

# ESG is complex. Our intelligence makes it clear.

## ESG intelligence hub

South Africa signals strong momentum toward ISSB adoption, but is corporate South Africa Ready?

March 2026

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Sustainability reporting in South Africa is no longer a question of “if” but of how quickly organisations can translate new requirements into credible, decision-useful disclosure.

South Africa has taken another decisive step toward the future of corporate reporting. At the recent Sustainability Reporting Adoption Roadmap Workshop, convened by the Department of Trade, Industry and Competition (the dtic) and the Companies and Intellectual Property Commission (CIPC), regulators, standard setters, investors, assurance providers, and corporate leaders gathered to shape the country’s pathway toward adopting the International Sustainability Standards Board (ISSB) standards, notably IFRS S1 and IFRS S2.

The message from the workshop was unmistakable: **Sustainability reporting in South Africa is no longer a question of “if”, but of “how quickly and how effectively.”**

Key observations from the workshop were as follows:

## 1. A Structured national approach

What stood out from the workshop was the level of coordination being pursued. South Africa is not approaching sustainability reporting in a fragmented way instead, the roadmap signals a phased, market-ready transition designed to ensure credibility, comparability, and investor confidence.

**Key strategic pillars discussed included:**



Development of an interoperable digital taxonomy



Regulatory alignment across the Companies Act, PFMA, and financial sector laws



Institutional capacity building across preparers, investors, and assurance providers

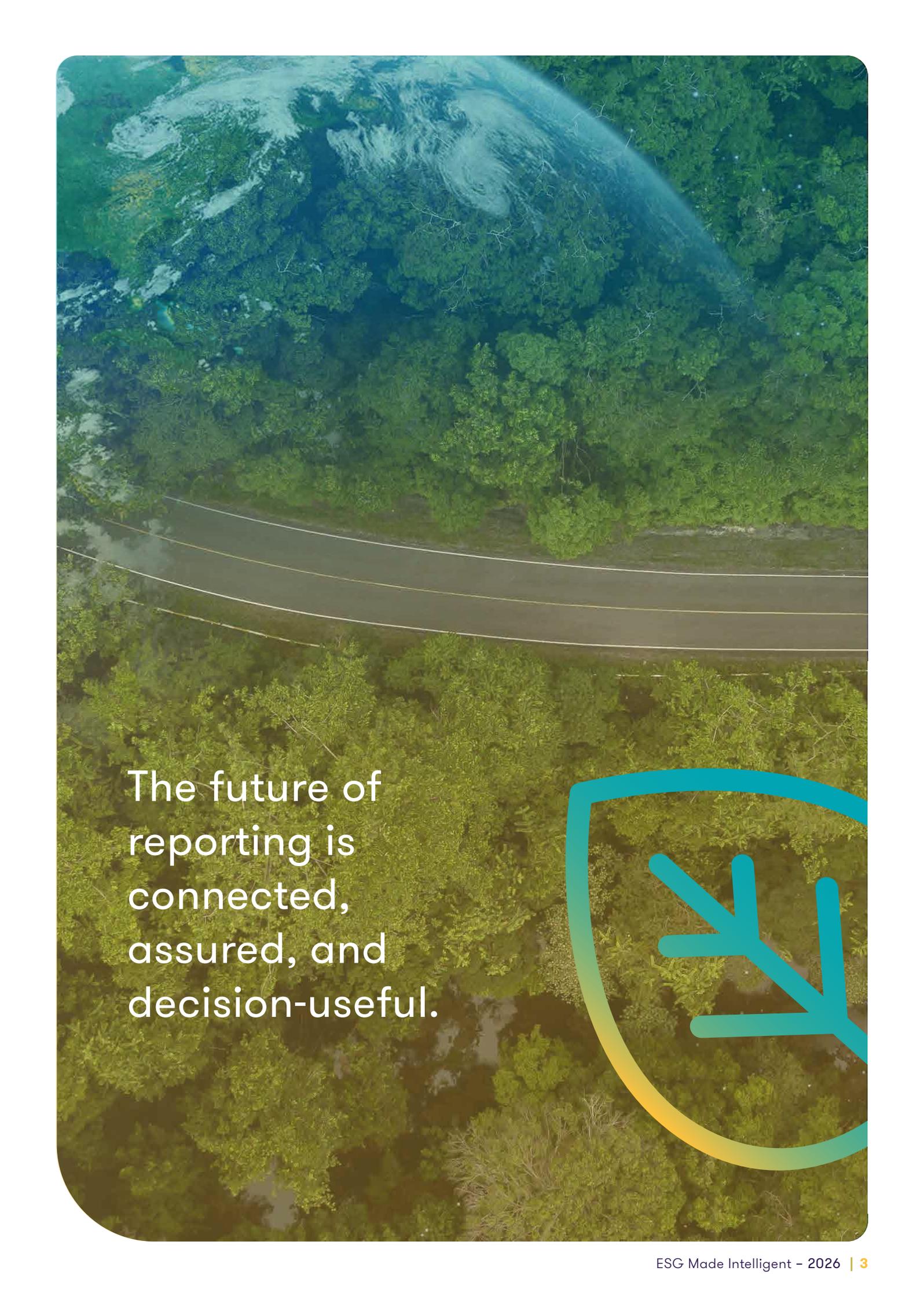


Industry guidance and materiality frameworks



Structured change management to support market readiness

This signals regulatory maturity, but it also raises a critical question for organisations: Is your organisation as prepared as the regulators expect the market to be? For many organisations, the real challenge will not be understanding the standards but simplifying reporting processes so that the required information can be produced consistently and with confidence.

An aerial photograph of a lush green forest. A paved road with white lane markings curves through the middle of the image. In the bottom right corner, there is a stylized graphic of a tree with a thick teal outline and a yellow-to-teal gradient fill. The text is overlaid on the left side of the image.

The future of reporting is connected, assured, and decision-useful.

## 2. The emerging readiness gap

Despite strong national intent, many organisations remain at varying stages of ESG maturity. In our experience working with listed entities, state-owned companies, financial institutions, and large private groups, several readiness gaps are already becoming clear. There is a growing divide between organisations that are proactively preparing and those that may be underestimating the scale of change required.

Historically, sustainability has often been positioned as a reporting or communications function. That positioning is becoming increasingly difficult to sustain as sustainability disclosures move closer to the core of financial reporting and governance oversight. Under IFRS S1 and S2, this approach will no longer be sufficient. **Boards will increasingly be expected to demonstrate:**

Active  
governance  
oversight

Integration into  
enterprise risk  
management

Clear  
connectivity  
between  
sustainability  
and financial  
performance

Forward-  
looking  
scenario  
analysis

Decision-useful  
metrics and  
measurable  
targets

This represents a structural shift from narrative disclosure to financially material, decision-useful information. Organisations that recognise this early are positioning sustainability as a driver of resilience and long-term value creation rather than a compliance burden.

## 3. Audit-ready data is becoming a strategic imperative

Another clear signal from the workshop is the growing focus on assurance. As sustainability disclosures begin to attract greater scrutiny, the integrity of underlying data will become a board-level concern.

**Many organisations should be asking themselves:**

- ✓ Do we have a reliable ESG data architecture?
- ✓ Are controls sufficiently robust?
- ✓ Can our disclosures withstand external assurance?
- ✓ Is accountability clearly defined?



Reliance on fragmented spreadsheets and manual consolidation processes is unlikely to meet future expectations. In practice, this is where many organisations encounter their greatest difficulty. ESG data is often dispersed across multiple functions, making consistent reporting both resource-intensive and risky. Leading organisations are therefore investing early in building controlled, technology-enabled environments that create a single source of truth for sustainability data.

*This is no longer a reporting upgrade. It is a control environment transformation.*

## 4. Governance and skills require immediate attention

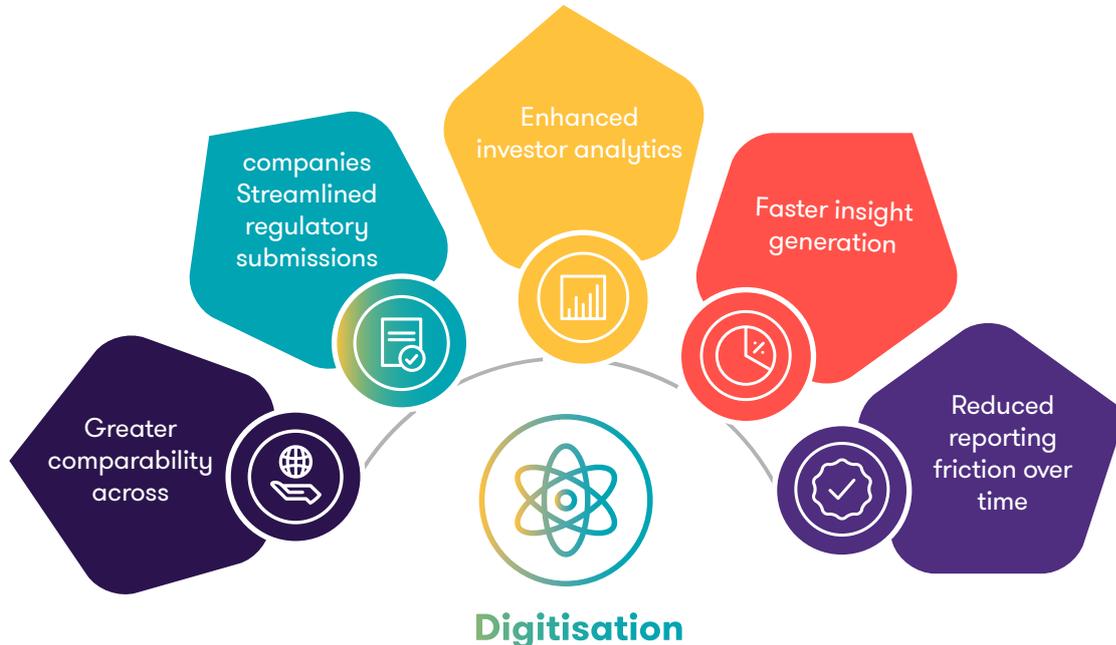
The transition to ISSB aligned reporting is not simply a technical accounting exercise, it represents organisational transformation. We anticipate a near-term shift where:

- ✓ Audit committees expand oversight into sustainability disclosures
- ✓ CFOs assume greater ownership of non-financial data
- ✓ Risk functions deepen their focus on climate and emerging risks
- ✓ Boards strengthen sustainability fluency and oversight

In effect, sustainability is becoming a boardroom discipline. Organisations that prioritise executive and board upskilling will navigate this transition with far greater confidence.

## 5. Digital Taxonomy — A quiet but transformational shift

One of the more strategic themes emerging from the roadmap is the development of a local digital taxonomy aligned with global standards. While this may appear technical, its implications are far-reaching. Digitisation has the potential to significantly simplify ESG reporting by enabling structured, comparable, and machine-readable sustainability information. Digitisation will enable:



Those that modernise their reporting infrastructure early are likely to benefit from both operational efficiency and market credibility.

## 6. Assurance Is no longer a distant consideration

The roadmap's reference to pilot assurance engagements signals that credible, verifiable sustainability reporting is firmly on the horizon. This mirrors global capital market expectations and reinforces the direction of travel for South Africa. For organisations, the question is rapidly shifting from: "What should we disclose?" to "Can our disclosures withstand assurance?" That distinction is significant, and preparation takes time.



## 7. What we see market leaders doing differently

Organisations at the forefront of readiness are already taking deliberate steps, **including:**

- ✓ Conducting IFRS sustainability readiness assessments
- ✓ Aligning governance structures to emerging expectations
- ✓ Embedding sustainability within enterprise risk frameworks
- ✓ Investing in ESG data platforms
- ✓ Performing climate scenario analysis
- ✓ Upskilling boards and executive teams

Importantly, they view readiness not as compliance, but as a strategic differentiator and source of competitive resilience.

## 8. A strategic opportunity for South Africa

South Africa has long been recognised as a global leader in corporate governance and integrated reporting. A well-executed transition to ISSB standards presents an opportunity to reinforce that reputation while strengthening the country's investment attractiveness.

**High quality sustainability disclosure can support:**

- ✓ Improved access to international capital
- ✓ Greater investor confidence
- ✓ Enhanced transparency
- ✓ Stronger risk management
- ✓ More resilient business models

This journey is therefore not purely regulatory. It is fundamentally economic.



## 9. Final reflection

The Sustainability Reporting Adoption Roadmap Workshop signals more than regulatory progress. It signals a structural shift in how organisational performance will be measured and scrutinised. Readiness is fast becoming a proxy for good governance.

At SNG Grant Thornton, we believe organisations that act early will not only reduce transition risk but position themselves for long-term competitive advantage in an increasingly transparency-driven market. The future of reporting is connected, assured, and decision-useful. The time to prepare is now.

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Let's start your journey

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- ✓ Book a Live Demo
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