

Environmental and Social Action Plan

Banco Do Brazil S.A. will implement the Brazil Climate Finance Project (the Project) with the support of the the International Bank for Reconstruction and Development (the Bank), pursuant to a Loan Agreement to be entered into by Banco Do Brazil S.A. and the Bank.

This Environmental and Social Action Plan (ESAP), dated October 10, 2022, sets out actions that Banco Do Brasil S.A. shall carry out or cause to be carried out, in accordance with the Performance Standards, during the implementation of the Project. The ESAP may be amended from time to time with prior written agreement of the Bank.

	Action	Anticipated Completion Date
PS1 Assessment and Management of Environmental and Social Risks and Impacts		
1	<p>Environmental and Social Risk Management:</p> <p>Banco do Brasil S.A. (BB) shall ensure compliance with the Project-specific Exclusion List set forth in the Loan Agreement and develop a Project-specific Environmental and Social Management Manual (ESMM) based on a) its existing Environmental and Social Management System (ESMS), b) the Project-specific Exclusion List, and c) the requirements of the ESAP. This Manual shall set the Project-specific E&S criteria to validate the eligible expenditures submitted for reimbursement, in line with the Loan Agreement.</p>	No later than 30 days after the Effective Date of the Loan Agreement and thereafter throughout Project implementation
2	<p>Environmental and Social Risk Management:</p> <p>BB shall ensure that all Eligible Companies supported by the Project that engage in operations with moderate to substantial social or environmental risks are operated in a manner consistent with the Performance Standards and shall submit the first five proposals submitted by Eligible Companies to prior review and no-objection by the Bank.</p>	As part of the environmental and social risk assessment of the proposed Eligible Companies and throughout Project implementation. The first five proposals shall be submitted to the Bank before approving the respective Sub-loan.
3	<p>Due Diligence:</p> <p>BB shall facilitate the Bank periodically reviews a sample of Project-beneficiary Eligible Companies with a Socio-Environmental Rating classified as D, E and F (according to BB's classification system).</p> <p>Bank implementation support may include visits to the BB, as well as to selected Eligible Companies.</p>	Throughout Project implementation.

4	<p>Incidents and Accidents</p> <p>BB shall immediately notify the Bank of any environmental and social accidents/incidents, including, inter alia, cases of sexual exploitation and abuse, sexual harassment, fatalities or serious workplace related injuries, child labor, forced labor, in accordance with the ESMM and ESMS, which have, or are likely to have, significant adverse effect on the environment, the affected communities, the public or workers and shall – as requested by the Bank – provide a subsequent report with sufficient details regarding the incident or accident, and indicating immediate measures taken or that are planned to be taken to address it and prevent its recurrence, as appropriate.</p>	<p>Notify the Bank within 48 hours after learning of the incidents/accidents.</p> <p>Provide a subsequent report within a timeframe acceptable to the Bank as requested.</p>
5	<p>Disclosure of Information:</p> <p>BB shall disclose and permit, in writing, the Bank to disclose at the Bank’s external website the ESMM.</p> <p>BB shall also disclose – through its website – relevant information on the Project and the supported Sub-loans and keep a channel to collect feedback from citizens and stakeholders on environmental and social issues associated with the operation of Eligible Companies supported by the Project.</p>	<p>No later than after 30 days of the Effective Date of the Loan Agreement and thereafter throughout Project implementation</p>
6	<p>Stakeholder Engagement</p> <p>BB shall require the Eligible Companies operating in sectors with environmental and social risks rated medium and high that are implementing Sub-loans to keep open relationship channels with neighboring communities.</p>	<p>No later than 30 days after the Effective Date of the Loan Agreement and thereafter throughout Project implementation</p>
7	<p>Grievance Mechanism:</p> <p>BB shall disclose information on and operate a Grievance Mechanism to facilitate in a timely manner resolution of concerns and grievances related to the Project and raised by Project stakeholders and other citizens.</p>	<p>No later than 30 days after the Effective Date and thereafter throughout Project implementation</p>
8	<p>Reporting</p> <p>BB shall furnish to the Bank, throughout implementation, a biannual environmental and social performance report (“ESPR”) and shall certify – through the ESPRs – that each beneficiary Eligible Company is in compliance with: Brazilian national law, BB’s specific policies and “Guidelines” as set out in the ESMS and the requirements of Performance Standards.</p>	<p>Biannually no later than [forty-five (45)] days after the end of each [calendar] semester.</p>
<p>PS 2 Labor and Working Conditions</p>		

9	<p>Due diligence and reporting</p> <p>Ensure through the ESMS that each beneficiary Eligible Company is in compliance with Brazilian national law, BB's ESMS and the requirements of this PS.</p>	Report through the ESPRs to be prepared under action 8.
PS 3 Resource Efficiency and Pollution Prevention		
10	<p>Due diligence and reporting</p> <p>Ensure through the ESMS that each beneficiary Eligible Company is in compliance with Brazilian national law, BB's specific policies and "Guidelines" and the requirements of this PS.</p> <p>As part of the Component 1 of the Project, investments' greenhouse gas emission performance shall be regularly evaluated by accredited third parties under Bank loan supervision protocols.</p>	Report through the ESPRs to be prepared under action 8.
PS 4 Community Health, Safety and Security		
11	<p>Due diligence and reporting</p> <p>Ensure through the ESMS management that each beneficiary Eligible Company is in compliance with Brazilian national law, BB's specific policies and "Guidelines" and the requirements of this PS.</p>	Report through the ESPRs to be prepared under action 8.
PS 5 Land Acquisition and Involuntary Resettlement		
12	<p>Due diligence and reporting</p> <p>Ensure through the ESMS that the Project does not support Companies that have been involved in their operations with activities that lead to forced eviction or significant involuntary resettlement resulting from the types of land-related transactions defined by paragraph 5 of PS 5 Land Acquisition and Involuntary Resettlement.</p>	Throughout project implementation
PS 6 Biodiversity Conservation and Sustainable Management of Living Natural Resources		
13	<p>Due diligence and reporting</p> <p>Ensure through the ESMS management that each beneficiary Eligible Company is in compliance with Brazilian national law, BB's specific policies and "Guidelines" and the requirements of this PS.</p>	Report through the ESPRs to be prepared under action 8.
PS 7 Indigenous Peoples		
14	<p>Due diligence and reporting</p> <p>Ensure through the ESMS management that each beneficiary Eligible Company is in compliance with Brazilian national law, BB's specific policies and "Guidelines" and the requirements of this PS.</p>	Report through the ESPRs to be prepared under action 8.
PS 8 Cultural Heritage		

15	Due diligence and reporting Ensure through the ESMS management that each beneficiary Eligible Company is in compliance with Brazilian national law, BB's specific policies and "Guidelines" and the requirements of this PS.	BiaReport through the ESPRs to be prepared under action 8.
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