

JSE ENVIRONMENTAL POLICY





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1. INTRODUCTION

The JSE is aware of its interdependence with its environment and, particularly at a time of growing concern about the environmental impact of non-sustainable social and business practices, of the need for the Group to play a role in nurturing its eco-system. To the exchange, this means starting by better managing its direct environmental impacts such as its consumption of limited resources and its production of waste, and endeavouring to influence broader change in the environmental practices of its clients, suppliers and other stakeholders as and where possible.

The JSE's single biggest indirect impact on its environment is its influence over listed entities' governance and ESG. This influence is effected through the JSE's Listings Requirements, which draw on King III and the SRI Index. *Refer to the JSE website for up to date significant initiatives and developments in which the JSE has been involved.*

The JSE has been a thought leader in the arena of promoting the need for businesses to look beyond purely financial measures and to measure themselves against criteria related to the 'triple bottom line'. Notably, the development and hosting of the internationally respected SRI (Socially Responsible Investment Index), and the research into climate change and carbon markets, has allowed for thinking beyond 'business as usual' to take root. The need to take concrete and forward thinking steps to reduce our own environmental impact thus becomes even more urgent. Although we are classified as a low impact company in terms of SRI classification we strive to go beyond compliance.

We take cognisance of the threat that global warming poses, and, whilst not our dominant objective, we consider the need to reduce our carbon footprint as being of key importance. We conducted a baseline assessment in 2010, using an external service provider to establish our carbon footprint. This assessment revealed that the biggest contributor is our scope 2 indirect emissions as a result of the purchase of electricity from Eskom (97%). Consequently any future reduction program will focus primarily on greater analysis and understanding of our use of energy combined with taking the necessary steps in implementing appropriate energy saving devices.

2. SCOPE

- This policy must always be viewed in the context of the JSE's long term and broader sustainability framework.
- This policy sets out the requirements for the JSE and its employees to conduct business in ways that have due regard to the protection and care of the environment with a focus on long-term sustainability.
- It thus aims to direct, define and consolidate all activities carried out by the JSE and its employees in a manner that takes due consideration of, and reduces our environmental impact.
- The JSE's complete operations are conducted at One Exchange Square, 2 Gwen Lane, Sandown, Sandton. This is also where all JSE employees are located.
- The content of this policy is applicable to all the divisions within the JSE.
- This policy will be reviewed on a regular basis, in line with the overall company sustainability strategy and framework.

3. ROLES AND RESPONSIBILITIES

3.1 JSE Board

The JSE Board recognises the importance of the JSE contributing towards the future and long term sustainability of our planet, as described in the introduction. Accordingly the management of the company's carbon footprint has been delegated to the Director: Corporate Services and Group Company Secretary who reports directly to the CEO, while



responsibility for the JSE's strategy and policies regarding the business case for sustainability sits with the Head of Sustainability who reports to the Director: Public Policy and Strategy. Both Directors mentioned above report to the CEO who reports to the Board.

3.1 JSE Management

JSE Management is responsible for

- Supporting and assisting with driving out applicable initiatives in their respective divisions; and
- setting the tone and enthusiasm for effective implementation

3.2 Sustainability framework

- The new framework was approved by the Executive management in August 2012.
- Various role players are tasked with the management of the areas of challenges identified in the framework. This approach is in line with integrating responsibility into the normal course of business.

4 PRINCIPLES

The actions that the JSE proposes to take will be planned and executed with the objective to 'reduce', 're-use', 're-cycle', 'respect' and 'repair'.

Activities, as outlined below, will consider direct environmental impacts, indirect environmental impacts, measurement, targets and reporting.

4.1 Direct environment impacts

4.1.1 Energy (key impact area)

- use energy optimally throughout the JSE building;
- focus on reducing IT energy use, through, inter alia, processes of virtualisation and the sourcing of less energy intensive equipment;
- determine the optimal use and decide if there is scope for reduction of energy use without severely impacting on the business operations; and

4.1.2 Water

- manage water consumption in the JSE building in order to reduce usage.

4.1.3 Pollution

- Strive to reduce all forms of water, land and air pollution, directly attributable to the JSE's operations

4.1.4 Paper

- Whilst currently engaging in the practice of recycling white paper, improve the practice to more acceptable levels;
- encourage the reduction of paper usage (encouraging employees to avoid printing if not necessary and to print using the double-sided, 2-page per sheet standard where possible);
- opting for on-line versions of reading material/reports etc. instead of printed material where possible; and
- Use re-cycled paper more widely.

4.1.5 Travel (key impact area)

- encourage all staff where feasible, and as far as possible, to reduce their impact on the environment by considering individual commuting improvements;

- restrict business travel to that which is necessary for optimal business operations;
- promote the use of tele- and video-conferencing to replace air or road travel where possible; and

4.1.6 Recycling

- actively encourage recycling activities both internally and externally; and
- encourage employee involvement in such activities.
- Implement recycling initiatives that are supported with quantitative data that indicate the contribution made towards reducing our footprint in this area.

4.2 Indirect environment impacts

4.2.1 Vendors and Suppliers

- communicate to vendors that those who are making a bona fide effort to reduce their environmental impacts, and indicate a similar concern for the environment, will be preferred; and
- where possible, switch to goods with as low an environmental impact as possible, immediately (e.g. cleaning materials, detergents, chemicals etc).

4.2.2 Customers and other stakeholders

- promote environmental friendliness through interactions with customers and neighbours; and
- collaborate with them on efforts where possible to increase awareness and, if appropriate, achieve economies of scale.

4.2.3 Education and Awareness (key impact area)

- provide all employees with continuous education and awareness that:
 - promotes the practices described in this policy;
 - encourages environmentally friendly attitudes and behaviours; and
 - not only achieves compliance with this policy, but also encourages employees and their families to contribute in their personal capacity too.

4.3 Measurement and Targets

- baseline carbon footprint calculated in 2010;
- continue with collection of data that will measure and monitor our ongoing impact on the environment with primary focus on our Scope 2 energy use; and
- set appropriate targets that reduce our impact over time.

4.4 Report to stakeholders

- on the direct environmental impacts made to the environment from our business operations;
- our aims, objectives and targets for reducing or eliminating our direct environmental impacts;
- our actual performance; and
- on ways in which we can influence 3rd party relations including but not limited supply chain, customers, etc.
- the above will be reported in our annual integrated report together with any supporting data be made available on our website