PKF Brazil

2026 | 2027 EDITION · ESG

Doing Business **in Brazil**

ESG & Sustainability Compliance

From compliance support to decision support

Reporting and assurance
Carbon market and taxonomy
ESG obligations already in force
EU, UK and US rules that reach Brazil
Regulatory calendar 2026–2031

Information current as at October 2026

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Information in this guide is stated as at October 2026. Several rules described are subject to pending regulation or litigation; see the Watchlist in Chapter 06. Dates and thresholds should be confirmed before decisions are taken.

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Foreword

In May 2026 the Brazilian Securities Commission (CVM) withdrew the rule that would have made ISSB-based sustainability reporting mandatory for every listed company from this financial year. Part of the market read the decision as the end of the ESG agenda in Brazil. Our reading is different. The obligation did not disappear; it changed address. It moved from the securities regulator to the people who finance, buy from and invest in Brazilian companies.

Banks supervised by the Central Bank must still publish sustainability and climate reports, with reasonable assurance, and they need their borrowers' data to do it. European customers will require deforestation due diligence on cattle, soy, coffee, cocoa, rubber and wood from 30 December 2026. Carbon is about to gain a regulated price under the Brazilian Emissions Trading System. Labour inspectors have been auditing psychosocial risk management since 26 May 2026. And every serious acquirer now prices environmental, labour and integrity exposure into due diligence, whether or not a resolution requires a report.

This guide is written for two readers. The first is the foreign group investing in Brazil, which needs to know what is required locally and where the real liabilities sit. The second is the Brazilian company that sells, borrows or raises capital abroad, and which is increasingly reached by European, British and American rules through its customers and lenders rather than directly. For both, the practical question is the same: which obligations apply, from when, and how to build data that will survive an assurance engagement.

It is a companion to our **Doing Business in Brazil 2026 | 2027**, and follows the same principle: technical depth, current law, and a clear indication at the end of each chapter of how PKF Brazil supports clients at that stage. Our multidisciplinary team brings together external and internal audit, assurance, SOC 1 and SOC 2 reporting, IT audit, corporate finance, tax consulting in compliance and planning, and business process outsourcing.

This edition benefited from the collaboration of **Matt Orrell** of **Sancap Solutions**, a partner of PKF Global in sustainability, whose international mapping of sustainability compliance across Brazil, the United States, the United Kingdom and the European Union served as an input to this guide. The analysis, content and editorial are by PKF Brazil. As members of PKF Global, present in more than 150 countries, we coordinate directly with colleagues wherever our clients operate.

Sustainability compliance rewards those who start with data and controls, not with brochures. We hope this guide helps you start well.

Cleverson Lacerda
CEO and Managing Partner, PKF Brazil
Board Member, PKF Global | Chair of the Board, PKF Latin America

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Executive summary: the 2026 turn in eight points

Brazil's sustainability framework went through its most significant recalibration since the adoption of the ISSB standards in 2023. The eight points below summarise what a board, a CFO or an investor needs to know today. Each is developed in the chapters that follow.

#	What changed	What it means in practice
1	**Listed companies: reporting became voluntary.** CVM Resolution 244/2026 removed the mandatory regime from FY2026. From 1 January 2027, a listed company that elects not to file must explain its reasons to the market by the date its annual financial statements are filed.	"Comply or explain" keeps the topic on the board agenda. Companies that do report must apply CBPS 01 and 02 in full, obtain reasonable assurance and commit to at least three consecutive years.
2	**Banks: still mandatory.** CMN Resolution 5,185/2024 and BCB Resolution 435/2024 require larger financial institutions to report from FY2026, with reasonable assurance, and the remaining IFRS reporters from FY2028.	Banks must measure financed emissions and climate exposure. Expect ESG data requests in credit approvals, covenants and pricing, even for privately held borrowers.
3	**Carbon gets a price.** The Brazilian Emissions Trading System (SBCE, Law 15,042/2024) is being regulated, with core rules expected by the end of 2026.	Installations above 10,000 tCO_2e a year will monitor and report; above 25,000 tCO_2e they will also surrender allowances. Inventories need to be audit-grade before the cap starts.
4	**A national definition of "sustainable".** The Brazilian Sustainable Taxonomy (TSB) was formally established by Decree 12,705/2025.	Green credit lines, labels and incentives will be tied to taxonomy criteria and minimum safeguards, phased in by financial regulators.
5	**Social rules already bite.** Psychosocial risk management under NR-1 has been enforceable since 26 May 2026; pay-transparency reports, the slave-labour register and the Clean Company Act are in force.	The "S" and the "G" in Brazil are enforced by inspectors and prosecutors, not only by investors. They are usually where the largest contingent liabilities sit.
6	**Border measures reach exporters directly.** The EU Deforestation Regulation applies from 30 December 2026; the EU CBAM entered its definitive phase on 1 January 2026; the EU Packaging and Packaging Waste Regulation (PPWR) has applied since 12 August 2026.	Agribusiness, metals and consumer-goods exporters face data requirements at the EU border regardless of their size or listing status. Packaging that cannot be shown to comply with PPWR, with supporting data, may be refused access to the EU market.
7	**Foreign reporting rules narrowed but did not vanish.** The EU Omnibus I raised CSRD and CSDDD thresholds; California SB 253 reporting starts in 2026, and SB 261 is paused pending a court ruling but remains on the watchlist; UK SRS applies to UK-listed companies from 2027.	Large Brazilian groups with EU, UK or US operations may be directly in scope. Most others will feel these rules through customer and supplier questionnaires.
8	**Marketing claims under scrutiny.** The EU Empowering Consumers Directive (EmpCo) has applied since 27 September 2026.	Any business marketing goods, services or brand credentials to consumers in the EU, directly or through distributors and retailers, must be able to substantiate its environmental claims.

WHERE THE DEMAND FOR ESG DATA COMES FROM

Regulation is now only one of six channels through which Brazilian companies are asked for sustainability information. In our experience, lenders and customers are the most frequent, and the least forgiving, sources of requests.

Lenders
CMN and BCB rules push banks to collect borrower emissions and climate-risk data.

Customers
Global buyers cascade CSRD, CSDDD, EUDR, CBAM, PPWR and EmpCo duties down the supply chain.

Investors
Funds and acquirers price ESG risk in mandates and due diligence.

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Regulators
CVM, CMN, BCB, MTE, IBAMA and the SBCE authority.

Employees
NR-1, pay transparency and diversity expectations.

Risk
Environmental and labour liabilities are strict and transferable.

HOW TO USE THIS GUIDE

If you are...	Start with	Then read
A foreign group investing in or acquiring a Brazilian company	Chapter 4 (liabilities in force) and Chapter 7 (ESG in transactions)	Chapters 2 and 3
A Brazilian listed company deciding whether to report	Chapter 2 (CVM Resolution 244/2026)	Chapters 6 and 7
A bank or other regulated financial institution	Chapter 2 (CMN and BCB rules)	Chapters 3 and 5
A Brazilian exporter to Europe, the UK or the US	Chapter 5 (cross-border exposure)	Chapter 6 (calendar)
An industrial emitter or carbon project developer	Chapter 3 (SBCE and carbon credits)	Chapters 2 and 7
A mid-sized supplier receiving ESG questionnaires	Chapter 5 (VSME) and Chapter 7 (roadmap)	Chapter 4

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PKF Brazil

CHAPTER 01

Brazil’s ESG landscape

A clean grid, a forest economy, and risks that sit in land and supply chains.

IN THIS CHAPTER

- Brazil’s starting point
- The policy direction
- Who regulates what



Brazil's starting point

Brazil enters the sustainability-reporting era with an unusual profile among large economies. Its electricity matrix is predominantly renewable, with hydropower, wind, solar and biomass supplying close to 90% of generation, and around half of its total energy supply already comes from renewable sources. By contrast, land-use change and agriculture account for the majority of the country's gross greenhouse gas emissions, which is the reverse of the pattern seen in most G20 economies, where energy dominates.

The consequence for companies is practical. In Brazil, material climate and nature risks tend to sit in land, supply chains and logistics rather than in chimneys. A food exporter's exposure is in the origin of its cattle or soy; a bank's is in its agricultural loan book; a retailer's is in its suppliers' labour practices. Any reporting or due diligence exercise designed with a European industrial template will miss part of the picture.

~90%	3 years	10,000 tCO_2e	30 Dec 2026
of electricity generated from renewable sources	minimum commitment for voluntary ISSB reporters (CVM)	annual threshold to monitor and report under the SBCE	EU Deforestation Regulation applies to large and medium operators

The policy direction

Hosting COP30 in Belém in November 2025 accelerated a policy agenda the federal government had organised under its Ecological Transformation Plan. The main building blocks now in place, or in final regulation, are:

- **Sustainability reporting standards** aligned with the ISSB (CBPS 01 and CBPS 02), issued by the Brazilian Sustainability Pronouncements Committee and endorsed by the CVM, the National Monetary Council and the Federal Accounting Council.
- **A regulated carbon market**, the SBCE, created by Law 15,042/2024 and coordinated by the Extraordinary Secretariat for the Carbon Market at the Ministry of Finance.
- **A national sustainable taxonomy** (TSB), established by Decree 12,705/2025, to classify activities and direct credit, guarantees and incentives.
- **Sustainable finance instruments**, including sovereign sustainable bonds, incentivised infrastructure debentures and blended-finance programmes for the energy transition.
- **Tax reform with an environmental lens**, including the Selective Tax on goods harmful to health or the environment from 2027, under Complementary Law 214/2025.

Who regulates what

Authority	ESG remit relevant to companies
CVM (Securities Commission)	Sustainability reporting by listed companies, funds and securitisation companies (Resolution 193/2023, as amended); governance disclosures in the Reference Form; anti-greenwashing supervision of ESG-labelled products.
CMN and BCB (National Monetary Council and Central Bank)	Mandatory sustainability reporting for financial institutions; social, environmental and climate responsibility policy (PRSAC); climate-risk disclosures (GRSAC report); taxonomy-linked credit rules.
CBPS and CFC	CBPS issues the Brazilian sustainability standards; the Federal Accounting Council (CFC) converts them into professional standards (NBC TDS) and sets the assurance standards (NBC TO and the new NBC TAS).
Ministry of Finance (SEMC)	Interim managing body of the SBCE; coordination of the Sustainable Taxonomy and the Ecological Transformation Plan.
MMA, IBAMA and state agencies	Environmental licensing, enforcement and the rural environmental registry (CAR).

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Authority	ESG remit relevant to companies
MTE (Ministry of Labour)	Occupational health and safety (including NR-1 psychosocial risks), pay-transparency reports and the register of employers found using slave-like labour.
CGU (Comptroller General)	Enforcement of the Clean Company Act and evaluation of corporate integrity programmes.
ANPD	Data protection (LGPD), a core element of governance and cyber-risk disclosures.
B3 (Stock Exchange)	ESG annex to listing rules (board diversity on a comply-or-explain basis) and the ISE B3 sustainability index.

PKF BRAZIL INSIGHT

Read 2026 as a reallocation, not a retreat

The CVM decision reduced the number of companies legally required to publish an ISSB report. It did not reduce the number of companies being asked for the underlying data. Our clients in agribusiness, logistics and manufacturing received more ESG questionnaires from banks and foreign customers in 2026 than in any previous year. The strategic error would be to dismantle the data and controls built for 2026 and have to rebuild them, under pressure, for a lender or a buyer in 2027.

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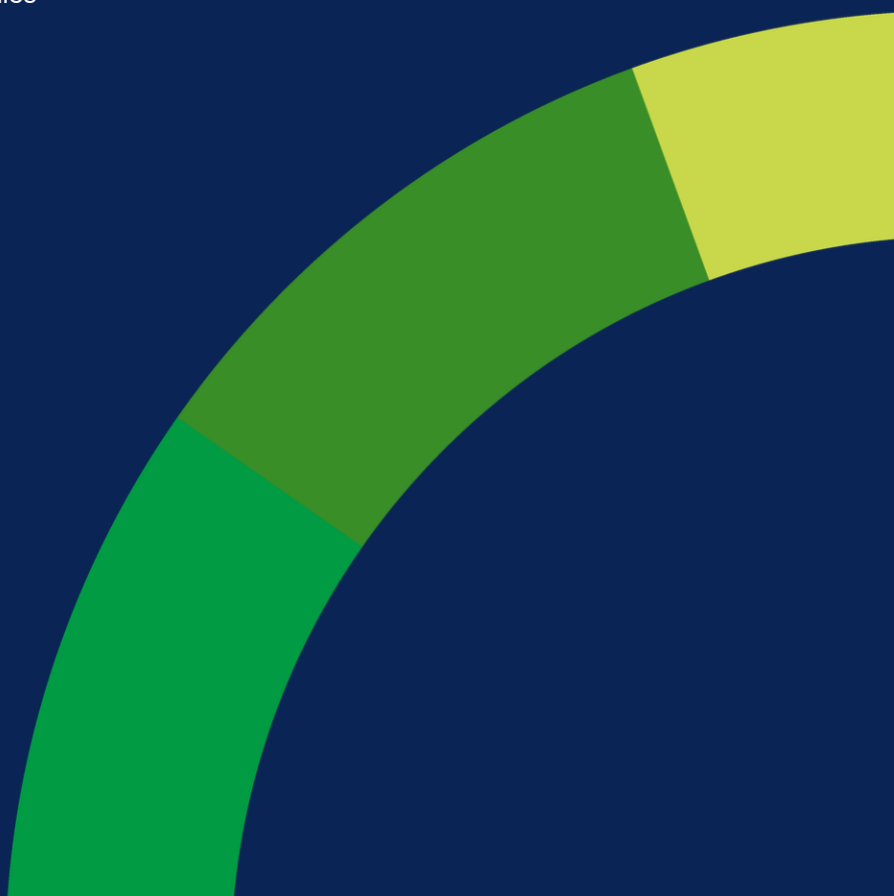
CHAPTER 02

Sustainability reporting and assurance

Voluntary for listed companies, mandatory for banks, and reasonable assurance for anyone who reports.

IN THIS CHAPTER

- The standards: CBPS 01 and 02
- Listed companies after CVM Resolution 244/2026
- Financial institutions under CMN and BCB rules
- What reasonable assurance requires



The standards: CBPS 01 and CBPS 02

Brazil adopted the ISSB baseline through two local pronouncements issued by the Brazilian Sustainability Pronouncements Committee (CBPS): **CBPS 01**, the Portuguese equivalent of IFRS S1 (general requirements for disclosure of sustainability-related financial information), and **CBPS 02**, the equivalent of IFRS S2 (climate-related disclosures). The CFC incorporated them into the professional framework as NBC TDS 01 and NBC TDS 02 through CFC Resolution 1,710/2023, which also gives accounting professionals a central role in preparing and assuring these reports.

The ISSB approach is investor-focused. It requires disclosure of sustainability-related risks and opportunities that could reasonably be expected to affect the entity's cash flows, access to finance or cost of capital, organised around four pillars: governance, strategy, risk management, and metrics and targets. Under CBPS 02 this includes Scope 1, 2 and 3 greenhouse gas emissions, climate scenario analysis and the effects of climate risk on financial position and performance.

Impact-oriented frameworks such as GRI remain widely used in Brazil for broader sustainability reports. They do not replace CBPS reporting where CBPS reporting is required or chosen, but a well-designed data model serves both.

Listed companies: from mandatory to "comply or explain"

CVM Resolution 193/2023 made Brazil one of the first jurisdictions to adopt the ISSB standards, with voluntary reporting from 2024 and a mandatory regime for listed companies from financial years beginning on or after 1 January 2026. On 29 May 2026 the CVM issued **Resolution 244/2026**, which removed the mandatory regime with effect for FY2026. The key elements of the current rule are compared below.

Element	Original Resolution 193/2023	After Resolution 244/2026
Obligation for listed companies	Mandatory from FY2026	Voluntary. From 1 January 2027, a company that elects not to file must explain its reasons to the market by the date its annual financial statements are filed ("comply or explain")
Standard to apply	CBPS 01 and 02 (IFRS S1 and S2)	Unchanged: any company that publishes sustainability-related financial information under the CVM regime must apply CBPS in full
Assurance	Independent auditor registered with the CVM: limited assurance until FY2025, reasonable from FY2026	Unchanged for those who report: reasonable assurance from FY2026
Lock-in	A single voluntary report bound the company to report permanently	Minimum of three consecutive years; intention to stop must be announced in the year before
Smaller companies	Exempt under the simplified regime for smaller issuers	Unchanged (Resolution 232/2025 "Regime Fácil")
Funds and securitisation companies	Voluntary	Voluntary

The CFC and parts of the market have argued for a gradual convergence path rather than a full reversal, and the debate continues. Companies should plan on the basis of the rule in force, while recognising that the direction of travel in other ISSB jurisdictions remains towards mandatory reporting.

Financial institutions: still mandatory

The National Monetary Council did not follow the CVM. **CMN Resolution 5,185/2024**, together with **BCB Resolution 435/2024**, requires financial institutions to prepare and publish a sustainability-related financial information report under CBPS 01 and 02, as an integral part of their annual consolidated financial statements, subject to reasonable assurance.

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	Phase 1	Phase 2
Institutions in scope	Institutions registered as listed companies, and leaders of prudential conglomerates classified in segments S1 or S2	Other institutions that publish consolidated financial statements under IFRS, whether by obligation or voluntarily (including segment S3 leaders)
First mandatory year	FY2026 (report published with 2026 annual statements)	FY2028, with early adoption permitted
Standard	CBPS 01 and CBPS 02, adopted in full, with an explicit and unreserved statement of compliance	Same
Assurance	Reasonable assurance by an independent auditor	Same

These reports sit alongside the prudential framework the Central Bank already enforces: the social, environmental and climate responsibility policy (PRSAC) and the GRSAC report on social, environmental and climate risks and opportunities. For banks, financed emissions (Scope 3, category 15) are typically the largest and most difficult figure. That is the mechanism through which the obligation reaches borrowers: a bank cannot calculate financed emissions with reasonable assurance without reliable data from its clients.

Assurance: what reasonable assurance really requires

Sustainability assurance in Brazil is performed by independent auditors under CFC standards. Engagements today rely on the general assurance standard (NBC TO 3000) and the standard for greenhouse gas statements (NBC TO 3410). The CFC put **NBC TAS 5000**, the Brazilian convergence of the international standard ISSA 5000, to public consultation in late 2025, consolidating the framework for both limited and reasonable assurance of sustainability information.

One difference from a financial statement audit shapes both levels of assurance. Sustainability data is not produced by a double-entry system: there is no trial balance that must reconcile, and an error in one metric does not surface as an imbalance elsewhere. Inherent risk is therefore higher, which pushes companies to design more robust controls and leads auditors to test more extensively than they would for comparable financial information.

	Limited assurance	Reasonable assurance
Conclusion	Negative form: "nothing has come to our attention..."	Positive opinion, comparable in level to a financial statement audit
Work performed	Inquiry and analytical procedures, with limited testing	Understanding and testing of controls, substantive testing, site visits and recalculation
What the company needs	Documented methodologies and a consistent data trail	Designed and operating internal controls over sustainability data, with evidence that can be tested
Typical first-year issues	▪ Data availability and completeness ▪ Data quality and accuracy ▪ Reporting boundaries ▪ Supporting documentation ▪ Methodologies and assumptions not documented or not applied consistently ▪ Data held by third parties, often providers new to this level of scrutiny and with immature processes	▪ Insufficient control design and operation ▪ Inadequate audit trail and difficulty obtaining sufficient appropriate evidence ▪ IT systems and data integrity ▪ Underestimating the lead time required ▪ SOC reports not available from data providers

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PKF BRAZIL INSIGHT

Start with a dry run

Moving directly to reasonable assurance in the first year is demanding. We recommend a pre-assurance "dry run" on the prior year's data, scoped as a limited assurance engagement or an agreed-upon procedures review. It reveals control gaps while there is still time to fix them, and it costs a fraction of a qualified conclusion.

Points of attention for preparers

- **Connectivity with the financial statements.** CBPS reports must use the same reporting entity and period as the financial statements. Climate assumptions should be consistent with those used in impairment tests, useful lives, provisions and expected credit losses.
- **Transition reliefs are finite.** IFRS S1 and S2 allow, in the first year, climate-only reporting, omission of Scope 3 and no comparatives. Reliefs end; data systems should be designed for the full scope from the start.
- **Scope 3 is a supply-chain project, not a calculation.** It depends on suppliers, customers and, for banks, borrowers. Contracts and onboarding processes need to request the data.
- **Scenario analysis must be decision-useful.** Generic scenarios copied from public sources rarely survive auditor and investor scrutiny. They need to be linked to the company's own assets, markets and strategy.
- **Governance is disclosed and tested.** Boards and audit committees must show how they oversee sustainability risks. Minutes, mandates and competence matrices become evidence.

HOW PKF BRAZIL CAN HELP

- **Assurance** of sustainability reports and greenhouse gas statements, limited or reasonable, under CFC standards, by a CVM-registered firm.
- **Readiness and pre-assurance reviews** to test data, methodologies and controls before the first formal engagement.
- **External audit** with integrated review of climate assumptions in impairment, provisions and useful lives, so that both reports tell the same story.
- **Internal audit** of sustainability processes and controls, designed to the standard reasonable assurance will require.
- **IT audit** of ESG data platforms, integrations and spreadsheets, and **SOC 1 and SOC 2 reports** for service providers that host or process clients' sustainability data.

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CHAPTER 03

Carbon, taxonomy and sustainable finance

Carbon is about to gain a regulated price. Measurement comes first.

IN THIS CHAPTER

- The Brazilian Emissions Trading System
- Voluntary credits and integrity
- The Brazilian Sustainable Taxonomy
- Sustainable finance and the tax angle

The Brazilian Emissions Trading System (SBCE)

Law 15,042 of 11 December 2024 created the Brazilian Greenhouse Gas Emissions Trading System, a cap-and-trade market inspired by the EU model. It places Brazil among the jurisdictions that put an explicit price on carbon and, for the first time, attaches legal obligations and sanctions to corporate emissions data.

Element	How it works
Who is regulated	Operators of installations or sources emitting more than **10,000 tCO_2e per year** must submit a monitoring plan and annual emissions reports. Those above **25,000 tCO_2e per year** must also reconcile their emissions by surrendering allowances. Primary agricultural production is outside the regulated cap.
Instruments	**CBE** (Brazilian Emissions Quota): the allowance, allocated free or by auction under a National Allocation Plan. **CRVE** (Certificate of Verified Emission Reduction or Removal): offsets from accredited methodologies, usable within limits set by the managing body.
Governance	The Interministerial Committee on Climate Change sets policy. The managing body regulates and enforces; its functions are currently performed by the Extraordinary Secretariat for the Carbon Market (SEMC) at the Ministry of Finance (Decree 12,677/2025). A Permanent Technical Advisory Committee (CTCP, Decree 12,768/2025) supports technical decisions.
Timeline	Five phases: regulation, operationalisation of monitoring, reporting and verification (MRV), a reporting-only period, the first allocation plan and full operation. Core secondary rules are expected by the end of 2026, with emissions reporting expected to start in 2027 and the cap to bind towards the end of the decade.
Sanctions and registry	Fines of up to 3% of gross revenue, among other penalties. A central registry for emissions, allowances and credits is being developed by the Ministry of Finance and Serpro.

For an affected company, the critical path is not trading but **measurement**. Allocation will be based on historical and benchmarked data, and verified reports will determine the allowances to be surrendered. Inventories prepared today with loose boundaries or unreviewed emission factors will become financial liabilities once the cap applies.

The voluntary carbon market and credit integrity

The SBCE coexists with the voluntary carbon market, in which Brazil is one of the largest suppliers of nature-based credits. The law creates a bridge: voluntary credits meeting the managing body's criteria may be recognised as CRVEs. It also establishes rules for jurisdictional REDD+ programmes and protects the rights of indigenous peoples and traditional communities over credits generated on their lands.

For buyers, the key questions are legal and accounting: title to the credit, land tenure, methodology accreditation, accounting recognition and tax on sale.

The Brazilian Sustainable Taxonomy (TSB)

Decree 12,705 of 31 October 2025 established the TSB as an instrument of the Ecological Transformation Plan. It classifies economic activities, assets and projects that contribute to environmental and social objectives, with priority in its first edition to climate change mitigation and adaptation and to the reduction of socioeconomic inequalities. Its stated purposes include directing credit lines, guarantees and incentives, labelling financial instruments and monitoring investment alignment.

Two design features matter for companies. First, **minimum safeguards** covering environmental, social and governance dimensions are mandatory cross-cutting conditions for any activity to qualify. Second, implementation is **gradual**: financial regulators will adapt their rules over time, starting with large companies and financial institutions, with transition periods for monitoring, reporting and verification. Lenders will ask for alignment evidence well before any direct obligation applies.

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Sustainable finance instruments

- **Green, social, sustainability and sustainability-linked bonds and debentures**, with the federal government issuing sovereign sustainable bonds since 2023.
- **Incentivised infrastructure debentures** (Law 12,431/2011 and Law 14,801/2024), widely used for renewable energy, sanitation and logistics projects.
- **Blended-finance and hedging programmes** for the energy transition, such as Eco Invest Brasil, and concessional lines from the National Climate Change Fund (Fundo Clima).

The tax angle

Sustainability is now embedded in Brazil's tax system, with three points requiring attention in planning:

- **Selective Tax (Imposto Seletivo).** Introduced by the consumption tax reform (Complementary Law 214/2025), it applies from 2027 to goods considered harmful to health or the environment, including vehicles, vessels, aircraft and mineral extraction (for which the rate is capped at 0.25%). Rates depend on ordinary legislation still pending as at October 2026.
- **Carbon instruments.** Law 15,042/2024 sets specific income-tax rules for gains on allowances and credits. Their interaction with the new CBS and IBS consumption taxes, in force progressively from 2026, should be modelled before contracts are signed.
- **Transition incentives.** Instruments such as the Energy Transition Acceleration Programme (PATEN, Law 15,103/2025), the Fuel of the Future Law (Law 14,993/2024) and the REIDI infrastructure regime can materially change project economics. For steel and aluminium exporters, the EU CBAM works as a border tax on embedded emissions (see Chapter 5).

HOW PKF BRAZIL CAN HELP

- **Assurance of greenhouse gas inventories** under NBC TO 3410, and readiness reviews of SBCE monitoring plans and emissions reports.
- **Corporate finance**: valuation of carbon credits and projects, carbon price scenarios in business plans and impairment tests, and ESG due diligence on carbon assets.
- **Tax consulting**: structuring and tax treatment of carbon credits and allowances, Selective Tax impacts and transition incentives, in both compliance and planning.

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CHAPTER 04

ESG obligations already in force

In Brazil, environmental, social and governance rules are enforced by inspectors, prosecutors and courts, not only by investors.

IN THIS CHAPTER

- Environmental liability
- Labour and human rights
- Governance and integrity

Brazil's environmental, labour and integrity laws predate the sustainability-reporting agenda by decades and are actively enforced by inspectors, prosecutors and courts. For foreign investors, this is where the largest contingent liabilities sit, and it is the first place we look in financial and tax due diligence.

Environmental liability

- **Strict and joint liability.** Under the National Environmental Policy Law (Law 6,938/1981), liability for environmental damage is strict: fault is irrelevant. The courts apply it broadly, and anyone who contributes to the damage, including financiers in certain circumstances, may be held jointly liable.
- **Obligations follow the property.** The Superior Court of Justice treats environmental obligations as attached to the land (Precedent 623), so a buyer can be required to remediate damage caused by previous owners.
- **Corporate criminal liability.** The Environmental Crimes Law (Law 9,605/1998) allows legal entities to be criminally prosecuted, alongside their managers.
- **Licensing.** Activities with environmental impact require licences at federal, state or municipal level. The General Environmental Licensing Law (Law 15,190/2025) created a national framework and new simplified procedures, and its application continues to be refined in regulation and litigation.
- **Forest Code and CAR.** Rural properties must be registered in the Rural Environmental Registry (CAR) and maintain legal reserves and permanent preservation areas. CAR status is now a standard data point in agricultural supply-chain and EUDR due diligence.
- **Solid waste and reverse logistics.** The National Solid Waste Policy (Law 12,305/2010) imposes shared product life-cycle responsibility and reverse logistics systems on manufacturers, importers and retailers of packaging, electronics, batteries, tyres and other products. It is Brazil's equivalent of the extended producer responsibility rules now spreading in the United States.

Labour and human rights

- **Psychosocial risks (NR-1).** Since 26 May 2026, employers of all sizes must identify, assess and control psychosocial risk factors within their occupational risk management programme (PGR), under the updated Regulatory Standard NR-1. Labour inspectors may now issue fines for the absence of documented risk management.
- **Pay transparency.** Law 14,611/2023 requires companies with 100 or more employees to publish a semi-annual salary-transparency report on pay and promotion criteria by sex, and to adopt an action plan when gaps are identified.
- **Register of employers using slave-like labour.** The Ministry of Labour publishes a register of employers found using labour analogous to slavery. Listing restricts access to credit and is a red flag for any buyer or lender; courts have held companies liable for conditions in their supply chains and outsourced activities.
- **Quotas.** Companies with 100 or more employees must hire people with disabilities (2% to 5% of the workforce), and most companies must hire apprentices (5% to 15% of qualifying positions).
- **Outsourcing.** Outsourcing is lawful for any activity, but the contracting company remains subsidiarily liable for the contractor's labour debts, and the Supreme Court is reviewing the limits of contracting individuals through companies (Theme 1389).

Governance and integrity

- **Clean Company Act.** Law 12,846/2013 imposes strict civil and administrative liability on companies for corruption of public officials, with fines of 0.1% to 20% of gross revenue. Decree 11,129/2022 sets the parameters of an effective integrity programme, which can reduce penalties and is required by Law 14,133/2021 for large public contracts.
- **Data protection.** The LGPD (Law 13,709/2018) is enforced by the ANPD, with fines of up to 2% of revenue in Brazil, capped at R$ 50 million per infraction. Data governance and cyber resilience are now standard elements of ESG questionnaires.
- **Listed company governance.** The CVM requires listed companies to report on the Brazilian Corporate Governance Code on a comply-or-explain basis, and B3's ESG annex to its listing rules asks companies to have women and members of under-represented groups on their boards or statutory executive boards, or explain why not.

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Area	Main rule	Who is affected	Typical evidence requested
Psychosocial risk	NR-1 (in force 26 May 2026)	All employers	PGR with psychosocial inventory, action plans, training records
Pay equity	Law 14,611/2023	100+ employees	Semi-annual transparency report, action plan
Slave-like labour	MTE register; Constitution art. 243	Employers and, indirectly, their buyers	Supplier screening, audits, contractual clauses
Anti-corruption	Law 12,846/2013; Decree 11,129/2022	All companies	Integrity programme, risk assessment, third-party due diligence
Data protection	LGPD	All companies processing personal data	Records of processing, DPO, incident response, IT controls
Environmental	Laws 6,938/1981, 9,605/1998, 12,651/2012, 15,190/2025	Asset owners, operators, lenders	Licences, CAR, remediation records, reverse logistics

HOW PKF BRAZIL CAN HELP

- **Internal audit** and compliance reviews covering labour, environmental and integrity controls, including NR-1 psychosocial risk programmes and pay-transparency processes.
- **Integrity programme assessments** against Decree 11,129/2022 and third-party due diligence frameworks for supply chains.
- **IT audit and SOC 2 reports** supporting LGPD compliance and the security of personal and ESG data.
- **Business Solutions (BPO)**: payroll, labour and HR outsourcing that produces compliant, auditable records by design.

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PKF Brazil

CHAPTER 05

Cross-border exposure: EU, UK and US

Foreign rules reach Brazilian companies through three doors.

IN THIS CHAPTER

- Direct scope, value chain and border measures
- European Union: CSRD, CSDDD, CBAM, EUDR, PPWR, EmpCo, VSME
- United Kingdom: UK SRS, SDR, SECR
- United States: California and EPR

This chapter draws on input from the international regulatory mapping by Matt Orrell of Sancap Solutions, a partner of PKF Global, and was developed by PKF Brazil as at October 2026 through the lens of a Brazilian company.

Brazilian companies are reached by foreign sustainability rules through three channels. Understanding which channel applies is the first step in any applicability assessment, and it often changes the answer.

Channel	How it works	Examples
Direct scope	A Brazilian group, or its foreign subsidiary, meets the thresholds of a foreign rule and must report or perform due diligence itself.	CSRD for groups with large EU operations; SB 253 for US subsidiaries doing business in California; UK SRS for UK-listed issuers
Value chain	A customer, investor or lender in scope asks its Brazilian supplier or borrower for data, evidence or contractual commitments.	CSRD and CSDDD questionnaires; Scope 3 data requests; evidence for green claims under EmpCo; supplier codes of conduct
Border measures	The rule applies to goods when they enter a market, regardless of the size or listing of the producer.	EU CBAM (steel, aluminium, fertilisers, cement, hydrogen, electricity); EU Deforestation Regulation (cattle, soy, coffee, cocoa, rubber, palm oil, wood); EU PPWR (packaging and packaged products placed on the EU market)

European Union

In 2025 and 2026 the EU recalibrated its sustainability rulebook. The **Omnibus I Directive (Directive (EU) 2026/470)**, published on 26 February 2026 and in force since 18 March 2026, substantially narrowed the scope of the CSRD and the CSDDD; Member States must transpose it by 19 March 2027. The EUDR was postponed and simplified by Regulation (EU) 2025/2650, and CBAM entered its definitive period. The current position is summarised below. Two further rules now in application reach Brazilian exporters of consumer goods: the Packaging and Packaging Waste Regulation and the Empowering Consumers Directive, summarised in the second table.

	CSRD	CSDDD	CBAM	EUDR
Scope	EU companies and groups with more than 1,000 employees and net turnover above €450m. Non-EU parents with EU net turnover above €450m and an EU subsidiary or branch above €200m.	EU companies with more than 5,000 employees and worldwide net turnover above €1.5bn. Non-EU companies with EU net turnover above €1.5bn.	Importers of iron and steel, aluminium, fertilisers, cement, hydrogen and electricity, above an annual threshold of 50 tonnes.	Operators and traders placing cattle, cocoa, coffee, oil palm, rubber, soya, wood and derived products on the EU market, or exporting them.
Main obligation	Annual sustainability statement under ESRS, based on double materiality, including GHG emissions.	Risk-based human rights and environmental due diligence across the chain of activities.	Annual CBAM declaration and surrender of CBAM certificates for embedded emissions.	Due diligence statement proving products are deforestation-free (after 31 Dec 2020) and legally produced, with geolocation.
Assurance	Limited assurance	No specific assurance requirement	Verification of actual emissions data by accredited verifiers	Not required; evidence must be retained
Key dates	Large EU companies report on FY2027 data in 2028; non-EU parents on FY2028 data in 2029	Application from July 2029	Definitive period since 1 Jan 2026; certificate sales from Feb 2027; first annual declaration by 30 Sep 2027	30 Dec 2026 for large and medium operators; 30 Jun 2027 for most micro and small operators

	PPWR (Regulation (EU) 2025/40)	EmpCo (Directive (EU) 2024/825)
Scope	Any economic operator placing packaging or packaged products on the EU market, including manufacturers and brand owners, importers, distributors and e-commerce sellers.	Any business that markets or communicates goods, services or brand credentials to consumers in the EU.

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	PPWR (Regulation (EU) 2025/40)	EmpCo (Directive (EU) 2024/825)
Main obligation	Requirements across the packaging life cycle, from design and material selection to reuse, recycling and end-of-life, with harmonised labelling and data on material composition, weight and testing.	Prevent misleading environmental claims: bans vague and generic claims, restricts offset-based claims, regulates sustainability labels and future commitments, and requires durability and repair information.
Assurance	No specific assurance requirement; supporting data and technical documentation must be available on request.	No specific assurance requirement; claims must be substantiated.
Key dates	General application since 12 August 2026, phasing in through 2040 (recyclability and recycled-content milestones from 2028 and 2030)	Applies since 27 September 2026

WHY IT MATTERS FOR BRAZIL

- **More trade, more exposure.** The EU–Mercosur Interim Trade Agreement, signed in Asunción on 17 January 2026, has applied between the EU and Brazil since 1 May 2026. As tariffs fall, a growing share of Brazilian exports will cross the EU border, where EUDR and CBAM apply regardless of tariff preferences.
- **EUDR is the most immediate exposure.** Brazil is classified as a "standard risk" country under the EU benchmarking system, so full due diligence applies. A significant share of Brazilian exports to the EU, estimated at around 30%, falls within EUDR commodities. Exporters need plot-level geolocation, CAR status and legality evidence, ready to be shared with EU importers through the EUDR information system. The Commission has confirmed it will not reopen the text and will adjust product scope through a delegated act.
- **CBAM rewards measured, low-carbon production.** Brazilian steel and aluminium are often less carbon-intensive than global averages because of the electricity matrix. That advantage only counts if actual emissions are measured and verified; otherwise EU importers must use default values that penalise the product.
- **CSRD and CSDDD now reach fewer companies directly, but the value chain persists.** Omnibus I limits the information that in-scope companies can demand from partners with fewer than 1,000 employees to what is covered by the voluntary SME standard (VSME). For mid-sized Brazilian suppliers, VSME is therefore the most likely format of future requests.
- **PPWR reaches the packaging, not only the product.** Brazilian exporters may need to change packaging design and materials, collect composition and weight data, update technical documentation and coordinate with European importers and customers. Companies that do not sell directly in the EU can still face the requirements through their customers. Food and beverage, cosmetics, personal care and consumer goods, packaging suppliers and e-commerce businesses are the most exposed.
- **EmpCo turns marketing into a compliance matter.** It applies most directly to products sold to EU consumers, but distributors, retailers and customers pass it down the chain. Claims about products, packaging and practices must be substantiated. A Brazilian coffee exporter describing its coffee as "sustainably produced", for example, must explain what that means and define the scope of the claim.

VSME: THE REFERENCE FOR SMALL AND MEDIUM SUPPLIERS

The Voluntary Sustainability Reporting Standard for non-listed SMEs (VSME) addresses the same topics as the ESRS in a proportionate way. It has a **Basic module**, the minimum recommended for micro-companies, and a **Comprehensive module** with the datapoints most frequently requested by banks, investors and corporate customers. Assurance is not required, but it increases the credibility of the information. For Brazilian mid-market companies supplying European groups, a VSME-based report is often the most efficient answer to multiple questionnaires.

MEMBER-STATE RULES WORTH KNOWING

- **Germany.** The Supply Chain Due Diligence Act (LkSG) applies to companies with at least 1,000 employees in Germany and is being aligned with the CSDDD. German buyers often extend it to Brazilian suppliers by contract.
- **Spain.** Royal Decree 214/2025 requires large companies to calculate their carbon footprint and adopt five-year reduction plans, with Scopes 1 and 2 from 2026 (FY2025 data) and Scope 3 from 2028.

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United Kingdom

- **UK Sustainability Reporting Standards (UK SRS).** The government published the final UK SRS S1 and S2, based on IFRS S1 and S2, on 25 February 2026. On 30 September 2026 the FCA published final rules (PS26/19) requiring UK-listed companies, including secondary listings and depositary receipts, to report against UK SRS on a comply-or-explain basis for accounting periods beginning on or after 1 January 2027, with first reports in 2028. Companies must also disclose whether they have published a transition plan and whether they obtained third-party assurance.
- **Sustainability Disclosure Requirements (SDR).** FCA regime for financial firms: anti-greenwashing rule, investment labels and limits on terms such as "ESG" or "sustainable" in product names.
- **Streamlined Energy and Carbon Reporting (SECR).** Quoted and large unlisted companies and LLPs report energy use, Scope 1 and 2 emissions, an intensity ratio and efficiency actions. UK SRS is expected to replace it.

United States

There is no federal climate disclosure requirement in force (the SEC stopped defending its 2024 rule in 2025). Obligations come from state law, led by California, and reach Brazilian groups through their US subsidiaries. New York, Illinois, New Jersey and other states have proposed similar bills.

	SB 253	SB 261	AB 1305
Who	US-organised entities with total annual revenue above US$ 1bn doing business in California, including subsidiaries of foreign groups	US-organised entities with total annual revenue above US$ 500m doing business in California, including subsidiaries of foreign groups	Entities marketing, buying or using voluntary carbon offsets, or making net-zero and carbon-neutral claims, in California
Obligation	Annual Scope 1 and 2 emissions; Scope 3 from 2027	Biennial climate-related financial risk report (TCFD or ISSB-aligned)	Disclosure of offset project details and the basis for climate claims
Assurance	Limited assurance for Scopes 1 and 2, rising to reasonable from 2030; limited for Scope 3 from 2030. CARB will not enforce assurance for the first report	None	None
Status as at Oct 2026	First report (Scopes 1 and 2) due 10 November 2026; CARB's regulation received final approval on 12 October 2026. For this first cycle, an entity that was neither collecting nor planning to collect the data as of 5 December 2024 may submit a statement to CARB instead	Paused by a Ninth Circuit injunction since November 2025 pending appeal; voluntary filing docket open	In force since 1 January 2024

- **Extended producer responsibility (EPR).** States such as California, Colorado, Maine, Oregon and Minnesota require packaging producers to join producer responsibility organisations, report material data and pay eco-modulated fees.

HOW PKF BRAZIL CAN HELP

- **Applicability assessments** across Brazil, the EU, the UK and the US, identifying direct, value-chain and border exposures for each entity of the group.
- **EUDR, CBAM, PPWR and EmpCo readiness** for exporters: traceability, packaging-data and claims-substantiation reviews, data-control testing, and independent assurance of emissions data shared with EU importers.
- **VSME-based reporting** for mid-sized suppliers, prepared by our **Business Solutions (BPO)** team as an outsourced sustainability office. Where the client also needs independent assurance, our assurance team can provide it, subject to applicable independence requirements.
- **Coordination with PKF Global** member firms in the EU, the UK and the US, so that local requirements abroad and the Brazilian view are handled in coordination.

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CHAPTER 06

Regulatory calendar 2026 to 2031

Every date that matters, in one place.

IN THIS CHAPTER

- Brazil, EU, UK and US milestones
- Watchlist: what may change before year-end
- Planning backwards from the first assured year



The table consolidates the main dates covered in this guide. Dates reflect rules in force or formally proposed as at October 2026 and are subject to change; several depend on pending regulation.

Date	Jurisdiction	Milestone
1 Jan 2026	Brazil	CVM Resolution 244/2026 applies: ISSB reporting voluntary for listed companies. CMN: mandatory reporting for listed and S1/S2 financial institutions for FY2026, with reasonable assurance
1 Jan 2026	EU	CBAM definitive period begins
26 May 2026	Brazil	NR-1 psychosocial risk management enforceable
12 Aug 2026	EU	PPWR general application begins
27 Sep 2026	EU	EmpCo applies to environmental claims made to EU consumers
10 Nov 2026	US (California)	First SB 253 report (Scopes 1 and 2); CARB regulation approved on 12 October 2026
End 2026	Brazil	Core SBCE secondary regulation expected
30 Dec 2026	EU	EUDR applies to large and medium operators and traders
2027	Brazil	Comply-or-explain notices for listed companies not filing ISSB reports; Selective Tax begins; SBCE emissions reporting expected to start
1 Jan 2027	UK	UK SRS reporting periods begin for UK-listed companies (comply or explain)
Feb 2027	EU	Sale of CBAM certificates begins
19 Mar 2027	EU	Deadline for Member States to transpose Omnibus I
30 Jun 2027	EU	EUDR applies to most micro and small operators
30 Sep 2027	EU	First annual CBAM declaration (2026 imports)
2027	US (California)	SB 253 Scope 3 reporting begins
FY2028	Brazil	CMN: mandatory reporting extended to other financial institutions publishing IFRS consolidated statements
2028	EU / UK	First CSRD reports by large EU companies under the Omnibus scope (FY2027 data); first UK SRS reports
2029	EU	Non-EU parent CSRD reports (FY2028 data); CSDDD applies from July 2029
2030	EU	PPWR: main recyclability and recycled-content requirements
2030	US (California)	SB 253: reasonable assurance for Scopes 1 and 2; limited assurance for Scope 3
2030 onwards	Brazil	SBCE first National Allocation Plan and full operation of the cap

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Watchlist: what may change before 31 December 2026

Several rules in this guide are scheduled to move in the last quarter of 2026. Rather than wait for every decision, we publish now and mark what is pending. Each item below has an expected trigger and the practical point to watch. PKF Brazil intends to publish a dated update note, planned for January 2027, consolidating the outcomes and making it available to readers of this guide.

Item	Expected trigger	What to watch
SBCE core regulation (Brazil)	Secondary rules by the Ministry of Finance (SEMC), expected by December 2026	Coverage by sector, allocation criteria, MRV rules, limits on use of CRVEs, penalties
CBS and IBS 2027 reference rates (Brazil)	TCU validation of the Federal Revenue's calculation by 30 October 2026; Senate resolution by 15 December 2026	Rates used in 2027 pricing and contracts, including carbon and transition projects
Selective Tax rates (Brazil)	Ordinary law pending in Congress	Rates for vehicles, mineral extraction and other goods from 2027
NBC TAS 5000 (Brazil)	CFC approval after the 2025 public consultation	Effective date and transition from NBC TO 3000 and 3410 for sustainability assurance
CVM Resolution 244/2026 (Brazil)	Debate on a gradual convergence path proposed by the CFC	Any signal of a return to mandatory reporting or of a phased model
California SB 261 (US)	Ninth Circuit ruling on the appeal heard in January 2026	Whether the injunction is lifted and a new reporting date is set
Post-election agenda (Brazil)	Presidential run-off on 25 October 2026; new federal and State terms begin in January 2027	Signals on the Selective Tax, the carbon market regulation and the CVM reporting regime
EUDR (EU)	Delegated act adjusting product scope; Information System ahead of 30 December 2026	Products added or removed (for example leather) and technical readiness for exporters

PKF BRAZIL INSIGHT

Plan backwards from the first assured number

For most companies the binding date is not the publication deadline but the first period whose data will be assured. A report on FY2027 data needs controls operating from 1 January 2027. In practice, the design work has to be finished in the last quarter of the preceding year.

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CHAPTER 07

Building an audit-ready ESG function

Lean but audit-ready: one architecture, many reports.

IN THIS CHAPTER

- Five principles
- A 180-day roadmap
- ESG in transactions
- Ten common mistakes

Regulation will keep moving. The EU has already revised its rules twice, the CVM reversed course within three years, and California's laws remain in litigation. Companies that chase each rule separately spend the most and are the least prepared. The sustainable answer is a single data and control architecture, lean but audit-ready, from which different reports can be produced.

Five principles

1. **One entity map, one boundary.** Use the same consolidation perimeter for financial statements, GHG inventories and sustainability disclosures, and document every exception.
2. **Owners, not authors.** Every metric needs a data owner in operations or finance, a documented method and a reviewer. The sustainability team coordinates; it should not be the only source of numbers.
3. **Controls before reports.** Design key controls over data capture, calculation and review as you would for revenue or inventory. Reasonable assurance tests them.
4. **Materiality as a decision, not a list.** Financial materiality (ISSB, CVM, CMN) and double materiality (CSRD, VSME) require documented judgement, approved by management and the board.
5. **Connectivity with finance.** Climate and transition assumptions should feed impairment tests, provisions, useful lives, credit losses and business plans, and the auditor will check that they do.

A 180-day roadmap

Phase	Days	Key activities	Output
1. Diagnose	0 to 30	Applicability map (Brazil, EU, UK, US); inventory of stakeholder requests (lenders, customers, investors); gap analysis against CBPS, VSME or the relevant framework	Obligations matrix and prioritised gap list
2. Decide	30 to 60	Materiality assessment; selection of frameworks and reporting format; governance: board oversight, committee mandate, roles	Approved materiality and reporting policy
3. Build	60 to 120	Data model and owners; GHG inventory boundaries and emission factors; controls matrix; system or spreadsheet controls; supplier data requests	Documented methodologies and controls
4. Test	120 to 150	Internal audit walkthroughs; pre-assurance dry run on prior-year data; remediation of findings	Readiness report and remediation plan
5. Report	150 to 180	Drafting, connectivity review with financial statements, board approval, external assurance	Assured report or data package

ESG in transactions

Environmental, labour and integrity issues are now among the most frequent causes of price adjustments, specific indemnities and escrow arrangements in Brazilian M&A. Three aspects deserve particular attention:

- **Due diligence scope.** Environmental liabilities attach to property and are strict; labour liabilities extend to outsourced chains; integrity failures expose the company to fines of up to 20% of revenue. Effective ESG due diligence combines legal, financial, tax and operational reviews rather than a separate questionnaire.
- **Valuation.** Transition risk, carbon prices, physical climate risk and access to green finance affect cash flows and discount rates. They should be explicit in business plans and sensitivity analyses, not hidden in a generic risk premium.
- **Contract protection.** Specific representations on environmental compliance, the slave-labour register, NR-1 and anti-corruption, supported by indemnities and conditions precedent, are now market practice.

Ten common mistakes

1. Assuming that the CVM reversal means no ESG data will be requested.

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2. Using a European industrial template in a business whose material risks are in land and supply chains.
3. Reporting emissions with a boundary different from the financial statements.
4. Treating Scope 3 as a calculation exercise instead of a supplier-engagement process.
5. Leaving the first assurance engagement to the month before publication.
6. Relying on spreadsheets with no review evidence or version control.
7. Ignoring NR-1 and pay-transparency obligations because they are seen as HR matters.
8. Buying carbon credits without checking title, land tenure and methodology accreditation.
9. Making sustainability claims in marketing that the data cannot support.
10. Running ESG due diligence in isolation from financial, tax and legal due diligence.

One team across the ESG value chain

Need	PKF Brazil service line
Independent assurance of sustainability reports and GHG statements	Assurance
Consistency between climate assumptions and financial statements	External audit
Design and testing of ESG controls; NR-1, labour and integrity reviews	Internal audit
Controls at providers that host or process ESG data	SOC 1 and SOC 2
ESG data platforms, integrations, cybersecurity and LGPD	IT audit
ESG due diligence, valuation of carbon assets, climate scenarios in business plans	Corporate Finance (valuation and due diligence)
Carbon credit taxation, Selective Tax, transition incentives	Tax consulting (planning and compliance)
Outsourced sustainability office, data collection, VSME reporting, payroll and HR records	Business Solutions (BPO)

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Appendix: PPWR compliance timeline

The EU Packaging and Packaging Waste Regulation (Regulation (EU) 2025/40) replaces the Packaging Waste Directive and phases in through 2040. It applies to any economic operator placing packaging or packaged products on the EU market: manufacturers and brand owners, importers and distributors, online retailers and e-commerce operators. The timeline below summarises the milestones most relevant to Brazilian exporters and their European customers.

Date	Milestone	What it means for exporters
12 August 2026	General application begins	Packaging placed on the EU market must comply. Market surveillance authorities may request technical documentation and the EU declaration of conformity at any time, and non-compliant packaging can be denied access to the market.
31 December 2026	Methodology for calculating and verifying recycled content due	Defines how recycled-content claims and targets will be measured and checked, and therefore what data suppliers will be asked for.
2028	Design-for-recycling criteria scheduled	Recyclability performance grades begin to shape packaging design and material choices.
2028 onward	Harmonised packaging labelling	Standardised EU-wide labels on material composition and sorting, replacing national labelling schemes.
2029	Deposit-return system milestone	Member States must have deposit-return systems in place for single-use plastic bottles and metal beverage containers, with limited exemptions.
2030	Major circularity requirements	Packaging must be recyclable, minimum recycled-content targets apply to plastic packaging, and reuse targets apply to transport and certain sales packaging.
2035	Recycling at scale	Packaging must be shown to be recyclable at scale in practice, not only by design.
2038	Stricter recyclability requirements	The minimum recyclability grade is raised, removing lower-performing packaging from the market.

DATA TO PREPARE NOW

- Material composition, weight and volume of each packaging unit, by product and market.
- Test results and supporting evidence for recyclability, substances of concern (including PFAS in food-contact packaging) and empty-space ratios in transport and e-commerce packaging.
- Technical documentation and declarations of conformity, maintained jointly with the EU importer or distributor that places the product on the market.
- Registration and extended producer responsibility obligations in each Member State of destination, which can fall on small exporters and cross-border e-commerce sellers.

Timeline based on input from Matt Orrell, Sancap Solutions, and on Regulation (EU) 2025/40, as at October 2026. Several milestones depend on implementing and delegated acts still to be adopted.

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Our proposition is integration. In sustainability, the emissions inventory changes the impairment test, the carbon contract changes the tax position, and the supplier data changes the assurance conclusion. We organise our service lines to work as one team around each client decision, so that the client receives one integrated recommendation.

Our sustainability work is built on the disciplines that make information reliable: audit methodology, internal control, IT systems and tax rigour. We do not separate ESG from finance, because investors, lenders and regulators do not separate them either.

PKF Global: global thinking, local delivery

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150+	500+	23,000+	US$ 2.1bn
countries	offices	people	aggregate revenues

Network figures as reported by PKF Global.

ABOUT THIS EDITION

International regulatory input: Matt Orrell, Sancap Solutions, a partner of PKF Global in sustainability.

Content, analysis and editorial: PKF Brazil, under the coordination of Cleverson Lacerda, CEO and Managing Partner.

Information as at October 2026. Pending items are listed in the Watchlist in Chapter 6 and are expected to be addressed in a dated update note planned for January 2027.

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Glossary

Term	Meaning
ANPD	National Data Protection Authority
CAR	Rural Environmental Registry
CBAM	EU Carbon Border Adjustment Mechanism
CBE	Brazilian Emissions Quota (SBCE allowance)
CBPS	Brazilian Sustainability Pronouncements Committee; also its standards CBPS 01 and 02
CFC	Federal Accounting Council
CMN / BCB	National Monetary Council / Central Bank of Brazil
CRVE	Certificate of Verified Emission Reduction or Removal
CSRD / ESRS	EU Corporate Sustainability Reporting Directive / European Sustainability Reporting Standards
CSDDD	EU Corporate Sustainability Due Diligence Directive
CVM	Brazilian Securities Commission
EmpCo	EU Directive on Empowering Consumers for the Green Transition (Directive (EU) 2024/825)
EUDR	EU Deforestation Regulation
GRSAC / PRSAC	Central Bank report on social, environmental and climate risks / policy of social, environmental and climate responsibility
ISSB	International Sustainability Standards Board (IFRS S1 and S2)
LGPD	General Data Protection Law
NBC TDS / NBC TO / NBC TAS	Brazilian accounting standards for sustainability disclosure / assurance engagements / sustainability assurance
NR-1	Regulatory Standard 1 on occupational risk management
PPWR	EU Packaging and Packaging Waste Regulation (Regulation (EU) 2025/40)
SBCE	Brazilian Greenhouse Gas Emissions Trading System
SEMC	Extraordinary Secretariat for the Carbon Market (Ministry of Finance)
TSB	Brazilian Sustainable Taxonomy
VSME	EU Voluntary Sustainability Reporting Standard for non-listed SMEs

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