Intergovernmental Working Group of Experts on International Standards of Accounting and Reporting
(ISAR)

42nd SESSION
12 – 14 November 2025

Wednesday, 12 November 2025

Agenda item 3. Review of developments in harmonization of sustainability reporting requirements and their practical implementation

Presented by

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Board Member
International Ethics Standards Board for Accountants (IESBA)

Agenda Item 3. Review of developments in harmonization of sustainability reporting requirements and their practical implementation

Vania Borgerth

Geneve – November 12, 2025

Agenda:

1. Why do we need global standards for reporting Sustainability

2. The three pillars of transparency

3. The new Code of Ethics

4. Reporting sustainability in Brazil

1. Why do we need global standards for reporting Sustainability:

- The alphabet soup allows for fragmentation
- Voluntary adoption creates opportunities for green whashing
- Lack of a global basis compromisses uniformity and comparability
- Electing IFRS Foundation as the standard setter accelerated regulation and facilitated connectivity between financial and non-financial information

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2. The three pillars of transparency:

Main Standard Setters

ISSB Standards

Standardised approach to disclosure

Consistent, comparable, and actionable information for decisions

IAASB – Normas de Asseguração

Standardised approach to the provision of independent assurance servicesCredible and reliable information

IESBA – Normas de Ética e Independência

Ethical mindset and behaviors to guide judgments and drive action Reliable information that is factual and not misleading

IFRS Sustainability

IPSASB

REPORTING

- Private sector– ISSB – International Sustainability Standards Board
- Public sector– IPSASB – International Public Sector Accounting Standards Board

IAASB

ASSURANCE

IAASB – International Audit and Assurance Standards Boards

IESBA

ETHICS

IESBA – International Ethics Board for Accountants

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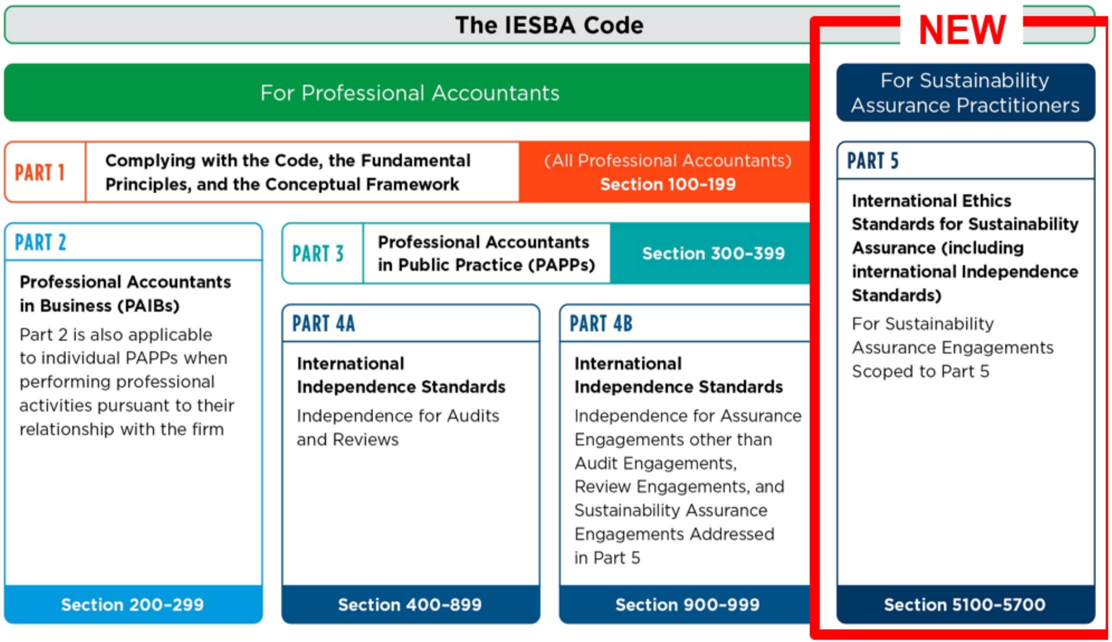
3. The new Code of Ethics:

3. The new Code of Ethics:



- Professional Agnostic
- Close colaboration with IAASB
- Same level of requirements as the for the sections dedicated to financial information
- Use of Specialists

4. Reporting Sustainability in Brazil:

Financial

IASB

COMITÊ DE PRONUNCIAMENTOS CONTÁBEIS

CPC – Translation and adjustments → Public Consultation → Final CPC → Endorsement by Regulators

Disclosure Sustainability

ISSB

CBPS

CBPS – Translation and adjustments → Public Consultation → Final CBPS → Endorsement by Regulators

CFC

CVM

BANCO CENTRAL DO BRASIL

SUSEP

ANEEL

Others

Regulators Requirements:

- 2024 – Voluntary adoption (English) with limited review
- 2025 – Voluntary adoption (Portuguese) with limited review
- 2026 Full adoption of IFRS S1 and IFRS S2 (Resolutions 217 and 218) with Reasonable Assurance

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4. Reporting Sustainability in Brazil:

- Two Brazilian companies published reports on IFRS S1 and S2 in 2025
- Two others has declared that they will be publishing their reports in 2026
- Special tool to facilitate reporting of scope 3
- Accounting Regulator established that reports shall be signed by a certified accountant

4. Reporting Sustainability in Brazil:

POSITION LETTER

- Towards COP 30: Accounting as a Pillar of Transparency and Sustainability

- As financial and pre-financial information professionals, we are committed to guiding companies, governments and other stakeholders in the transition to a green economy, promoting decisions based on ethics, transparency and responsibility.

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4. Reporting Sustainability in Brazil:

POSITION LETTER

Our Sustainability Commitments

1. Adoption of ISSB's and the IAASB's Standards, promoting global convergence to make ESG reporting more consistent, reliable and relevant.

2. Promoting Transparency as a Foundation of Sustainability

3.. Strengthening Professional Skills - preparing accounting and auditing professionals for the growing demands of the climate agenda. This I ncludes encouraging continuing education, technical training, and technological development,

Reporting Sustainability in Brazil:

POSITION LETTER

4. Adoption of Ethics and Integrity in Sustainable Practices through adoption of the international code of ethics for accountants of the International Council of Ethical Standards for Accountants - IESBA.

5. Engagement with Companies, Regulators and other Market Agents - We recognize that only through dialogue and engagement with entrepreneurs, managers, investors, regulators, academics and civil society will it be possible to promote awareness and expand the use of accounting as a key element for adequate and responsible decision-making.

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