

## CVM RESOLUTION NO. 244

### SUSTAINABILITY DISCLOSURE IS NO LONGER MANDATORY

The Brazilian Securities and Exchange Commission (CVM) issued CVM Resolution No. 244, which established a voluntary regime to replace listed companies' duty to disclose sustainability-related financial information based on the International Sustainability Standards Board (ISSB Report).

Published on May 29, 2026, CVM Resolution 244 amends CVM Resolution No. 193, replacing the mandatory regime with a “comply or explain” regime: listed companies that elect not to prepare or disclose such information must provide the rationale for that decision. This regime is already in place for ESG matters.

#### IN PRACTICE: WHAT CHANGES FROM 2027 FOR LISTED COMPANIES

Under the “comply or explain” regime, the day-to-day reality of listed companies translates into four distinct scenarios:

**1. Companies that do not disclose and wish to begin disclosing** They can simply begin disclosing. In the first financial year, the filing occurs on the same date as that of the Reference Form. From the second year, the deadline is either three months from the close of the financial year or the filing date of the financial statements – whichever occurs first.

**2. Companies that choose not to disclose** They must issue a notice to the market substantiating their choice by the filing date of the financial statements. For listed companies, this requirement applies from January 1, 2027.

**3. Companies that disclose voluntarily**

They may only cease disclosure after having disclosed the report for at least three consecutive financial years.

**4. Companies that intend to stop disclosing**

They must publish a notice to the market approximately one year in advance, by the filing date of the annual financial statements for the financial year preceding the one in which they will cease disclosing the information.

#### ATTENTION: the notices in situations 2 and 4 are not the same

The notice for scenario 2 serves as the rationale for companies that elect not to disclose, with a deadline set for the release of the financial statements for the current fiscal year.

Scenario 4 involves an advance notice issued by companies that had been disclosing and decided to stop, with a deadline set for the financial statements of the previous fiscal year.

**HOW IT IS TODAY AND HOW IT WILL BE FROM 2027**

The table below summarizes the transition from the mandatory regime to the voluntary regime:

|                             | <b>TODAY</b>  | <b>STARTING IN 2027</b>   |
|-----------------------------|---|---|
| <b>NATURE OF DISCLOSURE</b> | Mandatory for listed companies as of financial years beginning in 2026                          | Voluntary. Drafting and disclosing the sustainability report will no longer be a regulatory requirement.                |
| <b>APPLICABLE REGIME</b>    | Optional only in the 2024 and 2025 financial years. Mandatory as of 2026.                       | “Comply or explain” model: companies that elect not to disclose must justify their decision to the market.              |
| <b>DUTY TO EXPLAIN</b>      | Did not exist. Disclosure would simply be compulsory.   | Companies that do not disclose must submit a notice to the market explaining their decision.                            |
| <b>TECHNICAL STANDARD</b>   | CBPS 01 and CBPS 02 pronouncements (converging with the ISSB’s IFRS S1 and S2).                 | Maintained. Any company that discloses, whether voluntarily or not, must follow the same CBPS 01 and 02 pronouncements. |
| <b>ASSURANCE</b>            | Assurance by an independent auditor: limited level until 2025, and reasonable level as of 2026. | Maintained for any company that discloses, at the same levels and within the same deadlines.                            |
| <b>EFFECTIVENESS</b>        | N/A   | In force on the date of publication. It applies to financial years beginning on or after January 1, 2026.               |

## WHAT REMAINS THE SAME

### Standard of the pronouncements

The pronouncements of the Brazilian Committee on Sustainability Pronouncements (CBPS) — CBPS 01 (converging with IFRS S1, general requirements) and CBPS 02 (converging with IFRS S2, climate-related disclosures) — remain the reference for any company that discloses.

### Assurance by an independent auditor

Maintained for any company that discloses, with a limited level until 2025 and a reasonable level as of 2026.

### Proportional treatment for smaller companies

The application waiver provided for under the Easy Regime (“Regime Fácil”, CVM Resolution No. 232/2025) remains in force. Smaller companies were already exempt from the report provided for under CVM Resolution 193; CVM Resolution 244 did not change this exemption.

### Climate-related content

Physical risks, transition risks, opportunities and greenhouse gas (GHG) emissions (Scope 1, 2 and 3) remain governed by CBPS 02, with no changes to scope or methodology.

### Materiality concepts and filing deadlines

Preserved in their original logic for companies that carry out the disclosure.

CVM Resolution 244 changed the mandatory disclosure requirements but did not alter the standard for presenting sustainability-related financial information. Although this change affects the disclosure requirements to the CVM, the ESG agenda remains a priority for sustainable finance.

Demarest’s **Listed Companies** and **ESG** teams are available to provide further clarification.