



# PAAB ROADMAP FOR ADOPTION OF SUSTAINABILITY REPORTING IN ZIMBABWE



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## ABOUT THE PAAB

The Public Accountants and Auditors Board (PAAB), Zimbabwe, was established by section 4 of the Public Accountants and Auditors Act, 1995 (as amended) (the Act). **PAAB is the National Standards Setter in Zimbabwe responsible for endorsing and adopting International Accounting Standards, Sustainability Reporting Standards, International Standards on Auditing and International Public Sector Accounting Standards when they meet certain criteria for prescription by statutory regulation in accordance with section 44(2)(a) of the Act.**

PAAB is responsible for defining and enforcing ethical practice and discipline among registered public accountants and public auditors and setting Ethics standards (section 5(1)(d) of the Act); and representing the views of the accountancy profession on national, regional and international issues (section 5(1)(g) of the Act). PAAB also plays a role in accountancy-specific education (section 5(1)(h) of the Act).





## **Foreword by the Minister of Finance, Economic Development and Investment Promotion**

The Government of Zimbabwe welcomes the issuance of the Public Accountants and Auditors Board (PAAB) Sustainability Reporting Roadmap as a significant milestone in strengthening the country's financial reporting architecture and advancing sustainable economic development. This roadmap comes at a critical time when Zimbabwe is intensifying efforts to achieve its national development aspirations under Vision 2030 and the National Development Strategy 2 (NDS 2).

Sustainability is no longer a peripheral consideration; it is central to economic resilience, investment attraction, and long-term value creation. Globally, there is a clear shift towards greater transparency on environmental, social, and governance matters, with investors and other stakeholders increasingly requiring high-quality, comparable, and decision-useful information. Zimbabwe must therefore position itself within this evolving global landscape by adopting internationally recognized standards and practices.

The adoption of the IFRS Sustainability Disclosure Standards represents a strategic step in this direction. It reinforces Government's commitment to policy consistency, regulatory strengthening, and alignment with international best practice. Furthermore, it supports our broader objectives of enhancing capital market development, improving the ease of doing business, and mobilizing both domestic and international investment.

The phased and pragmatic approach outlined in this roadmap is commendable. It reflects an understanding of the varying levels of capacity across entities, while maintaining a clear trajectory towards full compliance. The emphasis on capacity building, stakeholder coordination, and regulatory alignment is particularly important to ensure effective and sustainable implementation.

Government recognizes the critical role played by PAAB, regulators, Professional Accounting Organisations, and market participants in operationalizing this roadmap. We remain committed to supporting these efforts through appropriate policy, legislative, and institutional frameworks.

As we embark on this journey, I urge all stakeholders to embrace sustainability reporting not merely as a regulatory requirement, but as a strategic tool for enhancing transparency, strengthening governance, and driving sustainable growth.

The successful implementation of this roadmap will contribute meaningfully to Zimbabwe's economic transformation, ensuring that growth is inclusive, resilient, and environmentally responsible.

**Hon. Professor Mthuli Ncube**

Minister of Finance, Economic Development and Investment Promotion  
Republic of Zimbabwe

# TABLE OF ACRONYMS

ACRONYM	FULL NAME
EIA	<b>Environmental Impact Assessment</b>
EMA	<b>Environmental Management Agency</b>
ESG	<b>Environmental, Social and Governance</b>
IAASB	<b>International Auditing and Assurance Standards Board</b>
IAESB	<b>International Accounting Education Standards Board</b>
IAS	<b>International Accounting Standards</b>
IESBA	<b>International Ethics Standards Board for Accountants</b>
IFRIC	<b>International Financial Reporting Interpretations Committee</b>
IFRS	<b>International Financial Reporting Standards</b>
IFRS S	<b>IFRS Sustainability Disclosure Standards</b>
IFRS S1	<b>IFRS Sustainability Disclosure Standard S1 – General Requirements for</b>
IFRS S2	<b>Disclosure of Sustainability-related Financial Information</b>
IOSCO	<b>IFRS Sustainability Disclosure Standard S2 – Climate-related</b>
IPEC	<b>Disclosures</b>
IPSAS	<b>International Organization of Securities Commissions</b>
IPSASB	<b>Insurance and Pensions Commission</b>
IPSAS SRS	<b>International Public Sector Accounting Standards</b>
ISSA	<b>International Public Sector Accounting Standards Board</b>
ISSB	<b>IPSAS Sustainability Reporting Standards</b>
NDC	<b>International Standard on Sustainability Assurance</b>
NDS	<b>International Sustainability Standards Board</b>
NDS 2	<b>Nationally Determined Contribution</b>
NOCLAR	<b>National Development Strategy</b>
PAAB	<b>National Development Strategy 2</b>
PAO	<b>Non-Compliance with Laws and Regulations</b>
	<b>Public Accountants and Auditors Board</b>

# TABLE OF ACRONYMS

ACRONYM	FULL NAME
PIE	<b>Public Interest Entity</b>
RBZ	<b>Reserve Bank of Zimbabwe</b>
SDGs	<b>Sustainable Development Goals</b>
SECZ	<b>Securities and Exchange Commission of Zimbabwe</b>
SIC	<b>Standing Interpretations Committee</b>
SOE	<b>State-Owned Enterprise</b>
UN	<b>United Nations</b>
VFEX	<b>Victoria Falls Stock Exchange</b>
ZIDA	<b>Zimbabwe Investment and Development Agency</b>
ZSE	<b>Zimbabwe Stock Exchange</b>



# 1. INTRODUCTION AND PURPOSE

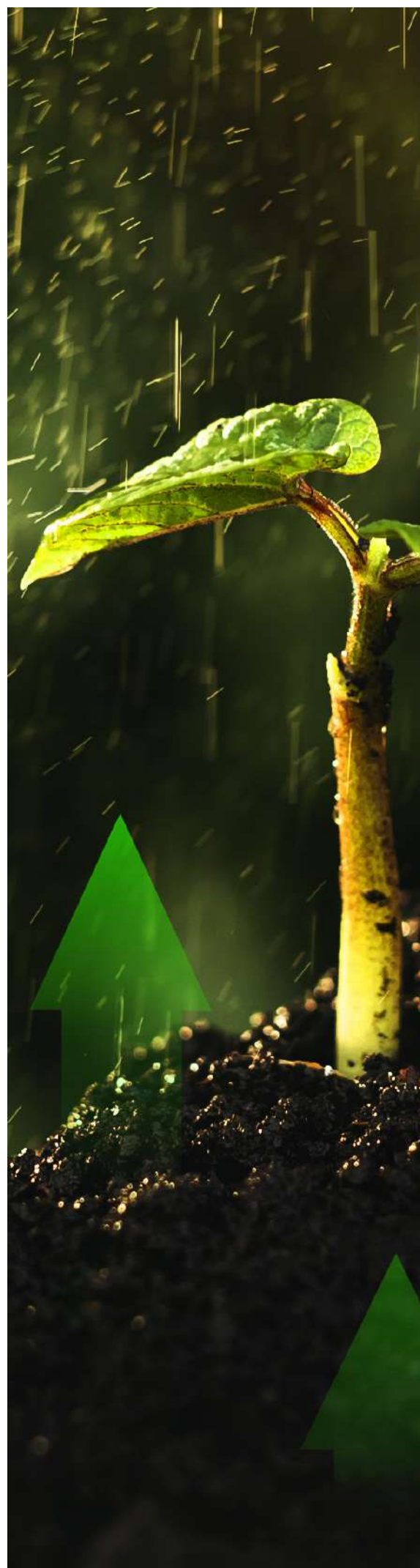
Zimbabwe stands at a pivotal moment in strengthening sustainable economic growth and responsible corporate stewardship. Guided by Zimbabwe's Vision 2030 translated into the National Development Strategy 2 (NDS 2), as well as the global sustainable development goals, the country is advancing toward practices that integrate sustainability considerations into decision-making across public and private sectors.

To support this transition, timely and transparent sustainability reporting is essential. The Public Accountants and Auditors Board (PAAB), as the accountancy profession standard setter is taking a decisive step towards putting in place a structured way for the reporting entities in Zimbabwe to produce Sustainability Reports.

In 2019, the Minister of Finance and Economic Development (now Minister of Finance, Economic Development and Investment Promotion), issued Statutory Instrument 41 of 2019, which prescribes the following standards to be applied by Accountants and Auditors in Zimbabwe:

- i. International Financial Reporting Standards (IFRS);
- ii. International Accounting Standards (IASs);
- iii. Interpretations originated from the International Financial Reporting Interpretations Committee (IFRICs);
- iv. Interpretations originating from the Standing Interpretations Committee (SICs).
- v. International Accounting Education Standards Board (IAESB);
- vi. International Auditing and Assurance Standards Board (IAASB);
- vii. International Ethics Standards Board for Accountants (IESBA);
- viii. International Public Sector Accounting Standards Board (IPSASB).

In 2021, the International Financial Reporting Standards Foundation (IFRS Foundation) created a separate Board for Sustainability Standards, being the International Sustainability Standards Board (ISSB). This Board introduced IFRS Sustainability Standards under the International Financial Reporting Standards (IFRS) framework which were launched in June 2023, with IFRS S1 and S2 being effective for periods beginning 1 January 2024.



## 2. WHY ADOPT THE IFRS SUSTAINABILITY STANDARDS – THE CASE FOR CHANGE



Globally, sustainability reporting is rapidly shifting from a voluntary to a mandatory requirement, particularly for listed and regulated entities. All listed entities in Zimbabwe are already required by the ZSE listing rules to present sustainability reports. Although sustainability reporting is growing in Zimbabwe, the use of multiple frameworks has created inconsistencies and reduced comparability between entities. Some frameworks are not designed for general-purpose financial statement users, making it difficult for investors to assess the financial implications of sustainability matters on an organisation's performance or risk.

**The IFRS Sustainability Disclosure Standards were developed to address these issues by:**

- i. creating a unified, high quality reporting framework that meets the growing demand from primary users of General-Purpose Financial Statements, thus it has a very specific target audience being investors and providers of finance. The ISSB standards are endorsed by the International Organization of Securities Commissions (IOSCO) and African Finance Ministers from more than 50 jurisdictions.
- ii. providing a global base line standard, thus enables comparability with other entities, not just in Zimbabwe, but globally.
- iii. providing investor useful information on how companies identify and manage their sustainability-related risks and opportunities that are expected to affect the entity's prospects i.e. its cash flows, its access to finance or its cost of capital over the short, medium or long term.

**By adopting the ISSB Sustainability Standards, entities will:**

- a. Enhance investor confidence through relevant and comparable sustainability financial disclosures
- b. Unlocks access to Capital and attract investment at a fair cost
- c. Attract Capital at fair Cost
- d. Foster sustainable behaviour across their value chains
- e. Support alignment with national and global sustainability goals, including Vision 2030, the NDS, and the UN SDGs.



### 3. WHO IS REQUIRED TO USE THIS ROADMAP – ENTITIES AFFECTED

The ISSB standards are applicable to all entities in Zimbabwe that prepare General Purpose Financial Statements using the International Financial Reporting Standards. PAAB however appreciates that entities in Zimbabwe have different capabilities and experience, thus cannot all achieve compliance at the same time. For the purposes of this roadmap, entities have therefore been clustered into four categories for the purposes of scaling and phasing compliance to the requirements of the standards. The compliance phasing considers:

- i. entity's public interest status,
- ii. level of capacity and experience with ESG disclosures, and
- iii. level of exposure to environmental and climate related risks and opportunities.

This is to ensure that entities are subjected to requirements that they possess the ability to comply with, while at the same time recognizing the need for producing this information in a timely manner.

The following categories shall therefore apply:

#### Category 1

These are Public Interest Entities (PIE) (As per the PAAB definition of PIE), high levels of implementation capacity and with high exposure to climate risks and opportunities. The following are the identified type of entities under category 1:

- a. Listed Companies
- b. Banking Institutions and Building Societies
- c. State Owned Enterprises (SOEs) applying IFRS
- d. High Environmental Impact Entities applying IFRS - These are entities whose operations have a significant impact on the environment or whose operations are significantly affected by environmental and climate-related matters. This includes entities undertaking prescribed activities requiring an

Environmental Impact Assessment (EIA) in terms of Section 97 and the First Schedule of the Environmental Management Act [Chapter 20:27].

For entities not undertaking prescribed activities, management shall apply professional judgement to determine whether the entity's operations have a significant environmental or climate-related impact or exposure, having regard to the nature of the entity's activities, scale of operations, emissions profile, and sensitivity to environmental and climate risks.

#### Category 2 entities

These are public interest entities with moderate implementation capacity. The following are the identified type of entities under category 2:

- a. Insurance and Reinsurance companies

- not listed
- b. Life and Funeral Assurers
- c. Deposit taking Microfinance institutions.
- d. Pension Funds
- e. Other Public Interest Entities not already included in Category 1, Category 3 and Category 4.

**Category 3 entities**

These shall be entities with low capacity to comply to sustainability standards. The following entities have been identified as falling under category 3:

- a. Non-Deposit taking Microfinance institutions
- b. Micro-Insurance entities
- c. Entities without public interest as per the PAAB definition of Public Interest Entities, not already included in category 1 and category 2

**Category 4 entities**

These are Public Sector entities applying the International Public Sector Accounting Standards (IPSAS) framework.



**4. WHEN WILL THE REQUIREMENTS APPLY – PHASED IMPLEMENTATION TIMELINE**

Implementation of the IFRS Sustainability Disclosure Standards in Zimbabwe will be phased according to the categories outlined in Section 3. This approach allows for a structured and manageable transition that considers each entity’s size, capacity, and level of public interest.

Stakeholder consultations were conducted by the PAAB to assess the state of readiness of preparers, the maturity of the reporting ecosystem, and the availability of support systems necessary for the successful implementation of the ISSB Standards. The following were the key observations from the stakeholder consultation processes:

**a. Regulatory environment**

The PAAB engaged various regulatory bodies that require the submission of financial reports. These include the Reserve Bank of Zimbabwe, Insurance and Pensions Commission, Securities and Exchange Commission of Zimbabwe, and the Zimbabwe Stock Exchange.

These regulatory bodies have already initiated processes to encourage the embedding of sustainability practices in the operations of their regulated entities and have indicated that sustainability reporting will form part of future regulatory requirements. There is broad consensus among the regulators on the adoption of the ISSB Standards as a baseline for sustainability related financial disclosures.

In addition, institutions such as the Zimbabwe Energy Regulatory Authority, the Ministry of Environment, Climate and Wildlife, the Zimbabwe Electricity Supply Authority, the Accountant General, the Auditor General, and other key business institutions will continue to be engaged to support implementation.

## **b. Prepares**

Most preparers in Category 1 are already producing sustainability reports using the Global Reporting Initiative (GRI) Standards and in compliance with the Zimbabwe Stock Exchange Practice Note 16 and the Victoria Falls Stock Exchange Practice Note 2. Although sustainability reporting has been taking place since as early as 2019, it has not yet fully matured across many entities. In addition, knowledge and understanding of the ISSB Standards remain relatively limited among most preparers.

## **c. Information and data infrastructure**

Data collection was identified as a major challenge during the consultations. Most entities in Categories 1 and 2 indicated that they collect certain sustainability-related data; however, much of this data is currently used for internal purposes, and the external reporting environment is still developing.

Furthermore, most entities operate within value chains that include numerous Small and Medium-sized Enterprises (SMEs). These SMEs may require additional time to develop the necessary systems and processes for collecting and submitting credible sustainability data. As a result, many entities have not yet fully invested in comprehensive data collection systems, data verification processes, and formal sustainability reporting structures.

## **d. Skills and institutional capacity**

Many entities indicated that they are still in the early stages of building institutional capacity and developing dedicated human resources to effectively implement sustainability reporting in line with ISSB requirements.

The feedback obtained from the stakeholder consultations significantly influenced the implementation timelines and transitional provisions outlined in this roadmap. Although the roadmap was developed in 2026, the consultation process indicated that a phased implementation approach would be necessary. The proposed phases are as follows:

### **a. Voluntary phase**

Entities will first be provided with a voluntary reporting phase of at least two years. During this phase, the following activities will be undertaken to enhance preparedness:

- Continued awareness raising and capacity building.
- Entities conduct gap assessments and begin addressing identified gaps.
- Development of data systems and internal controls.
- Pilot reporting by leading institutions that are ready to report.
- Development of templates, guidance, and illustrative examples by regulators and Professional Accounting Organisations.
- Strengthening of assurance capacity within the market.
- Finalisation of regulatory alignment across relevant institutions.

## **b.Mandatory transitional phase**

By the start of this phase, entities are expected to have developed internal capacity and the broader reporting ecosystem should have matured sufficiently to support sustainability reporting.

During the mandatory transitional phase, entities will be required to produce sustainability reports. However, they will be permitted to apply transitional reliefs provided in the standards, as well as additional exemptions outlined in this roadmap, for specific disclosures. These exemptions will expire at the end of the mandatory transitional phase, after which full compliance with the ISSB Standards will be required.

Based on the categorisation and the stakeholder feedback above, Category 1 entities are therefore expected to start the adoption process first. Whilst entities in Category 2 to Category 4 shall observe and learn from Category 1 entities and shall begin their adoption journey subsequent to Category 1 entities. The following tables outline the phased timelines and assurance requirements for each category.



## CATEGORY 1

		COMPLIANCE REQUIREMENTS	ASSURANCE REQUIREMENTS
Year 1	2026	<ul style="list-style-type: none"><li>• Voluntary adoption During the voluntary period, entities may disclose information to the extent of their ability.</li></ul>	<ul style="list-style-type: none"><li>• None</li></ul>
Year 2	2027	<ul style="list-style-type: none"><li>• Voluntary adoption During the voluntary period, entities may disclose information to the extent of their ability.</li></ul>	<ul style="list-style-type: none"><li>• None</li></ul>
Year 3	2028	<ul style="list-style-type: none"><li>• Mandatory adoption.</li><li>• IFRS S1 and S2 apply fully including transitional exemptions provided by the standards.</li><li>• Jurisdiction transitional exemptions as per Section 7 apply fully.</li></ul>	<ul style="list-style-type: none"><li>• Management or Internal audit attestation.</li></ul>
Year 4	2029	<ul style="list-style-type: none"><li>• IFRS S apply fully</li><li>• Jurisdiction exemptions (see Section 7)</li></ul>	<ul style="list-style-type: none"><li>• Management or Internal audit attestation.</li></ul>
Year 5	2030	<ul style="list-style-type: none"><li>• Full compliance to IFRS S2 must be achieved</li><li>• Jurisdiction extended transitional exemptions apply for IFRS S1 (see Section 7)</li></ul>	<ul style="list-style-type: none"><li>• Limited Assurance is required.</li></ul>
Year 6	2031	<ul style="list-style-type: none"><li>• Full compliance to ISSB standards must be achieved.</li></ul>	<ul style="list-style-type: none"><li>• Limited Assurance is required.</li></ul>
Year 7	2032	<ul style="list-style-type: none"><li>• Full compliance to ISSB standards must be achieved.</li></ul>	<ul style="list-style-type: none"><li>• Reasonable assurance</li></ul>

## CATEGORY 2

		<b>COMPLIANCE REQUIREMENTS</b>	<b>ASSURANCE REQUIREMENTS</b>
Year 1	2026	<ul style="list-style-type: none"><li>• Voluntary adoption During the voluntary period, entities may disclose information to the extent of their ability.</li></ul>	<ul style="list-style-type: none"><li>• None</li></ul>
Year 2	2027	<ul style="list-style-type: none"><li>• Voluntary adoption During the voluntary period, entities may disclose information to the extent of their ability.</li></ul>	<ul style="list-style-type: none"><li>• None</li></ul>
Year 3	2028	<ul style="list-style-type: none"><li>• Voluntary adoption During the voluntary period, entities may disclose information to the extent of their ability.</li></ul>	<ul style="list-style-type: none"><li>• None</li></ul>
Year 4	2029	<ul style="list-style-type: none"><li>• Mandatory adoption</li><li>• IFRS S apply fully</li><li>• Jurisdiction exemptions (see Section 7)</li></ul>	<ul style="list-style-type: none"><li>• Management or Internal audit attestation.</li></ul>
Year 5	2030	<ul style="list-style-type: none"><li>• IFRS S apply fully</li><li>• Jurisdiction exemptions (see Section 7)</li></ul>	<ul style="list-style-type: none"><li>• Management or Internal audit attestation.</li></ul>
Year 6	2031	<ul style="list-style-type: none"><li>• Full compliance to IFRS S2 must be achieved</li><li>• Jurisdiction extended transitional exemptions apply for IFRS S1 (see Section 7)</li></ul>	<ul style="list-style-type: none"><li>• Limited Assurance is required.</li></ul>
Year 7	2032	<ul style="list-style-type: none"><li>• Full compliance to ISSB standards must be achieved.</li></ul>	<ul style="list-style-type: none"><li>• Limited Assurance is required.</li></ul>
Year 8	2033	<ul style="list-style-type: none"><li>• Full compliance to ISSB standards must be achieved.</li></ul>	<ul style="list-style-type: none"><li>• Reasonable assurance</li></ul>

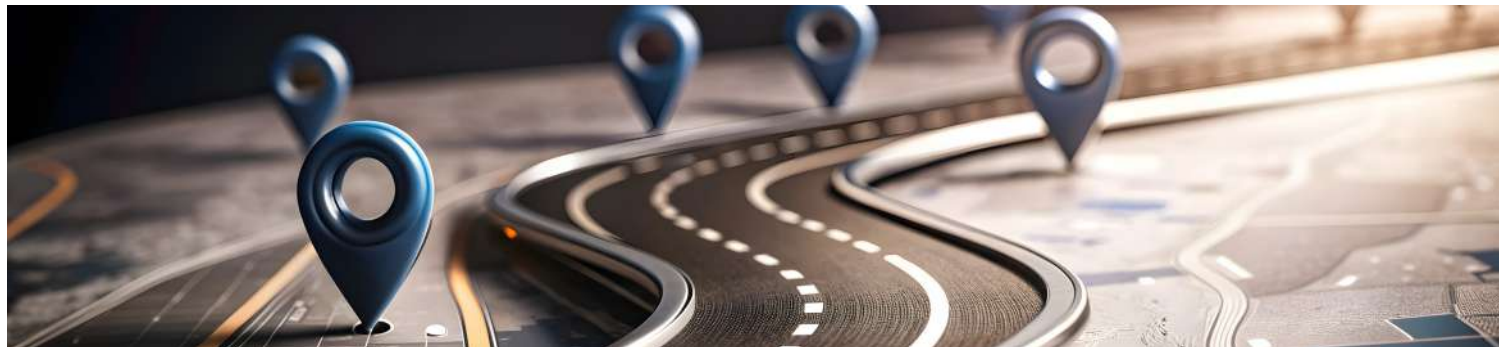
### CATEGORY 3

		<b>COMPLIANCE REQUIREMENTS</b>	<b>ASSURANCE REQUIREMENTS</b>
Year 1	2026	<ul style="list-style-type: none"><li>• Voluntary adoption During the voluntary period, entities may disclose information to the extent of their ability.</li></ul>	<ul style="list-style-type: none"><li>• None</li></ul>
Year 2	2027	<ul style="list-style-type: none"><li>• Voluntary adoption During the voluntary period, entities may disclose information to the extent of their ability.</li></ul>	<ul style="list-style-type: none"><li>• None</li></ul>
Year 3	2028	<ul style="list-style-type: none"><li>• Voluntary adoption During the voluntary period, entities may disclose information to the extent of their ability.</li></ul>	<ul style="list-style-type: none"><li>• None</li></ul>
Year 4	2029	<ul style="list-style-type: none"><li>• Mandatory adoption</li><li>• Entity chooses areas to report on</li></ul>	<ul style="list-style-type: none"><li>• No assurance</li></ul>
Year 5	2030	<ul style="list-style-type: none"><li>• Mandatory adoption</li><li>• IFRS S apply fully</li><li>• Jurisdiction exemptions (see Section 7)</li></ul>	<ul style="list-style-type: none"><li>• Management or Internal audit attestation.</li></ul>
Year 6	2031	<ul style="list-style-type: none"><li>• IFRS S apply fully</li><li>• Jurisdiction exemptions</li><li>• (see Section 7)</li></ul>	<ul style="list-style-type: none"><li>• Management or Internal audit attestation.</li></ul>
Year 7	2032	<ul style="list-style-type: none"><li>• Full compliance to IFRS S2 must be achieved</li><li>• Jurisdiction extended transitional exemptions apply for IFRS S1 (see Section 6)</li></ul>	<ul style="list-style-type: none"><li>• Limited Assurance is required.</li></ul>
Year 8	2033	<ul style="list-style-type: none"><li>• Full compliance to ISSB standards must be achieved.</li></ul>	<ul style="list-style-type: none"><li>• Reasonable assurance</li></ul>
Year 9	2034	<ul style="list-style-type: none"><li>• Full compliance to ISSB standards must be achieved.</li></ul>	<ul style="list-style-type: none"><li>• Reasonable assurance</li></ul>

## CATEGORY 4

Public sector entities that report under the IPSAS framework will apply the IPSAS Sustainability Reporting Standards as issued by the IPSASB.

A separate Roadmap shall be issued out for entities applying IPSAS SRS.



## 5. HOW WILL THE ROADMAP BE ROLLED OUT – IMPLEMENTATION FRAMEWORK

The Zimbabwe ISSB adoption roadmap shall focus on the following key areas on how to implement the standards:

- a. Phasing of entities in the adoption journey – see section 3, the “Who” above.
- b. Scoping of disclosures

After assessing the state of readiness for Zimbabwean entities, it was considered that entities may not be able to comply with all the disclosure requirements in their first year of implementation. The roadmap therefore applies a gradual expansion of the reporting scope from Voluntary in the earlier years, to simplified climate-focused disclosures in the initial phases of mandatory reporting, to full IFRS Sustainability Disclosure Standards in the later years of the roadmap. This phasing is designed to give entities enough time to mature their internal governance, data collection processes, and understanding of materiality, ultimately promoting a deeper and more sustainable adoption of the standards.

**See section 4, 6 and 7 for further details.**

### **c. Phasing of Assurance requirements**

The roadmap considers that both preparers and auditors need time to get ready to achieve proper assurance on the reports. The roadmap therefore scales the assurance process to make it start when there is meaningful preparation taking place, when the auditors have been fully trained and certified to achieve proper assurance as well as to allow assurance to start at a limited level scaling to reasonable assurance. When auditing General Purpose Financial Statements, Assurers are expected to report on any instances of an entity’s non-compliance to laws and regulations (NOCLAR). As a result, assurers must review progress of entities to this roadmap and report such when non-compliance is not achieved.

This phasing also allows auditors to have enough time to develop skill sets and put in places systems and procedures that allow them to deliver quality assurance.

Assurance will be based on the International Standard on Sustainability Assurance (ISSA) 5000 developed by the International Auditing and Assurance Standards Board (IAASB) to address both limited and reasonable assurance.

Limited or Reasonable Assurance of sustainability financial disclosures is expected to be carried out by a qualified and experienced independent provider. The PAAB will develop accreditation criteria for assurance providers.

Providers of assurance for sustainability-related disclosures will be required to be independent of the entity being audited in accordance with the International Ethics Standards Board for Accountants (IESBA) code. The assurance providers will be expected to possess requisite professional qualifications and knowledge of assurance processes.

Due to the technical and sophisticated nature of sustainability assurance, the use of experts to verify certain elements of sustainability related information will not be unusual. Where an auditor uses such an expert, they should stand guided by ISA 5000 on how to use the “Work of An Expert”.

All professionals involved in assuring sustainability related financial disclosures will be required to be registered with the PAAB and possess the requisite skills and certification prescribed by PAAB

For further information, see section 4, the “When” above.

#### **d.Capacity development**

The roadmap recognises the need for coordinated capacity development across preparers, auditors, and educators. It therefore provides measures that will be taken to address this gap.

Capacity building for preparers will start first to pave way for adoption on the standards. Educators, Preparers, and Auditors are expected to attend these PAAB endorsed capacity development programs which will be offered by PAOs and fellow regulators. IFRS Foundation has started licencing ISSB Standards materials for use or integration in educational and training on commercial arrangements.

After category 1 preparers are capacitated, capacity development shall be extended to auditors and educators, thus the rest of the category preparers, auditors and educators’ capacity programs will be done concurrently.

#### **The capacity development activities shall be classified as follows:**

i.Delivery of training programs for sustainability preparers, auditors, and regulators. Earlier trainings will focus only on IFRS S1 and S2. The trainings shall be delivered strategically to each category of entities at least six months prior to the effective date of implementation for each category.

ii.Assistance in creating a conducive environment for data collection and sharing e.g. putting up appropriate policies for collection and sharing provision of data



commonly used

iii. Pilot Testing: During adoption, some entities will be selected to participate in pilot testing with results being shared with others for learning purposes.

**To ensure the successful capacity building, the following institutions will be instrumental:**

- i. PAAB – will provide technical and regulatory support on all areas working with Professional Accounting Organisations and Regulators.
- ii. Professional Accounting Organisations shall provide technical support and shall handhold their members to create capacity.
- iii. Other Regulators - each regulator will provide capacity building support especially for industry specific areas.

**e. Enablement process**

The successful adoption of IFRS Sustainability Disclosure Standards in Zimbabwe rest on high co-ordination of entities and activities. Key regulatory bodies, Professional Accounting Organisations (PAOs), Preparers and Auditors are instrumental in the various processes; thus, the roadmap clarifies the roles that will be played by these parties in the roll out process.

Given this roadmap is for reporting purposes, PAAB shall be the regulator that oversees the implementation process. However, other regulatory bodies such as IPEC, RBZ, ZSE, SECZ among others also have direct interest in the Sustainability practices and reporting of entities they regulate. To avoid fragmentation in policy formulation, communication and regulatory requirements, PAAB shall work with each regulator to coordinate the sustainability reporting process, so that there will be harmony between the requirements of PAAB and other regulators regarding Sustainability reports that form part of General-Purpose Financial Statements. Entities required to submit financial statements by regulators shall therefore be expected to submit their sustainability reports to their regulators based on this transitional road map, failure to which normal regulatory sanctions on failure to submit financial statements shall apply.



## PAAB

PAAB shall oversee the implementation of the ISSB standards in Zimbabwe including capacity development. The Board shall be responsible for advising on the correct reporting frameworks to apply as well as frameworks to use for assurance.

The Board shall be responsible for registering members that are approved to prepare or audit sustainability reports and regulate the conduct of these professionals.

PAAB shall regulate the implementation process through ongoing monitoring and review to foster the effective implementation of IFRS Sustainability Disclosure Standards. The PAAB will regularly evaluate the progress of entities in meeting their reporting obligations and provide guidance as needed. This will include the development of a multi stakeholder approach to generate and consider feedback. Continuous feedback loops will be established between companies, auditors, and regulators to identify areas for improvement and ensure that the regulatory framework remains aligned with international best practices.

PAAB shall conduct its work in collaboration with other regulators such as the RBZ, IPEC and ZSE which will conduct some of the reviews and/or inspections of companies' sustainability reports to assess compliance, as part of their regulatory role. Whilst these regulatory bodies may impose sanctions on the entities failing to comply, PAAB shall impose sanctions on its members who do not comply with their professional responsibilities.

## PAOs

PAOs shall provide the necessary education and Continuous Professional Development to equip preparers and auditors with skills to apply principles of the ISSB standards. Education and training shall be targeted towards students, preparers, auditors, and regulators. These training will cover the technical aspects of IFRS Sustainability Disclosure Standards, including how to integrate climate-related risks, governance, and other specified ESG factors into financial reporting.

PAOs are expected to embed sustainability reporting and assurance in their educational curriculum.

## Reserve Bank of Zimbabwe

RBZ plays a central role in regulating all financial institutions, including banks and micro finances. The RBZ's oversight will focus on integrating sustainability-related financial disclosures into its prudential supervision framework, ensuring that financial institutions align with the sustainability reporting requirements set forth by IFRS Sustainability Disclosure Standards.

For regulatory purposes, the RBZ may require additional disclosures to those already required by ISSB standards. These may be included as General Purpose Financial Statements to the extent that they do not obscure the financially material sustainability information intended to be communicated by an entity.

PAAB in collaboration with the RBZ will facilitate workshops and seminars to promote collaborative learning amongst entities in the financial services sector.

## IPEC

IPEC plays a central role in regulating all insurance and pension fund institutions. IPEC's oversight will focus on integrating sustainability-related financial disclosures into its supervision framework, ensuring that insurance and pension fund institutions align with the sustainability reporting requirements set forth by IFRS Sustainability Disclosure Standards.

For regulatory purposes, IPEC may require additional disclosures to those already required by ISSB standards. These may be included as General Purpose Financial Statements to the extent that they do not obscure the financially material sustainability information intended to be communicated by an entity.

PAAB in collaboration with the IPEC will facilitate workshops and seminars to promote collaborative learning amongst entities in the financial services sector.

IPEC will:

- issue guidelines to assist its regulated entities in meeting their sustainability reporting obligations under IFRS Sustainability Disclosure Standards.
- review sustainability reports to ensure that they meet the required standards and provide accurate and reliable information to investors.
- reprimands that fail to meet the requirements of this roadmap.

## SECZ

SECZ works in close coordination with the ZSE to oversee the broader capital markets' compliance with sustainability reporting requirements. The SECZ's role extends to all capital market participants, including investment firms, asset managers, and other entities involved in raising and managing capital.

PAAB shall work together with SECZ to ensure that investors and users of Sustainability reports have been well capacitated on how to interpret Sustainability reports prepared using ISSB standards.

## ZSE

The ZSE regulates listed companies thus will oversee their compliance with IFRS Sustainability Disclosure Standards. ZSE and VFex listed entities will be the early adopters thus the joint statement issued by the ZSE, SECZ and PAAB on 12 FEBRUARY 2025 on sustainability reports requirements is superseded by this roadmap.

ZSE will:

- issue guidelines to assist listed companies in meeting their sustainability reporting obligations under IFRS Sustainability Disclosure Standards.
- review sustainability reports to ensure that they meet the required standards and provide accurate and reliable information to investors.
- reprimands, or suspension entities that fail to meet the requirements of this roadmap.

## 6. STAKEHOLDER ENGAGEMENT AND COMMUNICATION

The stakeholder consultation process covered a range of participants within the financial reporting ecosystem. The consultations focused on the following key areas:



Stakeholder Group	Focus of Consultation
Investors	<ul style="list-style-type: none"> <li>Investor expectations and disclosure priorities</li> </ul>
Regulators (Insurance and Pensions Commission, Reserve Bank of Zimbabwe, Securities and Exchange Commission of Zimbabwe, Zimbabwe Stock Exchange)	<ul style="list-style-type: none"> <li>Regulatory alignment across authorities</li> <li>Legislative and regulatory instruments required to support implementation</li> <li>Roles and responsibilities of regulators in the sustainability reporting ecosystem</li> <li>Potential additional directives or reporting requirements</li> </ul>
Professional Accounting Organisations	<ul style="list-style-type: none"> <li>Development of structured capacity-building initiatives for preparers and assurers</li> <li>Availability and development of tools, guidance, and implementation support materials</li> <li>Integration of sustainability reporting into professional qualification programmes</li> <li>Partnerships with regional and global organisations</li> </ul>
Preparers and Auditors	<ul style="list-style-type: none"> <li>Level of awareness and knowledge of the ISSB Standards</li> <li>Institutional capacity to implement sustainability reporting</li> <li>Data collection capabilities and systems</li> <li>Maturity of sustainability reporting practices</li> <li>Level of data sharing across value chains</li> <li>Familiarity with ISSA 5000</li> <li>Sector-specific disclosure requirements</li> <li>Need for jurisdiction-specific transitional exemption</li> <li>Practical phasing of implementation</li> </ul>

## 7. JURISDICTIONAL TRANSITIONAL EXEMPTIONS

In addition to the transitional reliefs already provided under IFRS S1 and IFRS S2, the following jurisdiction-specific transitional exemptions are provided to support implementation in Zimbabwe.



Exemption area	IFRS S requirement	Jurisdiction exemption
1. Use of SASB standards.	IFRS S1 requires entities to refer to and consider the applicability of the disclosure topics in the SASB Standards, in addition not to applying the IFRS Sustainability Disclosure Standards in identifying sustainability-related risks and opportunities that could reasonably be expected to affect an entity's prospects.	During the voluntary reporting period and for the first three years of mandatory reporting under this roadmap, entities may, but are not required to, refer to and consider the applicability of the disclosure topics in the SASB Standards when identifying sustainability-related risks and opportunities.
2. Scope emissions.	IFRS S2 requires entities to disclose their scope 3 emissions. In the first annual reporting period in which an entity applies this Standard, an entity is not required to disclose its Scope 3 greenhouse gas emissions which includes, if the entity participates in asset management, commercial banking or insurance activities, the additional information about its financed emissions	The relief from disclosing Scope 3 greenhouse gas emissions is extended beyond the first annual reporting period to cover the voluntary reporting period and the first three years of mandatory reporting under this roadmap.
3.	IFRS S2 requires entities to disclose:  (a) information relevant to the cross-industry metric categories (b) industry-based metrics that are associated with particular business models, activities or other common features that characterise participation in an industry.	In the first annual reporting period in which entities are mandatorily required to apply the standards, entities will be exempt from disclosing industry-based metrics. Entities will, however, still be expected to disclose the relevant cross-industry metric categories



## 8. LOCAL LAWS, REGULATIONS AND GUIDELINES THAT SUPPORT SUSTAINABILITY

As entities begin their sustainability reporting journey, it is important to recognise that sustainability reporting is one component of a broader legal and policy framework governing sustainable development in Zimbabwe. Entities must therefore be mindful of the various laws, regulations, and national policies that guide conduct and disclosure on sustainability-related matters.

The Board draws your attention to the following key instruments—though this list is not exhaustive:

The Constitution of Zimbabwe	Provides for environmental and Human rights under various sections.
Zimbabwe Climate Change Management Bill	Establishes legal and institutional framework for climate change governance, coordination, and mainstreaming across sectors.
Zimbabwe Revised NDC [2021]	Provides Zimbabwe’s commitments to greenhouse gas emissions reduction.
Zimbabwe National Renewable Energy Policy [2019]	Promotes renewable energy investment; sets targets for power supply from renewables.
Zimbabwe Long-term Low Greenhouse Gas Emission Development Strategy 2020-2050	Provides pathway to a low-carbon economy by 2050. Emphasizes energy transition, sustainable agriculture, and climate-resilient infrastructure.
Zimbabwe National Climate Policy [2017]	Framework for climate action. Integrates climate resilience and low-carbon growth into national planning and development.
Zimbabwe Environment Management Act [2002]	Establishes EMA. Regulates environmental protection, pollution control, and sustainable resource use.
Zimbabwe Environment Management Act Impact Assessment Regulations [2007]	Requires Environmental Impact Assessments (EIAs) for specified projects; provides procedures for approvals and compliance monitoring.
Zimbabwe National Forest Policy [2023]	Guides conservation, restoration, and sustainable management of forests; promotes community-based forestry and carbon sequestration.

SI48 of 2025 Carbon Trading General Regulations [2025]	Provides framework for carbon markets; regulates issuance, trading, and monitoring of carbon credits in line with global carbon pricing mechanisms.
Zimbabwe Vision 2030 [2018]	National development blueprint to transform Zimbabwe into an upper middle-income economy by 2030; emphasizes inclusive growth and sustainability.
Zimbabwe National Development Strategy 2 2025-2030 [TBA]	Successor to NDS1 (2021–2025), expected to embed deeper sustainability, climate resilience, and green growth objectives in medium-term planning.
Mines and Minerals Act [Chapter 21:05]	Governs exploration and mining; includes provisions for rehabilitation of mined land and environmental protection.
Public Procurement and Disposal of Public Assets Act [Chapter 22:23]	Requires procurement entities to consider environmental and social sustainability in tendering and asset disposal.
Companies and other business entities act [chapter 24:31]	Requires entities to report financial statements as per the PAAB requirements
SI 2019-041 Public Accountants and Auditors (Prescription of International Standards) Regulations, 2019	Outlines the reporting frameworks to be used in Zimbabwe



## 9. CONCLUSION AND CALL TO ACTION

Zimbabwe’s adoption of the IFRS Sustainability Disclosure Standards (IFRS S1 and S2) represents a transformative step toward achieving transparent, accountable, and sustainable corporate reporting. This roadmap provides a clear and practical pathway for entities to integrate sustainability into their governance, operations, and disclosure practices in alignment with international best standards.

Achieving this vision requires strong collaboration among all stakeholders — including regulators, professional bodies, preparers, auditors, investors, and civil society. Each has a vital role to play in ensuring that sustainability reporting in Zimbabwe goes beyond compliance to become a driver of responsible investment, innovation, and inclusive growth.

Through coordinated implementation, consistent communication, and shared commitment, Zimbabwe can position itself as a regional leader in sustainability reporting and a trusted destination for responsible capital. PAAB remains committed to providing the regulatory guidance, capacity development, and institutional support necessary to ensure the success of this journey.

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This collective effort reflects a shared commitment to strengthening transparency, accountability, and sustainability in financial and non-financial reporting, aligned with both national priorities and global best practices.

- The Honourable Minister of Finance, Economic Development and Investment Promotion
- International Sustainability Standards Board
- Pan African Federation of Accountants
- Professional Accountancy Organisations (PAOs) in Zimbabwe
- Securities and Exchange Commission of Zimbabwe
- Reserve Bank of Zimbabwe
- Zimbabwe Stock Exchange
- Insurance and Pensions Commission
- Zimbabwe Energy Regulatory Authority
- Zimbabwe Electricity Supply Authority
- Ministry of Environment, Climate and Wildlife
- The PAAB Board and Staff
- Sustainability Standards Panel
- Sustainability Reporting Taskforce
- Preparers of financial and sustainability reports
- Auditors and assurance providers
- Other local and international stakeholders and partners



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