



OFFICE OF THE SECRETARY & CHIEF EXECUTIVE OFFICER

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TO: TO ALL MEMBERS

ADOPTION OF SUSTAINABILITY STANDARDS AND INTEGRATED REPORTING FRAMEWORK

1.0 BACKGROUND

In its June 2021 Report on Sustainability-related Issuer Disclosures, the International Organization of Securities Commissions (IOSCO) articulated its vision and expectations of the IFRS Foundation's work towards a global baseline of investor-focused sustainability reporting standards to improve the global consistency, comparability and reliability of sustainability reporting.

After the establishment of the International Sustainability Standards Board (ISSB) was announced at COP26 in November 2021, the ISSB published two exposure drafts, one on general sustainability-related disclosures and a second on climate-related disclosures. The requirements proposed in these exposure drafts were intended to result in companies providing information that would support the world's capital markets in making decisions on providing resources to those companies based on an understanding of sustainability-related risks and opportunities.

In response to the feedback on its exposure drafts, the ISSB considered the needs of preparers of various sizes and types that operate across different jurisdictional, regulatory and economic settings and in June 2023 issued two sustainability standards IFRS S1 and IFRS S2 which include requirements that support the 'phasing-in and scaling' of requirements and include provisions to support application by companies with limited capabilities or experience, or those in developing and emerging economies.¹

The ISSB also adopted the Integrated Reporting framework prepared by the International Integrated Reporting Council for preparation of integrated reports.

¹ The jurisdictional journey towards implementing IFRS S1 and IFRS S2 — Adoption Guide overview –IFRS Foundation

2.0 PRONOUNCEMENT

Following the adoption of the sustainability standards IFRS S1 and IFRS S2 and the Integrated Reporting framework by the ISSB, Zambia Institute of Chartered Accountants has adopted the two sustainability standards and the Integrated Reporting framework.

All publicly accountable entities (PAEs) are required to adopt the sustainability standards IFRS S1 and IFRS S2. All other organisations can adopt the sustainability standards IFRS S1 and IFRS S2 on a voluntary basis. PAEs are entities whose securities are traded in public markets or entities in the process of issuing securities for trading in public markets. PAEs would not include: (a) entities whose securities are traded in private markets; (b) entities whose securities are traded in relatively small public securities markets; (c) entities that are generally characterised by small shareholder bases, low liquidity or that are not subject to extensive corporate governance disclosure requirements; or (d) other entities, such as private entities, without public accountability (for example, small and medium-sized entities).²

All organisations can adopt the Integrated Reporting framework on a voluntary basis.

Please refer to attached sustainability standards IFRS S1 and IFRS S2 and the Integrated Reporting framework for ease of reference.

3.0 EFFECTIVE DATE

An entity shall apply the sustainability standards IFRS S1 and IFRS S2 and the Integrated Reporting framework for annual reporting periods beginning on or after 1 January 2025 meaning reporting will commence for reporting periods starting on 1 January 2026.



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² The jurisdictional journey towards implementing IFRS S1 and IFRS S2 — Adoption Guide overview –IFRS Foundation