

## **Brief Report to the SAFA Main Board Meeting**

**Research Topic:** Challenges and Consequences of Implementing Sustainability Disclosure Standards in Financial Reporting: A Study of the SAFA Region

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### **Selected Key Findings and Recommendations relevant to the Main SAFA Board Meeting**

Out of several key findings, the following key findings and recommendations are proposed for this Board meeting. In future meetings other significant findings and recommendations will be taken up.

#### **1. Resource Constraints**

- The implementation of IFRS Sustainability Disclosure Standards faces considerable resource limitations across the SAFA region. These constraints present barriers that could delay or hinder the successful adoption and integration of these standards.

#### **2. Awareness Gaps**

- Significant gaps in awareness have been identified among practitioners, organizations, and other stakeholders. Many professionals and company leaders lack a thorough understanding of sustainability disclosure standards, which impacts support for their implementation.

#### **3. Leadership Engagement**

- Engaging and educating company owners and leaders, especially in SMEs and certain large entities, is crucial. The current low awareness among these groups often results in inadequate investment in necessary resources—both human and technological—for sustainability disclosure. Targeted initiatives to increase awareness and resource allocation are essential, particularly for SMEs.

#### **4. Variability in Challenges and Requirements**

- The research highlights variations in sustainability disclosure needs and challenges based on country, industry, and company size. These differences suggest the need for a tailored approach in implementing sustainability standards within the SAFA region, addressing specific requirements at both regional and national levels.

#### **5. Proposed Actions**

- A joint task force is recommended, as the SAFA - Accounting Standards Committee alone may not sufficiently address the challenges associated with implementing these standards. This task force would work to develop and execute a strategic action plan, implementing changes progressively to ensure regional alignment and to address the unique needs within the SAFA region.
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This research underscores the importance of a strategic and collaborative approach, supported by increased awareness and resource allocation, to ensure effective adoption of sustainability disclosure standards across the SAFA region. The full research report will be uploaded to the SAFA LMS.