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

**40th SESSION
17 – 19 October 2023**

Tuesday, 17 October 2023

**Agenda item 3. Review of practical implementation and
recent developments in sustainability reporting requirements**

Presented by

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Recent Developments in Sustainability Reporting

October 17, 2023



Sustainability Reporting – the Canadian Experience

KPMG’s recent Survey of Sustainable Reporting:

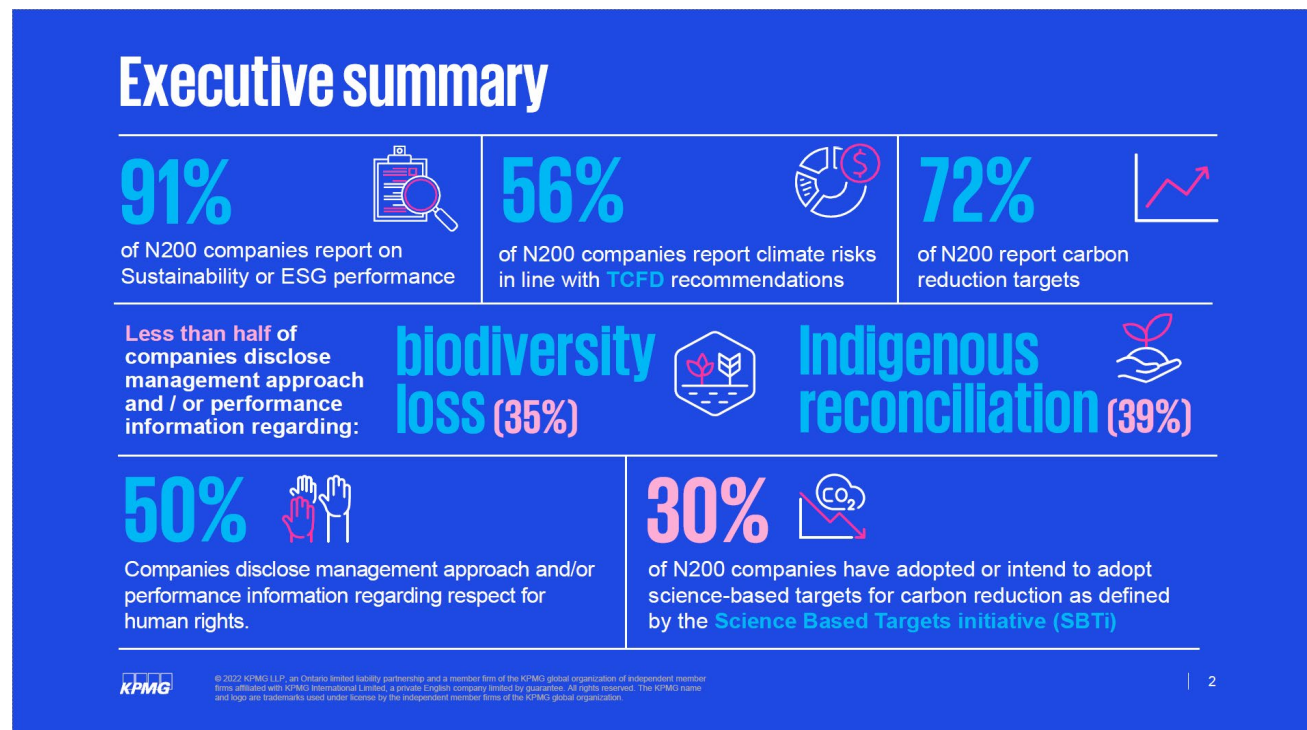
Big shifts, small steps – highlights the many ways in which the world has changed over the past 2 years, and how businesses are evolving and shifting their priorities to reflect the world around them.

Only 36% of the Canadian N200* include a formal assurance statement in their Sustainability or ESG reporting.

Some companies take a ‘single materiality’ approach to reporting – focusing only on the impact to business, while others are addressing both how environmental; social and governance factors are affecting the business as well as the business’ impacts on the environment and society, otherwise known as ‘double materiality’

*The Canadian survey assessed the disclosure practices of the largest 200 Canadian companies (N200) by revenue. Canadian rate of assurance is likely to increase in the coming years with the impending introduction of the securities regulatory requirements which may include potential future assurance requirements.

Canada has clearly indicated it will take a stronger stand in support of Sustainable Development Goals (SDGs)



Canadian addendum of KPMG’s 2022 Survey of Sustainable Reporting: Big shifts, small steps. First published in 1993, this 2022 survey marks the twelfth edition and is our **most extensive survey analysis to date.** The survey examines **sustainability reporting trends** around the world to offer **meaningful insights** about disclosure practices for business leaders, sustainability professionals, and company boards.

Country Readiness for ISSB Standards

Capacity to Report

Building the capabilities for reliable reporting under the ISSB standards will be critical. To what extent have companies been reporting under TCFD and SASB, which form the foundation for the ISSB standards, as well as IFRS or IPSASB? Have companies built up the systems, processes and controls to ensure reliable reporting?

Regulatory Alignment

Each jurisdiction must balance incorporating the ISSB standards into local requirements, compared to leaving companies to decide whether to report voluntarily.

National Priorities and ISSB Priorities

How do national priorities for sustainability reconcile with the climate-first focus of the ISSB standards? Do other stakeholder perspectives or policy requirements need to be reflected?

Access to Capital Markets

A key objective of the ISSB is global comparability for financial markets. Local timelines for ISSB adoption could impact access to capital markets internationally.

Support for Small and Medium Sized Enterprises

Fundamentally different investor needs

A nuanced perspective on materiality (not just cash-flow focused).

Integration of sustainability reporting into general purpose financial statements

Mini-ISSB for SME's?

Rethinking thresholds for application to listed SME's (such as in the EU's Corporate Sustainability Reporting Directive)

Supporting SME's in enhancing reporting processes and capacity

Public Sector Sustainability Reporting

Mandatory reporting aligned with IPSASB standards

A public sector lens to sustainability reporting standards.

Enhanced Implementation of Sustainability Reporting Across the Public Sector

Introduction of assurance requirements by each jurisdiction.

Support for capacity building



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