



BANCO CENTRAL DO BRASIL

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DEREG**Prudential Regulation****Latest update:**

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E-mail:prudencial.dereg@bcb.gov.br**Phone:** +55 61 3414-1360

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INSTRUCTION BCB 153 OF SEPTEMBER 15, 2021

Establishes the templates for the disclosure of information in the Report on Social, Environmental and Climate-related Risks and Opportunities (GRSAC Report).

The Head of Prudential and Foreign Exchange Regulation Department (DEREG), based on article 23, item I, sub-item "a"; and article 118, item I, sub-item "d", of Central Bank of Brazil by-law, annex to ordinance 108.150, of August 27, 2020, and considering article 56 of Resolution CMN 4.557 of February 23, 2017,

R E S O L V E S :

Article 1. The templates that constitute the Report on Social, Environmental and Climate-related Risks and Opportunities (GRSAC Report), in accordance with Resolution BCB 139, of September 15, 2021, are detailed in the annexes I, II and III of this Instruction.

Sole paragraph. The templates mentioned in the heading will also be available at the electronic address https://www.bcb.gov.br/estabilidadefinanceira/regulacao_prudencial_normas, in the Central Bank of Brazil 's website.

Article 2. This Instruction enters into force on December 1st, 2022

Ricardo Franco Moura



BANCO CENTRAL DO BRASIL

Annex I - Mandatory template for institutions allocated to Segment 1 (S1), Segment 2 (S2), Segment 3 (S3) or Segment 4 (S4), as defined in Resolution CMN 4,553 of January 30, 2017.

Template GVR: Governance of management of social risk, of environmental risk and of climate-related risk.

Objective: Description of the governance of management of social risk, environmental risk, and climate-related risk.

Content: Qualitative information.

Frequency: Annual.

A description must be provided of role of the board, the senior management, the Chief Risk Officer (CRO), and the risk management committee in the governance process to identify, measure, evaluate, monitor, report, control and mitigate social risk, environmental risk, and climate-related risk, as defined in Resolution CMN n° 4.557 of February 23, 2017.

Detailing of information

(a)	Identification of the decision instances and their roles within the management structure with regard to social risk, environmental risk, and climate-related risk. <ul style="list-style-type: none">• Consider decision-making instances in their several levels (strategic, tactical, operational, controlling and compliance, as defined in the Resolution CMN 4.595 of August 28, 2017), particularly the board, the senior management, the CRO, the risk management and audit committees, and any other committee, business units and risk management unit.
(b)	Description of roles, duties and responsibilities of decision-making instances mentioned in item (a) and the interaction among them. <ul style="list-style-type: none">• Consider, among roles, duties, and responsibilities, forms of controlling, delegation of powers and division of responsibilities.
(c)	Description of the processes and frequency that the board or, in its absence, the senior management is informed about social risk, environmental risk, and climate-related risk, considering the attributions described in item (b).
(d)	Description of the criteria employed by the board or, in its absence, the senior management to ensure that social risk, environmental risk, and climate-related risk will be considered in reviewing and approving: <ul style="list-style-type: none">• levels of risk appetite undertaken by the institution;• policies, strategies and exposure limits in the risk and capital management;• the stress test programme;• policies for business continuity;• the liquidity contingency plan;• capital management and its contingency plan; and• compensation policy.
(e)	Forms employed by the board or, in its absence, the senior management to monitor the institution's strategic goals and targets, if applicable, with regard to social, environmental, and climate-related aspects.



BANCO CENTRAL DO BRASIL

Annex II - Mandatory templates for institutions allocated to S1 and S2, and optional templates for institutions allocated to S3 and S4, as defined in Resolution CMN 4,553 of 2017.

Template EST: Strategies undertaken in management of social risk, environmental risk, and climate-related risk

Objective: Identification and description of the actual and potential impacts related to social, environmental, and climate-related risks, if deemed relevant, in business operations, strategies and capital management of the institution

Content: Qualitative information

Frequency: Annual

A description is required of the potential impacts, if deemed relevant, related to social, environmental, and climate-related risks in the business operations, strategies, and capital management of the institution, as defined in Resolution CMN 4.557 of February 23, 2017.

Detailing of information

(a)	Identification of social, environmental, and climate-related risk events that could potentially cause relevant losses to the institution in different time horizons: <ul style="list-style-type: none">• Segregate, when possible, the information in categories of social risk events (a.1), environmental risk events (a.2) and climate-related risk events (a.3), along with the subcategories of physical risk and transition risk for this last one.• Indicate the percentage of losses in credit portfolio and in other activities of financial intermediations by economic sector, geographic region, and average tenors.• Indicate the criteria used to define the geographic region and to break down time the horizon in short-, medium-, and long-term.• Indicate the sources of information used in the identification process of risk events.
(b)	Description of relevant risk concentrations of risks mentioned in item (a) in terms of credit exposures, considering article 38-D, item V, of Resolution CMN 4.557 of 2017.
(c)	Description of how the risk events mentioned in item (a) are considered in the business operations, strategies, and capital management, detailing the time horizon recognized and the criteria for prioritization of assessed risks.
(d)	Description of the hypotheses involving climate changes and transition to a low-carbon economy used in scenario analyses under the stress test programme, as defined in article 7, item VII, of Resolution CMN 4.557/2017.
(e)	Description of the institution's ability to adapt under the hypotheses mentioned in item (d).



BANCO CENTRAL DO BRASIL

Template GER: Management process of social risk, environmental risk, and climate-related risk.

Objective: Description of the management structure for social risk, environmental risk, and climate-related risk.

Content: Qualitative information.

Frequency: Annual.

Description of the risk management tools to identify, measure, evaluate, monitor, report, control and mitigate social risk, environmental risk, and climate-related risk, as defined in Resolution CMN 4.557 of February 23, 2017.

Detailing of information

(a)	Description of the management process for identification, assessment and measurement of social risk, environmental risk, and climate-related risk.
(b)	Description of criteria used to classify exposures to social risk, environmental risk and climate-related risk considering economic sector, geographic region, and average tenors.
(c)	Description of mechanisms for a timely identification of political, legal, and regulatory changes that may impact the climate-related transition risk faced by the institution.
(d)	Within the scope of an integrated risk management framework, description of the tools and systems used to address the interactions among the social risk, environmental risk, and climate-related risk, as well as among these risks and other risks incurred by the institution, as defined in article 38-E of Resolution CMN 4.557 of 2017.
(e)	Description of the management process of social risk, environmental risk, and climate-related risk, highlighting in particular the monitoring, control, and mitigation of these risks.
(f)	Description of the mechanisms for monitoring risk concentration in economic sectors, geographic regions, products and services more susceptible to cause or suffer impacts from social risk, environmental risk, and climate-related risk.



BANCO CENTRAL DO BRASIL

Annex III - Optional templates

Template MEM: Indicators used in social risk, environmental risk, and climate-related risk management

Objective: Description of quantitative indicators used in management indicators of social risk, environmental risk, and climate-related risk.

Content: Quantitative information.

Frequency: Annual.

A description is required of indicators used in management of social risk, environmental risk, and climate-related risk, as defined in Resolution CMN 4.557 of 2017.

Description of Disclosure

(a)	Present indicators used in management of social risk, environmental risk, and climate-related risk, highlighting the ones linked to: <ul style="list-style-type: none">• classification of risk exposures in terms of economic sector, geographic region, and average tenors; and• relevant concentrations of credit risk exposure, with regard to provisions in article 38-D, item V, of Resolution CMN 4.557 of 2017.
(b)	Description of the methodologies used to calculate or estimate the indicators mentioned in item (a).



BANCO CENTRAL DO BRASIL

Template OPO: Business opportunities associated with social, environmental, and climate issues.

Objective: Description of business opportunities associated with social, environmental, and climate issues.

Content: Qualitative information.

Frequency: Annual.

A description is required of business opportunities associated with social, environmental, and climate-related issues, as defined in Resolution BCB 139 of September 15, 2021.

Detailing of Information

(a)	Description of the governance structure responsible for identification of business opportunities related to social, environmental, and climate-related issues, considering their several levels (strategic, tactical, and operational).
(b)	Description of roles, duties and responsibilities of decision-making instances involved in the process mentioned in item (a) and the interaction among them.
(c)	Description of the processes and frequency that the board and, in the absence of its, the senior management are informed about business opportunities regarding social, environmental, and climate-related issues.
(d)	Identification of business opportunities associated with social, environmental, and climate issues that could potentially generate revenues to the institution in different time horizons: <ul style="list-style-type: none">• Segregate, when possible, the information in categories of social events (d.1), environmental events (d.2) and climate-related events (d.3).• Indicate the criteria used to define the geographic region and to break down time the horizon in short-, medium- and long-term.
(e)	Description of the methods to identify the business opportunities mentioned in item (d).
(f)	Description of how the business opportunities mentioned on item (d) are considered in the institution's strategies, detailing time horizons and the criteria for prioritization of such opportunities.