The Canadian Sustainability Standards Board (CSSB) released proposals on its first two Canadian Sustainability Disclosure Standards (CSDS).

The release includes three key documents:

- Exposure Draft CSDS 1, *General Requirements for Disclosure of Sustainability-related Financial Information*;
- Exposure Draft CSDS 2, *Climate-related Disclosures*; and

Exposure Drafts CSDS 1 and 2 are aligned with the global baseline disclosure standards IFRS S1 and IFRS S2 with the exception of a Canadian-specific effective date and transition relief to assist Canadian organizations with implementation.

Incremental transition relief in the proposals include:

- Relief for disclosures beyond climate-related risks and opportunities has been extended to two years (up from the one year);
- Relief from disclosing comparative information extended to align with the above extension; and
- Relief for disclosure of Scope 3 GHG emissions has been extended to two years (up from the one year).

Like IFRS S1 and S2, the proposed Canadian standards are designed to be applied together and alongside future topic- or industry-specific standards.

The CSSB has proposed an effective date for annual reporting periods beginning on or after January 1, 2025, a one year deferral from the effective date approved by the ISSB. However, Canada’s regulators and legislators will determine whether CSDSs should be mandated, and if so, who will need to apply the standards and over what time frame. In parallel, the Canadian Securities Administrators (CSA) issued a statement noting that they will seek consultation on a revised climate-related disclosure rule following the finalization of CSDS 1 and 2.

"With the release of its first two proposed sustainability disclosure standards, the CSSB has opted to align with IFRS S1 & S2 to support global interoperability while addressing implementation concerns of Canadian companies through deferred adoption dates as well as seeking feedback on a number of key areas including timing, climate resilience requirements and Scope 3 reporting."

Doron Telem, National Leader, ESG

The CSSB’s proposals have a 90-day comment period with submissions due by June 10, 2024.
We’re here to help

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**Calgary**
- Atin Prakash
  - Partner, ESG
  - atinprakash1@kpmg.ca
- Kim Payne
  - Partner, Audit & Assurance
  - kipayne@kpmg.ca

**Montreal**
- Sonia Hernandez
  - Partner, ESG
  - sb hernandez@kpmg.ca
- Marie David
  - Partner, Audit & Assurance
  - mariedavid@kpmg.ca

**Regions East**
- Bailey Church
  - Partner, Audit & Assurance
  - bchurch@kpmg.ca
- Phil Collins
  - Partner, Regions East Assurance Leader
  - pmcollins@kpmg.ca

**Regions West**
- James Barr
  - Partner, Risk Consulting
  - jbarr@kpmg.ca
- Jolene Anton
  - Partner, Audit & Assurance
  - janton@kpmg.ca

**Toronto**
- Katie Dunphy
  - Partner, ESG
  - kdunphy@kpmg.ca
- Farah Bundeali
  - National ESG Assurance Leader
  - fbundeali@kpmg.ca
- Dave Power
  - Partner, ESG GTA Assurance Leader
  - davepower@kpmg.ca
- Ally Karmali
  - National ESG Data & Technology Leader
  - allykarmali@kpmg.ca

**Vancouver**
- Roopa Davé
  - National ESG Reporting Leader
  - rdave@kpmg.ca
- Duane Tup Chong
  - Partner, ESG GVA Assurance Leader
  - dtupchong@kpmg.ca

**Calgary**
- Atin Prakash
  - Partner, ESG
  - atinprakash1@kpmg.ca

**Montreal**
- Sonia Hernandez
  - Partner, ESG
  - sb hernandez@kpmg.ca

**Regions East**
- Bailey Church
  - Partner, Audit & Assurance
  - bchurch@kpmg.ca

**Regions West**
- James Barr
  - Partner, Risk Consulting
  - jbarr@kpmg.ca

**Toronto**
- Katie Dunphy
  - Partner, ESG
  - kdunphy@kpmg.ca

**Vancouver**
- Roopa Davé
  - National ESG Reporting Leader
  - rdave@kpmg.ca

**Calgary**
- Atin Prakash
  - Partner, ESG
  - atinprakash1@kpmg.ca

**Montreal**
- Sonia Hernandez
  - Partner, ESG
  - sb hernandez@kpmg.ca

**Regions East**
- Bailey Church
  - Partner, Audit & Assurance
  - bchurch@kpmg.ca

**Regions West**
- James Barr
  - Partner, Risk Consulting
  - jbarr@kpmg.ca

**Toronto**
- Katie Dunphy
  - Partner, ESG
  - kdunphy@kpmg.ca

**Vancouver**
- Roopa Davé
  - National ESG Reporting Leader
  - rdave@kpmg.ca