

**Sustainability and Climate Change Committee
(formerly known as the Corporate Reporting Committee)
Terms of Reference and Work Process**

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1. Preamble

- 1.1 These terms of reference are established by the Institute of Singapore Chartered Accountants' Council ("ISCA Council"). The terms of reference set out the objectives and processes of the Sustainability and Climate Change Committee ("SCCC"), formerly known as the Corporate Reporting Committee.

2. Terms of Reference

- 2.1 ISCA's SCCC Terms of Reference are as follows:
 - a) Promote understanding and appreciation of the importance of sustainability, including climate change among others, in business strategy and operations;
 - b) Advocate the professional accountant's role in the sustainability and Sustainability Reporting ("SR") of an organisation;
 - c) Promote adoption of quality SR in Singapore;
 - d) Advocate and promote Singapore's interests in relation to SR standards and requirements; and
 - e) Keep abreast of sustainability and SR related advances, such as green finance, and give consideration to the need for guidance.

- 2.2 These terms of reference are executed through the SCCC with the support of the following Sub-Committees:
- SR Quality Sub-Committee;
 - Sustainability Excellence Sub-Committee; and
 - Education Sub-Committee.

Membership of the Sub-Committees comprises some SCCC members and may include individuals outside of the SCCC.

3. Nominations, Composition and Duration

Nominations Process

- 3.1 The nominees for chairman and the members, of the SCCC, shall first be submitted to the Nominations Committee for due consideration and recommendation. The recommendation of the Nominations Committee shall then be submitted to the ISCA Council for approval.

Selection Criteria

- 3.2 The primary criteria for the selection of a member of the SCCC is based on the individual qualities and abilities of the nominee. In addition to the selection criteria for a member of the SCCC, the nominees for the chairman should also possess demonstrated senior leadership responsibilities and achievements.
- 3.3 The selection process considers both the personal attributes and professional qualifications of a nominee.

Composition

- 3.4 The SCCC composition shall include individuals with significant experience and subject matter expertise in sustainability-related matters.

- 3.5 SCCC members are appointed to contribute their knowledge, experience and the perspectives of the community they represent, which shall be appropriately calibrated when balanced against the overarching importance of the SCCC's terms of reference.
- 3.6 The SCCC shall comprise a minimum of 7 members and a maximum of 10 members.
- 3.7 In addition to Chairman, a Co-chairman or Deputy Chairman can be appointed should ISCA consider it appropriate.

Duration

- 3.8 Insofar as the SCCC assesses, and the Nominations Committee concurs, that the professional accountant's role in sustainability and SR remains a developing area and requires continued thought leadership from existing sustainability leaders, the requirements in paragraphs 3.9 to 3.12 shall be waived for a period of two years for each member on a case-by-case basis. Such assessment shall be submitted to the Nominations Committee together with the requirements in paragraph 3.1. The recommendation of the Nominations Committee shall then be submitted to the ISCA Council for approval.
- 3.9 SCCC members shall be appointed for a period of up to two years (two years being a suitable cycle for a promulgation to be exposed for public consultation, adopted and for any particular implementation issue to be discussed with the benefit of the original decision to adopt that particular promulgation). Subject to paragraph 3.10, subsequent to the initial term of two years, the SCCC member may be re-appointed provided that the member does not serve for more than six consecutive years. To be eligible for re-appointment, SCCC members are to attend more than 50% of the meetings held during the appointment period.
- 3.10 If a member is appointed as the chair of the SCCC, he or she may serve in that capacity for a period of not more than four consecutive years provided that he or she does not serve on the SCCC for more than six consecutive years.
- 3.11 Former SCCC members will be eligible for nomination after a period of two years upon vacation from the SCCC.

3.12 For the benefit of injecting fresh perspectives, appointments to the SCCC shall be made in such a way that at least one-third of the members shall be rotated out of the SCCC over each two year period; to ensure continuity and stability, not more than half of the SCCC shall be rotated out for each term. To ensure a smooth transition, continuity and stability, members who are in their first two years of appointment to the SCCC shall not be subjected to any rotation. The Chairman will have the flexibility to recommend the extension of tenure of any member to ensure the continuity or completion of the projects that are critical to the work of the committee, in consultation with the Nominations Committee Chairman.

4. Meetings and Members

4.1 The SCCC will normally hold 3 to 4 meetings annually. Additional meetings may be required from time to time.

Conduct of meetings

4.2 The Chairman will chair each meeting, or if the Chairman is absent, a member appointed by the Chairman will chair the meeting.

Quorum and Voting Procedures

4.3 The SCCC quorum shall be 40 per cent of the total number of members rounded up to the highest absolute number.

4.4 A SCCC member may attend via tele-conference or other electronic means, provided that the member attending via tele-conference or other electronic means can hear, and be heard by, all members.

4.5 Decisions require a simple majority of members in attendance. The Chairman of the meeting shall have a casting vote in the event of a tie.

4.6 While SCCC members may ask that their dissenting views be recorded in the minutes of SCCC meetings, such individual member's views shall not be published.

- 4.7 The SCCC may form working groups to examine specific matters and may invite individuals outside of the SCCC to join these working groups.

Conduct of members

- 4.8 A SCCC member who has a material personal interest in a matter that is being considered, or is about to be considered by the SCCC, must at a meeting of the SCCC, disclose the nature and extent of the interest and the relation of the interest to the affairs of the SCCC. The disclosure must be made as soon as possible after the relevant facts have come to the member's knowledge, and must be recorded in the minutes of the meeting. Where possible, such conflicts should be discussed in advance with the chairman.
- 4.9 Unless the SCCC otherwise determines, the member must not be present during any deliberation by the SCCC on a matter referred to in this section and must not participate in any decision or determination of the SCCC on the matter.
- 4.10 The prior or current giving of professional advice by a SCCC member on a matter that is being considered or is about to be considered by the SCCC, is not considered by itself to constitute a material personal interest in the matter. However, in such cases, in view of transparency, members must declare they have done so or are in the process of doing so at any relevant meeting.
- 4.11 To the best of his or her knowledge and good faith, where the matter that is being considered, or is about to be considered, by the SCCC is in conflict with a policy of a member's organisation, the conflict must be declared by the member.

- 4.12 In the circumstances covered by this section “Conduct of Members”, members must determine whether their past or present involvement in any particular issue is such that they could not act independently and, if so, must declare to the Chairman prior to the commencement of any deliberation on the issue. In the event where a member has made such declaration or where the Chairman determines that a member is not able to act independently in respect of a particular issue, the Chairman shall have the discretion at any point of time to decide if such member should be allowed to be present or participate in the deliberation and/or decision relating to such issue.
- 4.13 The list of SCCC members would be publicly available on the ISCA website.

Confidentiality

- 4.14 The SCCC must take all reasonable measures to protect from unauthorised use or disclosure, matters and information given to it in confidence, and matters and information that are considered and discussed by the SCCC in confidence. It is appreciated that from time to time, SCCC members may seek counsel from individuals within their organisations on technical issues that are to be considered at SCCC meetings. Whilst permitted, the latter does not diminish a SCCC member’s obligations under these guidelines not to disclose matters and information that are regarded by the SCCC as being of a confidential nature.

5. Reporting to ISCA Council

- 5.1 The SCCC shall submit to ISCA Council the summaries of significant matters raised and addressed by the SCCC during the SCCC meetings.