From Ambition to Implementation: Advances in the Brazilian Financial Sector's Journey

Contributions by Febraban and Brazilian Banks to COP31

October 2026



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Foreword



Solutions to Support Banks in Meeting Sustainability Challenges

The transition to a low-carbon economy is one of the greatest challenges of our time. Addressing it requires balancing economic development, competitiveness, social inclusion and environmental preservation, something that depends on the joint efforts of government, the private sector and society. In this context, the financial system plays a key role in mobilizing resources and developing solutions to support the necessary changes in the Brazilian economy, contributing both to climate risk management and to the identification of business and investment opportunities.

In 2025, Brazil was the host of the COP30 summit—the so-called "Action COP". The event reinforced the importance of transforming climate commitments into concrete results. It also brought greater visibility to the country's opportunities and challenges, as Brazil has a clean energy mix, the greatest biodiversity on the planet and production sectors with highly diverse adaptation and decarbonization needs. The transition from ambition to implementation requires suitable financial instruments, legal certainty, reliable data and an enabling environment for mobilizing long-term investment.

In just one year, Brazil's banking sector has made major progress on key fronts. We worked to improve transparency and the disclosure of sustainability data, develop methodologies for measuring financed emissions and assessing climate and nature-related risks, and advance other sustainable finance agendas. These measures reflect the Brazilian financial sector's efforts to develop tools and technical expertise that underpin decision-making. These advances strengthen the foundation for financial institutions' operations, although their implementation at scale still requires ongoing efforts.

The Brazilian Federation of Banks (Febraban) has led this movement through studies and tools that support the adoption of best practices by financial institutions. It has also contributed to the evolution of the market as a whole by liaising with regulators, government bodies, national and international organizations, and civil society.

In this respect, we seek to promote dialogue, share knowledge and foster the development of solutions that help banks address sustainability challenges, facilitating a shared understanding while respecting a diversity of strategies, business models and maturity levels among institutions.

It is with this purpose in mind that Febraban prepared this document. As well as outlining the Brazilian financial sector's concrete actions to advance the climate agenda, it also highlights the challenges that will require attention in the coming years, such as improving the quality and availability of data, effectively implementing the tools developed and expanding financing for the transition.

Brazil is uniquely positioned to contribute to global transition, but transforming this potential into results requires consistent, long-term efforts. The Brazilian banking sector will continue to be part of this construction, driven by the belief that the mobilization of capital, responsible risk management and coordination with different sectors of the economy are key to promoting a more sustainable, resilient and competitive economy.

Leandro Vilain

President

Brazilian Federation of Banks (Febraban)



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Introduction



Advancing Steadily Toward a Low-Carbon Future

NIn this document, we present the contribution of Febraban and Brazilian banks to COP31. It builds on the report Brazilian Banks' Commitment to Sustainable Finance and Climate Action, presented by the sector during COP30, in Brazil, and summarizes the progress made over the past year to advance climate action.

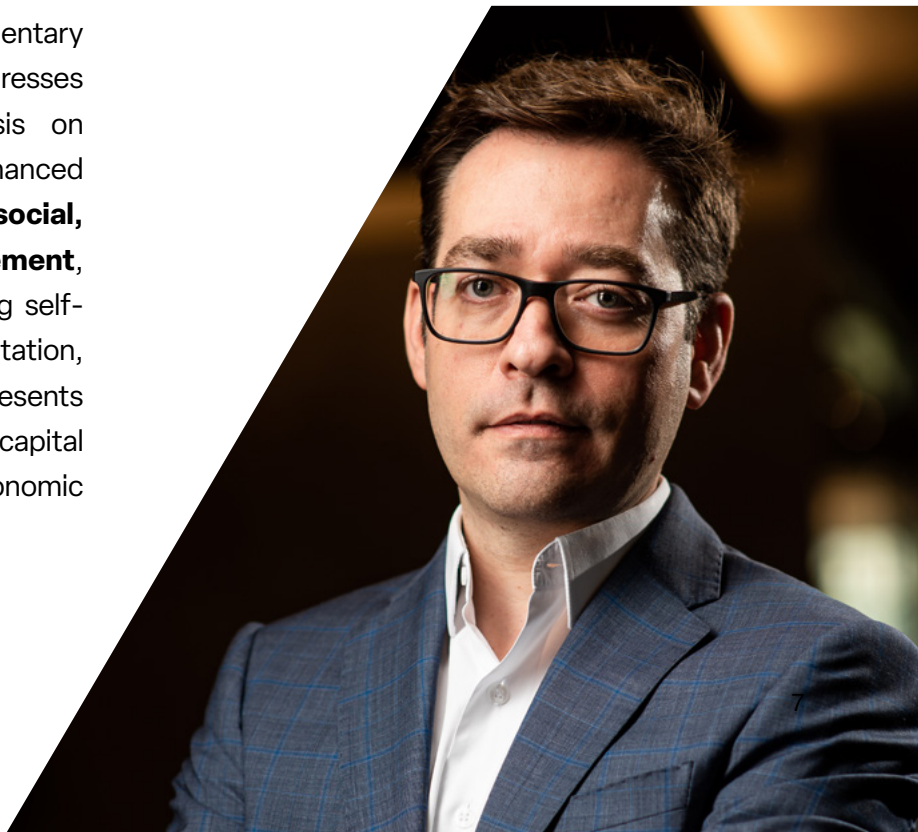
This document brings together the main initiatives and achievements during the period between the two United Nations Climate Change Conferences of the Parties (COPs), focusing on the development and application of tools, methodologies and frameworks to guide the financial institutions' actions in addressing climate and sustainability challenges.

The content is organized into three complementary areas of the financial sector. The first addresses **sustainable finance**, with an emphasis on taxonomies, the carbon market and financed emissions. The second addresses **social, environmental and climate risk management**, including regulatory developments, banking self-regulation and agendas related to deforestation, biodiversity and traceability. The third presents initiatives related to **transition financing**, capital mobilization and the development of economic activities associated with the bioeconomy.

By bringing these initiatives together, this guide aims to provide a current overview of sustainable finance and the climate agenda in Brazil's banking sector, with the goal of fostering the exchange of knowledge among financial institutions and other stakeholders in the Brazilian Financial System.

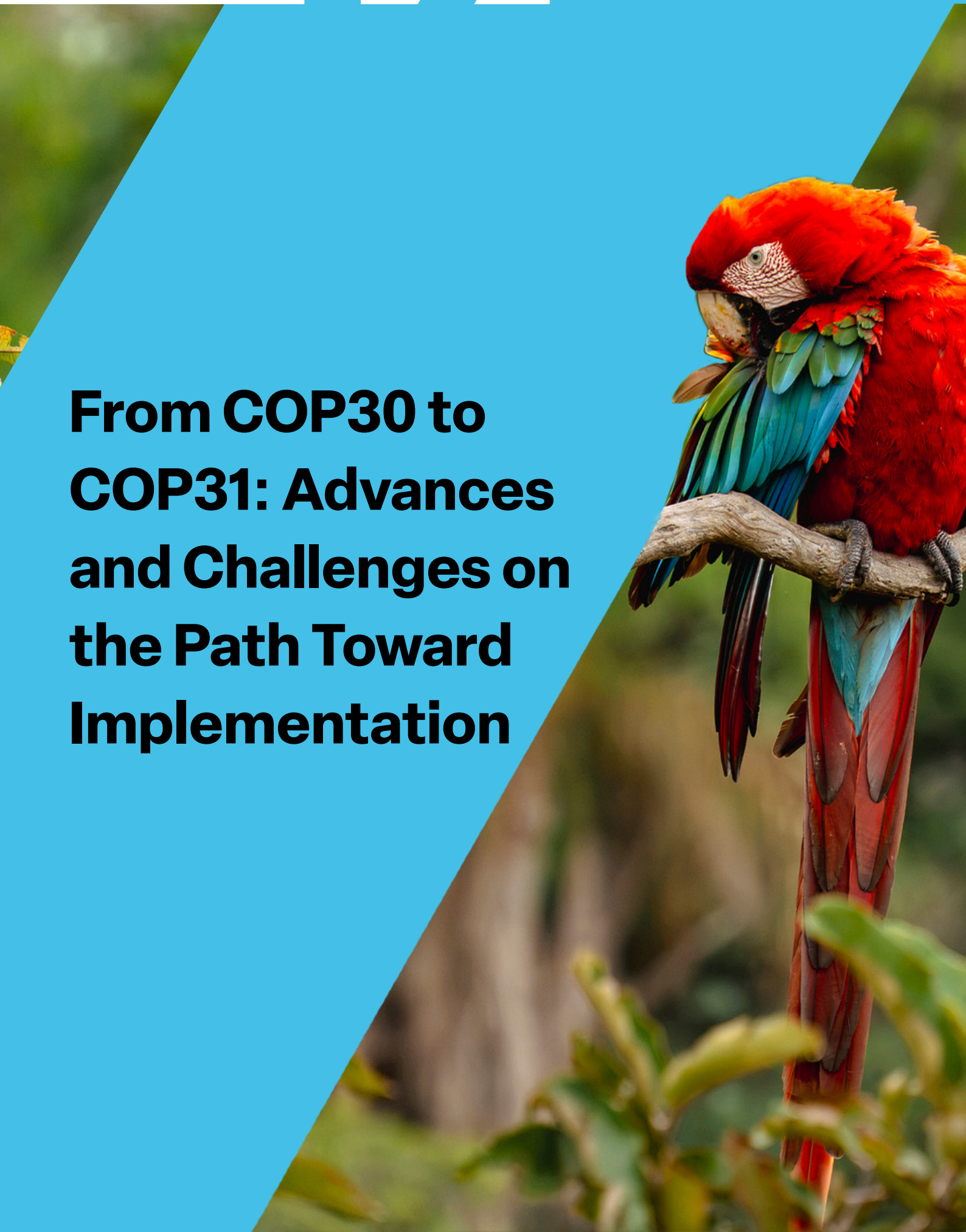
Amaury Martins de Oliva

Sustainability, Financial Citizenship, Consumer Relations and Self-Regulation Director at Febraban



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From COP30 to COP31: Advances and Challenges on the Path Toward Implementation



From COP30 to COP31: Advances and Challenges on the Path Toward Implementation

COP30 was held in the Amazonian city of Belém in November 2025 and marked a milestone in the debate on the hands-on application of climate commitments and the mobilization of resources to transform the economy toward a low-carbon future. For Brazil's banking sector, the conference also served as an opportunity to showcase the progress already made in integrating sustainability into the banks' strategies, governance and risk management, as well as the challenges involved in expanding their contribution to climate and sustainable development goals.

The publication prepared for COP30 chronicled this trajectory, highlighting the evolution of regulatory frameworks and banking self-regulation, the development of sustainable finance and improvements in social, environmental and climate risk management. It also identified issues that remained central to the financial sector, such as the availability of reliable data, the integration of climate and nature-related aspects into financial decisions and the need to scale up transition-focused investments.

Between COP30 and COP31, these agendas led to concrete developments. The period was marked by the development of tools and technical capabilities, the deepening of dialogue among financial institutions, regulators and other stakeholders and the search for solutions to align sustainability frameworks with their application in banking activities. Although at different development stages, these initiatives reflect the sector's growing efforts to transform frameworks, regulatory requirements and commitments into effective practices.

The progress already made does not eliminate the challenges identified at COP30, but it lays new groundwork for addressing them. In this context, the following chapters present the main initiatives developed during this period, showing how the Brazilian banking sector has been laying the foundations to contribute to the low-carbon economy transition.


Antalya
-Türkiye
Belém - PA

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Sustainable Finance

Sustainable Finance

Between COP30 and COP31, Brazil has made strides in consolidating its sustainable finance agenda. In the Sustainable Banking and Finance Network's (SBFN) Global Progress Report 2025, the country was recognized as one of ten out of 72 assessed emerging markets and developing economies to have reached the maturity stage in sustainable finance and one of three in Latin America. This result underscores the importance of continuing to mobilize the sector to expand its participation in financing the new economy.

Over the past year, Febraban has sought to help transform guidelines and commitments into hands-on tools for the sector. The advances presented in this chapter include the development and application of sustainable taxonomies, preparation for the implementation of the regulated carbon market and improvements to financed emissions measurements through training initiatives, knowledge generation and institutional coordination.

ESG Debt in Brazil 2015-2025[1]

R$ 498.3 billion raised during the period

576 transactions executed

Annual volume grew **52-fold** during the period

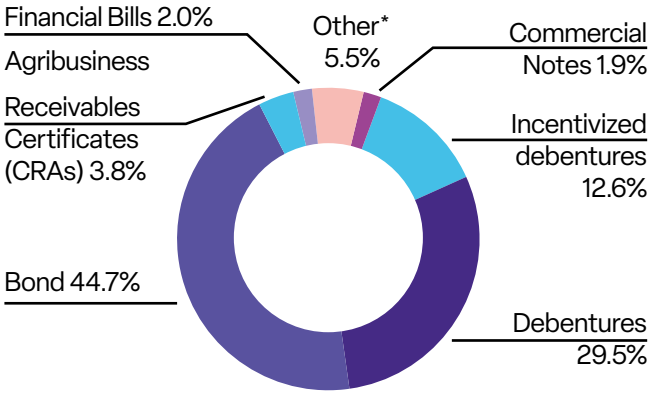
1 Database - ESG Debt in Brazil.

ESG DEBT IN BRAZIL - ANNUAL VOLUME TRENDS

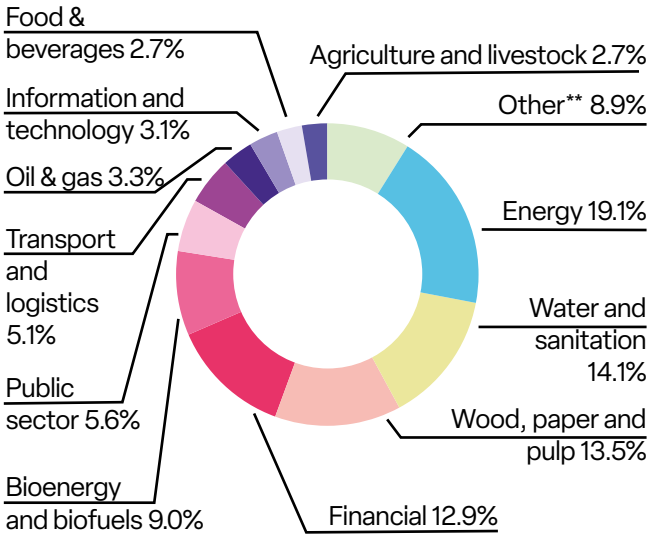
2015 **R$ 1.7 billion**

2025 **R$ 87.7 billion**

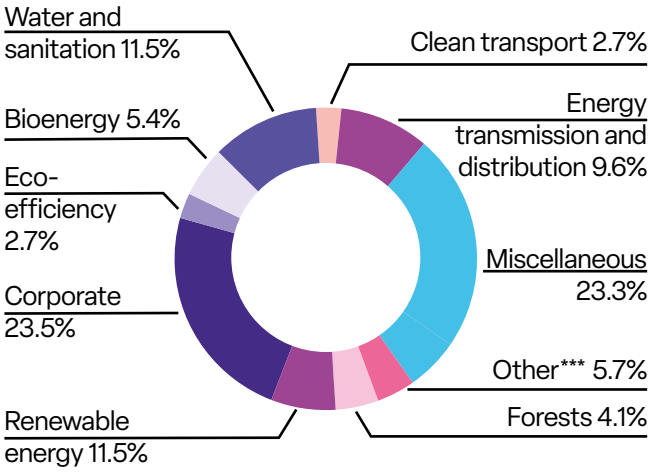
ESG DEBT PER FINANCIAL INSTRUMENT



ESG DEBT PER ISSUING/ BORROWING SECTOR



ESG DEBT PER RESOURCE USE



* Export Credit Notes; Credit Rights Investment Funds; Real Estate Receivables Certificates; not disclosed.
** Environmental services; steel, metallurgy and mining; diversified materials; construction and engineering; machinery and equipment; healthcare; education.
*** Agriculture and livestock; pulp and paper; affordable housing; inclusive finance; green buildings.

From Green Taxonomy to Sustainable Taxonomies

For over a decade, Febraban has developed and refined methodologies to identify financial flows associated with sustainability in the Brazilian banking sector. One of the key milestones in this journey was **Febraban's Green Taxonomy**, which was created in 2015 and revised in 2020 to incorporate data from the Central Bank of Brazil's Credit Information System (SCR), covering 100% of the credit extended to companies in the country. The tool enabled banks to identify funds allocated to the green economy and to measure exposures to climate change and environmental risks.

The development of the Brazilian Sustainable Taxonomy (TSB) began in 2023 and broadened this perspective, aiming to establish a nationwide framework for identifying sustainable economic activities, projects and assets, in order to mobilize public and private resources for initiatives with positive social and environmental and climate impacts. In recognizing the tool's importance, Brazil's banking sector participated in the public consultation — which was concluded in 2025 — and presented recommendations to support its application by financial institutions and promote its integration with existing regulations.

Among the challenges identified by the sector are compliance costs, the availability of standardized data, regulatory overlap, and the application of measurement, reporting and verification (MRV) requirements.

In 2026, progress was made in implementing the TSB. Formally established by Decree No. 12,705/2025 as an instrument of the Ecological Transformation Plan, the taxonomy entered a testing phase in 2026, with the participation of eight financial institutions and four asset managers. This phase aims to assess the applicability of the criteria, refine reporting tools and processes and identify operational challenges, thereby generating recommendations to adapt the regulations and for the next stages of implementation, in particular the pilot phase scheduled for 2027.

Febraban has thus maintained an active role in the Brazilian Sustainable Taxonomy Advisory Committee, which brings together representatives from Brazil's financial sector, the real economy, labor unions, civil society, nonprofit organizations and academia. The Committee contributes to the refinement of the TSB's criteria and guidelines and submits assessments and recommendations to the Interinstitutional Committee on the Brazilian Sustainable Taxonomy (CITSB), which is responsible for its coordination and decision-making. In this context, Febraban provides technical input from the financial sector's perspective and encourages member banks to participate in discussions regarding the implementation of the instrument.

In the meantime, Febraban continued to refine its

own methodology. In July 2026, it launched the **Febraban Sustainable Finance Taxonomy**, which updates and expands the scope of the former Green Taxonomy. The new version establishes a common basis to classify transactions, promote comparability among portfolios and incorporate sustainability criteria into financial institutions' activities. The methodology considers operational feasibility, taking into account data availability, implementation and compliance costs and the diversity of existing processes at banks, while also seeking greater interoperability with national and international frameworks, particularly the TSB.

Structured around three classification categories — **environmental, climate and/or social contributions of transactions, exposure to climate change and exposure to environmental risks** —the Febraban Sustainable Finance Taxonomy adopts the National Classification of Economic Activities (CNAE) as its primary reference and also includes a mapping of eligible federal and state public programs and subprograms that are eligible based on their environmental, climate and social contributions. This is a reference tool that does not replace other taxonomies, does not establish regulatory obligations, nor does it serve as a certification mechanism .

To support its implementation, in July 2026 Febraban published the Explanatory Guide to the Febraban Sustainable Finance Taxonomy, which details the classification criteria and methods and provides guidance for financial institutions, including best practices related to sustainable financial products, social factors and safeguards. It also released the report Application of Febraban's Sustainable Finance Taxonomy to Bank Credit in Brazil, which uses the methodology to analyze data from the Credit Information System (SCR) regarding the corporate credit portfolio from 2012 to 2025.

R$ 385 billion provided in credit for sectors with environmental, climate and/or social contributions in 2025

16.4% of the corporate credit portfolio analyzed from the perspective of Febraban's Sustainable Finance Taxonomy

Sharing Experiences

The agenda gained international prominence with Febraban's participation in the Sustainable Finance Taxonomy Roundtable during the London Climate Action Week 2026, organized by the Sustainable Banking and Finance Network (SBFN), the World Bank and the Taxonomy Roadmap Initiative (TRI). In the session dedicated to experiences and lessons learned from emerging markets, Febraban, alongside the Central Bank of Brazil, presented Brazil's experience with sustainable taxonomies, addressing the evolution of its methodology and the process of implementing the TSB.

The discussions highlighted obstacles to the use of taxonomies, such as data availability, implementation costs and capacity building, as well as the importance of interoperability to enhance comparability, reduce operational barriers and facilitate the mobilization of new investments.

The Brazilian Sustainable Taxonomy (TSB) represents a significant opportunity to establish a common language on sustainability in the Brazilian market, enhance transparency and comparability, and support the mobilization of resources aligned with the country's environmental and social objectives. In this context, Febraban has actively contributed to the development and refinement of the TSB by fostering dialogue and helping ensure that the financial sector's perspectives and experience are taken into account throughout the process. This collaborative effort is essential to reconciling the Taxonomy's ambition and integrity with its practical applicability and alignment with the specific characteristics of the Brazilian market, thereby strengthening its role as a tool for advancing sustainable finance in the country.

Carbon Market

The creation of the Brazilian Emissions Trading System (SBCE) through Law No. 15,042/2024 was one of the milestones in structuring Brazil's regulated carbon market. At COP30, the system was still in the process of being regulated and implemented. In keeping pace with developments in the legislation, Febraban began assessing the specific needs of financial institutions and started representing the financial sector in the newly created Extraordinary Secretariat for the Carbon Market (SEMC) and in the Permanent Technical Advisory Committee (CTCP), alongside the Brazilian Capital Markets Association (Anbima) and the National Confederation of Insurers (CNseg).

Within CTCP, Febraban participates in the Thematic Technical Groups on MRV, Methodology and Finance, contributing to the assessment of the economic, financial and operational impacts of the SBCE rules and supporting the design of governance mechanisms, methodologies and analyses regarding the coordination of climate policy, including risk management, transition financing and financial stability.

The goal is to support the development of a robust SBCE that provides legal certainty and is capable of contributing to the decarbonization of the Brazilian economy and to the fulfillment of the climate targets Brazil has committed to under the United Nations Framework Convention on Climate Change (UNFCCC). This work is undertaken by alignment with international methodologies and experiences, as well as with the needs and specificities of the Brazilian context.

Another challenge is collaboration with other sectoral organizations to conduct training programs aimed at equipping financial market professionals with the necessary skills. To this end, Febraban and Anbima jointly held the **Executive Training Series on the Carbon Market for the Financial Sector** between August and November 2026. The training comprised five online workshops focused on expanding participants' technical knowledge of the functioning, challenges and opportunities of the regulated carbon market.

Throughout the program, topics such as market architecture, credit integrity, climate governance, legal structuring, financing criteria and the interface with agribusiness were addressed, in addition to the role of financial institutions in structuring and intermediating environmental assets, managing climate and regulatory risks and financing the transition .

Discussions on decarbonization and the carbon market were also part of the climate agenda at **Febraban Tech 2026**, with a focus on issues related to the credibility and scale of this market (learn more on page 30).

These initiatives enhance the Brazilian financial sector's institutional and technical readiness for the implementation of the SBCE. While the system's regulation and operationalization are still under development, participation in this process helps align the rules currently being drafted with the conditions necessary for banks to operate in the future regulated market.

Financed Emissions

Measuring financed emissions increases transparency and understanding of greenhouse gas emissions associated with credit and investment portfolios. This topic has been on the banking sector's agenda since 2018, when Febraban published the guide Carbon Management and Pricing: Risks and Opportunities for Financial Institutions, developed in partnership with the Center for Sustainability Studies at Getulio Vargas Foundation (FGVces).

To support the adoption of tools for identifying portfolios' exposure to carbon-intensive activities and to facilitate climate risk management and decarbonization strategies, in 2020 Febraban released the Guide on Measuring Greenhouse Gas Emissions in the Banking Sector based on the methodology developed by the Partnership for Carbon Accounting Financials (PCAF).

The assessment presented at that time highlighted the need to advance data standardization and the comparability of results, as well as to expand the conditions for banks of different sizes to measure and disclose their financed emissions.

In this context, between COP30 and COP31, Febraban has moved forward with the development of the **National Financed Emissions Database for the Brazilian Banking Sector**, which compiles GHG emissions data disclosed by Brazilian companies, financial information and national sector-specific emission factors. The database automates the application of the calculation options set forth in the PCAF methodology, while prioritizing the best available information for each asset in the portfolio. The data undergoes quality verification processes and is updated annually.

By adopting the PCAF Input-Output Matrix, which uses data from the Brazilian Institute of Geography and Statistics (IBGE), the National Emissions Inventory of the Brazilian Ministry of Science, Technology and Innovation (MCTI) and the National Classification of Economic Activities (CNAE), this national database serves as a methodological framework comparable to international standards yet structurally aligned with the Brazilian economy.

To assess the effects of adopting national and international methodologies on calculation results, Febraban conducted the 2026 study Emission Factors for Financed Emissions in Brazil, which compared results obtained using the national database and EXIOBASE, the global macroeconomic database adopted by PCAF. The study revealed that a single portfolio can show differences of more than 50% in calculated financed emissions, depending on the emission factor database used.

This variation stems from characteristics of the Brazilian economy, such as the electricity mix, the freight transport profile and the production structure, as well as the significance of emissions associated with land use change and forests. The development of national factors thus aims to make estimates more aligned with the Brazilian reality and to support

decisions related to climate risk management, credit granting and decarbonization strategies.

In 2026, Febraban also launched the **Financed Emissions Calculation Tool** to help banks measure emissions from their credit portfolios. The solution uses the national database and calculation assumptions agreed upon by the sector, allowing each institution to perform its own measurements directly through the tool or integrate the data into its internal systems securely and confidentially. Together, both initiatives expand the availability and standardization of the data used in the calculations, contributing to more consistent and comparable estimates.

To broaden the dialogue on these advances and their implications for Brazil's banking sector, Febraban held the **Banking Sector Financed Emissions Forum** in São Paulo in May 2026. The event brought together representatives from the government, the financial sector, the real economy and industry experts. In addition to marking the launch of the study on Emission Factors, the forum enabled the exchange of experiences regarding practical challenges of measuring financed emissions, addressing the lessons learned by banks and the relationship between these initiatives and regulatory requirements for climate-related disclosures.

Knowledge and Tools in a Single Platform

Launched in 2026 on Febraban institutional website, the Febraban Sustainability and Climate Hub brings together content, studies and references designed to support the banking sector in incorporating social, environmental and climate agendas into its strategies and operations. The hub centralizes materials on sustainable finance taxonomy, financed emissions, social, environmental and climate risk management, sustainable finance, regulatory agenda and self-regulation, as well as initiatives undertaken by Febraban's Working Groups and sectoral development groups.

View the Febraban Sustainability and Climate Hub.

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Social, Environmental and Climate Risk Management

Social, Environmental and Climate Risk Management

The integration of social, environmental and climate risks into the management of financial institutions has progressed through regulatory improvements, development of methodologies and tools and dissemination of best practices.

Between COP30 and COP31, this agenda has seen new developments, notably the evolution of sustainability disclosure requirements, the strengthening of banking self-regulation and initiatives aimed at combating deforestation, conserving biodiversity and ensuring the traceability of supply chains.

Regulation and Reporting on Sustainability and Social, Environmental and Climate Risks

The Brazilian financial system has a set of standards aimed at managing social, environmental and climate risks. This framework includes, in particular, requirements for integrated risk management and the adoption of Social, Environmental and Climate Responsibility Policies (PRSAC), which mandate the integration of these factors into financial institutions' governance, business strategies and credit decisions.

One of the key challenges disclosed at COP30 was the advancement of transparency requirements related to sustainability and climate. In Brazil, CMN Resolution No. 5,185, issued in late 2024, now requires larger financial institutions to prepare and disclose, along with their financial statements, a report on sustainability-related financial information, in accordance with IFRS S1 and S2, which is issued by the International Sustainability Standards Board (ISSB) and approved by the Brazilian Committee on Sustainability Pronouncements (CBPS).

Over the past year, Febraban has coordinated industry efforts to support the interpretation and application of the new standards. To this end, the Working Group dedicated to this topic developed the IFRS S1 and IFRS S2 Implementation Guide for Brazilian Financial Institutions. Published in July 2026, the guide is aimed at institutions at different maturity stages and offers hands-on guidance on structuring the processes, responsibilities,

data and controls necessary for adopting the IFRS standards by integrating sustainability disclosures into risk management, strategy and financial statements. It also recommends drawing on existing frameworks, such as those related to data governance in the Social, Environmental and Climate Risks and Opportunities Report (GRSAC), a mandatory document required by the Central Bank of Brazil (BCB).

In the second half of 2026, BCB Resolution No. 586/2026 updated the requirements for the GRSAC, expanding qualitative data and incorporating standardized metrics and indicators regarding exposure to and management of these risks. Among the new requirements are disclosures regarding exposure to GHG-intensive sectors, physical risks associated with droughts and heavy rainfall and the disclosure of transition plans, where they exist. The requirements will take effect in January 2027 with phased implementation, depending on the institutions' segment.

Banks contributed to the improvement of the regulations through discussions coordinated by Febraban, with recommendations made through Public Consultation No. 127, which informed the new GRSAC regulations. Febraban continues to support financial institutions by addressing questions and maintaining an ongoing dialogue with the regulator.

AdaptaBrasil: Public Data to Improve Climate Risk Management

A key focal area for Febraban is coordinating with government agencies and other industry organizations to ensure the banking sector develops and applies climate data and scenarios from the AdaptaBrasil platform. Designed by the Brazilian Ministry of Science, Technology and Innovation and the National Institute for Space Research (INPE), the platform compiles data on climate change-related threats, exposure and vulnerabilities across Brazil.

Febraban maintains an ongoing dialogue with the Climate and Society Institute (iCS), the project facilitator, and INPE, which is responsible for the AdaptaBrasil platform, seeking to ensure that the data meets the needs of financial institutions in their risk and opportunity assessments, thereby enhancing the use of public data in decision-making. To this end, it has held a series of technical meetings and consultations with financial institutions and established a Monitoring Group,

composed of representatives from the financial sector and the AdaptaBrasil coordination team, to support the definition of the platform's technical specifications.

Among the areas for improvement under discussion are data interoperability and its integration with other systems and tools, as well as training initiatives and the development of a guide for adapting to climate risks.

To further this discussion, the Febraban Podcast addressed climate change and systemic risk, analyzing the impacts of the increasing frequency and intensity of extreme weather events on people, businesses and governments, as well as the challenges involved in maintaining the stability and resilience of the financial system. The podcast featured representatives from Banrisul, Banco do Brasil and the Central Bank of Brazil.

Listen to the Febraban Podcast here.

Self-Regulation, Deforestation, Biodiversity and Traceability

Febraban's Self-Regulation efforts play a major role in incorporating social, environmental and climate responsibility guidelines into the financial institutions' practices. Created in 2014 and updated in 2024, SARB Regulation No. 14 establishes guidelines and procedures to manage these risks, complementing the regulatory framework and promoting the voluntary adoption of best practices by the industry.

Professional training is also an integral part of these efforts, helping to ensure that the guidelines are incorporated into banks' processes and routines. In 2025, an educational track on the regulation was launched and in 2026, a course was introduced for employees of financial institutions that are signatories to the socio-environmental pillar of the self-regulation framework.The training aims to deepen understanding of the standard and support the implementation of the Social, Environmental and Climate Responsibility Policy (PRSAC).

Also in 2026, under SARB Regulation No. 14, Febraban began developing a sector-specific methodology to assess loss controls associated with social, environmental and climate issues, with the purpose of establishing a common framework for financial institutions to assess risks associated with these topics. This work will guide the refinement of the SARB Regulation with regard to the registering and controlling losses in light of regulatory requirements and market best practices.

Enhancing risk management tools underscores that the implementation of the social, environmental and climate risk agenda depends not only on regulatory developments but also on technical guidance, reliable data and coordination among financial institutions and other stakeholders.

Within the context of deforestation risk management, SARB Regulation No. 26/2023 set forth the requirements for **managing deforestation risk specifically within the beef supply chain** in the Legal Amazon region and Maranhão State, mandating traceability and monitoring mechanisms for the origin of cattle. The initiative underscored the importance of having quality data and tools to identify and monitor social and environmental risks associated with meat-packing plants and slaughterhouses.

In addition, a study titled Deforestation Risk Management and Financing Opportunities for Deforestation- and Conversion-Free Supply Chains was developed in partnership with the United Nations Environment Programme Finance Initiative (UNEP-FI). The report provides guidelines for identifying and mitigating these risks, addressing monitoring of supply chains, the use of environmental data and financing opportunities aimed at the conservation and restoration of native vegetation.

In March 2026, Febraban joined the Sustainable Beef Working Group—Supply Chain, which was established by the Brazilian Ministry of Agriculture and Livestock (MAPA) and is composed of representatives from government agencies and the supply chain. Within this group, Febraban's contribution has focused on aligning the agendas for traceability, social and environmental monitoring and financing, with an emphasis on the availability and consistency of data for credit analysis.

Also, as part of this agenda, in October 2026, Febraban launched a partnership with the Brazilian Association of Meat Exporting Industries (ABIEC) to discuss the publication of a **best practices guide for the banking sector, production sector and beef supply chain.** The goal is to encourage improvements in traceability processes by mapping initiatives for managing and mitigating deforestation risk and applicable due diligence practices, as well as tools, programs and protocols for managing data among beef producers, suppliers and banks, thereby aligning the perspectives of financial institutions and the productive sector.

Another focus was supporting compliance with CMN Resolution No. 5,303/2026, which amended the Rural Credit Manual to require verification of the removal of native vegetation on financed properties based on official data provided by the Brazilian Ministry of the Environment and Climate Change (MMA). Implementation will be phased in between 2027 and 2028.

To support financial institutions in this effort, **four training sessions were held in partnership with MapBiomas**, a collaborative network that produces annual maps of land use and land cover in Brazil using open and free data. With 680 participants from the fields of Sustainability/ESG, Social, Environmental and Climate Risk, Rural Credit and Sustainable Finance, the sessions were held in April 2026 and addressed the use of data and alerts from MapBiomas Alerta in the social and environmental

assessment of operations and in monitoring deforestation.

The biodiversity agenda also gained new benchmarks with the National Strategy and Action Plan for Biodiversity (EPANB 2025–2030), which sets targets related to reducing deforestation and the conversion of native vegetation, promoting sustainable productive activities and expanding financing for the conservation and sustainable use of biodiversity.

In this regard, Febraban partnered with UNEP-FI to disseminate the recommendations of the **Taskforce on Nature-Related Financial Disclosures (TNFD)** and prepare financial institutions to identify, assess and manage nature-related risks and opportunities. Between January and June 2026, eight sessions of the **Nature Report Preparer Forum** were held, covering the fundamentals of the TNFD, the application of the LEAP methodology[2] and the development of indicators and metrics. The program also explored nature-related financing opportunities, including thematic bonds, blended finance, catalytic capital and hands-on experiences in financing sustainable agriculture and biodiversity conservation.

2 The LEAP methodology, proposed by the TNFD, comprises four steps: Locate (identify the organization's interfaces with nature); Evaluate (assess its dependencies and impacts); Assess (analyze relevant risks and opportunities); and Prepare (prepare the data to be disclosed).

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Financing the Transition to a Low-Carbon Economy



Financing the Transition to a Low-Carbon Economy

At COP30, Brazil presented its new Nationally Determined Contribution (NDC), with the goal of reducing net greenhouse gas emissions by 59%–67% by 2035, compared to 2005 and achieving climate neutrality by 2050. Meeting these commitments requires capital mobilization on a scale commensurate with the necessary transformations in the real economy.

In this context, instruments that can combine different sources of capital, reduce risks and enable investments aligned with the transition — as well as financing opportunities linked to bioeconomy and the sustainable use of natural resources — take on greater importance.

Eco Invest: Capital Mobilization and Instruments for Transition

The Eco Invest Brasil Program, launched in 2024 to mobilize investments for ecological transformation, has made significant progress between COP30 and COP31.

The first transaction of the second auction took place in January 2026, with an actual disbursement of R$ 100 million for the productive restoration of degraded areas. That same month, the third auction, dedicated to equity investments, reached R$ 52.8 billion in potential investments. In May, the fourth auction saw R$ 13.2 billion in projected investments for bioeconomy, sustainable tourism and infrastructure, of which approximately R$ 9 billion was earmarked for the Legal Amazon region.

In October, the fifth auction reached R$ 49.95 billion in approved investment potential, directed toward supply chains linked to technological innovation and ecological transformation.

To support the participation of financial institutions in these mechanisms, in April 2026 Febraban hosted the **Technical Training on the Second Eco Invest Brasil Auction**, organized by the Brazilian Ministry of Agriculture and Livestock (MAPA), the Brazilian Agricultural Research Corporation (Embrapa) and the Financial Innovation for the Amazon, Cerrado and Chaco (IFACC), an initiative of UNEP-FI. The program aimed to level the technical knowledge of financial sector professionals regarding eligibility

criteria, measurement, reporting and verification (MRV) requirements and the auction's operational procedures, thereby contributing to the program's implementation.

In addition to technical preparation, Febraban facilitated discussions on ways to expand financing for the transition. At Febraban Tech 2026, the panel on **Transition Financing: How Capital Is Shaping the Green Economy** discussed how to reconcile decarbonization with economic competitiveness, taking into account the financing needs for renewable energy, infrastructure, green hydrogen, energy efficiency and low-carbon industrial solutions. The discussion addressed the combination of different sources and instruments, such as bank credit, Credit Rights Investment Funds (FIDCs), green debentures, multilateral funds and private equity, besides the challenges of balancing risks, costs and returns in a scenario of technological and regulatory uncertainty.



Watch the full panel discussion.

Another highlight of the period was the debate on **Forest Restoration and Green Investments**, which explored the economic opportunities associated with restoration driven by demand for climate solutions, the advancement of carbon markets and the expansion of financial instruments aimed at environmental conservation. The discussion also addressed the challenges of structuring and financing projects capable of reconciling environmental restoration, economic development and the fight against climate change.



Watch the debate here.

On the international arena, Febraban expanded its dialogue with other segments of the financial market by organizing—in partnership with the UNEP-FI and other financial sector entities—the event **Leadership Dialogues from COP30 to COP31: Expanding the Role of Finance and Insurance for Global Impact**, which was part of UNEP-FI's Global Roundtable 2026 program during the London Climate Action Week 2026, held in June.

The meeting brought together representatives from the banking, capital markets and insurance sectors to discuss mechanisms for mobilizing private capital, reducing risks and expanding climate financing. One of the highlights was the panel on Eco Invest Brasil, moderated by Febraban, which presented instruments such as catalytic public capital, currency hedging and structured credit to attract investments in bioeconomy and environmental restoration.

Sector-wide collaboration continued in Brazil with the **Second Sustainable Finance Forum**, organized by Febraban, Anbima and CNseg in August 2026, during the São Paulo Climate Week. In its second edition, the event brought together approximately 250 participants to discuss the challenges of transforming climate commitments

into concrete investments. The forum addressed the role of regulation, business opportunities associated with the transition and hands-on financing experiences, with the participation of representatives from the Brazilian financial sector, academia, real economy and government. The event also marked the launch of the 2026 **Blended Finance Series—De-risking Brazil: Instruments for Financing the Transition.**

Organized in partnership between Febraban, Anbima, CNseg and UNEP-FI over four online sessions between August and October 2026, the series deepened the discussion on combining different sources of capital and using risk-reduction (de-risking) mechanisms capable of making transition projects viable. The program addressed the challenges of transforming climate opportunities into bankable projects, including the high cost of capital, the need for collateral, financial structuring and the distribution of risks among the stakeholders involved. The discussions also highlighted the importance of concessional capital, technical assistance and monitoring and verification mechanisms, drawing on hands-on experiences related to sustainable agriculture, environmental restoration and climate adaptation.

These initiatives underscore the importance of combining financial instruments, technical training and coordination among different stakeholders to expand investments in the low-carbon economy. Although mechanisms for mobilizing capital are advancing, challenges remain regarding structuring of bankable projects, the reduction of risks for investors and the transformation of investment potential into funds effectively deployed in the real economy.

Bioeconomy and Financing of New Economic Activities

Bioeconomy represents a milestone for developing new economic activities associated with the transition to a low-carbon economy as it combines opportunities for value creation with the sustainable use and conservation of natural resources. Financing these activities was part of the debate at COP30 on the need to develop business models, technological solutions and financial instruments capable of enabling investments in bioeconomy.

Since then, Brazil's bioeconomy agenda has advanced with the publication in April 2026 of the National Bioeconomy Development Plan (PNDBio), the primary instrument for implementing a nationwide bioeconomy strategy. Developed with the participation of representatives from government, the private sector, academia and civil society, the Plan establishes eight missions, 21 goals and 185 strategic actions, organized into three pillars: socio-bioeconomy and environmental assets, competitive bioindustrialization and sustainable biomass production. Its guidelines range from boosting community-based businesses and valuing biodiversity to developing industrial value chains based on renewable raw materials, incorporating financing instruments, social and environmental safeguards and monitoring mechanisms.

The consolidation of this agenda will depend on the ability to transform the PNDBio's guidelines into economically viable initiatives, with financing models tailored to the characteristics of the various supply chains. In this process, coordination among public policies, financial institutions and actors in the real economy will be crucial for expanding access to funds and supporting the sustainable development of the bioeconomy.

As a representative of the financial sector on the National Bioeconomy Commission (CNBio), Febraban brought to the PNDBio drafting process the discussion on the need to create the conditions and mechanisms to finance large-scale projects. Its participation in this body also fosters dialogue with those responsible for formulating and implementing public bioeconomy policies.

To further engage the sector in this topic, a panel discussion at Febraban Tech 2026 titled **Bioeconomy and Biotechnology: The New Industrial Paradigm that Redefines Risk, Financing and Innovation** addressed the opportunities and challenges associated with developing production chains based on biological resources and incorporating new technologies, considering their implications for risk assessment, innovation and the financing of new business models.

Watch the full panel discussion here.

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Key Milestones Achieved by the Financial Sector on the Social, Environmental and Climate Agenda

Key Milestones Achieved by the Financial Sector on the Social, Environmental and Climate Agenda from COP30 to COP31

COP30
Nov 2025

Jan 2026
- **First Sustainable Finance Forum** in partnership with Anbima and CNseg
- Launch of the report **Brazilian Banks' Commitment** to Sustainable Finance and Climate Action
- Febraban's participation in discussions on climate finance and the sustainable transition

Feb 2026
- Start of the **Nature Reporting Preparation Journey i**n partnership with UNEP-FI

Mar 2026
- Start of the **testing phase for the Brazilian Sustainable Taxonomy**

Apr 2026
- Start of Febraban's participation in the Brazilian Ministry of **Agriculture's Sustainable Beef Working Group — Supply Chain**

May 2026
- **Training program jointly with MapBiomas** on Deforestation Monitoring and Social and Environmental Risk Management
- **Capacity-building session for the Second Eco Invest Brasil Auction** on the restoration of degraded areas, in partnership with the National Treasury, MAPA, Embrapa and IFACC

Jun 2026
- **First Banking Sector Financed Emissions Forum**
- Publication of the study on **Emission Factors for Financed Emissions in Brazil (2026)**
- **CMN Resolution No. 5,303/2026** sets forth new requirements for verifying the removal of native vegetation in rural credit

Jul 2026
- **Nature Reporting Preparation Forum** organized by Febraban in partnership with UNEP-FI
- Febraban's participation in **UNEP-FI's Global Roundtable 2026**
- Febraban's participation in the **London Climate Action Week**
- Launch of the Febraban Sustainability and Climate Hub

Aug 2026
- Launch of **Febraban's Sustainable Finance Taxonomy**, with an update to the classification criteria for credit transactions under the Green Taxonomy
- Publication of the **Explanatory Guide to Febraban's Sustainable Finance Taxonomy**
- Publication of the **IFRS S1 and IFRS S2 Implementation Guide** for Brazilian Financial Institutions

Sep 2026
- **Second Sustainable Finance Forum** in partnership with Anbima and CNseg
- Febraban's participation in **São Paulo Climate Week**
- First workshop on **Enhancing the AdaptaBrasil Platform**, in partnership with iCS and INPE
- Start of the **Executive Training Program on the Carbon Market** jointly organized with Anbima
- Start of the 2026 **Blended Finance Journey** — De-risking Brazil: Instruments for Financing the Transition, organized with ABDE, Anbima, CNseg and UNEP-FI

Nov 2026
- **Third Sustainable Finance Forum** in partnership with Anbima and CNseg
- Launch of the report **From Ambition to Implementation: Advances in the Brazilian Financial Sector's Journey**
- **BCB Resolution No. 586/2026** updates the requirements of the GRSAC Report

COP31
Nov 2026

Key Milestones Achieved by the Financial Sector on the Social, Environmental and Climate Agenda

1995

- Green Protocol signed by public financial institutions and the Brazilian Ministry of the Environment

2003

- Equator Principles launched by the International Finance Corporation (IFC)
- Launch of the Ethos-Febraban Sector Indicators for Corporate Social Responsibility

2007

- Start of Febraban's *Café com Sustentabilidade* (Coffee with Sustainability) meetings

2008

- Private financial institutions join the Green Protocol
- Creation of the Brazilian Banking Self-Regulation System (SARB)
- Febraban Program for Promoting Diversity in the Banking Sector
- First Diversity Census is released
- CMN Resolution No. 3,545 sets forth the first social and environmental requirements for granting rural credit

2010

- Febraban launches the *Meu Bolso* em Dia financial education web portal
- Febraban joins the National Committee for Financial Education (ENEF)

2011

- Creation of the Green Protocol Indicator Matrix (Febraban/FGVces)

2014

- Launch of SARB No. 14, which establishes guidelines and procedures for managing social, environmental and climate risks in financial institutions
- CMN Resolution No. 4,327 on Social and Environmental Responsibility Policies

2015

- Febraban first attends the United Nations Conference of the Parties (COP21) in Paris
- Febraban publishes the study on Measuring Credit Flows to the Green Economy
- Technical and Financial Cooperation Agreement for the Implementation of the Rural Environmental Registry (Febraban, government agencies and civil society organizations)
- Creation of the Banking Self-Regulation Seal
- Launch of the Practical Guide for the Development and Implementation of a Social and Environmental Responsibility Policy (PRSA)
- Febraban publishes the study on The National Financial System and the Green Economy: Measuring Funds Allocated to the Green Economy

2016

- Febraban launches the Guide for Issuing Green Bonds in Brazil
- Febraban publishes the study on Sustainable Buildings and Energy Efficiency
- Febraban publishes the study on Financing Forest Restoration
- Febraban publishes the study on Risks and Opportunities Associated with Natural Capital for the Financial Sector

2017

- Febraban becomes a UNEP-FI Supporting Institution
- Febraban joins the SBFN (Sustainable Banking and Finance Network)
- FELABAN and IFC Green Finance Award (Green Banking Association Category)
- Febraban publishes the study on Deforestation Risk Management
- Febraban publishes the study on Carbon Management and Pricing: Risks and Opportunities for Financial Institutions

2018

- Febraban joins the Task Force on Climate-related Financial Disclosures (TCFD) as a Supporting Institution
- First cohort of Somamos – Inclusion Network for Diversity
- Febraban joins IDB's Financial Innovation Lab (LAB)
- Febraban launches the TCFD/Financial Stability Board (FSB) Roadmap
- Febraban publishes the study on Financing Photovoltaic Solar Energy in Distributed Generation
- Febraban publishes the study on Financial Institutions and Deforestation Risk Management

2019

- Febraban joins the UNEP-FI Principles for Responsible Banking (PRB) as a Supporting Institution
- Febraban jointly organizes the UNEP-FI Regional Roundtable for Latin America and the Caribbean in Brazil
- Febraban launches the Multisectoral Climate Risk Sensitivity Framework

2020

- Review of Febraban's Green Taxonomy using data from the Credit Information System (SCR)
- Publication of Febraban's Sustainability Policy
- Febraban launches the Guide on Measuring GHG Emissions in the Banking Sector
- Training program on the Good Growth Partnership initiative in Brazil in partnership with Febraban, UNEP-FI, Brazilian Association of Banks (ABBC) and Brazilian Development Association (ABDE)

2021

- Launch of the Central Bank of Brazil's BC#Sustainability Agenda to integrate social, environmental and climate criteria into the operations and regulation of the
- Brazilian Financial System
- Febraban signs the Pact for the Promotion of Racial Equity
- Febraban Award for Banking Economics (ESG Category)

2022

- Febraban launches the Brazilian Financial Health Index (I-SFB)
- Febraban joins FELABAN's Latin American Committee on Sustainable and Inclusive Banking
- Febraban launches the open training sessions on Sustainability in the Financial Sector: Actions, Impacts and Opportunities

2023

- Febraban becomes an Observer Organization of the UNFCCC
- Launch of SARB No. 26 for managing the risk of illegal deforestation in the beef supply chain in the Legal Amazon region and Maranhão State
- Launch of SARB No. 26 Educational Track
- Febraban joins the National Commission for REDD+ (CONAREDD+)
- Febraban launches the Guide to Best Practices for Engaging with Vulnerable Customers
- Febraban launches the Sustainable Debt Guide
- Febraban develops a tool correlating TCFD recommendations with other disclosure frameworks
- Febraban launches the Climate Risk Sensitivity Framework for the Agricultural Portfolio
- Febraban joins the Advisory Board of the Brazilian Initiative for the Voluntary Carbon Market
- Febraban joins the CNF Carbon Market Technical Forum
- Febraban publishes the Carbon Market White Paper

2024

- Febraban joins the Brazilian Sustainable Taxonomy Advisory Committee
- Febraban joins the GFANZ Brazil Advisory Board
- Febraban joins the Climate Hub Brazil Council
- Febraban joins the Global Compact Working Group on Human Rights and Financial Markets

2025

- Launch of SARB No. 14 Educational Track
- Launch of the Educational Track on Financed Emissions
- Sustainable Finance Training Program, with IFC
- Febraban joins the Federal Government's Bioeconomy Commission
- Febraban jointly organizes the UNEP-FI Regional Roundtable for Latin America and the Caribbean in Brazil
- COP30 Journey jointly with Anbima and CNseg (thematic workshops)
- Training Program for Banking Sector Leaders, with PRB Academy and UNEP-FI
- Launch of the study on National Regulations and Public Policies, Global Trends and Financial Mechanisms in partnership with the Climate Finance Hub
- Creation of the Extraordinary Carbon Market Secretariat and the Permanent Technical Advisory Committee (CTCP)
- Decree No. 12,705/2025 establishes the Brazilian Sustainable Taxonomy
- Launch of the Managing Deforestation Risks and Conversion-Free Supply Chains Roadmap

2026

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Challenges and Next Steps



Challenges and Next Steps

The Brazilian banking sector has made significant strides in consolidating tools, methodologies and technical capabilities aimed at incorporating sustainability into its strategies and operations. The challenge now is to transform these advances into effective practices that are integrated into risk management, business decisions and the financing of the real economy.

Along this path, Febraban has helped strengthen coordination among financial institutions, regulators, government agencies and international organizations, promoting training, sharing experiences and the development of common benchmarks for the sector.

One of the main challenges for implementation is the **availability of reliable, comparable and accessible data**. On the transparency agenda, the preparation for the IFRS S1 and S2 standards — which are underpinned by technical guidelines developed by Febraban — requires reinforcing the internal capabilities of financial institutions, access to data on customers and supply chains and preparation for assurance requirements. This effort, therefore, also involves financed companies — especially small and medium-sized enterprises — which face difficulties in producing and sharing sustainability data.

In managing climate and nature-related risks, **improving public information** is equally important. This involves enhancing the integration of data on deforestation, land use and supply chain traceability, as well as reinforcing the use of tools such as AdaptaBrasil in the assessment of physical risks. It will also be necessary to advance the development of methodologies for assessing risks and impacts on biodiversity and to expand financial solutions aimed at conservation and environmental restoration.

Another challenge is ensuring that **sustainable finance frameworks are effectively incorporated into financial transactions**. The review of the Green Taxonomy — which gave rise to Febraban's Sustainable Finance Taxonomy — and the development of the Brazilian Sustainable Taxonomy represent major milestones, but their application requires clear criteria, adequate data and integration into financial institutions' credit, investment and reporting processes.

In like manner, the regulation and implementation of the Brazilian Emissions Trading System (SBCE) will be critical to creating the conditions for a regulated carbon market to function through governance, infrastructure and environmental integrity.

Measuring financed emissions also requires continued efforts to **harmonize methodologies and improve the available data**. Enhancing common benchmarks and the national database of emission factors could increase the consistency and comparability of data, besides supporting monitoring of credit and investment portfolio transition.

Equally crucial will **be scaling up transition financing**. As well as mobilizing resources for the decarbonization of the economy, it will be necessary to develop financing mechanisms for climate adaptation, address the needs of sectors where emissions are difficult to reduce and create the conditions to ensure the economic viability of transition and bioeconomy projects.

The combination of different sources of capital, risk sharing and coordination among financial institutions, companies and government agencies will be key to overcoming the barriers to structuring these projects. In this process, the climate agenda is established not only as a risk management measure but also as an opportunity for economic development and new business ventures.

Continued cooperation among various stakeholders will be essential to ensure that the tools and knowledge developed translate into effective implementation. Progress on this agenda will depend on the ability to **connect data, methodologies and public policies to financial and production decision-making**, thereby expanding the banking sector's contribution to Brazil's climate and sustainable development goals.

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Credits



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