



HOME » BLOGSPOT » INTEGRATED REPORTING IN BRAZIL

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The introduction of Integrated Reporting <IR> concepts is very similar to the start of the Corporate Governance (CG) movement in Brazil. Both cases offer a new way to think about the world of organizations.

The debate about the best CG practices enjoyed wonderful progress over the past two decades. It was initially very difficult to attract attention to the discussion about Governance in Brazil. Few understood its concepts and those with a better understanding believed it was restricted to the realities of northern hemisphere markets or for large companies listed on the exchange. Today's results are palpable and sceptics and early resistors question them less and less.

The similarity with the start of <IR> in Brazil occurs because the concept is very innovative. This may generate doubts about its application and its core characteristics.

In the beginning, there were many doubts concerning CG concepts, a phase we are currently experiencing in Brazil in relation to <IR>. If we compare this to the start of the promotion of CG, we realize, however, a more positive disposition regarding Integrated Reporting than we ever noticed in the 1990s in Brazil for CG.

The reason for greater scepticism in relation to applying good CG than we find today with <IR> may be because of objections concerning some elements of CG, such as issues relating to power within organizations and the demands for transparency, which may be viewed as offering advantages to competitors. By contrast, I can list some positive factors relating to <IR> in Brazil, beginning with aspects of Sustainability.

Brazil has always received these aspects in a very positive manner, generating empathy in society. From the organizations' perspective, this past decade, we also observed greater concern in promoting improvements in this field, which evolved from the merely environmental to include social aspects. There was spontaneous adherence to these issues.

I like to use the testimony of an international capital provider as an example. It also operates in Brazil, granting credit and as an investor in enterprises. This financial institution has firm criteria about CG and sustainability. Its executives, who interacted with companies interested in obtaining credit in a favorable manner, or in having them as shareholders, reported greater ease in negotiating sustainability than CG clauses. The suspicion in this behavior is associated with CG's closer ties with power, making the potential objections bigger.

Opportunities

I believe these insights were important for achieving a better reception for <IR> concepts. The initiative in creating the Brazilian Group for monitoring enhanced this situation, stimulated by the first Brazilian members of the International Integrated Reporting Council (IIRC). With Professor Nelson Carvalho, of FEA-USP, at the helm, they encouraged the National Bank of Economic and Social Development (BNDES) to act as a facilitator and organizer of this Brazilian Group.

The group began with few participants, who voluntarily met and decided on their next steps. The presence grew with each meeting. Without any formalized CG structure, and with the assistance of Vania Borgeth, an executive who reports to the president of the BNDES, the Brazilian Group gathers today more than 200 participants who represent more than 90 organizations engaged in understanding and improving the reporting process of their information. The initiative went even further and structured work groups have been established, which now total four: Communication with Strategic Publics; Pioneer Companies; Investor Relations; and Road Show.

At its meetings, the group aims to keep the Brazilian market informed about the future of self-regulation in order to avoid surprises or rejections when implemented, engaging Brazilian

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companies in Integrated Reporting.

The group played an important role making structured comments during the International <IR> Draft Framework's public consultation period. Until then, the work by subgroups was mainly geared towards disseminating and explaining what <IR> is. This movement was unknown by a number of companies and people in Brazil.

Throughout this dissemination period, we were able to observe points that challenge organizations, such as being viewed as another type of report and an additional cost. This is mainly due to the need to train teams in elaborating the integrated report, as well as the issues related to document auditing and its standardization in Brazil.

Even in the face of some doubt, Brazil is among the top three countries in terms of the number of companies participating in the IIRC Pilot Programme. Of the 106 pilot companies Brazil has 12, the same as The Netherlands and the United Kingdom. This is very significant if we compare these countries in terms of GDP and capital market and organization structure. It is interesting that we are in a position of leadership. We believe this is an opportunity for other countries to understand what is happening here and to use this to move forward in disseminating the cause in their own countries.

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