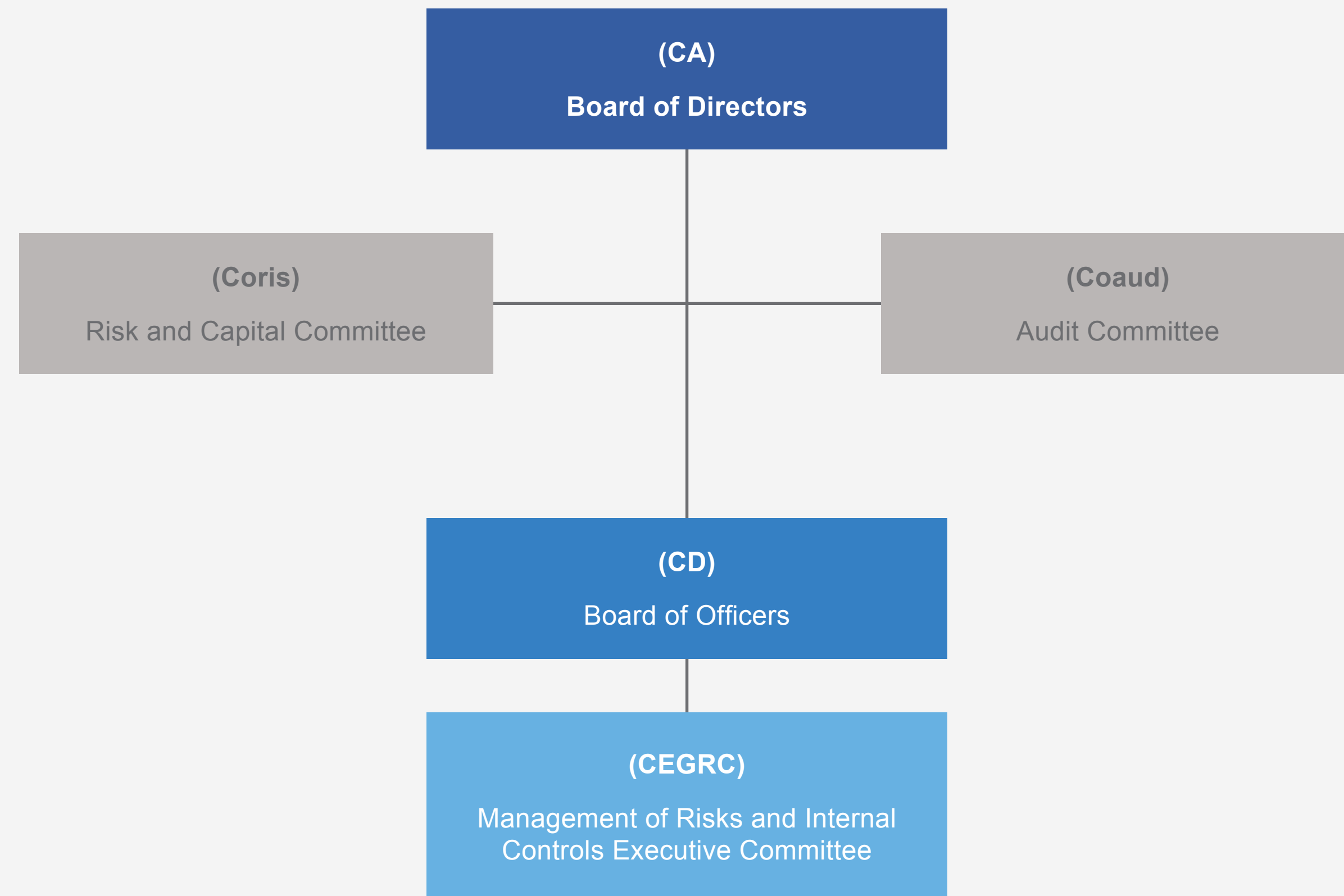
□ Governance of Risk Management

The governance model defined for risk and capital management adopted by BB features an Executive Committee structure, composed by Vice-presidents, encompassing the following aspects:

- a) Segregation of duties: business x risk;
- b) Specific risk management structure;
- c) Defined management process;
- d) Decisions at various hierarchical levels;
- e) Clear rules and structure of responsibility; and
- f) Reference to the best management practices.

The following image represents the governance structure defined for risk and capital management.

Governance of Risk Management



For more information, [click here](#)

□ Ethics and Transparency [102-17]

CHALLENGE 13

Strengthen the work of Banco do Brasil in relation to ethics and practices to combat corruption, unlawful acts and money laundering.

COMMITMENTS OF AGENDA 30 BB 2019–2021

Provide specific content about the Code of Ethics and Standards of Conduct to share with suppliers.

Management approach |103-1 |103-2|103-3|

| Anti-corruption |

Ethical actions and conduct are rewarded with credibility, transparency and solidity – indispensable factors for a financial institution. Ethical actions and observance of laws and regulations by the organization and its employees ensure greater reliability and affect the satisfaction of customers and shareholders. Weaknesses in processes, systems and

people can create risks for the institution and consequently, damage to stakeholders. Ethics management contributes to the prevention of criminal acts and reduces financial losses and damage to reputation.

In addition to being a legal obligation, preventing and combating corruption and crime is also a social responsibility if we want to build a better country. Preventive actions also have effects in the fight against other crimes – such as theft, drugs and arms trafficking – by making it more difficult to use money from these acts, closing the feedback loop.

We have a robust system in place for corporate ethics management that includes Ethics Management, Internal Ombudsman, Disciplinary Control, Integrity and Compliance processes that are coordinated and articulated with other product, process and service managers.

The Bank acts preventively through the dissemination of values and standards of conduct in the workplace, with internal communication and the availability of courses and training on the subject. The Code

of Ethics contains principles, guidelines and responsibilities to be assumed by all employees, including senior management, and are distributed and signed periodically.

We are part of the Financial Action Task Force against Money Laundering Group and the Financing of Terrorism and the National Strategy to Combat Corruption and Money Laundering (Estratégia Nacional de Combate à Corrupção e à Lavagem de Dinheiro – Enccla), the Sectorial Commission of Money Laundering Prevention and Terrorism Financing (Comissão Setorial de Prevenção à Lavagem de Dinheiro e Financiamento ao Terrorirismo) and in the Prevention of Money Laundering Subcomission (Subcomissão de Prevenção à Lavagem de Dinheiro), both in Febraban. See more in the [Sustainability website](#).

Anti-corruption measures are designed to mitigate the risk that employees or third parties, acting in our interest or benefit, end up committing an act of corruption against public entities. In relation to the prevention of money laundering, procedures defined by regulatory bodies require permanent

adjustments to procedures and computerized systems and communication and training actions for employees. In 2019, more than 40 thousand training courses were held in prevention of money laundering. In addition to having strategic policies in place and investing in compliance programs to try to ensure that all planned and approved actions are carried out properly, we also seek to follow best governance practices, including observing the memos received from regulatory agencies such as the Ministry of Transparency and the Comptroller General of the Union (Ministério da Transparência e Controladoria-Geral da União), through the Pro-Ethics program.

All units are responsible for ensuring the implementation of ethical guidelines. The employees are the protagonists and executors of the actions that make up the guidelines. In their daily activities, employees apply laws, regulations, standards, policies and procedures, observing principles of integrity, ethical conduct, efficiency and business sustainability.

In order for this to filter down throughout the organization, a great challenge is to develop,

implement and consolidate an organizational culture based on ethical principles while respecting regional, cultural and individual differences. To that end, we implemented efforts to disseminate the corruption prevention culture, training on the theme and process controls. When an unlawful situation is identified, appropriate disciplinary measures are adopted, These include a comprehensive and fast-moving investigation of the occurrence and the application of penalties against those responsible.

Corrective measures are brought about by the Internal Ombudsman, working through the Ethics Committees, or by disciplinary action against those involved. In 2019, the Regional

Ethics Committees resolved complaints involving interpersonal conflicts deemed to be well-founded by the Internal Ombudsman, assessing the inappropriate behavior of each defendant and assigning measures aimed at rectifying them.

Code of Ethics [102-16 | 102-17 | 205-2]

The Code of Ethics provides guidance regarding the values that should be practiced by senior management, employees, and other workers (interns, apprentices, managers and employees of contracted companies) and those who are acting or providing services on our behalf or for us.

The document is reviewed annually to provide guidelines on how to address current ethical dilemmas and challenges. The Board of Directors updated the Code of Ethics in 2019, aligning its content with the new Corporate Strategy. This concerned the inclusion of specific chapters about Managers. Ethical data use and Responsible digital media use, as a way to highlight these themes.

In order to increase the representativeness and legitimacy of the documents, all members of the Board of Directors and of the Board of Officers nominally sign the letter of presentation of the Code. Their signatures demonstrate the senior



Indicator	2016	2017	2018	2019	2019 Target	2020 Target
Employees Declaring Adherence to the Code of Ethics (%)	97.14	96.46	99.14	99.05	98.00	99.00

management’s commitment and involvement with corporate ethics.



Each time the Code is updated, there is a communication campaign within the company (intranet, e-mail and corporate systems) to spread understanding of the changes and promote adherence to the document. In 2019, 99.05% of employees signed their commitment to the Code.

All stakeholders are encouraged to report any suspicious situations to the Internal Ombudsman, and noncompliance with the guidelines of the Code of Ethics results in solutions that vary according to the severity of the misconduct, the circumstances and the participation of the employee involved. In 2019, the Internal Ombudsman received 1,437 complaints, of which 193 were sent for disciplinary verification because they showed signs of misconduct; 201 complaints involving

reprehensible social behavior were forwarded to an Internal Ombudsman Case Report (ECO); 280 cases involving one-off disputes between two employees were mediated; 329 cases involving inappropriate communication and minor misconduct were addressed by feedback; and 434 complaints related to administrative matters were sent to the managers of the processes or units involved.

Complains referred for Mediation – in order to reach an agreement between the parties involved – may pass through one of three modalities: Restorative Mediation, Conciliation and Restorative Conversation. Of the total of 280 mediation processes, 149 resulted in agreements between the parties and 28 ended without agreement. In the remaining 103 cases of disputes the complainants had withdrawn their claims, claims were lost or they were still unresolved at the end of 2019.

Reports of Breaches of the Code of Ethics

 Determination	 Handling	2018	2019
Signs of non-compliance	Disciplinary Assessment	586	193
Unacceptable employee behavior	Internal Ombudsman Case Report	285	201
Inappropriate communication and minor misbehavior	Repositioning Feedback	635	329
Conflicts between employees	Conflict mediation	274	280
Administrative Issues	Referred to managers of processes or units involved	62	434
Report received by the Internal Ombudsman		1,842	1,437

The ECO methodology is used if the complaint against an employee includes misconduct and/or non-compliance with the Code of Ethics, affecting a group of people. The process uses interviews in order to ascertain whether the claim is well-founded or not.

The Internal Ombudsman’s Office also follows the ECO methodology to confirm reprehensible behavior and/or non-compliance with the Code of Ethics, such being the case where the claim is classed as well-founded. Of the 201 ECOs,

86 were considered unfounded, 68 were considered to be well-founded and resulted in administrative and educational measures, 37 failed due to a lack of evidence, 9 were still under consideration at the end of 2019 and one case was terminated due to the plaintiff withdrawing their claim.

When the Internal Ombudsman’s Office receives reports that show signs of serious misconduct committed in violation of laws, internal regulations and the Code of Ethics,

causing damages or exposing us to risks, we refer them for investigation by Disciplinary Control – a process that governs discipline with regard to employees and former employees participating in misconduct.

The process involves the stages of investigation, analysis and judgment, and once the employee’s responsibility in the misconduct has been proven, they may receive anything from a guidance measure, such as an Agreement of Understanding, to a restrictive sanction of rights, such as suspension, removal from office or dismissal. In addition, judicial and extrajudicial measures

may be taken against the employee as a way of compensating for the damage caused.

In 2019, the following disciplinary measures were applied (more than one employee involved in the same misconduct):

Solution for Employee	2018	2019
Ongoing at end of 2019	96	103
Agreement of Understanding	22	113
Dismissal	13	23
Suspension	9	52
Warning	8	28
No proof of misconduct	5	0
Removal from office	5	2
Awareness Agreement and Financial Penalty	3	1
Warning and Financial Penalty	1	0
Alert	0	42

Ombudsman Case Report Solution	2018	2019
Unfounded	176	86
Justified and with Administrative/Educational Measure	71	68
Insufficient Information for Resolution	21	37
Under consideration	16	9
Withdrawn	1	1

Ethics Trail ^[205-2]

Through the Ethics Trail, we conduct training on the Code of Ethics. Available through the [Corporate University](#), by the end of 2019 the Trail was comprised of seven educational solutions (courses, video lessons, articles and booklets, etc.) discussing ethical behavior in the areas of: Prevention and Combat of Corruption, Prevention and Combat of Bullying and Sexual Harassment and Knowing the Code of Ethics.

The completion of the courses is a prerequisite for selective processes, for the enrollment of employees in opportunities for internal professional advancement and for obtaining scholarships in continuing education programs.

For senior management, besides the Ethics Trail courses, ethics training includes lectures on ethics every six months. In 2019, we highlight the Strategic Planning 2020-2024 Workshop, which covered a wide range of themes aligned to the Ethics Code guidelines: Business and Corporate Functions Portrait, Risk Appetite and Tolerance, Customer

Experience Relevance to Brand Building, Scenarios for the Brazilian Economy and Megatrends, Talent Management and Future of Work, among others. The workshop promoted varied reflections about the senior management's role in defining BB's strategies and sustainability.

Integrity Program ^[205-1]

We seek to guarantee an ethical working environment and relationship with stakeholders through the Integrity Program, which brings together procedures to prevent situations that can be classified as active or passive corruption.

The initiative is aimed at preventing and identifying risks that can be classified as corruption and remediation of situations related to acts that are harmful to the bank. In 2019, we concluded the evaluation of the Institution's processes regarding integrity risks.

Efforts and Results

The following measures were taken in 2019 to mitigate the occurrence of harmful acts considered as corruption:

- Wide-reaching efforts to broaden awareness of the issue of integrity among employees, aimed at strengthening the culture of integrity;
- Over 61 thousand employees trained in the "Prevention and Combat of corruption" course over 2 thousand employees in the "Companies and Corruption Prevention" course, jointly elaborated with Alliance for Integrity, covering day to day situations where there are integrity risks;
- Monitoring, in 2nd Line of Defense, of processes that allow the identification of facts eligible to the Anticorruption Law;
- Revision of the Prevention and Combat of Corruption course. available in UniBB;
- Improvement of the Accountability Management Process (Processo Administrativo de Responsabilização – PAR), aligning it to the best practice guides published by the Comptroller General of the Union;
- Elaboration of the Annual Integrity Communication Plan (Plano Anual de Comunicação em Integridade);
- Specific guidelines for the performance of the Corruption Prevention and Combat Process to the ELBB;
- Conclusion of the integrity risk assessment, considering the corporate process base, as previously approved in the Integrity Program (Programa de Integridade) revision.

□ Planning for Prevention and Combat of Corruption and Money Laundering

205-1 | 205-2 |

We pay special attention to this issue and have the Specific Policy of Prevention and Combat Against Money Laundering, Terrorism Financing and Corruption to support this.

The Internal Audit regularly evaluates the effectiveness of processes related to the prevention and combat of corruption and money laundering, pointing out the need to adopt actions to improve controls and mitigate the risks involved. The process is also periodically evaluated by supervisory and control entities and by the Independent Audit and includes standards, procedures, monitoring systems, training program and compliance with applicable laws and regulations. Any business involving politically exposed individuals require prior authorization by senior management.

In the Entities Affiliated to Banco do Brasil (ELBB) specifically, the defined policies and procedures are periodically evaluated, if they are in line with our specifications; the revision and structuring of processes are supported and guided by the specific area(s). In addition, technical experts and/or Executives of the

ELBBs are invited to training events. In 2019, a risk management appraisal of 43 of the main ELBBs was undertaken, with a focus on prevention and combat of corruption, and in the prevention scope, we evaluated 41 of them.

Prevention and Combat of Corruption training is available via the UniBB Portal and is accessible to all employees. The purpose of the initiative is to enable employees to identify situations or businesses where there are signs of corruption, using the definition of harmful acts committed against the Public Administration, in accordance with legal requirements.

All members of the Board of Directors and Board of Officers are aware of the Specific Policy of Prevention and Combat Against Money Laundering, Terrorism Financing and Corruption, We also have a training course on the policy on the [Portal UniBB](#).

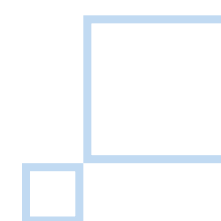
The Senior Management Trail is aimed at the senior management and includes modules such as Prevention and Combat of Corruption; Understanding the Code of Ethics and the

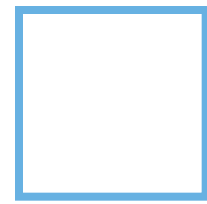
Standards of Conduct; Synapse – Management of Ethics at BB; Banco do Brasil Cuida de Valores (BB Cares for Values); Synapse – Prevention and Combating Money Laundering and Terrorism Financing. The main course of the trail, Alta Administração em Foco (Focus on Senior Management), addresses topics such as the Anti-Corruption Law, internal controls, capital markets, corporate legislation and secrecy and information disclosure. By the end of 2019, the trail was concluded by 48 of 51 of the statutory officers, members of the Board of Directors and members of the committees.

The Business Security and Crime Prevention Trail is intended for all employees, providing 23 educational solutions in Portal UniBB, nine of which directly relate to the prevention and combat of corruption and money laundering. By the end of 2019, we registered over 97 thousand participations in training in the trail.



The Internal Audit regularly evaluates the effectiveness of processes related to the prevention and combat of corruption and money laundering





Identification

We are exposed to risks that employees, third parties or intermediaries of any nature, acting in their own benefit or interest, perform harmful acts that may be classified as corruption against the Brazilian or any other Public Administration, as set out in the Anti-Corruption Law, or in any legislation of this kind with transnational scope and that has jurisdiction over the areas in which we operate.

The main risks identified as potentially causing accusations of the bank perpetrating corruption relate to business involving public entities, whether through direct agents or third parties acting on our behalf. Significant risks were also identified related to transactions with companies in bidding processes, contract management and with regards to access to lines of credit offering lower interest than the market. [205-1]

We are not involved in any confirmed cases of corruption, as established in the Anti-Corruption Law or Clean Company Law, and as such no contracts were terminated or failed renewal due to violations. [205-3]

In 2019, six new administrative accountability processes were instituted to investigate acts of corruption by companies against us, joining eleven ongoing processes from 2018. At the end of the year, eight of the processes were judged, where one of them with a fine and extraordinary publication imposed, and seven of them were dismissed. The other processes were still pending judgment. [205-3]

During the year, no corruption-related public lawsuits against the organization or its employees were identified. Still in 2019, 10 administrative procedures were

also completed, with the attribution of responsibilities in cases involving the charging or receipt of undue commissions for services performed, resulting in disciplinary penalties for those involved, including dismissal with just cause. [205-3]



We are not involved in any confirmed cases of corruption, as established in the Anti-Corruption Law or Clean Company Law



4

Risk Management

- 68 | Mapping and Identification of Risk
- 68 | Management Processes and Strategies
- 78 | Emerging Issues
- 80 | Capital
- 81 | Internal Controls
- 81 | Internal Audit



□ Mapping and Identification of Risk 102-151

The continuous risk identification process has a heightened importance for our organization. It encompasses the evaluation of internal and external inputs and the prospects for risk. The Inventory of Risks aids in the definition of the corporate set of relevant risks and has an important role in the risk and capital management, as well as business management.

The definition of the Inventory of Risks and relevant risks bases itself upon:

- Risks that may impact the achievement of constant goals in Corporate Strategy;
- Inherent risks to the Entities Linked to Banco do Brasil;
- Risk factors considered more relevant that may impact businesses and the Bank's operation results;
- Regulatory guidelines from Brazil and abroad;
- Bank industry concerns; and
- Benchmark of financial institutions from Brazil and abroad.

Our Inventory of Risks and the corporate set of relevant risks are revised annually, considering the risks incurred from explored business segments that might affect the Prudential Conglomerate Capital.

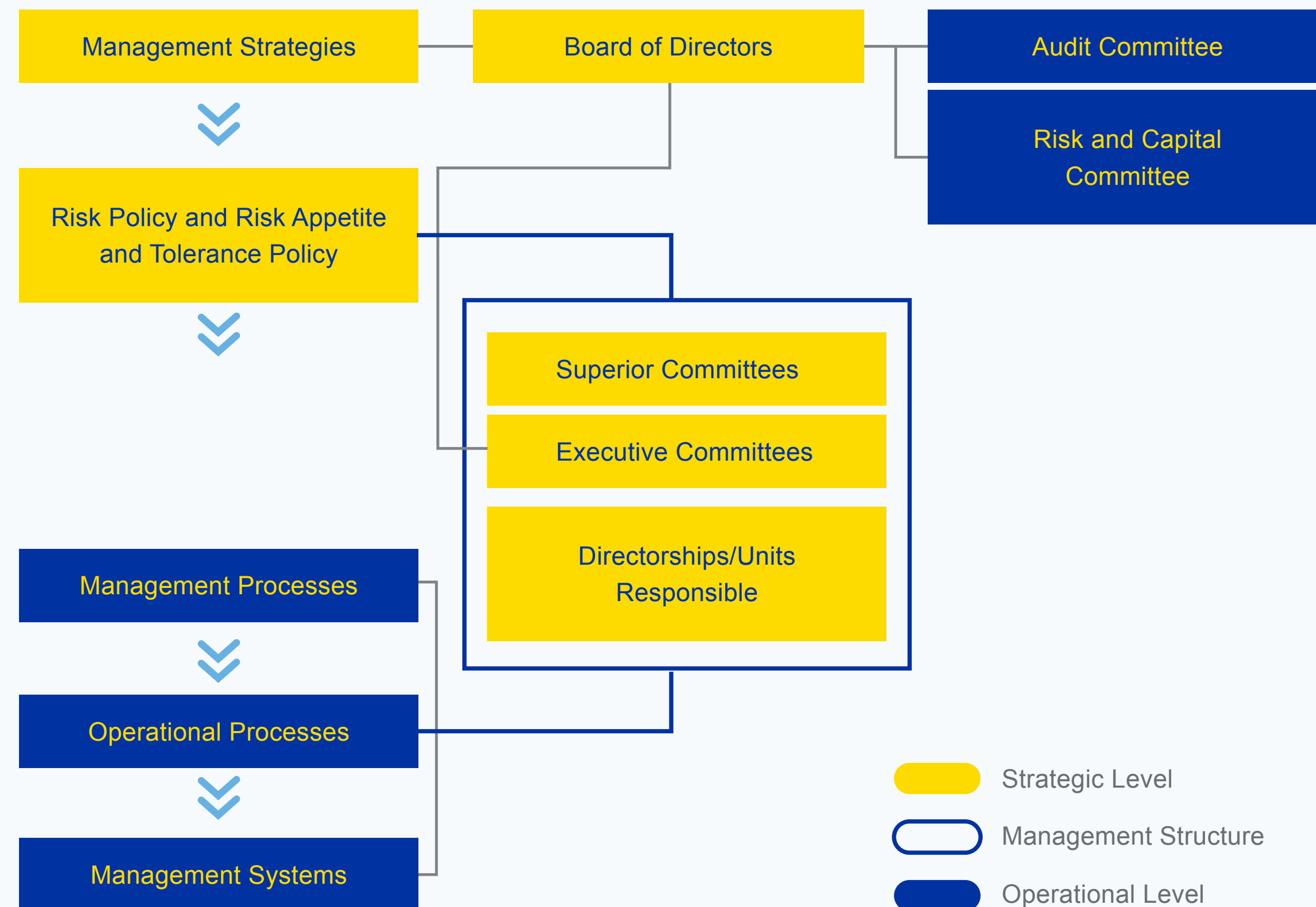
The classification of relevant risks is based on quantitative and qualitative criteria. More information is available in the [Risk Management Report](#).

□ Management Processes and Strategies

Risk management involves the consideration of specific policies, the Risk Appetite Statement (RAS), strategies, processes, procedures and management structures, respecting the specific features of each risk and generally following the detailed pattern on the next page.



Management Processes and Strategies



Risk management and control is guided by the **Lines of Defense Reference Model** (Modelo Referencial de Linhas de Defesa – MRLD). based upon three lines:

The 1st Line of Defense is responsible for the risks and observance of process controls under its management. They feature different kinds of attributions, with some areas accountable for the management of specific risks, due to their competence and/or significant influence in relevant risk management in key processes of the institution.

The 2nd Line of Defense corresponds to the corporate functions typical to risk management, internal controls and conformity, and, in this context, the involved areas are accountable for the corporate guidelines, assisting the 1st Line, and by the supervision of risk management and internal controls.

The 3rd Line of Defense is the responsibility of Internal Audit, which evaluates the effectiveness of the entire management risk and controls cycle, acting with autonomy and independence in the evaluation of the Internal Control System.

This model allows the centralization of risk and controls corporate management, with well-defined roles granting greater assertiveness to risk and capital management.

To identify and evaluate risks and controls we adopted a methodology that features four stages: identification, control evaluation, risk evaluation and a final statement. The measurement and risk criticality are performed through a Heat Map comprised of the impact (exposition estimate) and vulnerability (result of the control efficiency) axes.



Our Specific Credit Policy guides the ongoing, integrated and prospective management of credit risk, including all phases of the credit process, the management of assets subject to such risk



Credit Risk

Credit Risk Management (GRC) is one of the main tools establishing a suitable risk/return ratio. It operates in a way that is integrated with the goals of the business and establishes limits and consolidates the Bank's vision. As such, the process is based on the following premises:

- Reach of the minimum core capital ratio, supported by a set of credit risk exposure that is more favorable in terms of profitability, and maximum utilization of risk weighted assets (RWA), given the projected exposure;
- Use value-at-risk (VaR) as a metric for establishing limits, due to its greater capacity to represent total losses (expected and unexpected) associated with the portfolio exposed to credit risk; and
- Limits associated with the projected risk scenario (from the perspective of expected losses).

Our Specific Credit Policy guides the ongoing, integrated and prospective management of credit risk, including all phases of the credit process, the management of assets subject to such risk, as well as the collection and recovery credit processes, including those performed by third parties.

The credit process involves the use of risk/limit calculation methodologies and is developed in line with best management practices. It includes the phases of registration, risk analysis and establishment of the credit limit, contracting of lending and conducting of operations and risk management, with the support of regulations and a specialized organizational structure.

When establishing the credit limit, the maximum exposure to credit risk that can be assumed with the customer is defined, as well as the conditions for its use, regardless of the maturity and foreseen use.

Credit Risk Measurement Indicators (R\$ billion)	2017	2018	2019
NPL+90D (1) (%)	3.7	2.5	3.3
Concentration (2) (%)	25.3	24.0	19.2
Write-offs (R\$ billion)	24.7	22.2	17.1

(1) Ratio between debt more than 90 days overdue and the balance of the classified loan portfolio.

(2) Concentration of the 100 largest debtors in relation to the total credit portfolio.

Progress in 2019

- Improvement of the Risk Appetite Statement (RAS) for credit risk, with use of the Credit Portfolio Management (CPM) methodology in optimizing the proposed credit portfolio mix;
- Overhaul of the Specific Credit Policy;
- Improvement of the credit concentration management risk, with improvement to its framework; and
- Improvement of the capital economic measurement process, with improvement to its monitoring and use in the build of the new RAS.

Market Risk and Interest Rate Risk in the Banking Book (IRRBB)

Market risk management enables assessment of exposure to risk arising from changes in asset prices, interest rates and other economic factors, compared to the capital available. To measure market risk, we use statistical and simulation methods that include Value at Risk (VaR) and Risk Weighed Assets (RWA), as well as stress testing and sensitivity analysis metrics.

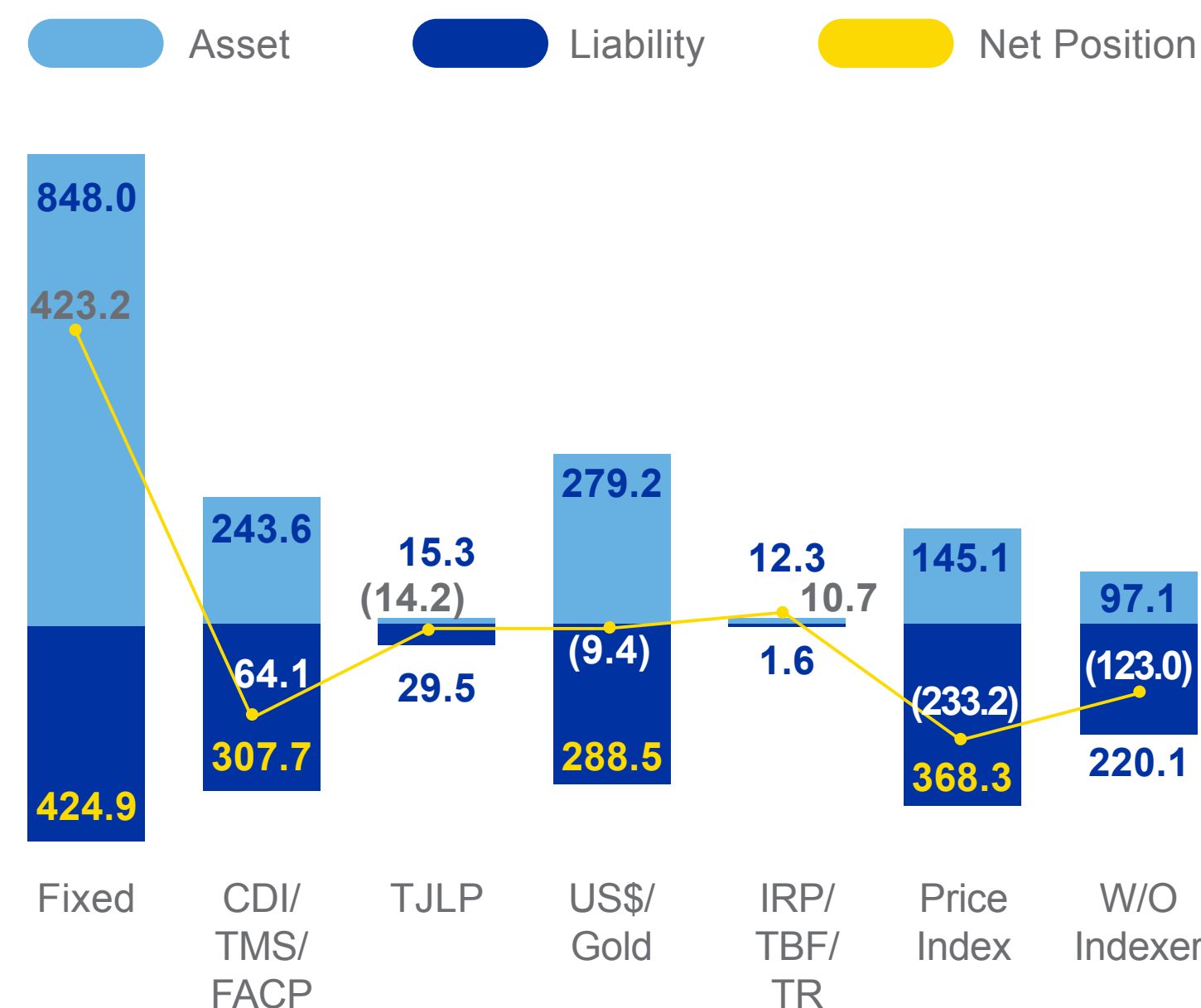
IRRBB management refers to the risk of interest rate adverse movements in capital and in the financial institution results, for the instruments classified in the bank portfolio. The IRRBB identification, measurement and control are based in the economic value approach (Δ EVE) and result of financial intermediation (Δ NII). For both risks we establish policies and strategies and use systems that ensure the management of registered positions in business and non-business portfolio.

To decrease market risk frequency and IRRBB, we use a set of limits referenced in the availability of capital contained in its Risk Appetite Statement (RAS), with a daily monitoring process.

Progress in 2019

- Increase of market risk stress testing scenarios;
- Improvement of product modelling with no set maturity for IRRBB measurement;
- Revision of the Specific Market Risk Policy (Política Específica de Risco de Mercado), of IRRBB and Management of Bonds and Securities and Derivatives Portfolio (Gestão de Carteiras de Títulos e Valores Mobiliários e de Derivativos), reinforcing the alignment to the best practices of corporate governance and risk management.

Net Position by Indexer (R\$ billion) – 2019



Liquidity Risk [102-48]

Liquidity risk management is an important element in maintaining solidity and solvency. An appropriate amount of liquidity allows us to face up to regulatory changes and seize opportunities for growth.

Liquidity levels are maintained in line with the bank’s commitments, the broad and diversified base of depositors, the quality of assets, the network capillarity and the level of access to the capital market.

We use and monitor a range of mechanisms that are reported to strategic committees and senior management, which include liquidity forecasts, with a prospective evaluation of the effect of imbalances between funds raised and investments; stress testing; liquidity risk limits; and a liquidity contingency plan. One of the variables used in the management process is the Liquidity Coverage Ratio (LCR).

Progress in 2019

- We approved documentations to the evaluation process of the Net Stable Funding Ratio – NSFR and the NSFR Re-composition Plan, contributing to the improvement of the liquidity management and regulatory conformity;
- The biggest Capture Concentration Indicator that measures the concentration rate (Herfindahl-Hirschmann Index – IHH) by product and the Bank’s financial fundraising counterpart, Its limits were included in RAS for management ends.

Liquidity Coverage Ratio (LCR) – %	
4T17	234.5
4T18	242.5
4T19	337.1

Operational Risk

Operational risk is the possibility of incurring losses from the failure, deficiency or inadequacy of internal processes, people and systems, or from external events. Management of operational risk involves identification of weaknesses or inadequacies in activities, in order to mitigate them correctly and promptly.

The Operational Risk Policy is approved annually by the Board of Directors and contains guidelines to ensure the effectiveness of the operational risk management model. The ELBBs are advised to define their directives based on the document, considering specific requirements and the legal and regulatory aspects to which they are subject.

The monitoring of operational losses and reporting of this information occurs through the Operational Risk Panel tool.

This tool allows Strategic Units to follow up on losses linked to their processes, contributes to framing these losses within the global limit and the specific limits established. It also allows for the adoption of preventive measures to mitigate the issues that generate such losses. The panel's results are reported monthly to the Risk Management and Internal Controls Executive Committee (CEGRC) and quarterly to the Board of Directors.

To minimize the impacts of disruptions to strategic processes in different scenarios, we adopt the Business Continuity and Crisis Management (BCM) methodology. We invest in improving strategic and tactical capabilities to plan for and respond to incidents and disruptions. In 2019 there were:

- 1,699 employees trained in BCM;
- 631 processes assessed for criticality in case of disruption; and
- 623 Business Continuity Planning tests conducted to evaluate the effectiveness of the business continuity strategies adopted.

[102-48]

Monitoring of Operational Losses by Loss Event Category (%)	2017 ¹	2018 ¹	2019
Unsuitable Business. Product. and Customer Practices	44.2	67.9	74.3
Labor Practices and Working Environment Conditions	38.7	19.8	20.5
External Fraud and Theft	14.5	9.6	2.2
Process Execution and Management Failures	0.8	2.2	2.7
Internal Fraud and Theft	0.8	0.3	0.2
Damage to Physical Assets and Injuries to Persons	1.0	0.2	0.1
System and Technology Failures	0	0	0
Total	100	100	100

1 – Revised Series.

Immediate Resolution Strategy

We have adopted the strategy of promptly resolving failures and improving customer experience called Immediate Complaint Resolution – SIM (Solução Imediata de Reclamações). SIM allows for prompt complaint resolution presented at first instance (branches and customer service) when there are determined origins and financial loss to the customer referring to service, product or system flaws. The strategy consists in compensating the customer in advance while an internal assessment is carried out.

In 2019, SIM was automatized and flaws amounting up to R\$ 150 thousand started being conducted in a single environment, resulting in immediate resolution for more than 15 thousand customers, mitigating operational losses of R\$ 74 million.



Information Security and Cyber Attacks

The Specific Policy on Information Security addresses the Bank's methodology for the classification of corporate information in order to guarantee the correct handling and adequate protection of the data. Suppliers and third parties should also study and disseminate the document.

The Information Security Management System (ISMS) aims to protect the confidentiality, integrity and availability of corporate information, as well as to raise awareness among the parties involved about their responsibilities.

To guarantee information security and to prevent cyber-attacks, we highlight the following initiatives:

- Management structures and security governance;
- Teams dedicated to the identification of incidents and rapid response;
- Service continuity plans, tested and audited periodically;
- Vulnerabilities testing;

- Use of cryptography in the life cycle of sensitive information;
- Security infrastructure for the protection of communication networks, systems and applications;
- Access control in IT systems and resources; and
- Periodic audits (internal and external) related to the issue.

The following targets were established for 2020:

- Expansion of the use of biometrics in the branches' business services both for customers and employees, simplifying and increasing security in the people identification process, increasing the use of electronic terms and reducing paper consumption; and
- Implementation of facial recognition for mobile transactions, increasing convenience and security for customers.

Customer protection

Intensification of efforts to encourage the use of the BB code, a solution that utilizes the QR Code technology to authorize financial transactions, resulted in a 35% increase in the number of Internet access by individuals and 54% by companies. In 2019, we exceeded the milestone of 39 million customers with biometric registration, which favors the implementations, in 2020, of differentiated limits to mitigate losses.

Transaction monitoring systems were also enhanced with the use of Big Data, increasing the precision of the rules and optimizing the detection time for transactions that are not

compatible with customer behavior, forecasting patterns and suspicious transactions in real time, 94 rules were introduced and behavioral profile scoring models for individuals and companies were enhanced using machine learning techniques, which identify customers with the biggest probabilities of being victims of fraud.

Demands related to privacy breach and customers' data loss have not been identified by the external Ombudsman's office. The specific Information Security Incident Management channel received no occurrences classified as possible breaches or loss of customer data. [418-1]



In 2019, we exceeded the milestone of 39 million customers with biometric registration

Socio-environmental risk |102-11 |412-3|

Management approach |103-1|

| Auditing | Active shareholder control |

CHALLENGE 17

Improving socio-environmental management in the supply chain, in lending, in financing, in own investments and in third-party asset management, while also considering controversial issues.

COMMITMENTS OF AGENDA 30 BB 2019–2021

Incorporation of socio-environmental rating losses data in credit operations pricing process;

Review of the socio-environmental questionnaire, including analysis by sector and by customer, to assess exposure of credit-financial operations to socio-environmental risk and impacts on customer credit limits;

Publication of the revised BB Sustainability Credit Guidelines (Diretrizes BB de Sustentabilidade para o Crédito); and;

Publication of the revised BB Socio-environmental Guidelines for Controversial Issues (Diretrizes Socioambientais para Assuntos Polêmicos).

Management approach: |103-1 |103-2|

| Environmental evaluation of suppliers | Child labor | Forced labor or labor analogous to slavery | Auditing | Active shareholder control |

By incorporating socio-environmental factors in investment decisions and asset selection practices, we attempt to reduce risks, increase financial returns and meet customer expectations. We also believe that socio-environmental responsibility allows for positive, recurrent and sustainable results in the course of time. A more efficient use of resources may lead to cost reductions; better governance may positively interfere in productivity; environmental, safety and health rules may reduce negative externalities; and sustainable product innovation may attract new customers.

Based on the guidelines established by National Monetary Council, we maintain a specific environmental risk management structure that is inherent to the activities and operations that we develop.

Our Socio-environmental Responsibility Policy (Política de Responsabilidade Socioambiental – PRSA) guides behavior in relation to the topic, considering operations with companies, governments and society in initiatives dedicated to risk reduction and taking advantage of opportunities related to socio-environmental matters, such as climate change. In 2019, the PRSA was revised, increasing its coverage

scope and involving aspects related to Human Rights promotion and of fundamental principles of labor, the universalization of social rights and respect to diversity and business relations.

Besides the PRSA, socio-environmental risk management is also marked by items of Credit policies and Relationship with Suppliers, and by the [Sustainability Credit Guidelines](#) and [Socio-environmental Guidelines for Controversial Issues](#).

Efficient socio-environmental risk management involves a series of actions that pose demands to customers and suppliers, such as the requirement of information and documentation that attest to their practices. In relation to the Socio-environmental Responsibility Level Evaluation Questionnaire. We applied, in 2019, 2,091 credit analysis questionnaires (1,322 to business groups and 796 to individual businesses) and 42 to investment project analysis (23 to business groups and 19 to individual businesses). | FS10 |

In 2019, we carried out a socioenvironmental risk management assessment within the scope of the annual risk assessment of 45 of the main ELBBs. Representatives were instructed to share the

evaluation report, which may contain information on practices and processes, with the investees' Boards of Directors.

Among the adopted resources for monitoring customers is the Socio-environmental rating, a tool that allows us to classify them according to their socio-environmental risk inherent to their activities, as well as the level of excellence in their practices related to the topic.

The commitment to socio-environmental risk management is also manifested in initiative and pacts of which the BB is signatory, such as the Equator Principles, the [Principles for Sustainable Insurance \(PSI\)](#) and the Principles for Responsible Investment (PRI). See more on the [Sustainability website](#).

Regarding the Equator Principles, the Bank adopts the International Finance Corporation's (IFC) Performance Standards on Environmental and Social Sustainability and the World Bank Group's General Environmental, Health, and Safety (EHS) Guidelines for financial products that encompass large industrial and infrastructure projects. These inputs are evaluated and framed in a socio-environmental risk matrix to identify impacts.

[See more in GRI Disclosure](#). GRI – FS10

In general, the improvement of socio-environmental risk management is limited by a lack of references, such as documentation regarding the legality of social aspects for environmental licensing processes, and the difficulty of monitoring social-environmental legal actions. In the supply chain, our activities are also restricted by the different levels of maturity regarding this issue among partner companies.

We adopt the precautionary principle in analyzes carried out in the lending process, observing the applicable legislation, self-regulation and voluntary agreements and commitments that we have assumed. Our operations are guided by the [Sustainability Credit Guidelines](#) (Diretrizes de Sustentabilidade para o Crédito) for 10 sectors of the economy, encompassing cross-cutting topics such as forests and biodiversity, water and climate change. [\[102-11\]](#)

Our Credit Policy dictates socio-environmental criteria in the analyzes and granting of loans and financing. As a result, we demand from credit takers the presentation of documentation that prove socio-environmental legality (licenses, water concession, legality of the

fund for employees – CRF-FGTS, whenever applicable). We do not finance producers that are included in the list of areas embargoed by the Brazilian Institute of Environment and Renewable Natural Resources (Instituto Brasileiro do Meio Ambiente e dos Recursos Naturais Renováveis – IBAMA) for deforestation or irregular forest fires. Moreover, in the case of real estate located in the Amazon Biome, the granting of agribusiness loans is conditional upon proof of the environmental and landholding legality, with analyzes centralized in specialized teams and not linked to the branches where the proposals originate, in order to ensure compliance with all legal requirements.

In line with our socio-environmental commitment, we do not finance customers who are responsible for environmental damage, employers whose labor relationships demonstrate the submission of workers to degrading conditions or conditions analogous to slavery, just as we do not assume credit risk with customers that sexually exploit minors or use child labor. Our credit granting systems are prepared to inhibit new operations for customers with prohibitive records. [\[412-1\]](#)

For all aforementioned topics, the contractual clauses of credit operations include the prerogative of credit suspension or of early contract maturity, with immediate debt repayment and immediate suspension of disbursement, in case of infringements.

With these good practices, we seek to mitigate risks to the environment and society and reduce the impacts of financing and investments, as well to identify new opportunities for action in the sustainable business value chain, through relevant socio-environmental issues and strategic topics for sustainable development.



With these good practices, we seek to mitigate risks to the environment and society and reduce the impacts of financing and investments



Climate change ^[201-2]

Due to the possibility of losses resulting from the triggering of extreme weather events and the transition to business in a low carbon economy, which may affect the generation of value by companies, climate risk has become part of the corporate array of relevant risks.

The internal management of climate change effects is aligned with the Sustainability Plan – Agenda 30 BB, in relation to developing initiatives and adoption of practices that contribute to mitigating the effects of operations with respect to socio-environmental aspects.

The effects of climate change could influence various market segments. As a result, we strive to understand and measure the impact of physical and transitional risks on the financing portfolios. Physical risks related to extreme weather events, such as floods and storms, are considered in the assessments because they are directly related to increased operating costs and reduced business revenue.

Strengthening our stance in relation to this topic, we have published the [Banco do Brasil's commitment to Climate Change](#) (Compromisso do Banco do Brasil com as Mudanças Climáticas), which describes our

internal initiatives to reduce carbon emissions, the pacts and commitments assumed and the climate risk management models that may aid in implementing actions of mitigation and adaptation.

In order to mitigate climate-related impacts we use tools such as Agricultural Zoning of Climate Risk (Zoneamento Agrícola de Risco Climático – ZARC), published by the Ministry of Agriculture, Livestock and Supply (Ministério da Agricultura, Pecuária e Abastecimento – Mapa), and the Agricultural Technical Reference System (Sistema Referencial Técnico Agropecuário – RTA), developed internally.

The Zarc tool indicates the municipalities with suitable climate and soil for specific crops and the best-adapted crops. It is the main macro-indicator for the financing of crop planting costs in municipalities across the country.

And the RTA maintains information on production costs, price history and productivity for each crop and municipality. The system's productivity history is updated with each harvest season and is directly affected by the incidence of climatic phenomena. The historical productivity series is sensitive to detrimental events, which affect the degree of attractiveness of a crop in a given municipality, which makes it fundamental for analysis of funding for crop production costs.

Also, the Climate Risk Monitoring is carried out throughout the country, based on Climate Event Alerts issued by the agribusiness advisory network, which are registered in the Harvest Monitoring Panel (Painel de Acompanhamento da Safra). This allows the observation extreme events recurrence and changes in the local climate patterns.

In the short term, over the period of a growing season, the warnings also make it possible to take preventive measures to mitigate financial losses at the level of the lending operations, such as triggering production insurance. In 2019, 3,527 Climate Event Alerts were registered in 1,754 Brazilian municipalities, in 30 activities. Through the Harvest Monitoring Tool we identified alerts of crop failures and decrease payment capability of producers. In the year, 117 alerts were issued for 16 different crops, of which 4,994 operations were potentially impacted by critical alerts.

Initiatives aimed at reducing CO2 emissions from agriculture livestock are supported through the Low Carbon Agriculture Program (Programa de Agricultura de Baixo Carbono – ABC). Through the program, positive financial implications are identified with the contracting of operations that amounted to R\$1.45 billion in 2019. Customers have a portfolio of products at their disposal that includes

Seguro Agrícola, Seguro Agrícola Faturamento (insurance products). Proagro and Proagro Mais. In 2019, 57.7% of the total agricultural financing of R\$18.78 billion was covered by the Seguro Agrícola (agricultural insurance) and Proagro to mitigate the risk of production losses due to extreme weather.

R\$ 1.45 billion was the total amount provided through ABC Program in 2019.

57.7% of agricultural production was covered by Agricultural and Proagro Insurance.

Progress 2019

- Revision of the Socio-environmental Responsibility Policy;
- Beginning of the socio-environmental questionnaire revision process, including analysis per sector to assess exposure to socio-environmental risk.

Controversial Issues

In the process of credit risk management, qualitative restrictions are established on operations that may cause reputational damage or involve high Socio-environmental Risks, in addition to quantitative limits. This guideline is formalized in the Credit Policy, which considers risks inherent to the business, corporate socio-environmental responsibility and the counterpart's capacity to generate employment and income.

According to the document, we do not assume credit risk with customers who:

- Participate in crimes of money laundering or concealment of property, rights, and values;
- Carry out illegal activities;
- Offer guarantees derived, directly or indirectly, from illegal activities;
- Are responsible for damage to the environment;

- Subject workers to degrading forms of labor or keep them in conditions analogous to slave labor;
- Practice sexual exploitation of minors and/or child labor;
- Are political parties.

We also adopt specific conditions for granting credit to sectors with more significant potential for environmental impacts, according to the Sustainability Credit Guidelines and the Social-Environmental Guidelines for Controversial Issues. These guidelines are disclosed to the market in order to provide visibility to the business and management practices adopted by the bank, reinforcing the fulfillment of assumed public commitments and in alignment with the principles of socio-environmental responsibility contained in our policies. [Read the Guidelines in full.](#)

With the goal of blocking transactions with individuals, companies, financial institution, vessels, entities and countries on local and international restriction lists, we use the OFAC filter, also known as FCVW (Firco Continuity Verify Web). The tool is essential for helping financial institutions to comply with international anti-money laundering and terrorist financing policies and to comply with the rules and definitions of international regulatory bodies.

In all direct and indirect investment in companies and Equity Investment Funds (Fundos de Investimento em Participações – FIPs), the Internal Regulations determine that all must comply with the Social-environmental Guidelines for Controversial Issues. The Regulations of the Equity Investment Funds in which we invest value the adoption of best governance practices and socio-environmental management.

Risk Factors

Risk factors are detailed so that potential bond and securities purchasers are aware of the specific related risks. As a result, information capable of influencing investment decisions are made public and may be consulted in section 4 of the [Reference Form](#).

□ Emerging Issues

CHALLENGE 2

Identify and manage non-financial and emerging medium and long-term risks that could have significant impacts on Banco do Brasil's business.

COMMITMENTS OF AGENDA 30 BB 2019–2021

Presentation of the study on long-term emerging risks with impact on BB's business in the Sustainability Forum.

Management approach: |103-1 |103-2|

| Economic performance | Product portfolio |
| Auditing |

Non-financial risks arise from operating activities and the use of the resources necessary to deliver products and services to customers. These risks may reduce, degrade or interrupt operations, besides having the potential of generating contractual, regulatory

and environmental liabilities with a negative impact on reputation. Thus, management of these risks becomes necessary to prevent the indirect effects of operations from resulting in financial losses in the conduct of business.

Emerging risks are derived from changes in the market or from changes in strategy that may trigger new threats, which may be unknown or not fully understood. These risks can become significant if their potential impact is increased by the interest in certain strategic objectives, which requires the adoption of specific management processes.

We count with risk policies, norms, procedures, processes and management structures established for risks to be deemed significant. Methodologies are established to identify, measure, evaluate, monitor, report, control and mitigate risks, The precepts of the National Monetary Council, which dictate on management structure risk and capital, are followed, Internally, in corporate strategy elaboration, the various risks are taken into account according to business projection scenarios.

In 2019, the model for risk identification and relevance definition was reviewed, incorporating improvements in the classification and understanding of the relationship among risks, the external and internal factors that cause them, and the connection to the strategic objectives and the nature of the possible impacts.

Arrival of non-banking competitors and changes in banking consumers 'behavior'

Risks are derived from increased competitiveness impacted directly by fintech companies and the arrival of new disruptive technologies, such as blockchain. The new player are digital natives and have positioned themselves quickly in the market, offering creative and innovative solutions built from the experience of several customer profiles.

Customers are increasingly well-informed, connected and demanding as they acquire positive experiences, thus pressuring the market and increasing the urgency of the banks to innovate and reinvent their business models.

Moreover, the economic scenarios indicate smaller gains in financial intermediation, increasing the need to reposition the assets portfolio and of adding other sources of income, such as services income.

So that we can prepare ourselves for this scenario, we increase, in 2019, the investments in operational efficiency with the goal of reducing expenses and optimizing processes. We also intensified the optimized destination of capital, prioritizing credit portfolios with the best risk and return ratios. Also in 2019, we affiliated ourselves to the International Association of Credit Portfolio Managers – IACPM, ensuring our protagonism in the worldwide debate on this topic.

With a focus on consumer banking behavior, we invested in quality and convenience in services, mainly by means of developing products and services that are suiting to consumer demands and multichannel technologies, which means that customers can choose the best channel for their operations.



The challenge is to accelerate the digital transformation process with continuous productivity increase and diffusion of the digital mentality, so as to gain more efficiency and improve users' experience and customer satisfaction.

We are paying close attention to the innovations in the financial sector, especially due to the arrival of new business models and technologies. We are striving to anticipate tendencies to ensure perpetuity, which includes investments in digital technology and the creation of new relationship models. To achieve this, we have reviewed our models and service channels, intensifying digital solutions capable of improving customer experience. We have also optimized our strategic committees, leading to more agile decision-making and ensuring more assertiveness for the digital transformation process. Another highlight is the investment in Analytical Platforms and Artificial Intelligence, essential for the co-creation of prospective models capable of anticipating consumer behavior trends. We have also made strides in strategies such as Open Banking and Markplace, as well as in the search for strategic positioning in the digital ecosystem.

Cyber Risk

Cyber risks come from attacks against the IT infrastructure or corporate systems, affecting the integrity, confidentiality and availability of data.

Due to the nature of our activities, we operate in an environment that is subject to cyber security incidents, such as malwares, phishing and other events, which may include sophisticated methods of attack with the goal of achieving non-authorized access to infrastructures and IT systems, disclosure of non-authorized confidential data, manipulation or destruction of data and service interruption.

Eventual cyber-attacks that result in unavailability of access to systems, non-authorized access to data, loss or disclosure of non-authorized data, may result in litigation, regulatory fines, loss of customers, damage to reputation, and cause significant adverse effects.

We mitigate cyber risks via the Security Incident Management in IT, which consists in the continuous response improvement process, monitoring and evaluation, to ensure the

conformity with legal demands and minimize the reaction time and risks derived from cyber-attack attempts and threats to corporate networks and systems.

We have also adopted IT corporate management and governance and cyber safety, identity management and access control, IT security infrastructure management and management of response processes to Security Incidents in IT; the execution (operationalization) of processes of Security Incidents Treatment in IT and Maintenance Processes of Tools Managed by the CSIRT (Computer Security Incident Response Team).



Capital Management

Capital management consists of a continuous process of planning, assessing, controlling and monitoring the resources needed to deal with significant risks, ensuring solvency in parallel to the application of business strategies and supporting the capital requirements required by the regulator or defined internally.

We maintain a three-year prospective view of Capital Planning that incorporates the effects defined by the Basel III Agreement and considers the Risk Appetite and Tolerance Statement, strategy and corporate budget.

The focus is on the organic generation of capital through the growth of lines of credit with lower capital consumption and that are more attractive according to the risk/return criterion. According to the Risk Appetite and Tolerance Statement, the goal is to achieve a minimum of 11.00% of Common Equity Tier 1 by January 2022.

Basel Ratio			
R\$ million	2017	2018	2019
Reference Equity (RE)	135,511	134,178	132,150
Tier I	95,228	95,290	96,380
Common Equity Tier 1 Capital (CET1)	72,320	71,169	71,289
Prudential Adjustments	(23,848)	(28,947)	(35,732)
Additional Tier I Capital	22,908	24,121	25,091
Tier II	40,283	38,889	35,770
Risk-Weighted Assets (RWA)	689,857	711,490	711,402
Minimum Required Referential Equity (MRRE)	63,812	61,366	56,912
MRRE Margin (RE-MRRE)	71,700	72,812	75,238
Tier I Capital Ratio (Tier I/RWA) – (%)	13.8	13.39	13.55
CET1 Ratio (CET1/RWA) – (%)	10.48	10.00	10.02

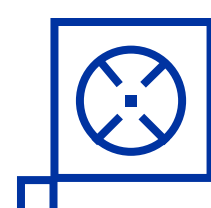
BIS Ratio (RE/RWA) – (%)	
2017	19.64
2018	18.86
2019	18.58

RWA Composition (R\$ million)	2017	2018	2019
Credit Risk (RWS CPAD)	616,822	624,019	612,630
Market Risk (RWA MPAD)	17,296	26,390	21,393
Operational Risk (RWA OPAD)	55,738	61,081	77,380
Total	689,857	711,490	711,402

□ Internal Controls

The internal control structure, based on the Lines of Defense Reference Model (MRLD) ensures greater reliability in the quality of processes, products and services, It aims to endure conformity to internal policies as well as to regulators' norms.

The system of internal controls references documents and drivers that are widely recognized in the national and international markets, such as the Committee of Sponsoring Organizations of the Treadway Commission (COSO 2013) – Framework for the Evaluation of Internal Control Systems and Control Objectives for Information and Related Technology (CobiT). Innovative tools are also used to manage the control environment, including:



Management of the Control Environment (Gestão do Ambiente de Controle – GAC): measures the quality of the management of the control environment in the organizational units, based on a set of indicators related to relevant processes



Internal Control System Panel (Painel do Sistema de Controles Internos – PSCI): fully reflects the risk and control management of the evaluated areas through the consolidation of indicators related to the identification, evaluation and mitigation of operational and compliance risks, and to the management of the control environment and maturity of the managers in the Lines of Defense Reference Model (MRLD).

We count with the Compliance Program, composed of nine counselors who base themselves on international principles and norms (ISO 19600:2014) and on international legislation recommendations (The Federal Sentencing Guidelines – Effective Compliance and Ethics Program). They are supported by pillars with the goal of preventing, detecting and correcting inadequate practices in operational and business activities.

We have enhanced the identification and evaluation of risks and controls in alignment to the COSO ERM 2017 and to the best market practices. The main threats that could impact the reach of the Strategic Goals have been detected, We have carried our 374 evaluations of 35 managers, going over 156 corporate macroprocesses, with 1,094 controls tested. This strategy aims to improve processes and to perfect controls, with savings estimated in R\$ 35 million in 2019.

□ Internal Audit

Our Internal Audit evaluates corporate processes and provides independent and objective consulting to improve corporate governance and risk and control management. In 2019, the area conducted 236 works of process auditing.

During the assessment, audit findings that point to the need for improvements are indicated as recommendations, also pointing out the manager responsible and the period for implementation – consistent with the associated risk level.

The Internal Audit follows up on the recommendations until they have been implemented. After that, corrective actions are evaluated and, if considered sufficient to mitigate the risks involved, the recommendation is certified by the auditor.

Giving continuity to the strategy of adding value to the auditing work and contributing to the enhancement of internal processes by using advanced information analysis tools, analytics and data science, we highlight the following actions:



Utilization of Robotic Process Automation (RPA), with 25 Virtual Audit Assistants (AVA), which enables automated tests, with efficiency gains, allowing for the reduction of operational losses via the identification of situations and operations that are not in conformity with the admitted norms and standards.



Increased use of automatized tools to capture information, through which 10,9 thousand databases were generated, subsidizing auditing especially in assessing irregularities, reducing the time spent in this process.

In the scope of the Internal Audit Innovation Program (iNovAudit), we highlight the capacitation of 38% of auditors in agile techniques and gamification concepts, as well as in formulating proposals to optimize the performance of Internal Audit in Entities Linked to Banco do Brasil (ELBB).

5

Financial Value Creation

83 | Innovation and Digital Businesses

85 | Products and Services with Environmental, Social and Governance Attributes

101 | Stakeholders



□ Digital Business and Innovation

CHALLENGE 3

Identify innovations in the financial sector (business models and technologies) and anticipate trends to guarantee Banco do Brasil's continuity and longevity.

COMMITMENTS OF AGENDA 30 BB 2019–2021

Presentation of a relationship model proposal for startups; and

Presentation of a feasibility study to the Sustainability Forum for a platform that allows interaction between investors and sustainable projects using a crowdfunding or startups model.

Management approach: |103-1 |103-2|

| Customer privacy |

In a universe where people are constantly connected, banking services are continually changing to meet the demands of customers who are demanding comfort, convenience, and diversity of services to start and maintain relationships. In the financial system, digital transformation implies new challenges and complexities.

Customer behavior, stimulated by new trends and innovations, indicates the directions and opportunities for business. The monitoring of trends directly benefits customers and other stakeholders, since it enables us to offer solutions and facilities that not only satisfy their needs, but also anticipate them in advance.

This context continually accelerates the need to develop new, more efficient and more responsive business models. We remain at the forefront of digital solutions with the use of artificial intelligence, allowing customers to interact with us and enjoy services via WhatsApp and social networks. The virtual assistant responds using natural language and learns continuously, according to user demands and doubts. It does not replace other channels such as Internet Banking, and if there is a need for personal service the customer can be attended to by employees.

We have increased our investments in cloud computing, big data, social platforms and cognitive computing. These actions made it possible to bring forward solutions to identify the feelings and interests of our customers in the field of affective computing, an artificial intelligence tool. This tool allows us to identify the degree of customer satisfaction.

As one of the bank's values, innovation is part of process of formulating Banco do Brasil's Corporate Strategy (Estratégia Corporativa do Banco do Brasil – ECBB), in the organizational culture, vision and strategic goals. We guide innovation with a focus on customer experience and operational efficiency, attempting to generate value through the creation and exploration of new ideas and opportunities that effectively impact satisfaction and result in greater competitiveness.

Since 2017, we maintain a partnership with the National Innovation Reference Center (Centro de Referência de Inovação Nacional) – coordinated by Fundação Dom Cabral – a community that shares and discusses innovation management practices and challenging issues. The diversity of the group, composed of managers, academics and specialists, is one of its greatest assets, conferring major potential for the collaborative development of solutions.

Labbs [103-2]

In December 2019, the Advanced Laboratory (Labbs) – a space devoted to project design and experimentation and to technical solutions with potential innovation in processes, products and services – completed 3 years, with two units in operation: in Brasília and in Silicon Valley, California (USA). To strengthen the culture of intrapreneurship and innovation, the teams were selected and empowered; about 500 employees have worked at Labbs since its creation. So far, 77 initiatives have undergone the innovation process. Moreover, companies and public organizations have visited the space and signed partnerships, with results disseminated and shared through lectures.

How Labbs works

 Ideas	Employees suggest improvements to products and customer services and propose new business ideas that consider the reality of operations and customer relations. To stimulate and support the teams we hold events and programs to capture and select the ideas with the most potential.
 Garage	Selected ideas start to take shape. By using Design Thinking, Design Sprint, Lean Startup and customer surveys, suggestions are developed and presented to a committee. If approved, they are moved to incubation.
 Incubation	A step dedicated to effectively developing and constructing the project, which includes user testing for validation. After three months the project is submitted to the sponsorship committee, which decides whether or not the initiative will proceed to the next phase.
 Acceleration	In this phase, which lasts up to 12 months, the initiative aims to increase the number of users, besides adopting new features to gain scale and be made available for the market. This pathway is accompanied by metrics to verify if the initiative is on the right path, and at the end of the acceleration phase, another validation process occurs. If approved, the project becomes a business activity or product to be offered by us.

Other Innovation Initiatives

BB Startups

In 2019, we released the BB Startups (www.bb.com.br/startups), a institutional platform for relationships with startups. The goal is to facilitate contact with entrepreneurs by keeping a space for registration and presentation of solutions to be evaluated in the form of partnerships and development of new businesses.

Startup Farm

The partnership with the Startup Farm was established to advise us on initiatives related to the innovation ecosystem, based on three pillars: People, Business and Innovation. Overall, the partnership program between BB and Startup Farm for relationships with startups has accounted for 528 applications and 22 startups accelerated.

 Transaction Costs Mobile	CDC Product (Consumer Credit)	270 times cheaper	X	 CRBB ⁽¹⁾
	Card Request (Individuals)	29 times cheaper	X	 ATM ⁽¹⁾
	Investing in Investment Funds	4 times cheaper	X	 Internet ⁽¹⁾
		819 times cheaper		 Branch
		478 times cheaper	X	
		3,848 times cheaper		

⁽¹⁾ CDC Product (Consumer Credit), Opening of Current Account (Individuals), Card Request (Individuals) and Investing in Investment Funds.

□ Products and Services with Environmental, Social and Governance (ESG) Attributes |FS7 |FS8 |

We hold ethics as a premise of our relationship with different stakeholders. The generation of social values and protection of the environment goes hand in hand with economic indicators in the formation of results and in the search for longevity and solidity.

Social and environmental issues are included in the process of management of resource, investments, credit, insurance and means of payment, where the applicable legislation, policies, guidelines, standards, pacts and commitments are observed.

Assets Under Management

|FS7 |FS8 |FS11|

BB Gestão de Recursos DTVM S.A. administrates, manages and distributes funds and portfolios. According to the Brazilian Association of Financial and Capital Markets Entities' (Associação Brasileira das Entidades dos Mercados Financeiros e de Capitais – Anbima) overall ranking of third-party asset management, BB DTVM ended 2019 with R\$1.1 trillion in third-party assets managed, a 12.20% growth in the year.

Due to its strategic direction, BB DTVM performs an extensive asset screening considering socioenvironmental and corporate governance aspects. Using its own ESG methodology, which uses a combination of positive and negative screening, it ended the period with R\$ 177.32 billion in assets subject to this methodology, representing 16.79% of the total assets managed. The other assets that make up the managed equity are not subject to this assessment because they are federal or low liquidity public securities. The asset manager manages and distributes eight investment funds with socioenvironmental

Sustainable Finance Framework

Sustainable Finance Framework has the goal of supporting customers in their business strategies by implementing good environmental and social practice, and, consequently, generating positive impacts in the development of the country. For investors, it allows for diversification of their investment portfolio associated to the fulfilment of specific mandates related to the concept of Socially Responsible Investment and portfolio adequacy, accessing profitable projects with socio-environmental additions and transparency in financial resource applications.

With this goal and the alignment to the best market practices, we intend to divulge, in 2020, our Sustainable Finance Framework, with technical support from the Interamerican Development Bank (IADB) and Sitawi Consulting (Sitawi Consultoria).



We hold ethics as a premise of our relationship with different stakeholders

characteristics to the different investor segments, which, in December 2019, totaled R \$ 1.72 billion in shareholders' equity.

In order to meet the Central Bank's guidelines and Principles for Responsible Investment (PRI) and the AMEC Code of Principles and Duties of Institutional Investors (Stewardship), the Bank considers the combination of financial returns and corporate governance in the processes to evaluate assets invested with third-party resources, in accordance with ESG principles.

The methodology encompasses general indicators such as governance structure, socio-environmental aspects, positioning in relation to sustainability indexes and alignment with the GRI standard, as well as specific indicators, according to the needs of each area.

In order to deepen the aspects related to ESG, BB DTVM developed its own methodology to evaluate the sustainability



of companies in its coverage framework. For variable income assets, a ranking is elaborated with the best placed companies, which influences the various stock allocation strategies. For private credit operations, the ESG aspects comprise a qualitative and quantitative rule that influences decision making, which may implicate in objection to the credit limit, or reduction or increase of the limit. Assessments are made available to the managers so that they can adopt practices that favor the integration of environmental, social and corporate governance issues. The main dimensions analyzed are:

- Governance, ethics and integrity – Evaluates the composition and independence of the Board of Directors and the remuneration of managers;
- Social Performance Indicators – Evaluates issues related to employee turnover, health and safety at work, social certifications, equality and assistance for families; and
- Environmental Performance Indicators – Evaluates aspects of biodiversity, innovation, environmental certifications and use of water and energy.

There is also a specific methodology for the qualification of candidates for the Board of Directors and Supervisory Council, actively influencing the improvement of companies' corporate governance.

BB Equality Shares Fund (Fundo BB Ações Equidade)

The BB Equality Shares Fund is aimed at the Private Bank and Retail segments and is characterized by the investment of funds in publicly-traded companies that are signatories to the Principles of Women's Empowerment. The definition of weights and the consideration of the attributes are derived from two pillars:

- Economic and financial evaluation: through the analysis of multiple results, potential of increasing value and sustainability analysis, with specific methodology that considers the environmental, social and governance dimensions; and
- Equality criteria: participation of women in management and executive positions, as well on the Board of Directors.

Products and Services with Environmental, Social and Governance (ESG) Attributes



Assets Under Management [FS7|FS8]

Product	Types of attributes	Description (purpose, product description and, when relevant, the target environmental/social aspect)	Balance in 2017 (R\$ million)	Balance in 2018 (R\$ million)	Balance in 2019 (R\$ million)
Fundo BB Renda Fixa Referenciado DI Social 50	<ul style="list-style-type: none"> ■ Environmental ■ Social 	Sends 50% of its administration fee to the FBB, which reinvests in education and environment projects.	754.9	643.0	404.6
Fundo BB Ações Índice de Sustentabilidade Empresarial Jovem	<ul style="list-style-type: none"> ■ Environmental 	Transfers 20% of its administration fee to the Water Brazil (Água Brasil) project, for preservation of hydrographic basins. The fund is composed of a portfolio of assets with gross profitability that reflects the behavior of the theoretical portfolio of the Corporate Sustainability Index.	8.7	9.2	16.6
Fundo BB Ações Equidade Private	<ul style="list-style-type: none"> ■ Social 	Aimed at the Private and Retail segment and characterized by the investment of funds in publicly-traded companies that are signatories to the Principles of Women's Empowerment.	No history	128	232.5
Fundo BB Ações Equality	<ul style="list-style-type: none"> ■ Environmental 		No history	8.7	61.6
Fundo BB Multimercado LP Global Acqua Private	<ul style="list-style-type: none"> ■ Environmental 	Invests 80% of its resources in Brazil and 20% in one or more funds based overseas. The investments prioritize companies that include water treatment in its productive process.	3,853	258.6	135.6
Fundo BB Multimercado LP Global Vita Private	<ul style="list-style-type: none"> ■ Environmental 	Provides the portfolio management strategy with the topics of longevity and quality of life. The fund has the goal of composing and financial assets portfolio aimed at emission shares of companies from the health, biotechnology, nutrition and environment sectors, among other topics related to healthy life expectancy.	156.8	139.5	118.7
Fundo BB Ações Governança	<ul style="list-style-type: none"> ■ Governance 	Monitors the IGC-T theoretical portfolio, an index composed of actions of companies renowned for good corporate governance practices. They must negotiate in the new Market or be classified as B3's Tiers 1 or 2.	218.5	360.1	745.5
Fundo BB Ações Carbono Sustentabilidade	<ul style="list-style-type: none"> ■ Environmental 	Follows the Efficient Carbon Index (Índice Carbono Eficiente – ICO2), composed of companies participating in the IBrX-50 that adopt transparent practices in relation to Greenhouse Effect Gas Emissions (GEE).	4.1	3.9	4.6
Total					R\$ 1.72 bi

The total balance in 2019 (R\$ 1,719.7 million) represents 0.16% of the total portfolio of the business line (R\$ 1,055,895 million).

Investment – Equity Investment Funds (FIP)

We have a Private Equity and Venture Capital Investment Program based on the following criteria:

- Socio-environmental responsibility standards that we defend, as well as well the Socio-environmental Guidelines for Controversial Issues;
- Principles for Responsible Investment (PRI); and
- Presentation of potential employment and income generation in the country (desirable).

All opportunities in the Equity Investment Fund (Fundos de Investimentos em Participações – FIP) must comply with the limits, rules and parameters of the Investment Program, in order to mitigate legal and image-related risks for us and add value to investees. The funds' regulations establish norms and standards of corporate governance by which the manager must abide so that investees can adopt them prior to the decision to invest and practice them during their time as a FIP shareholder.

Compliance is monitored through a mandatory due diligence process conducted prior to investment and conducted by the manager, who promotes periodic meetings throughout the FIP cycle to stay up-to-date with the monitoring of the investees.

The FIP regulations also include the need to observe and adopt the best governance practices. The regulations are as follows:

- Establishing a mandate of up to two years for the entire Board of Directors;
- Provide shareholders with information concerning their businesses;
- Adhering to the arbitration chamber for the resolution of corporate disputes;
- Providing annual audit of financial statements by independent auditors registered with the CVM;
- Implementing policy to minimize environmentally harmful effects;
- Applying social action plans with neighboring communities;
- Operating with good human resources management practices, developing this capital;
- Adopting socio-environmental responsibility standards;
- Implementing policy to meet regulatory corporate governance standards;
- Not utilizing child or slave labor; and
- Providing equal treatment in all relationships.

“

All opportunities in the Equity Investment Fund must comply with the limits, rules and parameters of the Investment Program, in order to mitigate legal and image-related risks for us and add value to investees.



Products and Services with Environmental, Social and Governance (ESG) Attributes



Equity Investment Funds (FIP – Fundos de Investimento em Participações)

Product	Types of attributes	Description (purpose, product description and, when relevant, the target environmental/social aspect)	Net worth in 2017 (R\$ million)	Net worth in 2018 (R\$ million)	Net worth in 2019 (R\$ million)
ASG FIP Brasil de Governança Corporativa Multiestratégia	<ul style="list-style-type: none"> ■ Environmental ■ Social ■ Governance 	Aimed at purchasing shares of companies that may be conducted to the stage of a global corporate governance company (pre-IPO), with solid management foundations, ready for more in-depth corporate governance practices and application of self-sustainability concepts, with maturity for conflict administration and treatment of socio-environmental issues.	168.7	218.0	231.8
ASG Brasil Sustentabilidade FIP – Multiestratégia	<ul style="list-style-type: none"> ■ Environmental ■ Social ■ Governance 	Aimed at purchasing shares of companies with activities associated to projects with potential carbon credit generation, with incorporation of sustainability principles to investment decisions.	303.0	259.9	265.2
ASG Brasil Agronegócios FIP – Multiestratégia	<ul style="list-style-type: none"> ■ Environmental ■ Social ■ Governance 	Aimed at purchasing shares of Brazilian companies with solid foundations of value and that may benefit from capital investments, with the goal of leading them to the stock market. The fund's investment focus will encompass all the agribusiness production chain.	481.9	508.2	474.1
ASG Fundo Brasil de Internacionalização de Empresas FIP – Multiestratégia	<ul style="list-style-type: none"> ■ Environmental ■ Social ■ Governance 	Aimed at purchasing shares in medium-sized Brazilian companies that already operate in foreign markets or have potential for internationalization (sectors of high added value, leading companies in national sectors where Brazil is competitive, for example). Investees must mandatorily comply with socio-environmental responsibility standards (intent on minimizing harmful effects to the environment as a result of their activities) and adopt good corporate governance practices.	276.2	308.8	359.7



Products and Services with Environmental, Social and Governance (ESG) Attributes



Equity Investment Funds (FIP – Fundos de Investimento em Participações)

Product	Types of attributes	Description (purpose, product description and, when relevant, the target environmental/social aspect)	Net worth in 2017 (R\$ million)	Net worth in 2018 (R\$ million)	Net worth in 2019 (R\$ million)
ASG Brasil Portos e Ativos Logísticos FIP	<ul style="list-style-type: none"> ■ Environmental ■ Social ■ Governance 	Aimed at purchasing companies in the several logistics sectors, including assets of ports, bonded port terminals, storage, distribution centers, and assets of cargo transportation and movement. Investees must mandatorily comply with socio-environmental responsibility standards (intent on minimizing harmful effects to the environmental as a result of their activities) and adopt good corporate governance practices.	209.6	173.1	166.4
ASG FIP Brasil Internacionalização de Empresas II	<ul style="list-style-type: none"> ■ Environmental ■ Social ■ Governance 	Aimed at purchasing shares in medium-sized Brazilian companies that already operate in foreign markets or have potential for internationalization (sectors of high added value, leading companies in national sectors where Brazil is competitive, for example). Investees must mandatorily comply with socio-environmental responsibility standards (intent on minimizing harmful effects to the environmental as a result of their activities) and adopt good corporate governance practices.	342.6	512.5	551.4
Total (Net Worth)					R\$ 2 bi

Loans [FS7|FS8]

AGRIBUSINESS PORTFOLIO [FS6]

Support to sustainable agribusiness aims to obtain long-term sustainable returns, going beyond traditional financial and risk analyzes. Sustainable technologies are also associated with cost reduction and efficiency gains, contributing to the long-term sustainability of the production models. Supporting these initiatives not only contributes to decreasing the customers' risks, but also identifies opportunities provided by business environment and agricultural activity regulations, being of great relevance to us.

By operating from small producers to large agro-industrial companies, we finance production costs and commercialization of agricultural products – such as construction and expansion of storage facilities, acquisition and modernization of machinery and implements, besides the processing and industrialization of agricultural products and adaptation of rural properties to environmental legislation. Thus, Brazilian agribusiness is supported in all its production chain with a 55.4% share in financing for the sector.

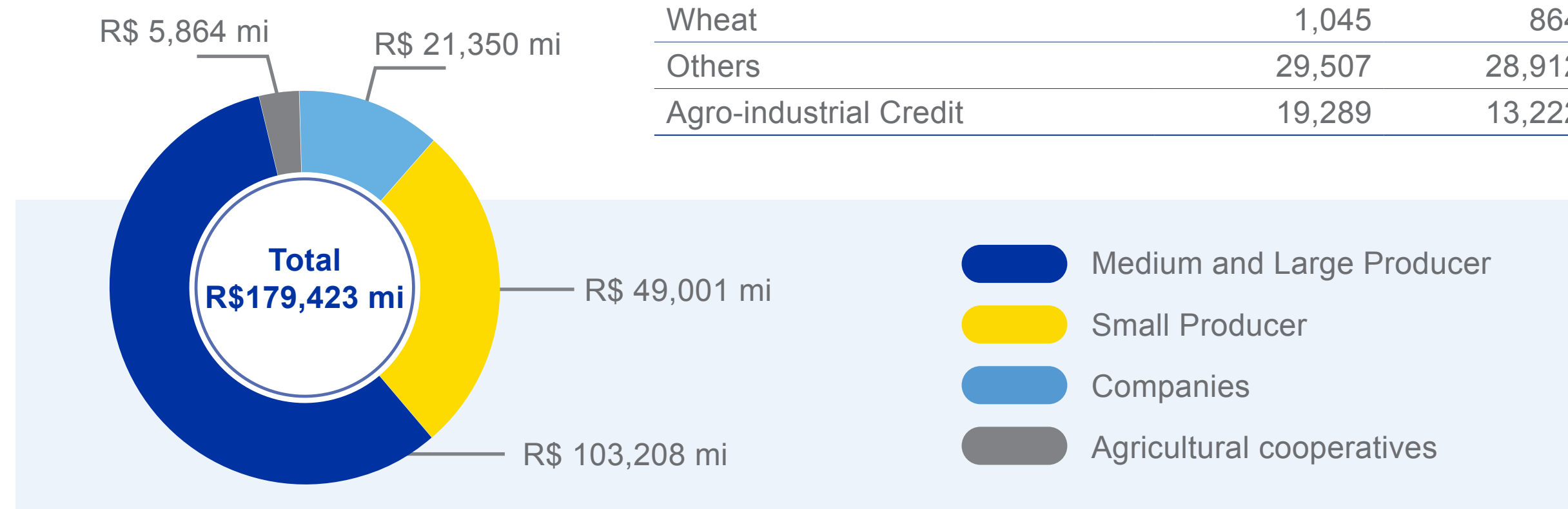
North	
Rural Credit	7.9%
Agroindustry	0.6%
Total	7.3%
Individuals	R\$ 11,356 million
Companies	R\$ 167 million
Total	R\$ 11,523 million

Midwest	
Rural Credit	31.7%
Agroindustry	6.4%
Total	29.9%
Individuals	R\$ 45,771 million
Companies	R\$ 1,636 million
Total	R\$ 47,407 million

Southeast	
Rural Credit	24.9%
Agroindustry	77.0%
Total	28.7%
Individuals	R\$ 43,481 million
Companies	R\$ 15,395 million
Total	R\$ 58,876 million

South	
Rural Credit	26.8%
Agroindustry	13.8%
Total	25.9%
Individuals	R\$ 42,677 million
Companies	R\$ 6,026 million
Total	R\$ 48,703 million

Northeast	
Rural Credit	8.7%
Agroindustry	2.2%
Total	8.2%
Individuals	R\$ 12,182 million
Companies	R\$ 733 million
Total	R\$ 12,915 million



Agribusiness by Type of Item Financed (R\$ million)	dec/18	dec/19
Classified Loan Portfolio	187,193	179,423
Cattle	42,513	42,426
Meat	28,210	29,463
Milk	14,303	12,963
Machinery and Implements	25,637	27,787
Soybean	20,392	19,905
Corn	9,095	7,754
Storage	6,752	7,320
Soil Improvements	5,553	6,135
Coffee	4,830	5,021
Sugar Cane	4,619	3,088
Pasture	4,159	4,429
Poultry Farming	3,392	3,002
Trucks/Vehicles	3,185	2,880
Rice	2,271	1,861
Eucalyptus/Pine/Forests	1,986	1,759
Pig Farming	1,869	1,850
Cotton	1,101	1,120
Wheat	1,045	864
Others	29,507	28,912
Agro-industrial Credit	19,289	13,222

Products and Services with Environmental, Social and Governance (ESG) Attributes



Agribusiness Loans [FS7] [FS8]

Product	Types of attributes	Description (purpose, product description and, when relevant, the target social group)	Total in portfolio in 2017 (R\$ - million)	Total in portfolio in 2018 (R\$ - million)	Total in portfolio in 2019 (R\$ - million)	Number of operations in 2018	Number of operations in 2019
Programa ABC	■ Environmental	Has the main goals of reducing Greenhouse Effect Gas emissions derived from agricultural activities and deforestation and of stimulating the recuperation of degraded areas.	8,784	8,613	8,449	4,431	1,646
Pronaf Florestal	■ Environmental	Aims to support investments in projects that meet the requirements defined by Family Farming Secretary/Ministry of Agrarian Development for agroforestry systems; ecologically sustainable extractivist exploration; management plan and forest management, including costs related to implementing and maintaining diversified forest coverage by planting one or more species that are native to the biome.	155.2	142.2	0	38	0
Pronaf Agroecologia	■ Environmental ■ Social	Credit line aimed at farmers eligible to Pronaf for investments related to specific projects for agroecologic or organic production, including costs related to implementing and maintaining the endeavor.	11.5	14.6	13.8	130	16
Pronaf Eco-Dendê/Seringueira	■ Environmental ■ Social	Credit line aimed at farmers eligible to Pronaf for investments in the implementation of oil palm or rubber tree cultivation, with costing associated to maintenance.	12.8	13.7	13.5	0	0
Pronaf Eco	■ Environmental ■ Social	Credit line dedicated to farmers eligible to Pronaf who wish to implement, utilize, recuperate or adopt technologies of renewable and/or environmental energy, water storage, small hydropower usage, forestry or conservation practices, and correction of soil acidity and fertility.	203.9	236.7	304.4	1,224	1,442
Pronaf Mulher	■ Social	Financing aimed at women farmers regardless of their marital status.	76.4	71.9	68.0 ⁽³⁾	249	141



Products and Services with Environmental, Social and Governance (ESG) Attributes



Agribusiness Loans |FS7|FS8|

Product	Types of attributes	Description (purpose, product description and, when relevant, the target social group)	Total in portfolio in 2017 (R\$ - million)	Total in portfolio in 2018 (R\$ - million)	Total in portfolio in 2019 (R\$ - million)	Number of operations in 2018	Number of operations in 2019
Moderagro	<ul style="list-style-type: none"> ■ Environmental ■ Social 	Fixed credit line destined to agricultural investments with resources from the National Bank for Economic and Social Development (BNDES). It foments actions related to animal defense and the implementation of animal trackability for food, The program supports soil recuperation, besides fomenting production sectors, processing, industrialization and storage of products from beekeeping, aquiculture, poultry farming, chinchilla farming, cuniculture, floriculture, fruit farming, horticulture, fishing, sheep farming, dairy farming, frog farming, sericulture and pig farming.	660.1	900,2	2,959 ⁽³⁾	1,459	3,869
Pronamp	<ul style="list-style-type: none"> ■ Social 	Program aimed at financing normal costing and investment expenses. with the goal of promoting and developing medium producers' rural activities and providing them with increases in income and rural employment generation.	24,369	23,249	23,265	92,425	83,319
Programa de Construção e Ampliação de Armazéns (PCA)	<ul style="list-style-type: none"> ■ Social 	Aims to support investments that are necessary for expansion and construction of new storage facilities. As such, it contributes with income improvement for rural producers and the distribution and storage of food commodities in the country, as well as supporting food security.	3,729	4,183	4,938	739	1,442
Sudene ¹	<ul style="list-style-type: none"> ■ Environmental ■ Social 	Financing for the region of the Superintendency for the Development of the Northeast (Sudene), where water scarcity is the main characteristic, with the absence, scarcity and high special and temporal variations in rainfall. The occurrence of consecutive years of drought is not rare. The Sudene has the mission of articulating and fomenting cooperation among representative social forces to promote inclusive the development and competitive integration of the region's economic basis in the national and international markets.	21,843	21,577	20,557	68,264 ⁽²⁾	58,896



Products and Services with Environmental, Social and Governance (ESG) Attributes



Agribusiness Loans [FS7] [FS8|102-48]

Product	Types of attributes	Description (purpose, product description and, when relevant, the target social group)	Total in portfolio in 2017 (R\$ - million)	Total in portfolio in 2018 (R\$ - million)	Total in portfolio in 2019 (R\$ - million)	Number of operations in 2018	Number of operations in 2019
Custeio Agrícola com Plantio Direto	■ Environmental	Financing with the usage of the no-till farming system that follows the logic of the forests. Therefore, the organic material from trees becomes a rich natural fertilizer, the straw from previous harvests that is decomposed by macro and microorganisms becomes food for the soil, The advantages are the reduction in chemical inputs and control over eroding processes, given that water infiltration is slowed down due to the permanent soil coverage. The system of plating directly in the straw (Sistema de Plantio Direto na Palha – SPDP) contributes for the soil not to be eroded and so that it stores more nutrients, fertilizers and correctors.	19,249	19,166	19,574 ⁽³⁾	124,239	99,498
Inovagro	■ Social	The Program to Incentivize Technological Innovation in Agricultural Production supports investments needed to incorporate technological innovation in rural properties and has the goal of increasing productivity, the adoption of good agricultural practices and rural property management, as well as the competitive participation of rural producers in the different consumer markets.	2,512	3,096	3,478	3,607	1,462

Total **R\$ 83,620 mi**

1- Up until the 2017 Annual Report. only products with reduced financial costs in the Semi-Arid region were reported. This year. the 2018 figures cover all the operations carried out for the Sudene region.

2- Revised Series

3- Data for 12/27/2019.

The total balance in 2019 (R\$ 83,619.7 million) represents 46.6% of the Classified Agribusiness Portfolio (R\$ 179,423 million).

Products and Services with Environmental, Social and Governance (ESG) Attributes



Loans – Individuals ^[FS7]

Product	Types of attributes	Description (purpose, product description and, when relevant, the target social group)	Balance in 2017 (R\$ - million)	Balance in 2018 (R\$ - million)	Balance in 2019 (R\$ - million)	Number of operations in 2019
Taxi Driver Support Fund (FAT)	<ul style="list-style-type: none"> ■ Social 	Financing of new, domestically-produced vehicles for the renovation of the taxis fleet in the country, a measure that also benefits new licensees, favoring employment generation and maintenance, as well as income.	310.7	249.3	204.7	93
Total						R\$ 204,7 mi

The total balance in 2019 (R\$ 204.7 million) represents 0.1% of the Classified Individual Portfolio (R\$ 214,070 million).



Loans – Companies ^{[FS7][FS8]}

Product	Types of attributes	Description (purpose, product description and, when relevant, the target social group)	Balance in 2017 (R\$ - million)	Balance in 2018 (R\$ - million)	Balance in 2019 (R\$ - million)	Number of operations in 2018	Number of operations in 2019
Proger - Income Generation Program	<ul style="list-style-type: none"> ■ Social ■ Environmental 	Financing aimed at small companies for investment projects, with or without associated working capital, which provide employment generation or maintenance and income in urban areas, so as to allow for the sustainable development of small companies aligned with Urban Proger.	1,695	1,714	1,279	7,482	1,378
Total						R\$ 1,279 bi	

The total balance in 2019 (R\$ 1,279 million) represents 0.6% of the Classified Companies Portfolio (R\$ 197,053 million).

Products and Services with Environmental, Social and Governance (ESG) Attributes



Government Loans [FS7|FS8]

Product	Types of attributes	Description (Purpose, product description and, when relevant, target social group)	Total in portfolio in 2017 (R\$ million)	Total in portfolio in 2018 (R\$ million)	Total in portfolio in 2019 (R\$ million)	Number of operations in 2018	Number of operations in 2019
Programa Modernização da Administração Tributária e da Gestão dos Setores Sociais Básicos (PMAT)	■ Social	Supports municipal administrations' investment projects dedicated to modernizing tax administration and improving the quality of public expenditures. It aims to provide a more efficient public management that generates increasing revenues and/or reductions in the cost of services for the population.	165.4	52.2	54.7	0	0
BB Financiamento Setor Público	■ Social	Financing of programs and measures established in the strategic planning of States, with transfer of external or own resources, It causes social impacts by improving quality of life for the population.	27,687	38,007	37,483	2	6
Programa Eficiência Municipal	■ Social ■ Environmental	Supports projects of investment of acquisition of goods and services in an isolated manner for the municipal administration, aimed at improving infrastructure and public management efficiency, as well as the quality of public services, contributing with the economic development of municipalities and the quality of life for communities.	37.8	138.8	627.5	50	102
Total						R\$ 38.2 bi	

The total balance in 2019 (R\$ 38,165.2 million) represents 85.5% of the Classified Government Portfolio (R\$ 44,620 million).

Products and Services with Environmental, Social and Governance (ESG) Attributes



Insurance and Capitalization Bonds

Product	Types of attributes	Description (purpose, product description and, when relevant, target social group)	Balance in 2017 (R\$ million)	Balance in 2018 (R\$ million)	Balance in 2019 (R\$ million)
E Ourocap Estilo Flex ⁽¹⁾	■ Environmental	Environment – transfers to the FBB the percentage of 0.25% of the total resources received from the subscribers' payment of the 48 capitalization bonds (PP 93) installments of R\$250,00 to R\$550,00 via debit in current account.	12	7.8	4.5
Total					R\$ 4.5 mi

1- The 2019 Revenue from Ourocap Style Flex products was R\$ 4,504,628.20, which represents 0.09% of the total invoiced by Balcão BB (Ourocap product). The amount of R\$ 10,976.43 related to sales in 2019 was transferred to FBB. sales.



Payment Methods

Product	Types of attributes	Description (purpose, product description and, when relevant, target social group)	Received value for donation in 2018 (R\$ thousand)	Received value for donation in 2019 (R\$ thousand)	Card revenue in 2018 (R\$ thousand)	Card revenue in 2019 (R\$ thousand)	Revenue in relation to total card revenue (%)	Revenue in relation to total card revenue (%)
Recycled Bank Card	■ Environmental	Our first card made of recycled plastic. At each unit requested, the customer donates R\$5,00 to the Terra Institute, which promotes the recuperation and sustainable handling of the Atlantic Forest: Automatically adheres to the service of invoice rounding up and contributes with the planting of one of 400 trees required to promote the recuperation of natural water spring.	6.6	6.2	22,400	19,615	0.01	0.01



Products and Services with Environmental, Social and Governance (ESG) Attributes



Payment Methods [102-48]

Product	Types of attributes	Description (purpose, product description and, when relevant, target social group)	Received value for donation in 2018 (R\$ thousand)	Received value for donation in 2019 (R\$ thousand)	Card revenue in 2018 (R\$ thousand)	Card revenue in 2019 (R\$ thousand)	Revenue in relation to total card revenue (%)	Revenue in relation to total card revenue (%)
Civil Defense Payment Card (CPDC)	■ Social	Card for the payment of expenses related to victim assistance operations, reestablishment of essential services used exclusively in emergency situations or public calamity states and recognized by National Secretary of Civil Defense.	-	-	29,600	25,349	0.01	0.01
Rounding up of credit card bills	■ Environmental	The card customers who adhere to this service has the value of their next invoice rounded up to the next whole value above. The cents corresponding to this difference are donated to a non-profit partner institution. Currently, donations are given exclusively to the Terra Institute, which promotes the reforestation of deforested areas of the Atlantic Forest and is responsible for recuperating over 40 million m ² .	176.1 ⁽¹⁾	176.9	67,900	48,900	0.01 ⁽¹⁾	0.01
Total								R\$ 9.3 bi

1 – Revised Series

Products and Services with Environmental, Social and Governance (ESG) Attributes



Social Businesses⁽¹⁾ [FS7 | FS8]

Product	Types of Attributes	Description (purpose, product description and, when relevant, the target social group)	Total in portfolio in 2017 (R\$ million)	Total in portfolio in 2018 (R\$ million)	Total in portfolio in 2019 (R\$ million)	Number of operations in 2018	Number of operations in 2019
Pronaf	■ Social	Aims at the professionalization of producers and their families, the modernization of the production system and appreciation of the family farming producer. It financially supports agricultural and non-agricultural activities explored through direct employment of rural families' workforce.	43,190	44,069	44,383	443,732	316,031
BB Crédito Acessibilidade	■ Social	Credit line aimed at financing technological goods and services for promoting social inclusion and equality of opportunities for people with disabilities.	163,6	162,4	184,0	8,463	10,429



1. The total value of the portfolio refers to the sum of the contracted value of each operation.

2. For BB, social businesses are economically profitable initiatives that seek solutions to social problems through the use of market mechanisms, sustainably reducing socioeconomic inequalities and guaranteeing income, productive inclusion and access to public services. Examples of this business are the financing through the MPO line of credit, Pronaf, BB Accessibility Credit, the Student Financing Fund (Fies) and the PMCMV.

Products and Services with Environmental, Social and Governance (ESG) Attributes

Social Businesses⁽¹⁾ [FS7 | FS8]

Product	Types of Attributes	Description (purpose, product description and, when relevant, the target social group)	Total in portfolio in 2017 (R\$ million)	Total in portfolio in 2018 (R\$ million)	Total in portfolio in 2019 (R\$ million)	Number of operations in 2018	Number of operations in 2019
Fundo de Financiamento Estudantil (Fies)	■ Social	A program by the Ministry of Education aimed at financing undergraduate university-level students enrolled at institutions that are not free of tuition.	35,834	41,611	45,179	Note: since the 2nd semester of 2017 there has been no new contracting.	Note: since the 2nd semester of 2017 there has been no new contracting.
Programa Minha Casa Minha Vida (PMCMV) ²	■ Environmental ■ Social	Encompasses financing for housing projects and housing that meets requirements such as elderly inclusion and people with special needs; norms and actions of environmental preservation, such as the use of equipment and solutions; following recommendations for construction; and promotion of discussions and diffusion among its members of knowledge regarding reuse of materials. rational usage of resources. alternative low-cost measures for water heating and degradable construction materials and materials for other uses. risks derived from not preserving the environment and other relevant matters.	21,331	21,967	22,392	Individuals: 29,763 operations carried out. Companies: 44 operations.	Individuals: 15,615 operations carried out. Companies: 23 operations.
BB Microcrédito Empreendedor	■ Social	Credit line aimed at IP and LE customers aligned with the National Program of Guided Productive Microcredit (MPO) for working capital, meeting entrepreneurs' financial needs regarding small production activities. Utilized methodology based on direct relationship with entrepreneurs, with the goal of guiding and monitoring the business.	305.2	234.8	164.5	197,353	116,756
Total						R\$ 112.3 bi	

The total balance in 2019 (R\$ 112,302.5 million) represents 18.1% of the Classified Credit Portfolio (R\$ 621,345 million).

Shareholders

BB's shares (BBAS3) were present in all B3 trading sessions and represented 3.52% of the Ibovespa index for the four-month period from September to December 2019, and remained on the ADR level 1 (BDORY) program traded over-the-counter in the United States.

The reports and information provided to the Brazilian Securities and Exchange Commission (CVM) are available on the Investor Relations website and we have a special team available for analyst and investor services. The team performed 1530 service responses during the year, including participation in meetings, events and telephone calls. We highlight the Apimec meeting, held in São Paulo, in November, which gathered 144 participants.

To provide services to institutional investors, 651 meetings were held, including participation in nine conferences in the country and eleven abroad, in addition to seven non-deal roadshows in Brazil and abroad. Four teleconferences of results took place and 4 meetings were held with shareholders at our Private Bank offices.

Dividends/Interest on Own Capital and Shareholding Interest				
R\$ million	2017	2018	2019	Shareholding (%) 2019
National Treasury	1,772	2,700	3,466	50.0
Individuals	192	320	445	7.5
Companies	554	932	758	11.2
Previ	297	383	343	4.8
Foreign Capital	711	1,211	1,696	25.3
Other			26 ⁽¹⁾	1.2 ⁽²⁾
Total	3,229	5,163	6,733	100

(1) National Bank of Economic and Social Development (BNDES).

(2) Composed of shares in Treasury, shares held by Members of the Board of Directors, Board of Officers and Executive Board, shares referring to the incorporation of the BCN, and shares held by the BNDES.

Market Indicators (exc. treasury shares)	2017	2018	2019
Earnings per Share (R\$)	3.91	4.54	6.39
Price/Earnings Ratio 12 Months	8.05	10.07	8.29
Price/Book Value	0.9	1.27	1.39
Market Capitalization (R\$ billion)	88.6	129.5	150.6
Common Shares Price (R\$)	31.8	46.5	52.8

6

Social Value Creation

- 103** | Customer Satisfaction
- 105** | Relationship Strategy
- 108** | Customer Service Channels
- 109** | Employees
- 112** | Careers and Sucession
- 117** | Health, Safety and Wellbeing
- 122** | Suppliers
- 125** | Information, Complaints and Reporting Channels



Customer Satisfaction

CHALLENGE 4

To improve customer relationship and increase customer satisfaction rates and retention.

COMMITMENTS OF AGENDA 30 BB 2019–2021

Presentation of report of initiatives implemented to increase the satisfaction levels of Individual, Companies and Public Sector customers.

Management approach: |103-1 |103-2|103-3|

- | Customer health and security |
- | Labeling of products and services |
- | Customer privacy |
- | Socio-economic conformities|

We believe that establishing lasting relationships with customers requires strengthening innovation in our culture and embracing the revolution that sparks it: digital transformation. The digital era has changed consumers' habits and behavior, increasing their level of demand. Backed by unprecedented power, consumers demand dialogue, commitment and transparency from

companies. In this context, instead of watching changes happen, we have the ability of also becoming protagonists in the digital channels. We can turn to the new without giving up our values and our identity.

The connected and interdependent world is full of new ideas. We have not changed alone, but in collaboration with other parties, with information exchange and enriching attitudes. On one hand, we have customers who are digital natives, who expect technology to help them meet their needs, wherever and whenever they choose. On the other hand, there are customers who value interpersonal relationships and search for close-contact services. In certain topics, they can do without the “here and now” in favor of a feeling of security and trust, even though they do not cease to require excellent interactions, agile service and personalized offers.

Quality of service is fundamental to customer satisfaction, as it contributes to increasing trust, generating business opportunities and increasing profitability. By offering excellence, the employee is the reference that customers identify to carry out any sort of business with us.

By analyzing the contact with customers, it becomes possible to take advantage of the

information gathered to develop and/or improve products and services. Each interaction may be used to generate business opportunities, deepen the relationship and intensify loyalty.

We were the first financial institution in the country to approve and publish a Policy for Relationships with Customers and Users of Products and Services, a requirement of the National Monetary Council (Conselho Monetário Nacional – CMN), which reinforces the commitment to improve customer relationship. This policy guides the behavior and conduct of activities in compliance with principles of ethics, responsibility, transparency and diligence, fostering the convergence of interests and the consolidation of an institutional image of credibility, security and competence.

Customer relationship management is further guided by other internal instruments, such as the regulation of Related Party Transactions and the Code of Ethics and Standards of Conduct. It is also in line with the general rules of the Central Bank of Brazil and Brazilian Federal legislation, especially the Consumer Defense Code.

By measuring customer satisfaction it is possible to check whether the value proposition is perceived, to adopt management measures,

to improve processes and to adjust operating strategies. Each interaction may be used to generate business opportunities, deepen the relationship and intensify loyalty.

Among the options of methodologies to measure how the service offered satisfies or exceeds the expectation of our customers, we utilize the NPS (Net Promoter Score), as well as surveys related to customer experience and satisfaction with the service received, whether presential, by phone or via messages exchanged through the BB app.

Focused on customers' real needs and satisfaction, essential for the success and sustainability of our results, the search for excellence in the indicator is a constant goal which, throughout 2019, demonstrated significant improvement.

102-43

The **Customer Council** is an environment where customers can express their opinions frankly and directly through interaction with the senior management of BB. The space is also important to improve customer service, relationships, processes, products and services, aiming to improving customer experience and satisfaction. Besides presential meetings, we had, in 2019, our first online meeting of the Customer Council, with the goal of listening to consumers from different regions of the country and capture different perceptions regarding digital relationship.

In the Corporate Banking sphere, in 2019 the Council was composed by three groups of customers from the Middle, Upper Middle and Corporate sectors, encompassing three different areas of operation (São Paulo, Belo Horizonte and Curitiba). There were three meetings in each city, with a total cycle of nine meetings, In this edition, 27 suggestions were presented by the customers, of which two were solved and 25 under development.

During the year, we had three meetings with Private customers, in two events in São Paulo, with the topics of “Relationship” and “Perception on BB Private versus New Competitors”, and one in Rio de Janeiro, with the topic of “The Bank of the Future”.

In order to capture ideas to improve the relationship with Micro and Small Companies, in 2019 there were also two events, one in Brasília and the other in São Paulo.

Results of the Customer Satisfaction Survey |103-3|

The satisfaction of customers, whether individuals or companies, in the private and public sectors, is measured by surveys that evaluate aspects such as personal relationships, service channels and general satisfaction with services. To preserve impartiality, these surveys are conducted by market research companies affiliated with the Brazilian Association of Research Companies (Associação Brasileira de Empresas de Pesquisa – Abep) or the European Society for Opinion and Marketing Research (Esomar). The methodology adopted considers the evolution of satisfaction throughout the year, considering the attributes valued by consumers of banking products and services.

The work includes a qualitative phase, with the objective of identifying the components of satisfaction and perceptions of the customers; and a quantitative phase that takes place monthly, with results accumulated over the year in order to measure the perceptions and components of satisfaction highlighted in the qualitative stage.

Overall satisfaction is represented by a combined average of responses from the various different segments, weighted by the number of customers in each market. The results show that among the customers using multiple banks, but who have Banco do Brasil as their main provider of financial solutions, the overall satisfaction index reached 75,62 in 2019 (on a scale of up to 100), surpassing the target that had been set. This index represents an improvement of approximately 3,93 points in relation to the result in 2018, as shown in the following table:

	2016	2017 ⁽¹⁾	2018	2019	Target set for 2019
Level of Satisfaction	74.38	68.74	71.69	75.62	75.00

(1) In 2017, there was a change in the format (more concise questionnaires) and in the communication channel used to obtain the responses (from telephone interviews to online questionnaires). This increased efficiency and improved the monitoring of improvements, however the comparability of results with previous years was lost. Moreover, the average satisfaction of customers who have the BB as their main provider of services (new concept) started being utilized,

Result of the Digital Channels satisfaction survey

In general, the most highly-valued attributes in the composition of the level of satisfaction are related to the convenience and practicality of customer service channels and the solutions available, as well as the relationship with the employee responsible for the account. The results are presented to the areas responsible for the relationship with customers, which manage networks of branches and products, and are used to assist in the proposition of strategies and actions for improvement.



Satisfaction with digital channels reached 86.07% in 2019.

□ Relationship Strategy

Relationship Strategy for Personal Accounts

The strategy for Individual customers aims to improve profitability, especially through specialized relationship structures. With the structuring of the Retail relationship model, we have reinforced our position of Institution of reference in innovation and service. The solution allows the integration of branches and offices to ensure excellence and the possibility of conducting business through the customer's channel of preference. Around 35% of branches are now integrated with the new Retail relationship model, In 2019, over 860 thousand customers began to receive managerial service, also counting with the benefits of the digital relationship models.

Therefore, it was possible to improve customer experience and satisfaction, besides guiding the actions of the salesforce, converging business with the availability of solutions that lead to potential increase in financial gains for these customers. We have made progress in our strategy of specialization of relationships with investing customers, self-employed professionals and managing partners, besides rural producers and high-income customers.

The employees responsible for managing these groups of customers receive specific training to provide excellence in their services and we have increased the structures of self-service, such as the in the case of the Agribusiness segment.

Also with the goal of presenting the most appropriate solutions to customer needs in different stages of life, we have released our "Moments of Life" strategy on our portal. In an automatized manner and with the use of analytics, customers have received over 45 million interactions (e-mail, SMS, mobile notification, push, among other) based on their behavior, registration variations and consumer habits.

Strategic Professionals

The strategy aimed at self-employed professionals and entrepreneurs (called Strategic Professionals) has surpassed the mark of 14.2 million target customers, These customers have a young profile and use very frequently the digital channels. They are also usually customers of other banks.

In the year, we made available R\$ 137 billion in loans to this public and achieved R\$ 3.3 billion in non-payroll loans, contributing to economic development.

Agribusiness Customers

We are the main agribusiness bank in the country and we are looking to reinforce this position, We have extended the offer of specialized services surpassing the mark of 170 thousand customers who are rural producers and receive managerial services. We have inaugurated four Specialized Agencies in the cities of Goiânia (GO), Campo Grande (MS), Campo Mourão (PR) and Uberlândia (MG), offering exclusive service to customers who are rural producers, promoting greater proximity with this public.

We have participated in the main agribusiness fairs in the country and carried out relationship events with customers who are small producers.



Pronaf Correspondent

As a means to incentivize and expand business for family farmers receiving Pronaf services, the formalization of agreements with correspondents allows expansion of service network. In 2019, R\$ 4.6 billion in Pronaf operations were released to this channel, both for costing and investment.



Rural Product Ballot (CPR Digital)

Created in 2018, the Rural Product Ballot, (CPR Digital) allow farmers to issue the document using the app. Easy contracting was one of the factors that contributed to the increase of portfolio's balance from R\$640 million to R\$ 4.4 billion in 2019.

Young Public

The strategy of operating together with university students has the goal of approximating our relationship with this important segment, which will ensure the sustainability of results and the longevity of the business in the middle and long terms. We carried out a campaign for the university segment with the goal of rejuvenating the BB brand and the customer base. The focus is on opening new accounts through the app and on issuing the University Card.

The main benefits for this public are the availability of products such as credit card with no annuity charges and with a limit of R\$ 1.2 thousand, with no need to prove income.

Strategy for Digital Nativess

We focus on actions such as communication and advertisement campaigns to attract the digital native public, customers who begin their relationships via digital channels. In 2019, 1.4 million customers started their relationships exclusively via digital channels, amounting to four million customers with this profile.

We seek to enhance the relationship model with digital natives by providing resolute and agile service with our digital channels, including WhatsApp, with automatized communication according to customers' moment of life and profile.

Investments – Advisory and Technology

In 2019, we released the InvestTalk Playlist on BB's YouTube channel. The programming includes videos about the economic scenario, the backstage, tips and talks. We highlight the Deseconomês ("Deseconomese") program, which aims to simplify the investment world and to aid those who are seeking to diversify their operations. On the Carteiras Sugeridas (Suggested Portfolios) investment suggestions are presented for each month, besides recommendations of purchasing, selling and keeping stocks. The channel has already reached over 18.5 million views.

We have revitalized our portfolio of investment funds, with a noteworthy reduction of the entry value to R\$ 0.01. The measure aims to democratize sophisticated investment funds, allowing all segments to have access to a more diverse portfolio.

We have also released our Advisor Robot, a tool that considers the Risk x Return relation and factors such as the economic scenario, market trends, investor profile and values, to offer investment options that best fit the goals registered by customers.

Relationship Strategy for Companies Accounts

In the framework of the Retail relationship, 42 new companies branches opened in 2019. These are units specialized in relationship and services for Micro and Small Companies (SME). One of the main attributes of this profile is the availability of a qualified team to advise on the development of personalized solutions.

Employees at these units are trained to meet business particularities and offer financial guidance that is adequate to the sustainable growth of our customers. The service is carried out at planned spaces to ensure comfort, privacy and convenience for entrepreneurs.

Another project that allowed to expand the level of specialization for SME customers was the implementation of the Platforms for Service and Relationship with SME Customers. The Platform Model establishes specialized services for portfolios located at retail agencies, maintaining the physical locality of the service.

As a result of this strategy, we have reached a total of 1,272 points of specialized SME services in the entire country. The model counts with around 7.5 thousand employees aimed at providing services to Micro and Small Companies.

Conta Fácil MEI 100% digital (100% digital account for Microbusinesses)

The BB Conta Fácil account for Microbusinesses enables individual microentrepreneurs to open their account with a simplified and fully digital solution using the BB mobile app.

By December 2019, 48,024 accounts had been opened via the App. The transaction enables the user to affiliate with Cielo (card operator) and access services such as direct debit, withdrawals, deposits, payments, transfers, and the Ourocard Elo debit card, increasing autonomy for entrepreneurs.

The Hunter Project

The Hunter Project has the goal of enhancing relationships and add value to customer experience, improving operational efficiency, offering excellent advisory services, deconcentrating results, attracting new customers, and elevating the contribution margin. In 2019, the project encompassed 1,150 business groups distributed over 28

Negotiation and Financial Orientation Week

We participated in the Negotiation and Financial Orientation Week organized by Febraban, which took place from December 2 to 6, 2019, by offering Individual customers the opportunity to negotiate overdue credit operations with special conditions and

put their finances in order. Negotiations were made using Internet self-service, the app or at any branch. During the period, 70 branches remained open until 8 PM, exclusively to solve these demands. 107 thousand deals were made, amounting to R\$ 736.1 million.

business portfolios and with services provided by four Corporate Banking Offices.

By November, we had assessed a 650% growth of the credit portfolio and a 140% growth in the contribution margin of this group.

Mobile PJ (LE) App

With a focus on customer needs experience improvement, the mobile app for companies offers more than 100 transactions, allowing entrepreneurs to conduct their banking transactions with more convenience.

The app allows them to make transactions related to cards, such as checking their invoice, the inclusion and exclusion of automatic debts in their current accounts, avoid printed invoices, request invoice duplicates, block and unblock cards, and alter payment dates.

In 2019, more than 900 million transactions were made.

Relationship Strategy with the Government

Among the actions and projects of relevant impact in 2019, we can highlight review of the relationship model that promoted the centralization of the specialized customer service management and the expansion of the number of portfolios and customers served. There was also a reshuffle in the decision-making area, which resulted in greater autonomy for those directly responsible for the relationship with the customer and greater agility in negotiations.

The expansion of specialized service encompassed municipalities of up to 20 thousand inhabitants in the interior of the country, in the states of Minas Gerais (MG), Mato Grosso do Sul (MS), Mato Grosso (MT), Goiás (GO) and Santa Catarina (SC), which started to be served by a specialized team aimed at municipal management solutions, with intensive use of the digital channels.

As a means to monitor the needs of government customers in search of improvement and efficiency, the Licitações-e (“e-Procurement”) was one of the first platforms to adapt to the new rules for electronic trading, which aim to bring a significant amount of presential trading to digital systems. Moreover, as a means to improve the relationship with customers, we implemented the first

chatbot in the country to answer questions from buyers and suppliers. This *chatbot* performed around 13 thousand services per month in an automatized, fast and intuitive manner, facilitating operations for customers, auctioneers and bidding companies.

We have further interconnected our systems by integrating with the Regional Labor Court of the 6th Region (Pernambuco), of the 7th Region (Ceará), of the 12th Region (Santa Catarina), of the 15th Region (Campinas and Interior), of the 18th Region (Goiás), and the Court of Justice of Roraima. where issuance of paper licenses was eliminated. The Courts of Justice of Bahia and Minas Gerais are also interconnected and with process undergoing expansion.

The automated reception and judicial deposit retrieval procedures generated savings of 29 tons of paper in 2019 and grew by 46% in relation to 2018.



We implemented the first *chatbot* in the country to answer questions from buyers and suppliers. Around 13 thousand services per month in an automatized, fast and intuitive manner.

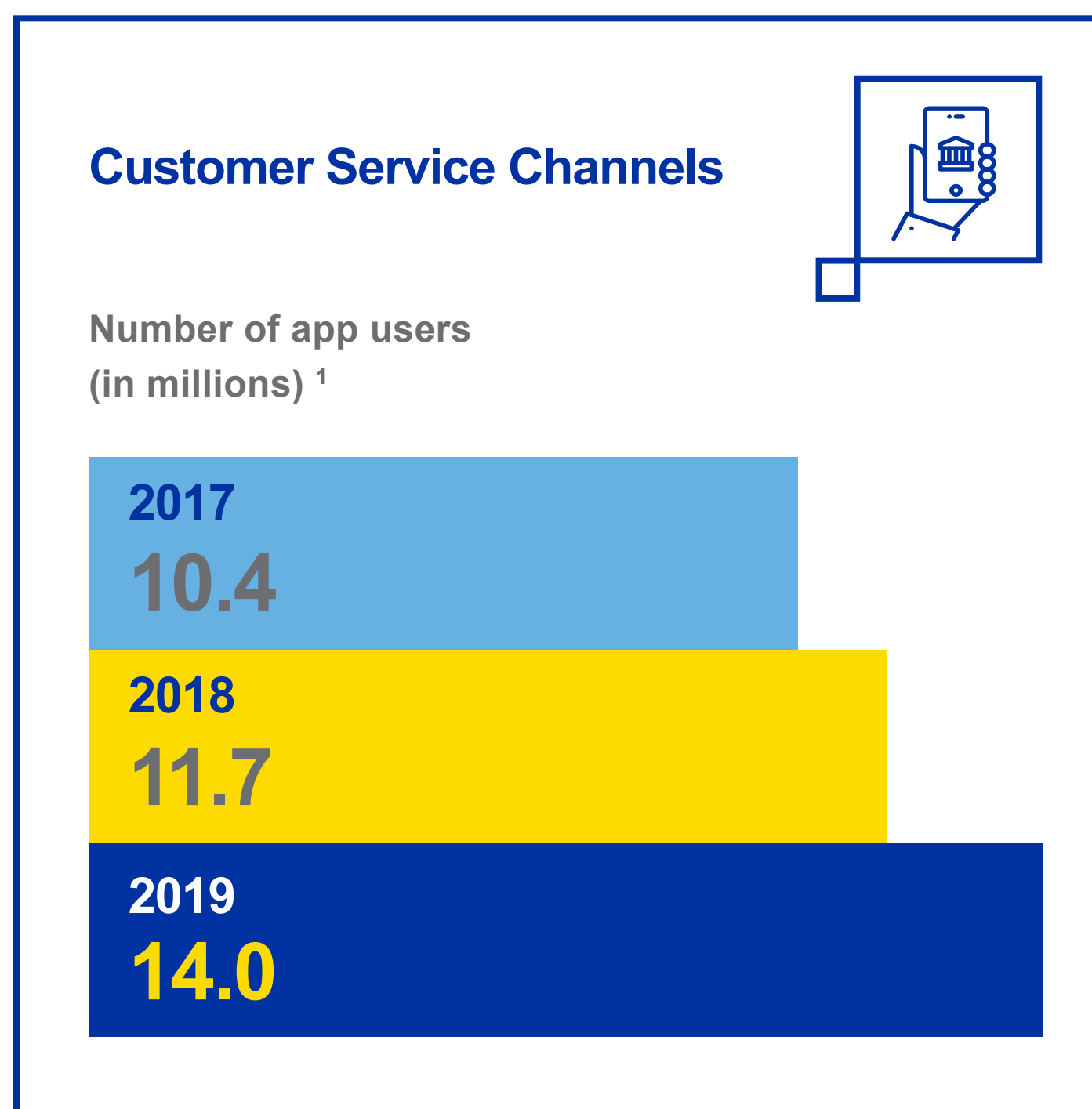


Customer Service Channels

The BB App is responsible for 62.38% of all transactions and has established itself as the main customer relationship channel: more than 12.8 million different users access the application every month. Another high point is the evaluation of the tool in the app stores: with ratings of 4.6 on the Android platform and 4.7 for iOS, the best result among all of the bank and fintech apps.

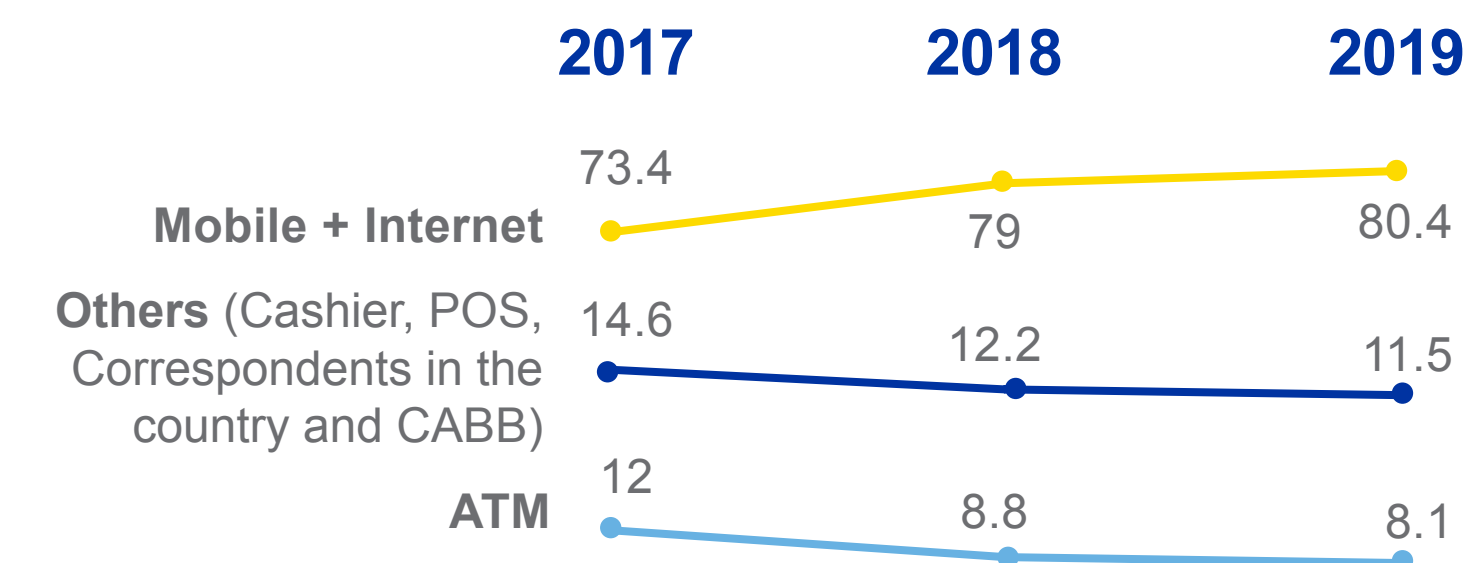
Artificial Intelligence has been used extensively in the relationship with customers, through virtual assistant bots that manage conversations with customers. The solution is applied in the offer of services, contributing to the proximity and availability of interactions in social networks, chatbot readiness and BB brand security, with end-to-end encrypted information.

The goal is to provide a new version of the App to all customers, enabling more active financial consultancy and business expansion through digital customer service.



(1) Revised Series – The calculation methodology for mobile users was revised to conform with market practices that consider recurrent users. A mobile user is counted by considering access to the app in the past three months (closed quarters).

Transactions per Type (%)



Mobile 3.0

In 2019, we released the 3.0 version of the app, which has a simplified interface focused on organizing our customers' financial lives.

Quantitative Results:

- Recurrent Users (more than twice a week): 6,4 million
- 14.4% increase in the number of individual users in the channel: 12,855,482
- 18.4% increase in the average of daily users: 5,072,088
- 41.8% increase in the number of products and services contracted: 9,818,427

□ Employees

CHALLENGE 12

To strength Banco do Brasil’s actions in relation to human capital, including health, safety and wellbeing management, development and retention of talent.

COMMITMENTS OF AGENDA 30 BB 2019–2021

To increase the percentage of engaged employees;

To increase the coverage of the engagement survey;

Hiring of external independent verification of health; and

Report on the verification process issued by an independent third party.

Management approach: |103-1 |103-2|103-3|

| Employment | Labor relations | Health and operational safety
| Training and education | Safety practices | Human rights evaluation |

Talent development and retention are fundamental for business continuity. Investing in these aspects is a way to remain competitive in the market, within a background of digital transformation and customer focus.

The planning and development of employees’ careers was stimulated through management tools and corporate programs for succession and professional growth, with relevant strategic actions reconciling organizational strategies with expectations for professional growth based on promotion through merit, clarity and transparency and the democratization of opportunities.

Human resources management and policies are guided by meritocracy, commitment with company values, focus on customer experience, digital transformation and innovation.

In 2019, several human resources management measures were adopted, including the new editions of the following programs: Professional Ascendancy for Executives and Managers Overseas, Commercial Retail Superintendent, Managers in First Investiture, Specialized Management and Talent Identification Program – Clerks and Tellers.

For the retention of talent, we have also invested in quality of life, health and safety by meeting the Brazilian legal requirements and complying with international policies, such as those of the International Labor Organization (ILO), and international good practices and standards.

Profile of Employees |102-8|

External selection and hiring takes place through the public service entrance exam system, according to the human resources requirements identified for each region. The qualification requirements vary depending on the position, but the promotion of social inclusion is considered.

Number of Full and Statutory Employees by Employment Contract and Gender ⁽¹⁾	Male	Female	Total
2018 – (consolidated labor laws) CLT ⁽²⁾	56,646	40,243	96,889
2018 – Statutory	28	3	31
2019 – CLT ⁽²⁾	54,068	39,122	93,190
2019 – Statutory	29	3	32

(1) There are no temporary staff amongst the company’s employees.

(2) Individual work contract governed by the Brazilian Labor Laws (CLT).

Employee Diversity |405-1|

CHALLENGE 9

To ensure greater proportionality of gender and racial representation in all hierarchical levels of Banco do Brasil.

COMMITMENTS OF AGENDA 30 BB 2019–2021

To increase the percentage of women in management positions. See more in the GRI Appendix

MANAGEMENT APPROACH : |103-1 |103-2|

| Diversity and opportunity equality |
| Nondiscrimination |

The greater proportionality of gender and race representativeness makes professionals with different backgrounds, skills, experiences and points of view work together to achieve a goal. Working with people with distinct life stories expands visions, boosts productivity, and influences wiser business decisions.

This makes teams stronger and more prepared to adapt and gain space in a world in constant transformation. Consequently, this is also reflected in the relationship with the customer, with greater empathy generated among employees to act in range of contexts, thereby improving business.

Actions to promote employee diversity are guaranteed by general policies, by the Code of Ethics and also by the rules of the professional growth programs that contemplate pro gender equality measures in internal recruitment and selection processes.

We are signatories and certified by a number of programs that value diversity like UN’s Standards of Business Conduct tackling discrimination against lesbian, gay, bi, trans and intersex people and the Zumbi dos Palmares Faculty’s Business and Gender Equality Initiative, See more on the [Sustainability site](#).

We also improved the mechanisms and actions that favor gender equality, through awareness raising, accountability and organic

Diversity (number of employees) 405-1	2017	2018	2019	% in Relation to Total Employees
	Quantity	Quantity	Quantity	
Black	2,790	2,795	2,745	2.95
Mixed-race	19,665	19,395	18,840	20.22
Indigenous	199	176	172	0.18
People with Disabilities ⁽¹⁾	1,520	1,584	1,601	1.72
Total	24,174	23,950	23,358	25.06

Management Positions	2017	2018	2019	% in Relation to Total – Management Positions
	Quantity	Quantity	Quantity	
Black, mixed-race and indigenous	6,801	7,029	7,043	21.98
People with Disabilities ⁽²⁾	224	276	314	0.98%
Total	7,025	7,305	7,357	22.96

(1) The total number of People with Disabilities (PWD) in the 2017-2019 triennium is: 2017: 1,571 PWD \ 2018: 1,646 PWD \ 2019: 1,658 PWD. In the tables above, for comparative purposes of the same nature (total number of employees), only employees active as real workforce are listed. Numbers concerning 2017 and 2018 were adjusted to preserve the same comparison logic.

(2) The number of people with disabilities may include other minorities, such as black, mixed-race or indigenous people.

construction of internal representation. Gender-affirmative actions in the corporate professional growth programs are underway under the umbrella of the Pro-Gender Equality and Race Program (Programa Pró-Equidade de Gênero e Raça). The Women’s Leadership

Program was launched to identify barriers, map organizational readiness for change and create a culture of equality. Corporate targets were established for the appointment of women in positions of head manager in Business Units.



“
84.78%
satisfied employees

Employee Satisfaction

The systematic monitoring of organizational climate, satisfaction and engagement enables us to evaluate the quality of relationships established in the work environment. This includes conflicts and critical points, strengths and weaknesses, outlining ways to understand issues related to the causes of employee turnover, absenteeism, lack of motivation, low productivity, talent retention, etc.

The diagnosis of organizational culture represents the internal scenario and it is one of the elements considered/analyzed in the definition of the drivers.

Since 2017, after the organizational behavior team reviewed the research strategy, it was decided to only apply the Organizational Climate and Engagement Survey with results obtained for the following indicators:

The increase in the participation of employees in the survey was influenced by the communication campaign inviting all employees to respond to the survey. Other initiatives and instruments for improving the climate and employee satisfaction in 2019 include:

- Organizational Climate Management Workshop, with 760 managers receiving training through presential training programs;
- The O Clima e Você (“You and the Climate”) course, which was offered to BB employees through the UniBB portal and had 3,790 course completions;
- The Developing the Organizational Climate Methodology, with the participation of 1,197 employees; and
- Roadmap for Improving Organizational Climate (meetings to analyze the Organizational Climate and Engagement Survey and the action plans creation) with the participation of 63 professionals,

Satisfação do Funcionário

Organizational Climate and Engagement Survey	2017	2018	2019	2018 Target	2019 Target	2020 Target
Percentage of Engaged Employees	60.6	77.6	78.40	64.5	78	79
Female	58.3	77.3	78.73			
Male	62.2	77.8	78.17			
Percentage of Satisfied Employees	79.2	83.6	84.78	80	83.6	83
Coverage Survey (% total staff)	58.8	67.7	80.59	–	67 ⁽¹⁾	68

(1) The coverage target for the survey was established as of 2019. Target revised.

Carriers e Succession

Corporate Education

Management approach: |103-1 |103-2|

| Training and education |

Corporate education is a strategic tool for achieving our purpose and goals, as well as reinforcing company values. In order for our educational solutions to effectively contribute to the development of employees our corporate education system is divided into four interrelated subsystems: Training Needs Assessment, Educational Planning, Deployment, and Evaluation of the Results of Educational Actions.

It is during the Evaluation and Analysis of Training, Development and Corporate Education Needs that the professional skills to be developed as part of the corporate strategy and to fill performance gaps are evaluated, as well as establishing the business results expected as a result of the educational actions. In 2019, 42 requests for the development of initiatives were received, of which 14 resulted in training programs that adhere to the corporate strategy in one or more ways. The results of the training were evaluated through the Integrated Training, Development and Education Programs Evaluation System (Sistema Integrado de Avaliação de Programas

de Treinamento, Desenvolvimento e Educação – SIAP), which aims to provide comprehensive and reliable information for decision making and the improvement of actions, educators performance, employees receiving training, organizational results, and resource allocation.

The last work impact assessment was carried out in 2019 in order to evaluate Relaçõe-e Program from September to December in 2018. The program takes an innovative approach to assist in the challenge of building a sustainable relationship with customers, amidst the backdrop of digital transformation, providing theoretical and practical reflection, driven business approach and leadership involvement in which more than 6,000 relationship managers participated and considered vital in the corporate strategy and business plan for this customer segment.

Based on this assessment, we verified a Return on Investment of 224.67%, as a result of an increase in the contribution margin (MC) of R \$ 2.71 million compared to an investment of R \$ 835.0 thousand. The total volume of growth in the contribution margin in the group of target customers reflected the effectiveness of the program. The results of the evaluation showed that the work training resulted in excellent level of improvement in

specific performances. The performance of the employees was consistently superior from the perspectives assessed, in relation to those who did not perform the training.

In 2019, we launched the Career Map, a professional guidance environment available to employees on the [UniBB Portal](#). It aims to assist the development of a career and development plan. Then, we launched the BB Mentorship Portal, an online environment that supports professional guidance processes, designed to share knowledge and experiences among employees, focused on knowledge corporate management and vital skills for the professional growth of the employees.

We remain among the 150 Best Companies to Work for, according to the 2019 edition of Guia da Você S / A. Annually, the Magazine conducts a survey, in partnership with the Fundação Instituto de Administração – FIA / USP, to reward companies that stand out in people management and organizational climate. Among the aspects that make up the survey, the category best evaluated by our employees was that related to interpersonal relationships, with emphasis on trust between colleagues and the willingness of people to help each other.

The capacity-building of the teams also occurs through scholarships. In 2019, 3,225 scholarships were awarded across the following programs:

BB MBA Hired Group	211
Latu sensu Graduate courses (non-degree)	1,055
Undergraduate degrees	946
Idioms	866
Strictu sensu Graduate courses (Master's and PHD)	147
Total	3,225

In total, at the end of 2019 there were 5,974 ongoing scholarships, benefiting employees at all levels of the company.

BB Corporate University – UniBB

We offer in-person educational activities at several locations in Brazil, as well as through distance learning. The online course catalog consists of more than 727 educational solutions, in a range of formats and in collaborative environments. Since the launch of the Portal in 2013, more than 18,5 million modules have been completed, of which 3 million were in 2019. There were more than 2.49 million logins through the UniBB Mobile App in the last 6 years, with 555,000 only in 2019.

The [UniBB Family Portal](#) (Portal UniBB Família) is also available for active employees, their dependents and retired employees and offers a wide range of educational content. The channel closed 2019 with 5,000 active dependents registered.

UniBB offers leadership training actions to all managers in the organization. The leadership development process aims to develop leadership skills focused on customer relations and based on sustainable practices in managing people, businesses and processes.

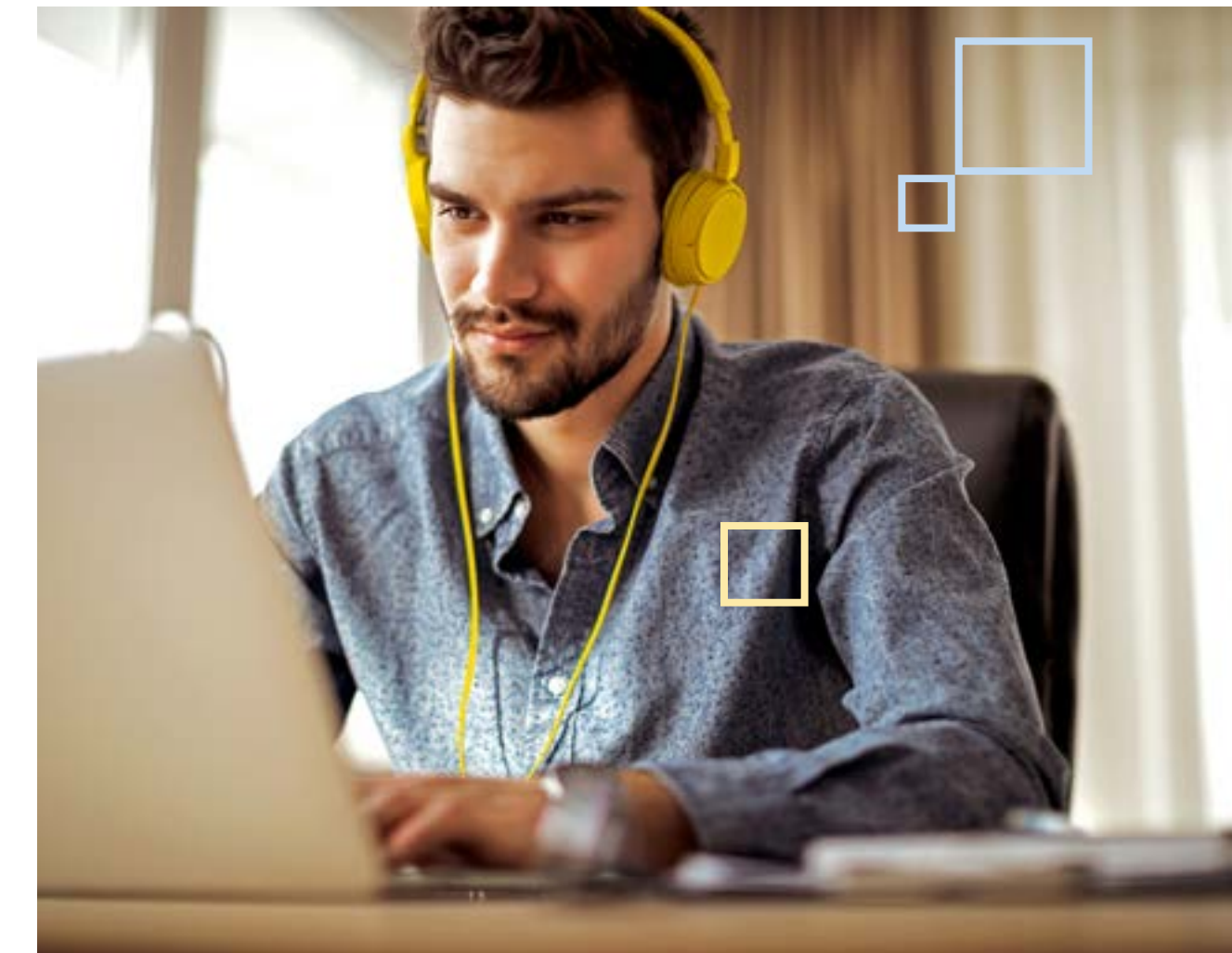
In these actions, managers are trained in line with the Corporate Strategy, in order to contribute to the achievement of visions of future, organizational aims, consolidating our commitment to its stakeholders.

Since the launch of Leadership Trails (Trilhas de Liderança) in 2017, employees have participated more than 37,100 times – more than 3,900 times in 2019. A specific strategy Learning Trail was also implemented for the development of skills directed towards digital thinking and acting. The initiative is comprised of 50 educational solutions with technical and behavioral content. More than 80,100 employees have already taken part in this trail, of which 19,800 participated in 2019.

Launched in 2018, the Strategy and Planning Trail, composed of ten courses covering topics such as Strategic Thinking, Planning, Customer Experience, Leadership and Results, registered 13,600 participants in 2019.

The Sustainability Trail, available through UniBB, brings together all of the Corporate Social Responsibility (CSR) and Sustainable Development training contents in one

environment. In 2019, 75,067 training actions were carried out, a total 307,888 training hours. One of the other fronts refers to the CSR Certification, with an exam held twice a year for the employees enrolled in the Internal Knowledge Certification Program.



[404-1]

Training	2017	2018	2019	2020 Target
Minimum Number of Annual Training Hours per Employee	34	30 ⁽¹⁾	30 ⁽¹⁾	30
Percentage of Employees Who Fulfilled the Minimum Number of Annual Training Hours	91.05	94.15	96.01	
Annual Target for Percentage of Employees Who Should Meet the Minimum Number of Annual Training Hours	90	90	90	90

(1) The 30 hours of training include the educational solutions available in the UniBB catalog, both face-to-face and via distance learning. Employees are advised to use part of these hours to carry out courses considered strategic for their area of activity during the year.

Investment in Leadership Training

- The Women’s Leadership Program (Programa Liderança Feminina) aims to identify the factors that have made it impossible for women to progress within the organization, spread awareness of the culture of gender equality, and develop the skills of female leadership. The program focused on the development of skills and more than 300 male and female managers at all levels of the company took part in a collective coaching process in 2019.
- DesEnvolver Game provides leadership training to more than 26 thousand employees in middle management functions in all units of the Bank. This training action aims to provide participants the recognition and development of managerial skills, encouraging the linking of everyday actions to the company’s strategic goals and the protagonist role of the employee, focusing on the customer experience;
- The leader’s journey is an educational action designed to 250 General Managers at Business Units and Supporting Units focused on management improvement and sustainable results creation. Ten teams took part in seven meetings.
- The Leader 4.0 is a development program for 550 managers acting in Strategy Units in management tools and practices in order to enrich the mapped skills. 22 teams were set up in 2019.
- The Executive Coaching Program aims to promote the ongoing development taking into account Strategy, mapped skills and development planning.

Professional Growth

Actions for professional growth contribute to the identification and retention of talent and, consequently, the effectiveness of the succession program and should always consider gender and race equality. The following actions stand out:

- Knowledge Certification Program certifies the knowledge of employees, providing professional growth and consolidating our corporate education system. With two events per year, achieving an average of 53,000 employees enrolled in each event. The certifications obtained are valid for five years. In 2019, a total number of 198,506 certifications were obtained. This represents an average of 3.74 certifications obtained per employee participating in the event.
- Training Program for the Executive Board, Board of Directors and Supervisory Board, providing a catalog of courses covering corporate governance, the business environment, customer relations, management for results and innovation management, in addition to the Senior Management Trail;
- Workshop for First-time Managers, which offers qualifications and training for managers appointed as the first managers of the branches; and
- Professional Growth Programs – for Overseas Executives and Managers, Solutions Managers, and Regional Superintendents, with actions to improve the skills required by the occupants of these roles. In 2019, within the scope of corporate programs for professional growth, we also offered:

[404-3]

- Professional Growth Program for Overseas Executives and Managers, with 972 employees enrolled, of which, 82 were approved e qualified;
- Professional Growth Program for Regional Retail and Business Superintendents, with 513 employees enrolled, enrolled, of which 34 were approved and qualified;
- Talent Identification Program – Clerks and Tellers, with the emission of 2,240 certificates for 1,343 employees;
- The Professional Growth Program for First-time Managers started in 2018, with 9,803 enrolled. In 2019, 1.556 candidates were evaluated and 546 were approved and qualified;
- The Professional Growth Program Specialized Management started in 2018 with more than 10,063 employees, of which 1,191 were evaluated in 2019 and 281 qualified;
- The Professional Growth Program for Regional Superintendents started in 2019, with 273 enrolled.

Investment in Corporate Talent Development and Retention Programs (R\$ million)	2017	2018	2019
Amounts Invested	102.2	101.9	96.9

Performance Reviews

Employee performance is appraised twice-yearly using Professional Performance Management Review by Skills and Results (Gestão de Desempenho Profissional por Competências e Resultados – GDP), which measures the employee’s contribution to the achievement of results in two dimensions: Skills and Targets.

As to the Skills dimension, employees are appraised from several different perspective (financial, customers, internal processes, learning and growth and socio-environmental). The Targets dimension assesses the results delivered and compliance with agreed deadlines. The performance review is used to provide information for variable remuneration programs and training actions, in addition to being adopted as an objective criterion for dismissal from a position due to poor performance.

[102-48] 404-3]

Performance Review ⁽¹⁾	2017 ⁽²⁾	2018	2019
Number of Employees Eligible for Appraisal	97,354	95,047	92,368
Number of Employees Who Received Performance Reviews	97,023	95,000	92,217
Percentage of Employees Who Undertook Performance Reviews	99.66	99.95	99.84

1) Fluctuations occur as the result of possible absences of longer than 90 days in each review cycle, as well as variations in the overall number of functional employees.

(2) Data from 2017 published in the last Annual Report did not include information from the second half of 2017.

NOTE: data and definitions below:

a) Number of employees eligible for appraisal correspond to the employees who worked at least 90 days over the half-year period. It was considered the number of employees absent due to different reasons for leaving, assigned employees, under experience contract, and etc.

b) Number of Employees who received performance reviews: total number of employees who were considered eligible for appraisal at some time during the cycle, even if at a later time (within the cycle) they became no longer eligible.

Based on the identified improvement needs and considering career aspirations, employees are guided through the process of developing a voluntary Career Development Plan (Plano de Desenvolvimento de Competências – PDC).

The results of the appraisals, which identify gaps in skills and training needs, provide inputs for the other Human Resources Management ecosystems: UniBB Scholarships, Performance-related Bonus Program, Recruitment and Internal Selection, Professional Growth and Automatic System of Competition for Transfer (Sistema Automático de Concorrência à Remoção – SACR).

The Radar do Gestor (Manager’s Radar) is a system for monitoring the performance of managers, offering information based on the consolidating results obtained from appraisal

systems or corporate databases. Performance is monitored through the following dimensions: Business and Customers, Processes, People and Sustainability, which bring together a variable range of indicators depending upon the target group. In 2019, all 4,021 general managers and retail network business managers were certified.

The Radar indicators consider various socio-environmental aspects in business and management practices, such as lending and investment operations, and employee training. The Sustainability indicator is used with all of the target audience and is composed of the Corporate CSR Culture, Eco-efficiency and Social Business axes, which encourage business practices that directly support the sustainable development of the country.

Performance-related Bonus Program (PDG)

The Performance-related Bonus Program (Programa de Desempenho Gratificado – PDG) is a bonus linked to the results and performance of the participants in management and results indicators, aligned with the strategic objectives. With 73,000 employees (corresponding to 79.15% of the total number of employees). In the first half of 2019, the PDG gave bonuses to more than 26,000 employees of between 25% and 100% of their salary calculated for the period. From the second half of 2019, 72,000 employees took part in the program and more than 22,000 employees were awarded. Since 2018, bonuses have been paid with up to 50% in BB shares (BBAS3).

Performa: Performance and Bonus Program

Performa Program: Performance and Bonus Program which will be carried out in 2020, modernizes the remuneration, award and evaluation models, contemplating individual performance. It is a result of Market Research in the banking segment and also considers the internal balance of career model and attractiveness among positions. We stand out:

- expansion of the target audience of PDG (Performance-related Bonus) to 100% of BB's employees, with an increase in the percentage of bonuses and in the amount distributed;
- Revision of the fixed remuneration model for all Trust and Gratified Functions, without reducing the remuneration of employees already on their current functions, while maintaining the attractiveness of future ascendancy;
- Improvement of PDG (Performance-related Bonus Program) which aims to minimize the adoption of different criteria between the different evaluators and enhance the performance of employees, whose monitoring is now quarterly instead of half-yearly;
- Revision of the Functions Plan, with adjustments to nomenclatures and the creation and extinction of functions, in order to enhance the attractiveness and career in the advisory services.

Remuneration

CHALLENGE 11

To improve the variable remuneration model for employees, including senior management, broadening the socio-environmental criteria and contemplating individual performance.

COMMITMENTS OF AGENDA 30 BB 2019–2021

To increase the percentage of employees covered by the systematic use of measurable targets agreed upon with the direct superior, with impacts on remuneration; and

To increase the percentage of employees covered by the multidimensional performance review with impacts on remuneration.

Management approach: |103-1 |103-2|

| Market Presence |

Variable remuneration and bonus programs are designed to maximize employee engagement and results. The expansion of socio-environmental and individual performance criteria shows the employees the importance attributed to the theme, with repercussions in the remuneration and recognition programs. As a result, it is expected to bring sustainable positive impacts for shareholders.

All remuneration (salaries, profit sharing, and bonuses) strategies are undergoing continuous improvement, according to the scenario and strategy for the period. They are guaranteed by the Bylaws and the Specific Remuneration Policy for Directors, in addition to complying with federal legislation. As required by law, the entities representing the employees ratify the Collective Agreement on Profit Sharing. The agreement sets out the eligibility criteria for the program and the definitions for its activation, distribution, and payment. See more public commitments on the [Sustainability website](#).

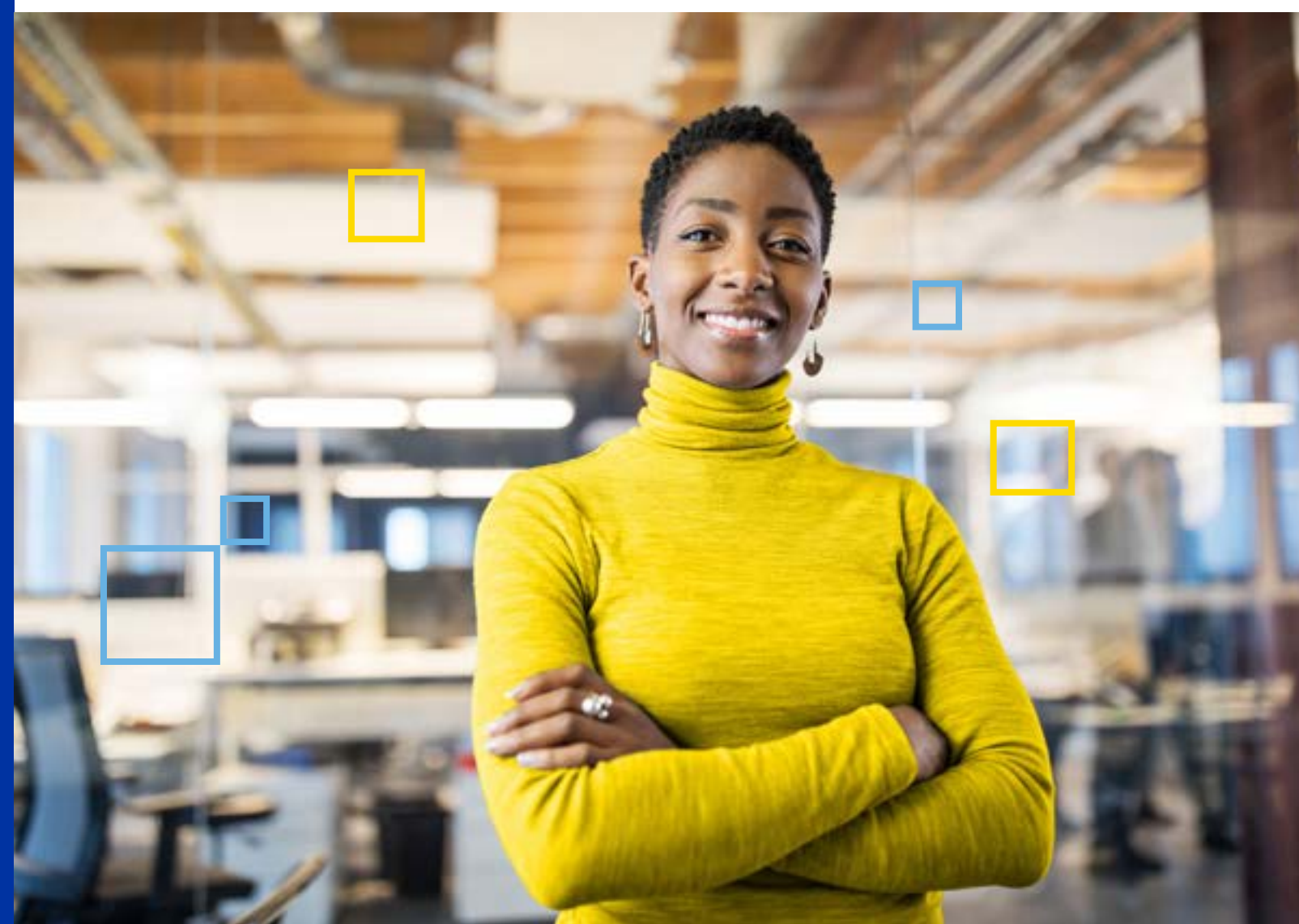
The Profit Sharing Plan foresees the distribution of fixed and variable portions; the latter depends on the performance of the units in which the participants worked over the period set.

The performance of the branches is measured through corporate tools, including the Work Agreement – a performance evaluation model based on the goals proposed in the Corporate Strategy. The variable remuneration of the employees working in the Strategic, Tactical and Operational Units is also linked to the Agreement and includes indicators related to the efficient use of resources (water, energy, and paper) and the increase of their participation in social and voluntary causes.

The remuneration of the employees corresponds to the sum of their personal payment and, when applicable, to the pay related to the exercise of their functions. Personal payment is calculated individually and becomes irreducible once engaged. It varies from one employee to another based on career, job/commission history, and start date in the job. Payment related to the exercise of functions is defined according to attributions, hierarchical level, complexity, location, grouping and other factors linked to functions/commissions and can, therefore, be extinguished or changed at any time.

In order to provide remuneration compatible with that of the main peers and other financial institutions, BB uses an internal and external salary balance study. The remuneration scale for the functions and positions that are part of the organizational structure are considered for the internal wage. In addition, the activities, responsibilities, extent of command and other factors linked to functions/positions/commissions are observed. For the external salary balance evaluation, the annual remuneration survey conducted by Mercer Human Resource Consulting for the banking segment, 2017 edition, is used as a parameter. **[102-36]**

The last Collective Labor Agreement on Profit Sharing was signed in 2018 and is valid for two years. Therefore, there were no adjustments for 2019.



□ Health, Safety and Wellbeing **[403-1 | 403-2]**

Management approach **[103-1 | 103-2]**

| Health and Operational Safety |

The Human Resources Management Policy promotes quality work environment, among other topics, prioritizing health and safety and considers the individual in their biological, psychological and social dimensions. The strategy to promote employee wellbeing encompasses actions in occupational health, safety quality work environment, demonstrating the practical application of socio-environmental responsibility.

The strategic actions are carried out by the Specialized Safety Engineering and Occupational Medicine Services Network (Rede de Serviços Especializados em Engenharia de Segurança e em Medicina do Trabalho – Sesmt), which includes 145 professionals (engineers, occupational safety technicians, doctors, nurses, and nursing assistants) and teams in every state.

Units with less than 100 employees have an Accident Prevention Officer and those with over 100 employees form Internal Accident Prevention Commissions (Comissões Internas de Prevenção de Acidentes – CIPA). Both the Officers and the CIPAs involve professionals that are trained to act in the prevention of occupational accidents and diseases within the building where they are based. Therefore, all of employees are represented by health and safety committees in the workplace. There are also trained and deployed Evacuation Groups to act in emergencies.

The state OHS teams make annual visits to the branches, as defined in the Environmental Risk Prevention Program,

focusing on the prevention of chemical, physical and biological risks in the work environment. By performing this inspection, it is possible to identify possible exposures to risks. Environmental variables such as noise, lighting, humidity, and temperature are also measured. In 2019, 4,674 environmental risk assessments, 4,561 health inspections and 351 ergonomic analysis were performed.

The Bank traditionally invests in training to prevent work-related and occupational health risks. The Occupational Health and Safety Education Trail is composed of educational solutions covering occupational risks at work, labor and social security legislation, ergonomics, health, and quality of life. In 2019, it provided 42,799 training actions. The Wellbeing Trail program, available via the [UniBB Portal](#), is intended to make employees more aware of healthier lifestyles, based on 18 educational solutions that address issues such as nutrition and health, overweightness and obesity, cardiovascular risk, stress and sleep quality, conflict management, resilience, organization and ergonomics (professional guidance). In 2019, 26,639 training actions were carried out.

Actions were also promoted to minimize health risks/problems through the Occupational Health Medical Control Program (Programa de Controle Médico de Saúde Ocupacional – PCMSO), the Environmental Risk Prevention Program (ERPP), ergonomic analysis of workplaces (EAW), an influenza vaccination campaign, work-related illness research, and epidemiological study of absenteeism through illness.

	2017	2018	2019	2019 Target
Employees Vaccinated Against Influenza (%)	60.40	66.62	69.00	66.00

The reformulation of the Quality Work Environment (Qualidade de Vida no Trabalho – QVT) program was approved in 2018, with plans to expand and diversify actions with an impact on physical and mental health. Four pillars were created: practices for improved quality of life; institutional actions (e.g., healthy eating contests, support for sports events and practices, stress management program); recognition of the best initiatives; and support for health and safety actions. In 2019, emotional health workshops and Mindfulness pilot programs were performed.

We have been creating a home office pilot program, designed to test more flexible working ways and its advantages, approved by 92% of the participant employees and 94% of the managers. According to the same survey, such flexibility benefits the employees, in terms of providing gains in quality life, as well as to the company, so that the employees become more engaged and satisfied, besides the collective is benefited as it reduces Greenhouse Gas (GHG) emissions and improve urban mobility.

In June 2019, we decided to continue the Pilot program for up to twelve months in order to expand the participating areas of the company and test other modalities of Home Office:

Ongoing Home Office, Eventual Home Office and On Office. The employee works in a different unit at On Office modality. The complementary period was also necessary due to the need to adjust systems to test new home office modalities and to define and expand the remote communication tools and the necessary infrastructure. In this new phase of the pilot, which today has 260 participants from different areas of the company, and we will also evaluate the integration of remote work with new forms of occupation and rationalization of the work environment.

The Occupational Health Medical Control Program (PCMSO) identifies the epidemiological profile of the employees through occupational examinations (on admission, periodic, return to work) and aims to elaborate actions to prevent health risks/problems.

The purpose of the Periodic Health Examination (EPS) is to detect a worker's illness early, following protocols for the most commonly-occurring diseases by age group and gender. 94,762 examinations took place in 2019. In addition to consultations with an occupational doctor according to age and gender, the professionals also undergo additional clinical exams.








In the Medical Checkup Program for First Managers, health care programs were expanded by adding cardiac, ophthalmologic and complementary examinations to the EPS protocol, benefiting approximately 4,712 managers.

The results of the exams are used for planning health actions and improvements in the quality work environment, under the supervision of OHS professionals.

Absenteeism Rate ⁽¹⁾ (% of total workdays) 403-2	2017	2018	2019	2019 Target	2020 Target
Total Absenteeism Due to Health Reasons	2.95	2.98	3.12	3.05	3.02
Absenteeism Due to Occupational Health and Safety Issue	0.22	0.19	0.20		
Absenteeism for Non-Occupational Health Issues	2.74	2.78	2.92		

(1) The increase in absenteeism due to occupational health and due to non-occupational health issues was affected by the reduction in the number of hours anticipated due to the staff adjustment that occurred in the second semester of 2019.








Benefit/Program

Benefit/Program	 Description	 Gains/effects generated for employees	 Monitoring Indicators
 Stress management	Follow-ups on stress-related illness were included in the routine of Periodic Health examination (PHE). The questionnaire indicates stress levels using the Lipp test.	Early detection and intervention in cases of stress-related illnesses tends to avoid the worsening of the symptoms, avoiding prolonged absences from work.	<ul style="list-style-type: none"> ■ Absenteeism rate
 Ergonomics of the work environment	Ergonomic Analysis of the Workplace performed. Aims to adapt the working conditions and the psychophysiological characteristics of the worker, at least addressing the aspects related to furniture and workstation equipment; environmental conditions such as noise, temperature, air movement, relative humidity, lighting; and organization of work.	The program helps to prevent musculoskeletal disorders related to or aggravated by work.	<ul style="list-style-type: none"> ■ Organizational Climate ■ Engagement ■ Absenteeism rate
 Quality of Life at Work Program (Qualidade de Vida no Trabalho – QVT)	Promotes actions that are complementary to occupational health and safety.	A health style, including sports and emotional health-related activities, tends to reduce the risk of illness, increase productivity and improve overall well-being.	<ul style="list-style-type: none"> ■ Organizational Climate ■ Engagement ■ Absenteeism rate ■ EPS indicators
 Food card	Payment Money delivered through an electronic card, used to reimburse expenditure on food purchased in grocery stores or supermarkets.	Assistance with expenditure on food items.	-



Benefit/Program	 Description	 Gains/effects generated for employees	 Monitoring Indicators
 Food/Meal Assistance	Payment through an electronic card, used to reimburse expenditure on food purchased in restaurants and snack bars.	Assistance with expenditure on food items.	-
 Flexible working hours	Maintaining an hours-bank enables employees to reduce working hours when necessity, which can be compensated in up to six months.	Work-life balance.	-
 Childcare assistance	Financial assistance to reimburse expenses incurred with freely chosen childcare and preschool institutions including, under the same conditions and value, expenses incurred for the payment of maids/nannies. The amount is defined by the Collective Labor Agreement (ACT)	Assistance with maintenance of dependents in daycare centers and preschool institutions.	-
 Assistance for disabled children	Financial assistance to partially meet the needs of employees with children with disabilities, with no age limit. The amount is defined by the Collective Labor Agreement (ACT)	Assistance with care of direct dependents with disabilities – children, stepchildren, foster children, minors under judicial care or in care during adoption process.	-
 Paid maternity leave above the legally-required minimum value.	<ul style="list-style-type: none"> ■ 60-day extension to maternity leave, through the corporate citizen program (empresa cidadã). ■ 60-day extension to maternity leave extension of up to 60-day in cases of preterm birth and internment in ICU. 	Longer time spent with the child, favoring breastfeeding and/or development.	-



Benefit/Program	 Description	 Gains/effects generated for employees	 Monitoring Indicators
 Paid paternity leave above the legally-required minimum value.	<p>15-day extension to paternity leave through the Corporate Citizen Program (Empresa Cidadã).</p>	<p>Longer time spent with the child, strengthening the bond of paternal responsibility.</p>	<p>-</p>
 Assistance Program for Armed Robbery and Kidnapping Victims	<p>Guarantees medical, psychological, legal and security assistance to victims of armed robbery or kidnappings aimed at private properties.</p>	<ul style="list-style-type: none"> ■ Psychological, social support helps prevent the development of potentially serious psychiatric illnesses. ■ Coverage of injured treatment related to the occurrence. 	<ul style="list-style-type: none"> ■ Absenteeism rate. ■ Injury Rate. ■ Occupational Illness Rates.
 Leave to Care for Sick Family Member (LAPEF)	<p>Paid leave granted to (70%pay) to employees who prove the need to care for sick spouse/partner, children or parents.</p>	<p>Possibility of being present during the treatment/recovery of sick relatives while maintaining part of the salary.</p>	<p>-</p>
 Social Assistance Program – Advance payments	<p>A type of financial assistance that partially meets specific needs. It complements coverage offered by Cassi Associates Plan related to health procedures.</p>	<p>Partial assistance with the needs foreseen in the program.</p>	<p>-</p>

Suppliers

CHALLENGE 17

To improve socio-environmental risk management in the supply chain, in lending, in financing, in own investments and in third-party asset management, while also considering controversial issues.

COMMITMENTS OF AGENDA 30 BB 2019–2021

Incorporation of socio-environmental rating losses data in the lending pricing process;

Review of the socio-environmental questionnaire, including analysis by sector and by customer, to assess exposure of lending/financing operations to socio-environmental risk and impacts on customer credit limits; and

Publication of the revised BB Sustainability Credit Guidelines; and

Publication of the revised BB Socio-environmental Guidelines for Controversial Issues (Diretrizes Socioambientais para Assuntos Polêmicos).

Management approach : |103-1 |103-2|

| Human Rights Assessment | Suppliers Social Assessment |

|408-1 |409-1 |412-1|

We adopt impartial and transparent selection, hiring, and assessment criteria – impartial and transparent – that provides diversity and competition among suppliers. These prerogatives include the right for the suppliers’ employees to exercise freedom of association and collective bargaining. The Code of Ethics also includes a specific section regarding relations with these stakeholders that stipulates compliance with labor, social security and tax legislation – including the rejection of child labor or forced labor. The Supplier Relations Policy also covers these aspects.

The observance of labor and social security obligations is a legal and contractual responsibility. Therefore, compliance with these provisions by suppliers is verified and evidence or complaints relating to potential violations and non-compliance are analyzed before payment is authorized. All contracts contain contractual clauses and obligations related to Human Rights in which the supplier declares and undertakes to:

|205-2 |408-1 |412-1 |412-3 |414-1|

- Undertake their activities in compliance with current labor, social security and tax-related legislation;
- Not use illegal, degrading or forced labor or the exploitation of child labor, neither directly nor indirectly through suppliers of goods and services;
- Not employ minors of under 18 years of age to perform

night-time, unhealthy or dangerous work, neither directly nor indirectly through suppliers of goods and services;

- Not employ minors of under 16 years of age to perform any work related activity, neither directly nor indirectly through suppliers of goods and services, except when employed in an apprentice capacity and on the condition that they attend school;
- Not to adopt negative discriminatory practices, or those that restrict or impose limitations on access to or continuation in the employment position; and
- Not to use corrupt and/or unethical practices in order to obtain or offer any undue advantage, either directly or indirectly.

The company has an internal Ombudsman’s office, a contract inspector and a service inspector, all of which are available to employees of contracted companies in case they need to register complaints related to their work contracts.

In light of the preventive and inhibitive measures adopted as part of the procurement and contracting processes and in contracts with suppliers – maintained in the corporate systems in 2019 – no operations or suppliers offering substantial risk of using forced or slave-like labor were identified, and no complaints involving the exploitation of degrading or slave-like labor were filed at the Internal Ombudsman’s office. Likewise, there were no reports of operations and/or suppliers whereby the rights to freedom of association and to freedom of collective negotiation were at risk.

If during the execution of the contract there is evidence that the supplier has breached the provisions or legislation relating to its execution, an administrative procedure is initiated foreseeing the application of administrative sanctions or, as a last resort, unilateral termination of the contract. In 2019, 46 incidents of non-compliance with labor legislation were confirmed in contracts with 3,991 suppliers. With a total of 19,030 contracts in effect this represents a non-compliance rate of 0.24%. Once administrative procedures were established, 8.70% of the cases of non-compliance resulted in the issue of warning notices, 23.91% of cases resulted in warning notices and a fine, 19.57% of cases resulted in a fine, as per legal determination and as foreseen in the contract. A further 6.52% of cases resulted in the penalty of termination of the contract, 2.17% resulted in administrative sanctions suspension and termination of the contract; 8.70% resulted in termination, 28.26% resulted in suspension and termination; and finally, 2.17% of cases resulted in suspension. All administrative procedures resulted in the application of administrative sanctions. [|409-1](#) [|414-2|](#)

Seeing as Banco do Brasil contracts services and not workers, the contracted companies assume full responsibility for compliance with all labor, tax-related and social security obligations, including obligations ensuing from accidents and injuries, indemnities and compensation,

finances, insurance claims, and payments, among other obligations. [|403-2|](#)

The most frequent violations relate to the non-payment of wages, transport, meal or food allowances, full payment of severance pay, payment of the Government Severance Indemnity Fund for Employees (FGTS) and social security.

A segmented management program has been adopted to control and monitor the provision of services and the quality of products delivered. This follows a range of criteria, such as cost-benefit analysis, operational capacity, quality, good-standing, socioenvironmental responsibility, safety and risk, and compliance with legal requirements, especially labor requirements and those associated with business continuity.

Suppliers are selected through bidding processes in fulfillment of the Brazilian Corporation Act and its new Bidding and Contracts Regulations. The legal aspects for choosing the most advantageous proposal include best technical proposal, lowest price, or best combination of technical proposal and price. The supply chain involves a wide range of sectors and activities, including the supply of goods (moveable property and equipment, for example), service provision (monitoring and surveillance services, consultancy, engineering, architecture, etc.) and leasing of real estate. [|102-9|](#)

Total payments made to suppliers during the year amounted to approximately R\$ 8.0 billion. From this total, R\$ 17.5 million were paid to four suppliers based abroad, pertaining to five contracts – representing 0.22% of all payments made. [|102-9|](#)

In all purchasing processes, managers must formally voice their opinion or concerns as to the establishment of environmental criteria or justify their inapplicability. The Internal Regulations include specific norms for sustainable contracting practices, which consider the Standards for Sustainable Purchasing and Disposal Practices, available on the Portal BB for consultation, in compliance with legal requirements and the social and environmental commitments assumed. [|308-1|](#)

This socio-environmental responsibility declaration establishes the supplier's contractual commitment to environmental preservation and social development practices, as well as their compliance with labor and social security legislations and anti-corruption efforts. Another condition for the agreement is the presentation of a declaration by the selected company attesting that no minors are employed among their staff. No suppliers with potential or real negative environmental impacts were identified. [|308-1](#) [|308-2](#) [|408-1](#) [|414-1|](#)

In order to improve the due diligence process for documentation in contracting and payment, in 2019 we established a due diligence for the suppliers covering the Environmental, Human Rights and Integrity dimensions. During the period, 37 companies were evaluated. The improvement of the due diligence process began in 2016, when we adhered to the Carbon Disclosure Program (CDP) through the Supply Chain Program. Thus, in 2019, 129 suppliers were invited to participate in an environmental assessment on climate change, and 129 on water management. Under the timetable that was set, we have achieved a response rate of 51% with regard to climate change, and 34% with respect to water use. [|308-2](#) [|408-1](#) [|409-1](#) [|414-2|](#)





Adhesion to the Supply Chain Program [308-2]

One of the gains that ensued from adhesion to the CDP's Supply Chain Program was the possibility of becoming acquainted with the management of suppliers vis-à-vis the environmental dimension of their businesses, specifically in relation to climate change and the use of water resources. The ongoing analysis of the results will enable the development of proactive action strategies for working with the suppliers.

Of the total number of respondents, 41% stated that the issue of climate change has been incorporated into their business strategies, while 53% reported that the issue is not part of their strategy, and 6% did not respond.

Regarding risk analysis, 63% stated they do not perform management and 36% confirmed that they perform management. In the climate risks category, 62% are categorized as physical and 38% as transition risks. As for risk occurrence, 86% occurred in direct operations, 9% in supply

chain 5% with the customer. With respect to emissions calculations, 45% stated they are systematically calculating emissions and 39% reported having established targets for emissions reduction.

As for the Water Resources topic, of the total of 44 respondents, 16 have integrated water security into their business strategies and 45% have not analyzed water-related issues and have no plans to do so. Only 11% of the respondents indicated having evaluated water safety in their operations.

We understand that there is still a lot of work to be done to improve environmental risk management in order to influence the management of water resources in the value chain. In addition to what has already been done, strategy has also been adjusted so that more suppliers feel encouraged to report their data and think about their businesses in such a way as to contemplate environmental risks. With these measures, we aim to improve follow-up on emissions and mobilize our supply chain to achieve an increasingly low-carbon economy.

“

One of the gains that ensued from adhesion to the CDP's Supply Chain Program was the possibility of becoming acquainted with the management of suppliers vis-à-vis the environmental dimension of their businesses

Information, Complaints and Reporting Channels [102-17]

Management approach [103-2]

| Economic Performance | Market Presence | Indirect Economic Impacts
 | Anticorruption | Suppliers Environment Assessment | Employment
 Labor Relations | Operational Health and Security | Training and
 Education | Diversity and Equal Opportunities | Non-discrimination
 | Child Labor | Forced or compulsory labor | Security practices |
 Human rights assessment | Supplier social assessment | Customer
 health and safety | Product and service labeling | Customer privacy |
 Socioeconomic conformities | Product portfolio | Audit | Active share
 control | Local communities |

We make use of several channels to respond to the demands of stakeholders and handle specific issues, cases of noncompliance with the Code of Ethics and Standards of Conduct and reporting of unlawful acts of any nature, including corruption.

Customers count on two service channels: the BB Customer Service Center (Central de Relacionamento BB – CRBB) and the Customer Service Department (Serviço de Atendimento ao Consumidor – SAC). The first is a telephone line dedicated to customer relations and fulfilling the demands of banking customers. It seeks to provide quality solutions, convenience, agility and security and contributes to attaining results,

while supporting the branches network in customer service and business.

The SAC is a multi-channel service (telephone, internet and mobile) with the purpose of providing for the demands of the consumer, including information, doubts, complaints, and suspension or cancellation of contracts and services. The SAC's scope covers demands that relate to consumer relations, regardless of whether the user is a customer or not. The SAC receives demands and seeks to resolve the issue during the first call (FCR – First Call Resolution), which happens in over 93.3% of cases.

If the customer's issue is not resolved via the primary service channels, customers can contact the External Ombudsman. In 2019, 52% of complainants sought the internal channels, such as the SAC and the Ombudsman, and only 0.48% sought service from the Central Bank.

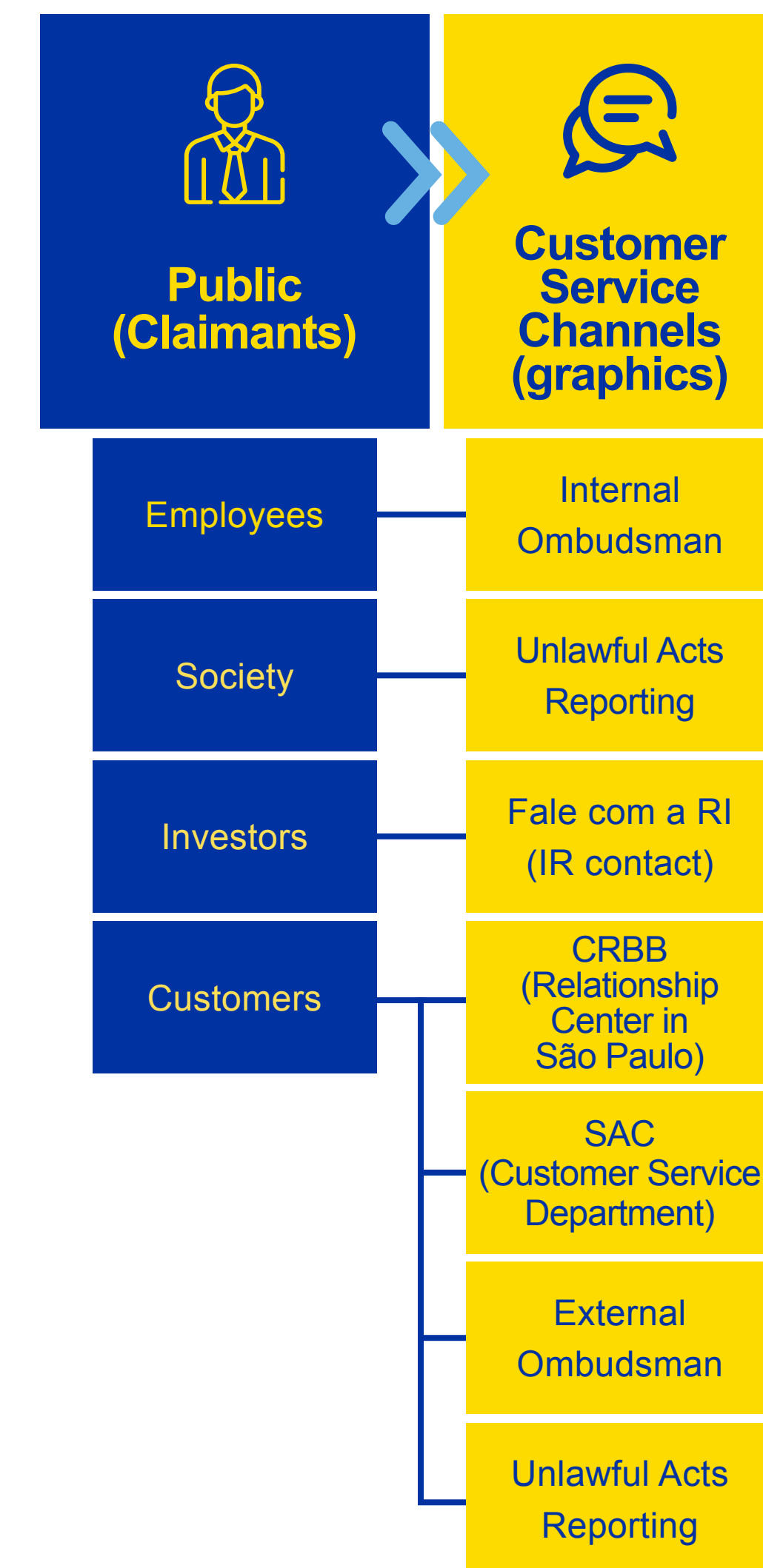
The Unlawful Acts Reporting Channel (Canal de Denúncia de Ilícitos) was created to allow reporting of situations indicative of any kind

of unlawful acts related to the banks' activities. The reports can be made anonymously or not, with a guarantee of protection for the complainant.

The Internal Ombudsman is aimed at employees, interns, apprentices and contractors, and receives reports and complaints about conflicts in the work environment, inappropriate behavior, noncompliance with internal rules and complaints regarding human resources management processes. Furthermore, it mediates conflict resolution and evaluates the occurrence of reprehensible behavior. Once a serious incident is identified, the case is forwarded for investigation, analysis and judgment by the Disciplinary Control, which ascertains involvement, attributes responsibility and defines the handling of the issue and the consequences for those involved.

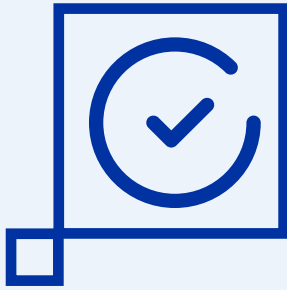
Inquiries from investors regarding shares, dividend payments and accounting information are handled by the IR Contact (Fale com a RI) channel.

Relationship between:



Relationship between: the Public (Claimants) vs. Customer Service Channels (graphics)

Channel	Handling Methodologies	Users	Issues addressed	Character	Deadlines	Solution
Internal Ombudsman	Complaints – Human Resources Management Processes	Employees, interns, apprentices and hired employees	Possibilities for improvement in the human resources management process	Improvement	Business Days: 5	If there is a possibility of improving the human resources management process then the demand is forwarded to the management area as a recommendation
	Restorative Mediation	Employees	Personal conflicts	Restorative	Business Days: 20	Reparation of damages and repair of interpersonal relations after a meeting conducted by a mediator, in order to identify convergent and divergent viewpoints and cooperatively develop proposals that put an end to the conflict, under conditions of secrecy and confidentiality
	Settlement	Employees	Personal conflicts	Restorative	Business Days: 30	
	Restorative Conversation	Employees	Personal conflicts	Restorative	Business Days: 20	
	Ombudsman case studies	Employees	Inappropriate behavior	Investigative	Business Days: 20	Action plan (when appropriate): behavioral re-education. Suspension of right to promotion and to participate in recognition and awards programs for a certain period



Results
4,195

Total number of complaints filed including reports, complaints, praise/ Suggestions and queries.

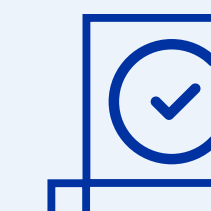
Relationship between: the Public (Claimants) vs. Customer Service Channels (graphics)

Channel	Type of Service	Users	Issues Addressed	Deadlines
CRBB	Telephone Service	Customers	Information or doubts, complaints, cancellation or suspension of contracts and services	Depends on the type of demand, this may mean immediate resolution or within 5 business days
SAC – Customer Services	Multichannel operations (0800, APF Internet, APF Mobile Phone, consumidor.gov, Reclame AQUI, CNJ, Facebook, Twitter, Contact Us via Portal BB)	Customers	Information or doubts, complaints, cancellation or suspension of contracts and services	Average service fulfillment time is less than 3 days. With regards to social media, the average resolution time is less than 24 hours.
Reporting of Unlawful Acts	Form on the BB website	Society and Customers	Receives Reports of unlawful acts of any nature, including corruption	Depends on the type of demand
External Ombudsman	Telephone Service and Internet	Customers	Consumer complaints not resolved by the primary service channels	Business days: 10
IR Contact (Fale com a RI)	Form on the IR website to Telephone Service	Shareholders/ Investors	Doubts about shares, dividend payments and accounting information	Business days: 2

Results

Results (SAC)

- Average monthly calls in 2019: **415,000**, of which **93.3% were resolved** during the first call (FCR);
- Other demands that were not immediately resolved had an average resolution time of **2.03 business days**;
- Average resolution time in 2019: **0.31 business days** (including complaints resolved during FCR);
- Regarding social media, approximately **27,000 customer service events** were resolved per month;

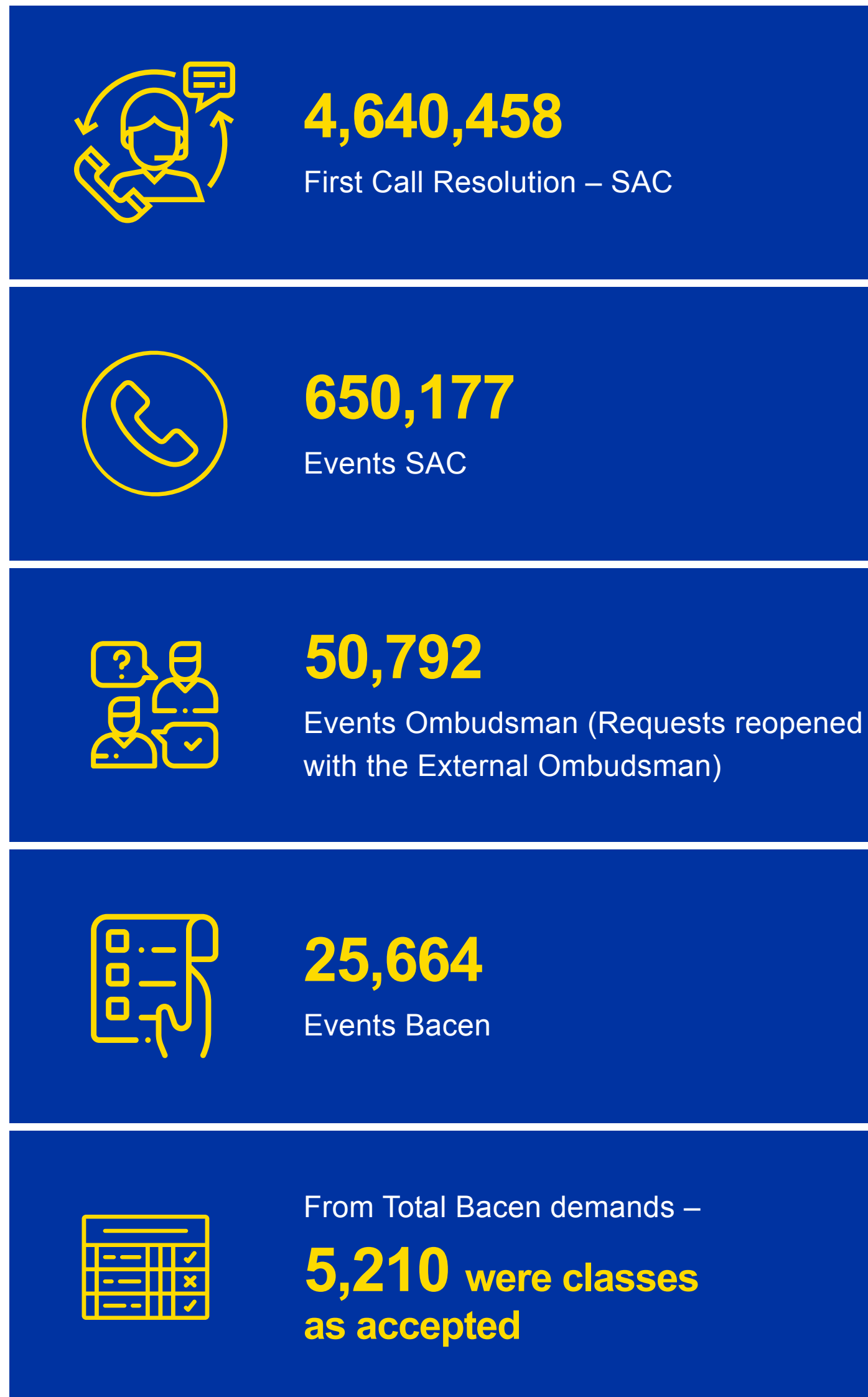


Reporting of Unlawful Acts

- 1,034 reports were received in 2019, classified as:**
- **47.78%** – Fraud, fraudulent misrepresentation, larceny, document falsification, etc.
 - **15.18%** – Other crimes
 - **6.96%** – Cyber crime
 - **9.86%** – Corruption
 - **3.29%** – Sexual harassment, discrimination, injury, slander, defamation, crimes against honor, etc.
 - **3%** – Robbery, break-in, theft and kidnap
 - **4.74%** - Breach of customer and functional privacy
 - **9.09%** - Crime against Brazilian or any Public Administration, crimes against the financial department, money laundering, etc.
 - **0.10%** - Bodily Injury, physical disputes, etc.

External Ombudsman Results

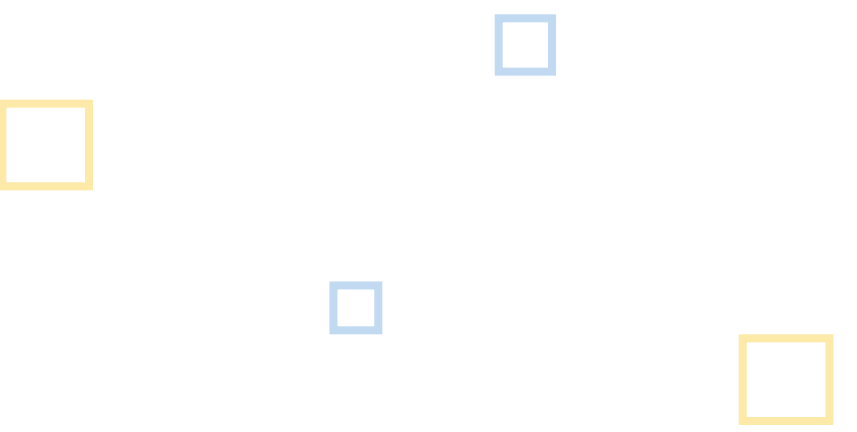
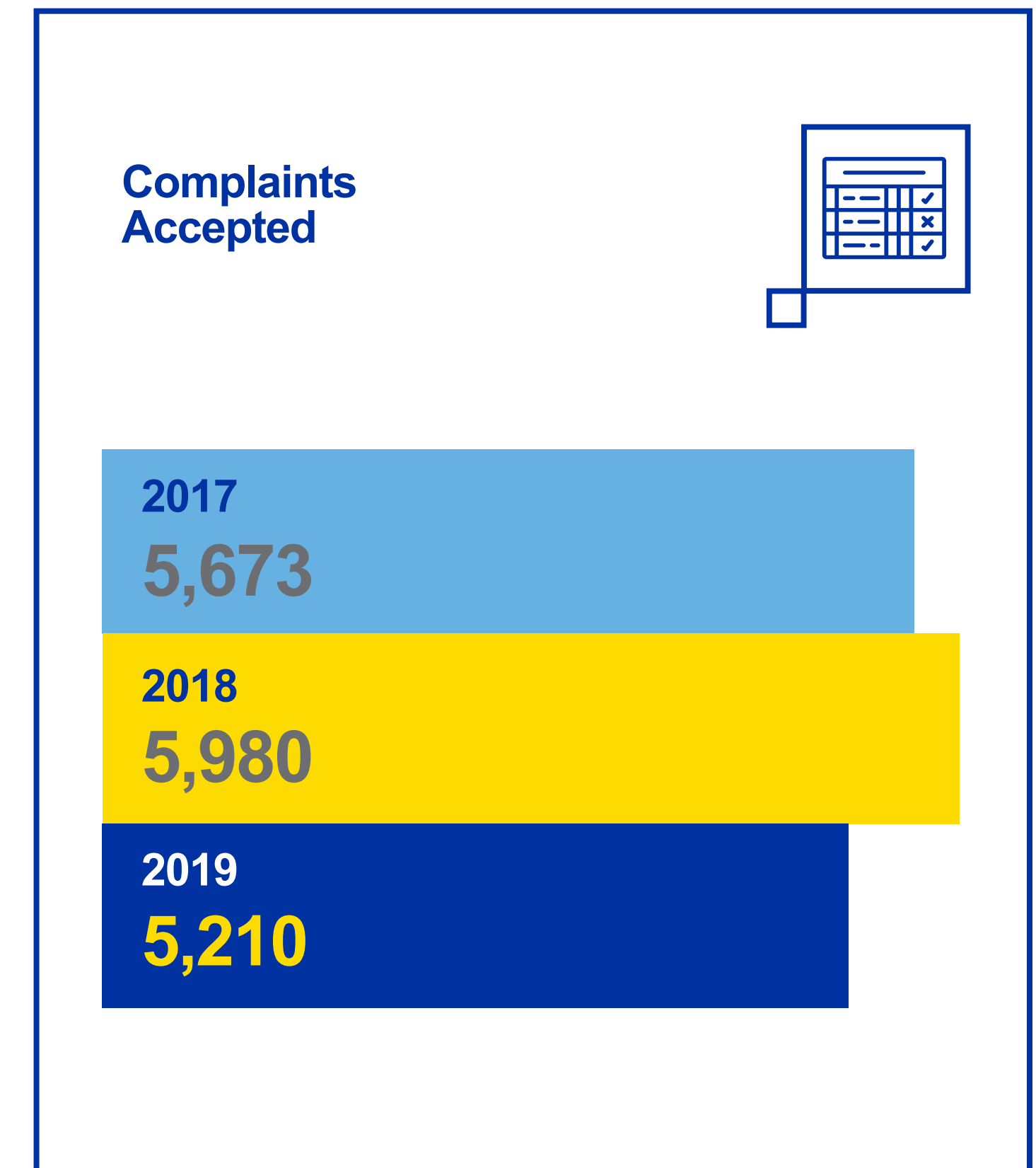
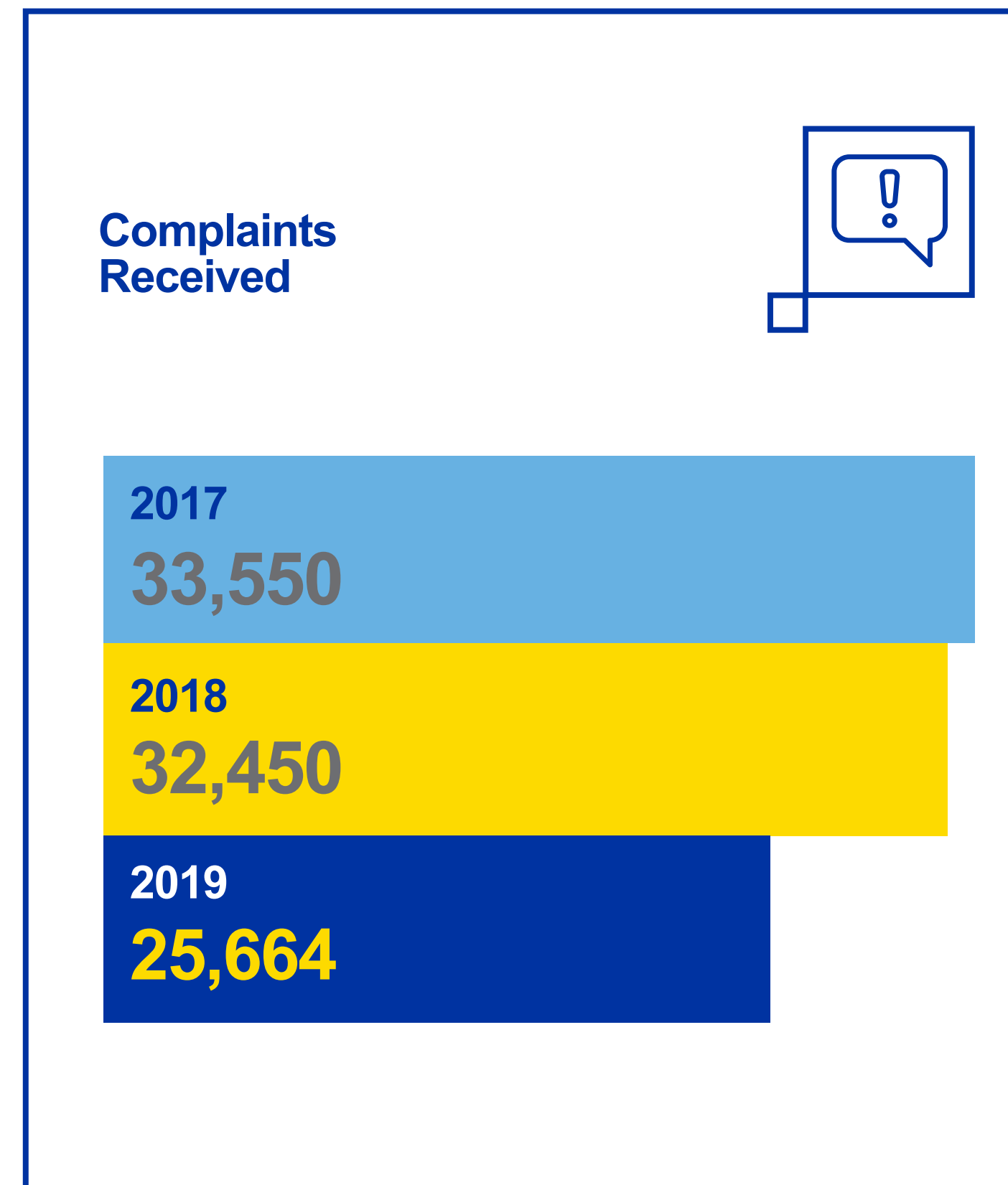
- **92,887 reports** received; and
- Average resolution time in 2019: **4.99 business days**.



Central Bank of Brazil Complaints Indicators

Every quarter the Central Bank of Brazil creates a ranking of complaints to institutions with more than four million customers. In 2019, BB ranked fifth in the first two quarters and sixth in the last two quarters.

The aim is not to appear in the top three.



7

Environmental Value Creation

- 130 | Environmental Management
- 131 | Eco-efficiency
- 134 | Operational Eco-efficiency Index
- 134 | Certifications



□ Environmental Management

Management approach |103-1 |103-2 |103-3|

| Emissions |

In line with the Socio-environmental Responsibility Policy, the Environmental Management System (EMS) follows the specifications of the Brazilian Standard ABNT NBR ISO 14001, of 2015, regarding the definition of objectives, premises, requirements, responsibilities, programs, and initiatives for adopting guidelines related to the topic. This system covers all of the Brazilian branches and involves the monitoring and organization of actions to control environmental impacts.

Efforts are systematically coordinated to continuously improve performance, with a greater focus on eco-efficiency in order to minimize the consumption of natural resources, waste generation and Greenhouse Gas (GHG) emissions. The propositions include:

- Continuous improvement of the EMS;
- Recognition and consideration of stakeholders' expectations and priorities in environmental management;
- Dissemination of concepts and practices for efficient consumption of natural resources and pollution prevention, seeking engagement and to strengthen a culture of corporate Socio-environmental Responsibility; and
- Provide training for internal and external stakeholders in order to improve environmental management skills.

Main Environmental Programs and Initiatives

- Energy Conservation Program (Procen) – Promotes the responsible use of electricity at the facilities;
- Rational Water Use Program (Purágua) – Aims for intelligent water consumption by raising awareness, providing maintenance and installing optimum consumption equipment;
- Toner Cartridge Refill Program (Prorec) – Promotes the ecoefficient management of toner cartridges for printers through reverse logistics;
- Selective Waste Collection (Recycling) Program – Includes initiatives for the management of non-hazardous, recyclable and non-recyclable solid waste generated at all branches across the country. Recyclable waste (paper, plastic, metal, and glass) is sent primarily to more than 339 recycling cooperatives and waste collector's associations; organic and non-recyclable waste is disposed of by public collection;
- All supplies of paper purchased have Cerflor or FSC certification, i.e. its production respects quality and sustainability standards;
- A Greenhouse Gas (GHG) Emissions Inventory is published annually, which measures emissions of CO₂e (carbon dioxide equivalents), based on the methodology of the Brazilian GHG Protocol Program;

Environmental Value Creation

- **5%** Electricity consumption was reduced compared to 2018. Initiatives to reduce electricity consumption included internal awareness-raising activities, acquisition of energy in the free market, replacement of fluorescent lamps with LED bulbs and modernization of air conditioners, avoiding expenses of R\$ 14 million. The 27 million kWh saved is enough to supply electricity to more than 12,000 residences per year.

- **17.9%** Water Consumption reduction when compared to 2018.

- **22.3%** Paper Consumption Reduction compared to 2018, which corresponds to 1,2 tons, preventing approximately 12,700 trees from being cut down.

- **R\$ 35 million of expenses avoided in 2019** through the acquisition of 85,818 refurbished toner cartridges (corresponding to 99% of the total used in the year). The amount represents 79.9% of the total cost of this supply if only original new material was purchased from the manufacturer.

ISO 14.001 BB Ed. Torre Matarazzo in São Paulo (SP) was certified.

In 2019, the migration to the free market encompassed 22 buildings and resulted in savings of R\$ 4 million, equivalent to 20% savings in relation to the captive market fare (energy purchased directly by the power distribution company). Beyond, 3 other BB branches will migrate to the Free Energy Market by 2020. The following graphics show the prediction for the amount of energy purchased and the annual economic impact until 2023.

Energy purchased (kWh – million)	
2020	85
2021	88
2022	88
2023	88

Annual savings (R\$ million)	
2020	10
2021	14
2022	15
2023	15

More than 3 BB units will migrate to the Free Energy Market by 2020

Eco-efficiency

Eco-efficiency management reduces the consumption of natural resources, such as water and energy, reducing environmental impacts, while also reducing supply costs. Following the same objectives, Greenhouse Gas (GHG) emissions and consumption of materials such as paper, toner cartridges and fuel were also reduced, with corresponding reductions in waste generation.

Energy and Water |302-1 |302-4 |303-1|

Energy Consumption (comparative)	2017	2018	2019	2019 Target	2020 Target
Energy Consumption (GWh)	609	598	571	-2% in relation to 2018 consumption	-5% in relation to 2019 consumption
Total Expenditure (R\$ million)	444	458	464		

A number of actions were carried out in 2019 to optimize electricity consumption and expenditure, including:

- Distributed Generation, with the first solar plant scheduled to begin operations in March 2020 and this will offset the power supplied to 100 branches in Minas Gerais, expecting to reduce the energy costs by 60%. In 2020, we are launching

the second solar plant in order to supply more than 150 branches, with an estimated 45% reduction in energy costs at the branches assisted.

- Continuation of the LED lamp replacement program: approximately 474,000 lamps were installed during the year, decreasing energy consumption at the facilities involved;
- Automated Electricity Management: the management of invoices and energy consumption at our branches leads us to foresee a reduction of over R\$ 500 thousand in costs on this input, as well as improving operational efficiency and consumption indicators; and;
- The air conditioning system was modernized at about 650 branches.

Although these actions contributed to reducing energy consumption, due to electricity tariff rise in 2019, as well as the expansion of the tariff flag, it resulted in an increase in expenditure.

Regionalized energy efficiency parameters (kWh/m²) are used. The progress over the last few years can be seen in the table below:



Initiatives/ Projects to Reduce Electricity Consumption	Quantity	Estimated Energy Purchase Costs Avoided (R\$ million)
Replacement of Fluorescent Lamps with LED	474 thousand lamps	7.3
Modernization of Air-Conditioning	650 branches	3.5
Total		10.8

Regional Energy Consumption Parameters (kWh/m²)

Região	2017	2018	2019
North	21	18	18
Northeast	20	16	16
Midwest	17	15	15
Southeast	16	13	13
South	14	11	11

Regionalized efficient consumption parameters are also applied in relation to water use, with this input supplied by public utilities. Management takes place through action plans for branches that exceed the water consumption targets set. This includes inspection of plumbing systems to detect the possible causes of high consumption.

Regionalized efficient water consumption indicators were adopted, with the following values recorded (liters/person/day):

Regional Water Consumption Parameters

Region	2017	2018	2019
North	64	64	64
Northeast	63	64	64
Midwest	58	58	58
Southeast	53	53	53
South	48	48	48

Water Consumption (comparative)	2017	2018	2019	2019 Target	2020 Target
Water Consumption (Thousand m ³)	1,405	1,383	1,136 ⁽¹⁾	-1% in relation to volume consumed in 2018	-3% in relation to volume consumed in 2019
Total Expenditure (million)	33	31.9	33		

(1) Recycled water is not used in the branches. The water supply is carried out by the concessionaires. In 2019, the calculation method was improved so that the estimated total water consumption was obtained based on the average R\$/m³, after the survey of 9,153 water bills registered by a contracted company. Thus, BB's water consumption is set as the ratio between the average consumption (R\$/m³) and the annual expense R\$ 33 million.



Paper [301-1] [301-2]

Through the BB Papel Zero (Zero Paper) initiative, we intend to reduce paper consumption by 50% by December 2020 – compared to December 2017–, based on the digital transformation of our processes and awareness-raising, engagement, and guidance of employees. As a result, in addition to optimizing processes through digitalization we will also reduce the impact on the environment caused by the production and disposal of this material. Financially, the reduction in spending on paper is accompanied by savings from other related inputs, such as cardboard boxes for storage, transportation envelopes, paper receipt reels, printer maintenance, toner cartridges, mailbags and space and cabinets for filing. The following awareness-raising and engagement actions were carried out in 2019:

- Workshops based on case studies of successful digitalization of processes and demonstrations of corporate solutions to support areas in transformation;
- Review of internal regulations in order to put an end to the obligation to print documents for storage.

As a result of these initiatives, the following milestones were achieved in the year:

- 33.6% reduction in A4 paper consumption compared to 2017;
- 19% reduction in paper receipt reel consumption by cash terminals and ATMs compared to 2017.

Solid Waste [306-2]

Since 2015, the Integrated Solid Waste Management Plan (Plano de Gerenciamento Integrado de Resíduos Sólidos – PGRS) has been in place to foster and connect internal initiatives in order to meet the parameters of the National Solid Waste Policy (Política Nacional de Resíduos Sólidos – PNRS). In 2019, the process of discarding unusable goods was expanded to cover more branches. In the next 5 years, 38,8 million will be invested on the plan in order to assure the unusable goods is recycled and the generated inputs return to production line.

In 2019, we deployed a third cycle of disposal of unserviceable assets through two companies specialized to carry out all stage disposal

process (collection, transportation, storage, de-characterization and treatment of the waste) and permit the traceability of the collected material. In this process, 20,240 unserviceable assets were disposed of in an environmentally-friendly manner and were recycled.

In order to encourage the reuse of goods, we continue to improve in the internal application for reusing idle goods, with a more friendly layout and features that encourage the reuse of goods. In 2019, 11,836 goods were made available on the app.

Aiming to promote the reuse of unserviceable assets, 7,654 pieces furniture were donated

in 2019, benefiting 101 public institutions and 103 non-profit civil organizations and NGOs.

The Selective Waste Collection Program has the goal of giving correct destination to waste produced in our facilities and contains initiatives for the management of non-hazardous, recyclable and non-recyclable solid waste. Recyclable waste (paper, plastic, metal, and glass) is sent primarily to recycling cooperatives and waste collectors' associations; organic and non-recyclable waste is disposed of by public collection. See more information in the GRI disclosure.

GRI – [306-2]

Region	2017	2018	2019	2019 Target	2020 Target
Branches where Selective Waste Collection Has Been implemented ⁽¹⁾	1,704	1,848	1,679 ⁽²⁾	Expand the selective collection program to 100 more branches	Expand the selective collection program to 100 more branches

(1) In order for the selective waste collection to be implemented there need to be recycling cooperatives, waste collectors' associations or public selective waste collection (recycling) programs in the municipality.

(2) The target is to implement selective waste collection at 100 new units each year. In 2019, the target was surpassed by 36%, representing 136 new units. However, due to internal restructuring and changes in the waste collection programs in the municipality and cooperatives /waste collector's association, the number of operating units was reduced.

Greenhouse Effect Gases (GEE)

We are founding members of the Business for the Climate initiative (Empresas pelo Clima – EPC) and the Brazilian GHG Protocol Program. Both were founded to consider and propose actions to combat climate change. We participate in the Thematic Climate Change Board (Câmara Temática de Mudanças do Clima – CT Clima), coordinated by the Brazilian Business Council for Sustainable Development (Conselho Empresarial Brasileiro para o Desenvolvimento Sustentável – Cebds), and B3's (Brasil, Bolsa, Balcão) Brazilian Carbon Efficiency Index (ICO2).

ICO2 Internal Pricing

Based on the average prices of qualified projects to compose the portfolio to offset our emissions, in December 2019 we approved the internal carbon pricing, with the adoption of R\$18.00/tCO₂e (or US\$4.50/tCO₂e), obtained by calculating the average price of ton of carbon registered in the voluntary and regulated markets in Brazil.

The definition of the internal carbon pricing methodology and the internal carbon price aims to offset BB's emissions related to scopes 1 and 2, in accordance with the

Likewise the previous years, the bank sought to broaden the scope and reliability of the GHG Emissions Inventory by hiring a company specialized in environmental audits to provide external verification of the document, in accordance with the ISO 14,064 standard and the GHG Protocol methodology. The Brazilian GHG Protocol Program's Gold Seal was received this year in recognition of the quality and reliability of the inventory.

climate change commitment disclosed in 2019 and for evaluating investments in the institution's own structure, in order to support investment stress testing, as well as motivate low carbon investments, the supply chain / suppliers and employees.

Carbon pricing also leads investments towards less carbon-intensive solutions by internalizing part of the externalities represented by emissions, so those companies can incorporate these external costs into their business decisions and seek alternatives to minimize their effects.

Operational Ecoefficiency Index

In order to increase the coverage of the Selective Waste Collection Program, intensify the reduction of GHG emissions and rationalize the consumption of water, energy, and paper, we adopted the Operational Ecoefficiency Index (o Índice de Ecoeficiência Operacional – IEO), a mechanism that assessed all branches for the following aspects:

- Water/Electricity: assessed from the cumulative average of the branch's monthly consumption records, with a consumption target of equal to or below the established regional standard.
- Paper: linear reduction target of 2% of consumption compared to the previous year.
- Selective waste collection: assessed from the monthly records of the volume of waste selectively discarded (paper, plastic, metal, and glass) and sent for recycling.

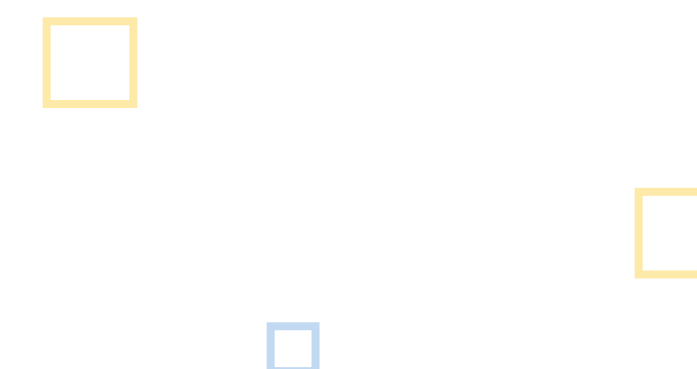
In the first half of 2019, 56.71% (3,194 branches) of the units assessed achieved the target set for the IPE. In the second half of the year, 51.04% (2,882 branches) achieved the indicator target. This result was achieved as the result of communication, guidance, and monitoring of the branches' performance.

Certifications

At the end of 2019, we maintained the following certifications, which attest to our commitment to environmental preservation:

Leadership in Energy and Environment Design (LEED), certification related to sustainable construction and awarded by the United States Green Building Council, for the headquarters in Brasília (DF).

ISO 14001 Environmental Management System in operation at the company headquarters in Brasilia and at the Torre Matarazzo Building in São Paulo. The EMS is verified by internal and external audits that certify the requirements of the standard and prove the effectiveness of environmental actions related to consumption of water and electricity, selective waste collection and services and the involvement of the 7,200 people working within the area.



GRI APPENDIX



102-6: Markets Served

More information on the branch network broken down by region can be found in the Management Discussion and Analysis – MD&A 4T/2019 (Table 143). The breakdown of the loans portfolio by economic sector can be found in Explanatory Note No. 10 – item c (Loan Operations) of the Consolidated Financial Statements for 2019. Our customer base can be found in the [Structural Data table of the Historical Data](#) for the 4th quarter of 2019.

102-8: Information on Employees and Other Workers

Permanent Employees by Region (unit)	2017	2018	2019
North	4,440	4,259	4,043
Northeast	16,637	16,116	15,387
Midwest	16,748	16,808	16,546
Southeast	43,752	42,586	40,864
South	17,549	17,096	16,327
External	35	24	23
Total	99,161	96,889	93,190

Employees by Employment Type and Gender (unit)	2017	2018	2019
Full Time - Male	58,117	56,646	54,068
Full Time - Female	41,044	40,243	39,122
Total	99,161	96,889	93,190

The information refers to the number of employees on the last day of the year, obtained from the corporate employee system databases. The numbers represent the total workforce (i.e. real workforce or actual workforce). This concept excludes the following situations: lay-offs, absence (health leave, personal leave, etc.), contractors under special regimes, statutory officers and those absent from payrolls.

Total Number of Outsourced Employees, by Region ^{1 and 2}	2017	2018	2019
North	1,875	1,629	1,576
Northeast	6,303	6,524	5,704
Midwest	4,952	4,608	3,903
Southeast	15,601	14,063	12,350
South	6,708	5,110	4,448
Total	34,811	31,934	27,981

(1) The number of outsourced workers is restricted to service provision contracts that are performed on a continuous basis (such as fire brigade, pantry, surveillance, cleaning, etc.) contracts and do not include data on employees with casual contracts or outsourced workforce.

(2) Banco do Brasil hires through its public bidding notices, which are based on commercial and technical proposals and job position selection does not include gender specification.

In 2019, the number of outsourced workers such as telephone operators and receptionists decreased due to investment in services automation. The number of outsourced workers is limited to ongoing service contracts and does not include data on workers employed in one-off contracts or contracts without outsourced workers. Our hires, through bidding notices, are directed to price and / or technical proposals focusing on service stations and not on the number of employees of the contracted companies.

102-12: Initiatives developed externally

The following are some public commitments and sustainability initiatives endorsed by us. More information is available on the [Sustainability website](#).

- OECD Guidelines for Multinational Enterprises and Climate Change
- EPC Platform
- Global Compact
- Equator Principles
- Principles for Responsible Investment (PRI)
- Brazilian GHG Protocol Program.

102-13: Membership of Associations

The following are the main bodies, entities or associations of which we are signatories or representatives:

- Brazilian Federation of Banks (Federação Brasileira de Bancos – FEBRABAN)
- Brazilian Association of Credit Card Companies and Services (Associação Brasileira das Empresas de Cartões de Crédito e Serviços – Abecs)
- Brazilian Association of Real Estate Credit and Savings Entities (Associação Brasileira das Entidades de Crédito Imobiliário e Poupança – Abecip)
- National Confederation of Institutions to Support and Assist Children and Adolescents with Cancer (Confederação

Nacional das Instituições de Apoio e Assistência às Crianças e Adolescentes com Câncer – Coniacc)

- Brazilian Association of Development Financial Institutions (Associação Brasileira de Instituições Financeiras de Desenvolvimento – ABDE)
- Brazilian Association of Financial and Capital Market Entities (Associação Brasileira das Entidades dos Mercados Financeiro e de Capitais – Anbima)
- Association of Capital Market Investors (Associação de Investidores no Mercado de Capitais – AMEC)
- Brazilian Committee for the Global Compact – coordinated by the United Nations (UN)
- Brazilian Business Council for Sustainable Development (Conselho Empresarial Brasileiro para o Desenvolvimento Sustentável – CEBDS)
- Brazilian Association of Consortium Administrators (Associação Brasileira de Administradores de Consórcios – Abac)

102-19: Delegating authority

Our governance is ruled by the Bylaws, Internal Regulations and applicable legislation.

Our Bylaws complement the legislation, establishing how the Bank works, as well as the attribution and jurisdiction of each governance body in accordance with the Brazilian Corporation Law. It is the exclusive prerogative of the General Shareholders' Meeting to amend the Bylaws.

Internal regulations guide the functioning of our governance bodies, including advisory committees to the Board of Directors, in order to

ensure that their performance is in line with the precepts defined by the Bylaws. These regulations state, among other provisions, the purpose, composition and responsibilities of the governance bodies. Internal regulations are approved by the Board of Directors, except for the Fiscal Council, which due to being an inspection body for our administrative management acts and for the protection of our interests and shareholders, decides on its own internal regulations. Thus, the process of delegating authority is carried out by the General Shareholders' Meeting through internal regulations.

102-21: Consulting Stakeholders on Economic, Environmental, and Social Topics | 102-29: Identifying and Managing Economic, Environmental, and Social Impacts | 102-43: Approach to stakeholder engagement

| Management approach: 103-2 | 103-3 |

| Economic performance | Market presence | Indirect economic impacts | Anti-corruption | Environmental assessment of suppliers | Employment | Labor relations | Operational health and safety | Training and education | Diversity and equal opportunities | Non-discrimination | Child labor | Forced or compulsory labor | Security practices | Human rights assessment | Supplier social assessment | Customer health and safety | Product and service labeling | Customer privacy | Socioeconomic conformities | Product portfolio | Audit | Active share control | Local communities |

We manage our socio-environmental impacts, risks and opportunities through the contributions received from our stakeholders in the collective construction process for our Sustainability Plan – Agenda 30 BB. These stakeholders actively participate in various engagement events to define the materiality and update the Plan, which result in priority sustainability challenges and actions for our management. In 2016, we broadly consulted our stakeholders, with the participation of 7,145 stakeholders, including 7,117 online

consultations and 28 interviews. Based on these interactions, the main economic, social and environmental topics were reassessed in 2018 from the perspective of our new Corporate Strategy, sector studies and analysis of market indices and the best practices of peers in the financial sector. Subsequently, our Executive Managers met at the 35th Sustainability Forum to validate the sustainability challenges and prioritize the actions addressed by the new Agenda 30 BB for 2019-2021.

Reports on the initiatives' progress are presented to the Board of Officers every six months and annually to the Board of Directors. We report our social-environmental performance to the Board of Directors (CA) annually. The content of this report is based on our yearly results in the sustainability market indexes such as the Dow Jones Sustainability Index (DJSI), in addition to the accountability reporting of actions developed within the scope of our Sustainability Plan – Agenda 30 BB. These actions help us to face the challenges prioritized by our main stakeholders. The Board of Directors main functions are to define our operating guidelines, approve our Corporate Strategy which guides decisions for the five-year period and establishes actions and goals for economic, social and environmental performance, and to monitor our economic and financial performance on a monthly basis.

Upon receiving the matters for deliberation, the CA discusses and makes decisions. After approval, the topics are forwarded to the areas responsible for their accomplishment. In many cases, when making the decision, the CA determines that periodic reports on the deliberated matters are presented to it, in order to keep informed on their progress. If the need for due diligence is detected, the Board of Directors determines the competent area to initiate the process. Accountability of our socio-environmental performance is also held annually.

102-42: Identifying and Selecting Stakeholders | 102-43: Approach to Stakeholder Engagement | 102-44: Key Topics and Concerns Raised

Our stakeholders are regularly involved at different points in the advisory and decision-making process, notably during preparation of the BB Corporate Strategy and the BB Sustainability Strategy.

Corporate Strategy

During the Strategic Planning 2020–2024 process, the principles of active stakeholder participation, perspective of the holding and customer experience emphasis were preserved. We also sought to ensure the Bank of Brazil's Corporate Strategy's (ECBB) alignment with the other documents in our strategic architecture so that the strategic objectives are deployed in market business plans, branch/unit planning and initiatives and actions in all areas of our organization.

The process also took into account the perceptions and expectations of different stakeholders. Internal stakeholders (employees and statutory officers, board members, as well as representatives of Entities linked to Banco do Brasil) were interviewed, answered institutional surveys that addressed trends, uncertainties and scenarios in the financial industry, and participated in face-to-face planning workshops, occasion when they were able to collaborate actively in discussions, proposals and strategic decisions. Aiming to capture customers' perception and expectations, satisfaction surveys were used with different segments. Market studies on trends in banking consumer behavior were also considered. In order to improve strategic discussions, market analysts were invited, who considered and discussed issues related to our performance and future perspectives.

BB Sustainability Strategy and Annual Report

The process of prioritizing sustainability challenges to update the Sustainability Action Plan and guide the content of the Annual Report involved establishing a stakeholder's map with four prioritization levels, considering nature, business, and our activities. Our Sustainability Plan – Agenda 30 BB is reviewed every two years to keep up to date and in line with stakeholder demands. In 2016, several engagement events were held, in which all categories of stakeholders were invited to participate in a virtual consultation, with those considered priority and very important, such as customers, shareholders / investors, employees and representatives of civil society, responded to the in-depth interview. Each group's contributions were consolidated according to their influence and impact; with relevance attributed according to priority in the stakeholder's map.

In 2018, we updated our Sustainability Plan – Agenda 30 BB 2019–2021, based on the information and results obtained in 2016. The challenges were reviewed in light of the Corporate Strategy 2019-2023, industry studies and nationally and internationally accredited indicators (ISE and DJSI, respectively).

To integrate management into reporting, the sustainability challenges stipulated in our Sustainability Plan – Agenda 30 BB correspond to the material topics that provide the content for the Annual Report. To this end, the 35th BB Sustainability Forum that took place in November 2018 was attended by Executive Managers, to evaluate the 21 mapped sustainability challenges and validate the new materiality matrix, which prioritizes actions and indicators to improve sustainability management.

Subsequently we held the VII Sustainability Workshop –attended by Directors, General Managers and Executives of the Company

of Related Entities – to discuss the theme “Megatrends with an emphasis on Sustainable Finance” and to evaluate sustainability challenges and the materiality matrix.

At this planning stage, the Directors, General Managers and Executive Managers of the strategic units evaluated the actions and indicators related to each challenge. They also defined targets with respective responsibilities and deadlines for completion. As a result, in February 2019 the Board of Officers approved the Sustainability Plan – Agenda 30 BB for 2019–2021, which includes 50 actions. The actions were included in Work Agreements (WA) with the areas responsible for their development, as well as 86 indicators that measure unit management performance in relation to the targets set. This evaluation model impacts the variable remuneration of employees, through Profit Sharing (PLR) payment. This cycle ends when we report to stakeholders on the actions performed in relation to the material challenges through the Annual Report.

102-44: Key Topics and Concerns Raised | 102-46: Defining Report Content and Material Topics | 102-47: List of Material Topics | 102-49 Changes in Reporting

The materiality review, which takes place every two years, guides management and reporting by updating the Sustainability Plan - Agenda 30 BB and defining the most relevant topics to be addressed in our Annual Report. This is a way to revisit our sustainability drivers and bring sector inputs to our business strategy - with studies developed by renowned national and international institutions - and with benchmarking studies - which consider the best practices developed by financial sector peers across the world.

The materiality review process includes the results of the 2016 cycle, in which more than seven thousand stakeholders were consulted to assess and prioritize the sustainability challenges mapped at the time. In the process, the limits of the challenges presented were also identified, based on the evaluation of the same group consulted, considering whether impacts may occur inside or outside the company. In this context, and after internal analysis, it was identified that the challenges resulting from the 2016 process remained relevant and current, with opportunities to move forward in managing the issues through new actions to be taken.

Therefore, we seek to refine and update our materiality considering mainly the context of sustainability. For biennium 2018/2019, the process also met Global reporting Initiative (GRI) and International Integrated Reporting Council (IIRC) guidelines and was developed based on the following steps:

- Identification and review of the challenges: evaluation of sustainability trends and demands;
- Analysis process: materiality process evaluation carried out in 2016 and the sustainability challenges listed in this process; analysis of internal, sectoral and peer documents; and analysis and alignment with the Banco do Brasil Corporate Strategy 2019–2023;
- Validation: validation and prioritization of the challenges and actions proposed for Agenda 30 BB 2019–2021 by our Executive Managers at the 35th Sustainability Forum;

- Planning and action: holding of the VII Sustainability Workshop with the presence of senior management and ELBB representatives, in which the results of the Materiality Matrix were presented with the purpose of later defining indicators and targets to promote the achievement of the challenges in sustainability; and approval of the actions, targets and indicators established for our sustainability challenges by our Board of Officers; and
- Accountability: six-monthly report to the Board of Officers; annual report to the Board of Directors; and annual reporting to stakeholders through the Annual Report.

Materiality Process for the Year 2016 as a Starting Point

In 2016, we conducted a broad stakeholder consultation process with the participation of 7,145 stakeholders, of which 7,117 participated in an online survey and 28 were interviewed. We reviewed and updated our stakeholders map, so that perceptions could be effectively contemplated. This update resulted in a list of priority; very important; important; and secondary importance stakeholders (see Our [Stakeholders](#) table).

In 2016, we also chose to align our materiality with the Sustainable Development Goals (SDGs), which improved the correlation of our actions with those foreseen by the United Nations (UN). This considers the long-term vision for our business strategy and the greater relevance in environmental, social, governance (ESG) and economic issues in the process.

The Materiality Process – 2018 Cycle

The demands and contributions of the consultation with stakeholders in 2016 were considered in the materiality review process for the 2018/2019 biennium, using the defined and prioritized challenges as a starting point for the review of this last cycle. We maintained the alignment of our sustainability challenges with the SDGs and distributed the challenges across the five pillars of the Global Agenda 2030: Prosperity, Partnership, People, Planet and Peace.

The stages of this cycle also consider the guidelines for defining material topics proposed by GRI, fully complying with the principles that assist and guide the content of sustainability reports. In addition, the process considered the following documents and studies:

- Banco do Brasil Corporate Strategy (ECBB) 2019-2023 and its respective goals and indicators, with the aim of considering and aligning the process with the corporate strategic drivers;
- Peer best practice market research;
- Research of industry studies; and
- Consultation of the industry driving forces and criteria score of the Dow Jones Sustainability Index (DJSI).

The following figure summarizes the steps for identifying, prioritizing and validating our challenges in 2018.

Identification stage

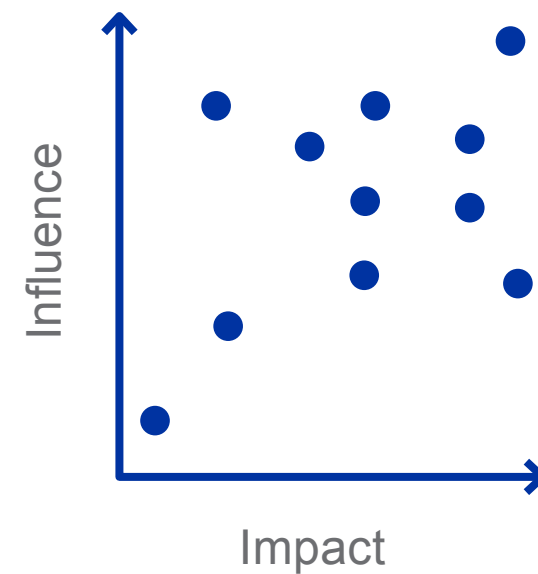
As a surveys result, it was found that the challenges identified in the 2016 materiality process remained relevant. It was necessary to refine and better define the challenges based on the criteria of topic similarity and wording.

During the development phase of the industry studies and benchmarking, it was proposed to adjust the previous Challenge 6 (social business) and 7 (productive development, entrepreneurship, and social and financial inclusion). The two were grouped together as they address similar issues. The union resulted in a new Challenge 6: “Strengthen the Banco do Brasil initiatives that promote productive development, entrepreneurship and social and financial inclusion, including social business.

At this stage, adjustments were also proposed in the previous Challenge 19 (social-environmental risks in financing and controversial subjects), 20 (socio-environmental risks in own investments and third-party asset management) and 22 (sustainability guidelines for credit and controversial issues). These were also grouped together – since they address sustainability and socio-environmental risk related to business. The union resulted in the new Challenge 17: “Improve socio-environmental risk management, in lending, in financing, in own investments, and in third-party asset management, while also considering controversial issues.”

2016 Materiality Process:

more than 7,000 participants



Influence

Source for evaluation

Interviews with external stakeholders

Online survey of external stakeholders

Media and industry research

Impact

Source for evaluation

Consultation with executives and employees

Competitors

Megatrends

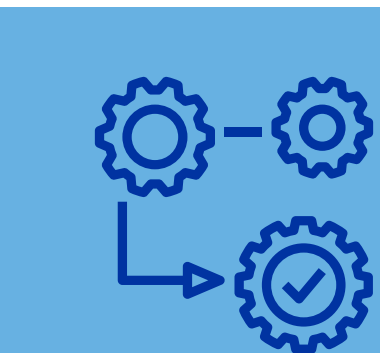
Documents

Weighting

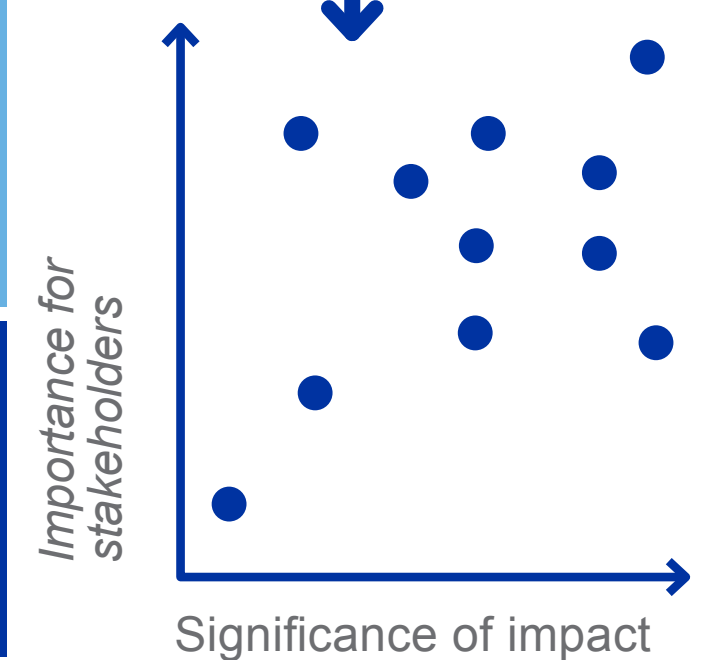
ECBB and PD 2019–2023	50%
Sustainability Index (DJSI)	30%
Benchmarking of peers and industry studies	30%

Materiality 2018: Main challenges

The 35th Sustainability Forum: validation challenges



Importance for stakeholders



Materiality 2016



Refinement of topics

Prioritization Stage

Our Corporate Strategy (ECBB 2019-2023) was used as a way of demonstrating the importance of correlating our sustainability challenges with the Strategic Objectives. Meanwhile, benchmarking studies and industry studies considered the need to give importance to sector trends and the best practices of industry peers.

Each challenge was analyzed in terms of its impact and influence. For each of these factors, we considered the 2016 cycle materiality, the ECBB, the DJSI, and the industry studies and benchmarking.

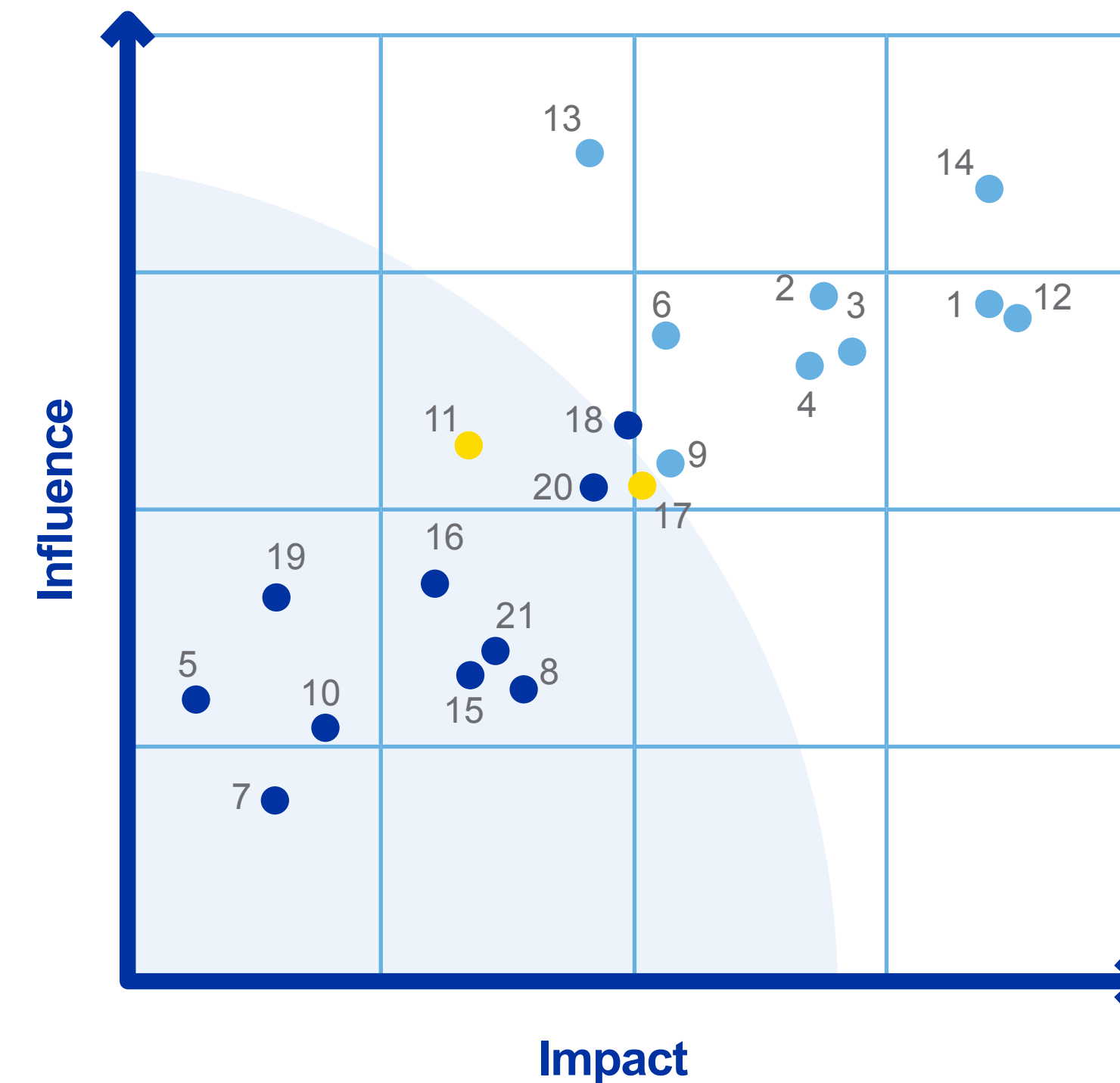
Validation Stage of Material Challenges – BB Sustainability Forum

The 35th Sustainability Forum was one of the validation stages of our materiality review. At the Forum, sustainability challenges were reviewed by our Executive Managers, which permitted promotions to “material” status. Of the 21 challenges listed, 11 were considered material, according to the materiality matrix:

Validation Stage of Material Challenges – BB Sustainability Forum

The 35th Sustainability Forum was one of the validation stages of our materiality review. At the Forum, sustainability challenges were reviewed by our Executive Managers, which permitted promotions to “material” status. Of the 21 challenges listed, 11 were considered material, according to the materiality matrix:

Materiality Matrix



- Material Topic
- Topic promoted to material

The challenges are distributed among the five pillars of the SDGs: 102-47

Prosperity	Partnership	People	Planet	Peace
<p>Challenge 1: Align Banco do Brasil's governance with best practices in order to strengthen the role of senior management in the sustainability strategy.</p>	<p>Challenge 6: strengthen the Banco do Brasil initiatives that promote productive development, entrepreneurship and social and financial inclusion, including social business.</p>	<p>Challenge 9: ensure greater proportionality of gender and racial representation in all hierarchical levels of Banco do Brasil.</p>	<p>Challenge 14: develop financial solutions and business models that promote the transition to a green and inclusive economy.</p>	<p>Challenge 18: develop socio-environmental due diligence process (including human rights and labor practices) to assess impacts of Banco do Brasil's operations and business relations.</p>
<p>Challenge 2: identify and manage non-financial and emerging medium and long-term risks that could have significant impacts on Banco do Brasil's business.</p>	<p>Challenge 7: strengthen sustainability management in Entities Linked to Banco do Brasil.</p>	<p>Challenge 10: strengthen sustainability education and awareness for the internal public and society.</p>	<p>Challenge 15: improve governance and management of risks and opportunities relating to climate issues.</p>	<p>Challenge 19: improve Banco do Brasil's sustainability performance management and reporting processes.</p>
<p>Challenge 3: identify innovations in the financial sector (business models and technologies) and anticipate trends to guarantee Banco do Brasil's continuity and longevity.</p>	<p>Challenge 8: Improve Banco do Brasil's guiding role in financial education.</p>	<p>Challenge 11: Improve the variable remuneration model for employees, including senior management, broadening The socio-environmental criteria and contemplating individual performance.</p>	<p>Challenge 16: improve the Environmental Management System EMS and ecoefficiency practices in order to reduce Banco do Brasil's ecological footprint.</p>	<p>Challenge 20: improve integration between Private Social Investment and business strategy.</p>

Material challenge Challenge promoted to material status

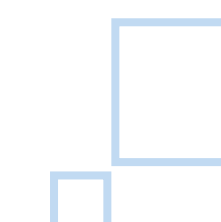


Prosperity	Partnership	People	Planet	Peace
<p>Challenge 4: improve customer relationship management and increase satisfaction and retention rates.</p>		<p>Challenge 12: strengthen Banco do Brasil's actions in relation to human capital, including health, safety and wellbeing management, development and retention of talent.</p>	<p>Challenge 17: improve socioenvironmental risk management in the supply chain, in lending, in financing, in own investments, and in third-party asset management, while also considering controversial issues.</p>	<p>Challenge 21: guarantee transparency in communication and in sales of products and services.</p>
<p>Challenge 5: improve Banco do Brasil's tax strategy management, with a focus on governance, tax risks and transparency.</p>		<p>Challenge 13: strengthen the work of Banco do Brasil in relation to ethics and practices to combat corruption, unlawful acts and money laundering.</p>		

 Material challenge  Challenge promoted to material status

This entire process contributes to our alignment with the best practices of our market peers. Our internal management allows actions to anticipate and manage risks and opportunities, enabling us to protect our ability to prosper in the medium and long term in a scenario of competitive business and structural changes.

Material Challenges in Descending Order ^[102-47]	Material Requirements (GRI Standards 2016)
Challenge 14: Develop financial solutions and business models that promote the transition to a green and inclusive economy.	201-2 203-2 305-5 FS7 FS8
Challenge 12: Strengthen Banco do Brasil's actions in relation to human capital, including health, safety and wellbeing management, development and retention of talent.	102-41 401-1 402-1 403-1 403-2 404-1 404-3 410-1 412-1
Challenge 1: Align Banco do Brasil's governance with best practices in order to strengthen the role of senior management in sustainability strategy.	102-14 102-18 102-19 102-21 102-27 102-28 102-29 102-38
Challenge 4: Improve customer relationship management and increase satisfaction and retention rates.	416-1 417-2 102-43 102-44 417-3 418-1 419-1
Challenge 2: Identify and manage non-financial and emerging medium and long-term risks that could have significant impacts on Banco do Brasil's business.	102-15 102-11 201-2 305-1 305-2 305-3 305-4 305-5 FS6 FS9
Challenge 3: identify innovations in the financial sector (business models and technologies) and anticipate trends to guarantee Banco do Brasil's continuity and longevity.	418-1
Challenge 13: strengthen the work of Banco do Brasil in relation to ethics and practices to combat corruption, unlawful acts and money laundering.	102-16 102-17 205-1 205-2 205-3
Challenge 6: strengthen the Banco do Brasil initiatives that promote productive development, entrepreneurship and social and financial inclusion, including social business.	416-1 417-3 419-1 203-2 FS13 FS14
Challenge 9: ensure greater proportionality of gender and racial representation in all hierarchical levels of Banco do Brasil.	102-8 405-1 405-2 406-1
Challenge 11: improve the variable remuneration model for employees, including senior management, broadening the socio-environmental criteria and contemplating individual performance.	102-35 102-36 102-37 202-1
Challenge 17: improve socioenvironmental risk management in the supply chain, in lending, in financing, in own investments, and in third-party asset management, while also considering controversial issues.	FS1 FS2 FS3 FS4 FS5 FS9 FS12 FS10 FS11 308-1 308-2 412-1 412-2 412-3 408-1 409-1 414-1 414-2



102: General Disclosures 2016	Requirements
Organizational Profile	102-1 102-2 102-3 102-4 102-5 102-6 102-7 102-9 102-10 102-12 102-13
Stakeholder Engagement	102-40 102-42
Reporting Practice	102-45 102-46 102-47 102-48 102-49 102-50 102-51 102-52 102-53 102-54 102-55 102-56

103: Management Approach 2016	Requisitos
Management Approach	103-1 103-2 103-3

Requirements not Material but still Reported (GRI Standards 2016)
201-1 301-1 301-2 302-1 302-3 302-4 303-1 306-2

201-1: Direct Economic Value Generated and Distributed |102-48|

Direct Economic Value Generated and Distributed	2019
Direct Economic Value Generated – Revenue (R\$ billion)	45.6
Direct Economic Value Distributed (R\$ billion)	31.9
Personnel (Employee Salaries and Benefits)	23.1
Remuneration of Third-Party Capital	1.3
Interest on Own Capital and Dividends	7.0
Taxes, fees and Duties	0.5
Economic Value Retained (R\$ billion)	13.7
Retained Earnings	11.2
Non-Controlling Interest in Retained Earnings	2.5

205-1: Operations Assessed for Risks Related to Corruption

In 2019, the risk assessment focusing on integrity was completed, considering the basis of corporate processes, as approved in the review of the Integrity Program that took place in 2018. The work evaluated 112 processes, considering situations that could involve us in harmful acts qualifying as corruption, the level of risk involved and the correspondent mitigating actions developed or under development. In 2019, evaluations were also carried out in 43 of the main Entities Related to Banco do Brasil (ELBB) with a focus on preventing and combating corruption.



205-2: Communication and training related to anti-corruption policies and procedures

Total Number and Percentage of Employees Who Participated in at Least 1 Course on Combating Corruption, Broken Down by Functional Category and Region

Region	Functional Category	2019		TOTAL	
		Trained	Percentage trained	Trained	Percentage Trained in Relation to Total Employees
Midwest	Senior Management	26	15.66	156	93.98
Midwest	Consulting	1,080	23.34	4,623	99.89
Midwest	Management	997	22.70	4,389	99.91
Midwest	Operational	2,627	57.17	4,545	98.91
Midwest	Technician	288	10.32	2,787	99.86
Overseas	Senior Management			5	100.00
Overseas	Management	2	11.76	17	100.00
Northeast	Senior Management	1	16.67	6	100.00
Northeast	Consulting	93	28.70	323	99.69
Northeast	Management	1,400	25.77	5,425	99.87
Northeast	Operational	6,041	63.29	9,477	99.29
Northeast	Technician	14	22.95	59	96.72
North	Senior Management			2	100.00
North	Consulting	23	23.71	97	100.00
North	Management	451	28.05	1,608	100.00
North	Operational	1,444	62.32	2,305	99.48
North	Technician	5	29.41	17	100.00
Southeast	Senior Management	5	10.64	43	91.49
Southeast	Consulting	404	20.55	1,963	99.85
Southeast	Management	3,454	23.50	14,696	100.00
Southeast	Operational	11,350	49.08	23,024	99.56
Southeast	Technician	233	22.51	1,035	100.00
South	Senior Management			4	100.00
South	Consulting	128	25.86	495	100.00
South	Management	1,438	25.35	5,670	99.96
South	Operational	5,499	55.57	9,850	99.54
South	Technician	70	28.11	249	100.00

301-1: Materials Used by Weight or Volume | 301-2: Recycled Input Materials Used

Non-renewable Materials			
Cartridge and Toner Refill Program (Prorec – in units)	2017	2018	2019
Total Cartridges Consumed	107,712	103,582	86,406
Refilled Cartridges	105,112	102,359	85,818
Percentage of Cartridges Refilled	97.59	98.82	99.32

The toner cartridges that we use do not come from recycling. We purchase refilled original toner cartridges from equipment manufacturers (OEM) and remanufacturers. Regardless of the material obtained our aim is sustainable disposal, with solid waste management prioritized for our suppliers and users. The increase of electronic transactions and the rationalization of the availability of printers at our facilities helped to reduce toner cartridge consumption.

Renewable Materials			
Use of Paper	2017	2018	2019
Total Paper Consumed (ton)	5,454	5,195	4,035
Recycled Paper (ton)	386	348	256
Percentage of Recycled Paper	7.08	6.70	6.34

The reduction in paper consumption in 2019 is a result of the “Zero Paper” campaign. The campaign promoted internal awareness of the use of paper-based products, with several sectors have switching from paper documents and products to digital solutions. Another contribution to the results was the increase in electronic transactions, such as mobile and intranet solutions.

302-1: Energy Consumption Within the Organization | 302-3: Energy Intensity | 302-4: Reduction of Energy Consumption

Energy Intensity ⁽¹⁾	2017	2018	2019
Electricity Intensity (total electricity consumption/employee/year) – MWh/employee/year	6.14	6.18	6.13
Total Electricity Consumption ⁽²⁾	2017	2018	2019
Total Electricity Consumption (MWh)	609,037	598,393	571,000
Total Electricity Consumption (GJ)	2,192,533	2,154,215	2,055,600
Employee Base	2017	2018	2019
Number of Employees ⁽³⁾	99,161	96,889	93,190

(1) The energy intensity figure decreased over the period due to the reduction in energy consumption observed in 2019, even with the reduction in staff numbers.

(2) BB consumes energy from NIS – National Integrated System (SIN – Sistema Integrado Nacional) and purchases energy through free contract (ACL). In 2019, 88% of electricity consumed by BB came from renewable sources: http://ons.org.br/Paginas/resultados-da-operacao/historico-da-operacao/geracao_energia.aspx.

(3) Considered the actual labor force, according to official data.

Fuel (liters)	2017	2018	2019
Total Consumption of Diesel Fuel for Vehicles	63,833	78,189	70,568
Total Consumption of Diesel Generator Set	340,870	251,545	383,658
Total Petrol Consumption	2,097,684	1,837,013	1,071,786
Total Ethanol Consumption	419,792	579,270	387,016

306-2: Waste by Type and Disposal Method

Weight of Non-hazardous Waste, Broken Down by Type of Destination	2017	2018	2019
Reuse – Donation (unit)	17,837	0	7,654
Reuse – Internal (unit)	114,000	64,610	49,033
Recycling (ton)	1,494	2,914	988
On-Site Storage ⁽¹⁾ (Ton)	2,534	202.4	-
Public Collection ⁽²⁾ (mixed or non-recyclable waste generated by the units participating in the selective waste collection program) (ton)	529.8	443.2	333.9

(1) In 2019, the asset allocation process was restructured, In the new methodology, the service is performed on a continuous basis, without conducting prior research to measure the unserviceable goods stored on the outhouse. This way, goods residues is informed and collected by a contracted company.

(2) The volume of waste corresponds to Units with selective collection implemented.

Weight of Hazardous Waste, Broken Down by Type of Destination (Bulbs and Batteries) ¹	2017	2018	2019
Other (Chemical Reaction and Decontamination) – ton	18.6	14.1	3.2

(1) The data on lamps and batteries refer to items collected and destined for recycling through goods recycling contracts.

The reduction of hazardous waste is due to the reopening of the no break batteries collection programs. This takes place through supply contracts, through which the supplier collects the old devices and delivers new ones. The numbers were provided by the contracted companies during the year 2019.

Non-Hazardous Waste ⁽¹⁾ (ton)	2017	2018	2019
Plastic	221.8	208.3	92.9
Metal	34.8	28.3	38.4
Glass	27.5	17.5	16.8
Paper	2.390.4	1.763.6	673.5

(1) It corresponds to Units with selective collection implemented.

401-1: New Employee Hires and Employee Turnover

Turnover by Gender	2017	2018	2019
Number of Employees	99,161	96,889	93,190
Female	41,044	40,243	39,122
Male	58,117	56,646	54,068
Layoffs in the period	1,587	2,156	4,117
Female	474	746	1,333
Male	1,113	1,410	2,784
Turnover Rate (%)	1.6	2.2	4.4
Female	0.5	0.8	1.4
Male	1.1	1.4	3.0

The turnover rate reflects the average observed in the period and the adoption of the Staff Adjustment Program (Programa de Adequação de Quadros – PAQ) in the first quarter.

Turnover by Age Group	2017	2018	2019
Layoffs in the period	1,587	2,156	4,117
Up to 30	214	188	146
From 30 to 50 Years	814	1,130	1,476
Over 50 years	559	838	2,495
Turnover Rate (%)	1.6	2.2	4.4
Up to 30 Years	0.2	0.2	0.2
From 30 to 50 Years	0.8	1.2	1.6
Over 50 Years	0.5	0.9	2.6

The higher turnover rate for the age groups close to or above 50 years of age is due to the availability of the pension supplement through the Banco de Brasil Employees' Pension Fund (Previ) from age 50 onwards.

Turnover by Region	2017	2018	2019
Layoffs in the Period	1,587	2,156	4,117
South	243	352	717
Southeast	670	936	1,841
Midwest	305	360	653
North	76	113	145
Northeast	293	395	761
Turnover Rate (%)	1.6	2.2	4.4
South	0.2	0.4	0.8
Southeast	0.7	1.0	1.9
Midwest	0.3	0.4	0.7
North	0.1	0.1	0.2
Northeast	0.3	0.4	0.8

The regional percentage of labor concentration reflects directly on the availability index since no specific actions were taken (hiring or firing). Most of the layoffs are connected to retirement conditions through Social Security (INSS) and/or complementary pension schemes.

New Hires by Gender	2017	2018	2019
New Hires in the Period	287	167	30
Female	98	72	14
Male	189	95	16
Hiring Rate (%)	0.3	0.2	0.03
Female	0.1	0.1	0.01
Male	0.2	0.1	0.02

All our hiring occurs by means of a public service exam, without any distinction by gender or age to fill vacancies.

New Hires by Group Age	2017	2018	2019
New Hires in the period	287	167	30
Up to 30	166	46	6
From 30 to 50 Years	117	117	23
Over 50 years	4	4	1
Turnover Rate (%)	0.3	0.2	0.03
Up to 30 Years	0.2	0.1	0.01
From 30 to 50 Years	0.1	0.1	0.02
Over 50 Years	0	0	0.00

New Hires by Region	2017	2018	2019
New Hires by Region	287	167	30
South	6	5	3
Southeast	15	9	3
Midwest	101	119	18
North	11	19	1
Northeast	154	15	5
Hiring Rate (%)	0.3	0.2	0.03
South	0	0	0.00
Southeast	0	0	0.00
Midwest	0.1	0.1	0.02
North	0	0	0.00
Northeast	0.2	0	0.01

The vacancies made available are in line with the need for personnel in each region, according to the distribution of the staff.

402-1: Minimum Notice Periods Regarding Operational Changes

In the event of any operational change, we inform employees and their union representatives. Due to the diversity of situations and processes, we do not establish a minimum notice period for operational changes in our internal policies and collective bargaining agreements.

403-2: Injury Types and Rates, Occupational Diseases, Lost Days, Absenteeism and Number of Work-Related Fatalities

Employees (own employees)		2017		2018		2019	
		Men	Women	Men	Women	Men	Women
Injury rate (No, of injuries/No, of employees)	Total	0.00		0.00		0.00	
	North	0.01	0.00	0.01	0.01	0.00	0.00
	Northeast	0.00	0.00	0.00	0.00	0.00	0.00
	Midwest	0.00	0.00	0.00	0.00	0.00	0.00
	Southeast	0.00	0.01	0.00	0.01	0.00	0.01
	South	0.00	0.00	0.00	0.00	0.01	0.01
	Occupational Disease Rate (frequency of illness/No, of employees)	Total	0.00		0.00		0.00
North	0.00	0.00	0.00	0.00	0.00	0.00	
Northeast	0.00	0.00	0.00	0.00	0.00	0.00	
Midwest	0.00	0.00	0.00	0.00	0.00	0.00	
Southeast	0.00	0.00	0.00	0.00	0.00	0.00	
South	0.00	0.00	0.00	0.00	0.00	0.00	

Employees (own employees)		2017		2018		2019	
		Men	Women	Men	Women	Men	Women
Lost Days Rate – % (days lost/days planned)	Total	0.4		0.2		0.2	
		0.3	0.5	0.2	0.2	0.2	0.2
	North	0.4	0.6	0.5	0.5	0.3	0.6
	Northeast	0.3	0.5	0.5	0.5	0.6	0.5
	Midwest	0.3	0.6	0.2	0.4	0.1	0.3
	Southeast	0.3	0.4	0.1	0.1	0.1	0.1
	South	0.2	0.4	0.1	0.1	0.1	0.2
Lost Days ¹	Total	739,258		735,187		733,223	
		357,463	381,795	359,521	375,666	356,236	376,987
	North	21,759	21,322	22,288	19,609	16,043	21,627
	Northeast	74,907	57,388	79,112	57,259	83,022	60,112
	Midwest	66,811	72,161	66,316	75,530	63,118	65,428
	Southeast	144,546	173,193	145,039	168,523	148,349	177,088
	South	49,440	57,731	46,766	54,745	45,704	52,732
Absenteeism Rate – % (days lost ¹ /days planned)	Total	2.9		3.0		3.1	
		2.4	3.7	2.5	3.7	2.6	3.8
	North	3.3	4.6	3.5	4.4	2.7	5.1
	Northeast	2.7	3.9	3.0	4.0	3.3	4.4
	Midwest	2.5	4.6	2.4	4.7	2.4	4.2
	Southeast	2.4	3.4	2.5	3.4	2.7	3.7
	South	1.9	3.1	1.9	3.0	2.0	3.0
Deaths related to Work ² (units)	Total	1		3		0	
		1	0	2	1	0	0
	North	0	0	0	0	0	0
	Northeast	0	0	1	0	0	0
	Midwest	0	0	0	0	0	0
	Southeast	1	0	0	0	0	0
	South	0	0	1	1	0	0

Injury rate: considers injuries from common accidents, such as accidents at work and during the commute (home-work home), regardless of severity, sick-leave or death.

Occupational illness rate: computes all cases of work-related illnesses that have been investigated and recognized as originating from work. The statistic includes all occupational illness cases, regardless of the severity or need for sick-leave.

Days lost rate, Days lost and Absenteeism Rate: refers to total absenteeism due to health reasons, which includes leave due to work-related absences as well as non-work-related illnesses.

Lost days count absences due to health reasons with occupational and nonoccupational causes. Absenteeism excludes paid absences such as holidays, study leaves, maternity leaves, paternity leaves and days off.

404-1: Average Hours of Training per Year per Employee

Consolidated Training Indicators	2017	2018	2019
Employees (final capacity)	99,161	96,889	93,190
Trained	98,984	96,730	92,701
Training	2,937,065	4,942,310	3,176,498
Hours	7,933,426	11,258,757	5,989,004
Percentage Trained	99.8	99.8	99.5
Training actions per Employee	29.6	51.0	34.1
Hours per Employee	80.0	116.2	64.3

Training by gender and functional level	2017				2018				2019			
	Men		Women		Men		Women		Men		Women	
	Managerial	Not managerial	Managerial	Not managerial	Managerial	Not managerial	Managerial	Not managerial	Managerial	Not managerial	Managerial	Not managerial
Employees (final capacity)	20,879	37,238	11,324	29,720	21,065	35,581	11,574	28,669	20,483	33,585	11,565	27,557
Trained	20,848	37,175	11,318	29,643	21,056	35,510	11,564	28,600	20,440	33,390	11,534	27,337
Training actions	624,316	1,082,289	336,953	893,507	820,134	1,871,009	493,326	1,757,841	621,705	1,133,864	399,294	1,021,635
Hours	1,975,267	2,785,139	954,984	2,218,036	2,659,443	3,847,342	1,251,381	3,500,591	1,233,673	2,121,594	756,175	1,877,562
Percentage trained	99.8	99.8	99.9	99.7	100.0	99.8	99.9	99.8	99.8	99.4	99.7	99.2
Training actions per employee	29.9	29.1	29.8	30.1	38.9	52.6	42.6	61.3	30.4	33.8	34.5	37.1
Hours per employee	94.6	74.8	84.3	74.6	126.2	108.1	108.1	122.1	60.2	63.2	65.4	68.1

Observation	Senior Management			Management			Consulting Advisory			Operational			Technician		
	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019
Employees (final capacity)	238	202	230	31,966	32,437	31,818	7,835	7,717	7,510	54,979	52,278	49,479	4,143	4,255	4,153
Trained	225	201	212	31,942	32,419	31,762	7,818	7,706	7,492	54,861	52,153	49,086	4,138	4,251	4,149
Training	2,367	2,623	2,386	958,933	1,310,837	1,018,613	182,205	238,838	179,121	1,698,277	3,280,702	1,890,310	95,283	109,310	86,068
Hours	12,595	14,202	6,527	2,917,710	3,896,622	1,983,321	527,911	494,358	401,526	4,208,391	6,647,357	3,434,065	266,819	206,218	163,565
Percentage Trained	94.5	99.5	92.2	99.9	99.9	99.8	99.8	99.9	99.9	99.8	99.8	99.2	99.9	99.9	99.9
Training actions per Employee	10.0	13.0	10.4	30.0	40.4	32.0	23.3	31.0	23.9	30.9	62.8	38.2	23.0	25.7	20.7
Hours per Employee	52.9	70.3	28.4	91.3	120.1	62.3	67.4	64.1	53.5	76.6	127.2	69.4	64.4	48.5	39.4

404-3: Percentage of Employees Receiving Regular Performance and Career Development Reviews

Employees Who Participated in the GDP by Functional Level and Gender ¹	2018				2019			
	Female	%	Male	%	Female	%	Male	%
Management	11,189	11.8	20,909	22.0	11,392	12.4	20,431	22.2
Technician	1,200	1.3	2,877	3.0	1,189	1.3	2,831	3.1
Operational	8,432	8.9	7,533	7.9	8,923	9.7	7,749	8.4
Consulting	3,024	3.2	4,494	4.7	3,068	3.3	4,377	4.7
Others	14,953	15.7	20,389	21.5	13,696	14.9	18,561	20.1
Total	38,798	40.8	56,202	59.2	38,268	41.5	53,949	58.5

(1) The percentages calculated are related to the number of employees that are eligible for assessment. The total number of employees eligible for assessment is less than the total number of employees due to health or maternity leave.

Development Plan		2017	2018	2019
Employees Who Have Prepared a Skills Development Plan	1 st semester	62,882	97,320	82,120
	2 nd semester	52,237	96,088	77,615
Percentage of Employees Who Developed the Skills Development Plan ⁽¹⁾	1 st semester	63.4	93.2	85.59
	2 nd semester	53.1	93.2	80.99

(1) The percentages were calculated based on the number of employees eligible to prepare the Skills Development Plan

405-1: Diversity of governance bodies and employees

Diversity in Governance (%) ⁽¹⁾	2017	2018	2019
By Gender			
Female	4.8	8.6	10.0
Male	95.2	91.4	90.0
By Gender Group			
Up to 30 Years	0.0	0.0	0.0
From 30 to 50 Years	58.0	60.3	56.0
Over 50 Years	42.0	39.7	44.0
By Minority Groups			
Indigenous	0.0	0.0	0
Black	1.6	3.5	4.0
Mixed-Race	4.8	5.2	8.0

(1) Considered as members of the Board of Directors, the Executive Board, the Supervisory Board, and the Audit and Remuneration Committees.

General Indicators of Employee Diversity (%)	2017	2018	2019
By Gender			
Female	41.4	41.5	42.0
Male	58.6	58.5	58.0
By Gender Group			
Up to 30 Years	11.2	6.1	6.2
From 30 to 50 Years	73.4	76.3	75.2
Over 50 Years	15.4	17.6	18.6
By Minority Groups			
Indigenous	0.2	0.2	0.2
Black	2.8	2.9	3.0
Mixed-Race	19.8	20.0	20.2

Employee Diversity Function (%)	Management			Technician			Operational			Consulting			Others		
	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019	2017	2018	2019
By gender (in relation to the total workforce of each functional category)															
Female	35.2	35.5	36.1	30.0	29.9	29.6	53.0	46.3	46.9	40.3	41.0	41.8	43.2	-	-
Male	64.8	64.5	63.9	70.0	70.1	70.4	47.0	53.7	53.1	59.7	59.0	58.2	56.8	-	-
By Age Group (in relation to the total workforce of each functional category)															
Up to 30 Years	5.6	3.0	3.9	7.7	4.4	4.8	13.7	8.8	8.2	4.5	2.4	3.5	11.2	-	-
From 30 to 50 Years	82.3	82.7	81.8	76.7	78.6	78.3	73.2	70.7	69.4	84.7	85.3	84.1	73.4	-	-
Over 50 Years	12.1	14.3	14.3	15.6	17.0	16.9	13.1	20.5	22.4	10.8	12.3	12.4	15.4	-	-
By Minority Groups (in relation to the total workforce of each functional category)															
Indigenous	0.1	0.1	0.1	0.1	0.1	0.1	0.3	0.2	0.2	0.2	0.2	0.2	0.2	-	-
Black	2.6	2.6	2.7	3.0	2.9	3.0	2.8	3.1	3.2	2.4	2.5	2.6	3.1	-	-
Mixed-Race	18.4	18.8	19.2	21.0	21.5	21.5	16.6	21.0	21.1	17.6	17.7	18.0	22.6	-	-

405-2: Ratio of Basic Salary and Remuneration of Women to Men

Ratio of Women/Men Base Salary	2017	2018	2019
Executive	1	1	1
Management	1	1	1
Technician	1	1	1
Operational	1	1	1
Consulting	1	1	1
Others	1	1	1

Regarding the base salary or reference value for each existing function, there is no difference between men and women, which resulted in a ratio of 1 between the genders. Remuneration information by gender and functional level only covers our operations in Brazil.

406-1: Incidents of Discrimination and Corrective Actions Taken

	2017	2018	2019
Total Number of Incidents of Discrimination Known to BB	27	23	12
Incidents Being Investigated	0	0	0
Incidents Investigated	27	23	12
Incidents Not Yet Investigated	0	0	0
Incidents Judged to Be Well-Founded	0	0	0
Incidents Judged to Be Unfounded (Not Subject to Action)	27	23	12

There was a decrease in the incidents investigated between 2018 and 2019. We reject any discriminatory conduct and have intensified training and communication actions, as well as disciplinary treatment for proven cases. Our aim is to achieve zero discrimination in our institution.

During the year 2019, no judicial or administrative proceedings were identified originating from discrimination based on race, color, gender, religion, political opinion, country of origin or social background.

408-1: Operations and Suppliers at Significant Risk for Incidents of Child Labor | 409-1: Operations and Suppliers at Significant Risk for Incidents of Forced or Compulsory Labor | 412-1: Operations That Have Been Subject to Human Rights Reviews or Impact Assessments

Own Operation

There is no risk of child labor or forced or compulsory labor in our operations.

Customers

Our Credit Policy defines restrictions on risk-taking. This way, all credit proposals are submitted to analysis concerning Human Rights topics, with credit being denied to clients who have:

- a) Submitted workers to degrading forms of work or kept them in conditions similar to slavery;
- b) Practiced sexual exploitation of minors;
- c) Used child labor.

In addition to the verification carried out prior to granting credit, we monitor the customer's conformity concerning Human Rights during the entire process.

Below, we present the number of operations/customers with registration information related to the occurrence of slave labor. The record blocks out the study of the credit limit (analysis and/or renewal) and the reception of operations in our systems, which materializes into constant prohibition in our Policy.

BB Operations/Customers	2017	2018	2019
Number of Operations/Customers with a Registration Record Related to the Occurrence of Slave Labor	54	66	50

412-2: Employee Training on Human Rights Policies or Procedures

Human Rights are the main guiding principles for the development of UniBB educational solutions and they are a cross-cutting theme that recurrently appears in the courses that we offer to employees. Training directly related to the subject of Human Rights addresses diverse perspectives, such as accessibility, diversity, gender equity and People with Disabilities, in the context of relationship with customers, with co-workers, sustainability and corporate education.

	2017	2018	2019
Total Number of Hours in the Period Devoted to Training on Human Rights Policies/Procedures Relevant to Operations	178,997	185,360	66,367
Percentage of Employees Trained in the Period on Human Rights Policies/Procedures Relevant to Operations	67	51	27
Percentage of All Employees Already Trained	-	98.2	98.0

The percentage of employees trained in 2019 is lower than in the other years because many courses have already been carried out in previous years. This can be demonstrated by the total percentage of employees who have already completed training related to the Human Rights topic, of the order of 98%.

412-3: Significant investment agreements and contracts that include human rights clauses or that have undergone human rights assessment

In 2019, we did not conclude any significant investment operation, however, we highlight the signing of an Association Agreement (Acordo de Associação e Outras Avenças) with UBS AG, with the goal of establishing a strategic partnership in Investment Banking, which is in process of obtaining approval from the Central Bank of Brazil. We emphasize that the referred operation was evaluated under Human Rights aspects. In line with our [Reference Form](#) item 4.3, we consider operations with amounts greater than R\$ 811 million to be significant investment operations.

416-1: Assessment of the Health and Safety Impacts of Product and Service Categories

In all architectural and engineering interventions we are guided by internal regulations and current legislation, including from the Fire Department, environmental agencies and historical heritage.

417-2: Incidents of Non-Compliance Concerning Product and Service Information and Labeling

We did not identify any cases of non-compliance with regulations and voluntary codes relating to incidents of non-compliance with information and labeling of products and services during 2019.

417-3: Incidents of Non-Compliance Concerning Marketing Communications

We did not identify any cases of non-compliance with regulations and voluntary codes relating to marketing communications, including advertising, promotion and sponsorship during the year 2019.

419-1: Non-compliance with Laws and Regulations in the Social and Economic Area

In 2019, we recorded R\$ 7.1 million in penalties for non-compliance with laws and regulations regarding the provision and use of products and services and charges related to queueing times.

Other fines for non-compliance with laws and regulations can be consulted in [Reference Form](#) Sections 4.3 and 4.4.

FS9: Coverage and Frequency of Audits to Assess Implementation of Environmental and Social Policies and Risk Assessment Procedures

Our Internal Audit evaluates the risk management actions and the adequacy of the internal controls with the verification of quality, sufficiency, compliance and effectiveness. To this end, it prepares Strategic and Annual planning of its activities on an annual basis, in accordance with the requirements of the Comptroller General of the Union (CGU). This planning includes conducting audits in conclusive cycles, at least every year and at most every three, during which adherence to socio-environmental policies and the socio-

environmental commitments that we assume, such as the Equator Principles, are evaluated.

The Specific Socio-environmental Responsibility Policy is part of the set of documents that make up our governance architecture and which are evaluated by the Internal Audit, within the scope of the Corporate Governance and Management process.

The socio-environmental risk management was evaluated by the Internal Audit in 2019. The audit work on the subject is carried out by our internal auditors, with reference to:

- **CMN Resolution No. 4.327/14:** Guidelines to be observed by financial institutions in the establishment and implementation of the Social-Environmental Responsibility Policy (PRSA);
- **Conama Resolution No. 237/97:** Provides for the review and complementation of procedures and criteria used for environmental licensing;
- **CMN Resolution No. 4.557/17 – Integrated Risk Management:** Addresses the socio-environmental risk management structure requirements; and Internal standards; and
- **Internal rules.**

The need for improvements in the processes evaluated by the Internal Audit is addressed through the issuance of recommendations, with indication of the manager responsible and implementation deadlines compatible with the associated risk level.

The recommendations issued are monitored by the Internal Audit until they are implemented. From then on, the corrective actions adopted by the managers are evaluated and, if they are sufficient, the recommendation is certified by the Audit.

FS10: Percentage and Number of Companies Held in the Organization's Portfolio with which the Organization has Interacted on Environmental or Social Issues

In 2019, we hired four Project Finance operations under the Equator Principles, referring to three projects, all of them Project Finance (projects whose total capital cost is equal to or greater than US\$10 million).

We require enterprises classified in categories A or B to evaluate the relevant social and environmental risks and impacts, as well as the constitution of an Environmental and Social Management System that includes, among

other issues, respect for human rights and labor issues, with preventive and mitigation actions.

The categories include:

- **Category A:** projects that require an Environmental Impact Assessment (EIA) and which have significant potential for adverse and significant socio-environmental risks and impacts that may be multiple, irreversible or unprecedented, with emphasis on those related to at least one of the following: indigenous peoples, critical habitats, cultural heritage or largescale resettlement.
- **Category B:** projects for which the environmental licensing process envisages the preparation of the EIA or equivalent document and which have the potential for adverse social and environmental risks and/or impacts that are limited, generally local, broadly reversible and readily controllable through measures mitigative and not classified in category A.

Project Finance Contracted Under the Equator Principles in 2019

Industry	Category A	Category B	Category C
Mining	-	-	-
Infrastructure	-	-	-
Oil and Gas	-	-	-
Energy	-	3	-
Others (Industry)	-	-	-
Subtotal	-	3	-
Region	Category A	Category B	Category C
Americas	-	3	-
Europe, Middle East and Africa	-	-	-
Asia	-	-	-
Subtotal	-	3	-
Country Designation	Category A	Category B	Category C
Designated Country	-	3	-
Undesignated Country	-	-	-
Subtotal	-	3	-
Independent Consultancy	Category A	Category B	Category C
Yes	-	3	-
No	-	-	-
Subtotal	-	-	-
Total	-	3	-

In 2019, there was no contracting of bridge loans or Project Finance Advisory services under the Equator Principles.

102-48

Equator Principles	2016	2017	2018	2019
Quantity	3	4	3	3

The values quoted above characterize the large-scale projects that, by definition, provide a combination of favorable conditions related to economic and strategic aspects for study, planning, feasibility and implementation.

Regarding the Equator Principles, considering the operations contracted in 2019, as well as those in the driving phase, we interact in 2019 with 11 customers, requesting 100% environmental licensing, if applicable. Projects were not denied in the year based on the application of the Equator Principles.

In addition to the Equator Principles, we have adopted socioenvironmental criteria in the credit limit study evaluation for companies and investment projects. Currently, these procedures are applied according to criteria that consider the size and potential impact of the activity performed and investment projects with a value financed by us of equal to or greater than R\$2.5 million.

When applicable, we request environmental licensing to all customers, in accordance with current legislation.

FS13: Access Points in Low-Populated Areas or Economically Disadvantaged Areas, by Type

We ended 2019 with 56,800 service points, including our own network and shared and correspondent networks, with a presence in 99.24% of Brazilian municipalities.

UF	Number of Service Points (Own Network + Third-Party Posts)	Population Density (inhabitants/km ²)	(Number of Service Points/Inhabitants) X 10,000	Variation in Number of Service Points
Acre	210	4.47	2,863	2
Santa Catarina	2,191	65.29	3,506	-108
Espírito Santo	1,088	76.25	3,095	-20
Roraima	237	2.01	5,261	10
Amazonas	849	2.23	2,437	8
Mato Grosso	946	3.36	3,117	14
Tocantins	566	4.98	4,091	-21
Amapá	253	4.69	3,779	20
Pará	1,256	6.07	1,657	33
Mato Grosso do Sul	980	6.86	4,002	34
Rondônia	427	6.58	2,733	33
Piauí	1,273	12.4	4,082	182
Goiás	2,069	17.65	3,446	65
Maranhão	1,607	19.81	2,444	181
Bahia	4,151	24.82	2,961	255
Minas Gerais	5,810	33.41	2,965	101
Rio Grande do Sul	3,166	39.79	2,961	-277
Paraná	3,052	52.4	2,922	-171
Ceará	2,648	56.76	3,133	298
Rio Grande do Norte	1,262	59.99	3,984	54
Paraíba	1,311	66.7	3,481	70
Pernambuco	2,176	89.63	2,474	171
Sergipe	553	94.35	2,674	36
Alagoas	934	112.33	2,993	38
São Paulo	11,736	166.25	2,844	246
Rio de Janeiro	4,267	365.23	2,669	137
Distrito Federal	1,857	444.07	7,225	-25

The figures presented reinforce the strategies we adopted for the year 2019, with the Digital Business Model and Specialized Agencies expansion.

Population density according to the 2010 [IBGE census](#). Number of inhabitants according to the 2010 [IBGE census](#).

FS14: Initiatives to Improve Access to Financial Services for Disadvantaged People

In 2019, 558 facilities benefited from the acquisition of new furniture to serve obese people, people with visual impairments and with physical disabilities. Among the items purchased are counters, cashier counters and accessible service desks, wheelchairs, tactile map holders and furniture adapted for the obese. The acquisition benefited facilities in all regions of Brazil, located in 22 states and the Federal District. Only the facilities located in the states of Amazonas, Amapá and Roraima did not receive new accessible furniture during that year.

GRI Content Index GRI 102-55



For the Materiality Disclosures Service, GRI Services reviewed that the GRI content index is clearly presented and the references for Disclosures 102-40 to 102-49 align with appropriate sections in the body of the report. This service was performed on the Portuguese version of the report

GRI 101: Foundation 2016						
GRI 102: General disclosures 2016	Standard	Page or Link	Omission	External assurance	UNGC	SDGs
Organizational profile						
	102-1: Name of the organization	7		X		
	102-2: Activities, brands, products, and services	More information available in Sections I, Chapter II, of the Bylaws and in Section 7 of the Reference Form .		X		
	102-3: Location of headquarters	Sector of Autarquias Norte, Quadra 5, Lot B, Banco do Brasil Building, Brasília, Distrito Federal, Brazil.		X		
	102-4: Location of operations	7 . More information available in Section 7.6 of The Reference Form .		X		
	102-5: Ownership and legal form	7		X		
	102-6: Markets served	7 , 40 and 136		X		
	102-7: Scale of the organization	Large company. More information on page 8 , in Section 7 of The Reference Form and in Chapter 6 of Financial Statements 4Q19 .		X		
	102-8: Information on employees and other workers	109 and 136		X	6	8
	102-9: Supply chain	123		X		
	102-10: Significant changes to the organization and its supply chain	There was no change in the structure of significant suppliers or in the agreement entered into with them that could have any impact on the Bank's operations. More information available in Explanatory Note 2 – Corporate Restructuring, in the document Financial Statements				
	102-11: Precautionary Principle or approach	74 and 75				7

GRI 102: General disclosures 2016	Standard	Page or Link	Omission	External assurance	UNGC	SDGs
	Organizational profile					
	102-12: External initiatives	136 . Our public commitments and sustainability initiatives are available on the Sustainability website		x		
	102-13: Membership of associations	137		x		
	Strategy					
	102-14: Statement from senior decision-maker Disclosure	5				
	102-15: Key impacts, risks, and opportunities	21 , 25 and 68				
	Ethics and integrity					
	102-16: Values, principles, standards, and norms of behavior	7 and 62 . More information available on the Portal BB on the Ethics and Integrity page.		x	10	16
	102-17: Mechanisms for advice and concerns about ethics	61 , 62 and 125		x	10	16
	Governance					
	102-18: Governance structure	56 and 59		x		
	102-19: Delegating authority	26 , 137 e Bylaws article 21, item X; article 29, subsection X		x		
	102-21: Consulting stakeholders on economic, environmental, and social topics	22 and 137				16
	102-27: Collective knowledge of highest governance body	53 . More information available in section 12,12 of the Reference Form				4
	102-28: A/Evaluating the highest governance body's performance	54 and 55				
	102-29: Identifying and managing economic, environmental, and social impacts	22 and 137				16
	102-35: Remuneration policies	54 and 55 . More information available in section 13 of the Reference Form				
	102-36: Process for determining remuneration	54 and 117		x		
	102-37: Stakeholders' involvement in remuneration	54				16

GRI 102: General disclosures 2016	Standard	Page or Link	Omission	External assurance	UNGC	SDGs
	Governance					
	102-38: Annual total compensation ratio	The ratio of the President's total annual compensation to the median total annual remuneration for all employees (excluding the most well-paid individual) in Brazil was 22.31. The ratio of the President's total annual compensation to the average annual total remuneration for all employees (excluding the most well-paid individual) in Brazil was 14.90.		X		
	Stakeholder engagement					
	102-40: List of stakeholder groups	26		X		
	102-41: Collective bargaining agreements	The percentage of employees covered by collective bargaining agreements is 100%.			1, 3	8
	102-42: Identifying and selecting stakeholders	26 and 138		X		
	102-43: Approach to stakeholder engagement	22 , 25 , 104 , 137 and 138		X		
	102-44: Key topics and concerns raised	4 , 25 , 138 and 139		X		
	Reporting Practices					
	102-45: Entities included in the consolidated financial statements	Information available in Explanatory Note 3 – Presentation of Financial Statements		X		
	102-46: Defining report content and topic Boundaries	139		X		
	102-47: List of material topics	139 , 142 and 144		X		
	102-48: Restatements of information	201-1: 145 , 203-2: 42 , 404-3: 115 , FS10: 158 Short-term Liquidity Indicator: 71 , Monitoring of Operational Losses by Loss Event Category: 72 , Agribusiness Loans: 94 , Payment Methods: 98 .				
	102-49: Changes in reporting	There were no significative changes related to the previews report.				
	102-50: Reporting period	Our Report is published annually and covers the period from January 1 to December 31, 2019.				
	102-51: Date of most recent report	The previous report was published in 2019.				
	102-52: Reporting cycle	Our Report is published annually.				
	102-53: Contact point for questions regarding the report	Questions and comments can be sent to: ri@bb.com.br				

Material Topics	Standard	Page or Link	Omission	External assurance	UNGC	SDGs
Reporting Practices						
	102-54: Claims of reporting in accordance with the GRI Standards	This report was elaborated in accordance with GRI Standards: Core.		x		
	102-55: GRI content index	160		x		
	102-56: External assurance	172		x		
Economic Performance						
GRI 103: Management approach disclosures 2016	103-1: Explanation of the material topic and its Boundary	39 and 78		x	1, 8	1, 5, 8, 16
	103-2: The management approach and its components	39 , 53 , 78 , 125 and 137		x		
	103-3: Evaluation of the management approach	137		x		
GRI 201: Economic Performance 2016	201-1: Direct economic value generated and distributed	145		x		2, 7, 8, 9
	201-2: Financial implications and other risks and opportunities due to climate change	76		x	7	13
Market presence						
GRI 103: Management approach disclosures 2016	103-1: Explanation of the material topic and its Boundary	116		x		
	103-2: The management approach and its components	53 , 116 , 125 and 137		x	1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	137		x		
GRI 202: Market Presence 2016	202-1: Ratios of standard entry level wage by gender compared to local minimum wage	The ratio of the lowest salary paid by BB to the local minimum wage in 2019 was 2.98. The salary floor is applied, regardless of gender, to all employees who start their career with us.		x	6	1, 5, 8
Indirect Economic Impacts						
GRI 103: Management approach disclosures 2016	103-1: Explanation of the material topic and its Boundary	39 and 41				
	103-2: The management approach and its components	39 , 41 , 53 , 125 and 137			1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	137				
GRI 203: Indirect Economic Impacts 2016	203-2: Significant indirect economic impacts	39 , 42 and 43				1, 2, 3, 8, 10, 17
Anti-corruption						
GRI 103: Management approach disclosures 2016	103-1: Explanation of the material topic and its Boundary	61		x		
	103-2: The management approach and its components	53 , 61 , 125 and 137		x	1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	61 and 137		x		

Material Topics	Standard	Page or Link	Omission	External assurance	UNGC	SDGs
Anti-corruption						
GRI 205: Anti-corruption 2016	205-1: Operations assessed for risks related to corruption	64 , 65 , 66 and 145		x	10	16
	205-2: Communication and training about anti-corruption policies and procedures	62 , 64 , 65 , 122 and 146		x	10	16
	205-3: Confirmed incidents of corruption and actions taken	66		x	10	16
Materials						
GRI 103: Management approach disclosures 2016	103-1: Explanation of the material topic and its Boundary	Not material topic				
	103-2: The management approach and its components	Not material topic				
	103-3: Evaluation of the management approach	Not material topic				
GRI 301: Materials 2016	301-1: Materials used by weight or volume	133 and 147		x	7, 8	8, 12
	301-2: Recycled input materials used	133 and 147			8, 9	8, 12
Energy						
GRI 103: Management approach disclosures 2016	103-1: Explanation of the material topic and its Boundary	Not material topic				
	103-2: The management approach and its components	Not material topic				
	103-3: Evaluation of the management approach	Not material topic				
GRI 302: Energy 2016	302-1: Energy consumption within the organization	131 and 147		x	7, 8	7, 8, 12, 13
	302-3: Energy intensity	147			8	7, 8, 12, 13
	302-4: Reduction of energy consumption	131 and 147			8, 9	7, 8, 12, 13
Água						
GRI 103: Management approach disclosures 2016	103-1: Explanation of the material topic and its Boundary	Not material topic				
	103-2: The management approach and its components	Not material topic				
	103-3: Evaluation of the management approach	Not material topic				
GRI 303: Água 2016	303-1: Water withdrawal by source	131		x	7, 8	6
Emissions						
GRI 103: Management approach disclosures 2016	103-1: Explanation of the material topic and its Boundary	130				
	103-2: The management approach and its components	130			1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	130				

Material Topics	Standard	Page or Link	Omission	External assurance	UNGC	SDGs
Emissions						
GRI 305: Emissions 2016	305-1: Direct (Scope 1) GHG emissions				7, 8	3, 12, 13, 14, 15
	305-2: Energy indirect (Scope 2) GHG emissions	Information not available – the data will be released in the online version of the Relationship with Investors Report in May 2020.			7, 8	3, 12, 13, 14, 15
	305-3: Other indirect (Scope 3) GHG emissions				7, 8	3, 12, 13, 14, 15
	305-4: GHG emissions intensity				8	13, 14, 15
	305-5: Reduction of GHG emissions				7, 8, 9	13, 14, 15
Effluents and waste						
GRI 103: Management approach disclosures 2016	103-1: Explanation of the material topic and its Boundary	Not material topic				
	103-2: The management approach and its components	Not material topic				
	103-3: Evaluation of the management approach	Not material topic				
GRI 306: Effluents and waste 2016	306-2: Waste by type and disposal method	133 and 148		x	8	3, 6, 12
Supplier Environmental Assessment						
GRI 103: Management approach disclosures 2016	103-1: Explanation of the material topic and its Boundary	74		x		
	103-2: The management approach and its components	53 , 74 , 125 and 137		x	1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	137		x		
GRI 308: Supplier Environmental Assessment 2016	308-1: New suppliers that were screened using environmental criteria Disclosure	123		x	8	
	308-2: Negative environmental impacts in the supply chain and actions taken	123			8	
Employment						
GRI 103: Management approach disclosures 2016	103-1: Explanation of the material topic and its Boundary	109		x		
	103-2: The management approach and its components	53 , 109 , 125 and 137		x	1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	109 and 137		x		
GRI 401: Employment 2016	401-1: New employee hires and employee turnover	149		x	6	5, 8

Material Topics	Standard	Page or Link	Omission	External assurance	UNGC	SDGs
Labor/Management Relations						
GRI 103: Management approach disclosures 2016	103-1: Explanation of the material topic and its Boundary	109		x		
	103-2: The management approach and its components	53 , 109 , 125 and 137		x	1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	109 and 137		x		
GRI 402: Labor/Management Relations 2016	402-1: Minimum notice periods regarding operational changes	150		x	3	8
Occupational Health and Safety						
GRI 103: Management approach disclosures 2016	103-1: Explanation of the material topic and its Boundary	109 and 117		x		
	103-2: The management approach and its components	53 , 109 , 117 and 125	Our public commitments, and health and safety initiatives are available on Our Sustainability website.	x	1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	109 and 137		x		
GRI 403: Occupational Health and Safety 2016	403-1: Workers representation in formal joint management–worker health and safety committees	117				8
	403-2: Types of injury and rates of injury, occupational diseases, lost days, and absenteeism, and number of work-related fatalities	117 , 118 , 123 and 150		x		3, 8
Training and Education						
GRI 103: Management approach disclosures 2016	103-1: Explanation of the material topic and its Boundary	109 and 112		x		
	103-2: The management approach and its components	53 , 109 , 112 , 125 and 137		x	1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	109 and 137		x		
GRI 404: Training and Education 2016	404-1: Average hours of training per year per employee	113 and 152		x	6	4, 5, 8
	404-3: Percentage of Employees Receiving Regular Performance and Career Development Reviews	114 , 115 and 154		x	6	5, 8
Diversity and Equal Opportunity						
GRI 103: Management approach disclosures 2016	103-1: Explanation of the material topic and its Boundary	110		x		
	103-2: The management approach and its components	53 , 110 , 125 and 137	Our public commitments, and diversity and equal opportunities initiatives are available on our Sustainability website	x	1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	137		x		

Material Topics	Standard	Page or Link	Omission	External assurance	UNGC	SDGs
Diversity and Equal Opportunity						
GRI 405: Diversity and Equal Opportunity 2016	405-1: Diversity of governance bodies and employees	110 and 154		x	6	5,8
	405-2: Ratio of basic salary and remuneration of women to men	155		x	1, 6	5, 8, 10
Non-discrimination						
GRI 103: Management approach disclosures 2016	103-1: Explanation of the material topic and its Boundary	110		x		
	103-2: The management approach and its components	53 , 110 , 125 and 137		x	1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	137		x		
GRI 406: Non-discrimination 2016	406-1: Incidents of discrimination and corrective actions taken	155		x	6	5, 8, 16
Child Labor						
GRI 103: Management approach disclosures 2016	103-1: Explanation of the material topic and its Boundary	74				
	103-2: The management approach and its components	53 , 74 , 125 and 137			1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	137				
GRI 408: Child Labor 2016	408-1: Operations and suppliers at significant risk for incidents of child labor	122 , 123 and 156			1, 2, 5	8, 16
Forced or Compulsory Labor						
GRI 103: Management approach disclosures 2016	103-1: Explanation of the material topic and its Boundary	74				
	103-2: The management approach and its components	53 , 74 , 125 and 137			1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	137				
GRI 409: Forced or Compulsory Labor 2016	409-1: Operations and suppliers at significant risk for incidents of forced or compulsory labor	122 , 123 and 156			1, 2, 4	8
Security Practices						
GRI 103: Management approach disclosures 2016	103-1: Explanation of the material topic and its Boundary	109				
	103-2: The management approach and its components	53 , 109 , 125 and 137			1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	109 and 137				
GRI 410: Security Practices 2016	410-1: Security personnel trained in human rights policies or procedures	We require, under contract, that 100% of the employees of companies contracted in the security area have a training course in surveillance with material homologated by the Federal Police Department, which includes aspects of human rights and relations			1	16

Material Topics	Standard	Page or Link	Omission	External assurance	UNGC	SDGs
Human Rights Assessment						
GRI 103: Management approach disclosures 2016	103-1: Explanation of the material topic and its Boundary	109		x		
	103-2: The management approach and its components	53 , 109 , 125 and 137		x	1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	109 and 137		x		
GRI 412: Human Rights Assessment 2016	412-1: Operations that have been subject to human rights reviews or impact assessments	75 , 122 and 156		x	1, 2	
	412-2: Employee training on human rights policies or procedures	156		x	1,2,3,4,5,6	
	412-3: Significant investment agreements and contracts that include human rights clauses or that underwent human rights screening	74 , 122 and 156 More information is available in section 8 of the Reference Form		x	1,2,3,4,5,6	
Supplier Social Assessment						
GRI 103: Management approach disclosures 2016	103-1: Explanation of the material topic and its Boundary	122				
	103-2: The management approach and its components	53 , 122 , 125 and 137			1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	137				
GRI 414: Supplier Social Assessment 2016	414-1: New suppliers that were screened using social criteria	122 and 123			2	5, 8, 16
	414-2: Negative social impacts in the supply chain and actions taken	123			2	5, 8, 16
Customer Health and Safety						
GRI 103: Management approach disclosures 2016	103-1: Explanation of the material topic and its Boundary	41 and 103				
	103-2: The management approach and its components	41 , 53 , 103 , 125 and 137			1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	103 and 137				
GRI 416: Customer Health and Safety 2016	416-1: Assessment of the health and safety impacts of product and service categories	157			1	
Marketing and Labeling						
GRI 103: Management approach disclosures 2016	103-1: Explanation of the material topic and its Boundary	41 and 103		x		
	103-2: The management approach and its components	41 , 53 , 103 , 125 and 137		x	1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	103 and 137		x		

Material Topics	Standard	Page or Link	Omission	External assurance	UNGC	SDGs
Marketing and Labeling						
GRI 417: Marketing and Labeling 2016	417-2: Incidents of non-compliance concerning product and service information and labeling	157			1	16
	417-3: Incidents of non-compliance concerning marketing communications	157		x		
Customer Privacy						
GRI 103: Management approach disclosures 2016	103-1: Explanation of the material topic and its Boundary	83 and 103		x		
	103-2: The management approach and its components	53 , 83 , 103 , 125 and 137		x	1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	103 and 137		x		
GRI 418: Customer Privacy 2016	418-1: Substantiated complaints concerning breaches of customer privacy and losses of customer data	73		x	1	16
Socioeconomic Compliance						
GRI 103: Management approach disclosures 2016	103-1: Explanation of the material topic and its Boundary	41 and 103		x		
	103-2: The management approach and its components	41 , 53 , 103 , 125 and 137		x	1, 8	1, 5, 8, 16
	103-3: Evaluation of the management approach	103 and 137		x		
GRI 419: Socioeconomic Compliance 2016	419-1: Non-compliance with laws and regulations in the social and economic area	157		x		16
Sector Supplement – Financial Service						
Product Portfolio						
GRI 103: Management approach disclosures 2016	103-1: Explanation of the material topic and its Boundary	39 and 78		x		
	103-2: The management approach and its components	39 , 53 , 78 , 125 and 137		x		
	103-3: Evaluation of the management approach	137		x		

Material Topics	Standard	Page or Link	Omission	External assurance	UNGC	SDGs
Product Portfolio						
	FS6: Percentage of the portfolio for business lines by specific region, size (e.g. Micro/SME/Large) and by sector	91 . . More information is available in Note 10 - Credit Operations of the document Financial Statements of the Performance Analysis. Our approach to determining lines of credit that have high environmental potential within the Credit Portfolio is carried out using a methodology developed by the Brazilian Federation of Banks (Febraban), encompassing measurement and identification of resources invested in sectors of the Green Economy. The operations included in our Green Portfolio are those identified as having positive impact for a green and inclusive economy. See more information on the chapter Transformative Role – Green Portfolio.	Confidentiality Restrictions. We do not disclose the portfolio of other business lines due to the strategic nature of the information.	x		1, 8, 9
	FS7: Monetary Value of products and services designed to deliver a specific social benefit for each business line broken down by purpose	85 , 87 , 91-96 , 99 and 100		x		1, 8, 9, 10, 11
	FS8: Monetary Value of products and services designed to deliver a specific environmental benefit for each business line broken down by purpose	85 , 87 , 91-96 , 99 and 100		x		
Audit						
GRI 103: Management approach disclosures 2016	103-1: Explanation of the material topic and its Boundary	74 and 78		x		
	103-2: The management approach and its components	53 , 74 , 78 , 125 and 137		x		
	103-3: Evaluation of the management approach	137		x		
	FS9: Coverage and frequency of audits to assess implementation of environmental and social policies and risk assessment procedures	157		x		10

Material Topics	Standard	Page or Link	Omission	External assurance	UNGC	SDGs
Active Ownership						
GRI 103: Management approach disclosures 2016	103-1: Explanation of the material topic and its Boundary	74		x		
	103-2: The management approach and its components	53 , 74 , 125 and 137		x		
	103-3: Evaluation of the management approach	137		x		
	FS10: Percentage and number of companies held in the institution's portfolio with which the reporting organisation has interacted on environmental or social issues	74 and 157			x	10
	FS11: Percentage of assets subject to positive and negative environmental or social screening	85			x	10
Local Communities						
GRI 103: Management approach disclosures 2016	103-1: Explanation of the material topic and its Boundary	41		x		
	103-2: The management approach and its components	41 , 53 , 125 and 137		x		
	103-3: Evaluation of the management approach	137		x		
	FS13: Access points in low-populated or economically disadvantaged areas by type	158			x	1, 8, 10
	FS14: Initiatives to improve access to financial services for disadvantaged people	159			x	1, 8, 10



Banco do Brasil S.A.

**Independent Auditor's
Limited Assurance Report
on the GRI Standards Disclosures
in the 2019 Annual Report** |102-56|

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□ Independent auditor's limited assurance report on the GRI Standards disclosures included in the 2019 Annual Report

To the Management and Shareholders of

Banco do Brasil S.A.

Introduction

We have been engaged by the Management of Banco do Brasil S.A. ("Bank") to present our limited assurance report on the compilation of information related to the Global Reporting Initiative - GRI Disclosures, contained in the Bank's 2019 Annual Report, for the year ended December 31th, 2019.

Bank's Management responsibilities

The Bank's Management is responsible for preparing and properly presenting the information on the GRI disclosures included in the 2019 Annual Report, in accordance with the framework defined by the Global Reporting Initiative – GRI in its Standards version and for the internal controls that are determined as necessary to enable the preparation of information that is free from material misstatement, whether due to fraud or error.

Independent Auditor's responsibilities

Our responsibility is to express a conclusion on the information related to the GRI disclosures, included in the 2019 Annual Report, based on the limited assurance engagement conducted in accordance with Technical Bulletin – TC no. 07/12, approved by the "Conselho Federal de Contabilidade – CFC", and prepared based on the Brazilian Standard NBC-TO-3000 – Assurance Engagements Other Than Audit and Review, issued by the CFC, which is equivalent to the international Standard ISAE - 3000, issued by the International Federation of Accountants – IFAC, applicable to non-historical information. Those standards require that we comply with ethical requirements, including independence requirements, and that our work shall be performed to obtain limited assurance that the information related to the GRI Indicators, included in the 2019 Annual Report, taken as a whole, is free from material misstatement, whether due to fraud or error.

A limited assurance engagement conducted in accordance with NBC-TO-3000 (ISAE 3000) consists mainly of making inquiries to the Bank's Management and other professionals who are involved and in charge of preparing the information related to the GRI disclosures, included in the 2019 Annual Report, as well as apply analytical procedures to obtain evidence that enables us to express limited assurance conclusion on the



information taken as a whole. A limited assurance engagement also requires the performance additional procedures, when the independent auditor becomes aware of matters that lead them to believe that the information related to the GRI disclosures, included in the 2019 Annual Report, taken as a whole, may contain material misstatements.

The selected procedures were based on our understanding of the aspects related to the compilation and presentation of the information related to the GRI disclosures, included in the 2019 Annual Report, and other engagement's circumstances and our consideration of areas where material misstatements might exist.

Those procedures encompassed the following:

- a) Plan our work, considering the relevance, volume of quantitative and qualitative information and the operating systems and internal controls that were used as basis for the preparation of the information related to the GRI disclosures, included in the Bank's 2019 Annual Report.
- b) Obtain an understanding of calculation methodology and procedures for compiling the disclosures by interviews with the managers responsible who are for preparing the information;
- c) Apply analytical procedures on quantitative information and making inquiries about qualitative information and its correlation with the indicators disclosed in the information related to the GRI disclosures, included in the 2019 Annual Report.
- d) Comparison of financial disclosures with the financial statements and/or accounting records.

The limited assurance engagements also comprise adherence to the framework and criteria of the structure for preparing the GRI in its Standards version, applicable in the preparation of information related to the GRI Disclosures, included in the 2019 Annual Report.

We believe that the evidence we have obtained during our engagement is sufficient and appropriate to provide a basis for our limited assurance conclusion.

Scope and limitations

The procedures applied in a limited assurance engagement are substantially less in scope than those applied to an assurance engagement that the objective of which is to provide an opinion on the information related to the GRI Disclosures, included in the 2019 Annual Report. Consequently, these procedures do not enable us to obtain assurance that all matters that might be identified in an assurance engagement designed to provide an opinion came to our attention. We had performed an engagement, the objective of which would be expressing an opinion, we could have identified other matters and material misstatements that might exist in the information related to the GRI Disclosures, included in the 2019 Annual Report. Accordingly, we have nothing to report on this matter.

Nonfinancial data is subject to more inherent limitations than financial information, given both its nature and the methods used for determining, calculating or estimating such data. Qualitative interpretations of materiality, relevance and accuracy of the data are subject to individual assumptions and judgments. Additionally, we did not perform any work over data for prior reporting periods or over projections and goals.



Conclusion

Based on our engagement described in this report, nothing has come to our attention that causes us to believe that the information related to GRI disclosures, included in the 2019 Annual Report, was not compiled, in all material respects, in accordance with Global Reporting Initiative (GRI) guidelines, in its Standards version.

Other matters

Scope of limited assurance

The criterion for defining the scope of the limited assurance consisted in the selection of indicators directly associated with the material aspects informed by the Bank during the engagement planning stage, also excluding the data and information from projects and initiatives contained in the Annex of the Bank's 2019 Annual Report. We highlight, below, the indicators that were the object of this assurance:

Disclosures related to "General Aspects": 102-1, 102-2, 102-3, 102-4, 102-5, 102-6, 102-7, 102-8, 102-9, 102-12, 102-13, 102-16, 102-17, 102-18, 102-19, 102-36, 102-38, 102-40, 102-42, 102-43, 102-44, 102-45, 102-46, 102-47, 102-54, 102-55 and 102-56.

Disclosures related to "Management Approach": 103-1, 103-2 and 103-3.

Disclosures related to "Economic Performance": 201-1 and 201-2.

Disclosures related to "Market Presence": 202-1.

Disclosures related to "Anti-corruption": 205-1, 205-2 and 205-3.

Disclosures related to "Materials": 301-1.

Disclosures related to "Energy": 302-1.

Disclosures related to "Water and Effluents": 303-1.

Disclosures related to "Effluents and Waste": 306-2.

Disclosures related to "Supplier Environmental Assessment": 308-1.

Disclosures related to "Employment": 401-1.

Disclosures related to "Labor Management Relations": 402-1.

Disclosures related to "Occupational Health and Safety": 403-2.

Disclosures related to "Training and Education": 404-1 and 404-3.

Disclosures related to "Diversity and Equal Opportunity": 405-1 and 405-2.

Disclosures related to "Non-discrimination": 406-1.

Disclosures related to "Human Rights Assessment": 412-1, 412-2 and 412-3.

Disclosures related to "Marketing and Labeling": 417-3.

Disclosures related to "Customer Privacy": 418-1.

Disclosures related to "Socioeconomic Compliance": 419-1.

Disclosures related to "Financial Services Sector": FS6, FS7, FS8, FS9, FS10, FS11, FS13 and FS14.



Guidelines and specifications

In accordance with the GRI guidelines in its Standards version, the Bank declares to be in accordance with the specifications' "Core" in its Annual Report for the year ended December 31th, 2019, which reports the core performance disclosures and the financial sector supplement disclosures.

Brasília, April 30th 2020

Deloitte Touche Tohmatsu
Auditores Independentes
CRC nº 2 SP 011609/O-8 "F" DF

Luiz Carlos Oseliero Filho
Accountant
CRC nº 1 SP 234751/O-6

