

Sustainability and Climate Disclosure Guidance

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let's connect

JSE

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Federal Ministry
for Economic Affairs
and Climate Action



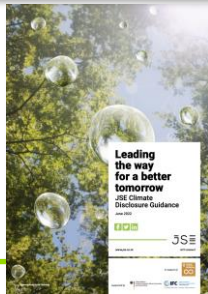
JSE Sustainability Disclosure Guidance and JSE Climate Disclosure Guidance

This Disclosure Guidance is voluntary.

It does not constitute disclosure or reporting obligations for issuers pursuant to the provisions of the JSE Listings Requirements.

Sustainability Advisory Committee – Representatives from:

- Association for Savings & Investment South Africa (ASISA)
- Batseta: Council of Retirement Funds for SA
- European DFI Network
- Financial Sector Conduct Authority (FSCA)
- Government Employees Pension Fund (GEPF)
- JSE Issuer Regulation and JSE Information Services
- Just Share
- King Committee
- National Business Initiative (NBI)
- National Treasury Director for Financial Stability
- National Treasury Climate Risk Forum Disclosure WG
- Public Investment Corporation (PIC)
- UN Global Compact Network SA
- Univ. of Pretoria: Albert Luthuli Leadership Institute



The Guidance has the following broad objectives

- Assist companies to *navigate the global sustainability/ESG landscape*, as global reporting standards arguably go through their most profound change since the 1930s
- Improve the quality of sustainability/ESG information available to enable more informed *investment decisions*
- Drive improved *sustainability performance and accountability, and encourage business leadership* in addressing some of South Africa's significant social and environmental challenges
- Assist issuers to *set the foundation* for what the direction of change is indicating

Narrative Disclosures and Standardised Sustainability Disclosures

Sustainability Narrative Disclosures

Governance

Describe the board's oversight of sustainability-related impacts, risks and opportunities, and its process for integrating sustainability issues into the overall governance approach.

Strategy

Describe how an assessment of sustainability-related impacts, risks and opportunities has influenced the organisation's strategy, and what impact this has had on the organisation's overall performance

Management

Describe how sustainability-related impacts, risks and opportunities are identified, assessed, and integrated into the organisation's management processes

Metrics, targets & performance

Describe the performance metrics and targets used by the organisation to measure, monitor, and manage its sustainability impacts, risks and opportunities, and its performance against these metrics and targets.

Standardised Sustainability Disclosures (Core and Leadership metrics)

Governance

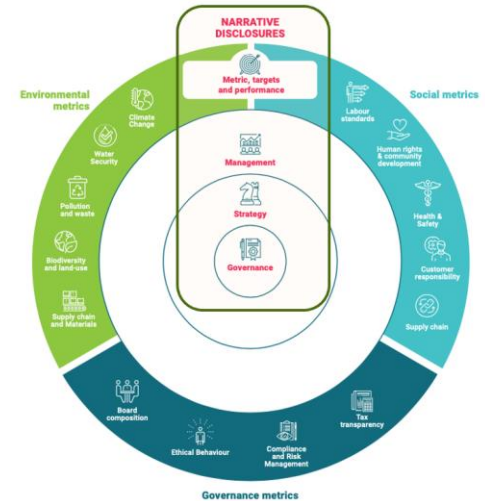
- Board composition
- Remuneration
- Ethical behaviour
- Compliance and risk management
- Tax transparency

Social

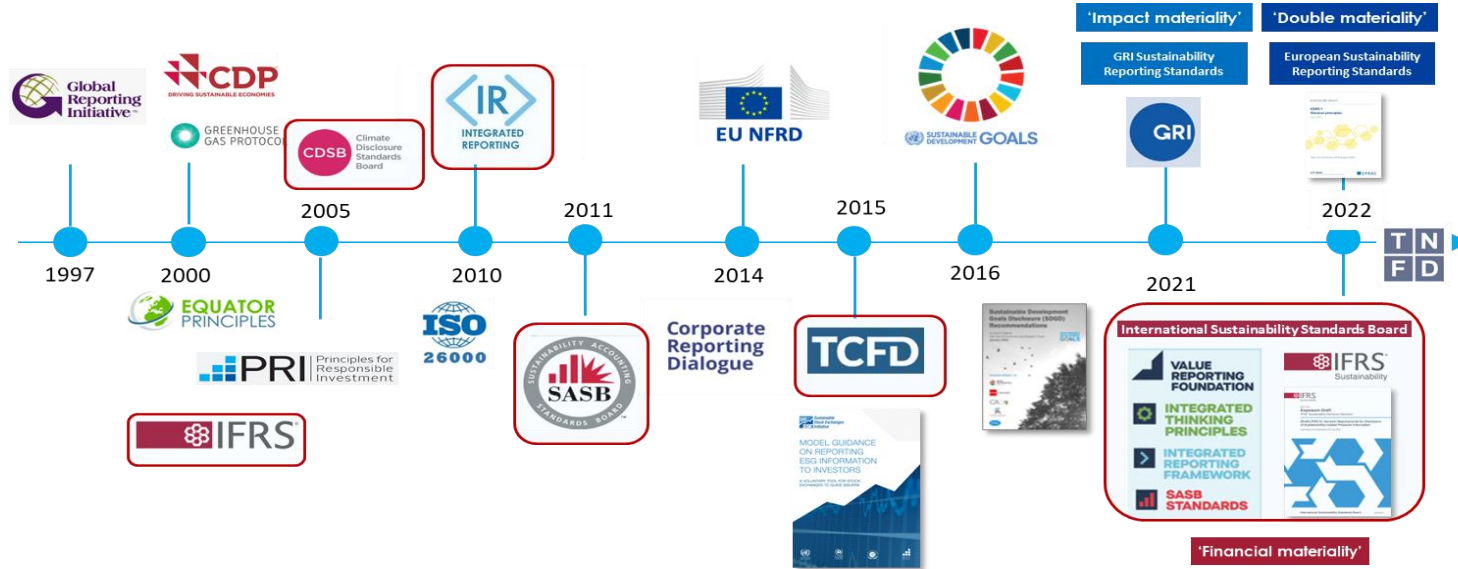
- Labour standards
- Community development
- Health and safety
- Customer responsibility
- Supply chain (Social)

Environmental

- Climate change
- Water security
- Biodiversity and land-use
- Pollution and waste
- Materials
- Supply chain and materials



We have seen significant consolidation in the last year



- Who is the **target audience**?
- What do they want to know?
- What is your approach to **materiality**?

Therefore, what standard or framework best suits your determination of what you are communicating and to who?

The JSE Guidance was informed by a global and local benchmark review...

Global disclosure standards and initiatives

SSE and WFE Guidance

Warsaw, London, Nasdaq, Hong Kong, Brazil, Australia, Malaysia, Singapore

Eight peer exchanges

In reviewing the global standards and exchange guidance

- ✓ We are not seeking a list of indicators that reconciles all this guidance – but rather to find **points of convergence**
- ✓ We are not assuming things are static – but rather to sense **the direction of change**
- ✓ We are not adding more boxes to tick – but working out which existing boxes are **useful to use in SA...** and why



Local disclosure requirements

- Employment Equity Act, 1996
- Broad-Based Black Economic Empowerment Act, 2003
- Companies Act, 2008
- Political Party Fund Act, 2018
- National Environment Management: Air Quality Act, 2004
- JSE Listings Requirements
- King IV

