

ISSB & SEC Climate Disclosures



WHY – Why this topic may be relevant to you

Demand for more relevant information continues to grow as companies are increasingly exposed to climate and other sustainability-related issues. Non-compliance with related regulatory requirements may adversely impact access to markets and limit opportunities.

Companies will need to understand what the new proposed reporting standards and rules would require and then determine their potential impact on their organisation.

ISSB sustainability disclosures

The publication of the first two IFRS® Sustainability Disclosure Standards¹ is a key milestone in the International Sustainability Standards Board (ISSB)'s vision – to create a global baseline of investor-focused sustainability reporting that local jurisdictions can build on.

The standards are effective from 1 January 2024, but it will be for individual jurisdictions to decide whether and when to adopt. With support from global bodies including IOSCO², a rapid route to full adoption is expected in a number of jurisdictions.

US SEC proposed climate-related rules

On 21 March 2022, SEC proposed expansive mandatory climate disclosures with audit and attestation requirements ([The Enhancement and Standardization of Climate-Related Disclosures for Investors](#)). The proposal is comprehensive and complex, and most registrants will be impacted by the final rules.



WHAT – What the service is offering

The complexity of the proposed standards and rules will affect companies in sustainability strategy/business resiliency, policy, process & controls, data & technology, and corporate governance.

KPMG supports clients to make tangible progress towards compliance and achievement of ESG and climate goals, identifying and prioritising high impact areas from initial assessment through reporting.



HOW – How we deliver the service

KPMG can assist our clients in preparing for compliance. Our support includes:



Training on the requirements, implications and response strategies that you would need to undertake – including the people, processes and technologies needed to accomplish what would be required



Assessment to evaluate readiness of the company to comply, help you understand the disclosure gaps and prioritise recommendations



Evaluating current processes and controls around ESG and climate-related data (e.g. Scopes 1, 2 and 3 greenhouse gas emissions), and linkage to financial information



Advising on developing a robust **climate scenario analysis model** that can help you understand and quantify the key climate related risks and opportunities that most materially impact your business model

¹IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.

²International Organization of Securities Commissions.



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