



City of Mississauga Sustainability Reporting

Environmental Action Committee
April 2024



ESG Reporting Environment

Emerging requirements to report

Municipalities are not formally required to report under standards issued by the ISSB and other frameworks, but the IPSASB Sustainability Steering Committee is working on public sector guidance.

Leading municipalities are advancing on climate and biodiversity reporting

Growing best practices in municipal reporting against various frameworks (United Nations Sustainable Development Goals; Sustainability Accounting Standards Board; TCFD; GRI)

Emerging assurance standards

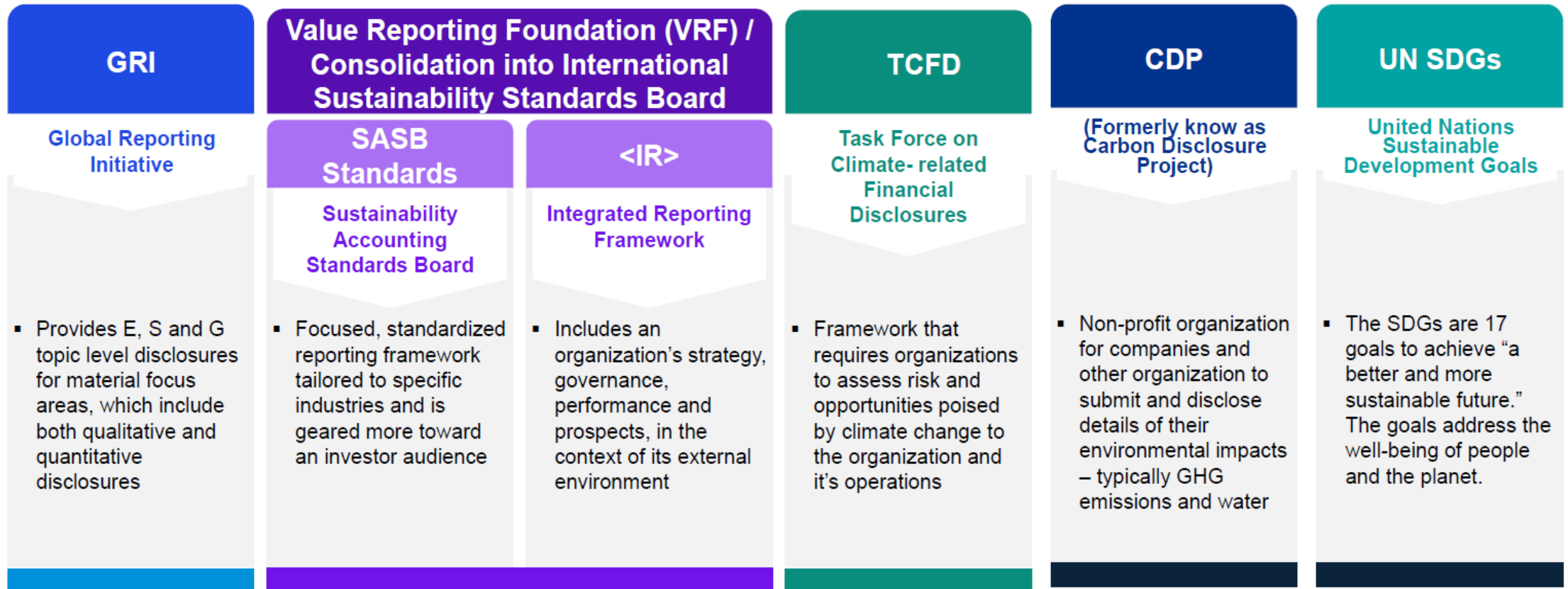
Certain municipalities are considering limited assurance on certain ESG performance indicators. International Standard on Sustainability Assurance 5000, General Requirements for Sustainability Assurance Engagements in the consultation phase.

A clear split in readiness to report

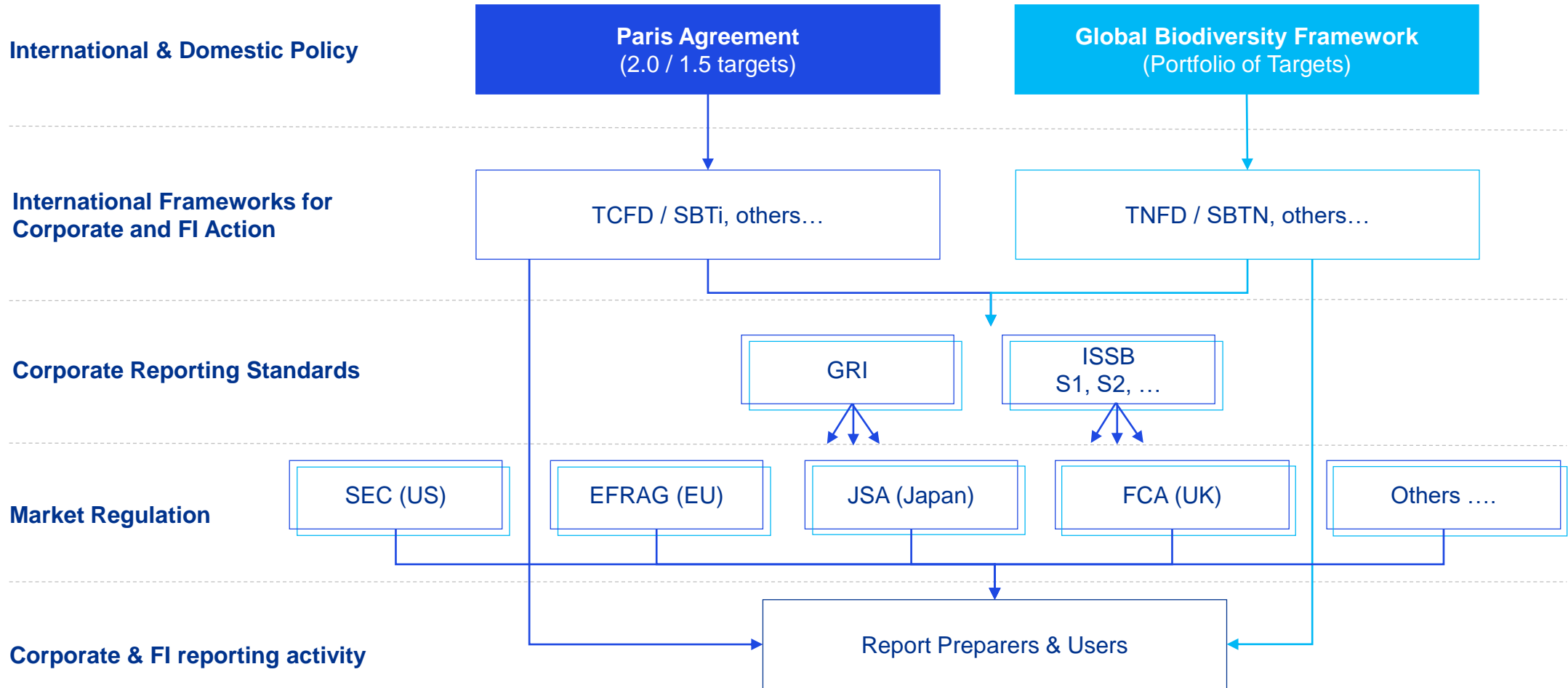
The ESG imperative for investing

ESG has a direct correlation to the ability to attract investment into your community.

Leading ESG guidance and reporting frameworks



How does TNFD fit into the emerging reporting architecture?



01 What has been released?

► The general standard sets the foundation

- General features of sustainability reporting, including on materiality.
- A content structure across the four areas of governance, strategy, risk management, and metrics and targets.
- Practical guidance, including on presentation of information.

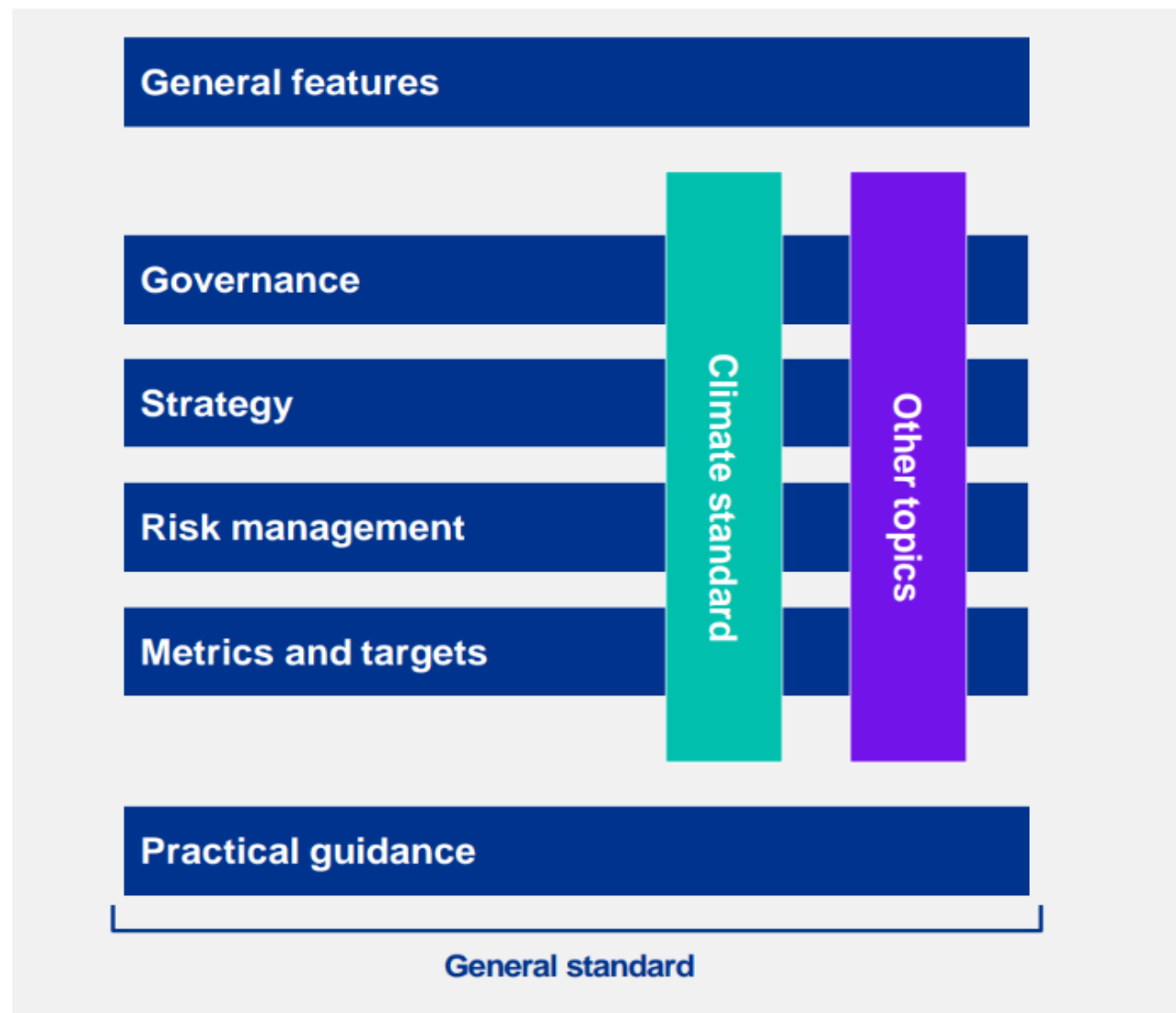
► The climate standard provides additional detail

It builds on the four content areas with additional guidance, particularly in relation to:

- disclosure of risks, climate transition plans, GHG emissions and scenario analysis; and
- general and industry-specific metrics.

► Future standards are expected to follow

- Additional standards are expected in the future, providing general and industry-specific guidance on other topics – e.g. biodiversity.

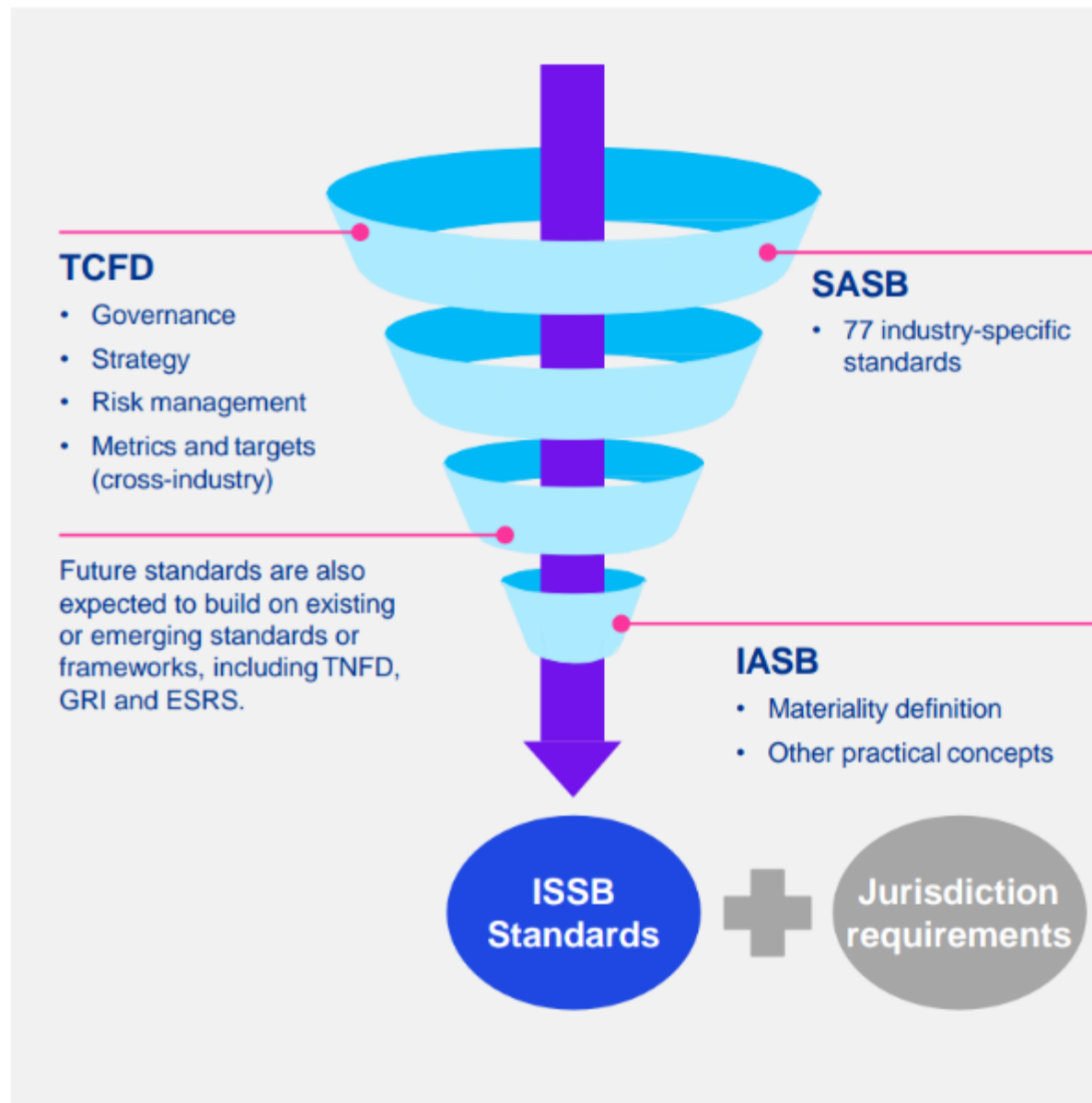


► Consolidating the latest thinking of existing frameworks and standards

- Follow the four pillars of the TCFD's recommended disclosures: governance, strategy, risk management, and metrics and targets.
- Enhanced by climate-related, industry-specific metrics derived from the SASB's 77 industry-specific standards.
- Incorporate concepts and principles used in IFRS Accounting Standards from the IASB.
- Additional input from other frameworks and stakeholders, including CDSB and Integrated Reporting.

► Bringing financial reporting concepts to sustainability reporting

- Built using a similar approach to IFRS Accounting Standards.



Key elements of the reporting journey

Plenty of areas to focus on as your municipality matures. Consider these possible inputs to your audit process:

| Criteria / Metrics | Controls | Communication & Training | Efficiency | Digital Enablement | Disclosure |
|---|--|--|--|--|--|
| <ul style="list-style-type: none"> • Are metric definitions comparable to industry peers and investor expectations? • Is there consistency across ESG metrics (e.g. geographical locations, type of employee) | <ul style="list-style-type: none"> • Have key process level controls been identified for each metric and disclosure? • Have control owners been identified and do they have appropriate knowledge and skill to perform the control? • Is there periodic review and testing of ESG reporting controls? | <ul style="list-style-type: none"> • Are responsible individuals cross-functional? • Is there a specific Committee for ESG metric monitoring? • Do control owners receive ongoing training on ESG reporting? • What are common ESG knowledge gaps in Management? | <ul style="list-style-type: none"> • Are current initiatives effective in progress towards strategic goals or is more investment needed? • Can ESG data be leveraged from established systems or processes subject to existing controls? | <ul style="list-style-type: none"> • What systems and technologies are used to accurately record and capture ESG metric data? • Can current systems (e.g. Oracle, Workday) be used for data capture and/or a central repository for all ESG information? | <ul style="list-style-type: none"> • Will ESG disclosures and reporting meet new accounting standards? (e.g. ISSB, CSRD) • Location of disclosed ESG information? (e.g. standalone ESG report, MD&A, press releases, website) • Can disclosures be easily compared to peers by an information user? |

The roadmap to ESG maturity



Sources: Directors Quarterly (2022) – KPMG Global; Human Rights Boardroom Questions (2017) – [KPMG Global](#)



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