

NORMATIVE SARB 014/2014

The Banking Self-Regulation System of the Brazilian Federation of Banks - FEBRABAN institutes the **NORMATIVE FOR THE CREATION AND IMPLEMENTATION OF THE POLICY OF SOCIAL AND ENVIRONMENTAL RESPONSIBILITY**, which formalizes guidelines and procedures fundamental for the social and environmental practices of its Signatories in business and relationship with stakeholders.

CHAPTER I - PURPOSES OF THE NORMATIVE

Art. 1 The self-regulation program for development and implementation of a social and environmental responsibility policy, with the objective of formalize fundamental guidelines and procedures for the incorporation of practices assessment and management of social and environmental risks in business and in the relationship with the parties interested parties.

Sole paragraph The guidelines and procedures provided herein must be compatible with the nature of the activities of each Party and the complexity of the products and services offered, respecting the principles of relevance, proportionality and efficiency.

CHAPTER II - DEFINITIONS

Art. 2 For the purposes of this Self-Regulation, the terms indicated below, when used with the first letter capitalized, will have the following meaning:

Activities: internal processes and practices of the institution that may have an impact environmental, not to be confused with operations or financial services.

Financing: type of financial operation originated in the primary market of credit in which the Signatory grants, through a long-term financial loan, resources with specific destination provided for in the contract.

Operations: financial operations identified as being subject to analysis of social and environmental aspects by the institution, defined based on the methodology of art. 7th and 8th; and

Project: investment made by the beneficiary responsible for obtaining the licenses environmental, to implement or expand facilities and activities that cause significant socio-environmental impact and for which an environmental impact study and respective report (EIA/RIMA) or simplified environmental report (RAS), pursuant to legislation into force.

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Project: project developed by the financed person, responsible for obtaining of environmental licenses, to implement or expand facilities in a defined location contractually that cause significant social and environmental impacts and for which it is required environmental impact study and respective report (EIA/RIMA) or report simplified environment (RAS), under the terms of the legislation in force. *(wording given by Resolution No. 031, of December 1, 2020)*

Productive Capacity: Maximum number of products or services that a company can produce with the resources available at a given time.
(included by deliberation no. 031 of December 1, 2020)

Single paragraph. The concepts of relevance and proportionality mentioned in this Regulations are provided for in BACEN Resolution No. 4,327, of April 25, 2014.
(included by deliberation no. 031 of December 1, 2020)

CHAPTER III - THE CONTENT OF THE SOCIAL AND ENVIRONMENTAL RESPONSIBILITY POLICY ("PRSA")

Art. 3 The Signatory must develop and implement a liability policy environmental, as an integrated management instrument, which will bring guidelines on The:

- I - governance structure focused on social and environmental issues;
- II - socio-environmental risk assessment and management;
- III - Activities and Operations that must be prioritized in the implementation of the PRSA, observing the principles of proportionality, reasonableness and efficiency;
- III - Activities and Operations that must be prioritized in the implementation of the PRSA, observing the principles of proportionality and relevance; *(wording given by*

Deliberation No. 031 of December 1, 2020).

IV - verification of adherence to PRSA;

V - dissemination and revision of the PRSA; and

VI - training of employees to implement actions in line with the PRSA.

Art. 4 The Signatory must make sure that its internal rules are in line with the provisions of your PRSA.

CHAPTER IV - GOVERNANCE

Art. 5 The Signatory must have a governance structure capable of providing treatment appropriate to social and environmental issues, in proportion to the exposure to the risk of institution, and ensure compliance with its policies.

Art. 5 The Signatory must have a governance structure capable of providing treatment appropriate to social and environmental issues, in proportion to the exposure and declaration of the institution's risk appetite, ensuring adherence and integration with the other policies of the Signatory, pursuant to the rules published by the Central Bank of the Brazil and National Monetary Council. *(wording given by Deliberation No. 031, of 1st December 2020)*

Sole Paragraph §1 The Signatory shall establish criteria and processes to verify periodically the adherence of its internal areas to the rules defined in the policies related to PRSA and any exceptions must be justified. *(renumbered by Resolution No. 031, of December 1, 2020)*

§ 2 The governance structure shall be disclosed by the Signatory in the annual report or equivalent report referred to in article 24 of this Regulation. *(included by Deliberation 031 of December 1, 2020)*

CHAPTER V - APPLICATION OF PRSA

Art. 6 The Signatory must consider the analysis of the socio-environmental aspects of new products and services, subject to the provisions of article 5.

Art. 7. With regard to financial operations, to identify those subject to analysis of social and environmental aspects, the Signatory must adopt a method that considers its ability to identify in advance the purpose of the use of resources by the borrower and observe those that, by legal requirement, require analysis of social and environmental aspects.

Sole paragraph The operations will not be subject to social and environmental analysis financial institutions whose nature makes it impossible for the Signatory to previously identify the purpose of the use of funds by the borrower, in accordance with the prescribed method in the *main section* of art. 7th.

Single paragraph. Operations will not be subject to social and environmental analysis financial institutions whose nature makes it impossible for the Signatory to previously identify the purpose of the use of funds by the borrower, in accordance with the prescribed method in the *main section* of this article. (*wording given by Deliberation No. 031, of December 1st, 2020*)

Art. 8 In order to determine the financial operations subject to the management of the social and environmental risk, the Signatory will also consider:

- I - legal aspects;
- II - credit risk;

- III - reputational risk;
- IV – the economic sector of the financed activity and/or biome in which it is inserted. (*revoked by Deliberation No. 031 of December 2020*).

CHAPTER VI - MANAGEMENT OF SOCIAL AND ENVIRONMENTAL RISK

Section I - Operations

Art. 9 Transactions identified by the Signatory as having significant exposure to social and environmental risk, under the terms of article 8, will be submitted to assessment based on consistent and verifiable criteria, such as, where applicable, the environmental license issued by the member agency of the National Environmental System - SISNAMA or equivalent document.

Art. 9 Transactions identified by the Signatory as having significant exposure to

social and environmental risk, under the terms of article 8, will be submitted to assessment based on consistent and verifiable criteria, such as, when applicable, the economic sector of the financed activity and/or biome in which it is inserted and the license environmental issue issued by the member body of the National Environmental System - SISNAMA or equivalent document. *(wording given by Deliberation No. 031, of 1st of December 2020)*

Art. 10 The Signatory, regardless of the risk exposure classification of the Operation, will verify, in accordance with current legislation, the Certificate of Quality in Biosafety issued by the National Technical Commission of Biosafety (CTNBio), in cases where it develops research activity or project with the purpose of, in the experimental scope (i) obtain Genetically Organisms Modified (GMO) and its derivatives; or (ii) assess the biosafety of these organisms, which encompasses the construction, cultivation, production, handling, transportation, transfer, import, export, storage, research, marketing, consumption, release into the environment and disposal, as provided for in Federal Law No. 11.105 of March 24, 2005 and Decree 5.591 of November 22, 2005.

Art. 10 The Signatory, regardless of the risk exposure classification of the Operation, will verify, in accordance with current legislation, the Certificate of Quality in Biosafety issued by the National Technical Commission of Biosafety (CTNBio), in cases where it finances or sponsors activities or projects involving genetically modified organisms (GMOs) and their derivatives, related to teaching with the manipulation of living organisms, to research scientific research, technological development and industrial production. *(wording given by Deliberation 031, of December 1, 2020).*

Art. 11 In the contracts of the Operations referred to in article 9, clauses shall be foreseen that, at the very least, establish:

I - The borrower's obligation to comply with the applicable environmental legislation;

II - The borrower's obligation to observe labor legislation, especially the standards relating to occupational health and safety and the absence of similar work to the slave or child;

III - The ability of the Signatory to anticipate the maturity of the operation in cases of cancellation of the environmental license, when applicable, and condemnation final and unappealable, due to practice, by the borrower, of acts that matter

child labor, work analogous to slavery, criminal profit from prostitution or damage to the environment;

IV - The obligation of the borrower to monitor its activities in order to identify and mitigate unforeseen environmental impacts at the time of contracting the credit;

V - The borrower's obligation to monitor direct and relevant suppliers that it concerns environmental impacts, respect for social and labor legislation, norms occupational health and safety, as well as the lack of work analogous to slave or child.

V - The borrower's obligation to inform the Signatory, according to the term agreed between the parties, in the event of non-compliance with an environmental obligation or the existence of work analogous to slave or child by a direct and relevant supplier, indicating the measures adopted to address the matter, although there is no clause specific active monitoring of the supplier's activities by the borrower.

(wording given by Deliberation No. 031, of December 1, 2020)

Sole Paragraph §1 In the case of item I of this article, the discussions in good faith initiated by the contracting party in the judicial and administrative spheres and their respective decisions, even if preliminary. *(renumbered by Deliberation No. 031 of December 1, 2020)*

§ 2 The obligation provided for in item V shall observe the principles of relevance and proportionality that guide the analysis of the Transactions by the Signatory, considering its specificities, as well as the information provided, any action plan and deadline for the adoption of measures to address the issue by the policyholder, at the discretion of the Signatory. *(included by Deliberation No. 031 of December 1, 2020)*

Section I - From Project Financing

Art. 12 Signatory shall assess Project Financing and capacity productive of this, according to the criteria below:

Art. 12 When analyzing social and environmental issues for Financing, the Signatory shall evaluate the Project Financing according to the criteria below: *(wording given by Resolution No. 031, of December 1, 2020)*

II - quality of the borrower's socio-environmental management within the scope of the Project; and
III - productive capacity and potential for negative environmental impact of the
enterprise. *(included by Deliberation No. 031 of December 1, 2020)*

Art. 13 The Signatory will monitor the development of the Project, under the aspect of risk environmental, under the terms of the general and specific obligations set out in the contract of Financing.

Section II - Participation in companies

Art. 14 New investments to be made by the Signatory in companies in that holds partner rights, which ensure to the institution preponderance in the corporate resolutions, power to elect or dismiss the majority of directors, effective operational control or corporate control, must be preceded by evaluation, carried out by the investor, to verify the degree of adherence to its socio-environmental policies.

§1 The objectives of the socio-environmental audit, which should focus on the company object of investment, its subsidiaries or other relevant companies for the Operation, they must be:

- I - assess any social and environmental liabilities of the company;
- II - verify compliance by this with the current socio-environmental legislation;
- III - evaluate, when applicable, the company's direct and relevant suppliers in what it concerns items I and II;
- IV - evaluate, when applicable, the execution of agreements and commitments assumed with the competent socio-environmental bodies. *(included by Deliberation No. 031, of 1st of December 2020).*

§2 The documents to be requested, at the discretion of the Signatory, will depend on the activity developed by the Company, and the existence of social and environmental certifications according to NBR ISO 14001 standards (System of Environmental Management), OHSAS 18001 (Health and Safety Management System Occupational) and NBR ISO 26000 (Responsibility Management System Social and Environmental).

§2 The documents to be requested, at the discretion of the Signatory, will depend on the activity developed by the Company, and the existence of social and environmental certifications. *(wording given by Deliberation No. 031, of 1st of December 2020)*

Section III - Activities

Art. 15 The Signatory will manage the social and environmental impacts of its Activities, considering:

Art. 15 The Signatory will manage the social and environmental impacts of its Activities, observing the criteria of relevance and feasibility, considering: *(wording given by the Resolution No. 031, of December 1, 2020)*

I - efficiency in the consumption of energy and natural resources;

II the use of renewable energy sources; *(included by Deliberation No. 031, of 1st December 2020)*

III - proper waste management; *(renumbered by Deliberation No. 031, of 1st of December 2020)*

III - aspects related to work analogous to slavery, child and sexual exploitation

IV - combating slave and child labor and sexual exploitation; *(essay given by Resolution No. 031, of December 1, 2020)*

V – the promotion of diversity and inclusion practices; *(included by Deliberation No. 031 of December 1, 2020)*

VI - compliance with labor obligations and Regulatory Health Standards and Occupational Safety; *(included by Deliberation No. 031, of December 1st, 2020)*

VII - the social and environmental aspects in the processes of contracting suppliers and service providers; *(renumbered by Deliberation No. 031, of December 1, 2020)*

VIII - the use of construction techniques or sustainable renovation of properties that are owned by the Signatories, considering the particularities and peculiarities of the buildings where their administrative centers and agencies; and *(included by Resolution No. 031 of December 1, 2020)*

IX - the emission of gases that cause the greenhouse effect. *(included by Deliberation No. 031, of December 1, 2020)*

Section IV - Climate risks and opportunities *(included by Deliberation No. 031, of December 1, 2020)*

Art. 16 - Subject to relevance and proportionality criteria, the Signatories should adopt measures aimed at identifying and managing risks and opportunities climate change in its Activities and Operations, in addition to the incorporation of this theme to its strategy and governance. *(included by Deliberation No. 031, of 1st of December 2020)*

§ 1 The measures indicated in the caput of this article will be reported by the Signatories in public report or document deemed adequate by the Signatory, at least

once a year, in accordance with its governance structure. *(included by Resolution No. 031, of December 1, 2020)*

§ 2 The report referred to in the first paragraph must be aligned with the recommendations of the Task Force on Climate-Related Financial Disclosures – TCFD. *(included by Resolution No. 031, of December 1, 2020)*

§ 3 The incomplete reporting of the measures referred to in the caput, or even their absence, must be justified and the Signatory must present an action plan and deadline service, in accordance with its governance structure. *(included by Resolution No. 031, of December 1, 2020)*

CHAPTER VII - REAL ESTATE GUARANTEES AND RURAL CREDIT

Art. 16 When a rural property is offered as a guarantee for the Financing of Project, the Signatory must verify the registration of the legal reserve in the registration of the rural property or in the Rural Environmental Registry (CAR) the legal reserve signed document with the competent body, in compliance with the applicable legislation in force.

Art. 17 When a rural property is offered as a guarantee, the Signatory must request the availability of the Rural Environmental Registry (CAR), or verifying, by other means that they deem appropriate, the environmental regularity of the property. *(renumbered / writing given by Resolution No. 031, of December 1, 2020)*

Sole paragraph It is possible for the Signatory to request the borrower and/or guarantor additional information and documents on socio-environmental regularity of the property offered as guarantee. *(revoked by Deliberation No. 031, of 1st of December 2020)*

Art. 18 For all cases in which it receives a property as collateral, the Signatory, complied with the principles of relevance and proportionality, at its discretion, it shall: *(renumbered by Deliberation No. 031, of December 1, 2020)*

I - include in a contractual instrument or require a declaration, issued by the contracting party or whoever represents it, that the property subject to the guarantee does not restrict the use including restrictions related to zoning, land subdivision, preservation of the archaeological and historical heritage, restriction of activities due to insertion in or APP (Permanent Preservation Area) that meets the requirements imposed by the agencies competent;

II - include in a contractual instrument or require a declaration, issued by the contracting party or whoever represents it, that the property subject to the guarantee is not located in lands of indigenous or quilombola occupation, as defined by the

competent authority;

I - include in a contractual instrument or require a declaration, issued by the contracting party or whoever represents it, that the property subject to the guarantee: (i) does not default restrictions on use, on a temporary or permanent basis, including those related to zoning, land subdivision, preservation of archaeological and historical heritage, and restriction of activities due to insertion in a Conservation Unit or APP (Area of Permanent Preservation); (ii) meets the requirements imposed by Organs competent bodies; (iii) is not located in lands of indigenous or quilombola occupation, as defined in this way. by the competent authority; and (iv) does not harbor work analogous to slavery as final sentence. *(wording given by Deliberation No. 031, of 1st of December 2020)*

III - have the right to win the operation in advance or require the replacement of the guarantee if, during the term of the contract, it is verified, by the competent authority that the property subject to the guarantee: (i) has a restriction on use, including restrictions, or that the borrower does not comply with requirements established by the competent body; (ii) is located in lands of indigenous and quilombola occupation, as defined by the competent authority.

II - have the right to win the operation in advance or require the replacement of the guarantee if, during the term of the contract, it is verified, by the competent authority or by the Signatory, that the property subject to the guarantee is, or is now to be, related to any of the hypotheses of item I of this article. *(wording given by Deliberation No. 031, of December 1, 2020)*

Art. 19 The Signatory, in Rural Credit Operations for the Financing of Activities agricultural, shall: *(included by Deliberation No. 031 of December 1, 2020)*

I - check the rules that make up the Rural Credit Manual - MCR and other standards published by the Central Bank of Brazil and the National Monetary Council;

II - for Operations in which the rural property can be previously and expressly determined in which the funds will be applied, (i) request the availability by the borrower of

credit copy of the registration receipt in the Rural Environmental Registry (CAR), except the exceptions provided for in the MCR, and other rules published by the Central Bank of Brazil and National Monetary Council; (ii) verify the overlapping of the object area of the financing with homologated Indigenous Land and Protected Conservation Unit integral; (iii) in addition to what is provided for in the MCR, regardless of the biome in which it is located inserted, the granting of the credit referred to in the caput will be subject to the verification of lack of current environmental embargo imposed by IBAMA on the borrower for deforestation in the coordinates, polygons or any other form of identification of the area specific object of financing; and (iv) the Signatory will request the borrower to

inform, within a period agreed between the Signatory and the borrower, an environmental embargo by IBAMA by deforestation in the coordinate, polygon or any other form of identification of the specific area subject to funding regardless of the biome in which it is inserted, that may occur during the term of the credit operation.

Art. 18 In compliance with the principle of relevance, the Signatory, at its discretion, shall adopt method of identifying the risk of contamination in the property obtained as collateral, considering this variable in decision making.

Art. 20 In compliance with the principle of relevance, the Signatory, at its discretion, shall adopt method of identification of contamination risk in urban property obtained in guarantee, considering this variable in decision making. *(renumbered / writing given by Resolution No. 031, of December 1, 2020)*

Sole paragraph In order to comply with article 18, the signatories must adopt the standard document (Annexes I to V) of this Regulation, entitled SURVEY OF EVIDENCE OF CONTAMINATION IN URBAN PROPERTY - LIC, which indicates evidence of contamination in urban properties in order to expedite the acceptance of guarantees in banks and reduce the cost to the customer. Each Party must define the financial operations and property specifications in which the LIC will apply. *(essay given by Resolution No. 007 of August 10, 2017)*

Single paragraph. In order to comply with the *caput* of this article , the signatories must adopt the standard document (Annexes I to V) of this Regulation, entitled SURVEY OF EVIDENCE OF CONTAMINATION IN URBAN PROPERTY - LIC, which indicates evidence of contamination in urban properties in order to expedite the acceptance of guarantees in banks and reduce the cost to the customer. Each Party must define the financial operations and property specifications in which the LIC will apply. *(essay*

CHAPTER VIII - REGISTRATION AND CONTROL

Art. 21 The Signatory will record data relating to losses arising from damages social and environmental issues for a minimum period of 5 (five) years from the date of identification. (*wording given by Deliberation No. 007, of August 10, 2017 and renumbered by Resolution No. 031, of December 1, 2020*)

Single paragraph. In order to comply with the *caput*, the registration will include the estimated value, the nature and location of the loss resulting from socio-environmental damage. Signatories must adopt the minimum criteria for recording such losses available in Annex V of this Normative, entitled GUIDE FOR REGISTRATION OF LOSSES RESULTING FROM DAMAGE SOCIAL AND ENVIRONMENTAL. (*wording given by Deliberation No. 007, of August 10, 2017*)

Art. 22 The Signatory will collaborate with the public authorities, including the Ministry Public, the Judiciary and the federal, state and municipal environmental agencies, in socio-environmental findings arising from its Activities and Operations. In this regard, the Signatory will be willing to provide pertinent information, provided that these do not violate applicable law and any contractual obligations, particularly with regard to confidentiality duties. (*renumbered by the Deliberation No. 021, of December 1, 2020*)

CHAPTER IX - FORMALIZATION AND DISCLOSURE OF PRSA

Art. 23 The Signatory shall: (*renumbered by Deliberation No. 021, of December 1st 2020*)

- I - approve the PRSA through the board of directors and the board of directors, when there is;
- II - formalize the PRSA and ensure its internal and external disclosure; and
- III - train the employees responsible for implementing and applying the PRSA.

§ 1 The PRSA must be subject to periodic evaluation, observing the frequency and procedure established by the Central Bank of Brazil or, as the case may be, by the Council

§ 2 At the discretion of the Signatory, the evaluation of the PRSA may occur within a period shorter than that established by the Central Bank of Brazil or, as the case may be, by the Monetary Council National. *(included by Deliberation No. 031 of December 1, 2020)*

Art. 24 The Signatory will prepare and disclose annually a report on the compliance with your PRSA. *(renumbered by Deliberation No. 021, of December 1st 2020)*

Sole paragraph: the Signatory who already publishes an Annual Report may use it to demonstrate compliance with your PRSA, being exempt from the elaboration of a new report.

§1 The Signatory who already discloses an annual report or equivalent report may use it to demonstrate compliance with its PRSA, being exempt from the preparation of new report. *(renumbered / wording given by Deliberation No. 031, of 1st of December 2020)*

§2 The annual report or equivalent report must contain the structure of governance adopted by the Signatory, in accordance with article 5. *(included by Resolution No. 031, of December 1, 2020)*

Art. 23 The implementation of this regulation must meet the deadlines established in regulation of the Central Bank of Brazil that provides for PRSA.

Art. 25 The implementation of this regulation must meet the deadlines established in regulation of the Central Bank of Brazil that provides for PRSA. *(renumbered by Resolution No. 031, of December 1, 2020)*

Art. 26 This Regulation enters into force on the date of its approval. *(renumbered by Resolution No. 031, of December 1, 2020)*

Single paragraph. The Signatory Financial Institutions will have 6 (six) months from the publication, for the complete adaptation to the provisions foreseen by Deliberation No. 031, of December 1, 2020)

Single paragraph. The signatory Financial Institutions will have until December 30, 2017 to adapt to the annex entitled 'Guide for Recording Resulting Losses of Social and Environmental Damage'. (*wording included by Deliberation No. 007, of August 10th 2017*)

Approved on August 28, 2014.

Amended by resolution of the Self-Regulation Board on August 13, 2015.

Amended by Resolution No. 007, of August 10, 2017.

Amended by Resolution No. 031, of December 1, 2020.