



SAICA RESPONSE

to the **SA Government's Policy** Stance and the new **GRI's Climate** and Energy Standard



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The **July G20 Environment and Climate Sustainability** technical meeting, a key preparatory event for the upcoming Leaders Summit in November, convened at the Kruger National Park. The delegation was led by Dr Dion George, Minister of Forestry, Fisheries, and the Environment (DFFE), where SAICA had the opportunity to participate in the deliberations designed to ensure alignment with South Africa's policy priorities and global sustainability commitments. The meeting aimed to promote inclusive progress and strengthen collaborative partnerships during this transformative era, particularly in mobilising climate finance and just energy transition.

As part of the breakaway sessions, the DFFE, SAICA, and the GRI delved into the role of sustainability disclosures in advancing climate action and energy transition. Douglas Kativu GRI's Director for Africa reiterated the value of the standards in elevating corporate reporting as it provides guidance for disclosing climate strategies, transition plans, adaptation plans, GHG emissions reduction target setting and progress, and how organizations are managing the human impacts of the transition, including workforce changes, supply chain, among other pivotal areas.

While DFFE's Chief Director of Climate Adaptation, Tlou Ramaru, highlighted the GRI Standards' ability to convert policy mandates such as adaptation planning and workforce transitions into measurable corporate disclosures, thereby helping to close implementation gaps. His insights emphasize the complexity of the current climate and energy landscape and also underscore the vital links between regulatory changes, industry adaptation, and the need for robust, transparent reporting frameworks.

In response, it is important to emphasize and look ahead to ensure that focus remains on closing the gap between intention and implementation, as well as the role of policy and standards as global frameworks and reporting standards evolve. We strongly believe that capacity-building initiatives, especially those aimed at strengthening institutional resilience and re-skilling for just transition, will be crucial. The primary challenge lies in facilitating cross-sector collaboration to align policy, investment, and innovation, thereby empowering both public and private stakeholders to achieve meaningful progress. Ultimately, the path toward a low-carbon and climate-resilient South Africa will require unwavering commitment, flexibility in adapting to change, and a readiness to adopt new paradigms of **#accountability**.

In alignment with the G20's commitment to "not leaving anyone behind," it is essential for banks and insurance companies to incorporate principles from financial literacy and actively promote and enhance insurance literacy to ensure product knowledge and access to appropriate coverage. This is particularly important as both the severity and frequency of extreme weather events continue to rise. Insurance providers, traditionally risk-averse, are inevitably weighing the possibility of withdrawing from high-risk markets as premiums approach unaffordable levels. Consequently, underserved communities, often residing in vulnerable areas or lacking the resources to obtain adequate coverage, face heightened risk exposure.



Whilst the government has the responsibility to assess and consider adjusted solutions for risk-based scenarios, such as the implementation of a parametric insurance, which responds fairly quickly and is based on a determined metric for country-wide climate impacts, as part of its resilience strategy.

As the quantification of economic outcomes related to climate risks and opportunities evolves, it is imperative to embed sustainability within core decision-making frameworks. There is a collective need to transition from broad commitments to tangible climate initiatives and equitable energy solutions, ensuring measurable progress that supports robust strategies aligned with the Paris Agreement. Promoting a culture of shared responsibility and adherence to global standards allows organizations to strengthen consistency, comparability, and transparency, while effectively utilizing climate-related financial analysis to achieve impactful transformation for future generations.