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RESOLUTION CMN 4,945 OF SEPTEMBER 15, 2021

Provides for the Social, Environmental and Climate Responsibility Policy (PRSAC, in Portuguese) and actions aimed at its effectiveness.

The Central Bank of Brazil, in the form of art. 9 of Law 4,595 of December 31, 1964, announces that the National Monetary Council, at its meeting held on August 26, 2021, based on art. 4, items VI and VIII of this Law, art. 2, section VI, and art. 9 of Law 4,728 of July 14, 1965, art. 20, paragraph 1 of Law 4,864 of November 29, 1965, art. 7 of Law 6,099 of September 12, 1974, art. 1, item II of Law 10,194 of November 14, 2001, art. 6 of Decree-Law 759 of August 12, 1969, and art. 1, paragraph 1, and art. 12, item V of Complementary Law 130 of April 17, 2009,

R E S O L V E D :

Art. 1. This Resolution provides for the Social, Environmental and Climate Responsibility Policy (PRSAC, in Portuguese) and actions aimed at its effectiveness.

CHAPTER I OBJECT AND SCOPE OF APPLICATION

Art. 2. Financial institutions and other institutions licensed by the Central Bank of Brazil allocated to Segment 1 (S1), Segment 2 (S2), Segment 3 (S3), Segment 4 (S4), and Segment 5 (S5), as defined in Resolution CMN 4,553 of January 30, 2017, must establish a PRSAC and implement actions aimed at its effectiveness, in accordance with this Resolution.

Sole paragraph. The PRSAC and the actions mentioned in the heading must be:

I - proportional to the business model, nature of operations and complexity of the institution's products, services, activities and processes; and

II - adequate to the magnitude and materiality of exposures to social risk, environmental risk, and climate-related risk, as defined in Resolution CMN 4,557 of February 2017, 23, for an institution allocated to S1, S2, S3 or S4, or as defined in Resolution CMN 4,606 of October 2017, 19, for an institution allocated to S5.



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CHAPTER II PRSAC AND ACTIONS AIMED AT ITS EFFECTIVENESS

Art. 3. For the purposes of this Resolution, the PRSAC consists of the set of principles and guidelines on social issues, environmental issues, and climate-related issues to be observed by the institution in its business, activities, and processes, as well as in its relationship with stakeholders.

Paragraph 1. For the purposes of this Resolution, the following definitions apply:

I - as social issues, the respect, protection, and promotion of fundamental rights and guarantees, and of common interest;

II - as common interest, the interest associated with a group of persons legally or factually connected for the same cause or circumstance, when not related to environmental issues or climate-related issues;

III - as environmental issues, the preservation and repair of the environment, including its recovery, when it is possible; and

IV - as climate-related issues, the positive contribution of the institution:

a) to the adjustment towards a low-carbon economy, in which the emission of greenhouse gases is reduced or compensated and natural carbon sinks are preserved; and

b) to the reduction, when possible, of impacts arising from frequent and severe meteorological conditions or long-term environmental shifts, which may result from changes in climate patterns; and

V - as stakeholders:

a) clients and users of the institution's products and services;

b) the institution's internal community;

c) suppliers and providers of relevant outsourced services;

d) investors in bonds or securities issued by the institution; and

e) other interested parts impacted by the institution's products, services and activities, according to criteria established by the institution itself.

Paragraph 2. For the purpose of the establishment of the PRSAC the following aspects must be considered:

I - the impact of social issues, environmental issues and climate-related issues of the institution's activities, processes, products, and services;

II - the institution's strategic goals, as well as opportunities related to social issues, environmental issues and climate-related issues; and

III - the competitive conditions and regulatory landscape in which the institution

operates.

Art. 4. The actions mentioned in art. 2 must be continuously monitored and evaluated in terms of their contribution for the PRSAC's effectiveness.

Solo paragraph. For the purposes of the evaluation mentioned in the heading, clear and verifiable criteria must be established.

CHAPTER III GOVERNANCE

Art. 5. The institution must appoint a director responsible for complying with the provisions established in this Resolution.

Paragraph 1. The responsibilities of the director mentioned in the heading comprise:

I - providing subsidies to and participating in the decision-making process related to the establishment and revision of PRSAC, as an assistance to the board;

II - implementing actions aimed at the effectiveness of the PRSAC;

III - monitoring and evaluating implemented actions;

IV - improving implemented actions, when possible deficiencies are identified;

V - adequate and reliable disclosing of information in the terms of art. 10.

Paragraph 2. As long as the absence of conflicts of interest is ensured, the director mentioned in the heading may perform other functions in the institution, including, when applicable, assume the responsibility for the disclosure of information in terms of arts 56 and 56-A of Resolution CMN 4,557 of 2017.

Paragraph 3. The responsibilities of the director mentioned in the heading must be expressed in the institution's internal bylaws or in a similar document.

Paragraph 4. The institution must inform the Central Bank of Brazil on the appointment of the director mentioned in the heading to.

Art. 6. The constitution of a committee on social, environmental and climate-related responsibility is:

I - mandatory, for an institution allocated to S1 or S2; and

II - optional, for an institution allocated to S3, S4 or S5.

Paragraph 1. The responsibilities of the committee mentioned in the heading comprise:

I - proposing recommendations to the board on the establishment and revision of PRSAC;



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II - assessing adherence to the PRSAC of actions implemented and, when necessary, recommending improvements; and

III - keeping records of its own deliberations and decisions.

Paragraph 2. The composition of the committee mentioned in the heading must be disclosed in the institution's website.

Paragraph 3. The committee on social, environmental and climate responsibility must coordinate its activities with the risk committee in order to facilitate the exchange of information.

Paragraph 4. As long as the absence of conflicts of interest and the compliance with paragraphs 2 and 3 is ensured, the assignment of the attributions of the social, environmental and climate-related responsibility committee to another committee constituted by the institution is admitted.

Paragraph 5. In the event of not being constituted the committee mentioned in the heading and not being observed provisions established in paragraph 3, the senior management of an institution allocated to S3, S4 or S5 must assume the responsibilities mentioned in paragraph 1.

Art. 7. For the purposes of this Resolution, the board's competences comprise:

I - approving and revising the PRSAC, aided by the director mentioned in art. 5 and the committee on social, environmental and climate-related responsibility;

II - assuring the institution's adherence to the PRSAC and to the actions aimed at its effectiveness;

III - assuring the compatibility and integration of the PRSAC with other policies established by the institution, including, when existent, credit policies, human resources policies, risk and capital management policies, and compliance policies;

IV - assuring the prompt correction of any deficiency related to the PRSAC;

V - establishing the organization and attributions of the committee on social, environmental and climate-related responsibility;

VI - ensuring that the institution's compensation structure does not encourage behaviors inconsistent with the PRSAC; and

VII - disseminating the PRSAC and the actions aimed at its effectiveness within the institution.

Paragraph 1. The revision of PRSAC mentioned in the heading, item I, must be performed at least once within a period of three years or in the occurrence of events deemed relevant by the institution, including:

I - offering of material new products and services;

II - material modifications to activities, products and services offered by the institution;



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III - material changes in the institution's business model;

IV - material corporate reorganization;

V - changes in government action, legislation, regulation, technologies or in market trends, including those related to consumer preferences, which may positively or negatively impact the institution's business; and

VI - material changes related to the provisions established in art. 2, solo paragraph, item II.

Paragraph 2. In case the institution's board is not constituted, the senior management must be invested with the board's responsibilities as established in this Resolution.

Art. 8. The senior management must conduct its activities in compliance with the PRSAC and the ensuing actions implemented.

Art. 9. The processes related to the establishment of the PRSAC and to the implementation of actions aimed at its effectiveness must be periodically submitted to internal auditing.

CHAPTER IV DISCLOSURE OF INFORMATION

Art. 10. The following information must be disclosed to external public, in a single and easily identifiable place on the institution's website:

I - mandatorily, the PRSAC;

II - mandatorily, actions implemented to PRSAC's effectiveness, as well as the criteria for their evaluation;

III - mandatorily, when existent:

a) list of economic sectors subject to restrictions in the institution's business activity due to social, environmental or climate-related issues;

b) list of the institution's products and services that contribute positively to social, environmental and climate-related issues;

c) list of national or international pacts, agreements or commitments associated with social, environmental and climate-related issues entered into by the institution or, as appropriate, its foreign parent, when the Brazilian subsidiary is involved; and

d) mechanisms for promoting the participation of stakeholders in the process of the PRSAC's establishment and revision, when applicable; and

III - optionally, evaluation of actions in terms of their contribution for the PRSAC's effectiveness.

Solo paragraph. The information disclosed according to the heading must be timely updated in the occurrence of:

I - a revision of the PRSAC;

II - material changes in actions implemented to attain PRSAC's effectiveness or in the criteria for their evaluation;

III - material changes in the information mentioned in the heading, item III;

IV - material changes in the evaluation of actions in terms of their contribution for PRSAC's effectiveness, in the case of disclosure conducted according to the heading, item II; and

V - inconsistencies and errors in previously disclosed information.

CHAPTER V

PRUDENTIAL CONGLOMERATE AND COOPERATIVE CREDIT SYSTEM

Art. 11. The PRSAC mentioned in art. 2 must be unified for institutions in a same prudential conglomerate, as defined in Resolution CMN 4,280 of 2013.

Paragraph 1. The unified PRSAC and actions aimed at its effectiveness must consider social, environmental and climate-related issues related to the conglomerate and to each of its members individually.

Paragraph 2. The Central Bank of Brazil must be informed on the prudential conglomerate's member institution that will bear the responsibility for complying with the following provisions:

I - appointment of the director mentioned in art. 5; and

II - constitution of the conglomerate's committee on social, environmental and climate-related responsibility, as prescribed in art. 6, when applicable.

Paragraph 3. The responsibilities assigned in this Resolution to the board and to senior management apply to the board and senior management of the institution mentioned in the paragraph 2.

Art. 12. The PRSAC mentioned in art. 2 must be unified for institutions in a same credit cooperative system.

Paragraph 1. The unified PRSAC must be established by the central confederation or the cooperative bank, or, in the absence of them, by the central cooperative of the respective credit cooperative system.

Paragraph 2. The unified PRSAC must consider social, environmental and climate-related issues related to the operation of the institutions in the respective cooperative credit system.

Paragraph 3. The responsibilities assigned in arts. 6 and 7 related to the establishment and revision of the PRSAC apply, respectively, to the committee on social, environmental and climate-related responsibility, when constituted, and to the board of the institution mentioned in paragraph 1.

Paragraph 4. The establishment of the unified PRSAC does not waive the responsibilities of each institution in the credit cooperative system, including those mentioned in paragraph



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1, in implementing actions aimed at the PRSAC's effectiveness, as well as in:

I - appointing of the director mentioned in art. 5, to whom the attributions mentioned in that article must apply, including responsibility for the adequate disclosure of the unified PRSAC as well as the disclosure of other information, in the terms of art. 10; and

II - exercising the attributions mentioned in arts. 6 to 8 that are not associated with the establishment and revision of the PRSAC.

CHAPTER VI FINAL PROVISIONS

Art. 13. The documents related to the establishment of the PRSAC and to the implementation of actions aimed at its effectiveness must be available to the Central Bank of Brazil, for five years.

Art. 14. The Central Bank of Brazil may require improvements to the controls and procedures related to the establishment of PRSAC and to the implementation of actions aimed at its effectiveness in case they are deemed inadequate or insufficient.

Art. 15. The provisions established by this resolution must be implemented by December 1st, 2022, for institution allocated to S3, S4 or S5.

Paragraph 1. While the provisions established by this Resolution are not applicable to institution allocated to S3, S4 or S5, such institution must comply with provisions established by Resolution CMN 4,327 of 2014.

Paragraph 2. The institution allocated to S1 or S2 is no longer required to comply with Resolution CMN 4,327 of 2014 from July 1st, 2022.

Art. 16. Resolution CMN 4,327 of April 25, 2014, is revoked.

Art. 17. This Resolution enters into force on July 1st, 2022.

Roberto de Oliveira Campos Neto
Governor of the Central Bank of Brazil