Evaluating adoption readiness towards the ISSB's Sustainability Disclosure Standards: A South African Case Study

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Abstract

The growing demand for consistent and comparable sustainability disclosures has led to the establishment of the International Sustainability Standards Board (ISSB), tasked with developing global sustainability disclosure standards. Although not yet mandated in South Africa, this study evaluates whether South African companies are adequately prepared for the adoption of these new standards. Without proper implementation, South African firms risk being left behind in global sustainability reporting practices. A single-company case study approach is employed. The company's latest annual, integrated, and sustainability reports are analysed against the requirements of the International Financial Reporting Standards (IFRS) Sustainability Disclosure Standards. Additionally, a semi-structured interview with the company's sustainability manager provides further insights into potential challenges facing South African companies in preparing for adoption. Findings indicate that South African companies may face greater difficulty aligning with the 'Strategy' and 'Metrics and Targets' elements of the IFRS standards. However, companies already applying the Task Force on Climate-related Financial Disclosures (TCFD) framework are likely to experience a smoother transition to the new standards. Insights from change theory suggest key considerations for South African companies in the pre-implementation phase, including the need for internal readiness and strategic alignment. This study contributes to the limited literature on the pre-implementation phase of IFRS Sustainability Disclosure Standards, particularly in the South African context. It provides valuable guidance for companies and management teams seeking to align with evolving global sustainability reporting requirements.

Introduction

Awareness of sustainability reporting has increased significantly in recent years, with organisations integrating sustainability considerations into their strategies and operations (Lai and Stacchezzini, 2021). Consequently, sustainability reporting has become a common practice among large corporates, with adoption steadily rising over the past two decades (Shoaf, Jermakowicz and Epstein, 2018). This growing focus is primarily driven by the rise of Environmental, Social and Governance (ESG) investing. KPMG (2020) notes that an increasing number of companies are reporting on sustainability due to a greater recognition that ESG factors influence company value and performance.

Although various sustainability reporting frameworks and standards exist, the use of different frameworks limits comparability and reduces the usefulness of disclosures for investors (Jose, 2017). To address this, the International Financial Reporting Standards (IFRS) Foundation established the International Sustainability Standards Board (ISSB), responsible for developing a global set of sustainability-related disclosure standards (IFRS Foundation, 2022c). The ISSB released exposure drafts for its first two standards on 31 March 2022 and issued the final versions, IFRS S1 and IFRS S2, on 26 June 2023, effective from 1 January 2024 (IFRS Foundation, 2024a). While jurisdictions will decide whether adoption is mandatory, the short timeframe indicates that companies must start preparing for implementation.

This study assesses the preparedness of South African companies for adopting the IFRS Sustainability Disclosure Standards and explores potential implementation challenges. A single-case study approach

was adopted, focusing on a South African company recognised as a sustainability leader. A content analysis of its most recent annual, integrated, and sustainability reports was conducted, comparing disclosures against IFRS S1: General Requirements for Disclosure of Sustainability-Related Financial Information. A semi-structured interview with the company's sustainability manager complemented the analysis, providing insight into the rationale behind reporting that was not evident from public disclosures. Findings indicate that South African companies may encounter challenges with the 'Strategy' and 'Metrics and Targets' components of IFRS S1. However, entities already aligned with the Task Force on Climate-related Financial Disclosures (TCFD) framework are better positioned, as the IFRS standards build upon it. Differences in materiality approaches—single under IFRS versus double under the Johannesburg Stock Exchange (JSE) Sustainability Disclosure Guidance—may also create complexity. This study provides practical, pre-implementation insights for South African companies and contributes to the limited body of literature on IFRS sustainability reporting readiness.

Literature review

The Increased Relevance of Sustainability Reporting

Sustainability reporting has gained considerable relevance in recent years, as organisations increasingly embed sustainability considerations into their strategic and operational decisions (Lai and Stacchezzini, 2021; Stefanescu, 2021). This shift has been driven by heightened interest in sustainability-related issues among a broad range of stakeholders, including researchers, policymakers, and the global business community (Stefanescu, 2021). Amran and Ooi (2014) note that sustainability reporting has become the key mechanism through which companies meet growing demands for transparency from investors, customers, and other stakeholders.

KPMG (2020) reports that around 80% of global companies now disclose information related to sustainability, highlighting a widespread shift towards greater transparency. Over the past two decades, sustainability reporting has become standard practice among large corporates (Shoaf, Jermakowicz and Epstein, 2018). To understand this growth, Shoaf, Jermakowicz and Epstein (2018) identify three primary drivers: the need to address sustainable development, increasing stakeholder demands for accountability, and the impact of sustainability on long-term company performance. These drivers form the framework for understanding the growing importance of sustainability reporting.

The global drive for sustainable development has led businesses to align with broader sustainability goals, defined by the Brundtland Commission as the integration of social, environmental, and economic concerns, and later termed the 'triple bottom line'. The United Nations Sustainable Development Goals (SDGs) encompass 17 global objectives. Frameworks such as the Global Reporting Initiative (GRI) and UN Global Compact guide SDG integration (The United Nations, 2024). KPMG (2020) reported a 30% increase in SDG references from 2017 to 2020, reflecting growing demands for transparency in corporate sustainability.

Stakeholders increasingly expect detailed disclosures on environmental and social issues. This has been attributed to rising business complexity, climate change, and the 2008 financial crisis (Amran and Ooi, 2014). Stefanescu (2021) notes that accountability pressures now extend beyond shareholders to broader society. Several jurisdictions, including the UK, France, China, and Australia, have introduced mandatory sustainability reporting (Ioannou and Serafeim, 2014). The G7 (2021) further supported mandatory climate-related disclosures. Ioannou and Serafeim (2014) found that such requirements improved corporate sustainability practices. In South Africa, 96% of the top 100 companies disclose sustainability information (KPMG, 2020), mainly through integrated or standalone reports (Herbert and Graham, 2021).

Shoaf, Jermakowicz and Epstein (2018) note that the perceived link between sustainability and long-term business performance drives reporting. Although some studies question this connection (Atan, Amal and Zamri, 2018), most research supports a positive relationship. Burhan and Rahmanti (2012) found a significant link between sustainability reporting and performance, confirming that such disclosures enhance firm value across Europe. KPMG (2020) attributes the rise in sustainability reporting to the belief that Environmental, Social and Governance (ESG) factors impact company value, enabling investors to make better-informed decisions.

ESG investing provides a framework for assessing sustainability performance and has grown as investors increasingly integrate ESG factors into decision-making (Institute of Directors, 2024). Giese et al. (2019) identify three types of ESG investment: integration for risk-adjusted returns, value-based investing, and impact investing. Abate, Basile and Ferrari (2021) link ESG adoption to climate and governance risks, noting that ESG funds often outperform others.

ESG investing depends on sustainability reporting to evaluate corporate performance. The COVID-19 pandemic further accelerated ESG investing, as high-rated companies showed stronger resilience. Consequently, sustainability reporting has become a central element of corporate transparency (KPMG, 2020).

Recent developments around sustainability reporting

The proliferation of sustainability frameworks, often referred to as the 'alphabet soup', has led to inconsistent reporting and limited comparability across companies, while increasing costs (Jose, 2017; IFRS Foundation, 2021b). In September 2020, leading voluntary standard-setters, the CDSB, CDP, GRI, IIRC, and SASB, released a Statement of Intent, committing to collaborate on a unified reporting system (Impact Management Project, World Economic Forum and Deloitte, 2020). This initiative sought to harmonise sustainability reporting with traditional financial disclosures.

The IFRS Foundation initiated a consultation on establishing global sustainability reporting standards (IFRS, 2020), receiving support from the International Organisation of Securities Commissions (IOSCO), which highlighted the need for reliable disclosures (IOSCO, 2021), as well as the World Economic Forum (WEF) (WEF, 2020). Recognising its potential role, the IFRS Foundation established a technical readiness working group including the Value Reporting Foundation (VRF), the Climate Disclosure Standards Board (CDSB), TCFD, and WEF members, laying the groundwork for the ISSB, announced at COP26 in November 2021 (IFRS Foundation, 2021a; 2021c; 2021d).

Further consolidation included integrating VRF and CDSB into the IFRS Foundation to enhance technical capacity (IFRS Foundation, 2022b) and a collaboration with GRI to align the ISSB's investor-focused standards with GRI's multi-stakeholder model, creating a dual-pillar reporting system (IFRS Foundation, 2022a). The new standards build on the TCFD framework, structured around Governance, Strategy, Risk Management, and Metrics and Targets, guiding companies in disclosing sustainability-related risks and opportunities (TCFD, 2017).

These developments illustrate a global drive towards consistent, converged, and effective sustainability reporting, addressing stakeholder demands and supporting transparency across capital markets and broader society.

Moving forward: Transition and implementation of the new global standards

On 31 March 2022, the IFRS Foundation released exposure drafts for its first two Sustainability Disclosure Standards, IFRS S1 and IFRS S2 (IFRS Foundation, 2022c). Following consultation, the final standards were issued on 26 June 2023 and became effective on 1 January 2024 (IFRS Foundation, 2024a). Adoption is jurisdiction-dependent, with some implementing fully and others partially (Watson, 2022). Using a 'building blocks' approach, the IFRS Foundation provides a global baseline that can be supplemented locally (IFRS, 2022d). Companies must prepare proactively to avoid lagging behind global sustainability practices (KPMG, 2023).

The need for a global sustainability reporting standard is widely recognised, but implementing such a standard presents practical challenges. The ISSB's 'building blocks' approach helps jurisdictions align existing practices with IFRS Sustainability Disclosure Standards, yet companies must update systems, processes, and workflows to comply. Past transitions provide valuable insights: South Africa's 2009 adoption of IFRS for SMEs revealed underestimated complexity, high costs, and a limited understanding of the change (Rudzani and Manda, 2016). Segotso, Mvunabandi and Phesa (2024) emphasise the importance of regulatory support and education, while Iyoha and Owolabi (2012) highlight the need to retain and upskill competent staff.

International experience offers further lessons. In Brazil, companies following the TCFD were primarily aligned with IFRS S1, although many employed a multi-stakeholder approach rather than an investor-focused one (Murcia, 2024). In Switzerland and Liechtenstein, the limited overlap between IFRS S1 and EU frameworks created complexity; however, benefits included global harmonisation, comparability, and improved investor decision-making (Heinzle, 2023). Embedding ESG considerations also supports operational efficiency and holistic performance evaluation.

Challenges remain, including interpreting standards, defining disclosure requirements, and collecting and evaluating relevant data, all of which demand significant resources (Heinzle, 2023)—tight reporting timelines, requiring sustainability disclosures alongside financial reports, further stretch capacity. Implementation costs extend beyond financial considerations to include staff training and system updates.

This research examines the preparedness of South African companies to adopt IFRS Sustainability Disclosure Standards, providing insights into current practices and preparatory steps. With adoption not yet mandatory in many jurisdictions, including South Africa, understanding readiness is crucial for a smooth transition. It supports future pre- and post-implementation assessments, particularly if local regulators, such as the JSE or the Companies Act, mandate adoption.

Method

Theoretical framework

This qualitative research is grounded in organisational change theory, focusing on Weiner's (2009) theory of organisational readiness for change. Readiness is a shared psychological state in which members are committed to and confident in their ability to implement change, shaped by contextual factors such as culture, structure, policies, resources, and past experiences.

Weiner (2009) identifies two key components: change commitment, reflecting whether members value the change enough to support it, and change efficacy, the belief in their ability to implement it, influenced by resources, task demands, and context. The importance of financial, material, and human resources in assessing readiness has also been emphasised.

This framework was applied to evaluate a sample company's preparedness for IFRS Sustainability Disclosure Standards, examining contextual factors and assessing commitment and efficacy through a semi-structured interview with the sustainability manager. Strong management readiness enhances the likelihood of successful implementation by increasing effort and persistence (Kee, Cordova and Khin, 2023).

Research design

The study used a single-case design, focusing on one company's readiness to adopt the IFRS Sustainability Disclosure Standards (Zainal, 2007). The chosen company is recognised as one of South Africa's leading sustainability reporters, with a strong emphasis on integrating sustainability into its core business operations (JSE, 2024). As such, assessing its alignment with the IFRS Sustainability Disclosure Standards offered insight into the readiness of top-performing South African companies. This provides a useful benchmark for understanding how other, potentially less-prepared organisations might approach adoption. The findings are likely to highlight challenges applicable across the broader corporate landscape.

Data were collected through content analysis of annual, integrated, and sustainability reports, complemented by a semi-structured interview with the sustainability manager responsible for reporting. Semi-structured interviews offer insight into internal decision-making processes that are not evident from documents alone and are valued for their flexibility and depth (Qu and Dumay, 2011).

The case study is instrumental and exploratory, examining a specific organisational change to gain broader insights (Zainal, 2007). Two research questions guided the study:

1. How aligned are the company's current sustainability disclosures with the four core elements (Governance, Strategy, Risk Management, Metrics & Targets) of the IFRS standards?
2. What can South African companies do to prepare for the IFRS Sustainability Disclosure Standards?

Publicly available reports were assessed against the IFRS framework to evaluate alignment and identify potential gaps. Insights from the sample company, considered a sustainability leader in South Africa, offered guidance on sector-wide challenges. Ethical clearance was obtained before conducting the study.

Data collection

Data were collected from the sample company's 2022 and 2023 annual, integrated, and sustainability reports, before the 1 January 2024 IFRS Sustainability Disclosure Standards effective date. A checklist of IFRS S1 'requirement' paragraphs was created in Excel, categorised into Conceptual Foundations, Governance, Strategy, Risk Management, Metrics & Targets, and General Features. Disclosures were assessed using a binary system (0 = not satisfied, 1 = satisfied), with nonapplicable items marked accordingly. Reports were read fully and assessed for completeness.

The interview provided qualitative insights into reporting practices, alignment with IFRS core elements, and preparatory activities (Qu and Dumay, 2011). Conducted via Microsoft Teams, the interview was recorded, transcribed, and cross-checked with manual notes to ensure data accuracy.

Data analysis

Analysis focused on the company's alignment with IFRS S1's four core elements: Governance, Strategy, Risk Management, and Metrics & Targets, calculating the percentage compliance for 2022 and 2023 by dividing the requirements met by the total applicable. Conceptual Foundations and General Features, included only in the June 2023 final standard, were assessed against 2023 reports. Gaps were identified, with recommendations for future compliance. Organisational readiness for change theory guided assessment of contextual factors, commitment, efficacy, and alignment with conceptual foundations.

Findings and discussion

The Core Elements

The first core element of IFRS Sustainability Disclosures is governance, which requires entities to explain the processes and controls they use to manage sustainability-related risks and opportunities (IFRS Foundation, 2024a). The sample company's 2022 and 2023 reports demonstrate complete alignment (100%) with both the draft and final IFRS S1 standards, reflecting a robust governance framework.

IFRS S1 requires the identification of governance bodies overseeing sustainability, which for the sample company includes the board, the sustainability committee, and the social and ethics committee. Their responsibilities, reporting lines, and meeting frequencies are disclosed, ensuring accountability. Management's sustainability roles are presented through hierarchical diagrams showing lines of responsibility, supporting transparency (IFRS Foundation, 2024a).

The company's readiness reflects its application of the King IV Report on Corporate Governance, which stresses responsible corporate citizenship and oversight of environmental, social, and economic impacts. South African legislation, such as the Companies Act 71 of 2008, also requires certain entities to establish social and ethics committees, aligning local governance with IFRS S1. Murcia (2024) found that most companies employ similar structures but often fail to link governance to sustainability risks explicitly. The sample company overcomes this, demonstrating that King IV adopters are well-positioned for compliance, although contextualising governance within sustainability remains essential.

The IFRS S1 strategy element requires disclosures on managing sustainability risks and opportunities, their effects on the business model, value chain, strategy, decision-making, and financial performance (IFRS Foundation, 2024a). The company's alignment improved from 45% in 2022 to 54% in 2023, reflecting more transparent disclosure of short-, medium-, and long-term time horizons. It identifies risks and opportunities affecting future operations, explains risk management approaches across its global value chain, and reports strategic responses and progress. However, trade-offs between risks and opportunities were not disclosed.

A significant gap concerns the financial effects of sustainability risks, where compliance was 0%. Frameworks such as GRI, TCFD, UN SDGs, King IV, and JSE guidance largely follow multi-stakeholder perspectives, with only TCFD being investor-oriented (Petersen, Herbert and Daniels, 2022). The voluntary JSE guidance also contrasts with IFRS S1's investor-centric focus. Limited overlap between IFRS S1 and other frameworks heightens reporting complexity (Heinzle, 2023), and reconciling investor-driven and broader reporting demands will be crucial (Murcia, 2024).

The risk management element requires disclosure of processes for identifying, assessing, prioritising, and monitoring sustainability-related risks (IFRS Foundation, 2024a). The company achieved 91% alignment in 2022 against the draft standard, but this declined to 82% under the final version due to new scenario analysis requirements. However, it reached 100% alignment by 2023. Disclosures covered parameters, inputs, likelihood, impact, prioritisation, and monitoring, with some information integrated within risk reports as permitted by IFRS S1 paragraph 61. For South African firms, resource constraints remain a challenge; integrating sustainability into general risk frameworks may obscure detail, so clarity and transparency are vital (Murcia, 2024).

The metrics and targets element requires disclosures that enable users to assess progress toward sustainability objectives (IFRS Foundation, 2024a). The company achieved complete alignment in 2022 and 2023. IFRS S1 is intentionally high-level, with topic-specific detail to follow under IFRS S2 (IFRS Foundation, 2023a). The company disclosed all metrics, both internally and externally sourced, along with the defining methods, assumptions, and classifications. Targets, such as achieving net zero carbon, were supported by specific timeframes, milestones, and progress indicators. This demonstrates effective alignment with IFRS objectives, consistent with findings that 95.1% of companies disclose metrics and targets (Murcia, 2024). To sustain compliance, South African firms must ensure transparency and adapt metrics to future topic-specific IFRS standards.

Conceptual Foundations and General Requirements

The IFRS Sustainability Disclosure Standards establish conceptual foundations and general requirements guiding sustainability disclosures, emphasising relevance and faithful representation through fair presentation (IFRS Foundation, 2024a). Fair presentation requires the disclosure of sustainability-related risks and opportunities that affect an entity's prospects, while relevance relates to materiality, where omissions or misstatements could influence users' decisions (IFRS Foundation, 2024a).

The sample company's disclosures align with IFRS S1, detailing its sustainability committee's oversight and review processes. Materiality is determined through stakeholder engagement, risk assessments, and global benchmarks. Transparent materiality assessments enhance relevance and stakeholder trust (Leon and Salesa, 2023). Entities should also consider SASB Standards, the CDSB Framework, and similar guidance when identifying sustainability risks and opportunities. However, the sample company did not reference SASB or CDSB, consistent with findings that only 17% of JSE top 100 companies had adopted SASB by 2021 (Petersen, Herbert and Daniels, 2022).

IFRS S1 requires sustainability information to be included within general-purpose financial reports, such as integrated or management reports (IFRS Foundation, 2024a). The company complies by including disclosures in both sustainability and integrated reports, aligning with South African practice (Herbert and Graham, 2021). Concurrent publication with financial statements may pose challenges for local firms due to tight deadlines and resource constraints (Heinzle, 2023; Segotso, Mvunabandi and Phesa, 2024).

Competing Frameworks and Implementation

The TCFD recommendations guide companies in disclosing climate-related risks to investors and lenders (TCFD, 2017). Around 55% of JSE top 100 companies apply the TCFD framework (Petersen, Herbert and Daniels, 2022). As the IFRS Sustainability Disclosure Standards build on the TCFD's four elements (IFRS Foundation, 2022d), South African companies that are already applying TCFD are well-positioned for the transition. Following the issuance of IFRS S1 and S2, the TCFD disbanded and transferred its oversight to the IFRS Foundation (TCFD, 2023), thereby reinforcing global convergence in sustainability reporting (IFRS Foundation, 2023a).

IFRS S1 also references SASB Standards, though only 17% of JSE top 100 companies had adopted them by 2021 (Petersen, Herbert and Daniels, 2022). The IFRS Foundation has since globalised SASB by removing US-specific references (IFRS Foundation, 2023b), enhancing accessibility despite implementation challenges.

The JSE's 2022 Sustainability Disclosure Guidance aligns closely with IFRS S1, adopting the same four elements and focusing on relevance and faithful representation (JSE, 2022). However, it applies double

materiality, while IFRS S1 emphasises financial materiality (IFRS Foundation, 2024a). The JSE's cautious approach likely reflects delisting pressures (van Cuyck and Ahmed, 2024). Nonetheless, voluntary adoption of IFRS S1 and S2 would enhance investor confidence, legitimacy, and global market access (Petersen, Herbert and Daniels, 2022).

Insights from Sustainability Manager

The semi-structured interview with the sustainability manager of the sample company identified key challenges in preparing for the IFRS Sustainability Disclosure Standards.

Timelines for adoption pose a significant concern. Although the IFRS Foundation encourages early application, the standards apply to reporting periods commencing on or after 1 January 2024 (IFRS Foundation, 2024a). Mandatory adoption, however, depends on local regulators, such as the JSE, the Financial Sector Conduct Authority (FSCA), or the government (IFRS Foundation, 2024b). While South Africa has not yet confirmed implementation, international momentum is growing. IOSCO has endorsed IFRS S1 and S2, urging its 130 member jurisdictions, which represent over 95% of global markets, to consider their adoption (IOSCO, 2023). Countries such as Brazil, Sri Lanka, Turkey, Costa Rica, Nigeria, Australia and Japan have already committed or are consulting on adoption (IFRS Foundation, 2024c). Current research in Liechtenstein and Switzerland suggests that companies rarely adopt voluntary measures unless required to do so (Heinzle, 2023).

The company noted that immediate full compliance, especially with IFRS S1, would be challenging due to the short transition period. It stressed that local firms should prepare proactively despite uncertain timelines. The breadth and complexity of IFRS S1 were described as demanding: "There will be gaps, every company will have some gaps (in disclosure) that they will need to address… There is a lot of work that needs to go into getting to that level of detail."

Companies must upskill, assess existing disclosures and align with IFRS requirements. Complexity has been widely cited as a barrier (Heinzle, 2023; Rudzani and Manda, 2016), while training and education, though essential, increase costs (Segotso, Mvunabandi and Phesa, 2024).

The sample company's prior use of TCFD facilitated alignment with IFRS S2, as the four elements of TCFD underpin IFRS S1 (Murcia, 2024). For firms without TCFD experience, the transition may be more burdensome. Internal metrics may conflict with IFRS requirements, creating additional reporting strain. Further, companies may need to continue dual reporting to satisfy non-investor stakeholders, given IFRS's single-materiality approach compared to GRI's double materiality (Murcia, 2024; Heinzle, 2023). Although the ISSB's 'building blocks' approach seeks compatibility with local frameworks, its investor focus complicates broader stakeholder engagement, requiring adaptation by South African firms.

Implementation challenges extend beyond the scope of reporting. The interviewee highlighted that significant system and process changes are needed across the business: "There might be some changes we need to make, and it's a lot of changes that cuts across the business."

Adoption will therefore demand financial investment, time, and skilled personnel. Companies must decide whether to train internal staff, hire specialists, or outsource functions. These issues were also observed in the adoption of IFRS for SMEs (Segotso, Mvunabandi and Phesa, 2024) and earlier standards (Rudzani and Manda, 2016). Governance adds complexity, as sustainability information must be subject to the same controls as financial data, reviewed by CFOs and audit committees (Heinzle, 2023).

From an organisational standpoint, the adoption of IFRS constitutes a significant change. According to Weiner's (2009) organisational readiness theory, readiness depends on change commitment—valuing the change through benefits such as investor access—and change efficacy, or capability, which is determined by resources and context. IFRS S1's breadth requires careful resource planning, system alignment and strong leadership. Companies that are already applying the TCFD face fewer challenges, while others may encounter greater demands. Proactive preparation and resource allocation will be vital for South African firms to achieve readiness for IFRS adoption.

Conclusion

This study evaluated the readiness of South African companies to adopt the IFRS Sustainability Disclosure Standards, providing exploratory insights based on the experience of a leading company. As sustainability and ESG reporting gain prominence, consistency and comparability are critical. The ISSB's global standards present tight timelines, and potential mandatory adoption in South Africa could leave firms unprepared, affecting funding and market opportunities.

The case study and semi-structured interview revealed strong alignment in 'Governance' due to King IV principles. At the same time, 'Strategy' and 'Metrics and Targets' posed challenges, particularly where internal metrics or multi-stakeholder frameworks differ. 'Risk Management' disclosures were generally robust. Firms already applying TCFD or JSE guidance are better positioned for transition, though the JSE's double-materiality approach contrasts with IFRS S1's investor-focused materiality.

Theoretically, the findings support institutional and governance theories, showing that established governance structures facilitate global reporting compliance. Organisational readiness theory (Weiner, 2009) is also confirmed: successful adoption requires both commitment to change and the capability to implement it. The study highlights the tension between investor-focused single materiality and broader stakeholder perspectives, suggesting that further research is warranted. Managerially, firms must integrate sustainability into governance, strategy, and risk management, link sustainability risks to financial outcomes, and embed scenario analyses. Operational readiness, including staff training, system upgrades, and cross-functional coordination, is essential, alongside oversight from the CFO and audit committee regarding disclosures. Policy-wise, regulators should provide clear adoption timelines, guidance, and incentives for early compliance. Harmonisation between IFRS S1 and local frameworks, along with capacity-building initiatives, will enhance transparency, investor confidence, and global market access.

Although limited to a single case, the study provides actionable insights into readiness, resource requirements, and institutional pressures, thereby contributing to the South African sustainability reporting literature and informing both firms and policymakers.

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