



SUSTAINABILITY REPORTING INFORMATION PAPER 2025

National Roadmap Lever



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FOREWORD

The landscape of corporate reporting is evolving rapidly, with sustainability considerations becoming central to how organisations create value and contribute to the societies in which they operate. In this context, the South African Institute of Chartered Accountants (SAICA) is proud to present this Information Paper to Inform the Sustainability Reporting and Assurance Regulatory Landscape in South Africa.

SAICA is South Africa's pre-eminent accountancy body and is widely recognised as one of the world's leading accounting institutes. The Institute provides a wide range of support services to more than 60 000 members who are chartered accountants [CAs (SA)], associate general accountants [AGAs (SA)] and accounting technicians [ATs (SA)] who hold positions as chief executive officers, managing directors, board members, entrepreneurs, chief financial officers, auditors, and leaders in their respective spheres of operation.

This paper seeks to provide a comprehensive overview of the current and emerging frameworks that shape sustainability reporting and assurance both locally and globally. It also aims to support informed decision-making by regulators, standard setters, preparers, auditors, and other stakeholders as South Africa aligns with international developments in sustainability-related disclosure and assurance practices.

South Africa has long been recognised for its leadership in integrated reporting and corporate governance. Building on this foundation, the information contained in this paper reflects our commitment to advancing transparent, consistent, and credible sustainability reporting that meets the needs of investors, regulators, and society at large.

SAICA extends its sincere appreciation to all stakeholders who contributed to the development of this paper - including members of our technical committees, representatives from industry, academia, government, and the assurance profession. Your valuable insights, feedback, and expertise were instrumental in shaping this publication and ensuring it reflects a balanced and forward-looking perspective.

Ms Nomsa Nkomo

Head: Sustainability and Integrated Reporting

Prof. Yvette Lange

Chairperson: Sustainability Technical Committee

EXECUTIVE SUMMARY

Sustainability reporting has become an essential part of modern corporate disclosure. Like financial reporting, it rests on the logic that transparency drives accountability and accountability improves behaviour. By disclosing environmental, social and governance (ESG) performance, organisations enable stakeholders to assess how they create value beyond financial returns and how they affect society and the environment.

The paper explains how sustainability reporting frameworks have developed, what principles underpin good practice, and how these align with emerging global trends. It highlights that there is no single correct way to prepare a sustainability report. Instead, practitioners can draw on a range of established frameworks and standards that provide structure, comparability and credibility.

The report outlines the best practice principles that guide effective sustainability reporting and traces how these principles underpin key global frameworks such as the Global Reporting Initiative (GRI), the International Sustainability Standards Board (ISSB), the European Sustainability Reporting Standards (ESRS) and the Taskforce on Climate-Related Financial Disclosures (TCFD), including the Integrated Reporting principles. While these frameworks differ in scope and focus, they are increasingly converging towards a common language of sustainability disclosure.

Integrated reporting provides a natural bridge between financial and sustainability information. South Africa's leadership in integrated reporting positions local practitioners well to adapt to this next stage of corporate transparency.

Globally, momentum is building around consistency and interoperability across reporting frameworks. The paper compares international and regional approaches, showing how countries are adopting or aligning with the ISSB standards. A closer look at African experiences illustrates how regional peers are tailoring global standards to local contexts through phased adoption, stakeholder collaboration and capacity-building programmes.

South Africa is already on a strong trajectory. The Constitution and national development frameworks embed sustainability in policy, while the National Treasury's sustainable finance initiatives and green taxonomy demonstrate concrete steps towards implementation. Although sustainability reporting is not yet mandatory, the government is reviewing the Companies Act to consider future requirements, signalling that best practice may soon become standard practice.

Beyond technical reporting, the paper explores the supporting elements required for success: credible assurance, an organisational culture that embraces transparency and change, effective communication of sustainability narratives, and ongoing professional development. Building this capacity will ensure that South African practitioners and institutions remain trusted stewards of sustainability information.

Sustainability reporting is evolving quickly but coherently. Practitioners have the tools, guidance and frameworks they need to act now. As global standards converge, those on the front foot will shape the direction of reporting, strengthen accountability and help deliver the sustainable economy South Africa aims to build.

1. PURPOSE OF SUSTAINABILITY REPORTING

Sustainability reporting is a disclosure tool that communicates a company's goals, performance and progress on environmental, social and governance (ESG) issues. It enables stakeholders to assess how a business creates value beyond financial returns and how its operations affect the environment and society.

At its core, sustainability reporting rests on a simple theory of change: transparency drives accountability and accountability improves behaviour. By making non-financial information public, companies create the conditions for better alignment with best practice and broader stakeholder interests. The logic mirrors that of financial reporting, which uses disclosure to promote fiscal discipline and informed decision-making.

Common standards and frameworks strengthen this process by improving the consistency and comparability of ESG information. These resources help businesses understand and communicate their sustainability risks, opportunities and impacts, while aligning with global norms. In doing so, sustainability reporting supports more resilient, ethical and innovative business models, builds trust with investors and consumers and contributes to long-term value creation.

2. BUSINESS CASE FOR SUSTAINABILITY REPORTING

The Business Case for Sustainability Reporting in South Africa

Sustainability reporting in South Africa is underpinned by the principles of transparency, accountability, and long-term value creation. Companies operating within the country are experiencing increasing pressure to disclose their environmental, social, and governance (ESG) performance. In response, clear and comprehensive reporting has become essential for building investor trust, attracting capital, and enhancing corporate reputation.

By providing detailed accounts of their sustainability performance, companies are able to identify and manage material risks and opportunities more effectively. This heightened awareness not only strengthens risk management practices but also contributes to cost reduction and operational efficiency through improved data and insights. Furthermore, aligning sustainability disclosures with global standards positions South African companies to better compete in international markets and enables them to respond proactively to climate-related and societal challenges.

Robust sustainability reporting also supports South Africa's national objectives, such as reducing inequality and minimising environmental harm, by fostering greater corporate responsibility and stewardship.

BUSINESS CASE ITEM	DESCRIPTION	STRATEGIC IMPORTANCE OF SUSTAINABILITY REPORTING AND MANAGEMENT
Cost Reduction	Identifying operational and resource efficiencies	Reporting highlights energy, waste and resource savings that improve margins and competitiveness.
Risk Avoidance	Mitigating climate, regulatory and reputational risks	Transparent disclosures strengthen risk management and reduce legal and licence-to-operate exposure
Revenue Growth	Developing sustainable products and services	Demonstrates credentials that attract customers and support market differentiation and new growth
Price Premium	Charging higher prices for sustainable offerings	Credible reporting supports claims that justify premium pricing and brand loyalty
Operational Efficiency	Improving processes through data insights	Integrated reporting reveals efficiency gains across operations and supply chains
Supply Chain Risk	Managing upstream environmental and social risks	Reporting tracks supplier performance and reduces disruption risks

*TABLE CONTINUES ON NEXT PAGE >

BUSINESS CASE ITEM	DESCRIPTION	STRATEGIC IMPORTANCE OF SUSTAINABILITY REPORTING AND MANAGEMENT
Customer Loyalty	Building trust through transparent practices	Quality disclosures strengthen trust and protect reputation
Cost of Capital	Improving access to finance	Strong ESG reporting improves investor confidence and financing terms
Regulatory and Policy Risk	Keeping ahead of changing rules	Forward-looking reporting enables proactive compliance
Customer Acquisition	Attracting new market segments	Reporting signals commitment that appeals to sustainability-minded consumers
Brand Risk	Avoiding reputational damage	Transparency reduces exposure to ESG controversies
Product and Service Innovation	Developing new sustainable offerings	Sustainability insights drive long-term innovation
Talent Acquisition and Retention	Attracting employees who value responsible companies	Reporting signals values and strengthens the employer brand
Shareholder Risk	Addressing investor sustainability concerns	Builds trust and reduces activism risk
Taxes and Penalties	Reducing exposure to environmental charges	Reporting improves performance and lowers liabilities
Licence-to-operate Risk	Maintaining social and environmental legitimacy	Strengthens stakeholder confidence and community acceptance

Table 1: Business case for sustainability reporting and management

Regulatory Developments Strengthening Reporting

Recent legislative changes have reinforced the importance of transparent reporting. The Companies Amendment Act 16 of 2024 and the Companies Second Amendment Act 17 of 2024, both effective from 27 December 2024, have introduced more stringent governance duties and expanded disclosure requirements. Under these amendments, public and state-owned companies are now required to present social and ethics, as well as remuneration reports, at their annual general meetings. In addition, exemption provisions have been tightened and membership criteria have become more rigorous.

These regulatory enhancements drive companies to produce more credible and comprehensive information regarding their social performance, ethics oversight, and remuneration practices. Enhanced reporting not only helps organisations demonstrate compliance and manage regulatory risk but also builds trust with investors and other stakeholders in an environment characterised by stricter enforcement.

Improved disclosure practices, as mandated by these amendments, also lead to better board oversight and support more informed decision-making. Additionally, they prepare companies for future reforms expected in areas such as disclosure requirements, beneficial ownership, and anti-money laundering standards. Collectively, these legislative changes make structured and transparent reporting a practical necessity for businesses seeking to secure capital, safeguard their reputation, and operate confidently in an increasingly demanding regulatory landscape.

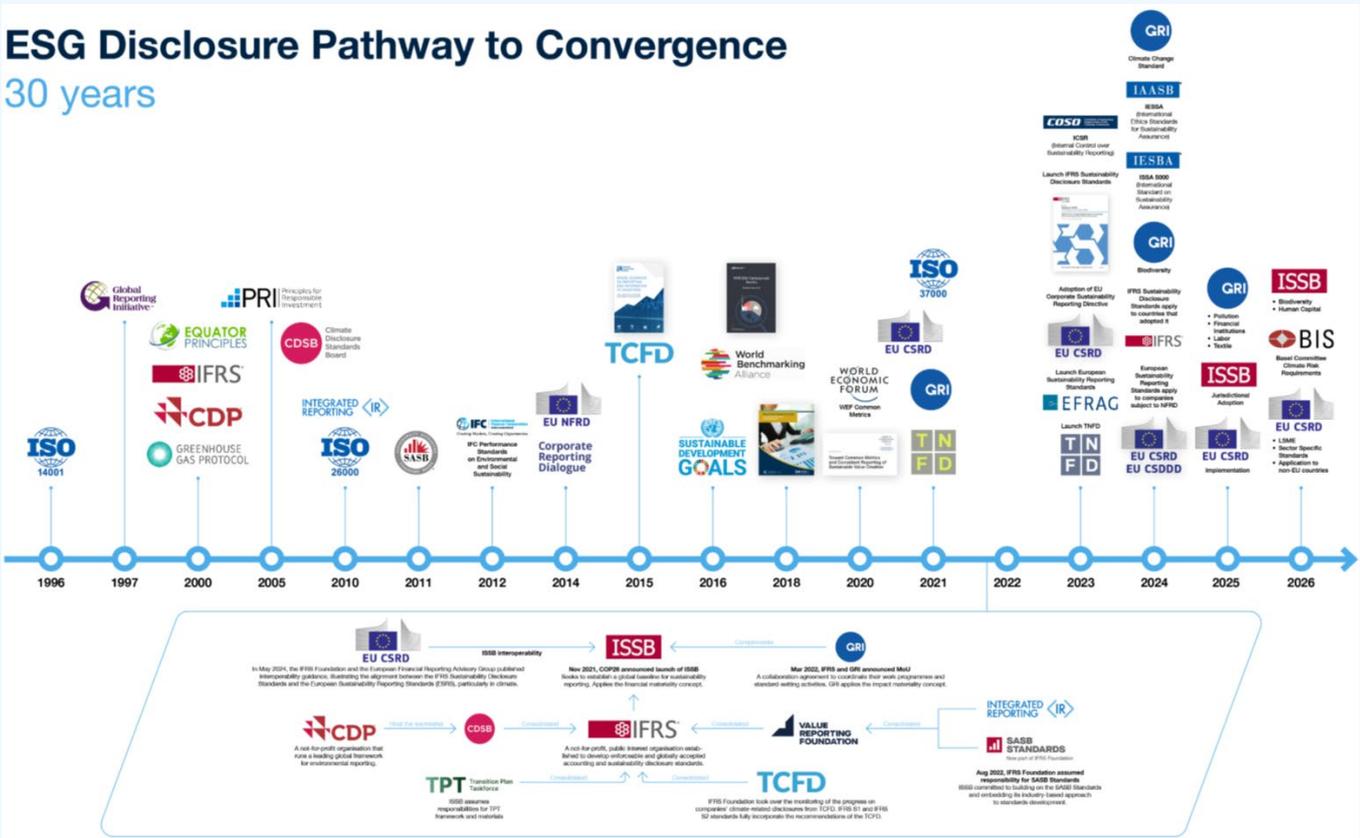
3. NOTABLE SUSTAINABILITY STANDARDS AND FRAMEWORKS

Implementation of mandatory disclosure reporting requirements is on the rise globally.

With the mounting sustainability disclosures, companies must prepare in advance for legal and regulatory compliance in varying scope and measure stakeholder expectations. Potential efficiencies and obstacles should be considered across the widely used sustainability standards.

Growing investor demand, organizational commitments and regulatory pressure is driving the need for harmonization in sustainability reporting. Companies and jurisdictions globally are moving towards adopting standards and frameworks to support the pathway to convergence.

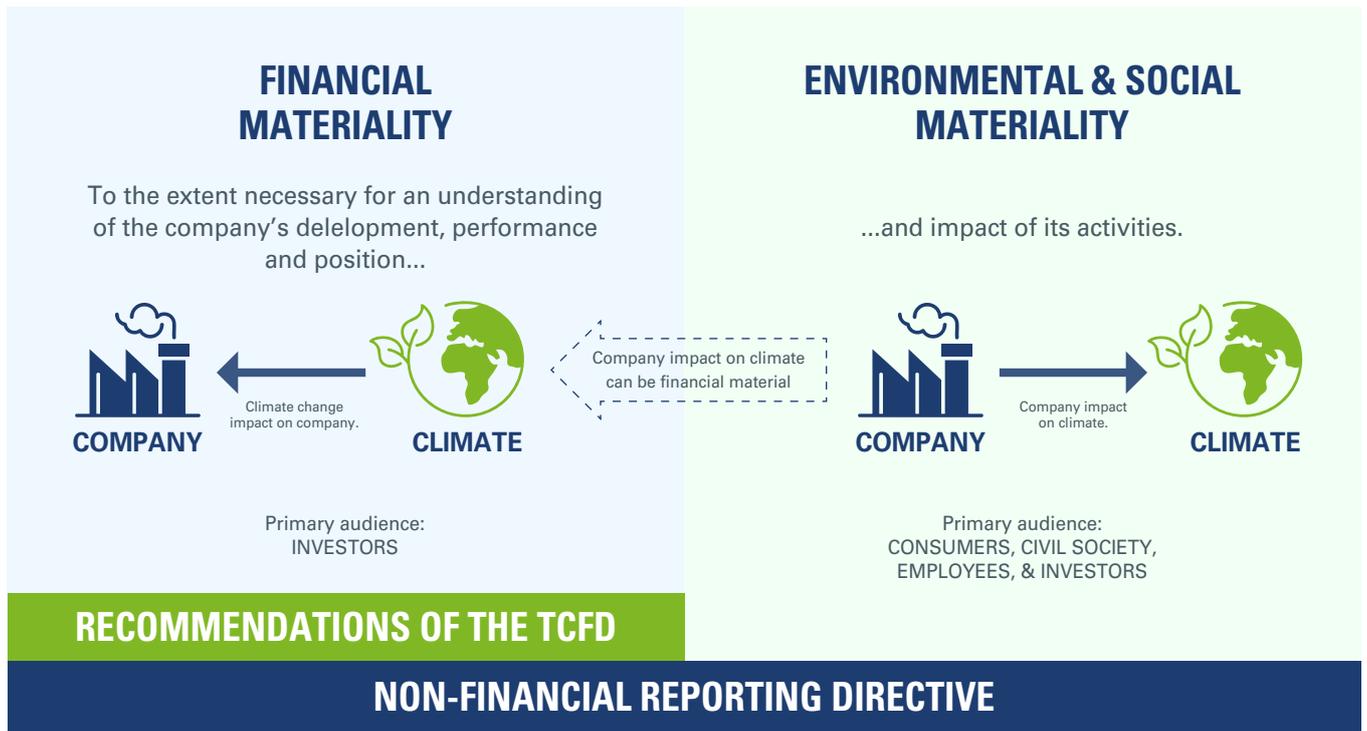
Voluntary standards and frameworks such as the Global Reporting Initiative (GRI), Carbon Disclosure Project (CDP), Taskforce on Climate-related Financial Disclosures (TCFD), UN Sustainable Development Goals (SDGs), Sustainability Accounting Standards Board (SASB), and the Integrated Reporting (IR) framework are well positioned as the solution to the regulatory and financial markets' call to action for comparable non-financial information with integrity.



Source: IFC Beyond the Balance Sheet, 2024

The International Sustainability Standards Board (ISSB) was introduced by the International Financial Reporting Standards (IFRS) Foundation in 2021 with a vision to create a global baseline of financial material sustainability information for public interest¹ by unifying existing corporate sustainability disclosures worldwide. The resultant IFRS S1 and IFRS S2 standards are built on existing frameworks such as the Climate Disclosure Standards Board (CDSB), CDP, IR, SASB, and TCFD while complementing the GRI, which focuses on impact materiality.

¹ <https://www.ifrs.org/groups/international-sustainability-standards-board/>



Source: New Guidelines on Reporting Climate-Related Information, European Commission

IFRS S1 sets the global baseline for general sustainability reporting while **IFRS S2** focuses on climate-related disclosure. IFRS S1, commonly known as S1, at its core is the concept of an integrated reporting framework, that allows companies to report general financial material sustainability topics during the same timeline as the related financial statements. S2 mirrors the TCFD framework which includes the four core elements of Governance, Strategy, Risk Management, Metrics, and Targets and solely focusses on reporting on climate-related risks and opportunities.

The standards are interoperable with the GRI and the recently released European standards (ESRS) climate reporting requirements and aim to better direct capital flows through a consistent, comparable, and relevant sustainability performance reporting system globally.

To safeguard the vision of a global baseline for sustainability, the ISSB collaborates closely with jurisdictions to foster the adoption of the S1 and S2 and supports jurisdictions in sustainability reporting pathways best suited to national regulations, as the ISSB does not mandate the adoption of the standards. Key pillars of the global baseline such as interoperability, connectivity, and proportionality aid each market in preparing and defining its sustainability / ISSB readiness roadmap. Adoption pathways vary across jurisdictions, from full to partial or phased adoption. Climate-related disclosures have been designated as the highest priority by the ISSB and other national regulators globally.

[esrs-issb-standards-interoperability-guidance.pdf \(ifrs.org\)](https://www.issb.org/standards/interoperability-guidance)

GRI is an independent organisation that defines global standards for sustainability reporting based on a multi-stakeholder governance approach. For the organisations reporting under the updated 2021 GRI standards, a materiality assessment is mandatory, and material topics must be defined by the company itself, including omissions. The GRI is mostly aligned with the ESRS and ISSB standards, especially the IFRS S2 and with the GRI rooted in the double materiality approach².

Adoption of the specific standards is voluntary and regularly reviewed to strengthen the consistency of sustainability reporting and the disclosure of the sector and company's impacts on ESG issues.

² <https://www.globalreporting.org/media/skahl10bp/gri-102-and-ifrs-s2-statement-on-reporting-on-both-standards-and-equivalence.pdf>

The ESRS is part of the Corporate Sustainability Reporting Directive (CSRD). The CSRD legally requires companies to report in compliance with ESRS. ESRS is a multi-stakeholder framework that requires disclosures against ten ESG topical areas. It provides a comprehensive sustainability disclosure framework for all key stakeholders – including investors, employees, civil society, and beyond. The EFRAG simplifies materiality requirements with a methodology that includes items that are mandatory on a detailed list of topics in ESRS 1 General requirements and ESRS 2 detailed as general disclosures. The standards are cross-sectoral, with a high degree of climate disclosure alignment between ESRS and the ISSB standards. The ESRS is also in alignment with the GRI and the EU Taxonomy Regulations.

https://www.globalreporting.org/media/z2vmxbks/gri-standards-and-esrs-draft-interoperability-index_20231130-final.pdf

Taskforce on Climate-Related Financial Disclosures (TCFD) recommendations provide a useful framework to increase transparency on climate-related risks and opportunities through existing reporting frameworks or mandatory disclosure rules. The TCFD framework has four core elements linked to governance, strategy, risk management, and metrics and targets. The framework is supported by eleven recommended disclosures that support investors and other stakeholders to understand how organisations assess and prepare for climate-related risks and capitalize on climate-related opportunities relevant to the organisation. The most significant risks that companies face today are related to climate change.

- a. Governance - Disclose the organization's governance around climate-related risks and opportunities, including the board's oversight.
- b. Strategy - Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material. Additionally, consider climate-related scenarios to determine the resilience of the company strategy.
- c. Risk management – Provide information on the company's management (identifies, assesses, and manages) climate-related risks to ensure effective integration in the company.
- d. Metrics and targets - Disclose the metrics and targets for assessing and managing relevant climate-related risks and opportunities.

FRAMEWORK	FOCUS	KEY NOTES	INTEROPERABILITY
ISSB (IFRS S1 & S2)	Establish a global baseline for sustainability disclosure under the International Financial Reporting Standards (IFRS) Foundation.	<ul style="list-style-type: none"> Formed in 2021 to unify global sustainability disclosure standards. IFRS S1 sets the baseline for general sustainability-related disclosures. IFRS S2 focuses on climate-related risks and opportunities. Built on existing frameworks (CDSB, CDP, Integrated Reporting (IR), SASB, and TCFD). Emphasises integrated reporting and connectivity with financial statements. Adoption is voluntary and jurisdiction-led, guided by interoperability, connectivity, and proportionality. 	<ul style="list-style-type: none"> Designed to complement the Global Reporting Initiative (GRI) and align with the European Sustainability Reporting Standards (ESRS). High interoperability with ESRS climate disclosures and GRI standards to support consistent global reporting.
GRI (Global Reporting Initiative)	Global standards for sustainability reporting based on a multi-stakeholder governance model.	<ul style="list-style-type: none"> Independent, multi-stakeholder organisation. Updated 2021 standards require a materiality assessment and company-defined material topics (including omissions). Promotes double materiality – considering both a company’s impact on the world and how ESG factors affect the company. Voluntary adoption, regularly updated 	<ul style="list-style-type: none"> Strong alignment with ESRS and ISSB (especially IFRS S2). Works closely with the EU to harmonise with the ESRS and EU Taxonomy.

Table 2: Summary of notable sustainability standards and frameworks

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FRAMEWORK	FOCUS	KEY NOTES	INTEROPERABILITY
ESRS (European Sustainability Reporting Standards)	Mandatory sustainability disclosure framework under the EU Corporate Sustainability Reporting Directive (CSRD).	<ul style="list-style-type: none"> • Legally binding for companies under EU jurisdiction. • Covers ten ESG topical areas with cross-sectoral standards. • Developed by EFRAG using a multi-stakeholder process. • Simplifies materiality assessment through a unified methodology and mandatory topics in ESRS 1 (General requirements) and ESRS 2 (General disclosures). 	<ul style="list-style-type: none"> • High degree of alignment with ISSB climate standards to ease dual reporting. • Interoperable with GRI and the EU Taxonomy Regulation.
TCFD (Taskforce on Climate-Related Financial Disclosures)	Framework for reporting climate-related risks and opportunities.	<ul style="list-style-type: none"> • Focuses solely on climate issues. • Structured around four pillars: Governance, Strategy, Risk Management, and Metrics & Targets. • Includes eleven recommended disclosures to improve investor understanding of climate-related financial exposure. • Encourages scenario analysis and integration into strategy and risk management. 	<ul style="list-style-type: none"> • Forms the backbone of ISSB's IFRS S2 and informs ESRS climate disclosure requirements. • Compatible with other frameworks (GRI, SASB, CDP) through shared disclosure principles.

Table 2 (Continued): Summary of notable sustainability standards and frameworks



4. CONSIDERATION OF KEY SUSTAINABILITY STANDARDS AND FRAMEWORKS

While there is no single ‘right’ or ‘best’ framework to employ in preparing sustainability disclosures, there are certain core underlying principles that should guide the sustainability reporting process.

4.1. STAKEHOLDER ENGAGEMENT

Engagement with relevant stakeholders forms the basis for the identification of material topics in all standards. Further, engaging with both internal and external stakeholders add value to the process of assessing an organisation’s impacts and informs the process for determining material topics. Each of the sustainability standards usually states specific material topics that define the reporting obligations against the respective standards.

Stakeholder engagement remains essential for evaluating and adopting standards, helping each jurisdiction responsibly assess its environmental and socio-economic conditions and policies. All stakeholder groups, including academia, government, regulators, preparers, and civil society, should also formally participate in the decision-making process for adopting or adapting global sustainability standards through public consultations.

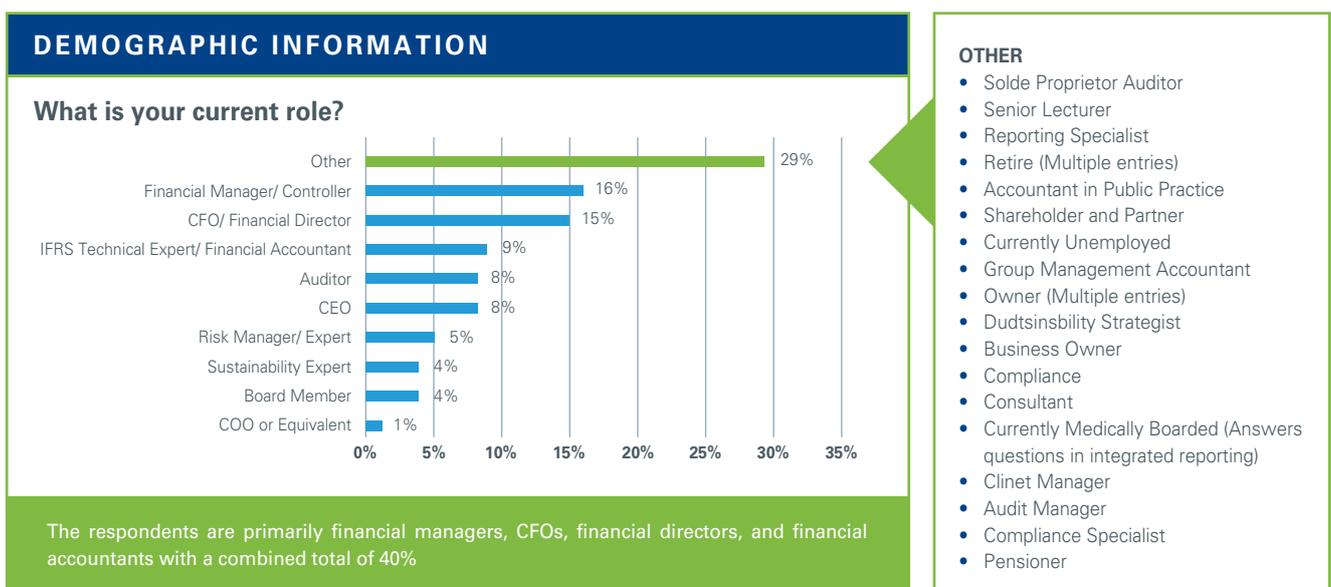
The prevailing financial reporting frameworks, relevant national policies, organizational structures and operational footprints, international trade agreements, applicable sustainability standards, and the designated ISSB transition periods should also inform the discussions. This includes leveraging technology and knowledge, market readiness, and adapting systems while avoiding unnecessary costs.

Stakeholder engagement in action: SAICA’s Sustainability Reporting Member Survey – 2025

Background and Objective

The survey aimed to assess the readiness of companies in South Africa to adopt the International Sustainability Standards Board's (ISSB) Sustainability Disclosure Standards or the Global Reporting Initiative (GRI) standards. It also sought views on mandatory sustainability reporting in South Africa and the preferred sustainability disclosure standards. Additionally, SAICA aimed to understand the support needs of members and sustainability professionals to transition or implement these sustainability standards.

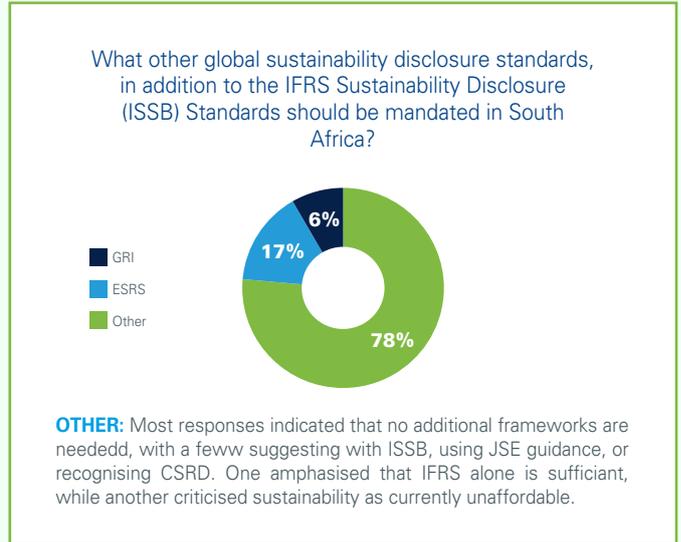
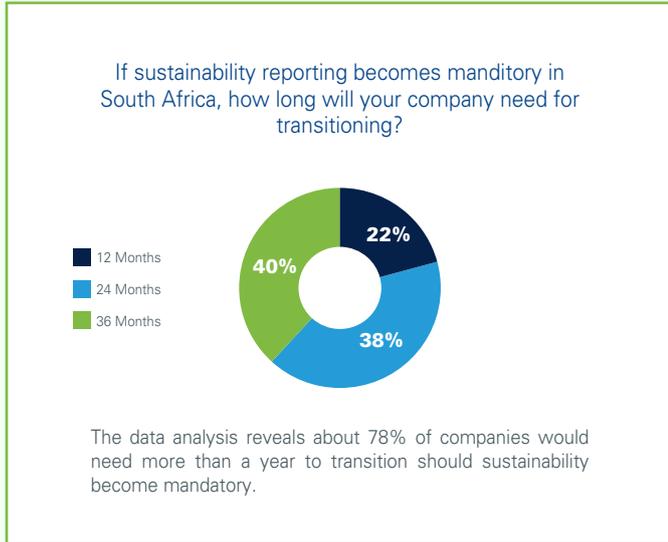
Survey Results Summary



Source: SAICA Sustainability Reporting Member Survey, 2025

The survey sample consisted of 80 members across both the public and private sectors, including SMEs (with 73 % of respondents representing non-listed companies). 19% of the respondents are from listed companies, with 8% including other organisations such as employees from large parastatals. Additionally, there were multiple pensioners among the member sample size, including those who are currently unemployed.

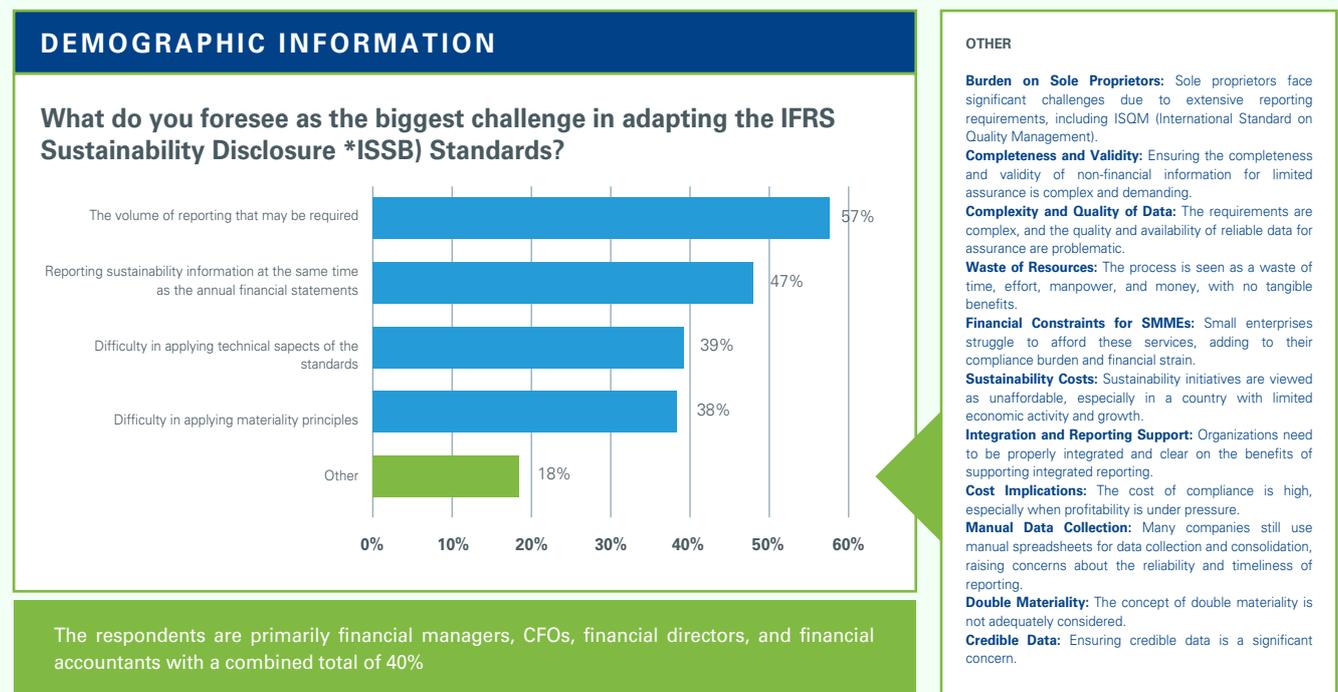
Sustainability Reporting & ISSB Standards



Source: SAICA Sustainability Reporting Member Survey, 2025

Biggest Challenges

Respondents identified the biggest challenges in adopting the IFRS Sustainability Disclosure standards as a lack of readiness due to the several challenges companies are experiencing while considering to integrate sustainability in its businesses as depicted above. Including the required volume of reporting, limited resources or expected capacity to ensure credible sustainability reporting.



Source: SAICA Sustainability Reporting Member Survey, 2025

Summary of Results

- **Views on Mandatory Reporting:**

There was a general consensus on the need for mandatory sustainability reporting in South Africa.

- The survey results indicate a strategic convergence with international standards while maintaining local relevance.
- The phased rollout and emphasis on materiality and clarity suggest a strong intent to enhance investor confidence and transparency.

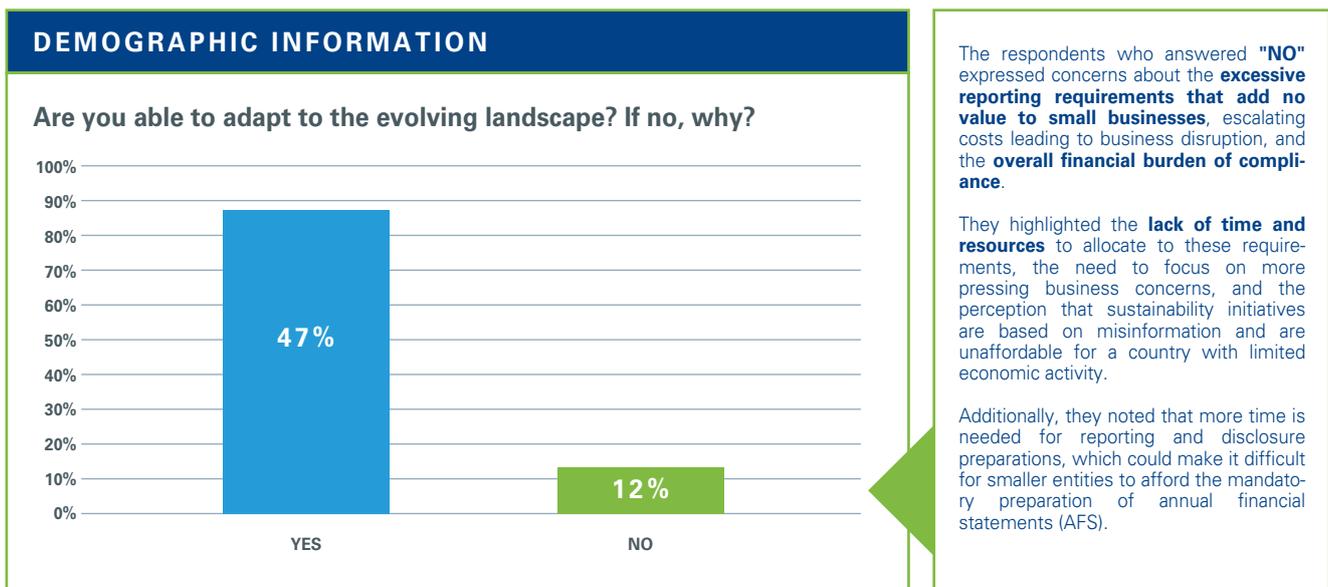
- **Biggest Benefits:**

- These were seen as enhancing investor confidence and transparency.
- However, the lack of mandatory assurance and unspecified industry disclosure formats indicates areas still under development.

- **Support Needs:**

- Respondents highlighted the need for training, resources, and guidance to transition to these new standards.

- **SMEs role and impact** in growing their business and economy should not be overlooked.



Source: SAICA Sustainability Reporting Member Survey, 2025

4.2. MATERIALITY APPROACH

Materiality is a fundamental concept in corporate reporting, influencing both the preparation of disclosures and their subsequent audit verification. It is central to sustainability and ESG reporting, serving as the initial step in identifying and prioritising company issues that hold the greatest significance for stakeholders. Information is deemed 'material' - or relevant - if it has the potential to affect stakeholders' decision-making. Organisations adopt various materiality frameworks in accordance with jurisdictional or market-specific requirements and employ the corresponding sustainability standards or frameworks to align with corporate strategy.

The materiality assessment constitutes the initial stage of this process, illustrating the connections between an organisation's material issues and its strategy, governance, performance and future outlook - extending beyond mere compliance to demonstrate integrated thinking. With advancements in standards development, materiality is increasingly recognised not only as a reporting tool but also as an essential component of strategic decision-making.

Three approaches (Financial Materiality, Double Materiality and Impact Materiality) apply to the widely used sustainability standards. Below are links to materiality guidance to assist companies:

Materiality Guidance:

- SAICA reporting materiality FAQ Guide: [SAICA-Sustainability-Reporting-Materiality-FAQ-Guide-2024.pdf](#)
- Guidance on IFRS S1 and S2 Disclosure of Material Information: [Sustainability-related risks and opportunities and the disclosure of material information](#)
- EFRAG Implementation Guide: [IG 1 Materiality Assessment final.pdf](#)
- GRI 3: Material Topics : [GRI - GRI Standards English Language](#)
- WBCSD the reality of materiality: [The-reality-of-materiality-insights-from-real-world-applications-of-ESG-materiality-assessments.pdf](#)

4.3. INTEROPERABILITY

The International Sustainability Standards Board (ISSB) and the European Commission services, together with EFRAG, have worked together during the development of the European Sustainability Reporting Standards (ESRS)³ and the IFRS Sustainability Disclosure Standards (ISSB Standards) to achieve a high degree of alignment of the respective standards, with a specific focus on climate related reporting.

The IFRS Foundation published the ESRS-ISSB Standards Interoperability Guidance in May 2024. This joint interoperability guidance describes the alignment of disclosure requirements and information that an entity starting with each set of standards needs to know to enable compliance with both sets of standards, ensuring interoperability between them. Regardless of whether it starts with ESRS or ISSB Standards, an entity can comply with the climate requirements of both sets of standards by following the content of this interoperability guidance.

The alignment within the two standards achieved the following:

- The definition of financial materiality in the ESRS is aligned with the definition materiality in the IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information,
- There is a high degree of alignment of the climate-related disclosures in the two sets of standards and, in particular, almost all the disclosures in ISSB Standards related to climate are included in ESRS; and
- The two sets of standards include commonly defined terms.

Summary of the slide from the interoperability guide : [interoperability-webinar-slides.pdf](#)

The ISSB- ISSB Standards Interoperability Guidance: [esrs-issb-standards-interoperability-guidance.pdf](#)

The interoperability guide will evolve as the results of the developments in EFRAG's Omnibus which might impact the future of the ESRS. The EFRAG Omnibus consists of proposals from the European Commission to simplify the ESRS and CSRD, aiming to make sustainability reporting requirements less complex for European companies. These measures seek to streamline reporting, clarify requirements, and improve the usability of sustainability data for businesses.

In another collaborative effort, IFRS Foundation and GRI signed a Memorandum of Understanding⁴ in 2022. This collaboration seeks to provide a seamless, global and comprehensive sustainability reporting system for companies looking to meet the information needs of both investors and a broader range of stakeholders.

In January 2024 the GRI and ISSB published the Interoperability consideration for GHG emissions when applying GRI standards and ISSB standards. The Interoperability Guide: [interoperability-considerations-for-ghg-emissions-when-applying-gri-standards-and-issb-standards.pdf](#)

³ [esrs-issb-standards-interoperability-guidance.pdf](#)

⁴ [GRI - IFRS Foundation and GRI to align capital market and multi-stakeholder standards](#)



4.4. ISSB STANDARDS TRANSITION RELIEFS AND PROPORTIONALITY

The ISSB offers transition relief from specific requirements in IFRS S1 and IFRS S2 to support the initial implementation of these standards. These temporary reliefs are accessible to all entities during their first year of applying IFRS S1 and IFRS S2. The adoption timeline for S1 and S2 may differ across jurisdictions. Jurisdictions may take into account scaling and phasing in the requirements based on factors such as entity size, preparedness level, industry, and market segment.

The transitional reliefs to consider when companies initially apply the ISSB Standards include the ability to restrict disclosures to climate-related risks and opportunities during the first year of applying IFRS S1 and IFRS S2. Additionally, companies are permitted to publish these disclosures later than their general-purpose financial reports, provided they do so within nine months after the end of the relevant reporting period. Companies also have the option to refrain from:

- Disclosing scope 3 GHG emissions,
- Using the GHG Protocol Corporate Standard for measuring emissions if they are already employing a different approach, and
- Providing comparative information.

	Information used limited to what is reasonable, supportable and available without undue cost or effort.	Qualitative approaches allowed if an entity lacks skills, capabilities or resources.
Determination of Anticipated Financial Effects	YES	YES
Climate-related Scenario Analysis	YES	YES
Measurement of Scope 3 Greenhouse Gas (GHG) Emissions	YES	-
Identification of Risks and Opportunities	YES	-
Determination of the Scope of the Value Chain	YES	-
Calculation of Metrics in some Cross-Industry Categories	YES	-

Source: ISSB

It is important to note that these reliefs are only available during the first annual reporting period and cannot be utilized in subsequent reporting periods.

Additionally, the International Sustainability Standards Board (ISSB) makes its IFRS Sustainability Disclosure Standards (IFRS S1 and IFRS S2) accessible to companies of all sizes and reporting maturity levels through proportionality mechanisms. This ensures that the standards do not become barriers for smaller or less-prepared entities, thereby supporting the creation of a global baseline for sustainability-related disclosures.

5. SUSTAINABILITY REPORTING REGULATORY LANDSCAPE IN SA

5.1. POLICY LEVEL

Sustainability is not a foreign import to South Africa's policy landscape – it is rooted in the Constitution and embedded in the country's national development agenda.

The Constitution requires that the state respond to people's needs and encourage public participation in policymaking. Consultation is not a courtesy but a constitutional duty. Policies must be developed through early and inclusive engagement to ensure they are fair, balanced and capable of meeting the diverse needs of society.

The **2020 National Development Framework** builds on this foundation. It recognises that policymaking is complex, with social, economic and environmental effects that differ across groups. Rushed or poorly consulted policies often fail in implementation. The framework stresses that national policy must be dynamic, adapting to legal, economic, social and environmental shifts, as well as to global and regional developments, to remain competitive.

This constitutional and developmental commitment to sustainability finds practical expression in the **National Treasury's 2021 technical paper, Financing a Sustainable Economy**. The paper calls for urgent action to direct finance towards a more climate-resilient, low-carbon economy. It emphasises that prevention is far less costly than post-impact repair, and that all financial decisions should reflect environmental and social considerations. To achieve consistency, it proposes that regulators and industry align around a common taxonomy - a shared system for classifying sustainable activities and adopt global good practice such as the recommendations of the Taskforce on Climate-Related Financial Disclosures (TCFD). It also urges the development of technical guidance and science-based standards for identifying, managing and reporting environmental and social risks across financial portfolios and transactions.

In April 2022, National Treasury launched **South Africa's first Green Finance Taxonomy**. This catalogue defines the minimum set of assets, projects and sectors that qualify as "green" or environmentally sustainable. It supports both public policy and voluntary private-sector initiatives by reducing uncertainty and transaction costs in identifying green activities. Treasury encouraged financial institutions and regulators to act with urgency to protect the country's natural resource base, strengthen economic resilience and safeguard citizens against climate risks.

While these policy instruments set a clear direction, **sustainability reporting in South Africa remains voluntary**. Government is considering whether to amend **the Companies Act (No. 71 of 2008)** to include mandatory sustainability disclosure, which would mark an important step towards embedding sustainability within corporate accountability frameworks.

The South African National Treasury's 2021 technical paper, "Financing a Sustainable Economy," calls for urgent action in directing sustainable finance to support a climate-resilient, low-carbon economy. It recommends adopting international taxonomies for defining sustainability challenges and solutions, ensuring all financial decisions account for sustainability and a just transition, since preventing damage is less costly than remediation.

The paper also urges regulators and industry to establish or adopt unified guidance, standards, and frameworks—such as those based on science and TCFD recommendations - for effectively managing environmental and social risks across all financial activities.

5.2. AGENCY LEVEL

South African Reserve Bank

The developments by the National Treasury saw the South African Reserve Bank under the Prudential Authority publish four draft guidance notes in terms of section 6(5) of the Bank Act 94 of 1990, for the insurance and banking industry on climate-related risks. All stakeholders were invited to submit their comments to the South African Reserve Bank by no later than September 2023. The proposed guidance notes are on climate-related disclosure for banks and insurers and climate-related risk practices for banks and insurers.

The Prudential Authority (PA) indicated that the guidelines align with the TCFD framework and the recently issued International Sustainability Standards Board (ISSB) IFRS S2 standard on Climate-related Disclosures. The Prudential Authority published the final guidelines in May 2024, serving as a key milestone towards integrating climate-related risks into the key practices of the financial sectors.

- [G1-2024 - Guidance Notice on climate-related governance and risk practices for Insurers \(resbank.co.za\)](#)
- [G2-2024 - Guidance on climate-related disclosures for Insurers \(resbank.co.za\)](#)
- [G2-2024 - Guidance on climate-related governance and risk practices for Banks \(resbank.co.za\)](#)
- [G3-2024 - Guidance on climate-related disclosures for Banks \(resbank.co.za\)](#)



The PA Guidance Notices seek to promote transparency and ensure local institutions align with international climate-related disclosures while enhancing industry initiatives to deepen current climate-related governance and risk practices.

While not enforceable, the PA will monitor the implementation of these Guidance Notices. The Guidance Notices are aligned with IFRS S2 and start with climate-related risks. Other environmental risks and sustainability disclosures may be considered in the future, where relevant to the PA’s mandate

The PA published its Climate Roadmap for 2024 -2026: [PA Climate Roadmap 2024-26.pdf](#)

SAICA is monitoring the Prudential Authority developments around Sustainability Reporting and will continue to engage with PA on consultation engagements and other collaborative initiatives.

The Companies and Intellectual Property Commission (CIPC)

The recently issued ISSB IFRS sustainability standards sparked conversation around the amendment of the South African Companies Act 71 of 2008 to mandate Sustainability Reporting. In November 2023, South African Regulators convened at the JSE for a dialogue among themselves and the ISSB. The Companies and Intellectual Property Commission (CIPC) was the crucial stakeholder in those discussions, as it is a custodian of the Companies Act.

The CIPC formed a thirty-eight-member group from preparers, PAOs, and regulators for national sustainability reporting matters and the adoption of the ISSB disclosure standards.

Due to the ongoing deliberations of the dialogues in terms of whether the ISSB standards should be adopted or not, stemming from a strong dependency on policy-related considerations, political aspects (matters beyond the DTIC's Regulatory Policy and Legislation Regulation Branch) and operational capacity (except for IRBA), CIPC does not yet have a clear direction of travel to map out and scope the deliverables.



Source: CIPC, 2024

However, within the context of that which the Companies and Intellectual Property Commission (CIPC) (as a custodian of the Companies Act) is in control, as of the 1st of October 2024, digital taxonomy applies to sustainability reporting. The updated iXBRL Taxonomy modular entry points have been updated to include the IFRS Sustainability Disclosure Taxonomy 2024. This allows early voluntary adopters of the International Sustainability Standards (ISSB), IFRS S1 and IFRS S2 to tag their sustainability-related financial disclosures prepared by applying IFRS sustainability Standards.

The 2024 Final Taxonomy is now available on the CIPC Website and can be accessed via this link ([xbrl_programme | cipc](#)) for use by all stakeholders and members of the public.

The DTIC's Research and Policy Unit is considering policy formulation to support mandatory sustainability reporting, and the CIPC wishes to gather further input to supplement and inform the DTIC's draft policy. SAICA is pleased to be involved in the development of CIPC and eager to support and contribute to the inputs of CIPC on sustainability reporting.

5.3. SELF-REGULATORY

The Financial Sector Conduct Agency (FSCA)

Following the National Treasury recommendations in its 2021 Technical paper on financing a sustainable economy, The Financial Sector Conduct Agency (FSCA) in March 2023 issued the “**FSCA Statement on Sustainable Finance and Programme of work**” and in this document, the FSCA indicates that it will be considering how to promote sustainability reporting that is sufficiently comprehensive and reliable to support transparency, while ensuring that there is consistency in the reporting requirements imposed on financial institutions, by financial and non-financial sector regulators.



The conducting authority also aims to ensure appropriate alignment in the listed and unlisted environment. This will require a coordinated approach amongst key stakeholders in South Africa, including the National Treasury, the Department of Trade, Industry and Competition, the Prudential Authority, the Companies and Intellectual Property Commission, JSE, the Accounting Standards Board, and the Independent Regulatory Board for Auditors, amongst others.

The FSCA is planning engagements with market infrastructures and issuers to gauge market readiness for disclosure and reporting requirements and will, following industry engagements, issue a position regarding the endorsement and adoption of international standards.

The FSCA develops its approach so that its work is aligned to broader public policy imperatives and emerging best practice. This includes alignment to the South African government's commitments in terms of climate change, and other social objectives. The country and the FSCA are also signatories to and members of influential international organisations in many instances, set requirements affecting what and how information is to be provided. This affects how the country can engage in the global economy. For example, many South African entities are compliant with IFRS standards and are evaluating how the ISSB sustainability standards will affect financial reporting.

The country is regularly assessed on its financial stability and this is likely to include regular evaluations of how the financial system is responding to climate and other sustainability-related risks.



Two-fold response to sustainability by the Financial Sector Conduct Authority:

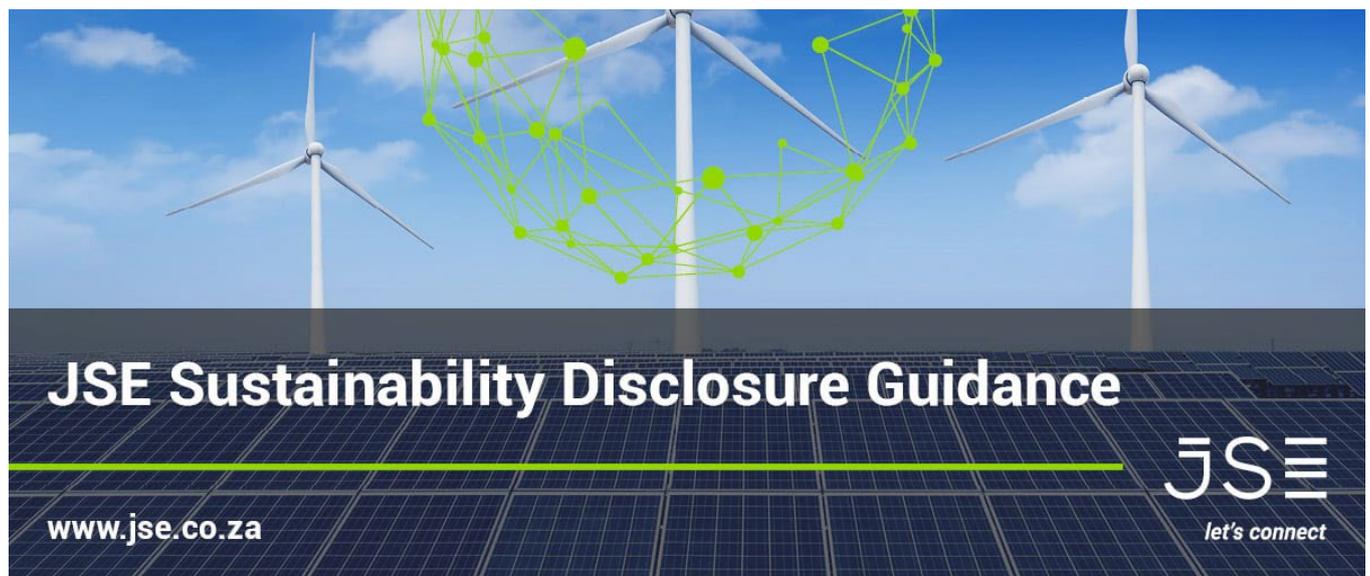
- As an organisation, the FSCA has adopted sustainability as part of their values. This means the conducting authority is intentional in ensuring that sustainability is entrenched in its business operations and translated into behaviour that will shape organisational culture. FSCA aims to ensure that the organisation meets the needs of the present without compromising the ability of future generations to meet their own needs, by adopting socially responsible practices.
- As a market conduct regulator, one of FSCA's strategic objectives is to promote the development of an innovative, inclusive, and sustainable financial system. FSCA seeks to play a transformational role in ensuring that South Africa's financial system best supports the country's sustainability goals, through customer protection and market integrity mandates.

FSCA has demonstrated its dedication to advancing sustainability reporting by making significant progress toward adopting global baseline disclosure standards, exemplified by its agreement with the International Finance Corporation (IFC). It aligns with King principles, BBBEE requirements, and South Africa's climate goals, aiming for carbon neutrality by 2050 as outlined in its Sustainable Finance 2025 report.

FSCA Guidance Documents:

- FSCA Statement on Sustainable Finance and Programme of Work: [Decision-making powers in respect of FSB Budget](#)
- FSCA Sustainable Finance Consumer Risk Report and Roadmap 2024: [FSCA SF Roadmap and Consumer Risk Report.pdf](#)
- FSCA Sustainable Finance update Report 2025: [FSCA Sustainable Finance Update Report 2025.pdf](#)

The Johannesburg Stock Exchanges (JSE)



The Johannesburg Stock Exchange developed the JSE Sustainability Disclosure Guidance and Climate Change Disclosure Guidance in 2022. These disclosures are not mandatory, but guide listed companies interested in undertaking sustainability-related disclosures, particularly in the context of multiple guidelines from various organisations. The JSE has actively provided comments in the ISSB and other standard and setting process.

The JSE have reviewed in 2025 its Sustainability Disclosure Guidance and Climate Change Disclosure Guidance to ensure that these remain relevant in an evolving sustainability reporting ecosystem and continue to support South African companies as useful reporting tools. JSE considered the balance between the best global practice alignment, specifically the International Sustainability Standards Board's (ISSB) IFRS S1 & S2 (sustainability and climate-related disclosure standards) against a backdrop of possible local regulatory developments.

Based on the deliberations, JSE reassured that the current JSE Sustainability Disclosure Guidance continue to serve as valuable tools for companies to navigate the reporting standards landscape without being burdensome and specifically addresses the South African context.

JSE continuously monitoring the regulatory environment and engaging with stakeholders to ensure that its Disclosure Guidance remains relevant. This ongoing review process is not a one-off event, but a continuous commitment to maintaining the highest standards that support companies' reporting practices.

Sustainability Disclosure Guidance

The JSE Sustainability Disclosure Guidance is aligned with, and draws on, the most influential global initiatives on sustainability and climate change disclosure – including the GRI Sustainability Reporting Standards, the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations, and the IIRC's International <IR> Framework – as well as an extensive range of other frameworks and standards (Annex 1), and the Sustainability/ESG guidance of various peer exchanges. This Disclosure Guidance is not intended to replace any of these global initiatives but rather seeks to help companies navigate the landscape of reporting standards, and to provide explicitly for the South African context.

Download the guide: [Sustainability page webform | Johannesburg Stock Exchange](#)

Climate Change Disclosure Guidance

The guidance aims to clarify the current global best practices in climate-related disclosure and provides a step-by-step guide to get issuers started on this journey. This guidance can be a starting point for report preparers that wish to integrate climate-related information for the first time, while also providing additional resources that can help deepen the journey into climate-related disclosure for those that are more advanced. The need for clear, consistent and decision-useful information from issuers on climate-related information is widely recognised. We, therefore, provide this guidance to support our market in understanding this demand and to help build consistency within our market on how to report on climate-related information.

Download the guide: [Sustainability page webform | Johannesburg Stock Exchange](#)

The JSE's efforts underscore a broader movement toward cohesion in sustainability and climate-related reporting standards. By aligning with leading global frameworks while prioritizing local context, the JSE provides South African companies a flexible foundation for disclosure, fostering both transparency and relevance. This approach enables businesses to anticipate international expectations while accommodating unique domestic challenges. As regulatory landscapes evolve, South African firms are encouraged to interpret global principles thoughtfully, ensuring that their sustainability narratives are both credible and contextually meaningful.

SAICA maintains ongoing oversight of regulatory developments and actively encourages the voluntary adoption of the JSE Sustainability Disclosure Guidance and the principles of the King Code to support the achievement of the Sustainable Development Goals (SDGs).

6. INTEGRATED REPORTING & ITS LINKAGES TO SUSTAINABILITY REPORTING

Organisation globally aspires towards a comparable, verifiable, global comprehensive corporate reporting system. In this context, it is important to acknowledge the IFRS Foundation's work towards creating a truly global baseline of sustainability standards - commencing with, but not limited to, climate-related financial disclosures. Many such organisations are transitioning to a more complete, concise and streamlined approach to corporate reporting. Many have adopted the Integrated Reporting Framework to embed integrated reporting and integrated thinking into their annual reporting cycles, operating activities and strategic planning. Reduced silos, improved decisions and a holistic approach to communication are cited as important benefits of integrated reporting.

About IIRC and IRCSA

The International Integrated Reporting Council (IIRC) (previously the International Integrated Reporting Committee) was established in August 2010 as a response to the growing demand for a more coherent and comprehensive approach to corporate reporting that reflects the wide range of factors affecting corporate value creation.

The IIRC was formed by a coalition that included the GRI (Global Reporting Initiative), King Charles's Accounting for Sustainability Project (A4S), and the International Federation of Accountants (IFAC). This collaboration of global leaders sought to address the increasing complexity and interdependence of financial, environmental, social, and governance issues, and the need for a reporting framework that could reflect that interconnectedness.



In response to Integrated Reporting, South Africa founded the International Reporting Council of South Africa (IRC SA) in 2010. The role of the IRC as a national body is to provide direction on matters relating to integrated reporting and integrated thinking in South Africa through technical information and guidance, conferences, and other activities. The organisation members are among the leading professional and industry bodies in South Africa. The founding members are the Association for Savings & Investment South Africa (ASISA), the Institute of Directors in South Africa (IoDSA), JSE Ltd, and the South African Institute of Chartered Accountants (SAICA).

The International Reporting Council endorsed the International <IR> framework in March 2014, which was released by the International Integrated Reporting Council (IIRC). While integrated reporting is not mandatory in South Africa, it plays a significant role in corporate reporting practices in South Africa. Organizations that adopt integrated reporting benefit from improved transparency, accountability, and a holistic view of their performance across financial and non-financial dimensions.

The Preface to the Framework highlights that a key prerequisite for integrated reporting is the adoption of Integrated Thinking. As outlined in the Preface, Integrated Thinking refers to an organisation's ongoing assessment of the interconnections among its various operational units and the capital it utilises or influences. This approach supports cohesive decision-making and actions, ensuring that the organisation evaluates how value is created, maintained, or diminished across short, medium, and long-term horizons.

The IFRS Foundation assumed responsibility for the Integrated Reporting Framework in August 2022 when the Value Reporting Foundation (VRF) was consolidated into the IFRS Foundation. In the words of Mervyn King, "The IR framework has been tested over the past decade and its efficacy and resilience as an overarching framework connecting the financial and the non-financial has been proven."

In May 2024, the IFRS Foundation issued a supplementary paper to the Integrated Reporting Framework. This Guide helps report preparers, particularly those who are new to integrated reporting, develop a customised transition plan to integrated reporting, also by starting to consider disclosures required by IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. Like the Integrated Reporting Framework, the Guide applies to for-profit companies of any size in the private sector, but the public sector can also be applied in the public sector and not-for-profit companies can also apply it. The use of this guide does not result in compliance with IFRS S1 and IFRS S2, but it does highlight some key areas of consideration for integrated reporters.

- Transitioning to Integrated reporting: [IFRS-IR-GettingStarted-051524.pdf](#)
- How to apply the Integrated Reporting Framework with IFRS S1 and IFRS S2- A mapping tool: [How to apply the Integrated Reporting Framework with IFRS S1 and IFRS S2: A mapping tool | Integrated Reporting](#)

The IRCSA has recently released an information paper sharing light on practical considerations in applying a layering approach to sustainability reporting set in the context of the organisation's governance, integrated thinking, and integrated report, and also issued the FAQ guide explaining sustainability materiality in corporate reporting. This is pivotal for consideration during this phase.

- Download the FAQ guide: Reporting on the TCFD recommendations in the Integrated Report: [FAQ: Reporting on the TCFD Recommendations in the Integrated Report | Integrated Reporting SA](#)
- Download the information paper (layering approach to sustainability Reporting): <https://integratedreportingsa.org/integrated-reporting-and-using-a-layering-approach-to-sustainability-reporting/>
- Download the FAQ guide explaining sustainability materiality in corporate reporting: [FAQ-Explaining-Materiality-final-Updated-3-May-2024](#)

7. ISSB STANDARDS TRANSITION RELIEFS AND PROPORTIONALITY

Countries worldwide have adopted the IFRS ISSB Standards through varied jurisdictional approaches. We have explored several jurisdictions of which the methods used can be aligned to South Africa's process of adopting the ISSB Standards.



GHANA considered socio-dynamics and carbon emissions factors in its evaluation of ISSB adoption and engaged a range of stakeholders on the importance of financial and sustainability reporting for the draft standards.

ADOPTION STATUS

The Institute of Chartered Accountants, Ghana (ICAG), announced its adoption of the International Sustainability Standards Board (ISSB) standards – IFRS S1 and IFRS S2 – in 2023. On 28 March 2024, it approved a three-phase roadmap for implementation, running from 2024 to 2028.

Phased adoption roadmap:

- **Phase 1: Voluntary adoption (2024–2026)**
 - Entities may adopt IFRS sustainability standards voluntarily.
 - All adopters must complete a readiness assessment by 30 August 2024.
- **Phase 2: Mandatory adoption (from 1 January 2027)**
 - Applies to Significant Public Interest Entities (SPIEs), including listed companies, banks, insurers, pension funds, public limited companies, and selected private companies.
 - Focus sectors include oil and gas, mining, cement, power generation (non-renewable), and automotive manufacturing.
- **Phase 3: Government and not-for-profit entities (from 1 January 2028)**
 - Implementation will follow once the International Public Sector Accounting Standards Board (IPSASB) issues sustainability standards.

Other companies under the Companies Act that do not meet the SPIE criteria are classified as Other Mandatory Adopters (OMAs), with reporting requirements beginning in 2028. Non-mandatory companies are encouraged, but not required, to adopt, based on thresholds for revenue, assets and public accountability.

Reporting and Assurance Requirements:

- Sustainability disclosures must appear in the annual report, after the directors' report and before the auditor's report.
- Reports must be signed by two directors and the Chief Sustainability Officer, align with financial reporting timelines, and include comparative information.
- Entities fully aligned with IFRS S1 and S2 must make an explicit statement of compliance.
- Mandatory assurance begins in the second year of adoption, once the International Standard on Sustainability Assurance (ISSA) 5000 is released (expected end-2024).
- Assurance must be conducted by ICAG-approved professionals who complete a one-year certification programme consisting of four modules.



a) SUPPORTING POLICY AND REGULATION

Ghana's ISSB adoption process has been informed by extensive stakeholder engagement and alignment with national development priorities. The evaluation considered the country's social dynamics and carbon emissions profile.

A **national steering committee** oversees implementation, comprising academia, regulators (Bank of Ghana, Ghana Stock Exchange), the Big Four accounting firms, professional bodies, and government departments including the Ministry of Finance, the Ministry of Environment, Science and Technology, and the Environmental Protection Agency.

The **Institute of Chartered Accountants, Ghana (ICAG)** collaborated with international professional bodies such as the Chartered Institute of Management Accountants (CIMA) and the Association of Chartered Certified Accountants (ACCA) to develop the adoption roadmap. ICAG also serves on a World Bank–International Finance Corporation (IFC) committee established to harmonise sustainability regulation across the financial sector.

The roadmap includes dedicated focus groups for stakeholder engagement, communication, advocacy, awareness, technical work, and research. Over eighteen institutions have participated, spanning the financial sector, capital markets, pensions, insurance, mining, and oil and gas industries. The investment community was engaged through a national roadshow with GAG Investments, followed by Ghana's Impact Summit on Sustainability.

In support of the roadmap, academic institutions have reviewed curricula to integrate sustainability into public sector education, reflecting Ghana's commitment to embedding sustainable finance and reporting in professional development.

b) KEY LEARNINGS

- Ghana's adoption of the ISSB standards has been highly collaborative, involving regulators, academia, and industry to ensure alignment and capacity building.
- The three-phased roadmap allows for progressive readiness and reflects the country's varying levels of experience with sustainability reporting.
- Early investment in education and professional training is central to ensuring credible reporting and assurance.
- Translating key materials into French has supported regional engagement and accessibility.
- The structured, consultative process demonstrates how national ownership and tailored implementation can advance global sustainability standards in emerging markets.



MAURITIUS is a member of the African Forum of Independent Accounting and Auditing Regulators (AFIAAR). It is in many ways the financial gateway for Africa to the world, and it understands finance and capital flows well. The country has managed to convene regulators and exchangers, including local board members of Financial Reporting Council Mauritius (FRCM) and entities represented by the central bank and company registrar, to ensure all stakeholders are carried along. The Bank of Mauritius has been hosting a climate change center since October 2021.

Banks have an important role in attracting the required finance to mitigate the risk of climate change. The country understands that, to bring in the required finance, unfortunately, it needs funds from all over the world. For Mauritius, the government has already identified that up to 2030, will need \$65bn. The government will fund 35% of the needed funding, but the remaining amount needs to originate from international investors. It is led through a collaborative process by a quartet formation, which is central bank-led, including the Financial Reporting Council of Mauritius. More importantly, in defining its adoption roadmap it focuses on imperative definitions, like interoperability, and ensuring that the market is ready and prepared, and is a part of defining the roadmap.

Mauritian registrar companies have been involved in the financial reporting law, before its inception, 2004. There are about over 80,000 companies on the registrar, live companies. The registrar consists also of global business companies, as it is called in the offshore sector.

a) KEY MILESTONES

- The IFRS is a regulatory requirement under the Companies Act 2001, and all companies such as public companies, and big private companies, that would now have over 100 million rupees of turnover, and all PIEs, would have to comply with the IFRS.
- Digital taxonomy (XBRL) was introduced as far back as 2016, however, dissatisfaction was experienced among users because of the imposing of new technology. But each entity eventually complied.
- Currently all companies are adopting the XBRL technology and have extended it even to private companies. As such Mauritius has positioned itself as an experienced jurisdiction in XBRL financial reporting and is sharing its insights, particularly regarding cost-effectiveness of infrastructure and how to avoid being misled by software sellers. The country's successful multi-phase implementation through its regulatory bodies provides key lessons for other nations, including in leveraging existing infrastructure.



KENYA's sustainability adoption roadmap is spearheaded by the President and Minister of Finance, Central Bank, and Institute of Certified Public Accountants of Kenya (CPAK) - the only regulator of accountants - with the Capital Markets and the Financial Sector Deepening Kenya (FSD Kenya) playing a big role in the ISSB adoption discussions and drafting the implementation roadmap for public consultation. FSD Kenya is an independent trust dedicated to achieving a financial system that delivers value for a green and inclusive digital economy while improving financial health and capability for women and micro and small enterprises (MSEs).

Sustainability for Kenya entails harmonizing economic growth, social well-being, and environmental stewardship to ensure that Kenya's current actions do not compromise the ability of future generations to thrive. By embracing sustainable practices, we can safeguard our natural wonders, preserve our unique biodiversity, and build resilience in the face of environmental changes. Moreover, sustainable development can empower our communities, alleviate poverty, promote social equity, and unlock the potential for inclusive economic growth.

The Kenyan government has demonstrated a strong commitment to sustainable development through its policies and programs. Recognizing the urgency of addressing sustainability challenges, the government has formulated comprehensive strategies to guide the nation and a greener and more inclusive future.

These policies provide a framework for sustainable practices and set the stage for transformative change in implementing its long-term economic blueprint, with specific initiatives: Vision 2030 and the Big Four Agenda. Achieving sustainable development in Kenya requires collective efforts and collaboration from all stakeholders. Governments, businesses, communities, and individuals must come together to prioritise sustainability.

KEY MILESTONES

The Accountant's Act was amended in 2008, expanded the role of financial accountants, and opened multiple licenses in the profession, including advisory. The inclusion of IFRS in the corporate reporting of the country allows for the inclusion of sustainability reporting. Following in country deliberations, ICPAK has outlined a clear, phased approach for adopting IFRS S1 and S2.



This structured timeline allows businesses time to prepare for compliance with the new standards, while guidance and advocacy will remain key until S1 and S2 standards are widely accepted.:

a) VOLUNTARY ADOPTION

- As of January 1, 2024, businesses may voluntarily adopt IFRS S1 and S2.

b) MANDATORY ADOPTION (Will occur in stages, as follows:)

- **January 1, 2027:** Public Interest Entities (PIEs) will be required to adopt IFRS S1 and S2.
- **January 1, 2028:** Large Non-Public Interest Entities (Non-PIEs) must adopt the standards.
- **January 1, 2029:** Small and medium-sized non-PIEs will be required to implement IFRS S1 and S2.

The Kenya Bankers Association (KBA) is facilitating the alignment of Kenya's financial sector with international sustainability standards, promoting the integration of sustainable finance practices within the banking industry. The endorsement of interoperability by the ISSB has proven beneficial, as several organisations have initiated reporting processes to comply with ISSB standards.



NIGERIA engaged all stakeholders to avoid the top-down approach and get buy-in from stakeholders, learning from previous experience in implementing the IFRS standards. The country announced its intention to early adopt the ISSB standards in 2023. On June 6, 2023, the Financial Council of Nigeria established the adoption readiness working group to ensure all stakeholders, including the big four firms, regulatory bodies, preparers, assurance providers, academia, and PAO (Institute of Accountants of Nigeria and the Association of Chartered Accountants of Nigeria), were satisfied that the country's roadmap was partly bottom-up and top-down, guided by ISSB standards.

The key factor was the national legislation, as sustainability reporting spans various issues and thus requires strong ownership of the process. Nigeria amended the law establishing the Financial Reporting Council of Nigeria (FRCN). The original law aimed to adopt standards issued by the International Accounting Standards Board, which focused solely on accounting. It was later amended to adopt standards from the International Financial Reporting Standards Foundation, allowing for the inclusion of sustainability disclosures.

In March 2024, the process for the adoption roadmap commenced which included a public consultation with a 42-day comment period to allow all stakeholders to shape the timeline for adopting the standards and proportionality of the roadmap. The process included four focus areas, such as the timeline for assurance, the location of the sustainability reports, and the transitional reliefs issued in the standards. The responses from the public consultation affected the ambitious plan of the readiness working group, commencing reporting as early as 2026 and shifted to 2028.

ADOPTION STATUS

In June 2025, Nigeria permitted the use of IFRS S1 and IFRS S2, along with all future ISSB Standards, with the target to fully adopt the ISSB standards.

It was envisaged as a very short period by stakeholders to build the capacity and the infrastructure and be ready for mandatory adoption. This has now been shifted to early 2028. Nigeria's adoption plan has four segments:

a) PHASE 1 (EARLY ADOPTERS)

The IFRS sustainability disclosure standards became effective for annual reporting periods beginning on or after January 1, 2024. Entities in this category are required to report their sustainability-related information for the accounting period ending on or before December 31, 2023, and pass the readiness test assessment to qualify as early adopters. Early adopters – companies that have been reporting on sustainability based on other similar frameworks and understand interoperability. The readiness group focused on reports released in the past 2-3 years, which can easily transit to IFRS S1 and S2.

IMPLEMENTATION TIMELINE	SCOPE OF DISCLOSURE	REPORTING FORMAT AND TIMING	REGULATORY OVERSIGHT
Voluntary Adoption for All Entities from 1 January 2024.	Entities must disclose material sustainability-related risks and opportunities that could affect cash flows, access to finance, or cost of capital.	Sustainability disclosures must be included in the annual report, placed before financial statements and after the Directors' report.	Key authorities involved: <ul style="list-style-type: none"> • Financial Reporting • Council of Nigeria • Central Bank of Nigeria • Nigerian Exchange Group • Securities and Exchange Commission
Mandatory Adoption for: <ul style="list-style-type: none"> • Public Interest Entities (PIEs) from 1 January 2028. • Small & Medium-sized Entities (SMEs) from 1 January 2030. 	Disclosures are targeted at investors, lenders, and creditors.	Must be published simultaneously with financial statements.	
		Standalone reports are permitted for the first reporting year.	

The readiness assessment which included 17 items like board approval, gap analysis, and the ISSB adoption plan resulted in five companies that constitute early adopters. One or two of the companies chosen has recently released sustainability reports that reflect the S1 and S2 standards.

b) PHASE 2 (VOLUNTARY ADOPTERS)

This Phase is for the accounting period beginning on or after 1 January 2024 and through to the accounting period ending on or before 31 December 2027. During this period reporting entities are required to build capacity and get ready for mandatory adoption. Any entity that desires to report during this period shall be subjected to the readiness test assessment of the FRC.

c) PHASE 3 (MANDATORY ADOPTERS)

From the accounting period beginning on or after 1 January 2028, it will become mandatory for all entities except government and government organizations to adopt the IFRS sustainability disclosure standards. This phase is categorized into two (2) as follows:

- All PIEs (Reporting date: Accounting period beginning on or after January 1, 2028); and
- SMEs (Reporting date: Accounting period beginning on or after January 1, 2030).

The readiness test assessment is compulsory for all entities reporting in these phases and must be carried out before an entity publishes its first sustainability report.



d) PHASE 4 (GOVERNMENTS & GOVERNMENT ORGANIZATIONS)

A review will be conducted when the sustainability reporting standards for public sector entities currently being developed by the International Public Sector Accounting Standards Board (IPSASB) become available with the aim of determining the appropriate period when sustainability reporting disclosures by public sector entities will be required.

NIGERIAN SUSTAINABILITY ASSURANCE PATHWAY

Nigeria encourages organizations to use external assurance to increase the confidence of decision-makers in the accuracy and reliability of the reported information. Guided by the IAASB ISSA 5000, the country plan allows time for practitioners to understand the sustainability assurance.

<p>Phase 1: Early Adopters (31 Dec 2023)</p>	<p>Phase 2: Voluntary Adoptors (2024 - 2027)</p>	<p>Phase 3: Mandatory Adoptors PIEs (2028) SMEs (2030)</p>	<p>Phase 4: Government & Govt. Organisations (To be determined)</p>
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ASSURANCE REQUIREMENTS

- **Phased assurance approach:**
 - Years 3–4: Limited assurance (excluding Scope 3 emissions, scenario analysis, and transition plans).
 - Year 5: Limited assurance on Scope 3; reasonable assurance on other disclosures.
 - Year 6 onward: Full reasonable assurance.
- **Frameworks include;**
 - ISSA 5000,
 - ISAE 3000 (Revised), and
 - International Ethics Standards.

KEY LEARNINGS

The country’s roadmap is also specific in who should assure the non-financial information and narrowing it to auditors and non-auditors that are registered with the FRCN. To mitigate the risks of audits that do not meet the audit standards is being navigated, but the ethics code for accountants may play a role and needs to be accepted by other professionals. While company leadership is envisaged to be accountable for quality assurance.

Political support was seen to be required for the adoption and implementation of the ISSB disclosure standards, including leadership buy-in. Capacity building, digital taxonomy, advocacy, and communications are also built into the sustainability roadmap, including monitoring and enforcement. Furthermore, the jurisdictional requirements do not expressly permit or require dual reporting, as there are no jurisdictional modifications to IFRS S1 or S2. Key to the adoption path is that foreign PIEs must comply with the same standards as domestic PIEs. Whilst digital reporting is not a requirement.



With **RWANDA** at the forefront of sustainability and green financing amongst other countries like South Africa in Africa, it was expected to consider the adoption of the ISSB standards.

With **RWANDA** at the forefront of sustainability and green financing amongst other countries like South Africa in Africa, it was expected to consider the adoption of the ISSB standards.

With a draft that was out for comment until 19 March 2025, it is taking the lead together with the central bank to steer guidance to meet the requirements of the World Bank and the IFC. With its Vision 2025, a high-income country and green economy with influential laws and policies in place, this will result in no hindrance to the implementation of the sustainability standards. Especially with the Company’s Act, which states that companies will follow international standards. Further, it extends to say that the financial statement, must include explanatory notes on risks, trends, on policy risks, trends, and other factors that affect financial reporting. The broad statement enables any standard to be easily applicable and automatically appropriate, reducing the effort, cost, and time to change the law. The responsibility of guiding the implementation of the standards lies with the Institute of Certified Public Accountants of Rwanda.

According to the Rwandan authorities, adopting the IFRS Sustainability Disclosure Standards will enhance corporate transparency by focusing on sustainability-related risks, including the financial impacts of climate change and other sustainability concerns. The underpinned objectives of these ISSB standards are aimed at providing investors, lenders, and policymakers with clear, comparable information on how such risks affect financial performance and future financial prospects. This reduces the risk premium associated with a lack of transparency, ensuring that capital is allocated efficiently, reducing uncertainty, and enhancing market confidence.

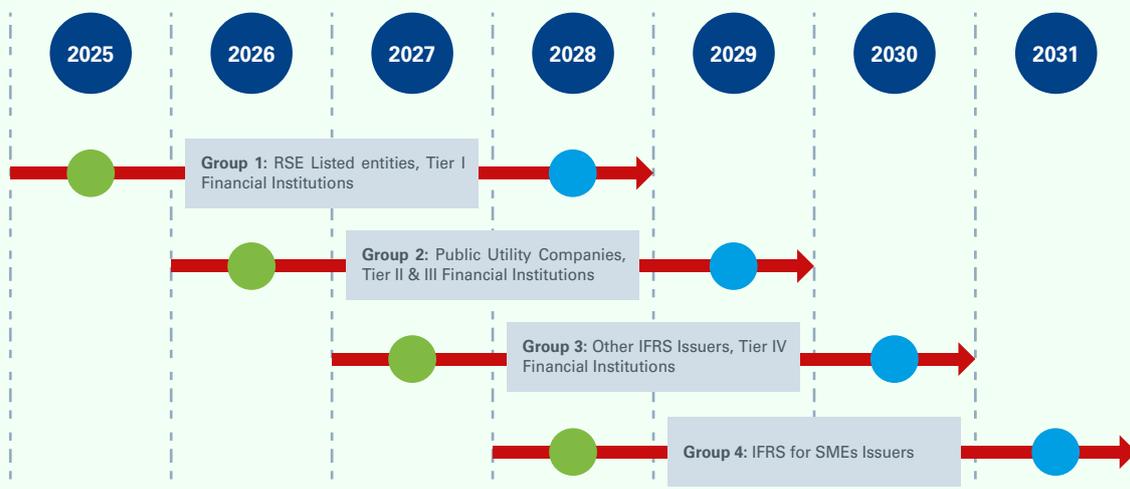
KEY MILESTONES

Rwanda’s Roadmap outlines a phased approach for its legal entities to adopt IFRS Sustainability Disclosure Standards, balancing the need for early reporting with the need to build capacity, capability, including assurance measures, and data sources. It proposes that larger, resource-rich companies lead the way, with others following over a four-year implementation period with staggered commencement dates. To refine the final roadmap, stakeholder input is sought through targeted questions in its public consultation.

The Roadmap complements the National Bank of Rwanda (BNR) Guidelines and is informed by Rwanda’s existing sustainability initiatives, including the Rwanda Green Taxonomy, the RSE ESG disclosure requirements, and the CMA Corporate Governance Code for listed entities, financial institutions, and other entities, maximising interoperability between national and international frameworks.

The four-phase adoption strategy is designed to gradually increase the range and detail of sustainability-related disclosures.

- Initial Phase Reporting: Focuses on climate-related financial disclosures aligned with or based on IFRS S2 for early adopters, including listed companies² and Tier I financial institutions, but with additional reliefs.
- Intermediate Phase Reporting: Expands the reporting requirements but reduces the reliefs provided.
- Full Reporting with Transition Reliefs: Entities implement IFRS S1 and IFRS S2 with the transition reliefs permitted under IFRS Sustainability Disclosure Standards.
- Full IFRS Reporting: All entities fully comply with IFRS Sustainability Disclosure Standards as issued by the ISSB, without transition reliefs.



Source: By Rwandan Reporting Entity Group



The proposed implementation timeline follows a staggered approach, ensuring that entities with the greatest public interest and capacity, such as Tier I Financial Institutions and RSE-listed companies, adopt the standards first. Also, by aligning the Roadmap's pathway with financial institutions, this roadmap approach fosters a unified approach to corporate sustainability reporting in Rwanda, facilitating shared capacity building and data initiatives.

ASSURANCE REQUIREMENTS

A key component of the adoption strategy is the assurance framework, which includes the accreditation of assurance providers who are qualified to verify sustainability-related financial disclosures. To ensure that assurance providers meet international standards, the ICPAR, in collaboration with the BNR, will establish a system for accrediting auditors and other professionals who provide assurance services.

One of the key objectives of the ISSB standards is to ensure that capital flows are unlocked through better disclosures and information. With all this effort and comparable information, the ISSB disclosures are to facilitate, or rather enhance, trade.



In **TANZANIA**, IFRS Sustainability Reporting Standards were approved by the National Board of Accountants and Auditors (NBAA) Governing Board on 29th September 2023. Subsequently, the NBAA launched Sustainability Reporting on 18th October 2023. This meant the start of the journey to implement International Financial Reporting Standards (IFRS) Sustainability Reporting Standards issued by the International Sustainability Standards Board (ISSB). Tanzania aligns its standards with the objective of supporting the Government in the implementation of the 2030 Sustainable Development Goals (SDGs), ensuring that both private and public sector organizations report on their contributions toward achieving the SDGs. SDG 12, Responsible Consumption and Production, specifically highlights in target 12.6 the encouragement for companies—particularly large and transnational corporations — to adopt sustainable practices and incorporate sustainability information into their reporting processes.

The country's roadmap states that the NBAA, through the amendment of the Tanzania Financial Reporting Standard (TFRS) 1, is the country's reporting standard, applicable for PI and other SMEs. NBAA is responsible for all standards in accounting, policies, professional ethics, and professional education. Reporting requires entities to incorporate sustainability disclosures in the report that accompanies the financial statements, with effect from 1st January 2024, by those charged with governance. Paragraph 26 of TFRS 1 requires private and public sector entities to comply with all applicable sustainability standards and guidelines issued by the International Sustainability Standards Board (ISSB) and International Public Sector Accounting Standards Board (IPSASB), respectively.

Furthermore, the report by those charged with governance shall discuss the sustainability disclosures about environment, social, governance, and any other disclosures required by the ISSB and IPSASB. Moreover, TFRS 1 requires Regulatory Authorities to disclose actions taken by themselves, as Regulatory Authorities, in ensuring sustainable developments of the sectors or industries regulated. Hence, the national expectation that the private sector entities will incorporate the requirements of sustainability reporting standards in the financial statements for the year ending 31 December 2024, and public sector entities for the year ending 30 June 2025.

KEY LEARNINGS

Following the launch of the Sustainability Reporting was the formation of the National Sustainability Reporting Steering Committee (NSRSC), made up of thirty-one members that include the Planning Commission, Various Government Regulators, including the NBAA, Dar es Salaam Stock Exchange (DSE), CEO's Roundtable, Tanzania Private Sector Foundation (TPSF) and the National Carbon Monitoring Centre (NCMC). The Committee is responsible for monitoring the sustainability reporting in both the private and public sectors in Tanzania.

Amongst the Regulators, the Bank of Tanzania, as the Committee had already issued the Guideline on Climate-Related Financial Risks, 2022, to mandate climate-related disclosures in the financial statements of banks and financial institutions. Similarly, the DSE issued the Dar es Salaam Stock Exchange Rules 2022 that include the Guidelines for Sustainability Reporting.

Tanzania officially adopted IFRS S1 and IFRS S2 disclosures, along with all future ISSB Standards. This was formalized through NBAA's Technical Pronouncement No. 1 of 2024. The Bank of Tanzania has issued complementary guidelines for financial institutions. Scope and Applicability vary as below:

- **Mandatory for Public Interest Entities (PIEs)** and public sector entities from **1 January 2025**.
- **PIEs include:**
 - Listed entities or those preparing to list.
 - Financial institutions (e.g., banks, insurers).
 - Large commercial entities (capital ≥ TZS 50 billion) in strategic sectors.
- **Voluntary for non-PIEs.**
- **Foreign PIEs** must also comply.

The disclosure of Scope 3 greenhouse gas emissions will be implemented over a timeline extending beyond that specified in IFRS S2, with varying relief periods assigned to different emission categories. Category 15 disclosures will become mandatory in 2028, while the remaining categories will be phased in by 2029.

The set reporting parameters for companies are the following:

- Entities must disclose material sustainability-related risks and opportunities that could affect cash flows, access to finance, or cost of capital.
- Disclosures must be included in the general-purpose financial reports and published simultaneously with financial statements.
- Explicit and unreserved compliance statements with ISSB Standards are required.

The Companies Act stipulates that entities must comply with the reporting requirements set forth by both accountants and auditors under relevant legislation. Consequently, all companies operating in Tanzania are required to report in alignment with statements issued by governmental authorities, including those mandated by the National Bank of Tanzania. The sustainability disclosure included with the financial statements serves as an input for preparing the Voluntary National Review Report on the Implementation of SDGs. There have been no changes to IFRS S1 or S2, and digital reporting is not currently required. Further ESG disclosures may be provided using ISO 26000 or GRI Standards in accordance with DSE Rules 2022, provided they do not obscure the information required by ISSB.

Auditors are responsible for assessing the alignment of sustainability disclosures and financial statements as described in ISA 720. The TFRS also specifies that regulatory bodies within relevant industries are accountable for ensuring entities comply with sustainability standards.



UGANDA's listing rules incorporate corporate governance in the Capital Markets Authority, with IFRS widely used in the country. It clearly states that the use of IFRS and any other standard adoption will be based on the deadlines set out by IFRS. The Companies Act is a core regulation since it's embedded in the 2012 Companies Act.

Early adoption of the IFRS sustainability standards is foreseen in a phased approach, concluding in two to three years, followed by a voluntary approach and moving to a first approach that includes capacity building and training.

An in-country research report shows that about 35% of the companies in Uganda report their financials through IFRS standards. Uganda's corporate culture follows the adoption of stringent practices concerning sustainability and IFRS reporting, having been generally driven by the audit committee, resulting in IFRS reporting companies being early adopters. The Institute of Certified Public Accountants of Uganda issued a roadmap titled Roadmap for Adoption of Sustainability Disclosure Standards - Uganda for public consultation that closed on 31 July 2024. The final roadmap has not yet been issued. However, early adopters are considered to be made up of key companies that drive sustainability reporting in the country. Uganda closely follows the guidelines from the World Federation of Exchanges, where measures provided are disclosures that support companies' improvement in terms of reporting.

The Institute of Certified Public Accountants is the regulator mandated by law to oversee the accounting industry. The Central Bank has been driving the sustainability adoption conversation as the exchangers. In partnership with the Nairobi Stock Exchange, the institute carries out training programs every two months on ESG as of November 2023. In addition, a certified initiative that promotes best practices on sustainability within the banking sector to ensure that the sector is driven appropriately is in place. A committee has been established since 2021, when the ISSB standards were developed. The committee includes the pension funds, the central bank, the stock exchange, the Capital Markets Authority, and the leadership of the accounting body.

KEY MILESTONES

In early 2025, the Central Bank of Kenya (CBK) unveiled its finalized Green Finance Taxonomy and Climate Risk Disclosure Framework for the banking sector. This significant development was developed in collaboration with the European Investment Bank (EIB), with these tools representing a major stride towards aligning Kenya's financial sector with national climate objectives and fostering a sustainable, low-carbon economy. The taxonomy initially concentrates on climate change, with goals encompassing both mitigation and adaptation. Future updates will address additional environmental objectives, such as biodiversity protection. The Kenyan Green Finance Taxonomy (KGFT) encompasses numerous sectors, including agriculture, energy, manufacturing, construction, transport, and financial services. The implementation timeline for the new framework specifies a phased approach for the banking sector. Voluntary disclosures will begin in January 2025, followed by mandatory annual reporting starting in January 2027.

Banks will need to report on climate-related financial risks in four key areas: governance and strategy, risk management (including physical and transition risks), metrics and targets, and scenario analysis. This framework aligns with global standards, incorporating international best practices from the TCFD and IFRS S2 standards.

It is proposed that all provisions in ISSB Standards will apply. Entities may voluntarily report starting fiscal year 2026, with mandatory reporting phased in by entity type: from 2028 for listed entities, financial institutions, insurance entities, public interest cooperatives, and public utility entities; from 2029 for retirement benefit schemes, large companies, and other public interest entities; and from 2030 for small and medium enterprises. A set of stringent processes for SMEs and auditors will be established for the adoption of the disclosure standards.



The **ZAMBIAN** Institute of Chartered Accountants (ZICA) is the responsible regulator for the formal adoption of the IFRS Sustainability Standards (IFRS S1 and IFRS S2) and the Integrated Reporting Framework. This move aligns with global efforts to enhance the consistency, comparability, and reliability of sustainability-related disclosures. Key pronouncements from the authority are based on the country's definition of Publicly Accountable Entities (PAEs). PAEs are generally defined as entities with publicly traded securities or those preparing to issue such securities.

This excludes entities operating in private markets or small public markets with limited governance and disclosure obligations. Endorsement aligns Zambia's reporting practices with international norms, potentially improving access to global capital markets and enhancing investor confidence in Zambian entities. Resulting in clear adoption pathways for each group of entities, with no regional modifications, and includes:

- Mandatory adoption of both IFRS S1 and IFRS S2 by all PAEs.
- While non-PAEs may adopt the standards and the Integrated Reporting Framework voluntarily.
- The framework does not provide guidance regarding dual reporting.

These jurisdictional standards and framework were expected to be applied for annual reporting periods beginning on or after 1 January 2025, with the first reporting cycle commencing 1 January 2026 and will now be effective as of January 2027.

Sustainability-related financial disclosures are required to be published at the same time as the related financial statements, as required by IFRS S1 (subject to transition relief for the first annual reporting period, consistent with paragraph E4 of IFRS S1), with no further jurisdictional transition reliefs.

Capacity Building and Phased Implementation

The standards are designed to be scalable and adaptable, allowing for the voluntary adoption by non-PAEs and gradual uptake, giving organizations time to build internal capacity and systems for effective reporting.



ZIMBABWE - The Public Accountants and Auditors Board (PAAB) is mandated by the Act, which prescribes what to adopt in terms of the accounting and auditing standards. The country passed the law that declared the accounting framework of Zimbabwe as the IFRS. The notion that the ISSB issued its sustainability disclosures under the IFRS Foundation has enabled the country to incorporate the ISSB disclosures into law. The regulatory bodies involved are PAAB and are also working in tandem with the Institute of Chartered Accountants of Zimbabwe, ACCA, CPA, CIMA, and others. However, the roadmap constitutes a broad stakeholder group that includes the Central Bank, Securities Exchange Commission, Zimbabwe Stock Exchange, academia, Minister of Finance, Auditor General, the Investment Association in Zimbabwe, and key sectors such as the banking and mining industries.

Additionally, as the legislation exists, the Minister of Finance supported the early adoption route. The key has been to mobilise various stakeholders. An analysis of where the country is and its future direction was undertaken.

A few notable aspects are that:

- Political will and commitment are there,
- Preparers will and commitment are there,
- Regulators will and commitment exists, but
- Guidance and skills are required

Furthermore, Zimbabwe launched a preparers survey with the support of the ISSB to determine the gaps and what is required to move forward. This targets the listed entities to understand and measure the level of the companies in sustainability and ESG reporting. Questions included whether the companies have begun reporting using the ISSB standards or if the entities planned to adopt the disclosure standards. This included whether the entity had the relevant skills, resources, and framework that the company had applied.



The qualitative information informs us what should be included in the ISSB sustainability roadmap. However, the adoption roadmap has not materialized, despite being highly deliberated and proposed for financial periods beginning on or after January 1, 2026.

Sustainability reports are now required for financial years beginning on or after 1 January 2024. This requirement aligns with Statutory Instrument 134 of 2019, and the subsequent Zimbabwe Stock Exchange (ZSE) Practice Note 16 and Victoria Falls Stock Exchange (VFEX) Practice Note 2. While the submission of sustainability reports is mandatory for all listed entities, it is important to note that the assurance of these reports is not currently required.

Refer to the country's regulatory statement below:

<https://esgnetworkzimbabwe.co.zw/wp-content/uploads/2025/03/Joint-Statement-on-Sustainability-Reporting-PAAB-ZSE-and-VFEX.pdf>



AMF-UMOA consists of financial markets, including the registrar, listing sponsors, and rating agencies. It has issued several rules and regulations governing financial disclosures. However, in practice, the presentation formats are no longer in line with investor expectations and IFRS standards. The West African Monetary Union (WAMU) is the regional council for Public Savings and Financial Markets and comprises 8 countries, with one currency and financial language whose regulator is AMF-UMOA. There are 46 companies listed in WAMU.

AMF-UMOA is progressing towards the completion of updated financial disclosure regulations, which will integrate IFRS standards. As part of this initiative, a compliance assessment was undertaken for all 46 companies listed on the BRVM—the regional stock market that serves the eight Member States of the West African Economic and Monetary Union (WAEMU): **Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, and Togo**. Notably, the BRVM is the only stock exchange globally shared by multiple countries. The assessment, supported by external consultants, aims to establish a practical timeline for implementing IFRS and sustainability reporting standards across all listed entities.

Furthermore, a comprehensive support and capacity-building programme is being developed for chartered accountants, accounting staff in listed companies, and the AMF-UMOA team. AMF-UMOA also intends to enhance awareness regarding the significance of sustainability reporting. Following the ISSB's publication of sustainability reporting standards in June 2023, AMF-UMOA anticipates expanding its roadmap to address related topics. The existing regulatory framework governing financial disclosures will be evaluated in alignment with the ISSB framework. If the region's current regulations are not extended, new standalone rules for sustainability reporting may be introduced.

The **46 WAMU** companies comply with the regulatory texts of the Organisation for the Harmonization of Business Law (OHADA) – who member is a member of:

- According to the Uniform Act of OHADA the application of IFRS standard in general entered into force since January 2019.
- But considering some challenges raised by the companies in our market (non-preparation, lack of skills, and knowledge, human resources, and other cost-induced), the regulator obtained from the WAMU Council of Ministry the postponing of this application to January 2024, with the implementation of roadmap that is ongoing.

This roadmap for implementation includes:

- Assessment of Companies current capacity and how to improve them
- Capacity building of regulator staff that is monitoring this application
- Permanent Workshop for sensitization of investors and knowledge assessment
- Training program of all stakeholders of the financial report of issuers, to help master the subject to ensure effective and fair reporting

Regarding the adoption of IFRS S1 and S2:

- Revised the texts governing financial information which will include the IFRS disclosure requirements
- Ongoing revision of prospectus for financial operation that will include ESG factors requirements
- In 2020, published a specific guideline for Green bond raising in the market and also adopted a taxonomy in February 2023 that is inspired by the International Capital Market Association (ICMA)
- Setting Biennial Conference (WASFIF) to continuously promote Sustainable capital markets.

ISSB Benefits for the Market:

- Attract more investors, mainly the international ones.
- Support states to achieve the United Nations Sustainable Development goals.
- Improve market attractiveness.
- Improve transparency of the market to make investors more confident to progress liquidity of the market.

Promoting sustainable finance through information disclosures according to ISSB standards:

A single text covering financial disclosure on the regional financial market was proposed for approval in the second half of 2023, following a review of the regulatory framework for the publication of financial information by entities making public offerings. The new provisions cover the application of IFRS for annual financial statements, and the publishing of half-yearly financial statements under IFRS, under IAS 1 or IAS 34.

As there has been no change in the reporting status under IFRS, AMF-UMOA has undertaken to implement a roadmap, which involves supporting stakeholders through targeted training. Consultants will be engaged in the coming weeks to support the AMF-UMOA in implementing the roadmap, with the ambition of seeing full compliance with IFRS by all listed companies from the 2026 financial year. The “new” draft rules on financial disclosures of 2023 could be subject to changes due to:

- the forthcoming application of sustainability standards, which will become a requirement for BRVM-listed companies, and
- the overlap between the application of IFRS and the projected rules on financial disclosures

AMF-UMOA has taken many initiatives to encourage the financial industry to adopt best practice in CSR reporting. In March 2020, AMF-UMOA adopted an instructional guideline on the issuance of social and sustainable green bonds. These guidelines were drawn up in accordance with existing international principles and standards, in particular those of ICMA and the Climate Bond Initiative (CBI). The guidelines have been introduced for financing the environmental, social, and sustainable projects in the WAMU zone. It aims to progress the achievement of sustainable development objectives and diversify regional financial market instruments for investors.

In February 2024, AMF-UMOA issued the taxonomy of green and sustainable social projects. This taxonomy categorises a tool that determines which economic activities are eligible for green, social, and sustainable financing. It aims to serve as a guide to facilitate the benchmarking of different alternatives, ensure transparency and prevent greenwashing on the WAMU financial market. It could further be used to develop sustainable development strategies in many sectors. Issuers could use it to align their annual reports to communicate their green commitment to investors. The WAMU taxonomy has identified 20 categories of sustainable activities based on green, social, and blue criteria.



The objectives include:

- To build the capacity of capital market players to take ESG (environmental, social, and governance) criteria into investment decisions;
- Promoting transparency and corporate responsibility in financial activities in the WAEMU, in particular through the introduction of an ESG reporting framework for listed companies;
- Raising investor awareness of the benefits of sustainable investment, particularly in terms of long-term financial performance; and
- Developing sustainable financial products that meet the requirements of investors in the region, focusing on liquidity and transparency.

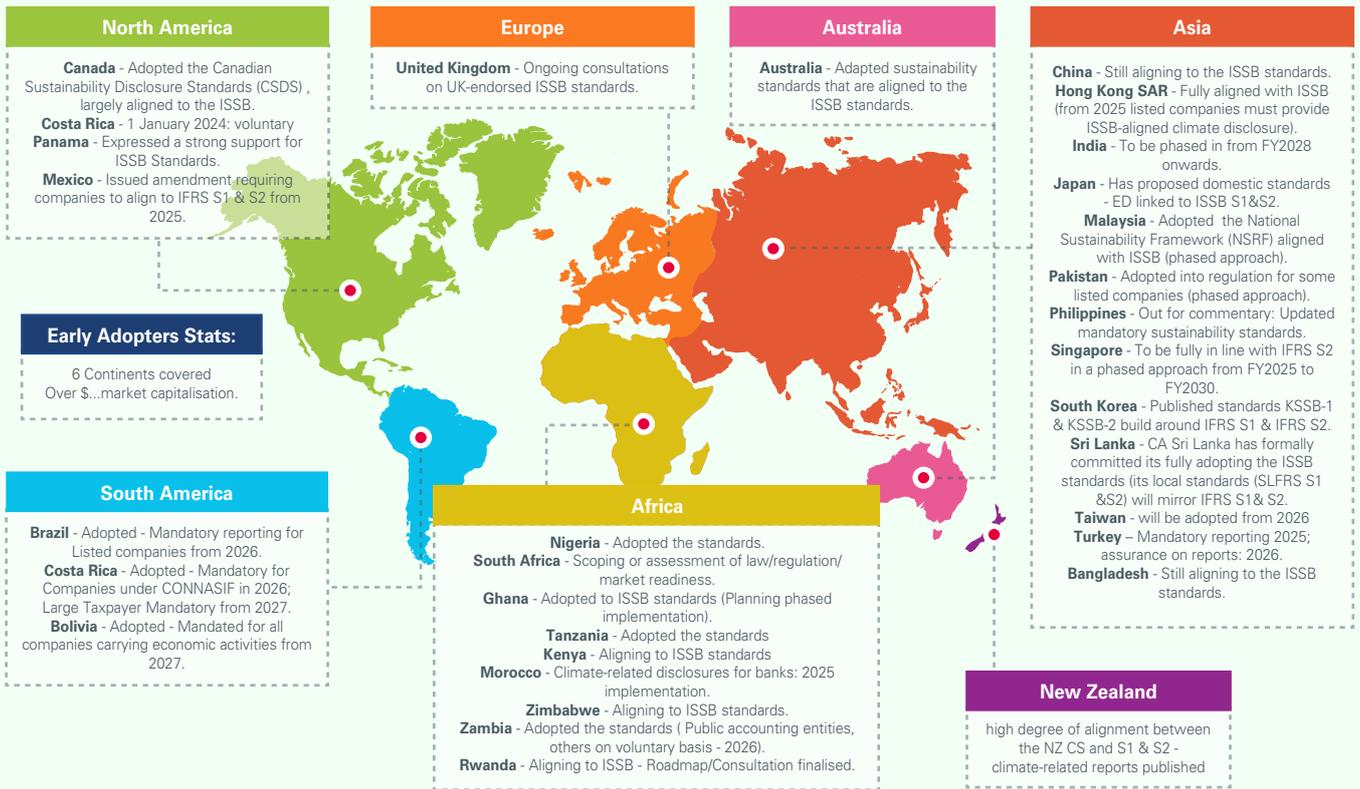
COUNTRY/MARKET	ADOPTION STATUS	KEY ACTIONS/NOTES
WAEMU (BRVM-listed countries: Benin, Burkina Faso, Côte d'Ivoire, Guinea-Bissau, Mali, Niger, Senegal, Togo)	In Progress	Compliance diagnostic underway for all listed companies; roadmap for IFRS and sustainability reporting; taxonomy and guidelines developed; regulatory framework under review for ISSB alignment.
South Africa	Advanced	Sustainability reporting widely practiced; JSE requires ESG disclosures; ongoing efforts to align with global standards.
Nigeria	Developing	NGX Sustainability Disclosure Guidelines; moving towards ISSB alignment; regulatory guidance evolving.
Kenya	Developing	NSE ESG Disclosure Guidance Manual; gradual integration of international standards.
Morocco	Progressing	Bourse de Casablanca promotes ESG reporting; regulatory framework being enhanced for ISSB alignment.
Egypt	Developing	EGX sustainability reporting guidelines; ongoing efforts to adopt global standards.
Other African Markets	Emerging	At various stages of introducing ESG and sustainability disclosures; monitoring ISSB developments.

8. GLOBAL SUSTAINABILITY ROADMAPS - ALIGNMENT WITH THE ISSB

The ISSB is engaging and collaborating with jurisdictions and companies to support their adoption of the standards. Several countries (see the Figure below) have already introduced or are preparing plans to align their sustainability reporting requirements with the ISSB standards. The International Organization of Securities Commissions (IOSCO) [endorsed](#) the ISSB standards in July 2023, which may prompt further regulatory action in IOSCO member jurisdictions.

Further, the Institutional Investors Group on Climate Change (IIGCC) has published an updated version of its Net Zero Investment Framework (NZIF), billed as NZIF 2.0, reframing it related to the body's stance on financed emissions. This version emphasizes on one of the NZIF's key positions is that financed emissions don't tell the whole story and while important shouldn't be used as a single metric to set and measure progress against targets and objectives.

Jurisdictions developing local sustainability disclosure standards based on the ISSB standards



Source: SAICA Standards, Sustainability



AUSTRALIA's [climate-related policy impact analysis](#) was first prepared in September 2023 concerning the proposed climate-related financial disclosures. The Government legislated Australia's commitment to reduce emissions by 43% by 2030 and achieve net zero emissions by 2050.

This resulted in the climate-first approach for the region, where IFRS S2 took precedence over IFRS S1. The proposal applied to both profit and non-profit entities for annual reporting periods beginning on or after 1 July 2024. The AASB later indicated plans to voluntarily align with IFRS S1 in addition to IFRS S2, following requests from local financial markets and investors to harmonise with ISSB global standards.

The climate-related financial disclosures Treasury Bill was introduced into Parliament in May 2024, with notable changes. The Bill is the culmination of a series of Exposure draft legislation, which is the outcome of previous discovery and design consultations, and proposes amendments to legislation covering reporting entities, framework, content, and assurance requirements. The Corporations Act 2001 now governs Australia's sustainability disclosure standards and is administered by the Australian Accounting Standards Board (AASB), Auditing and Assurance Standards Board (AUASB), Australian Securities and Investments Commission (ASIC), Department of the Treasury, and Financial Reporting Council (FRC).



AASB S1 (voluntary) covers broader sustainability disclosures, while AASB S2 (mandatory) focuses on climate-related disclosures.

- The commencement date for reporting was proposed to be financial years beginning on or after 1 January 2025 (or later).

Subject to Parliamentary processes, this means:

- 31 December 2025 year-end will report first, and
- First mandatory reporting date for 30 June year ends will now be 30 June 2026 not 30 June 2025.

This resulted in Australia prioritizing a phased approach, following a mandatory climate-related disclosure framework aligned with ISSB Standards, governed by national legislation and key regulatory bodies. The framework mandates climate disclosures under AASB S2, including governance, strategy, risk management, and emissions metrics (Scope 1, 2, and 3 emissions). Scenario analysis using two climate pathways is required. Disclosures must be included in the annual report and aligned with financial reporting timelines, with phased assurance requirements starting in 2025 for entities meeting specified size thresholds.

Phased Implementation Timeline and Assurance

GROUP 1 (FROM JAN 2025)	GROUP 2 (FROM JAN 2026)	GROUP 3 (FROM JUL 2027)
Revenue ≥ A\$500M, Assets ≥ A\$1B, Employees ≥ 500	Revenue ≥ A\$200M, Assets ≥ A\$500M, Employees ≥ 250	Revenue ≥ A\$50M, Assets ≥ A\$25M, Employees ≥ 100

Assurance Requirements

Assurance follows ASSA 5000, Australia's equivalent of ISSA 5000, with an inclusion of a phased approach with reasonable assurance of all climate disclosures made from 1 July 2030 onwards.

- Year 1: Limited assurance on governance, strategy, Scope 1 & 2
- Years 2–3: Limited assurance on all disclosures
- Year 4 onward: Reasonable assurance required

Sustainability leaders are urged to align internal systems early and prepare to comply with the sustainability reporting disclosure timeline extending to 2027 and beyond.

Notable details:

- **Reporting entities** – those with Corporations Act under Chapter 2M financial reporting obligations meeting prescribed thresholds will be required to prepare a sustainability report,
- **Phasing** – timing of first reporting based on size or level of emissions (see above),
- **Reporting content** – as required by ASRS Standards (see above),
- **Reporting framework** – within a sustainability report in the annual report and lodged in accordance with current annual reporting requirements, and
- **Liability and enforcement** – modified liability approach for both directors and auditors to disclosures of Scope 3 emissions, scenario analysis, transition plans, and climate-related forward-looking statements.



BRAZIL has adopted the CBPS Standards (CBPS 01 and CBPS 02), which are local adaptations of IFRS S1 and S2, thereby aligning its sustainability disclosure framework with the International Sustainability Standards Board (ISSB) while accommodating national requirements. The key regulatory bodies overseeing Pronunciamentos de Sustentabilidade (CBPS). Prudential regulation for banking is initiated by the BCB and formally approved by the CMN as CMN Resolutions, which serve as the highest form of primary regulatory authority in Brazil. Regulations adopted by the BCB are issued in the form of BCB Resolutions. This implementation includes the Comissão de Valores Mobiliários (CVM), the Conselho Monetário Nacional (CMN), the Banco Central do Brasil (BCB), and the Comitê Brasileiro de.

The standards mandate a phased implementation, beginning with voluntary adoption in 2024-2025 and transitioning to mandatory compliance by 2026-2028 for listed entities and financial institutions.

See the table below for timeline details:

Mandatory timelines depend on financial institution segments	
Fiscal years from 1 January 2026	Apply to publicly held companies or leaders of prudential conglomerates in segments 1 (S1) and 2 (S2)
Fiscal years from 1 January 2028	Apply to other financial institutions disclosing consolidated statements, whether required or voluntary, under international standards.

Furthermore, Brazil's prudential regulation uses segmentation based on risk profile, measured by the total exposure/GDP ratio:

- S1: $\geq 10\%$ of GDP
- S2: $< 10\%$ and $\geq 1\%$ of GDP
- S3: $< 1\%$ and $\geq 0.1\%$ of GDP
- S4: $< 0.1\%$ of GDP
- S5: $< 0.1\%$ of GDP with simplified capital requirements (non-bank institutions only)

The disclosures are focused on material sustainability risks that impact financial factors and are intended for investors and creditors. The Comissão de Valores Mobiliários (CVM) issued Resolution 193, embedding ISSB principles into national regulation. Reporting must be integrated into general financial reports, with assurance requirements escalating from limited to reasonable assurance, supported by established frameworks.

This includes other domestic laws such as the BCB Resolution 387, which mandates banks to integrate climate and nature risks into governance, strategy, and risk management, including scenario analysis from 2025. Bill 412/2022 is expected to establish a national emissions trading scheme, capping entities emitting over 25,000 tonnes of carbon emissions annually.

The jurisdictional framework permits dual reporting, voluntary adoption by non-public entities, and additional disclosures. In its efforts to localize the sustainability standards to its imperatives:

- Scope 3 emissions and deforestation risks are under scrutiny, especially in the agribusiness and mining sectors.
- Biodiversity disclosures are currently voluntary but expected to become mandatory by 2026, based on a draft sustainable taxonomy released in December 2024.



This approach reflects Brazil's commitment to global alignment, regulatory clarity, and investor confidence. The country has also formed sector-specific working groups to support implementation. This makes Brazil a regional leader and the first major economy to mandate ISSB-aligned disclosures, with audit-level assurance requirements.



The **CANADIAN** Sustainability Standards Board (CSSB) released comprehensive drafts of its sustainability-related disclosure standard (CSDS 1, General Requirements for Disclosure of Sustainability-related Financial Information (CSDS 1)) and climate change disclosure standard (CSDS 2, Climate-related Disclosure). The CSSB Standards are modeled substantively on the sustainability standards developed by ISSB to support investment decisions. The Canadian Securities Administrator (CSA) has signaled its support for the CSSB Standards and is in the process of revising its proposed National Instrument on climate-related disclosures for issuers. As such, aspects of the CSSB Standards are expected to become a legal requirement in Canadian public markets soon.

The Canadian Sustainability Disclosure Standards (CSDSs) were issued in December 2024 and became voluntarily effective for annual reporting periods beginning on or after January 1, 2025. Assuming a calendar year-end, if an entity applies the proposed standard (CSDS 1) for the first time in the reporting period beginning on January 1, 2025, it will be required to disclose information on all sustainability-related risks and opportunities from the reporting period beginning on January 1, 2027. Also, assuming a calendar year-end, if an entity applies the proposed CSDS2 standard for the first time in the reporting period beginning on January 1, 2025, it will be required to disclose its Scope 3 GHG emissions from the reporting period beginning on January 1, 2027.

As of June 2024, the consultations on the adoption of the ISSB standards in Canada came to a close. The standards are voluntary unless mandated by applicable legislation or by relevant regulators. However, the pension funds warned that failure or deviating from adopting the ISSB global baseline in the region could risk issuers "falling short" of meeting global and domestic investor expectations and also risk issuers having to comply with both the Canadian standards and the ESRS, which could become "onerous" over time. For the CSDSs to be considered mandatory disclosures under securities legislation within any Canadian jurisdiction, they must first be formally incorporated into the securities legislation of the respective jurisdiction.

Nevertheless, the CSA has paused its work on developing a new mandatory climate-related disclosure rule and amendments to the existing diversity-related disclosure requirements. This pause is intended to support Canadian markets and issuers as they adapt to recent developments in the U.S. and globally. Regarding diversity-related disclosure, non-venture issuers will continue to be required to provide disclosure about the representation of women on their boards and in executive officer positions based on existing requirements under National Instruments. The CSA will monitor domestic and international regulatory developments related to climate-related and diversity-related disclosures and plans to revisit both projects in the future to finalize requirements for issuers.



CHINA is systematically advancing a comprehensive national sustainability disclosure standards framework in alignment with the ISSB Standards (IFRS S1 and IFRS S2), while embedding unique features relevant to the Chinese context.

Key Milestones for the national sustainability roadmap include:

- November 2024: The Ministry of Finance (MoF), together with eight other ministries, will issue the Basic Standard (Trial).
- April 2025: The MoF and the Ministry of Ecology and Environment plan to release the Climate Disclosure Standard (Exposure Draft).
- By 2027: Finalisation of the Basic Standard, climate standard, and related application guidance.
- By 2030: Full implementation of the disclosure system architecture.

Regulatory Framework and Application

The initiative is led by the Ministry of Finance, supported by nine additional ministries, and a cross-agency working group is orchestrating development efforts. Individual stock exchanges have issued sustainability-related guidelines to further guide reporting entities. Stakeholder focus is primarily on investors and lenders.

The national framework is initially voluntary for participating entities. It is intended for listed companies and will progressively expand to include non-listed enterprises, large corporations, and SMEs. There will be a measured transition from qualitative to quantitative disclosures and from voluntary to mandatory reporting. While the transition to mandatory reporting is expected to begin in 2027 for listed companies, with phased inclusion of non-listed enterprises based on company size and sector risk profile. Key to the process is that the disclosures are required to address material sustainability-related risks and opportunities, without being diluted by broad impact narratives. Also, ensuring that the concept of materiality is consistent with IFRS S1, emphasizing decision-usefulness for users. The reporting requirements include the publication of sustainability disclosures, which is to coincide with the release of financial statements. However, assurance is currently encouraged but not mandated.

China's approach reflects a strategic convergence with international standards while maintaining local relevance. The phased rollout and emphasis on materiality and clarity suggest a strong intent to enhance investor confidence and transparency. However, the lack of mandatory assurance and unspecified industry disclosure formats indicates areas still under development. For example, including requirements for high-emission industries such as energy and manufacturing to disclose specific greenhouse gas metrics, while service industries might focus on social responsibility indicators.





HONG KONG ESG Disclosures is the Exposure Draft of HKFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information, issued on 16 September 2024. It outlines the proposed sustainability disclosure standards for entities operating in or reporting under Hong Kong Financial Reporting Standards (HKFRS), aligning with the IFRS Sustainability Disclosure Standards. The standard aims to ensure that entities disclose material sustainability-related risks and opportunities that could reasonably be expected to affect their cash flows, access to finance, or cost of capital over the short, medium, or long term, which is the IFRS S1's mandate. It applies to all entities preparing sustainability-related financial disclosures under HKFRS, regardless of whether their financial statements follow the HKFRS or another GAAP financial instrument.

Hong Kong's standards mirror the TCFD four-pillar structure of Governance, Strategy, Risk Management, and Metrics and Targets as adopted by the IFRS Sustainability disclosures. HKFRS is explicit that entities must state compliance with HKFRS Sustainability Disclosure Standards only if all requirements are met. Its S1 also emphasizes proportionality and practicality across the value chain scope and allows omission of opportunity-related disclosures if they are for commercial competitiveness. The ISSB has a similar exemption, however, it does not apply to risk-related company matters. Additionally, resilience disclosures are required, and the approach must be commensurate with the entity's capabilities.

Furthermore, disclosures must show linkages between sustainability-related risks and financial statements, as per the ISSB's disclosure statements on connectivity of information. Hong Kong is currently consulting on its second phase of green taxonomy.



JAPAN's Sustainability Standards Board of Japan (SSBJ) The SSBJ was established in July 2022 to develop sustainability disclosure standards for Japan and contribute to the development of international baseline standards. About two years later, the SSBJ issued three Exposure Drafts: the Universal Sustainability Disclosure Standard Exposure Draft, the Theme-based Sustainability Disclosure Standard Exposure Draft No. 1 "General Disclosures," and the Theme-based Sustainability Disclosure Standard Exposure Draft No. 2 "Climate-related Disclosures". These drafts do not specify the scope of companies required to apply the standards, but follow the direction of the Financial Services Agency, targeting companies listed on the Prime Market of the Tokyo Stock Exchange (TSE). The standards can also be applied voluntarily by other companies.

The SSBJ aims to align its standards with the IFRS Sustainability Disclosure Standards while incorporating jurisdiction-specific alternatives and requirements. The objective is to provide high-quality and internationally consistent sustainability disclosure standards.

Key areas of difference between the IFRS Sustainability Disclosure Standards and the SSBJ Exposure Drafts include units of presentation, resilience assessment, and internal carbon prices. For example, entities must disclose the unit of presentation for amounts reported in sustainability-related financial disclosures, assess their resilience at each reporting period, and disclose whether and how they apply a carbon price in decision-making.

The SSBJ Exposure Drafts also highlight several similarities with the IFRS Sustainability Disclosure Standards, such as the requirement for entities to disclose their location-based Scope 2 greenhouse gas emissions and the need for sustainability-related financial disclosures to cover the same reporting period as the related financial statements. These market-specific efforts aim to enhance the transparency and comprehensiveness of sustainability-related financial disclosures, aligning with international standards while addressing local needs.



MALAYSIA has taken significant strides in aligning its sustainability reporting framework with the International Sustainability Standards Board (ISSB) Standards, demonstrating a strong commitment to enhancing corporate transparency and accountability in environmental, social, and governance (ESG) matters. The Malaysian regulatory authorities have committed to formally adopting the IFRS S1 and IFRS S2 Disclosures Standards as the baseline for sustainability reporting. This adoption was released on 24 September 2024 by the Advisory Committee on Sustainability Reporting, chaired by the Securities Commission Malaysia, as part of the National Sustainability Reporting Framework (NSRF). Subsequently, on 23 December 2024, Bursa Malaysia amended its Main Market and ACE Market Listing Requirements to mandate sustainability statements in accordance with IFRS S1 and S2, initiating a phased implementation approach.

The National Sustainability Reporting Framework (NSRF) establishes the baseline sustainability disclosure standards for companies, as well as the assurance requirements for sustainability reporting. This framework is designed to ensure that corporate Malaysia provides consistent, comparable, and reliable sustainability information, thereby enhancing the country's competitiveness and attractiveness to investors. The NSRF allows for dual reporting, which means entities may voluntarily use complementary frameworks alongside the ISSB Standards, provided such disclosures are clearly identified and do not obscure mandatory ISSB information.

Scope and Focus of Disclosures

Entities are required to disclose material sustainability-related risks and opportunities that could affect cash flows, access to finance, or cost of capital over the short, medium, or long term. The disclosures are primarily targeted at investors, lenders, and creditors, and must be included in the entity's general-purpose financial reports.

In parallel, companies are expected to ensure the accuracy, clarity, and relevance of their sustainability-related financial information, fostering stakeholder confidence and facilitating informed decision-making within capital markets. By establishing clear criteria and robust mechanisms for identification, measurement, and communication of sustainability risks and opportunities, the framework supports a transparent environment that is responsive to the evolving expectations of both domestic and international stakeholders.

Regulatory Oversight

The implementation is overseen by a multi-agency Advisory Committee, including:

- Securities Commission Malaysia
- Bank Negara Malaysia



- Bursa Malaysia
- Companies Commission of Malaysia
- Financial Reporting Foundation

These bodies collectively ensure regulatory alignment, corporate governance, and the integrity of sustainability disclosures.

National Implementation

The implementation of the NSRF is designed to be through a phased and developmental approach, supporting widespread adoption and continuous improvement in the quality of disclosures, including extended transition reliefs to ease the adoption process. This strategic rollout aims to balance ambition with practical capacity, allowing reporting entities to progressively build their systems and expertise while responding to the growing emphasis on climate-related disclosures. By fostering collaboration between regulatory authorities and market participants, the framework encourages the adoption of best practices and the integration of global reporting standards, ultimately positioning Malaysia as a leader in sustainable finance within the region.

A key component of the national strategy towards the roadmap involved establishing a thorough understanding of the GRI framework among auditors, alongside promoting compatibility with IFRS Sustainability standards. Additionally, ongoing efforts are focused on streamlining the national framework for SMEs.

Implementaion of the NSFR

Applicable entities		Timeline ²					
		2025	2026	2027	2028	2029	2030
Group 1	Main Market listed issuers with market capitalisation of RM2 billion and above	IFRS S1 and S2		Full adoption IFRS S1 and S2 Scope 3 GHG emissions disclosures			
Group 2	Main Market listed issuers (other than listed issuers in Group 1)		IFRS S1 and S2		Full adoption IFRS S1 and S2 Scope 3 GHG emissions disclosures		
Group 3	<ul style="list-style-type: none"> • ACE Market listed issuers • Non-listed companies (NLCos) with annual revenue of RM2 billion and above³ 			IFRS S1 and S2			Full adoption IFRS S1 and S2 Scope 3 GHG emissions disclosures
Assurance <small>*Assurance framework will be subject to further consultation</small>		<ul style="list-style-type: none"> • Aim for reasonable assurance for Scope 1 and Scope 2 GHG emissions starting 2027 • Accounting and non-accounting practitioners 					
Location of disclosures and timing of reporting		Applicable entities shall adhere to their respective regulator’s requirements on location and timing of reporting.					

Reliefs and Exemptions to Facilitate Adoption

These reliefs are time-bound and will expire after two or three annual reporting periods, depending on the group. To further facilitate a seamless shift toward high-quality sustainability disclosures, authorities are prioritizing capability-building initiatives and providing clear technical guidance to support reporting entities throughout the phased implementation. By establishing robust support mechanisms, they aim to address potential bottlenecks and ensure that organizations of various sizes can effectively navigate new reporting requirements while upholding international best practices.

This collaborative and adaptive approach not only strengthens market confidence but also lays the groundwork for the upcoming assurance and compliance milestones that will define the next phase of sustainability reporting in both Malaysia and Singapore.

Additional transition reliefs commencing from the first annual reporting period of the respective applicable entities	Group 1 & 2	Group 3
<ul style="list-style-type: none"> Permissible to disclose information on only climate-related risks and opportunities (in accordance with IFRS S2) 	2 years	3 years
<ul style="list-style-type: none"> Permissible to focus climate-related disclosures specifically on principal business segments 		
<ul style="list-style-type: none"> Permissible to not disclose Scope 3 emissions, except for categories already required by respective regulators 		

Large NLCos whose holding company:

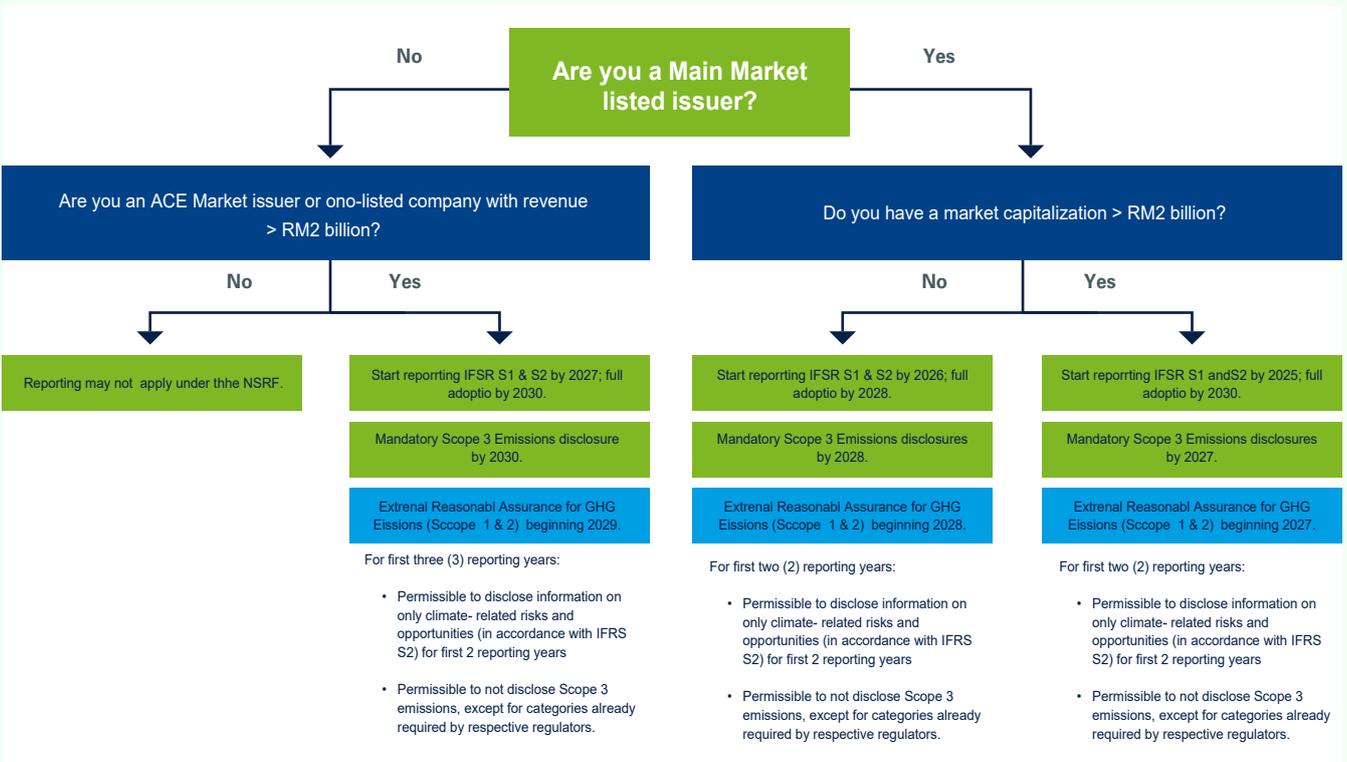
- already reports using ISSB-aligned standards or equivalent standards such as the European Sustainability Reporting Standards (ESRS)⁴ may leverage on the holding company's sustainability- and climate-related disclosures.
- reports using other international standards and frameworks may be given exemption from reporting for three reporting periods, subject to the policy decision of the Registrar.

Reliefs and Exemptions to Facilitate Adoption

Assurance and Compliance

Malaysia aims to mandate reasonable assurance as tabled above, where entities are required to make an explicit and unreserved statement of compliance with ISSB Standards. This coordinated progression in Malaysia reflects a broader regional commitment to elevating the integrity and consistency of climate and sustainability disclosures, with each jurisdiction tailoring its approach to fit local market dynamics and regulatory structures. Emphasis on capability-building, transitional reliefs, and assurance frameworks demonstrates a shared objective to facilitate readiness among reporting entities, while promoting transparency and accountability. As these initiatives converge, they set a precedent for enhanced cross-border comparability and investor trust, laying the foundation for robust and forward-looking sustainability practices across Southeast Asia.

Organisational Benefits



Source: Crowe insights



SINGAPORE was working on implementing a phased climate disclosure roadmap aligned with ISSB Standards to enhance transparency and investor confidence while considering local readiness.

The roadmap mandated climate-related reporting starting in FY2025 for listed issuers (focusing on Scope 1 and 2 emissions), with large non-listed companies required to comply from FY2027 excluding Scope 3, which may be introduced in FY2029. Transitional exemptions apply for entities using GRI, TCFD, or whose parent companies report under ISSB-aligned standards. Reporting deadlines, assurance requirements, and placement options are specified, with oversight by the Accounting and Corporate Regulatory Authority (ACRA), Singapore Exchange Regulation (SGX RegCo), with support from the Monetary Authority of Singapore (MAS), and the SGX Group. This approach balances global alignment with jurisdictional modifications to support effective climate risk disclosure.

Additionally, companies whose parent entities report using ISSB-aligned or equivalent standards (e.g., ESRS) are exempt. Transitional exemptions during this period (FY2027–FY2029) are scheduled to apply for those using GRI or TCFD, provided reports are public and inclusive of the subsidiary’s activities. These disclosures can be part of annual reports or issued separately with summaries included. Noting that the sustainability reports must be due within 4 months of the financial year-end or 5 months if externally assured.

The roadmap also provides for assurance incentives in its aim to foster transparency, comparability, and investor confidence without overburdening entities. Hence, limited assurance on Scope 1 and 2 emissions is expected:

- From FY2027 for listed issuers.
- From FY2029 for large non-listed companies.

In order to alleviate the burden on small and medium-sized enterprises, the regulator has postponed the implementation of ISSB reporting by up to five years, as it prepares to adopt a more focused and suitable approach.

9. COMPARATIVE SUMMARY ANALYSIS

Diverse Regulatory Approaches

This section analyses each country’s unique path toward sustainability reporting, shaped by its regulatory environment, economic priorities, and stakeholder expectations. By comparing these approaches, organizations and policymakers can:

- Identify existing best practices.
- Understand how local context influences global standards adoption.
- Benchmark progress and readiness against each.
- Including the level of assurance required for sustainability information.

This comparative analysis examines the regulatory frameworks of Brazil, South Africa, China, Australia, and Singapore, with particular emphasis on each jurisdiction’s timelines, scope, assurance requirements, and the extent of their alignment with ISSB Standards (IFRS S1 & S2). Each country is adopting a tailored strategy, balancing global comparability with local context. Brazil and Australia are moving swiftly toward mandatory ISSB-aligned disclosures, while South Africa maintains a principles-based approach rooted in King IV. China and Singapore are implementing phased rollouts with strong regulatory coordination, while there are detailed delays in Singapore’s journey.

Aspect	Brazil	South Africa	China	Australia	Singapore
Regulatory Body	CVM & Ministry of Finance	JSE & King IV Committee	Ministry of Finance + 9 ministries	AASB & Treasury	ACRA & SGX RegCo
Framework	IFRS S1 & S2	King IV + JSE SDG	CSDS (ISSB-aligned)	AASB S1 & S2 (ISSB-aligned)	ISSB-aligned CRD
Mandatory vs Voluntary	Voluntary (2024), Mandatory (2026)	Voluntary; "apply & explain" for JSE-listed	Voluntary to Mandatory by 2030	Mandatory for large entities from 2025	Mandatory for listed (2025) & large non-listed (2027)
Materiality Approach	Financial materiality	Double materiality (King IV)	Double materiality (CSDS)	Financial materiality	Financial materiality
Assurance Requirements	Reasonable assurance from 2026	Encouraged, not mandatory	Encouraged, not mandatory	Phased, full assurance by 2030	Limited assurance from 2027 (listed); 2029 (non-listed)
Scope 3 Emissions	Included	Not explicitly required	Planned, not yet detailed	Required	Required from 2026, (listed); 2029 (non-listed)
Industry-Specific Guidance	Sector working groups formed	Sector-neutral principles	Thematic standards planned	Scenario analysis required	Sector guidance evolving
Global Alignment	Strong ISSB alignment	Inspired by global standards	ISSB + CSRD compatibility	Direct ISSB alignment	ISSB-aligned, phased rollout



Brazil: Leading Latin America’s ISSB Adoption

Brazil has committed to full ISSB adoption, starting with voluntary reporting in 2024 and transitioning to mandatory disclosures by 2026. The Comissão de Valores Mobiliários (CVM) issued Resolution 193, embedding ISSB principles into national regulation. Brazil will require reasonable assurance on sustainability reports and has formed sector-specific working groups to support implementation.

South Africa: Principles-Based Governance with King IV

South Africa’s sustainability reporting is guided by the King IV Code, which promotes inclusive governance and double materiality. The JSE Sustainability Disclosure Guidance complements King IV by offering voluntary tools for listed companies. JSE-listed entities must report on an “apply and explain” basis, but assurance is not mandated.

The King V Code on Corporate Governance for South Africa⁵, released on October 31, 2025, by the Institute of Directors in South Africa (IoDSA), is the latest iteration of the renowned King Codes. It replaces King IV and emphasises ethical leadership, accountability, and sustainable value creation. A core theme throughout King V is integrating sustainability into governance, strategy and reporting, framed within the economic, social and environmental contexts organisations operate. This builds on previous versions but adopts a "double materiality" approach—considering both financial impacts on the organisation and the organisation’s impacts on society and the environment. It shifts from "comply or explain" to "apply and explain" for more flexible, narrative disclosures.

⁵ Due to its recent release the King V Code on Corporate Governance is not yet applicable in this reporting cycle.



China: Building a Unified National Framework

China is developing the Chinese Sustainability Disclosure Standards (CSDS), aligning with ISSB and CSRD. The framework includes a Basic Standard, Thematic Standards, and Application Guidance, with full implementation expected by 2030. China's approach incorporates double materiality and aims to support both domestic priorities and global comparability.

Australia: Legislative Backbone for Climate Disclosure

Australia has finalized legislation mandating ISSB-aligned climate disclosures for large entities starting January 2025. The Australian Accounting Standards Board (AASB) issued AASB S1 (voluntary) and AASB S2 (mandatory). Assurance will be phased in, with full coverage by 2030. Scenario analysis and investor-focused disclosures are central to the framework.

Singapore: Phased Rollout with Investor Focus

Singapore's roadmap mandates ISSB-aligned climate disclosures for listed companies from FY2025 and large non-listed companies from FY2027. Scope 3 emissions and limited assurance will be phased in. Exemptions apply for subsidiaries of parent companies using equivalent standards. The framework is designed to enhance transparency and comparability.

In summary, the global shift toward standardized sustainability reporting is accelerating. While each jurisdiction tailors its approach, the ISSB Standards serve as a common language for transparency, comparability, and investor confidence. For sustainability leaders like you, understanding these frameworks is key to navigating cross-border reporting obligations and shaping future-ready strategies.

10. PHASED APPROACH CONSIDERATIONS FOR SA

As sustainability becomes central to corporate accountability and investor decision-making, jurisdictions worldwide are aligning with the International Sustainability Standards Board (ISSB) framework. These developments across different jurisdictions reflect a global trend towards harmonizing sustainability and climate-related disclosures, while simultaneously adapting to local market contexts and maturity levels. As regulators and standard setters craft phased implementation frameworks, they are attentive to the unique challenges and readiness of their domestic markets, providing transitional arrangements and exemptions where appropriate to ensure a smooth path towards compliance.

Collectively, these actions not only promote greater transparency and accountability but also help prepare markets for deeper integration with international sustainability frameworks. Amid these regulatory developments, it is acknowledged that the effectiveness of mandatory disclosure requirements relies not only on the rules but also on the ability of all market participants, including preparers, assurers, and regulators, to comprehend, interpret and apply the standards appropriately.

Key aspects to consider in terms of the implementation framework:

- **Regulatory/legal considerations:** as these pertain to mandatory versus voluntary reporting. This could/should also consider assurance, in relation to quality and attract investments.
- **Alignment:** How does this relate to financial reporting requirements – JSE listed companies? SMMEs consideration?
- **Eligibility:** What are the criteria to become eligible for reporting? How has this been defined? How wide should the net be?
- **Timeframes:** When do we foresee reporting in this manner to commence? How does this relate to other jurisdictions/overlaps or differences? What are some of the regulatory challenges/opportunities that could inform the reporting timelines?
- **Phasing:** Transitional measures? What can these look like? What is a reasonable timeframe to expect to report, from voluntary to mandatory, OR mandatory from the onset?
- **Reporting practices:** Key aspects to consider from an implementation perspective could include inter-alia, Qualitative and quantitative data and reporting requirements; how to manage uncertainty; cross-references to standardised methodologies (such as GHG protocol or mandatory GHG reporting).
- **Costs of implementation:** Review the Australian Policy Impact Analysis, which considered costs associated with proposed climate-related financial disclosures. These include, inter alia, familiarisation costs, data collection, systems changes, and modelling.

11. CAPACITY BUILDING FOR EARLY ADOPTERS

Fully aligning with the requirements of ISSB's S1 and S2 is not meant to present a reporting burden for companies, including those that have not previously considered and assessed climate or sustainability-related matters. Mandatory reporting roadmaps are largely being designed through phased approaches in recognition of varying levels of maturity and transition reliefs. National regulators need to supplement this with sufficient capacity building, and guidance to ensure that the implementation of mandatory reporting achieves the aim of enhancing the understanding of comparability of climate and sustainability-related financial impacts and the management of these issues.

The IFRS Foundation's partnership with the Pan-African Federation of Accountants (PAFA) forms the cornerstone of capacity building for Africa. A comprehensive ISSB Capacity Building Strategy for the continent has been created and rolled out to enable PAFA's network of accountants to implement the ISSB standards.

[Capacity-building strategy to support the adoption of S1 and S2](#)



IFRS Foundation Capacity Building Programme

Jurisdictions new to sustainability-related disclosure requirements might wish to take steps to build expertise within the jurisdiction among preparers, assurers, regulators and investors. The date when requirements become effective in the jurisdiction and any transition reliefs established by a jurisdiction may be linked to the jurisdiction's commitment or plans to build expertise within the jurisdiction before fully mandating sustainability-related disclosure requirements.

The IFRS foundation programme's aim is to get stakeholders on the road towards adoption and implementation of ISSB Standards confident in their ability to complete the journey. Every programme activity that affects a stakeholder is a step towards the desired outcome of market readiness for adoption and implementation.

[Capacity Building Programme Activity Report November 2024](#)

As part of capacity building, the IFRS foundation and partners expertise to provide open-access resources that will help to ensure high-quality and consistent application of the IFRS Sustainability Standards.

The following will assist companies with the reporting journey:

- Educational material on the nature and social aspects of climate-related risks and opportunities when applying IFRS S2 (December 2023): [issb-naturesocialaspectsofclimate-relatedrisks-dec2023.pdf](#)
- Amendments to the SASB Standards to enhance their international applicability (December 2023). [IFRS - International Applicability of the SASB Standards](#)
- The IFRS Sustainability Disclosure Taxonomy (April 2024) [IFRS - IFRS Sustainability Disclosure Taxonomy 2024 Summary](#) (April 2024): [IFRS - IFRS Sustainability Disclosure Taxonomy](#)
Associated webcast explaining its main features and the benefits for investors, companies and regulators (May 2024): [IFRS - Webcast: Introducing the ISSB Taxonomy](#)
- Educational material on using the SASB Standards to meet the requirements in IFRS S1 (February 2024). [using-sasb-standards-for-ifs-s1.pdf](#)



- Voluntarily applying ISSB Standards—A guide for preparers, which aims to support companies as they start to apply ISSB Standards voluntarily and to help them communicate their progress to investors (September 2024). [issb-voluntary-application-preparers.pdf](#)
- IFRS have updated the Fundamentals of Sustainability Accounting (FSA) Credential level 1 syllabus to include IFRS S1 and IFRS S2. [IFRS - FSA Credential](#)
- The jurisdictional journey towards globally comparable information for capital markets (May 2024). [Inaugural Jurisdictional Guide for the adoption or other use of ISSB Standards](#)
- The Jurisdiction Roadmap Development Tool (April 2025). [jurisdictional-roadmapdevelopmenttool-2025.pdf](#)

SAICA has developed capacity building material to educate its members and aim to get stakeholders on the road towards adoption and implementation of ISSB, GRI and ESRS Standards and confident in their ability to complete the journey (Refer to Annexure C). This ongoing commitment to equipping stakeholders with the necessary tools and knowledge not only supports the effective adoption and implementation of these standards but also strengthens market readiness and fosters trust in sustainability information among investors, regulators, and the broader public.

12. THE ROLE OF ASSURANCE

The International Auditing and Assurance Board (IAASB)



**International Auditing
and Assurance
Standards Board**

External assurance plays a key role in enhancing trust and confidence in financial and non-financial reporting. Intending to enhance the trust and confidence investors, regulators and other stakeholders have in sustainability information, the International Auditing and Assurance Standards Board has developed a landmark, global sustainability assurance standard.

The International Auditing and Assurance Standards Board (IAASB) issued the proposed exposure draft on International Standard on Sustainability Assurance (ISSA) 5000 in August 2023, and the comment letters were due in December 2023. The General Requirements for Sustainability Assurance Engagements will serve as a comprehensive, standalone standard suitable for any sustainability assurance engagements. The IAASB sustainability standards are framework neutral, meaning will apply to sustainability information reported across any sustainability topic and prepared under multiple frameworks, including the recently released IFRS Sustainability Disclosure Standards S1 and S2.

The International Standard on Sustainability Assurance (ISSA) 5000, General Requirements for Sustainability Assurance Engagements, will serve as a comprehensive, standalone standard suitable for any sustainability assurance engagements. It will apply to sustainability information reported across any sustainability topic and prepared under multiple frameworks, including the recently released IFRS Sustainability Disclosure Standards S1 and S2. The standard is profession agnostic, supporting its use by both professional accountant and non-accountant assurance practitioners.

The IAASB approved International Standard on Sustainability Assurance 5000 on September 20, 2024. With this milestone, on 12 November 2024. The IAASB has now finalised the text of the standard for certification by the Public Interest Oversight Board.

Furthermore, the IAASB has developed the implementation support materials and guidance to support practitioners with the implementation and application of proposed ISSA 5000⁶

⁶ISSA- 5000 Final Standard : [IAASB-International-Standard-on-Sustainability-Assurance-ISSA-5000.pdf](#)

ISSA- 5000 Basis for Conclusion: [IAASB-ISSA-5000-Sustainability-Assurance-Basis-for-Conclusions.pdf](#)

ISSA -5000 Implementation Guide: [ISSA 5000 Implementation Guide | IAASB.pdf](#)

ISSA- 5000 Fact Sheet: [IAASB-ISSA-5000-Sustainability-Assurance-Fact-Sheet.pdf](#)

To strengthen the commitment to high-quality sustainability reporting and assurance, multiple jurisdictions are electing to implement a phased approach to both reporting and assurance requirements—reflecting the readiness of preparers to apply the new sustainability reporting standards, as well as implement information systems and reporting processes and not foregoing robust skills development. Depending on jurisdiction, specific requirements or market practices, users of sustainability disclosures should expect that assurance engagements may initially cover only some sustainability topics (e.g., climate change) and will seek to deliver a different level of assurance (i.e., limited assurance) than financial statements audits (i.e., reasonable assurance).

The International Ethics Standards Board for Accountants (IESBA)



The IESBA is an independent global standard-setting board. The IESBA's mission is to serve the public interest by setting high-quality, international ethics (including independence) standards as a cornerstone to ethical behavior in business and organizations, and to public trust in financial and non-financial information that is fundamental to the proper functioning and sustainability of organizations, financial markets and economies worldwide.

In December 2024, IESBA approved The International Ethics Standards for Sustainability Assurance (including International Independence Standards) and related revisions to the Code, address critical risks to the integrity, quality and effectiveness of sustainability reporting and assurance such as bias, conflicts of interest, pressure to act unethically, fraud including greenwashing, non-compliance with laws and regulations, and threats to the independence of the assurance practitioners.

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, and a [new standard on using the work of external experts](#).

These 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** that is fit-for-purpose. The standards specifically address challenges inherent to sustainability information, such as the use of immature data and systems, and the forward-looking nature of the information.
- **Mitigating unethical conduct**, including greenwashing risks, particularly by raising awareness of ethical threats and helping practitioners address challenges such as: non-compliance with laws and regulations (NOCLAR); pressure to act unethically; independence issues; and ethical risks relating to using the work of external experts.
- **Enhancing investor protection and building trust** in sustainability information by aligning best ethical practices among all practitioners.
- **Promoting judgments and decision-making** that help prevent reputational risks, foster an ethical mindset, and attract skilled and purpose-driven professionals

Learn more about the Global Ethics Sustainability Standards below, including the final pronouncement, related documents, and resources to support implementation:

IESSA

- IESSA Final Standard : [IESSA - Final Pronouncement.pdf](#)
- IESSA Basis for Conclusion: [IESSA - Basis for Conclusion_1.pdf](#)
- IESSA Fact Sheet -Ethics for Sustainability Reporting: [Ethics for Sustainability Reporting Fact Sheet.pdf](#)
- IESSA Fact Sheet -Ethics & Independence for Sustainability Reporting: [Ethics & Independence for Sustainability Assurance IESSA Fact Sheet.pdf](#)
- IESSA Technical Overview of the standard: [IESSA Technical Overview.pdf](#)



Using The Work of an Expert

- Using the Work of An External Expert- Final Pronouncement : [Using the Work of an External Expert - Final Pronouncement 1.pdf](#)
- Using the Work of An External Expert- Basis for Conclusion: [Using the Work of an External Expert - Basis for Conclusions.pdf](#)
- Using the Work of An External Expert- Technical Overview: [Using the Work of an External Expert Technical Overview.pdf](#)
- Using the Work of An External Expert- Fact Sheet: [Using the Work of an External Expert Fact Sheet.pdf](#)

In jurisdictions adopting the standards, both ISSA 5000 and IESSA become effective for periods starting on or after December 15, 2026, with early adoption permitted and encouraged. The IAASB and IESBA will provide ongoing support through webinars, implementation guidance, and continued implementation monitoring and feedback channels to ensure smooth and effective adoption.

The South African Independent Regulatory Board of Auditors (IRBA)



The **Independent Regulatory Board of Auditors (IRBA)**, the regulator of registered auditors and audit firms in South Africa, [issued](#) illustrative engagement letters, assurance reports and related guidance notes to be used by practitioners on sustainability engagements in South Africa.

IRBA also issued the [South African Assurance Engagements Practice Statement \(SAAEPS\) 1, Sustainability Assurance Engagements: *Rational Purpose, Appropriateness of Underlying Subject Matter and Suitability of Criteria*](#) into the marketplace. This practice statement provides practical assistance to practitioners on certain preconditions that need to be present when requested to accept a sustainability assurance engagement, according to the requirements of International Standard on Assurance Engagements 3000 (Revised), *Assurance Engagements Other than Audits or Reviews of Historical Financial Information*. Given the rapid pace of developments on sustainability, the IRBA is in the process of finalising its post implementation review on SAAEPS 1 to:

- Determine the extent of usage of SAAEPS 1.
- Determine whether SAAEPS 1 is consistently understood and implemented in a manner that achieves the IRBA's intended purpose;
- Identify how, if any, practical challenges and concerns are addressed; and
- Understand whether SAAEPS 1 is still fit for purpose, considering the assurance developments at the International Auditing and Assurance Standards Board, and globally.

The IRBA also issued the [Staff Audit Alert 8: Frequently Asked Questions on Sustainability Assurance Engagements](#) document in October 2022. This publication provides assurance practitioners with a summary of key references, where to source guidance and matters to consider with respect to sustainability assurance engagements as at the time of issuance. As a result of rapid developments on sustainability reporting, ethics and assurance, the IRBA is in the process of revising this Staff Alert.

The South African Institute of Chartered Accountants (SAICA) committees continue to work closely with IRBA to enhance the quality of sustainability assurance engagements.

13. CULTURE AND CHANGE MANAGEMENT

Embedding sustainability requires a shift in organizational culture-changing shared values, behaviours, and decision-making so that sustainability becomes part of everyday work. Leaders must model sustainable behaviours, communicate a clear vision, and act as champions for both cultural transformation and sustainability goals. Employee engagement at all levels is critical in this process. Integrating this transformation includes encouraging cross-functional collaboration and innovation, including using storytelling and regular communication to reinforce the vision. Successful change involves providing training, and creating opportunities for feedback and participation.

With sustainability goals strategically integrated into the organization's vision, strategy, and performance metrics, ensuring that everyone is working toward the same objectives. Continuous reinforcement is pivotal as change is not a one-time event. Organizations must therefore reinforce new behaviours through recognition, performance systems, and ongoing communication. Embedding a systemic approach can help ensure that sustainability is immersed into talent management, innovation, and governance, while equipping employees with both technical and human-centred skills for a sustainable future.

Culture transformation and change management are inseparable from sustainability. The most successful organizations treat sustainability as a collective, people-driven journey-anchored in culture, enabled by leadership, and reinforced through continuous engagement and learning. By aligning culture and change management with sustainability goals, organizations can build resilience and drive innovation, but policy direction is required for a lasting impact.

14. COMMUNICATION AND MARKETING STRATEGY

Reporting would be connected to the financial statements and released at the same time. Therefore, companies will need processes and controls in place so that they can provide sustainability information of the same quality, and at the same time, as their financial information. Having control of the company's sources of information, risk management, and clear information on policy improvements, including management commentary, is key in ensuring the integrity of information and brand reputation.

As the market shifts and digital integration enhances, organisations are increasingly compelled to integrate sustainability considerations into their core systems and governance structures. This calls for the implementation of rigorous internal controls, systematic data collection, and transparent reporting mechanisms that not only align with financial disclosures but also meet emerging expectations for sustainability performance. These efforts will be instrumental in ensuring that sustainability information is both reliable and actionable, laying the groundwork for enhanced accountability, effective stakeholder engagement, and the seamless incorporation of global best practices.

15. CONCLUSION

In this landscape of evolving frameworks and international alignment, the importance of an integrated and robust approach to sustainability reporting cannot be overstated. Organisations must navigate a labyrinth of overlapping requirements and expectations, ensuring coherence and comparability across disclosures. As sustainability standards converge and mature, they offer not only obligations but opportunities for companies to embed resilience, transparency, and long-term value creation into their core strategies. In the realm of corporate governance, sustainability reporting has evolved from a "nice-to-have" practice to a critical pillar of accountability and strategic decision-making. Sustainability reporting - disclosing non-financial impacts like carbon emissions, diversity metrics, and supply chain ethics - fits squarely into this by embedding long-term resilience into core governance structures. Within governance, sustainability reporting isn't siloed - it's overseen by audit committees, integrated into board charters, and linked to executive compensation.

Therefore, as SA prepares to refine its sustainability disclosure frameworks, a careful calibration between regulatory ambition and practical implementation becomes essential, ensuring that both market integrity and innovation are not compromised. This evolution involves not only clear definitions of eligibility and scope but also the establishment of comprehensive guidance to navigate sector-specific challenges, data integration, and evolving stakeholder expectations. As global momentum accelerates, these targeted efforts to streamline reporting requirements and harmonize assurance practices will underpin a resilient, transparent, and adaptable ecosystem, empowering organizations to better anticipate regulatory developments and contributing to the broader objective of sustainable economic transformation.

[*Conclusion continues on next page>](#)



A phased introduction can mean that organizations are afforded the necessary flexibility to adjust internal controls, data collection processes, and reporting infrastructure as the regulatory landscape evolves. Early adopters can leverage guidance, pilot new methodologies, and share industry insights, helping to raise the overall standard. The authorities recognize that a one-size-fits-all approach would be counterproductive given the diverse operational capacities across sectors. Therefore, mechanisms for feedback and technical engagement are embedded in the process, ensuring regulatory evolution remains responsive to industry realities.

By embracing these frameworks, businesses can bridge the gap between compliance and strategic leadership, leveraging transparent reporting not just as a regulatory necessity but as a strategic asset. This shift empowers organisations to anticipate emerging risks, unlock market advantages, and foster trust among increasingly discerning stakeholders. As the regulatory and societal momentum around sustainability continues to accelerate, the journey toward meaningful material disclosure becomes pivotal for future-proofing enterprise success. Therefore, if preparers can align the convergence of ESG KPIs from mainstream frameworks on even a small set, tracked using the same definitions, at the same time every year, across an underlying portfolio of sectors, a critical mass of performance-based, comparable, meaningful ESG data would be achievable.

Furthermore, by investing in robust assurance processes and fostering collaboration between regulatory bodies and professional organisations, South Africa is well-positioned to develop a responsive and future-oriented sustainability reporting framework. Equally, worth noting is strengthening the role of leadership as amended in the new King V Codes, where Directors' legal responsibilities to manage climate risks have been clarified. This lag in regulatory clarity can inadvertently create a fragmented landscape, where proactive organizations move ahead while others remain hesitant, resulting in inconsistencies across sectors. As South Africa looks to international roadmaps and frameworks for guidance, it is crucial to foster an environment that encourages early adoption and cross-industry collaboration, thereby building collective momentum towards mandatory sustainability reporting. Such an approach not only supports a more unified and forward-looking sustainability agenda but also ensures that the transition is inclusive and adaptable to the varying maturity levels of organizations across the economy.

Key lessons learned is that sustainable transformation is a continuous journey, with culture and national priorities fully ingrained in this adoption roadmap process. Hence ongoing dialogue, leadership commitment, and adaptability are essential for an impactful policy pathway.

ANNEXURE A:***Publicly Available Roadmaps and Final Frameworks.***

According to the IFRS Foundation, the following roadmaps and frameworks are for information purposes and should not be interpreted as best practice. South Africa can learn from the below countries roadmaps / frameworks to develop and shape its sustainability roadmap as part of its journey to mandating sustainability reporting.

AFRICA

COUNTRY	YEAR	LINK TO ROADMAP & FRAMEWORK
Nigeria	2024	Financial Reporting Council of Nigeria (FRC), 'Report for Adoption of IFRS Sustainability Disclosure Standards in Nigeria', FRC, 2024, https://frcnigeria.gov.ng/wp-content/uploads/2024/07/FINAL-COPY-OF-SUSTAINABILITY-ROADMAP1.pdf
Ghana	2024	Institute of Chartered Accountants, Ghana (ICAG), 'IFRS Sustainability Disclosure Adoption Roadmap for Ghana', ICAG, 2024 https://www.icagh.org/wp-content/uploads/2024/06/PRESS-RELEASE-IFRS-S1-S2.pdf
Kenya	2024	The Institute of Certified Public Accountants of Kenya (ICPAK), 'Sustainability Reporting Readiness Survey', 2024, ICPAK https://online.flippingbook.com/view/581226061/6/
Rwanda	2025	Institute of Certified Public Accountants of Rwanda (ICPAR) 'IFRS Sustainability Disclosure Standards Rwandan [Draft] Adoption Roadmap' ICPAR, 2025 https://icparwanda.com/wp-content/uploads/2025/02/ICPAR-Draft-Adoption-Roadmap-for-public-comments.pdf

OTHER JURISDICTIONS

COUNTRY	YEAR	LINK TO ROADMAP & FRAMEWORK
Bangladesh	2023	Bangladesh Bank, 'Guideline on Sustainability and Climate-related Financial Disclosure', Bangladesh Bank, 2023 https://www.bb.org.bd/mediaroom/circulars/gbcrd/dec262023sfd06e.pdf
Brazil	2023	CVM Brazil, 'CVM Resolution No. 193', CVM Brazil, 20 October 2023, https://www.gov.br/cvm/en/foreign-investors/regulation-files/ResolutionCVM193.pdf CVM Brazil, 'CVM Resolution No. 217, 218 & 219', CVM Brazil, 29 October 2024, https://www.gov.br/cvm/pt-br/assuntos/noticias/2024/cvm-edita-as-resolucoes-217-218-e-219
Chile	2024	Comisión para el Mercado Financiero, Proyecto Normativo Modifica Memoria Anual Integrada, CMF Chile, 29 October 2024 https://www.ifrs.org/content/dam/ifrs/publications/sustainability-jurisdictions/pdf-profiles/chile-ifrs-profile.pdf
Malaysia	2024	Securities Commission Malaysia (SC), 'National Sustainability Reporting Framework' (NSRF), SC, 2024 https://www.sc.com.my/nsrf
Mexico	2024	Comisión Nacional Bancaria y de Valores (CNBV), 'Resolution amending the general provisions applicable to securities issuers and other securities market participants', CNBV, 2024 https://www.cofemersimir.gob.mx/portales/resumen/57550



OTHER JURISDICTIONS (cont'd)

COUNTRY	YEAR	LINK TO ROADMAP & FRAMEWORK
Pakistan	2023	Institute of Chartered Accountants of Pakistan (ICAP) 'IFRS Sustainability Disclosure Standards—Study, Consultation and Recommendations for Implementation in Pakistan', ICAP, 2023 https://www.icap.net.pk/files/sustainabilityreporting/publications/ifrs-sustainability-disclosure-standards-study-consultation-and-recommendations-for-implementation-in-pakistan.pdf
Hong Kong	2024	Hong Kong Stock Exchange (HKEX) 'Conclusions on Climate Disclosure Requirements', HKEX, 2024 https://www.hkex.com.hk/-/media/HKEX-Market/News/Market-Consultations/2016-Present/April-2023-Climate-related-Disclosures/Conclusions-Apr-2024/cp202304cc.pdf Implementation Guidance for Climate Disclosures under HKEX ESG reporting framework, 2024 https://www.hkex.com.hk/-/media/HKEX-Market/Listing/Rules-and-Guidance/Environmental-Social-and-Governance/Exchanges-guidance-materials-on-ESG/guidance_enhanced_climate_dis.pdf Hong Kong Institute of Certified Public Accountants (HKICPA) 'Sustainability Reporting' 2024 https://www.hkicpa.org.hk/en/Standards-setting/Standards/Open-for-comment-documents/Sustainability-Reporting
Singapore	2025	Singapore Stock Exchange (SGX), Amendments to the Listing Rules: 'Response Paper on Sustainability Reporting: Enhancing Consistency and Comparability', SGX, 2024. https://api2.sgx.com/sites/default/files/2024-09/Response%20Paper%20-%20SR%20-%20Enhancing%20Consistency%20and%20Comparability%20%28final%29_0.pdf Implementation Guidance: 'SGX Sustainability Reporting Guide', SGX, 2024. https://www.sgx.com/sustainable-finance/sustainability-reporting
Sri Lanka	2024	The Institute of Chartered Accountants of Sri Lanka, 'Sustainability Disclosure Standards', CA Sri Lanka, 2024. https://www.casrilanka.com/casl/index.php?option=com_content&view=article&id=4069&Itemid=341&lang=en
Chinese Taipei	2023	FSC, 'Press release—The Financial Supervisory Commission (FSC) releases the roadmap for Taiwan listed companies to align with IFRS Sustainability Disclosure Standards', FSC, 2023. https://www.fsc.gov.tw/en/home.jsp?id=54&parentpath=0,2&mcustomize=multi_message_view.jsp&dataserno=202308180001&dtable=News%22%20t%20%22_blank
Türkiye	2023	Kamu Gözetimi, Muhasebe ve Denetim Standartları Kurumu (KGK), 'Kamu Gözetimi Kurumu Bakanı Sayın Dr.Hasan Özçelik' in COP28 Konferans Mesajı', KGK, 2023. https://www.turkiye.gov.tr/kamu-gozetimi-muhasebe-ve-denetim-standartlari-kurumu

ANNEXURE B:

South Africa Environmental, Social and Governance policies, Laws, and Regulations (Not exhaustive).

These laws and policies form part of the South African approach to sustainability, the focus on balancing environmental protection with the social and economic development, the South African Government continues to update and refine its regulatory frameworks in response to these emerging sustainability challenges.

Companies should consider the government's key regulatory frameworks, policies and legislation below, while designing their ESG or sustainability plans:

ENVIRONMENTAL

1. **National Environmental Management Act (NEMA) – 1998**

NEMA is a cornerstone of South Africa's environmental legislation. It establishes a framework for the management of the environment and includes principles of sustainable development, biodiversity conservation, pollution control, and the sustainable use of resources.

[National Environmental Management Act 107 of 1998 | South African Government](#)

2. **Carbon Tax Act – 2019**

The Carbon Tax Act aims to reduce greenhouse gas emissions by imposing a tax on carbon emissions from various sectors, including energy, transport, and industry. This is a financial mechanism to encourage businesses to reduce their carbon footprints.

[Carbon Tax Act 15 of 2019 \(English / Afrikaans\) | South African Government](#)

3. **Climate Change Act – 2024**

This Act is a piece of legislation aimed at addressing the country's climate change challenges and aligning with the global environmental goals. This legislation also aims to balance economic growth, poverty reduction, and sustainable development while meeting international climate commitments.

[Climate Change Act 22 of 2024 \(English / Tshivenda\) | South African Government](#)

4. **Biodiversity Act – 2004**

This Act provides a framework for the conservation of South Africa's biodiversity and the sustainable use of natural resources. It focuses on protecting ecosystems, species, and genetic diversity, and includes the regulation of biodiversity-related research and bioprospecting.

[National Environmental Management: Biodiversity Act 10 of 2004 | South African Government](#)

5. **National Water Act – 1998**

The National Water Act ensures sustainable management and protection of the country's water resources. It is aimed at improving access to clean water and ensuring equitable distribution, while also safeguarding aquatic ecosystems.

[National Water Act 36 of 1998 | South African Government](#)

6. **Air Quality Act – 2004**

This Act aims to improve air quality across South Africa by setting air quality standards, establishing monitoring programs, and reducing air pollution from industrial, vehicle, and other sources.

[National Environment Management: Air Quality Act 39 of 2004 | South African Government](#)

7. **Waste Act – 2008**

The Waste Act aims to promote sustainable waste management practices, focusing on reducing waste, promoting recycling, and managing hazardous waste effectively.

[National Environmental Management: Waste Act 59 of 2008 | South African Government](#)



8. Energy Efficiency Strategy – 2005

The Energy Efficiency Strategy encourages the efficient use of energy across sectors, including residential, industrial, and transportation, to reduce energy consumption and mitigate environmental impacts.

[Energy Efficiency Strategy of the Republic of South Africa](#)

9. Green Economy Strategy – 2014

South Africa's Green Economy Strategy promotes the transition to a low-carbon, resource-efficient, and socially inclusive economy. It focuses on sustainable energy, green jobs, and the development of green technologies.

[greeneconomyinventoryforSA_pamphlet.pdf](#)

SOCIAL

10. The Constitution of South Africa – 1996

The Constitution is the cornerstone of South Africa's democratic framework, promoting social justice, equality, and human rights. It provides for:

- The Bill of Rights: Ensuring rights such as access to education, healthcare, housing, and social services.
- Equality Clause: Protecting citizens from discrimination based on race, gender, disability, etc.
- Socio-economic rights: These include the right to adequate housing (Section 26), healthcare (Section 27), and social security (Section 27).

[Constitution of the Republic of South Africa \[No. 108 of 1996\]](#)

11. The Employment Equity Act – 1998

This Act promotes social sustainability through creating equitable employment practices. It aims to eliminate unfair discrimination in the workplace and to achieve a diverse workforce, focusing on improving the representation of historically disadvantaged groups in employment. Employers are required to develop employment equity plans to address racial and gender imbalances in the workplace.

[Employment Equity Act 55 of 1998 | South African Government](#)

12. The Labour Relations Act – 1995

The Labour Relations Act governs the relationship between employers, employees, and trade unions. It seeks to promote fair labour practices, protect workers' rights, and address historical disparities in the labour market. The Act covers areas like unfair dismissal, collective bargaining, and labour dispute resolution.

[Office of the president](#)

13. The Broad-Based Black Economic Empowerment (B-BBEE) Act – 2003

B-BBEE is a key policy designed to address the economic imbalances created by apartheid by promoting economic participation for historically disadvantaged communities. It includes measures such as:

- Promoting ownership by black South Africans in businesses.
- Encouraging employment and skills development for black individuals.
- Supporting black entrepreneurs and businesses.

[Broad-based Black Economic Empowerment Act 53 of 2003 | South African Government](#)

14. The Skills Development Act – 1998

This Act aims to improve the skills of the workforce, promote lifelong learning, and increase the employability of disadvantaged communities. It supports the establishment of the Sector Education and Training Authorities (SETAs) and other training initiatives.

[Skills Development Act 97 of 1998 | South African Government](#)

GOVERNANCE

15. **Companies Act 71 – 2008**

The Companies Act 71 of 2008 is a South African law that aims to provide for the incorporation, registration, organisation and management of companies, the capitalisation of profit companies, and the registration of offices of foreign companies carrying on business within the Republic.

[Companies Act 71 of 2008 | South African Government](#)

16. **Protection of Personal Information Act 4 – 2013**

The Protection of Personal Information Act No.4 of 2013, commonly known as “POPIA”, came into full force and effect on 1 July 2021. POPIA seeks to protect natural and juristic persons from harm by protecting their personal information. POPIA sets out eight conditions for the lawful processing of personal information. The act places several obligations on employers in terms of managing employee’s personal information and gives certain rights to privacy to employees.

[Protection of Personal Information Act 4 of 2013 | South African Government](#)

17. **Prevention and Combating of Corrupt Activities Act 12 – 2004**

This is a significant piece of legislation in South Africa aimed at addressing corruption and related activities. The Act strengthens measures to prevent and combat corruption and corrupt activities. It defines the offence of corruption and related offences, provides investigative measures, and establishes a Register of Tender Defaulters.

[Prevention and Combating of Corrupt Activities Act 12 of 2004 | South African Government](#)

18. **Public Audit Act 25 – 2004**

This is a crucial piece of legislation in South Africa that establishes and assigns functions to the Auditor-General. The Act gives effect to the provisions of the Constitution regarding the Auditor-General, ensuring the auditing of public sector institutions.

[Public Audit Act 25 of 2004 | South African Government](#)

19. **King IV Report on Corporate Governance**

The King V Code on Corporate Governance for South Africa⁷, released on October 31, 2025, by the Institute of Directors in South Africa (IoDSA), is the latest iteration of the renowned King Codes. It replaces King IV and emphasises ethical leadership, accountability, and sustainable value creation.

[KingV_code-1.pdf](#)

⁷ Due to its recent release the King V Code on Corporate Governance is not yet applicable in this reporting cycle.



ANNEXURE C:

SAICA Guides and Events:

GUIDES:

2024 SAICA Sustainability Reporting FAQs

Provides the latest developments and clarity on the three prominent standards, namely, the European Sustainability Reporting Standards (ESRS), the GRI, and the International Sustainability Standards Board's (ISSB) IFRS S1 and S2, and how the Standards interconnect. The FAQ is complemented by an annual webinar on "Decoding sustainability for accountants".

saicawebprstorage.blob.core.windows.net/uploads/Sustainability-FAQs_2024-02-15-094454_qcwy.pdf

2024 SAICA Sustainability Reporting Materiality Guidance

Provides an overview of the different sustainability reporting materiality processes as outlined by the three key global players in sustainability reporting, which are the ESRS, GRI, and the ISSB. In this guide, the concept of materiality relates to sustainability reporting materiality from the report preparer's perspective, excluding the assurance perspective as defined in ISSA 5000 of the International Auditing and Assurance Standards Board (IAASB).

[SAICA-Sustainability-Reporting-Materiality-FAQ-Guide-2024.pdf](https://saicawebprstorage.blob.core.windows.net/uploads/SAICA-Sustainability-Reporting-Materiality-FAQ-Guide-2024.pdf)

2024 IFRS Sustainability Disclosure Standards and Application

Report content is adapted from the training programme on IFRS S1 and S2 standards, hosted by SAICA and the Johannesburg Stock Exchange and presented by the United Nations Sustainable Stock Exchanges Initiative, along with partners at the IFC and the IFRS Foundation, in late 2024.

[SAICA_IFRS-Sustainability-Disclosure-Standards.pdf](https://saicawebprstorage.blob.core.windows.net/uploads/SAICA_IFRS-Sustainability-Disclosure-Standards.pdf)

EVENTS:

2022 Unpacking the ISSB Sustainability and Climate -related Disclosure Proposal

[ISSB Sustainability & Climate 22](https://saicawebprstorage.blob.core.windows.net/uploads/ISSB_Sustainability_&_Climate_22.pdf)

2023 SAICA Navigating the Sustainability Reporting

[Sustainability Reporting 23](https://saicawebprstorage.blob.core.windows.net/uploads/Sustainability_Reporting_23.pdf)

2023 SAICA ISSB Standards Launch

[ISSB Standards 23](https://saicawebprstorage.blob.core.windows.net/uploads/ISSB_Standards_23.pdf)

2023 SAICA Climate Change Conference

[Course: 2023 Climate Change Conference](https://saicawebprstorage.blob.core.windows.net/uploads/Course_2023_Climate_Change_Conference.pdf)

2024 SAICA Decoding Sustainability for Accountants

[Course: 2024 SAICA Decoding Sustainability for Accountants](https://saicawebprstorage.blob.core.windows.net/uploads/Course_2024_SAICA_Decoding_Sustainability_for_Accountants.pdf)

2024 SAICA Unearthing Value Creation in Integrated Reporting

[Course: 2024 SAICA Unearthing Value Creation in Integrated Reporting](https://saicawebprstorage.blob.core.windows.net/uploads/Course_2024_SAICA_Unearthing_Value_Creation_in_Integrated_Reporting.pdf)

2024 SAICA Climate Change Conference

[Course: 2024 Climate Change Conference](#)

2024 Integrating Nature into Business Imperative

[Course: Integrating Nature into Business Imperatives Webinar | 2025](#)

2025 SAICA Decoding Sustainability for Accountants

[Course: 2025 SAICA Decoding Sustainability for Accountants](#)



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