A number of entities in the Brazilian market have published ESG best practice guides. There is a trend toward strengthening governance structures and mechanisms for planning commitments to ESG. As the world becomes ever more aware of ESG issues, litigation concerning companies’ strategies and commitments, especially those regarding climate and diversity, equity and inclusion.

Dissemination of voting as a means to pressure boards of directors to implement ESG strategies and commitments, as well as progress in developing a number of guidelines and standards. Pressure for companies to make biodiversity-related disclosures, as well as restrictions on deforestation-related contracts as a way of encouraging companies to adopt sustainable and responsible corporate behavior, and the related EU directive (CSRD).

The proposal of new ESG regulations for listing practices to expressly cover ESG issues. Brazil’s Federal Supreme Court (STF) recognized the constitutional obligations to protect the climate.

ESG – Regulatory Overview

Guiding Documents

- Norms’ guide to integrating ESG into investment strategies.
- ABNT PR 2030 Sustainability Guide.
- GRI Standards.
- The Brazilian Association of Technical Standards (ABNT) creates value.
- The Brazilian Association of Technical Standards (ABNT) assists companies in taking a different view of the world, helping them to improve their practices for sustainability in order to encourage and support ESG integration.
- The proposal of new ESG regulations for listing practices to expressly cover ESG issues.

Regulatory Framework

- Resolution No. 175/2022 - Brazilian Securities Commission (CVM).
- Bill No. 1,817/2022 - Brazilian Securities Commission (CVM).
- Bill No. 572/2022 - Brazilian Diligence Act.
- Resolution A/75/L.75 - Brazilian Browns.
- Resolution A/75/L.80 - Brazilian Browns.
- Regulation Description

Trends for 2023

ESG Litigation

- The SEC is stepping up its efforts to tackle greenwashing, filing several administrative lawsuits against asset managers for dishonestly advertising fixed-income ESG bonds.
- The proposal of new ESG regulations for listing practices to expressly cover ESG issues.
- A proposed directive on due diligence for promoting sustainable and responsible corporate behavior, and the related EU directive (CSRD).
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