

## **On the Climate Agenda: Why Should We Care? By Ênio Meinen**

"The time to seek global solutions is running out. We can only find appropriate solutions if we act together and in harmony." (Pope Francis, December 11, 2024 – Vatican Press Office)

Recently, we have witnessed an increase in reports about some corporations—particularly those linked to the financial industry and capital markets—stepping away from commitments associated with the climate agenda. In a context often marked by polarized and, at times, unreflective narratives, it is crucial to revisit why this topic demands more than just fleeting attention. It requires strategic analysis that goes beyond the immediate financial interests of shareholders and owners, responsibility, and, above all, coherence. These requirements are even more critical for the cooperative movement, which has always carried within its essence a commitment to sustainable development. As such, it must play a leading role and co-lead actions in this field.

The adverse effects of climate change are undeniable. The year 2024 left no doubt: it was the hottest year on record, with a global average temperature of 15.10°C—1.6°C above pre-industrial levels. It was the first year in which the annual average exceeded the 1.5°C threshold set by the Paris Agreement, considered critical for avoiding severe climate consequences. The report from the European Copernicus Center warns that this warming has driven extreme events such as droughts, wildfires, and intense storms, with greenhouse gas (GHG) emissions as the primary catalyst.

As former UN Secretary-General Kofi Annan warned at the Nairobi Climate Change Conference (November 15, 2006), "The world is reaching the tipping point beyond which climate change may become irreversible. If that happens, we risk denying present and future generations the right to a healthy and sustainable planet—humanity as a whole will suffer."

The good news is that the climate agenda creates opportunities, and the market is already responding. National institutions such as the Getulio Vargas Foundation, the Dom Cabral Foundation, and the Brazilian Institute of Investor Relations have indicated that the carbon market will be one of the major ESG trends for 2025. Expanding this market promises not only to mitigate environmental impacts but also to create tangible incentives for companies to reinvent themselves, offsetting emissions and adopting more sustainable practices.

Ignoring the climate agenda means neglecting significant economic risks and opportunities. Climate change introduces physical risks, such as natural disasters affecting assets and guarantees, as well as transition risks arising

from stricter environmental policies that may devalue non-sustainable sectors. On the other hand, there is a vast opportunity to transform these challenges into inclusive economic growth, demonstrating that it is possible to prosper in a balanced way.

Pressure for alignment is already on the table—and within regulatory corridors. Brazil has reaffirmed its commitment to the Paris Agreement and set an ambitious goal: carbon neutrality by 2050. Initiatives such as the Brazilian Sustainable Taxonomy and the newly created Brazilian Greenhouse Gas Emissions Trading System are concrete tools to reposition the country at the forefront of global climate negotiations. COP-30, scheduled to be held in Belém in November 2025, is a clear call for the productive sector to deliver consistent results that align with its commitments.

In the financial sector, progress is equally significant. The Central Bank of Brazil, under the guidance of the National Monetary Council (CMN), has been refining instruments for analyzing and monitoring social, environmental, and climate risks (RSAC), strengthening the BC# Agenda's sustainability pillar in alignment with Article 192 of the Federal Constitution. Meanwhile, the Brazilian Securities and Exchange Commission (CVM) is advancing regulations that integrate sustainability-related financial information into the consolidated reports of publicly traded companies. This regulatory convergence is transforming Brazil's financial market, demanding greater alignment of institutions with global climate goals.

In this scenario, financial cooperatives emerge as unique players. More than financial intermediaries, they have an intrinsic vocation: to promote economic, social, and environmental development in balance. Their strong physical presence and direct connection with communities enable them to finance local and innovative solutions, such as renewable energy generation, regenerative agriculture, and the circular economy. When a cooperative invests in green credit lines, for example, it not only supports sustainable businesses but also fosters the inclusion of small rural producers and urban entrepreneurs in the energy transition.

Ultimately, the climate agenda cannot be subject to political cycles or momentary ideologies. As a cooperative movement, we have a particular duty—and privilege—to be a reference in the humanitarian agenda in its entirety. It demands management based on scientific evidence, consistent actions, and a commitment to real results.

In cooperativism, we do not merely pursue operational goals; we are guided by values and principles that prioritize the common good and ensure a more equitable future across different dimensions. The societal choice we have made, reinforced by the United Nations' decision to designate the International

Year of Cooperatives for the second time—recognizing that our institutions build a better world—compels us to continuously reaffirm our commitment to an inclusive, resilient, sustainable, and humanized economy. After all, this is the legacy we are destined to build—with purpose and determination.

### **About Sicoob**

Sicoob is a cooperative financial institution with more than 8.5 million members and operations in every Brazilian state and the Federal District. It offers a range of financial solutions, including current accounts, credit, investments, cards, pensions, consortia, insurance, banking collection, and electronic payment acquiring services. The system consists of 329 individual cooperatives, 14 central cooperatives, and the Sicoob Cooperative Center (CCS), which includes a confederation, a cooperative bank, a card processing and branding entity, a consortia administrator, a complementary pension entity, an insurance company, and a social investment institute. Sicoob has the largest network of branches among financial institutions in Brazil, with more than 4,600 service points. In over 400 municipalities, it is the only financial institution present. For more information, visit [www.sicoob.com.br](http://www.sicoob.com.br).

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