



# Sustainability Snapshot

## DISCLOSURE NEEDS GOVERNANCE

### The role of King V in a post-ISSB reporting landscape in South Africa

South Africa stands at a new inflection point in its corporate reporting journey. On 31 October 2025, the Institute of Directors in South Africa (IoDSA) released the King V Code on Corporate Governance for South Africa, 2025, effective for financial years commencing on or after 1 January 2026. At the same time, the Companies and Intellectual Property Commission (CIPC), National Treasury, the Financial Sector Conduct Authority (FSCA), the Prudential Authority and the Johannesburg Stock Exchange (JSE) continue to advance the adoption pathway for the IFRS S1 and S2 Sustainability Disclosure Standards issued by the International Sustainability Standards Board (ISSB).

This supplement examines the relationship between King V and IFRS S1 and S2 and argues that the two instruments are complementary layers of a single accountability framework. The ISSB Standards prescribe what to disclose to capital providers; King V prescribes how a governing body should lead, govern and account so that sustainability disclosures, whether under IFRS, the Global Reporting Initiative (GRI) or any other regime, are credible, connected to strategy and produced within an ethical culture.



**The ISSB specifies the 'what',  
King V specifies the 'how'.**

This paper traces the evolution of South Africa's reporting landscape from King I in 1994 to the King V and ISSB convergence in 2026. It maps overlaps and complementarities across materiality, governance, strategy, risk, reporting and assurance, and sets out practical actions for preparers, assurers and regulators as sustainability reporting transitions from voluntary leading practice to an anticipated regulatory requirement.



#### About this issue

This Snapshot is a companion to the [SAICA Sustainability Information Paper](#). It explores how the King V Code on Corporate Governance for South Africa (2025) complements, overlaps and operationalises the IFRS S1 and S2 Sustainability Disclosure Standards as South Africa prepares for mandatory sustainability reporting.

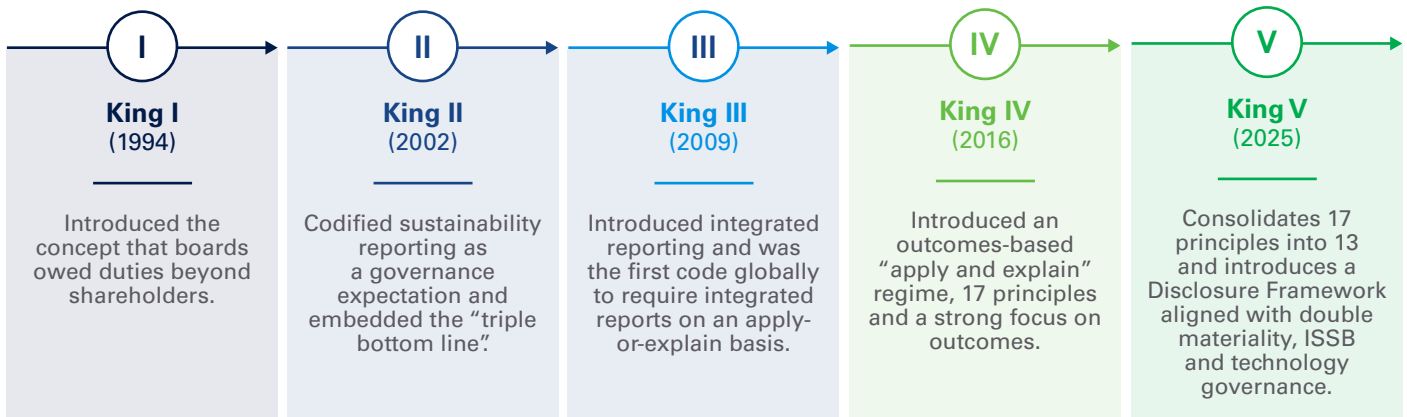


#### In this issue

## Background: The King Codes and South Africa's reporting DNA

South Africa's reputation for leadership in corporate governance and integrated reporting is a product of more than three decades of iterative work by the King Committee, the IoDSA, the JSE, SAICA, the Integrated Reporting Committee of South Africa (IRCSA) and a broad coalition of regulators and practitioners.

Each iteration of the King Code has pushed the boundaries of what boards are expected to consider, disclose and account for, gradually moving corporate reporting from a narrowly financial exercise to a holistic account of how an organisation creates, preserves or erodes value over time.



### Why the King Codes matter for sustainability reporting

The King Codes have functioned as the de facto "operating system" of South African corporate reporting.

While voluntary, King disclosures have been mandatory for JSE-listed companies since 2017 under the JSE Listings Requirements, and South African courts routinely treat King principles as evidence of the generally accepted standard of care owed by directors.

This legacy means that, unlike in many jurisdictions that are encountering sustainability governance for the first time through the ISSB transition, South African boards already operate under a code that treats non-financial performance as a first-order governance concern. King V's arrival therefore re-anchors sustainability reporting imperative for the ISSB era.

Importantly for sustainability reporting, the King Codes have long required boards to:



#### Approve external reporting

Approve the suite of external reports (integrated, sustainability, social and ethics committee, remuneration) rather than leaving the choice to management.



#### Apply an inclusive approach

Apply a stakeholder-inclusive approach rooted in the Ubuntu-Botho philosophy and the constitutional duty to conduct policy in the public interest.



#### Use integrated thinking

Use integrated thinking to connect financial, operational, human, social, intellectual and natural capitals in strategy, risk and reporting.



#### Anchor responsible corporate citizenship

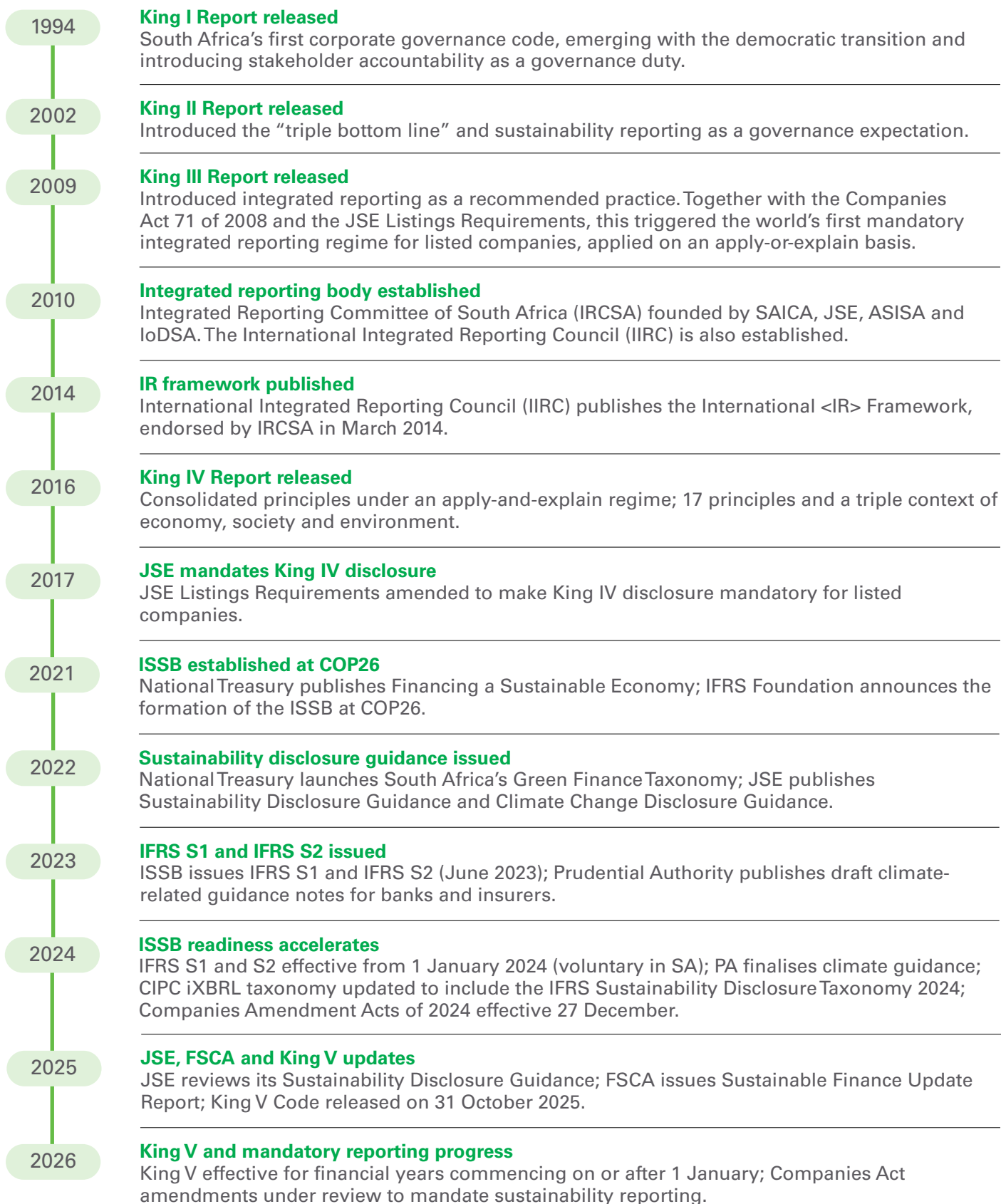
Anchor responsible corporate citizenship in the four **governance outcomes** of (1) ethical culture, (2) performance and value creation, (3) conformance and prudent control and (4) legitimacy.

### King V and ISSB: complementary instruments

The Companies Act is the legal foundation of board accountability in South Africa, requiring directors to act in good faith and in the best interests of the company. The King Codes have, for 30 years, given boards the operating standard for discharging these duties, including responsibility for the integrity of non-financial disclosure. IFRS S1 and S2 specify what investor-focused sustainability information must be disclosed; King V specifies the governance behaviour, board composition, assurance framework and culture needed for that disclosure to be trustworthy. Neither instrument is complete without the other.

## South Africa's sustainability reporting evolution

The timeline below plots the major milestones that have shaped the South African sustainability reporting landscape from 1994 to 2026, situating the King Codes alongside global and domestic developments in integrated and sustainability reporting.



# What King V changes for sustainability reporting

King V is a deliberate, targeted update designed to keep South Africa's governance framework aligned with the ISSB and the European Sustainability Reporting Standards (ESRS). The IoDSA has explicitly stated that King V was revised in response to, among other drivers, "global shifts in sustainability reporting, particularly the introduction of the ISSB standards and the European Sustainability Reporting Standards (ESRS)".

## Five changes are particularly relevant for preparers navigating the post-ISSB landscape.

### 1 Explicit embrace of double materiality

Principle 4 of King V requires the governing body to ensure that sustainability information covers both:

- i. matters that generate risks and opportunities which significantly affect, or reasonably could be expected to affect, the organisation's financial position, financial performance, cash flows, access to finance or cost of capital (**financial materiality**, which aligns with IFRS S1); and
- ii. matters pertaining to the organisation's significant actual or reasonably expected positive or negative impacts on stakeholders and on the economic, social and environmental context (**impact materiality**, which aligns with the GRI and ESRS).

This explicit double-materiality framing gives South African boards a standing mandate to produce information for both investor audiences (under IFRS S1 and S2) and broader stakeholder audiences (under GRI or the ESRS, where relevant) within a single integrated reporting framework.

### 2 A mandatory, standardised disclosure framework

The **King V Disclosure Framework is the single most significant structural change** from King IV. Any organisation wishing to claim application of King V must publish a governance disclosure in accordance with the framework, approved by the governing body, and provide a concluding statement on whether the application of the principles and implementation of recommended practices has realised the four governance outcomes. This requirement imposes a level of comparability and substantive accountability that, in combination with ISSB disclosures, gives stakeholders a consolidated view of both the governance system and the sustainability output it produces.

### 3 Integrated reporting as the connecting tissue

King V reaffirms that the governing body should ensure the organisation issues an **integrated report at least annually**. The integrated report remains the vehicle for connecting **IFRS-aligned financial and sustainability disclosures with wider impact and stakeholder information**. The IFRS Foundation's 2024 Getting Started Guide for integrated reporting, issued after it assumed responsibility for the International <IR> Framework from the Value Reporting Foundation, reinforces this linkage by mapping the framework to the requirements of IFRS S1 and S2.

### 4 Strengthened risk, data and technology governance

Principle 10 of King V substantially updates the governance of data, information and technology, including artificial intelligence. For sustainability preparers, this matters because IFRS S2 requires **Scope 1, 2 and (eventually) 3 greenhouse-gas emissions data, scenario analysis and transition planning information**. These disclosures can only be credible when underpinned by robust data controls, information security and model governance, all of which are now explicit King V responsibilities.

### 5 Refined independence, committee and assurance expectations

King V clarifies the factors used to assess **board member independence**, introduces a nine-year tenure as one (not the only) indicator of reduced independence, and expects a combined-assurance approach that covers financial, operational, reporting, compliance and sustainability controls. Combined assurance is explicitly linked in Principle 12 to the integrity of external reports issued by the organisation, including sustainability reports. This positions South African boards well to receive assurance opinions under the International Standard on Sustainability Assurance (ISSA) 5000 and the International Ethics Standards for Sustainability Assurance (IESSA) as these become effective for periods beginning on or after 15 December 2026.

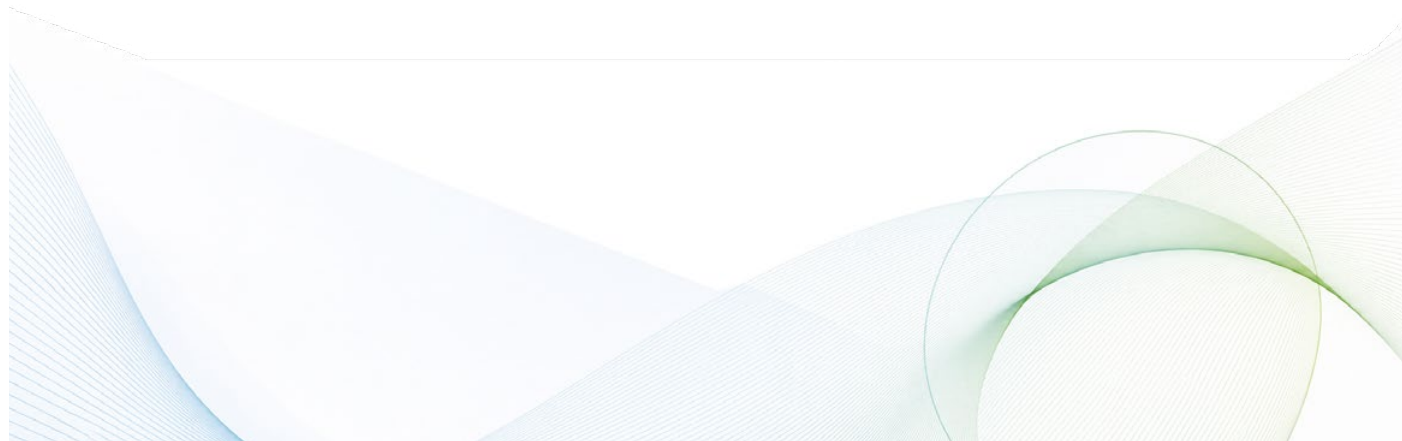
## Where King V and IFRS S1 and S2 overlap, and where they complement each other

IFRS S1 and S2 and King V are structurally compatible because they share the same four-pillar architecture popularised by the Task Force on Climate-related Financial Disclosures (TCFD): governance, strategy, risk management and metrics and targets. Where the ISSB Standards stop at specifying what information must be disclosed to primary users of general-purpose financial reports, King V continues by specifying how the governing body must organise itself, behave and account for the entire governance system that produces those disclosures.

### Mapping the overlaps: a four-pillar comparison

Alignment between the four TCFD/ISSB pillars and the King V principles. The TCFD has been subsumed into the ISSB and both IFRS S2 and King V build on its structure.

TCFD pillar	IFRS S1 / S2 requirement	King V principle / practice	How they align
<b>Governance</b>	Disclose the body/ individuals responsible for oversight of sustainability risks and opportunities, their competencies, and how they are informed.	Principles 1, 5, 6, 7: leadership, composition, committees and delegation to management.	King V supplies the governance structures and behavioural standards that IFRS S1 presumes but does not prescribe.
<b>Strategy</b>	Describe sustainability-related risks and opportunities affecting strategy, business model and financial planning, including resilience and transition plans.	Principle 3: purpose, strategy and business model aligned to sustainable value creation within economic, social and environmental context.	King V requires the board to approve a strategy informed by integrated thinking; IFRS S1/S2 specify the disclosures that must follow.
<b>Risk management</b>	Describe processes to identify, assess, prioritise and monitor sustainability-related risks, and their integration into enterprise risk management.	Principles 8, 9: organisation-wide risk management system and compliance covering laws, codes and standards.	King V's enterprise risk system provides the process backbone for IFRS S2 climate and other sustainability risk disclosures.
<b>Metrics and targets</b>	Disclose metrics and targets used to assess and manage risks and opportunities, including Scope 1, 2 and 3 GHG emissions and industry-specific metrics.	Principles 4, 11, 12: reporting, remuneration linked to sustainability performance, and assurance over external reports.	King V connects metrics to board-approved targets, executive pay and assurance so that IFRS-disclosed metrics carry the credibility investors expect.



## Where King V goes further than IFRS S1 and S2

IFRS S1 and S2 are investor focused. They concentrate on sustainability-related financial information that affects enterprise value. King V intentionally covers a wider terrain. The table below highlights the dimensions in which King V adds governance substance that the ISSB Standards either presuppose or leave to local regulators.

Dimension	IFRS S1 / S2 treatment	King V's wider scope
<b>Materiality lens</b>	Financial materiality only: information relevant to primary users of general-purpose financial reports.	Double materiality: both financial materiality and the organisation's impacts on stakeholders, society and the environment.
<b>Audience</b>	Investors, lenders and other creditors.	All stakeholders, including employees, communities, regulators, suppliers, customers and future generations.
<b>Ethics and culture</b>	Not directly addressed; assumed through reporting-quality and integrity requirements.	Principle 2 on organisational ethics, responsible corporate citizenship, fraud, corruption and whistleblowing.
<b>Remuneration</b>	Requires disclosure of whether and how sustainability performance is linked to remuneration.	Principle 11: fair, responsible and transparent remuneration linked to sustainability measures, with malus/ clawback and advisory shareholder votes.
<b>Stakeholder engagement</b>	Limited to users of financial reports.	Principle 13: stakeholder-inclusive approach grounded in Ubuntu-Botho, plus shareholder and group governance practices.
<b>Assurance</b>	Not mandated by the Standards themselves; left to jurisdictions and ISSA 5000.	Principle 12: combined-assurance model covering all significant financial, operational, reporting, compliance and sustainability controls.
<b>Integrated reporting</b>	Encouraged via connectivity requirements in IFRS S1; not required.	Required at least annually as the organisation's primary integrated communication.

## Why King V remains necessary after ISSB adoption becomes mandatory

A question inevitably arises as South Africa moves towards mandatory ISSB adoption via anticipated amendments to the Companies Act and continued CIPC, FSCA and JSE work: if IFRS S1 and S2 become compulsory, does King V continue to matter? The answer is yes. Three sets of reasons underpin this view.

### 1 Standards describe outputs, governance produces them

IFRS S1 and S2 are reporting standards. They specify the form and content of disclosures. They do not, and cannot, specify the board charter, committee composition, independence criteria, performance evaluation mechanism, risk appetite, delegation of authority, code of ethics, stakeholder engagement model, whistleblowing arrangements, internal audit charter or combined-assurance architecture that together determine whether the disclosures are accurate, complete and free from bias. King V provides this operating system.

## 2 Double materiality is not optional in South Africa's context

South Africa's constitutional framework, the Companies Act duty on directors to act in the best interests of the company, the mandate of the social and ethics committee and B-BBEE and employment equity obligations all require boards to consider impacts beyond financial materiality. An IFRS-only reporting posture would leave South African preparers "under-reporting" against the expectations of a wide range of parties: lenders, pension-fund investors applying CRISA 2, employees, communities and regulators. King V's double-materiality framing keeps South African reporting globally interoperable (ISSB, GRI and ESRS aligned) while remaining domestically compliant

## 3 Interoperability with global regimes requires a governance anchor

King V is engineered for an environment where South African multinational groups increasingly report across jurisdictions: ISSB-aligned Australian, Brazilian, Canadian, Hong Kong and Singaporean subsidiaries; ESRS-aligned European subsidiaries; and GRI-aligned voluntary reports. Only a governance code that recognises all three materiality approaches (financial, impact, double) and requires the board to approve the suite of reports can hold this reporting complexity together coherently.

### Post-adoption proposition

Once IFRS S1 and S2 become mandatory in South Africa, King V will operate as the governance superstructure that makes the ISSB disclosures credible. The ISSB specifies the "what". King V specifies the "how" and ensures that the "what" is produced by a properly composed, properly informed and properly accountable governing body operating within an ethical culture.

## Practical implications for preparers and assurers

The practical work of applying King V and IFRS S1 and S2 together falls on several groups, both within and outside a company. However, the actions below are not exhaustive. They focus on preparers and assurance providers. They capture the steps most likely to determine whether South Africa's reporting transition is orderly and credible.

### For preparers

(CFOs, sustainability leads, company secretaries)

- Map your existing King IV disclosures against the King V Disclosure Framework and the ISSB-ESRS interoperability guidance issued by the IFRS Foundation and EFRAG in May 2024; identify gaps in governance, data and assurance.
- Use the IFRS Foundation's Getting Started Guide on transitioning to integrated reporting with IFRS S1 and S2 as a bridge to consolidate your integrated, sustainability and ISSB-aligned disclosures.
- Establish or refresh a combined-assurance plan covering sustainability data, Scope 1/2/3 emissions, scenario analysis inputs and governance disclosures before mandatory adoption.
- Review executive incentive plans against King V Principle 11: are sustainability performance measures, malus and clawback provisions in place, and how will shareholders vote on these at the AGM?

### For assurance providers

- Prepare for ISSA 5000 and IESSA, effective for periods beginning on or after 15 December 2026, and integrate these with IRBA's South African Auditing Enforcement Process (SAAEP) 1 post-implementation review.
- Build skills in climate-scenario analysis, Scope 3 emissions measurement and non-financial data controls evaluation; leverage specialist providers (actuaries, forensic auditors, safety assessors) within a combined-assurance model as envisaged by King V Principle 12.
- Strengthen independence and objectivity arrangements, particularly where the same firm may provide financial audit and sustainability assurance services.

## Conclusion

South Africa is well-positioned for the ISSB era. Thirty years of King Code evolution, a mature integrated reporting culture, a sophisticated stock exchange, an assurance profession with deep sustainability experience and a National Treasury sustainable-finance agenda together form a reporting ecosystem that few emerging markets can match.



King V should be understood as the governance layer that completes this ecosystem for the post-ISSB era. It makes the IFRS S1 and S2 standards work.

Where the ISSB specifies disclosures to investors, King V specifies the governing body behaviour, committee structures, ethics culture, risk processes, remuneration incentives, stakeholder engagement and assurance framework that influence whether those disclosures are trustworthy.

For preparers, assurers, investors and regulators, the practical task is no longer to choose between King V and the ISSB, or between integrated reporting and sustainability reporting. It is to operate them together as a cohesive, integrated accountability architecture for South African organisations seeking to create sustainable value in the economic, social and environmental context within which they operate.

