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## IPSASB SRS Exposure Draft 1, Climate-related Disclosures

The following comments were prepared by the Public Sector Working Group of the Brazilian Commission for Integrated Reporting (CBARI), a network of the International Integrated Reporting Council (IIRC) in Brazil, now under the responsibility of the IFRS Foundation, made up of volunteer professionals who believe in creating and generating value for business and society through the best practices of Sustainable Development and “Integrated Thinking”. The participants who contributed comments were:

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### # Specific Matter for Comment 1: Public sector operations and regulatory role (paragraphs 1-4)

This Exposure Draft requires a public sector entity to provide disclosures about (i) the climate-related risks and opportunities that are expected to affect its own operations, and (ii) climate-related public policy programs and their outcomes when an entity has responsibility for those programs and their outcomes **(see paragraphs 3 and AG2.7–AG2.8)**.

Do you agree the proposed approach meets the information needs of primary users (see paragraphs 1–4)? If not, what alternative approach would you propose and why?

The Exposure Draft includes an Alternative View on the approach to climate-related public policy programs.

Paragraphs 1 to 4 of the Exposure Draft emphasize the need for the public sector to disclose information about its greenhouse gas (GHG) emissions and climate-related risks and opportunities. This approach is very relevant for Brazil, which has an evolving regulatory scenario on the subject, as detailed in # Specific subject for comment 10: Other comments. Considering this Brazilian regulatory context, we believe that the proposed approach is essential for:

- **Transparency and accountability:** allows civil society, investors and other stakeholders to monitor government performance and demand effective mitigation and adaptation actions.
- **Planning and management:** provides data and information so that the government can plan and implement effective public policies and manage climate risks in its operations.
- **Alignment with national targets:** helps Brazil meet its emission reduction targets and international commitments (NDCs).

On the other hand, in order for public sector disclosures related to climate change to be standardized and comparable to facilitate the analysis and monitoring of performance, it is essential that the IPSASB also considers the principle of interoperability already used by the IFRS Foundation, which has connected the requirements of IFRS S1 and IFRS S2 to the guidelines of the International Integrated Reporting Framework. It should be noted that the Normative Instruction of the Federal Court of Auditors (TCU No. 84), the Brazilian regulatory body, defines Integrated Reporting as the conceptual basis for the rendering of accounts of more than 1,000 (one thousand) Brazilian federal public entities, which are categorized as: Autarchies, Professional Councils, Public Companies, Foundations, Funds, Public Bodies (Ministries), Legislative Power, Judicial Power, Executive Power, Autonomous Social Service and Mixed Economy Society.

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#### # Specific Matter for Comment 2: Own Operations (Appendix A1: Application Guidance – Own Operations)

The Exposure Draft primarily aligns disclosure requirements about an entity's own operations with private sector guidance (IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures), with public sector guidance, including a rebuttable presumption that entities use the GHG Protocol: A Corporate Accounting and Reporting Standard (2004), unless another established method of measuring its greenhouse gas emissions is more appropriate or required by a jurisdictional authority (**see paragraph AG1.72**).

Do you agree with the proposed approach and guidance? If not, what alternative approach would you propose and why?

The Exposure Draft proposes using the GHG Protocol as the standard methodology for quantifying and disclosing greenhouse gas (GHG) emissions in the public sector. Although the GHG Protocol is widely recognized and used globally, other methodologies may also be appropriate, considering the specificities of the public sector. There are some alternatives that could be considered, depending on the needs and regulatory context, and which focus on auditing, governance and government transparency:

- **ISO 14064 (Parts 1, 2 and 3)** - Provides guidelines for quantifying, monitoring and verifying GHG emissions and removals. However, despite being more flexible than the GHG Protocol, it may require more interpretation to adapt to the public sector.
- **IPCC Guidelines for National Greenhouse Gas Inventories** - Used by governments for national inventories and reporting of GHG emissions, but could be adapted for public entities.
- **The Climate Registry (TCR)** - Used in the US and Canada by state and local governments. Provides specific guidelines for public entities. Based on the GHG Protocol, but with its own methodologies.

The adoption of multiple methodological options would ensure that entities could choose the approach best suited to their operational and regulatory reality, without compromising the transparency and comparability of climate data.

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### # Specific Matter for Comment 3: Scope of Public Policy Programs (paragraph 3 and AG2.4–AG2.6)

This Exposure Draft requires disclosures about public policy programs with a primary objective to achieve climate-related outcomes. Do you agree with this approach and the scope of public policy programs included in required disclosures? If not, what alternative approach would you propose and why?

The Exposure Draft includes an Alternative View on the approach to climate-related public policy programs.

Comments 3 and 5 refer to the approach and scope of disclosures about climate-related public policy programs in the Exposure Draft of IPSASB SRS 1 - Climate-Related Disclosures.

### Comment 3 - Scope of Public Policy Programs

Comment 3 asks whether public sector entities should disclose information about public policy programs whose main objective is to achieve climate-related outcomes. The Exposure Draft proposes that these disclosures be mandatory and includes an Alternative View on how to approach this requirement.

#### Consistencies:

- Aligns with the principle of transparency and accountability, which are essential to public governance.
- It considers the unique role of the public sector in policymaking and its influence on other entities and individuals.

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- Complies with international standards, such as the TCFD (Task Force on Climate Related Financial Disclosure) guidelines of IFRS S2, ensuring a basis for global comparability.

**Inconsistencies and challenges:**

- The requirement could be interpreted as an administrative burden for some entities, especially those with limited resources.
- There is a lack of clarity about the exact limits of the scope, which can lead to differences in interpretation and implementation.

The Exposure Draft requires the disclosure of all public policy programs that have the primary objective of achieving climate outcomes. However, not all programs have direct and measurable impacts. This can create difficulties considering the diversity of existing public entities.

**Our suggestions:**

- Create clear criteria for determining which programs need to be disclosed, avoiding information overload and ensuring that disclosures are relevant to stakeholders.
- Include the possibility of disclosing indirect impacts that entities may have, such as the promotion of sustainable practices in specific entities/sectors.
- Segment disclosures to differentiate programs that carry out direct actions (example: incentives for renewable energy) from those that influence indirect changes (example: regulation of environmental standards for specific entities/sectors).

**Practical example in specific entities/sectors:**

Specific entities/sectors could report on policies such as demanding environmental certifications, participating in sustainability forums and monitoring sustainable practices.

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## # Specific Matter for Comment 4: Public Sector-Specific Definitions (paragraph 7)

This Exposure Draft provides public sector-specific definitions and related guidance for:

- (a) Public policy programs;
- (b) Public policy program outcomes; and
- (c) Climate-related public policy programs.

Do you agree with the proposed public sector-specific definitions and guidance? If not, what alternative definitions would you propose and why?

Paragraph 7 of the Exposure Draft presents the meanings of terms specific to the public sector. Below are our comments on the terms that we believe need to be included and/or their meanings changed:

- **Public value:**

**=> Discussion Draft (Exposure Draft): the term “Public Value” is not included.**

**=> Proposal:** products and results generated, preserved or delivered by the activities of an organization that represent effective and useful responses to the needs or demands of the public interest and change aspects of society as a whole or of some specific groups recognized as legitimate recipients of public goods and services.

- **Climate-related physical risks:**

**=> Minuta de Discussão (Exposure Draft):** são riscos resultantes de mudanças climáticas que podem ser impulsionados por eventos (risco físico agudo) ou por mudanças de longo prazo nos padrões climáticos (risco físico crônico). Riscos físicos agudos surgem de eventos relacionados ao clima, como tempestades, inundações, secas ou ondas de calor, que estão aumentando em gravidade e frequência. Riscos físicos crônicos surgem de mudanças de longo prazo nos padrões climáticos, incluindo mudanças na precipitação e temperatura que podem levar ao aumento do nível do mar, redução da disponibilidade de água, perda de biodiversidade e mudanças na produtividade do solo.

**=> Proposal:** são riscos resultantes de mudanças climáticas que podem ser impulsionados por eventos (risco físico agudo) ou por mudanças de longo prazo nos padrões climáticos (risco físico crônico). Riscos físicos agudos surgem de eventos relacionados ao clima, como tempestades, inundações, secas ou ondas de calor, que estão aumentando em gravidade e frequência. Riscos físicos crônicos surgem de mudanças de longo prazo nos padrões climáticos, incluindo mudanças na precipitação e temperatura que podem levar ao aumento do nível do mar, redução da disponibilidade de água, perda de biodiversidade e mudanças na produtividade do solo. These risks may have financial implications for the entity, such as costs resulting from direct damage to assets or indirect effects of supply chain disruption. The entity's income statement may also be affected by changes in the availability, supply and quality of water; and extreme temperature changes that affect the entity's

facilities, operations, supply chains, transportation needs and employee health and safety.

#### Climate-related transition risks:

=> => **Discussion Draft (Exposure Draft):** these are the risks that arise from efforts to transition to a low-carbon economy. Transition risks include political, legal, technological, market, and reputational risks..

=> **Proposal:** These are the risks that arise from efforts to transition to a low-carbon economy. Transition risks include political, legal, technological, market, and reputational risks. These risks can have financial implications for the entity, such as increased operating costs or impairment of assets due to new regulations or changes related to climate change. The entity's income statement may also be affected by changing consumer demands and the development and implementation of new technologies.

- The latest international agreement on climate change:

=> **Discussion Draft (Exposure Draft):** it is the most recent agreement between central governments and states to combat climate change, establishing standards and targets for reducing greenhouse gas emissions.

=> **Proposal:** is the agreement of the countries, as members of the United Nations Framework Convention on Climate Change (UNFCCC), To combat climate change by establishing standards and targets for reducing greenhouse gas emissions.

- Operating model:

=> **Discussion Draft (Exposure Draft):** it is an entity's system for transforming inputs, through its activities, into products and outcomes aimed at achieving the entity's objectives..

=> **Proposal:** Business model It is an entity's system for transforming inputs, through its activities, into products and outcomes aimed at fulfilling. the strategic purposes of the entity and create value for the entity and, therefore, generate cash flows in the short, medium and long term.

- The value chain of a reporting entity:

=> **Discussion Draft (Exposure Draft):** refers to the full range of interactions, resources, and relationships related to a reporting entity's operating model and the external environment in which it operates, including other public sector entities. A value chain encompasses the interactions, resources, and relationships that an entity uses and depends on.

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=> **Proposal:** Refers to the full range of interactions, resources, and relationships related to the reporting entity's business model and the external environment in which it operates, including other public sector entities. A value chain encompasses the interactions, resources, and relationships that the entity uses, and on which it depends to create its products or services from conception to delivery, consumption and end of life, including interactions, resources and relationships in the entity's operations, such as human resources; in its supply, marketing and distribution channels, such as supply of materials and services, and sale and delivery of products and services; and in the financial, geographic, geopolitical and regulatory environments in which the entity operates.

#### **# Specific Matter for Comment 5: Strategy for Climate-related Public Policy Programs (paragraphs 12 and AG2.24–AG2.31)**

This Exposure Draft proposes disclosure requirements about an entity's strategy for climate-related public policy programs which include information that enables primary users to understand the entity's strategy and decision-making, anticipated challenges to achieving intended outcomes and financial implications of the climate-related public policy program.

Do you agree that the disclosure requirements on strategy for climate-related public policy programs meet the information needs of primary users? If not, what alternative approach would you propose and why?

Comment 5 deals with the strategy of public entities to develop, monitor and report on public climate policies. The Exposure Draft calls for the disclosure of governance processes, evaluation metrics and challenges foreseen for the implementation of the programs.

#### **Consistencies:**

- The use of specific metrics and targets to monitor environmental impacts increases the quality of the information provided and the ability to compare different governments and entities.
- The requirement to disclose challenges and risks improves transparency and makes it possible to identify critical areas for improvement.
- The approach promotes a clearer connection between financial reporting and the environmental impacts of public policies.

#### **Inconsistencies and challenges:**

- Some entities may not have a consolidated structure for tracking and reporting climate-related metrics.
- The obligation to report changes in GHG (Greenhouse Gas) emissions can be challenging for local governments that do not have sufficient data or standardized measurement methods.

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**Suggestion for improvement:** Ensure that the requirement to disclose climate strategies is aligned with the operational and planning capacity of public entities, including challenges and limitations in implementation.

The Exposure Draft calls for public entities to disclose detailed strategies for their climate-related public policy programs. This can be a challenge for bodies that don't have the financial autonomy to invest in climate mitigation initiatives or that are more involved in regulating the sector than in implementing policies.

**Our suggestions:**

- Allow specific entities to present complementary strategic actions, such as participation in environmental councils and partnerships with companies and universities for research into sustainable construction.
- Create a simplified planning and monitoring model, allowing entities that do not directly implement climate policies to report on qualitative targets and enforcement actions.
- Give more flexibility for reports to include barriers and challenges in implementing climate strategies, which may involve budget limitations or the need for legislative changes.

**# Specific Matter for Comment 6: Metrics and Targets for Climate-related Public Policy Programs (paragraphs 26–27 and AG2.34–AG2.44)**

This Exposure Draft proposes to require disclosures about metrics and targets, including (a) the change in greenhouse gas emissions reasonably attributed to climate-related public policy programs and (b) other metrics to measure and monitor performance in relation to climate-related public policy programs.

Do you agree these disclosures meet the information needs of primary users of the report (see paragraph 26)? If not, what alternative approach would you propose and why?

The proposed standard is relevant to improving climate transparency in the public sector. However, its implementation requires adaptations to the reality of countries, especially with regard to data availability, attribution of emissions to specific programs and integration with existing regulatory frameworks. In other words, due to the economic, regulatory and technical infrastructure differences between nations, the adoption of a flexible and scalable model would allow countries to adapt the requirement for metrics and targets to their institutional reality, without compromising the comparability and quality of climate reports.

**Application possibilities:**

- Different levels of requirements are offered to countries according to their institutional and economic capacity, allowing less developed nations to adopt the standard progressively.
- Recognition of national methodologies already used for climate measurements, such as the IPCC's national GHG inventories or specific regional frameworks. E.g. Brazil: such as SEEG (<https://plataforma.seeg.eco.br/>), GHG Protocol Brazil



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(<https://eaesp.fgv.br/centros/centro-estudos-sustentabilidade/projetos/programa-brasileiro-ghg-protocol>) and state emissions inventories, instead of exclusively requiring international standards.

- Specific guidance be created for developing countries and emerging economies, ensuring that the requirement for metrics and targets does not create barriers to the implementation of climate policies.
- Incentives or technical and financial support be established for nations with limited capacity, promoting access to emissions monitoring technologies.

#### **# Specific Matter for Comment 7: Conceptual foundations (paragraphs B2–B15)**

This Exposure Draft includes conceptual foundations aligned with the IPSASB Conceptual Framework including the definition of materiality (see paragraphs B8–B10) and primary users of public sector general purpose financial reports (see paragraphs B.AG28–B.AG33).

Do you agree that the proposed definition of materiality based on the IPSASB Conceptual Framework meets the information needs of primary users for climate-related disclosures? If not, what alternative approach would you propose and why?

The definitions of materiality are clear in the IPSASB and meet the needs of primary users for climate-related disclosures. However, regarding item B.AG32, which mentions that climate-related disclosures will be prepared for primary users who have a reasonable understanding of public sector programs and operations and who review and analyze the information diligently, we understand that the entity needs to consider that ordinary citizens may not have a deep and reasonable understanding of information on climate-related risks and opportunities and even the activities of the entities. Thus, we propose that the Standard identify that the public entity disclose information in a clear and easy-to-understand manner to the primary users of climate-related general purpose financial reports, considering that some of these users do not have reasonable knowledge of public sector programs and operations.

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#### **# Specific Matter for Comment 8: General requirements (paragraphs B16–B46)**

This Exposure Draft includes general requirements aligned with private sector guidance (IFRS S1) including the requirements for (a) an entity to include its climate-related disclosures in its general purpose financial reports (see paragraphs B22–B25) and (b) an entity to report its climate-related disclosures at the same time as its related financial statements (see paragraphs B26–B31).

Do you agree that the disclosure requirements proposed in the general requirements are appropriate for public sector entities? If not, what alternative approach would you propose and why?

The general requirements may not be appropriate for public sector entities if we take into account the maturity of Brazilian public entities, the diversity that exists in the country's regions and the existing standards related to climate information (See List in Comment 10). The

proposed disclosure requirements are clear, but focused on climate, and in Brazil there are already several regulations and requirements from regulatory bodies for this, i.e. it would be yet another document without integrating existing information. We therefore suggest that, in order to encourage adoption, the regulators integrate these new rules with the existing ones, using the principle of interoperability adopted by the IFRS Foundation, consolidating the information, taking advantage of and complementing it according to the new requirements, carrying out training and setting a deadline for adoption in stages/waves, according to the size and maturity of the entity.

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#### # Specific Matter for Comment 9: Transition (paragraphs 30–33)

This Exposure Draft proposes to provide transitional relief only in the first year of adoption (see paragraphs 30–33) for disclosures relating to an entity’s own operations and where applicable, relating to climate-related public policy programs and their outcomes.

Do you agree that the proposed transition provisions approach should be applicable to both own operations and climate-related public policy programs? If not, what alternative approach would you propose and why?

We believe that the public sector in Brazil, even though it is still dispersed in the regulatory environment, has been making progress in its public policies for mitigating and adapting to climate change through internal regulation and also through its Nationally Determined Contributions (NDCs), as well as in its public procurement bidding process, increasing the level of transparency and access for society through law 14.133/21 and creating the Transparency Portal for public management in bidding and contracting. By increasing the level of transparency and choosing more equitable qualitative criteria, it opens the way to include among these criteria not only their direct and indirect impacts on the climate, but it could also boost the vast supply chain of the Public Administration about its socio-environmental impact resulting from its need to purchase material goods, consumables and services.

We therefore believe that the proposed exemption period is reasonable.

Link to Law 14.133/21: [https://www.planalto.gov.br/ccivil\\_03/\\_ato2019-2022/2021/lei/L14133.htm](https://www.planalto.gov.br/ccivil_03/_ato2019-2022/2021/lei/L14133.htm)

Link to the Transparency Portal for public management in tenders and contracts: <https://www.gov.br/pncp/pt-br>

We also suggest supplementing the wording of item (b) in the Transition topic, to make the exemption period for scope 3 very clear, as highlighted in “blue” in the text below.

#### Transition

30. 31. 32. 33. An entity is not required to provide the disclosures specified in this [draft] Standard for any period prior to the adoption date. Consequently, the entity is not required to disclose comparative information in the first annual reporting period in which it applies this [draft] Standard.

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In the first annual reporting period in which an entity applies this [draft] Standard, the entity is permitted to use the following exemption:

- (a) The entity is allowed to report its climate-related disclosures after publishing its related financial statements, within nine months from the end of the annual reporting period in which the entity first applies this [draft] Standard;
- (b) An entity is not required to disclose its Scope 3 greenhouse gas emissions within the defined exemption period (see paragraph 17(a)(i)c); and
- (c) An entity is not required to disclose changes in greenhouse gas emissions resulting from climate-related public policy programs that were in effect at the adoption date of this [draft] Standard (see paragraph 26(a)).

An entity may choose an earlier adoption date without a transition period.

If an entity chooses to apply the exemption provided in paragraph 30, it is allowed to continue using that exemption for presenting such information as comparative information in subsequent reporting periods.

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## # Specific Matter for Comment 10: Other Comments

### Do you have any other comments on the proposed Exposure Draft?

We believe that there will be costs for the entities, which is why there is a need for a period of adaptation, for example, costs with training or hiring staff and readjusting systems.

As a benefit, we include that the primary user of climate-related disclosures will have a basis for carrying out analyses with more complete information on the climate-related risks and opportunities that the entity is exposed to, making it possible to analyze what mitigating actions that entity is taking. As this is an Exposure Draft, there is a need for greater maturity for the creation of the new standard and we believe that this is what is happening at the moment with the opportunity for this consultation/response, but it is necessary to take into account that: (i) countries are at different levels of sustainable development maturity; (ii) there are already existing standards/regulations (See List Below); (iii) there is a need for a period of adaptation so that the entity is able to issue its climate-related information in a timely manner, without impacting other accountability.

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## References and legislation in Brazil related directly or indirectly to Sustainable Development and/or Climate-Related Disclosures.

### Laws:

- **Law 12.114, of 09/12/2009:** Creates the National Climate Change Fund (FNMC), which is an instrument of the National Climate Change Policy. Its purpose is to finance projects, studies and undertakings aimed at reducing greenhouse gas emissions and adapting to the effects of climate change. The FNMC is regulated by [Decreto nº 9.578, de 22 de novembro de 2018](#), amended by [Decreto nº 11.549, de 05 de junho de 2023](#). <https://www.gov.br/mma/pt-br/composicao/secex/dfre/fundo-nacional-sobre-mudanca-do-clima>
- **Law 12.187, of 29/12/2009:** Establishes the National Policy on Climate Change - PNMC and establishes its principles, objectives, guidelines and instruments. [https://www.planalto.gov.br/ccivil\\_03/\\_ato2007-2010/2009/lei/l12187.htm](https://www.planalto.gov.br/ccivil_03/_ato2007-2010/2009/lei/l12187.htm)
- **Law 14.904, of 27/06/2024:** Establishes guidelines for the preparation of climate change adaptation plans, with the aim of implementing measures to reduce the vulnerability and exposure to risks of the environmental, social, economic and infrastructure systems in the face of the current and expected adverse effects of climate change, based on Law No. 12.187, of December 29, 2009, which establishes the National Policy on Climate Change (PNMC). [https://www.planalto.gov.br/ccivil\\_03/\\_ato2023-2026/2024/lei/l14904.htm](https://www.planalto.gov.br/ccivil_03/_ato2023-2026/2024/lei/l14904.htm)
- **Law 15.042, of 11/12/2024:** Establishes the Brazilian Greenhouse Gas Emissions Trading System (SBCE) and lays the foundations for the creation of a regulated carbon market in Brazil, bringing about a significant change in the way greenhouse gas (GHG) emissions are controlled and monetized. This market sets limits on greenhouse gas emissions for large companies, which are lowered year by year, as well as allowing the trading of so-called carbon credits. <https://www.gov.br/fazenda/pt-br/assuntos/noticias/2024/dezembro/sancao-do-marco-legal-do-mercado-de-carbono-e-celebrada-no-conselho-de-desenvolvimento-economico-social-sustentavel>

### Ministry of Finance:

- **Ecological Transformation Plan:** public policies and strategic actions distributed across six thematic axes: Sustainable Finance | Technological Densification | Bioeconomy and Agri-Food Systems | Energy Transition | Circular Economy | New Green Infrastructure and Adaptation. It builds tools for industry, agriculture, energy, finance and Brazilian society as a whole to be propelled to a new level of sustainable and technological development, generating prosperity, with better jobs and fairer income distribution for the population.
- **COP30:** Considered one of the world's leading climate change events, the 30th United Nations Climate Change Conference (Conference of the Parties) will take place in November 2025 in the city of Belém, in the state of Pará, Brazil. This is an annual global meeting where world leaders, scientists, non-governmental organizations and representatives of civil society discuss actions to combat climate change. COP30

represents a historic opportunity for Brazil to reaffirm its leadership role in negotiations on climate change and global sustainability. The event will allow the country to demonstrate its efforts in areas such as renewable energies, biofuels and low-carbon agriculture, as well as reinforcing its historic performance in multilateral processes, such as Eco-92 and Rio+20.

#### **Regulatory bodies:**

- **CVM - Brazilian Securities and Exchange Commission:**
  - **CVM Resolution 193, of 10/20/2023:** Provides for the preparation and disclosure of the financial information report related to sustainability, based on the international standard issued by the International Sustainability Standards Board - ISSB.  
<https://conteudo.cvm.gov.br/legislacao/resolucoes/resol193.html>
  - **CVM Resolution 223, of 16/12/2024:** Approves Technical Guideline OCPC 10 - Carbon Credits, Emissions Allowances and Decarbonization Credits (CBIO).  
<https://conteudo.cvm.gov.br/legislacao/resolucoes/resol223.html>
  - CVM has been a signatory to the UN Global Compact since November 2020.  
<https://www.gov.br/cvm/pt-br/assuntos/noticias/2024/cvm-divulga-relatorio-de-comunicacao-de-engajamento-coe-2023-2024-no-ambito-do-pacto-global-da-onu>
- **BACEN - Central Bank of Brazil:**
  - As the regulator of the National Financial System (SFN), the Central Bank - in line with the global sustainability agenda, in line with other central banks and best practices (NGFS) - has developed a series of measures and rules on the subject over the last few years, such as the institution of the Central Bank of Brazil's Social, Environmental and Climate Responsibility Policy - PRSAC-BCB. PRSAC-BCB governs the governance of the Central Bank's actions internally, as well as its actions in the SFN.
  - Since September 2020, the Central Bank has been a supporter of the Task Force on Climate-related Financial Disclosures (TCFD), whose creation in 2015 responded to the G20's request to consider the risks to financial stability associated with climate change within the scope of the Financial Stability Board (FSB). In order to promote the voluntary disclosure of climate-related financial information - which is consistent, comparable, reliable, clear and efficient - the TCFD issued recommendations in 2017 to be used by companies, both financial and non-financial. Voluntary global adherence to the TCFD's recommendations can provide investors, creditors and insurers with useful information to properly assess and price the risks and opportunities associated with climate change. The new dimension of the Central Bank's work agenda recognizes the importance of Sustainability in the economy and in the SFN, and the theme was chosen to be the focus of the fifth dimension of the BC# Agenda.

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- **SUSEP - Superintendence of Private Insurance:**
    - **Circular 666, of 27/06/2022:** Provides for sustainability requirements to be observed by insurance companies, open supplementary pension entities (EAPCs), capitalization companies and local reinsurers.  
<https://www.gov.br/susep/pt-br/central-de-conteudos/noticias/2022/novembro/susep-publica-marco-regulatorio-de-sustentabilidade>
  - **TCU - Federal Court of Auditors:**
    - **ClimateScanner:** Climate change is a global issue. Greenhouse gas emissions, melting glaciers, forest fires, deforestation and the reallocation of water resources are some of the problems that need to be tackled across the planet. With this in mind, the Federal Court of Auditors (TCU), as president of the International Organization of Supreme Audit Institutions (Intosai), is proposing ClimateScanner, an initiative in which Supreme Audit Institutions (SAIs) around the world will promote a global assessment of government actions related to climate change. SAIs have a unique role to play in tackling the climate crisis. Even though they have different mandates, they have in common the mission of carrying out independent evaluations of the use of public resources and the performance of public policies. In this way, they can provide reliable information and contribute to government transparency and policy improvement. This initiative is being conducted within the framework of the Intosai Working Group on Environmental Auditing (Intosai WGEA).
    - **ClimaBrasil Panel:** The initiative will allow courts of auditors across the country to make diagnoses in order to improve environmental and climate public policies. The ClimaBrasil Panel is the national adaptation of the ClimateScanner tool, a project coordinated by the Court ahead of the International Organization of Supreme Audit Institutions (INTOSAI). The data from the assessments carried out by the courts of auditors will be consolidated into a national overview of the climate actions of Brazilian governments. The results will be presented at the United Nations Conference on Climate Change 2025 (COP30), which will be held in November in the city of Belém, Pará.  
<https://portal.tcu.gov.br/imprensa/noticias/painel-climabrasil-tribunais-de-contas-vao-avaliar-acoas-de-combate-as-mudancas-climaticas>
    - **Normative Instruction 84, of 22/04/2020:** In 2020, the TCU officially established (IN 84/2020) the preparation of the Management Report (RG) in the form of an Integrated Report (IR), based on the International Integrated Reporting Framework, initially prepared by the International Integrated Reporting Council and currently by the International Financial Reporting Standards Foundation - IFRS, a global non-profit and public interest organization created to develop high-quality, understandable, applicable and globally accepted sustainability accounting disclosure standards. The purpose of Integrated Reporting is to transform the way in which the more than 1,000 federal public organizations render accounts to their stakeholders, with value
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creation at the heart of the report. <https://portal.tcu.gov.br/contas/prestacao-de-contas>

- **IESGO - ESG (Environmental, Social and Governance) Index:** An initiative to assess the level of adherence of federal public organizations and other entities under the jurisdiction of the Federal Court of Accounts (TCU) to ESG practices. Data for the survey is collected using an electronic self-assessment questionnaire that covers the following topics: Leadership, Strategy, Control, People Management, Information Technology and Information Security Management, Procurement Management, Budget Management, Environmental Sustainability and Social Sustainability. <https://iesgo.tcu.gov.br/>
- **National Treasury**
  - **Brazilian Framework for Sustainable Sovereign Bonds:** The fundamental pillar of Sustainable Bonds is the commitment to allocate resources to eligible environmental and/or social projects, whose impacts must be assessed and, where feasible, quantified. In this context, the framework is the document that establishes the obligations that Brazil must fulfill as the issuer of the sustainable sovereign bond. Thus, the Federal Government undertakes to allocate, in a transparent and accountable manner, the equivalent amount (virtual allocation) of the net resources raised from investors to eligible categories of expenditure that boost sustainability and contribute to climate change mitigation, the conservation of natural resources and/or social development.  
<https://www.tesourotransparente.gov.br/publicacoes/arcabouco-brasileiro-para-titulos-soberanos-sustentaveis/2023/30>

### **B3 - Stock Exchange:**

- **ISE B3 - Corporate Sustainability Index:** The aim of the Corporate Sustainability Index (ISE B3) is to be an indicator of the average performance of the share prices of companies selected for their recognized commitment to corporate sustainability. <https://www.iseb3.com.br/>
- **ICO B3 - Carbon Efficient Index:** Created in 2010, the B3 Carbon Efficient Index (ICO2 B3), from the outset, was intended to be an instrument for inducing discussions on climate change in Brazil. [https://www.b3.com.br/pt\\_br/market-data-e-indices/indices/indices-de-sustentabilidade/indice-carbono-eficiente-ico2-b3.htm](https://www.b3.com.br/pt_br/market-data-e-indices/indices/indices-de-sustentabilidade/indice-carbono-eficiente-ico2-b3.htm)
- **IGPTW B3 - GPTW B3 Index:** is the result of a theoretical portfolio of assets, drawn up according to certified companies and the best companies to work for, based on the national ranking cycle, both prepared by Great Place to Work (GPTW). The initiative supports investors in making investment decisions with a bias towards companies that bring the relationship between people and employee development to the center of debate, also generating a positive impact on business. [https://www.b3.com.br/pt\\_br/market-data-e-indices/indices/indices-de-sustentabilidade/indice-gptw-b3-igptw-b3.htm](https://www.b3.com.br/pt_br/market-data-e-indices/indices/indices-de-sustentabilidade/indice-gptw-b3-igptw-b3.htm)

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- **IDIVERSA B3 - B3 Diversity Index:** The objective of IDIVERSA B3 is to be the average performance indicator of the shares of listed companies that stand out in terms of diversity, based on the Diversity Score developed by B3.

[https://www.b3.com.br/pt\\_br/market-data-e-indices/indices/indices-de-sustentabilidade/indice-de-diversidade-idiversa-b3.htm](https://www.b3.com.br/pt_br/market-data-e-indices/indices/indices-de-sustentabilidade/indice-de-diversidade-idiversa-b3.htm)