MARKET READINESS FOR IFRS S1 AND S2 SUSTAINABILITY DISCLOSURE REPORTING STANDARDS IMPLEMENTATION IN GHANA

ABOUT **ICAG**

ICAG (Institute of Chartered Accountants, Ghana), established in 1963, is the premier national organization dedicated to advancing the accountancy profession and serving the public interest in Ghana. With over 10,000 members and 16,000 aspiring professionals, ICAG represents a vibrant community of accounting and finance experts committed to the highest standards of integrity, professionalism, and excellence.

ICAG equips professionals across Ghana and the Sub-Region for rewarding careers in accountancy, finance, and management. Through our top-tier educational programs and professional development initiatives, we cultivate our members' financial expertise, business acumen, and digital skills, preparing them to thrive in a dynamic global environment.

Our members, employed across diverse industries, drive economic growth and social progress. ICAG firmly believes that the accountancy profession is a pillar of society, fostering the growth and prosperity of Ghana's economy, businesses, and citizens. By upholding robust financial management practices, combating fraud, promoting ethical leadership, and championing sustainable development, our members lead positive transformation.

ICAG drives accountancy innovation through rigorous research and thought leadership. Our studies address current challenges and anticipate trends, maintaining our position at the forefront of the field. This research-driven, non-profit approach allows us to focus on long-term sector needs, making ICAG a key catalyst for evidence-based progress in Ghana's financial landscape and beyond.

Find out more at: https://www.icagh.org/

ABOUT THE **WACAR**

The West African Centre for Accountancy Research (WACAR), established in Ghana in April 2023 by the Institute of Chartered Accountants, Ghana (ICAG), stands as the premier hub for financial research in West Africa. WACAR's mission is to revolutionize public financial management, governance, and accountability across the region through rigorous, data-driven inquiry.

WACAR's multidisciplinary team employs advanced methodologies to produce authoritative, evidence-based recommendations in financial reporting, auditing, governance, and tax policy. These high-caliber insights directly inform policy decisions, enhance standards, and foster sustainable economic growth, tailored to West Africa's unique socioeconomic landscape.

Guided by principles of integrity, collaboration, innovation, and measurable impact, WACAR stands at the forefront of accounting research. The Centre's commitment to academic excellence and practical application positions it as an emerging global thought leader, driving transformative change in financial governance.

WACAR's outputs are poised to make significant, quantifiable contributions to West African financial ecosystems. By addressing critical challenges, WACAR's work promises to strengthen institutional frameworks, enhance transparency, and ultimately improve economic outcomes for millions across the region.

MARKET READINESS FOR IFRS S1 AND S2 SUSTAINABILITY DISCLOSURE REPORTING STANDARDS IMPLEMENTATION IN GHANA

ICAG AND WACAR SURVEY RESEARCH REPORT

Osei Adjaye-Gyamfi, (Director, Technical and Research, ICAG and WACAR)

Samuel Koranteng Fianko (Research Manager, ICAG and WACAR)

Frederick Agropah (Research officer, ICAG and WACAR)

IFRS S1 and S2 Steering Committee Members

Mr. Andrew Akoto (Chairman)

Emmanuel McCoffie Ankamah, FCA (Vice-Chairman)

Osei Adjaye-Gyamfi, FCA (Member / Secretary)

Nii Akwei Tetteh, FCA (Member)

Prof. Williams Atuilik, FCA (Member)

Richard Ansong, FCA (Member)

Frank Berle (Member)

Kwabena Antwi Situ, FCA (Member)

Alice Osei Okrah (Member)

Stephen Armah (Member)

Dr. Isaac Nyame, FCA (Member)

Ekow Annobil (Member)

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The authors of this report would like to express profound gratitude to the President, the Governing Council of the ICAG and WACAR, the CEO of ICAG, as well as Chairman and members of the IFRS S1 and S2 Steering Committee, who provided the needed support for this study. We also thank all the organizations in Ghana that participated in this study from different sectors of the economy.

EXECUTIVE **SUMMARY**

The International Sustainability Standards Board (ISSB) has introduced IFRS Sustainability Disclosure Standards S1 and S2 to provide consistent, comparable sustainability-related financial disclosures for global markets. The Institute of Chartered Accountants, Ghana (ICAG) and the West African Centre for Accountancy Research (WACAR) conducted a study to assess Ghana's readiness for the implemention of these standards. The study employed a mixed-methods approach, surveying 241 organizations across various sectors and conducting in-depth interviews with 8 senior executives. The Services sector dominated at 43.6%, followed by Financials at 22.4%, with only 4.1% of surveyed organizations listed on the Ghana Stock Exchange. The study achieved a 78.76% response rate, with organization sizes varying widely, as 27.8% had 50 or fewer employees and 17.4% had over 1000.

Key findings revealed a high level of awareness (89.2%) and understanding of IFRS S1 and S2 among respondents, with 82.5% aware that these standards will soon become mandatory in Ghana. However, only 55.6% could list specific IFRS S2 reporting requirements, indicating a gap between general awareness and detailed understanding. Current sustainability practices among Ghanaian organizations showed significant room for improvement, as only 18.7% have appointed senior management representation for sustainability, and just 15.8% publish a sustainability report. Of those that do publish reports, 14.1% have their sustainability report assured by a third party.

The study identified critical implementation gaps, with only 29.5% of organizations assessing environmental risks across various time horizons during planning, merely 19.9% having well-developed climate-related transition plans, and just 18.7% having set clear overall GHG emission reduction targets. Furthermore, only 19.1% reported having adequate staff for IFRS S1 and S2 implementation. The study assessed organizational readiness across four key indicators. Governance readiness stood at 48.25%, while risk management showed slightly lower preparedness at 46.50%. Strategy emerged as the strongest area with 49.25% readiness. Metrics and targets proved most challenging, with organizations achieving 41.00% readiness in this category. The Ghana Sustainability Market Readiness Index (GSMRI) of 46.6%, derived from weighted scores across these four key areas, indicates moderate preparedness for IFRS S1 and S2 implementation, showcasing both advancements and gaps.

Readiness levels varied significantly across sectors, with Renewable Resources & Alternative Energy, Food & Beverage, and NGOs demonstrating higher preparedness, while Technology & Communications and Transportation sectors lagged behind. Despite the identified gaps, there was a strong positive perception of the potential benefits of implementing IFRS S1 and S2, with 91.7% of respondents believing it would boost reputation, 89.2% thinking it would enhance innovation and long-term success, and 80.5% expecting long-term cost efficiencies.

The study highlighted significant capacity building needs across organizations, with over 80% of respondents identifying crucial needs in areas such as understanding IFRS S1 and S2 requirements (87.5%), enhancing sustainability risk management (89.9%), and improving sustainability data systems (87.3%). Regarding the financial implications of implementation, 45.6% of organizations expect to invest between 100,001 and 250,000 Ghana Cedis for compliance, while 19.4% anticipate costs exceeding 500,000 Ghana Cedis.

Some of the identified challenges from the interview with the implementation of the sustainability disclosure standards include data collection and quality, lack of expertise related to sustainability

reporting and climate risk assessment, cost implications, difficulty in determining which sustainability and climate-related issues are material to the organization and its stakeholders (materiality assessment), integration of sustainability and climate-related disclosures with financial reporting, and assurance and verification.

In conclusion, while Ghana has made notable progress in preparing for IFRS S1 and S2 implementation, significant work remains to be done. The high level of awareness and positive perception of these standards provide a strong foundation for future efforts. However, bridging the gap between awareness and practical implementation will require concerted efforts from regulatory bodies, industry associations, and individual organizations. By addressing the identified capacity building needs and adopting a phased implementation approach, Ghana can successfully transition to comprehensive sustainability reporting under IFRS S1 and S2, enhancing its global business standing and contributing to more sustainable economic development.

Based on these findings, the study recommends a phased implementation approach over 3-5 years, beginning with a voluntary adoption phase coupled with intensive capacity building efforts, followed by gradual mandatory implementation, starting with the most prepared sectors and larger organizations. Other key recommendations include developing sector-specific support, particularly for sectors with lower readiness levels; implementing comprehensive training programs; developing a clear regulatory framework; enhancing governance structures; improving risk management practices; assisting organizations in setting clear metrics and targets; fostering collaboration and knowledge sharing; encouraging robust technology and data infrastructure development; and considering financial support mechanisms.

STATEMENT FROM
OUR PRESIDENT

Dear Esteemed Members and Stakeholders,

On behalf of the Institute of Chartered Accountants, Ghana (ICAG), I am pleased to present this comprehensive report on Ghana's readiness for implementing the IFRS S1 and S2 sustainability reporting standards.

As we stand at the forefront of a global shift towards sustainable business practices, it is crucial that we, as guardians of financial reporting and corporate governance, lead the way in adopting these important standards. This report provides valuable insights into our current state of preparedness and highlights areas where we must focus our efforts.

With a Ghana Sustainability Market Readiness Index of 46.6%, we find ourselves at a critical juncture. While we have made significant strides, there is still considerable work to be done. The challenges identified in this report are not insurmountable, but they will require our collective effort, dedication, and expertise to overcome.

I call upon all members of ICAG, as well as our partners in the business community and regulatory bodies, to view this report not just as an assessment, but as a roadmap for action. Let us embrace this opportunity to enhance our sustainability reporting practices, thereby contributing to Ghana's economic resilience and global competitiveness.

ICAG is committed to supporting our members and organizations throughout this transition. We will be rolling out targeted training programs, providing guidance, and advocating for the necessary regulatory frameworks to facilitate the successful implementation of IFRS S1 and S2.

Together, we can build a more sustainable future for Ghana's business landscape.

Yours sincerely,

Sena Dake, FCA
President, ICAG

STATEMENT FROM OUR **CHIEF EXECUTIVE OFFICER**

As CEO of the Institute of Chartered Accountants, Ghana (ICAG), I am pleased to present our study on Ghana's readiness for IFRS Sustainability Disclosure Standards S1 and S2. This research, conducted with WACAR, reveals both progress and challenges in our journey towards sustainable business practices.

Our findings show an encouraging awareness of these standards among Ghanaian organizations. However, with a Ghana Sustainability Market Readiness Index of 46.6%, we clearly have work ahead to bridge the gap between awareness and implementation.

The varied readiness across sectors presents opportunities for knowledge sharing and targeted support. The overwhelmingly positive perception of potential benefits – including enhanced reputation and innovation – provides a strong foundation for progress.

ICAG is committed to supporting this transition through our recommended phased implementation approach. This study is a call to action for all stakeholders to collaborate in developing the necessary frameworks, training, and support systems.

By embracing these standards, we have an opportunity to position Ghana as a leader in sustainable business practices. Let's work together to build a more resilient, innovative, and sustainable business environment for our nation's future.

Yours sincerely,

P. Kwasi Agyemang, FCA
CEO, ICAG

CONTENT

LIST OF FIGURES

ABBREVIATIONS AND ACRONYMS

CDP	-	Carbon Disclosure Project
CDSB	-	Climate Disclosure Standards Board
CEO	-	Chief Executive Officer
ESG	-	Environmental, Social, and Governance
GHG	-	Greenhouse Gas
GPFR	-	General-Purpose Financial Reports
GRI	-	Global Reporting Initiative Standards
GSMRI	-	Ghana Sustainability Market Readiness Index
ICAG	-	Institute of Chartered Accountants, Ghana
IFRS S1	-	IFRS Sustainability Disclosure Standard 1
IFRS S2	-	IFRS Sustainability Disclosure Standard 2
IFRS	-	International Financial Reporting Standards
ISSB	-	International Sustainability Standards Board
KPI	-	Key Performance Indicator
MD	-	Managing Director
NGO	-	Non-Governmental Organization
PIE	-	Public Interest Entity
TCFD	-	Task Force on Climate-related Financial Disclosures
WACAR	-	West African Centre for Accountancy Research

01.
INTRODUCTION

1.1 Background of the Study

As the evidence of human activity driving climate change continues to mount, governments and organizations worldwide are increasingly prioritizing the transition to a carbon-neutral global economy.[1, 2] Simultaneously, investors have pressured firms to identify specific risks and opportunities for long-term sustainability and resilience.[3] In response to these growing concerns and demands for transparency, the number of sustainability reporting frameworks has surged globally over the past two decades.[4] Sustainability reporting frameworks, such as the Climate Disclosure Standards Board (CDSB), Carbon Disclosure Project (CDP), Task Force on Climate-Related Financial Disclosures (TCFD), Global Reporting Initiative Standards (GRI), and United Nations Global Compact, provide guidelines for companies to report on climate, environmental, social, and governance risks and opportunities.[5] These frameworks cover various subjects, including climate change, emissions, pollution, water management, social responsibility, and governance. By integrating sustainability into their operations and reporting, firms can systematically identify and mitigate relevant Environmental, Social, and Governance (ESG) risks, unlocking innovation opportunities, creating competitive value, building investor trust, and constructing resilient business models capable of navigating climate disruptions or resource constraints. [6, 7]

However, the multitude of reporting frameworks, produced by diverse standard setters or global entities with varying goals, capacities, and purposes, and supported by various governments and stakeholders worldwide, often lack mandatory adoption and standardization. Furthermore, these frameworks may not be adequately connected to financial information, reducing their relevance. To provide decision-useful information to markets, consistent and comparable sustainability-related financial disclosures closely linked to a company's financial performance and risks are necessary. To address the need for consistent and comparable sustainability reporting, the International Financial Reporting Standards (IFRS) Foundation established the International Sustainability Standards Board (ISSB) in 2021 with the primary objective of developing globally consistent climate and sustainability reporting standards for financial markets, enabling investors to make informed decisions related to Environmental, Social, and Governance (ESG) factors. [8,

The ISSB issued its first two sustainability standards on Friday, 26 June 2023, following a consultation process initiated in March 2022: [9]

- IFRS S1 - General Requirements for Disclosure of Sustainability-related Financial Information
- IFRS S2 - Climate-related Disclosures

IFRS S1 sets out the overall requirements for sustainability-related financial disclosures and requires an entity to disclose information about its sustainability-related risks and opportunities that is useful to primary users of General-Purpose Financial Reports (GPFR) in making decisions relating to providing resources to the entity.[10] IFRS S2 sets out specific disclosure requirements about climate-related risks and opportunities, transition plans, and scenario analysis that will facilitate users assessing the impact of these risks and opportunities on the entity's financial position, performance, cash flows, strategy, and business model.[11] IFRS S2 requires entities to disclose information about their governance, strategy, risk management, and metrics and targets related to climate-related risks and opportunities, in line with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The IFRS sustainability disclosure standards, IFRS S1 and IFRS S2, are built upon a four-pillar framework that requires entities to provide comprehensive information about their approach to sustainability-related considerations. These four pillars are governance, strategy, risk management, and the use of metrics and targets.

1.2 The Four Pillars of IFRS S1 & S2

Figure 1.1 Four Pillars of IFRS S1 & S2

Governance: The governance pillar requires entities to disclose information about their governance structure and processes related to sustainability considerations. This includes the roles and responsibilities of the board and management in overseeing and managing sustainability-related risks and opportunities. Entities must also disclose how sustainability-related considerations are integrated into their overall governance framework and decision-making processes.

Strategy: The strategy pillar requires entities to disclose information about their sustainability-related strategies, including how they identify, assess, and manage sustainability-related risks and opportunities. Entities must also disclose how their sustainability strategies align with their overall business strategies and how they plan to achieve their sustainability objectives. This includes disclosing information about their sustainability-related targets and the resources they have allocated to achieve these targets.

Risk Management: The risk management pillar requires entities to disclose information about their processes for identifying, assessing, and managing sustainability-related risks. This includes disclosing information about the types of sustainability-related risks they face, how they prioritize these risks, and how they integrate risk management into their overall business processes. Entities must also disclose how they use sustainability-related information in their decision-making processes and how they engage with stakeholders to identify and manage sustainability-related risks.

Metrics and Targets: The metrics and targets pillar requires entities to disclose quantitative and qualitative information about their sustainability performance using standardized metrics and targets. This includes disclosing information about their greenhouse gas emissions, water usage, waste management, and other relevant sustainability metrics. Entities must also set sustainability-related targets and disclose their progress towards achieving these targets over time. The metrics and targets used by entities must be relevant, reliable, and comparable across different entities and industries.

By adopting these standards, organizations demonstrate their commitment to sustainable practices and risk management, potentially attracting responsible investors and improving public trust. However, the adoption of these IFRS sustainability standards has widespread regulatory reform, measurement infrastructure development, data analytics, multidisciplinary capability building, and disclosure practice implications for thousands of reporting entities globally, especially in emerging countries, including Ghana. This urgent imperative comes amid rising demands for climate risk transparency and evidence of sustainable business conduct by countries supporting global goals.

Ghana currently lacks mandatory sustainability reporting requirements, and despite the presence of voluntary guidelines, most Ghanaian companies do not regularly disclose sustainability information due to the absence of clear policy guidance. With the adoption of IFRS sustainability reporting standards S1 and S2, Public Interest Entities (PIEs), including listed Ghanaian companies, will be required to strengthen governance oversight, communicate sustainability strategies, implement risk monitoring, and provide comprehensive standardized disclosures on issues like greenhouse gas emissions and

climate vulnerabilities that may financially impact operations. However, implementing extensive sustainability reporting based on IFRS standards will require significant investments in ESG data collection systems, reliable verification mechanisms, diverse technical expertise, and effective coordination between public agencies and businesses. Given the current state of sustainability reporting in Ghana, there could be likely substantial deficiencies in sustainability governance, strategy articulation, risk management, and comprehensive standardized disclosures. Additionally, challenges may arise in the utilization of sustainability measuring methods, data collection processes, data reliability, and maintaining adequate knowledge levels and supervision ecosystems. Therefore, an urgent assessment of Ghana's readiness for adopting IFRS sustainability disclosure reporting standards is necessary, as there is currently a lack of comprehensive, evidence-based review of Ghana's capacity to implement IFRS S1 and IFRS S2 reporting.

The Institute of Chartered Accountants, Ghana (ICAG) and the West African Centre for Accountancy Research (WACAR) aim to assess the current readiness of Ghanaian businesses for the adoption of IFRS sustainability reporting standards. The primary objective of this assessment is to evaluate the present state of preparedness among Public Interest Entities (PIEs) in Ghana for implementing the IFRS sustainability disclosure standards, IFRS S1 and IFRS S2. Through this assessment, ICAG and WACAR also seek to identify the barriers and enablers that influence the effective implementation of IFRS sustainability disclosures in Ghana. By recognizing these factors, the organizations intend to provide recommendations for policy interventions that can enhance the quality and compliance of IFRS sustainability disclosures among Ghanaian PIEs.

1.3 Research Questions

The research questions that guides this study is as follows:

1. What is the current level of awareness and knowledge of IFRS sustainability reporting standards among key stakeholders in Ghana?

2. What is the level of readiness of sustainability governance oversight, sustainability related risk management, integration of sustainability related strategies, monitoring and setting goals/ targets across material sustainability KPIs among PIEs?

3. What are the barriers/challenges and recommendations for improving IFRS sustainability standards readiness in focus areas within the Ghanaian context?

4. What is Ghana's Sustainability Reporting Readiness Index?

The subsequent chapter delineates the methodology used for the study, Chapter 3 then presents the results and discussion of the findings. Finally, Chapter 4 sets forth the conclusions and recommendations.

02.
METHODOLOGY

2.1 Research Design

This research adopted a sequential explanatory mixed methods design to comprehensively explore IFRS readiness, beginning with a quantitative stage and followed by a qualitative phase with the aim of offering a comprehensive understanding of the Ghana's readiness for the IFRS S1 and S2 adoption and implementation.[12] The adoption of the sequential explanatory mixed methods design was to provide a framework for researchers to explore and gain a deeper understanding of the phenomena under study after assessing statistical patterns, and general insights into the landscape of IFRS readiness. Additionally, the exploratory research design provided insights into the challenges or barriers to the implementation of IFRS sustainability disclosure standards.

2.2 Population and Sampling

The study population comprised all Public Interest Entities and corporations expected to implement the IFRS sustainability disclosure standards. The population therefore included regulated businesses (financial institutions, public listed companies, insurance companies, pensions companies, mining companies, oil and gas companies etc.) and private corporations. Based on registry data, the total estimated target population comprised of approximately 1500 organizations. To ensure comprehensive representation across diverse sectors in the quantitative part of the study, the population was stratified into 11 distinct sectors using the Sustainability Accounting Standards Board (SASB) sector classification. Stratified random sampling technique was employed to mitigate the impact of sectoral variability. This method ensures proportional representation in relation to the sample and enhanced precision within each sector. Within each stratum, simple random sampling was employed to select organizations proportionate to their sizes. This approach ensured fairness and unbiased representation, facilitating the extraction of statistically significant findings from each sector.

For the qualitative component of the study, purposive sampling wasadopted. This methodology allowed for the purposeful selection of participants based on specific criteria relevant to the research questions. Participants were chosen for their ability to provide in-depth insights, diverse perspectives, and rich information related to challenge and barriers to the implementation of the IFRS sustainability standards within their respective sector .

2.3 Sample Size

A sample size of 306 organisations were be drawn from a population of 1500 organisations for the quantitative part of the study. The sample size for the qualitative study was between 10-15 senior Finance/accounting or sustainability managers from the selected organization guided by principles of data saturation. The sample size was considered enough to reach saturation on the subject of the study. The selection criteria included senior accountants or managers with at least 5 years of experience in their respective positions, whose roles stand to be impacted by the adoption of IFRS sustainability standards.

2.4 Data Collection Methods

Closed–ended questionnaires survey questionnaire was the main instrument used in the quantitative part of the study. This is because the survey questionnaire facilitated the quantification of readiness perceptions and maturity levels across key dimensions of IFRS sustainability reporting standards. This quantitative approach ensures a structured and standardized method for collecting numerical data, allowing for statistical analysis and comparison. The questionnaire among other things measured five main indicators IFRS S1 and S2 including sustainability governance/ oversight, the clear articulation of strategy, the implementation of risk management systems and the provision of comprehensive standardized disclosures on topics such as GHG emissions and climate vulnerabilities. The perceived benefits of the adoption and implementation of the IFRS sustainability reporting standards were also measured. Respondents were asked to express

their candid opinion on the indicators using the five-point Likert scale ranging from 1=strongly disagree, 2=disagree, 3=neither agree nor disagree, 4= agree, and 5=strongly agree. Prior to the data collection, formal written request was made to the management of these business entities to seek permission for employee(s) to participate in the study. Upon approval, the questionnaire was deployed online via google forms.

For the qualitative part of the study, semi-structured in-depth interviews were conducted with senior executives responsible for sustainability and accounting/reporting and regulation across 10-15 purposively selected organizations. In the context of this study, the utilization of in-depth interviews is driven by the need to gain nuanced insights into priority gaps, barriers and challenges to the implementation of the IFRS sustainability reporting standard from the interviewees. Upon the granting of permission to undertake the study, consent was sought from all the potential participants before the commencement of the interview sessions. The interview sections were recorded after the consent had been sought from participants. All information provided by respondents were kept confidential.

2.5 Pilot Study

A pilot study was conducted using approximately 50 respondents from the target population to pre-test the instrument. Based on the findings of the pilot study, necessary adjustments and refinements were made to the survey questions.

2.6 Data Analysis

In analysing the quantitative data, descriptive statistics (e.g., means, frequencies, percentages) was calculated to summarize the responses and provide an overall picture of sustainability practices as well as the level of awareness, knowledge, and maturity of sustainability reporting practices among the surveyed organizations. Additionally, the study carried out percentage-based comparisons across sectors to provide a clear, quantifiable way to assess the relative strengths and weaknesses in sustainability practices and IFRS S1 and S2 readiness among different sectors in Ghana. The qualitative data of the study was analysed using thematic analysis.

03.
FINDINGS AND DISCUSSION

3.1 Response Rate

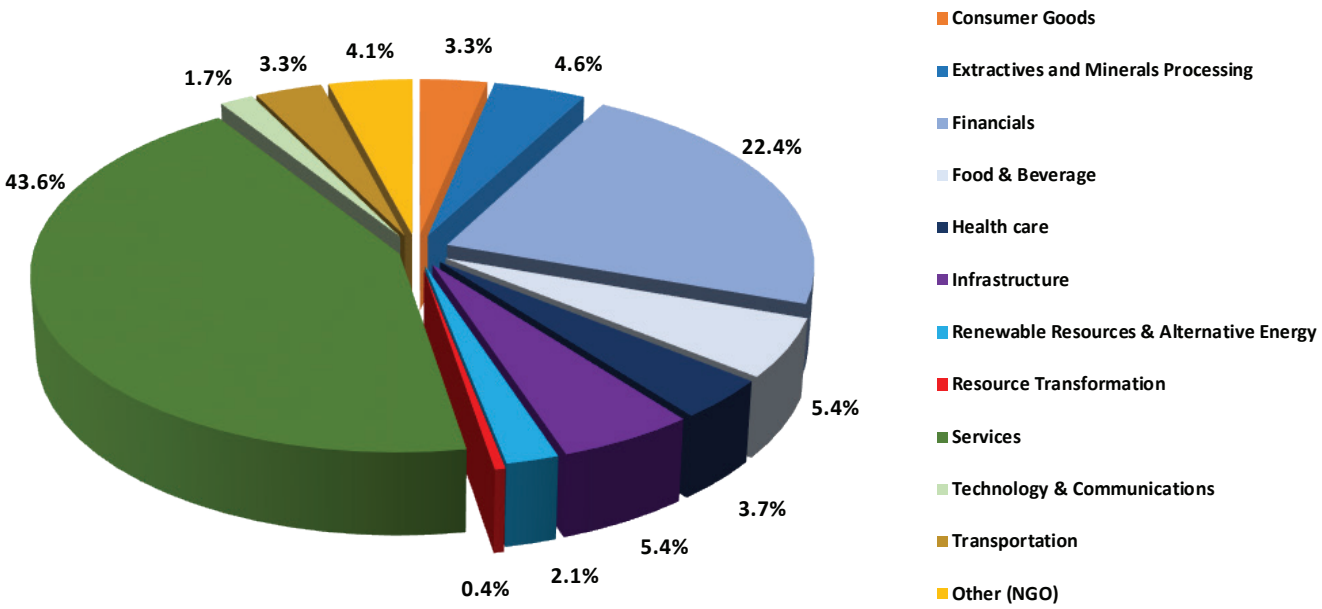
A 78.76% response rate was achieved, with 241 of 306 organizations participating. This high engagement enhances the study's representativeness and statistical strength. The findings are likely reliable and widely applicable, though the small non-response group should be factored into the overall interpretation of results.

3.2 Industry Distribution

This analysis presents the industry distribution of 241 entities based on a frequency table and industry classification, providing insights into the economic landscape and the relative importance of various sectors (see figure 3.1) The Services sector dominates, representing 43.6% (105) of entities, spanning consultancy, accounting, education, public services, media, and hospitality. Financials follow at 22.4% (54), including banks, insurance companies, and asset management firms. Food & Beverage and Infrastructure each account for 5.4% (13) of entities. Food & Beverage covers food cannery, beverage production, and agro-processing, while Infrastructure includes construction, engineering, and waste management.

Extractives and Minerals Processing represent 4.6% (11), encompassing oil, gas, cement, and mining. NGOs and unclassified entities make up 4.1% (10), including churches and non-profits. Consumer Goods and Transportation each account for 3.3% (8). Consumer Goods includes garment manufacturers and retail businesses, while Transportation covers logistics and shipping services. Health Care represents 3.7% (9), including clinics, hospitals, and pharmaceutical companies. Renewable Resources & Alternative Energy comprises 2.1% (5), featuring power authorities and service providers. Technology & Communications make up 1.7% (4), consisting of IT and AI companies. Resource Transformation has the smallest representation at 0.4% (1), comprising a single container and packaging manufacturer. This breakdown highlights the varying levels of representation across different sectors, with Services and Financials dominating the dataset. It offers valuable insights into the economic structure represented, showing a diverse range of industries with differing levels of prominence.

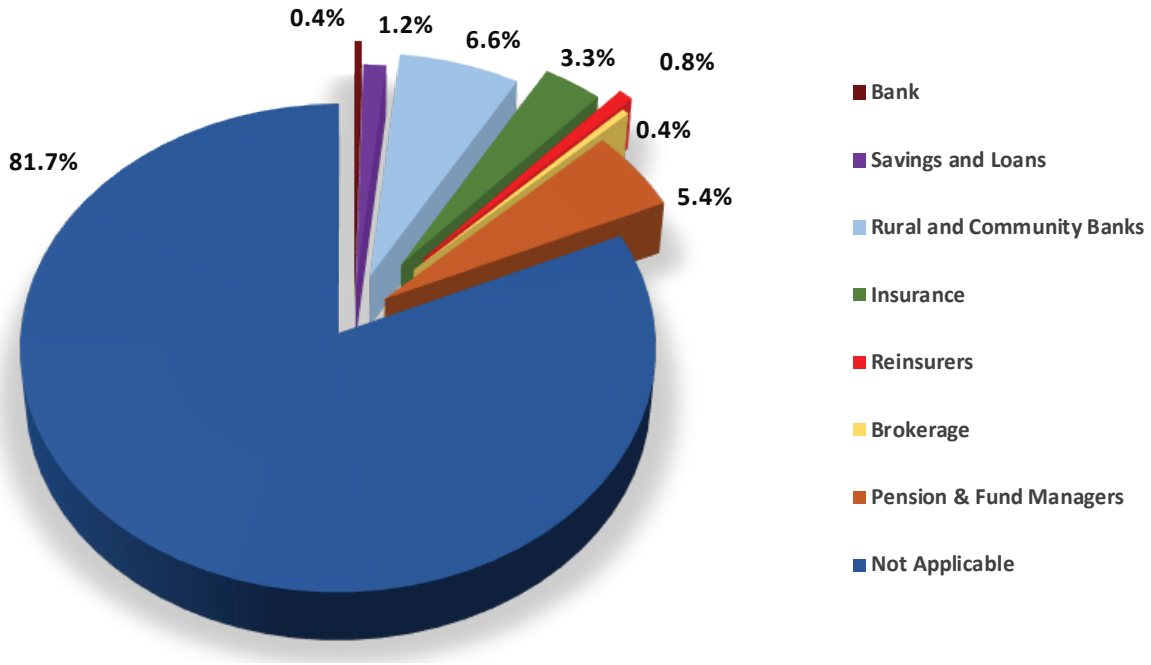
Figure 3.1 Sector Distribution



3.3 Financial Services Sector Breakdown

Figure 3.2 shows that out of the 22.4% surveyed entities in the Financial sector, Rural and Community Banks dominate at 29.6%, followed closely by Pension & Fund Managers at 24.1%. Insurance companies represent 14.8%, while other categories like Savings and Loans, Reinsurers, Banks, and Brokerage firms have smaller representations. These figures further underscore the diversity within the financial services sector and the relatively small presence of traditional banking and securities trading services among the surveyed organizations. This breakdown provides crucial context for understanding the financial sector's readiness for IFRS S1 and S2 implementation.

Figure 3.2 Financial Sector Distribution



3.4 Organizational Characteristics

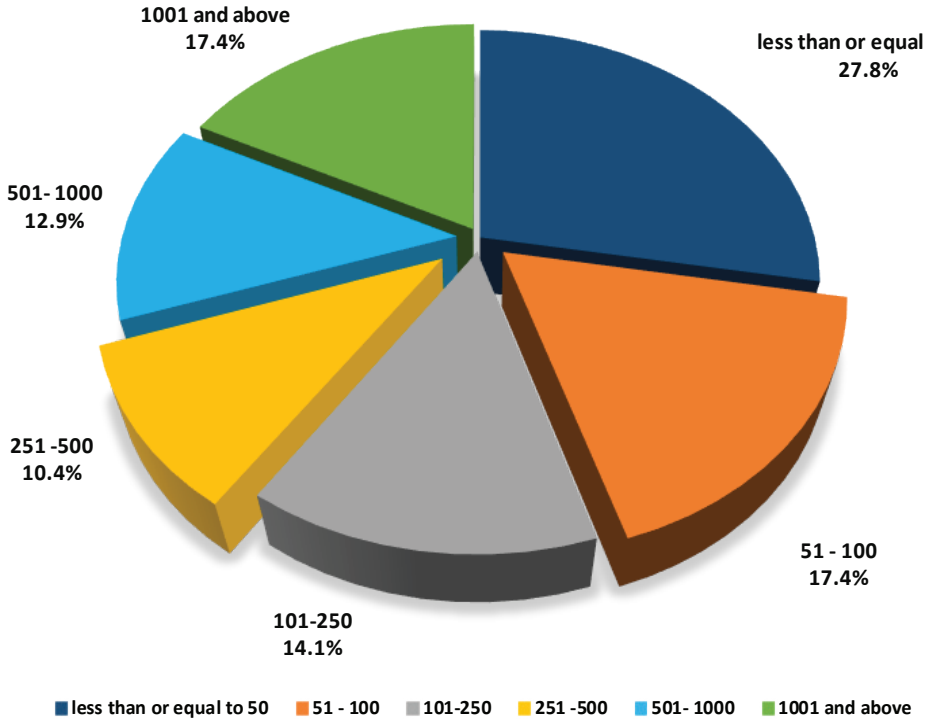
a. Stock Exchange Listing

The result provides insights into various aspects of 241 surveyed organizations. Only a small fraction, 4.1% (10 out of 241), of these organizations are listed on the Ghana Stock Exchange, indicating that the vast majority are not publicly traded companies.

b. Organization Size

Regarding organization size, there is a diverse distribution of employee numbers. Figure 3.3 shows that the largest group, comprising 27.8% (67 out of 241) of organizations, has 50 or fewer employees. Organizations with 51-100 employees and those with over 1000 employees are equally represented, each accounting for 17.4% (42 out of 241) of the total. Medium-sized organizations with 101-250 employees make up 14.1% (34 out of 241), while those with 501-1000 employees represent 12.9% (31 out of 241). The smallest group consists of organizations with 251-500 employees, accounting for 10.4% (25 out of 241) of the total (see Table 3). The distribution shows a wide range of organization sizes, indicating that the study captures a diverse cross-section of Ghana's business environment. This diversity is crucial for understanding how IFRS implementation might affect different types of companies.

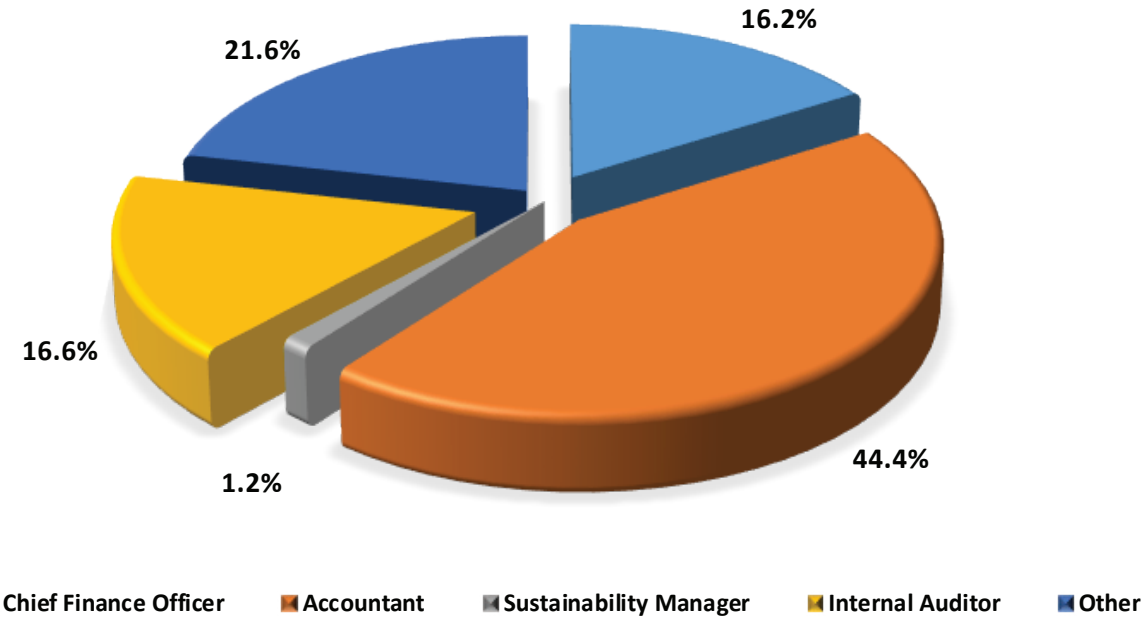
Figure 3.3 Organization size



c. Respondent Roles

Results from Figure 3.4 shows the survey respondents primarily hold financial roles within their organizations. Accountants form the largest group, representing 44.4% (107 out of 241) of respondents. Internal Auditors and Chief Finance Officers are almost equally represented at 16.6% (40 out of 241) and 16.2% (39 out of 241) respectively. A significant portion, 21.6% (52 out of 241), hold other positions not specified in the main categories. Notably, only 1.2% (3 out of 241) of respondents are Sustainability Managers.

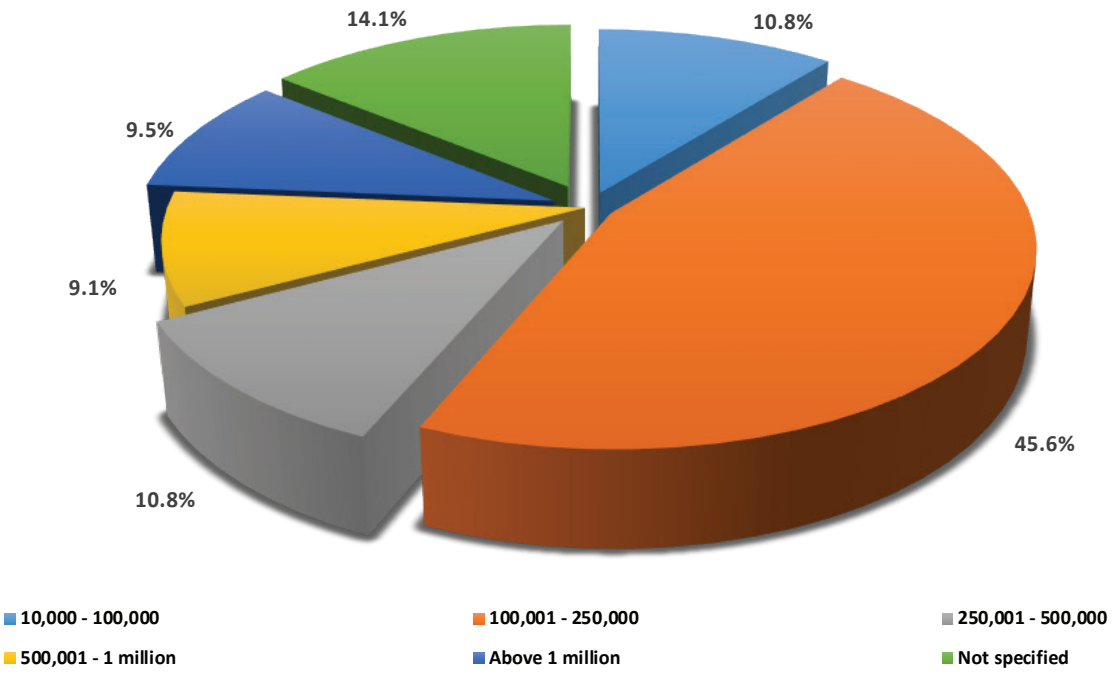
Figure 3.4 Position of Respondents



3.5 Estimated Investment for IFRS Sustainability Compliance

Figure 3.5 shows the results on estimated investment for compliance reveals a diverse range of anticipated costs. Most organizations (45.6%) expect to invest between 100,001 and 250,000 Ghana Cedis, suggesting moderate financial implications for many. However, estimates vary widely, from as low as 10,000 to over 1 million Ghana Cedis, reflecting differences in organizational size, complexity, and readiness. Notably, 19.4% of respondents anticipate costs exceeding 500,000 Ghana Cedis, indicating potentially significant financial burdens for some. The fact that 14.1% of respondents did not specify an investment range points to uncertainty or lack of assessment regarding the financial implications of compliance. This spread of estimates underscores the varied perceptions and preparedness levels across organizations in implementing IFRS sustainability reporting standards.

Figure 3.5 Estimated Investment for IFRS Sustainability Compliance



3.6 Sustainability Practices (Management Representation and Sustainability Reporting)

Concerning sustainability practices, the data reveals that most organizations have not yet fully embraced these initiatives. Only 18.7% (45 out of 241) of organizations have appointed senior management representation for sustainability. Similarly, just 15.8% (38 out of 241) of organizations publish a sustainability report. These figures suggest that sustainability practices include management representation and reporting are still in the early stages of adoption among the surveyed organizations, with significant room for growth in this area

3.7 Sustainability Report Assurance

The data provides insights into sustainability reporting practices among the surveyed organizations. Regarding third-party assurance of sustainability reports, 14.1% (34 out of 241) of organizations have their most recent sustainability report assured by a third party, while 5.8% (14 out of 241) do not. The majority, 80.1% (193 out of 241), marked this question as not applicable, aligning closely with the number of organizations not publishing sustainability reports.

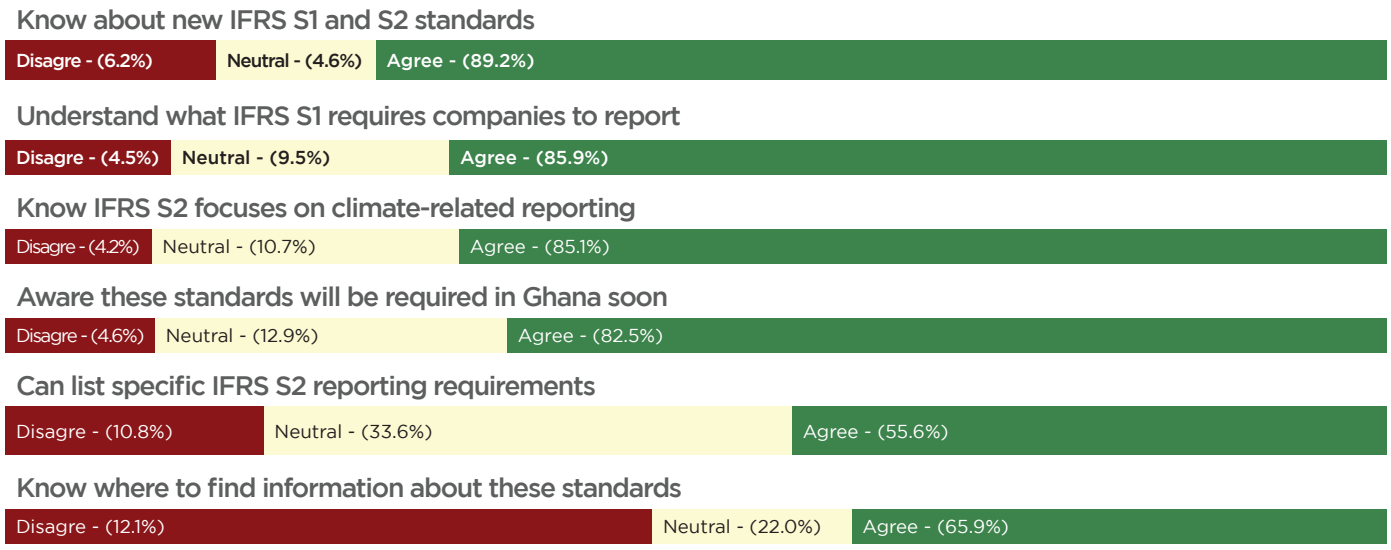
3.8 External Requirements for Sustainability Reporting

External requirements play a substantial role in driving sustainability reporting. Among the surveyed organizations, 15.8% (38 out of 241) indicate that their sustainability report is required by an external party, while 5.0% (12 out of 241) report that it is not externally mandated. Out the total number of external parties driving the requirement for sustainability reporting, regulators emerge as the primary influence. Regulators require sustainability reports from 10.4% (25 out of 241) of the surveyed organizations, while investors demand such reports from 4.6% (11 out of 241) of the entities. These findings suggest that among organizations engaged in sustainability reporting, there is a strong tendency towards third-party assurance and a significant external impetus for producing these reports. Regulatory bodies appear to be the main driving force behind the requirement for sustainability reporting, followed by investors. This data underscores the growing importance of external stakeholders in shaping corporate sustainability practices and reporting.

3.9 Level of Awareness and Understanding of IFRS S1 and IFRS S2

Results from figure 3.6 shows a high level of awareness (89.2%) and understanding of the newly developed IFRS S1 and IFRS S2 sustainability reporting standards. Most respondents understand the general requirements of IFRS S1 (85.9%) and IFRS S2 (85.1%), and 82.5% are aware that sustainability reporting aligned with these standards will soon become mandatory for companies in Ghana. However, there is less certainty regarding specific IFRS S2 climate-related disclosure requirements, with 33.6% of respondents remaining neutral and 10.8% unable to name any. This indicates a need for more targeted education and resources to help stakeholders better understand and comply with the detailed disclosure requirements of IFRS S2. Additionally, while 65.9% of respondents know where to find information on IFRS S1 and S2, 12.1% disagree, and 22.0% are neutral, suggesting room for improvement in the accessibility and dissemination of educational resources.

Figure 3.6 Awareness of IFRS S1 & S2

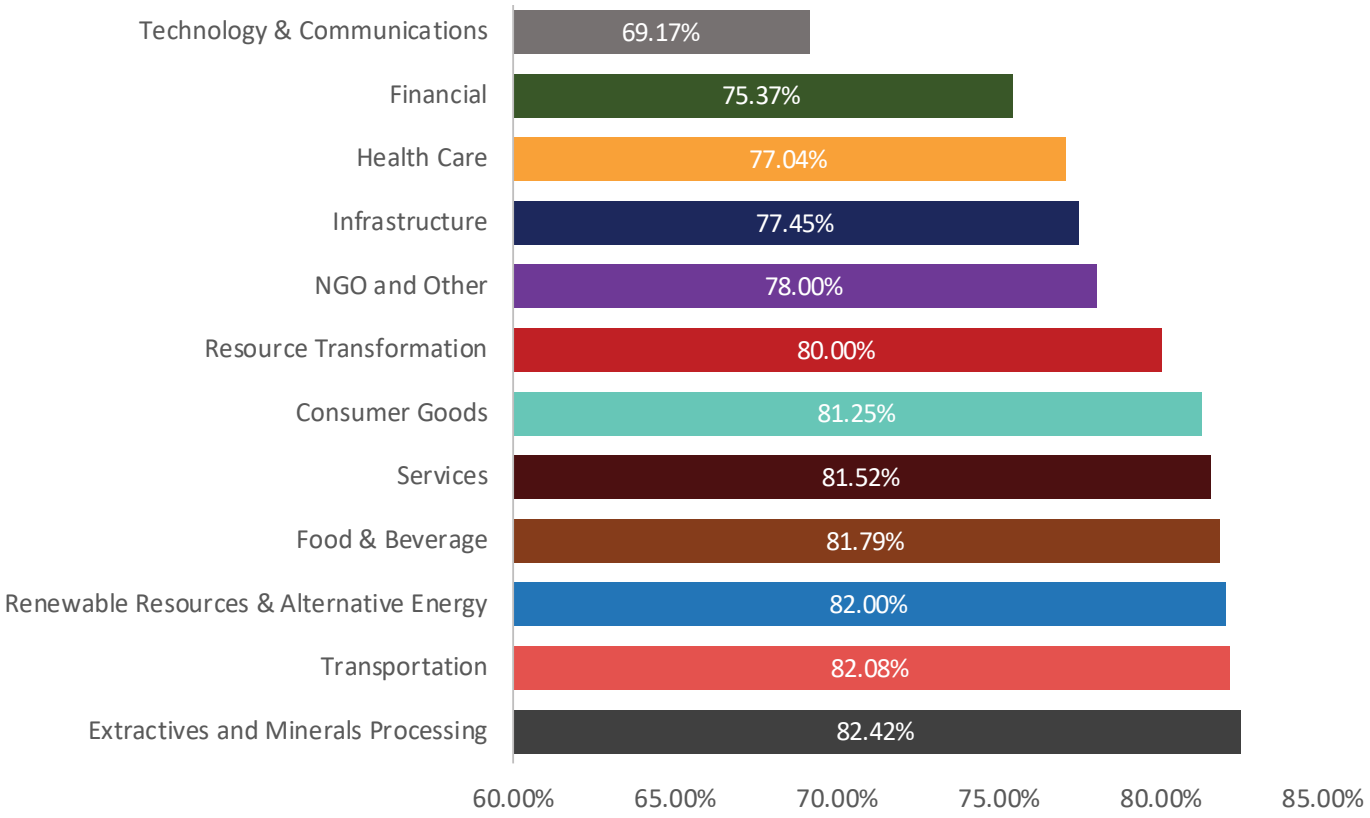


Furthermore, sectorial analysis of the level of awareness of the IFRS S1 and S2 in figure 3.7 reveals that most sectors demonstrate high levels of IFRS awareness, with percentage mean scores above 80% in the Consumer Goods (81.2%), Extractives and Minerals Processing (82.4%), Food & Beverage (81.7%), Renewable Resources & Alternative Energy (82.0%), Resource Transformation (80.00%), Services (81.5%), and Transportation (82.0%) sectors. This indicates a strong understanding and engagement with IFRS standards in these sectors.

However, the Technology & Communications sector stands out with a notably relatively lower IFRS awareness level, having a percentage mean score of 69.1%. This highlights the need for targeted educational initiatives and outreach programs to enhance IFRS understanding and awareness in this crucial sector of the modern economy. While other sectors such as Financial (75.37%), Health Care (77.04%), Infrastructure (77.45%), and NGOs (78.00%) show fairly high levels of IFRS awareness, their slightly lower scores compared to the top-performing sectors suggest that there is still room for improvement through focused educational efforts.

Overall, the 74.25% level of awareness for IFRS S1 and S2 in Ghana is a is a very positive finding high awareness of IFRS sustainability standards which can be attributed to ICAG and IFRS S1 and S2 Steering Committee's extensive outreach efforts, including public lectures, continuing professional development programs, webinars, and online resources. These combined initiatives have effectively prepared Ghanaian companies for the impending mandatory sustainability reporting aligned with IFRS S1 and S2. There is still room for improvement in providing targeted education on specific IFRS S2 climate-related disclosure requirements and enhancing the accessibility of educational resources.

Figure 3.7 IFRS Awareness Percentage Mean Scores by Sector



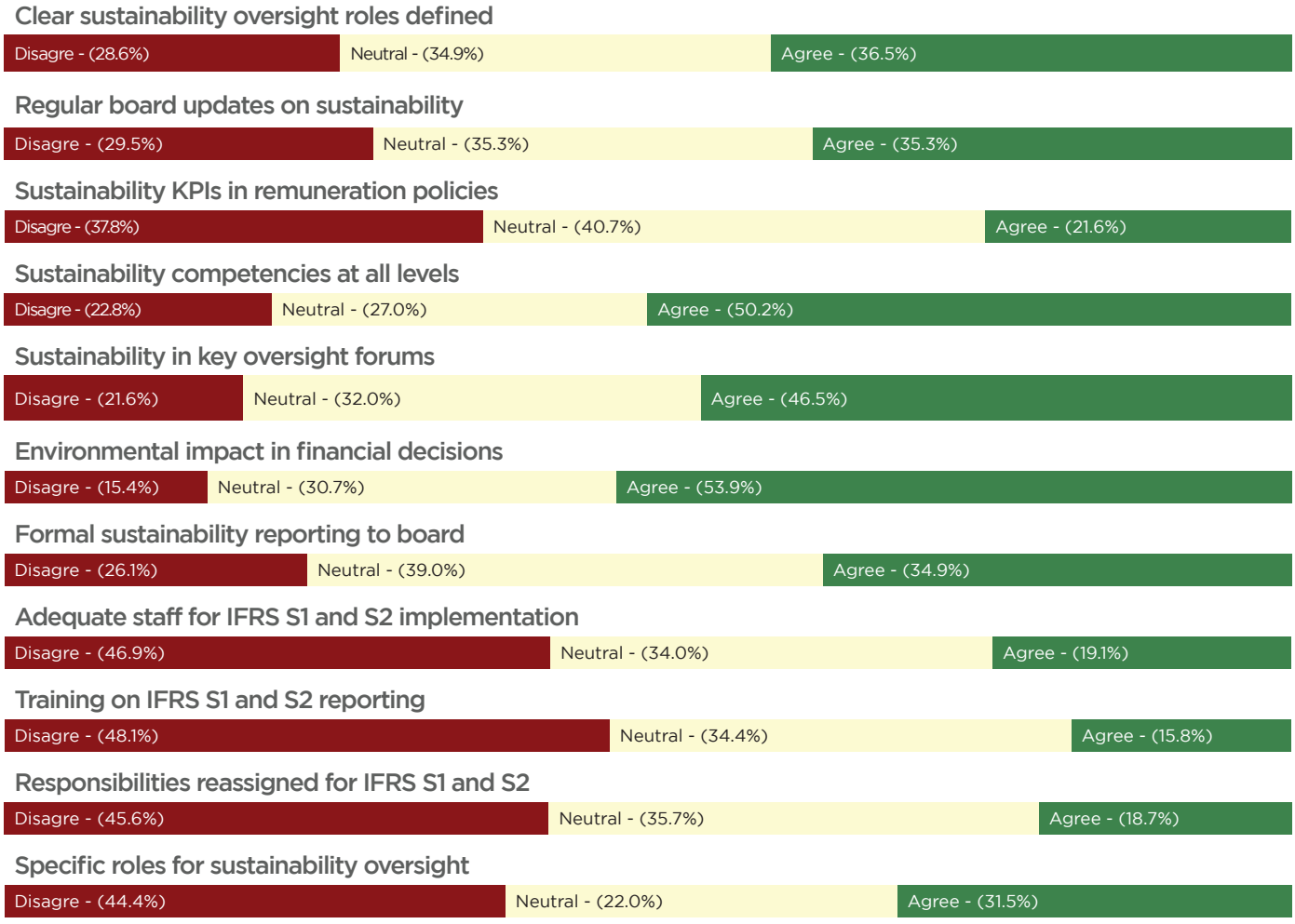
3.10 Level of Sustainability Governance and Oversight Readiness

Figure 3.8 showing the results of Sustainability Governance Oversight Readiness reveals key areas of concern and limited progress in many organizations. Results from 7 shows that only 36.5% of respondents report clearly defined roles for sustainability oversight in boards and senior management, indicating underdeveloped governance structures. Board engagement needs improvement, with just 35.3% agreeing that regular processes exist to keep the board informed about sustainability issues.

Integration of sustainability key performance indicators (KPIs) into remuneration policies is limited, with only 21.6% incorporating them into compensation for senior executives and managers. This may hinder prioritization of sustainability initiatives. More positively, 53.9% of respondents consider environmental impacts in major financial decisions, suggesting sustainability is increasingly viewed as a core business consideration.

Significant challenges exist in preparing for IFRS S1 and S2 sustainability disclosure standards. Only 19.1% have adequate staff for implementation, 17.5% report sufficient training on new standards, and 18.7% have reassigned responsibilities for expanded reporting. This widespread unpreparedness could pose challenges as these standards become mandatory. Additionally, it is evident that clear accountability for sustainability oversight is lacking in many organizations, with only 24% having assigned responsibility to specific roles or committees. This governance gap could therefore hinder effective sustainability management and reporting. The overall sustainability governance readiness is 48.2% indicates growing recognition of sustainability governance importance, but also a significant room for improvement.

Figure 3.8 Survey Results on Sustainability Governance and Oversight



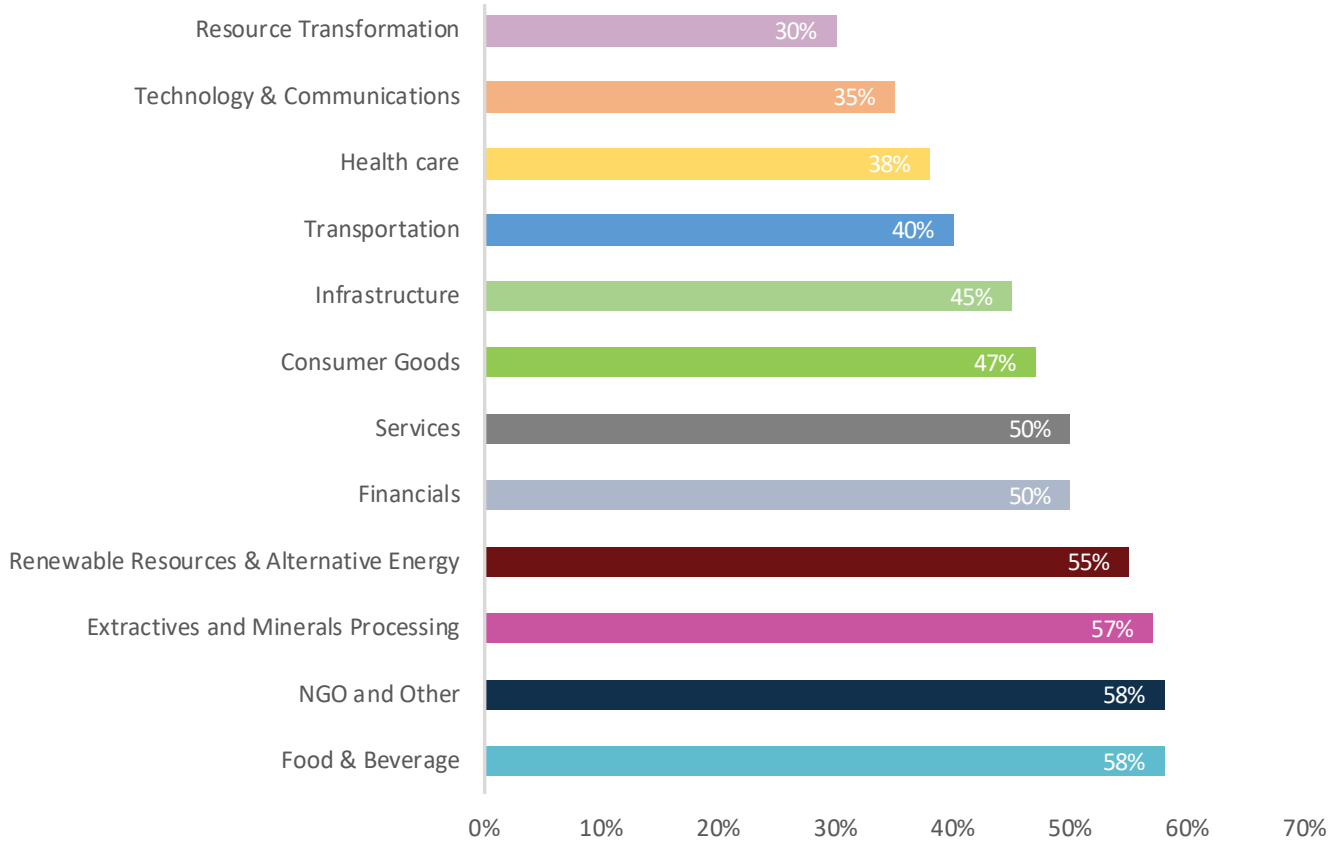
The results also reveal diverse sustainability governance readiness across different sectors. For instance, Figure 3.9 shows that Food & Beverage and NGOs lead in relation to sustainability governance readiness at 58%, driven by consumer pressure and inherent focus on social and environmental issues. Renewable Resources and Extractives follow at 55-57%, reflecting environmental scrutiny and regulatory pressures.

Consumer Goods, Financials, and Services (47-50%) balance sustainability with traditional metrics, indicating active sustainability and governance integration efforts. Infrastructure (45%) recognizes sustainability importance but faces sector-specific challenges like long project lifecycles and complex stakeholder relationships.

Health Care and Transportation (38-40%) show lower governance readiness, possibly due to industry regulations and operational complexities. Technology & Communications (35%) lags, potentially prioritizing innovation over sustainability. Resource Transformation (below 30%) demonstrates the lowest readiness, indicating significant room for improvement.

These varied sustainability governance levels highlight the need for tailored approaches. The disparities underscore the importance of industry-specific benchmarking and cross-sector learning. While some industries demonstrate leadership, others require focused efforts to overcome barriers and improve sustainability oversight. This analysis emphasizes the necessity for customized strategies to enhance overall governance efficacy across different sectors.

Figure 3.9 Sustainability Governance Readiness Levels by Sector



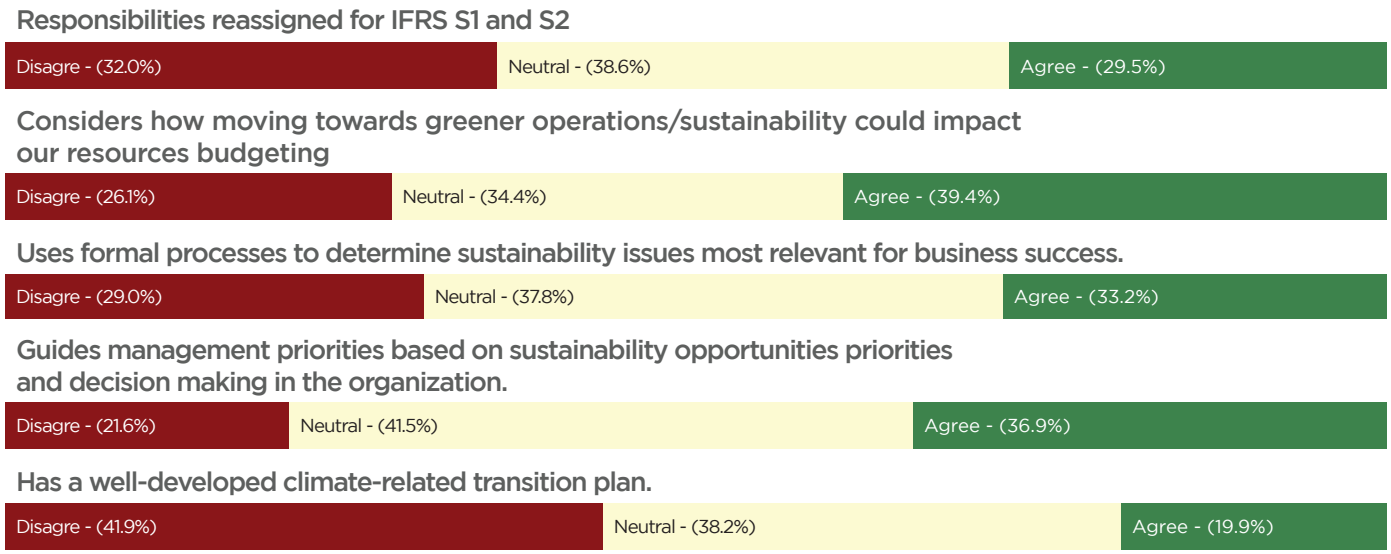
3.11 Level of Sustainability Strategy Readiness

The survey results in figure 3.10 assessing the Level of Sustainability Strategy Readiness reveal significant gaps in organizational preparedness for integrating sustainability into strategic planning and decision-making processes.

The Results from figure 3.10 reveal that only 29.5% of respondents indicate that their organizations assess environmental risks across various time horizons during planning, suggesting a lack of long-term environmental consideration in strategic planning for most companies. While 39.4% report that sustainability impacts are considered in budgeting decisions, this still leaves a majority of organizations not fully incorporating sustainability into their financial planning.

Formal processes for determining relevant sustainability issues are only used by 33.2% of organizations, indicating a lack of structured approaches to sustainability prioritization. Similarly, just 36.9% of respondents say that sustainability-related opportunities guide their management priorities and decision-making, suggesting that many organizations are not fully leveraging sustainability for strategic advantage. Perhaps most concerning is that only 19.9% of organizations have a well-developed climate-related transition plan. This low percentage indicates a significant lack of preparedness for the challenges and opportunities presented by the transition to a low-carbon economy.

Figure 3.10 Level of Sustainability Strategy Readiness



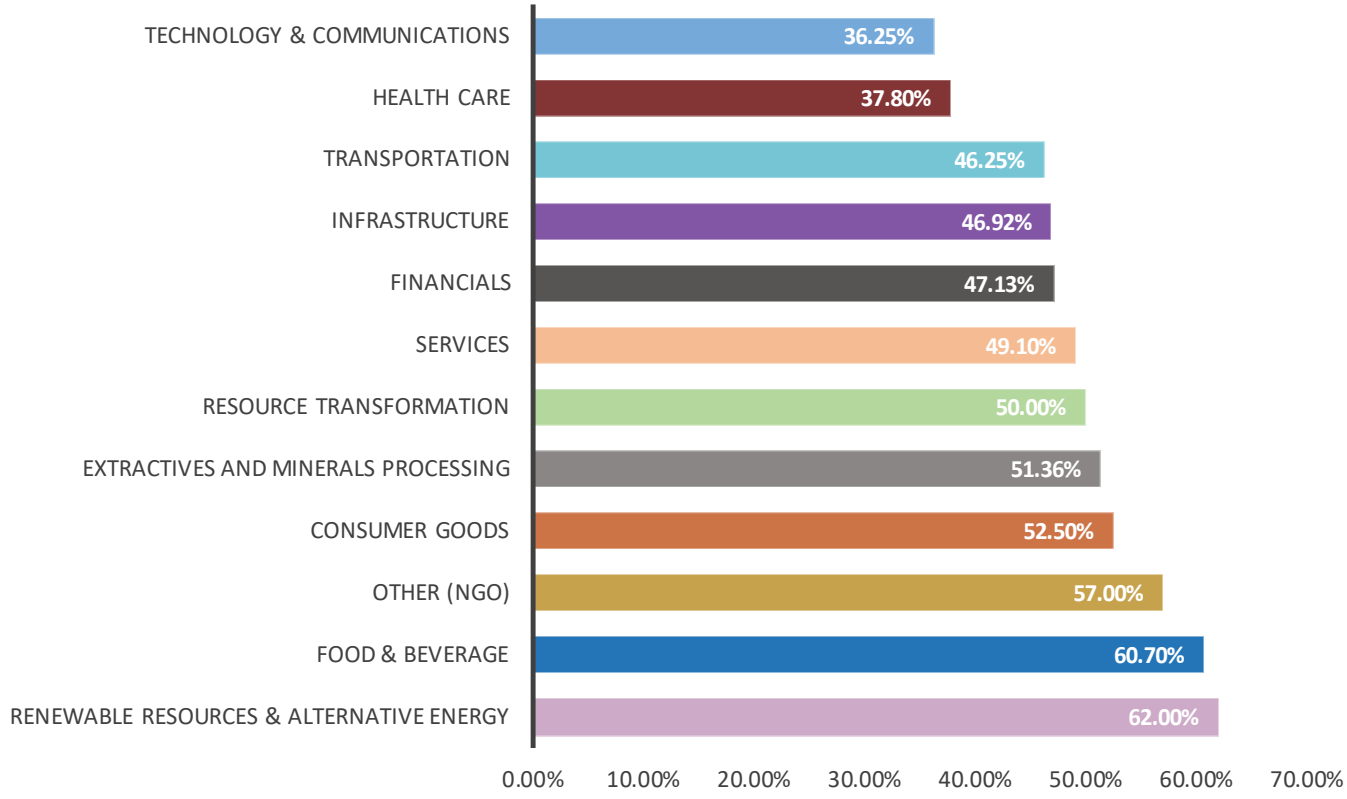
Results from figure 3.11 on sustainability strategy readiness across sectors reveal varying levels of progress. The Renewable Resources & Alternative Energy sector leads with a 69.60% readiness score, reflecting its focus on sustainable solutions. Food & Beverage follows closely at 68.6%, likely driven by consumer demand and environmental concerns. The Other (NGO) category shows strong readiness at 65.6%, aligning with their sustainability-focused missions. Consumer Goods and Extractives and Minerals Processing sectors demonstrate similar readiness levels of 62.0% and 61.09%, respectively, indicating substantial progress with room for improvement. The Resource Transformation sector is slightly behind at 60.0%, suggesting active efforts in integrating sustainability strategies.

The Services sector falls slightly behind at 59.3%, suggesting challenges in integrating sustainability across diverse industries. Financials and Infrastructure sectors cluster around 57.7% and 57.5%, respectively, showing active efforts but facing sector-specific hurdles. The Transportation sector is close behind at 57.0%, indicating progress in incorporating sustainability into their strategies. The Health care sector's lower readiness level of 50.2%

may reflect difficulties in balancing sustainability with other priorities and regulations. Surprisingly, the Technology & Communications sector shows the lowest readiness at 49.2%, possibly due to rapid technological changes or competing business priorities.

These findings highlight the varying degrees of sustainability strategy integration across industries, with some sectors making significant strides while others face challenges in developing comprehensive approaches. The overall mean readiness level of 59.4% indicates growing recognition of sustainability's importance, but also significant room for improvement. Despite some progress, the generally moderate readiness levels underscore a pressing need for organizations to more fully embed sustainability into core strategic processes. This integration is crucial for ensuring long-term resilience and competitiveness in an increasingly sustainability-focused business environment. The variation between industries suggests that lagging sectors could benefit from examining and adapting practices from those with higher readiness scores to enhance their own sustainability strategic planning and implementation.

Figure 3.11 Sustainability Strategy Readiness Levels by Sector



3.12 Level of Sustainability Risk & Opportunities Readiness

Result from figure 3.12 reveal a concerning lack of readiness in managing sustainability-related risks and opportunities across organizations. Only 28.6% of respondents indicate that their organizations thoroughly assess and manage climate-related physical risks, while 26.1% report rigorous management of climate-related transition risks. The readiness to exploit climate-related opportunities is similarly low at 28.7%. When it comes to non-climate sustainability risks and opportunities, only 25.3% of organizations actively manage related risks, while 28.2% exploit non-climate sustainability opportunities. Particularly alarming is that only 22.0% and 24.5 % of organizations have comprehensively assessed the vulnerability of their assets and business activities to climate-related physical risks and to transition risk respectively. Across all categories, a large proportion of respondents (ranging from 37.3% to 45.2%) remain

neutral, suggesting either a lack of clear organizational stance or possibly a lack of awareness about their organization's practices in these areas.

Figure 3.12 Level of Sustainability Risk & Opportunities Readiness

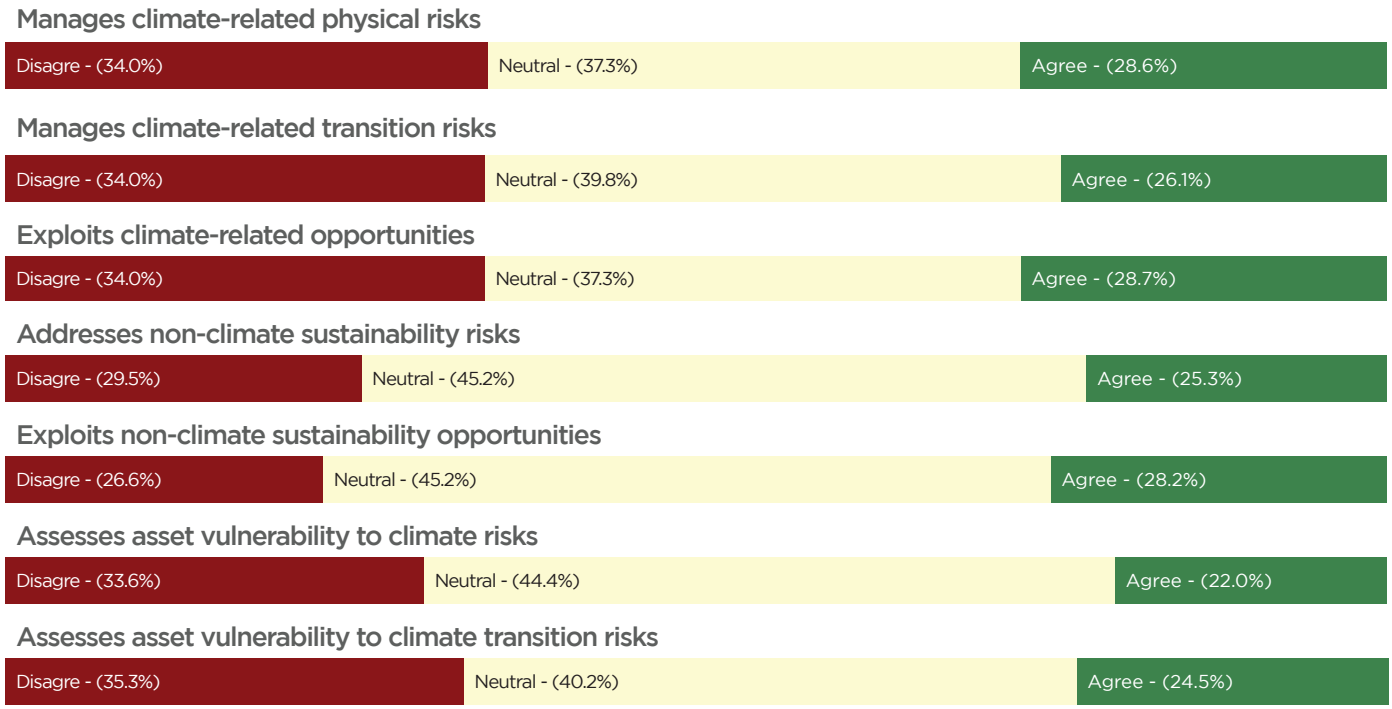
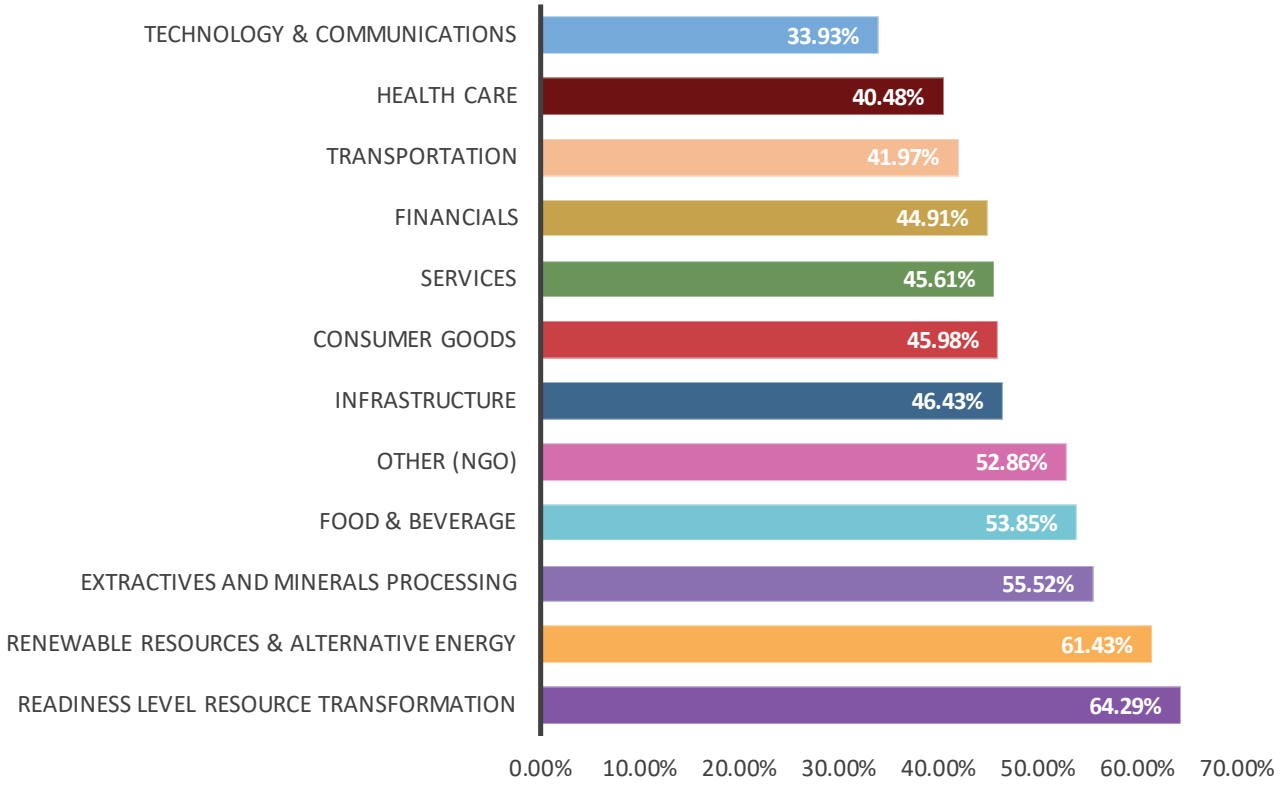


figure 3.13 also reveals significant disparities in readiness between different sectors. The Resource Transformation sector demonstrates the highest level of readiness at 64.2%, followed closely by Renewable Resources & Alternative Energy at 61.4%. Extractives and Minerals Processing shows a strong readiness level at 55.52%, while Food & Beverage (53.8%) and NGOs (52.8%) also show above-average readiness. Consumer Goods, Infrastructure, Services, and Financials cluster in the 44-46% range, slightly below the overall average. The Technology & Communications sector shows the lowest readiness at 33.9%, which is surprising given the sector's innovative reputation. The overall average readiness of 46.50% indicates that across industries, there's a growing recognition of the need to manage sustainability-related risks and opportunities, but significant room for improvement remains. These findings highlight a critical need for organizations to enhance their sustainability-related risk and opportunity management practices. The low levels of agreement across all statements indicate that most organizations are not yet fully prepared to identify, assess, and manage sustainability-related risks, nor are they well-positioned to capitalize on related opportunities. This lack of readiness could leave many organizations vulnerable to emerging sustainability challenges and ill-equipped to benefit from the opportunities presented by the transition to a more sustainable economy. There is a clear imperative for organizations to develop more robust frameworks for managing sustainability-related risks and opportunities, encompassing both climate-related issues and broader sustainability concerns. Additionally, sectors with lower readiness levels could benefit from examining the practices of higher-scoring industries to improve their approach. Investors and stakeholders may need to pay close attention to how companies in different sectors are preparing for and responding to sustainability-related risks and opportunities, as this readiness could significantly impact long-term business resilience and performance.Usquemus; in pos Catilis pere am poende esti, condum inunihin.

Figure 3.13 Sustainability Risk & Opportunities Readiness Levels by Sector



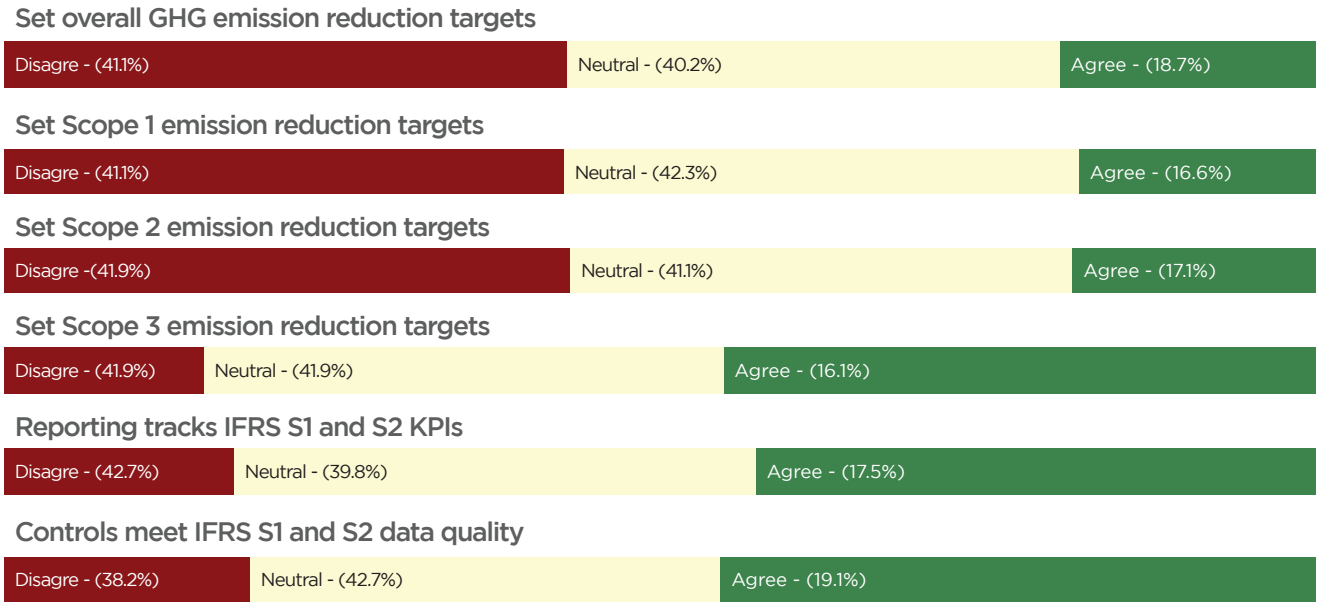
3.13 Level of Sustainability Metrics and targets Readiness

The survey results in figure 3.14 reveal a concerning lack of readiness among organizations in setting and managing sustainability metrics and targets, particularly in relation to Greenhouse Gas (GHG) emissions. This significant gap in establishing specific climate-related goals underscores a broader challenge in organizational preparedness for addressing sustainability issues. Only a small fraction, 18.7%, of organizations report having set clear overall GHG emission reduction targets. This is particularly concerning given the increasing global focus on climate change mitigation. The fact that 41.1% of respondents explicitly disagree with having set such targets, while 40.2% remain neutral, underscores a substantial gap in climate action planning across most organizations surveyed.

When examining the breakdown of targets for specific emission scopes, the picture remains consistently troubling. For Scope 1 emissions, which are direct emissions from owned or controlled sources, only 16.6% of organizations have set clear reduction targets. A significant 41.1% disagree with having such targets, while 42.3% remain neutral on the matter.

The situation for Scope 2 emissions, which are indirect emissions from the generation of purchased energy, is similarly concerning. Just 17.1% of organizations report having clear targets in this area, with 41.9% disagreeing and 41.1% maintaining a neutral stance. Scope 3 emissions, which include all other indirect emissions that occur in a company's value chain, show the lowest level of target-setting. Only 16.1% of organizations have set clear reduction targets for these emissions, while 41.9% disagree and an equal percentage remain neutral.

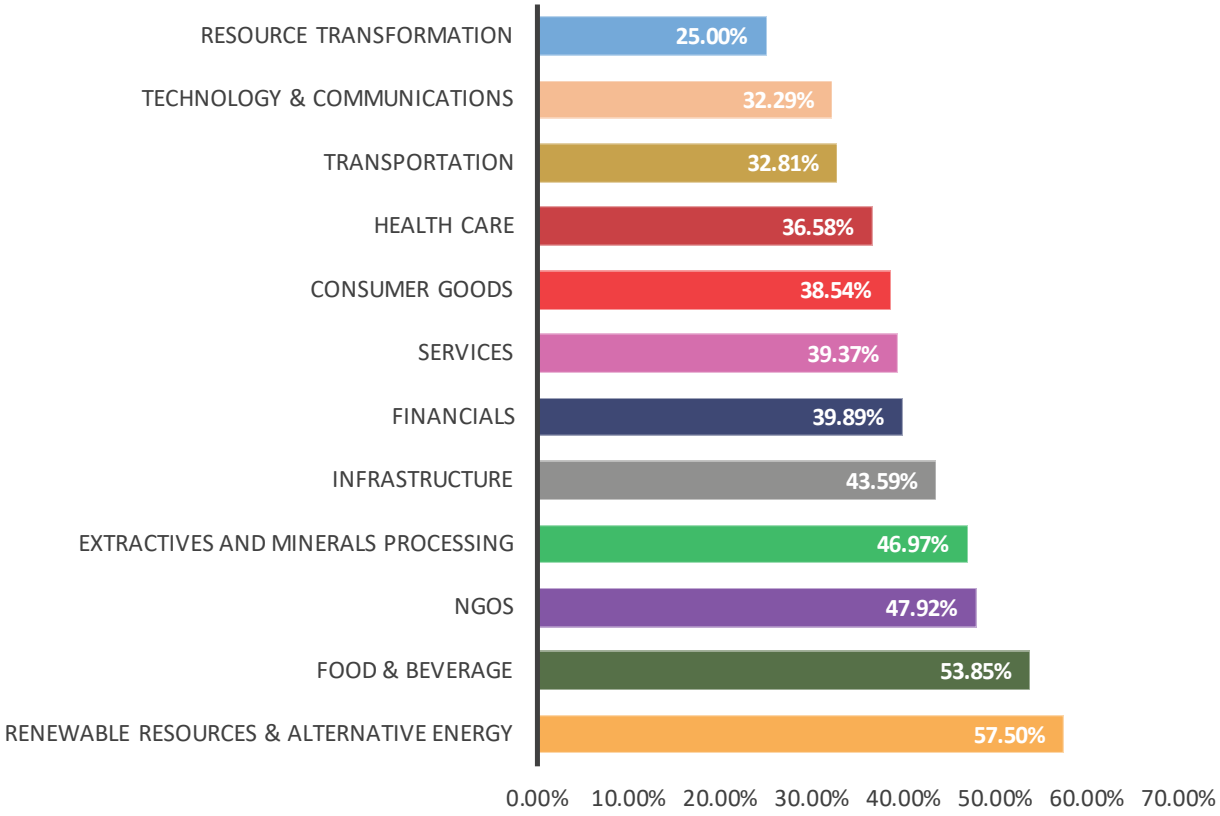
Figure 3.14 Level of Sustainability Metric and Target Readiness



Results from figure 3.15 also reveals disparities in Metric and Target Readiness between different sectors. The survey reveals significant disparities in organizational readiness to establish and manage sustainability metrics and targets across sectors. Renewable Resources & Alternative Energy leads with 57.50% readiness, followed closely by Food & Beverage at 53.85%. NGOs (47.9%) and Extractives and Minerals Processing (46.97%) demonstrate above-average readiness. Infrastructure (43.59%), Financials (39.89%), and Services (39.3%) sectors show moderate progress, while Consumer Goods (38.5%) and Health care (36.5%) lag slightly behind. Transportation (32.8%) and Technology & Communications (32.2%) demonstrate lower readiness levels. Surprisingly, Resource Transformation shows the lowest readiness at 25.00%, indicating unexpected difficulties in this area. The overall average readiness of 41.0% across industries suggests growing efforts to establish sustainability metrics and targets, but also highlights substantial room for improvement. These disparities underscore opportunities for cross-sector learning and the need for many organizations to enhance their capabilities in setting and managing sustainability-related goals, particularly in sectors with lower readiness levels.

Overall, the survey reveals a critical lack of readiness in sustainability management across organizations, with fewer than one in five setting clear GHG emission reduction targets for any scope. This widespread absence of specific targets indicates a lack of strategic approach to carbon management. The findings highlight significant disparities between sectors, with Renewable Resources & Alternative Energy leading at 57.5% readiness and Resource Transformation surprisingly low at 25.0%. The overall average readiness of 41.0% suggests growing awareness but substantial room for improvement. These results underscore the urgent need for organizations to prioritize developing clear sustainability metrics and targets, particularly for GHG emissions. Embracing this proactive approach can help organizations mitigate risks, capitalize on opportunities, and effectively navigate the transition to a low-carbon economy.

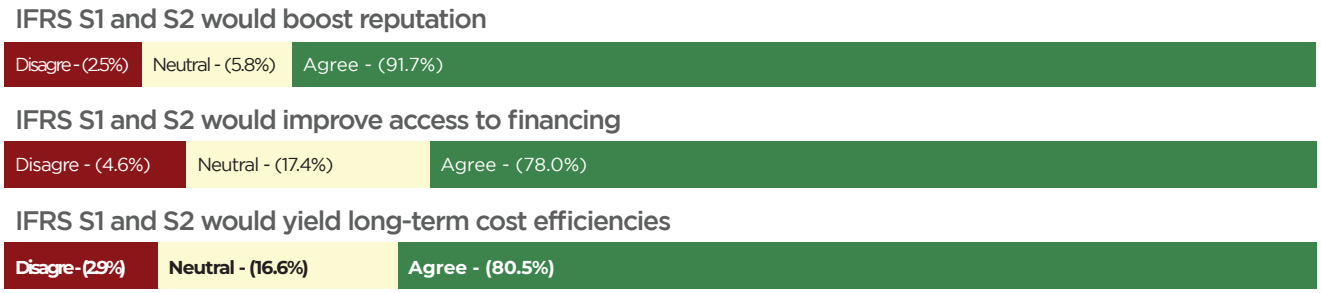
Figure 3.15 Sustainability Metric and Target Readiness Levels by Sector



3.14 Perceived Benefits of Implementing IFRS S1 and S2

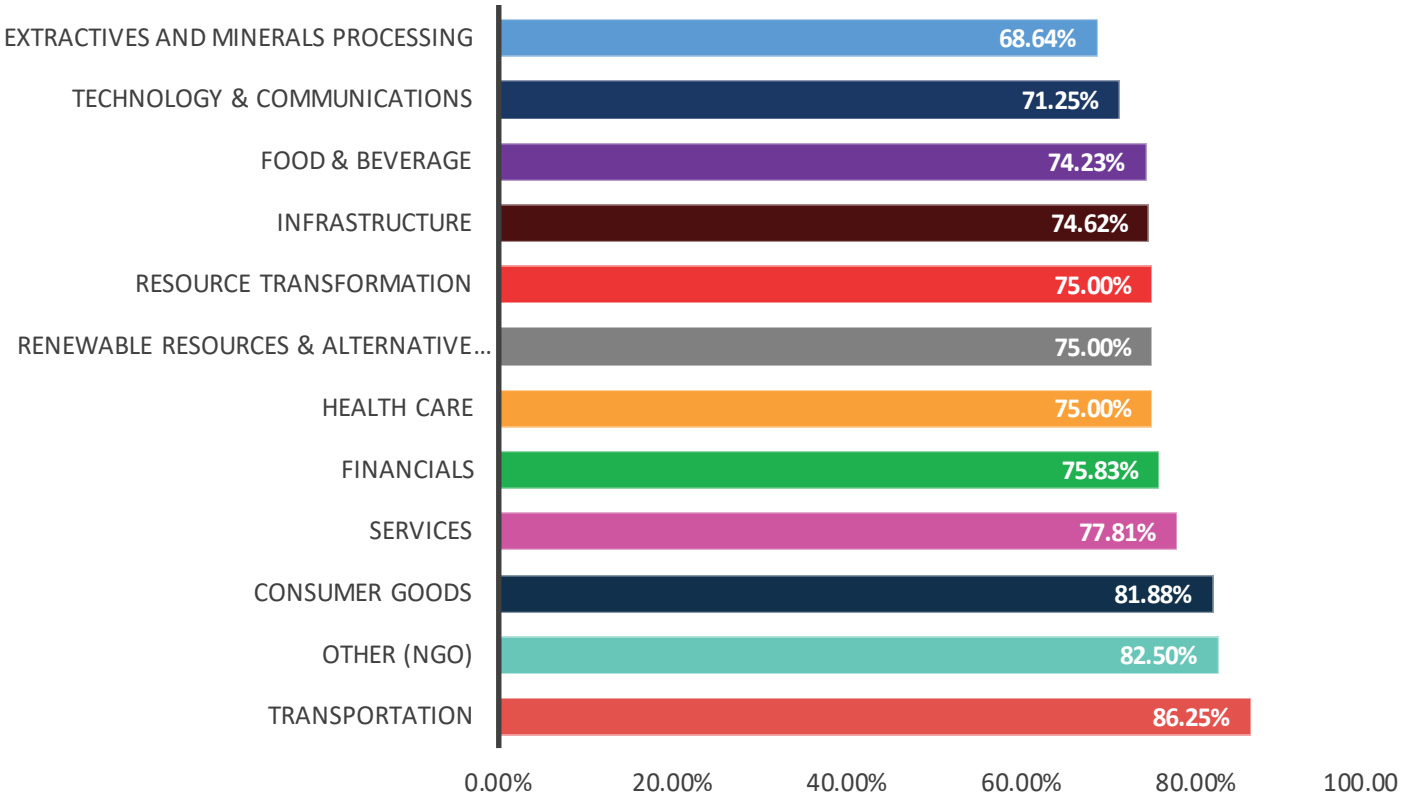
The survey results indicate a remarkably positive perception of the potential benefits of implementing IFRS S1 and S2 among respondents. An overwhelming majority believe these standards would enhance innovation, contribute to long-term success, boost reputational standing, improve access to financing, and yield long-term cost efficiencies (see figure 3.16). The highest agreement (91.7%) is seen in the potential for reputational enhancement, while the lowest, yet still significant, agreement (78.0%) relates to improved access to financing. These consistently high agreement rates, coupled with very low disagreement rates, underscore a widespread belief in the value of these standards across various aspects of organizational performance and strategy. However, this optimistic outlook contrasts sharply with the previously reported low levels of readiness for implementation. This discrepancy highlights a critical gap between perceived benefits and current organizational capabilities, suggesting a pressing need for support and development in sustainability reporting practices. The overwhelmingly positive perceptions of IFRS S1 and S2 implementation benefits, juxtaposed with low readiness levels, point to a significant opportunity for organizations to align their practices with their recognized long-term interests in comprehensive sustainability reporting.

Figure 3:16 Organisations' Perceived Benefits of Sustainability Disclosure Standards



The survey result in figure 3.17 reveals a consistently high perceived benefit of IFRS 1 and 2 implementations across all industries, with an impressive overall average of 76.9%. The Transportation sector leads with the highest perceived benefit at 86.2%, followed closely by Consumer Goods and NGOs at 81.88% and 82.5% respectively. Most sectors cluster around or above the average, indicating a broad recognition of these standards' value in improving sustainability-related disclosures and management. Even the sectors with relatively lower scores, such as Technology & Communications (71.2%) and Extractives (68.6%), still demonstrate significant perceived benefits. This uniformly positive outlook suggests that companies across industries anticipate these standards will enhance their ability to manage sustainability-related risks and opportunities, improve stakeholder communication, and potentially strengthen their competitive position. The variations between sectors, however, hint at industry-specific factors affecting the perceived benefits, suggesting that some industries might benefit from targeted support to maximize the value of these standards in their specific contexts. Overall, these findings indicate a positive outlook for the adoption and implementation of IFRS 1 and 2, with companies across the board recognizing their significant potential value in an increasingly sustainability-focused business environment.

Figure 3:17 Perceived Benefits of Sustainability Disclosure Standards by Sector



3.15 Capacity Building Needs of Organisations

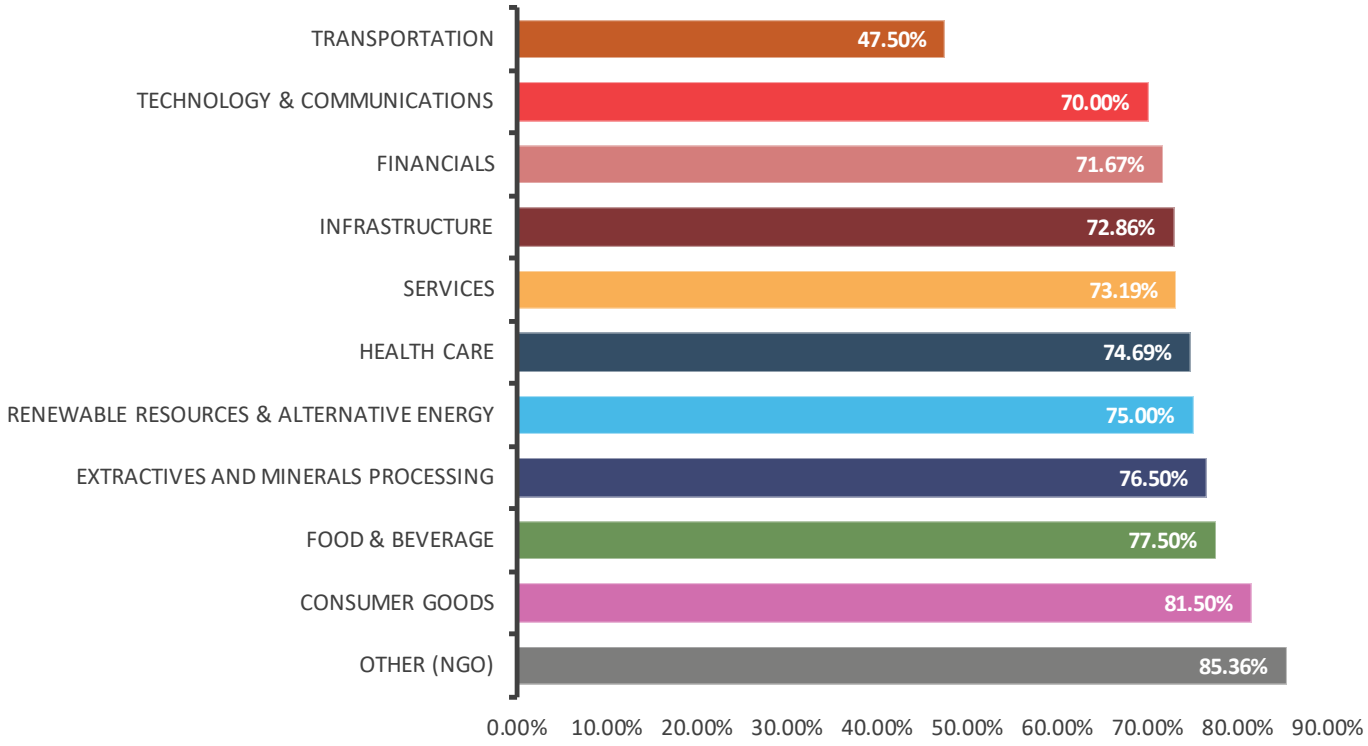
The results of the study in figure 3.18 on IFRS S1 and S2 implementation readiness indicate widespread capacity shortfalls across organizations. A significant majority (over 80%) of respondents identify crucial needs in areas such as comprehending disclosure requirements, establishing sustainability governance frameworks, upgrading risk management processes, and enhancing sustainability data collection methods. The most pressing concern appears to be sustainability risk management, with 89.9% of participants acknowledging the need for improvement. Interestingly, while still considerable, the perceived need for capacity building in greenhouse gas emissions calculation and reporting is comparatively lower (66.1% agreement, 31.4% neutral). The consistently high agreement rates (79.1% to 89.9%) across all areas emphasize the extensive capacity building required for successful IFRS S1 and S2 adoption. These results underscore the formidable challenges organizations face in adapting to these new sustainability reporting standards and highlight the critical need for comprehensive training initiatives to bridge these capability gaps.

Figure 3:18 Capacity Building Needs of Organisations

The average capacity score of 74.03% across industries indicates a significant need for improvement in implementing IFRS S1 and S2 standards. Figure 3.19 shows that NGOs lead with 85.3%, followed by Consumer Goods (81.50%) and Food & Beverage (77.5%). These sectors have a strong foundation but require targeted training on specific standard requirements. Extractives and Minerals Processing (76.5%) and Renewable Resources & Alternative Energy (75.0%) show above-average capacity, potentially needing specialized environmental reporting training. Healthcare, Infrastructure, Services, and Financials fall near the average, suggesting a consistent need for capacity building and industry-specific guidance. Technology & Communications (70.0%) may require more comprehensive support, while Transportation (47.5%) shows a critical need for extensive capacity building.

Across all sectors, common training needs include a detailed understanding of IFRS S1 and S2 requirements, sustainability risk management processes, data collection and verification for reporting, and integrating sustainability into overall business strategy. While most sectors in Ghana have a foundation for implementing these standards, there's a clear need for further development. Targeted training programs, sector-specific guidance, and practical implementation support would benefit all industries, reflecting the varying levels of existing capacity and specific challenges each sector faces. The Transportation sector, with its significantly lower capacity score, requires particular attention. Even high-scoring sectors could benefit from specialized training to fully master these new standards, emphasizing the importance of comprehensive capacity building efforts across the board.

Figure 3:19 Perceived Capacity Building Needs by Sector



The average capacity score of 74.0% across industries indicates a substantial need for improvement in implementing IFRS S1 and S2 standards. NGOs lead with 85.36%, followed by Consumer Goods (81.5%) and Food & Beverage (77.5%). These sectors have a strong foundation but still require targeted training on specific standard requirements.

Extractives and Minerals Processing (76.5%) and Renewable Resources & Alternative Energy (75.0%) show above-average capacity, potentially needing specialized environmental reporting training. Healthcare, Infrastructure, Services, and Financials fall near the average, suggesting a consistent need for capacity building and industry-specific

guidance. Technology & Communications (70.00%) may require more comprehensive support, while Transportation (47.5%) shows a critical need for extensive capacity building.

Thus, while most sectors in Ghana have a foundation for implementing IFRS S1 and S2, there's a clear need for further development. Targeted training programs, sector-specific guidance, and practical implementation support would benefit all industries. The Transportation sector requires particular attention due to its significantly lower capacity score. Even high-scoring sectors could benefit from specialized training to fully master these new standards.

3.16 Challenges in Implementing IFRS S1 and S2 for Ghanaian Companies

Ghanaian organizations face significant hurdles in implementing the International Financial Reporting Standards (IFRS) S1 (General Requirements for Disclosure of Sustainability-related Financial Information) and S2 (Climate-related Disclosures). Based on interviews with chief finance officers, auditors, and other stakeholders, the following key challenges have been identified below:

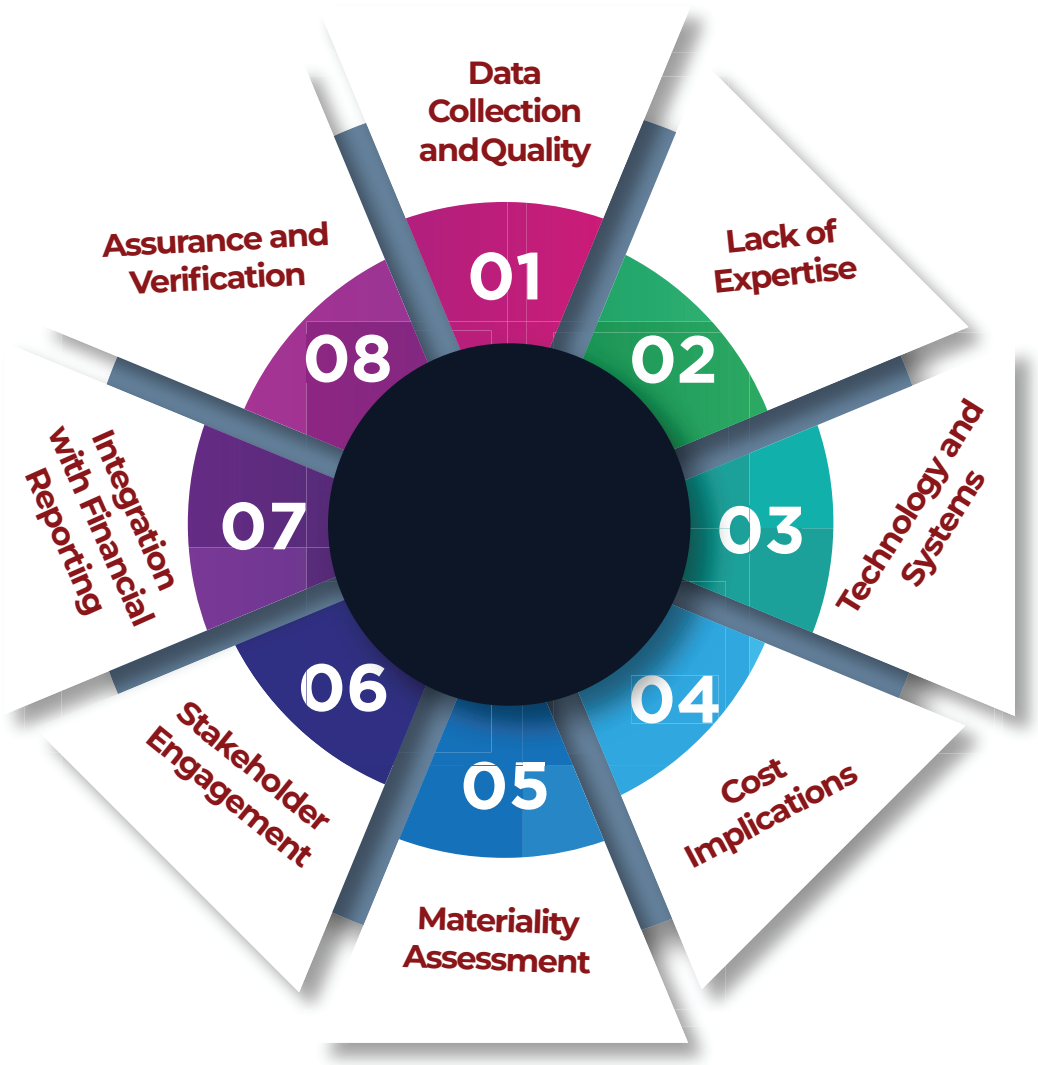


Figure 3:20 Challenges in Implementing IFRS S1 and S2

1. Data Collection and Quality

One of the most pressing challenges is gathering comprehensive, accurate, and verifiable sustainability and climate-related data. This is particularly difficult across complex organizational structures and supply chains. As the expert interviewed noted, "Companies will struggle to gather comprehensive, accurate, and verifiable sustainability and climate-related data, especially across complex organizational structures and supply chains."

2. Lack of Expertise

Many Ghanaian companies have limited in-house knowledge and skills related to sustainability reporting and climate risk assessment. The expert emphasized that "This will necessitate significant training or external consultation." This shortage of expertise could significantly hinder the effective implementation of the standards.

3. Technology and Systems

Inadequate IT infrastructure is a major obstacle. Many organizations lack the necessary systems to support the collection, analysis, and reporting of sustainability and climate-related information. As the expert pointed out, this is a critical challenge that needs to be addressed.

4. Cost Implications

Implementing these standards requires significant financial resources. Companies will need to invest in system upgrades, staff training, and potentially external assurance. The expert highlighted that "This can be particularly challenging for smaller companies," indicating that the financial burden may be disproportionately heavy for smaller organizations.

5. Materiality Assessment

Determining which sustainability and climate-related issues are material to the organization and its stakeholders is a complex task. The expert described this as a "tricky" challenge, underscoring the difficulty in making these assessments accurately.

6. Stakeholder Engagement

Effectively engaging with various stakeholders to understand their information needs and expectations regarding sustainability and climate-related disclosures is crucial but challenging. This requires a shift in how companies interact with and respond to stakeholder concerns.

7. Integration with Financial Reporting

Aligning sustainability and climate-related disclosures with traditional financial reporting processes and timelines is complex. The expert noted that this integration is a significant challenge that companies will need to overcome.

8. Assurance and Verification

Establishing robust internal controls and potentially obtaining external assurance for sustainability and climate-related disclosures is crucial for enhancing credibility. However, as the expert pointed out, this will be "a significant hurdle for many companies."

One expert concluded by emphasizing that "Companies will need to start preparing early and may need to seek external support to navigate these challenges successfully." This underscores the complexity and magnitude of the task ahead for Ghanaian organizations in implementing IFRS S1 and S2. These challenges represent significant hurdles for Ghanaian companies. However, addressing them proactively can lead to more robust and transparent sustainability and climate-related reporting, ultimately benefiting both the organizations and their stakeholders.

3.17 Determination of Ghana's Sustainability Market Readiness Index (GSMRI)

The Ghana Sustainability Market Readiness Index (GSMRI) is a comprehensive measure developed to assess the preparedness of Ghanaian companies for implementing sustainability reporting standards, particularly IFRS S1 and S2. This index combines four key components of sustainability readiness, each weighted according to its relative importance as determined through expert consultation and stakeholder input. The GSMRI provides a quantitative tool for evaluating progress, and identifying areas for improvement in Ghana's journey towards robust sustainability reporting practices.

GSMRI = (W1 * G) + (W2 * R) + (W3 * S) + (W4 * M)

Where: GSMRI = Ghana Sustainability Market Readiness Index G = Governance score (as a percentage) R = Risk Management score (as a percentage) S = Strategy score (as a percentage) M = Metrics and Targets score (as a percentage)

The weights (W) for the Ghana Sustainability Market Readiness Index (GSMRI) were determined through a comprehensive process of expert consultation and stakeholder input. This collaborative approach ensured that the index reflects both expert knowledge and the priorities of various parties invested in sustainability reporting in Ghana.

The resulting weights are:

- W1 = 0.30 for Governance
- W2 = 0.25 for Risk Management
- W3 = 0.25 for Strategy
- W4 = 0.20 for Metrics and Targets

These weights were established through a rigorous process involving sustainability experts, industry leaders, academics, investors, regulators, and representatives from sustainability-focused organizations. The process included surveys, and interactive sessions where participants discussed and ranked the importance of each factor in determining a company's sustainability market readiness.

The slightly higher weight for Governance (0.30) reflects its perceived foundational importance in sustainability efforts. Risk Management and Strategy received equal weights (0.25 each), highlighting their interconnected nature and shared significance. Metrics and Targets, while crucial, received a slightly lower weight (0.20), acknowledging its dependence on the effective implementation of the other factors. This collaborative approach ensured that the GSMRI weights balance expert opinion with stakeholder priorities, creating an index that is both academically sound and practically relevant to the Ghanaian sustainability landscape.

GSMRI = (0.30 * G) + (0.25 * R) + (0.25 * S) + (0.20 * M)
GSMRI = (0.30 * 48.25) + (0.25 * 46.50) + (0.25 * 49.25) + (0.20 * 41.00)
GSMRI = 14.475 + 11.625 + 12.3125 + 8.20
GSMRI = 46.6

Therefore, the Ghana Sustainability Market Readiness Index is 46.6%.

3.18 Implications of Ghana's 46.6 % Readiness Index

• **Progress Made:** The score indicates that Ghana has made significant progress towards IFRS S1 and S2 readiness. Ghana is not starting from scratch and has established some foundational elements.

• **Room for Improvement:** Being in the moderate category suggests there is still substantial room for improvement across all areas (Governance, Risk Management, Strategy, and Metrics and Targets).

• **Balanced Approach:** The score reflects a relatively balanced approach across the four key areas, indicating that no single area is severely lagging behind others.

• **Implementation Challenges:** The score suggests that while there's awareness and some structures in place, organizations may face challenges in fully implementing IFRS S1 and S2 without further capacity building.

• **Comparative Position:** This score could position Ghana as a moderate performer in terms of IFRS S1 and S2 readiness, potentially ahead of some peers but behind global leaders in sustainability reporting.

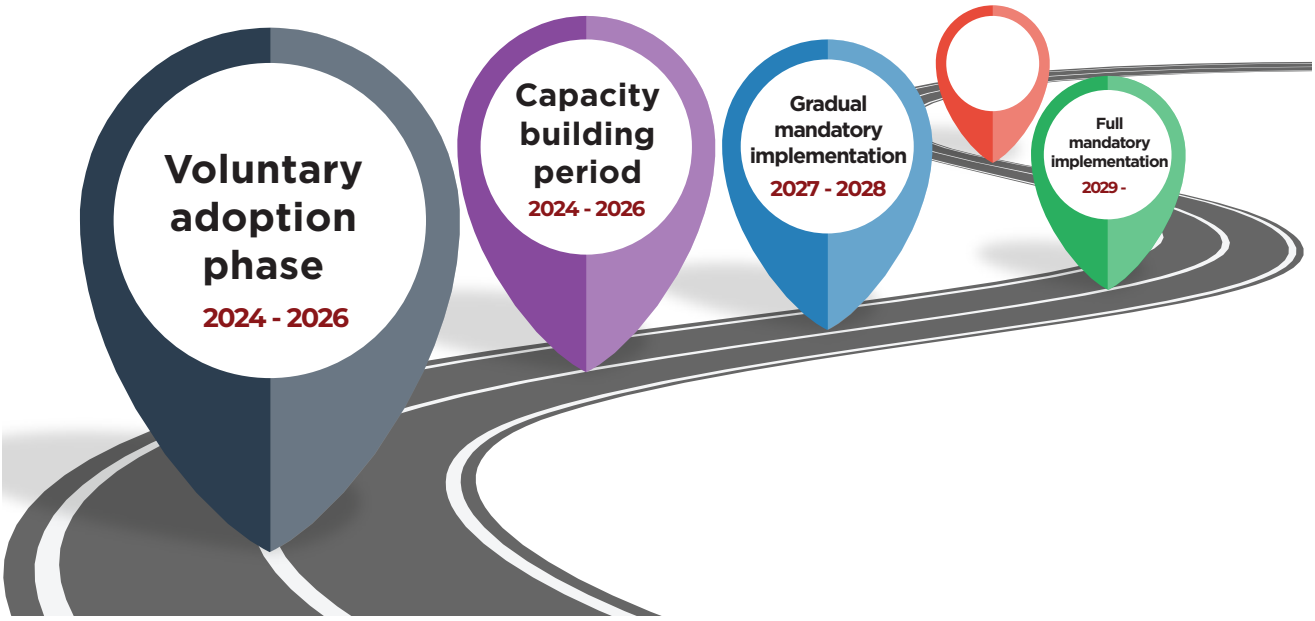
• **Investment Needs:** The score indicates a need for continued investment in training, systems, and processes to improve readiness across all areas.

• **Regulatory Implications:** Regulators may need to provide additional guidance and support, particularly in areas showing lower readiness levels.

• **Reporting Quality:** The moderate readiness level suggests that initial sustainability reports under IFRS S1 and S2 may vary in quality and comprehensiveness across organizations.

• **Sector Variations:** While this is an overall score, readiness levels vary across different sectors, with some potentially being more prepared than others.

• **Global Competitiveness:** As sustainability reporting becomes more critical globally, this moderate readiness level suggests Ghana may need to accelerate efforts to remain competitive in attracting sustainable investments.



3.19 The Roadmap on the IFRS S1 and S2 Implementation in Ghana

Ghana's current readiness for implementing IFRS S1 and S2 sustainability disclosure standards is moderate, with a Ghana Sustainability Market Readiness Index (GSMRI) of 46.6%. This indicates that while some progress has been made, there are still significant gaps in preparedness across various sectors and aspects of sustainability reporting.

Given this level of readiness, it would be advisable for Ghana to consider a phased approach to implementation rather than immediate mandatory adoption. A suggested timeline could be as follows:

1. **Voluntary adoption phase:** Ghana could begin with a voluntary adoption period starting immediately. This phase would allow organizations that are more prepared (such as those in sectors with higher readiness scores like Renewable Resources & Alternative Energy, Food & Beverage, and NGOs) to start implementing the standards. This period would serve as a learning

opportunity for other organizations and sectors.

2. Capacity building period: Concurrently with the voluntary adoption phase, Ghana should implement an intensive capacity building program over the next 2-3 years. This period would focus on addressing the identified gaps in governance, risk management, strategy, and metrics and targets across all sectors.

3. Gradual mandatory implementation: After the initial 2-3-year period of voluntary adoption and capacity building, Ghana could begin a gradual mandatory implementation process. This could start with the most prepared sectors or larger organizations, giving smaller entities or less prepared sectors additional time to comply.

4. Full mandatory implementation: Full mandatory implementation across all sectors could be targeted for 3-5 years from now, depending on the progress made during the voluntary and gradual implementation phases.

This timeline allows for a balance between pushing forward with implementation and ensuring that organizations have sufficient time and support to develop the necessary capabilities. It also provides flexibility to adjust the timeline based on the progress observed during the voluntary adoption and capacity building phases. Regular assessments using the GSMRI could help track readiness improvements and inform decisions about the pace of mandatory implementation.

04.
CONCLUSION AND RECOMMENDATION

4.1 Conclusion

Ghana's overall readiness for implementing IFRS S1 and S2 stands at a moderate level, with a Ghana Sustainability Market Readiness Index (GSMRI) of 46.6%. This score indicates that while significant progress has been made, substantial room for improvement remains across all key areas: governance, risk management, strategy, and metrics and targets. The study revealed a high level of awareness (89.2%) and understanding of the newly developed IFRS S1 and S2 sustainability reporting standards among respondents. However, this awareness has not yet translated into comprehensive preparedness for implementation. There are significant gaps between recognizing the importance of these standards and having the necessary structures and processes in place to comply with them.

Sector-specific analysis showed varying levels of readiness across different industries. Sectors such as Renewable Resources & Alternative Energy, Food & Beverage, and NGOs demonstrated higher levels of preparedness, while others like Technology & Communications and Transportation lagged behind. This disparity suggests the need for tailored approaches to support different sectors in their journey towards full compliance.

The study identified critical areas requiring improvement across organizations. These include establishing clear sustainability oversight roles, integrating sustainability into strategic planning and risk management processes, setting comprehensive GHG emission reduction targets, and developing robust data collection and reporting systems. The low percentage of organizations with well-developed climate-related transition plans (19.9%) is particularly concerning given the increasing global focus on climate change mitigation.

Despite the current gaps in readiness, there is a remarkably positive perception of the potential benefits of implementing IFRS S1 and S2 among respondents. An overwhelming majority believe these standards would enhance innovation, contribute to long-term success, boost reputational standing, improve access to financing, and yield long-term cost efficiencies. This positive outlook provides a strong foundation for driving implementation efforts.

The study also highlighted significant capacity building needs across organizations. Over 80% of respondents identified crucial needs in areas such as comprehending disclosure requirements, establishing sustainability governance frameworks, upgrading risk management processes, and enhancing sustainability data collection methods. This underscores the importance of comprehensive training and support programs to bridge these capability gaps.

The findings suggest that immediate mandatory implementation of IFRS S1 and S2 would be premature given the current state of readiness. Instead, a phased approach is recommended, beginning with a voluntary adoption period coupled with intensive capacity building efforts. This could be followed by gradual mandatory implementation, starting with the most prepared sectors and larger organizations, before moving to full mandatory implementation across all sectors over a 3-5 year timeframe.

In conclusion, while Ghana has made notable progress in preparing for IFRS S1 and S2 implementation, significant work remains to be done. The high level of awareness and positive perception of these standards provide a strong foundation for future efforts. However, bridging the gap between awareness and practical implementation will require concerted efforts from regulatory bodies, industry associations, and individual organizations. By addressing the identified capacity building needs, providing sector-specific support, and adopting a phased implementation approach, Ghana can successfully transition to comprehensive sustainability reporting under IFRS S1 and S2. This transition will not only enhance the country's standing in the global business community but also contribute to more sustainable and resilient economic development.

4.2 Limitation of the Study

While this research provides valuable insights into Ghana's readiness for implementing IFRS S1 and S2 sustainability disclosure standards, it is important to acknowledge certain limitations that may affect the interpretation and generalizability of the findings. The first limitation is sector representation. Some sectors had very low representation (e.g. Resource Transformation with only 1 organization), which limits the ability to draw robust conclusions for those specific sectors. Secondly, the study relies heavily on self-reported survey responses, which can be subject to biases or inaccuracies in how respondents perceive and report their organization's readiness.

4.3 Recommendations

These recommendations address critical challenges in implementing IFRS S1 and S2 in Ghana, based on the Ghana Sustainability Market Readiness Index (GSMRI). Covering governance, strategy, risk management, reporting and other vital areas, they offer practical guidance for businesses across sectors. The goal is to enhance Ghana's sustainability reporting landscape and competitive position in the global market., sustainability, and improved reporting practices in Ghana's business environment.

1. To enhance sustainability governance and oversight, organizations should be encouraged to clearly define sustainability oversight roles for boards and senior management, implement regular processes to keep boards informed about sustainability issues, integrate sustainability key performance indicators (KPIs) into remuneration policies for senior executives and managers, and establish specific roles or committees responsible for sustainability oversight within organizations.

2. Strengthening sustainability strategy integration involves promoting the assessment of environmental risks across various time horizons during strategic planning, encouraging organizations to consider sustainability impacts in budgeting decisions, developing formal processes for determining relevant sustainability issues, and supporting the creation of well-developed climate-related transition plans across all sectors.

3. Improving sustainability risk and opportunity management requires providing guidance and tools for organizations to assess and manage climate-related physical and transition risks, encouraging the development of strategies to exploit climate-related opportunities, supporting organizations in comprehensively assessing the vulnerability of their assets and business activities to climate-related risks, and promoting cross-sector learning, especially from sectors with higher readiness levels like Renewable Resources & Alternative Energy and Resource Transformation.

4. To develop robust sustainability metrics and targets, organizations should be assisted in setting clear overall GHG emission reduction targets, provided with sector-specific guidance on setting reduction targets for Scope 1, 2, and 3 emissions, supported in the development of reporting systems that track key performance indicators aligned with IFRS S1 and S2, and helped to implement controls to ensure data quality meets IFRS S1 and S2 requirements.

5. Addressing capacity building needs involves developing comprehensive training programs on IFRS S1 and S2 requirements tailored to different sectors and organizational sizes, offering workshops on identifying material sustainability topics and integrating sustainability into overall business strategy, providing practical guidance on conducting climate scenario analyses and calculating GHG emissions, and creating resources to help organizations prepare IFRS S1 and S2 compliant reports.

6. Sector-specific support should include developing targeted interventions for sectors with lower readiness levels, such as Technology & Communications and Transportation, providing specialized environmental reporting training for sectors like Extractives and Minerals Processing and Renewable Resources & Alternative Energy, and offering industry-specific guidance for sectors clustering around the average readiness level, such as Healthcare, Infrastructure, Services, and Financials.

7. A robust regulatory and policy framework should be developed, including a clear policy framework and timeline for the mandatory adoption of IFRS S1 and S2 standards, considering a phased approach to implementation allowing sectors with lower readiness levels more time to prepare, and establishing a supportive regulatory environment that incentivizes early adoption and best practices in sustainability reporting.

8. Collaboration and knowledge sharing can be fostered by partnering industry associations, academic institutions, and regulatory bodies to share knowledge and best practices, encouraging collaboration between organizations with high readiness levels and those still developing their capabilities, and facilitating international knowledge exchange with countries further along in implementing similar standards.

9. Supporting technology and data infrastructure involves encouraging the development of robust data collection and management systems for sustainability metrics, promoting the adoption of digital tools and platforms that can streamline sustainability reporting processes, and providing guidance on ensuring data security and integrity in sustainability reporting.

10. Awareness and communication efforts should include launching a comprehensive awareness campaign about the importance and benefits of IFRS S1 and S2 implementation, regularly communicating progress and success stories to maintain momentum and encourage lagging sectors, and developing case studies of organizations successfully implementing these standards to provide practical examples.

11. Financial and resource support could involve considering the establishment of funding mechanisms or tax incentives to support organizations in developing their sustainability reporting capabilities and providing resources and tools, particularly for smaller organizations that may lack internal expertise.

12. Continuous monitoring and improvement should be ensured by establishing a system to regularly assess and report on Ghana's overall readiness for IFRS S1 and S2 implementation, using the Ghana Sustainability Market Readiness Index (GSMRI) as a benchmark for tracking progress over time, and regularly reviewing and updating capacity building programs based on evolving needs and best practices.

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6.0 APPENDIX

1A: QUESTIONNAIRE

SECTION A: BUSINESS DETAILS

1. Name of Organisation .....

2. Type of Sector: a) Food & Beverage b) Extractives & Minerals Processing c) Health Care d) Transportation e) Consumer Goods f) Infrastructureg) Service h) Financial Services i) Technology & Communications j) Financials k) Renewable Resources & Alternative Energy l) Resource Transformation m) other (please specify)

3. If your organization is in the financial services sector, please indicate the type. a) Banks b) Saving and loans c) Rural and community banks d) Insurance e) Reinsurers f) Brokerages g) Pension & Funds managers h) Not applicable

4. Is your company listed on the Ghana Stock Exchange? a) Yes b) No.

5. Number of employees a) less than 50 b) between 51 and 100 c) between 101-250. d) between 251 -500. e) between 501- 1000 f) above 1001

6. You current Job title or position: a)) Chief Finance Officer b) Accountant c) Sustainability Manager d) Internal auditor e) Other (please specify)

7. Has your company appointed senior management representation for Sustainability?
a) Yes b) No

8. Does your company publish a Sustainability Report? a) Yes b) No

9. If yes to question 8, please indicate the type of the framework being used by your organisation for the sustainability reporting.

   a) Sustainable Banking Principles and Sector Guidelines (SBP)
   b) Ghana Stock Exchange Guidance Manual for Disclosures on ESG reporting
   c) Sustainability Accounting Standards Board (SASB)
   d) Global Reporting Initiative (GRI)
   e) Carbon Disclosure Project (CDP)
   f) Task Force on Climate-related Financial Disclosures (TCFD)
   g) Integrated Reporting (IR)
   h) Not applicable
   i) Other (Specify)

10. If yes to question 8, is your most recent report assured by a third party? a) Yes b) No c) Not applicable

11. If yes to question 11, is your sustainability report required by an external party a) Yes b) No c) Not Applicable

12. If yes to question 11, which external party requires your sustainability report? a) Regulator b) Investor c) Not applicable d) Other (Specify)

SECTION B: AWARENESS OF THE IFRS SUSTAINABILITY DISCLOSURE STANDARD

This section of the questionnaire seeks for your candid opinions on the awareness of IFRS S1 and S2. Kindly choose from the options **(Strongly Disagree-SD, Disagree –D, Neutral-N, Agree-A and Strongly Agree -SA)** to express your candid opinions on the items in this section.

	Awareness of the IFRS S1 & S2	SD	D	N	A	SA
13	I am aware that International sustainability reporting standards have been recently developed by the ISSB called IFRS S1 and IFRS S2.	SD	D	N	A	SA
14	IFRS S1 requires organisations to disclose information about its governance, strategy, risk management and metrics & targets, in relation to its sustainability-related risks and opportunities.	SD	D	N	A	SA
15	I understand that IFRS S2 specifically requires climate-related financial disclosures on risks and greenhouse gas emissions.	SD	D	N	A	SA
16	I am informed that sustainability reporting aligned with IFRS S1 and S2 will become mandatory for companies in Ghana soon	SD	D	N	A	SA
17	I can name some climate-related disclosure requirements specified in the IFRS S2 standards for sustainability reporting.	SD	D	N	A	SA
18	I know where I can access educational resources on expectations and requirements within the IFRS sustainability reporting standards S1 and S2.	SD	D	N	A	SA

19. Do you understand "Double Materiality" under the IFRS sustainability disclosure reporting
a) Yes b) No

20. What level of investment does your organisation estimate is needed to comply with the IFRS sustainability disclosure requirements? a)10,000 - 100,000 Ghana cedis b) 100,001 - 250,000 Ghana cedis c) 250,001 - 500,000 Ghana cedis. d) 500,001 - 1 million Ghana cedis e) Above 1 million Ghana cedis

SECTION C: IFRS SUSTAINABILITY DISCLOSURE STANDARD IMPLEMENTATION

This section of the questionnaire seeks your candid opinions about your organization's readiness for the IFRS S1 and S2 implementation. Kindly choose from the options **(Strongly Disagree-SD, Disagree –D, Neutral-N, Agree-A and Strongly Agree -SA)** to express your candid opinions on the items in this section.

Governance & Oversight		SD	D	N	A	SA
21	The board and senior management have clearly defined oversight roles, responsibilities and terms of reference for sustainability issues	SD	D	N	A	SA
22	Regular processes exist for the board and its committees to be appraised about latest sustainability risks and performance	SD	D	N	A	SA
23	Sustainability KPIs are incorporated into remuneration policies and they apply to senior executives and business unit managers	SD	D	N	A	SA
24	Adequate competencies and skill sets needed to govern sustainability management cascades down from the board to operating levels	SD	D	N	A	SA
25	Sustainability matters routinely get raised in key oversight forums like audit/risk committee meetings	SD	D	N	A	SA
26	In our organisation, major decisions on where to spend money take into account the positive and negative effects on the environment.	SD	D	N	A	SA
27	There are formal procedures in place for management to regularly report on and discuss key sustainability metrics, goals progress, and risk exposures with the board in our organisation.	SD	D	N	A	SA
28	Adequate staff with skills in sustainability reporting have been devoted for IFRS adoption	SD	D	N	A	SA
29	Training programs have covered expected reporting enhancements from evolving to IFRS standards	SD	D	N	A	SA

30	In our organisation, responsibilities have been reassigned appropriately to handle expanded reporting volumes due to the implementation of IFRS S1 and IFRS S2 sustainability disclosure standards.	SD	D	N	A	SA
31	Our organisation has clearly assigned responsibility for sustainability oversight to specific management roles or committees.	SD	D	N	A	SA

Strategy

32	Our organisation now assesses potential environmental risk over short, medium, and long timeframes when planning.	SD	D	N	A	SA
33	When deciding budgets, our organisation considers how moving towards a greener operations/sustainability could impact our resources..	SD	D	N	A	SA
34	Our organisation uses formal processes to determine sustainability issues most relevant for the business success	SD	D	N	A	SA
35	Assessing sustainability related opportunities guides our management priorities and decision making in the organisation.	SD	D	N	A	SA
36	Our organisation has a well-developed climate-related transition plan..	SD	D	N	A	SA

Risk & Opportunities

37	Our organisation thoroughly assesses, monitors, and manages climate-related physical risks such as climate change, drought, water availability etc.	SD	D	N	A	SA
38	Our organisation rigorously assesses, monitors, and manages climate-related transition risks e.g. fossil fuel to renewable energy.	SD	D	N	A	SA

48	Our organisation's current sustainability reporting provide data to reliably track sustainability KPIs required by IFRS S1 and IFRS S2.	SD	D	N	A	SA
49	Our organisation has adequate controls/ automation to meet IFRS S1 and IFRS S2 data quality requirements.	SD	D	N	A	SA

This section of the questionnaire seeks for your candid opinions about the potential benefit of IFRS S1 and S2 implementation to your organization. Kindly choose from the options **(Strongly Disagree-SD, Disagree –D, Neutral-N, Agree-A and Strongly Agree -SA)** to express your candid opinions on the items in this section.

PERCEIVED POTENTIAL BENEFITS OF THE IFRS SI AND IFRS S2 STANDARDS		SD	D	N	A	SA
50	Implementing the IFRS S1 and IFRS S2 would enhance innovation in our organisation.	SD	D	N	A	SA
51	Implementing the IFRS S1 and IFRS S2 would enhance our organisation's long-term success.	SD	D	N	A	SA
52	Implementing the IFRS S1 and IFRS S2 would boost our organisation's reputational standing	SD	D	N	A	SA
53	Implementing the IFRS S1 and IFRS S2 in our organisation would enhance our access to financing.	SD	D	N	A	SA
54	Implementing the IFRS S1 and IFRS S2 would yield cost efficiencies for our organisation over the long-term.	SD	D	N	A	SA

SECTION E: CAPACITY BUILDING NEEDS FOR IFRS S1 AND IFRS S2 IMPLEMENTATION

This section of the questionnaire seeks your candid opinions about areas where your organization would benefit from capacity building to effectively implement IFRS S1 and IFRS S2. Kindly choose from the options **(Strongly Disagree-SD, Disagree –D, Neutral-N, Agree-A and Strongly Agree -SA)** to express your level of agreement with the following statements.

	To successfully implement the IFRS S1 and IFRS S2 sustainability disclosure standards, our organization needs to strategically build capacity across several critical areas including the following:	SD	D	N	A	SA
55	Understanding the specific disclosure requirements of IFRS S1 and IFRS S2.	SD	D	N	A	SA
56	Identifying and assessing material sustainability topics relevant to our business	SD	D	N	A	SA
57	Developing appropriate sustainability governance structures and oversight mechanisms	SD	D	N	A	SA
58	Integrating sustainability considerations into our business strategy and decision-making processes.	SD	D	N	A	SA
59	Enhancing our sustainability risk management systems and processes	SD	D	N	A	SA
60	Improving our data collection and management systems for sustainability reporting	SD	D	N	A	SA
61	Conducting scenario analyses and stress tests related to climate risks and opportunities	SD	D	N	A	SA
62	Calculating and reporting our Scope 1, Scope 2, and Scope 3 greenhouse gas emissions	SD	D	N	A	SA
63	Selecting and tracking relevant sustainability metrics and targets	SD	D	N	A	SA
64	Preparing high-quality sustainability reports that meet the requirements of IFRS S1 and IFRS S2	SD	D	N	A	SA

1B: INTERVIEW GUIDE

1. Could you provide a brief overview of your company, its industry, and key business activities?

2. How familiar is your company with the requirements of IFRS 1 and IFRS 2?

3. Can you share any steps your company has taken so far to prepare for the adoption of IFRS 1 and IFRS 2?

4. What challenges, if any, has your company faced in the process of preparing for IFRS 1 and IFRS 2 adoption (data collection, complexities, lack of clarity, resource constraints, difficulty integrating with financial reporting systems)

5. Can you share details about any training programs initiated for employees regarding IFRS 1 and IFRS 2?

6. How does your company plan to manage ongoing compliance with IFRS 1 and IFRS 2 after the initial adoption?

**All images used in this report were sourced from the internet.*

Accountancy House, off Trinity Avenue, Okponglo East Legon, Accra

054 433 6701 /2 | 027 78014 22/3/4

P.O.Box GP 4268 Accra, Ghana

Digital Address: GA - 416 - 9906

www.icagh.org

@icagh 1