

## **CPA Canada Handbook – Sustainability highlight summary no. 1 December 2024**

The Canadian Sustainability Standards Board (CSSB) has approved the following for inclusion in the **CPA Canada Handbook – Sustainability, effective December 2024:**

- Preface
- Land acknowledgement
- Criteria for modification
- Applicability

### **Canadian Sustainability Disclosure Standard (CSDS) 1, General Requirements for Disclosure of Sustainability-related Financial Information**

CSDS 1 is a new standard that requires an entity to disclose information about its sustainability-related risks and opportunities that is useful to the primary users of general-purpose financial reports in making decisions relating to providing resources to the entity. The standard requires an entity to disclose information about all “sustainability-related risks and opportunities that could reasonably be expected to affect the entity’s cash flows, its access to finance, or cost of capital over the short, medium or long term.” It prescribes how an entity prepares and reports its sustainability-related financial disclosures, including content and presentation.

The standard becomes effective for annual reporting periods beginning on or after January 1, 2025.

### **CSDS 2, Climate-related Disclosures**

CSDS 2 is a new standard that requires an entity to disclose information about its climate-related risks (physical and transition) and opportunities that is useful to primary users of general-purpose financial reports in making decisions relating to providing resources to the entity. The standard requires an entity to disclose information about all “climate-related risks and opportunities that could reasonably be expected to affect the entity’s prospects.” CSDS 2 is to be applied in accordance with applicable requirements in CSDS 1.

The standard becomes effective for annual reporting periods beginning on or after January 1, 2025.

### **CSDS 1 Basis for Conclusions**

The Basis for Conclusions related to the December 2024 release of CSDS 1 has been added to the Handbook. The Basis for Conclusions sets out how the CSSB reached its conclusions in relation to the standard, including modifications necessary to adapt IFRS S1 *General Requirements for Disclosure of Sustainability-related Financial Information* to the Canadian context in order to best serve the Canadian public interest. It also sets out significant matters arising from comments received in response to the proposals exposed and indicates how the Board has dealt with the issues raised.

### **CSDS 2 Basis for Conclusions**

The Basis for Conclusions related to the December 2024 release of CSDS 2 has been added to the Handbook. The Basis for Conclusions sets out how the CSSB reached its conclusions in relation to the standard, including modifications necessary to adapt IFRS S2 *Climate-related Disclosures* to the Canadian context in order to best serve the Canadian public interest. It also sets out significant matters arising from comments received in response to the proposals exposed and indicates how the Board has dealt with the issues raised.

### **IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information – Basis for Conclusions**

The CSSB adopted CSDS 1 in December 2024, which is based on IFRS S1, with modifications for the Canadian context. The Basis for Conclusions related to the International Sustainability Standard Board’s (ISSB) June 2023 release of IFRS S1 has been added to the Handbook. The Basis for Conclusions sets out the ISSB’s considerations in developing IFRS S1.

## **IFRS S2 Climate-related Disclosures – Basis for Conclusions**

The CSSB adopted CSDS 2 in December 2024, which is based on IFRS S2, with modifications for the Canadian context. The Basis for Conclusions related to the ISSB's June 2023 release of IFRS S2 has been added to the Handbook. The Basis for Conclusions sets out the ISSB's considerations in developing IFRS S2.

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