INSTITUTE OF
CERTIFIED PUBLIC ACCOUNTANTS
OF UGANDA

ROADMAP FOR ADOPTION OF IFRS SUSTAINABILITY DISCLOSURE STANDARDS - UGANDA

We Create Impact

ROADMAP FOR ADOPTION OF IFRS SUSTAINABILITY DISCLOSURE STANDARDS - UGANDA

We Create Impact

TABLE OF CONTENTS

ACKNOWLEDGMENTS

The development and consolidation of the roadmap for the adoption of the IFRS Sustainability Disclosure Standards in Uganda was made possible by our various stakeholders. This Roadmap contains extracts of content from existing literature drawn locally and internationally that are customised to fit Uganda's reporting context. We acknowledge everyone whose book, report, or literature we obtained information from.

We acknowledge the enormous contribution from the Council of ICPAU and its Committees: the Uganda Integrated Reporting Committee and the Professional Standards Committee.

We further extend our appreciation to all the participants in the Sustainability Reporting Readiness Survey conducted early this year. This enabled us to deeply understand the gaps within the sustainability reporting landscape in Uganda, hence the production of this Roadmap.

We extend our gratitude to Bank of Uganda (BoU), Capital Markets Authority (CMA), Uganda Securities Exchange (USE), Insurance Regulatory Authority (IRA), Stanbic Bank, Ernst & Young, the Office of the Auditor General, the Climate Finance Unit of Ministry of Finance Planning and Economic Development, BDO East Africa and all our valued stakeholders for your active involvement and providing commentary to the draft Roadmap.

We pray that this Roadmap ensures the successful implementation of the Sustainability Disclosures Standards. We invite more feedback, which we will undoubtedly use to improve future publications.

ABOUT ICPAU

The Institute of Certified Public Accountants of Uganda (ICPAU or the Institute) was established in 1992 by the Accountants Act, Cap 266. This has now been repealed and replaced by the Accountants Act, Cap. 294.

The functions of the Institute as prescribed by the Act are to regulate and maintain the Standard of Accountancy in Uganda and to prescribe and regulate the conduct of accountants and practising accountants in Uganda.

The Institute is governed by the Council, which is composed of seven (7) members elected by full members; One (1) member appointed by the Minister for Finance from a recognised profession or regulatory body established by an Act of Parliament; Three (3) ex officio members, including:

- The Accountant General
- The Auditor General
- The Officer responsible for higher education in the Ministry of Education

Under its legal mandate, the Institute prescribes professional standards to be applied in the preparation and auditing of financial reports in Uganda.

Vision

A globally recognised promoter of accountants for sustainable economies.

Mission

To develop and regulate accountants for professional excellence and sustainable impact.

Core Values

ACRONYMS

AF	Adaptation Fund
API	Application Programming Interface
BoU	Bank of Uganda
CDP	Carbon Disclosure Project
CDSB	Climate Disclosure Standards Board
CFU	Climate Finance Unit
CMA	Capital Market Authority
CoE	Centre of Excellence
CPD	Continuing Professional Development
CrROs	Climate-related Risks and Opportunities
CSR	Corporate Social Responsibility
CSRD	Corporate Sustainability Reporting Directive
DFIs	Development Finance Institutions
EFRAG	European Financial Reporting Advisory Group
ERA	Electricity Regulatory Authority
ESG	Environmental Social and Governance
ESRS	European Sustainability Reporting Standards
EU	European Union
FCDO	Foreign Commonwealth Development Office
FiRe	Financial Reporting
FSDU	Financial Sector Deepening Uganda
GCF	Green Climate Fund
GBEs	Government Business Entities
GEF	Global Environment Facility
GGGI	Global Green Growth Institute
GHG	Green House Gas
GRI	Global Reporting Initiative
GGGI	Global Green Growth Institute
IAASB	International Auditing and Assurance Standards Board

ICPAU	Institute of Certified Public Accountants of Uganda
IESBA	International Ethics Standards Board for Accountants
IESSA	International Ethics Standards for Sustainability Assurance
IFAC	International Federation of Accountants
IIRC	International Integrated Reporting Council
IPSASB	International Public Sector Accounting Standards Board
IRA	Insurance Regulatory Authority
ISSA	International Standard on Sustainability Assurance
ISSB	International Sustainability Standards Board
LDCF	Least Developed Countries Fund
MFI	Microfinance Institution
MoFPED	Ministry of Finance Planning and Economic Development
MoU	Memorandum of Understanding
NAPA	National Adaptation Programmes of Action
NCFS	National Climate Finance Strategy
NCCP	National Climate change policy
NDC	Nationally Determined Contribution
NDP	National Development Plan
NEA	National Environment Act
NEAP	National Environment Action Plan
NEF	National Environment Fund
NEMA	National Environment Management Authority
NEMP	National Environment Management Policy
NEP	National Energy Policy
NFTP	National Forestry and Tree Planting
NOGP	National Oil and Gas Policy
PAFA	Pan African Federation of Accountants
PCAF	Partnership for Carbon Accounting Financials
PIEs	Public Interest Entities

PRE	Permanent Forest Estate
SACCOs	Savings and Credit Cooperative Organisations
SASB	Sustainability Accounting Standards Board
SDGs	Sustainability Development Goals
SEC	Securities and Exchange Commission
SMEs	Small and Medium Entreprises
SrROS	Sustainability Related Risks and Opportunities
TCFD	Task Force on Climate-related Financial Disclosures
ToRs	Terms of Reference
UFP	Uganda Forestry Policy
URBRA	Uganda Retirement Benefits Regulatory Authority
UGGDS	Uganda Green Growth Development Strategy
UIRC	Uganda Integrated Reporting Committee
UNFCCC	United Nations Framework Convention on Climate Change
UNGT	Uganda's National Green Taxonomy
US	United States
VRF	Value Reporting Foundation

EXECUTIVE SUMMARY

Following years of increasing demand for enhanced transparency about Environmental, Social and Governance (ESG) matters from potential and existing investors, lenders, creditors, and other stakeholders, regulators and standard-setters in various jurisdictions issued definitive proposals to transform sustainability reporting. The emergence of the International Financial Reporting Standards (IFRS®) Sustainability Disclosure Standards (Sustainability Disclosure Standards), a global baseline for sustainability disclosures, is now in a common defined direction.

The ICPAU announced its adoption of the Sustainability Disclosure Standards IFRS S1 and S2 on 4 September 2024. The implementation of the adoption is intended to follow a phased approach, as seen in the following table:

Phase		Timelines (accounting period beginning on or after)	Entities involved
Phase 1	Voluntary Adoption	1 January 2026	All entities
Phase 2	Mandatory Adoption	1 January, 2028	• Listed Entities • Financial Institutions, including Microfinance Deposit-taking Institutions • Insurance & Re-insurance Entities • Government Business Entities reporting using IFRS Accounting standards
		1 January, 2029	• A Retirement Benefit Scheme • A Large Company • Savings & Credit Cooperative Organisations (SACCOs), and • All other PIEs other than those already mentioned above.
		1 January, 2030	Small and Medium Enterprises (SMEs)
Phase 3	Public Sector Entities	To be determined by ICPAU	Governments and other Government organisations

A staggered adoption approach was preferred to give priority to reporting entities in each phase of mandatory adoption, starting with entities deemed to be well-resourced and of great interest to investors. Reporting entities will be expected to perform a readiness test to assess their level of implementation of the Sustainability Disclosure Standards' requirements in areas such as governance and leadership, stakeholder engagement and communication, and risk management, among others.

As demand for sustainability information continues to expand, there is a pressing public interest need ensuring that such information is trustworthy and comparable, and therefore capable of being subject to assurance. This Roadmap also provides a phased assurance approach for sustainability information assurance to be implemented, ranging from limited assurance, reasonable assurance with limited scope 3 emission, through to full reasonable assurance.

In addition, due to the extent of public interest in sustainability information, Sustainability Assurance Providers are expected to be subjected to the same high standards of ethical behaviour and independence as those that apply to audits of financial statements.

To ensure the successful implementation of the standards, this Roadmap makes provision for the active involvement of ICPAU and other stakeholders such as the Bank of Uganda (BoU) and the Capital Markets Authority (CMA), to provide guidance, monitoring and support for the implementation of the Sustainability Disclosures Standards, and ultimately also oversight and enforcement of the application of requirements of the standards by reporting entities.

It is hoped that a phased approach to the adoption of the Sustainability Disclosure Standards will ensure credible, quality, and trustworthy sustainability information is disclosed by reporting entities for potential and existing investors, lenders, providers of financial capital and other creditors, and the ultimate goal being that of attainment of the rationale for adoption of IFRS Sustainability Disclosure Standards as mentioned in this Roadmap.

1.0 | INTRODUCTION

Following years of increasing demand for enhanced transparency around sustainability matters from investors and other stakeholders, regulators and standard-setters in various jurisdictions have issued definitive proposals to transform sustainability reporting. Several frameworks, such as the European Union's (EU) Corporate Sustainability Reporting Directive (CSRD), the International Sustainability Standards Board's (ISSB), IFRS Sustainability Disclosure Standards, and the Securities and Exchange Commission (SEC), (ESG) regulations in the United States (US) all guide on sustainability-related matters, although each had a varying scope and extent of disclosures required.

Sustainability reporting is becoming increasingly important for investors, lenders, and key stakeholders as it provides *investors with globally comparable sustainability-related disclosures that have the potential to move market prices, without constraining jurisdictions from requiring additional disclosures.* The emergence of the IFRS Sustainability Disclosure Standards (the Sustainability Disclosure Standards) and its ultimate integration of the works of Climate Disclosure Standards Board (CDSB), the Task Force on Climate-related Financial Disclosures (TCFD), the Value Reporting Foundation's Integrated Reporting Framework and industry-based Sustainability Accounting Standards Board (SASB) Standards, as well as the World Economic Forum's Stakeholder Capitalism Metrics into the Sustainability Disclosures Standards has resulted in the development of standards for a global baseline on sustainability disclosures.

The global sustainability reporting space, converging under the IFRS Sustainability Disclosure Standards, presents Uganda with a timely opportunity to lead regional sustainability transparency through structured, early adoption, thereby taking sustainability reporting towards a common, defined direction.

1.1 Sustainability Journey - Uganda's Context

Uganda's development journey has been guided by deliberate and well-planned efforts to transform it into a modern, industrial, and prosperous society. Uganda has demonstrated significant climate ambitions through various initiatives and commitments aimed at addressing the impacts of climate change and enhancing resilience. Central to these efforts is Uganda's updated Nationally Determined Contribution (NDC), first launched in 2023.

Since adopting the 2030 Agenda for Sustainable Development's Sustainable Development Goals (SDGs) in 2015, Uganda has been steadfast in its efforts to realise the aspirations of its people. The National Development Plan IV (NPD IV)[1] highlights the fact that the sustainable management and use of natural resources, land, water, & environment, together with an effective response to climate change, are essential for boosting productivity and value addition. This ensures that resources such as land, water, forests, and wetlands are efficiently used, increasing their longevity and productivity.

Adaptation efforts are prioritised as the primary response to climate change, focusing on addressing key vulnerabilities, building adaptive capacity, addressing loss and damage, and increasing the resilience of communities, infrastructure, and ecosystems. The priority sectors for adaptation in Uganda remain ecosystems, water, agriculture, and forestry, while mitigation measures and targets remain across electricity generation, transport, energy, agriculture, forestry, and other land uses, wetlands and peatlands, solid waste, wastewater, mineral, and industrial processes and product use.[2] Effective responses to climate change, and the management and use of natural resources, positively contribute to the achievement of a balanced, resilient, and sustainable development trajectory.

The concept of 'Green finance' recognises the importance of aligning economic development with environmental sustainability to facilitate a successful transition to a green economy. Acknowledging this, the country has taken notable steps to mobilise green finance as an integral part of its comprehensive development strategy, the Uganda Vision 2040. As such, sustainability and green finance initiatives underscore the importance of general-purpose sustainability-related financial disclosures to align with both national development goals and international frameworks.

The adoption of the Sustainability Disclosure Standards not only enhances transparency among the reporting entities but also enables Uganda to strengthen its economic resilience, attract international investments, and meet its climate and sustainability targets. Adoption of the Sustainability Disclosure Standards is hoped to improve sustainability disclosures, thereby sharpening Uganda's climate finance readiness and the ability to attract investment through green bonds, blended finance, and international climate funds.

This Roadmap builds on existing Ugandan frameworks, including regulatory and financial sector initiatives, and emphasises a phased and structured approach to ensure smooth and appropriate implementation across all sectors of the economy. A national Sustainability Reporting Policy, developed with support from the Ministry of Finance Planning and Economic Development (MoFPED) will anchor this Roadmap and align all sectoral stakeholders behind a shared vision for sustainability reporting.

Several salient policy frameworks and initiatives demonstrate Uganda's commitment to sustainability, which underpins the motivation for integrating the Sustainability Disclosure Standards into the national reporting framework:

[1] Government of Uganda (GoU); Fourth National Development Plan (NPD IV) 2025/26 -2029/30, P.145

[2] https://unfccc.int/sites/default/files/NDC/2022-09/Updated%20NDC%20_Uganda_2022%20Final.pdf

1.2 National Green Policy Frameworks and Initiatives

1.2.1 National Climate Change Act Cap 182

The Act is adopted to give the force of law, in Uganda, to the United Nations Framework Convention on Climate Change (UNFCCC), the Kyoto Protocol, and the Paris Agreement; to provide for climate change response measures; to provide for the participation in climate change mechanisms; to provide for the measuring of emissions, reporting and verification of information; to provide for the institutional arrangements for coordinating and implementing climate change response measures; to provide for the financing for climate change.

The Act also establishes a Climate Change Fund as a special mechanism for climate change financing and management. **Appendix I** gives an elaborate illustration of the relevant laws and regulations aimed at ensuring a sustainable environment for a sustainable economy.

1.2.2 Uganda Green Growth Development Strategy

The Government of Uganda developed the Green Growth Development Strategy (UGGDS) to operationalise the principles of green growth espoused in the 2030 SDG Agenda, the Uganda Vision 2040, and the second National Development Plan (NDP II) (2015/16-2019/20). The strategy identifies catalytic investment areas for prioritisation in the transition towards a green economy. These are sustainable agriculture production; natural capital management with a focus on tourism development, sustainable forestry, wetlands, and optimal water resources management, green cities (planned urbanisation); and sustainable transport and energy for green growth. The UGGDS outlines a Roadmap for sustainable economic growth through such initiatives.

1.2.3 National Climate Finance Strategy (NCFS) 2024/45 – 2029/30

The NCFS guides to enhance stakeholder coordination, promote good governance, ensure accountability, promote gender equality and equity, and establish legal and political ownership at both national and sub-national levels. This is intended to direct resources towards building resilience through a low-carbon development pathway. The strategy does not replace existing policies but complements Uganda's policy framework, including Vision 2040, the National Development Plan, and the National Investment Policy, fostering greater coordination and complementarity among climate financing initiatives. As Uganda pursues its Vision 2040 goals, aiming for a ten-fold economic expansion by 2030 and middle-income status by 2040, mobilising climate finance becomes critical. Developing a pipeline of investable projects, increasing private sector involvement, and boosting foreign investment are essential steps to achieving these targets.

1.2.4 Uganda's National Green Taxonomy

The National Green Taxonomy is a vital framework designed to categorise sustainable investments, aligning with both local and international environmental goals. Adapted from global standards like the EU Taxonomy for Sustainable Activities, Uganda's taxonomy integrates its specific national objectives, including its NDCs. This tool enables policymakers and government agencies, financial market participants and regulators, and investors to allocate resources toward initiatives that foster climate resilience, biodiversity preservation, and sustainable development. The taxonomy also promotes transparency and accountability by defining clear criteria for identifying projects as "green" or "transitional." The approach applied by the Taxonomy is intended to help Uganda attract and retain climate finance, thereby supporting the country's broader environmental and economic objectives.

As one of the guiding principles to the Taxonomy, reference to international standards and best practices shall be made in situations where local standards are not well-established for Uganda's efforts to be in harmony with global sustainability frameworks and benchmarks.

1.2.5 Guidelines for Mainstreaming Climate into from Services Sector

Financial institutions play a crucial role in supporting sustainable development and addressing climate change through climate finance. The scale of climate risks and impacts also affects the financial sector and poses a risk to its growth. Physical and transition risks affect the value of assets on financial markets. These guidelines illustrate steps for mainstreaming climate action in the financial sector to help financial institutions:

- manage climate-related risks;
- take advantage of available opportunities;
- ensure that institutional goals align with national and international climate goals while supporting the achievements of Uganda's updated NDC.

The guidelines are developed for use by several actors in Ugandan, including: MoFPED, Ministry of Water and Environment, sector regulatory and policy bodies, public and private financial institutions, and those involved in investing, lending, and insurance underwriting decisions at all levels e.g. Savings and Credit Cooperatives (SACCOs). With significant growth in the country's financial sector, and with the emergence of new financial products and services and an increase in the number of financial institutions operating in the country, these guidelines are intended to contribute to Environmental conversations within the financial sector.

1.2.6 Green Fiscal and Monetary Policy

The Ministry of Finance, Planning and Economic Development (MoFPED) has directed all government bodies down to the local level to produce budgets for environment, biodiversity and climate change; a certificate certifying that the Budget Framework Paper is climate change responsive and contains adequate allocation for funding climate change measures and actions is required under the National Climate Change Act.

1.2.7 National Development Plan IV

FY2025/26-FY2029/30 has not only mainstreamed climate action but given it even more prominence as a fully-fledged programme. Within the Plan, one of the development strategies is to promote sustainable use and management of natural resources. Here, the focus is on restoring, conserving, and strengthening sustainable management of natural resources such as land, forests, water, and wetlands. These efforts are expected to contribute to the mitigation of the effects of climate change. The strategy also prioritizes investments in sustainable technologies and green initiatives. These are expected to foster innovation and create job opportunities in sectors such as renewable energy, conservation, and environmentally friendly practices.

1.2.8 Climate Finance Unit

A pivotal role in advancing Uganda's climate finance agenda is played by MoFPED. Within this Ministry, a Climate Finance Unit (CFU) was established with support from the Foreign Commonwealth Development Office (FCDO) and the Global Green Growth Institute (GGGI). The CFU is dedicated to mobilising resources for climate action, ensuring effective utilisation and tracking of climate finance, and enhancing the capabilities of key stakeholders through capacity-building initiatives. The CFU also plays a crucial role in integrating climate finance into broader financial and economic planning frameworks, promoting coherence and synergy across sectors, among others. By doing so, the CFU aims to ensure that the financial resources necessary for climate initiatives are effectively mobilised, managed, and utilised, thereby supporting Uganda's ambitious climate agenda.

1.2.9 Climate Change Financing Windows

Some efforts have already been undertaken to secure funds both locally and globally. Locally, natural resources funds have been established under various legal frameworks for the management of a particular natural resource, for example, the National Environment Fund (NEF) under the National Environment Act Cap. 181; the Wildlife Fund under the Wildlife Act among others and globally, Uganda has been a beneficiary of financial entities to the Financial Mechanism of the UNFCCC and the Paris Agreement, which include the Global Environment Facility (GEF), and its Least Developed Countries Fund (LDCF), the Green Climate Fund (GCF) and Adaptation Fund (AF) among others for various projects such as sustainable land management, renewable energy, and climate-resilient agriculture.[3] The government, in collaboration with various stakeholders, is enhancing institutional frameworks and building capacity to better access and properly utilise these funds.

1.2.10 ESG Framework for Uganda's Banking Sector

The ESG Framework for Uganda's Banking Sector provides guiding principles to help financial institutions integrate ESG considerations into their operations—focusing on governance, sustainable finance, risk management, and disclosures. This framework sets out guidelines and principles that are intended to support financial institutions in achieving their sustainability goals, assisting their clients in the transition towards low-carbon and resource-efficient economies while also supporting financial inclusivity and social welfare, to drive inclusive, low-carbon growth aligned with national sustainable development goals.

1.2.11 Corporate Social Responsibility (CSR)

CSR activities are encouraged as part of the country's broader commitment to sustainable development and corporate engagement. Several businesses in Uganda voluntarily engage in CSR initiatives, particularly in areas such as education, healthcare, environmental conservation, and community development, as part of their ethical and philanthropic activities. Some CSR initiatives may be relevant considerations as mitigants for risks and opportunities reported when applying Sustainability Disclosure Standards.

[3] ACODE: Climate Finance Mobilisation in Uganda – The Most Viable Option (2020)

1.3 Jurisdictional Trade Agreements

Reporting entities operating in Uganda are subject to reporting initiatives imposed by trade partners in other jurisdictions. In particular, the sustainability reporting requirements (ESRS) of the EU are expected to be imposed on affected entities, being entities with a qualifying EU trade relationship, from 2028. ESRS might also impact Ugandan entities that are subsidiaries of EU companies and therefore form part of an EU group in their parent company's consolidated general purpose financial reports. ESRS and Sustainability Disclosure Standards are considered to be substantially interoperable, meaning that there is significant overlap between the two sets of standards. It is consequently possible for entities applying EFRS to claim compliance with both sets of standards with relatively limited additional effort. Extensive guidance has been published by the IFRS Foundation on the interoperability of ESRS and the Sustainability Disclosure Standards.

1.4 Authority

By the authority conferred under s.12(i) of the Accountants Act, Cap. 294 (the Act), the ICPAU is mandated to issue and adopt internationally accepted accounting and auditing standards and promote their usage in Uganda, and make suitable adaptations where necessary. ICPAU announced its adoption of the Sustainability Disclosure Standards IFRS S1 and S2 (Sustainability Disclosure Standards) on 4 September 2024, and on 2 September 2025, it approved a Roadmap for a phased approach to the adoption and implementation of Sustainability Disclosure Standards in Uganda.

The Council's responsibilities also include identifying other supporting elements that need to be in place, including a framework for assurance and capacity building, to ensure a consistent but equally seamless transition to the adoption of the Sustainability Disclosure Standards. Responsibilities also include identifying other supporting elements that need to be in place, including a framework for assurance and capacity building, to ensure a consistent but equally seamless transition to the adoption of the Sustainability Disclosure Standards.

1.5 Rationale for Adoption

In the Council's view, the rationale for the adoption of the Sustainability Disclosure Standards is to achieve the following:

a) To improve the availability of reliable, comparable, cost-effective, and decision-useful information on material sustainability-related risks and opportunities (SrROs) of organisations through the use of the Sustainability Disclosure Standards as the baseline standard for sustainability reporting;

b) To promote full disclosure of sustainability-related information material to investors' decision-making to ensure investor protection by enabling them to better assess the potential risks and rewards of their investments and, thus, protect their own interests;

c) To improve domestic entities' access to foreign capital markets and to encourage foreign direct investment, including access to green financing, thereby promoting sustainable economic growth; and

d) To support the availability and flow of reliable and comparable sustainability information across the supply chain; and

e) To enable the use of other complementary reporting frameworks, for example, the Global Reporting Initiative (GRI), to meet the information needs of different stakeholders to the extent permitted by the Sustainability Disclosure Standards; thereby aligning Uganda's sustainability reporting with global practices.

The formal adoption of the Sustainability Disclosure Standards is a significant step towards integrating sustainability considerations into the core of corporate reporting and management decisions. This Roadmap seeks to guide preparers of sustainability reports towards the successful adoption and implementation of Sustainability Disclosure Standards. The Roadmap is built on collaborative efforts, capitalising on insights from industry experts, regulators, and best practices from other jurisdictions. The Roadmap provides a framework for entities to disclose relevant and material information, enabling all stakeholders to make more informed decisions and contributing to the overall prosperity and resilience of the economy.

The Council will continue to assess and adopt new or amended Sustainability Disclosure Standards and interpretations as and when they are issued by the ISSB, other than in circumstances where jurisdictional modifications may be considered relevant. In such circumstances, new or amended Sustainability Disclosure Standards and interpretations shall be amended and become applicable as guided by the Council of the Institute.

Future efforts will concentrate on growing capacity and skills for implementers and assurers of sustainability information. Ensuring that entities have reliable sustainability information would equally be ideal for a successful implementation of the standards.

1.6 The Uganda Integrated Reporting Committee (UIRC)

To accelerate the adoption and implementation of integrated and sustainability reporting in Uganda, ICPAU set up a national Integrated Reporting Committee - the Uganda Integrated Reporting Committee (referred to in this document as the "UIRC"). The role of the Committee is to:

a) Spearhead the adoption, transition, and full implementation of the Sustainability Disclosure Standards in Uganda;

b) Support and influence quality implementation of the Sustainability Disclosure Standards in Uganda through continuous learning, robust discussions, and effective knowledge-sharing and collaboration;

c) Provide tailored guidance, information papers, actionable resources, and hands-on support on the implementation of Sustainability Disclosure Standards in Uganda.

The Committee is comprised of influential policy-makers, preparers, auditors, and representatives from industry and regulatory bodies in Uganda (See Appendix IV). As part of its mandate, the Committee has deliberated on the developments in sustainability reporting across jurisdictions, discussed the draft finalised for this Roadmap.

2.0 INTERNATIONAL SUSTAINABILITY FRAMEWORKS

Introduction

In an era where businesses are increasingly recognising the importance of sustainable practices, the need for transparent and standardised reporting on sustainability matters has never been greater. Sustainability reporting has evolved into a critical tool for entities to communicate their impact on the world beyond just financial metrics. To respond to these growing demands across the globe, several sustainability reporting frameworks and or standards have been developed over the years. These standards aimed to provide a consistent and comparable framework for companies to report on their sustainability performance. Among the notable frameworks and or standards include the following:

2.1 EU Regulations and Disclosure Requirements

The European Parliament and the Council of the European Union (EU), introduced sustainability regulations under the Corporate Sustainability Reporting Directive (CSRD). The CSRD was effective on January 5, 2023. The EU rules require large companies and listed companies to publish regular reports on the social and environmental risks they face, and on how their activities impact people and the environment. EU Member States (such as Ireland, Sweden, Finland, Belgium, among others) have since incorporated the CSRD's provisions into national law. The CSRD resulted in the development of the European Sustainability Reporting Standards (ESRS), as proposed by the European Financial Reporting Advisory Group (EFRAG).

2.2 IFRS Sustainability Disclosure Standards

The ISSB published two standards: one on general disclosure requirements addressing governance and other sustainability matters (IFRS S1) and the other on climate-related disclosure requirements (IFRS S2). IFRS S1 requires companies to "refer to and consider" the applicability of the disclosure topics and related metrics in the industry based SASB standards. IFRS S1 and IFRS S2 are effective for periods beginning on or after January 1, 2024. The standards include transition reliefs, requiring only climate-related disclosures in the first year of reporting.

2.3 Sustainability Accounting Standards Board (SASB) Standards

The IFRS Foundation assumed responsibility for SASB Standards when it merged with the Value Reporting Foundation (VRF). SASB Standards enable organisations to provide industry-based sustainability disclosures about risks and opportunities that affect enterprise value. The SASB standards are broken down by industry, making SASB metrics comparable from company to company within an identified peer group. There are 77 identified industries in the SASB Standards, in 11 different sectors, with disclosures required across five (5) dimensions of sustainability, namely, environmental, social capital, human capital, business model and innovation, leadership, and governance. SASB standards are designed to be compatible with financial reporting, making it easier for investors to integrate sustainability metrics into their investment decisions.

2.4 International Integrated Reporting Council (IIRC) Framework

The International Integrated Reporting Framework integrates financial and non-financial reporting into the same strategic review and planning cycle, while drawing connections across financial and sustainability performance. The IFRS Foundation assumed responsibility for the Integrated Reporting Framework when the Value Reporting Foundation (VRF) was consolidated into the IFRS Foundation. The IFRS Foundation issued a Transition to Integrated Reporting Guide that demonstrates how an organisation can apply the Integrated Reporting Framework to drive a holistic view of the organisation's value creation process, disclosures prepared by applying IFRS S1 and IFRS S2 to make the organisation's sustainability and climate-related information comparable with other organisations' disclosures.

2.5 The Task Force on Climate-related Financial Disclosures (TCFD) Recommendations

The Financial Stability Board developed the TCFD to ensure consistent disclosure standards for the assessment of companies' climate-related financial risk. The recommendations have served as the industry standard for climate-related disclosures (risks and opportunities). The TCFD structured its recommendations around four thematic areas that represent core elements of how organisations operate: governance, strategy, risk management, and metrics & targets. TCFD guides how companies should disclose climate-related information in their financial filings. TCFD encourages companies to assess and disclose the potential financial impacts of climate change on their business, helping investors make more informed decisions. ISSB has taken over the responsibility of the TCFD and incorporated the recommendations of the TCFD within IFRS S1 and S2.

2.6 GHG Protocol Launched in 1998[4]

The GHG Protocol categorises Greenhouse gas (GHG) emissions into Scope 1, 2 and 3 based on the source of emissions. IFRS S2 issued by the ISSB requires companies to measure GHG emissions in accordance with the GHG Protocol. This collaboration is a pivotal moment in standardising corporate GHG reporting globally. The GHG protocol supports various reporting frameworks and standards by providing guidelines for measuring and managing GHG emissions, enabling organisations to track their climate impact.

[4] The World Press Initiative (WRI) and the World Business Council for Sustainable Development (WBCSD) created GHG Protocol as an international standard for corporate accounting and reporting emissions, with a mission to promote their broad adoption.

2.7 GRI Standards

The Global Reporting Initiative (GRI) Standards are a modular framework that includes sets of universal, sector-specific and topic-based sustainability reporting standards. The GRI released its formal standards in 2016, then began adding the topic standards in 2019 and the sector ones in 2021. The GRI has its own set of protocols embedded within its standards for measuring and reporting sustainability performance. GRI focuses on materiality, stakeholder engagement, and transparency. Its flexible nature allows companies to tailor their reporting to their specific industry and context.

2.8 PCAF Recommendations

The Partnership for Carbon Accounting Financials (PCAF) is a financial industry-led initiative. PCAF developed the Global GHG Accounting and Reporting Standard for the financial industry, focusing on measuring and reporting financed emissions. Published in November 2020, the standard provides detailed methodological guidance in three parts that is ***Part A – Financed emissions*** guides on how to measure and disclose GHG emissions associated with seven asset classes as well as guidance on emission removals; that is - listed equity and corporate bonds, business loans and unlisted equity, project finance, commercial real estate, mortgages, motor vehicle loans and sovereign debt, under Financed emissions. ***Part B – Facilitated Emissions*** guides on how to measure and disclose GHG emissions associated with capital markets issuances, while ***Part C- Insurance-Associated Emissions*** guides how to measure and disclose GHG emissions associated with re/insurance underwriting.

2.9 Carbon Disclosure Project (CDP)

The CDP was founded in 2000 to encourage environmental transparency and performance improvements through carbon, water, and forest-related disclosures, as well as new plastics disclosures. CDP collects and scores companies' environmental data. It focuses primarily on climate change-related risks and opportunities. CDP's questionnaire covers areas such as GHG emissions, water management, and deforestation. The CDP 2024 questionnaire is aligned with IFRS S2, implying that the questionnaire is now an effective tool to support companies on their journey to comply with ISSB standards.

2.10 United Nations Sustainable Development Goals (SDGs)

The SDGs provide a universal framework for addressing global challenges, including poverty, inequality, climate change, and more. While not specifically a sustainability reporting standard, many companies align their sustainability efforts with the SDGs to measure their impact and contribution. Reporting on SDG alignment demonstrates a company's commitment to contributing to the global sustainability agenda.

3.0 LEGAL FRAMEWORK SUPPORTING SUSTAINABILITY INITIATIVES IN UGANDA

Sustainability disclosure practices in Uganda are gaining importance in recent years as businesses and stakeholders recognise the need for transparency and accountability in addressing sustainability issues. While Uganda is still in the early stages of adopting comprehensive sustainability reporting frameworks, there are notable efforts to promote sustainability disclosures. **Appendix I** to this Roadmap details some of the relevant laws, regulations, and guidelines in Uganda that support ESG and sustainability initiatives.

4.0 ADOPTION OF IFRS SUSTAINABILITY DISCLOSURE STANDARDS

4.1 Background

Global adherence to IFRS Accounting Standards has shown the benefits of alignment with a single set of international standards.[5] In June 2023, the ISSB issued its inaugural Sustainability Disclosure Standards — IFRS S1 and IFRS S2, following extensive engagement and consultation with stakeholders globally.

IFRS S1 and IFRS S2 are designed to deliver the benefits of globally comparable information on climate and other sustainability-related risks and opportunities for capital markets. The Standards aim to facilitate the transition from a landscape of voluntary sustainability-related disclosures provided in accordance with a wide variety of sustainability reporting frameworks to a regime in which entities disclose sustainability-related information in accordance with globally accepted standards operating within legal and regulatory frameworks.

The ISSB concluded that the benefits of implementing IFRS S1 and IFRS S2 will outweigh the costs. In considering the extent to which the benefits of implementing IFRS S1 and IFRS S2 outweigh the implementation challenges and costs, the ISSB has observed that jurisdictional adherence to a global reporting framework could be an important determinant of capital providers' confidence in a capital market's disclosure regime. The international credibility of a jurisdiction's capital markets is inherently related to the soundness of its regulatory framework and its adherence to international principles, standards, and best practices. Globally accepted standards generally result in domestic entities having better access to international capital markets. They also encourage foreign direct investment and unlock capital flows. Implementing globally accepted standards may also avoid risk premiums arising from global investors' potential lack of understanding of local standards or variations from or adaptations of international standards.[6]

5 preview-jurisdictional-adoption-guide.pdf (ifrs.org)

6 See Effects Analysis on IFRS S1 and IFRS S2 (https://www.ifrs.org/content/dam/ifrs/project/general- sustainability-related-disclosures/effectsanalysis.pdf).

4.2 IFRS Sustainability Disclosure Standards Adoption Roadmap

ICPAU requires the adoption of the Sustainability Disclosure Standards in a phased approach to ensure a smooth transition for entities of all sizes. The adoption of Sustainability Disclosure Standards follows a structured progression, beginning with the most prepared and most resourced sectors, followed by a gradual transition to other sectors that may not be adequately resourced presently. This approach ensures that the entities with the highest exposure to investors and public scrutiny, and those that have the greatest access to resources required for sustainability reporting, are the first to adopt the Sustainability Disclosure Standards. This approach shall allow entities to build capacity, gather necessary data, and align their internal processes with the new standards as they provide practical case studies for the jurisdictional knowledge repository and experiences, key for other entities to apply.

The phased approach discussed hereunder simply sets out the minimum criteria. Entities may choose to advance at a faster pace than is required by the minimum criteria to explore and exploit the benefits of using the Sustainability Disclosure Standards, such as better investor information, early access to technical assistance, among others.

Phase 1: Voluntary Adoption

This Phase is for accounting periods beginning on or after 1 January 2026 and through to the accounting period ending on or before 31 December 2027 or 31 December 2028, or 31 December 2029, depending on the nature of the entity as further detailed herein below. During this period, reporting entities are required to build capacity and prepare for mandatory adoption. Any organisation that desires to report during this period must subject itself to a readiness assessment before the mandatory adoption applies to it. The readiness test involves evaluating various aspects of an entity's level of preparedness to comply with these Sustainability Disclosure Standards. The assessment focuses on several key areas as detailed under section 4.3 of the Roadmap.

Phase 2: Mandatory Adoption

From the accounting period beginning on or after 1 January 2028, it will become mandatory for all entities designated below to apply the IFRS Sustainability Disclosure Standards.

- An entity whose debt or equity instruments are traded in a public market (a domestic or foreign stock exchange or an over-the-counter market, including local and regional and international markets) or is in the process of issuing such instruments for trading in a public market;
- All financial institutions[7] and micro-finance deposit-taking institutions;

[7] Financial institution means a company licensed to carry on or conduct financial institutions business in Uganda and includes a commercial bank, merchant bank, mortgage bank, post office savings bank, credit institution, a building society, an acceptance house, a discount house or any institution classified as a financial institution by the Central Bank

- An entity that carries on insurance business under an insurance contract, whether as an Insurer or reinsurer;
- Government Business Entities that apply the IFRS Accounting Standards.

For a Retirement Benefit Scheme, Savings and Credit Cooperative Organisations (SACCOs), a large company and other entities defined as PIE under the ICPAU IFRS for SME Accounting Standards Implementation Guidelines, ICPAU Guidance, it will become mandatory to adopt the Sustainability Disclosure Standards from the accounting period beginning on or after 1 January 2029.

For entities designated as Small and Medium Enterprises (SMEs) as per the ICPAU IFRS for SME Accounting Standards Implementation Guidelines, it will become mandatory for such entities to adopt the Sustainability Disclosure Standards from the accounting period beginning on or after 1 January 2030.

The readiness assessment is compulsory for all entities reporting in this phase and must be carried out before an entity publishes its first sustainability report in accordance with the Sustainability Disclosure Standard. Guidance on the considerations when conducting the readiness test is provided herein.

Phase 3: Government and other government organisations

The Roadmap for Government and other government organisations will be considered when the sustainability reporting standards for public sector entities currently being developed by the International Public Sector Accounting Standards Board (IPSASB) become available. Nevertheless, a public-sector readiness program will appropriately be commenced in parallel to private sector adoption, using tentative works of IPSASB around General Requirements for Disclosure of Sustainability-related Financial Information, Climate-Related Disclosures, and Natural Resources drafts as a foundation for building awareness, systems, and capacity within public sector entities.

Phase		Timelines (accounting period beginning on or after)	Entities involved
Phase 1	Voluntary Adoption	1 January 2026	All entities
Phase 2	Mandatory Adoption	1 January, 2028	• Listed Entities • Financial Institutions, including Micro-finance Deposit-taking Institutions • Insurance & Re-insurance entities • Government Business Entities reporting using IFRS Accounting standards
		1 January, 2029	• A Retirement Benefit Scheme, • A Large Company, • Savings & Credit Cooperative Organisations, and • All other PiEs other than those already mentioned above.
		1 January, 2030	Small and Medium Enterprises (SMEs)
Phase 3	Public Sector Entities	To be determined by ICPAU	Governments and other Government organisations

The rationale for the staggered adoption approach is to give priority to identified entities in each phase of adoption, with reporting entities considered mandatory being deemed to be well-resourced, but also of great interest to the investors. It is hoped that a phased approach to the adoption of the Sustainability Disclosure Standards will enable balancing the need for early reporting with the need to build capacity, capability, and data sources. This approach to implementing sustainability disclosures is also expected to reflect an entity's size and complexity, with entities under the category of PiEs expected to lead the way and SMEs considered later. It is expected that the experience and knowledge sharing from the early adopters will be documented in a central knowledge bank managed by ICPAU and accessible to preparers, regulators, and assurers of sustainability-related information.

The reporting period of within 6 (six) months is preferred for the voluntary phase because of the learning curve effects. However, a reporting period of within 3 (three) months is considered for the mandatory period to ensure consistency with the requirements to submit audited annual financial statements under the respective legal frameworks for supervised financial institutions and insurance entities. For the unregulated entities, a reporting period of within 6 (six) months is considered purely to ensure appropriate adjustments to the new reporting requirements.

4.3 Readiness Test

Given the fact that the Sustainability Disclosure standards include several areas where high levels of judgement or uncertainty can make it challenging to provide disclosures, such areas like:

- identifying relevant risks and opportunities;

- reporting on the value chain, such as:
  - o assessing the scope of the value chain; and
  - o measuring Scope 3 GHG emissions;
- anticipating future financial statement effects from sustainability-related risks and opportunities;
- applying climate-related scenario analysis; and
- calculating certain cross-industry metrics, among others.

Entities must attempt to disclose reasonable and supportable information that is available at the reporting date without undue cost or effort, including information about past events, current conditions, and forecasts of future conditions. A readiness assessment for entities adopting the Sustainability Disclosure Standards then becomes a must for certain entities. The test involves evaluating various aspects of an entity's level of preparedness to comply with these standards. The assessment focuses on several key areas to ensure that the entity can effectively implement the disclosure requirements. Among the key areas for consideration during the readiness test are the following:

a) Governance and Leadership Readiness

- *Board and senior management involvement* – whether the board and senior management understand their roles in overseeing sustainability reporting and have integrated these responsibilities into their governance structures
- *Policies and frameworks* – Are there developed or updated policies and frameworks that support sustainability reporting, particularly those aligned with Sustainability Disclosure Standards, such as an Enterprise Risk Management and Sustainability Framework
- *Sustainability reporting oversight* - whether there are designated structures that are committees or individuals responsible for overseeing sustainability–related disclosures.

b) Stakeholder Engagement and Communication

- *Stakeholder mapping and engagement* – Has the entity identified its key stakeholders and developed a plan for engaging them?
- *Transparency in communication* – Have the entity's communication channels for sharing sustainability-related information, including the readiness to publish disclosures in a format that is accessible to stakeholders, been evaluated for effectiveness?
- *Feedback mechanisms:* Does the entity have mechanisms to gather feedback from stakeholders on sustainability disclosures and use it for continuous improvement?

c) Capacity Building and Training

- Training programs - Does the entity have or has the entity provided for adequate training for the board, management, and employees, particularly those involved in data collection, analysis, and reporting, to ensure they appreciate the requirements of the Sustainability Disclosure Standards.
- Awareness and understanding – Is there a general appreciation and awareness among the board, management, and employees about the importance of sustainability disclosures and their role in the entity's reporting process?

d) Data Collection and Reporting Capabilities

- Data management systems – Does the entity have the capacity to collect, process, and analyse data needed for sustainability disclosures? More so, does the entity have the ability to track sustainability-related metrics, GHG emissions, and other relevant data?
- Quality of data – can the entity assess the accuracy, completeness, and reliability of sustainability-related data being collected? Are there adequate systems and controls to ensure the integrity of the data and plausible mechanisms to address any data gaps?
- Alignment with disclosure requirements – does the entity have the resources and ability to verify that the data so collected aligns with the specific requirements of the Sustainability Disclosure Standards?

e) Risk Management Processes

- Identification and assessment of sustainability risks – Does the entity have processes in place for identifying, assessing, and managing climate-related and sustainability risks? For example, is there proper identification of current and anticipated effects of sustainability-related risks and opportunities on the entity's business model and value chain?
- Integration with overall risk management - Are the entity's sustainability-related risks integrated into the entity's overall risk management framework, including understanding the financial impacts of these risks?
- Scenario analysis – is the entity prepared and ready to conduct climate scenario analysis? Is there a clear description of the Models used for climate scenario analysis?[8]

f) Internal Control Systems

- Internal controls over sustainability reporting – Are the entity's internal controls effective enough to ensure the accuracy and reliability of sustainability disclosures?
- Assurance readiness - Is the entity prepared for the independent assurance of its sustainability disclosures?

g) Compliance and Regulatory Alignment

- Awareness of local regulations – What is the level of the entity's understanding of the local regulatory requirements related to sustainability disclosures and how they align with the Sustainability Disclosure Standards?
- Alignment with national Roadmap – How is the entity following any national or industry-specific Roadmaps for implementing sustainability disclosure requirements to ensure comparability?
    - Transition reliefs – Is there a clear process for the identification and application of transition reliefs?

[8] IFRS S2 is broadly consistent with recommended disclosure (c) of the TFCD. IFRS S2 does not specify particular scenarios for an organisation to use in its climate-related scenario analysis because the relevant scenarios would depend on the organisation's facts and circumstances, including the nature and location of its operations and the physical and transition risks to which it is exposed. IFRS S2 requires an organisation to select scenarios that are relevant to its circumstances in order to provide useful information to users of general purpose financial reports and to explain which climate-related scenarios it has used, including whether they are related to transition or physical risks and whether the company used, among its scenarios, a climate-related scenario aligned with the latest international agreement on climate change.

h) Preparation of Disclosure Reports

- Assessment of materiality – What is the entity's process for determining what information is material to its stakeholders and included in sustainability disclosures that are priority sustainability-related issues for disclosure in the entity's strategy, budget allocation, risk and opportunity identification, among others?
- Drafting of initial reports - Do the entity's draft sustainability reports meet the core content requirements of the Sustainability Disclosure Standards?

i) Reporting Framework and Practices

- Alignment to the principles within the Sustainability Disclosure Standards – Does the entity's reporting framework align with the principles and guidelines of Sustainability Disclosure Standards? Is there a proper process for the identification of aspects of financial reports requiring updates?
- Baseline reporting practices/ gap analysis – Has the entity assessed its current sustainability reporting practices to identify gaps and areas that need improvement before full compliance with the standards?
- Use of existing guidance – Has the entity incorporated other reporting guidance (for example, GRI, TCFD, or SASB), and if yes, how do they complement the Sustainability Disclosure Standards?

j) Assurance Readiness

- Preparation for assurance – Has the entity considered assurance requirements for its sustainability disclosures, and has the entity begun preparing for potential assurance? What level of assurance has been preferred by the entity and over what level of scope? Section 8.0 of this Roadmap details the assurance approach envisioned for consideration.

k) Implementation Timeline & Resources

- Phased adoption plan – Has the entity developed a clear timeline for adoption of the Sustainability Disclosure Standards, including key milestones and deadlines? Is there a prudent approach to setting targets and metrics to manage and measure identified risks and opportunities? Is there an implementation plan?
- Resource allocation – Has the entity allocated adequate resources (financial, technological, and human) to support the implementation of the Sustainability Disclosure Standards?

l) Continuous Improvement Mechanisms

- Feedback loop for improvements – Has the entity set in place mechanisms to regularly review and improve its sustainability reporting process?
- Monitoring and reporting adjustments – Has the entity set in place clear mechanisms to monitor changes in standards and update its reporting practices to remain in compliance?

5.0 SALIENT CONSIDERATIONS FOR EFFECTIVE ADOPTION

Disclosures under both IFRS S1 and S2 mirror the framework established by the TCFD and are broadly categorised under four core considerations: governance, strategy, risk management, and information on metrics and targets. Disclosures under S1 and S2 differ slightly with respect to metrics and targets, with S2 encouraging disclosures on cross-industry metrics,[9] industry-based metrics,[10] and qualitative and quantitative targets and metrics set by the entity or required by law.

5.1 Establishment of Baselines

Establishing a baseline is an essential initial step for entities adopting Sustainability Disclosure Standards. A baseline provides a clear understanding of the current state of sustainability-related financial disclosures. Using the conceptual foundations for reporting — including fair presentation, materiality, and disclosure of connected information — entities are encouraged to consider direct and indirect dependencies and the impact of stakeholder, society, and natural resource interactions throughout value chains, as well as how these interactions increase or erode overall corporate value from an investor-focused perspective.[11] Effective adoption and implementation, therefore, involves assessing existing reporting practices, establishing governance structures, integrating sustainability into business strategy, managing sustainability risks, and setting measurable targets,

[9] Including absolute Scope 1, 2, and 3 greenhouse gas (GHG) emissions, climate-related transition and physical risks, climate-related opportunities and the amount of capital expenditure, financing, or investment deployed towards climate-related risks and opportunities, internal carbon prices, and remuneration. In addition, asset managers, commercial banks, and insurance companies are encouraged to disclose their financed emissions.

[10] Associated with business models, activities, or common features across an industry. In preparing this disclosure, entities are encouraged to examine the IFRS's *Industry-Based Guidance on Implementing IFRS S2,* which is based on the SASB Standards

[11] Susan Mac et al Inside the IFRS S1 and S2 Sustainability Disclosure Standards-Harvard Law School forum on Corporate Governance, (2023)

internal capabilities, and stakeholder expectations. By evaluating these elements, organisations can identify gaps against specific requirements of the Sustainability Disclosure Standards.

A baseline assessment also enables organisations to develop a targeted implementation Roadmap, aligning reporting of sustainability-related risks and opportunities (SrROs) with Sustainability Disclosure Standards requirements. This proactive approach ensures that the SrROs are accurately integrated into financial disclosures, improving transparency and accountability.

5.2 Materiality

IFRS S1 requires an entity to disclose material information about the SrROs that could reasonably be expected to affect the entity's prospects. Sustainability information is deemed material if omitting, misstating, or obscuring it could reasonably be expected to influence decisions that primary users of general-purpose financial reports make based on those reports, which include financial statements and sustainability-related financial disclosures and which provide information about a specific reporting entity. This approach to materiality in sustainability reporting simply requires that significant information that could reasonably be expected to impact stakeholder decision-making be identified.

The concept of materiality provides a framework through which entities differentiate information that should be disclosed from that which need not be disclosed. Materiality aligns with the materiality definition contained in the IFRS Accounting Standards. This is essential in ensuring harmonisation and consistency for reporting entities. Further to the above, the following are key in an entity's materiality determination process:

(i) **Materiality Setting and Assessment**

Materiality assessment is the process of identifying and prioritising SrROs that are likely to have a significant impact on an entity's prospects. This assessment helps entities focus their reporting efforts on information that is relevant to investors and other stakeholders. Entities make materiality judgments based on their individual facts and circumstances to focus their reporting on information that is useful to investors and other stakeholders rather than simply providing all the information listed in the standards.

Entities make judgements to determine both the sustainability-related topics they need to report on and the information they provide about them. Entities need a clear understanding of what information could affect an investor's assessment of their long-term prospects to make materiality judgments. These judgements should help the entities provide real insight into how they are managing the SrROs that drive their success. A materiality assessment criterion may vary based on the size, sector, or regulatory requirements of the entities involved.

The basis for assessing material information is inherently forward-looking, that is;

- information about SrROs that have not yet affected the entity's financial statements may still be considered material (e.g. because it provides insight into the resilience of the entity's business model); and

- information about the entity's exposure to future events (e.g. possible regulatory changes) may be material, even though the potential outcome is uncertain.

Entities need to make materiality judgments based on the influence that information could reasonably be expected to have on primary users' decisions at the reporting date. They do not need to provide information about every possible risk or opportunity.

Therefore, to identify material information relating to SrRO, an entity shall at the starting point, apply the requirements of the Sustainability Disclosure Standard that specifically applies to the SrRO. In the absence of a Standard that specifically applies a SrRO, the entity shall apply the requirements on sources of guidance as provided in **Section 7.1** of this Roadmap. When determining material topics, an entity requires to determine its materiality threshold, which is the level at which information about sustainability issues becomes significant enough to impact stakeholders' decision-making.

(ii) Jurisdictional Arrangements

As already noted under section 1.0, reporting entities in Uganda are subject to reporting initiatives imposed by trade partners else. In particular, the sustainability reporting requirements of the EU, being the ESRS, are expected to be imposed on affected entities (entities with a qualifying EU trade relationship) in Uganda. The double materiality concept in the ESRS requires entities to assess materiality from both a 'financial' and an 'impact' perspective. EFRAG and the ISSB released joint interoperability guidance which highlights that the definition of financial materiality is aligned under the Sustainability Disclosure Standards and ESRS and that 'the two assessments are expected to provide an aligned outcome'. This means that information that is financially material under ESRS is likely to be material under the IFRS Sustainability Disclosure Standards. However, entities will still need to consider the relevant disclosure requirements under each set of standards when deciding what information to report.

(iii) Stakeholder engagement

The importance of stakeholder engagement in the determination of materiality for the Sustainability Disclosure Standards cannot be understated. Engagement with stakeholders is imperative to understand their expectations and concerns and what matters they consider material in their decision-making in relation to the organisation. This should be done through the implementation of a structured approach for stakeholder engagement, including utilising surveys, workshops, focus groups, interviews, and public consultations.

5.3 Governance

The objective of sustainability-related financial disclosures on governance is to enable users of general-purpose financial reports to understand the governance processes, controls, and procedures an entity uses to monitor, manage, and oversee SrROs. It is required that disclosures would include information about the governance body responsible for oversight of SrROs (Climate related Risks and Opportunities (CrROs) in case of first year of implementation) and how the entity's governance bodies are involved in overseeing and monitoring SrROs (CrROs in case of first year of implementation), including an explanation of how this role is incorporated in the entity's policies and procedures including management's role in the governance processes, controls and procedures used to monitor, manage and oversee SrROs. The entity should clearly outline the following:

A. Board oversight

The board should establish processes to oversee sustainability issues. This will enable the entity to disclose its oversight of SrROs in its reporting. Additionally, the disclosures should describe the board's role in overseeing the adoption and implementation of IFRS Sustainability Standards. Specifically, the board should:

(i) Ensure that the responsibilities for SrROs (CrROs in case of first year of implementation) are reflected in the terms of reference, mandates, role descriptions and other related policies.

(ii) Determine whether appropriate skills and competencies are available or will be developed to oversee strategies designed to respond to SrROs (CrROs in case of first year of implementation). To effectively guide the adoption and implementation of the Sustainability Disclosure Standards, the board should possess the following minimum transversal and silo skills and competencies, such as:

- Understanding of sustainability frameworks, standards, and best practices.
- Understanding of financial reporting and the impact of sustainability decisions on the organisation's financial performance.
- Capacity to evaluate and guide the long-term strategies for capitalising on sustainability-related opportunities and mitigating associated risks.
- Awareness of current and emerging sustainability regulations and technologies and how these impact reporting and compliance.
- Strong skills in managing and understanding the expectations of key stakeholders critical to ensuring the organisation's sustainability strategies meet external and internal demands.

(iii) Be provided with information on SrROs.

(iv) Consider SrROs when overseeing the entity's strategy and in its decisions on

major transactions including trade-offs.

(v) Ensure risk management processes and related policies address sustainability and climate-related risks and opportunities (CrROs).

(vi) Oversee the setting of targets related to SrROs and monitor progress towards those targets, including whether and how related performance metrics are included in management remuneration policies.

(vii) Ensure annual board performance assessments on SrROs

B. Management responsibility

The role of senior management in driving sustainability initiatives and ensuring compliance with Sustainability Disclosure Standards needs to be clearly set out and incorporated into policies and procedures. This includes integrating sustainability into business operations and fostering a culture of transparency and accountability.

It can also include a breakdown of how the board holds management accountable for the implementation of sustainability-related policies, strategies, and targets, including whether and how related performance metrics are incorporated into remuneration policies. The organisation should consider:

(i) Governance processes, controls and procedures used to monitor, manage and oversee SrROs that are delegated to a specific management-level position or management-level committee and how oversight is exercised over that position or committee; and

(ii) Whether management uses controls and procedures to support the oversight of SrROs and, if so, how these controls and procedures are integrated with other internal functions.

C. Risk oversight

The board should clearly identify a board member, senior executive, or committee responsible for overseeing the SrROs. The integration of sustainability risks into the organisation's overall risk management framework should also be discussed at the board level, with emphasis on the importance of identifying and mitigating sustainability-related risks and utilising any identified sustainability-related opportunities. The organisation should consider:

(i) The processes and related policies that it uses to identify, assess, prioritise, and monitor sustainability-related risks.

(ii) The processes the organisation uses to identify, assess, prioritise, and monitor sustainability-related opportunities.

(iii) The extent to which, and how, the processes for identifying, assessing, prioritising, and monitoring SrROs are integrated into and inform the organisation's overall risk management process.

5.4 Strategy

The objective of sustainability-related financial disclosures on strategy is to enable users of general-purpose financial reports to understand an entity's strategy for managing SrROs. An entity shall develop a strategy for managing SrROs and shall disclose the actual and potential impacts of SrROs on the entity's business, strategy and financial planning where such information is material. The development of effective strategy is dependent on the identification of risks and opportunities (scenario analysis, strengths, weaknesses, opportunities and threats analysis, industry analysis) and a good understanding of the organisation's context (industry, past performance, internal capabilities, resilience of products and processes).

Disclosures relating to an entity's strategy would include information about the:

- The SrROs that could reasonably be expected to affect the entity's prospects.
- The current and anticipated effects of risks and opportunities faced by the reporting entity (for the reporting period and over the short, medium, and long term) on the entity's resilience of:
    - business model and value chain
    - business strategy and decision-making (including any transition plan)
    - financial position, financial performance, and cash flows.
- The identity of SrROs (including CrROs) that carry a significant risk of a material adjustment to the carrying amount of financial position or financial performance within the next annual reporting period.
- Climate resilience of the entity's strategy and business model to both transition and physical risks.

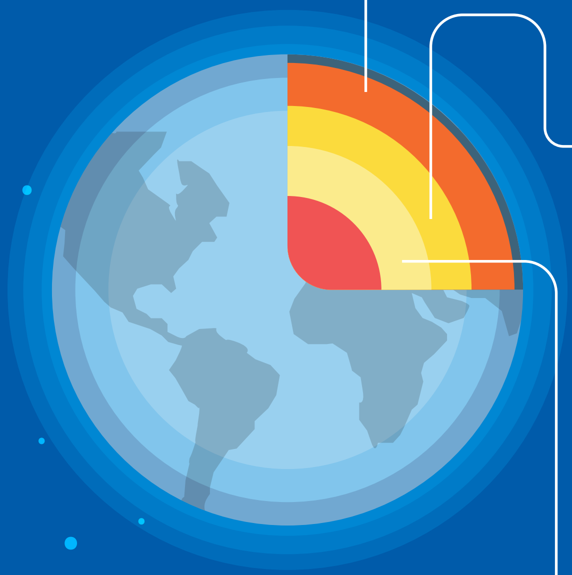
5.5 Risk Management

5.5.1 Sustainability-related risks

The objective of sustainability-related financial disclosures on risk management is to enable users of general-purpose financial reports to understand an entity's processes to identify, assess, prioritise, and monitor SrROs, including whether and how those processes are integrated into and inform the entity's overall risk management process; and to assess the entity's overall risk profile and its overall risk management process. Entities are required to disclose information about the processes and related policies they use to identify, assess, prioritise, and monitor SrROs (including CrROs) and the extent to which, and how, these processes are integrated into and inform the entity's overall risk management process.

5.5.2 Climate-related risks and Opportunities

When considering climate-related risks, the focus is on the following:



(i) Climate-related physical risks, which include acute risks/ extreme events that is short-term events that may be exacerbated or made more common by climate change, such as flooding, wildfires, hurricanes, and extreme precipitation or chronic/ Incremental risks that are long-term changes in baseline conditions as a result of climate change, such as drought, heatwaves, and sea-level rise.

(ii) Climate-related transition risks as a result of moving from a carbon-intensive economy to a low-carbon economy. These may include - Regulatory or public policy actions that increase the costs of various activities (e.g., carbon taxes), Regulations or restrictions on certain activities (e.g., fracking), Technology - changing economics of low-carbon technologies that replace or challenge incumbent emitters, Market preferences- Revaluation of assets based on shifts in demand or the recognition of potential stranded assets/ changes in consumer preferences and reputation.

(iii) Climate-related opportunities available to the organisation, such as resource efficiency, renewable energy, new product or service offerings, and new markets.

5.5.3 Assessing Climate Resilience

An entity shall disclose information that enables users of general-purpose financial reports to understand its capacity to adjust to the uncertainties arising from climate-related risks. An entity shall use scenario analysis for this assessment. While methods of scenario analysis can vary in their sophistication, entities are required to provide a disclosure of the approach used.[12] The recommended approach is commensurate with an entity's circumstances, and it shall be informed by the assessments of the entity's exposure to CrROs and its available skills, capabilities, and resources. Entities may be required to use qualitative scenario analysis in the initial period and progress to quantitative scenario analysis for subsequent periods.

[12] The TCFD hub has guidance on conducting climate-related scenario analysis.

5.6 Metrics and targets

5.6.1 Objective

The objective of sustainability-related financial disclosures on metrics and targets is to enable users of general-purpose financial reports to understand an entity's performance in relation to its SrROs, including progress towards any targets the entity has set (voluntary targets), and any targets it is required to meet by law or regulation.

5.6.2 Target Setting and Performance Measurement

The targets should be specific, measurable objectives and goals that an entity aims to achieve within a defined timeframe, derived from the entity's sustainability strategy.

An entity will be required to disclose, for each SrROs that could reasonably be expected to affect its prospects: the metrics required by an applicable IFRS Sustainability Disclosure Standard; the metrics the entity uses to measure and monitor that SrROs; and its performance in relation to those SrROs. An entity is equally required to disclose: the source of metric, if not IFRS Sustainability Disclosure Standards, specified information about internally developed metrics, specified information about targets, and other specified information about metrics and targets.

As provided in IFRS S1, in the absence of an IFRS Sustainability Disclosure Standard that specifically applies to a SrROs, an entity is expected to apply judgement to identify information that;

(a) is relevant to the decision-making of users of general-purpose financial reports; and

(b) faithfully represents the SrROs.

In making such judgements, the entity shall refer to and consider the applicability of the metrics associated with the disclosure topics included in the SASB Standards; or refer to and consider the applicability of the CDSB Framework Application Guidance; the most recent pronouncements of other standard-setting bodies whose requirements are designed to meet the information needs of users of general purpose financial reports; and the information, including metrics, disclosed by entities that operate in the same industry(s) or geographical region. An entity may also refer to and consider the applicability of the GRI Standards and the European Sustainability Reporting Standards to the extent that these sources assist the entity in meeting the objective of this IFRS S1 Standard.[13]

[13] (Appendix C, IFRS s1)

5.6.3 Climate-related metrics

An entity shall be required to disclose information relevant to the cross-industry metric categories of:

- Greenhouse gases - absolute gross GHGs emissions generated classified as Scope 1, Scope 2, and Scope 3 emissions, and the approach it uses to measure its GHG emissions
- Climate-related transition risks;
- Climate-related physical risks;
- Climate-related opportunities;
- Capital deployment; Internal carbon prices
- Remuneration — executive remuneration and the percentage of executive management remuneration recognised in the current period that is linked to climate-related considerations.

5.6.4 Climate-related targets

An entity will be required to disclose the quantitative and qualitative climate-related targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation, including any greenhouse gas emissions targets. The approach used to set and review the targets and how progress is monitored against each target is also required to be disclosed. It is also required that entities shall disclose information about their performance against each climate-related target and an analysis of trends or changes in the entity's performance.

6.0 EFFECTIVE DATE AND RELIEFS

6.1 Effective date

The first two Sustainability Disclosure Standards became effective for annual periods beginning on or after 1 January 2024. The Council made a pronouncement on the Adoption of the Sustainability Disclosure Standards for the Uganda jurisdiction on 4 September 2024, and the effective adoption dates for various entities are provided in Section 4 of this Roadmap.

6.2 Reliefs

To support the phasing and scaling of requirements and application by reporting entities with limited capacities or experience, reporting entities may avail themselves of the transition reliefs for the initial year of reporting. Mechanisms for proportionality contain permanent reliefs.

6.2.1 Transition reliefs

Transition reliefs refer to temporary measures provided during the initial adoption of the Sustainability Disclosure Standards. These transition reliefs are designed to support entities in building the necessary infrastructure, processes, and expertise for full compliance with Sustainability Disclosure Standards. An entity is thus not prevented from claiming compliance with Sustainability Disclosure Standards in its first sustainability financial disclosures if it omits the disclosures permitted by these reliefs.

SN	Relief	Guidance on application
1	Climate-First Relief[14]	Entities are required to disclose only CrROs in the first annual reporting period in which that entity applies IFRS S1. Disclosure of other SrROs becomes mandatory in the subsequent year. However, a reporting entity that uses this relief would still be required to apply the conceptual elements of IFRS S1 to its climate-related sustainability-related financial disclosures.
2	Alternative GHG Measurement Methods	If an entity used a different method for measuring GHG emissions prior to applying IFRS S2, it may continue using that method other than the Greenhouse Gas Protocol in the first year.
3	Timing of Sustainability Disclosures	For the first annual reporting period, entities can publish their sustainability-related financial disclosures up to 9 months after the end of the reporting period.
4	Comparative Information	• Entities do not need to provide comparative data for the period before the initial application. • Where an entity uses the climate first relief, it is not required to disclose comparatives of its CrROs and it is not required to disclose comparatives for its SrROs in its second year of reporting.
5	Scope 3 Emissions[15]	• In the first reporting year of applying IFRS S2, entities are not required to disclose Scope 3 GHG emissions.[16] However, this relief is extended locally by one (1) year compared to its applicable exemption under the IFRS Sustainability Disclosure Standards.[17]

6.2.2 Other reliefs

(a) Law or Regulation

An entity need not disclose information otherwise required by an IFRS Sustainability Disclosure Standard if law or regulation prohibits its disclosure, provided that the entity identifies the type of information not disclosed and explains the source of the restriction.[18, 19]

[14] IFRS S1:E5.

[15] IFRS S2:C4(b)

[16] IFRS S2:C4(a)).

[17] The ICPAU notes that measuring Scope 3 emissions is challenging due to data scarcity, lack of transparency, and complex and sophisticated value chains. These factors make it difficult to obtain accurate and comprehensive data from suppliers and other stakeholders, leading to potential inaccuracies and inconsistencies in reporting. The relief is envisaged to enable organisations adequately structure their data systems.

[18] IFRS S1.B33

[19] Note: this exemption does not extend to circumstances in which law or regulation merely permits the entity not to

(b) **Commercially Sensitive Information**

An entity can limit the level of detail disclosed to protect commercial interests, provided that it still offers sufficient information for users to understand its SrROs. When information is omitted due to commercial sensitivity, an entity should clearly explain the rationale behind the omission and, upon re-assessment at each reporting date, determine whether the information still qualifies for the relief.

(c) **Mechanisms for Proportionality**

(i) **Undue cost and effort**

This consideration allows entities to be exempted from certain disclosures when the cost or effort required to obtain and report the information significantly outweighs the benefits of disclosing it. The concept will support entities by guiding them to consider information that is reasonably available and by clarifying that the entities would not need to carry out an exhaustive search for information. Entities must, however, disclose when they are invoking this exemption and explain why the cost or effort is considered undue - **See Appendix II**

(ii) **Proportionality and Scalability mechanisms**

The proportionality approach emphasises that the extent of sustainability-related disclosures should be proportional to the entity's size, complexity, skills, capabilities, and resources. Entities should tailor their reporting to align with their capacity and scale, while still providing meaningful insights into SrROs. This concept allows entities to apply qualitative approaches (instead of quantitative approaches) in several instances of the Sustainability Disclosure Standards – **See Appendix II**

(d) **Unable to do**

The inability-to-do consideration allows organisations to omit information that cannot be obtained or measured with reasonable certainty. However, organisations shall clearly disclose the information that is missing, explain why it is not provided, and outline any steps being taken to eventually include it in future disclosures.

disclose such information.

The relief from the Sustainability Disclosure Standards is adopted locally without modification.

Implementation Timelines for Reliefs

Timelines (accounting period beginning on or after)	Jan 28	Jan 29	Jan 30	Jan 31	Jan 32
Phase 1 Voluntary Adoption All					
Mechanisms for proportionality					
Transition Reliefs					
Phase 2 Mandatory Adoption ▪ Listed Entities ▪ Financial institutions, including micro-finance deposit-taking institutions ▪ Insurance & Re-insurance entities ▪ Government Business Entities reporting using IFRS Accounting standards	1st Year of adoption		Full Compliance		
Mechanisms for proportionality[20]	✓	✓	✓	✓	✓
Transition Reliefs	1-5[21]	5			
Phase 2 Mandatory Adoption ▪ A Retirement Benefit Scheme, ▪ Savings & Credit Cooperative Organisations, ▪ A Large Company, and ▪ All other PiEs other than those already mentioned above		1st Year of adoption		Full Compliance	
Mechanisms for proportionality		✓	✓	✓	✓
Transition Reliefs		1-5	5		
Phase 2 Mandatory Adoption ▪ SMEs			1st Year of adoption		Full Compliance
Mechanisms for proportionality			✓	✓	✓
Transition Reliefs			1-5	5	

[20] Refer to Appendix II for detailed description for Mechanisms for proportionality

[21] See paragraph 6.2.1 for detailed description for Transition reliefs

Phase 3: Government and other Government organisations	To be determined				

6.3 Prohibition of Abuse of Reliefs

The mechanisms to address proportionality are intended to assist entities, particularly when the Sustainability Disclosure standards are initially applied. The mechanisms are likely to be helpful for entities that might be less able to comply with the disclosure requirements of the IFRS Sustainability Disclosure Standards. Entities are therefore prohibited from exploiting the transition reliefs to circumvent the obligation of full and transparent disclosures of sustainability related financial information. For purposes of this paragraph, "abuse" is defined as any action of inaction by an entity contravening the objectives of proportionality, including but not limited to, deliberate misapplication, manipulation or evasion of reporting requirements.

7.0 DISCLOSING SUSTAINABILITY INFORMATION GENERAL REQUIREMENTS

7.1 Sources of Guidance

In the absence of an IFRS Sustainability Disclosure Standard that specifically applies to a SrRO, an entity shall apply judgement to identify information that is relevant and faithfully represent that SrRO. In doing so, the entity shall:

(i) Refer to and consider the applicability of the disclosure topics in the SASB Standards. If an entity concludes that the disclosure topics in the SASB Standards are not applicable in the entity's circumstances, the entity shall;

(ii) Refer to and consider the applicability of:

- the CDSB Framework Application Guidance for Water-related Disclosures and the CDSB Framework Application Guidance for Biodiversity-related Disclosures;
- The most recent pronouncements of other standard-setting bodies whose requirements are designed to meet the information needs of users of general-purpose financial reports;
- The SrROs identified by entities that operate in the same industry(s) or geographical region(s).

7.2 Location of disclosures

In order to align with existing reporting practices, reporting entities in Uganda are required to provide disclosures required by Sustainability Disclosure Standards as part of their general-purpose financial reports. An entity may choose any of the following locations for sustainability-related disclosures:

(i) **Management Discussion and Analysis:**

Organisations can include sustainability-related financial information as part of the management commentary, aligning it with broader discussions on performance, strategy, and risk management. For consistency within the jurisdiction an entity that chooses this option shall present its IFRS sustainability disclosures after the directors' report but before the independent statutory auditor(s) report on the entity's financial statements.

(ii) **Separate Sustainability Report with Cross-References:**

Entities may issue a separate sustainability report, provided it is clearly cross-referenced within the annual/integrated report to ensure users can easily access related financial and sustainability information.

Since the interest from users of disclosures in comparability and consistency applies to all elements of disclosures, entities are required to maintain the same disclosure location year on year or otherwise disclose when a change in location is made. This would allow users easily access disclosures for comparison purposes.

For either option chosen above, the sustainability disclosures section/report shall be approved and signed by two directors of the reporting entity.

7.3 Timing of Reporting

The timing of sustainability-related disclosures should be consistent with the timing for financial statements. Entities are required to report their sustainability- related financial disclosures at the same time as their related financial statements and it shall cover the same reporting period as the related financial statements, subject to the exemption provided for the first year of reporting.

The reporting period is usually a 12-month period. If longer or shorter, the organisation needs to disclose the period covered, the reason for using a longer or shorter period, and the fact that the amounts disclosed in the sustainability-related financial disclosures are not entirely comparable.

Disclosure of information about transactions, other events and conditions that occur after the end of the reporting period that could reasonably be expected to influence the decisions of primary users of general-purpose financial reports shall also be required.

7.4 Comparative information

An entity is required to disclose comparative information in respect of the preceding period for all amounts disclosed in the reporting period. An entity shall not comply with this requirement where another IFRS Sustainability Disclosure Standard permits or requires otherwise or the entity decides to apply the relief available for comparative reporting for the first year.

Comparatives should be prepared using the same methods and definitions as in the current reporting period, in order to ensure transparency and consistency. If changes in estimates or methods impact comparatives, organisations should explain these adjustments.

7.5 Statement of compliance

An entity whose sustainability-related financial disclosures comply with all the requirements of Sustainability Disclosure Standards shall make an explicit and unreserved statement of compliance. An entity shall not describe sustainability-related financial disclosures as complying with Sustainability Disclosure Standards unless they comply with all the requirements of Sustainability Disclosure Standards, except where the omissions are due to legal or regulatory prohibitions or when information is commercially sensitive. Also, an entity is not prevented from claiming compliance with Sustainability Disclosure Standards in its first sustainability financial disclosures if it omits the disclosures permitted by the reliefs discussed under section 6.0 of the Roadmap. The Statement of Compliance clearly identifiable and not obscured by other information to ensure accessibility for users. The ICPAU shall provide further guidance on the text, content and specific location of the statement of compliance to ensure commonality within the jurisdiction.

7.6 Judgements, Measurement Uncertainties and Errors

Sustainability disclosures often involve significant judgments, measurement uncertainties, and potential errors. Organisations should clearly disclose the judgments made in preparing sustainability-related financial information, including:

a. The basis of estimations and assumptions used.
b. Measurement uncertainties, particularly in areas like emissions data or financial impacts of climate risks.
c. Any discovered errors and corrections, along with their implications on previously reported sustainability information.

8.0 ASSURANCE OF SUSTAINABILITY-RELATED INFORMATION

8.1 Introduction

The importance of assuring sustainability-related information cannot be overemphasised, if credibility, trust, and accuracy of such information is to be pronounced. In relation to IFRS Sustainability Disclosure Standards, assurance plays a crucial role in verifying the accuracy of climate-related disclosures, such as greenhouse gas (GHG) emissions, energy use, and other environmental impacts.

The assurance Roadmap is designed in such a way that progress will be made from limited to reasonable assurance, and from calling for assurance on some requirements of the standard to requiring full assurance on all the requirements of the standards. Entities that already obtain some form of assurance on their sustainability disclosures are encouraged to continue and ensure they do not deviate from the provisions of the assurance Roadmap.

8.2 Assurance Standard

The International Standard on Sustainability Assurance (ISSA) 5000, *General Requirements for Sustainability Assurance Engagements*, developed by the International Auditing and Assurance Standards Board (IAASB), serves as a comprehensive, standalone standard suitable for any sustainability assurance engagements. It applies to sustainability information reported across any sustainability topic and prepared under multiple frameworks, including the IFRS Sustainability Disclosure Standards.

In Uganda, Sustainability Assurance will be based on ISSA 5000 and shall be applied to:

a. Sustainability information prepared in accordance with any sustainability reporting framework, standard or other suitable criteria.
b. All sustainability information regardless of the mechanism for reporting the information.
c. Limited and reasonable assurance engagements.

8.3 Phased Assurance Approach

Generally, assurance will be required after the first year of mandatory application and reporting on the Sustainability Disclosure Standards. Given the complexity and resource-intensive nature of sustainability assurance, this Roadmap adopts a phased approach to assurance.

8.3.1 Phase 1 Assurance Approach

In Phase 1 of adoption, limited assurance shall focus on all sustainability disclosures including the following:

- **Scope 1 and Scope 2 GHG emissions:** These are the most direct and measurable emissions associated with an entity's operations. In Phase 1, assurance will focus on verifying the accuracy of Scope 1 (direct emissions from owned or controlled sources) and Scope 2 (indirect emissions from the purchased electricity, heat and steam).
- **Energy use and efficiency:** Assurance in Phase 1 shall also focus on energy consumption and efficiency measures, which are critical for assessing an entity's climate impact and progress toward sustainability goals.
- **Governance and risk management:** Assurance providers shall also verify that entities have the appropriate governance structures in place to manage SrROs, particularly climate-related risks. This will include an assessment of whether entities have integrated sustainability considerations into their broader risk management frameworks.
- **Social and governance disclosures (IFRS S1):** In addition to climate-related disclosures, assurance providers shall also verify other sustainability-related disclosures, such as those related to social factors (e.g., employee diversity, community engagement) and governance structures (e.g., board oversight of sustainability-related risks). This will ensure that companies' sustainability disclosures are comprehensive and cover all material sustainability factors.
- **Alignment with transition arrangements:** The ISSB's transition reliefs, which allow companies to adopt Sustainability Disclosure Standards gradually, will be monitored during this phase. Assurance providers shall verify that entities are complying with these transition arrangements and are on track to meet the full reporting requirements under Sustainability Disclosure Standards.

Except that Scope 3 greenhouse gas emissions, scenario analysis and transition plans shall not be required.

8.3.2 Phase 2 Assurance Approach

Under Phase 2 of adoption, reasonable assurance shall focus on all sustainability disclosures including the following:

- **Scope 1 and Scope 2 GHG emissions:** These are the most direct and measurable emissions associated with an entity's operations. In Phase 1, assurance will focus on verifying the accuracy of Scope 1 (direct emissions from owned or controlled sources) and Scope 2 indirect emissions from the purchased electricity, heat and steam).

- **Energy use and efficiency:** Assurance in Phase 1 shall also focus on energy consumption and efficiency measures, which are critical for assessing an entity's climate impact and progress toward sustainability goals.

- **Governance and risk management:** Assurance providers shall also verify that entities have the appropriate governance structures in place to manage SrROs, particularly climate-related risks. This will include an assessment of whether entities have integrated sustainability considerations into their broader risk management frameworks.

- **Social and governance disclosures (IFRS S1):** In addition to climate-related disclosures, assurance providers shall also verify other sustainability-related disclosures, such as those related to social factors (e.g., employee diversity, community engagement) and governance structures (e.g., board oversight of sustainability-related risks). This will ensure that companies' sustainability disclosures are comprehensive and cover all material sustainability factors.

Except that Scope 3 greenhouse gas emissions, scenario analysis and transition plans shall not be required.

8.3.3 Phase 3 Assurance Approach

Under Phase 3 of adoption, reasonable assurance shall focus on all sustainability disclosures, except that limited assurance shall be required for Scope 3 greenhouse gas emissions, scenario analysis and transition plans.

Scope 3 GHG emissions: These emissions are associated with an entity's value chain and are often more difficult to measure and verify. However, as entities build their capacity for data collection and reporting, the Roadmap requires assurance providers to verify Scope 3 emissions data. This is consistent with international best practices and ensures that entities provide a complete picture of their climate-related risks and impacts.

8.3.4 Phase 4 Assurance Approach

Under Phase 4 of adoption, reasonable assurance will be required on all sustainability disclosures.

8.3.5 Assurance for Government and Government Organisations

The Assurance timeline for government and government organisations will be considered together with the reporting Roadmap.

8.4 Accreditation of Sustainability Assurance Providers

Assurance of sustainability related information shall be carried out by a qualified and experienced independent assurance provider. The assurance providers shall be holders of a practising certificate for 'non assurance services' or 'all services' as issued by ICPAU and shall possess relevant sustainability accreditation based on an accreditation framework as shall be determined by ICPAU.

Due to the technical and sophisticated nature of the assurance required, it will not be unusual to require the services of professionals who may possess the skills or technical expertise to assure certain elements of sustainability-related information. In this case, arrangements for delegation and onboarding such third-party providers will be permitted as practitioners' experts as per the guidance under ISSA 5000 and other relevant standards. Only that the assurance provider licensed by ICPAU shall remain responsible for the assignment.

8.5 The Assurance Roadmap

Phase	Timelines *(Accounting period beginning on or after)*	**Entities Involved**	**Limited Assurance** (excluding Scope 3 emissions, scenario analysis & transition plans)) –*[22]	**Reasonable Assurance** (excluding Scope 3 emissions, scenario analysis & transition plans) –*	**Reasonable Assurance** (with limited Scope 3 Emissions disclosures)[23] –*	**Reasonable Assurance** (all sustainability related disclosures)
			Phase 1	**Phase 2**	**Phase 3**	**Phase 4**
Mandatory Adoption	1 January 2028	▪ Listed Entities ▪ Financial Institutions, including Microfinance Deposit-taking Institutions ▪ Insurance and Re-insurance Entities ▪ Government Business Entity reporting using IFRS Accounting standards	***(Accounting period beginning on or after)*** 1 January 2029	***(Accounting period beginning on or after)*** 1 January 2030	***(Accounting period beginning on or after)*** 1 January 2031	***(Accounting period beginning on or after)*** 1 January 2032
	1 January 2029	▪ A Retirement Benefits Scheme ▪ SACCOs (considered as PIEs) ▪ A large Company ▪ All other PIEs other than those already mentioned above	***(Accounting period beginning on or after)*** 1 January 2030	***(Accounting period beginning on or after)*** 1 January 2031	***(Accounting period beginning on or after)*** 1 January 2032	***(Accounting period beginning on or after)*** 1 January 2033
	1 January 2030	▪ SMEs	***(Accounting period beginning on or after)*** 1 January 2031	***(Accounting period beginning on or after)*** 1 January 2032	***(Accounting period beginning on or after)*** 1 January 2033	***(Accounting period beginning on or after)*** 1 January 2034
Public Sector Entities	To be determined by ICPAU	▪ Public Sector Entities	Align with IPSASB sustainability standards	To be determined by ICPAU	To be determined by ICPAU	To be determined by ICPAU

[22] * Minimum requirement

[23] Reasonable Assurance with all disclosures and full quantitative assurance will be considered and guidance provided after assessment of progress for FY 2029.

8.5 Ethical Requirements for Sustainability Assurance Providers

The IESBA's Global Ethics Sustainability Standards encompass the *International Ethics Standards for Sustainability Assurance (including International Independence Standards)* (IESSA), revisions to existing sustainability reporting standards. These assurance standards are built on fundamental ethical principles for reporting and assurance, providing a robust foundation for delivering high-quality sustainability information by: offering a coherent ethical infrastructure for sustainability reporting and assurance; Mitigating unethical conduct; Enhancing investor protection and Promoting judgments and decision-making. These revised assurance standards shall be adopted for periods starting on or after December 15, 2026.

Providers of assurance for sustainability-related disclosures shall be required to comply with the IESBA's Code of Ethics and, in particular, the International Ethics Standards for Sustainability Assurance (Including International Independence Standards) & Other Revisions to the Code Relating to Sustainability Assurance & Reporting.

9.0 ADVOCACY AND COMMUNICATION

Advocacy and communication are a very important ingredient of effective adoption. Professional bodies, Regulators, Policy Makers, Specialised Institutions, Academia and the Media have been identified as necessary stakeholders in the adoption process. There is need to create awareness, to enable the stakeholders embrace the implication of sustainability in depths.

ICPAU will play a crucial role in advocating for the adoption of Sustainability Disclosure Standards through targeted and focused capacity-building sessions for both preparers and auditors. These sessions will emphasise the value of sustainability disclosures and the long-term benefits of adopting IFRS Sustainability Disclosure Standards. The sessions will also focus on simulations exploring available information technology applications for a practical appreciation of the implementation of the IFRS Sustainability Disclosure Standards.

In addition to training, ICPAU will provide guidance materials, toolkits, and guidelines, especially for SMEs, to enhance understanding and ease implementation of the IFRS Sustainability Disclosure Standards. Education resources on sustainability such as those developed by international setting bodies will equally be utilised. By actively engaging with other regulators, industry leaders, and other stakeholders, ICPAU will foster policy alignment and support a unified approach to sustainability reporting.

10.0 CAPACITY BUILDING AND SUPPORT

10.1 Introduction

The successful implementation of Sustainability Disclosure Standards in Uganda hinges on a well-structured capacity-building and support strategy that addresses the diverse needs of public and private sector entities, their assurance providers and the relevant regulators.

10.2 Training of Reporting Entities

The capacity-building strategy will focus on providing a comprehensive training to all reporting entities with priority extended to entities in Phase 1 – mandatory adoption and spread to all other entities including public sector entities. The training themes will in the early stages focus on the technical aspects of the Sustainability Disclosure Standards such as Climate-related disclosures (IFRS S2) and how the same relates to the practical applications. This will then spread to practical applications of the requirements and experience sharing.

10.3 Training of Assurance Providers

A key aspect of Sustainability Disclosure Standards is the verification of sustainability disclosures through external audits. Auditors and assurance providers will require specialised training to ensure the credibility of these disclosures. The assurance standards require particular level of *competences and extend particular responsibilities to the Assurance engagement Leader that is such persons need* to have competence and capabilities in assurance skills and techniques developed through extensive training and practical application, an understanding of the relevant ethical requirements applicable to the engagement, as well as sufficient sustainability competence to accept responsibility for the conclusions reached.

ICPAU will thus consider mechanisms that will enable assurance providers to apply relevant training, knowledge, and experience, within the context provided by the assurance and ethical standards, in making informed decisions about the courses of action that are appropriate in the circumstances for the benefit of both the assurance engagement leaders and their engagement team members.

Training assurance providers on Sustainability Disclosure Standards on the specific requirements of Sustainability Disclosure Standards, focusing on areas such as climate-related risk disclosures, governance structures, and sustainability metrics like GHG emissions, will equally form a key capacity building targets for the success of sustainability assurance.

10.4 Engagements with other Stakeholders

Long-term capacity building for sustainability reporting in Uganda requires a well-choreographed approach that seeks to ensure training on sustainability related programs and active role of various stakeholders within the education value chain; such as, institutions of higher learning, sector specific associations and or regulators Boards of Governance among others. ICPAU as a public Accountancy organisation shall collaborate with such institutions in designing a fit for purpose curricula relevant to sustainability.

The Uganda Institute of Banking and Financial Services has, for example, concluded the development of a Green Finance curriculum which is intended to introduce, among others, core sustainable finance concepts as a way of driving the adoption of sustainability principles and ESG considerations into the banking sector. Such sector specific approach will be explored in ensuring that appropriate knowledge and skill growth is achieved in the sustainability space.

10.5 ICPAU Training commitments - Professional Accountancy Organisations

The ICPAU will work to offer continuing professional development (CPD) programs for accountants and auditors and the general public and system support to implementing organisations. These programs will take the form of:

- Specialised Training on IFRS Sustainability Disclosure Standards: Providing training on the technical aspects of IFRS Sustainability Disclosure Standards, in meeting sustainability reporting requirements.
- Certification Programs: Designing certification programs for professionals specialising in sustainability reporting and assurance, ensuring that these certifications meet both national and international standards.
- One- or two-day engagements with the option to share lessons from early adopters of Sustainability Disclosure Standards or experienced individuals to promote collaborative learning.
- Engagement and participation in regional or international forums and knowledge sharing avenues. ICPAU is already a member of the Pan African Federation of Accountants' Sustainability Centre of Excellence (CoE). The CoE is charged with accelerating the adoption of the ISSB Standards, driving quality implementation of the ISSB Standards and facilitating Africa's voice in the development of the ISSB Standards. All this is done as a way of ensuring that Africa embraces and implements the global Sustainability Disclosure Standards in order to align with international frameworks.
- System enablement support tools - Such infrastructure support like software tools or templates. In the medium term, the intention will be to provide Toolkits with pre-configured reporting templates, baseline checklists, scenario planners, and sample metrics dashboards for various entity types.

11.0 ENFORCEMENT, MONITORING AND SUPPORT

11.1 Introduction

The Sustainability Disclosure Standards aims to place sustainability information at a comparable level to that of financial information. In order to achieve the desired objectives as mentioned in this Roadmap, ICPAU considers the enforcement of sustainability information to play an important role in reaching this goal. To ensure compliance with IFRS Sustainability Disclosure Standards, Uganda will establish a robust system of monitoring and enforcement that includes both regulatory oversight and market-based incentives. This system of enforcement will among others include concluding Memoranda of Understanding with key stakeholders. Such enforcement mechanisms will be essential for ensuring that entities not only meet the minimum reporting requirements but also provide high-quality, reliable sustainability disclosures.

11.2 ICPAU Role

ICPAU is mandated to ensure compliance with reporting standard set by independent standards setting bodies such as the International Federation of Accountants and the IFRS Foundation's standard setting boards that issue both accounting and sustainability disclosure standards. As such, ICPAU shall play a crucial role in overseeing adherence to the IFRS Sustainability Disclosure Standards.

Since the requirements relating to the sustainability information framework are newer than the corresponding framework for financial information, there is an expected steep learning curve for reporting entities in the first years of reporting. This will be especially true in the case of first-time preparers. It is thus important that ICPAU retain a certain degree of flexibility regarding the enforcement model. This may mean that ICPAU and any other regulators would be free to apply an integrated model in which the enforcement of financial information and sustainability information is done in one process and at the same time. ICPAU will from time to time provide clarity on any matters relating to this Roadmap for a better implementation process.

ICPAU notes the fact that this Roadmap will be applied both by entities supervised by other regulators but also by entities that may fall outside the scope of such supervision, that is with no particular regulatory body. ICPAU would clarify the application of the Roadmap and the Sustainability Disclosure Standards by such non-supervised entities and consider the potential risk for an unlevelled playing field for such entities vis-à-vis supervised entities.

The enforcement action of the ICPAU will be initially centred on supporting and guiding entities as they navigate their way in implementing the standards. Such programs like the periodical Financial Reporting (FiRe) Awards – which rewards organisations under the categories of sustainability and integrated reporting, the Quality Review checks among others, shall continuously be applied in order to ensure compliance.

It is not expected that the ICPAU will apply sanctions especially at the early state of adoption. The ICPAU will also develop guidelines that will specify specific roles and responsibilities of other relevant regulators in the adoption process and beyond to ensure harmonisation.

11.3 Role of Other Stakeholders

Other stakeholders such as regulatory bodies and associations such as the following;

- The Bank of Uganda,
- Insurance Regulatory Authority,
- Capital Markets Authority,
- the Uganda Retirement Benefits Regulatory Authority and
- the Uganda Cooperative Alliance;

Shall support the enforcement of the Sustainability Disclosure Standards among financial institutions, insurance and reinsurance companies, Retirement Benefits Schemes and Cooperative Societies (SACCOs) respectively. Initially, ICPAU an/any other regulators will prioritise on collaborative (or otherwise) training of stakeholders on Sustainability Disclosure Standards and providing support to facilitate their smooth implementation. A Sustainability Stakeholder Forum will be convened to review progress, identify challenges, and inform future iterations of the standards Roadmap. **Appendix III** of this Roadmap gives a detailed guidance on the expected roles of some of the stakeholders in the Sustainability Disclosure Standards implementation journey.

12.0 CONCLUSION

Uganda has demonstrated significant climate ambitions through various initiatives and commitments aimed at addressing the impacts of climate change and enhancing resilience. Adoption of Sustainability Disclosure Standards represents a major step forward in Uganda's commitment to sustainability, transparency, and green finance.

A staggered adoption approach is preferred to give priority to entities in the phase of mandatory adoption as these are deemed to be well resourced, but also of great interest to the investors.

The Roadmap also provides for an assurance approach for sustainability information in a phased manner ranging from limited assurance, reasonable assurance with limited Scope 3 emission to full reasonable assurance. Successful implementation of the Roadmap hinges on the active involvement of ICPAU and other regulatory bodies such as BoU, CMA and other stakeholders by way of providing guidance, monitoring & support but also enforcement of the requirements of the standards.

Appendix I: Regulatory Framework

SN	Law, Regulation or Guidelines	Key ESG and or sustainability Elements	Relevance to IFRS Sustainability Disclosure Standards
1	The United Nations Framework Convention on Climate Change (UNFCCC)	The ultimate objective of this International Convention is to achieve the stabilisation of greenhouse gas concentrations in the atmosphere at a level that will prevent dangerous anthropogenic interference with the climate system. Such a level should be achieved within a time frame sufficient to allow ecosystems to adapt naturally to climate change, to ensure that food production is not threatened, and to enable economic development to proceed sustainably.[24] The Ugandan government signed and ratified the UNFCCC in 1992 and 1993 respectively.	Its broader framework aligns with IFRS S2 of stabilizing greenhouse gas concentrations at a level that would prevent dangerous anthropogenic (human-induced) interference with the climate system.
2	Kyoto Protocol to the United Nations Framework Convention on Climate Change	This protocol[25] sets binding numerical targets for the limitation and reduction of greenhouse gas emissions.[26] Parties included in Annex I, in achieving their quantified emission limitation and reduction commitments under Article 3, to promote sustainable development, are required to implement elaborate policies and measures in accordance with their national circumstances, such as enhancement of energy efficiency in relevant sectors of the national economy; protection and enhancement of sinks and reservoirs of greenhouse gases, promotion of sustainable forest management practices among others. Uganda, although not part of the Annex I countries, has nevertheless undertaken several projects that have the effect of mitigating the problem of climate change.	The primary agenda of requiring industrialized countries and economies to commit to a transition to limit and reduce greenhouse gas (GHG) emissions aligns with IFRS S2.
3	The Vienna Convention for the Protection of the Ozone Layer (1985)	This Convention's objectives include the protection of human health and the environment against adverse effects resulting or likely to result from human activities which modify or are likely to modify the ozone layer (among others). The convention requires parties to take appropriate measures in accordance with its provisions, among others.	Key requirement for the Convention is for parties to undertake Research and systematic observations on the physical and chemical processes that may affect the ozone layer, thereby creating a nexus with IFRS S2 on measurement and disclosure of Green House Gases.

[24] Art 2 of the UNFCCC

[25] Uganda ratified the Protocol in 2002.

[26] Kyoto Protocol - art 3 read together with Annex A

SN	Law, Regulation or Guidelines	Key ESG and or sustainability Elements	Relevance to IFRS Sustainability Disclosure Standards
4	The 1995 Constitution of Uganda	• The Constitution has provisions for enhancing the conservation and management of the environment and natural resources. The Constitution pronounces the public trust doctrine and a number of environmental duties. For instance, the state is enjoined to protect natural resources, including land, water, wetlands, minerals, oils, fauna, and flora on behalf of the people of Uganda.[27] • The state is also under a duty to promote sustainable development & public awareness of the need to manage land, air, and water resources in a balanced and sustainable manner for the present and future generations.[28] • It further provides for a right to every Ugandan to a clean and healthy environment.[29]	Aligns with IFRS S1 and IFRS S2, supporting disclosures on environmental rights, social inclusion, and compliance with sustainability principles.
5	National Climate Change Policy (NCCP)	The goal of the NCCP is to ensure a harmonised and coordinated approach towards a climate-resilient and low-carbon development path for sustainable development in Uganda. The overarching objective of the policy is to ensure that all stakeholders address climate change impacts and their causes through appropriate measures while promoting sustainable development and a green economy.	One of the specific objectives of the NCCP is to support the integration of climate change issues into planning, decision-making, and investments in all sectors and trans-sectoral themes through appropriate institutional arrangements and legal framework. This aligns with IFRS S2's intention to support disclosures of climate-related risks and opportunities on an entity's strategy.

[27] The Constitution of the Republic of Uganda (The Constitution) - Principle XIII

[28] The Constitution (n 21) Principle XXVII.

[29] The Constitution (n 21) art 39

SN	Law, Regulation or Guidelines	Key ESG and or sustainability Elements	Relevance to IFRS Sustainability Disclosure Standards
6	National Oil and Gas Policy (NOGP)	NOGP enshrines 'Protection of the Environment and Conservation of Biodiversity' as one of its guiding principles. To operationalise this, the NOGP mentions, first, putting in place the right 'institutional and regulatory framework to address environment and biodiversity issues relevant to oil and gas activities' and, second, ensuring there is 'the necessary capacity and facilities to monitor the impact of oil and gas activities on the environment and biodiversity.'[30]	The policy aims to ensure that oil and gas activities are undertaken in a manner that conserves the environment and biodiversity, among other objectives. To ensure sustainable development, the policy promotes a balance between development initiatives and interventions that focus on expected benefits and environmental and biodiversity management, aiming for a nearly balanced mutual benefit and survival. This aligns with IFRS S2 core content disclosure requirements.
7	The National Energy Policy, 2023	The energy policy seeks to establish the availability, potential, and demand of the various energy resources in the country, increase access to modern, affordable, and reliable energy services, improve energy governance and administration, stimulate economic development, and manage energy-related environmental impacts.	The Policy notes several issues and proposes policies related to the energy sector's impact on the environment and natural resources, with one of the Policy's outcomes being improved environmental conservation. The Policy aligns with IFRS S1 insofar as the impact of energy projects on biodiversity and ecosystems is concerned.
8	Uganda Forestry Policy 2002[31]	The objective of the Uganda Forest Policy is to establish an integrated forest sector that achieves a sustainable increase in the economic, social, and environmental benefits from forests and trees by the people of Uganda, especially the poor and vulnerable. The policy provides for the protection of Permanent Forest Estate (PRE) under government trusteeship and the development and sustainable management of natural forest on private land.	Aligning with IFRS S2, it lays out the country's strategy for sustainable forest management that emphasizes biodiversity conservation through forestry development, key to Uganda's adaptation and mitigation agenda

[30] https://www.petroleum.go.ug/media/attachments/2021/07/13/nogp2008.pdf

[31] GoU, The Uganda Forestry Policy, Ministry of Water, Land and Environment (2001)

SN	Law, Regulation or Guidelines	Key ESG and or sustainability Elements	Relevance to IFRS Sustainability Disclosure Standards
9	The National Environment Act Cap. 181 (NEA)[32]	• NEA provides for sustainable management of the environment, establishes an authority as a coordinating, monitoring and supervisory body for that purpose.[33] The Act provides that every person has a right to a healthy environment and a duty to maintain and enhance the environment, including the duty to inform the authority or the local environment committee of all activities and phenomena that may affect the environment significantly. • The Act establishes the National Environment Management Authority (NEMA), which is the principal agency in Uganda for the management of the environment and it coordinates, monitors and supervises all the activities in the field of environment. • The Act in Part IV makes provision for the establishment of environmental standards.	Aligns with IFRS S2 as it requires environmental impacts, assessments, and management practices in line with sustainability standards.
10	The National Forestry and Tree Planting Act, Cap 160	This provides for conservation, sustainable management and development of the forest for the benefit of the people of Uganda; provides for the declaration of forest reserves for purposes of protection and production of forests and forest produce; provides for the sustainable use of forest resources and the enhancement of the productive capacity of forests and provides for the promotion of tree planting.[34]	
11	The Uganda National Climate Change Act, Cap. 182	The Act, is adopted to give the force of law, in Uganda, to the United Nations Framework Convention on Climate Change, the Kyoto Protocol, and the Paris Agreement; to provide for climate change response measures; to provide for the participation in climate change mechanisms; to provide for the measuring of emissions, reporting and verification of information; to provide for the institutional arrangements for coordinating and implementing climate change response measures; to provide for the financing for climate change.	Supports IFRS S2 by providing a foundation for disclosures related to climate risks, adaptation strategies, and greenhouse gas emissions.
12	The Companies Act Cap 106	The Companies Act requires public companies to mandatorily adopt Table F, and private companies may choose to adopt the same. Article 15 of Table F provides for, among others, sustainability reporting.	Table F aligns with IFRS S1, promoting institutions and reporting on governance structures, risk management procedures, and sustainability reporting requirements that align with IFRS S2

32 National Environment Act, (NEA) Cap 153 Laws of Uganda (2000).

33 NEA (n 16) the long title to the Act.

34 National Forestry and Tree Planting Act, 2003, the long title of the Act.

SN	Law, Regulation or Guidelines	Key ESG and or sustainability Elements	Relevance to IFRS Sustainability Disclosure Standards
13	National Environment (Management of Ozone Depleting Substances and Products) Regulations[35]	The object of these regulations is to regulate the production, trade, and use of the controlled substances and products; provide a system of data collection that will facilitate compliance with the relevant reporting requirements under the protocol;[36] among others. The relevance of these Regulations to climate change mitigation lies in the fact, as observed earlier, that the depletion of the ozone layer is one of the causes of increased global warming and climate change.	
14	National Environment (Waste Management) Regulations[37]	These Regulations apply to all categories of hazardous and non-hazardous wastes, to the disposal and storage of hazardous waste and their movement into and out of Uganda; and to all waste disposal facilities, landfills, sanitary fills, and incinerators.[38] A person who owns and controls a facility or premises that generates waste shall minimise the waste generated by adopting cleaner production methods, like; improvement of the production process through conserving raw materials and energy, eliminating the use of toxic raw materials.	
15	The Environmental Impact Assessment Regulations	The NEA requires that projects specified in the third schedule to the Act be subjected to environmental impact assessment before they are undertaken. NEMA is given powers in consultation with the lead agency, to adopt guidelines with respect to environmental impact studies, on their format and contents;	
16	Capital Market Corporate Governance Regulations, 2025	The Regulations require the board of directors to assume the primary responsibility of fostering the long-term sustainable success of their organisations, consistent with their fiduciary responsibility to the shareholders, generating value for shareholders and contributing to the wider society and the environment.[39]	Aligns with IFRS S1, encouraging disclosures on governance practices, ethical decision-making, and integration of sustainability into corporate strategies.

[35] Statutory Instrument No.63 of 2001

[36] ibid Reg 2, Protocol for purposes of these Regulations means the Montreal Protocol on Substances that Deplete the Ozone Layer adopted in 1987, as amended from time to time

[37] Statutory Instrument No. 52 of 1999

[38] ibid Reg 3

[39] Corporate-Governance-Guidelines.pdf

Appendix II: Mechanisms for Proportionality

There are circumstances within IFRS S1 that provide reliefs for entities from disclosing certain information such as when the law or regulation prohibits disclosure of such information or where the information if commercially sensitive. Other practical expedients exist in relation to the mechanisms for proportionality for which if an entity chooses to apply them such an entity cannot be prevented from claiming compliance with IFRS Sustainability Disclosure Standards. These include:

Information used limited to what is reasonable, supportable and available without undue cost or effort
a. Determination of anticipated financial effects – such as: • Preparing disclosures about the anticipated financial effects of a sustainability-related risk or opportunity disclosure topic on the reporting entity's financial performance, financial position and cash flows;[37][38]
b. Climate-related scenario analysis – such as: • Performing climate-related scenario analysis to assess its climate resilience;[39]
c. Measurement of Scope 3 greenhouse gas (GHG) emissions • When selecting the measurement approach, inputs and assumptions it uses in measuring Scope 3 GHG emissions[40]
d. Identification of risks and opportunities
e. Determination of the scope of the value chain • Determining the scope of its value chain in relation to each sustainability- related risk or opportunity topic identified;[41] • Using coterminous value chain GHG emissions data when measuring absolute GHG emissions along its value chain;[42]
f. Calculation of metrics in some cross-industry categories – such as disclosing information relevant to the cross-industry metric categories of:[43] - Climate-related transition risks — the amount and percentage of assets or business activities vulnerable to climate-related transition risks; - Climate-related physical risks — the amount and percentage of assets or business activities vulnerable to climate-related physical risks; - Climate-related opportunities — the amount and percentage of assets or business activities aligned with climate-related opportunities;

[37] IFRS S1.37(a) and B8-B10 and Basis for Conclusions on IFRS S1.BC14(c)

[38] IFRS S2.18(a)

[39] IFRS S2.22 and B1–B18

[40] IFRS S2.29(a), B39 and B54

[41] IFRS S1.12, B6(b) and B8-B10 and Basis for Conclusions on IFRS S1.BC14(b)

[42] FRS S2.29(a) and B19

[43] IFRS S2.30 and 29(b) – (d)

Qualitative approaches allowed if an entity lacks skills, capabilities or resources
a. Determination of anticipated financial effects • Preparing disclosures about the anticipated financial effects of a sustainability-related risk or opportunity topic[44][45] • Using the 'unable to do so'[46] exemption from providing quantitative information about the current or anticipated financial effects of a sustainability-related risk or opportunity disclosure topic[47]
b. Climate-related scenario analysis • Performing climate-related scenario analysis to assess its climate resilience[48][49] • Using the 'unable to do so'[50] exemption from using a quantitative or technically sophisticated approach to climate-related scenario analysis without undue cost or effort[51]

[44] IFRS S1.37(b)

[45] IFRS S2.18(b) and 20

[46] IFRS S1.BC9

[47] IFRS S1.38

[48] IFRS S2.22 and B6

[49] IFRS S2.22 and B1–B18

[50] IFRS S1.BC9

[51] IFRS S2.B6

Appendix III: Stakeholder Capacity Map for the Sustainability Disclosure Standards Roadmap – Uganda

Stakeholder group	Role in the Roadmap	Current capacity level	Influence level	Capacity needs	Engagement strategy
1. ICPAU (also the primary sponsors of the UIRC).	Lead implementer, standard-setter, regulator of accountants	High (technical and regulatory)	Very High	Strengthening enforcement design, upskilling on ISSA 5000 and IESBA sustainability ethics, CPD training design, sustainability qualification support	▪ Lead coordinator role, ▪ Develop ToRs, ▪ Drive MoUs, ▪ Champion CPD for sustainability & standard-aligned workshops and ▪ Provide clarity/ guidance on any matters relating to the Roadmap. ▪ Partner on certification rollout, ▪ Accreditation of assurance providers: ▪ Monitoring and quality assurance: ▪ Support implementation through market led initiatives such as the FiRe Awards
2. Financial Institutions (Banks, MFIs, DFIs)	Early adopters of Sustainability Disclosure Standards and assurance requirements	Medium	High	Training on IFRS S1 and S2 disclosures, Sustainability Disclosure Standards integration into strategy, risk management and lending	Deliver sector-specific toolkits, conduct in-house sustainability readiness audits
3. External Auditors and Assurance Providers	Conduct assurance on sustainability disclosures	Low–Medium	High	Training on ISSA 5000, ethical standards (IESSA), sustainability metrics	Launch ICPAU-licensed Sustainability Assurers Certification Program

Stakeholder group	Role in the Roadmap	Current capacity level	Influence level	Capacity needs	Engagement strategy
4. Capital Markets Authority (CMA)	Enforcer for capital market participants, including investment firms, asset managers, and other entities involved in raising and managing capital	Medium	High	Alignment with green finance disclosure protocols and investor expectations	▪ Joint Roadmap reviews with ICPAU, ▪ Joint inspections ▪ Regulation & compliance for Capital market players, ▪ Investor protection; ▪ Supporting green finance initiatives such as issuance of green bonds etc.
5. Bank of Uganda (BoU)	Supervisor of systemically important financial institutions	High (financial supervision)	Very High	▪ Sustainability risk integration into prudential supervision framework, stress testing, ▪ Alignment of sustainability reporting requirements with requirements of Sustainability Disclosure Standards ▪ Develop guidance material on sustainable finance & climate-related requirements	▪ Embed sustainability KPIs in off-site/on-site inspection manuals ▪ Supervision and compliance ▪ Capacity building ▪ Monitoring and enforcement
6. Uganda Stock Exchange (USE)	Oversees listed company compliance	Low–Medium	Medium	Sustainability reporting enforcement, incentives for sustainability leaders	▪ Develop sustainability Listing Rules Addendum, ▪ Create sustainability Index ▪ Create Market incentives for excelling entities in sustainability reporting
7. Insurance Regulatory Authority (IRA)	Regulates insurance industry	Medium	High	Sustainability risk assessment for underwriting, alignment with ISSB	Issue sustainability reporting guidelines for insurers and reinsurers
8. Uganda Retirement Benefits Regulatory Authority (URBRA)	Oversees pension schemes sector	Low	Medium	Sustainability integration in investment policy statements (IPS)	Train trustees on sustainable investment disclosures

Stakeholder group	Role in the Roadmap	Current capacity level	Influence level	Capacity needs	Engagement strategy
9. MoFPED -Climate Finance Unit	Drives national climate finance agenda	High	Very High	Alignment of climate finance flows with sustainability disclosures	▪ Coordinate national green taxonomy; ▪ Overall policy coordination ▪ Mobilising resources ▪ Monitoring implementation in the public sector ▪ Coordinate development of Data Collection Systems on environmental and social performance
10. Public Sector Entities	Future adopters of ISSB-aligned reporting	Low	Medium	Awareness of IPSASB sustainability standards, capacity to collect sustainability related data	Pilot ISSB-aligned reports in key ministries and public utilities
11. SMEs and Private Enterprises	Majority of future reporters	Very Low	Medium	Simplified toolkits, sector-specific examples, cost-effective training	Develop SME-tailored templates, host district-level clinics
12. Academia and Universities	Curriculum developers and knowledge hubs	Low	Low–Medium	Embedding IFRS S1/S2 into curricula, training educators	MoUs for curriculum reform and academic roundtables
13. Development Partners (e.g., World Bank, GIZ, FSDU)	Technical and financial support	High (resources, knowledge)	High	Localisation of global sustainability frameworks, funding M&E	Structured engagement through quarterly Technical Working Group
14. Media & Civil Society Organisations (CSOs)	Public awareness and accountability	Low–Medium	Medium	Basic sustainability understanding, investigative frameworks	Training for journalists on sustainability literacy, public watchdog role
15. Technology Providers & Consultants	System integrators and advisory	Medium	Medium	Understanding IFRS S1/S2 data requirements, scenario tools	Develop ISSB-aligned software, sustainability dashboards, and APIs
16. Parliament & Policy Makers	Enact sustainability -aligned policies and incentives	Low	High	Sustainability policy implications, impact on competitiveness and FDI	Briefings, policy memos on sustainability legislation
17. Religious & Cultural Leaders	Influencers of values and trust	Very Low	Medium	Sustainability ethical foundations, linkage to stewardship	Faith-based workshops linking creation care to sustainability ethics

Appendix IV: Members of the Uganda Integrated Reporting Committee

S/N	NAME	POSITION	ORGANISATION
1	CPA Mustapha B. Mugisa	Chairperson	Summit Consulting
2	CPA Peter Ssenyange	Vice Chairperson	PostBank
3	CPA Dr. Mary Maurice Mukokoma	Member	Kyambogo University
4	CPA Yusuf Mukiibi	Member	Bank of Uganda
5	CPA Bernadette Nassuuna	Member	NSSF
6	CPA Innocent Dennis Dankaine	Member	PFK Uganda
7	CPA Noah Matovu	Member	Capital Markets Authority
8		Member	Uganda Securities Exchange
9	CPA Allan Ssenkungu	Member	Joint Clinical Research Center (JCRC)
10	CPA Denis Owens Ochieng	Member	Uganda Development Bank Ltd
11	Ms. Josephine Adongo	Member	Insurance Regulatory Authority

CPA
Uganda

Plot 42, 46 & 48, Bukoto Street, Kololo, P. O. BOX 12464, Kampala

0414 - 540125, icpau@icpau.co.ug, www.icpau.co.ug,

ICPAU, @ICPAU1, Institute of Certified Public Accountants of Uganda ICPAU1 ICPAU1