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Rwanda's IFRS Sustainability Disclosure Standards Adoption Roadmap

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Abbreviations, Definitions of Terms and Acronyms

2023 Guideline	BNR Guideline No 2600/2023 – 0036 [616] of 29/11/2023 on Climate-Related and Environmental Financial Risks Management for Financial Institutions[1]
2024 Guideline	BNR Guideline No 040/2024 of 25/11/2024 on the Disclosure and Reporting of Sustainability-related Financial Information for Financial Institutions[2]
BNR	National Bank of Rwanda
BNR Guidelines	2023 Guidelines, 2024 Guidelines and other Guidelines being developed by BNR to enable assessment, management and reporting of sustainability-related risks
CMA	Capital Markets Authority
CMA Corporate Governance Code	The Capital Markets Corporate Governance Code 2024[3]
ESG	Environmental, social, and governance
GHG	Greenhouse Gas
GIZ	Deutsche Gesellschaft für Internationale Zusammenarbeit GmbH
Group 1 Entities	RSE listed entities and Tier I financial institutions that must implement Initial Phase Reporting for the financial year beginning on or after 1 January 2025, with first reporting in 2026.
Group 2 Entities	Public Utility Companies, Tier II financial institutions and Tier III financial institutions must implement Initial Phase Reporting for the financial year beginning on or after 1 January 2026, with first reporting in 2027.
Group 3 Entities	Other entities preparing annual financial statements in compliance with IFRS Accounting Standards[4] and Tier IV Financial Institutions must implement Initial Phase Reporting requirements for the financial year beginning on or after 1 January 2027, with first reporting in 2028.

1 *Published on the* BNR Website
2 *Published on the* BNR Website
3 *Published on the* CMA Website
4 *Including State Owned Enterprises (SOEs) that are required or choose to apply IFRS Accounting Standards in the preparation of their Annual Financial Statements*

Group 4 Entities	All entities preparing annual financial statements in compliance with the IFRS for SMEs Accounting Standard that must implement a simplified reporting framework for the financial year beginning on or after 1 January 2028, with first reporting in 2029.
IASB	International Accounting Standards Board
ICPAK	Institute of Certified Public Accountants of Kenya
ICPAR	Institute of Certified Public Accountants of Rwanda
IFC	International Finance Corporation
IFRS	International Financial Reporting Standards
IFRS Accounting Standards	The standards and amendments issued by the IASB and the interpretations issued by the IFRS Interpretations Committee that have been approved by the IASB.
IFRS financial statements	Financial statements prepared using IFRS Accounting Standards
IFRS Issuers	Entities required or choosing to issue annual IFRS financial statements
IFRS for SMEs Accounting Standard	The International Financial Reporting Standard for Small and Medium-sized Entities as issued by the IASB
IFRS for SMEs financial statements	Financial statements prepared using the IFRS for SMEs Accounting Standard
IFRS for SMEs Issuers	Entities required or choosing to issue annual IFRS for SMEs financial statements
IFRS S1	IFRS Sustainability Disclosure Standard S1 General Requirements for Disclosure of Sustainability-related Financial Information
IFRS S2	IFRS Sustainability Disclosure Standard S2 Climate-related Disclosures
IFRS Sustainability Disclosure Standards	The standards and amendments issued by the ISSB
IFRS-S	IFRS Sustainability Disclosure Standards
ISSA 5000	International Standard on Sustainability Assurance
ISSB	International Sustainability Standards Board

ISSBSC	Steering Committee for the adoption of an Implementation Roadmap for IFRS Sustainability Disclosure Standards in Rwanda[5]
MINECOFIN	Ministry of Finance and Economic Planning
Public Utility Company	An entity providing an essential public service (such as electricity or water) on a monopoly basis, owned by the government and subject to special governmental regulation.
RDB	Rwanda Development Board
RFL	Rwanda Finance Limited
RGF	Rwanda Green Fund
RSE	Rwanda Stock Exchange
RSE ESG Requirements	Rwanda Stock Exchange ESG Reporting Guidelines[6]
Simplified IFRS-S	IFRS Sustainability Disclosure Standards simplified through the removal of certain requirements and the extension of certain transition reliefs, refer to Appendix C: Initial Phase Reporting Requirements
SMEs	Small and medium-sized entities required or permitted to apply the IFRS for SMEs Accounting Standard
SOE	State-owned Enterprise
Sustainability SMPs	Small and medium-sized practices that provide, or are planning to provide, sustainability assurance services
TCFD	The Task Force on Climate-related Financial Disclosures recommendations developed by the Financial Stability Board and now subsumed in IFRS Sustainability Disclosure Standards.
The Roadmap	Rwanda's IFRS Sustainability Disclosure Standards Adoption Roadmap as set out in this paper
Tier I Financial Institutions	As defined in the BNR Guidelines
Tier II Financial Institutions	As defined in the BNR Guidelines
Tier III Financial Institutions	As defined in the BNR Guidelines
Tier IV Financial Institutions	As defined in the BNR Guidelines

5 *The list of members is set out appendix G*
6 *Published on the [RSE Website]*

About this Publication

Rwanda's IFRS Sustainability Disclosure Roadmap (the Roadmap) has been prepared in consultation with the Steering Committee for the adoption of an Implementation Roadmap for IFRS Sustainability Disclosure Standards in Rwanda (ISSBSC)[7] and is authorised for publication by that committee and approved by the ICPAR secretariat.

Like the IFRS financial statements they accompany, the IFRS sustainability-related financial disclosures will form part of a reporting entity's general purpose financial reports. These general purpose financial reports are focused on the information needs of primary users, specifically the reporting entity's potential and existing investors, lenders and other creditors.

The Roadmap outlines a phased approach for Rwandan legal entities to adopt IFRS Sustainability Disclosure Standards, balancing the need for early reporting with the need to build capacity, capability, and data sources. It requires that larger, resource-rich companies lead the way, with others following over a four-year implementation period with a staggered start.

IFRS Sustainability Disclosure Standards are designed to provide globally-comparable entity-specific sustainability related financial information for investors to use as inputs to their resource allocation decision making. Nothing in the Roadmap prevents or discourages Rwanda from in future considering whether to extend corporate sustainability reporting to other broader frameworks which in addition to investor-focussed financial materiality requirements include society-focussed impact-materiality requirements, e.g. European Sustainability Reporting Standards (ESRS) or the Global Reporting Initiative Standards (GRI).

The Roadmap complements, but does not override, the National Bank of Rwanda (BNR) Guidelines[8], the Capital Markets Corporate Governance Code 2024 (CMA Corporate Governance Code), or the Rwanda Stock Exchange ESG Reporting Guidelines (RSE ESG Requirements). Financial institutions in the scope of BNR regulation must continue to adhere to the BNR Guidelines. However, the Roadmap remains relevant to financial institutions. Financial institutions will benefit from the capacity-building, data accumulation, and assurance measures required in the Roadmap, as well as from the sustainability disclosures from non-financial entities, many of whom are their clients. By aligning its pathway with financial institutions, the Roadmap fosters a unified approach to corporate sustainability reporting in Rwanda, facilitating shared capacity and data initiatives.

7 *The list of members is set out appendix G*

8 *2023 Guidelines, 2024 Guidelines and other Guidelines being developed by the BNR to enable assessment, management and reporting of sustainability-related risks*

Acknowledgement

The Institute of Certified Public Accountants Rwanda (ICPAR) extends its sincere appreciation to the members of the ISSB Steering Committee (ISSBSC), the staff of ICPAR, the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) and its commissioning parties the German Federal Ministry of Economic Cooperation and Development and the European Union, and all other stakeholders who have contributed their expertise, insights, and time to the development of this IFRS Sustainability Disclosure Standards Adoption Roadmap for Rwanda. Your engagement and dedication have been invaluable in shaping a roadmap that aligns with Rwanda's sustainability objectives, enhances corporate transparency, and supports the country's long-term economic and environmental resilience. ICPAR looks forward to continued collaboration as Rwanda refines and implements this critical initiative.

Disclaimer

The sponsors, authors, and publishers do not accept responsibility for loss caused to any person who acts or refrains from acting in reliance on the material in the Roadmap which highlights particular aspects of the Rwandan sustainability-related reporting requirements and IFRS Sustainability Disclosure Standards. It neither:

- contains all the requirements in the Rwandan sustainability-related reporting requirements and IFRS Sustainability Disclosure Standards; nor
- substitutes reading all of the requirements specified in the Rwandan sustainability-related reporting requirements and IFRS Sustainability Disclosure Standards.

Executive Summary

ES1. Rwanda is at the forefront of sustainability and green finance in Africa, and the adoption of **IFRS Sustainability Disclosure Standards** represents a significant step towards enhancing transparency, accountability, and sustainable economic growth. This **IFRS Sustainability Disclosure Standards Adoption Roadmap** (the Roadmap) provides a structured approach for implementing these global standards in Rwanda, ensuring that businesses and financial institutions align their sustainability-related financial disclosures with international best practices.

ES2. The Roadmap has been prepared in the context of growing momentum of sustainability initiatives across Africa and globally. Countries in the region such as Nigeria, Kenya and Ghana have already established their own roadmaps for adopting these standards, and others are in the process of doing so, providing examples for Rwanda to consider in developing its pathway(s) to IFRS Sustainability Disclosure Standards and the opportunity for regional initiatives to develop capacity and relevant data.

ES3. Adopting IFRS Sustainability Disclosure Standards in Rwanda and the region enhances corporate transparency by focusing on sustainability-related risks and opportunities, including the financial impacts of climate change and other sustainability stressors. Unlike broader sustainability initiatives, these standards do not assess corporate sustainability efforts but instead provide investors, lenders, and policymakers with clear, comparable information on how such risks affect financial performance and future financial prospects. This reduces the risk premium associated with lack of transparency, ensuring that capital is allocated efficiently, reducing uncertainty and strengthening market confidence.

ES4. For Rwandan businesses, aligning with IFRS Sustainability Standards supports access to global capital markets by meeting investor and regulatory expectations for high-quality sustainability-related financial disclosures. It also facilitates risk management by enabling companies to identify and address material sustainability risks that could impact operations and financial stability. By improving data consistency and comparability, these standards enhance decision-making for both businesses and financial stakeholders, fostering a more resilient and competitive corporate sector.

ES5. The Roadmap is designed to facilitate a **phased and coordinated adoption** of IFRS Sustainability Disclosure Standards, taking into account the **regulatory, institutional, and capacity-building needs** of various stakeholders. The approach is informed by Rwanda's existing sustainability initiatives, including the BNR Guidelines, the **Rwanda Green Taxonomy**, the CMA Corporate Governance Code and the RSE ESG Requirements **for listed entities, financial institutions and other entities**, maximising interoperability between national and international frameworks.

ES6. The Roadmap establishes a **four-phase adoption strategy**, progressively expanding the scope and extent of sustainability-related disclosures:

a. **Initial Phase Reporting:** Focuses on climate-related financial disclosures aligned with or based on **IFRS S2** for early adopters, including **listed companies**[9] **and Tier I financial institutions**, but with additional reliefs

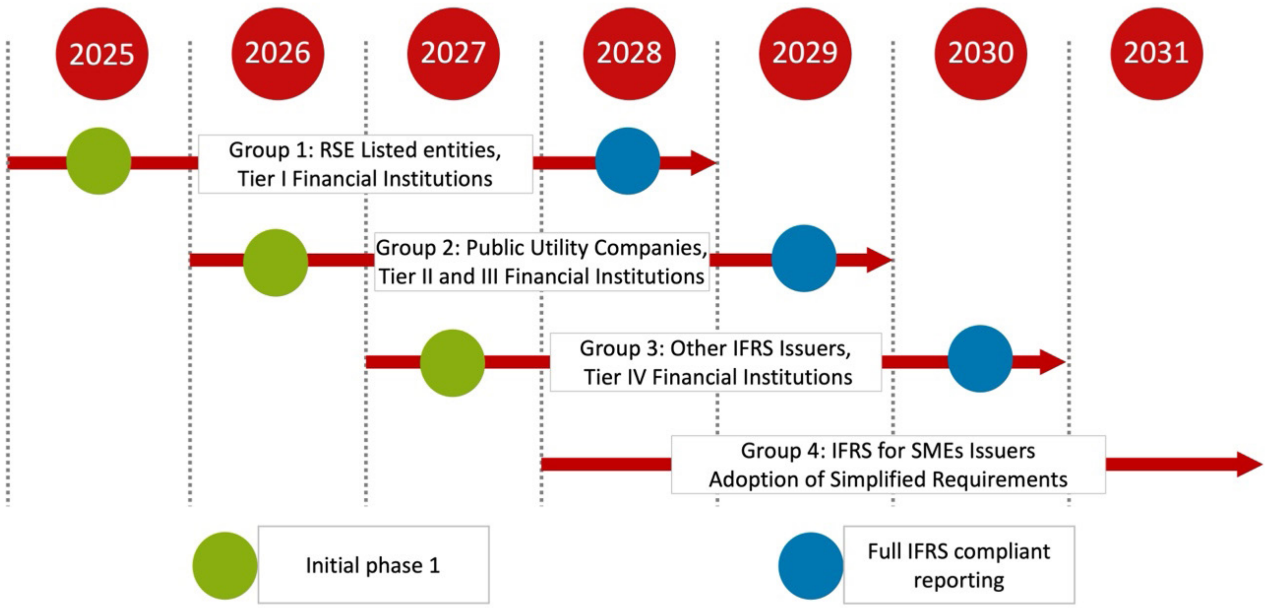
b. **Intermediate Phase Reporting:** Expands the reporting requirements by reducing the reliefs provided.

c. **Full Reporting with Transition Reliefs:** Entities implement **IFRS S1 and IFRS S2** with the transition reliefs permitted under IFRS Sustainability Disclosure Standards.

d. **Full IFRS Reporting:** All entities fully comply with **IFRS Sustainability Disclosure Standards as issued by the ISSB**, without transition reliefs.

ES7. A distinct and simplified sustainability disclosure framework for Rwanda's IFRS for SMEs Issuers will be developed.

Figure 1: Reporting by Entity Group



ES8. The **implementation timeline** follows a staggered approach, ensuring that entities with the greatest public interest and capacity—such as Tier I **Financial Institutions and RSE-listed companies**—commence and finalise the adoption process first, followed in specified groupings by Public Utility Companies, Tier II Financial Institutions, Tier III Financial Institutions, **other IFRS issuers (including State Owned Enterprises (SOEs) that apply IFRS Accounting Standards), and**

9 *For listed companies only, Initial Phase Reporting requires only the adoption of the RSE ESG Requirements. These requirements include elements derived from the same sources as IFRS S2.*

Tier IV Financial Institutions**, and IFRS for SMEs Issuers**. The Roadmap also outlines the **roles and responsibilities of regulatory bodies, public sector authorities and other select institutions,** including the **Institute of Certified Public Accountants Rwanda (ICPAR), National Bank of Rwanda (BNR), Capital Markets Authority (CMA), Rwanda Stock Exchange (RSE), and Rwanda Finance Limited (RFL)**.

ES9. Capacity building and **training programs** are central to the Roadmap, ensuring that **corporates, financial institutions, auditors, and assurance providers** are well-prepared for the new disclosure requirements. I**nternational collaboration** with **development partners and regulatory bodies** will also be leveraged to facilitate knowledge sharing and technical support.

ES10. By adopting **IFRS Sustainability Disclosure Standards**, Rwanda will strengthen its position as a **regional leader in sustainable finance**, attract **climate-conscious investors**, and ensure that its corporate sector aligns with **global expectations for sustainability transparency and reporting**. The Roadmap provides a clear and structured framework for a successful and credible transition to **IFRS Sustainability Disclosure Standards**, contributing to **Rwanda's broader economic, environmental, and social goals**.

Chapter 1: Introduction and Context

1. Rwanda is rapidly emerging as a leader in East Africa's sustainability and green finance initiatives, underscoring the importance of general purpose sustainability-related financial disclosures to align with both national development goals and international frameworks. **The IFRS Sustainability Disclosure Standards, issued by the International Sustainability Standards Board (ISSB)**, serve as a global baseline for consistent, comparable, and reliable sustainability-related financial disclosures. As of December 2024, IFRS Sustainability Disclosure Standards consist of two standards, IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures.

2. This chapter provides a preliminary overview of Rwanda's journey towards sustainability reporting, its alignment with international standards, and the strategic importance of adopting IFRS Sustainability Disclosure Standards. Rwanda's IFRS Sustainability Disclosure Roadmap (the Roadmap) builds on existing Rwandan frameworks, including regulatory and financial sector initiatives, and emphasises a phased and structured approach to ensure smooth implementation across all sectors of the economy.

1.1 Background

3. Globally, the role of sustainability reporting has evolved from being a voluntary practice, often selectively using aspects of many different sustainability frameworks, to a critical element of corporate responsibility and regulatory compliance using particular frameworks.

4. The IFRS Sustainability Disclosure Standards were developed to create a unified, high-quality reporting framework that meets the growing demand from primary users—existing and potential investors, lenders and other creditors—for information on how companies identify and manage their sustainability-related risks and opportunities that are expected to affect the entity's prospects—its cash flows, its access to finance or its cost of capital over the short, medium or long term.[10] Particular focus is placed on climate-related risks and opportunities.

5. Rwanda, as part of its commitment to sustainable development, recognises the need to implement these standards to drive accountability and improve the transparency of its corporate sector. The adoption of these standards is expected to help:

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10 IFRS S1.12 and B1-B10

- Enhance investor confidence: International investors increasingly require standardised ESG (Environmental, Social, and Governance) disclosures before committing capital to emerging markets like Rwanda.

- **Attract sustainable investments:** Aligning with international sustainability frameworks positions promotes Rwanda as an attractive destination for green finance and climate-conscious investors.

- **Foster sustainable development:** Reporting according to IFRS Sustainability Disclosure Standards enhances transparency and may improve corporates' access to concessional finance by development finance institutions and existing initiatives such as Rwanda Green Fund or Ireme Invest.

- **Align sustainable behaviour:** Rwanda has initiated a wide range of sustainability action initiatives, as set out in section 1.4 below, designed to improve domestic sustainability practices. Adopting transparent disclosure practices, will showcase these practices and provide tangible benefits to corporates engaging in good practice.

1.2 Strategic Importance for Rwanda

6. The adoption of IFRS Sustainability Disclosure Standards will enable Rwanda to enhance its competitiveness in the global market by providing transparency into how entities are managing sustainability-related risks and opportunities. This transparency is critical for:

(a) Attracting foreign direct investment: As investors increasingly focus on sustainability, Rwanda's alignment with IFRS Sustainability Disclosure Standards will make it a more attractive destination for investment, particularly in green and sustainable projects.

(b) Strengthening the financial sector: The integration of accountability for sustainability in financial sector reporting provides information to help mitigate sustainability-related risks, improving the resilience and stability of Rwanda's financial institutions.

(c) Meeting international climate commitments: By adopting international standards, Rwanda will be better positioned to meet its obligations under international agreements like the Paris Agreement and the United Nations Sustainable Development Goals.

1.3 Alignment with Global and Regional Sustainability Trends

7. Rwanda's decision to adopt IFRS Sustainability Disclosure Standards is aligned with the growing momentum of sustainability initiatives across Africa and globally. Countries in the region such as Nigeria, Kenya and Ghana have already established their own roadmaps for adopting these standards, and others are in the process of doing so, providing examples for Rwanda to consider in developing its pathway(s) to IFRS Sustainability Disclosure Standards.

8. Rwanda can leverage the lessons learned from these regional examples to ensure a smooth and practical transition to IFRS Sustainability Disclosure Standards. Like Nigeria, Kenya and Ghana, Rwanda is adopting a phased approach that reflects

the capacity and readiness of its corporate sector and their assurance providers, while also ensuring that regulatory bodies, including the **Institute of Certified Public Accountants (ICPAR), the National Bank of Rwanda (BNR), the Capital Markets Authority (CMA), Ministry of Finance and Economic Planning (MINECOFIN)** and the **Rwanda Stock Exchange (RSE),** are equipped to enforce compliance.

1.4 Rwanda's Sustainability Context

9. Rwanda has been proactive in embedding sustainability principles within its national development agenda. Several key initiatives demonstrate Rwanda's commitment to sustainability, which forms the basis for integrating the IFRS Sustainability Disclosure Standards into the national reporting framework.

1.4.1 National Green Initiatives

10. **Rwanda's Green Growth and Climate Resilience Strategy:**[11] This strategy sets ambitious targets for reducing greenhouse gas (GHG) emissions and building climate resilience. The strategy aligns with the Paris Agreement and serves as a foundation for Rwanda's commitment to international climate goals.

11. **The Green Fund (RGF):**[12] Rwanda's Green Fund plays a crucial role in financing projects that contribute to the country's green growth strategy. The adoption of IFRS Sustainability Disclosure Standards will enable businesses to disclose their contributions to these initiatives transparently, enhancing investor confidence in Rwanda's green economy. Companies may also improve their access to concessional finance by outlining how companies actively integrate sustainability considerations in their business operations and mitigate risk.

12. **Rwanda Sustainable Finance Roadmap:**[13] This roadmap supports the development of a sustainable finance ecosystem in Rwanda by aligning financial sector policies with sustainability goals. The IFRS Sustainability Disclosure Standards will help integrate sustainability-related financial disclosures into Rwanda's growing financial sector.

13. **BNR Climate-Related and Environmental Financial Risks Management:**[14] The BNR has imposed climate and sustainability risk management requirements for financial sector entities (BNR Guidelines). This is consistent with international requirements and a reflection of the direct impact of sustainability issues on financial sector prospects.

14. **Corporate Social Responsibility (CSR)** activities are encouraged as part of the country's broader commitment to sustainable development and corporate governance. Many businesses in Rwanda voluntarily engage in CSR initiatives, particularly in areas such as education, healthcare, environmental conservation, and community development, as part of their ethical and philanthropic activities. Some CSR initiatives may be relevant considerations or mitigants for risks and opportunities reported applying IFRS Sustainability Disclosure Standards.

11 Rwanda Green Growth and Climate Reliance Strategy
12 Rwanda Green Fund Website
13 Rwanda Sustainable Finance Roadmap
14 BNR Governance and Sustainability website

1.4.2 Management and Governance Frameworks

15. Rwanda has already taken steps to integrate ESG factors into its financial and corporate regulatory frameworks. These existing initiatives will serve as the backbone for the phased adoption of IFRS Sustainability Disclosure Standards.

16. **BNR Climate-Related and Environmental Financial Risks Management (BNR Guidelines):** The BNR is in the process of implementing climate- and environmental-related requirements for financial sector entities. These requirements will guide banks, insurance companies and other financial sector entities in integrating ESG risks into their operations and into their regulatory reporting. The new requirements will also complement existing reporting guidelines issued.[15]

17. **Climate stress testing:** The BNR is also in the process of designing a prudential climate stress testing process for financial sector entities. This process will enable financial sector entities to better understand their resilience against climate and climate-change impacts and piloting of the process is expected to commence in 2026 This will assist the financial sector in responding to the scenario based resilience requirements specified in IFRS S2.

18. **CMA Corporate Governance Code:** The CMA has published the Capital Market Corporate Governance Code for RSE listed entities. This framework is designed to improve corporate governance among listed companies. The requirements set the minimum requirements for listed entities and is intended to align with international best practice. There will be some alignment with the reporting objectives of IFRS Sustainability Disclosure Standards.[16]

19. **Green Taxonomy:** Rwanda's Green Taxonomy is framework that aims to define sustainability criteria, foster shared understanding and trust on what constitutes a green investment, and prevent greenwashing. The taxonomy will be a key element in identifying sustainability related risks and opportunities by companies and can guide them on how to report their alignment with national sustainability goals under the IFRS disclosure framework.[17]

20. **Banking Sector ESG Guidelines:** These guidelines were developed under a partnership between the International Finance Corporation (IFC) and the Rwanda Bankers' Association. The Guidelines seek to improve governance and management within banks, enhancing resilience to climate, nature, and other sustainability-related risks while bolstering the financial system and the economy.[18]

15 2023 Guidelines *and* 2024 Guidelines
16 Capital Market Corporate Governance Code
17 Rwanda's Green Taxonomy
18 Banking Sector Guideline

1.4.3. Disclosure Frameworks

21. **RSE ESG Requirements:** The RSE published the Rwanda Stock Exchange ESG Reporting Guidelines for RSE listed entities. These requirements, designed to improve transparency and corporate governance among listed companies, have a broader scope than IFRS Sustainability Disclosure Standards. None-the-less, it is considered that there will be interoperability with the reporting under IFRS Sustainability Disclosure Standards.[19]

22. **Financial Sector Sustainability Reporting:** BNR issued the 2023 Guideline[20] in November 2023 requiring financial institutions under their supervision to prepare for disclosures under IFRS Sustainability Disclosure Standards. This was followed by the 2024 Guideline[21] published in November 2024 which set specific requirements for climate-first simplified IFRS Sustainability Disclosure Standards for reporting periods beginning on or after January 1, 2025, with the first annual reports due in 2026. Full compliance with IFRS Sustainability Disclosure Standards is required to be achieved within four years. The BNR Guidelines establish a phased approach based on Financial Institution sub-sectors, with reporting for the smallest entities commencing for reporting periods beginning on or after January 1, 2027 (further details are set out in Table 2: BNR Adoption requirements, after paragraph 41). The BNR has also developed sector-specific non-mandatory guidance to assist financial institutions in complying with these requirements.

23. **Integrated reporting:** RSE listed entities and financial sector entities are required to prepare an annual integrated report. Integrated reports have a similar scope to IFRS Sustainability Disclosure Standards, although typically contain considerably less specific detail. Consequently, interoperability should exist with integrated reports and the reporting under IFRS Sustainability Disclosure Standards.

24. **Jurisdictional trade agreements:** Like other markets, Rwanda is subject to reporting initiatives imposed by trade partners. In particular, the sustainability reporting requirements (ESRS) of the European Union (EU) are expected to be imposed on affected entities (entities with a qualifying EU trade relationship) from 2028. ESRS might also impact Rwandan entities that are subsidiaries of EU companies and therefore form part of an EU group in their parent's consolidated general purpose financial reports. ESRS and IFRS Sustainability Disclosure Standards are substantially interoperable, meaning that there is significant overlap between the two sets of standards, and it is consequently possible for entities applying EFRS to claim compliance with both with relatively limited additional effort. Extensive guidance has been published by the IFRS Foundation on the interoperability of ESRS and the IFRS Sustainability Disclosure Standards.[22]

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19 Rwanda Stock Exchange ESG Reporting Guidelines
20 2023 Guidelines
21 2024 Guidelines
22 ESRS – ISSB Standards: Interoperability Guidance

25. The diagram below illustrates Rwanda's Sustainability landscape:

Figure 2: Rwanda Reporting Landscape

Sustainability The 'doing'	Requirements The 'rules'	Reporting The 'communication'
Corporate Social investment	Jurisdictional trade agreements	GRI, TFCD and similar requirements
Programs and plans to improve sustainability	BNR requirements and mandatory guidelines	RSE ESG Requirements
Risk management initiatives	CMA Corporate Governance Code	BNR prudential reporting
Governance structures	Rwanda Green Taxonomy requirements	IFRS Sustainability Disclosure Standards

General requirements and processes

Specific requirements or projects in Rwanda

The subject of this *Roadmap*

1.5 Objectives and goals of the IFRS Sustainability Disclosure Roadmap

26. The objective of the Roadmap is to provide a structured approach to adopting the IFRS Sustainability Disclosure Standards in Rwanda, ensuring that all relevant stakeholders are prepared to meet the requirements of these international standards. The key objective of an adoption roadmap is to ensure credible timeous adoption of IFRS Sustainability Disclosure Standards by ensuring that entities subject to reporting have sufficient time to develop capability and capacity to ensure robust, rigorous and reliable reporting.

27. To meet the objective, the Roadmap includes the following key goals:

(a) **Building Capacity:** Developing the skills and knowledge needed within the corporate and regulatory sectors to implement IFRS Sustainability Disclosure Standards effectively.

(b) **Enhancing Transparency and Accountability:** Providing a consistent framework for sustainability reporting that allows investors, lenders and other creditors to assess how companies in Rwanda are managing sustainability-related risks and opportunities.

(c) **Credibility:** Providing consistent and phased enforcement and verification to ensure reporting is, and is perceived to be, in line with international requirements.

(d) **Supporting Sustainable Investment:** Aligning Rwanda's corporate reporting with international standards to attract sustainable investment, particularly from climate-conscious investors and development finance institutions.

(e) **Improving Data Collection and Management:** Ensuring that companies have access to the necessary data to report on sustainability-related metrics, particularly around greenhouse gas emissions, energy use, and social impact.

1.6 Conclusion

28. The Roadmap is a critical step in Rwanda's broader sustainability journey. By aligning with international standards in a considered and credible manner, Rwanda can ensure that its corporate sector contributes meaningfully to national and international sustainability goals while attracting the investment needed to drive green growth.

Chapter 2: Approach to Adoption

29. Rwanda's approach to adopting IFRS Sustainability Disclosure Standards is structured around a phased implementation that considers the diverse readiness levels across industries and the existing sustainability initiatives within the country.

30. The phased implementation timeline reflects a strategic sequencing that balances the urgency of adopting IFRS Sustainability Disclosure Standards with the practical constraints of readiness and institutional capacity. The Roadmap aims to ensure that entities with the greatest public accountability, strongest internal resources, and existing experience with ESG disclosures are first to adopt IFRS Sustainability Disclosure Standards. These early adopters are typically subject to international scrutiny and investor expectations, making them well-suited to pioneer the reporting journey. Their implementation experience provides a crucial testing ground to refine reporting systems, generate practical insights, and establish local precedents that will inform and facilitate broader adoption by subsequent groups.

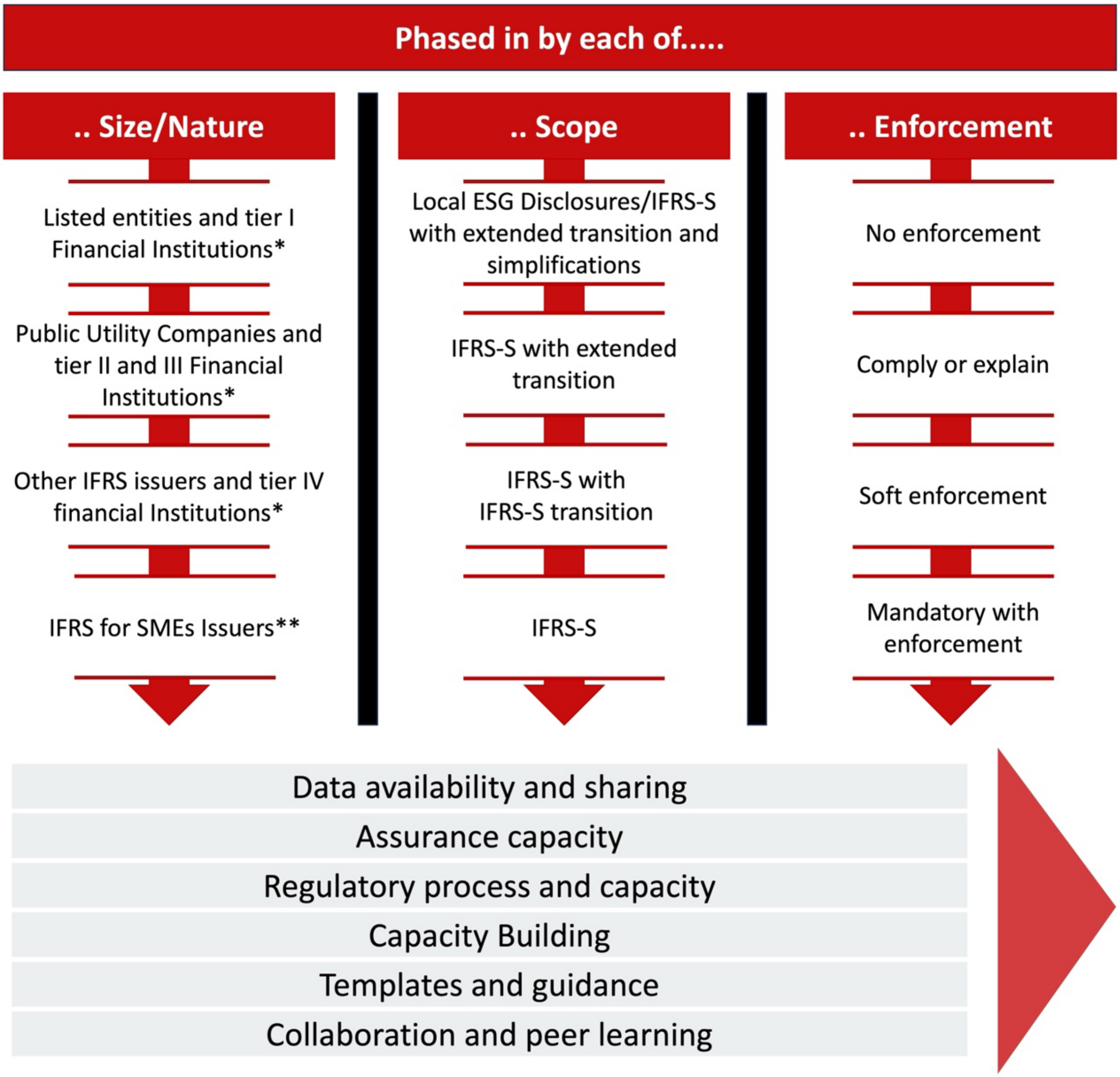
31. A critical consideration in the sequencing is the need to progressively build capacity within Rwanda's reporting ecosystem, including preparers, auditors, assurance providers, and regulators. Each group's entry into the reporting framework should be preceded by targeted training interventions and the development of technical infrastructure to support disclosures. The Roadmap's structure allows time for the results of initial capacity-building efforts to mature and spread across sectors. This scaffolding approach prevents overwhelming of resources, while promoting more credible and reliable reporting.

32. The phased approach also facilitates the "trickle-down" of knowledge, systems, and practices from more experienced to less experienced entities. By staggering adoption, the Roadmap creates space for peer learning, case study development, and sector-specific guidance to emerge organically from Rwanda's own context rather than relying exclusively on international models. This is further reinforced by mechanisms such as collaboration forums detailed in the Roadmap. Moreover, the gradual expansion of the reporting scope—from simplified climate-focused disclosures in the Initial Phase to full IFRS Sustainability Disclosure Standards—gives entities time to mature their internal governance, data collection processes, and understanding of materiality, ultimately promoting a deeper and more sustainable adoption of the standards across Rwanda's economy.

33. In spite of the phased requirements in the Roadmap, nothing limits entities with the capacity and capability from adopting these requirements earlier than specified.

34. The figure below illustrates the adoption path to achieving compliance with IFRS Sustainability Disclosure Standards. It illustrates a phasing based on different dimensions or axis.

Figure 3: Diagram Illustrating Adoption Path



* Tier I to Tier IV Financial Institutions as defined by BNR in the 2023 Guidelines[23] and the 2024 Guidelines[24]

23 *Published on the* [BNR Website]
24 *Published on the* [BNR Website]

** IFRS for SMEs Issuers. The ISSBSC will monitor international developments and will adopt or develop a simplified framework that is consistent with those developments and local conditions.

35. The Roadmap is built on the **"How, Who, What,** and **When"** model, drawing from regional experiences, international best practices, and Rwanda's unique context. By adopting a measured, incremental implementation strategy, Rwanda ensures that the reporting entities, including financial institutions, state-owned enterprises, and other corporates, are adequately prepared for the transition.

Figure 4: Decision Rationale

Decisions about:

- Process (how): adoption conditions and process
- Entities (who): entities subject to requirements
- Requirements (what): content of disclosures
- Readiness (when): timeline to address market readiness
- Enforcement

To create time to enable:

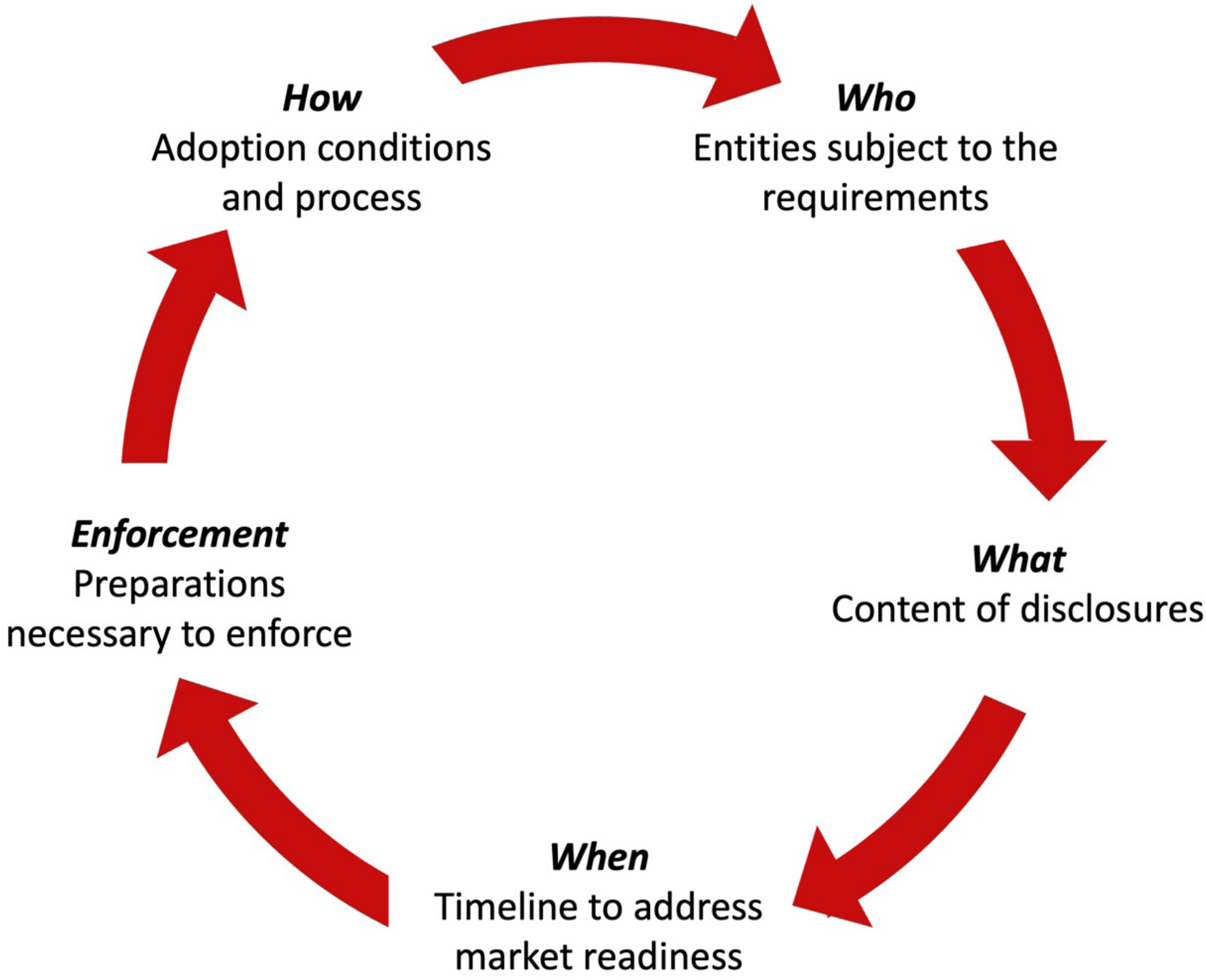
- Identifying systemic issues
- Developing capacity and capability
- Developing data
- Developing governance, risk management and strategies
- Peer learning
- Transition

To achieve:

- Credible reporting
- Rigorous oversight
- Minimised wasted costs

36. The **"How, Who, What,** and **When"** model is iterative requiring several rounds of consideration building on previous decisions.

Figure 5: Decision Making Cycle



2.1 How: Enablement Process

37. The successful adoption of IFRS Sustainability Disclosure Standards in Rwanda hinges on a well-defined enablement process that outlines the roles, responsibilities, and mechanisms for ensuring compliance. This section details the process that will guide the phased implementation of IFRS Sustainability Disclosure Standards, ensuring alignment with Rwanda's existing legal and financial frameworks. The process involves coordination between key regulatory bodies, public sector authorities and select institutions such as the ICPAR, BNR, MINECOFIN (the Financial Sector Development Department),[25] the RSE, the CMA, FONERWA, RDB and RFL. It also includes mechanisms for collaboration with international development partners to ensure coordinated provision of the necessary technical assistance and capacity building.

25 Financial Sector Development Department

2.1.1 Role of Regulatory Bodies, Public Sector Authorities and Select Institutions

38. The process for adopting IFRS Sustainability Disclosure Standards is led by institutions specifically involved in the enactment of laws and regulations, the enforcement of those laws and regulations and the development of programs to facilitate the process. The responsible institutions are set out below, each playing a specific role in ensuring that reporting entities comply with the standards.

Table 1: Regulatory Bodies, Public Sector Authorities and Select Institutions

Institution	Description
Institute of Certified Public Accountants of Rwanda (ICPAR)	**ICPAR** is responsible for the accreditation of auditors and assurance providers, ensuring that they are qualified to verify sustainability disclosures in accordance with IFRS Sustainability Disclosure Standards.
National Bank of Rwanda (BNR)	**BNR** plays a central role in regulating all financial institutions, including banks, insurance companies, and other financial service providers. The BNR'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.
Capital Markets Authority (CMA)	**CMA** works in close coordination with the RSE to oversee the broader capital markets' compliance with sustainability reporting requirements. The CMA's role extends to all capital market participants, including investment firms, asset managers, and other entities involved in raising and managing capital.
Rwanda Stock Exchange (RSE)	**RSE** regulates RSE listed companies and will oversee their compliance with IFRS Sustainability Disclosure Standards. Listed entities are [expected to be] early adopters of the standards, given their public-facing nature and the demand from investors for enhanced transparency on sustainability issues.
Rwanda Green Fund	**RGF** plays a crucial role in supporting Rwanda's green growth strategy and financing sustainable development projects. As part of the IFRS Sustainability Disclosure Standards adoption process, RGF will provide guidance to companies, particularly in sectors related to environmental sustainability, on how to align their operations and reporting with national sustainability goals.

Institution	Description
Ministry of Finance and Economic Planning (MINECOFIN)	**MINECOFIN** will play a coordinating role in ensuring that Rwanda's adoption of IFRS Sustainability Disclosure Standards is aligned with the country's broader economic policies and development goals; it is also entrusted with providing the right environment for financial sector development.
Rwanda Development Board (RDB)	**RDB** to speed up economic development in Rwanda by enabling private sector growth. As part of the IFRS Sustainability Disclosure Standards adoption process, the RDB should make investors aware of Rwanda's sustainability reporting requirements.
Rwanda Finance limited (RFL)	**RFL** plays a pivotal role in promoting Rwanda as an international financial hub and in developing Rwanda's financial sector. As part of the regulatory process, RFL will help integrate the IFRS sustainability reporting standards into Rwanda's financial sector, ensuring that sustainability is a key component of Rwanda's appeal as a destination for sustainable finance.

The regulatory bodies, public sector authorities and other select institutions are each represented by a member on the Steering Committee of ISSB Standards Implementation Roadmap in Rwanda (ISSBSC), formed with the specific objective of developing the Roadmap). The Rwanda Auditor General is separately consulted for their views. ICPAR has two members on the ISSBSC and also chairs the ISSBSC. The ISSBSC also has the objective to support regulators to respond to various current and emerging sustainability aspects as it relates to their affected stakeholders in Rwanda. More details of the responsibilities of each of the institutions are set out in Appendix B.

2.1.2 Regulatory adoption

40. The adoption of IFRS Sustainability Disclosure Standards typically requires taking legal or regulatory action to require or explicitly permit entities to apply IFRS Sustainability Disclosure Standards. The pace or process required depends on a range of factors within different sectors in Rwanda.

41. For the financial sector, the relevant regulatory and policy framework is authorised within the authority granted to the MINECOFIN and BNR. MINECOFIN is mandated to design policies and strategies for deepening and broadening Rwanda's financial sector (banking, payment systems, insurance, pension, capital markets, microfinance and USACCOs). The BNR's mission is to ensure price stability and a sound financial system contributing to sustainable and inclusive growth. In this context, the BNR published the 2023 Guideline and the 2024 Guideline laying out the adoption process of the IFRS Sustainability Disclosure Standards for financial institutions under its remit. This 2024 Guideline mandates adoption of the Standards in four distinct steps, and three waves.

These are set out in the table below:

Table 2: BNR Adoption requirements

	Tier I	Tier II and III	Tier IV
Report for financial years commencing on or after 1 January			
Simplified IFRS S2 (climate only with other simplifications)	2025	2026	2027
Simplified IFRS-S (climate and environment only with other simplifications)	2026	2027	2028
IFRS-S with IFRS-S specified transition requirements	2027	2028	2029
IFRS-S as published by the ISSB	2028	2029	2030

For RSE listed entities, this authority is granted to the CMA and the RSE. The CMA Corporate Governance Code and the RSE ESG Requirements have been published specifically for entities listed on the RSE. The RSE ESG Requirements are based on existing frameworks including the Global Reporting Initiative (GRI) and TCFD. It must be applied by listed entities from 1 January 2025.[26]

43. For other entities in the ambit of the Roadmap, this authority is granted to ICPAR.

2.1.3 Phased Implementation and Regulatory Timelines

44. The regulatory process leading to IFRS Sustainability Disclosure Standards will follow a phased implementation timeline, allowing designated groups of reporting entities to build capacity over time. The Roadmap outlines specific deadlines for reporting, starting with RSE listed entities and Tier I financial institutions and gradually expanding to Public Utility Companies, other financial institutions and other IFRS issuers,[27] and IFRS for SMEs Issuers[28] in subsequent phases. The groups are discussed in more detail in section 2.2 below.

2.1.4 Readiness assessment

45. The timeframe for Rwanda to introduce sustainability-related reporting requirements considers an assessment of market readiness – which, in turn, is influenced by the jurisdiction's maturity in sustainability-related reporting and entities' prior familiarity with voluntary sustainability-related reporting standards or frameworks. Also relevant is the state of development of the wider sustainability reporting ecosystem such as the availability of sustainability-related disclosure expertise, access to providers of

26 Article 27 of the Capital Market Corporate Governance Code read with the Rwanda Stock Exchange ESG Reporting Guidelines

27 Entities required to apply IFRS Accounting Standards in the preparation of their annual financial statements.

28 Entities required or choosing to apply the IFRS for SMEs Accounting Standard in the preparation of their financial statements.

data services, analytical tools, professional services and assurance providers, and the readiness of regulators to supervise and enforce sustainability-related financial disclosures.

46. The extent of adherence by designated entities to the Integrated Reporting Framework and reporting based on the TCFD recommendations, may make transition to IFRS Sustainability Disclosure Standards easier because of similarities between these reporting frameworks and standards.

47. Chapter 4 details the capacity building efforts envisaged for the implementation of the Roadmap to develop an appropriate level of readiness.

2.1.4 Enforcement Mechanisms

48. Enforcement is a critical component of the regulatory process, ensuring that companies comply with sustainability disclosure requirements, thereby fostering the credibility of sustainability reporting. The following enforcement mechanisms will be employed in Rwanda:

(a) **Assurance Requirements:** All entities subject to IFRS Sustainability Disclosure Standards must have their sustainability disclosures assured by accredited auditors. The ICPAR will oversee the accreditation of assurance providers and ensure that assurance is conducted in line with International Standards on Assurance Engagements (ISAE 3000) and the International Standard on Sustainability Assurance (ISSA 5000[29]). This will add credibility to sustainability-related financial disclosures and ensure their accuracy.

(b) **Regulatory reviews and Inspections:** The BNR, the CMA and the RSE will conduct reviews and/or inspections of companies' sustainability reports to assess compliance. Companies found to be non-compliant may face enforcement actions, including more frequent reviews, or the requirement to submit corrective action plans. Other entities will be subject to the same reviews currently applied in respect of their IFRS compliant Annual Financial Statements.

(c) **Fines and Penalties:** The BNR, the CMA the RSE and other regulators have existing authority to impose sanctions and other penalties on entities within their remit that fail to comply with the reporting requirements. Furthermore, the ICPAR has the authority to impose sanctions on its members who do not comply with their professional responsibilities. Penalties vary by regulator and include financial fines, public reprimands, and for RSE listed entities, suspension of trading privileges.

2.1.5 Technical Support

49. To ensure the successful implementation of IFRS Sustainability Disclosure Standards, Rwandan regulators will need to provide technical support, capacity building, and facilitate collaboration between preparers, auditors and regulators. Key areas of support include:

29 *The IAASB issued ISSA 5000 in December 2024. The IAASB is intended to publish guidance in 2025 on its* [Understanding International Standard on Sustainability Assurance 5000]() *webpage.*

(a) **Capacity Building:** Delivery of training programs for corporate sustainability officers, auditors, and regulators. This 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.

(b) **Technical Assistance for Data Collection and Reporting Systems:** Provision of technical support for the development of data collection systems, particularly for calculation and reporting of emissions and other difficult-to-measure sustainability metrics. These systems will ensure that companies have the necessary tools to collect accurate and consistent data for reporting.

(c) **Pilot Testing:** During adoption, select companies will participate in pilot testing of the reporting frameworks. The ISSBSC will coordinate a plan for technical support for these pilot programs, ensuring that any challenges are identified and addressed early in the implementation process.

2.1.6 Monitoring and Continuous Improvement

50. The regulatory process will include ongoing monitoring and review to foster the effective implementation of IFRS Sustainability Disclosure Standards. The ISSBSC 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.

51. Rwanda's regulatory process for the adoption of IFRS Sustainability Disclosure Standards is designed to be phased and collaborative, allowing companies to gradually build capacity while maintaining a strong focus on compliance, enforcement, and continuous improvement. By maximising the interoperability of these standards with existing regulatory and legal frameworks, Rwanda will ensure that sustainability reporting becomes an integral part of its corporate governance and financial reporting landscape.

52. The process of continuous monitoring and review may also include consideration of introducing or standardising impact sustainability reporting requirements in the future.

2.1.7 Endorsement Process for new and amended IFRS Sustainability Disclosure Standards

53. The International Sustainability Standards Board (ISSB) has recently completed a consultation process on its future standards development agenda. This process has led to research projects to explore information about sustainability related risks and opportunities associated with human capital, biodiversity, ecosystems and ecosystem services. This is indicative of the ISSB's intent to continue developing standards to compliment IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and IFRS S2 Climate-related Disclosures. As adoption of the

existing standards continues, it is likely that the ISSB may also make amendments to the existing standards, for example, to solve operational challenges identified.

54. By requiring compliance with IFRS Sustainability Disclosure Standards through a statutory instrument (see Appendix F), Rwanda is committed to the adoption of the standards in full as issued from time to time by the ISSB. Consequently, it will be necessary to implement each of the subsequent standards and amendments as they are issued in order to maintain full compliance. Consistent with the adoption of IFRS Accounting Standards as issued by the International Accounting Standards Board (IASB), this will not occur through a separate endorsement process but will instead be automatic as specified in the statutory instrument. In developing new standards, the ISSB will consider the effort and resources required to implement the new standard and will include an appropriate transition period and other related transition reliefs for each new standard.

2.2 Who: Sequence of Entities for Adoption

55. **'Who'** defines the order in which entities will be required to adopt the Roadmap. The adoption of IFRS Sustainability Disclosure Standards will follow a structured progression, starting with the most prepared and most resourced sectors—RSE listed entities and Tier I Financial Institutions[30]—before progressively extending in groups to Public Utilities Companies, Tier II Financial Institutions[31], Tier III Financial Institutions[32], other IFRS issuers[33] (including State Owned Enterprises (SOEs) that are required or that choose to apply IFRS Accounting Standards in the preparation of their Annual Financial Statements), Tier IV financial institutions[34], and IFRS for SMEs Issuers[35]. This approach ensures that the entities with the highest exposure to investors and public scrutiny, and that have the greatest access to resources required for sustainability reporting are the first to adopt the standards. The benefits of this are that these entities set the example for other entities, develop the capacity and skills not just for themselves but for the jurisdiction as a whole, and begin to solve for some of the endemic issues such as data availability.

56. The tiering of financial institutions in the Roadmap aligns with the tiering of financial institutions in BNR's 2023 Guideline and 2024 Guideline.

57. The definition of 'who' establishes the minimum criteria. Entities can elect to advance at a faster pace than is required by the minimum criteria. Enforcement activities are designed to ensure that entities that claim compliance with the standards are in fact in compliance, and critical to the perception of quality of reporting. This is important for early adopters. Consequently, entities that elect to adopt the standards at a faster pace should be prepared to be subject to enforcement actions.

2.2.1 Group 1 Entities: RSE Listed Entities and Tier 1 Financial Institutions

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30 As defined in the 2023 Guideline and the 2024 Guideline
31 As defined in the 2023 Guideline and the 2024 Guideline
32 As defined in the 2023 Guideline and the 2024 Guideline
33 Entities that are required or that choose to apply IFRS Accounting Standards in the preparation of their Annual Financial Statements
34 As defined in the 2023 Guideline and the 2024 Guideline
35 Entities that are required or that choose to apply IFRS for SMEs Accounting Standards in the preparation of their Annual Financial Statements

58. Listed entities on the RSE and Tier I financial institutions regulated by the BNR will lead the way in the adoption of IFRS Sustainability Disclosure Standards. This is consistent with similar approaches in other jurisdictions, such as Nigeria and Ghana, where significant public interest entities, including listed companies and banks, are the first to be required to implement the standards.

59. **Rationale for First Wave Adoption:** These entities have the greatest access to capital markets and international investors, who increasingly demand transparent sustainability disclosures.

a. Listed entities are already subject to various reporting requirements that make them better positioned to implement IFRS Sustainability Disclosure Standards.
b. For financial institutions, the BNR's Guidelines will provide useful regulatory support to align their sustainability disclosures with international standards. The Roadmap is also consistent with the requirements specified in the 2024 Guideline and accompanying non-mandatory guidance issued by the BNR, including with timelines.

2.2.2 Group 2 Entities: Public Utility Companies and Tier II and III Financial Institutions

60. Following the adoption by RSE listed entities and Tier I Financial Institutions, the Roadmap will extend to Public Utility Companies and Tier II Financial Institutions and Tier III Financial Institutions.

61. This targets entities that are integral to Rwanda's green growth strategy, particularly those involved in sectors like energy, infrastructure, and natural resources. Public Utility Companies are critical in implementing the Rwanda Green Taxonomy and aligning with the country's climate resilience strategies. Reporting from Public Utility Companies will provide insights into how these entities contribute to Rwanda's sustainability goals and international commitments under the Paris Agreement.

2.2.3 Group 3 Entities: Other Entities that prepare IFRS Financial Statements and Tier IV Financial Institutions

62. The third group adopting will be all other entities that are required to comply with IFRS Accounting Standards in Rwanda and Tier IV Financial Institutions. These entities will have more time to prepare for adoption, as they generally have lower reporting capacity and face greater challenges in gathering sustainability-related data.

2.2.4 Group 4 Entities: Entities that prepare IFRS for SMEs Financial Statements

63. The final group adopting will be entities that in Rwanda are required to comply with the IFRS for SMEs Accounting Standard (IFRS for SME Issuers). Given the challenges SMEs are likely to face in adopting sustainability frameworks, Rwanda will develop or adopt a simplified sustainability reporting framework that relates better to the IFRS for SMEs financial statements. The ISSBSC will monitor international developments and will adopt or develop a simplified framework that is consistent with those

developments and local conditions. Implementation of the simplified framework by SME Issuers will be specified over a four stage implementation process, similar to that specified for other groupings of entities.

2.2.5 Conclusion

64. This staggered adoption plan by type and nature of entity ensures that all Rwandan entities' sustainability-related financial disclosures—regardless of size or public accountability—will be on a path to align with IFRS Sustainability Disclosure Standards, while providing adequate time for capacity building and system development.

Figure 6: Who

Group 1 Entities	Group 2 Entities	Group 3 Entities	Group 4 Entities
• RSE Listed entities • Tier I financial Institutions	• Public Utility Companies • Tier II and III Financial Institutions	• Other IFRS issuers* • Tier IV financial Institutions	• IFRS for SMEs Issuers**

* Including SOEs that are required or choose to apply IFRS Accounting Standards

** The ISSBSC will monitor international developments and will adopt or develop a simplified framework that is consistent with those developments and local conditions.

65. The timeframes and Initial Phase Reporting dates for each reporting group outlined above are included under section 2.4 below (When).

2.3 What: Scope of Reporting

66. **'What'** describes the extent and scope of reporting requirements. Consistent with a phased approach, the scope and extent of sustainability reporting in Rwanda will gradually expand as entities become more familiar with the requirements of IFRS Sustainability Disclosure Standards. This section establishes four distinct phases of reporting to achieve the gradual expansion and describes what each of phases will require to be reported.

67. **'When'** (discussed in section 2.4) considers the timing for each of the distinct phases identified in this section will be applied. The timing will depend on the Groups identified in section 2.2.

68. This progressive approach to reporting is modelled on international best practices.

2.3.1 Initial Phase Reporting

Group 1 Entities

69. The Initial Phase Reporting will focus on simplified climate focused reporting. Group 1 Entities have different starting points and the first phase of reporting accommodates these differences.

Listed Entities: The Initial Phase Reporting will be the application of the RSE ESG Requirements.[36]

Tier 1 Financial Institutions: The Initial Phase Reporting focuses on a simplified version of IFRS S2 Climate-related Disclosures together with those general requirements of IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information necessary to the application of IFRS S2, as set out in the 2024 Guideline.

Listed Tier I Financial Institutions: Comply with both sets of requirements.

Group 2 to 4 Entities

70. All Group 2 to 4 Entities will follow the same scope of the Initial Phase Reporting as for Tier I Financial Institutions; the Initial Phase Reporting will focus on simplified climate focused disclosures. The disclosure requirements under this approach are set out below:

Table 3: Overview of Initial Phase Reporting requirements

Report on Existing Governance, Risk, and Strategy in Relation to Climate-related Risks and Opportunities
Designated entities must report on their current governance structures, risk management processes, and strategic frameworks, specifically as they relate to climate-related risks, both physical and transition risks, and climate-related opportunities in accordance with IFRS S2. This reporting will cover how climate-related risks and opportunities are currently integrated into the reporting entity's decision-making processes at the board and senior management levels, and whether climate-related risks are actively being considered within the entity's overall risk management and strategic planning be it in the short, medium, or long term periods. Designated entities will need to apply the specific requirements of IFRS S2 to demonstrate the degree to which climate-related risks and opportunities are governed, monitored, and incorporated into long-term business strategy.

36 *Rwanda Stock Exchange ESG Reporting Guidelines*

Designated entities must acknowledge in their governance, strategy, and risk management disclosures where material climate-related risks and opportunities are not yet fully subject to formal governance, risk management, or strategic oversight. For instance, some climate-related risks may not yet be incorporated into the entity's risk management frameworks, both for enterprise-level and portfolio-level risk analysis, or the board may not have established a formal process for addressing climate-related risks and opportunities. These disclosures are expected to include a plan for integrating these items into governance, risk, and strategy considerations in future phases of IFRS S2 implementation if such a plan exists. However, these disclosures do not in themselves require a change to the governance, risk and strategies of the reporting entity.

A designated entity need not make the quantitative anticipated financial effects disclosures required by IFRS S2, paragraph 9(d) and IFRS S2 paragraph 16(d)[37]. However, they should make the quantitative current period financial effects disclosures specified in paragraph 9(d) and they must disclose qualitative information on their progress in determining the quantitative anticipated financial effects disclosures specified in paragraphs 9(d) and 16(d).

Designated entities need not use climate-related scenario analysis to assess their climate resilience or the potential financial impact of climate-related risks and opportunities on their entity. However, they should provide qualitative information on progress in understanding their climate resilience.

Report on Metrics Related to Scope 1 and Scope 2 GHG Emissions

Designated entities are required to report on their Scope 1 (direct emissions from owned or controlled sources) and Scope 2 (indirect emissions from the generation of purchased energy) GHG emissions. The reporting must comply with the metrics outlined in IFRS S2. Designated entities must provide a clear account of the methodologies used to calculate emissions, ensuring transparency and consistency in line with IFRS S2. Scope 3 emissions (value chain emissions, including Scope 3 operational emissions and financed emissions) are not required at Initial Phase Reporting (although an entity may choose to make these disclosures).

Report on Other In-Company Metrics and Targets as Required by IFRS S2

Designated entities must, as specified in IFRS S2, disclose information relevant to the cross-industry metric categories, industry-based metrics and targets set by the entity.

37 *These paragraphs refer to the measurement of the financial impact of climate-related risk.*

However, Initial Phase Reporting does not require reporting on metrics, either qualitative or quantitative, tied to or incorporated within the reporting entity's value chain (similar to Scope 3 emissions) or other external parties, allowing designated entities to focus on internal operations first. None-the-less a designated entity must apply IFRS S2 requirements to report on all internal and regulatory imposed company metrics and targets related to climate-related risks and opportunities, such as for reducing energy usage, waste management, and internal sustainability initiatives. Thus providing stakeholders with a clear understanding of the reporting entity's climate goals and progress toward meeting them. The methodology to estimate and track the metrics and their progress should remain consistent to aid comparability, and any data-related assumptions that are applied towards metrics and targets should be suitably disclosed.

'Comply or Explain' Override for Unavailable Information

All metrics reporting is subject to a 'comply-or-explain' override. In such cases, the reporting entity must disclose the fact that is has used the override, explain why the data is unavailable and indicate whether any alternative data is available (and provide it), and their plans for rectifying these disclosures including specifying a timeline for when they expect to fully comply with the IFRS S2 requirements. The comply-or-explain override is in addition to the specific reliefs provided in the IFRS Sustainability Disclosure Standards. The 'comply or explain' override is not available under the BNR requirements for Tier I to Tier IV entities. It is however available to other entities applying the roadmap.[38]

Application of IFRS 1 Components of IFRS S1 to Support IFRS S2 Compliance

Designated entities are required to apply relevant components of IFRS S1 that are necessary for compliance with IFRS S2. IFRS S1 focuses on sustainability-related financial disclosures, and certain provisions, such as the general principles that support the disclosure of climate-related disclosures in line with IFRS S2. The necessary requirements of IFRS S1 are set out in Table 4: Adapted IFRS S1 Requirements.[39]

IFRS S1 Materiality

When reporting in accordance with IFRS Sustainability Disclosure Standards, an entity is required to report on those disclosure items that are financially material.

38 *Climate data challenges may arise from accessing weather and climate databases run by federal or state government authorities or state-owned enterprises. Advocacy may be necessary to influence government authorities to provide access to such data.*

39 *Refer paragraph 73 below*

An item is financially material if "omitting, misstating or obscuring that information could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports, which include financial statements and sustainability-related financial disclosures and which provide information about a specific reporting entity."

Applying this requirement in IFRS S1, a reporting entity is not permitted to:

(a) Omit material information;
(b) Misstate material information, or
(c) Obscure material information

The relief provided (set out below) effects (c) above (in other words, an entity is still prohibited from omitting or misstating material information).

Obscuring material information

When a reporting entity discloses information required by an IFRS Sustainability Disclosure Standard in the same location as information disclosed to meet other requirements, including information required by regulators, the reporting entity must ensure that the climate-related financial disclosures are clearly identifiable and not obscured by that additional information. Information is obscured if it is communicated in a way that would have a similar effect for primary users to omitting or misstating that information.

Applying this relief means that reporting entities do not need to assess whether climate-related items are below the threshold for financial materiality (for example, they may in Initial Phase Reporting include items that might not reasonably be expected to affect the reporting entity's prospects). This provides reporting entities with some relief from performing the financial materiality test.
Omitting or misstating information

Reporting entities that apply this relief must publish all financially material information, specified in the Initial Phase Reporting (are not permitted to omit material information), and must ensure that information is materially correct (are not permitted to misstate information).[40]

IFRS S1 Comparative information relief

Notwithstanding the above, designated entities are not required to disclose comparative information in Initial Phase Reporting.

40 *IFRS S1.62 and B27*

IFRS S1 Fair presentation relief
Notwithstanding the above, in presenting Initial Phase Reporting disclosures, a reporting entity complying with the aspects of IFRS S1 and IFRS S2 as specified in the Rwanda Adoption Roadmap, is presumed to have presented climate-related financial disclosures that achieve fair presentation.

A fuller description of these reliefs is included in Appendix C to this document.

72. The IFRS S1 general requirements adapted for the Initial Phase Reporting for all entities except listed entities that are also not Tier I Financial Institutions, are set out in the table below:

Table 4: Adapted IFRS S1 Requirements

Objective of Sustainability-related Financial Disclosures	The objective of sustainability-related financial disclosures is to provide resource allocation decision-useful information to primary users—existing and potential investors, lenders and other creditors—about an entity's sustainability-related risks and opportunities that could reasonably be expected to affect its prospects.[41] However, in Initial Phase Reporting designated entities can limit disclosures to the reporting entity's climate-related risks and opportunities.
Materiality	The materiality concept applies to all disclosures. Material information is defined as information that could reasonably be expected to influence the decisions of primary users.[42] However, in their Initial Phase Reporting disclosures designated entities are not required to adhere to the 'obscuring' requirements materiality provisions of IFRS S1. This means that they do not need to assess whether climate-related items are financially material (i.e., they may in this phase include items that may significantly affect the environment or stakeholders but might not have a direct financial impact on the reporting entity). This provides designated entities with some relief from performing the financial materiality test.
Timing of Reporting	Designated entities publish their sustainability-related financial disclosures at the same time that they publish their related financial statements.[43]

41 IFRS S1.1–4

42 IFRS S1.17–19
Information is material to the reporting entity's sustainability disclosures if "omitting, misstating or obscuring that information could reasonably be expected to influence decisions that primary users of general purpose financial reports make on the basis of those reports, which include financial statements and sustainability-related financial disclosures and which provide information about a specific reporting entity - IFRS S1.Appendix A Defined terms

43 IFRS S1.64

Comparative Information	Designated entities must provide comparative information for all disclosures.[44] However, in presenting Initial Phase Reporting disclosures, designated entities need not provide comparative information.
Fair Presentation	Designated entities must ensure that sustainability-related financial disclosures present a true and fair view of the entity's sustainability-related risks and opportunities.[45] However, in presenting Initial Phase Reporting disclosures, complying with the aspects of IFRS S1 and IFRS S2 as specified in the Rwanda Adoption Roadmap, is presumed to result in climate-related financial disclosures that achieve fair presentation.
Consistency of Reporting	Consistent application of the requirements across periods is mandated. This ensures that disclosures are reported consistently unless there is a change in the reporting entity's circumstances that warrants a change in the methodology used.[46] However, consistency across periods is not relevant when presenting its Initial Phase Reporting disclosures.
Aggregation and Disaggregation	Appropriate aggregation and disaggregation of sustainability-related information is required, including ensuring that material information is not excluded by overly aggregated data, or obscured by insufficient aggregation (see discussion on obscuring information in table 3).[47]
Use of Judgement and Estimates[48]	Initial Phase Reporting disclosures should include information to enable primary users to understand the judgements and assumptions that have been made in the preparation of climate-related disclosures that have the most significant effect on the information included in those disclosures. This includes discussing the most significant uncertainties in measuring amounts disclosed.
Connectivity[49]	Sustainability-related disclosures must enable primary users to understand the internal consistencies, disconnects and interconnections within and between its general-purpose financial reports. Initial Phase Reporting sustainability disclosures are limited to climate-related financial disclosures and the related financial statements.

44 IFRS S1.70
45 IFRS S1.11–16
46 IFRS S1.D19
47 IFRS S1.B29–B30
48 IFRS S1.74–82
49 IFRS S1.21–24

2.3.2 Intermediate Phase Reporting

Group 1 Entities

73. In the Intermediate Phase, the scope of reporting will expand to include:

Listed entities: In addition to the ESG reporting described in the Initial Phase (the adoption of the simplified version of IFRS Sustainability Standards in this phase does not replace existing reporting requirements already implemented in previous phases. Thus, listed entities will continue to be required to comply with the RSE ESG Requirements), listed entities must apply the simplified version of IFRS S2 Climate-related Disclosures together with those general requirements of IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information necessary to the application of IFRS S2, as described in paragraphs 69 to 72 above.

Listed entities may in the Intermediate Phase chose not to distinguish in their disclosures between information provided for the two sets of requirements, however, in subsequent phases, entities would need to consider whether a combined reporting format results in the disclosures required by IFRS Sustainability Disclosure Standards being obscured by disclosures not required by IFRS.

Tier I Financial Institutions: the simplified version of IFRS S2 Climate-related Disclosures together with those general requirements of IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information, as applied in the Initial Phase Reporting, but:

(a) **Broader climate-related disclosures:** In addition to the simplified disclosures from the first phase, entities will report on how they are implementing climate strategies and transitioning to a low-carbon economy.

(b) **Sector-specific requirements:** In addition, entities should provide sector-specific information, ensuring disclosures that are relevant to the industries in which entities operate.

(c) In addition, the following reliefs **will no longer be available:**

(i) **Materiality:** The relief provided from considering whether material information is obscured.

(ii) **Comparatives:** The relief from providing comparatives when that information was disclosed in sustainability reporting for the prior period.

(d) **Other than as specified in (a)** to **(c)** above, all reliefs available in Initial Phase Reporting are available to entities in the Intermediate Phase Reporting.

Note: The 2024 Guideline introduces additional requirements over and above those specified in the *Roadmap*, specifically as regard reporting on environmental-related risks and opportunities. These requirements are only applicable to entities falling within the scope of the 2024 Guideline.

Group 2 to 4 Entities

74. All group 2 to 4 Entities will follow the same scope and extent of Intermediate Phase Reporting specified above for Tier I Financial Institutions in the Roadmap (refer paragraph 71 to 73 above). The Intermediate Phase continues the focus on simplified climate focused reporting, but with some simplifications removed.

Note: The additional requirements introduced by the 2024 Guideline are equally applicable to Tier II, II and IV Financial Institutions, and are over and above those specified in the *Roadmap*. These requirements are only applicable to entities falling within the scope of the 2024 Guideline.

2.3.3 Full Reporting with IFRS Sustainability Disclosure Standards transition reliefs[50]

75. In this phase (IFRS with transition), entities will be required to apply IFRS Sustainability Disclosure Standards as issued by the ISSB including the transition reliefs included in those standards. Currently, this comprises:

(a) IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information: Entities will, in accordance with IFRS S1, report on sustainability-related risks and opportunities that can reasonably be expected to affect their prospects, going beyond climate, including those related to governance, social impact, and environmental sustainability.

(b) **IFRS S2 Climate-related Disclosures:** Entities will, in accordance with IFRS S2, report on climate-related risks and opportunities that can reasonably be expected to affect their prospects.

(c) **Transition reliefs:** To ease the transition, IFRS Sustainability Disclosures Standards permits entities several specific reliefs, including applying only those elements of IFRS S1 necessary to fully comply with IFRS S2 (when electing climate-first relief), relief from preparing Scope 3 GHG emissions, and relief from scenario analysis. A full description of these reliefs is included in Appendix C to this document.

(d) **Existing requirements:** The adoption of IFRS standards in this phase does not replace existing reporting requirements for entities already implemented in previous phases. For example, listed entities will still be required to comply with the RSE ESG Requirements.

50 *Entities in this phase will include a statement of full compliance with IFRS Sustainability Standards.*

2.3.4 Full IFRS Reporting[51]

76. In this phase (IFRS), entities will be required to apply the IFRS Sustainability Disclosure Standards as written by the ISSB. Transition reliefs in the standards will have expired. However, nothing in the Roadmap will restrict entities from using the ongoing reliefs included in the standards. These ongoing reliefs are set out in Appendix E.

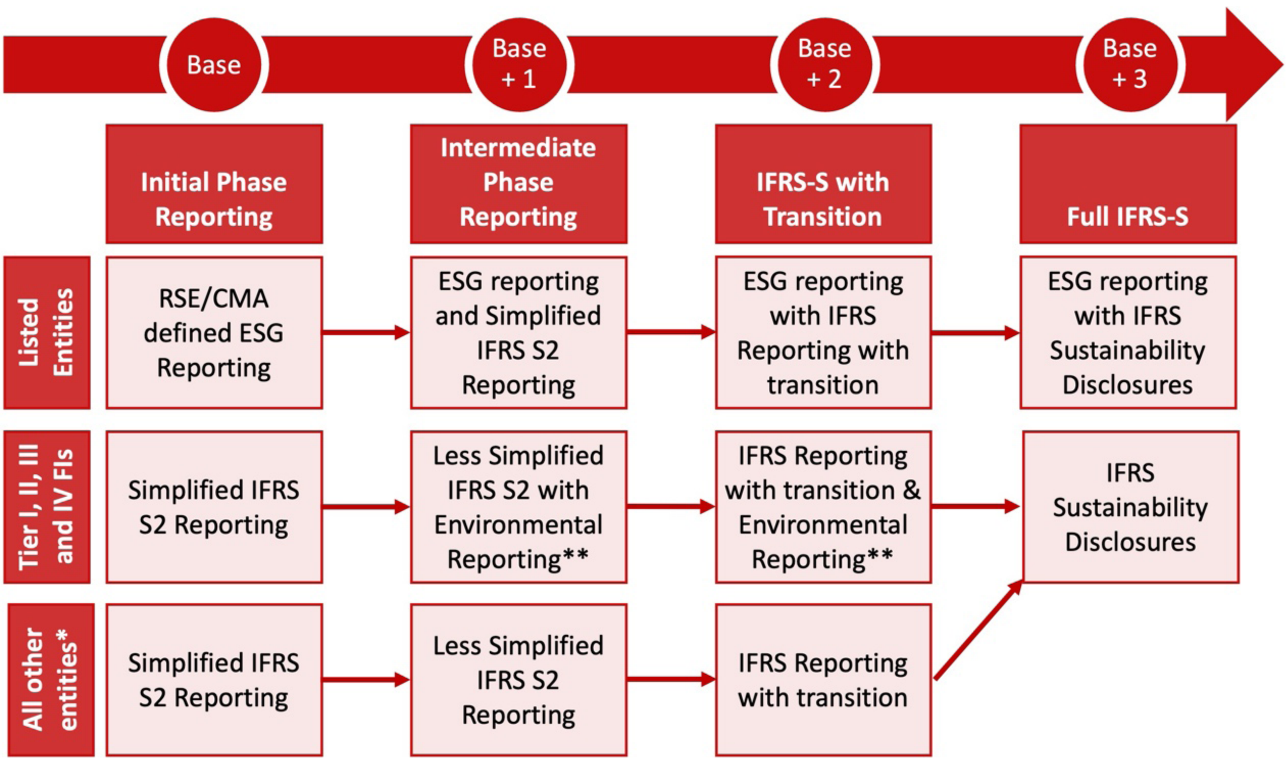
77. The adoption of IFRS Sustainability Disclosure Standards in this phase does not replace existing reporting requirements for entities already implemented in previous phases. For example, listed entities will continue to be required to comply with the RSE ESG Requirements.

2.3.5 Conclusion

78. This phased approach to the scope and extent of reporting ensures that entities are given the necessary time and resources to progressively meet the full requirements of IFRS Sustainability Disclosure Standards while maintaining a clear focus on climate-related disclosures in the early years.

79. The diagram below sets out the phased scope and extent of reporting requirements. Each group of entities as defined in section 2.2 above will have a different Initial Phase Reporting start date (base date). Initial Phase Reporting starting dates are discussed in the next section (Section 2.4)

Figure 7: What Should be Reported



51 *Entities that comply with the requirements in this phase must include a statement of compliance with IFRS Sustainability Disclosure Standards in their sustainability-related financial disclosures.*

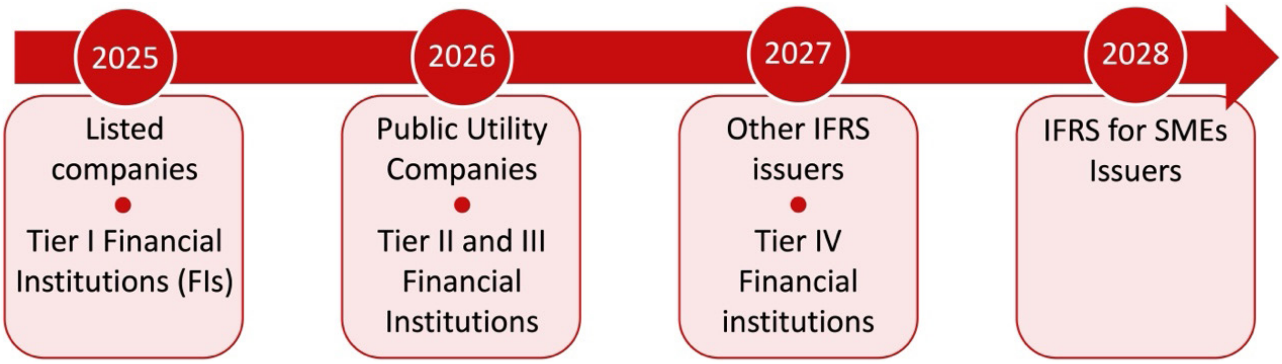
* Excluding IFRS for SMEs Issuers for which the ISSBSC will monitor international developments and will adopt or develop a simplified framework that is consistent with those developments and local conditions.

** Environmental reporting as specified in the BNR 2024 Guidelines

2.4 When: Timeline for Implementation

80. The timeline for the implementation of IFRS Sustainability Disclosure Standards is a phased approach over a four-year period. Group 1 commences with reporting for financial periods beginning on or after January 1, 2025. The timeline applies the concept of a one-year staggered start date for each reporting entity group (Groups 1 to 4), see 2.2 above, and a phased approach for the scope and extent of reporting requirements, see 2.3 above. This is an optimal balance for maintaining momentum toward IFRS Sustainability Disclosure Standards, while allowing time for the growth in capacity at an institutional level, and the trickle down of capacity to subsequent groups of entities.

Figure 8: When Should Entity Groups Commence the Initial Phase Adoption



2.5 Summary of implementation timeline

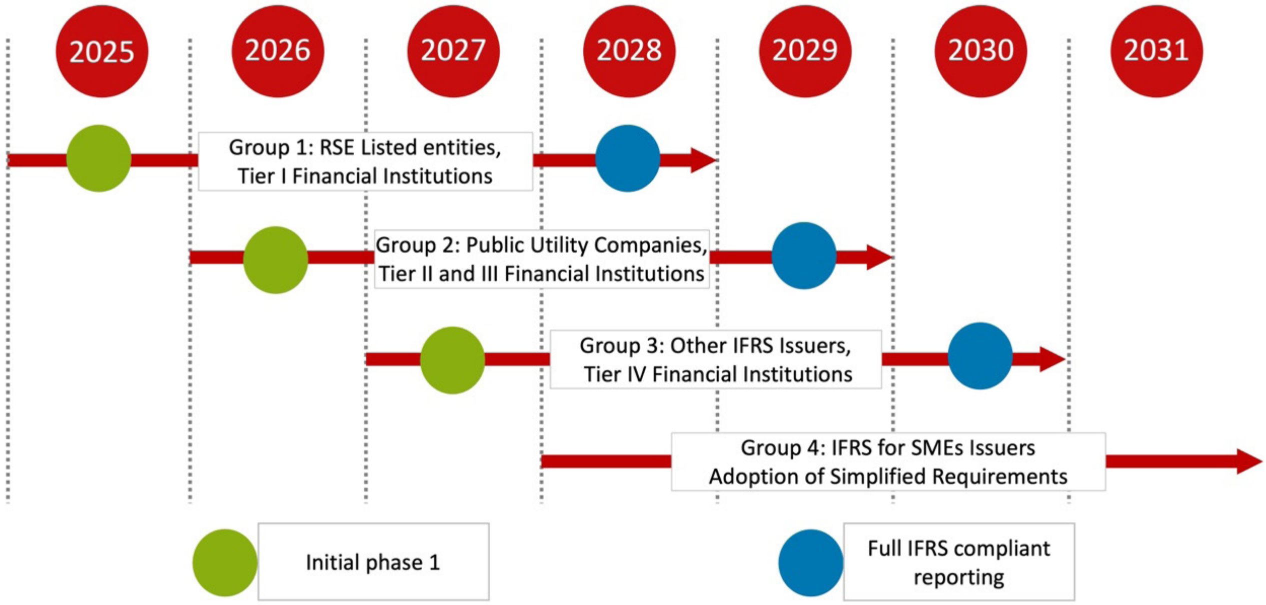
81. The table below sets out this phased approach in more detail (see also Appendix A):

Table 5: Timelines

Reporting Year	Group 1 Entities RSE Listed entities	 Tier I FI entities	Group 2 Entities Public Utility Companies, Tier and II & III FI entities	Group 3 Entities Other entities that prepare IFRS financial statements and Tier IV FI entities	Group 4 Entities Entities that prepare IFRS for SMEs financial statements
2025	**Initial Phase** RSE ESG Requirements	IFRS S2 with simplifications			
2026	**Intermediate Phase** IFRS S2 with simplify-cations	IFRS S2 with fewer simplifi-cations	**Initial Phase** IFRS S2 with simplifications		
2027	**Adoption Phase** IFRS with transition relief		**Intermediate Phase** IFRS S2 with fewer simplifications	**Initial Phase** IFRS S2 with simplifications	
2028	**Full Adoption Phase** IFRS Sustainability Disclosure Standards		**Adoption Phase** IFRS with transition relief	**Intermediate Phase** IFRS S2 with fewer simplifications	**Simplified framework** Development or adoption of a simplified framework that aligns with international developments and is consistent with the size and resources of these entities.
2029	**Full Adoption Phase** IFRS Sustainability Disclosure Standards		**Full Adoption Phase** IFRS Sustainability Disclosure Standards	**Adoption Phase** IFRS with transition relief	
2030	**Full Adoption Phase** IFRS Sustainability Disclosure Standards		**Full Adoption Phase** IFRS Sustainability Disclosure Standards	**Full Adoption Phase** IFRS Sustainability Disclosure Standards	

Reporting Year	Group 1 Entities		Group 2 Entities Public Utility Companies, Tier and II & III FI entities	Group 3 Entities Other entities that prepare IFRS financial statements and Tier IV FI entities	Group 4 Entities Entities that prepare IFRS for SMEs financial statements
	RSE Listed entities	**Tier I FI entities**			
2031	**Full Adoption Phase** IFRS Sustainability Disclosure Standards		**Full Adoption Phase** IFRS Sustainability Disclosure Standards	**Full Adoption Phase** IFRS Sustainability Disclosure Standards	
	RSE listed entities will continue to be required to comply with the RSE ESG Requirements for the entire period of the Roadmap, and for so long as those requirements remain in place.				
	Financial Institutions within the scope of the 2024 Guideline (Tier I, II, III and IV Financial Institutions), are required to comply with the additional requirements of that Guideline imposed for intermediate and the IFRS with transition phase reporting. Those requirements, and additional requirements or refinements added from time to time by the BNR do not impact or change the requirements for entities outside of the scope of the 2024 Guideline.				

Figure 9: Reporting by Entity Group



2.6 Conclusion

82. Rwanda's phased approach to adopting IFRS Sustainability Disclosure Standards is designed to balance ambition with practicality. By prioritising high-impact sectors and providing adequate transition periods for smaller entities, the Roadmap ensures that Rwanda can successfully implement these international standards while supporting national sustainability objectives. This gradual, structured adoption plan aligns with regional and global best practices, positioning Rwanda as a leader in sustainability reporting in East Africa.

Chapter 3: Interconnection with Rwanda's National Frameworks

83. The adoption of IFRS Sustainability Disclosure Standards in Rwanda is not occurring in isolation but rather as part of a broader effort to integrate sustainability reporting into the country's regulatory and economic landscape. Rwanda already demonstrates its commitment to sustainability through several national frameworks and initiatives that are designed to promote sustainable development, mitigate climate change, and support responsible investment practices. These initiatives will form the foundation upon which IFRS Sustainability Disclosure Standards will be implemented, ensuring consistency, interoperability, and efficiency across the reporting landscape.

84. This chapter explores the interconnections between IFRS Sustainability Disclosure Standards and three key sustainability frameworks in Rwanda: (i) the BNR Guidelines for financial sector entities; (ii) the public ESG disclosures and corporate governance requirements for listed entities on the RSE; and (iii) the Rwanda Green Taxonomy aimed to guide sustainable investment. By embedding IFRS Sustainability Disclosure Standards within these frameworks where possible, Rwanda aims to enhance the quality, comparability, and transparency of sustainability disclosures, making them more meaningful for stakeholders, including investors, regulators, and the public.

3.1 BNR Guidelines

85. The BNR is a leading force in advancing sustainability within the Rwandan financial sector. It is currently in the process of implementing BNR Guidelines that will guide banks, insurance companies and other financial sector entities in incorporating ESG factors into their prudential reporting. This prudential framework is critical to ensuring that financial institutions in Rwanda not only meet their regulatory obligations but also contribute to the broader sustainability goals of the country.

3.1.1 Interoperability with IFRS Sustainability Disclosure Standards

86. The BNR Guidelines being implemented by the BNR overlap with the objectives of the IFRS Sustainability Disclosure Standards, particularly in terms of managing and

disclosing climate-related risks. Financial institutions are central to the economy, and their exposure to climate-related risks, such as stranded assets or the impact of extreme weather events on loan portfolios, makes their adoption of these standards essential for maintaining financial stability.

87. Under the Guidelines framework:

- Financial sector entities will be required to report on their ESG risks and how they are being managed. This includes both physical risks (e.g., the impact of climate change on assets and operations) and transition risks (e.g., regulatory changes that affect the financial sector's exposure to high-carbon industries).
- The IFRS Sustainability Disclosure Standards will provide the necessary transparency for these institutions to disclose how they are managing these risks and opportunities, particularly in relation to climate change.

3.1.2 Integration with Financial Sector Reporting

88. The integration or mapping of IFRS Sustainability Disclosure Standards with the BNR's Guidelines will ensure that the financial sector in Rwanda plays a leading role in the adoption of sustainability reporting. Banks and insurance companies will be among the first entities in Rwanda mandated to start implementing IFRS Sustainability Disclosure Standards, beginning their reporting in 2025. This early adoption reflects the sector's readiness and the regulatory support provided by the BNR.

89. In addition, the BNR's framework will help financial institutions manage their exposure to sustainability-related risks, thereby strengthening the resilience of the financial system. This approach mirrors the experiences of other countries, such as Nigeria, where the Central Bank's sustainable banking principles have guided financial institutions in integrating sustainability into their core operations.

3.2 Public ESG Disclosures for RSE listed entities

90. The RSE has published its ESG disclosure requirements for RSE listed entities. This initiative is designed to enhance transparency and corporate governance by ensuring that listed companies report on their sustainability-related risks, opportunities, and impacts. The adoption of IFRS Sustainability Disclosure Standards will overlap with this initiative, creating the potential for a unified framework for sustainability reporting across all listed entities in Rwanda. IFRS Sustainability Disclosure Standards create the basis for interconnectivity between different disclosure requirements. None-theless, the RSE will need to monitor developments to ensure differences in scope are accommodated, particularly as relates to impact materiality.

3.2.1 ESG Reporting for RSE listed Companies

91. Listed entities on the RSE will be among the first to adopt IFRS Sustainability Disclosure Standards, with a focus on climate-related disclosures under IFRS S2. These companies will already be subject to corporate governance requirements, and the integration of ESG disclosures into their reporting will strengthen their accountability to investors and other stakeholders.

- **Scope of Reporting:** Under the RSE ESG Requirements, listed entities will be required to disclose ESG risks and opportunities using a double materiality focus.

- **Progressive Disclosure:** The RSE ESG Requirements will evolve concurrently with the implementation of IFRS Sustainability Disclosure Standards, allowing listed companies to gradually expand their reporting to include broader sustainability-related disclosures under IFRS S1, which covers governance, social impact, and environmental sustainability beyond climate.

- **Materiality:** To comply with IFRS materiality requirements, particularly as relates to obscuring information, reporting entities will have to clearly distinguish those ESG reporting requirements that are outside of the scope of IFRS Sustainability Disclosure Standards.

3.3 Rwanda Green Taxonomy

92. Rwanda has adopted the Rwanda Green Taxonomy, a framework which aims to define sustainability criteria, foster shared understanding and trust on what constitutes a green investment, and prevent greenwashing. The Rwanda Green Taxonomy will play a critical role in guiding sustainable investments and ensuring that financial flows are directed towards activities that support Rwanda's green growth and climate resilience objectives.

3.3.1 Role of the Rwanda Green Taxonomy

93. The Rwanda Green Taxonomy serves as a key reference for companies and investors in determining whether their activities align with Rwanda's sustainability goals. It provides clear criteria for identifying green investments and will be used to guide both public and private sector financing decisions.

- **Classification of Economic Activities:** The Rwanda Green Taxonomy classifies economic activities based on their contribution to climate change mitigation, adaptation, and other environmental goals. For example, activities such as renewable energy generation, energy-efficient construction, and sustainable agriculture that adhere to specific sustainability criteria will be classified as "green," while activities falling short of meeting these criteria are not considered green.

- **Guidance for Companies:** By integrating the Rwanda Green Taxonomy into the IFRS disclosure framework, companies will be able to align their sustainability disclosures with national priorities. This will allow them to report on the extent to which their activities contribute to Rwanda's green growth strategy and Paris Agreement commitments. As entities assess their sustainability-related risks and opportunities applying IFRS Sustainability Disclosure Standards, the recognition and potential for law and regulation changes introduced by the taxonomy should be considered.

3.3.2 Integration with IFRS Sustainability Disclosure Standards

94. The Rwanda Green Taxonomy is directly linked to the IFRS Sustainability Disclosure Standards, providing companies with a clear framework for classifying their sustainability-related financial disclosures. For example:

- **Climate-related Disclosures (IFRS S2):** Reporting entities will be able to use the Rwanda Green Taxonomy to disclose how their activities contribute to climate change mitigation and adaptation, providing clear metrics on their alignment with national and international climate goals.

- **Broader Sustainability Disclosures (IFRS S1):** Reporting entities will also be able to apply the Rwanda Green Taxonomy in reporting on other sustainability-related risks and opportunities, including those related to biodiversity, resource efficiency, and social impact.

95. By aligning their IFRS sustainability disclosures with the Rwanda Green Taxonomy, Rwandan companies will ensure that sustainability reporting supports the country's broader green finance initiatives. This will also enhance the credibility of Rwanda's green finance market by providing investors with reliable data on the sustainability impact of their investments.

3.4 Conclusion

96. The interconnections between IFRS Sustainability Disclosure Standards and Rwanda's existing national frameworks provide a solid foundation for successful implementation. By aligning the prudential ESG framework, public ESG disclosures for RSE listed entities, and the Rwanda Green Taxonomy with IFRS Sustainability Disclosure Standards, Rwanda ensures that sustainability reporting supports both national and international sustainability goals. This approach not only enhances transparency and accountability but also positions Rwanda as a leader in green finance and sustainability reporting in East Africa.

Chapter 4: Capacity Building, Training, International Collaboration and Resources

97. The successful implementation of IFRS Sustainability Disclosure Standards in Rwanda hinges on a well-structured capacity-building and training strategy that addresses the diverse needs of public and private sector entities, their assurance providers and the relevant regulators. The responsibility for ensuring issuers have appropriate capacity and capability resides with the issuers themselves. Issuers need to identify the skills they require and ensure that capacity-building programs address their needs.

98. None-the-less, access to capacity-building programs can be facilitated by the provision of required training programs. This chapter outlines Rwanda's approach to equipping companies, auditors, regulators, and other key stakeholders with the knowledge and skills necessary to meet the new sustainability reporting requirements.

4.1 Training for Corporates and Financial Institutions

99. The priority of the capacity-building strategy is to provide comprehensive training to RSE listed entities and Tier 1 Financial Institutions which will be among the first to adopt IFRS Sustainability Disclosure Standards.

100. International partners can contribute to the design and delivery of training programs, ensuring they reflect global best practices and are set in the Rwandan context.

4.1.1 Training for Listed Entities, Banks, and Insurance Companies

101. Entities listed on the RSE and Tier I Financial Institutions regulated by the BNR will be the first in Rwanda required to fully adopt IFRS Sustainability Disclosure Standards. These entities require specialised training in the following areas:

- **Climate-related disclosures (IFRS S2):** Insight into experience in climate-related financial disclosures, particularly those aligned with the TCFD framework. Training sessions will focus on how companies can assess, measure, and report on climate-related risks and opportunities, including the calculation of Scope 1, 2 and 3 greenhouse gas (GHG) emissions (including financed and insured emissions) and the preparation of scenario analysis.

- **Governance and Risk Management (IFRS S1 and S2):** Insight into integrating sustainability-related risks into governance and risk management structures. This will include guidance on establishing sustainability committees, implementing ESG (Environmental, Social, and Governance) oversight at the board level, and integrating sustainability-related risks into overall corporate risk management framework.

- **Identification of potential sustainability-related disclosure topics:** Identification of potential disclosure topics that could reasonably be expected to affect the reporting entity's prospects, including topics that may not previously have been considered. This will use of both mandatory and discretionary standards and frameworks.

- **Assessment of materiality:** IFRS Sustainability Disclosure Standards require the determination of whether a potential disclosure topic could reasonably be expected to affect the reporting entity's prospects. The standards require the disclosure of financial material information but also require that material information not be obscured by immaterial information. Assessment of materiality requires judgement.

- **Regulatory Alignment:** Training on the interoperability of financial institutions' sustainability reporting with the BNR Guidelines being implemented, alignment with the taxonomy and alignment with RSE ESG Requirements.

- **European Sustainability Reporting Standards (ESRS):** Entities required to comply with ESRS will need training on the key differences, overlap, and integration of these frameworks (interoperability). Training should cover double materiality, differences in disclosure requirements, and reporting methodologies.

4.1.2 Additional Support for State-Owned Enterprises and Large Corporates

102. In addition to the support provided to Group 1 Entities, Group 2 Entities will require targeted support to develop their capacity for sustainability reporting.

- **Sector-Specific Sustainability Reporting:** Sector-specific training for SOEs, particularly in high-impact sectors beyond the limited number identified in Group 1 such as energy, infrastructure, and natural resources. These programs will focus on applying IFRS Sustainability Disclosure Standards to report on issues such as energy efficiency, resource management, and the environmental and social impacts of large infrastructure projects.

- **Alignment with National Sustainability Goals:** Help SOEs align their sustainability reporting with the Rwanda Green Taxonomy and Green Growth and Climate Resilience Strategy. Training programs will ensure that these entities are equipped to measure and disclose their contributions to Rwanda's broader sustainability and climate goals.

4.1.3 Additional Support for Groups 3 and 4

103. The benefits of the phased approach to adopting IFRS Sustainability Disclosure standards is that later adopters have the opportunity to gain from the experience of the early adaptors. A key approach to support will be the facilitation of peer-to-peer learning opportunities to ensure experience from Group 1 and Group 2 Entities is shared with subsequent groups. Group 3 and Group 4 Entities will also have a greater opportunity to benefit from the IFRS sustainability Disclosure proportionality-based reliefs, and support will be needed to develop their capacity to understand and apply these reliefs.

4.2 Higher Education, Vocational Training, and Professional Bodies

104. Long-term capacity building for sustainability reporting in Rwanda requires the involvement of higher education institutions and professional accountancy organisations.

4.2.1 Higher Education and Vocational Training

105. Higher education institutions will play a crucial role in developing the next generation of sustainability professionals.

- **Developing Curricula:** Universities and technical colleges will integrate sustainability reporting into their accounting, finance, and business management courses. This will ensure that students are equipped with the knowledge and skills needed to support the adoption of international sustainability standards.

- **Vocational Training Programs:** Vocational training centres will offer certification programs and short courses on sustainability reporting, particularly for current professionals in the workforce. Collaboration should ensure these centres design programs that focus on practical skills such as sustainability data collection, reporting, and verification.

4.2.2 Professional Accountancy Organisations

106. The ICPAR will work to offer continuing professional development (CPD) programs for accountants and auditors. These programs will focus on:

- **Specialised Training on IFRS Sustainability Disclosure Standards:** Providing training on the technical aspects of IFRS Sustainability Disclosure Standards, ensuring that accountants and auditors are prepared to support their organisations in meeting sustainability reporting requirements.

- Certification Programs: Designing certification programs for professionals specialising in sustainability reporting and assurance, ensuring that these certifications meet both national and international standards.

4.3 Collaboration and Peer Learning

107. Collaboration and peer learning will be central to Rwanda's capacity-building efforts. Regulators and associations will help facilitate knowledge sharing among companies, regulators, and auditors.

4.3.1 Industry Forums and Knowledge Sharing Platforms

108. Regulators such as the BNR and the CMA will support the creation of industry forums and knowledge-sharing platforms. These platforms will enable companies in successive groups of the Roadmap to share their experiences, solutions, and challenges.

- **Sharing Lessons from Early Adopters:** Early adopters of IFRS Sustainability Disclosure Standards will share their experiences with other companies through these forums, helping to anticipate and address common challenges. Regulators will facilitate workshops and seminars to promote collaborative learning.

- **Collaborative Problem-Solving:** Regulators will also facilitate the development of technical fora to help companies collaborate on challenges such as data collection for sustainability metrics, supply chain transparency, and risk management.

4.3.2 International Collaboration

109. Rwanda's capacity-building strategy will benefit from international collaboration with countries that have already adopted IFRS Sustainability Disclosure Standards, such as Nigeria and Ghana. African organisations such as the Pan African Federation of Accountants (PAFA) and the African Development Bank will facilitate peer learning networks, enabling Rwanda to learn from the experiences of these countries in implementing sustainability reporting frameworks.

110. To enhance the success of the implementation of IFRS Sustainability Disclosure Standards, the ISSBSC will consider collaboration with international development partners. These partners can provide technical assistance, capacity building, and financial support for both companies and regulatory bodies. Key areas of support include:

(a) Capacity Building: Development partners can fund and deliver training programs for corporate sustainability officers, auditors, and regulators. This training can 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.

(b) Technical Assistance for Data Collection and Reporting Systems: International organisations can provide technical support for the development of data collection systems, particularly for Scope 2 and Scope 3 emissions and other difficult-to-measure sustainability metrics. These systems will ensure that companies have the necessary tools to collect accurate and consistent data for reporting.

111. It is however imperative that interactions with development partners be coordinated to ensure alignment of the initiatives, and to avoid duplicative or contradictory efforts.

4.4 Knowledge Resource

112. A separate knowledge resource page will be created and maintained on the ICPAR website. This resource page will be a single access point for selected sustainability resources available within and outside of Rwanda and will include the IFRS knowledge hub, links to IFRS and related standards (such as SASB standards), links to affiliated standards such as those issued by the Climate Disclosures Standards Board (CDSP), the Greenhouse Gas Protocol, and the Partnership for Carbon Accounting Financials. Data resources will also be included. The resource page will be updated to incorporate relevant new resources as they become available.

4.5 Conclusion

113. Capacity building, training, and international collaboration are critical to Rwanda's successful adoption of IFRS Sustainability Disclosure Standards. Through partnerships with international development organisations Rwanda is able to ensure that its corporates, financial institutions, auditors, and higher education institutions are equipped with the necessary skills and knowledge to implement international sustainability reporting standards. The benefits from partnerships are maximised through active involvement and co-ordination of partnership training programs. This comprehensive approach not only supports the phased adoption of IFRS Sustainability Disclosure Standards but also position Rwanda as a regional leader in sustainability reporting, aligned with its national and international climate and sustainability goals.

Chapter 5: Data Availability and Systems Development

114. For the successful adoption of IFRS Sustainability Disclosure Standards, the availability of reliable and consistent data is critical. Companies must be able to measure, track, and report on their sustainability-related financial risks and opportunities, including climate impacts, governance, social factors, and more. This chapter explores Rwanda's approach to ensuring the availability of relevant data, developing the necessary systems for data collection and reporting, and integrating national initiatives and resources into this process.

115. The development of systems and processes for collecting and reporting sustainability data will need to align with both international standards and Rwandan requirements, taking into consideration the specific challenges faced by Rwandan companies in terms of access to data, technological infrastructure, and capacity. Rwanda's experience in other sectors—such as financial reporting under IFRS Accounting Standards—offers a useful blueprint, but sustainability reporting introduces unique challenges that must be addressed through tailored solutions.

5.1 Challenges in Data Collection and Availability

116. One of the major hurdles in implementing IFRS Sustainability Disclosure Standards is the challenge of data collection, particularly when it comes to measuring environmental and social performance. In Rwanda, as in many developing countries, companies face several obstacles in gathering the relevant data, including:

- **Limited access to reliable data:** Most companies in Rwanda will not have the systems in place to collect detailed data on emissions, energy use, and other sustainability metrics. This is particularly true for Scope 2 and Scope 3 GHG emissions, which require companies to track the indirect emissions generated by their energy consumption and across their supply chains. Scope 2 and Scope 3 data availability and reliability is expected to progressively increase as more entities report under the IFRS Sustainability Disclosures Standards

- **Inconsistent data quality:** In cases where data is available, it may not always meet the accuracy and consistency requirements of international standards. This can result in inconsistent reporting and limit the comparability of sustainability-related financial disclosures across companies and sectors.

- Lack of established reporting frameworks: While companies may be accustomed to financial reporting under IFRS Accounting Standards, sustainability reporting is relatively new, and many organisations lack the frameworks and tools to systematically gather the required data for IFRS Sustainability Disclosure Standards reporting.

5.2 Building Data Collection Systems

117. To address these challenges, the Roadmap for adopting IFRS Sustainability Disclosure Standards includes the development of a national data infrastructure that will enable companies to collect, report, and verify sustainability-related data. The success of these systems will depend on several key factors, including:

5.2.1 Data Sharing Platforms

118. A critical element of the data collection infrastructure will be the establishment of data-sharing platforms that aggregate sustainability data from various sources, including utility providers, regulatory bodies, and companies themselves. These platforms will serve as a centralised resource for companies to access reliable data on emissions, energy use, and other sustainability indicators, particularly for Scope 2 and Scope 3 GHG emissions.

- Utility data: One of the key challenges in collecting accurate data on emissions and energy consumption is the lack of direct control that companies have over certain sources of emissions, particularly in industries that are highly dependent on external inputs. By setting requirements for utility companies, Rwanda can ensure that companies have access to accurate and verifiable data on their energy consumption and emissions.

- **Sector-specific data platforms:** Development partners will play a crucial role in helping Rwanda establish sector-specific data platforms. These platforms will provide customised guidance for industries such as banking and insurance, allowing companies to collect data that is relevant to their specific sustainability challenges and opportunities.

5.2.2 Integration with National Initiatives

119. Rwanda's data collection systems will be closely aligned with existing national initiatives, including the BNR's Guidelines, the RSE ESG Requirements, and the Rwanda Green Taxonomy. These frameworks will play a key role in standardising data collection across the financial and corporate sectors, ensuring that companies are able to comply with both Rwandan and international reporting requirements.

5.3 Pilot Testing

120. There are several Rwandan companies that have demonstrated leadership in sustainability reporting, either because their internal culture is driving the adoption of change, or because they are affiliated with international companies that are leaders in the field. These entities have the potential to provide leadership in Rwanda by sharing their progress in adoption and should be assisted in the process.

5.4 Conclusion

121. The success of the Roadmap for adopting IFRS Sustainability Disclosure Standards depends heavily on the development of reliable data collection systems and infrastructure. By working closely with partners and leveraging existing national frameworks, Rwanda will build the systems and processes needed to ensure accurate, consistent, and comparable sustainability-related financial disclosures. These efforts will not only facilitate compliance with IFRS Sustainability Disclosure Standards but also enhance the transparency and credibility of Rwanda's corporate sector in the eyes of investors and other stakeholders, positioning the country as a leader in sustainable finance in East Africa.

Chapter 6: Assurance and Enforcement

122. The credibility and reliability of sustainability-related financial disclosures are critical for the successful adoption of IFRS Sustainability Disclosure Standards in Rwanda. To ensure that these disclosures are accurate, consistent, and meet international standards, the Roadmap includes a comprehensive approach to assurance and enforcement. This chapter outlines the phased implementation of assurance requirements, the accreditation of assurance providers, the training of assurance providers and the mechanisms that will be put in place to monitor and enforce compliance with IFRS Sustainability Disclosure Standards. Additionally, the chapter highlights the role of key stakeholders, the BNR, the RSE, and the ICPAR in this process.

123. Assurance and enforcement are essential for building trust in sustainability disclosures, both among Rwandan stakeholders and international investors. Rwanda's approach to assurance and enforcement will draw on best practices from other jurisdictions, and will be supported by international organisations, which will provide technical assistance and expertise in setting up effective assurance and enforcement frameworks.

6.1 Importance of Assurance in Sustainability Reporting

124. Assurance refers to the process of verifying that a company's sustainability-related financial disclosures are accurate, complete, and in line with relevant standards. It provides investors, regulators, and other stakeholders with confidence that the information reported by companies is reliable and comparable across different sectors and jurisdictions.

125. In the context of IFRS Sustainability Disclosure Standards, assurance plays a particularly important role in verifying the accuracy of climate-related disclosures, such as greenhouse gas (GHG) emissions, energy use, and other environmental impacts. As sustainability reporting becomes increasingly integrated with financial reporting, assurance helps ensure that companies' disclosures are subject to the same level of scrutiny as traditional financial data.

126. None-the-less, the Roadmap considers that assurance procedures for sustainability reporting are still incorporating the implications of the publication of ISA 5000 in December 2024. International developments are still in their early stages and capacity and capability will need to be developed by assurance providers.

6.2 Phased Assurance Requirements

127. Given the complexity and resource-intensive nature of sustainability assurance, the Roadmap for adopting IFRS Sustainability Disclosure Standards includes a phased approach to assurance. This approach ensures that companies can gradually develop their capacity for assurance while still providing stakeholders with reliable information on key sustainability metrics.

6.2.1 Initial Phase and Intermediate Phase Reporting

128. In Initial Phase and Intermediate Phase Reporting, no assurance is required for sustainability reports that are prepared in accordance with the Roadmap. This will provide companies with the time to build capacity and quality reporting without the additional consideration of assurance services. It is also consistent with the bespoke nature of the reporting requirements for entities during these phases.

129. Entities are none-the-less encouraged to engage with their assurance providers during these phases to ensure consistency of thinking and approach and to help build their insights and understanding of the reporting requirements.

130. Nothing in the paragraphs above should be read to restrict the ability of entities from obtaining assurance, if they choose to do so.

6.2.2 Adoption Phase Reporting

131. Similarly, in their Adoption Phase, entities applying the Roadmap are not required to engage assurance services. During this phase, entities are required to apply IFRS Sustainability Disclosure Standards with IFRS transitional reliefs. Assurance would be useful in this phase, and those entities that consider themselves sufficiently prepared are encouraged to elect assurance in the phase, but are not required to do so. Assurance providers should consider independence restrictions when assisting clients during this phase.

6.2.3 Full Adoption Phase Reporting

132. In this phase, entities commence applying IFRS Sustainability Disclosure Standards without the IFRS transitional reliefs. Entities are required to obtain a Limited Assurance review as envisaged in the ISA 5000. The scope of assurance must cover the full range of sustainability-related disclosures required in the IFRS Sustainability Standards.

6.2.4 Post Adoption

133. Post adoption entities are expected to transition from Limited Assurance to Reasonable Assurance. Entities may choose to obtain a Limited Assurance Report for a maximum period of two years (the first year of Full Adoption Phase Reporting and the next year). Thereafter, entities must obtain a Reasonable Assurance Report.

6.3 Training for Auditors and Assurance Providers

6.3.1 Training for Auditors

134. Auditors must develop new competencies to audit sustainability-related financial disclosures prepared in accordance with IFRS Sustainability Disclosure Standards. Trainings should include:

- **IFRS Sustainability Disclosure Standards:** Training auditors on the specific requirements of IFRS Sustainability Disclosure Standards, initially focusing on areas such as the identification of and disclosures about climate-related risks and opportunities, governance structures, and sustainability metrics like GHG emissions. Thereafter extending trainings to other sustainability-related risks and opportunities.

- **International Assurance Standards:** Developing auditors' knowledge and skills in applying ISSA 5000, which governs the assurance of sustainability disclosures. Training programs must ensure that Rwandan auditors are prepared well to offer high-quality sustainability assurance services.

- **Risk Assessment and Materiality:** Developing auditors' capacity to conduct financial materiality assessments for sustainability-related risks and opportunities, ensuring that audits align with the specific needs and challenges of different sectors.

6.3.2 Capacity Building for Small and Medium-sized Audit Firms:

135. Building the capacity of small and medium-sized practices that provide, or are planning to provide, sustainability assurance services (Sustainability SMPs), ensuring that they have the knowledge, skills and resources to offer sustainability assurance services to smaller entities, including IFRS for SME Issuers.

6.4 Accreditation of Assurance Providers

136. A key component of the assurance framework is the accreditation of assurance providers who are qualified to verify sustainability-related financial disclosures. To ensure that assurance providers meet international standards, the ICPAR, in collaboration with the BNR, will establish a system for accrediting auditors and other professionals who provide assurance services.

6.4.1 Role of the ICPAR

137. The ICPAR will develop accreditation criteria for assurance providers. These standards will be aligned with ISSA 5000. By aligning with global best practices, Rwanda will ensure that its assurance providers are qualified to verify sustainability disclosures in line with the requirements of IFRS Sustainability Disclosure Standards.

- **Training and certification:** To become accredited, assurance providers will need to complete specialised training on the technical aspects of sustainability assurance, including how to audit GHG emissions, energy use, and other sustainability metrics. The ICPAR will develop certification programs for assurance providers in partnership with international organisations, ensuring that Rwanda has a well-trained pool of professionals capable of delivering high-quality assurance services.

- **Capacity building for smaller firms:** In addition to large audit firms, the accreditation system will include support for Sustainability SMPs. The ICPAR, with the support of international partners, will offer training and capacity-building programs to help Sustainability SMPs meet the accreditation standards and participate in the assurance market.

6.5 Enforcement Mechanisms

138. To ensure compliance with IFRS Sustainability Disclosure Standards, Rwanda will establish a robust system of monitoring and enforcement that includes both regulatory oversight and market-based incentives. These enforcement mechanisms will be essential for ensuring that companies not only meet the minimum reporting requirements but also provide high-quality, reliable sustainability disclosures.

6.5.1 Role of Regulatory Bodies

139. ICPAR is mandated by law to oversee compliance of its members with the financial reporting requirements for entities operating in Rwanda. This role will be extended to include members' compliance with the requirements of sustainability-related financial disclosures and the related assurance reviews. To perform this function, ICPAR will acquire the necessary skills consistent with the approach applied to annual financial statements. To avoid duplication of effort, ICPAR will develop a process that takes into consideration the enforcement activities of other regulators mandated to enforce compliance with general purpose financial reporting requirements.

140. The BNR, CMA, and RSE will be responsible for enforcing compliance with IFRS Sustainability Disclosure Standards among financial institutions and listed entities, respectively. These regulatory bodies will work closely with ICPAR accredited assurance providers to monitor companies' sustainability disclosures and ensure that they meet the required standards.

- BNR's role in enforcing the implementation of the Guidelines: For financial institutions, BNR will integrate sustainability reporting into its existing prudential supervision framework. This will include regular reviews of all regulated Financial Institutions' sustainability disclosures to ensure compliance with IFRS Sustainability Disclosure Standards.

- RSE's role in enforcing ESG disclosures for listed entities: RSE will develop processes to ensure that listed companies comply with IFRS Sustainability Disclosure Standards. The exchange will have the authority to impose penalties or other sanctions on companies that fail to meet the reporting requirements, ensuring that sustainability disclosures are taken seriously by the market.

6.5.2 Market-Based Incentives for Compliance

141. In addition to regulatory oversight, market-based incentives will play a key role in encouraging companies to provide high-quality sustainability disclosures. These incentives include:

- **Investor pressure:** As sustainability reporting becomes more connected with financial reporting, investors will increasingly demand reliable and comparable sustainability disclosures as part of their investment decision-making process. Companies that provide high-quality disclosures will be better positioned to attract investment, while those that fail to comply with IFRS Sustainability Disclosure Standards may face reputational risks and reduced access to capital.

- **Sustainability rankings and ratings:** The Roadmap also envisions the development of sustainability rankings and ratings for Rwandan companies, which will provide transparency to investors and other stakeholders on companies' sustainability performance. These rankings will create market-based pressure for companies to improve their sustainability disclosures and ensure that they meet the requirements of IFRS Sustainability Disclosure Standards.

6.6 Monitoring and Continuous Improvement

142. To ensure that the assurance and enforcement framework remains effective and up to date, the Roadmap includes a system for monitoring and continuous improvement. This system will involve regular reviews of the assurance and enforcement processes by the ICPAR, BNR, the CMA, and the RSE, as well as feedback from stakeholders to identify areas for improvement.

6.6.1 Stakeholder Engagement

143. Rwanda's monitoring system will involve regular engagement with key stakeholders, including companies, auditors, and regulators. This engagement will ensure that the assurance and enforcement framework is responsive to the needs of the market and aligned with international best practices.

6.7 Conclusion

144. The Roadmap for adopting IFRS Sustainability Disclosure Standards includes a comprehensive approach to assurance and enforcement that is designed to build trust in sustainability-related financial disclosures. Through a phased approach to assurance, the accreditation of qualified assurance providers, and robust enforcement mechanisms, Rwanda will ensure that companies provide reliable and transparent sustainability disclosures. By leveraging best practices from other jurisdictions, Rwanda will establish itself as a leader in sustainability reporting and assurance in the East African region.

Chapter 7: Conclusion and Next Steps

145. The Roadmap for the adoption of IFRS Sustainability Disclosure Standards represents a significant step in aligning Rwanda's corporate reporting practices with international standards of sustainability disclosures, auditing and monitoring. By embedding IFRS Sustainability Disclosure Standards within Rwanda's existing regulatory frameworks and building a robust infrastructure for sustainability reporting, assurance, and enforcement, the country is positioning itself as a regional leader in sustainability and green finance. This chapter provides a summary of the key components of the Roadmap and outlines the next steps required for its successful implementation. It also highlights the role of international development partners in supporting Rwanda's transition to comprehensive sustainability reporting.

7.1 Summary of the Roadmap

146. The Roadmap for adopting IFRS Sustainability Disclosure Standards follows a structured, phased approach that ensures that Rwanda's entities, from large corporations to SMEs, are prepared to comply with the new standards. The Roadmap is closely aligned with Rwanda's broader sustainability goals, including its Green Growth and Climate Resilience Strategy, Rwanda Green Taxonomy, and the guidelines developed by the BNR. The Roadmap's main elements include:

7.1.1 Phased Adoption

147. Rwanda's adoption of IFRS Sustainability Disclosure Standards is organised into Group phases each with four incremental reporting phases, allowing entities to gradually build capacity to adopt and implement the standards in a manageable way. The phased approach ensures that:

- Group 1 Entities **(for annual periods commencing on or after January 1, 2025 reporting year, with Initial Phase first public reporting in 2026):** RSE listed entities, Tier I Financial Institutions (including banks and insurance companies) will lead the adoption of IFRS Sustainability Disclosure Standards. Initial Phase Reporting for listed entities will require compliance with only the RSE ESG Requirements. Initial Phase Reporting for Tier I financial entities is focused on simplified IFRS S2 climate-related disclosures, particularly emissions and energy use, which are relatively straightforward to measure and report. These entities will progressively expand their sustainability reporting so as to, for the 2028 reporting year, apply IFRS Sustainability Disclosure Standards without transition arrangements as issued by the ISSB.

- Group 2 Entities **(for annual periods commencing on or after January 1, 2026 reporting year, with Initial Phase first public reporting in 2027):** Public Utility Companies and Tier II and Tier III Financial Institutions, will follow. These entities will progressively expand their sustainability reporting so as to, for the 2029 reporting year, apply IFRS Sustainability Disclosure Standards without transition arrangements as issued by the ISSB.

- Group 3 Entities **(for annual periods commencing on or after January 1, 2027 reporting year, with Initial Phase first public reporting in 2028):** Other entities that prepare financial statements applying IFRS Accounting Standards and Tier IV Financial Institutions. These entities will progressively expand their sustainability reporting so as to, for the 2030 reporting year, apply IFRS Sustainability Disclosure Standards without transition arrangements as issued by the ISSB.

- Group 4 Entities **(for annual periods commencing on or after January 1, 2028 reporting year:** Entities that prepare financial statements using the IFRS for SMEs Accounting Standard. These entities will apply a simplified sustainability reporting approach to be adopted or developed in time by the ISSBSC.

7.1.2 Capacity Building and Training

148. A critical aspect of the Roadmap is the capacity building and training that will be provided to enable the reporting entities, regulators, and assurance providers to perform their functions with regard to the implementation of IFRS Sustainability Disclosure Standards in Rwanda.

- **Training for corporates and financial institutions:** Programs will focus on climate-related disclosures, governance, and risk management, helping companies understand how to collect, analyse, and report sustainability data in line with IFRS Sustainability Disclosure Standards.

- **Training for auditors and assurance providers:** The Roadmap includes the accreditation of assurance providers, who will be trained to verify sustainability-related financial disclosures under IFRS Sustainability Disclosure Standards. The ICPAR will be instrumental in ensuring that auditors receive the necessary training and certification to meet international standards.

7.1.3 Data Collection Systems and Infrastructure

149. The success of IFRS Sustainability Disclosure Standards in Rwanda depends, in part, on the availability of reliable and consistent data for sustainability reporting. To address this need, the Roadmap includes the development of data-sharing platforms and sector-specific reporting templates that will help companies collect and report the necessary data for IFRS Sustainability Disclosure Standards compliance.

- **Utility and sector-specific data platforms:** These platforms will aggregate data from various sources, including utility providers and sector-specific organisations, enabling companies to report on key sustainability metrics like greenhouse gas (GHG) emissions and energy use.

7.1.4 Assurance and Enforcement

150. The Roadmap includes a comprehensive approach to assurance and enforcement, which foster sustainability-related financial disclosures that are accurate, reliable, and comparable across sectors. The BNR, the CMA and the RSE will play key roles in monitoring compliance with IFRS Sustainability Disclosure Standards, while the ICPAR will oversee the accreditation of assurance providers.

- **Phased assurance requirements:** Initially, assurance will focus on key metrics such as Scope 1 and Scope 2 GHG emissions. Over time, the scope of assurance will expand to include broader ESG factors, ensuring that all sustainability-related financial disclosures are subject to verification.

- Accreditation of assurance providers: Assurance providers will be required to complete specialised training and certification programs to ensure they meet international standards. The ICPAR will ensure that Rwanda's assurance providers are qualified to verify sustainability disclosures.

7.2 Next Steps for Implementation

151. The successful implementation of the Roadmap requires a coordinated effort among all stakeholders, including government agencies, companies and auditors. The next steps in the process will focus on preparing the regulatory framework, building capacity, and raising awareness among the business community.

7.2.1 Regulatory and Policy Development

152. To support the adoption of IFRS Sustainability Disclosure Standards, Rwanda will need to establish the necessary regulatory and policy framework that aligns with both international standards and national sustainability goals. This will involve:

- **Implementing the BNR Guidelines:** The BNR is implementing Guidelines for financial institutions for the adoption of financial, and climate- and environmental-related risk management. These will guide financial institutions (including banks and insurance companies) in managing and reporting their sustainability-related risks, and fostering skills needed to implement IFRS Sustainability Disclosure Standards.

- **Incorporating the green taxonomy:** the Rwanda Green Taxonomy, which has been developed to classify economic activities based on their environmental impact, will be linked into Rwanda's sustainability reporting framework. This will ensure that companies can report on their alignment with national sustainability goals, such as those set out in the Rwanda Green Growth and Climate Resilience Strategy.

7.2.2 Capacity Building and Stakeholder Engagement

153. To smooth the transition to IFRS Sustainability Disclosure Standards, the Roadmap places significant emphasis on capacity building and stakeholder engagement. The objective is to equip companies, auditors, regulators, and other stakeholders with the knowledge and skills needed to meet the new reporting requirements. The next steps for capacity building will include:

- **Scaling up training programs:** The training programs developed for RSE listed companies, financial institutions, and SOEs will be expanded to include all other sectors that are required to comply with IFRS Sustainability Disclosure Standards. This will include targeted support for SMEs, many of which may lack the resources and expertise to implement sustainability reporting systems. The ICPAR, in collaboration with partners, will continue to deliver tailored workshops and training sessions to build the capacity of auditors and corporate sustainability officers.

- **Engagement with industry associations:** To broaden awareness and foster adoption, industry associations will play a key role in facilitating discussions and disseminating information about the Roadmap. Forums, workshops, and industry roundtables, supported by partners, will help sectors such as agriculture, manufacturing, and energy better understand the implications of IFRS Sustainability Disclosure Standards and the support available to them.

- **Public awareness campaigns:** Raising awareness about the benefits of sustainability reporting, especially among smaller entities and Rwandan businesses, is crucial. ICPAR will conduct public awareness campaigns to educate the business community about the importance of IFRS Sustainability Disclosure Standards and how they align with Rwanda's green finance and sustainability goals. These campaigns will ensure that all stakeholders understand the value of sustainability reporting and are motivated to comply with the new requirements.

7.2.3 Establishing Monitoring and Feedback Mechanisms

154. As the implementation of the Roadmap progresses, establishing systems for monitoring, evaluation, and feedback will be essential to ensure continuous improvement and responsiveness to challenges. These mechanisms will help identify bottlenecks, track progress, and facilitate adjustments to the implementation process.

- **Regular assessments of progress:** Monitoring the progress in adopting and implementing IFRS Sustainability Disclosure Standards will involve conducting regular assessments at key stages of the implementation process. These assessments, conducted by regulators such as the BNR and the RSE, will evaluate how well companies are meeting the reporting requirements and other stakeholders are performing their responsibilities as set out in the Roadmap, and whether any additional support is needed.

- **Stakeholder feedback:** To continuously refine the adoption process, it will be crucial to gather feedback from stakeholders, including businesses, regulators, primary users (investors, lenders and other creditors), and assurance providers. ICPAR must establish feedback loops through which stakeholders can report on the challenges they face regarding the implementation of IFRS Sustainability Disclosure Standards in Rwanda, enabling the government and regulators to adjust as needed.

- **Collaboration with development partners:** Development partners will likely remain actively involved throughout the monitoring process, and may offer technical assistance, resources, and expertise to help ensure that the execution of the Roadmap stays on track and aligned with international better practices. 7.2.4 Technical Assistance and Resource Mobilisation.

155. The Roadmap acknowledges that many companies, particularly smaller entities, may require additional technical assistance and financial resources to adopt and implement IFRS Sustainability Disclosures Standards in accordance with the Roadmap. The next technical assistance steps include:

- **Mobilising funding for capacity building:** This funding will be used to finance training programs, workshops, and the development of reporting tools and templates that can simplify the reporting process for smaller companies.

- **Providing technical assistance for data systems:** The successful implementation of IFRS Sustainability Disclosure Standards will also require companies to develop robust data collection and reporting systems. International organisations can provide the necessary technical assistance to help companies establish these systems, ensuring that they can track and report on key sustainability metrics such as GHG emissions and energy use.

- **Enabling peer learning and regional collaboration:** Rwanda will benefit from peer learning opportunities with other countries in the region that are also adopting IFRS Sustainability Disclosure Standards, such as Nigeria and Ghana. Partners such as PAFA will help facilitate cross-country collaboration through workshops, study tours, and knowledge exchange programs. This will enable Rwanda to learn from the experiences of others and adopt best practices that are relevant to its unique context.

7.3 Conclusion

156. The adoption of IFRS Sustainability Disclosure Standards represents a major step forward in Rwanda's commitment to sustainability, transparency, and green finance. By following the Roadmap's phased approach, Rwanda will be able to systematically build the sustainability disclosure capacity of its corporate sector, develop robust data collection and reporting systems, and ensure that companies provide reliable, consistent, and comparable sustainability-related financial disclosures.

157. The Roadmap is designed to be inclusive, addressing the needs of financial institutions and corporations operating in other sectors irrespective of their size and whether they are state owned, exchange listed or privately held. It is also designed to aligning with Rwanda's broader sustainability goals and seeks to establish interoperability with other Rwandan sustainability-related frameworks. The BNR, the RSE, and the ICPAR will play central roles in ensuring that companies meet the sustainability reporting requirements, while partners will provide the technical assistance and resources necessary for successful implementation.

158. By embracing IFRS Sustainability Disclosure Standards, Rwanda is not only enhancing its corporate reporting framework but also positioning itself as a regional leader in sustainability and green finance. The country's efforts to integrate the Rwanda Green Taxonomy, prudential ESG frameworks, and sustainability reporting into its economic development strategies will attract international investors, strengthen its financial

sector, and contribute to its Vision 2050 objectives.

159. The next steps in the Roadmap's implementation will focus on regulatory development, capacity building, monitoring progress, and engaging stakeholders. Through continued collaboration with partners and the business community, Rwanda will ensure that the adoption of IFRS Sustainability Disclosure Standards is both practical and impactful, supporting the country's transition to a more sustainable and transparent economy.

Appendix A: Adoption timetable

Phased adoption of IFRS Sustainability Disclosure Standards				
Group 1	**Report for financial years commencing on or after 1 January ….**			
	2025	**2026**	**2027**	**2028**
Listed entities	Comply with the RSE ESG Requirements.	Comply with the simplified IFRS Sustainability Disclosure requirements.	Comply with IFRS Sustainability Disclosure Standards including all transition reliefs provided in those standards.	Comply with IFRS Sustainability Disclosure Standards excluding all transition reliefs provided in those standards.
Tier I Financial Institutions	Comply with the simplified IFRS Sustainability Disclosure requirements.	Comply with the Intermediate phase reporting requirements.		
	Reporting date: Within 5 months of year-end	*Reporting date: Within 5 months of year-end*	*Reporting date: Within 5 months of year-end*	*Reporting date: Within 3 months of year-end* [52]
Group 2	**Report for financial years commencing on or after 1 January ….**			
	2026	**2027**	**2028**	**2029**
Public Utility Companies Tier II and III Financial Institutions	Comply with the Initial phase simplified IFRS Sustainability Disclosure requirements.	Comply with the Phase 2 reporting requirements.	Comply with IFRS Sustainability Disclosure Standards including all transition reliefs provided in those standards.	Comply with IFRS Sustainability Disclosure Standards excluding all transition reliefs provided in those standards
	Reporting date: Within 5 months of year-end	*Reporting date: Within 5 months of year-end*	*Reporting date: Within 5 months of year-end*	*Reporting date: Within 3 months of year-end*[53]

52 *IFRS S1 paragraph 64 requires IFRS compliant entities report sustainability-related financial disclosures at the same time as the related financial statements.*

53 *IFRS S1 paragraph 64 requires IFRS compliant entities report sustainability-related financial disclosures at the same time as the related financial statements.*

Phased adoption of IFRS Sustainability Disclosure Standards				
	Report for financial years commencing on or after 1 January ….			
Group 3	**2027**	**2028**	**2029**	**2030**
Other IFRS issuers Tier IV Financial Institutions	Comply with the Initial phase reporting requirements.	Comply with the Intermediate phase reporting requirements.	Comply with IFRS Sustainability Disclosure Standards including all transition reliefs provided in those standards.	Comply with IFRS Sustainability Disclosure Standards excluding all transition reliefs provided in those standards
	Reporting date: Within 9 months of year-end	*Reporting date: Within 7 months of year-end*	*Reporting date: Within 5 months of year-end*	*Reporting date: Within 3 months of year-end*[54]
	Report for financial years commencing on or after 1 January ….			
Group 4	**2028**	**2029**	**2030**	**2031**
IFRS for SMEs Issuers	Simplified approach Development or adoption of a simplified framework that aligns with international developments and is consistent with the size and resources of these entities.			
	Reporting date: Within 9 months of year-end	Reporting date: Within 7 months of year-end	Reporting date: Within 5 months of year-end	Reporting date: Within 3 months of year-end[55]

Table 6: Phased Implementation and Regulatory Timelines

2025 reporting year, disclosures in 2026
Group 1 Entities (RSE listed entities and Tier I Financial Institutions) will be required to make Initial Phase Reporting. **Regulatory bodies** (the BNR, the CMA and the RSE) will begin monitoring compliance.
2026 reporting year, disclosures in 2027
Group 1 Entities will be required to make Intermediate Phase Reporting.

54 *IFRS S1 paragraph 64 requires IFRS compliant entities report sustainability-related financial disclosures at the same time as the related financial statements.*

55 *IFRS S1 paragraph 64 requires IFRS compliant entities report sustainability-related financial disclosures at the same time as the related financial statements.*

Group 2 Entities (Public Utility Companies, and Tier II and Tier III Financial Institutions) will be required to make Initial Phase Reporting.

The ICPAR will ensure that qualified auditors are ready to provide assurance on the Intermediate Phase Reporting.

Regulatory bodies will have refined their processes based on the experiences of Group 1 Entities Initial Phase Reporting, enabling more efficient oversight and enforcement.

2027 reporting year, disclosures in 2028

Group 1 Entities will be required to comply with IFRS Sustainability Disclosure Standards as issued by the ISSB but will be able to avail of the transitional reliefs included in those standards.

Group 2 Entities will be required to make Intermediate Phase Reporting.

Group 3 Entities (Other entities that prepare financial statements using IFRS Accounting Standards (including SOEs that apply IFRS accounting standards) and Tier IV Financial Institutions, will be required to make Initial Phase Reporting.

The ICPAR will ensure that qualified auditors are ready to provide assurance on sustainability disclosures as specified in IFRS Sustainability Disclosure Standards as issued by the ISSB.

Regulatory bodies will have refined their processes based on the experiences of Initial Phase Reporting and Intermediate Phase Reporting, allowing for more efficient oversight and enforcement.

2028 reporting year, disclosures in 2029

Group 1 Entities will be required to comply with IFRS Sustainability Disclosure Standards as issued by the ISSB, and the transitional reliefs included in those standards will have expired.

Group 2 Entities will be required to comply with IFRS Sustainability Disclosure Standards as issued by the ISSB, but will be able to avail of the transitional reliefs included in those standards;

Group 3 Entities will be required to make Intermediate Phase Reporting; and

Group 4 Entities (all entities that prepare financial statements using IFRS for SMEs Accounting Standard), will be required to commence adoption of a simplified reporting framework.
Regulatory bodies will have refined their processes based on the experiences of Initial Phase Reporting, Intermediate Phase Reporting and disclosures in accordance with IFRS Sustainability Disclosure Standards, enabling more efficient oversight and enforcement.

Appendix B: Role of regulatory bodies, public sector authorities and other institutions

B1. The process for adopting IFRS Sustainability Disclosure Standards in Rwanda is led by a coordinated effort involving several key bodies, each with a distinct role in ensuring that the standards are effectively implemented across different sectors. This includes the BNR, the RSE, the ICPAR, the CMA, the Rwanda Green Fund (RGF), the Ministry of Finance and Economic Planning (MINECOFIN), the Rwanda Development Board (RDB), and Rwanda Finance Limited (RFL). These institutions, in collaboration with partners, will guide the phased adoption of the standards, enforce compliance, and provide technical support to entities.

Institute of Certified Public Accountants of Rwanda (the ICPAR)

B2. The ICPAR is responsible for the accreditation of auditors and assurance providers, ensuring that they are qualified to verify sustainability disclosures prepared in accordance with IFRS Sustainability Disclosure Standards.

Key responsibilities of the ICPAR include:

B3. **Accreditation of assurance providers:** the ICPAR will establish certification programs for auditors and assurance providers to ensure they meet international standards for sustainability assurance, particularly the International Standard on Sustainability Assurance (ISSA 5000).

B4. **Capacity building for assurance providers:** the ICPAR will work with partners to develop training programs for assurance providers, helping them understand the specific requirements of sustainability reporting under IFRS Sustainability Disclosure Standards.

B5. **Monitoring and quality assurance:** the ICPAR will monitor the quality of assurance services provided by accredited assurance providers, ensuring that sustainability-related disclosures are verified accurately and consistently.

National Bank of Rwanda (BNR)

B6. The BNR will play a central role in regulating all financial institutions, including banks, insurance companies, and other financial service providers. The BNR'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.

Key responsibilities of the BNR include:

B7. **Supervision and compliance:** The BNR will ensure that financial institutions report on sustainability-related risks such as climate-related risks, environmental impacts, and governance practices as part of their prudential filings. This may involve integrating sustainability metrics into regular supervisory activities, including stress tests for climate-related risks.

B8. **Capacity building:** The BNR will work closely with other regulators and partners to enhance the capacity of financial institutions in understanding and implementing sustainability reporting.

B9. **Monitoring and enforcement:** The BNR will conduct regular reviews and inspections to ensure compliance with IFRS Sustainability Disclosure Standards. Non-compliance will be addressed through enforcement actions, such as fines, sanctions, or enhanced supervision.

Capital Markets Authority (CMA)

B10. The CMA will work in close coordination with the RSE to oversee the broader capital markets' compliance with sustainability reporting requirements. The CMA's role will extend to all capital market participants, including investment firms, asset managers, and other entities involved in raising and managing capital.

Key responsibilities of the CMA include:

B11. **Regulation and compliance:** The CMA will ensure that capital market participants integrate sustainability-related disclosures into their financial filings, particularly those related to ESG risks and opportunities that affect their operations and investment strategies.

B12. **Investor protection:** The CMA will monitor and regulate the dissemination of sustainability information to investors, ensuring that disclosures are accurate, transparent, and reliable. The CMA will also enforce penalties for non-compliance with sustainability disclosure requirements.

B13. **Supporting green finance initiatives:** The CMA will collaborate with the RSE and other bodies to promote green finance products, such as green bonds, that align with Rwanda's sustainability goals and the requirements of IFRS Sustainability Disclosure Standards.

Rwanda Stock Exchange (RSE)

B14. The RSE will regulate listed companies and oversee their compliance with IFRS Sustainability Disclosure Standards. RSE listed entities are expected to be early adopters of the standards, given their public-facing nature and the demand from investors for enhanced transparency on sustainability issues.

Key responsibilities of the RSE include:

B15. **Guidance and oversight:** The RSE will issue guidelines and templates to assist listed companies in meeting their sustainability reporting obligations under IFRS Sustainability Disclosure Standards.

B16. **Review and enforcement:** The RSE will review sustainability reports to ensure that they meet the required standards and provide accurate and reliable information to investors. Non-compliant companies may face penalties, including fines, public reprimands, or suspension from trading.

B17. **Market incentives:** The RSE will also work to create market-based incentives for companies that excel in sustainability reporting, such as sustainability rankings or indices that recognise high performers in the area of ESG reporting.

Rwanda Green Fund (RGF)

B18. The Rwanda Green Fund (RGF) plays a crucial role in supporting Rwanda's green growth strategy and financing sustainable development projects. As part of the IFRS Sustainability Disclosure Standards adoption process, RGF will provide guidance to companies, particularly in sectors related to environmental sustainability, on how to align their operations and reporting with national sustainability goals.

Key responsibilities of RGF include:

B19. **Integration with Rwanda Green Taxonomy:** RGF will ensure that companies report on their contributions to Rwanda's green growth objectives, using the Rwanda Green Taxonomy to classify and measure their environmental impacts.

B20. **Financial support:** RGF will provide funding and incentives to support the transition to sustainability reporting, particularly for companies in key sectors such as energy, agriculture, and infrastructure. These funds will help companies implement the systems and processes necessary to meet IFRS Sustainability Disclosure Standards.

B21. **Monitoring environmental disclosures:** RGF will monitor and review environmental disclosures made by companies to ensure they align with Rwanda's national climate and environmental goals.

Ministry of Finance and Economic Planning (MINECOFIN)

B22. The Ministry of Finance and Economic Planning (MINECOFIN) will play a coordinating role in ensuring that Rwanda's adoption of IFRS Sustainability Disclosure Standards is aligned with the country's broader economic policies and development goals. MINECOFIN will also work to mobilise financial resources and technical assistance from international development partners.

Key responsibilities of MINECOFIN include:

B23. **Policy coordination:** MINECOFIN will work with the BNR, the RSE, and other regulators to ensure that sustainability reporting requirements are integrated into the national financial and economic policy framework.

B24. **Mobilising resources:** MINECOFIN will facilitate the mobilisation of funding for capacity building, technical assistance, and the development of reporting systems, particularly for small and medium-sized entities (SMEs) and SOEs.

B25. **Monitoring implementation:** MINECOFIN will oversee the overall implementation of IFRS Sustainability Disclosure Standards, ensuring that the Roadmap is being followed and that Rwanda meets its sustainability reporting objectives.

Rwanda Development Board (RDB)

B26. The Rwanda Development Board (RDB) is to speed up economic development in Rwanda by enabling private sector growth. As part of the IFRS Sustainability Disclosure Standards adoption process, the RDB should make investors aware of Rwanda's sustainability reporting requirements. .

Key responsibilities of the RDB include:

B27. **Investor outreach:** The RDB will ensure that both domestic and international investors are aware of the IFRS sustainability disclosure requirements applied in Rwanda.

B28. **Promotion of sustainable investments:** The RDB will encourage companies to align their investment projects with Rwanda's green growth objectives, leveraging the Rwanda Green Taxonomy to attract investment in sustainable projects.

Rwanda Finance Limited (RFL)

B29. Rwanda Finance Limited (RFL) plays a pivotal role in promoting Rwanda as an international financial hub and in developing Rwanda's financial sector. RFL will help integrate the IFRS Sustainability Disclosure Standards into Rwanda's financial sector, ensuring that sustainability is a key component of Rwanda's appeal as a destination for sustainable finance.

Key responsibilities of RFL include:

B30. Promoting and fostering for sustainable finance policy reforms: RFL will work with regulatory bodies to reform financial policies and frameworks that promote sustainable finance practices, including the adoption of green bonds and other financial instruments that align with the sustainability goals embedded in IFRS Sustainability Disclosure Standards.

B31. **Attracting green investments:** RFL will play a key role in promoting Rwanda as a destination for green and sustainable investments. This will involve working with international investors to highlight Rwanda's commitment to sustainability reporting and the opportunities available through green finance.

B32. **International collaboration:** RFL will facilitate partnerships between Rwandan financial institutions to enhance the country's capacity for sustainability reporting, helping to align Rwanda's financial sector with international sustainability standards.

Appendix C: Initial Phase Reporting Requirements

C1. The tables below set out in more detail the disclosure requirements in IFRS S2 that are applicable in Initial Phase Reporting to all entities except listed entities that are not financial institutions.

IFRS S2 governance disclosures	*IFRS* S2
Disclosure objective = enable primary users to understand the governance processes, controls and procedures the reporting entity uses to monitor, manage and oversee its climate-related risks and opportunities	paragraph 5
Identity of **Governance body** (board, committee, persons) ('**Body(s)**') responsible for oversight of sustainability-related risks and opportunities/climate-related risk or opportunities.	6(a)
Disclosures include, how Body(s):	
responsibilities for sustainability-related risks and opportunities/ climate-related risk or opportunities are specified in Body(s)' ToRs, mandates, role descriptions and other related policies etc	6(a)(i)
determines it has/is developing requisite skills and resources to oversee strategies designed to respond to sustainability-related risks and opportunities/climate-related risk or opportunities	6(a)(ii)
is informed about sustainability-related risks and opportunities/ climate-related risk or opportunities (i.e. frequency)	6(a)(iii)
takes account of sustainability-related risks and opportunities/ climate-related risk or opportunities when overseeing strategy, major transactions and risk-management processes and polices (including considering trade-offs)	6(a)(iv)
oversees the setting of sustainability-related risks and opportunities/ climate-related risk or opportunities related targets and monitors progress	6(a)(v)

IFRS S2 governance disclosures	*IFRS* S2
oversees the setting of sustainability-related risks and opportunities/ climate-related risk or opportunities-related performance metrics in remuneration policies, if any	6(a)(v)
Management's role in the governance processes, controls and procedures used to monitor, manage and oversee sustainability-related risks and opportunities/climate-related risk or opportunities. Disclosures include:	
whether delegated to a specific management-level/-position/-committee; and how oversight is exercised over that position or committee.	6(b)(i)
whether management uses controls and procedures to support the oversight of sustainability-related risks and opportunities/ climate-related risk or opportunities; and, if so, how these controls and procedures are integrated with other internal functions.	6(b)(ii)

IFRS S2 timing horizons for strategic disclosures	IFRS S2
Disclosure objective = enable primary users to understand the reporting entity's strategy for managing its climate-related risks and opportunities	paragraph 8
With reference to the planning horizons used by the reporting entity for strategic decision-making, **define** the time horizons—short, medium or long term—over which the effects of each of sustainability-related risks and opportunities/climate-related risk or opportunities could reasonably be expected to occur.	10(c)
Explain how the entity's definitions of 'short term', 'medium term' and 'long term' are linked to its planning horizons used for strategic decision-making.	10(d)

Current and anticipated financial effects disclosures	IFRS S2
Disclosure objective = enable primary users to understand the reporting entity's strategy for managing its climate-related risks and opportunities	paragraph 8
Describe each of the reporting entity's sustainability-related risk or opportunity/climate-related risk or opportunity disclosure topics, and disclose:	9 and 10(a)

Current and anticipated financial effects disclosures	**IFRS S2**
(subject to conditional specified proportionality reliefs), the current financial effects of the sustainability-related risk or opportunity/ climate-related risk or opportunity disclosure topics on the reporting entity's: financial position at the end of the year; financial performance for the year; and cash flows for the year.	9(d), 10(a), 15(a), 16(a), and for reliefs 19 & 21
the identity of sustainability-related risks and opportunities/ climate-related risk or opportunities that carry a significant risk of a material adjustment to carrying amount of financial position or financial performance within the next annual reporting period.	16(b)
Not required to be disclosed in Initial Phase Reporting	
(subject to conditional specified proportionality reliefs, and taking into consideration its investment and disposal plans, its planned sources of finance, and given its strategy to manage sustainability-related risks and opportunities), the anticipated financial effects (*single amount or range*) of sustainability-related risks and opportunities/climate-related risk or opportunities on the reporting entity's: financial position; financial performance; and cash flows over the: short term; medium term; and long term.	9(d), 10(a), 15(b), 16(c), 16(d), and for reliefs 18–21
Initial Phase Reporting permits designated entities instead to provide qualitative information on their progress in determining the quantitative anticipated effects financial disclosures.	

Effects on strategy and resilience disclosures	***IFRS S2***
Disclosure objective = enable primary users to understand the reporting entity's strategy for managing its climate-related risks and opportunities	paragraph 8
Disclosures include:	
current and anticipated effects of sustainability-related risks and opportunities/climate-related risk or opportunities on the reporting entity's business model.	9(b), 13(a) and 23
concentrations of sustainability-related risks and opportunities/ climate-related risk or opportunities in the reporting entity's business model (for example, geographical areas, facilities and types of assets).	9(b), 13(b) and 23

Effects on strategy and resilience disclosures	*IFRS S2*
current and anticipated effects of sustainability-related risks and opportunities/climate-related risk or opportunities on the reporting entity's value chain.	9(b), 13(a) and 23
concentrations of sustainability-related risks and opportunities/climate-related risk or opportunities in the reporting entity's value chain (for example, geographical areas, facilities and types of assets).	9(b), 13(b) and 23
effects of sustainability-related risks and opportunities/climate-related risk or opportunities on the reporting entity's strategy and decision making including:	
its response/planned response to sustainability-related risks and opportunities/climate-related risk or opportunities in its strategy and decision-making;	14(a), 23 and 33–36
how it is resourcing, and plans to resource, the activities in its response/planned response to sustainability-related risks and opportunities/climate-related risk or opportunities	14(b) and 23
quantitative and qualitative information about progress made against plans disclosed in previous reporting periods; and	14(c) and 23
trade-offs between sustainability-related risks and opportunities/climate-related risk or opportunities considered in its strategy and decision making.	
Not required to be disclosed in Initial Phase Reporting	
capacity of the reporting entity's strategy and its business model to adjust to the uncertainties arising from sustainability-related risks including qualitative and, if applicable, quantitative (single amount or a range) resilience assessment, including information about how the assessment was carried out and its time horizon.	9(e), 22, 23 and B1–B18 (and IFRS S1.42)
Not required for Initial Phase Reporting.	

Risk management disclosures	IFRS S2
Disclosure objective = enable primary users to: (i) assess the entity's overall risk profile and its overall risk management process; and (ii) understand the reporting entity's processes to identify, assess, prioritise and monitor its climate-related risks and opportunities	paragraph 24

Risk management disclosures	IFRS S2
Disclosures include:	
processes and related policies the entity uses to identify, assess, prioritise and monitor sustainability-related risks (including climate-related risks);	25(a)
processes and related policies the entity uses to identify, assess, prioritise and monitor sustainability-related opportunities (including climate-related opportunities); and	25(b)
extent to which, and how, the processes for identifying, assessing, prioritising and monitoring sustainability-related risks and opportunities (including climate-related risks and opportunities) are integrated into and inform the entity's overall risk management process.	25(c)

Metrics and targets disclosures	**IFRS S2**
Disclosure objective = enable primary users to understand the reporting entity's performance (including progress towards any voluntarily set targets and targets specified in law or regulation) in relation to its climate-related risks and opportunities	paragraph 27
For each sustainability-related risk or opportunity/climate-related risk or opportunity disclosure topic, disclosures include:	
metrics specified by an IFRS Sustainability Disclosure Standard	28(a), 28(b) and 29–32
metrics used to measure and monitor the sustainability-related risks and opportunities	
metrics used to measure performance in relation to the sustainability-related risks and opportunities, including progress against targets, if any	28(c), 33–37, B19–B57, B64 and B65
source of metric, if not IFRS Sustainability Disclosure Standards	
specified information about internally developed metrics	B67
specified information about targets	28(c), 33–37 and B66–B71
other specified information about metrics and targets	

Metrics and targets disclosures	IFRS S2
Disclosure objective = enable primary users to understand the reporting entity's performance (including progress towards any voluntarily set targets and targets specified in law or regulation) in relation to its climate-related risks and opportunities	paragraph 27
Not required to be disclosed in Initial Phase Reporting	
However, for the purposes of Initial Phase Reporting: Designated entities should focus on internal operations first, that is, they need not include reporting on metrics, either qualitative or quantitative, tied to or incorporated within the company's value chain or with other related external parties. Consequently, designated entities need not disclose their Scope 3 operational emissions and Scope 3 finance emissions, and similar items. All metrics reporting is subject to a 'comply-or-explain' override, where designated entities may state if certain required information is not available without undue cost or effort. In such cases, the reporting entity must disclose this fact, explain why the data is unavailable and indicate whether any alternative data is available (and provide it), and their plans for rectifying these disclosures, including specifying a timeline for when they expect to fully comply with the IFRS S2 requirements.	

Appendix D: Transitional reliefs

D1. IFRS Sustainability Disclosure Standards provide targeted relief from particular disclosure requirements when a reporting entity first applies them. Consequently, a reporting entity is not prevented from claiming compliance with IFRS Sustainability Disclosure Standards in its first IFRS sustainability financial disclosures if it omits the disclosures permitted by that relief. However, using the reliefs allowed in Initial Phase Reporting (Appendix C) and Intermediate Phase Reporting, to be determined in accordance with IFRS Sustainability Disclosure Standards Law, 2024 (see Appendix F), would prevent an entity from claiming compliance with IFRS Sustainability Disclosure Standards in the periods in which that relief is applied. This means that an entity must cautiously plan when it intends to stop using the reliefs, as it would be permitted to claim compliance only in the immediately preceding year.[56]

D2. When applying IFRS Sustainability Disclosure Standards for the first time, the reporting entity need not:

- publish its sustainability-related financial disclosures at the same time that it publishes its related financial statements;[57] and
- disclose comparative information.[58]

D3. Furthermore, climate-first transition relief in the IFRS Sustainability Disclosure Standards allows a reporting entity, in the first annual sustainability reporting period to make only climate-related sustainability-related financial disclosures (as specified in IFRS S2), i.e. one-year relief from making disclosures about its other sustainability-related risks and opportunities.[59] However, a reporting entity that uses this relief would still be required to apply the conceptual elements of IFRS S1 to its climate-related sustainability-related financial disclosures.

D4. Moreover, when applying IFRS S2 for the first time using climate-first transition relief, a Rwandan Institution need not disclose:

- comparative information;[60] and

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56 *For example, if an entity considers that it will only be able to generate Scope 3 GHG emissions data in year four, and it is otherwise compliant with the requirements of IFRS Sustainability Disclosure Standards now, it could claim compliance with the IFRS Sustainability Disclosure Standards in the current year (with the one-year relief) but would be prevented from claiming compliance in year two and three. In such circumstance, it would be better to first claim compliance in year three.*

57 *IFRS S1.E4*

58 *IFRS S1.E3*

59 *IFRS S1.E5*

60 *IFRS S2.C3 and IFRS S1.E6(a)*

- its Scope 3 GHG emissions[61] (this relief carries over to subsequent sustainability reporting in the form of relief from disclosing the comparative information[62]).[63]

D5. After the climate-first transition relief is used, in its next annual sustainability reporting period the reporting entity need not disclose comparative information for its other sustainability-related risks and opportunities, but it must disclose comparative information for only its climate-related sustainability-related financial disclosures.[64] However, it need not disclose comparative information for its Scope 3 GHG emissions if it elected not to disclose that information in the prior year.[65]

D6. Lastly, despite IFRS S2 requiring entities to use the GHG Protocol: A Corporate Accounting and Reporting Standard (2004), to measure GHG emissions (unless the entity is required by regulation to use a different measurement method), IFRS S2 allows an entity already using a different measurement method to continue to use that method in the first year it applies IFRS S2.

61 IFRS S2.C4(b)

62 IFRS S2.C5

63 In the unlikely event that, in the annual reporting period immediately preceding the date of initial application of IFRS S1, the reporting entity used a method for measuring its data emissions other than the Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standard (2004), it is permitted to continue using that other method (IFRS S2.C4(a)).

64 IFRS S1.E6(b)

65 IFRS S2.C5

Appendix E: Ongoing reliefs

E1. Because in particular circumstances IFRS S1 provides relief from disclosing information otherwise required by an IFRS Sustainability Disclosure Standard, a reporting entity is not prevented from claiming compliance with IFRS Sustainability Disclosure Standards when it omits material items of information because:

- law or regulation prohibits the reporting entity from disclosing that information provided it identifies the type of information not disclosed and explains the source of the restriction;[66],[67] and

- when disclosing information about a sustainability-related opportunity is commercially sensitive.[68],[69]

E2. Moreover, a reporting entity is not prevented from claiming compliance with IFRS Sustainability Disclosure Standards when it uses the practical expedients as specified in the Standards. The proportionality-based reliefs indicated in the table below are then explained further.

66 IFRS S1.B33

67 Note: this exemption does not extend to circumstances in which law or regulation merely permits the entity not to disclose such information.

68 IFRS S1.B34

69 Note: restrictions apply to the use of this exemption (see IFRS S1.B35 and B37), and when used alternative disclosures apply (see IFRS S1B36).

Table 7: Proportionality Mechanisms[70]

	Information used limited to what is reasonable, supportable and available without undue cost or effort	Qualitative approaches allowed if a company lacks skills, capabilities or resources
Determination of anticipated financial effects	Yes	Yes
Climate-related scenario analysis	Yes	Yes
Measurement of Scope 3 greenhouse gas (GHG) emissions	Yes	–
Identification of risks and opportunities	Yes	–
Determination of the scope of the value chain	Yes	–
Calculation of metrics in some cross-industry categories	Yes	–

E3. These proportionality-based reliefs include:

- undue cost or effort exemptions from locating all reasonable and supportable information that is available to the reporting entity at the reporting date to be used in:

o identifying sustainability-related risks and opportunities that could reasonably be expected to affect the reporting entity's prospects;[71,72]

o determining the scope of its value chain in relation to each sustainability-related risk or opportunity topic identified;[73]

o preparing disclosures about the anticipated financial effects of a sustainability-related risk or opportunity disclosure topic on the reporting entity's financial performance, financial position and cash flows;[74,75]

o using coterminous value chain GHG emissions data when measuring absolute GHG emissions along its value chain;[76]

o when selecting the measurement approach, inputs and assumptions it uses in measuring Scope 3 GHG emissions;[77]

70 *Source: IFRS Foundation, Voluntarily applying ISSB Standards—A guide for preparers, page 3*
71 *IFRS S1.12, B6(a) and B8-B10 and Basis for Conclusions on IFRS S1.BC14(a)*
72 *IFRS S2.11*
73 *IFRS S1.12, B6(b) and B8-B10 and Basis for Conclusions on IFRS S1.BC14(b)*
74 *IFRS S1.37(a) and B8-B10 and Basis for Conclusions on IFRS S1.BC14(c)*
75 *IFRS S2.18(a)*
76 *IFRS S2.29(a) and B19*
77 *IFRS S2.29(a), B39 and B54*

- o disclosing information relevant to the cross-industry metric categories of:[78]
    - ▪ climate-related transition risks—the amount and percentage of assets or business activities vulnerable to climate-related transition risks;
    - ▪ climate-related physical risks—the amount and percentage of assets or business activities vulnerable to climate-related physical risks;
    - ▪ climate-related opportunities—the amount and percentage of assets or business activities aligned with climate-related opportunities;
- o performing climate-related scenario analysis to assess its climate resilience;[79]
    - • using an approach that is commensurate with the skills, capabilities and resources that are available to the reporting entity, or could be built, in:
- o preparing disclosures about the anticipated financial effects of a sustainability-related risk or opportunity topic;[80],[81]
- o performing climate-related scenario analysis to assess its climate resilience;[82,83]
    - • using the 'unable to do so'[84] exemption from:
- o providing quantitative information about the current or anticipated financial effects of a sustainability-related risk or opportunity disclosure topic[85]; and
- o using a quantitative or technically sophisticated approach to climate-related scenario analysis without undue cost or effort.[86]

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78 *IFRS S2.30 and 29(b) – (d)*
79 *IFRS S2.22 and B1–B18*
80 *IFRS S1.37(b)*
81 *IFRS S2.18(b) and 20*
82 *IFRS S2.22 and B6*
83 *IFRS S2.22 and B1–B18*
84 *"...this concept is articulated through whether the current or anticipated financial effects are separately identifiable or whether the level of measurement uncertainty involved in estimating those effects is so high that the resulting quantitative information would not be useful." (Basis for conclusions on IFRS S1.BC9)*
85 *IFRS S1.38*
86 *IFRS S2.B6*

Appendix F: Addressing Identified Gaps

Timeline

F1. The successful implementation of IFRS Sustainability Disclosure Standards in Rwanda requires a phased approach that aligns with national priorities while integrating regional and global initiatives. Given the parallel developments among Rwanda's regional neighbours, as well as coordination efforts by the Pan African Federation of Accountants (PAFA) and development partners, Rwanda's Roadmap balances structured timelines with the flexibility required to participate in broader sustainability capacity-building efforts.

F2. ICPAR, under the leadership of the ISSBSC, will take the lead in implementing the actions required to address identified gaps.

F3. The phased adoption of IFRS Sustainability Disclosure Standards allows Rwanda to systematically address data and capacity challenges. Whilst a timeline needs to remain flexible to most efficiently align with regional and continental initiatives, the timeline below provides a framework that reflects both national priorities and the broader regional alignment to maximise cooperation and minimise duplication:

2025–2026

- Establish national sustainability data collection frameworks and initial alignment with regional data-sharing initiatives.
- Develop national guidance for application of IFRS Sustainability Disclosure Standards in Rwanda, with particular focus on dominant industries and Rwanda specific topics
- Initiate large-scale training programs for responsible officials in Group 1 Entities, maximising collaboration opportunities with regional partners and PAFA.
- Create dedicated sustainability reporting units within regulatory bodies to oversee implementation.
- Implement cross-border regulatory forums to participate in IFRS adoption programs across neighbouring countries.
- Form and provide support for peer collaboration groups within Rwanda, focussing

on either industry or specialisation groupings.

- Participate in developing regional and continental Q&A platforms for sustainability reporting, as proposed by PAFA and regional professional organisations (POAs).

2027-2028:

- Expand data infrastructure, including exploring the development of a regional data lake in collaboration with PAFA and development partners.
- Rollout mandatory assurance requirements for early adopters, aligned with the emerging ISSA 5000 standard.
- Participate in cross-border regulatory forums to participate in regional IFRS adoption programs.
- Encourage participation in regional forums.

2029-2030:

- Incorporate SMEs into the reporting ecosystem, enabling alignment with regionally developed tools and a simplified reporting framework.
- Progressively implement enforcement of IFRS sustainability disclosures for all entities.
- Implement and maintain ongoing regulatory peer learning and regional collaboration.
- Participate in a continent-wide Q&A platform for sustainability reporting, jointly developed by PAFA and regional professional organisations (POAs).

Development of Systems and Processes for Collecting and Reporting Sustainability Data

F4. To foster the availability of reliable and consistent sustainability data, ICPAR will:

- Participate in initiatives aimed toward developing a Sustainability Data Hub, integrating inputs from financial institutions, regulators, and corporate entities aligned with regional initiatives, driven by PAFA and development partners.
- Work with PAFA and neighbouring countries to develop sector-specific sustainability data reporting frameworks, leveraging efforts to develop common reporting tools and capacity building for industries such as banking, insurance, and manufacturing.

Training and Certification Programs for Key Stakeholders

F5. The Roadmap prioritises structured capacity-building efforts for corporates, auditors, regulators, and other key stakeholders, while also leveraging regional training initiatives:

Corporate Training Programs:

- Rwanda will launch comprehensive IFRS S1 & S2 training modules beginning in the second half of 2025, integrating materials developed through regional coordination efforts led by PAFA.

- A phased approach will be adopted, with early training focused on publicly accountable entities and second-tier entities, followed by tailored SME-focused training.

Auditor and Assurance Training:

- Rwanda will collaborate with PAFA and regional POAs to provide specialised training aligned with ISSA 5000 and international assurance standards commencing in 2026/2027.

- A formal accreditation system for sustainability assurance providers will be established through ICPAR, ensuring that local auditors are qualified to verify sustainability disclosures.

Certification Programs for Sustainability Professionals:

- Commencing in 2026, and in partnership with development partners and PAFA, ICPAR will co-ordinate the offering of certification programs for corporate sustainability officers and others involved in the preparation of sustainability reporting, ensuring recognition for individuals undertaking qualification programs.

Enforcement Strategy and Compliance Roadmap

F6. Given the interdependence of Rwanda's sustainability reporting landscape with regional initiatives, enforcement strategies will be phased and coordinated with neighbouring jurisdictions. The Roadmap includes:

  - A phased approach to penalties and compliance checks, ensuring sufficient lead time for companies to develop capacity and adopt best practices.

  - Pilot reporting for early adopters, allowing companies to submit voluntary disclosures before mandatory requirements take effect, providing regulators with the opportunity to refine enforcement mechanisms.

  - A sustainability-related financial disclosures compliance support mechanism, offering technical assistance, industry guidance, and peer-review mechanisms to support firms in meeting their sustainability disclosure obligations.

  - Harmonisation with regional corporate groups, recognising that multinational companies with operations in multiple East African countries will require aligned reporting structures to ensure consistency across jurisdictions.

Regional Cooperation and Alignment with International Initiatives

F7. Recognising that Rwanda's adoption of IFRS Sustainability Disclosure Standards is part of a broader regional shift, the Roadmap incorporates mechanisms for cross-border coordination, including:

- Regional harmonisation of IFRS implementation timelines, ensuring that Rwandan companies operating in multiple jurisdictions do not face conflicting reporting obligations.

- Collaboration with PAFA to develop shared resources, such as data lakes, Q&A forums, and industry-specific guidance documents.

- Development partner coordination, ensuring that funding and technical assistance initiatives are aligned to avoid duplication and maximise impact.

- Leveraging the history of cooperation among regional POAs, establishing working groups to address sector-specific reporting challenges and facilitate mutual recognition of sustainability assurance qualifications.

Appendix G: Members of the ISSBSC

Name	Represented Organisation	Role
Mr. Amin Miramago	**ICPAR**	CEO
Mr. Wilson Kaindi	**KPMG Rwanda**	Chair
Mr. Egide Clement Kabano Niyitegeka	**BDO East Africa**	Vice Chair
Mr. Felicien Muvunyi	**Garnet Partners**	Member
Mr. Ernest Chirwa	**PwC Rwanda**	Member
Mr.Emmy Claude Nizeyimana	**ICPAR**	Member
Ms. Christine Uwamahoro	**ICPAR**	Secretariat
Mr. Olivier Mugwaneza	**BNR**	Member
Ms. Carine Twiringiyimana	**CMA**	Member
Ms. Alice Iribagiza	**RSE**	Member
Mr. Alexis Muganza Mugisha	**FONERWA**	Member
Ms. Flora Uwamahoro	**MINECOFIN**	Member
Mr. Fabrice Ishimwe	**RDB**	Member
Mr. Pacifique Rurangwa	**RFL**	Member

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