

Report on Social, Environmental and Climate-related Risks and Opportunities

Volume 5 | September 2025





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Annual Publication by Banco Central do Brasil (BCB)

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Preface

It is with great satisfaction that Banco Central do Brasil (BCB) presents the fifth edition of its Social, Environmental, and Climate-related Risks and Opportunities Report (RIS). This publication underscores the institution's commitment to sustainability within the scope of its mandate. BCB's mission is to ensure the stability of the currency's purchasing power, safeguard a sound, efficient, and competitive financial system, and promote the economic well-being of society. In a world where environmental and social challenges are increasingly urgent, our institution is at the forefront of initiatives aimed at fostering a more inclusive and sustainable financial system.

We believe that sustainability is not just a responsibility, but an opportunity to innovate and lead by example. Our actions are guided by principles that seek to balance economic development with environmental preservation and social well-being. We are committed to integrating sustainable practices into all our operations and policies, ensuring that every decision we make contributes to a lasting positive impact.

In this report, we highlight our key initiatives and achievements in the field of sustainability. From the implementation of green financial policies to supporting projects that promote social inclusion and environmental protection, each step taken is a testament to our ongoing commitment to a more sustainable future.

Among BCB's sustainability commitments, the following stand out: 1) assessing the exposure of the National Financial System (SFN) to climate risks, including transition risks; 2) enhancing the Supervision Process for Social, Environmental, and Climate Risks (RSAC) and the structuring and collection of information on socio-environmental risks (Social and Climate Risk Document – DRSC); 3) continuing the development of the Rural Credit Bureau and improving control mechanisms through georeferencing tools; 4) improving the disclosure of climate and socio-environmental information by financial institutions; 5) reducing the environmental impact of BCB's internal processes.

In addition, the BCB is an active participant in federal government initiatives, such as the development of the Brazilian sustainable taxonomy (TSB) and the *Eco Invest Brasil* program. In 2025, we are also committed to contributing to the success of the 30th United Nations Climate Change Conference (Conference of the Parties) - COP30, to be hosted in Brazil, leading an effort to bring central banks and the international financial community closer to the discussions on climate goals that take place at the COP.

It is also important to highlight BCB's participation in the Steering Committee of the Network for Greening the Financial System (NGFS), a forum that brings together a community of central banks and financial supervisory authorities engaged in promoting the topic. Additionally, since 2020, the BCB has included the "Sustainability" pillar in its strategic agenda, the Agenda BC#, aiming at promoting sustainable finance, adequately managing RSAC, and integrating sustainable variables into the decision-making process of the monetary authority.

Furthermore, it is important to note the collaboration of the various areas of the BCB in the preparation of this report and to emphasize that this is a tool for accountability to society and for increasing the visibility and transparency of BCB's commitment to sustainability.

I invite everyone to explore this report and join us on this journey of transformation. Together, we can build a world where economic prosperity goes hand in hand with environmental and social responsibility.

Gabriel Muricca Galípulo
Governor of Banco Central do Brasil

Executive Summary

The fifth edition of the RIS presents, in an integrated manner, the actions of the BCB related to the management of social, environmental, and climate-related risks and opportunities carried out between July 2024 and June 2025. For the preparation of the RIS, the BCB adopted the structure proposed by the World Economic Forum (WEF), which organizes the information into four pillars, corresponding to the chapters of this report. Guidance from the International Sustainability Standards Board (ISSB) and publications from the NGFS were also considered.

In the “Governance” chapter, information is presented on BCB’s purpose, strategy, materiality, structure, integrity, and policies, including the integrated corporate risk management policy. BCB’s international engagement on sustainability issues is also addressed.

The “Planet” chapter contains information related to the management of risks arising from climate change for the economy; the SFN, with emphasis on regulatory and supervisory actions; and the international reserves portfolio. Finally, data on BCB’s own greenhouse gas emissions is presented, recognizing the importance of contributing to the global effort and minimizing the environmental impact of its activities.

In the “People” chapter, BCB’s actions to promote financial citizenship and its relationship with society are presented. This chapter also includes initiatives related to BCB’s own efforts on diversity, learning, and welfare policies for its staff, among others.

In the “Prosperity” chapter, the report addresses actions related to financial inclusion, innovation, and increased competitiveness in the SFN to enhance efficiency. Additionally, the chapter provides an overview of progress regarding sustainable instruments given their potential to direct investments toward projects that generate positive environmental and social impacts.

Finally, the “Outlook” chapter presents ongoing initiatives that are expected to be completed in the future. This chapter seeks to provide greater transparency not only regarding what the BCB has already achieved, but also what the institution is committed to accomplishing. It highlights the development of the TSB, a key element in advancing sustainable finance and fighting greenwashing, as well as the BCB’s involvement in COP30.

In fulfilling its institutional mission, the BCB has also made significant progress in its innovation agenda. To this end, the BCB has undertaken several initiatives within the scope of its strategic agenda, the Agenda BC#, which is organized in six dimensions: Inclusion, Competitiveness, Transparency, Education, Sustainability, and Excellence.

The initiatives under Agenda BC# aim at fostering a more dynamic and business-friendly environment to promote financial democratization — greater inclusion, lower intermediation costs, increased competition, reduced barriers to entry into the SFN, greater contribution to the sustainable growth of the economy, reduction in the cost of credit, and an increase in the quality of financial services. For the sake of transparency, the progress and results of all of BCB's activities and actions are disclosed to the public in [BCB's Transparency and Accountability Portal](#), where it is periodically updated.

Within the strategic objective of Sustainability, the initiatives aim to promote sustainable finance, while addressing socioenvironmental, and climate-related risks and responsibilities in the economy and in the national financial system (SFN). The intervention focuses on the areas in which the BCB operates and involves multiple stakeholders across the economic and financial system. It also seeks to expand funding for sustainable projects, encourage the sharing of experiences, adopt international best practices, and align the functioning of the SFN with the global sustainability agenda.

These measures reinforce BCB's role as a reference in sustainable finance, contributing to a more secure financial system that is better prepared to address climate challenges. Among the initiatives, the following ones can be highlighted: (i) enhancement of ESG regulation, requiring that major financial institutions prepare and disclose, along with their financial statements, starting in 2026, a report on sustainability-related financial information; (ii) improvement of rules for climate risk report disclosure in the financial sector, including quantitative data; (iii) cost reduction and simplification of the *Programa de Garantia da Atividade Agropecuária* (Proagro) rules; (iv) support for sustainable technological innovation, with emphasis on LIFT Data; (v) studies on climate risk; and (vi) participation in the COP and COP-related events.

#Sustainability

REGULATION

Improvement of regulation on socio-environmental risks (RSA): Public Consultation 85/2021; CMN Resolutions 4,943, 4,944, and 4,945

Improvement in the disclosure of information by financial institutions: Public consultation – metrics and targets associated with climate risk

Creation of the Rural Credit *Bureau*

Rural Credit *Bureau*: Regulations defining SAC benefits – CMN Resolutions 5,102 and 5,152; Implementation of restrictions on granting rural credit in conservation units

SUPERVISION

Development of stress tests for climate-related risks – Phase I

Structuring and expanding data collection on socio-environmental risks – BCB Resolution 151/2021

Improvement of the Social, Environmental, and Climate Risk Supervision Process (RSAC)

Structuring the capture of information on social, environmental, and climate risks (DRSAC)

Improvement of stress tests for climate-related risks – Phase II: Simulation model of the impact of the transition to a low-carbon economy

POLICIES

Studies for the creation of a sustainable financial liquidity line

Inclusion of sustainability criteria in the selection of counterparties for international reserves and investment management

PARTNERSHIPS

Brazil's Central Bank joins the Network for Greening the Financial System (NGFS)

SOCIAL, ENVIRONMENTAL, AND CLIMATE RESPONSIBILITY OF THE BCB

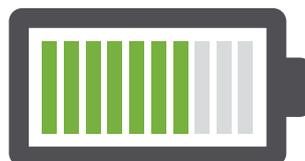
Reduction of the environmental impact of the processing of banknotes

Review of the Central Bank's Social, Environmental, and Climate Responsibility Policy

Development of the Central Bank's Social, Environmental, and Climate Risk Report

Promotion of a sustainability culture by the CRSO: New Sustainable Logistics Management Plan (PGLS) of the Central Bank for 2025/2026

14 concluded actions



6 actions in progress

70% completed

1

Governance

This chapter includes information on BCB’s purpose, strategy, materiality, structure, integrity, and policies, as well as the integrated management of the involved corporate risks. BCB’s strong engagement in international sustainability initiatives is also covered.

1.1 Purpose and Strategy

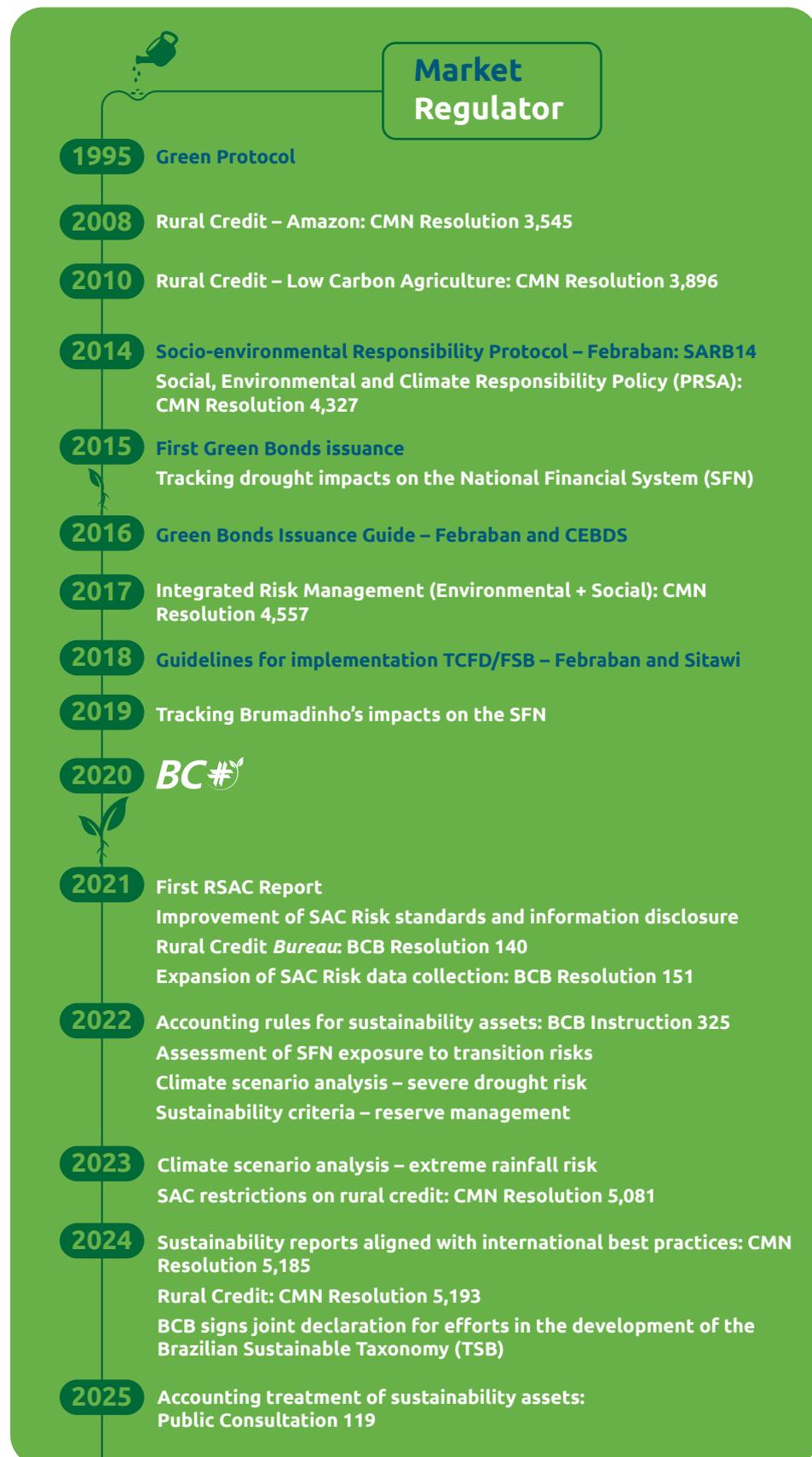
The BCB is a federal agency of a special and autonomous nature established by [Law 4.595](#), of December 31, 1964, with autonomy granted by [Complementary Law 179](#), of February 24, 2021. Its mission is to ensure the stability of the national currency’s purchasing power, to foster a sound, efficient, and competitive financial system, and to promote the economic welfare of society.

BCB’s strategic planning establishes a focus for its actions. The BCB is currently carrying out and monitoring the Institutional Strategic Plan (PEI-BC), initially formulated for the 2020–2023 period, but extended until 2025, to allow the alignment of the PEI-BC to the four-year mandate of the governor of the BCB, which doesn’t coincide with the mandate of the President of the Republic. Periodically, the Governance, Risk and Control Committee (GRC) meets to assess strategic actions and identify the need for planning additional action. The PEI-BC was aligned with the 2024-2027 Multi-Year Plan. The BCB participated directly in the PPA through the “4103 – Financial System of the Future” finalistic program, which has the objective to “Promote efficiency and digital transformation in the financial and payment systems, contributing to greater financial inclusion for individuals and businesses as well as encouraging sustainable finance.”

The Financial System of the Future program has three specific objectives:

- to promote digital transformation and competition to expand access to financial and payment transactions and services;
- to improve the operational resilience of the SFN, promoting actions to strengthen cyber resilience management in supervised entities; and
- to expand access to financial education content, including the history of payment instruments, basic economic concepts, and sustainability for the population, especially among school audiences.

BCB's sustainability initiatives encompass various participants in the economic and financial environment. The aim is to foster an exchange of experiences, implementing the best national and international practices on the topic and aligning with the global sustainability agenda.



Given BCB's purpose and strategy, it is possible to see contributions to at least nine of the seventeen Sustainable Development Goals (SDGs) established by the United Nations General Assembly in the document [Transforming Our World: The 2030 Agenda for Sustainable Development](#), which involves themes such as inclusive economic growth, sustainable development, and reduction of inequalities.

Among all the SDGs to which the BCB contributes, goals 4, 8, 13 and 17 stand out. An example of an initiative contributing to the achievement of SDG 17, which seeks to strengthen the means of implementation and revitalize the global partnership for sustainable development, is the Rural Credit Bureau's introduction of stricter environmental compliance measures for granting this type of credit. More information about the Bureau can be found in the next section, "Planet."

The *Aprender Valor* Program is another example of a BCB initiative contributing to SDG 4, which involves promoting lifelong learning opportunities for all. The BCB's program provides free financial education to students, teachers, and administrators of public and private schools throughout the country, and also to the general population. More information about this initiative can be found in the "People" section.

SDG 8 seeks to promote inclusive and sustainable economic growth; full and productive employment; and decent work for all. Pix is an example of a BCB initiative that contributes to achieving target 8.10, which involves encouraging the expansion of access to banking and financial services for everyone. More information on this initiative is available in the "Prosperity" chapter.

The BCB is also one of the government bodies that implements actions contributing to the achievement of goal 13, which aims to combat climate change and its impacts. For example, of note is the work carried out under the Brazilian presidency of the Group of 20 (G20), such as the "Task Force for the Global Mobilization against Climate Change", which can be read in more detail in section 1.4 of the "Governance" chapter.

Regarding the materiality of the RIS, it is worth noting that the process of defining what is reported in this report involves several phases and sources. The topics covered are material to the main stakeholders, to society, and the BCB. To identify these topics, the press releases, Financial Stability Report, and Monetary Policy Report are analyzed throughout the year. In addition, the decisions of the Board of Governors and the Governance, Risks, and Controls Committee (GRC) are monitored through votes and communications. Debates within the Sustainable Economy Committee (Ecos) and the Organizational Social, Environmental, and Climate Responsibility Committee (CRSO) are also used as sources of information. Additionally, BCB's strategic initiatives are monitored, and the results of public consultations conducted by the BCB are reviewed. The governance structure of the BC is presented in the following section (1.2), with an emphasis on Sustainability.

Based on these inputs, the main sustainability themes relevant to BCB's activities during the period are selected and prioritized according to their potential to create value for society.

1.2 Structure, Policies and Integrity

The Board of Governors is the highest hierarchical body of the BCB. It consists of the Governor and eight Deputy Governors, all of whom are nominated by the President of the Republic and approved by the Federal Senate. BCB's Governor and Deputy Governors have a four-year term, not concurrent with that of the President of the Republic. Each year, two Deputy Governors may be replaced, ensuring that the terms of the Board members begin alternately. The Governor and the Deputy Governors may be reappointed once. The Governor of the BCB represents the institution both domestically and abroad when interacting with other central banks, foreign financial institutions and international organizations.

The Governor and Deputy Governors of the BCB comprise the following deliberative committees:

- the [Monetary Policy Committee \(COPOM\)](#), which defines the target of the economy's basic interest rate (the Selic interest rate);
- the [Financial Stability Committee \(COMEF\)](#), which establishes guidelines for maintaining financial stability and preventing systemic risk;
- the Governance, Risks and Controls Committee (GRC), which defines guidelines and strategies related to corporate governance, strategy and risk management and internal controls. Among the risks addressed by the BCB's Integrated Risk Management Policy (PGR-BCB) are social, environmental and climate risks. The GRC is also responsible for BCB's Social, Environmental and Climate Responsibility Policy (PRSAC) within its scope of duties; and
- the Administration Committee (Coad), which defines guidelines and strategies for relevant administration issues, as well as adopts measures to systematize practices within the BCB.

The organizational chart is available [here](#).

BCB's governance structure is complemented by external actors who contribute, guide, and monitor the institution's practices. These actors are represented by society itself and by bodies of the Executive, Legislative and Judicial branches. The BCB also shares experiences, adopts best practices, and follows governance recommendations from various international bodies, notably the Bank for International Settlements (BIS), the Group of Twenty (G20), the Financial Stability Board (FSB), the International Monetary Fund (IMF), the World Bank, the Financial Action Task Force (FATF), and the NGFS.

The governance model of the BCB strikes a desirable balance between compliance and performance through six pillars: autonomy, leadership, strategy, accountability, integrity, and transparency. BCB's governance practices follow the recommendations of federal control bodies, governance codes, and international organizations, while mirroring, as much as possible, the best practices of other central banks. More information is available in [BCB's Annual Report](#).

The Deputy Governor for International Affairs and Corporate Risk Management (Direx) is responsible for coordinating BCB's efforts related to green finance and climate risks, as established by BCB's Internal Regulations, Section II, Article 15, Item XI.

To this end, Direx relies on the Sustainability and International Portfolio Investors Unit (Gerip), which has been responsible for coordinating and promoting BCB's sustainability agenda since 2022. However, these initiatives are inherently transversal within the organizational structure and involve different BCB departments, which operate according to their established competencies and attributions.

Direx also coordinates the Ecos Committee, created in 2021 to promote discussion and integration of projects and activities related to sustainability, including initiatives related to managing social, environmental, and climate risks and their impacts on the economy and the SFN.

The activities of Gerip and Ecos ensure that BCB's business units, the Governor, and the Deputy Governors are well-informed about the wide range of sustainability initiatives at the BCB. This allows the initiatives developed in various departments to be monitored with a strategic and integrated vision by Board members.

In turn, the Deputy Governor for Administration (Dirad) coordinates the CRSO, a committee primarily responsible for preparing, reviewing, disseminating, and monitoring the Sustainable Logistics Management Plan (PGLS), as well as managing internal activities and processes of the BCB in a sustainable manner.

The CRSO was created in 2017, through the same regulatory act that established the Central Bank's Social and Environmental Responsibility Policy (PR SAC-BCB), which was updated in June 2024. This update was made in line with the requirements the BCB imposes on the SFN, aiming to maintain a system that conducts its activities prudently and that is robust enough to absorb potential impacts from adverse climate events.

As a regulator, it is the responsibility of the BCB to reflect on its own policies, which tend to serve as an important instrument for strategic guidance and transformation both internally and within the SFN, as well as a relevant reputational element.

The policies are a set of principles and guidelines adopted by senior management or strategic governance bodies to achieve better results. Specifically, the PR SAC-BCB consists of a set of principles and guidelines of social, environmental and climate nature to be observed by the BCB when conducting its activities and processes, as well as in its relationship with stakeholders.

Governance is essential to ensure the implementation of the PR SAC-BCB and relies on a robust structure. In addition to the already mentioned GRC, Direx, Dirad, Ecos, CRSO, and Gerip, the BCB also counts on sustainability experts who represent it in working groups, task forces, and study groups, as well as other organizational components of the institution and teams dedicated to social, environmental, and climate-related initiatives.

It is the responsibility of Ecos and CRSO to guide the discussion for drafting recommendations regarding proposed revisions to the PR SAC-BCB in their respective areas. Gerip is responsible for consolidating the revision proposals and coordinating the policy's review process with the governance structure.

Each area is responsible for implementing the PRSAC-BCB, as well as monitoring and evaluating the results achieved. Finally, each deputy governor must encourage their subordinate units to discuss and include in their annual planning processes actions aimed at meeting the objectives, principles, and guidelines of the PRSAC-BCB.

The specific objectives of the PRSAC-BCB include: contributing to the country's sustainable development in its three dimensions — social, environmental, and economic; fostering a culture of sustainability within the institution; and encouraging the institutions that make up the SFN to participate in the country's balanced development process by promoting sustainable finance, responsibility, and the proper management of social, environmental, and climate-related risks within the system.

High standards of conduct and the promotion of integrity are part of BCB's daily operations. These are reflected in actions such as BCB's Integrity Program and the adoption of the institution's own Code of Conduct for Public Servants. The Central Bank's Integrity Program also includes measures for the prevention, detection, punishment, and remediation of fraud. The Integrity Plan for the 2024–2025 biennium, which includes actions focused on transparency, access to information, ethics, and prevention, concluded 2024 with eight actions completed and six added, among them the ongoing revision of the Central Bank's Code of Conduct for Public Servants.

1.3 Integrated Corporate Risk Management

The BCB has a well-established corporate risk management structure, with models based on international best practices. The Enterprise Risk Management approach adopted by the BCB seeks to comprehensively assess the institution's exposure, considering not only the different types of risks incurred but also the interaction between them.

As part of the PGR-BCB (Integrated Risk Management Policy), the information generated through the corporate risk management process, using specific methodologies, supports decision-making and aims at strengthening the organization's defense mechanisms. In other words, risk management identifies, evaluates, controls, and mitigates the possibility of losses while creating and protecting value.

At the strategic level, the use of risk information serves as support for senior management decision-making, such as in resource allocation and defining strategic initiatives.

Once a decision is made, risk management operates at the operational level, enabling the implementation of that decision to be carried out in a controlled manner, after adopting additional risk mitigation measures, if necessary. At the tactical level of the organization, data generated by risk management serves as complementary elements between decision-making and defense approaches.

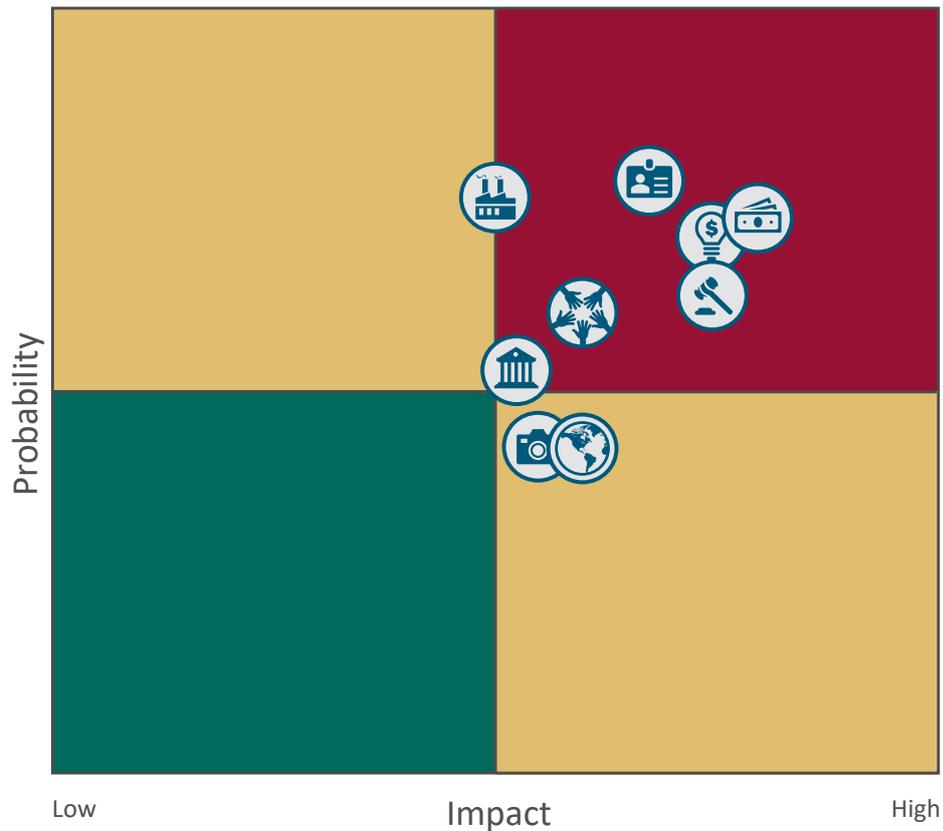
As previously mentioned, RSAC are part of the PGR-BCB and are components of the models used for different risk typologies, permeating BCB's value chain and reaching all its processes. This allows for the management of these risks and their consideration in the decision-making process.

1.3.1 Strategic Risks

Strategic risks correspond to the measurement of uncertainty related to potential external and internal events that may affect the fulfilment of BCB's institutional mission or the achievement of its strategic objectives. In addition to measuring these impacts through the analysis of the magnitude of possible effects on strategic objectives, another factor considered is the probability of occurrence of each risk.

The identification and measurement of strategic risks are carried out through a consensus perception model¹, followed by expert judgment², whose results make up BCB's strategic risk matrix. Finally, a joint analysis of criticality helps identify the main strategic risks along with suggestions for priority treatment, i.e., defining responses to reduce the BCB's exposure to identified risks.

Below is an illustration of the 2025 strategic risk matrix related to the strategic objective "Promote sustainable finance and contribute to the reduction of social, environmental, and climate risks in the economy and the Financial System", as well as risks from other strategic objectives related to the theme, along with their main mitigation measures.



1 Model developed by the BCB composed of rounds for risk assessment with the participation of BCB experts until consensus is reached on the relevance of risks and their measurements.
 2 Validation by GRC members of the risks mapped in the consensus perception model, and possible reassessment.

A. Lack of human and financial resources for new studies on this topic



Risks arising from insufficient human and financial resources at the BCB to monitor discussions in international bodies that establish new regulatory standards, recommendations, and guidance on sustainability in the financial market. Additionally, the topic requires the development of new projects, which may be hindered by the limited number of trained and available personnel at the BCB.

The BCB has been addressing risks related to its human resources broadly, including efforts to attract new employees through civil service exams and retain experienced staff. The “Excellence” dimension in the Agenda BC# demonstrates the prioritization of this issue in the BCB’s scope of activities.

B. Economic-financial stability related to sustainability



The risk of disturbances to the stability of the SFN is caused by climatic, environmental and social events. Extreme events have become more frequent and severe, such as the floods in 2023 and 2024 in the State of Rio Grande do Sul. These events can impact local economic stability and potentially contaminate the SFN.

Timely monitoring of the financial health of credit unions, combined with Federal Government actions during disasters, is a mitigating action for this risk.

In addition, the BCB has improved the disclosure of information by financial institutions based on the recommendations of the Task Force on Climate-related Financial Disclosures – TCFD.

C. Rise in inflation due to environmental issues



Risk of inflation increase caused by events related to social, environmental, and climate issues. These events can be physical, such as extreme weather events, or chronic, associated with gradual changes in the climate, for example, the rise in food prices due to crop failures and the increase in energy costs. There are also risks associated with societal changes resulting from a transition to a low-carbon economy.

BCB's actions in this regard involve estimating the effects of RSAC on the economy and the SFN through the adaptation of macroeconomic models to simulate these events and the assessment of the economic and financial effects of these risks. There are also studies to propose climate change and sustainability indicators. At the G-20 Global Conference on Data Gaps Initiative and the Sustainable Finance workshop, challenges and solutions related to the production of these indicators were discussed. More details about these initiatives can be found in section 1.4.1.2, "Global Conference and thematic workshop on Sustainable Finance – G20 Data Gaps Initiative 3 (DGI-3)".

D. Failure to coordinate initiatives



Risk of failure in coordinating institutional initiatives in response to climatic, social, and environmental risks for the Brazilian economy. Possible consequences in the materialization of these risks are uncertainties related to compliance with standards and agreements on climate among countries that, in turn, can impact the flow of investments to Brazil.

To address this risk, the BCB has highlighted the "Sustainability" dimension within the Agenda BC# to promote transparency and effectiveness in actions within its scope and facilitate coordination among economic agents. In this regard, BCB is also developing a program using a Computable General Equilibrium (CGE) model to estimate the effects of social and environmental risks on the economy and the SFN.

E. Legal risk



Risk of legal and extrajudicial litigation involving social, environmental, and climate issues related to BCB's role as a monetary authority or regulator and supervisor of the SFN, including the extent of its legal mandate; or related to regulated entities, when such litigation has systemic relevance.

This risk is mitigated through monitoring and preventive actions with judicial bodies and control agencies, including obtaining inputs for the continuous development of the "Sustainability" dimension of the Agenda BC#.

F. Unsustainable practices in financial institutions



In exercising its regulatory, supervisory, and sanctioning power within the SFN, the BCB is attentive to the practices of financial agents regarding adherence to best ESG (Environmental, Social, and Governance) practices.

Thus, in compliance with relevant legislation, the BCB supervises financial institutions, monitoring the possibility of events in which best practices are not followed. The improvement of RSAC management in the SFN and the creation of the Rural Credit Bureau also seek to mitigate this risk and demonstrate BCB's concern regarding the issue.

G. Reputational risks



Risks of failing to achieve BCB's vision of being recognized for promoting sustainability in the financial system. Additionally, there is a risk that Brazil may be perceived on the international stage as lacking effective action on climate change.

The BCB's corporate initiatives to achieve its mission, particularly regarding social, environmental, and climate risks and opportunities, including transparency through the disclosure of its Agenda BC#, "Sustainability" dimension, and the publication of this Report, mitigate reputational risks. Additionally, other initiatives, such as including social and environmental topics in the BCB's new Economy Museum and the CRSO's work, also help mitigate reputational risks.

H. Challenges in reducing BCB's carbon footprint



The complexity of the necessary changes and the resistance to new sustainable practices may pose challenges for the BCB to implement internal transformations and reduce its own carbon footprint, which could affect the institution's image and credibility in its commitment to reducing environmental impacts.

To mitigate these challenges, the BCB, through strategic actions, promotes a culture of sustainability via CRSO and develops a greenhouse gas (GHG) inventory for its headquarters in Brasília as well as for the regional offices. With this data, the BCB can identify critical areas and implement specific measures to reduce its emissions, such as enhancing energy efficiency and adopting cleaner technologies.

I. Adherence to international practices



Risk of being perceived as a central bank not adhering to international recommendations on environmental and climate risk. The realization of this risk may impact investor confidence in the country. This risk can also be exacerbated by differences between countries in the adoption, implementation, and continuity of initiatives and commitments arising from the sustainability agenda.

Brazil is committed to implementing recommendations from the Financial Stability Board (FSB) and the Basel Committee on Banking Supervision (BCBS) and actively participates in working groups discussing potential impacts of climate change on the financial sector. By joining the NGFS, the BCB also publicly demonstrates its commitment to international best practices in sustainability transparency.

In addition to the initiatives summarized in this section, various initiatives have been or are being developed to mitigate or prevent social, environmental, and climate risks, as reported throughout this Report.

1.3.2 Operational Risks

Among operational risks, this Report highlights those related to potential environmental impacts on internal work processes:

- Flooding in the BCB buildings caused by extreme environmental conditions, impacting the maintenance of operations or damaging physical assets, documents, or even people. In addition to controls to prevent damage, the main response is to activate business continuity plans. It is noted that this risk, which has been internally mapped since 2016, materialized with the heavy rains in April and May 2024 in Rio Grande do Sul. BCB's business continuity plans, which already accounted for this extreme scenario, were promptly activated.

Thus, there was no compromising of the critical internal processes carried out in that regional office.

- Water shortages in BCB facilities could also affect the continuity of operations. BCB's business continuity plans account for this scenario to avoid compromising critical internal processes.
- Natural disasters that cause failures in information and communication technology infrastructure equipment can lead to the unavailability of critical systems and the interruption of operational processes. Again, the response to risks of this nature involves business continuity and contingency plans.

1.4 International partnerships and engagement

Brazil has established itself as a reference in sustainable finance, standing out among 66 emerging economies in the *Global Progress Brief 2024* report, prepared by the Sustainable Banking and Finance Network (SBFN), facilitated by the IFC (International Finance Corporation). The document evaluates policies, regulations, and voluntary initiatives — such as self-regulation — and classifies Brazil in the “consolidated” stage, alongside countries such as China, Indonesia, Colombia, Mexico, and Georgia. This recognition reflects Brazil's commitment to sustainable development, preparing the financial sector for future challenges and promoting practices that benefit both the economy and the environment.

One of the pillars of this progress has been the engagement of the BCB with a wide network of national and international actors, including other central banks, supervisory authorities, multilateral organizations, investors, rating agencies, regional blocs, and cooperation agencies. These interactions occur through technical cooperation, information exchanges, participation in working groups, and international events.

With respect to international technical cooperation, the BCB is frequently sought after by foreign institutions to share its experience on ESG topics. Among the topics addressed in recent exchanges are the BCB's sustainability agenda, financial inclusion of women, financial education, communication challenges, and adaptation of the work environment to the needs of employees, among others.

Given the growing importance of sustainability for central banks, the BCB decided to expand the results obtained in the first phase of the Brazilian Sustainable Finance Project (FiBra I, 2018-2022), developed in partnership with the German government. This initiative strengthened internal capacity and enabled the improvement of RSAC supervision in the SFN. The new phase, FiBra II (2022-2026), includes new training and consulting, as well as tools that will support the implementation of climate stress tests, the establishment of indicators to monitor and analyze the effectiveness of the SFN in sustainability matters, and the deepening of the use of geotechnologies for monitoring rural credit and Proagro.

Among the recent actions of FiBra II, the seminar Social, Environmental, and Climate Sustainability in the Brazilian Financial Sector: From Responsibility to Risk Management, held on June 24 and 25, 2025, in São Paulo, is a highlight.

The event was organized in partnership with the *Deutsche Gesellschaft für Internationale Zusammenarbeit* (GIZ). Targeting representatives of supervised entities (ESs), the seminar's agenda was divided so that, on the first day, topics related to Social, Environmental and Climate Responsibility Policy (PRSAC) were discussed. Representatives from the BCB, GIZ, the European Central Bank (ECB), the European Banking Authority (EBA), the Ministry of Finance, academia, and ESs shared their views on relevant topics such as the regulatory agenda, prudential supervision perspective, TSB, just transition, financial education, combating the financing of illegal deforestation and challenges in implementing the PRSAC by ESs. On the second day, the debates focused on requirements and practices related to RSAC management. The panels covered perspectives of work-based prudential supervision, technical studies on exposure to nature-related risks, specific governance for RSAC, climate stress testing, treatment of physical and transition climate risks by ESs, Bureau of Rural Credit, and a session dedicated to data, metrics, and indicators, a topic that has been the focus of attention in international forums. The seminar attracted high interest from ES representatives and was marked by in-depth debates and intense interaction with the audience.

Reinforcing its international role, the BCB also hosted the VI Meeting of Heads of Financial Risk Management at Central Banks in June 2025, in partnership with the Center for Latin American Monetary Studies (CEMLA). The event addressed various risk dimensions, as well as the use of artificial intelligence in risk analysis and ESG criteria.

In relation to partnerships, in 2023, the BCB signed an agreement with the French Agency for International Technical Cooperation (*Expertise France*) and the French Embassy in Brazil to receive a sustainable finance specialist. Working for two years with the BCB teams, the specialist contributed to assessing risks related to biodiversity loss in the SFN. The cooperation, aligned with the Agenda BC#, ended in May 2025, providing critical support for the teams that regulate and supervise the topic at the BCB.

The BCB also participates in various international forums and organizations, notably the BCBS, the FSB, and the NGFS, which have specific groups dedicated to discussing climate issues and their potential impacts on the financial system. Within the NGFS, composed of central banks and financial supervisory authorities, the BCB is part of the Steering Committee, the body responsible for setting the network's strategic guidelines. In this forum, central topics such as climate scenarios, monetary policy, macroeconomics, supervision, and data are discussed. The BCB's participation in this committee is especially relevant considering the COP30, in which, for the first time, the implications of climate change on policy formulation by central banks should be discussed in a structured manner. In the context of international forums, other highlights are the Brazilian presidencies of the G20 and BRICS – a political-diplomatic articulation group of countries from the Global South formed by Brazil, Russia, India, China, South Africa, Saudi Arabia, Egypt, the United Arab Emirates, Ethiopia, Indonesia, and Iran –, in 2024 and 2025, respectively.

1.4.1 Brazilian presidency of the G20

In 2024, Brazil assumed the rotating presidency of the G20, a group that brings together the nineteen largest economies in the world, plus the European Union

and the African Union. Under the motto “Building a Fair World and a Sustainable Planet,” the Brazilian presidency prioritized reducing inequalities, focusing on social inclusion, combating hunger and poverty, energy transitions, sustainable development, and reforming global governance institutions. In this context, two task forces were established: the “Task Force for a Global Alliance Against Hunger and Poverty” and the “Task Force for the Global Mobilization Against Climate Change”.

The G20 Sustainable Finance Working Group (SFWG) played a central role in promoting this agenda. Throughout the year, the group addressed topics such as the challenges in implementing sustainability reporting standards, especially for small and medium-sized enterprises and in emerging and developing economies; improving the functioning of international environmental funds to facilitate access to resources and attract investments; developing high-level principles for just transition plans; and assessing the effectiveness of nature-based financial solutions, including proposals such as debt-for-nature swaps and blended finance. These discussions resulted in a progress report³ with recommendations for advancing the agenda.

In turn, the Task Force for the Global Mobilization Against Climate Change⁴ was created to establish a high-level agenda focused on policies and structural transformations compatible with the goals of the Paris Agreement, seeking to limit global warming to less than 2°C, preferably 1.5°C. The initiative also promoted technical dialogue between G20 members and various government bodies, integrating climate change into the global economic agenda.

In the field of financial inclusion, the Global Partnership for Financial Inclusion (GPII) has focused on providing appropriate and sustainable access to financial services, especially for vulnerable populations. The main priority was on financial well-being, with an emphasis on the quality and safety of services, highlighting the need for policies that consider people’s ability to live with financial security, deal with unforeseen events, and plan for the future with confidence⁵. The GPII also prepared an analysis⁶ on the 1.5 billion adults that are still financially excluded, identifying barriers and proposing practical policies and indicators to ensure effective inclusion aligned with the needs of this population.

Under the Brazilian presidency, the Central Bank and the BIS Innovation Hub (BISIH), with support from the Inter-American Development Bank (IDB), IDB Lab, and the National Federation of Associations of Central Bank Employees (Fenasbac), held the fifth edition of the G20 TechSprint — an international competition aimed at developing technological solutions for challenges faced by central banks and regulators. More details about this initiative are presented below.

3 [2024 G20 Sustainable Finance Report](#).

4 [Task Force for the Global Mobilization against Climate Change \(GMCC\)](#).

5 Refer to the [G20 Policy Note on Financial Well-being | GPII](#).

6 [G20 Policy Options to Improve Last Mile Access and Quality Inclusion](#).

1.4.1.1 G20 TechSprint 2024

The TechSprint hackathon annually seeks the best technological innovations aimed at common challenges and priorities of the global regulatory and central banking community. The goal of this edition was to promote the development of sustainable finance, with challenges aligned with the G20 priorities, which include climate change, environmental degradation, and poverty reduction.

Three challenges were posed. The first one sought innovative technological solutions that could encourage and attract sustainable and inclusive investments aimed at biodiversity and nature preservation. The second challenge sought solutions that would improve the collection, aggregation, and analysis of ESG data (with high-level quality assurance such as the use of correct units and ensuring that the sum of parts corresponds to the total) to facilitate due diligence, disclosure, and management of ESG risks and opportunities by large, medium, and small enterprises, investors, financial institutions, regulators, and supervisors.

Finally, the third challenge sought open-source data-driven solutions that could be used to support financial decisions and capital allocation aligned with the SDGs, including biodiversity preservation, climate change, financial education and inclusion, clean energy, and poverty reduction. This problem statement intentionally focused on open data or open-source solutions that would be accessible to everyone as a public good at zero (or low) cost, and on which other solutions could be built upon to promote the SDGs.

The G20 TechSprint attracted a record number of 110 projects from 21 different countries across various continents. Brazil was responsible for the largest number of submissions, with 55% of the proposals. The winners, among 15 finalists, were announced in November 2024, and the first-place winner for each of the three challenges received a prize of 25,000 USD.

This action is considered an important step in driving financial technological innovation towards the sustainability needs of the planet, society, and the economy. More information on the three challenges and the initiative as a whole is available [here](#) and in the [final report](#).

1.4.1.2 Global Conference and thematic workshop on Sustainable Finance – G20 Data Gaps Initiative 3 (DGI-3)

In June 2024, the Central Bank hosted the Global Conference of the Data Gaps Initiative (DGI), organized annually by the IMF, in collaboration with the Inter-Agency Group on Economic and Financial Statistics (IAG) and the FSB. The event focused on finding solutions to the main challenges in producing data related to climate sustainability, inequality, and financial inclusion, topics aligned with the priorities of the Brazilian G20 Presidency.

The DGI was proposed by major international organizations (such as the IMF, BIS, Organization for Economic Cooperation and Development – OECD, United Nations – UN, World Bank, among others) and endorsed by the G20 after the 2008 financial crisis to contribute to international financial stability through the dissemination of high-quality official statistics aligned with the best international

practices and methodological standards. This initiative brings long-term benefits to society, economic analysts, researchers, and the BCB itself by ensuring the quality of data provided for policy decisions.

The BCB has been actively participating in the DGI since its establishment and plays a leading role among the participating Brazilian institutions.

In May 2025, also within the scope of the DGI, the Central Bank hosted a thematic workshop on Sustainable Finance, one of the fourteen recommendations of the third phase of the initiative. The event was attended by representatives from nineteen countries and four international organizations. Participants shared experiences in producing statistics on green and sustainable bonds and stocks. The BCB presented aspects of the sustainable finance market in Brazil and detailed the progress of implementing data collection and producing statistics on these instruments, which are estimated to be published in early 2026.

1.4.2 Brazilian presidency of the BRICS

In 2025, Brazil took on the presidency of BRICS, with the BCB participating alongside the Ministry of Finance in the group's financial track. The BCB leads strategic discussions on economic policies and the supervision of financial systems, with a particular focus on the climate and sustainability agenda. The priorities of the Brazilian presidency's financial track reflect the collective commitment of member countries to strengthen financial resilience to climate risks and to share experiences and practices among group members.

The priorities related to the climate agenda include: promoting regulatory convergence in climate financing, aiming at harmonizing practices and increasing transparency and comparability among countries; seeking alternatives for financing the climate transition through the development of innovative instruments and the stimulation of public and private resource mobilization; and creating an opportunity for dialogue among BRICS countries to serve as preparation for COP30, promoting greater alignment between national agendas and global decarbonization commitments.

As part of the workstream on Climate Transition and Sustainable Finance, research was conducted with central banks and supervisory authorities of member countries. The objective was to map practices and approaches for monitoring and regulating climate risks, with a focus on integrating these risks into prudential and supervisory frameworks.

The analysis considered the following aspects: approaches to monitoring climate risks; existing and developing regulatory and supervisory frameworks; methods for identifying, classifying, and measuring physical and transition risks; application of climate stress tests with different time horizons and scenarios (including NGFS and Intergovernmental Panel on Climate Change - IPCC); and governance and risk management practices in financial institutions.

It is noteworthy that BRICS countries have made significant progress in supervising climate risks, although they are at different stages of maturity. Brazil, for example, already has a formal framework for integrating climate risks, including

requirements for the disclosure of financed emissions (Scope 3) and climate stress tests with long-term scenarios.

1.4.3 International Financial Consumer Protection Organisation (FinCoNet)

The BCB participates in FinCoNet, an international organization that brings together conduct supervisors from around the world. It is noteworthy that, in 2025, under the presidency of the BCB, the organization established a working group dedicated to green finance, with three lines of action: (i) direct supervision of green and sustainable products sold or marketed by financial institutions; (ii) risks of greenwashing for consumers; and (iii) how climate change or sustainability issues intensifies existing vulnerabilities.

2

Planet

This chapter is dedicated to BCB's initiatives to protect the planet from degradation including a focus on sustainability in the macroproducts generated for society. It presents studies and analyses on the potential impacts of Social, Environmental, and Climate Risks (SECR) on monetary policy, the SFN, and the international reserves portfolio. It also outlines initiatives to mitigate these risks, with an emphasis on the BCB's regulatory and supervisory actions. Finally, it provides information on greenhouse gas emissions from the BCB itself, recognizing the importance of minimizing the environmental impact of its own activities.

2.1 Economic Outlook

Climate change is one of the most significant structural forces shaping the global economy, both present and future. Therefore, the economic consequences of climate change constitute a global challenge, making it essential for central banks to assess the impacts of these changes so that they can factor them into safeguarding price stability and financial stability.

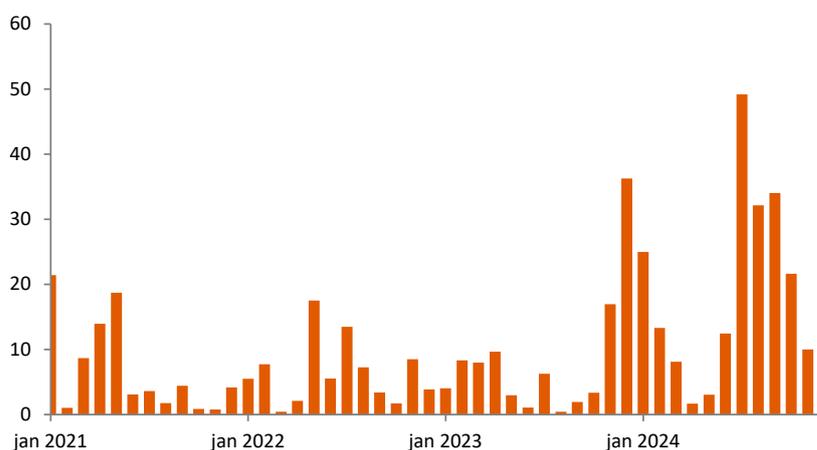
2024 was a challenging year for the conduct of monetary policy. With inflation starting to decrease in 2023, the BCB gradually lowered the Selic rate until June, reaching 10.5%, but still maintaining a contractionary stance. However, due to the deterioration of the inflation scenario, the Copom understood that a new cycle of adjustments in the Selic rate would be necessary, starting with an increase in interest rates at the September meeting. The Selic rate ended 2024 with an increase to 12.25% per year at the December meeting.

Twelve-month inflation, as measured by the Broad Consumer Price Index (IPCA), reached 4.83% in December, above the target of 3% and the upper limit of the tolerance interval, of 4.5%. Inflation exceeded the tolerance interval due to the strong pace of economic activity growth, currency depreciation, and climatic factors in a context of unanchored expectations and inertia from the previous year's inflation. In particular, household food inflation reflected climatic factors, among other things, related to the drought that affected much of the country, the cattle cycle, and currency depreciation, combined with pressures from economic activity and rising international prices of some agricultural commodities.

Regarding economic activity, the Brazilian economy showed significant growth in 2024 for the fourth consecutive year, surpassing initial forecasts, despite

the slowdown observed in the fourth quarter. GDP increased by 3.4% in 2024, significantly exceeding expectations at the beginning of the year. Unlike 2023, annual growth had a negative contribution from agriculture, a result reflecting crop failures in key agricultural areas due to climatic adversities. It is important to highlight that 2024 was characterized by a prolonged period with little rain and higher temperatures, between May and October, which harmed important crops such as corn, coffee, and oranges. Sector news and remote sensing surveys also indicate that the drought affected a significant portion of pasture areas.

Chart 1 – Drought Impact Index on Pastures



Sources: Cemaden, Pasture Atlas, compiled by BCB.
The index represents the percentage of Brazil's pasture area experiencing severe drought or worse.

Thus, climate change continues to be felt and is having a tangible impact on the economy and inflation. Throughout the year, this was evidenced at various times in BCB reports. In the [September 2024 edition of the Inflation Report \(IR\)](#), for example, it is highlighted that supply factors related to climate, such as drought in part of the country and the La Niña phenomenon, remain important variables in the projections.

In the [December 2024 edition of the IR](#), the projections highlighted the pressure of residential electricity on administered prices due to unfavorable hydrological conditions and the effects of drought on beef prices.

In the [March 2025 edition](#), which was renamed the Monetary Policy Report (MPR), the Economic Outlook chapter highlighted that climatic adversities in important producing regions harmed Brazilian agricultural production and pressured food inflation throughout 2024. The MPR also pointed to a slight inflection in the levels of stored energy in hydroelectric reservoirs, associated with decreased rainfall in February and March 2025.

Finally, the June 2025 MPR mentioned a relevant increase in the prices of produce, whose behavior is typically more volatile and sensitive to climatic fluctuations.

2.1.1 Impact of the extreme climate event in Rio Grande do Sul on monetary policy

At the end of April and the beginning of May 2024, Rio Grande do Sul was hit by heavy rains, which caused large-scale floods. In addition to the severe humanitarian consequences, the damage to urban and rural infrastructure, the interruption of production, and the logistical challenges caused significant short-term economic effects. In this context, the 2024 Regional Bulletin presented two specific studies on the economic impacts of the floods.

The box *Impacts of the May floods on the economic activity and labor market of Rio Grande do Sul* presented an overview of the performance of the economy of Rio Grande do Sul in 2024, with an emphasis on sectoral differences in the initial contraction process and subsequent recovery throughout the year. Overall, the services sector was the most affected, especially those provided to households and those related to tourism. In the labor market, the unemployment rate increased in the second quarter of 2024 but declined in subsequent periods, following the resumption of economic activity.

In turn, the box *Floods in Rio Grande do Sul and prices in the metropolitan region of Porto Alegre* analyzed the impacts of temporary imbalances between supply and demand in various segments of the region on prices. In May 2024, these imbalances caused significant increases in the IPCA, but there was almost a complete reversal by June. In the period from May to December 2024, the price variation in the region was lower than that observed in the national aggregate. Additionally, the national prices of rice and wheat (crops for which Rio Grande do Sul is an important producer) were also affected only in the short term.

2.2 Financial Stability

Extreme weather events have the potential to affect financial stability through different transmission channels. More frequent and severe weather events can impact agricultural production and logistical infrastructure, for example, causing widespread price increases. At the same time, they can affect the profitability of companies due to material losses and the reconstruction of damaged productive structures.

The need for adaptation also increases construction and insurance costs. The transition to a low-carbon economy can affect the profitability of the most carbon-intensive sectors and, consequently, reduce their financial capacity.

Other aspects related to extreme weather events that pressure the budgets of households, companies, and governments are linked to labor productivity, tax revenues, and social impacts. All these factors affect the ability of borrowers to repay their debts, reduce the value of assets given as collateral, and, as a result, increase the credit risk of financial institutions.

In a survey conducted in the [Financial Stability Report \(FSR\) of April 2025](#), financial institutions highlighted that climate risks materialized more strongly in 2024 than

in the previous year. Additionally, financial institutions continue to indicate that impacts on assets, production and income are the main transmission channels of physical risks to financial risks, affecting the credit market and defaults. More details about this survey can be found in subsection 2.2.1.

In addition to regulatory and supervisory measures, the BCB has conducted studies to analyze the sensitivity of the financial system's credit portfolio to physical climate risk and to identify economic activity sectors with the greatest potential exposure to climate transition risk. The FSR is the report prepared by the BCB that offers more details about these studies.

For the sensitivity assessment of the credit portfolio to climate risks, the BCB has already conducted three exercises. The latest study, published in the [April 2025 FSR](#), presented the mapping of the financial system's exposure to physical climate risks, considering biomes, economic macro-sectors, and the severity of weather events (more details in subsection 2.2.2). The previous study was published in the [May 2023 FSR](#) and presented an analysis of the financial system's credit portfolio exposure to borrowers located in municipalities subject to a high risk of extreme rainfall events. The first study, analyzing the risk of extreme droughts, was published in the [November 2022 FSR](#).

The increase in credit risk can also occur due to regulatory changes that impact the most greenhouse gas-emitting sectors, changes in consumption patterns, or technological changes. Regarding transition risk arising from regulatory changes, the BCB has developed models to estimate the effect on different economic sectors and potential impacts on financial institutions.

Another relevant survey from the same report simulates a carbon tax to address climate transition risk, which indicated a limited impact on the financial system (more details in subsection 2.2.3).

In addition to studies, the BCB has monitored the impact of extreme weather events that have already occurred in the country, such as the floods in Rio Grande do Sul in May 2024. The [November 2024 FSR](#) pointed out that the measures adopted by the National Monetary Council and the Central Bank helped contain the effects of the floods in the state (more details in subsection 2.2.6).

2.2.1 Financial Stability Survey – climate risks

The BCB conducts an annual survey to identify the views of financial institutions (FIs) regarding the effects of climate risks on the financial stability of the SFN. The data collection period was from January 13 to February 5, 2025. Of the one hundred institutions invited (75 regulated by the BCB and 25 by the Securities and Exchange Commission - CVM, the National Superintendence of Complementary Pensions - Previc, and the Superintendence of Private Insurance - Susep), 84 responded (corresponding to 96% of the total assets of the sample).

In the 2025 Climate Risks Survey, the financial institutions highlighted the severe climate events that occurred in 2024. The number of financial institutions reporting

the impact of materializing climate risks on their businesses more than doubled, reflecting the severity of the extreme events recorded in the country this year, such as those that occurred in Rio Grande do Sul. Among the 84 surveyed FIs, the assessment remains that drought is the most relevant climate event in terms of the expected impact on assets in the long term.

Physical climate risks

FIs consider that, in the long term, the average expected impact of climate risks has declined, with drought remaining the event of greatest concern. Respondents assess that the impact and probability of acute climate events occurring in the long term have decreased, except for the likelihood of wildfires. With these reductions, the weighted average expected impact of acute events on FIs' assets changed to low, except in the case of droughts. Regarding chronic climate risks, there was a reduction in the weighted average expected impact of events such as scarcity of natural resources and desertification. With this reduction, the weighted average impact of all chronic events is low in the long term.

Transition climate risks

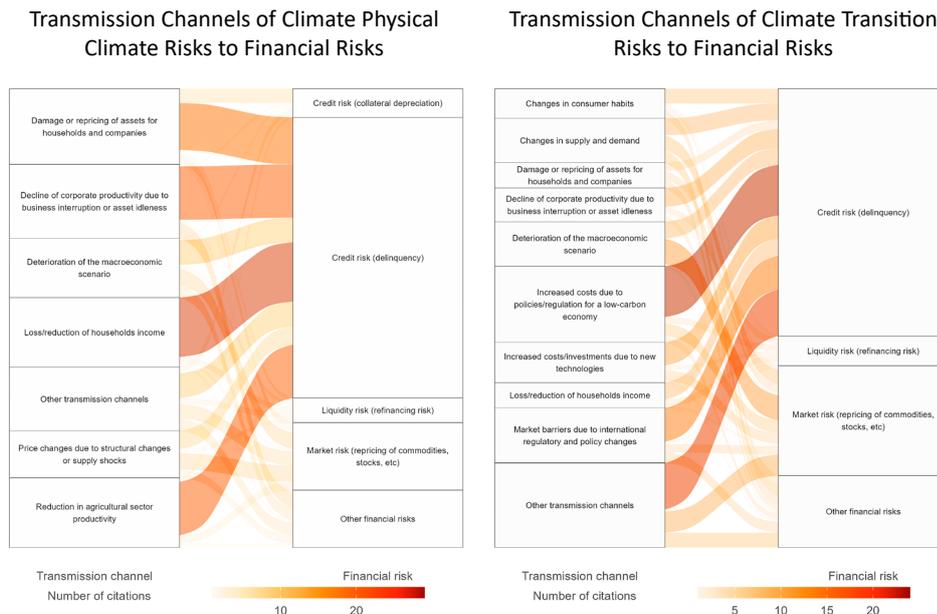
The short term is the most common horizon used in managing transition climate risks. The percentage of respondents who reported that transition climate risks are part of their risk management is 40%, similar to the previous survey. Only 17% of respondents manage transition risk in the long term. FIs also reported improvements in the assessment of transition climate risks, such as the use of new data, specific studies, and integrated stress testing.

Climate risks and their transmission channels

Credit risk (delinquency) continues to be the most relevant financial risk for the transmission of physical climate risks. The surveyed FIs assess that the transmission channels of physical climate risks to key financial risks are: (i) damage or repricing of assets of households and companies; (ii) loss of corporate productivity due to business interruption or asset idleness; (iii) loss/reduction of household income; and (iv) reduction in the productivity of the agricultural sector.

Regarding transition climate risk, delinquency stands out as the most significant financial risk. However, there is greater dispersion of transition risk transmission channels to traditional risks, with the following channels being particularly noteworthy: (i) increased costs due to policies/regulations for a low-carbon economy and (ii) market barriers due to regulatory and international policies.

Chart 2



Climate risks and potential threats to financial stability

Respondents assess that companies in more carbon-intensive sectors will face rising costs and reduced profitability as they invest in clean technologies and adapt to regulatory and climate policy changes aimed at fostering a more sustainable economy.

Climate risks and governance

In the survey, the maturity level is assessed based on the textual description of the actions taken by the financial institution (FI) to mitigate the effects of climate risks. The responses are classified into one or more of the following dimensions: (i) Governance and Culture; (ii) Alignment; (iii) Downstream; (iv) Upstream; and (v) Society⁷. The maturity level of institutions in adopting climate risk-related actions has increased slightly, mainly reflecting progress in the downstream dimension.

Finally, it is important to highlight that the standardization and availability of data and methodologies for Brazil remain among the main recommendations of the FIs to the regulator.

2.2.2 Exposure to credit risk arising from physical climate risks

During the reference period (July 2024-June 2025), two studies were published aiming at mapping credit exposures to physical risks. According to the first study, published in the [April 2025 FSR](#), considering the SFN as a whole, the largest exposures to physical climate risk are related to the consumer staples sector, which includes agriculture and livestock, in the *Cerrado*, Atlantic Forest and Pampa biomes caused by droughts and dry spells. Other relevant exposures include the same economic sector and drought risks in the Caatinga biome, and exposures in

⁷ More information is available in the [April 2025 FSR](#).

the utilities sector, which includes the water distribution and electricity generation and distribution, to droughts in the Atlantic Forest biome.

Additionally, according to the methodology, by type of risk, biome, and sector, the SFN has its greatest exposures to drought risk, the Atlantic Forest, *Cerrado*, and Pampa biomes, and the consumer staples sector, respectively. Although the *Cerrado* and Pampa are the biomes with the highest incidence of disasters, the greatest physical climate risk to the SFN is found in the Atlantic Forest (41.0%), as it is the biome with the highest population density.

More than half of the risk exposure is due to the consumer staples sector (52.61% of the total), followed by the utilities sector. The most relevant types of physical risk are drought and water stress (84.4% of the total), followed by heavy rainfall and fluvial flood (15.5%). Considering aggregated data from 1991 to 2023, other types of risks are not significant.

In a seminar held under the Brazilian presidency of BRICS, the BCB presented this study, focusing on the use of public databases to overcome difficulties in obtaining information for measuring climate risk.

A second study on the identification of physical climate risks was published on the [BC Blog](#). In this analysis, the aim was to identify the specific exposure of rural credit to climate events in two stages: i) obtaining risk maps of the Brazilian territory with historical perspectives and future projections, also known as hazard maps, and ii) spatial cross-referencing with areas financed by rural credit operations. The conclusions suggest that the increase in temperature, reduction in precipitation, and prolongation of dry periods in relevant agricultural regions point to vulnerabilities, which demand risk management processes based on climate data.

2.2.3 Transition climate risk: estimate of the impact on the SFN

Transition climate risk refers to the potential for FIs to incur losses due to regulatory changes, shifts in consumption patterns, or technological developments associated with the transition to a low-carbon economy. This study presents an evolution in the assessment of the SFN's exposure compared to a similar study published in the [November 2022 FSR](#), by estimating the impacts on the economy and potential losses for FIs under a transition climate risk scenario.

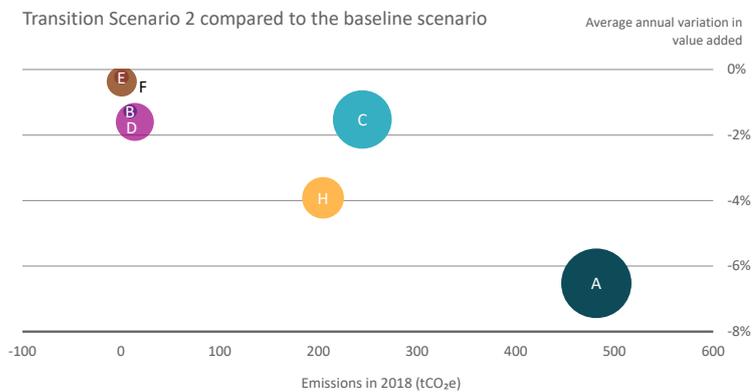
For each sector of the economy, the economic impact of additional costs to promote the transition to a low-carbon economy was estimated using a CGE model. The trajectories of macroeconomic variables resulting from this model were used as input for an econometric model designed to project the effect of sectoral GDP variations on the non-performing assets of FIs. Finally, the impact of increased provision in the affected sectors during the transition on each institution's capital was estimated using the macroeconomic stress test model.

Assessing the impact of transitioning to a low-carbon economy presents challenges due to the long-term horizon inherent in the process, as well as the high degree of uncertainty regarding the evolution of regulation, technology, and socioeconomic factors. Since the effects of the transition are widespread and affect the entire

economy, the Central Bank conducted a scenario analysis to estimate the impacts on different economic sectors. Given the high degree of uncertainty associated with long-term modeling, the analysis was carried out over a three-year horizon, similar to the macroeconomic stress test. It is important to note that the analyzed scenarios do not represent forecasts for the coming years but rather hypothetical, yet plausible, transition scenarios for the economy.

In the model, the additional cost of emissions is represented by imposing a tax on economic sectors that emit greenhouse gases (GHG). Two scenarios involving gradual increases in emission costs for all economic sectors were simulated, starting in 2025 and reaching values of USD 50 (Transition Scenario 1) and USD 100 (Transition Scenario 2) per ton emitted by 2030. The agriculture, livestock (CNAE A), and transport sectors (CNAE H) show the largest reductions in added value compared to the scenario without the imposition of the carbon tax. The reduction in added value results from the increased production cost within the sector itself and the cost of inputs sourced from other sectors.

Chart 3 – Carbon Emissions and Value Added by CNAE Section: 2025 to 2027^{1/}



^{1/} The area of the bubbles represents the relative value of credit for CNAE sections A, B, C, D, E, F, and H.

The results indicate that the impact on institutions' capital is limited due to the moderate increase in stranded assets in the sectors most affected by the carbon tax. Losses for FIs are concentrated primarily in the manufacturing (CNAE C), construction (CNAE F), and transportation sectors, due to the increase in stranded assets in these sectors. SFN's high exposure to the agricultural sector does not translate into equivalent impacts, as it has a lower proportion of stranded assets compared to other economic sectors.

2.2.4 Management of social, environmental, and climate risks

During the period covered by this report, studies from different perspectives were carried out to assess the proper implementation of regulatory requirements for the management of RSAC in a sample of supervised entities in relation to their exposures.

In this context, thematic reviews were conducted – a type of assessment dedicated to evaluating the same topic simultaneously in a sample of supervised entities – with specific purposes. One of the reviews showed how a group of entities applies the RSAC management requirements in the acquisition and in

the monitoring of corporate bond portfolio. For selecting the sample of entities with the most relevant exposure to these instruments, a methodology developed by the supervision area was used, the results of which are consolidated in the Social, Environmental, and Climate Risk Matrix, but applied to the corporate bond portfolio⁸.

In another thematic review, the focus was on practices for managing physical climate risks, especially drought, which was identified by the studies mentioned in subsection 2.2.2 as the most relevant for supervised entities in the SFN. Within the selected sample, the processes, procedures, metrics, indicators, data, limits, and reports used for this management were explored, vis-à-vis the respective exposures. The conclusions of the assessment provide a relevant comparative view for supervision.

On another front, in the application of the Risk and Control Assessment System (SRC) methodology (item 4.30 in the Supervision Manual), cycles were completed in nine supervised entities within the timeframe covered by this RIS, in which specific working papers for RSAC were evaluated. In the methodology, both intrinsic risk and existing controls in specific working papers, known as ARCs, are examined. At this point, the items concerning PRSAC are also analyzed, as they are part of the RSAC Management ARC. It is also noteworthy that the items evaluated by the BCB staff in the application of the methodology are public and can be accessed in the Supervision Practices Guide, item 7.10.10.

Finally, the standardized minimum scopes in the prudential sphere, to be observed by cooperative audits⁹, maintained items dedicated to the implementation of PRSAC and RSAC management. This aspect includes both single cooperatives classified in Segment 5 (S5) – under which simplified risk management structures¹⁰ fall as well as those in S3 and S4, and central cooperatives and confederations.

2.2.5 Rural Credit Bureau

The Rural Credit Bureau is a platform that receives data on rural credit and agribusiness securities, as well as other useful information for decision-making by participants in the agribusiness chain, particularly regarding the financing of agricultural production. Rural credit plays a central role in the BCB's strategic agenda due to its importance to the economy and the SFN. Currently, 12.6% of the total credit amount of operations carried out by SFN institutions corresponds to rural credit.

In order to focus rural credit on the rural properties where environmental preservation criteria are observed and, at the same time, allow access to rural credit for those producers who have completed the steps to clear their property but have not yet had their Rural Environmental Registry (CAR) analyzed by the environmental agency, several changes were approved in the Rural Credit Manual, provided for in CMN Resolution 5,193, of December 19, 2024. Among the key improvements introduced by the resolution, we emphasize the prohibition of

8 The Social, Environmental, and Climate Risk Matrix methodology is based on traditional credit exposures but can be applied to corporate bond portfolio.

9 CMN Resolution 4,887, of January 28, 2021.

10 CMN Resolution 4,606, of October 19, 2017.

rural credit with controlled or directed resources for projects that involve the suppression of native vegetation. Additionally, there is now greater flexibility for granting rural credit in embargoed areas, with the exclusive purpose of recovering native vegetation. Furthermore, under specific conditions, activities outside the embargoed areas can be financed.

Since the implementation of the changes proposed by CMN Resolution 5,081/2023, in January 2024, the system has blocked the registration of 15,276 operations, amounting to R\$6.07 billion, as of May 31, 2025. The regulation stipulated that rural credit should not be granted to enterprises located on rural properties that are not registered or have their registration canceled or suspended in CAR. Additionally, it was established that the identification of rural credit projects is carried out using information from the National System of Rural Environmental Information (Sicar). Finally, it updated the social, environmental, and climatic impediments for granting rural credit, extending the prohibition to all biomes for contracting on embargoed properties, and prohibiting the granting of credit in areas overlapping undesignated public forests.

Cumulatively, from 2020, when the first automatic blocks were inserted into the Bureau’s system, until May 2025, 16,721 operations were blocked, totaling R\$6.38 billion, as shown in the table below.

Restrictions		
Year	Number of Operations	Amount (R\$ million)
2020	5	8.05
2021	42	29.51
2022	421	103.45
2023	527	173.61
2024	8,808	4,334.02
2025	6,468	1,735.64
Total Amount	16,271	6,384.28

Regarding irregularities related to the geodetic coordinates provided by rural producers (area of the enterprise outside the CAR; CAR provided without relation to the enterprise area), in 2024 alone, 30,609 attempts to register operations were blocked, amounting to R\$6.3 billion.

2.2.6 BCB’s actions to ensure financial stability and mitigate the effects of the floods in Rio Grande do Sul

After a joint assessment with the market, the CMN and the BCB adopted measures to help contain the effects of the floods in Rio Grande do Sul, such as the intensification of communication with ESs that have significant activities in areas affected by the floods. Communication with the ESs was more intense up to three months after the initial shock, returning to normal between August and September 2024.

The BCB worked to maintain an adequate relationship with customers and users of the SFN affected by the extreme climate event. This effort included actions related to strengthening service channels, applying exceptional conditions, and

monitoring effective compliance with these conditions, as well as communicating and managing related vulnerabilities. Additionally, there were temporary regulatory permissions, such as the relaxation of rules for the agricultural sector and those governing consortium administrators. These initiatives safeguarded the provision of services by the SFN and avoided unnecessary burdens on citizens and companies. The guidelines of the measures are aimed at preserving financial stability and protecting consumers.

The impacts on the SFN resulting from the floods were lower than those indicated by the initial analyses. The information sent by the ESs did not indicate systemically relevant changes in funding, liquidity, and credit risk. Regarding the physical structures of the ESs, few were significantly affected. Although some ESs renegotiated significant portions of their portfolios, the problems had a limited scope. Losses in the agricultural sector, considering the payments of coverage by Proagro, were considerably lower than the losses caused by droughts in previous years.

The BCB continues to monitor financial intermediation in the region, with less emphasis, due to the perception of reduced risks.

2.2.7 Obligation of financial institutions to prepare and disclose reports on sustainable information

In February 2025, with the publication of CMN Resolution 5,185, large financial institutions were required to prepare and disclose, along with their financial statements, a report on sustainability-related financial information in accordance with IFRS S1 – General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 – Climate-related Disclosures, issued by the ISSB and approved by the Brazilian Committee of Sustainability Pronouncements (CBPS).

The preparation and disclosure of the report are mandatory for all institutions that currently publish consolidated annual financial statements adopting the international accounting standard according to the pronouncements issued by the International Accounting Standards Board (IASB). This includes institutions constituted as publicly traded companies or those that are leaders of prudential conglomerates classified in S1, S2, or S3. Additionally, institutions that voluntarily publish their consolidated financial statements according to the international standard must also disclose the sustainability report. The measure also requires that the report be subject to reasonable assurance by an independent auditor. To avoid information asymmetry between financial institutions and entities regulated by the CVM, the provisions of the norm are aligned with the requirements of CVM Resolution 193/2023.

By providing investors with comparable and reliable financial information about sustainability-related risks and opportunities, the measure allows this information to be considered in the decision-making process on providing resources to the institution, thereby encouraging a more sustainable and balanced economic development. To allow sufficient time for adaptation to the new requirements, the mandatory disclosure of the report will begin from the fiscal year 2026 for institutions registered as publicly traded companies or those in S1 or S2. For institutions in S3 and those that voluntarily publish consolidated financial

statements adopting the IFRS standard, this will be required as of the fiscal year 2028, but early voluntary adoption is permitted.

The CMN resolution also stipulates that institutions opting to disclose the sustainability report voluntarily must fully adopt the ISSB international standard. The resolution came into effect on January 1, 2025, allowing institutions that wish to do so to prepare and disclose the report in advance.

2.2.8 Study on the culture and behavior of the SFN

In 2024, the BCB mapped out and comparatively analyzed the organizational culture management structure in supervised entities classified in S1. The study aimed at evaluating the preparedness of these entities to perform their functions related to understanding and disseminating their organizational culture. Using methodologies from the Supervisors Roundtable on Governance Effectiveness, a cooperative group of supervisors from various countries led by the Federal Reserve Bank of New York, and national and international best practices, the analysis included the application of questionnaires, meetings/interviews with supervised entities, and the collection of additional information as necessary.

The results helped to evaluate the effectiveness of governance and organizational culture practices of Brazil's main financial institutions. Additionally, the study promoted a culture of ethics, transparency, and responsibility, contributing to the strengthening of the SFN's stability and integrity. Finally, the comparative analysis among supervised entities provided valuable information for the timely implementation of best practices and the development of standards that encourage a safer and more efficient financial environment.

2.2.9 Public Consultation on accounting treatment of sustainability actions

In April 2025, the BCB launched a public consultation to provide a more uniform accounting treatment for assets and liabilities arising from sustainability actions, increasing transparency, clarity, and comparability of information in the financial statements prepared by financial institutions and other authorized institutions. The analysis of the suggestions received from the public consultation process was concluded. The expectation is that new regulation will be issued by the end of the third quarter of 2025.

The proposal consists of amending BCB Resolution 2, of August 12, 2020, to require the inclusion of sustainability assets and liabilities in the list of minimum balance sheet elements to be disclosed. Under the current CMN and BCB regulations, there is no specific accounting treatment for these balance sheet elements, which are accounted for according to the general rules applicable to assets acquired for future resale and for provisions for liabilities. The accounting criteria provided in the resolution proposals for sustainability assets and liabilities are based on the guidelines established in OCPC 10 – Carbon Credits (tCO₂e), Emission Allowances, and Decarbonization Credits (CBIO), published on December 16, 2024, by the Accounting Pronouncements Committee (CPC), adapted to the specificities of financial institutions and other institutions authorized to operate by the BCB.

2.3 International Reserves

Building consensus on the best way to measure the financial risks associated with climate change is an evolving process, and the disclosure of financial information in this section contributes to the effort to achieve a common understanding of measurement approaches.

Regarding BCB's initiatives related to managing risks associated with climate change and its economic and financial impacts, the information presented in this section is divided into four pillars, aligned with the TCFD and ISSB: Governance, Strategy, Risk Management, and Metrics. Every year, the BCB publishes the [International Reserves Management Report](#), which covers aspects ranging from the economic situation and governance to investment policy and risk management and includes a statement of reserve management's results.

2.3.1 Governance

The Balance Sheet of the BCB as of December 31, 2024, presented in its financial statements a total amount of assets of R\$ 4,850 billion, with equity of R\$ 323 billion. The federal government securities portfolio (the majority of the assets in local currency) consists solely of securities issued by the National Treasury of Brazil and, for this reason, will not be analyzed in this edition of the report. The balance sheet shows that international reserves (comprising foreign currency assets) represent a significant part of BCB's assets, amounting to R\$ 2,191 billion, accounting for 45.2% of total assets. These reserves are invested in various asset classes in the major international financial markets, and the climate risk metrics presented below refer to these investments.

Balance Sheet of the BCB

Assets	Liabilities and Equity
Assets in foreign currencies 2,192	Liabilities in foreign currencies 269
Assets in local currency 2,658	Liabilities in local currency 3,902
	Currency in circulation 356
	Equity 323
Total Assets 4,850	Total Liabilities and Equity 4,850

Note: in R\$ billion, December 2024.

The GRC is responsible for establishing the strategic objectives and the risk and return profile of the country's international reserves. Regarding investment management, the governance structure of the reserves is supported by the PGR-BCB. Investments are made according to guidelines established by the GRC, which defines a detailed and replicable benchmark portfolio, operational limits for deviations from the benchmark, and performance measurement criteria, aligned

with the institution’s conservative risk profile. Among the strategic allocation criteria, parameters related to environmental and climate risks are being gradually introduced into the decision-making process.

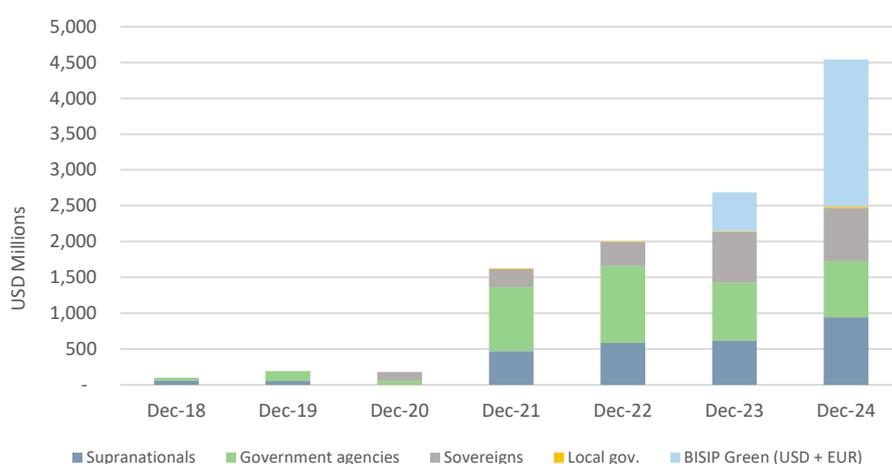
2.3.2 Strategy

The investments of the international reserves have a conservative profile and aim at hedging the country’s gross external debt, to reduce the country’s exposure to exchange rate fluctuations and have an anti-cyclical allocation profile. The allocation is carried out using risk-return optimization techniques for the portfolio, prioritizing safety, liquidity, and profitability, in that order.

There are currently no consolidated methodologies and metrics in the literature as best practices for evaluating climate risks in investment portfolio construction. However, efforts are underway for investors and institutions to disclose and monitor the climate risks associated with their financial positions based on existing standards, contributing to building consensus on the best measurement practices. Strategic allocation optimization exercises for international reserves consider various asset classes, including those associated with sustainable-labeled securities, and climate risk exposure indices of the portfolio are considered, in addition, in the decision making process. The BCB has therefore gradually increased the purchase of assets with these characteristics in its reserves’ portfolio, observing liquidity, profitability, and risk constraints that also apply to other assets.

As observed below, the BCB has increased the percentage of sustainable-labeled securities in international reserves. Initially, green bonds (GB) were acquired in fixed-income securities issued by government agencies, supranational organizations, and central governments within the active management of international reserves investments. In 2021, a strategic allocation in GB was established in the reference portfolio of international reserves investments, considering the risk-return profile of the asset classes. More recently, the portfolio also started to include sustainability and social bonds. In 2023, the BCB began investing in funds from the BIS dedicated to green investment (BISIP Green USD and BISIP Green EUR). Chart 4 shows the allocation of international reserves in sustainable-labeled investments at the end of each year since 2017, where recent changes due to strategic allocation can be seen.

Chart 4 – Sustainable-labeled investments in international reserves



Source: BCB, December 2024.

2.3.3 Risks

Analyzing the risks associated with the investment process is crucial for understanding financial results and aligning the reference portfolio with the investment objectives of the international reserves.

The different risks taken in the investment of the international reserves are monitored daily by the BCB. In addition to financial risks (such as market, credit, and liquidity risks), records of potential operational incidents are also monitored, as well as metrics associated with GHG emissions into the atmosphere, constructed based on “CO₂ equivalent emissions (CO₂e)”.

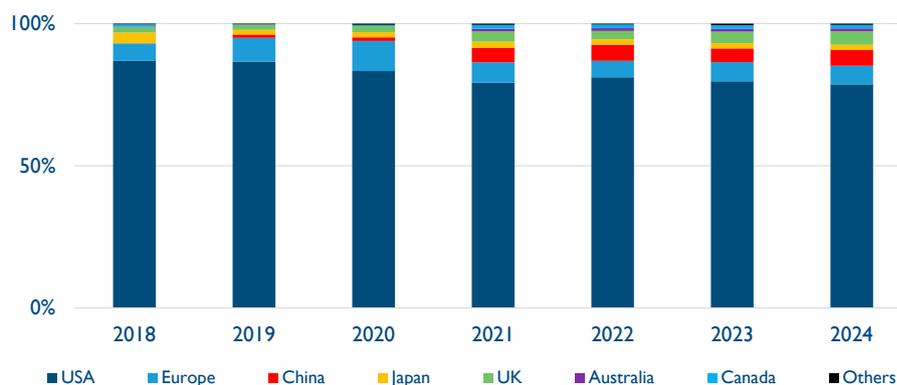
Monitoring CO₂e measures aims to assess the impact of different investment strategies on the portfolio’s carbon profile. The international reserves portfolio is predominantly invested in sovereign securities, and while there is exposure to the U.S. stock market, there is no direct acquisition of company stocks. Thus, monitoring the indices and metrics associated with the portfolio is predominantly influenced by indicators related to countries rather than companies.

2.3.4 Metrics

In managing international reserves, the BCB monitors some metrics related to climate risks. Given the lack of consensus on a single metric for evaluating international reserves investments concerning climate risks and sustainability issues and seeking to increase transparency and contribute to the discussion on the subject, this report uses various exploratory measurements.

The USD continues to be the currency with the largest share in the investments of international reserves, mainly due to the strategy of hedging external liabilities (in which it is also the dominant currency), with 78.5% of international reserves allocated in the United States at the end of 2024. Thus, the metrics related to climate risks for international reserves are predominantly influenced by US indicators.

Chart 5 – Country allocation of Brazilian international reserves

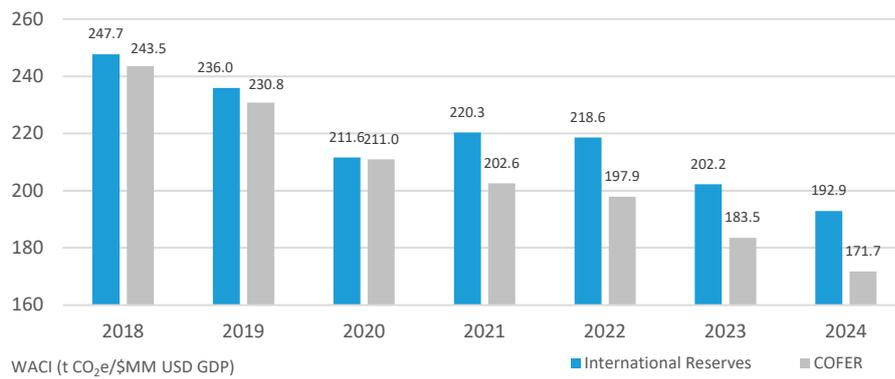


Source: BCB, December 2024.

Note: Not considered green bonds, supranationals and Forex, and normalized ex-gold.

The BCB monitors internationally used measures, such as the Weighted Average Carbon Intensity (WACI). Combining country allocation with CO₂e emission data normalized by GDP leads to the metric shown in Chart 6.

Chart 6 – Weighted average of the carbon intensity of international reserves (WACI)
(weighted average carbon intensity – WACI)



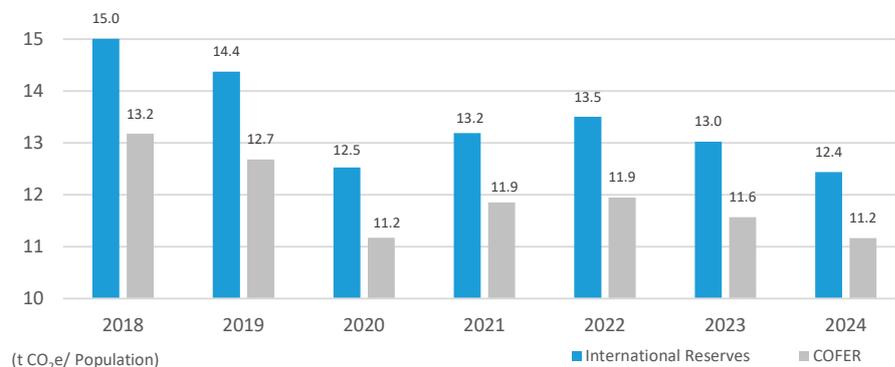
Source: BCB, with data from IEA, Moody's Data Buffet service, and the International Monetary Fund (IMF).
December 2024.

As observed in Chart 6, in 2024, the WACI of international reserves decreased compared to 2023, mainly due to the reduction in carbon intensity, normalized by GDP, in the United States and a slight reduction in allocation to that country (which has the largest share in the portfolio).

Chart 6 also presents, for comparison purposes, the WACI of a theoretical BCB portfolio composed of the global aggregate currency distribution of international reserves, as presented on the IMF website (COFER – Currency Composition of Official Foreign Exchange Reserves). From 2018 to 2024, the decrease in WACI value for the analyzed portfolios mainly reflects the decrease in carbon emissions of countries normalized by GDP.

Another metric refers to CO₂e emissions per capita. This measure allows tracking the intensity of emissions relative to a country's population. Currently, the global average per capita emission is 6.5 t CO₂e. Similar to the WACI, Chart 3 shows the weighted average of the combination of country allocation with CO₂e emission data normalized by population, i.e., per capita emissions.

Chart 7 – Weighted Average CO₂ Emissions per Capita



Source: BCB, with data from IEA, IMF, and World Bank.
December 2024.

One of the main sources of GHG emissions is energy generation. Using data from the International Energy Agency (IEA) on the energy mix of countries, it is

possible to build the energy generation profile associated with the allocation of international reserves across different investment currencies. This composition allows monitoring how international reserves are distributed among various energy generation sources produced by countries.

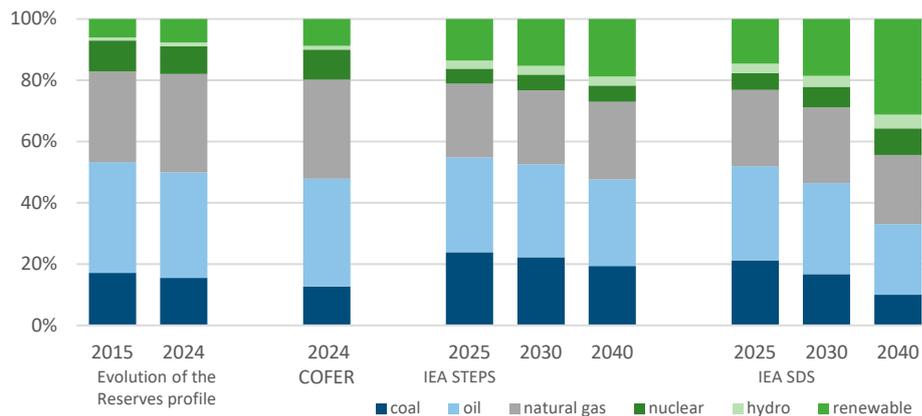
The IEA discusses two scenarios for the evolution of the energy generation profile and its alignment with the commitments established by the Paris Agreement. This commitment is to ensure that the global temperature increase this century does not exceed two degrees Celsius compared to pre-industrial levels.

The IEA does not seek to project future outcomes but seeks to explore two different possible scenarios: one reflecting announced political intentions and targets and another based on full compliance with sustainable energy targets. These are respectively the Stated Policies Scenario (STEPS) and the Sustainable Development Scenario (SDS). STEPS reflects not only existing policies but also announced intentions and plans, and their impacts on the climate.

SDS proposes an evolution of policy profiles aligned with the Paris Agreement’s goals of “keeping the global average temperature increase below 2°C above pre-industrial levels and pursuing efforts to limit the temperature increase to 1.5°C above pre-industrial levels.” Achieving this goal requires a level of net zero emissions (balance of emissions produced with removals through carbon capture and sequestration) in the second half of this century.

Chart 8 illustrates the weighted energy generation sources profile for the international reserves investments in the countries that comprise their investments. The profile is affected by changes in asset allocation that make up the reserves, as well as by the energy mix profile of the countries. The chart also presents the reserve investment profiles for the STEPS and SDS scenarios.

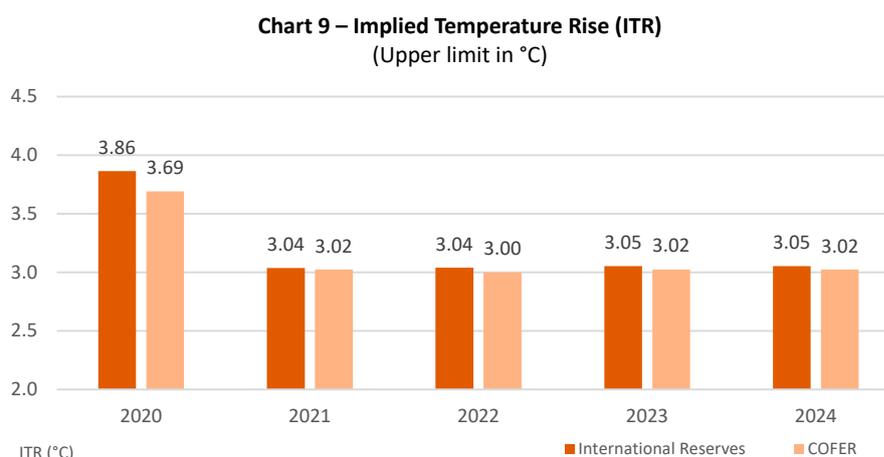
Chart 8 – Energy Generation Profile



Source: BCB, with data from IEA. December 2024.

Another metric monitored is the Implied Temperature Rise (ITR) associated with the investments of international reserves, as shown in Chart 5. The ITR provides a measure that indicates the alignment of a country, an institution, or an investment portfolio with global climate goals. Thus, one can compare, for example, the

calculated values for a portfolio against the temperature thresholds set by the Paris Agreement.



Source: BCB, with data from Climate Action Tracker.
December 2024.

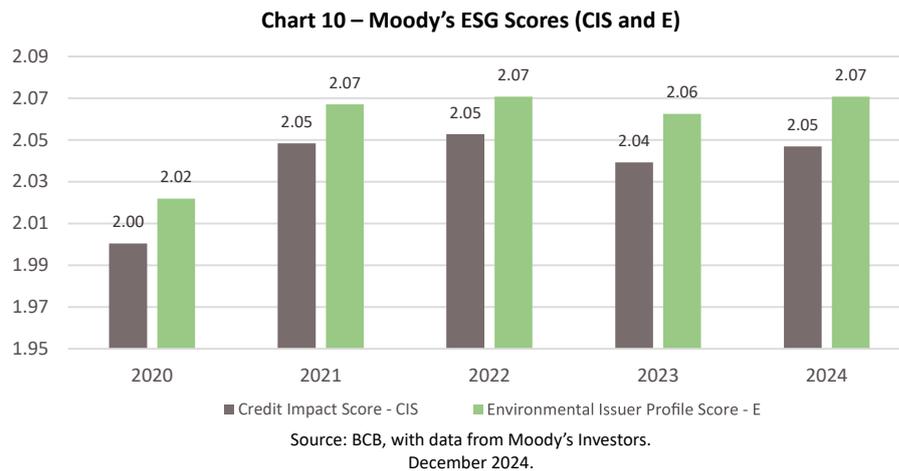
The credit rating agency Moody’s provides an indicator that shows the impact of ESG considerations on an issuer’s or a transaction’s rating. The ESG Credit Impact Score (CIS) is the result of an assessment indicating the impact of ESG considerations on the credit rating of an issuer or transaction.

The CIS is scored on an asymmetric five-point scale:

1. Positive (global ESG attributes influence on the rating is material);
2. Neutral to Low (global ESG attributes influence on the rating is non-material);
3. Moderately Negative (global negative ESG attributes influence on the rating is more pronounced than the previous);
4. Highly Negative (global negative ESG attributes influence on the rating is more pronounced than the previous); and
5. Extremely Negative (global negative ESG attributes influence on the rating is more pronounced than the previous).

It is important to clarify that since credit ratings incorporate all relevant credit factors in assessing relative credit strength (with ESG aspects being only a part of these factors), there is no direct relationship between a credit rating and a CIS. A high credit rating does not necessarily imply a positive CIS, nor does a low rating imply a negative one.

Chart 10 presents the average CIS indicator for international reserves investments. It also shows the average of the environmental factor of the indicator (Environmental Issuer Profile Score). According to the indicator, international reserves are classified as CIS-2 and E-2, meaning that the global influence of ESG attributes on the rating is considered neutral to low (non-material).



2.4 Greenhouse Gas Inventory

The BCB applies sustainability principles to the management of its facilities, aiming at the better use of natural resources in its buildings, and promoting the sustainable disposal of all generated waste, and the proper disposal of its movable property deemed unusable.

The BCB recognizes the importance of consuming natural resources responsibly and minimizing the impact of its activities on the environment. Among the actions carried out between July 2024 and June 2025, studies and measures related to the Greenhouse Gas Inventory (GHG Inventory), the intensification of selective collection, the sharing of spaces, and the donation of furniture stand out.

2.4.1 Greenhouse Gas Inventory

The BCB's GHG Inventory is one of the deliverables of the Agenda BC#. It was developed according to the GHG Protocol methodology, which is compatible with the standards of the International Organization for Standardization (ISO), the quantification methodologies of the IPCC, and the Brazilian Standard (NBR) 14064, covering its eleven buildings distributed across the ten regional headquarters.

The base year chosen for the first inventory was 2019, considering that almost the entire workforce was working in person at that time. The inventory was completed in March 2024, and the following actions were identified as the primary sources of greenhouse gas emissions:

- (a) distribution of cash throughout Brazil (34%);
- (b) electricity consumption (17%);
- (c) disposal of waste from banknotes that have reached the end of their lifecycle and were withdrawn from circulation (16%);
- (d) staff commuting to work (15%);
- (e) waste generation from the operation of BCB buildings (8%);
- (f) others (10%).

Regarding sources (a), (b), and (c), strategies are already being studied to reduce these emissions. For cash distribution (a), one of the identified solutions was the replacement of the trucks that transport the cash, currently dating from the 1980s. To date, two have been replaced, and three are in the bidding process.

Regarding energy consumption (b), there is the possibility of installing solar panels in the BCB buildings. A study on the subject is underway and, as soon as it is completed, it will be submitted to the Board for deliberation. It is important to note that in Salvador, solar panels are already in place. The building was recognized in 2020 for the sustainable management of its operations by the Environmental Agenda in Public Administration (A3P) in the 8th A3P Award for Best Sustainability Practices. An evaluation of the expansion of the number of solar panels in this building is underway.

Regarding the disposal of cash waste (c), from 2022 on, 100% of this material is sent for cement co-processing, which is currently considered the most sustainable waste treatment practice. Therefore, once the numbers for the 2022 and 2023 inventories, which are in the final analysis phase, are obtained, it will be possible to confirm the reduction of GHG emissions from this source.

Regarding sources (d) and (e), related to the commute to work and waste generation from building operations, a part of the employees is currently working remotely under the Management and Performance Program (PGD). This means that these emissions have been reduced. Before studying possible mitigation measures, it will be important to quantify precisely the reduction. For this, the numbers for 2022 and 2023 are needed.

It is important to mention that the BCB already adopts various practices aimed at reducing its GGE in all its buildings, related to energy efficiency, natural resource management, procurement processes, disposal of movable property, and waste treatment. Details on these practices can be found in BCB's PGLS 2025/2026.

2.4.2 Selective Collection

Selective collection seeks to properly dispose of waste and generate income for many families within the concept of a circular economy – what is waste for the BCB is input for other economic activities. Since 2021, BCB's buildings have undergone physical adaptation to separate waste correctly, awareness campaigns have been carried out, as well as training for cleaning teams to separate waste from its origin to its destination correctly. In 2024, this process was strengthened, and regular training on this subject was incorporated into the cleaning contracts. Additionally, initiatives were developed with both staff and outsourced employees to reinforce the importance of everyone's participation in the correct separation of waste at the source, i.e., when generated.

As a result, approximately 67 tons of recyclable waste were sent to recycling cooperatives in Brasília alone. Considering that each ton of this type of waste sent to the landfill generates about three tons of CO₂e, approximately 160 tons of CO₂e emissions were avoided just in Brasília in 2024.

2.4.3 Sharing of Building Spaces

Another efficient space and resources management practice used by the BCB is the sharing of its buildings with other public agencies. In 2024, this practice resulted in savings of approximately R\$18.6 million. In total, 34 assignees occupy between 10% and 40% of the buildings, depending on the region, except for Brasília.

Sharing facilities has led to a better utilization of spaces, optimization of service contracting and procurement processes, sharing of expenses (water and sewage services, electricity, surveillance, maintenance, and conservation of real estate, among others), and cost reduction with property rentals by the assignees.

2.4.4 Renovation of the Money Museum

The extensive renovation of the Money Museum in Brasília, completed in the last quarter of 2024, adhered to sustainable practices, such as the use of energy-efficient materials and the sustainable disposal of construction waste. The new space will have sustainability as one of its guiding principles. More information about the new space can be found in section 5.4, *Sustainability in the new Museum of Economy*.

2.4.5 Donation of books from the former BCB library to the National Library

Three new libraries will be opened in the vicinity of Brasília, utilizing donated material. In addition to books, furniture is also being donated to set up the new reading spaces. The Education Department of Santo Antônio do Descoberto, in the state of Goiás, also received a donation of part of the collection, focused on Brazilian literature for school libraries. Other publications are under review by the Culture Department of the Federal District for donation.

3

People

This chapter is dedicated to presenting BCB's initiatives focused on people. It describes BCB's relationship with society and presents initiatives for increasing transparency and financial citizenship. It also outlines initiatives related to the BCB itself regarding diversity, learning, and well-being policies for employees.

3.1 Relationship with society

BCB's relationship with society involves direct citizen service and the provision of services to users. There is also media engagement and the institution's citizen-focused activities with supervised entities. The BCB also seeks to exchange knowledge with academia and the market, as well as provide information through its website and the BCB's [Open Data Portal](#).

BCB's Service Charter includes information on all the services offered to citizens, the ways of accessing these services, and the commitments to the quality of service to the public. The communication channels maintained by the BCB, as well as its governance, strengthen the transparency and credibility of its initiatives. They also allow for the identification of the needs of their target audience and establish a corresponding plan. This page, along with its frequently asked questions (FAQs) service, was accessed by more than 11.8 million users in 2024.

The BCB provides a system named [Registrato](#) through which citizens can quickly, easily, and securely consult their personal financial information without the need for human assistance. In 2024, 28 million reports were issued by Registrato users. The monthly record was in October 2024, when over 3 million reports were issued. In 2024, the System of Receivables (SVR) recorded 73 million public inquiries and 4.1 million requests for refunds. The BCB also launched the Automatic SVR, a system feature that can be enabled by citizens so that refund requests are automatic, with the transfer of funds to their CPF Pix key. More information on the SVR can be found on BCB's website.

In 2025, the Registrato and SVR systems became more secure. Access will continue to be granted to silver or gold gov.br accounts, but will only be permitted for accounts with two-step verification enabled. This measure aims at strengthening citizens' confidence in the secure use of BCB services. The BCB's most used customer service channels are Contact Us, for registering demands online, and the 145 local hotline, a service available on working days from 8 am to 8 pm.

User satisfaction with information and complaint services is evaluated through services conducted via available service channels. In 2024, considering the total of 330,738 calls answered through the 145-telephone number (with 328,159 requests registered), about 58% of users responded to the survey on service quality, and more than 90% of the evaluations rated the service as good or excellent. A total of 60,374 satisfaction surveys were sent on the internet to those requesting information, and 5.65% of these surveys were answered. On average, 75% of respondents rated the service as good or excellent.

The BCB uses suggestions, compliments, and complaints received by the Ombudsman's Office to support technical and managerial assessments regarding the quality of its performance, aiming at continuously improving the services provided to society and increasing institutional transparency. The BCB handled 35,159 requests in its ombudsman channel in 2024, compared to 19,588 in 2023 — an increase of 79.5%. The average response time decreased from 2.7 to 0.9 days. This data is included in the [2024 Ombudsman Report](#).

The communication of the BCB is one of the main means of engaging with society, whether through the dissemination of information via different media and languages or through interactions enabled by modern digital channels. The portal [bcb.gov.br](#) is the BCB's main communication platform, with information organized in layers to cater to audiences of different profiles.

The BCB is also present on social media and uses these resources to disseminate informative content in accessible and popular formats. The language is plain and straightforward, and the information can be accessed through the BCB's profiles on Instagram, LinkedIn, Facebook, YouTube, X, TikTok, and Threads, as well as through message transmission channels on Telegram and WhatsApp. Combining all its profiles, the BCB reached 2,537,938 followers in 2024, an increase of 28.15% relative to 2023, and its content reached 58,763,020 accounts, totaling more than 122 million impressions, which is the measure of the number of times the content was displayed to users.

Additionally, the BCB maintains a constant relationship with the press. In 2024, there were 3,223 engagements with journalists and 305 publications, including press releases, press advisories, speeches, and presentations. This relationship also involves monitoring interviews and the participation of spokespersons from the BCB in events. The BCB regularly sends newsletters via email to subscribers and promotes monthly broadcasts of press conferences and LiveBC, a monthly interview program. Throughout the year, the BCB hosts a variety of events aimed at different audiences, some of which are open to the public in person and others are broadcast live over the internet.

To continuously improve its services, the BCB provides channels for citizens to contribute with suggestions. Public consultations, seminars, and events involving external participants are examples of the BCB's efforts in this direction. Accessibility is one of the ways of providing citizenship and, for this reason, the BCB adopts measures to favor access to digital content made available on its website, apps, and social media platforms.

3.1.1 Firmus: new BCB survey with the non-financial sector

In May 2025, the BCB completed the seventh round of the pilot phase of the Firmus Survey, which collects perceptions from non-financial companies about the economy and their businesses. Initiated in November 2023, the survey seeks to increase the source of economic information available to the BCB with a questionnaire that captures companies' perceptions regarding their business situation and the economic variables that may influence their decisions.

The survey is part of the effort to get closer to the business sector, continuously trying to increase the number of participating companies, to hear assessments from different sectors, and expectations regarding economic variables. The responses are disclosed in an aggregated form to ensure confidentiality. The first public data from the survey were released in the second half of 2024.

3.1.2 BCB improves complaint ranking against banks, financial institutions, and payment institutions

In addition to carrying out supervisory actions, the BCB receives complaints from customers and users of banks, financial institutions, and other supervised entities. These complaints are forwarded to these institutions so that they can respond to the customer about the incident. In this context, the BCB changed the way it calculates the Complaint Ranking Index against financial institutions and payment institutions. Based on the selection and analysis of a statistically relevant sample, this index is now calculated based on the extrapolation of the number of demands analyzed and considered valid for the entire set of complaints responded to by the institutions in the quarter, even if not analyzed by the BCB.

The index formula considers the relationship between the number of valid demands and the number of customers of the institution in a way that allows comparison between institutions of different sizes. With the modification, the BCB will be able to monitor the quality of services provided by banks more efficiently, and citizens will have an improved tool at their disposal for making decisions about where to open accounts and contract products and services.

3.1.3 Revision of the Inflation Report and the monetary policy page

In line with the ongoing effort to improve the communication of monetary policy, the BCB has made significant changes to its [Inflation Report](#) (RI), whose name was changed to [Monetary Policy Report](#) in 2025. Among these changes, the use of the topic sentence system stands out, making the document much more reader-friendly and easier to understand.

In terms of content, there has been an increase in transparency with the inclusion of more analyses and information. For example, the June 2024 edition of the report featured the unprecedented publication of different measures of the output gap, along with updates of semi-structural models and of measures of the neutral real interest rate. Additionally, the September 2024 RI presented the definition of governance over the inflation projection horizon.

The [Monetary Policy section](#) on BCB's website has also been improved, increasing transparency and making it easier to read. The improvements include alignment with the continuous inflation-targeting regime, adding a page on the analysis and projection system, and a spreadsheet with the history of Copom meeting decisions. Furthermore, an explanatory text on the hierarchy of current regulations was added, and the page on the historical path of interest rates was also improved. Corresponding changes were made in the English version, including the translation of normative documents of the inflation targeting system.

3.1.4 BC Blog

Created in 2023, the BC Blog is a communication channel between BCB employees and society, presenting analyses and studies developed at the institution. Technical work produced by BCB employees is explained in simpler and more accessible language to the general public. It should be noted that the texts express the opinions and viewpoints of their authors and do not necessarily reflect those of the BCB. Throughout 2024, 17 posts were published, authored by 25 employees from 6 BCB departments, who also collaborated with researchers from other institutions, such as the World Bank, Insper, and the Federal Fluminense University. The publications covered a variety of topics relevant to the Brazilian economy and financial system, including payment methods such as Pix, taxation and fiscal policy, projection of macroeconomic variables using advanced methods, crypto-assets, fake news, sustainability, financial education, and the role of the central bank.

Among the pieces published on the BC Blog related to the theme of sustainability, the following can be highlighted: *Study of the impacts of drought in the state of Amazonas on foreign trade and industrial production*, *Brazilian Sustainable Taxonomy (TSB) – current stage and next steps*; *Analysis of rural credit exposures to climatic events*; and *Brazilian sustainable bond issuances*. The diversity of topics addressed reflects the breadth of BCB activities and the importance of its studies and analyses for the discussion on Brazil's economic and social development.

3.1.5 Annual Central Bank Conference - 2025

The objective of the Annual Central Bank Conference, held from May 14 to 16, 2025, is to stimulate debate and research in the fields of macroeconomics, sustainability, financial stability, banking economics, financial intermediation and innovation, macroprudential regulation, international economics, and finance.

This conference seeks to reinforce institutional values, particularly transparency, by maintaining the tradition of engaging with academia to develop public policy based on best practices, the latest economic theory, and empirical evidence. The event featured the participation of experts from various central banks, national and international academia, multilateral organizations, and major research centers worldwide. Forty papers were presented, selected from a total of 330 articles received through a public call. Notably, there was a significant increase in the number of articles related to sustainability, which tripled from 2024 to 2025, indicating the growing interest in the topic.

In addition to the academic sessions held over the three days, this edition of the conference included keynote speeches by Jean Tirole, Nobel Laureate

in Economics and professor at the Toulouse School of Economics; Michael McMahon, professor at the University of Oxford; and Frank Smets, Deputy Head of the Monetary and Economic Department at the BIS. All are highly recognized in their research and expertise.

3.2 Financial Citizenship

Financial citizenship involves the exercise of rights and duties that enable individuals to manage their financial resources effectively. The development of financial citizenship occurs through a context of financial inclusion (see section 4.1), financial education, consumer protection in financial services, and participation in discussions about the financial system.

One of the dimensions of the Agenda BC# and a key component of BCB's vision is promoting financial education. Financial education initiatives seek to equip citizens with a deeper understanding of financial risks and opportunities.

Through accurate, plain-language information, consumers and financial investors develop the knowledge and skills to make choices that improve their financial well-being. The initiatives in the Education dimension also seek to protect consumers of financial services and encourage the habit of saving and reducing indebtedness.

In 2024, the BCB promoted 27 financial education lectures, including those related to the *Aprender Valor* Program, which brings financial education to elementary students from private and public schools throughout the country, and also for the general population. These lectures reached an audience of 18 thousand people.

In the virtual environment, the Personal Finance Management and *Multiplicadores* (Train the Trainer) training courses from the *Eu e Meu Dinheiro* (Me and My Money) series were made available, with 8.5 thousand people concluding the courses in 2024. More than 18.8 thousand certificates were issued for the *Aprender Valor* training, and 240 people participated in program workshops. The *Aprender Valor* and Financial Citizenship pages of the BCB were accessed by 366 thousand people. There were 171 thousand views of the videos made available by the BCB on YouTube, such as *É da Sua Conta* (It is Your Business), the *Eu e Meu Dinheiro* series, and videos from the *Aprender Valor* Program. The content of the Money Museum, available in virtual environments – BCB's website and the Google Arts & Culture platform – received 70,751 accesses.

The BCB is also responsible for the regulation and supervision of financial education promoted by financial institutions for their clients. Thus, there was a determination that financial institutions should adopt a financial education policy and develop measures aimed at contributing to the organization and planning of the personal and family budget of their clients and users, as well as incentivizing the accumulation of savings, financial resilience, and the prevention of credit operation defaults and over-indebtedness.

3.2.1 Aprender Valor Program

The *Aprender Valor* Program offers free financial education through its platform, which was remodeled and is more straightforward and accessible, bringing together material and tools in one place to facilitate learning.

Since 2024, the program, previously focused on public schools, has also been made available to private schools and the general public, encouraging this topic to reach all classrooms in all schools across the country, as well as the population as a whole.

The *Aprender Valor* program is already present in over 25,000 schools, reaching 62% of Brazilian municipalities in all states. Some of the free educational resources offered include: (i) 68 school projects with ready-made lessons to bring financial education to the classroom; (ii) 4 online courses for the training of teachers and managers, available at *Escola Virtual.Gov (EV.G)* and certified by Enap; and (iii) 2 tests per year to assess students' financial literacy.

In 2025, new features were announced for the program. Among these, the creation of a new Financial Education competency matrix for elementary school students and the expansion of the program to high schools in 2026, in partnership with CVM, the Brazilian Association of Financial and Capital Market Entities (Anbima), and the Brazilian Service of Support for Micro and Small Enterprises (Sebrae).

3.2.2 Brazilian Financial Health Index (I-SFB)

The average financial health of Brazilians rose to 56.7 points in 2024, the highest score in the last three years (+0.5 points compared to 2023), according to the fourth round of the survey that calculates the [Brazilian Financial Health Index \(I-SFB\)](#), a result of the Cooperation Agreement between the Brazilian Federation of Banks (Febraban) and the BCB. The fifth edition will be carried out in 2025.

The most comprehensive survey ever conducted in the country on the subject, the I-SFB interviewed 4,911 Brazilians, allowing various socioeconomic strata to be covered and a segmented analysis. Based on responses to questions related to financial health, the index is calculated on a scale from 0 to 100 points. According to the score, the tool indicates the level of financial health of Brazilians in seven brackets (poor, very low, low, okay, good, very good, and excellent). According to the 2024 survey, overall, the lowest three brackets ("low," "very low," and "poor") fell by 1 percentage point (p.p.). On the other hand, there was an increase of 1 p.p. in the other brackets, outside the risk zone, indicating a general improvement in the financial health of Brazilians.

The financial education platform "*Meu Bolso em Dia*" — another result of the partnership between the BCB and Febraban — uses the Financial Health Index (I-SFB) offering personalized learning paths to users (available only in Portuguese). In this way, citizens can learn about personal finances according to their individual needs. The platform analyzes each user's financial situation and creates a personalized plan to help improve their finances. There are over 268,000 people registered on the platform, with most users classified in the lower financial health ranges according to the index, which demonstrates the importance of financial education.

3.2.3 Vulnerability Management

One of many social aspects in sustainability indicators relative to the population's consumption relationship with the financial system is the often unbalanced relationship between two sides: the insufficiency of information and knowledge on the part of clients and users – a factor detrimental to free and informed decision-making; and the commercial hyper-sufficiency of FIs – with their increasingly sophisticated scope of offers and contracting channels. The BCB considers this social aspect within its work on vulnerabilities.

In 2021, the BCB integrated the dimension of consumer and user vulnerabilities into the financial system's regulatory framework. This initiative aimed at fostering a culture within financial institutions that promotes cooperative and balanced relationships with clients and users, ensuring fair and equitable treatment. In recent years, this focus has become a priority on BCB's Conduct Supervision agenda, particularly in areas where accelerated digitalization has played a significant role. This includes the rise in scams and frauds, as well as the inadequate mitigation of risks associated with inappropriate contracts, which can result in financial losses for clients or undue advantages for financial service providers.

In managing vulnerabilities and under the guidance of Conduct Supervision, financial institutions are responsible for mapping the vulnerabilities associated with their entire customer base. This involves considering variables such as age, income, education level, debt levels, consumption behavior, skill and maturity in using digital channels, and other factors related to a low understanding of the information that guides financial decision-making.

The intersections of vulnerabilities mapped by the institutions should indicate which clients should be prioritized in adopting increasingly careful relationship strategies. Based on a study of market-proposed convergence, in 2024, the Conduct Supervision of the BCB demanded that financial institutions implement a set of strategies. These strategies include differentiated sanctions for sales forces that commit misconduct, priority and differentiated service in customer service channels and post-sales processes, exclusion from active product offer campaigns, priority analysis and reimbursement in cases of fraud, among others.

Although the topic has matured over the years, the BCB acknowledges the challenges faced by financial institutions. The effectiveness of actions for highly and very highly vulnerable groups depends on enhancing business practices. Prioritizing equity in relationships with clients who have associated vulnerabilities requires finding creative and assertive ways to treat different clients differently, organizing similar groups, and respecting their unique profiles and characteristics.

Beyond the supervision agenda, it is essential to align an organizational culture that fosters cooperative and balanced relationships with clients and users with responsible and sustainable strategic planning. This alignment should be pursued holistically, aiming at the sustainability of the entire financial system. Market engagement is crucial for achieving a new level of financial service provision and strengthening financial citizenship, ensuring that all Brazilian citizens are truly included.

3.2.4 Taskforce to help with debt renegotiation and improve the financial health of citizens

The BCB, in collaboration with Febraban, the National Consumer Secretariat (Senacon), and consumer protection departments (Procons) across the country, conducted a new Financial Negotiation and Guidance Task Force to encourage the reduction of delinquency. The event aimed to facilitate the renegotiation of overdue debts and provide financial guidance to participants.

Debts such as credit card balances, overdrafts, personal loans, and other overdue credits could be renegotiated. The renegotiation took place directly with financial institutions through the consumidor.gov website or at partner Procons.

3.2.5 Brazilian Financial Education Forum (FBEF)

Established in 2020, the FBEF coordinates the National Financial Education Strategy (ENEF) and promotes collaborative actions to enhance financial education in Brazil. Its presidency rotates, with Susep holding the position between 2024 and 2026. The BCB participates in the forum, which also includes the CVM, National Treasury Secretariat of the Ministry of Finance (STN), Ministry of Social Security (MPS), PREVIC, National Senacon and Ministry of Education (MEC).

The forum's members commit to Brazilian society by adhering to the principles and guidelines of ENEF¹¹, which include acting permanently and nationwide, prioritizing public interest, forming partnerships with public and private entities, and evaluating and reviewing actions that have been implemented.

In recent years, forum members have intensified efforts to reach elementary and high school students through initiatives such as the *Aprender Valor* Program, the *Na Ponta do Lápis* Program, and the Direct Treasury Financial Education Olympiad (Olitef). These initiatives are led respectively by the BCB, MEC, and STN, and supported by other FBEF members and partner institutions.

The FBEF also coordinates the National Financial Education Week (ENEF week or *Semana ENEF*), an annual campaign that has existed since 2014, comprising thousands of financial education initiatives in various formats, both in-person and virtual, such as lectures, courses, games, and social media posts. The 2025 edition was held in May, as detailed below.

3.2.5.1 12th ENEF Week – Rio Grande do Sul Edition

ENEF Week is an annual campaign by the FBEF to promote free financial education in Brazil. It represents a collective effort in financial, insurance, pension, and tax education, involving public and private institutions and the school community, aiming to share knowledge, encourage attitudes and behavior, and build a solid foundation for financial decision-making for all Brazilians from an early age.

The organization of the 12th ENEF Week was led by Susep. Held from May 12 to 18, 2025, this edition featured the theme "Financial Education for Children and

11 These commitments are published in [Comunicado 01/2021](#).

Youth: preparing society for conscious choices,” which is strongly connected to the *Aprender Valor* Program offered by the BCB since 2020.

In addition to encouraging the participation of the *Aprender Valor* audience, the BCB’s involvement included publishing social media posts about planning, saving, and the conscious use of credit (the *PLA-POU-CRÉ* tripod); organizing the online event “Roda de Conversa: Uso de Projetos Escolares do Aprender Valor na Preparação para Olitef” (Roundtable Discussion: Use of School Projects from *Aprender Valor* in Preparation for Olitef); holding lectures by experts from BCB’s Financial Education Collaborators Network; and conducting an internal event to exchange experiences on Open Finance and its role in the financial system.

3.3 Diversity, Learning, and Well-Being Policies

Over the past few decades, the BCB has experienced a decline in the number of active employees due to retirements and resignations without adequate replacement. In 2010, it had 4,882 employees. However, despite the addition of 95 employees from the latest civil service examination, the current workforce stands at 3,243. There was a decade-long period without the entry of new employees. Between 2023, when the last recruitment for 100 positions was authorized, and the onboarding of the new employees, the BCB lost an additional 240 employees due to retirements and resignations. Currently, the BCB has only 50% of the number of employees stipulated by law.

Despite this difficulty and the decade-long gap without the entry of new employees, which tends to exacerbate generational issues, the BCB has been striving to develop actions that promote greater diversity, inclusion, and equity.

3.3.1 Diversity

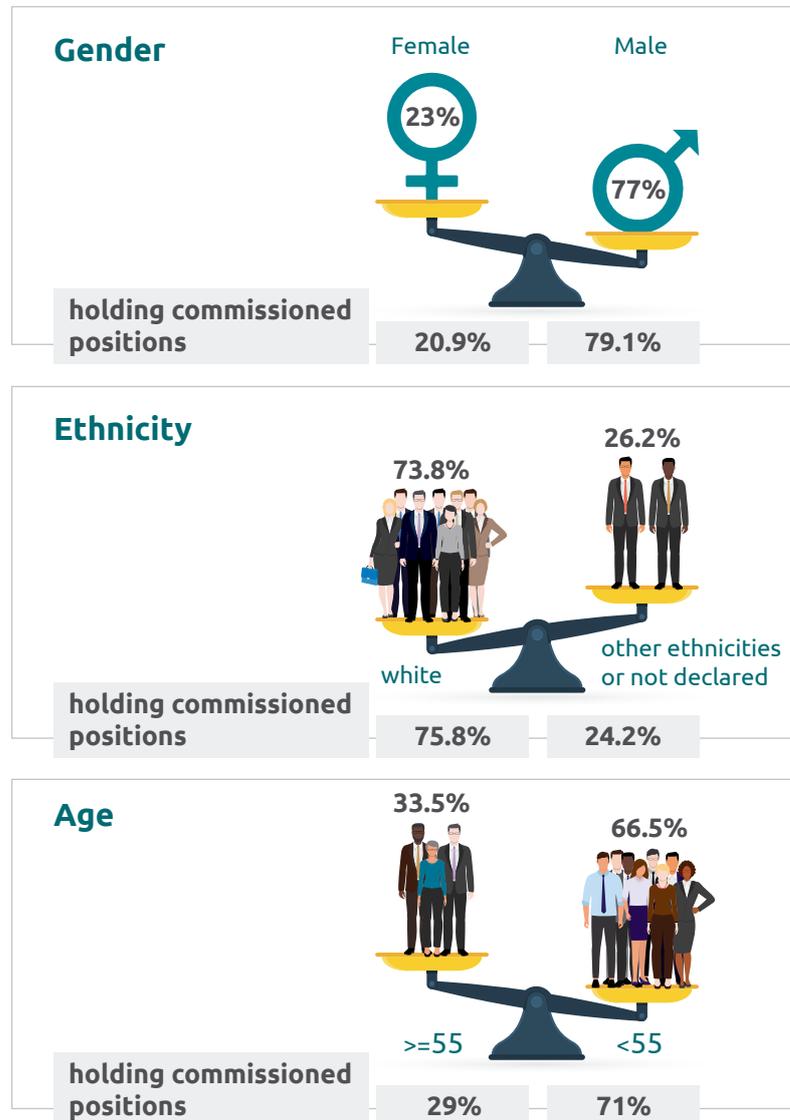
Out of the total 3,243 active employees, only 2.96% are people with disabilities (PWD). Among the 1,240 commissioned employees (holding managerial, advisory, or supervisory positions), 2.66% are PWD.

Of the total workforce, 77% are male, and they constitute 79.1% of the commissioned employees. While the overall proportions are similar, at strategic levels, this percentage rises to 89.3%¹², a difference of 12.3 p. p.. In the Board, which has nine members, there is only one woman.

Among the 3,243 active employees, only 73 (2.25%) identify as Black, and 24 (1.93%) of the commissioned employees fall into this category. Additionally, only 9 employees (0.28%) identify as Indigenous, with 2 holding commissioned positions. Overall, 19.7% of the workforce identifies as Black or Brown, representing 19.1% of the commissioned employees.

¹² Governor, 8 deputy governors, attorney general, executive secretary, and heads of 46 units, totaling 57 strategic positions, of which 6 are held by women.

In terms of age, 37% of the employees are between 45 and 55, accounting for 41% of the commissioned employees. Employees aged 55 and under make up 66.5% of the total workforce but hold a higher proportion of commissioned positions at 71%.



Note: Data as of June 2025.

As a federal agency, the BCB complies with Law 12.990 of 2014, which mandates reserving 20% of positions, in all public examinations, for self-declared black and brown candidates in all public federal government examinations. In the most recent examination, out of the 100 authorized positions, besides the 20 filled under this quota, an additional six black and brown candidates were approved under the open competition. This number represents a total of 27.4% of black and brown individuals among the 95 employees who took office.

Another recent noteworthy regulation is Decree 11.443 of 2023, which mandates that a portion of the functions and commissioned positions in the entire federal executive must be held by self-declared Black and Brown employees (the mandatory percentage for federal agencies is still pending regulation).

3.3.2 Knowledge Management and Learning

The motto “Knowledge is our strongest currency” guided the actions of the BCB in Knowledge Management and Learning throughout 2024, strengthening the role of the public servant as the protagonist of their development, supported by the Central Bank University (UniBC).

This focus on people was highlighted through several significant events. The Graduate Program (PPG) celebrated its 50th anniversary, reinforcing its crucial role in the Central Bank’s excellence and the achievement of its institutional mission. UniBC marked its 20th anniversary with notable accomplishments for the institution, emphasizing that learning should occur continuously and in various settings, not just in the classroom. Additionally, there was a substantial increase in participation across its diverse courses, many of which were led by in-house facilitators.

The first Central Bank Knowledge Week was held in 2024, with nearly 700 participants. In addition to celebrating UniBC’s two decades, it highlighted different approaches to conducting Learning and Knowledge Management, with presentations by professionals from renowned national and international institutions, as well as BCB specialists linked to knowledge production, innovation, technological transformation, artificial intelligence, and organizational culture. The event aimed to provide knowledge sharing and strengthen a culture of continuous learning. During the week, the Learning Portal was launched. It is a platform with access to internal or external courses, self-development licenses, Leadership School, Communities of Practice, knowledge dissemination events, Knowledge Taxonomy, among others, with the goal of providing an engaging experience for employees.

3.3.3 Well-being and quality of life at work

The BCB remains committed to promoting the well-being and health of its employees, consolidating initiatives that go beyond the legal obligations of occupational health, such as the Periodic Health Examination. One of the pillars of this effort is the Mental Health and Well-being at Work Program, which seeks to promote actions to create a healthier work environment, minimize the risk of illness, support recovery, and return to work.

The program is dedicated to organizing events, lectures, and discussion groups that encourage open dialogue about mental health and well-being. These events are conducted by external professionals, such as psychologists and mental health specialists, and feature participation from nutritionists from the BCB’s medical clinic in the *Balanço Alimentar* discussion groups. These initiatives target all employees, including public servants, outsourced employees and interns, to promote inclusion and support.

Between July 2024 and June 2025, the BCB carried out specific actions to reinforce well-being in the workplace, as recorded in the highlighted events:

- Mental Health lectures: lectures were held on topics such as stress prevention, anxiety management, and work-life balance, delivered by renowned specialists, achieving high employee participation.

- *Balanço Alimentar* discussion groups: the BCB's nutritionists conducted regular sessions on nutritional education, focusing on healthy choices and the relationship between diet and emotional well-being, encouraging habits that contribute to quality of life.

These initiatives reinforce the BCB's commitment to creating a welcoming work environment, promoting the overall health of its employees, and consolidating an organizational culture focused on well-being and quality of life.

4

Prosperity

The “Prosperity” chapter highlights the role of organizations in fostering economic growth and the importance of innovations for inclusive and sustainable development. It covers initiatives related to financial inclusion, innovation, and increased competitiveness within the SFN to enhance efficiency. The section also describes progress in sustainable financial instruments, emphasizing their potential to direct investments towards projects that create positive impacts on the environment and society.

4.1 Financial Inclusion

Financial inclusion also corresponds to one of the dimensions of the Agenda BC#. It is the process through which individuals have effective access to financial services provided by financial institutions, such as credit, savings, payments, insurance, pensions, and investments.

4.1.1 Credit Unions

Credit Unions in Brazil continue to experience significant growth, reaching 58% of municipalities in December 2024. They offer financial services in areas that are less served by the traditional banking system, thereby enhancing financial inclusion. The number of members, who are both owners and clients of the cooperatives, has reached 19.2 million. The sector has amassed R\$885.3 billion in assets, reflecting a 21.1% growth, which underscores its vital role in the economy, particularly in rural areas. The expansion of cooperatives not only strengthens competition in the financial market but also offers more options for individuals and businesses in underserved regions. The Central Bank remains committed to monitoring and supporting the sustainable growth of this sector.

4.1.2 BC UNEVozes

BC UNEVozes is the communication channel with credit cooperatives promoted by the Brazilian Confederation of Credit Unions (Confedbras) and the BCB. In its latest edition in 2024, the event focused on the need for sustainable business practices. With the theme ‘Sustainability Agenda in Credit Cooperatives,’ the event brought together representatives from the BCB and the confederation in Brasília on November 13, with online participation from around 350 people across Brazil.

Throughout 2024, BC UNEVozes established itself as a vital information and dialogue channel between the Central Bank and financial credit unions, particularly independent ones. In five online meetings, the project gathered more than 3,200 participants and 15 speakers from the Central Bank. The events covered a range of topics, including financial education, the organization and operation of credit unions, supervision, sustainability, and new accounting regulation, among other subjects.

4.2 Innovation and Competitiveness

The Competitiveness dimension seeks to foster competition within the SFN, by expanding the number of participants and solutions. More agile and less costly means of payment, in an environment of increasing refinement of the financial and payment systems, favor lower prices for citizens. In addition, competition promotes innovation, reduces business maintenance costs, and improves the market.

4.2.1 Consolidation and growth of Pix

Just four years after its launch, Pix has become the most widespread payment method among Brazilians. The instant payment service created by the BCB is used by 76.4% of the population, followed by debit cards (69.1%) and cash (68.9%). These figures are from the survey *Brazilians and Their Relationship with Money*, published by the Central Bank. Pix is also the most frequently used payment method by Brazilians (46.1%), ahead of cash (22.0%) and debit cards (17.4%).

The survey reveals that Pix is widely used by Brazilians of all genders, social classes, and regions. In terms of gender, 74.5% of women and 78.4% of men use Pix. Usage is highest among younger people: 87% of those aged 16 to 24, 91.2% of those aged 25 to 34, 91.1% of those aged 35 to 44, 71.4% of those aged 45 to 59, and 43.9% of those aged 60 and over. Pix is also popular across all income levels, with 67.8% of those earning up to two minimum wages, 79.9% of those earning two to five minimum wages, 80.0% of those earning five to ten minimum wages, and 91.7% of those earning more than ten minimum wages using the service.

The survey results align with the [Pix statistics](#) released by the BCB. By May 2025, 167.5 million Brazilians and 20.1 million companies had sent or received at least one Pix. In that month alone, there were 6.6 billion transactions, totaling R\$2.8 trillion. These figures represent a 28% increase in transaction volume and a 34% increase in transaction value compared to May 2024. The use of Pix continues to grow at a significant rate.

The evolutionary agenda of Pix and the new products and functionalities being launched and developed are also noteworthy. In February 2025, the possibility of initiating a Pix by approximation using a bank app or a digital wallet was made widely available. In the case of the digital wallet, it acts as a payment transaction initiator, using Open Finance APIs to enable the exchange of information between the mobile phone and card machines via Near Field Communication (NFC) technology. On June 16, 2025, *Pix Automático* was launched, allowing the use of

Pix infrastructure for placing bills on automatic debit, facilitating the initiation of recurring payments without the need for payer authorization for each transaction.

In 2025, *Pix Parcelado* and the self-service Special Return Mechanism (MED) will be launched. *Pix Parcelado* will allow the payer to take out credit to make a Pix transaction. While the recipient receives the full transaction amount instantly, the payer pays this amount in installments to the institution where they hold their account. The product seeks to standardize the user experience during the installment process and provide more transparency in the credit acquisition process. Meanwhile, the self-service MED will allow consumers to contest transactions from their payment service provider (PSP) app, without the need to interact with the PSP's customer service, which should speed up the procedures for blocking funds in fraudsters' accounts and thus increase the chances of the funds being returned to the victims.

Additionally, other products and functionalities are already being developed for launch in the coming years, such as the improvement of the MED, which will enable the tracking and recovery of funds from accounts that receive resources from the account originally used for the fraud, restricting the use of triangulation by fraudsters (rapid transfer of funds to other accounts after a scam); *Pix em Garantia*, which will allow the granting of credit using future Pix flows from companies and commercial establishments as collateral, potentially reducing the cost of credit for these companies; the use of Pix infrastructure for the settlement and updating of electronic invoices; and the offline solution for Pix by approximation, which will allow the initiation of a transaction by approximation without the payer needing to be connected to the internet.

4.2.2 SupTech – New technological tools for supervision

In 2024, the BCB created the Technology and Innovation Governance Committee (CGIn) with the aim of coordinating the technological and innovation agenda in supervision, promoting the development of new tools and the sharing of knowledge in technology, as well as training people in the digital culture.

To support CGIn, the Technology and Innovation Office (EsTI) and innovation hubs were established. The EsTI coordinates the operational developments of the CGIn agenda. The innovation hubs, composed of individuals with IT backgrounds and experience in automation and data science, serve as the matrix teams responsible for creating new applications.

4.2.3 Recognition of the BCB initiative as one of the main financial innovations in Latin America in 2025

The Analysis of Audit Reports on Financial Statements conducted by the BCB was recognized by the specialized magazine *Global Finance* as one of the main financial innovations in Latin America in 2025. The award-winning initiative is called *Axis*, an application that uses artificial intelligence to analyze the reports of independent audits on the financial statements of entities supervised by the BCB. Twice a year, after the disclosure of the semi-annual financial statements, the BCB's supervision analyzes the audit reports for approximately 1,400 supervised entities. *Axis* reads each text or image file without a predefined format to extract information relevant to supervision.

In addition to objective information, such as the data of the auditors and the company responsible for the independent audit, the application extracts qualitative information, such as the categorization of the auditor's opinion (clean/unmodified, qualified, or adverse) or even the disclaimer of opinion. As supervision is constantly evolving, there is already a version in testing that includes the emphases issued by the auditor and the key audit issues. Axis' analysis results in an alert that is sent to the focal points of the direct supervision departments. Additionally, the extracted data allows for the identification and treatment of exceptional situations, such as improper, inconsistent, or missing material reports. If all this work were done without the help of Axis, it is estimated that it would require the full-time dedication of an auditor throughout the year. With Axis, each database is analyzed in less than two days.

4.2.4 Open Finance

Open Finance (OpF) is a system for sharing standardized customer data and services between participants in a scheme created and regulated by the BCB. Through this system, institutions' customers can authorize the sharing of their data with other participants to receive offers of financial products and services. OpF is the result of the expansion of Open Banking, which has evolved to encompass more data and operational possibilities.

Its significant growth is a testament to the potential of transforming the financial system and benefiting consumers. By the end of 2024—about four years after the implementation of Open Finance in Brazil—the ecosystem recorded around 62 million accounts with data-sharing authorization granted by their holders. Currently, the Open Finance ecosystem has reached approximately 85 million active data-sharing consents and about 3.5 billion data access requests per week. The number of payment transaction initiations has been growing month by month, surpassing three million in recent months.

The increase in Open Finance usage is strongly linked to the growing availability of tangible benefits to customers through shared data or services. Examples of these benefits include cheaper credit, more profitable investments, improved payment solutions, and financial managers. Equally as important is the incentive for participating institutions to modernize, updating their infrastructures and incorporating intensive data usage into their processes. Within the ecosystem's evolutionary agenda, several measures stand out. The Journey without Redirection (*Jornada Sem Redirecionamento* – JSR) is a new feature launched in February 2025 that allows consumers to make payments through a payment transaction initiation more fluidly and directly, without needing to be redirected to their bank's app for each payment. This feature refers to a digital or navigation experience in which the user performs all actions or interactions on a single page or platform, without being sent to other pages or websites.

As previously mentioned in this report, there was also the launch of *Pix Automático* in June, which allowed customers to give consent for recurring payments—such as for electricity, phone, schools, gyms, and streaming subscriptions—automatically. It is worth noting that institutions offering payment transaction initiation services can provide this service to receiving companies, further expanding the range of payment services provided by these institutions.

At the end of 2025, the credit portability flow integrated with Open Finance will be launched, marking the beginning of the sharing of credit-related services within the system. As part of an evolutionary agenda, credit portability will initially be limited to the “unsecured personal loan” product, later including payroll-deductible loans for federal public servants, and eventually expanding to other modalities in the coming years.

Additionally, since the end of 2024, Open Finance has been managed by a new governance structure based on rules defined by the BCB, aimed at ensuring the ecosystem’s sustainability, representativeness, and non-discriminatory access for participating institutions, as well as mitigating potential conflicts of interest. This new governance structure, formally established as a non-profit association—*Associação Open Finance Brasil*—now operates with a more robust and professional structure. This marks a higher degree of professionalism that is becoming more consolidated throughout 2025.

Finally, in recent years the BCB has been reinforcing regulatory requirements regarding the performance of Open Finance participating institutions, as well as requiring improvements in tools and monitoring processes from the *Associação Open Finance Brasil*. The goal is to ensure that supervised entities achieve better performance, including resolving implementation failures—especially those related to interoperability and the quality of shared data—as well as improving consent journeys and conversion rates, enabling an even simpler and more seamless experience for customers.

4.2.5 Aperta Project

To reduce costs in global finance, the BIS launched Project Aperta (“open” in Latin). Trade finance-based businesses face various challenges when using financial products that facilitate trade, such as letters of credit, trade credit insurance, and supply chain financing.

The Aperta Project seeks to explore innovative ways to address these challenges through the interoperability between Open Banking and Open Finance ecosystems of the participating jurisdictions. This will facilitate the harmonization of resources, functionalities, use cases, security protocols, operational procedures, and trust frameworks. In this initial phase, the participating jurisdictions include Brazil, the United Arab Emirates, the United Kingdom, and Hong Kong SAR (Special Administrative Region). The participants have different approaches to Open Finance, ranging from regulation-led, hybrid, and market-led models. Project *Aperta* is part of a set of initiatives by the BCB aimed at fostering financial innovation through partnerships with international organizations and financial regulators/supervisors from other jurisdictions.

4.2.6 LIFT Innovation Ecosystem

Created in 2018, LIFT is a joint initiative of the BCB and Fenabac. Its objective is to foster innovation in the SFN by encouraging the creation of prototypes of technological solutions. LIFT is aligned with Agenda BC# and has expanded its areas of activity. Currently, it consists of seven initiatives:

- LIFT Lab – acceleration of financial innovation projects;
- LIFT Learning – research of solutions in partnership with the market and academia;
- LIFT Challenge – thematic edition focused on specific sector challenges;
- LIFT Data – development of data-based solutions;
- LIFT Day – annual event dedicated to presenting the results of the previous edition and launching the new cycle. It is a space for exchange, learning, and bringing together SFN agents and the innovation ecosystem;
- LIFT Talks – a series of virtual events with the participation of authorities and specialists, addressing key trends in financial innovation, fostering relevant reflections and learning for the market;
- LIFT Papers – a digital magazine that compiles key insights, discussions, and results generated in each LIFT cycle, enhancing transparency and knowledge sharing within the innovation ecosystem.

LIFT Day 2025 took place in April. With the participation of regulators, leaders of financial institutions, technology entrepreneurs, and academia, the event presented the results of the latest LIFT editions. It launched the new cycle of the initiative, LIFT Data. Highlights included innovative solutions such as the integration between compliance and anti-money laundering prevention, credit assessment through blockchain, credit scoring based on smart Pix keys, tokenization platforms for agribusiness financing, and the development of a decentralized financial ecosystem for green assets, expanding sustainable investment opportunities.

LIFT Data is an evolution of initiatives previously undertaken by the BCB in this area, and its objective is to foster solutions that use public and reliable data sources. In its first edition, it addresses sustainability, with challenges aligned with the pillars of COP30, seeking solutions focused on (i) emission reduction and low-carbon transition; (ii) financing for adaptation, resilience, and climate justice; and (iii) preservation of forests and biodiversity. Additionally, LIFT Data offers an optional category in a strongly encouraged theme, rural credit. The initiative will continue in subsequent years, but with a different focus.

4.3 Sustainable Financial Instruments

The BCB, committed to promoting a more sustainable and resilient economy, monitors the issuance of sustainable financial instruments by Brazil in both domestic and international markets. Financing through these financial instruments has the potential to direct investments towards projects that generate positive environmental and social impacts.

Sustainable financial instruments issued in the domestic market include debentures, Rural Product Notes (CPR) and Agricultural Receivables Certificates (CRA), among others. In the international market, they mostly correspond to bonds.

Brazilian issuances encompass “use of proceeds” and “general purpose” bonds. “Use of proceeds” bonds include green, social, and sustainable bonds and are intended to finance eligible social, environmental, or dual-purpose projects. In

the case of “general purpose” bonds, the proceeds are not tied to sustainable investments, but the issuer must commit to pursuing social, environmental, or climate goals; these are called sustainability-linked bonds.

From 2015 to May 2025, Brazilian issuers, including banks, companies, and the National Treasury, issued USD 34.9 billion in sustainable bonds in the international market, distributed among corporate issuances (72% of the amount issued), banks (16.5%), and the National Treasury (11.5%).

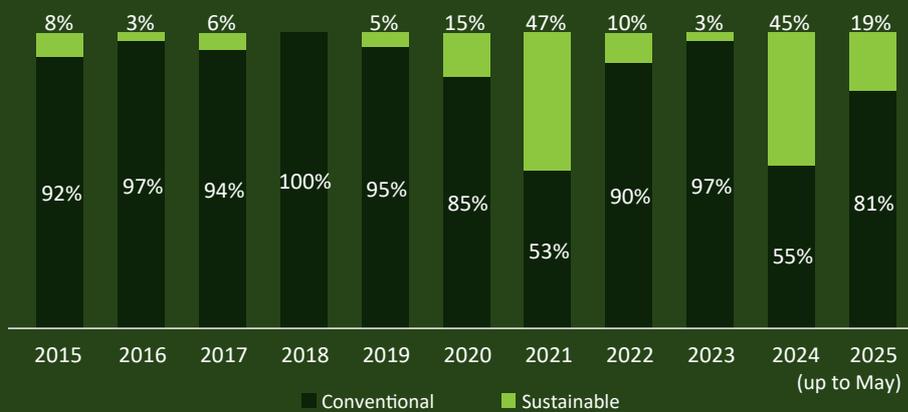


Note: Percentages were calculated based on the issuance value

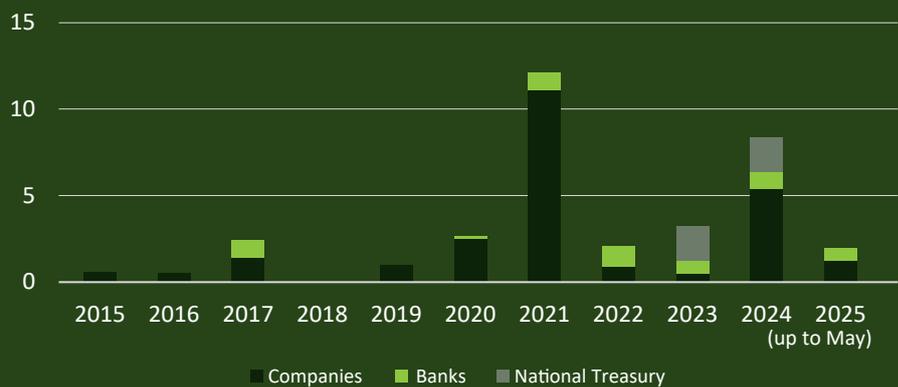
Brazilian issuances in the external market, aligned with global trends, experienced a significant increase in 2021. Following the increase that year, the subsequent two years saw less impressive financial volumes. In 2022, a more restrictive external environment also led to a decline in conventional bond issuances as well, and in 2023, despite a higher volume of external issuances, sustainable bonds accounted for only a small share.

In 2024, Brazilian issuers made a comeback to the international fixed-income market with sustainable issuances, including an issuance in Renminbi. From January to May 2025, the volume of bond issuances was USD 1.9 billion. In May, *Caixa Econômica Federal* announced the pricing of a social bond, marking its first sustainable bond issuance.

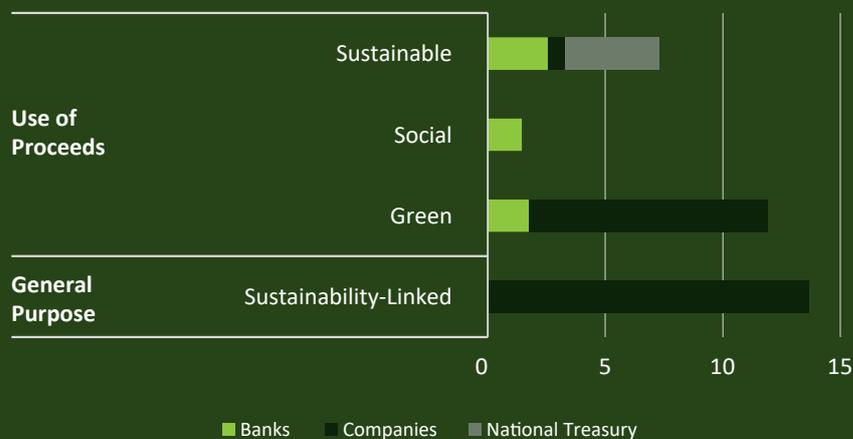
Representativeness of sustainable bonds in foreign issuances
Non-financial companies – domiciled in Brazil and abroad



Brazilian sustainable bond issuances in foreign capital market,
in USD Billion



Sustainable Issuances by Type of Bond and Issuer in USD billions –
2015–2025 (up to May)



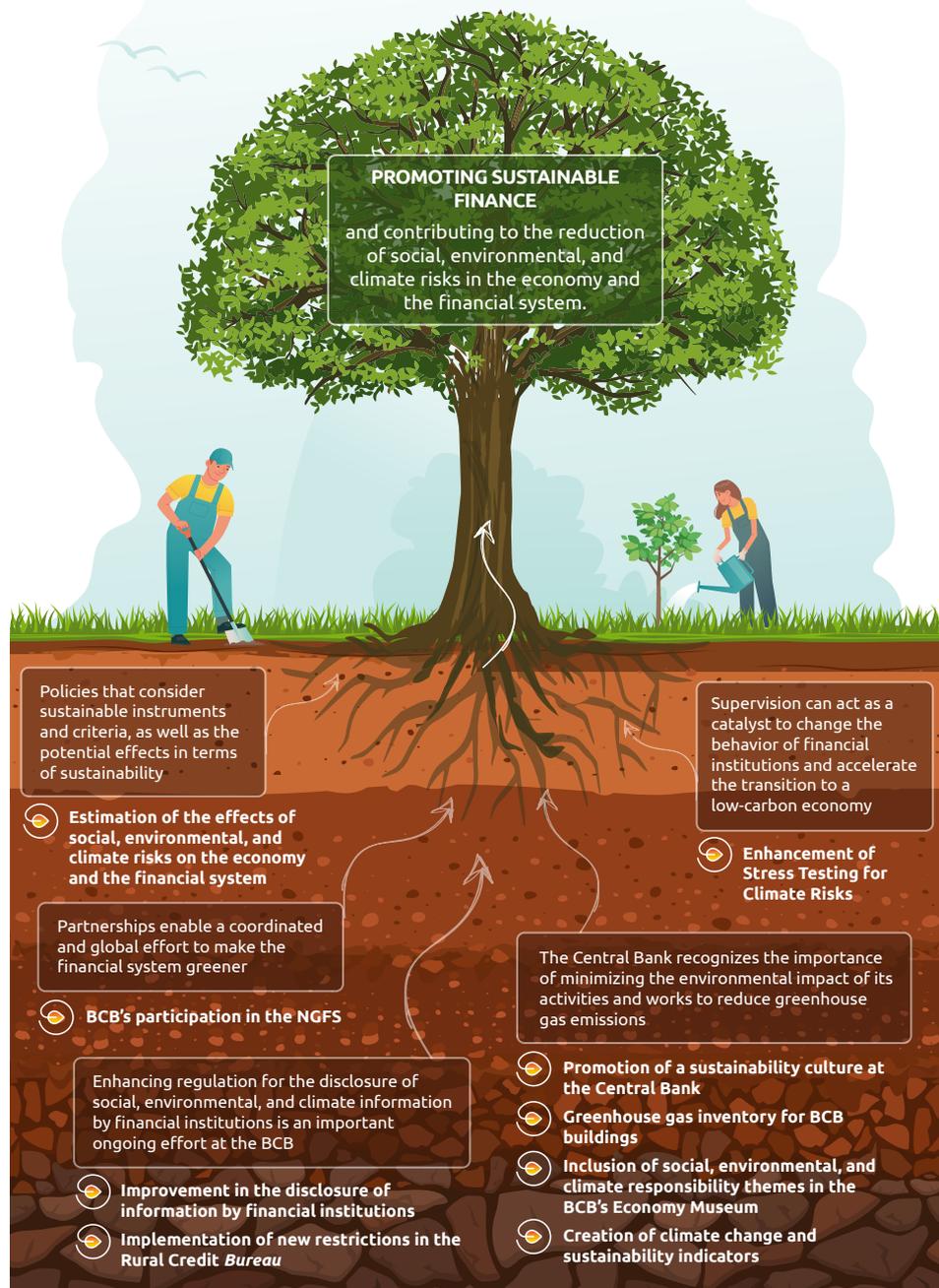
Source: BC, Refinitiv, Green Bond Transparency, company websites, data up to May 2025.

Brazilian issuances undergo external review, with frameworks evaluated by second-party opinions, and are aligned with internationally accepted standards, such as those of the International Capital Market Association (ICMA) and the Climate Bond Initiative (CBI). These issuances are included in global and emerging market sustainability indices, such as those from [Bloomberg](#) and J.P. Morgan. Credit rating is one of the criteria for inclusion in these indices. Notably, 28.5% of sustainable bond issuances in the external market were classified as investment grade at issuance. When considering only corporate issuances, this percentage rises to 39.6%.

5

Outlook

This section outlines ongoing initiatives that are expected to be completed within the next year. The aim is to enhance transparency by showcasing not only what the BCB has already achieved but also what the institution is committed to accomplishing in the future.



5.1 Ongoing research

5.1.1 *Frosts (Volatility and Under-insurance in Economies with Limited Pledgeability: Evidence from the Frost Shock)*

The objective of this study is to evaluate the magnitude and propagation of local shocks resulting from extreme weather events using empirical models based on real-time data on payments and loans. The research project aims at understanding how extreme frosts affect the financial flow of companies (payments) and the supply chain structure in areas impacted by the climatic event. To this end, the project will utilize episodes of frosts that occurred in Brazil in mid-2021. The severity of these frosts was considered outside the range of forecasts at the time of planting, with models predicting such events to occur only once every fifty to one hundred years. This event can be considered a negative supply shock, with spatial variation in exposure due to crop planting patterns, heterogeneity among crops in temperature sensitivity, and the low temperatures experienced.

By using these episodes and bilateral payment data identified between economic agents, the project seeks to estimate semi-elasticities that link the occurrence of extreme physical events with losses in receipts or payments from affected customers and suppliers. These semi-elasticities are important as they allow the transformation of the impact of a climatic event into a monetary loss. Such estimates are crucial for integrating the climate risk component into classical risk and financial stability models and for understanding heterogeneous effects throughout the production chain. The project is being developed in partnership with researchers from the Massachusetts Institute of Technology (MIT). At the end of 2024, a complete preliminary version of the study was submitted to the BC Discussion Paper Series. Currently, this preliminary version is under review.

5.1.2 *Analysis on the effects of extreme events on the economy and the financial sector (Weathering the Storm: how supply chains adapt to extreme climate events)*

The objective of this work is to evaluate the causal impact of extreme weather events on the Brazilian supply chain and investigate how it adapts to supply and demand shocks. Additionally, the study examines the effect of natural disasters on the demand for liquidity, combining proprietary data from the BCB on payments and credit with natural disaster data from the Integrated Disaster Information System (S2ID) of the Ministry of Integration and Regional Development. To select the most severe disasters, 46 available variables detailing damage to human life, health, and the economy were evaluated. Considering data availability and the need for a time window of at least twelve months before and after each extreme weather event for the application of the difference-in-differences methodology, thirty extreme weather events that occurred in 2020 and 2021 were selected. Among them, intense rains, floods, and flash floods prevail. Droughts were excluded due to the difficulty in identifying their exact start date.

The supply chain is constructed from payment data – Pix, bank slips, and electronic transfers between companies. A company is considered affected when it is in a micro-region where the disaster occurred. The study explores three aspects of the effects of weather events on the supply chain. First, it examines the

direct economic effect by looking at the bilateral relationship between clients and suppliers. The analysis is conducted from the downstream and upstream perspectives. From a downstream perspective, the extreme weather event affects suppliers in a specific micro-region, creating a supply shock for client companies outside the affected area. Conversely, in the upstream perspective, the event impacts client companies, resulting in a demand shock that affects supplier companies outside the affected area. In both perspectives, the heterogeneous impact across different sectors is analyzed. The second aspect complements the previous analysis and evaluates the financial impact of the extreme event on companies. The financial conditions of client and supplier companies affected by the weather disaster are analyzed separately, along with the heterogeneity of the shock across economic sectors. Finally, the third aspect studies the indirect economic impact, i.e., the economic effects of the extreme weather shock on non-affected areas. For this, instead of the bilateral relationship between client and supplier companies in affected areas, the payments of companies outside the affected area – client companies in the downstream perspective and supplier companies in the upstream perspective – are analyzed. The study seeks to answer whether client companies outside the affected area can replace affected suppliers with new, unaffected suppliers. Similarly, it examines whether supplier companies outside the affected area replace affected clients with new, unaffected clients.

Understanding the economic and financial effects on companies due to weather shocks is relevant for designing strategies to support companies in affected regions, preventing them from losing dynamism and competitiveness. The project is being developed in partnership with a researcher from the Catholic University of Brasília. In 2024, the research was published in the BCB Discussion Paper Series. Currently, it is in the submission and presentation phase at conferences, with the aim of making improvements based on feedback from external researchers.

5.1.3. Climate transition risks (*The impact of climate transition risks on the Brazilian financial system*)

This study proposes a methodology to calculate the impact of climate transition risks on the SFN. It is assumed that a carbon-intensive sector, specifically the fossil mining sector (MINfos), will experience an exogenous reduction in its production level due to the adjustment to a low-carbon economy. In the first round, this will cause a fraction of the physical capital stock of other economic sectors to become stranded (i.e., unused). This effect will occur through two different channels: a reduction in both the supply of inputs from the MINfos sector and the demand for inputs by the MINfos sector. Next, the potential direct loss of the financial sector is calculated based on loans granted to the real sector. Finally, the potential indirect loss of the financial sector is calculated by considering exposures in the interbank market.

Applying this methodology to a Brazilian database, with information from the input-output matrix and financial transactions (bank-firm and interbank loans), reveals that: (i) the ranking of sectors with the highest proportional loss of physical capital varies according to the approach adopted to calculate such loss; (ii) there are many FIs with small potential losses (both direct and indirect) and few FIs with significant potential losses; and (iii) the aggregate potential loss, both direct and indirect, decreased during the period analyzed in this study (2015-2022). This

work is at an advanced stage, with a first version of the article submitted to the BCB Discussion Paper Series. It involves collaboration with external researchers (International Union of Soil Sciences - IUSS, in Pavia, Italy, and the University of São Paulo - USP).

5.2 Regulation and Supervision

5.2.1 Regulatory Priorities for 2025/2026

The agenda includes the proposal for a new public consultation to incorporate quantitative information and enhance the requirements for qualitative information disclosure in the Social, Environmental, and Climate Risk Management Report (GRSAC). More details will follow.

Following the increasing transparency on sustainability-related aspects, criteria will be defined for the recognition, measurement, and accounting disclosure of sustainability assets and liabilities, as outlined in Public Consultation 119, a topic already addressed in Chapter 2, *Planet*.

5.2.1.1 Expansion of the information disclosure by financial institutions

In 2021, the BCB established the mandatory disclosure of the GRSAC Report, with an initial standardized set of information on the topic. The report adhered to the standard developed by the TCFD but expanded its scope to encompass not only climate risk but also social and environmental risks.

The first set of information required in the GRSAC focused on tables with qualitative data, such as governance, strategy, and risk management. The expansion of the requirement to include quantitative data is part of the BCB's work agenda.

On March 27, 2024, the BCB issued Public Consultation Notice 100/2024 (ECP 100/2024), calling for contributions to enhance the GRSAC Report¹³ requirements. The main focus of this consultation was the inclusion of quantitative metrics and targets for climate risks, as well as indicators for environmental and social risks. The public call for contributions covered six key topics:

- 1) Context and scope of the information to be disclosed, exploring metrics related to social and environmental risks, given that international standards from the BCBS and ISSB do not cover these risk aspects;
- 2) Interaction of prudential disclosure requirements with the accounting disclosure standards published by the ISSB;
- 3) Indicators for managing climate risk regarding transition risk and physical risk;
- 4) Voluntary commitments and net zero transition plans, given that there are still no legal or regulatory requirements applicable to SFN institutions that establish targets related to GHG or the implementation of such plans. The public consultation sought to identify ways to standardize the disclosure of voluntary commitments eventually made by institutions;

¹³ As provided in BCB Resolution 139 and BCB Normative Instruction 153, both of September 15, 2021, the GRSAC Report is mandatory for institutions classified under S1, S2, S3, and S4.

- 5) Scope of application of the requirements according to the segment of the institutions and the timeframe for implementing the rules; and
- 6) General comments.

The public consultation process aimed at promoting broad discussions with society and regulated institutions. The BCB received a total of 179 contributions, of which 93% were considered valid and 7% were out of scope. Additionally, 55% of the valid contributions were submitted by regulated entities, 19% by international entities, 13% by third sector entities, and 13% by various entities (see table below).

Public Consultation 100 – Contributions						
Entity Type	Valid		Out-of-Scope		Total	%
	Topics 1 to 6	%	Topics 1 to 6	%		
Regulated Entities	91	55%	1	8%	92	51%
International Entities	31	19%	1	8%	32	18%
Third Sector Entities	22	13%	1	8%	23	13%
Miscellaneous	22	13%	10	77%	32	18%
Total	166	93%	13	7%	179	100%

Along with the analysis of the contributions received under ECP 100/2024, the BCB participated in the development of a new international recommendation: the voluntary inclusion of climate risks in the Pillar 3 prudential framework, which is part of the BCBS’s standards. The standards developed by the ISSB for disclosure of accounting information related to sustainability and climate (IFRS S1 and S2) were also analyzed.

To achieve alignment with international standards and consider the input received under ECP 100/2024, the BCB will issue a new public consultation in the second half of 2025, this time with a draft standard for improving the GRSAC Report, including tables with improved qualitative requirements and the inclusion of new templates with quantitative requirements. The final standard is expected to be published in 2026.

5.2.2 Outlook for rural credit

In the evolving agenda of rural credit, the BCB is working on a project to enhance the Rural Credit Bureau through two key initiatives: a) a system for monitoring rural credit operations post-contract, and b) a system for consulting the credit and environmental information of borrowers.

The monitoring system will enable automated tracking of contracted operations to ensure compliance with rural credit regulations, including environmental ones, throughout their duration. Rural credit operations covered by Proagro will be part of the initial monitoring pilot program, which will utilize intensive satellite imagery.

The consultation system, with the borrower’s authorization, will allow third parties to access their credit data in both the banking system and the capital market. Additionally, the consultation system will provide access to environmental data related to properties, such as CAR and embargoes.

5.3 Internal measures

The BCB is in the final stages of preparing the IGEE for 2022 and 2023, as well as studies related to proposed solutions to mitigate its CO₂e emissions, based on the results obtained from the 2019 IGEE. Additionally, studies are ongoing for the development of transition plans towards low-carbon operations and various internal awareness campaigns aimed at reducing GHG emissions by the BCB.

5.3.1 Renovation of the air conditioning system at BCB headquarters

The renovation of the air conditioning system at the headquarters building in Brasília, which began in October 2023, aims at replacing the chillers with equipment that significantly reduces energy consumption and does not use gases that could harm the ozone layer. In November 2024, the first two chillers were activated, and the activation of the other two is scheduled for mid-2025.

5.3.2 Sustainability criteria in contracting and procurement

The BCB adheres to all sustainability criteria outlined in the models of the Office of the General Counsel to the Federal Government for its purchases and contracts. Additionally, it periodically reviews its practices to ensure compliance with current legislation and to serve as a benchmark for other organizations.

Recently, stages of the bidding and purchasing process were reviewed to align them with the new parameters of the Federal Government's Sustainable Logistics Handbook. These adjustments are included in the revised version of the PGLS 2025/2026.

5.3.3 BCB's Diversity and Inclusion Program

In 2024, the results of the Diversity and Inclusion Survey (PDI), launched in 2023, were published. The survey aimed at gathering information on: (i) demographic data on the diversity of the workforce; (ii) experiences and perceptions of non-inclusion situations encountered at the BCB; (iii) interests and priorities for the initial affinity groups (gender, people with disabilities, color/race/ethnicity, LGBTQIAP+, generation, regional, caregivers, mental health, others).

Based on the survey results, gender and disability affinity groups were established. These groups are tasked with developing action plans to address the non-inclusion scenarios identified in the survey.

In June 2025, the GRC established an Interdepartmental Working Group on Diversity, delegating to it the responsibility for developing BCB's Diversity, Equity, and Inclusion Policy, as well as an action plan for its implementation.

5.4 Sustainability in the new Economy Museum

Sustainability is one of the principles guiding the development of the new space and will be addressed throughout the entire exhibition.

Additionally, sustainability will be incorporated into the museum's practices, serving as an invitation for visitors to adopt more sustainable habits in their daily lives.

The theme will be emphasized throughout the visit with interactive attractions, including games and thematic exhibitions. These experiences are designed to encourage visitors to reflect on the challenges of sustainable development.

The goal is to illustrate the complexity of balancing economic growth with sustainability without neglecting social issues. This approach aims at helping visitors understand, in a simple and accessible way, the importance of building a fairer and more sustainable world. During the visit, urgent topics such as recycling and the environmental costs of water and carbon in various products will be explored in an educational and engaging manner.

5.5 Drex – the democratization of financial services in Brazil

The Drex Platform, which includes the BCB's digital currency, contributes to financial inclusion in Brazil by democratizing access to services such as investments, financing, and insurance. The platform will operate with digital assets and the real in a fragmented manner, facilitating the provision of more efficient and accessible financial services and products.

Drex seeks to keep pace with the dynamic technological evolution of the Brazilian economy, enhance the efficiency of the retail payment system, foster the emergence of new business models and other innovations based on technological advances, and promote Brazil's participation in regional and global economic scenarios. It also has the potential to increase efficiency in cross-border transactions.

The BCB has maintained ongoing dialogue with academics, private sector experts, and representatives of central banks and multilateral institutions through initiatives such as workshops, virtual seminars, and the [Drex Forum](#). These actions seek to ensure transparency in the implementation process and encourage societal participation.

The report of the first phase of the Drex Pilot is available on BCB's website. The publication outlines the main actions and developments of the [Drex Pilot Phase 1](#), which took place between July 2023 and October 2024. The report highlights the "trilemma" faced at the beginning of Drex: a solution that simultaneously addresses issues of decentralization, programmability, and privacy. Additionally, it was necessary to consider recommendations for the next steps of the initiative. This was the first edition of the Drex Pilot Report. The intention is for each phase of the pilot to have its own report to provide maximum transparency regarding the work and results of the Drex Pilot.

Currently, Drex is in the final stage of the second phase of its pilot. The focus of this phase has been on use cases and their potential benefits for the financial system and society. In this context, thirteen financial services were evaluated to solve real economic problems, such as the purchase and sale of a vehicle. This phase of the pilot explored the provision of these services through smart contracts created by platform participants.

Among the thirteen use cases evaluated, the tokenization of assets linked to the energy sector and agribusiness stands out, such as CBIO, *CPR Verde*, and *CRA Verde*. These initiatives aim to improve the operational efficiency, transparency, security, integrity, and liquidity of these financial instruments. Additionally, the gains obtained from digitizing and automating processes contribute to financial inclusion by reducing transaction costs and strengthening sustainable financing through more reliable, agile, and accurate environmental analyses. Therefore, it represents the development of cutting-edge technology with a positive socio-environmental impact, complementing the BCB's innovation agenda in the financial sector.

Drex remains a priority in the BCB's strategic planning. Based on the internal analysis of the results of the second phase of the pilot, the Board of Directors will define the next steps. The report of this phase is scheduled for publication in the third quarter of 2025. There is no specific date for the launch of Drex.

5.6 Participation in initiatives led by the federal government

5.6.1 Brazilian Sustainable Taxonomy (TSB)

A sustainable taxonomy is a crucial tool for a country to achieve its climate, environmental, and social objectives, whether these are driven by national goals or international commitments. Conceptually, it is a classification system that uses scientific and objective criteria to determine whether an activity or project is sustainable. The existence of such a system encourages investment in ventures that have a neutral or positive impact on the climate, environment, and society.

Currently, almost fifty classification systems are in operation or under development. Brazil is among the Latin American countries with an active taxonomy or one in development. Colombia and Mexico were the first to complete their taxonomies in the region, and, along with the European Union's taxonomy, one of the first in the world, have inspired the Brazilian model.

Globally, the most common objectives in a taxonomy are climate-related, involving projects aimed at reducing greenhouse gas emissions. Social objectives are less common, but, in this regard, Latin American countries are pioneers. Mexico was the first country to build a taxonomy with social objectives, and now Brazil has followed suit. The adoption of the socio-economic objective of addressing racial inequality is one of the main differentiators of the Brazilian taxonomy. The inclusion of the extractive industry among the priority sectors is another unique feature, as is the incorporation of national legislation as safeguards.

Discussions to build an action plan for the TSB began in 2023, within the framework of an inter-institutional working group (GTI) led by the Ministry of Finance. The BCB, as a member of the GTI, participated in the construction of the action plan from the initial discussions. Eighteen months after work began, in November 2024, the proposal for the Brazilian classification system was offered for public

consultation through thirteen technical and thematic notebooks. The deadline for contributions ended at the end of March 2025. The expectation is that the document with the consultation suggestions will be published in the second half of 2025.

5.6.2 Eco Invest Program

In 2024, the Eco Invest Brazil Program was established by the federal government, which aims at promoting external financing for the country's ecological transformation, as part of Brazil's Ecological Transformation Plan, *Novo Brasil*.

The initiative includes innovative financial instruments designed to mobilize external capital and mitigate exchange rate risks. Eco Invest is structured into four credit sub-lines designed to overcome structural barriers that have historically hindered foreign investment in the country, such as exchange rate instability and the lack of adequate financial instruments. These sub-lines are:

- Blended finance for mobilizing external private capital;
- Liquidity line to mitigate exchange rate volatility;
- Long-term exchange rate hedge credit;
- Credit for structuring sustainable projects.

More information about the program can be accessed [here](#).

CMN Resolution 5.205, of April 17, 2025, brought updates to the regulation of the Eco Invest Brazil Line, authorizing the acquisition of investment fund shares, the inclusion of securitization operations, a grace period of up to three years for credit operations, and the regulation of the project structuring sub-line.

The BCB will operationalize long-term exchange rate protection (ten to fifteen years) for sustainability-related projects. In the envisioned structure, the BCB will act as an intermediary, acquiring exchange rate derivatives from the IDB and passing them on to authorized financial institutions, activated by investors with projects bearing the Climate Fund's sustainable seal. The idea is for the IDB to use its AAA rating to gain access to international market liquidity under more favorable conditions and pass these on to the final derivative holder.

The BCB also collaborates with Eco Invest Brazil on other fronts, such as legal, accounting, and technological, to ensure the program's effective and secure implementation.

5.6.3 30th United Nations Climate Change Conference - Conference of the Parties (COP30)

Brazil will host and preside over COP30 in November 2025. To contribute to the event, an interdepartmental working group (GTI-COP30), with a multidisciplinary and consultative nature, was established to organize BCB's activities. In addition to providing a floor in the BCB's regional building in Belém to assist the work of the Extraordinary Secretariat for COP-30, the BCB is expected to contribute, within its mandate, to achieving the objectives of COP30.

The institution is expected to participate in events throughout the year, including those in Belém, to present its contributions to the sustainable finance agenda. In this regard, periodic meetings are being held with potential partners, such as regulators (CVM, Previc, Susep), international organizations, and private entities.

Furthermore, through negotiations and actions with the NGFS, international forums and organizations, and other central banks, the BCB is working in partnership with the COP30 organization to ensure that the international financial community participates more actively and assists in quantifying and conveying the necessary message to promote sustainable finance and a just climate transition.



BANCO CENTRAL DO BRASIL

