

# ESG Assurance



## WHY – Why this topic may be relevant to you



### Audit's role in ESG

With Environmental, Social and Governance (ESG) and non-financial reporting now at the top of the agenda, audit has an important role to play - helping to drive insight that has an impact.

Demand for confidence in ESG disclosures is growing. ESG risk is demanding the attention of boards and audit committees.

Auditors serve the public interest by providing independent measurement, validation and quality assurance over ESG information.



### Benefits and potential consequences

ESG assurance helps clients in navigating the continuously evolving regulatory landscape concerning ESG reporting requirements and emerging best practice.

It also helps clients in understanding the quality of the non-financial information in their annual reporting.

Non-compliance with ESG-reporting requirements may lead to reputational losses as well as considerable financial impacts.

The International Auditing and Assurance Standards Board (IAASB) has put forth the proposal for the International Standard on Sustainability Assurance (ISSA) 5000, which investors and stakeholders will likely see it as the gold standard for sustainability assurance.

Globally, there is increasing discussion about mandating ESG assurance. For the EU specifically, companies are currently required by law to have limited assurance on ESG reporting in financial year 2024 (i.e., for reports published in 2025), as part of the Corporate Sustainability Reporting Directive (CSRD) legislation.

The US SEC proposed phasing in of assurance requirements for greenhouse gas emissions one year after compliance date which possibly starts fiscal year 2023.





## WHAT – What the service is offering

KPMG's portfolio of ESG Assurance Services aims to meet the needs of a variety of organisations, whatever their level of maturity, industry focus or need.

KPMG delivers functional support to client for:

01

### KPMG-led workshops

We perform workshops to provide an overview of ESG assurance and the current reporting landscape, including common reporting frameworks.



### KPMG Ready for Assurance

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Our service determines whether the necessary preconditions to perform ESG assurance are present and whether the client is ready for the rigor of a future reasonable or limited assurance engagement. The pre-condition assessment and process understanding determines if the client's criteria for measuring and evaluating ESG information will result in appropriate ESG information relevant to their stakeholders and regulators. We deliver our findings and observations in a report the client can use to be ready for assurance. The service is performed by audit and assurance professionals and creates new ESG assurance opportunities across our network.

03

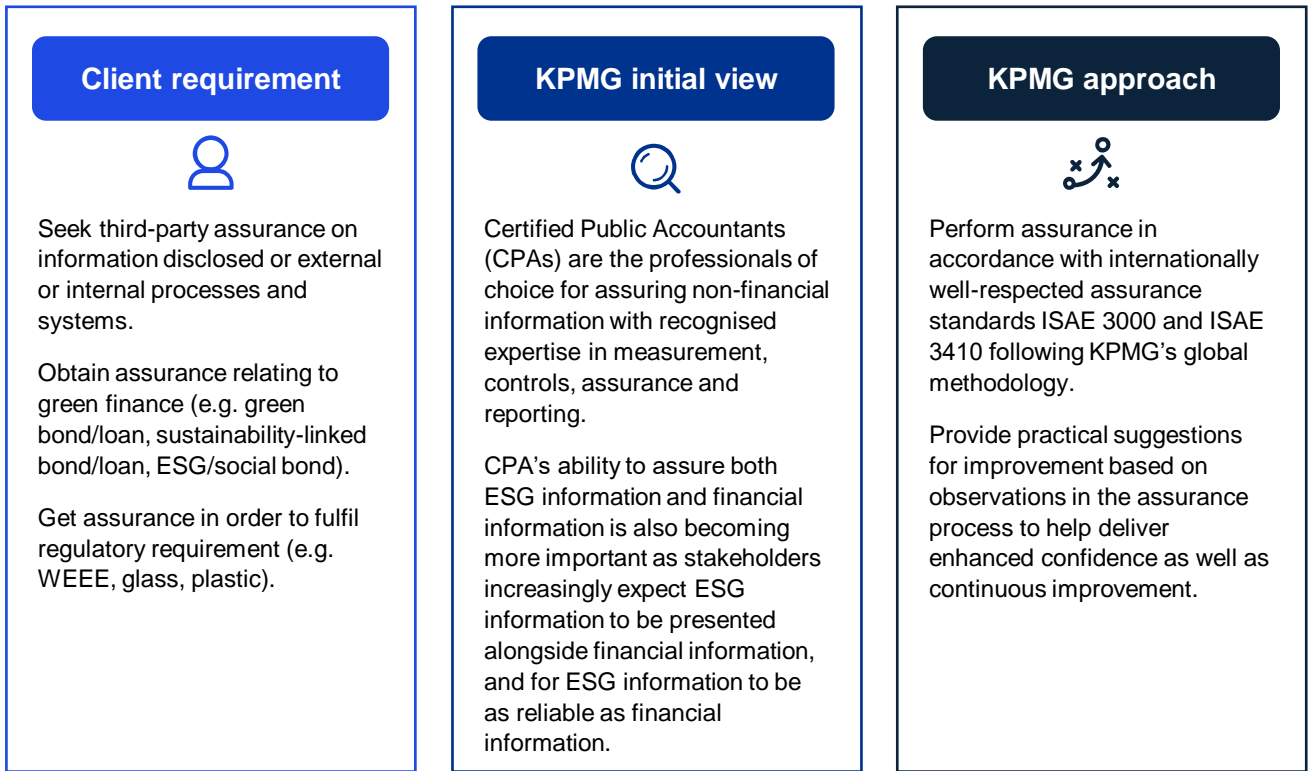
### Assurance on ESG information

We provide external assurance in accordance with International Standard on Assurance Engagements (ISAE) 3000 and ISAE 3410, as relevant, -either at a limited or reasonable level of assurance (depending on stakeholder and regulatory needs). This includes formal opinions/conclusions over reported ESG metrics and disclosures or GHG Statements in accordance with mandatory or voluntary frameworks.

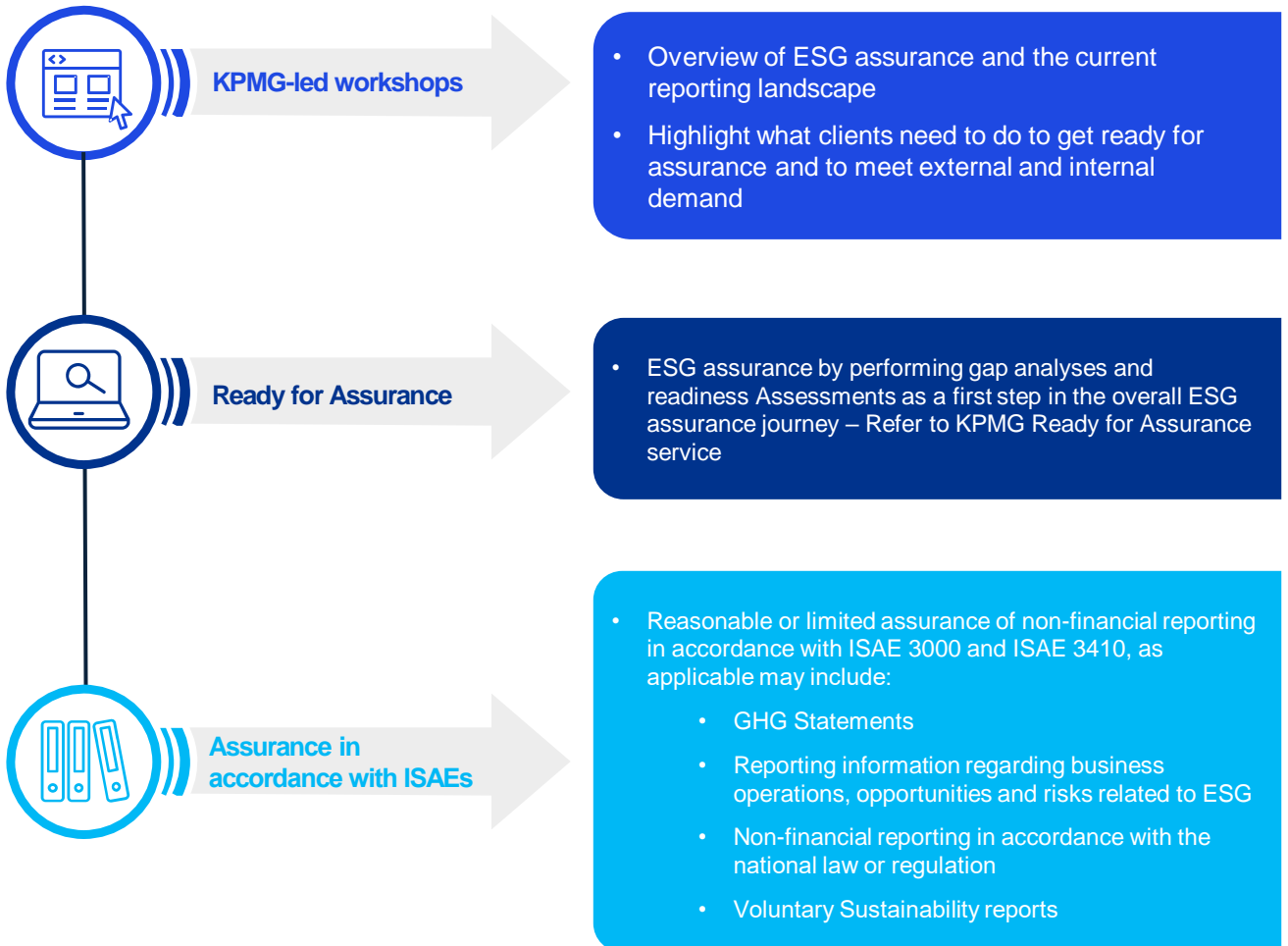


## HOW – How we deliver the service





We advise and support you by functional and operative assistance with regard to:





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