

## Sustainability Technical Committee Quarterly Report – October 2022

### 1. Overview

- 1.1 The Sustainability Technical Committee (STC/Committee) was established during April 2022. The objective of the Committee 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 Committee's focus areas are:
- 1.1.1 Reporting & Disclosure, with specific emphasis on the global convergence of sustainability reporting standards and frameworks;
  - 1.1.2 Assurance & Verification, with specific emphasis around non-financial sustainability information; and
  - 1.1.3 Integrated thinking, with specific reference to sustainability in terms of the International Integrated Reporting Framework and the Integrated Thinking Principles.

### 2 2022 Q3 Key Matters

#### 2.1 Key Workplan activities/initiatives

- 2.1.1 Update on the sustainability reporting landscape.** The intention of this initiative is to keep members abreast on the latest local and global sustainability reporting developments. The outputs from this initiative will most likely include a publication of a thought leadership article, a presentation to members and a FAQ. Register for the November 2022 Techtalk for more information.

#### 2.2 Key submissions and expected impact

- 2.2.1 [Draft] IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information.** The STC made a submission to the International Sustainability Standards Board (ISSB) on this exposure draft during July 2022. The proposals set out the overall requirements for disclosing sustainability-related financial information in order to provide primary users with a complete set of sustainability-related financial disclosures. The requirements in IFRS S1 will assist in providing investors, lenders and other creditors, with information about the significant sustainability-related risks and opportunities facing an entity to inform their decisions about providing resources to the entity. This is one of the first two exposure drafts published by the ISSB. The ISSB was launched during November 2021. The ISSB is expected to publish the IFRS S1 by end of 2022.
- 2.2.2 [Draft] IFRS S2 Climate-related Disclosures.** The STC made a submission to the ISSB on this exposure draft during July 2022. The objective of the exposure draft is to require an entity to provide information about its exposure to climate-related risks and opportunities. This information, along with other information provided as part of an



entity's general purpose financial reporting, will assist users of the information in assessing the entity's future cash flows, including their amounts, timing and certainty, over the short, medium and long term. This information, together with the value attributed by users to those cash flows, enables their assessment of the entity's enterprise value. The ISSB is expected to publish the IFRS S2 by end of 2022.

**2.2.3 International Public Sector Accounting Standards Board (IPSASB) sustainability reporting consultation paper.** A consultation paper published by the IPSASB, the STC contributed to the public sector discussion on this consultation process. The objective of this public consultation was to evaluate the demand from stakeholders for sustainability reporting guidance, as well as the degree of support for the IPSASB's involvement in the process, the priority areas for guidance, and how this might be approached.

### 3 Key upcoming/contemplated submissions for noting

**3.1 Staff Request for Feedback Staff draft of the IFRS® Sustainability Disclosure Taxonomy.**

The IFRS Foundation staff has prepared the staff request for feedback on the staff draft of the IFRS Sustainability Disclosure Taxonomy. The document outlines staff recommendations reflecting the proposals in the two exposure drafts published by the ISSB. The STC considered the proposals and submitted a comment letter to the IFRS Foundation.

**3.2 Agenda consultation.** The ISSB has discussed its approach to preparing a request for information to consult the public on its agenda priorities. The request for information will inform the development of the ISSB's two-year work plan. This is the first agenda consultation process that will be published by the ISSB and expected to be published for comment during 2023. The STC is monitoring and tracking these developments and will be making a submission on the proposed Workplan.

**3.3 Sustainability assurance.** With the evolving developments on sustainability assurance, the STC is scheduled to have engagements with the SAICA Assurance Guidance Committee to align and determine how both Committees are to collaborate going forward on the sustainability assurance projects including future submissions published by the International Audit and Assurance Standards Board (IAASB).