

ADOPTION OF ESG CRITERIA AND SOCIO-ENVIRONMENTAL RISKS IN ACCOUNTING: ANALYSIS OF BANCO BRADESCO'S COMPLIANCE WITH IFRS S1 STANDARDS

ADOÇÃO DE CRITÉRIOS ESG E RISCOS SOCIOAMBIENTAIS NA CONTABILIDADE: ANÁLISE DA CONFORMIDADE DO BANCO BRADESCO COM A NORMA IFRS S1

ADOPCIÓN DE CRITERIOS ESG Y RIESGOS SOCIOAMBIENTALES EN LA CONTABILIDAD: ANÁLISIS DE LA CONFORMIDAD DEL BANCO BRADESCO CON LA NORMA IFRS S1



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ABSTRACT

This study analyzes how Banco Bradesco integrates ESG (Environmental, Social and Governance) criteria into its accounting practices and sustainability reports, assessing its compliance with the transparency and comparability requirements of IFRS S1. In a context of growing demand for socio-environmental responsibility, the relevance of accounting practices aligned with international sustainability standards and their impacts on corporate governance and financial statements is highlighted. Considering the aspects mentioned above, as well as the disclosure of financial impacts and cash flow proposed by IFRS S1, the following question arises: How does Banco Bradesco incorporate ESG criteria into its accounting practices and sustainability reports, and to what extent do these practices meet the disclosure requirements established by IFRS S1? The research adopts a qualitative approach, using documentary analysis of Bradesco's sustainability reports and a theoretical review of ESG, IFRS S1, and governance practices in the financial sector. The results indicate that, although the bank presents initiatives aligned with ESG principles, there are still gaps in the integration of this information into financial statements. The absence of consistent quantitative metrics and the lack of standardization in the reports compromise the transparency and comparability of the information. It is concluded that, in order to fully comply with IFRS S1, Bradesco must improve its disclosure processes by integrating ESG data into financial statements in a structured and measurable manner. The implementation of auditing systems to validate ESG information is recommended in order to increase data reliability and stakeholder confidence. The study contributes to the advancement of discussions on ESG practices in the financial sector and reinforces the importance of compliance with international standards for institutional credibility.

Keywords: ESG. IFRS S1. Sustainability. Transparency.

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RESUMO

Este estudo analisa como o Banco Bradesco S.A. integra os critérios ESG (Environmental, Social and Governance) em suas práticas contábeis e relatórios de sustentabilidade, avaliando sua conformidade com os requisitos de transparência e comparabilidade da IFRS S1. Em um contexto de crescente demanda por responsabilidade socioambiental, destaca-se a relevância de práticas contábeis alinhadas a padrões internacionais de sustentabilidade e seus impactos na governança corporativa e nas demonstrações financeiras e considerado os aspectos acima e de divulgação dos impactos financeiros e do fluxo de caixa proposta pela IFRS S1 nos leva à seguinte questão: Como o Banco Bradesco S.A. incorpora os critérios ESG em suas práticas contábeis e relatórios de sustentabilidade, e em que medida essas práticas atendem aos requisitos de divulgação estabelecidos pela norma IFRS S1? A pesquisa adota abordagem qualitativa, com análise documental dos relatórios de sustentabilidade do Bradesco e revisão teórica sobre ESG, IFRS S1 e práticas de governança no setor financeiro. Os resultados indicam que, embora o banco apresente iniciativas alinhadas aos princípios ESG, ainda existem lacunas na integração dessas informações às demonstrações financeiras. A ausência de métricas quantitativas consistentes e a falta de padronização nos relatórios comprometem a transparência e a comparabilidade das informações. Conclui-se que, para atender plenamente à IFRS S1, o Bradesco deve aprimorar seus processos de divulgação, integrando dados ESG de forma estruturada e mensurável às demonstrações financeiras. Recomenda-se a implementação de sistemas de auditoria para validação das informações ESG, a fim de aumentar a confiabilidade dos dados e a confiança dos stakeholders. O estudo contribui para o avanço das discussões sobre práticas ESG no setor financeiro e reforça a importância da conformidade com normas internacionais para a credibilidade institucional.

Palavras-chave: ESG. IFRS S1. Sustentabilidade. Transparência.

RESUMEN

Este estudio analiza cómo Banco Bradesco integra los criterios ESG (Environmental, Social and Governance) en sus prácticas contables e informes de sostenibilidad, evaluando su conformidad con los requisitos de transparencia y comparabilidad de la IFRS S1. En un contexto de creciente demanda de responsabilidad socioambiental, se destaca la relevancia de prácticas contables alineadas con estándares internacionales de sostenibilidad y sus impactos en la gobernanza corporativa y en los estados financieros. Considerando los aspectos mencionados anteriormente, así como la divulgación de los impactos financieros y del flujo de caja propuesta por la IFRS S1, surge la siguiente pregunta: ¿Cómo incorpora Banco Bradesco los criterios ESG en sus prácticas contables e informes de sostenibilidad, y en qué medida estas prácticas cumplen con los requisitos de divulgación establecidos por la norma IFRS S1? La investigación adopta un enfoque cualitativo, con análisis documental de los informes de sostenibilidad de Bradesco y revisión teórica sobre ESG, IFRS S1 y prácticas de gobernanza en el sector financiero. Los resultados indican que, aunque el banco presenta iniciativas alineadas con los principios ESG, aún existen brechas en la integración de esta información en los estados financieros. La ausencia de métricas cuantitativas consistentes y la falta de estandarización en los informes comprometen la transparencia y la comparabilidad de la información. Se concluye que, para cumplir plenamente con la IFRS S1, Bradesco debe mejorar sus procesos de divulgación, integrando datos ESG de manera estructurada y medible en los estados financieros. Se recomienda la implementación de sistemas de auditoría para validar la información ESG, con el fin de aumentar la confiabilidad de los datos y la confianza de los stakeholders. El estudio contribuye al avance de las discusiones sobre



prácticas ESG en el sector financiero y refuerza la importancia de la conformidad con normas internacionales para la credibilidad institucional.

Palabras clave: ESG. IFRS S1. Sostenibilidad. Transparencia.

1 INTRODUCTION

Contemporary socio-environmental and economic transformations have required companies to modernize their governance and accounting practices, aligning them with sustainability criteria, such as ESG (Environmental, Social and Governance) parameters. In this context, a change in organizational behavior is observed, in which market, institutional, and product strategies are now integrated into the corporate identity, promoting values related to social, environmental, and governance issues. This approach contributes to the construction of intangible value and to the strengthening of the relationship with stakeholders.

The incorporation of socio-environmental aspects into the search for financial results represents an evolution in the traditional view of business, as sustainable practices are now incorporated into the daily functioning of organizations. The ESG concept, in this sense, guides the adoption of corporate strategies aimed at generating positive impacts for society and the environment. In line with this movement, IFRS S1 arises with the purpose of standardizing and qualifying the disclosure of information related to sustainability, promoting greater transparency, comparability and usefulness for decision-making.

Faced with this demand, companies have started to disclose voluntary reports containing qualitative information on performance, risks, opportunities, and strategies, with the aim of strengthening transparency and risk management. However, the growing relevance of this information has highlighted the need for standardization and quantitative measurement, especially with regard to the assessment of environmental and social impacts.

In this scenario, compliance with the requirements of IFRS S1 becomes essential, especially for financial institutions, which need to ensure the quality, reliability and comparability of their financial statements at an international level. Thus, this study investigates how Banco Bradesco S.A. incorporates ESG criteria into its accounting practices and sustainability reports, as well as the degree of adherence of these practices to the disclosure requirements established by the standard.

Considering the above aspects and the disclosure of financial impacts and cash flow proposed by IFRS S1 leads us to the following question: How does Banco Bradesco S.A. incorporate ESG criteria into its accounting practices and sustainability reporting, and to what extent do these practices meet the disclosure requirements established by IFRS S1?

The research aims to: (i) identify the ESG criteria applied by Banco Bradesco; (ii) assess the compliance of its practices with the transparency, comparability and materiality requirements of IFRS S1; (iii) analyze gaps and challenges in the implementation of a disclosure system fully aligned with the standard; (iv) investigate the impacts of the integration between financial and

sustainable information; and (v) propose recommendations for the improvement of ESG disclosures.

As a methodology, the study adopts a qualitative approach, based on literature review and documentary analysis of Banco Bradesco's Integrated Report and ESG Report, considering as reference the information disclosed until December 31, 2023. In this way, it seeks to contribute to the advancement of discussions on the integration between sustainability and accounting in the financial sector, reinforcing the importance of compliance with international standards.

2 THEORETICAL BASIS

In the introduction to the concepts, it is necessary to highlight that, as civilization has developed, with the emergence of innovations and the advance of industrial capitalism to what we know today, it becomes possible to perceive the impact of climate adversities, social unrest and disruptions in supply chains, demonstrating that environmental risks bring social and economic consequences almost inevitably.

Penna and Castro (2010) contextualize the 1950s as a period in which companies began to incorporate ethical measures in a more evident way, reflecting the recognition of the need to build companies that are not only economically viable, but also environmentally and socially responsible.

On the other hand, Tinoco and Kraemer (2004) point out that it was necessary to understand the impact of environmental degradation, which forced companies to incorporate environmental issues into their commercial objectives.

Regardless of the approach, the concept of corporate sustainability came with the idea of good practices adopted by companies that opt for ethical attitudes, aiming at economic growth that respects the environment and the sustainable development of society.

In view of this, Coral (2002) highlights the importance of companies having tools that help in the development of environmental strategies.

When the environmental issue is addressed in strategic planning, it is generally seen as a threat to the increase in production costs due to legal restrictions on the control and treatment of effluents and waste or as a threat to access to raw materials from scarce natural resources. Coral, 2002, p.135)

Thus, sustainable strategic planning emerges as a fundamental approach for companies that seek to promote environmental and social management, while maintaining their competitiveness in the market.

In this way, sustainable management plays an essential role in the implementation of this planning, not only to solve ecological and environmental problems of companies, but to promote social and governmental actions for their environment.

A survey by the United Nations Industrial Development Organization (UNIDO) points out that companies are responsible for about 60% of global greenhouse gas emissions.

However, Tchizawa (2011) points out that this impact varies according to the type of organization. The author also relates environmental management to ethical motivations, where entities seek to improve their ecological image and demonstrate concern for well-being, involving the identification, evaluation and management of the environmental impacts of their activities.

The construction of strategic purposes with a social, environmental and corporate vision has intensified, as society demands from companies a more active role in the environment in which they operate. This movement has facilitated the incorporation of responsible practices into corporate daily life, as Schroeder explains:

Companies have come to play a role that goes beyond their traditional function as providers of goods and services. In other words, society registers that, in addition to being great generators of material wealth, companies should and can also assume an expanded responsibility, getting involved in social causes. (Schroeder & Schroeder, 2004, p. 5).

Schroeder and Schroeder (2004) clarify that this demand and the transformation of corporate identity arise when society realizes that, many times, the State does not have sufficient resources and structure to guarantee the social, environmental and governmental well-being of the entire population. Thus, space is opened for strategies focused on ESG, sustainability, and corporate social responsibility to contribute to meeting part of these needs.

2.1 SUSTAINABILITY X ESG X SER:

However, environmental management is comprehensive in its performance. Therefore, a discussion on the concepts of ESG, Sustainability, and Corporate Social Responsibility (CSR) is necessary, since the terms may be conceptually similar, but diverge in focus and objective within companies.

When we mention sustainability, the most accepted concept is the one defined by the Brundtland Report of 1987, named "Our Common Future". When we talk about sustainability, we are dealing with a broad concept, whose meaning is related to the balance of present needs without compromising the ability of future generations to meet their own needs. The World Commission on Environment and Development also emphasizes the connection between

economic, social, and environmental development, as well as advocating for the adoption of practices that balance these three aspects to ensure the necessary resources.

Corporate Social Responsibility, on the other hand, involves the responsibility of companies in relation to the impacts of their decisions and activities on society and the environment, aiming to contribute to sustainable development. However, as highlighted in the scientific article "Corporate Social Responsibility: Concept, Management Instruments and Standards" of 2015, the concept of CSR does not have a universal definition. However, when we delved deeper into the literature, we identified that the concept is related to policies and actions that promote the communication of the entity's positive behavior in relation to the social and environmental sphere.

As we can see in Figure 1, it is possible to distinguish Sustainability, CSR and ESG based on the focus and objective of each concept presented:

Figure 1

ESG Focuses and Objectives, Sustainability and CSR

	ESG (Environmental, Social, and Governance)	Sustentabilidade	RSC (Reponsabilidade Social Corportativa)
Foco	Criação de conjunto de critérios usado para avaliar as práticas e o desempenho de uma empresa em três áreas principais: ambiental, social e governança	Preservação dos ecossistemas e recursos naturais, concentrando - se na equidade e bem-estar das pessoas e viabilidade financeira a longo prazo.	Práticas que a empresa de ser socialmente responsável, indo além dos lucros e considerando o impacto de suas atividades na sociedade e no meio ambiente.
Objetivo	Fornecer aos investidores uma visão abrangente sobre o comportamento da empresa em relação a esses critérios, ajudando na tomada de decisões de investimento responsáveis.	Promover práticas que garantam a sobrevivência e prosperidade a longo prazo, minimizando impactos negativos e contribuindo positivamente para a sociedade e o meio ambiente.	Melhoria da imagem pública da empresa, aumentando o engajamento dos funcionários, e criar um impacto positivo nas comunidades locais e no meio ambiente.

Source: Prepared by the authors.

Therefore, we can conclude that, when we think about Sustainability and Corporate Social Responsibility (CSR) within entities, these practices tend to be more spontaneous within entities, focusing on environmental leadership and organizational initiatives, such as promoting "quality" of life within the company and volunteer programs, without necessarily integrating them with value creation and risk management.

However, when we talk about risk mapping, we are referring to ESG criteria, as they involve financial decisions based on performance and relevant environmental, social, and governance metrics, focusing on short-, medium-, and long-term performance and value creation, as well as addressing environmental, social, and governance risks.

For Tinoco and Kraemer (2004), this management has become a strategic factor for the analysis of senior management, especially in the strategies formulated to ensure compliance with environmental laws.

2.2 ESG PILLARS

Therefore, risk and strategy management requires understanding how the three pillars involving ESG are worked:

In the first criterion, Environment, entities must adopt measures to reduce their impact on the environment.

Tchizawa (2011), in his book, establishes that entities can develop their main environmental performance criteria through:

1. Greenhouse Gas (GHG) Emissions;
2. Consumption of energy and natural resources;
3. Waste management and recycling;
4. Impact on biodiversity.

The criteria of the social pillar, on the other hand, refer to the policies and actions that generate an impact on the community in which the entity is inserted. In this sense, we can consider the promotion of diversity and inclusion, the health and safety of employees, in addition to relationships with suppliers and customers.

Finally, the Governance criterion deals with the corporate governance practices adopted by companies.

In this aspect, the company's structured organizational configuration, independence in decision-making by boards, market ethics, anti-corruption, risk management, and transparency in communication with investors are evaluated.

Currently, the increase in demand for ESG strategies is justified by three factors, the first of which is linked to the fact that customers and employees are looking for companies whose values are aligned with their own.

For companies, this factor impacts engagement and productivity. Nogueira (2020) points out that when the employee recognizes the values of the company itself, a positive feeling of belonging is created in the work environment.

However, it is important to note that this factor is related to a generational issue. Nogueira (2020) observes, in his case study, that more conservative generations (X and Y) do not consider the alignment of values as relevant, prioritizing safety and individual projects. On the other hand, when analyzing the data from generation Z, the importance of alignment for maintaining the employment relationship was noted. This same alignment was pointed out in a Forbes survey, where 88% of respondents showed a tendency to buy products with social and environmental benefits and would be loyal to the brand for this reason.

Junqueira (2023), highlights the importance of communication between the entity and its audience, ensuring a stronger identification.

The second factor is the growing pressure and demand for robust ESG programs, with accurate disclosures. In 2023, B3's Corporate Sustainability Index (ISE) disclosed that companies committed to sustainable practices have an estimated market value of R\$2 trillion, which corresponds to 54% of the total value of companies listed on B3. Consequently, investors have come to recognize that the financial market can shape more sustainable companies, and this commitment is sometimes a prerequisite for listing and attracting investments.

The research carried out by Junqueira (2023) estimates that, by 2025, the ESG agenda should raise around US\$ 53 trillion in investments. In 2023, the same survey showed that 84% of executives say that ESG contributes to shaping a more robust corporate strategy, influencing mergers and acquisitions, in addition to mitigating risks of losing market share.

Finally, in recent years, new laws have emerged to reduce carbon emissions while meeting the commitments of the Paris Agreement.

In Brazil, concern for the environment gained prominence after Rio-92, an event that marked the beginning of awareness and public policies aimed at sustainability.

Thus, in recent years, there has been a significant growth in environmental management in the Brazilian territory.

For Tchizawa (2011), the first attempts to establish a "green seal" occurred during the 90s, when ABNT proposed to IBPA a project aimed at a voluntary environmental certification scheme.

Currently, ABNT promotes the adoption of the following environmental standards:

ISO 14001: International standard that specifies the requirements for an Environmental Management System (EMS). It assists in the identification of risks and controls on significant environmental aspects, promoting continuous improvement through the PDCA (Plan-Do-Check-Act) methodology.

ISO 26000: International standard that provides guidelines on social responsibility. Unlike ISO 14001, it is not certifiable, but it guides organizations on how to operate in a socially responsible manner.

According to the text of the standard, corporate social responsibility is based on seven principles: responsibility, transparency, ethical behavior, respect for the interests of stakeholders, rule of law, and human rights.

The standard also establishes guidelines on how to integrate social responsibility actions into its policies, strategies, and evaluation criteria.

The adoption of the ISO 14001 and ISO 26000 standards, promoted by ABNT in Brazil, represents a significant step for organizations that seek to align their operations with the principles of sustainability and social responsibility, integrating them as ESG criteria.

On October 20, 2023, the Brazilian Securities and Exchange Commission (CVM) disclosed, through CVM Resolution No. 193, the option to prepare and disclose sustainability-related financial information reports based on the international standard issued by the ISSB, as of the base date of 2024. However, the same resolution provides for the mandatory nature of this information for publicly traded companies as of 2026.

2.3 DISCLOSURE REPORTS

With the advent of globalization and the growing awareness of the importance of social and environmental issues, companies began to report their social and environmental performance, in addition to the respective financial impacts.

Throughout the development of environmental, social and corporate assessments and actions, the need arose to disclose this information through separate reports, with emphasis on the actions carried out by the entity during the year.

The first integrated report was created in 1997, with the initial objective of being a model capable of transmitting the transparency of the environmental impacts generated by the entity and meeting the principle of comparability, the Global Reporting Initiative (GRI) created the first mechanism that made it possible to understand the financial impacts generated by the entity's environmental and social management.

Over these 27 years, the form of disclosure proposed by the GRI has evolved, covering not only environmental issues, but also social and economic topics, becoming a comprehensive Figurework for sustainability reporting, applicable to any organization, regardless of its economic scale or sector.

The flexibility of the GRI allows companies to align their disclosures with multiple integrated reporting templates, ensuring that different stakeholders receive the information they need. Among these models, the TCFD, the GHG Protocol and, more recently, the integration with IFRS S1 stand out.

In 1998, the GHG Protocol was developed with the aim of standardizing and guiding the accounting of GHG emissions in a consistent, comparable and transparent manner.

To this end, the GHG classifies emissions into three scopes:

- **Scope 1:** Direct emissions from sources controlled by the organization (such as the burning of fossil fuels in boilers).

- **Scope 2:** Indirect emissions associated with the purchase of electricity, heat, or steam.
- **Scope 3:** Other indirect emissions along the value chain, such as transportation and use of products sold.

One of the main differentials of the GHG Protocol is the principle of completeness, that is, the report requires the disclosure of all sources of emissions, which must be listed in the entity's inventory.

The Task Force on Climate-related Financial Disclosures (TCFD) is a voluntary integrated report used to promote and develop the disclosure of climate-related financial impacts, encouraging transparency and better management of climate risks. This report helps investors and the public understand the concentration of carbon in assets.

The TCFD proposes that its disclosures be organized around four areas, as shown in Table 1:

Table 1

Key dissemination characteristics of the TCFD.

Governança	Como a Administração realiza a gestão dos riscos relacionados ao clima.
Estratégia	Como os atuais e potenciais riscos climáticos impactam as estratégias, modelo de negócio e planejamento financeiro da entidade.
Gestão de Riscos	Como a organização identifica, endereça e gere riscos relacionados ao clima.
Métricas e Metas	Quais são as métricas usadas para endereçar e gerir informações relevantes relacionadas aos riscos e oportunidades relacionadas ao clima.

Source: Prepared by the authors.

As we can see in this theoretical Figurework, there are different approaches and methodologies for environmental disclosures, which can be developed depending on the purpose of the disclosure. However, in this work, we highlight the methodology of scoping and dissemination according to the SASB as an object of study.

The requirements developed by the Sustainable Accounting Standards Board (SASB) provide entities and investors with standardized communication, relating the financial impacts of sustainability across 77 industries.

In March 2022, through the International Sustainability Standards Board (ISSB), SASB published the draft IFRS S1, which aims to standardize the general requirements for

sustainability disclosures, related to the opportunities and risks associated with an entity's sustainability.

According to the publication issued in June 2023, IFRS S1 has the scope of preparing and disseminating sustainable information related to financial information that is useful to users, such as:

- **Governance:** What are the processes, controls, and procedures that management uses to monitor and manage sustainability-related risks and opportunities.
- **Strategy:** Disclosure of the approach the entity uses to address sustainability risks and opportunities that affect operating strategies and cash flow in the short, medium and long term.
- **Metrics and Targets:** What information is used to manage the performance of sustainable risks and opportunities.
- **Risk Management:** How the entity manages sustainability-related risks

The standard also provides for the obligation that the report be prepared and disclosed at the same time as the financial statements, in addition to the inclusion of financial data and assumptions, considering the accounting standards already in force.

In addition, more recent ISSB publications on the subject provide for the particularity of IFRS S1 disclosures according to the market segment in which the entity operates.

3 ANALYSIS AND INTERPRETATION OF RESULTS

3.1 BANCO BRADESCO S.A

Banco Bradesco S.A. is one of the most traditional financial institutions in the Brazilian financial market. Founded in 1943 by Amador Aguiar, the bank aimed to serve small merchants, farmers and the population in general, especially in regions that did not have easy access to financial services.

The first practices focused on ESG occurred throughout the 1950s, with initiatives focused on education. Later, in 1988, the institution founded the Bradesco Foundation, a third sector organization with the main objective of providing education and professional training for young people and adults, offering free education, in addition to promoting digital inclusion programs.

As for integrated sustainability reports, the institution issued its first report in 2006, in line with GRI (Global Reporting Initiative) standards.

In the following years, in addition to the mandatory disclosure, Bradesco began to integrate information on important sustainability indices into its reports, such as the B3 Corporate Sustainability Index (ISE) and the Dow Jones Sustainability Index (DJSI).

In 2019, Bradesco launched its commitment to be a positive impact bank, with ambitious goals for 2025, including reducing carbon emissions and financing sustainable initiatives. This vision was consolidated with the creation of the Sustainability Committee and the inclusion of sustainability as one of the bank's strategic pillars

3.2 REQUIREMENT FOR IFRS S1 DISCLOSURE

3.2.1 General Characteristics

Regarding the general characteristics of sustainability disclosure under IFRS S1, they are similar to those defined for financial statements. According to the rule, the presentation of the report provides that, for sustainability indices to be useful, they must be relevant and faithfully represent all the risks and opportunities to which the entity is exposed, whether as a result of its employment practices and those of its suppliers, the assets (including investments) that the entity controls or its sources of financing. The information must be comparable, verifiable, timely and understandable.

The standard also requires the following general reporting characteristics:

- 1. Related Information:** An entity shall provide information that enables users to connect risks and opportunities to the entity's financial objectives.
- 2. Materiality:** An entity shall apply judgment to identify relevant sustainable information. The judgment applied in the definition of materiality must be described in the report.
- 3. Comparative Information:** An entity shall provide comparative information that reflects the updating of previously established estimates.
- 4. Frequency of Reporting:** An entity shall disclose the report as often as financial disclosures. The document points out that, normally, the entity prepares the sustainability report for 12 months. However, some entities prefer to issue reports for 52 weeks, but IFRS S1 does not contemplate this practice.
- 5. Location of Information:** Entities are required to disclose information as required by IFRS Sustainability.
- 6. Sources of Estimation and Uncertainty:** An entity shall disclose the relevant metrics and the nature of the uncertainties affecting those metrics.

7. Errors: An entity shall identify and correct material errors from previous and current years resulting from omissions and misstatements in sustainability-related financial disclosures.

8. Declaration of Conformity: An entity must include an explicit, unqualified statement of compliance if its disclosures meet all of the requirements of the standard.

The following table was prepared to identify whether Banco Bradesco follows the general characteristics of the IFRS S1 standard:

Figure 2

General Disclosure Characteristics

Características Gerais	2023		
	Apresentado	Não Apresentado	Não Aplicável
Materialidade	x		
Informações Relacionadas		x	
Informações Comparativas	x		
Frequência do Relatório	x		
Localização das informações		x	
Fontes das Estimativas	x		
Erros		x	
Declaração das conformidades	x		

Source: Prepared by the authors.

Materiality is a fundamental aspect in audit practice and in the IFRS S1 standard, because, in both cases, it influences the planning and execution of the audit, especially in the mapping of sustainable risks and opportunities. According to ISA 320, materiality is defined as the magnitude of an omission or misstatement of a financial statement that, individually or in the aggregate, can influence users' economic decisions made based on the financial statements.

Thus, materiality is determined based on percentages of relevant financial metrics, such as revenue, earnings before taxes, or equity.

In the IFRS S1 standard, the concept of double materiality is considered. According to the PWC report (2022), double materiality aims to identify relevant issues from a financial point of view, such as impact.

To assist in the identification of relevant issues of impact, the Sustainability Accounting Standards Board (SASB) has a mapping by industrial sectors that can integrate ESG. According to the SASB Standards, the relevant issues to be considered for commercial banks are highlighted in Figure 3, below:

Figure 3

Relevant Issues for the Financial Sector

Ambiente	Capital Social	Capital Humano	Modelo de Negócio e Inovação	Liderança e Governança
Emissões de GEE	Direitos Humanos e Relações Comunitárias	Práticas trabalhistas	Design de produto e gerenciamento do ciclo de vida	Ética empresarial
Qualidade do ar	Privacidade do cliente ⓘ	Saúde e Segurança dos Funcionários	Resiliência do modelo de negócios	Comportamento competitivo
Gestão de energia	Segurança de Dados ⓘ	Engajamento, diversidade e inclusão dos funcionários	Gestão da cadeia de abastecimento	Gestão do Ambiente Legal e Regulatório
Gestão de Água e Efluentes	Acesso e acessibilidade		Fornecimento de materiais e eficiência	Gestão de Riscos de Incidentes Críticos
Gestão de Resíduos e Materiais Perigosos	Qualidade e segurança do produto		Impactos físicos das mudanças climáticas	Gestão de Riscos Sistêmicos
Impactos ecológicos	Bem-estar do cliente			
	Práticas de venda e rotulagem de produtos ⓘ			

Source: SASB STANDARDS.

In addition to the table provided by sectors, the entity must evaluate its value chain in order to have the necessary information to identify environmental, social and governance issues that impact the entity's development.

IFRS S1 does not specify a materiality threshold, nor does it predetermine what would be material in a particular situation, but establishes that an entity should apply its judgment in order to identify sustainability-related financial information, and that it should be reassessed at each reporting date, considering changes in circumstances and assumptions.

As communicated in the Materiality Report (2022), Banco Bradesco reviews its materiality every two years. This report presents how the bank identifies and prioritizes relevant ESG issues within its operations and for its stakeholders. To determine material topics, Banco Bradesco uses a structured approach that includes: engagement with stakeholders, analysis of trends and risks, and internal assessments.

In 2022, the main themes identified were: sustainability and environmental management of the bank, inclusion and diversity, governance and ethics, digital transformation, and security and data protection.

During the reading of the materiality report, it was not possible to identify the assumptions used to calculate the financial impact of the entity's decarbonization projects.

Regarding the connected information, that is, how the risks and opportunities are related to the financial statements, it is observed that, in the integrated report and in the ESG report, there is a qualitative predominance, with majority descriptions of sustainability, governance, and social impact actions.

For example, in the integrated report, the entity describes its initiatives and commitments to reduce carbon emissions without necessarily associating these efforts with specific financial metrics. This is a more subjective disclosure of ESG reports, which, although it could complement the financial information in an explanatory note, does not establish a direct

quantitative connection with the financial statements, providing a comprehensive overview of corporate performance from a sustainable perspective.

As for comparative information, the entity has released its integrated report since 2020, which allows the comparability of the metrics presented.

With regard to the frequency of the report, the entity publishes its integrated report on an annual basis, which contrasts with the periodicity established in IFRS S1. Since the financial statements are disclosed quarterly, it appears that the issuance of the documents took place separately, with the financial statements published on February 6, 2024 and the integrated report on June 7, 2024.

Regarding the location of the information, the entity follows the guidelines for accountability and good sustainability practices, responding to the disclosure content proposed by the GRI Standards. This means that, in 2023, risks and opportunities were not disclosed according to the IFRS Sustainability standard.

Regarding the disclosure of the sources of estimates, in 2023 the entity presented, separately from the integrated reports, a spreadsheet of ESG indicators. The document is presented in an Excel spreadsheet, divided into three main tabs. On the main page, it is possible to see the description that the indicators cover the period from January to December 2023. It should be noted that the construction of the metrics was carried out according to the guidelines of the GRI Standards, Integrated Reporting of the Value Reporting Foundation (IIRC), in addition to considering global methodologies and Figureworks. As for the metrics, they were formulated based on the ESG pillars. In the environmental pillar, there are 83 indicators, subdivided into sub-themes such as operational emissions, water, energy, waste and material management. It is possible to verify that the company uses financial criteria, such as net revenue, to calculate the indicators of emission intensity and energy intensity. However, the methodology applied and the uncertainties of the estimates are not clearly described, especially in relation to the indicators of the governance and social pillars, which are more subjective in nature.

Regarding uncertainties, it is relevant to mention that, in July 2024, IFRS Accounting published the Exposure to Climate Uncertainties and Other Uncertainties in Financial Statements project. In this document, IFRS Accounting proposes eight examples that illustrate how an entity can apply the requirements of IFRS Accounting Standards to report the effects of uncertainties related to climate or other sustainable topics in its financial statements, focusing on areas such as materiality judgment, disclosures on assumptions and uncertainties of estimates.

As observed in the indicator spreadsheet, two errors were reported: the first, related to the calculation of employees entitled to maternity/paternity leave, and the second, related to the amount of own social and environmental products. In both cases, the error was identified and recalculated, but it was not mentioned whether there was a material financial impact after the new measurement.

Regarding the declaration of conformity, the limited assurance was carried out by KPMG - Auditores Independentes. As disclosed, the auditors conducted the work in accordance with Technical Communiqué CTO 01 - Issuance of an Assurance Report Related to Sustainability, issued by the Federal Accounting Council, and NBC TO 3000 - Assurance Engagements Other than Audit and Review. These standards regulate the planning and execution of work, with the objective of obtaining limited certainty about the non-financial information presented in the ESG Report.

The assurance report emphasizes that the opinion is conditioned by the fact that non-financial data is subject to inherent limitations.

3.2.2 Governance

The purpose of the entity disclosing about Governance is to allow users to understand the processes, controls and procedures that Management uses to monitor and manage risks and opportunities related to sustainability.

To this end, the entity must disclose information about the councils that deliberate on sustainability risks and opportunities and how this process is managed. For the standard, the entity must disclose:

- A) What is the identity, skill and competence of the board members responsible for sustainability risks and opportunities;
- B) How and how often the group conducts assessments on sustainability issues;
- C) How does the responsibility of this group reflect on the entity or company?
- D) How the board (committee) controls and monitors at the management level applied to risks and opportunities and how they are related to financial metrics, including compensation policies.
- E) How sustainability-related risks and opportunities are linked to the entity's strategies.

In view of the above requirements, a Figure work was prepared so that we could analyze the 2023 integrated report and verify whether the above items were applied or not:

Table 2*Governance in the Bradesco S.A Integrated Report*

Governance	Year 2023	
	It does not proceed	Proceeds
Item A	X	
Item B		x
Item C		x
Item D		x
Item E		x

Source: Prepared by the author.

Item A addresses who the board members are and what their skills and competencies are in relation to risk and opportunity management. At the strategic level, Bradesco, within its board of directors, has a sustainability and diversity committee, whose main responsibility is to monitor and implement the sustainability strategy. However, the report does not feature the members of the sustainability committee.

Banco Bradesco presents in its ESG Report the governance structure, which we can identify and relate the corporate governance relationships that assist in the development and monitoring of strategies, risks and opportunities.

Item B deals with the frequency with which the committee meets to monitor sustainability-related risks and opportunities. In 2023, the entity informed that the sustainability and diversity committee meets bimonthly.

Item C discusses how the monitoring of these risks and opportunities is integrated into the company's structure. For Banco Bradesco, governance is integrated, which means that decisions made at the executive level reflect on the other organizational levels, for example, at the executive level, the entity has a sustainability committee, whose objective is to advise on the strategic level decisions of the sustainability and diversity committee, proposing strategies and solutions that promote the adoption of the best corporate sustainability practices in the entity's business activities.

Item D addresses how management controls and monitors, at the management level, risks and opportunities, relating them to financial metrics, including compensation policies. At the operational level, the entity has a sustainability area, responsible for developing, proposing and monitoring indicators and actions for the implementation of the sustainability strategy, advising the board of directors, the committee and the commission in their duties. In the variable

compensation process of executives and in the evaluation of their respective areas, ESG aspects and performance in the main sustainability indices and ratings are considered.

Finally, Item E discusses how strategies related to risks and opportunities are aligned with the entity's overall strategy. Through the sustainability area, the entity seeks to monitor the risks and opportunities in the other structures, supporting the integration of the topic into the business. The entity has dedicated teams in different areas of the business that strive to connect and disseminate the sustainability strategy.

3.2.3 Strategies

The entity's objective in disclosing its strategies is to enable users to understand how it addresses risks and opportunities related to sustainability. To achieve that objective, an entity shall disclose information on:

a) The relevant sustainable risks and opportunities that may reasonably affect the business model, strategies and cash flow in the short, medium and long term. At this point, it is relevant that the entity provides a detailed description of the significant risks and opportunities. As for the deadline, the definition of strategies must be related to strategic planning and may depend on several factors, such as the type of industry, cash flow, the budget cycle, and the expected duration of capital investments, among others.

(b) the effects of significant risks and opportunities on the business model and value chain. An entity shall disclose information that enables users to understand the assessment of the impact of current and anticipated sustainability risks and opportunities on the business model. To do so, it must describe the present and projected effects of risks concentrated in the value chain. At this point, it is important to emphasize the relevance of the entity adopting an outside-in perspective, that is, not only knowing the processes and controls that can have a sustainable impact, but also considering its suppliers and customers as part of the impact generated by the company.

(c) the effects of significant risks and opportunities on strategies and decision-making. The entity must report how it responds to these risks and opportunities, bringing qualitative and quantitative data on the plans disclosed in previous reports.

The financial impact of sustainability risks and opportunities is considered in strategic decision-making, such as the location of a new branch, addressing the environmental impact of this new location, job creation and the factors that influence the company.

(d) the effects of significant risks and opportunities on position, financial performance and cash flow in the reporting period, as well as the anticipated projection of those effects in the

short, medium and long term – including how sustainability-related risks and opportunities are incorporated into the entity's financial plan. By way of example, an entity needs to disclose the exposures that occur when there are changes in revenue or costs that may result from the introduction of a Net Zero strategy, or what the impact has been on its costs by supporting labour retention strategies.

e) The ability to adjust the estimates of sustainability risks and opportunities. An entity shall disclose, in a qualitative or, where applicable, quantitative manner, analyses on strategies and cash flow related to significant risks and opportunities, including how such analyses were carried out and the base date of the study. The standard emphasizes that, when providing qualitative information, the entity may disclose the total amount or a range related to the risk.

Other IFRS Sustainability Disclosure Standards will specify the mandatory information that an entity needs to disclose. In item 3.2.6 of this work, mandatory disclosures for the financial services sector will be mentioned.

It is worth mentioning that, when relating their strategies to risks and opportunities related to sustainability, companies can opt for generic corporate strategies. Tchizawa (2011) reflects that entities such as Banco Bradesco S.A. tend to direct their strategies towards:

- A) The acceleration of the massification of digital services and the emptying of bank branches;
- B) The diversification of its financial products to attract and retain customers; e
- C) Efficiency in data storage as an element to provide exclusive services to its customers.

Next, in Figure 4, we will analyze how Banco Bradesco presents its sustainability strategies.

Figure 4

Bradesco S.A.'s Strategic Sustainability Fronts

Objetivos e decisões	Discriminação	Indicadores
Cidadania financeira	Promover educação e inclusão financeira para alavancar o desenvolvimento socioeconômico	- Valor total investido pela Fundação Bradesco para o desenvolvimento de suas atividades - Total de doações e patrocínios viabilizados por recursos próprios.
Agenda climática	Garantia que os nossos negócios estejam preparados para os desafios climáticos conscientizados engajados em seus clientes quanto a riscos e oportunidades.	- Escopo 1 - Escopo 2 - Escopo 2
Negócios sustentáveis	Impulsionar negócios de impacto positivo que fomentem o desenvolvimento socioambiental.	- Volume total de ativos sob gestão - Assets under Management (AuM) com avaliação ESG - Total de ativos com avaliação ESG sujeitos à triagem ambiental ou social positiva - Companhias que podem ocasionar dependência química e ou riscos ou danos à saúde - Companhias que produzem ou comercializam produtos de combustíveis fósseis - Companhias que podem ocasionar riscos à saúde ou à segurança alimentar e nutricional

Source: prepared by the authors.

In February 2024, the entity reinforces its sustainable development strategy through initiatives that generate positive impacts, focusing on three main fronts:

- A) Social and environmental products:** the entity offers financing for the purchase of hybrid and electric vehicles, solar energy panels and, in partnership with BNDES, provides differentiated interest rates so that rural landowners can recover pastures and forests, in addition to promoting technologies that contribute to the reduction of greenhouse gas emissions.
- B) ESG operation:** as part of its business strategy, the entity has operations to grant financing or refinance assets that contribute to the ESG agenda.
- C) Funding with IFC:** the entity has a financial agreement with the IFC (International Finance Corporation) with the objective of supporting projects aligned with ESG and financial inclusion principles, expanding support to micro, small and medium-sized companies inserted in the context of Local Productive Arrangements (APLs).
- D) Responsible investments:** through a screening that incorporates ESG analysis data into strategies for assessing relevant risks and opportunities within funds and assets. In addition to the use of ESG criteria as a way of incorporating assets, the entity offers asset funds that have projects related to the ESG theme.

In 2023, these funds under management of Banco Bradesco that have integration of ESG issues, totaled a net worth of R\$ 315 million.

Regarding the IFRS S1 standard, we can observe that the report does not provide specific information, not allowing an in-depth analysis of the financial impact of these initiatives. In addition, the document also does not present long-term cash flow projections, which prevents a clear understanding of how the management of these assets influences the entity's operating cash flow.

3.2.4 Risk Management

According to ISO 31000, risk can be defined as the effect of uncertainties on planned objectives.

In this sense, environmental risk is considered by the identification, measurement, and disclosure of an environmental, social, or governance event that generates environmental costs, assets, or liabilities, directly impacting the company's profitability.

This management is carried out by understanding significant sustainable events that may reasonably affect the entity's assets, liabilities or cash flow.

According to Raoni (2024), for the assessment of risks related to sustainability, the entity needs to observe the positive and negative impacts (actual and potential) it has on the economy, the environment, and human rights. After the identification of the impact (event), the entity shall assess the frequency of the occurrence of that impact. The entity can use methodologies that help calculate the frequency, however, in cases of real impact (an impact that has already occurred), it is only necessary to assess the severity, that is, the magnitude of this identified event.

By assessing severity and combining it with an assessment of the frequency of events, the entity is able to more accurately identify the sustainability-related risks and opportunities that surround it.

According to IFRS S1, the purpose of risk management disclosure is to enable users to understand the process of identifying, assessing, prioritizing and monitoring sustainability-related risks and opportunities, including where and how these processes are integrated into the entity's risk management.

To this end, the entity must disclose information, especially on how the process is carried out and the policies used so that employees can identify, assess and monitor risks related to sustainability.

This information should include:

1. The parameters that the entity uses;
2. How the entity uses and monitors scenarios to analyze sustainability-related risks;

3. How the entity assesses the nature, likelihood and magnitude of the effects of those risks;
4. How the entity prioritizes sustainability-related risks over other types of risks;
5. How the company monitors sustainability-related risks and whether there is a change in these risks;
6. How the entity changed these parameters and how they compare with the risks reported in previous periods.

The following Figure 5 was prepared to analyze whether Banco Bradesco follows the recommendations for risk management disclosure according to the IFRS S1 document:

Figure 5

Adherence to risk management recommendations

Gestão de Riscos	2023	
	Apresenta	Não Apresenta
Critério 1	X	
Critério 2	X	
Critério 3	X	
Critério 4	X	
Critério 5	X	
Critério 6		X

Source: Prepared by the authors.

Criteria 1, 2 and 3 refer to the disclosure of parameters for the assessment of risks and opportunities related to sustainability. In 2024, the entity disclosed, in its Social, Environmental and Climate Risks and Opportunities Report (RSAC), that its sustainability-related risks and opportunities come mainly from its business relationships, including suppliers and customers, through financing and investment activities. As presented in the RSAC, the entity has a process for identifying, assessing and classifying social and climate risks, carried out through the analysis of credit and financing activities, project financing, guarantees, suppliers and investments.

In Figure 6, it is possible to see the scope of assessment of risks and opportunities related to Banco Bradesco's sustainability.

Figure 6

Description of the process of identification, measurement and evaluation of social risk, environmental risk and climate risk

Atividade	Escopo da Avaliação (Critérios)	Escala de Rating
Crédito	Score ASG: Biodiversidade, clima, direitos humanos, conformidade legal e saúde ocupacional.	Mínimo a Muito Alto (5 níveis)
Projetos	Checklists setoriais: Licenciamento, estudos ambientais, mitigação de impactos e exposição climática.	Mínimo a Muito Alto (5 níveis)
Garantias Imobiliárias	Passivos ambientais, contaminação de solo, restrições sociais e climáticas (imóveis rurais/urbanos).	Liberado, Restritivo ou Impeditivo
Fornecedores	Auditoria em três dimensões: Responsabilidade social, meio ambiente e saúde/segurança.	Mínimo a Muito Alto (5 níveis)
Investimentos	Alinhamento com frameworks globais (PRI, TCFD, IPC, AMEC) e impactos ASG nos ativos.	Baixo, Moderado ou Alto

Source: Social, Environmental and Climate Risks and Opportunities Report - Banco Bradesco.

In addition, the entity has developed criteria for exposure to social, environmental and climate risks for its potential customers, to whom credit is granted.

For social risks, criteria from IFC, S&P, as well as data on fines and child labor in Brazil are used.

Environmental risks are classified according to the same references, in addition to FEBRABAN's definitions and regulatory records. The assessment of climate risks depends on sectoral and geographical characteristics, due to the lack of specific regulation. As for the transition to a low-carbon economy, market, reputational, regulatory and technology risks are assessed.

In criterion 4, the entity seeks to disclose how these risks are prioritized over other operational risks. However, for the entity, RSACs are directly connected. Thus, aiming at this connectivity, the entity adopts stress tests to evaluate scenarios with uncertainties caused by social, environmental and climatic factors.

Scenario Analysis:

Climate change associated with greenhouse gases and temperature changes can cause changes in the macroeconomic scenario. With this in mind, Banco Bradesco conducts financial impact tests if environmental risks materialize, based on the macroeconomic equilibrium model, aiming at a comprehensive understanding of the potential impacts on portfolios, results and liquidity ratios.

Sensitivity Analysis:

In order to measure the exposure of operations with corporate customers, the entity conducts simulations to assess the impact of environmental and social risks on the granting and liquidity of credit. These simulations allow Banco Bradesco to estimate possible impacts on variables such as companies' credit ratings.

Criterion 5 is related to risk monitoring, that is, how the identified risks are managed and monitored and how the changes that eventually need to be made are detected. As disclosed in the Social, Environmental and Climate Risks and Opportunities Report (2023), the entity's monitoring includes the periodic review of social and environmental ratings. The sustainability area monitors social and environmental infractions that, depending on the event identified, result in an emergency rating review.

This area also monitors political and legal changes, and, when identified, evaluates the impacts and makes the appropriate Figureworks.

Criterion 6 was not presented as the entity did not disclose any changes in its risk assessment criteria.

Although the entity presents the risks and opportunities related to sustainability, it is emphasized that this analysis was made based on the Social, Environmental and Climate Risks and Opportunities Report, a separate management report, which is not part of the integrated ESG report disclosed. Separate disclosure may compromise the reliability of the information presented. According to IFRS S1, presentations must be carried out in an integrated manner, ensuring that stakeholders have complete information about the risks and their implications.

3.2.5 Metrics and Goals

The purpose of disclosing metrics and targets is to enable users to understand performance in relation to sustainability-related risks and opportunities.

In accordance with IFRS S1, the entity must clearly report all metrics relevant to the environment in which it operates, disclosing the methodology, the assumptions assumed, the limitations in carrying out the study, the period, the relevant milestones during the period and, if applicable, the relationship with other metrics.

It is necessary to disclose the performance, analyzing the context of the operation to which the metric is related and, in case of change, the change must be disclosed and clarified.

The analysis of Bradesco's sustainability reports revealed that, although the institution adopts ESG information disclosure practices, there are specific gaps in the integration of this information with the financial statements, such as the absence of quantitative metrics on social and environmental impacts.

The document is presented in an Excel spreadsheet, divided into three main tabs, however, on its main page, it is possible to observe the description that, as disclosed, the indicators report data from January to December 2023. It should be noted that the construction of the metrics was carried out in accordance with the guidelines of the GRI Standards and the

Integrated Reporting of the Value Reporting Foundation (IIRC), in addition to considering guidelines, methodologies and global Figureworks. Regarding the metrics, they were formulated according to the pillars of ESG.

In the environmental pillar, there are 83 indicators, subdivided into sub-themes on operational emissions, water, energy, waste and material management. It is observed that the company uses financial criteria, such as net revenue, to calculate the indicators of emission intensity and energy intensity; However, the methodology applied is not clear, as well as the uncertainties of the estimates, and the other criteria, as well as those applied to the governance and social pillars, have a more subjective nature.

3.2.6 Required Disclosures

Commercial banks carry out deposit transactions and loan concessions to individuals and companies.

As explained during the presentation of the analyses, we can observe that the risks and opportunities related to sustainability affect the macroeconomic scenario and, consequently, these operations, especially those related to the granting of credit. Given the relevance of the topic, in June 2023, IFRS Sustainability released a mandatory disclosure guide for banks.

In the document there is only one theme and metric to be disclosed on sustainability on a mandatory basis, as shown in Table 9:

Table 3

Themes and metrics of the information to be disclosed on sustainability

Theme	Metric	Category
Incorporating environmental, social, and governance factors into credit analysis	Description of the approach for incorporating ESG Factors	Reviews and commentary

Source: IFRS Sustainability.

Banco Bradesco can contribute externally, positively or negatively, through its credit granting practice. For this reason, integrating ESG factors into the grant makes it possible to determine the quality of the guarantees.

Therefore, the entity must disclose the methodology for calculating the granting of credits, as well as the policies that determine the incorporation of ESG factors in its credit analyses.

As analyzed in the Social, Environmental and Climate Risks and Opportunities Report, the incorporation of ESG factors is used, for the most part, in exposure to credit operations.

With regard to the granting of credit, the entity evaluates customers who operate in sectors with potential environmental and social exposure, resulting in a socio-environmental rating determined in credit deliberation forums, following the delimitation of the RAS. In the RAS, social, environmental, and climate risks are represented by guidelines related to sensitive sectors, controversial activities, and socio-environmental infractions that are linked to the entity's strategies.

In 2023, Banco Bradesco's exposure was characterized by credit operations, debt securities and operations not accounted for in the prudential balance sheet (transactions that are not directly disclosed by the bank, but that have risks, such as some guarantees and future commitments).

The sectors most susceptible to risks include: Financials (23.14%), Retail (4.36%), Transportation and Concession (3.42%), Wholesale (2.16%) and Real Estate and Construction (2.72%). It is important to note that the individual (39%) is not evaluated, but the report does not provide justification for this exclusion.

All economic sectors are exposed to events that can increase or decrease their social, environmental and climate risks. In 2023, the entity recognized operating losses of R\$ 3.3 million resulting from these events.

Despite the disclosure, this information was analyzed from the Social, Environmental and Climate Risks and Opportunities Report, which is a separate management document and is not part of the ESG report.

It was not possible to identify the balance recognized as an operating loss in the financial statements, which creates uncertainty about the calculation of the provision. This is because these risks may not have been considered during the assessment by the external audit.

Fragmented disclosure can compromise the reliability of the information presented. According to IFRS S1, presentations must be made in an integrated manner, ensuring that stakeholders have access to complete information about the risks and their implications.

4 FINAL CONSIDERATIONS

This study analyzed how Banco Bradesco S.A. incorporates ESG criteria into its accounting practices and sustainability reporting, with the objective of assessing the compliance of these practices with the disclosure requirements established by the IFRS S1 standard. Based on the theoretical review and analysis of the bank's reports, we sought to investigate the hypothesis that, although Bradesco adopts ESG disclosure practices, there are still gaps in the

integration of this information into the financial statements, which would compromise the transparency and comparability of the data.

The research confirmed the initial hypothesis, showing that Bradesco implements relevant practices for compliance with ESG guidelines and makes use of detailed reports on sustainability and corporate governance. However, it was observed that the full integration of this information with the financial statements is still partial. Disclosures related to social and environmental aspects, although aligned with standards such as GRI and ISSB, are not fully integrated into financial reports, which limits the ability of stakeholders to understand the financial impact of the bank's sustainable actions.

Another critical point identified was the lack of clear and standardized quantitative metrics in ESG reports. Although the bank provides qualitative descriptions of its initiatives, the absence of numerical data makes it difficult to accurately measure financial and socio-environmental impacts, a key aspect to meet the materiality, comparability and verifiability criteria of IFRS S1.

The analysis also revealed practical challenges in implementing IFRS S1 requirements, such as the need for a robust data integration system and the difficulty in quantifying the impacts of sustainable practices consistently. These factors reinforce the complexity of aligning ESG disclosure practices with global IFRS standards, requiring the bank to consider investments in measurement and control processes.

To improve compliance with IFRS S1, it is recommended that Banco Bradesco invest in the standardization of its ESG metrics, with a focus on quantitative data that can be easily integrated into the financial statements. The adoption of an independent auditing and verification system for ESG data can increase the reliability and transparency of disclosures, promoting greater stakeholder trust and alignment with international best sustainability practices.

In conclusion, the survey confirms the relevance of ESG criteria for Banco Bradesco and its commitment to sustainability. However, to achieve full compliance with IFRS S1 and meet the growing demands for transparency and social and environmental responsibility, the bank must adopt measures that reinforce the integration of ESG data with financial information, promoting reports that are both complete and comparable in the international scenario.

In addition, it is recommended that this study continue, given the growing relevance of the theme.

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