

June 13, 2024  
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## CIRCULAR LETTER

OTC and Listed B3 Participants

Re.: **Change to the Methodology of the Carbon Efficient Index (ICO2 B3)**

B3 hereby informs you that, seeking to accompany the advances in the climate agenda and to enhance our indices constantly, as of **January 6, 2025** a new methodology will come into effect for drawing up the theoretical portfolio of the assets that comprise the ICO2 B3 index.

The aim of the new ICO2 index is to be a quotation performance indicator for assets that are outstanding in regard to their management of greenhouse gas (GHG) emissions and to their emission coefficients (the ratio between CO2 emissions and the company's gross revenue), in accordance with practices that result in greater efficiency and help to advance the transition to a low-carbon economy.

The main changes to the methodology are described below.

### 1) Data collection

The information used in the methodology will follow a flow whereby data is collected by B3 and validated by the companies via the [ESG Workspace](#) platform.

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## **2) Creation of the Greenhouse Gas (GHG) Emissions Management Score**

This indicates the quality of carbon emissions management, which is assessed through public evidence of actions aimed at enhancing the company's Emissions Coefficient/Revenue.

## **3) Selection of the assets**

The new criteria for inclusion in the ICO2 B3 are:

- a)** Membership of the Brazil Broad-Based Index (IBrA B3).
- b)** Simultaneously meeting the following requirements:
  - to be within the 75% of companies with the lowest emission/revenue Coefficients; and
  - having a Greenhouse Gas Emissions Management Score that is higher than or the same as the average subtracted from the standard deviation of its B3 Economic Sector.
- c)** Adopting at least four out of the ten management practices considered in the Greenhouse Gas Emissions Management Score.
- d)** Validation of the data of the Greenhouse Gas Emissions Management Score previously gathered at the ESG Workspace platform ([ESG Workspace \(b3.com.br\)](https://esg.workspace.b3.com.br)) and acceptance of the use of the data for portfolio composition.

## **4) Weighting of the assets**

The weighting of each asset in the ICO2 B3 will consider the following:

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- a) Emissions/Revenue coefficient.
- b) Greenhouse Gas Emissions Management Score
- c) The company's performance in relation to its Economic Sector (the classification of assets used is that managed by B3 and disclosed at [www.b3.com.br/en\\_us](http://www.b3.com.br/en_us), Products and Services, Trading, Equities, Equities, Consult, Industry Classification.

Further details about the new methodology are available at [www.b3.com.br/en\\_us/](http://www.b3.com.br/en_us/), Market data and indices, Indices, Sustainability indices, Carbon Efficient Index (ICO2 B3).

The previews of the new portfolio for the ICO2 B3 of January 6, 2025 will be calculated based on the new methodology.

Further information can be obtained by email at [indicesb3@b3.com.br](mailto:indicesb3@b3.com.br).

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