

Title

Responsible Investments

Number	Version	Publication Date	Type
05.1175	9	16/08/2024	Standard

Coverage

Bradesco Asset Management

Short Description

Compliance with environmental, social and governance (ESG) issues in its investment decision-making process, in consideration of its fiduciary duty and for its potential impact on the performance of assets under management.

Latest Changes

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Latest Changes

Update of the Standard due to the merger of Bradesco Asset Management S.A. DTVM into Banco Bradesco S.A.

Unification of Norms

This document unifies and summarizes the information of Standard 05.1317 - Sustainable Investments, organizing and facilitating the consultation of the concepts previously contained in this document.

1 Introduction

The Bradesco Asset Management Department (Bradesco Asset), as a third-party asset manager department, in line with the positioning of the Bradesco Group, pays attention to environmental, social, and governance (ESG) in the choice of assets to compose the funds and portfolios it manages.

Seeking to address the impact of Environmental, Social and Corporate Governance issues, Bradesco Asset has been a signatory of the Principles for Responsible Investment (PRI¹) since 2010.

Based on this commitment and on its fiduciary duty, Bradesco Asset considers ESG issues when making investment decisions, observing the specificities and strategies of each fund and portfolio in order to preserve the financial return on assets under management, as well as serving its clients by means of products tailored to the demands and needs of each audience, communicated clearly and in plain language.

¹United Nations agreement to integrate ESG issues into the investment decision-making process.

2 Asset Management and Analysis Process

ESG issues are considered transversally to the process of asset analysis and management, under the perspective of evaluation of relevant risks to the short-, medium- and long-term performance and identification of business opportunities and competitive advantages, considering, among others, the following aspects:

- Legal compliance;
- Corruption and conflict of interest situations;
- Transparency and accountability;
- Respect for human and labor rights;
- Impact on the environment and climate change

2.1 Investment Restriction to Sensitive Sectors

Bradesco Asset's investment strategy includes the analysis of investment restriction to sectors considered sensitive, listed below:

- Armaments;
- Exploration of mineral coal and energy generation;
- Uranium exploration;
- Gambling

The analysis of investment restriction in sensitive sectors is developed according to the guidelines for investment in sensitive sectors, Bradesco Asset's own methodology.

In addition, Bradesco Asset's funds and portfolios may foresee specific restriction strategies in order to achieve the expected ESG objectives and results.

Furthermore, if there is evidence of involvement with slave or child labor, or sexual exploitation, investment in the asset will be restricted, regardless of the sector involved.

2.2 Integration of ESG Issues into Asset Analysis and Management

ESG aspects are considered in Bradesco Asset's investment decision-making process in an integrated manner and are not limited to products whose regulation contemplates the allocation of resources in assets with differentiated responsible investment practices.

Our own analysis methodologies and processes undergo constant improvement in order to consistently integrate the evolution of ESG aspects and offer increasing value and security to clients.

2.3 Voting Right Exercise

As the representative of the investment funds under its management, Bradesco Asset analyses and exercises its voting rights at meetings in the best interests of shareholders and funds, in accordance with its fiduciary duties, using its best efforts to promote ESG issues and vote in favor of resolutions that it believes are beneficial or add value to shareholders and funds.

To this end, Bradesco Asset follows its Voting Guidelines.

2.4 Stakeholder and Invested Companies Engagement

In line with Grupo Bradesco's Stakeholder Policy, Bradesco Asset aims to engage whenever possible with the companies and managers of the funds invested in relation to ESG issues. The decision to engage is aligned with the results of analyses, with the objective of promoting best practices and reducing risks derived from risks derived from environmental, social, and corporate governance issues in Bradesco Asset's investment portfolio.

In addition, Bradesco Asset seeks to consider the insertion of ESG aspects in the relationship with Bradesco Asset's strategic publics, especially.

Clients - dissemination of the concepts through Bradesco Asset's investment approach to the topic.

Internal Public - training and engagement of Bradesco Asset's professionals on the importance of ESG issues and integration of the topic into the Investment Process of the management company.

Commercial Partners - consideration of ESG issues in the evaluation models of third-party managers, brokers, and other classes of suppliers relevant to Bradesco Asset's investment activities.

Institutional Participation - collaborative efforts with the investment industry to promote ESG issues.

2.5 Transparency and Accountability

Bradesco Asset seeks to account to stakeholders in a transparent manner regarding the evolution and implementation of the guidelines contained in this Standard.

3 Governance

The main decisions related to ESG issues and strategy monitoring are submitted to the Risk Committee and, when necessary, to the Executive Committee of Risk and Internal Controls of BRAM - Bradesco Asset Management S.A. DTVM.

Department

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We declare this is a free English translation of the Bradesco Asset's Responsible Investments Policy, classified as a public document by the Bradesco Organization.