



International Actuarial Association
Association Actuarielle Internationale

IAA Comment Template

[Draft Statement of Intent \(SOI\) for ISAP \[8\]](#) IFRS S2 Climate-Related Disclosures

1. Do you agree that an International Standard of Actuarial Practice (ISAP) is needed on IFRS S2 Climate-Related Disclosures?

Yes

No

2. Are any of the proposed topics inappropriate for inclusion in ISAP [8]?

Yes

No

If yes, please explain why the particular topic should not be included.

3. What other topics should be included in ISAP [8]?

Please cover why you wish guidance in this area and if appropriate provide an example to illustrate the issue. Please note that the ISAP is not intended to address unique, country-specific issues. Member associations and local actuarial standard setting organizations could address such issues by providing additional guidance to their members as the ISAP is adopted, or adding such additional guidance within the local adaptation of the ISAP.

AE: Guidelines for Conducting Materiality Assessments

Special consideration could be given to the development and implementation of principles to conduct materiality assessments. These assessments will determine which risks are deemed significant and material, in accordance with the definitions provided in IFRS S1 and S2. A helpful framework to be considered within this context could be the application guidance provided by EIOPA for the inclusion of materiality assessment within the ORSA process.

In addition, IFRS S1 and S2 may necessitate the disclosure of items that are not obviously material or tied to a quantitative impact. For example, the ISSB has cited a situation where it becomes a material piece of information for a specific asset class or financed emission to have low estimated carbon emissions when a high estimation was anticipated. Consequently, principles that facilitate the identification of qualitative material aspects for disclosure – especially those that are not immediately apparent – would provide valuable guidance for those preparing IFRS S2 disclosures.

AE: Addressing Items with High Uncertainty

The ISSB is currently exploring how disclosures related to TNFD (encompassing biodiversity, ecosystems, and ecosystem services) could be incorporated into IFRS Standard S2. The integration of risks related to both nature and climate appears to be an area fraught with considerable uncertainty.

A thorough investigation into these areas would be beneficial, with an emphasis on identifying aspects where significant work is required to develop clear guidance. In instances where research or guidance is lacking, the formulation of principles to be adhered to would provide valuable assistance to those preparing IFRS S2 disclosures.

AE: Alignment with Other Climate-Related Requirements

Understanding how climate-related disclosures in IFRS S2 can align with other regulatory requirements could be beneficial to actuaries. The ISAP can comment on whether existing calculations and investigations on climate related risks can be made consistent with IFRS S2 or vice versa, and if such alignment is appropriate. An example is the inclusion of climate risks in the ORSA. Where work can fulfill multiple requirements, this efficiency could be highlighted. Identifying these connections may lead to a streamlined approach, ensuring both compliance and consistency in managing climate-related risks

4. Please use this space for any additional comments not covered above.

The other items noted in the SOI, not mentioned above, seem reasonable and comprehensive.

5. Please provide the name of the person completing the consultation response, association and email address for further clarifications (if needed).

Name	<ul style="list-style-type: none"> • Costa Economou, costa@colourfield.co.za, <title details> • Andre Erasmus, andre@virtualactuary.com, Lead of ASSA’s climate change subcommittee related to new practice areas
Organisation	Actuarial Society of South Africa
E-mail address	<ul style="list-style-type: none"> • costa@colourfield.co.za • andre@virtualactuary.com
Type of response	<input type="checkbox"/> Personal <input checked="" type="checkbox"/> Organization

IMPORTANT:

Please check if the relevant check boxes are ticked appropriately and save the file renamed with the organization’s or individual’s name (e.g., SOI_CommentTemplate_[NAME].Doc).

E-mail the file as an attachment to SOI.ISAP8.comments@actuaries.org, with “ISAP[8]” in the e-mail header. **Please respond by Wednesday, 23 August 2023.**