



Get ready for ISSB sustainability disclosures

31 March 2022

Global IFRS Institute | Sustainability reporting



Reinhard Dotzlaw

Partner, Global IFRS leader
KPMG in Canada

“This is a critical milestone in the journey towards a consistent global baseline of investor-relevant sustainability reporting. The standards will drive transparency and enable investors to make better informed choices, making companies accountable for sustainability reporting in the same way as they are for financial reporting.”

Reporting could be as soon as 2022 year ends

Highlights

- **A new era for reporting**
- **Driving global consistency in disclosures focused on enterprise value across all sustainability topics**
- **Connecting sustainability and financial reporting**
- **Take this opportunity to have your say by 29 July 2022**

New proposals on the first IFRS® Sustainability Disclosure Standards mark the next step towards equal prominence for sustainability and financial reporting. The proposals aim to create a global baseline for investor-focused sustainability reporting that local jurisdictions can build on.

A new era for reporting

The two proposals – covering general requirements as well as climate-related disclosures – are the first to be released by the **newly formed** International Sustainability Standards Board (ISSB).

These standards are being developed at a much faster pace than IFRS Accounting Standards. The first standards could be finalised within the year. Individual jurisdictions will decide whether and when to adopt but a rapid route to full adoption is expected in a number of jurisdictions.

Some public and private companies may choose to adopt them voluntarily – e.g. in response to investor or societal pressure – and so reporting could be as soon as 2022 year ends.

Driving global consistency

Under the proposals, companies would report on all relevant sustainability topics (not just on climate-related risks) across four content areas that are consistent with TCFD¹ – i.e. governance, strategy, risk management, and metrics and targets. Companies would provide globally consistent disclosures that focus on how sustainability topics affect enterprise value.

Connecting sustainability and financial reporting

Reporting would be connected to the financial statements and released at the same time. Therefore, companies will need processes and controls in place so that

1. Task Force on Climate-related Financial Disclosures.

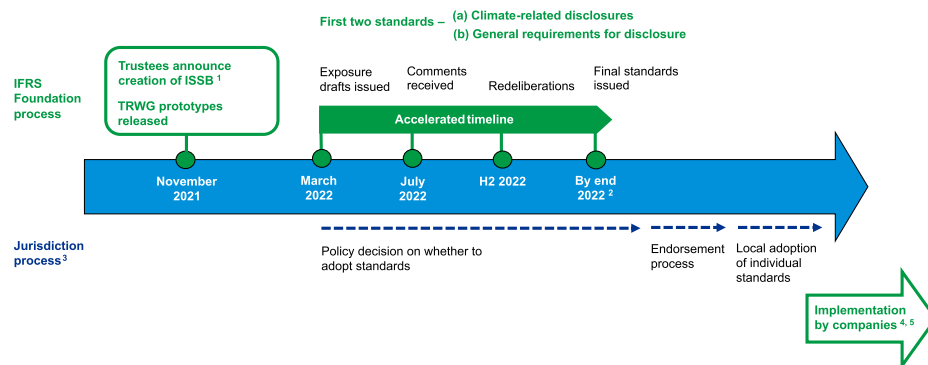
they can provide sustainability information of the same quality, and at the same time, as their financial information.

Getting ready now is critical even if the final standards are not identical to the proposals. Companies that already have the processes in place to produce similar sustainability-related information are likely to find reporting under the final standards easier.

Have your say

The proposals are open for comment until 29 July 2022; the subsequent standards may be issued as soon as the second half of 2022.

IFRS Sustainability Disclosure Standards: Steps to adoption and application



¹ International Sustainability Standards Board.
² The ISSB aims to issue the final standards by the end of the year, subject to the feedback.
³ Timing depends on due process in individual jurisdictions.
⁴ Provided specific IFRS Sustainability Disclosure Standard has been adopted by the jurisdiction.
⁵ In practice, some companies may choose to adopt the standards earlier than required.

Read our [Get ready for ISSB sustainability disclosures](#) (PDF 870 KB) guide to see the ten key questions that can help you with your preparations. It provides a high-level summary together with links to more detailed analysis on our [Sustainability reporting](#) page.

Look out for more detailed guidance in our *New on the Horizon* publication to be released in April.

Publication name: *Get ready for ISSB sustainability disclosures*

Publication date: March 2022

© 2022 KPMG IFRG Limited, a UK company, limited by guarantee. All rights reserved.

The KPMG name and logo are trademarks used under license by the independent member firms of the KPMG global organization.

KPMG International Standards Group is part of KPMG IFRG Limited.

KPMG refers to the global organization or to one or more of the member firms of KPMG International Limited (“KPMG International”), each of which is a separate legal entity. KPMG International Limited is a private English company limited by guarantee and does not provide services to clients. For more detail about our structure please visit <https://home.kpmg/xx/en/home/misc/governance.html>

The information contained herein is of a general nature and is not intended to address the circumstances of any particular individual or entity. Although we endeavour to provide accurate and timely information, there can be no guarantee that such information is accurate as of the date it is received or that it will continue to be accurate in the future. No one should act upon such information without appropriate professional advice after a thorough examination of the particular situation.

This publication contains copyright © material and trademarks of the IFRS® Foundation. All rights reserved. Reproduced by KPMG IFRG Limited with the permission of the IFRS Foundation. Reproduction and use rights are strictly limited. For more information about the IFRS Foundation and rights to use its material please visit www.ifrs.org.

Disclaimer: To the extent permitted by applicable law the Board and the IFRS Foundation expressly disclaims all liability howsoever arising from this publication or any translation thereof whether in contract, tort or otherwise (including, but not limited to, liability for any negligent act or omission) to any person in respect of any claims or losses of any nature including direct, indirect, incidental or consequential loss, punitive damages, penalties or costs.

Information contained in this publication does not constitute advice and should not be substituted for the services of an appropriately qualified professional.

‘IFRS®’, ‘IAS®’, ‘IFRIC®’ and ‘IASB®’ are registered Trade Marks of the IFRS Foundation and are used by KPMG IFRG Limited under licence subject to the terms and conditions contained therein. Please contact the IFRS Foundation for details of countries where its Trade Marks are in use and/or have been registered.