

Section 6 – Specialist Debt Securities/Entities

- 6.1 Securitisations
- 6.4 Other asset-backed debt securities
- 6.10 Sustainability segment

Sustainability segment

- 6.10 In these Debt Listings Requirements pertaining to the sustainability segment, unless the contrary intention appears, the following terms shall have the meanings assigned to them below:

“sustainability standards”	means the Green Bond Principles, the Social Bond Principles and Sustainability Bond Guidelines , as may be amended, issued and governed by ICMA or any other standard acceptable to the JSE, in its discretion in relation to the classification of sustainability instruments;
“sustainability instrument”	means an instrument that finances one or more green, sustainable and social projects and confirmed by an independent sustainability advisor the sustainability status pursuant to the sustainability standards;
“sustainability segment”	means the segment of the JSE’s Interest Rate Market where sustainability instruments are listed;
“independent sustainability advisor”	means an entity, removed and independent of the issuer, its directors, senior management and advisers, who has been appointed by the issuer confirming the sustainability or framework status pursuant to paragraph 6.14; and
“ICMA”	means the International Capital Market Association.

Placing document

- 6.11 Applicant issuers must appoint an independent sustainability advisor confirming to the JSE that the instrument or use of proceeds framework is classified as sustainable pursuant to the sustainability standards.
- 6.12 For sustainability instruments that comply with the sustainability standards, the placing document published in connection with the issue of these instruments must, over and above the information required as per Section 4, include the following additional information in order to qualify for the sustainability segment:
- (a) a statement as to the use of proceeds which explains how such proceeds will be managed and allocated to, **and how the issuer will report impact from** eligible sustainable, green or social projects pursuant to the sustainability standards;
 - (b) a report from an independent sustainability advisor. The report must confirm that the instruments are classified as sustainable, green or social pursuant to the sustainability standards; and
 - (c) the information required pursuant to paragraph 6.14 in relation to the independent sustainability advisor.

This information can also be incorporated by reference and must then be available on the issuer’s website. The information must be available on the website of the issuer at least five business days before the issue date.

Continuing obligations

- 6.13 Applicant issuers with instruments listed on the sustainability segment must:
- (a) comply with the Debt Listings Requirements and Section 7 in relation to continuing obligations;
 - (b) confirm that the instrument is classified as a sustainability instrument pursuant to the sustainability standards in its annual compliance certificate pursuant to Section 1;
 - (c) confirm that the independent sustainability advisor is and has remained independent pursuant to paragraph 6.14;
 - (d) publish any updates since the listing date, in relation to the disclosures made in the listing documentation in respect of the independent sustainability advisor's report; and
 - (e) comply with the sustainability standards on an ongoing basis. Applicant issuers who fail to comply with the sustainability standards on an ongoing basis, must report such non-compliance to the JSE in writing and must remedy the non-compliance within a period of 25 business days. Should the issuer fail to remedy the non-compliance, the sustainability instrument will either need to be redeemed and removed in accordance with Section 1, or reclassified and transferred to a more appropriate sector should the instrument remain listed.

Criteria for the independent sustainability advisor

- 6.14 The independent sustainability advisor responsible for issuing the report confirming that the instrument or framework is classified as sustainable pursuant to the sustainability standards must adhere to the below criteria and the applicant issuer must include this information in the placing document:
- (a) a statement by the applicant issuer confirming that an independent sustainability advisor has been appointed pursuant to paragraph 6.14;
 - (b) be an entity specialising in assessing the framework of the instruments' sustainability objectives, with sufficient financial and market-specific expertise to perform a comprehensive assessment of the use of proceeds. Such expertise is demonstrated by:
 - (i) affiliation with relevant and widely recognised industry bodies; and
 - (ii) significant and appropriate previous experience in providing external reviews on sustainability instruments.
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