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# SUSTAINABILITY NEWSLETTER

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**JUNE - DECEMBER 2024**

**Q3 & Q4  
Sustainability  
Reporting and  
Assurance**

[www.saica.org.za](http://www.saica.org.za)

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INTRODUCTION

# ABOUT SAICA SUSTAINABILITY

from the SAICA Sustainability Technical Committee



## About SAICA Sustainability

SAICA standards sustainability team aims to advocate and foster knowledge sharing and awareness of new ways to do business that support inclusive and sustainable economic growth. We want to be a leader in building public trust and support building resilient businesses in realising our purpose in serving the public interest.

As a Professional Accounting Organisation (PAO) with thousands of members and students in our books, we have an opportunity to make an immense impact for the better. We do so by bringing information and global conversations on sustainability and integrated reporting, sustainability assurance, climate change, nature, respecting human rights, and social equity.

- **Environmental, social, and governance-related (ESG):** We contribute to positive change by supporting standards, frameworks, and regulations that seek continuous improvement in ESG practices.
- **Collaboration:** We work with members, PAOs, and other industries and businesses to achieve sustainability objectives, increasing our impact through partnerships and coalition-building.
- **Empowerment:** We empower members to contribute to a sustainable economy by providing training, knowledge, and other

relevant resources (funded opportunities).

- **Climate change:** We aim to play our part in the low-carbon transformation that is necessary to achieve a sustainable future by advising internal steering to net zero emissions and by striving to lead peculiar market conversations leading to each Conference of Parties (COP).

More about SAICA Sustainability: [Sustainability | SAICA](#)

**We want to be a leader in building public trust and support building resilient businesses in realising our purpose in...**

## About SAICA Sustainability Technical Committee (STC)

SAICA established the Sustainability Technical Committee (STC) in 2022 consisting of 13 members who are sustainability experts in their respective areas (I.e. sustainability reporting and assurance, advisory, climate change, and education), the objective of the STC is to support SAICA to respond to various current and emerging sustainability aspects as it relates to its members and other stakeholders as identified by SAICA.

### The focus areas:

- Reporting & Disclosure, with specific emphasis on the global convergence of sustainability reporting standards and frameworks.
- Assurance & Verification, with specific emphasis around non-financial sustainability information;
- Integrated thinking, with specific reference to sustainability in terms of the International Integrated Reporting Framework and the Integrated Thinking Principles; and Sustainability advocacy and thought leadership with identified key stakeholders.

### Latest Developments:

SAICA is pleased to announce the appointment of Mr. Shaheed Osman who is a Chartered Accountant CA(A) and a Registered Auditor (RA), to serve the STC effectively from November 2024, who is also a member of the IRBA Sustainability Standing Committee (SSC).

Shaheed is a Partner and Head of ESG Assurance at

KPMG South Africa and serves as the ESG reporting and assurance technical lead focusing on the reporting implications of ESG-related matters and the assurance thereof. Shaheed is the engagement partner or quality reviewer on a number of listed ESG assurance engagements. He is responsible for the overall client interaction and management of multi-disciplinary teams providing readiness reviews and assurance engagements across various industries.



More about STC: [Sustainability Technical Committee | SAICA](#)



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# AROUND THE GLOBE

Highlights United Nations Conference of the Parties (COP) 2024



## COP16- UN Biodiversity Conference

The world's largest biodiversity summit, known as COP16, concluded in Colombia, with several landmark decisions, including first ever agreements on nature's genetic data and on recognising people of Africa descent and Indigenous Peoples as key stewards in conservation efforts.

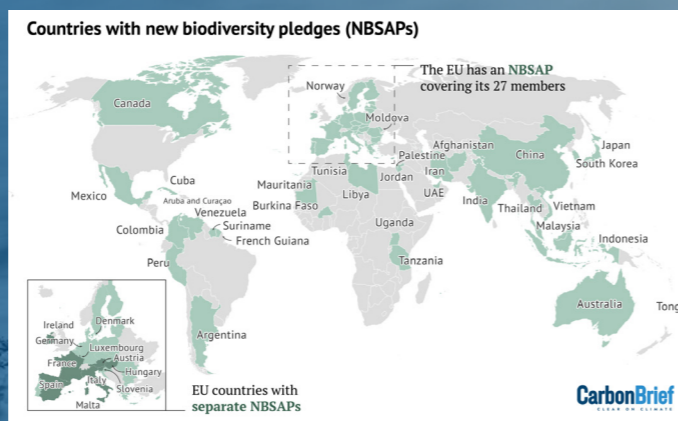
The summit, officially known as the 16th Conference of Parties to the UN Convention on Biological Diversity, concluded following 12 days of robust discussions among 170 delegations, according to the Colombia's Ministry of Environment and Sustainable Development. The central objective of the Convention, adopted by 196 countries in 1992, is to promote measures that lead to a sustainable future.

### National biodiversity pledges (NBSAPs) and global review

COP16 was the first biodiversity summit since nations signed a landmark agreement in late 2022 called the Kunming-Montreal Global Biodiversity Framework (GBF), which aims to halt and reverse nature loss by 2030. It is often described as the "Paris Agreement for nature".

As part of the GBF and its underlying documents, countries agreed to submit new national biodiversity pledges, known as national biodiversity strategies and action plans (NBSAPs) "by" COP16, which began on 21 October. The new NBSAPs were meant to outline how countries will implement the goals and targets of the GBF within their borders.

As such, the publishing of new NBSAPs was viewed by many as a key test of whether countries are taking action to ensure biodiversity loss is reversed by 2030. Key focus areas include implementation, mobilizing finance which is a step further from GBF to action. But there remains no agreement of new funding mechanism for GBF. Total funding gap is at a staggering \$700bn, jeopardizing GBF goals, increasing business risks and hampering policy reforms that business need to have certainty to invest.



More highlights on COP16: [COP16: Key outcomes agreed at the UN biodiversity conference in Cali, Colombia - Carbon Brief](#)

An agreement was reached after lengthy debates and discussions at the close of COP16, giving Indigenous Peoples and people of African descent and their communities recognition as protagonists in biodiversity conservation while also deciding to create a subsidiary body for them under article 8J of the convention.

More on COP16: [Landmark biodiversity agreements adopted | UN News](#)

### Progress on TNFD announced at COP16:

TNFD has launched roadmap to ensure global access and are gearing up capacity building programmes to also augment existing content for accounting and finance professionals. The incorporation of the LEAP approach in nature assignments has seen many businesses benefit from it.

SAICA Technical committee member also put together an article titled "Taking Nature into account" to the Accountancy SA Magazine to assist member on understanding the business of nature and disclosure requirements.: <http://magazine.accountancysa.org.za/asa-june-2024%3Fm%3D52861%26i%3D823510%26p%3D1%26ver%3Dhtml5?m=52861&i=823510&p=48&ver=html5>

## COP29- UN Climate Change Conference

The Conference of Parties, famously known as COP took place from 11 - 22 November at Baku, Azerbaijan, which focusses on climate change. On the opening day 11th of November 2024, - the United Nations Sustainable Stock Exchanges (SSE) initiative convened market leaders at COP29 to promote sustainable finance as a critical tool in addressing the climate crisis. In collaboration with global regulators, exchanges, and financial institutions, the UN SSE hosted three major events over two days, focusing on harnessing capital markets to drive environmental sustainability.



[UN SSE convenes exchanges, standard setters, and regulators at Climate Summit COP29 | SSE Initiative](#)

Africa's resolve to take a stand at Baku over the debt burden and the widened climate finance and funding gap compared to the developed countries heightened. With high debt service payments, Africa has little to invest in the climate crisis and boost the green growth pathways. At least US\$ 1.3 trillion p/y over the next five years is needed, with a guaranteed provision of public finance in the form of concessional finance and grants in vulnerable developing countries. Critical funding for climate adaptation and mitigation remains inadequate.

Another discussion on "No Green without Digitalisation" sparked conversations on what that means for Africa - the ordinary person, especially in areas where there is little to no infrastructure, highlighting the need for conversations that do not fly over our realities. While Brazil urged the G20 leadership to accelerate action on net-zero targets. At close, Simon Stiell, UN Climate Change Executive Secretary highlighted that the new finance goal agreed upon at Baku is an insurance policy for humanity.

More highlights on COP 29: [UN Climate Change Conference Baku - November 2024 | UNFCCC](#)



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# LOCAL DEVELOPMENTS

## SAICA Key Sustainability Events and Milestone 2024



### SAICA IFRS Sustainability Standards Disclosure Training Program Report Released

The UN Sustainability Stock Exchanges (SSE), International Finance Corporation (IFC) and IFRS Foundation hosted the IFRS sustainability training webinar in partnership with the JSE and SAICA on applying the ISSB sustainability disclosure standards (IFRS S1 and IFRS S2) on the 1st of August 2024.

SAICA is pleased to release the report on the training program of the IFRS Disclosure Application. The training program was developed to build an overall understanding of the foundations of the new IFRS Sustainability Disclosure Standards.

Report: [saicawebprstorage.blob.core.windows.net/uploads/SAICA\\_IFRS-Sustainability-Disclosure-Standards.pdf](https://saicawebprstorage.blob.core.windows.net/uploads/SAICA_IFRS-Sustainability-Disclosure-Standards.pdf)

### SAICA Climate Change Conference highlights 2024

Ahead of the COP29 conference SAICA hosted the its second annual Climate Change Conference at Sandton Convention Centre on the 5th of November 2024. Exciting moments from the SAICA Climate Change Conference! This year's event brought together thought leaders, innovators, and passionate advocates to tackle one of the most pressing issues of our time.

The conference will cover the following topics:

- How leadership can engage better to meet investor expectations in climate action
- Policy and legislation as enabler in renewable energy opportunities
- Providing insights on materiality mapping
- Sustainability disclosures on unlocking capital flows for climate action in emerging economies
- The role of ethics in sustainability reporting and assurance
- Technology as a catalyst for decarbonisation
- The role of taxation in navigating the Net Zero investment
- Sustainable finance in transforming the industries

Watch the video highlights below:



### Key Sustainability Developments in SA

#### Companies and Intellectual Property Commission (CIPC)

South Africa has taken a pioneering step in digital sustainability disclosures by becoming the first African country to officially allow the use of the IFRS Sustainability Disclosure Taxonomy, also known as the ISSB taxonomy, for sustainability reporting from the 1st of October 2024. The Companies and Intellectual Property Commission (CIPC) of South Africa has updated its iXBRL Taxonomy to incorporate the latest IFRS Accounting Taxonomy 2023 amendments. This bold move is set to revolutionise the way issuers report their sustainability data, marking a critical juncture for regulators globally.

This is aimed at allowing voluntary early adopters of the International Sustainability Standards Board's (ISSB) IFRS S1 and IFRS S2 to tag their sustainability-related financial disclosures prepared applying IFRS Sustainability Disclosure Standards.

More on Sustainability digital taxonomy: [CIPCs inline eXtensible Business Reporting Language \(XBRL\) Taxonomy Update | CIPC](#)

#### Presidential Climate Commission (PCC)

Climate Commission joined negotiators to the United Nations Framework Convention on Climate Change (UNFCCC) 29th Conference of the Parties (COP29), 11 – 23 November 2024 Baku, in the Republic of Azerbaijan.

The PCC anticipated COP29 to practically address the operationalisation, financing and resourcing of the Loss and Damage Fund, which was agreed upon at COP28, with the priority being on garnering pledges for the fund and build on the \$700 million that has already been pledged.

The PCC is which is one of the organisations that have partnered with the National Business Initiative (NBI) hosted a number of dialogues and side events at the South African pavilion at Baku Stadium on the sidelines of the UNFCCC climate negotiations, showcased the work being done by various South African organisations to raise awareness, adapt to, and mitigate, climate change.

More on PCC and the NBI: [News and Insights](#)



**“ The training program was developed to build an overall understanding of the foundations of the new IFRS Sustainability...”**

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# DISCLOSURE

## Sustainability Reporting and Assurance



### IFRS International Sustainability Standards Board (ISSB)

IFRS Foundation publishes a guide to help companies identify sustainability-related risks and opportunities and material information.

IFRS Foundation has published a new guide designed to help companies with the fundamental task of identifying and disclosing material information about sustainability-related risks and opportunities that could reasonably be expected to affect their cash flows and financial position.

Guide Link: [Sustainability-related risks and opportunities and the disclosure of material information](#)

### ISSB issued a report that sets out global progress towards both mandated and voluntary corporate climate-related disclosures

Key findings of a detailed progress report were presented to the Financial Stability Board (FSB) by the IFRS Foundation today. The report also sets out alignment of disclosures with the Task Force on Climate-related Financial Disclosures (TCFD) recommendations. The IFRS Foundation took on responsibility for recording climate-related disclosure progress when the TCFD disbanded in 2023. The report shares information of over 1,000 companies that have referenced the International Sustainability Standards Board (ISSB) in their reports

and 30 jurisdictions are making progress towards introducing ISSB Standards in their legal or regulatory frameworks.

Report Link: [IFRS - New report sets out global progress towards both mandated and voluntary corporate climate-related disclosures](#)

### IASB proposes illustrative examples to improve reporting of climate-related and other uncertainties in financial statements

The International Accounting Standards Board (IASB) published a consultation document in July 2024, proposing eight examples to illustrate how companies apply IFRS Accounting Standards when reporting the effects of climate-related and other uncertainties in their financial statements. Aligning to these global reporting standards is the starting point of SAICA's series on these key corporate reporting matters.

### "Considering the impact of climate-related matters on the financial statements". Writes Mr Milan van Wyk CA(SA) - Senior Lecture - UJ

"Financial statements generally comply with IFRS Accounting Standards and historically only reflected financial information with limited consideration of effects such as climate change on the companies' financial performance and financial position. With the issue of the IFRS Sustainability Standards in 2023, the IFRS Foundation reignited the discussion around the connectivity of information between financial statements and sustainability information.

Furthermore, many stakeholders were concerned at the level of climate-related information that is present in the financial statements of companies even though a clear emphasis is put on the impact of climate change in integrated and other sustainability reports. This highlighted the current disconnect between financial and sustainability reporting. This leads the International Accounting Standards Board (IASB) to add a focus on the effects of climate change on the financial statements as part of their projects". More on the article is on the : ASA Magazine January edition 2025.



SAICA Submitted the comments letter on 28 November 2024 to IFRS Foundation through its Accounting Practice Committee (APC) supported by the Sustainability Technical Committee (STC).

More on the Exposure draft: [IFRS - IASB proposes illustrative examples to improve reporting of climate-related and other uncertainties in financial statements](#)

### The Global Reporting Initiative (GRI)

#### Advancing collaboration: progress in the GRI and EFRAG partnership

The GRI-ESRS Interoperability Index provides a helping hand to companies by outlining how GRI disclosure requirements relate to the ESRS, reiterating the high degree of alignment achieved between the two sets of standards and preventing the need for double reporting. The index reflects the data points in the three ESRS Implementation Guidance documents – useful for existing GRI reporters seeking to meet the new EU requirements.

GRI-ESRS Implementation Guidance: [GRI - Search](#)

The shift towards digital reporting gains momentum,

the GRI and EFRAG teams are engaged in regular exchanges to align XBRL taxonomy efforts - as part of the continuing Memorandum of Understanding (MoU) between the two entities. This alignment is crucial in facilitating a seamless transition for companies moving from traditional reporting methods to digital platforms.

More on GRI and EFRAG partnership: [GRI - Advancing collaboration: progress in the GRI and EFRAG partnership](#)

### European Sustainability Reporting Standards (ESRS)

#### EFRAG published the ESRS Set1 XBRL Taxonomy

EFRAG published its XBRL Taxonomy for ESRS Set 1 in August 2024, which enables the digital tagging of ESRS statements. In addition, EFRAG publishes the XBRL Taxonomy for Article 8 disclosures that the EC requested EFRAG prepare. The digital taxonomies enable the marking up ('tagging') of sustainability reporting in machine-readable XBRL format.

About the XBRL: <https://www.efrag.org/en/news-and-calendar/news/efrag-publishes-the-esrs-set-1-xbrl-taxonomy>

### International Ethics Standards Board for Accountants (IESBA)

The IESBA Board has approved landmark ethics standards for sustainability reporting and assurance and revisions to the Code on the use of experts in December 2024.

The International Ethics Standards for Sustainability Assurance (IESSA) and related revisions provide a robust ethical and independence framework to protect investors, consumers, and society against misleading sustainability information and illicit financial flows hiding behind "green" objectives. The Use of Experts revisions establish clear guidance for assessing the competence, objectivity, and capabilities of external experts, ensuring reliable and trustworthy contributions to sustainability assurance.

The global launch will take place in early 2025, following certification by the Public Interest Oversight Board | PIOB. This will coincide with the release of the International Auditing and Assurance Standards Board (IAASB)'s ISSA 5000, completing the global infrastructure for sustainability reporting and assurance.

More on IESSA: [Key Milestones Achieved at IESBA's December Meeting](#) | [Ethics Board](#)

### International Auditing and Assurance Standards Board (IAASB)

The IAASB approved International Standard on Sustainability Assurance 5000 on September 20, 2024. With this milestone, we will now finalise the text of the standard for certification by the Public Interest Oversight Board.

The IAASB is developing implementation support materials and guidance to support practitioners with the implementation and application of proposed ISSA 5000. The following sets out the planned implementation support materials and the planned timing for their publication:

- Non-authoritative guidance on the scope and applicability of ISSA5000 (targeted at Jurisdictions)
- Non-authoritative guidance on quality management relevant to sustainability assurance
- Updated ISSA 5000 FAQs

To material guidance will be issued in due course after ISSA 5000 is published in January 2025.

More on sustainability assurance: [Sustainability Assurance](#) | [IAASB](#)

### International Public Sector Accounting Board (IPSAB)

IPSASB Issues Exposure Draft of Groundbreaking Climate-related Disclosures Standard for the Public Sector (31 October 2024).

Feedback on the inaugural IPSASB SRS draft will shape the final standard enabling governments around the world to be accountable for their actions to address climate change. SRS ED 1 is open for public comment until February 28, 2025. Comments must be submitted in English.

SAICA standards through its public sector team and support of the Sustainability Technical Committee will be contributing by submitting the comment letter on the exposure draft.

More on exposure draft: <https://www.ipsasb.org/publications/ipsasb-srs-exposure-draft-1-climate-related-disclosures>

### International Federation of Accountants (IFAC)

#### Sustainability & Education: What's New—and What Hasn't Changed

Anne-Marie Vitale, Chair of the IFAC International Panel on Accountancy Education, explains how our existing skills and competencies are equally applicable to financial reporting and sustainability-related information.

As sustainability becomes an increasingly important business imperative, including access to, and retaining talent, customers, and capital, the role professional accountants play is also becoming increasingly important. We have important roles to play in responding to the demand for increased transparency, disclosure of reliable information, and enhanced trust in sustainability-related information.

What competencies are needed for high-quality and decision-useful financial and sustainability-related information as contemplated in the IFRS Sustainability Disclosure Standards S1 and S2? Do we, as professional accountants, need to start over and remake ourselves to continue to be relevant?

Watch the video below for more on sustainability education:



SAICA responses to IFAC's request for comments in the exposure draft - Proposed Revisions to International Education Standards (IES) 2, 3, and 4 - Sustainability.

[Microsoft Word - SAICA response IFAC-IES-Sustainability EDs IES 2,3,4 - 24 July 2024 FINAL](#)

### Integrated Reporting and Thinking (IRCSEA)

Integrated Reporting Council SA's new Information Paper offers practical considerations in applying a layering

approach to sustainability reporting set in the context of the organisation's governance, integrated thinking, and integrated report.

[Integrated reporting and using a layering approach to sustainability reporting](#) | [Integrated Reporting SA](#)

**Considering the impact of climate-related matters on the financial statements**



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# THOUGHT LEADERSHIP

## International Bodies work in advancing Sustainability



### Chartered Accountants Worldwide (CAW)

#### CAW Sustainability Hub

Chartered Accountant Worldwide (CAW) put together a Sustainability Hub that contains a wealth of content to help you – and the businesses you support – in becoming more sustainable and resilient now and for the future.

About Sustainability Hub: [Sustainability Hub - Chartered Accountants Worldwide](#)

#### Global Chartered Accountancy institutes lead the way towards net-zero - to link

### Global Accounting Alliance (GAA)

SAICA contributed to the Global Accounting Alliance (GAA) report on Nature is Everyone's Business which sets out actions that the GAA and its members will take to help further accelerate collective progress towards GAA's nature commitments, in line with the Global Biodiversity Framework. The report considers the trends affecting the profession such as the growing market trend towards transparency, reporting, and regulation on nature-related issues.

Report link: [GAA-Progress-and-Pathway-Report-October-2024.pdf](#)

### Accounting for Sustainability (A4S)

Sustainable Value Partnership Survey - Help unlock sustainability progress across sustainability, finance and

IT function.

Accounting for Sustainability (A4S) has partnered with SustainableIT.org, the ERM Sustainability Institute, Salesforce, and GlobeScan as part of a pioneering new Sustainability Value Creation partnership, with the aim to accelerate how companies can most effectively integrate sustainability across their corporate finance, technology, and sustainability functions to drive long-term value.

A4S invite your views on how to accelerate value creation through cross-enterprise collaboration on sustainability: [Sustainable Value Partnership Survey](#)

Facilitated emissions – top tips for finance teams of financial institutions

A4S has developed these top tips to help financial institutions to calculate their facilitated emissions baseline. The guidance provides practical insights on how to get started, including using the PCAF Standard, embracing the data challenges and clearly communicating approach. The document has been brought together with insights from PCAF, the Net-Zero Banking Alliance and other individuals working in the space.

This guidance will help you understand:

- 1** the difference between financed and facilitated emissions
- 2** understand how to measure a facilitated emissions baseline

**3** implement the PCAF Standard

**4** consider the key assumptions in your facilitated emissions approach

[Facilitated emissions – top tips for finance teams of financial institutions](#)

### In Focus Africa and other highlights

New Zealand's Financial Market Authority encouraged by the first 70 climate statements for period ending March 2024.

FMA Head of Audit, Financial Reporting and Climate-Related Disclosures, Jacco Moison said: "We are pleased with the efforts that Climate Reporting Entities (CREs) have made to prepare and lodge their first set of mandatory climate statements under the CRD regime. Climate reporting entities have put in an enormous effort to ensure their first mandatory climate statements were prepared on time.

[FMA encouraged by first climate statements | Financial Markets Authority](#)

### Nigeria: The Lagos State Electricity Bill - 2024 signed into Law

Lagos State has long been at the forefront of developing a robust framework for Power Sector regulation at State-level, notably demonstrated by its publication of the Lagos State Electricity Policy 2021, which outlined the key requirements for establishing a viable Lagos Electricity Market ("LEM"). Lagos, with its massive population and thriving economy, has long struggled with frequent power outages, leading to disruptions in daily life and hindering economic activities. The new law aims to solve these challenges by harnessing local resources and technological innovations to meet the state's growing energy demand. The legislation allows for the development of decentralised power sources, such as solar, wind, and gas-powered plants, to ensure that even the most remote areas of Lagos can enjoy uninterrupted power supply.

[Sanwo-Olu signs Lagos electricity bill into law - Businessday NG](#)

### KPMG - Energy Transition Investment Outlook: 2025 And Beyond

As the global energy landscape evolves, financial investors and corporates are navigating the complexities of the energy transition. This transformation offers significant investment opportunities, driven by the need to enhance energy efficiency, expand renewable energy capacity, and modernize infrastructure. However, with opportunities come challenges, from regulatory uncertainty to market volatility. The Energy transition investment outlook: 2025 and beyond provides critical insights from 1,400 senior executives across 36 countries and territories, highlighting investment trends, risks, and the evolving strategies that are shaping this journey.

[Energy transition investment outlook: 2025 and beyond - KPMG UK](#)



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