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JSE Sustainability Disclosure Guidance

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Contents

A message from the JSE Group CEO

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Group CEO

Sustainable development and ESG are becoming key priorities of the global economy, and financial markets are increasingly reflecting this.

Over the course of its 134-year history, the JSE has evolved and developed in tandem with the market that it supports. The capital markets environment has shifted considerably over this period in response to changes and developments in the trading and regulatory sphere.

Investor interest in environmental, social and governance (ESG) issues continues to grow, placing business front and centre in driving the shift towards stakeholder capitalism. Within this, there is an exciting opportunity for stock exchanges to play a leading role.

The JSE recognises the need to create an enabling environment for better disclosure practices to thrive. As a business, ESG principles are closely aligned with the JSE's corporate objectives to grow shared prosperity.

The exchange has long been recognised for its pioneering role in promoting strong governance and sustainability/ESG disclosure globally, through its progressive listings requirements which incorporate the King Codes, and its introduction in 2004 of the Socially Responsible Investing (SRI) Index, the first such index owned by an exchange and the first of its kind in emerging markets. The JSE is a signatory to the UN-backed Principles for Responsible Investment (PRI), a member and past chair of the Sustainability Working Group of the World Federation of Exchanges (WFE), and is a founding member of the Sustainable Stock Exchanges (SSE) initiative. More recently, we took on the role of co-chair of the SSE Committee on Climate Disclosure Guidance, as well as co-chair of the Global Investors for Sustainable Development Alliance (GISD), and member of the Net Zero Service Providers Alliance (NZSPA).

The SSE (2015) and WFE (2018) have both produced ESG Guidance notes for exchanges to adapt to their context to help local issuers improve their disclosure. While the JSE has implicitly held requirements for sustainability disclosure through its links to the King Codes on corporate governance, there has been no prior detailed guidance to assist listed companies on sustainability/ESG reporting. This document provides that support and lays out the wide range of benefits to sustainability disclosure guidance.

We recognise the need for clear guidance that achieves the following:

1. To help local companies to navigate the rapidly changing ESG landscape;
2. To acknowledge and reflect South Africa's unique sustainability challenges;
3. To assist in driving improved ESG performance, accountability, and business leadership; and
4. To contribute to enhanced transparency and consistency.

In response to the rapidly evolving landscape of sustainability standards and frameworks, this guidance provides JSE-listed issuers with guidelines specifically tailored to the South African context, while being fully cognisant of global best practice. This Disclosure Guidance will serve as a foundation for further, topic-specific guidance. The first of these sub-topics is Climate Disclosure, which will be released alongside this document.

The JSE Sustainability Disclosure Guidance is aligned with the most influential global initiatives on sustainability/ESG and climate change disclosure – including the recently released IFRS Exposure Drafts on Sustainability-related Financial Information (IFRS S1) and Climate-related Disclosures (IFR S2), the Value Reporting Foundation's Integrated Reporting Framework, the GRI Sustainability Reporting Standards, and the Taskforce on Climate-related Financial Disclosures (TCFD) recommendations – as well as an extensive range of frameworks and standards (Annex 1) and the ESG guidance of various peer exchanges.

This Disclosure Guidance is not intended to replace any of these global initiatives, but rather seeks to help companies navigate the landscape of reporting standards without being onerous, and to provide explicitly for the South African context. This guidance document considers the many ESG metrics currently available and highlights those metrics that are generally well-established, universal, industry-agnostic and that we believe to be material in the South African context.

It is our hope that this guidance will be a valuable resource to issuers on the journey towards better disclosure and ultimately better action on sustainability.

I would like to thank our Chief Sustainability Officer, Shameela Soobramoney, and the Incite team led by Jonathon Hanks, for their work in supporting this guidance note. I would also like to thank the International Finance Corporation (IFC) for their support and expert technical input through their global network.

We look forward to working with our issuers and the broader ecosystem in encouraging the uptake of this guidance and working together to help achieve the aims of sustainable development.

Dr. Leila Fourie
Group CEO

JSE Guidance and Requirements: Understanding the distinction

This paper is issued as a guidance tool that may be used by issuers on a voluntary basis to:

- Assist local companies to navigate the global sustainability and ESG landscape
- Provide for South Africa's specific sustainability challenges
- Improve the quality of sustainability and ESG information available to enable more informed investment decisions
- Drive improved sustainability performance, accountability, and business leadership.

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

Introduction

Securities exchanges are uniquely placed to facilitate more efficient capital markets by properly pricing social and environmental risks through effective, consistent, and comparable sustainability and climate-related disclosure.

Globally and locally, companies are feeling increased pressure to improve their performance and disclosure on environmental, social and governance (ESG) and climate-related issues, and to demonstrate leadership in addressing social and environmental challenges. Increasing investor interest in ESG disclosure, coupled with the recent growth in sustainable finance instruments and the varying methodologies and indicators of ESG rating agencies and global reporting standards, has prompted calls for more consistent, comparable, and verifiable sustainability metrics and narrative disclosure.

In this context, the JSE welcomes the recent global initiatives aimed at ensuring greater convergence and harmonisation of sustainability reporting standards. The JSE believes that meaningful sustainability disclosure plays an important role in building resilient markets, helping to attract financial capital, and fostering greater accountability and improved business performance. We believe that locally listed companies and investors will benefit from the global activities – by the G20, G7, the European Commission, the Financial Stability Board, the IFRS Foundation, the Global Reporting Initiative (GRI), and others – towards developing a common baseline of international sustainability reporting standards. We are committed to ensuring that the disclosure practices of South African companies are aligned with these initiatives, and that the country continues to play an influential role in contributing to these developments.

To help local companies navigate the recent changes in the global reporting landscape, and to stimulate improved sustainability disclosure and performance, the JSE has developed this Sustainability Disclosure Guidance that is aligned with global expectations and best practice, and specifically tailored to the South African business context. It is intended that this Disclosure Guidance will serve as an umbrella for topic-related guidance as needed, with the first such guidance – on Climate Disclosure – being released at the same time.

Ensuring alignment: JSE Disclosure Guidance and recent global initiatives

The JSE Sustainability Disclosure Guidance and Climate Disclosure Guidance draw from and are broadly aligned with the following international initiatives on sustainability and climate change disclosure:

- The IFRS Exposure Drafts on Sustainability-related Financial Information (IFRS S1) and Climate-related Disclosures (IFRS S2), developed by the International Sustainability Standards Board (ISSB) and published in March 2022
- The Draft European Sustainability Reporting Standards, developed by the Project Task Force on European sustainability reporting standards (PTF-ESRS), published in April 2022
- The GRI's Sustainability Reporting Standards, developed by the Global Sustainability Standards Board (GSSB), published in 2021
- The standards and guidance in the Value Reporting Foundation's Integrated Thinking Principles, Integrated Reporting Framework, and SASB Standards
- The Climate Disclosure Standards Board (CDSB) Framework (recently consolidated, together with the Value Reporting Foundation, within the IFRS Foundation)
- The recommendations of the Task Force on Climate-related Financial Disclosure (TCFD)
- The Sustainable Development Goals Disclosure (SDGD) Recommendations
- The Sustainable Stock Exchanges Initiative (SSE) Model Guidance on Reporting ESG Information to Investors
- The World Federation of Exchanges ESG Guidance and Metrics
- The WEF's Measuring Stakeholder Capitalism metrics
- The ESG metrics developed by various peer exchanges globally

As outlined in Figure 1, these various global initiatives that inform the JSE Disclosure Guidance relate to one of three broad arenas for corporate disclosure on sustainability and ESG issues:

- **Sustainability reports and/or subject specific ESG-related reports** (for example on climate change, human rights or tax transparency) – focusing on the organisation's significant sustainability-related impacts
- **Integrated reports** – focusing on those sustainability issues that impact on the organisation's capacity to create value
- **Annual financial statements** – quantifying the extent to which sustainability issues have already impacted monetary amounts in the financial statements

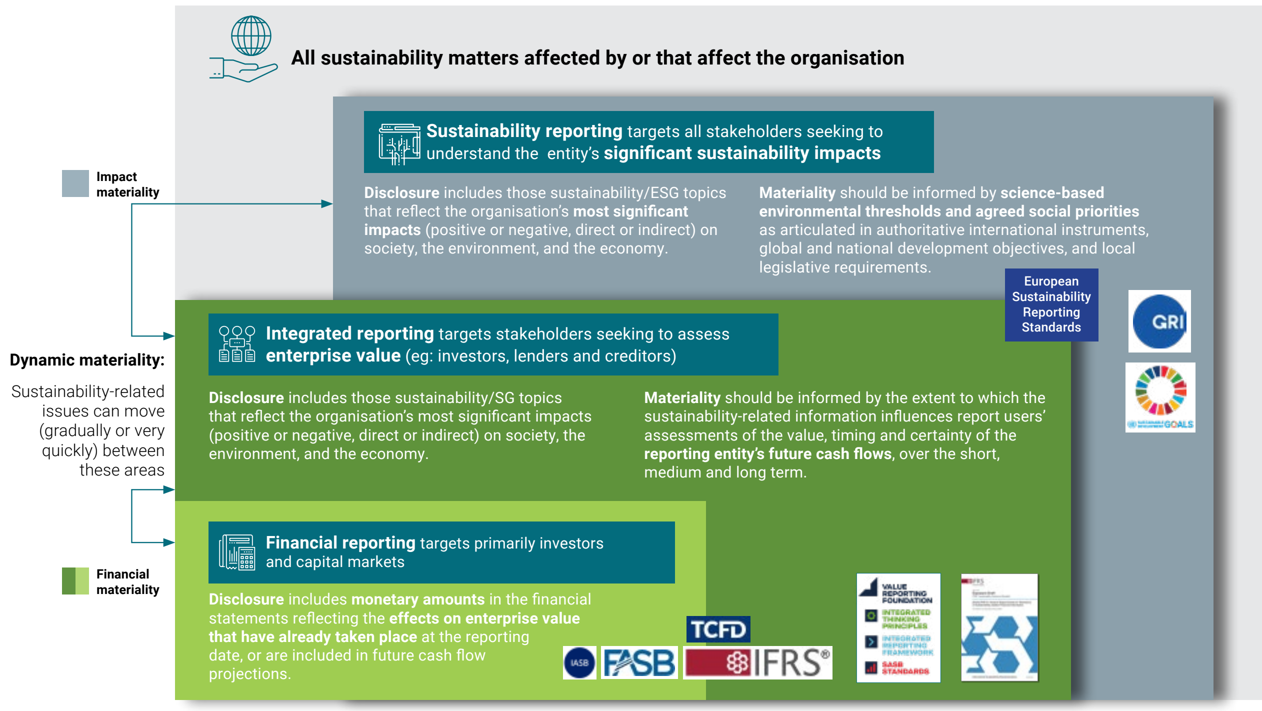
Each of the different global standards also have different approaches to materiality (see section 2.2). The recently released IFRS Sustainability Disclosure Standards and the TCFD recommendations, for example, focus explicitly on disclosure to inform an assessment of enterprise value ('financial materiality'), and are thus traditionally addressed in annual financial statements and, globally, in integrated reports as defined by the International <IR> Framework. The GRI's Sustainability Reporting Standards, by contrast, look at disclosure through the broader lens of the organisation's impacts on the people, the environment and the economy ('impact materiality'). The Draft European Sustainability Reporting Standards addresses both impact and financial materiality (known as 'double materiality').

In line with the King IV Code, the JSE's Sustainability Disclosure Guidance aims to improve the quality and availability of information both for investors – focusing on the sustainability-related risks and opportunities that affect the entity's financial performance (the 'outside-in' perspective) – as well as for stakeholders more broadly, covering disclosure on the reporting entity's significant impacts on the economy, society, and the environment ('inside-out').

The JSE Sustainability Disclosure Guidance is not intended to replace any of these global initiatives, but instead seeks to help companies navigate this very dynamic landscape of reporting standards, while also providing for the South African business context, legislative requirements, and specific socio-economic and environmental challenges.

An important aim of this Guidance is to chart a path through the complexity, identifying those elements that may reasonably be standardised and reducing the potential for duplicative reporting requirements. The guidance seeks to assist reporting entities, investors, and other stakeholders by identifying decision-useful metrics that are globally aligned – facilitating access to global markets – as well as being locally relevant.

Figure 1 – Global standards and different lenses for corporate sustainability disclosure



This diagram draws on: EFRAG (2021) *Proposal for a relevant and dynamic EU Sustainability Reporting Standard-Setting*; TRWG (2021) *General Requirements for Disclosure of Sustainability-related Financial Information Prototype*; and VRF (2021) *Presentation to Good Governance Academy Colloquium*

The JSE Sustainability Disclosure Guidance: Purpose and intended audience

At the heart of this Disclosure Guidance is the belief, firstly, that sustainability issues are material to enterprise value creation and increasingly provide valuable opportunities for commercial innovation, and secondly, that if we are to transition to a more sustainable economy – as outlined for example in the UN Sustainable Development Goals (SDGs) and the Glasgow Climate Pact – then organisations need to deepen their understanding and disclosure of their most significant social, economic, and environmental impacts.

As a conduit between issuers and investors, securities exchanges are uniquely placed to encourage and facilitate more transparent and efficient capital markets that generate long-term value. Transparency builds trust, which is critical to well-functioning markets. Effective corporate disclosure enhances internal management practice and enables meaningful accountability, both of which are critical drivers for improved sustainability performance.

This Disclosure Guidance aims to enable more useful, consistent, and comparable sustainability disclosure to inform better decision-making and action. To achieve this, the Guidance seeks to:

- help issuers navigate the rapidly evolving landscape of sustainability disclosure
- support the convergence of global reporting standards
- outline the business case for disclosing the organisation's sustainability governance and management practices and their performance on relevant ESG metrics
- stimulate interest in the innovation opportunities in sustainability challenges; and
- assist in contributing to the achievement of national and international sustainable development commitments and priorities, such as the National Development Plan and UN SDGs.

This Guidance avoids being prescriptive, and leaves responsibility for decision-making with the reporting organisation, particularly as regards the identification of material sustainability issues (see section 3.2).

The Sustainability Narrative Disclosures and the Standardised Sustainability Disclosures in Chapter 3 of this Disclosure Guidance are intended to inform any materiality processes that organisations use to inform the content of their various annual reports. The Guidance is designed to be helpful both for those companies with little or no experience in sustainability and ESG disclosure, as well as helping more experienced reporting companies to align with the recent very dynamic changes in global standards and international best practice.

While intended primarily to assist JSE-listed companies, this guidance will also be of value to institutional investors and the different entities that they invest in (including non-listed companies and debt issuers), as well as a range of stakeholder groups interested in sustainability disclosure and performance.

Investors are increasingly interested in sustainability issues as this pertains to all their investments, irrespective of whether they are large or small, equities or bonds, listed or unlisted, across all sectors. The JSE believes that the characteristics of high-quality disclosure and effective engagement with investors is broadly the same for all entities, whether it is a large publicly listed issuer with a long track record of reporting, a smaller company, a privately held business, or a debt issuer. All these different entities are encouraged to use these guidelines.

What is sustainability and why report on it?

Reflecting on the difference between 'sustainability' and 'ESG', recognising the business case for good disclosure, and identifying some of the significant recent developments behind the growing covergence in sustainability disclosure standards and initiatives.

How might an organisation approach sustainability disclosure?

Identifying seven key questions to inform an effective reporting process, understanding materiality for the purposes of sustainability-related disclosure, and listing a set of core principles aimed at enhancing the quality and presentation of the sustainability information that is disclosed.

What sustainability information should a company disclose?

Providing a detailed set of Narrative Disclosures and Standardised Sustainability Disclosures (Core and Leadership) informed by a thorough review of global and national sustainability disclosure expectations and emerging best practice, with provision for South Africa's specific business context and developmental challenges.

Annexes

Referencing global and regional standards and frameworks; comparing the JSE Guidance with the IFRS Sustainability Disclosure Standards and European Sustainability Reporting Standards; and providing a glossary of key terms.

01

What is sustainability and why report on it?

1.1 What is sustainability and ESG?

The concepts of 'sustainability' and ESG (environmental, social and governance) often mean different things to different people. Despite the terms increasingly being used by investors, companies, standards setting bodies, and academics, there is no clear agreement on the exact scope of each of these terms.

For many companies, practitioners and standards setting bodies, ESG and sustainability are seen as interchangeable concepts. In the London Stock Exchange's Guide to ESG Reporting, for example, the stock exchange recognises that "many companies use 'sustainability', 'corporate responsibility' or 'corporate social responsibility' to refer to strategies or programmes related to environmental, social or governance (ESG) activities". While the LSE states that they "make no particular recommendation concerning which term to use", for the purpose of their guidance, the LSE chooses to use ESG "as it has become a commonly-used investment term." Significantly, the LSE's guidance has a strong investor focus, identifying material ESG issues as those that influence the economic decisions of shareholders.

The view of ESG as being primarily about 'enterprise value' is widespread in the investment community. As the International Organization of Securities Commissions (IOSCO) puts it: "ESG ratings, rankings and scorings serve the same objective, namely the assessment of an entity, an instrument, or an issuer's exposure to ESG risks and/or opportunities." This focus on enterprise value is at the heart of the IFRS Exposure Drafts on Sustainability-related Financial Information (IFRS S1) and Climate-related Disclosures (IFRS 2), published by the International Sustainability Standards Board (ISSB) in March 2022. Whether the term 'ESG' is necessarily limited to a focus on enterprise value might be up for debate, but there is a strong case to be made that this is how it is predominantly applied, certainly in the investment sector.

'Sustainability' – a concept with a longer history than ESG, dating back at least to the Brundtland report in 1987 – takes a much broader focus, and recognises the need to drive systemic change in achieving a more equitable society and economy that operates within ecological boundaries. This understanding of sustainability focuses on an organisation's impacts on society, the environment, and the economy (on 'people, planet and prosperity') enabling an assessment of the organisation's contribution toward global commitments such as the UN SDGs. This approach informs the work of the GRI's Sustainability Reporting Standards developed by the Global Sustainability Standards Board, and is also evidenced in the draft European Sustainability Reporting Standards and the EU's Sustainable Finance Regulation, which defines 'sustainable investment' as "an investment in an economic activity that contributes to an environmental objective . . . or a social objective . . . (such as) tackling inequality, or that fosters social cohesion, social integration, and labour relations." King IV similarly makes it clear that "sustainable development is not confined to individual matters, such as the economic viability of the organisation."

In line with the approach adopted by the King IV Code, the JSE's Sustainability Disclosure Guidance aims to improve the quality and availability of information both about the sustainability-related risks and opportunities that affect the organisation's financial performance, as well as information about the organisation's impacts on people, the environment, and economy. As outlined in Figure 1 (page 5), this Guidance, is thus intended to inform disclosure for the purposes of annual integrated reports, sustainability/ESG reports, and annual financial statements.

Growing stakeholder and investor interest in sustainability performance and disclosure

Although sustainability and ESG issues are sometimes referred to as 'non-financial', these issues clearly contribute to financial value in various ways. Effective sustainability responses can:

Protect value – through initiatives taken in response to material social, environmental and governance risks

Create value – by stimulating innovation in response to sustainability challenges, delivering profit-led environmental or social benefits, at scale

Enable value creation – for example by encouraging collaboration with peers (including competitors) and/or regulators to address systemic sustainability risks to the broader market ecosystem

As sustainability pressures continue their anticipated upward trend, an organisation's sustainability policies, practices and performance will increasingly impact directly on the organisation's value. Given the systemic nature of many ESG risks, an organisation's efforts will impact indirectly on other organisation's opportunities to create value. An organisation's ability to communicate its sustainability performance more effectively – and investors' ability to track this better – will be increasingly important for informed decision-making.

THE UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS (SDGs)

There is increasing appreciation in both the business and investment communities regarding the commercial significance of sustainable development and the 17 SDGs. Adopted by all United Nations member states in 2015, the 17 UN SDGs provide the blueprint for a more sustainable future by tackling some of the biggest and most urgent global challenges, such as poverty, inequality, climate change and environmental degradation. The private sector is recognised as having a significant responsibility to use their global reach and innovative potential to make a meaningful contribution to achieving the SDGs. Companies can measure and report their impacts in relation to the SDGs and implement new ideas that improve the business, reducing their footprint and minimising overall negative impacts. Companies can also use the SDGs as inspiration, and design criteria for new product development and business process innovation, developing profitable products and services that contribute to solving global social and environmental challenges. Ideally companies should use a structured strategy review process to identify the priority SDGs where they can make a meaningful contribution through their core business activities, rather than simply retrofit their reporting to provide for the SDGs.

SDG 12 encompasses target 12.6, which "encourage(s) companies, especially large and transnational companies, to adopt sustainable practices and to integrate sustainability information into their reporting cycle." Governments are required to report the numbers of sustainability reports submitted on an annual basis, as required in SDG indicator 12.6.1. The need for accountability of companies' direct contribution to sustainable development is consistent with a rising interest among investors to understand sustainability performance in the context of broader social and environmental outcomes.

A new kind of financial instrument (sustainability-related finance) is ganing traction, including as part of the efforts to achieve national commitments under the Paris Agreement. Both corporate issuers and investors are moving beyond green bonds and loans, broadening the scope of sustainable finance to align with the need to integrate sustainability in the core management and governance of companies. This follows closely on the heels of national and regional initiatives to develop taxonomies for green finance, such as the EU Sustainable Finance Taxonomy[1] and South Africa recently published a Green Finance Taxonomy.[2] Indications from the EU, G7 and G20 are that financial institutions will be increasingly encouraged to invest in the 'transition' space, but to do so in a rigorous manner requiring evidence of robust sustainability risk management practices. Given this context, there is seen to be valuable potential for JSE listed companies to use this Disclosure Guidance to leverage this opportunity.

[1] *Taxonomy: Final report of the Technical Expert Group on Sustainable Finance.*

[2] *https://sustainablefinanceinitiative.org.za/taxonomy.*

1.2 Why report on sustainability: The business case for good disclosure

Done properly, sustainability disclosure can result in valuable benefits for the reporting organisation. The extent to which these benefits are realised depends significantly on the effectiveness of the organisation's reporting process, and on the quality of the disclosure in the report. (In section 2.4 we present a set of disclosure principles aimed at strengthening the quality of sustainability-related disclosure).

The Sustainable Stock Exchanges Initiative has identified the following suggested benefits of effective sustainability disclosure:[3]

Enhancing access to capital

- Demonstrating effective management of material sustainability risks and opportunities can enhance the ability to attract capital and secure more favourable financing conditions.

Driving profitability and growth

- Generating increased financial value for the company by identifying opportunities for cost savings, revenue generation and risk mitigation.
- Prompting innovation and enhancing market differentiation and competitiveness, by creating a deeper understanding of stakeholder needs.
- Enabling strengthened management and board scrutiny of sustainability opportunities and risks and promoting greater company-wide alignment on goals.

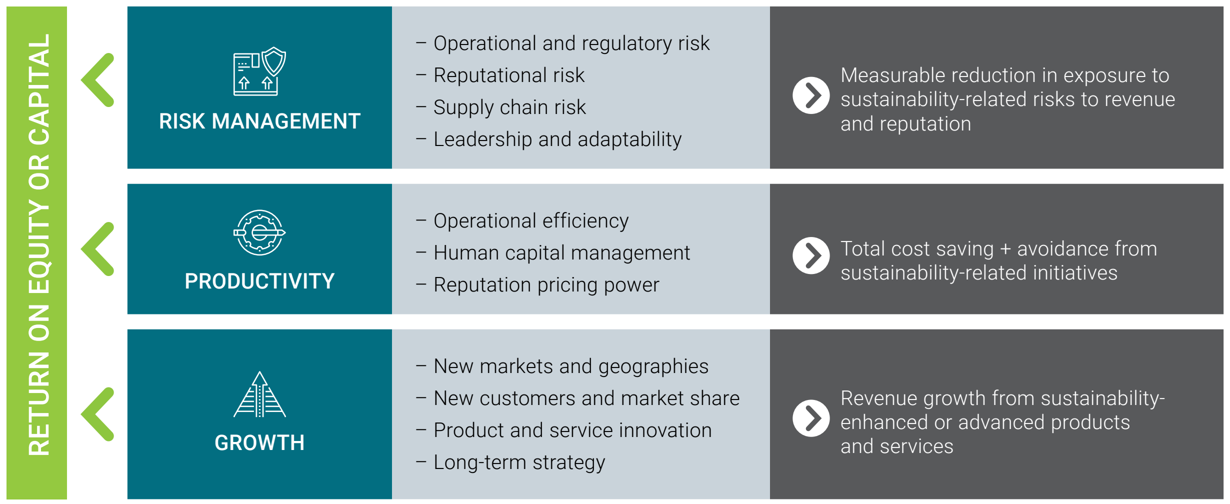
Improving compliance and risk management

- Addressing mandatory reporting requirements on financially material factors and mitigating compliance risks related to financial disclosure obligations.
- Helping the company stay ahead of emerging sustainability disclosure regulations, as well as enhancing its ability to comply with sustainability performance requirements more broadly.
- Protecting the company's licence to operate by demonstrating corporate transparency and responsiveness to stakeholder needs.

Enhancing corporate reputation and stakeholder relationship

- Demonstrating corporate commitments to responsible management of environmental, social, and economic impacts.
- Exhibiting corporate adherence to industry ethical standards and national and international frameworks on corporate sustainability and sustainable development.
- Enhancing corporate reputation by improving stakeholders' perception of a company through reporting-related stakeholder engagement.
- Improving employee perception of the company, helping to attract, retain, motivate, and align new and existing employees.
- Ensuring that key stakeholders have the relevant information needed to make informed decisions about the company's ability to create value in the short, medium, and longer term.
- Enhancing the flow of relevant information between the board and management.

Figure 2 – Value drivers for enhanced sustainability performance and disclosure[4]



[3] *Sustainable Stock Exchanges Initiative (2015) Model Guidance on Reporting ESG Information to Investors.*

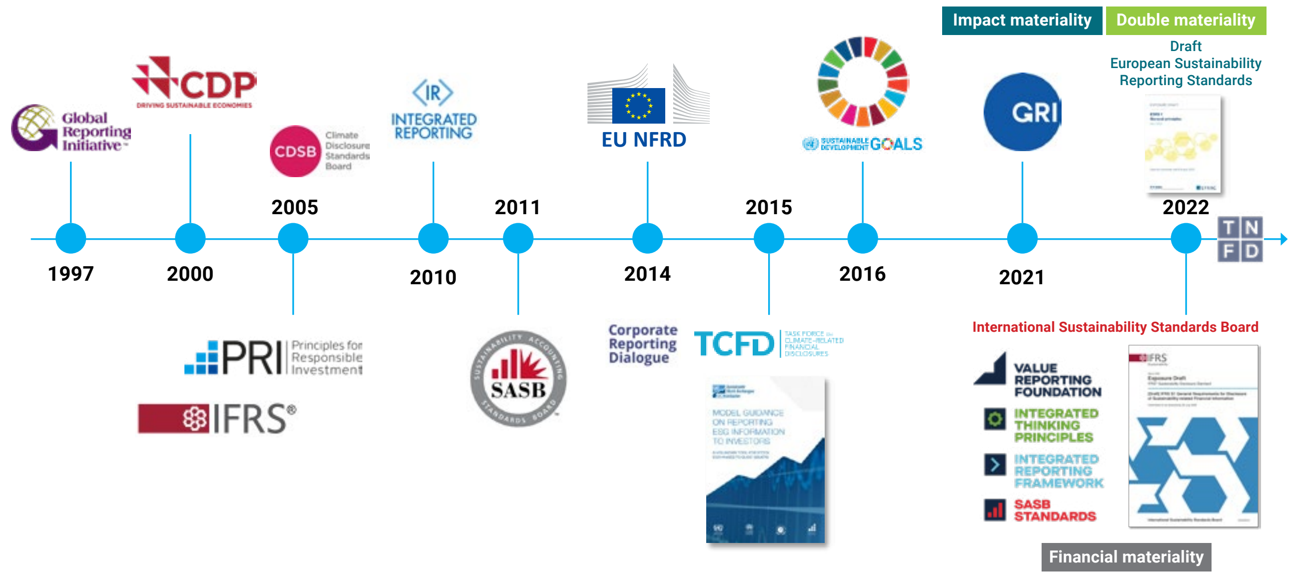
[4] *Derived from the UN Global Compact value driver model (https://www.unglobalcompact.org/library/811), as presented in GPW (2021) ESG Reporting Guidelines.*

1.3 Growing convergence in sustainability-related disclosure frameworks and standards

In the last two years there have been some profound developments in the global sustainability reporting landscape, leading to greater convergence in sustainability disclosure frameworks and standards, and a move from a largely voluntary application regime towards more mandatory reporting.

- In September 2020, the five leading voluntary framework- and standard-setters on sustainability- and climate-related disclosure – **CDP**, the Climate Disclosure Standards Board (**CDSB**), the Global Reporting Initiative (**GRI**), the International Integrated Reporting Council (**IIRC**), and the Sustainability Accounting Standards Board (**SASB**) – committed for the first time to work towards a joint vision.[5]
- On 5 October 2021, the GRI launched the GRI Sustainability Reporting Standards, developed to "enable an organisation to publicly disclose its ***most significant impacts*** on the economy, environment, and people, including impacts on their human rights, and how the organisation manages these impacts";[6] these are an important evolution on the GRI Sustainability Reporting Guidelines that have been in place in various iterations since August 2002.
- In June 2021, the IIRC merged with the SASB to form the Value Reporting Foundation (**VRF**), "designed to help businesses and investors develop a shared understanding of ***enterprise value***."[7]
- On 3 November 2021, the IFRS Foundation announced the following:[8]
  - The formation of the International Sustainability Standards Board (**ISSB**) "to develop—in the public interest—a comprehensive global baseline of high-quality sustainability disclosure standards to meet ***investors' information needs***"
  - The publication of two prototype climate and general disclosure requirements developed by the Technical Readiness Working Group (**TRWG**), a group formed by the IFRS Foundation to undertake preparatory work for the ISSB; the prototypes reflected six months of joint work by the CDSB, the International Accounting Standards Board (**IASB**), the Financial Stability Board's Task Force on Climate-related Financial Disclosures (**TCFD**), the VRF, and the World Economic Forum (**WEF**), supported by the International Organization of Securities Commissions (**IOSCO**). The TRWG consolidated key aspects of these organisations' content into a unified set of recommendations for consideration by the ISSB
  - The proposed consolidation of CDSB and VRF (housing the <IR> Framework and SASB Standards) by June 2022
- On 24 March 2022, the **IFRS Foundation** and GRI announced a collaboration agreement under which their respective standard-setting boards, the **ISSB** and the Global Sustainability Standards Board (**GSSB**), will seek to coordinate their work programmes and standard-setting activities. The intended purpose of the two organisations working together is to "provide two 'pillars' of international sustainability reporting – a first pillar representing ***investor-focused capital market standards*** of IFRS Sustainability Disclosure Standards developed by the ISSB, and a second pillar of GRI Sustainability reporting requirements set by the GSSB, compatible with the first, and designed to meet ***multi-stakeholder needs."***[9]
- On 31 March 2022, the ISSB issued Exposure Drafts of the IFRS Sustainability Disclosure Standards – *IFRS-S1 General Requirements for Disclosure of Sustainability-related Financial Information*, and *IFRS-S2 Climate-related Disclosures* –published in response to "calls from primary users (investors, lenders and other creditors) of general purpose financial reporting for more consistent, complete, comparable and verifiable sustainability-related financial information to help them assess an entity's ***enterprise value***."[10]
- On 29 April 2022, the European Financial Reporting Advisory Group (**EFRAG**), published the first set of draft European Sustainability Reporting Standards (**ESRS**), specifying disclosure requirements for the purposes of sustainability reports issued in accordance with the draft Corporate Sustainability Reporting Directive (**CSRD**); the standards adopt a ***'double materiality'*** approach, in terms of which a matter should be included in a sustainability report "if it is material from either the impact perspective or the financial perspective or both perspectives."[11]
- On 25 May 2022, the IASB and ISSB announced their plans for the role, governance, and development of the Integrated Reporting Framework, noting that the Framework "drives high-quality corporate reporting and connectivity between financial statements and sustainability-related financial disclosures which improves the quality of information provided to investors."[12]

Figure 3: Emergence and convergence of global sustainability and climate-related disclosure standards[13]



[5] *Impact Management Project (2021) Statement of Intent to Work Together Towards Comprehensive Corporate Reporting (Sept 2020).*

[6] *GRI (2021) Consolidated Set of the GRI Standards 2021 (page 6).*

[7] *Value Reporting Foundation (2021) IIRC and SASB form Value Reporting Foundation Press Release (9 June 2021).*

[8] *Value Reporting Foundation (2021) IFRS Foundation announces International Sustainability Standards Board, consolidation with CDSB and VRF, and publication of prototype disclosure requirements Press Release (3 November 2021).*

[9] *IFRS (2002) IFRS Foundation and GRI to align capital market and multi-stakeholder standards to create an interconnected approach for sustainability disclosures (24 March 2022).*

[10] *IFRS (2022) [Draft] IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information (page 5).*

[11] *EFRAG (2022) [Draft] ESRS 1 General Principles (page 12).*

[12] *IFRS (2022) Integrated Reporting – articulating a future path Press release (25 May 2022).*

[13] *Diagram based on various similar source documents, developed internally for JSE.*

02

How might an organisation approach sustainability disclosure?

2.1 Elements of an effective reporting process

The design and implementation of an effective reporting process typically involves considering seven key questions by the reporting organisation:[14]

MOTIVATION: ***What is the purpose of the report?***

Be clear from the start on the purpose of the report as this will inform the approach. Is it simply to ensure compliance with listing requirements, is it intended to be a frank disclosure informing investors of the company's long-term strategy for value creation, or is it intended to review the organisation's impacts on sustainability?

MARKET: ***Who is the intended audience for the report?***

For a report to be effective, it's important to be clear which priority stakeholder group/s the organisation is seeking to inform and influence through its disclosure, and what their specific interests are regarding the organisation's disclosure. It is suggested that it is not useful or effective for the organisation to attempt to address all the information needs of all its stakeholders in one report.

MATERIALITY: ***What is of material interest to the target audience?***

Having a clear understanding of the purpose of the report, and the target audience, is essential in identifying what information to include in the report. If targeted at investors, the primary focus will be on enterprise value and it will thus include those sustainability issues impacting the organisation ('financial materiality'). If it's targeted at those stakeholders interested in the organisation's social and environmental impacts, then it will have much broader coverage of its sustainability impacts ('impact materiality').

MEDIUM: ***What reporting format will work best for the target audience?***

The purpose and audience will also inform the preferred reporting format. In some instances, the means of disclosure will not be in the form of a traditional report, but may include direct engagements, marketing documents, or electronic media.

MEANS: ***How will the reporting process be managed and integrated across the business?***

While reporting provides decision-useful information for stakeholders, the process of compiling the information can be used to strengthen internal reporting systems and inform strategic goals, shape the business model, and assist in identifying risks and opportunities. For these opportunities to be realised, there needs to be clarity on the internal process and responsibilities, ensuring that this is properly integrated across the organisation and not managed in silos.

MEASUREMENT: ***Does the data support the report?***

Better data can lead to better decision-making and performance; it is important to have the right internal systems in place to collect and disseminate concise, reliable, and complete data. Rather than creating entirely new channels, organisations should seek as far as possible to use existing internal management and systems.

MONITORING: ***Has the integrity of the data been assured?***

Reports are generally more credible when they are supported by robust internal assessment processes involving existing internal audit, risk, and data control verification systems. Properly managed, external assurance provides a hugely valuable independent oversight and advisory function on an organisation's internal data gathering, management and disclosure activities, and it can contribute to an added degree of trust, credibility, and recognition among external stakeholders. It is important to recognise, however, that while third-party assurance is usually valuable in strengthening internal sustainability reporting systems and enhancing the credibility of reports, organisations should not use any concerns regarding the (perceived or actual) cost of assurance as a reason not to report; it is better to start reporting with no or little assurance, than to not start reporting at all.[15]

[14] *Incite (2006) Presentation to University of Cambridge Institute for Sustainability Leadership (CISL) BSP Executive programme.*

[15] *Sustainable Stock Exchanges Initiative (2015) Model Guidance on Reporting ESG Information to Investors (page 18).*

2.2 Understanding materiality

For the purposes of corporate reporting and disclosure, information is material if omitting, misstating, or obscuring that information could reasonably be expected to influence decisions that the targeted report-user makes about the specific reporting organisation, based on that reported information.

To determine what sustainability-related information is material, the reporting organisation needs to consider which stakeholders they are targeting for the report (audience), and how these stakeholders are planning to use this information (purpose).

The recent significant developments in global reporting frameworks and standards (see section 1.3 on page 14) have helped to clarify the purpose and audience of different types of annual reports, distinguishing between reports that focus on providing information that is useful to assess enterprise value ('financial materiality'), reports that address the organisation's impacts on people, the environment, and the economy, ('impact materiality'), and reports that seek to do both ('double materiality').

The result of these developments is that there are now two 'pillars' of sustainability-related disclosure being proposed:[16]

- investor-focused reports, informed by the proposed capital market standards of the IFRS Sustainability Disclosure Standards (which incorporate and build on the earlier work of the IIRC, SASB, CDSB and TCFD), and that use 'financial materiality' to determine what is included in the report; and
- multi-stakeholder reports, such as sustainability reports informed by the GRI Standards, where 'impact materiality' determines the content of reports aimed at a broader range of stakeholders, including regulators, civil society organisations, and some investors; the draft European Sustainability Reporting Standards also adopt a multi-stakeholder approach for sustainability reporting, but explicitly with a 'double materiality' perspective.

While all investors fall into the first category (hence the IFRS Exposure Drafts' focus on financial materiality), an increasing number of investors – which could include impact investors, and those investors aligned with the Principles for Responsible Investment – are considering both 'financial' and 'impact' materiality.

As the context changes, sustainability information deemed material from an impact perspective might become material from a financial perspective. This could result from an internal shift in the reporting organisation (for example, the company finds an innovative way to scale a social investment initiative by linking it directly to the core business and profit formula), or it might be the result of an external shift (such as the introduction of a carbon or a sugar tax that internalises a cost that had previously been passed on to society, and not directly impacting enterprise value). The fact that matters can move between these categories - either gradually or very quickly - is called "dynamic materiality".

MATERIALITY: MEETING THE INFORMATION NEEDS OF THE REPORT USER

Standard setters have provided diverse perspectives on the issue of materiality for the purposes of an organisation's sustainability disclosure, reflecting the different intended purpose and outcome of the standard setting organisation. None of these definitions are either 'right' or 'wrong': it is the intended purposes and audience of the report that defines which of these definitions might be more appropriate than the others.

- **The International Accounting Standards Board** defines 'material' information as that which, if omitted, misstated, or obscured, could influence the economic decisions of readers relying on the financial statements.
- **The Value Reporting Foundation's Integrated Reporting Framework** suggests a matter is material if it "substantively affects the organisation's ability to create value over the short, medium and long term."
- **The, IFRS Sustainability Disclosure Standard IFRS S1** maintains that sustainability-related financial information is material "if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that the primary users of general purpose financial reporting make on the basis of that reporting, which provides information about a specific reporting entity."
- **The GRI's 2021 Sustainability Reporting Standards** suggests that a sustainability topic is material when it "represents the organisation's most significant impacts on the economy, environment, and people, including impacts on their human rights."

As sustainability disclosure, investing and activism matures, stakeholders are likely to fine-tune their own materiality lens. A non-profit shareholder activist organisation, for example, would be interested in double materiality, while an environmental rights organisation might primarily focus on impact materiality. Even if they do not overtly position as 'responsible investors', diversified and institutional investors who prioritise the total value of the portfolio over that of an individual company may choose to broaden their focus to double materiality. This is because externalities of individual

[16] *See for example: IFAC (2021) How Global Standards Become Local – using the sustainability building blocks (6 May 2021) and IFRS (2002) IFRS Foundation and GRI to align capital market and multi-stakeholder standards to create an interconnected approach for sustainability disclosures (24 March 2022).*

companies that are not explicitly linked to regulatory or reputational risk may raise the level of systemic risk, that is inherent to the entire market. Inequality and climate change are examples of systemic risks – most businesses in KwaZulu-Natal were impacted (directly or indirectly) by the violent protests that erupted in the province in July 2021 and by the significant storm events in April 2022. Where systemic risk is a concern, a broader materiality lens is prudent.

While debates continue, there is evident convergence around the key materiality lenses informing sustainability/ESG disclosure (see Figure 1 on page 5). As noted earlier (see section 1.3), in March 2022, the IFRS Foundation and GRI announced a collaboration agreement in terms of which their respective standards- setting bodies – the International Sustainability Standards Board (ISSB) and the Global Sustainability Standards Board (GSSB) – will seek to coordinate and ensure compatibility in their standard-setting activities, working within the two pillars of *investor-focused capital market standards* (led by the IFRS Sustainability Disclosure Standards) and the GRI's Sustainability Reporting Standards *designed to meet multi-stakeholder needs*.[17]

Since this collaboration agreement was signed, the European Financial Reporting Advisory Group (EFRAG) has published the draft European Sustainability Reporting Standards (ESRS), aimed at meeting multi-stakeholder needs, and adopting a 'double materiality' approach for the purpose of sustainability reports issued in accordance with the draft Corporate Sustainability Reporting Directive (CSRD).

The JSE's Sustainability Disclosure Guidance is intended to provide guidance for both these 'pillars' of sustainability-related disclosure, covering sustainability information that is targeted specifically for investors (in line with the IFRS Sustainability Disclosure Standards and the requirements of the International <IR> Framework), as well as information for a broader range of stakeholders, informed for example by the GRI and ESRS. The choice rests with organisations as to how to communicate this information most effectively to their different stakeholders, informed by management's determination of the intended audience and purpose of their various corporate reports.

MATERIALITY DISCUSSIONS: MAKING SENSE OF THE ORGANISATION'S INTERFACE WITH SUSTAINABILITY MATTERS

In a materiality discussion, executives – those charged with running the organisation – are generally expected to reflect at a high-level on those sustainability/ESG matters that are decision-useful for their stakeholders now and in the foreseeable future. Providing insights on emerging issues demonstrates an organisation's consideration of weak signals, which becomes increasingly important in a complex environment.

Companies that wish to improve their ability to navigate complexity might use AI-enhanced data to increase their ability to detect weak signals. They might also find more effective ways to tap the collective insight of their teams. Cognitively diverse teams (comprised of people who think and see things differently) access more extensive networks, which increases their sensing capability within a highly interconnected environment. This is one reason why diverse teams are important for competitiveness – and shows how diversity may be relevant to both financial and impact materiality.[18]

[17] *IFRS (2002) IFRS Foundation and GRI to align capital market and multi-stakeholder standards to create an interconnected approach for sustainability disclosures (24 March 2022).*

[18] *These and other insights on sense-making in complex environments are shared by The Cynefin Company at: https://cynefin.io/wiki/Main_Page.*

2.3 Different reporting formats

There are various reporting formats for disclosing sustainability information. The chosen format of the report depends on the report's purpose and its intended target audience. King IV Recommended Practice 10 (Principle 5) states that "the governing body should approve management's determination of the *reporting frameworks (including reporting standards)* to be used, taking into account legal requirements and the intended *audience* and *purpose* of each report" (emphasis added). Recent developments in global reporting frameworks and standards have helped to clarify the purpose and audience of different types of annual reports.

Integrated Report

Integrated reporting came to global prominence with the establishment of the International Integrated Reporting Council (IIRC) in 2010 and the publication of the International <IR> Framework in 2013. The IIRC was established with the specific aim to "improve the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital".[19] Integrated reporting, as defined in the International <IR> Framework, has a very specific purpose and audience: to explain to providers of financial capital how an organisation creates, preserves, or erodes value over time. The announcement on 25 May 2022 that the <IR> Framework will become part of the materials of the IFRS Foundation is consistent with the Framework's explicit reference to providers of financial capital as the primary user of an integrated report, and it falls within the financial materiality pillar, but is not prescriptive at this point.

In defining value, it is important to appreciate that the IR Framework adopts a stakeholder inclusive approach, recognising that "an organisation's ability to create value for itself [*i.e. enterprise value*], depends on its ability to create value for others."[20] This approach is understandable, as it lies at the heart of integrated thinking, which seeks to ensure a more efficient and productive allocation of capital "by highlighting the connectivity and interdependencies between the range of factors that affect an organisation's ability to create value over time."[21] This stakeholder inclusive approach of integrated thinking does not however imply that all activities, interactions, and relationships should be included in an integrated report; the IR Framework makes it clear that it is "when these are material to the organisation's ability to create value for itself, they are included in the integrated report."[22]

Sustainability Report and/or subject-specific supplementary reports

Many South African companies publish separate sustainability/ESG reports; the first such reports in the country were published by various high impact companies in the mid-1990s. Given increasing stakeholder expectations, some organisations also opt to publish additional 'supplementary' reports that provide more detailed disclosure on specific ESG areas of particular significance to their operations. Examples include separate TCFD reports, GRI reports, human rights reports, B-BBEE reports, and/or tax disclosure reports. Sustainability reports review the organisation's approach to managing its significant economic, social, and environmental impacts, and to addressing those sustainability issues of interest to a broader range of stakeholders than targeted by the integrated report.

An important function of these reports is to reflect how the organisation is contributing to national and global development priorities, such as South Africa's National Development Plan (NDP) and the UN SDGs. Many of these reports use the GRI's Sustainability Reporting Standards.

Annual Financial Statements

An organisation's annual financial statements provide a detailed analysis of the organisation's financial results, with audited financial statements typically prepared in accordance with generally accepted accounting practice.[23] These statements reflect in monetary amounts the effects on organisational value that have already taken place at the reporting date, or are included in future cash flow projections, including those effects from sustainability issues.

Combined Report

Some companies choose to combine their traditional annual financial report with a more detailed review of their sustainability/ ESG performance into a single 'combined report'. This is different from an integrated report – as defined in the International <IR> Framework – in that it adopts a double materiality perspective, and combines both financial and impact materiality.

[19] *IIRC (2013) International <IR> Framework Page 1.*

[20] *IIRC (2021) International <IR> Framework (pg 16).*

[21] *Ibid. (pg 5).*

[22] *IIRC (2021) International <IR> Framework (pg 6).*

[23] *In South Africa, listed companies are required to use the International Financial Reporting Standards (IFRS).*

Figure 4: Materiality assessments inform organisations' disclosure and communication[24]

[24] *Source: IFC "Beyond the Balance Sheet" Disclosure and Transparency Program.*

Organisations' annual reports (of whichever of the above options) serve two purposes: disclosure and communication (Figure 4). Not everything that needs to be disclosed can or should go into an annual report. Some sustainability/ESG information of interest to specific stakeholders may be better communicated directly to those stakeholders, through different forms than in an annual report. For example, mining companies will often disclose mining impacts to local communities online or at community meetings, while the annual report of the mining company may communicate the impact of all the company's mines. A materiality assessment can help companies determine which issues are best included in reporting, and which may be communicated or disclosed to specific stakeholder groups through other channels.

THE INTENDED PURPOSE AND AUDIENCE OF THE INTEGRATED REPORT: INTERPRETING GLOBAL STANDARDS AND KING IV

As JSE-listed companies operate in an internationally exposed market, and many locally listed companies have operations in other countries, this Disclosure Guidance seeks to assist JSE-listed companies to understand and be aligned with evolving international disclosure practice, as well as with the local context as covered particularly by the King IV Report.

Stakeholder feedback received on the draft JSE Sustainability Disclosure Guidance identified diverging opinions – from authoritative and influential parties on both sides of the debate – regarding the purpose and target audience of an integrated report. This results from diverging interpretations of key provisions in King IV relating to integrated reporting, as well as differing views on the importance of consistent application of global reporting guidance.

Recognising these differences, and appreciating the recent evolution in recent global developments, the JSE recommends that for the purposes of this Disclosure Guidance and in accordance with King IV, reporting companies in South Africa should clearly state their determination of the reporting frameworks and standards to be used for each report, informed by the intended audience and purpose of that report, and they should ensure that the organisation adopts a materiality approach that is consistent with this decision.

It is suggested that the decision rests ultimately with the governing body of the reporting organisation regarding the preferred purpose and audience for each of their reports. As regards the integrated report, reporting organisations may choose to issue an integrated report that is globally aligned with the stated purpose and audience described in the <IR> Framework and IFRS Sustainability Disclosure Standards, and that focuses on helping investors, lenders and other creditors to assess an entity's enterprise value. Ideally such a report should be supported by separate sustainability/ESG disclosure addressing 'impact materiality'. Alternatively, organisations may choose instead to produce an integrated report that addresses 'double materiality', as envisaged in the Draft European Sustainability Reporting Standards.

The JSE recommends that reporting organisations monitor international developments closely, as sustainability reporting as a practice is evolving rapidly. This is an area where reporting entities will have to navigate both a global baseline as well as varying local practices in different jurisdictions given the level of exposure which companies have to global markets.

2.4 Principles for useful sustainability data and an effective sustainability report

With enhanced disclosure on sustainability issues increasingly being demanded by investors, analysts, capital market participants and other stakeholders, it is important that the information is of sufficient quality to enable users to make informed assessments and decisions – be it about the organisation's impacts and its contribution to sustainable development, or the organisation's own viability over time. There is significant convergence on the principles informing effective sustainability reporting in international and local guidance frameworks. Informed by this growing convergence, the following key principles should guide the organisation in ensuring the quality and proper presentation of the information that is disclosed.[25]

Relevance: Sustainability information is relevant when it is capable of making a difference in assessments and decisions of the primary users of that information.

Faithful representation: Sustainability information should faithfully represent the reality it depicts. Faithful representation requires information to be (i) complete, (ii) neutral and (iii) accurate. A **complete** depiction includes all material aspects related to the reportable content, including appropriate descriptions and explanations. A **neutral** depiction is without bias in its selection and/or presentation of sustainability information. It should be balanced, so as to cover favourable/positive and unfavourable/negative aspects: both negative and positive material impacts from an impact materiality perspective as well as the risks and opportunities from a financial materiality perspective should receive equal attention. **Accurate** information implies that the undertaking has implemented adequate processes and internal controls to reduce errors or material misstatements.

Comparability: Sustainability information is comparable when it is consistent over time and, to the greatest extent possible, presented in a way that enables comparisons between undertakings, across sectors and within a specific sector. Consistency refers to the use of the same approaches or methods for the same sustainability matter, from period to period by the undertaking as well as by other undertakings to the maximum extent possible.

Verifiability: Sustainability information is verifiable if it is possible to corroborate such information itself or the inputs used to derive it. Verifiability is about ensuring the reliability of the presented information and of the process of its generation. Reliability is when different independent observers with reasonable expertise would be able to reach a similar conclusion and consider that a particular disclosure conveys a faithful representation. Information is verifiable if it is possible to trace it, which is a prerequisite of information being auditable, as it allows for appropriate evidence on the audit assertions to be obtained.

Understandability: Sustainability information is understandable when it is clear and concise. Understandable information enables all (knowledgeable) intended users to readily comprehend the information being communicated. For sustainability disclosures to be concise, they need to (i) avoid generic 'boilerplate' information, that is not specific to the undertaking; (ii) avoid unnecessary duplication of information; and (iii) use clear language and well-structured sentences and paragraphs.

Materiality: Sustainability information is material if omitting, misstating, or obscuring that information could reasonably be expected to make a difference to the conclusions drawn by:

- providers of finance concerning the ability of the organisation to create value over the short, medium or long term; or
- stakeholders more broadly concerning the organisation's actual or potential significant impacts on the economy, environment, or society, over the short, medium or long term.

Timeliness: For the purposes of sustainability disclosure, organisations should disclose relevant sustainability information in a manner consistent with its financial disclosure, and at least annually.

[25] *These principles are derived primarily from the principles provided in Appendix C of Exposure Draft IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and in the European Sustainability Reporting Standards Draft ESR1 General Principles.*

[26] *See King IV Principle 5; Recommended Practice 10.*

03

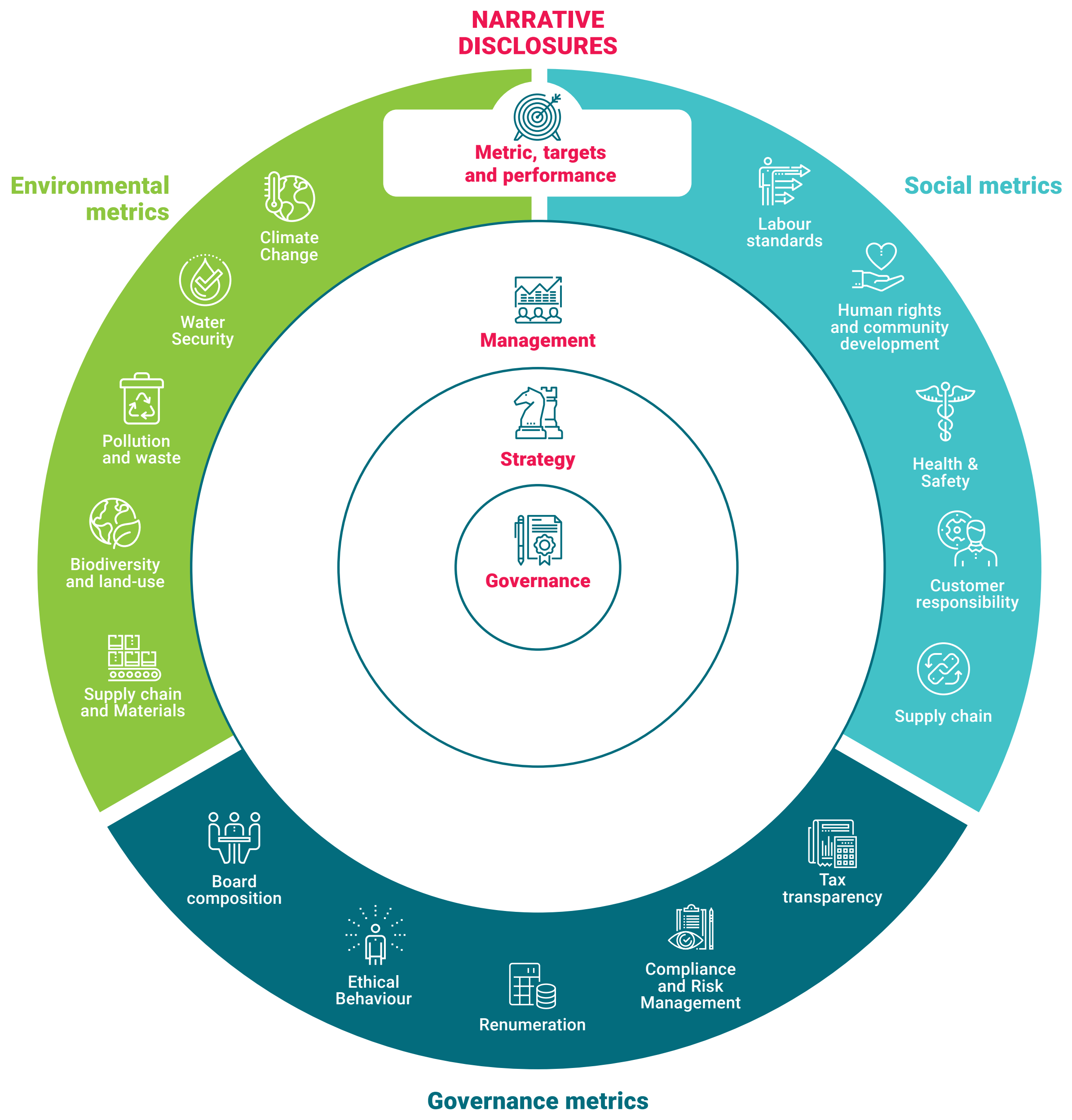
What sustainability information should a company disclose?

Investors and stakeholders are increasingly expecting companies to report on their sustainability impacts, risks, and opportunities with the same rigour as they apply for financial information.

By reporting meaningfully on the proposed Sustainability Narrative Disclosures and Core and Leadership Sustainability Metrics presented in this Disclosure Guidance – and integrating these considerations into the organisation's governance, strategy, and performance – the reporting organisation will send a signal to shareholders and other stakeholders that it has a sound appreciation of the impacts, risks and opportunities associated with running its business.

Those organisations that align their goals to the long-term goals of society, as articulated for example in National Development Plans and the UN Sustainable Development Goals, are most likely to create long-term sustainable value, driving positive outcomes for their organisation, the economy, society, and the environment more broadly.

Figure 5: The JSE Sustainability Narrative Disclosures and Sustainability Metrics



3.1 Sustainability Narrative Disclosures

The Sustainability Narrative Disclosures provided in this section have been structured in broad alignment with the two recently published Exposure Drafts of the IFRS Sustainability Disclosure Standards: IFRS SI – General Requirements for Disclosure of Sustainability-related Financial Information, and IFRS S2 – Climate-related Disclosures. These Standards in turn have been informed by the TCFD recommendations, the SASB Standards, the CDSB Framework application guidance documents, and the WEF Measuring Stakeholder Capitalism metrics. Provision has also been made for the requirements in the GRI Sustainability Reporting Standards, the Draft European Sustainability Reporting Standards (ESRS), and the Sustainable Development Goals (SDG) Disclosure Recommendations.

The JSE Narrative Disclosures have been slightly revised from the IFRS Sustainability Disclosure Standards to ensure alignment with the 'double materiality' approach that has received greater prominence as part of the development of the ESRS. In the Narrative Disclosures, for example, the review of management issues extends beyond 'risk management', and explicit provision is made throughout for assessing the organisation's impacts on people, the environment, and the economy, in addition to the risks and opportunities impacting enterprise value.

In terms of these Sustainability Narrative Disclosures, it is recommended that an organisation should provide disclosure about its:

1. ***Governance** – the board's oversight of sustainability-related impacts, risks and opportunities, and its process for integrating sustainability issues into the overall governance approach.*
2. ***Strategy** – 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, both positive and negative.*
3. ***Management** – how sustainability-related impacts, risks and opportunities are identified, assessed, and integrated into the organisation's management processes.*
4. ***Metrics, targets, and performance** – 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.*

Governance

Investors and other stakeholders have an interest in understanding the role played by the organisation's board in overseeing sustainability issues – such information informs an assessment as to whether these issues are receiving appropriate board and management attention.

Recommended disclosure

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

In describing the board's oversight of sustainability issues, the organisation should disclose the following information:

Board direction and tone

1. How the board sets the direction and tone for considering sustainability related impacts, risks and opportunities in the organisation, including disclosing:
   (a) the individual/s and/or board committee/s responsible for oversight of sustainability-related issues;
   (b) how these responsibilities are reflected in the board's terms of reference, mandates, and other related policies;
   (c) how the board ensures that the appropriate skills and competencies are available to oversee strategies designed to respond to sustainability-related impacts, risks and opportunities;
   (d) how the board ensures that the organisational structure/s and management-level responsibilities are appropriate for managing sustainability-related issues.

Board role in integrating sustainability-related issues in strategy, business planning, and remuneration

2. The processes and frequency with which the board and/or board committees are informed about the organisation's material sustainability-related impacts, risks and opportunities (including any significant negative effects that the organisation's operations have had on people, the environment and the economy), and how these material sustainability considerations are integrated in the organisation's:
   (a) strategy development and risk management processes, including any assessment of trade-offs or sensitivity to uncertainty that may be required;
   (b) capital allocation plans and decisions on major transactions;
   (c) performance targets, including sustainability goals and targets; and
   (d) remuneration policies and performance incentives at an executive level.

Board oversight of implementation of strategy

3. The process followed by the board and/or its committees to monitor:
   (a) management's activities in assessing and managing sustainability-related impacts, risks and opportunities, including whether that role is delegated to specific management-level positions or committees and how oversight is exercised over that position or committee;
   (b) the outcomes of impact, risk and opportunity assessments, evaluations, and responses;
   (c) the controls and procedures relating to the management of sustainability impacts, risks and opportunities, and how these are integrated with other internal functions;
   (d) the organisation's progress against sustainability goals and targets; and
   (e) the views of affected stakeholders and the quality of the organisation's stakeholder engagement processes.

Board oversight of disclosure and communication

4. The process followed by the board and/or its committees to provide oversight of the organisation's disclosure and communication activities, including its approach to:
   (a) approving management's determination of the reporting frameworks and standards to be used, considering the intended audience and purpose of each report; and
   (b) ensuring the integrity of external reports and deciding the scope and type of assurance of sustainability-related controls and information.

Strategy

Investors and other stakeholders need to understand how sustainability issues may affect an organisation's business model, strategy, and financial planning over the short, medium, and long term; such information is used to inform expectations about the future performance and impacts of the organisation.

Recommended disclosure

An organisation should 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, both positive and negative.

In describing how sustainability issues inform strategy, the organisation should disclose the following information:

Sustainability-related impacts, risks and opportunities

1. The organisation's most significant impacts (positive and negative) on people, the environment, and the economy, over the short, medium, and long term, noting the nature of its dependencies and impacts on specific resources and relationships ('impact materiality').

2. The organisation's most significant sustainability-related risks and opportunities across its value chain that the organisation reasonably expects could positively or negatively impact its business model, strategy, cash flows, access to finance, and its cost of capital, over the short, medium, and long term ('financial materiality'); this should include a description of where in the value chain these risks and opportunities are concentrated.

3. How the organisation defines short, medium, and long term, and how these definitions are linked to the organisation's strategic planning horizons and capital allocation plans, noting that these time frames can vary significantly between organisations and industry sectors.

Strategy and decision-making

4. How the identified material sustainability issues have informed the organisation's business model, its strategic objectives and targets, transition plans, and financial planning, over the short, medium, and long term, recognising that sustainability issues often manifest themselves over the medium and longer term.

5. The trade-offs between sustainability-related risks and opportunities considered by management in their decision making.

Financial position, performance, and cash flows

6. How any of the significant sustainability-related risks and opportunities have affected the organisation's most recently reported financial position, financial performance, and cash flows. This should include any information on whether there is a significant risk of material adjustments that may be reported in the next financial year.

7. How the financial position and performance is expected to change over time given the organisation's strategy to address significant sustainability-related impacts, risks and opportunities.

Resilience

8. The nature, extent, and outcomes of any analysis, including scenario analysis, undertaken to test the resilience of the organisation's strategy, operations, products and services, value chain, and investment research and development activities – and how these might impact the organisation's financial position, and its capacity to respond, fund, adjust or adapt its strategy and business model over time.

9. Commentary on the value created, preserved, or eroded for the organisation, its stakeholders, and society and the environment more broadly, as a result of implementing its strategy.

Management approach

Investors and other stakeholders need to understand how an organisation has integrated sustainability issues into the organisation's management processes; such information informs assessments of the organisation's overall risk profile and performance prospects.

Recommended disclosure

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

In describing the integration of sustainability issues in the organisation's management processes, the organisation should disclose the following information:

1. The processes in place for identifying, assessing, prioritising, monitoring, and managing sustainability-related impacts, risks and opportunities including:
   (a) how it assesses the likelihood and effects associated with its identified sustainability impacts, risks and opportunities (such as the qualitative factors, quantitative thresholds and other criteria used);
   (b) how it prioritises sustainability-related risks and opportunities relative to other types of risks and opportunities;
   (c) the input parameters it uses (for example, data sources, the scope of operations covered, and the detail used in assumptions); and
   (d) whether it has changed the processes used compared to the prior reporting period.

2. How these various processes are integrated into the organisation's existing impact, risk and opportunity management systems.

3. The steps taken to access a diversity of perspectives (both internal and external to the organisation) in identifying and prioritising sustainability-related impacts, risks, and opportunities.

Metrics, targets, and performance

Investors and other stakeholders need to understand how an organisation measures and monitors its sustainability strategy, performance, and impacts. Access to the metrics and targets used by an organisation allows investors and other stakeholders to better assess the organisation's exposure to sustainability issues, and its progress in managing those issues and its impacts, as well as providing a basis to compare organisations within a sector or industry.

Recommended disclosure

An organisation should 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.

In describing its sustainability metrics, targets, and performance, the organisation should disclose the following information:

1. The metrics and targets used to measure, monitor, manage and report on the organisation's performance against its significant sustainability impacts, risks and opportunities, including use of any industry-wide, sector-specific and/or organisation-specific activity metrics.
2. The methodologies used to calculate or estimate the metrics and targets, where this is not immediately apparent.
3. The nature of its sustainability metrics and targets, including where relevant:
   - (a) for environmental issues, whether the metric or target is absolute, normalised, intensity, or activity-based; and for social issues, whether the target is linked to specific outcomes for affected stakeholders;
   - (b) the timeframe over which the metric or target applies;
   - (c) the base period from which progress is measured;
   - (d) any milestones or interim metrics or targets; and
   - (e) whether the metric or target applies to the consolidated group, a single entity, its upstream or downstream value chain, or specific geographic regions.
4. The organisation's performance against its identified sustainability metrics and targets, as far as possible using consistent and comparable data and disclosure formats, with provision for a suitable historical period to allow for trend analysis.
5. The nature of any changes to metrics or targets, explaining the reasons for these changes, including (where practical and appropriate) any restated comparative figures.
6. A response to each of the Core metrics listed in the Standardised Sustainability Disclosures, or alternatively a description either
   - (a) why the metric is not seen to be material, or
   - (b) if it is material and not currently disclosed, what steps are being taken to start disclosing the metric.
7. The organisation's approach to ensuring that the performance data gathered is accurate and reliable, including how the organisation's combined assurance model has been applied to the sustainability performance data reported.
8. Disclosure on specific actions taken to address identified performance gaps against its stated metrics and targets.

3.2 Standardised Sustainability Disclosures (Core and Leadership)

The Standardised Sustainability Disclosures presented in this Disclosure Guidance have been informed by a thorough review of current sustainability disclosure expectations and emerging best practice, with provision for South Africa's business context and developmental challenges. The Sustainability Disclosures seek to balance the desirability of a simple tick-box checklist, with an applied materiality principle.

Some of the Standardised Disclosures are truly 'standardised', in that they are included within South African legislation; others are not legally required but have been seen to provide stakeholders with decision-useful information, both in respect of past performance and as early warning signals. As part of an evolving process, many of these Standardised Disclosures are not intended as an end in themselves, but instead function as indicators of where the field is moving in respect of that given topic. For this reason, reporting organisations are urged to continually apply their own materiality lens to both the Core and Leadership Disclosures, and to assess the value of standardisation against their own informed understanding of what is most material to their specific organisation and its stakeholders.

The Core and Leadership metrics presented in the tables below include revisions to the approach used in the ESG Disclosure Guidance of many peer exchanges to provide for:

- the 'double materiality' perspective
- greater use of outcome and impact indicators, rather than simple input and output measures
- some recognition of environmental thresholds, and global and national expectations on social performance
- South Africa's specific environmental, social, and governance challenges.

Materiality and the Core and Leadership metrics

The Sustainability Disclosures distinguish between Core and Leadership metrics. For the purposes of the Guidance – and recognising the caveats outlined below regarding the need for a company-specific materiality process – it is recommended that all organisations provide a response to each of the Core metrics, or a description either:

i. why the metric is not seen to be material, or

ii. if it is material and not currently disclosed, what steps are being taken to start disclosing the metric (see Narrative Disclosure 4.6).

These Core metrics have been identified as a set of standardised indicators that apply to virtually every organisation, and that will be useful to decision-makers and report-users to help make sense of a highly complex environment. Although the Sustainability Disclosures seek to provide for the broad South African context, it is important to recognise that standardised metrics will never be sufficient to fully address the nuances relevant to each organisation and its specific context. This list of Sustainability Disclosures is thus not intended to be exhaustive or prescriptive.

What is material to a given organisation is dynamic and informed by the reporting organisation's specific business model and operating context. For disclosure to be meaningful and effective, the reporting organisation should periodically undertake a materiality process to determine its own specific material metrics.

This materiality process should involve consideration of the purpose and audience of each report, the organisation's business model (including its dependencies and impacts on specific resources and relationships), the most significant risks and opportunities in its operating environment, and the nature of the company's purpose and strategy (see Figure 6). The Sustainability Disclosures provided in this Disclosure Guidance document have been informed by a detailed review of global disclosure standards and are seen to constitute valuable guidance to help inform a materiality process. They are not intended to substitute for such a process.

Figure 6: Key steps in the reporting process

Building on the seven questions that inform the reporting process (see section 2.1), the following steps may be followed to help organisations improve their sustainability disclosure and strengthen integration across their suite of annual reports.

1. Agree the purpose and audience for each report

For each report in the organisation's suite of annual reports, identify the specific stakeholder group/s being targeted for the report ('audience') and what stakeholder interest/s the report seeks to address ('purpose').

This will inform the materiality lens being applied (see section 2.2).

2. Undertake the materiality analysis

For the reporting suite as a whole, determine the material sustainability/ESG matters, by reviewing and analysing the following issues:

- The organisation's business model
- Its dependencies and impacts on specific resources and relationships (capitals)
- Significant risks and opportunities in its operating environment
- The expectations of key stakeholders
- The organisation's purpose and strategy

3. Identify the relevant disclosure metrics

Organisations should seek to provide a response to each of the Narrative Disclosures and each of the Core Disclosures, except where these are seen as not material with a clear motivation as to why not. A response should be provided to Leadership Disclosures when appropriate. Broaden the scope of disclosure, consulting additional local or global frameworks, guidance or standards, as appropriate.

4. Compile the report/s

Informed by the outcome of the above steps, provide disclosure of the material sustainability information in the relevant report/s, explaining why any material disclosure has been omitted, and if appropriate what steps are being taken to disclose in future. Apply the reporting principles outlined in section 2.4.

Governance Disclosure Metrics

GOVERNANCE METRICS: Core (C) and Leadership (L)

G1 BOARD COMPOSITION		Metric	Unit	Other frameworks	Rationale
G1.1 Board diversity	C	Composition of the board and its committees by race, gender, age group (under 30, 30–50, over 50) and, where relevant, any **under-represented social groups**.	# and %	GRI 2-9 ESRS G1-1	The capabilities and perspectives of board members are important for making robust decisions. This disclosure captures a variety of important dimensions relating to composition, going beyond a single metric, and emphasises competencies relating to economic, environmental, and social topics.
G1.2 Board competence	C	Description of the specific skills, competencies, and experience on the Board to address the organisation's significant sustainability-related impacts, risks, and opportunities.	Description	GRI 2-9 ESRS G1-3	
G1.3 Board independence	C	Composition of the board regarding: executive or non-executive; independence; tenure on the governance body; and number and nature of each individual's other significant positions and commitments.	# and %	GRI 2-9 ESRS G1-1	
G2 REMUNERATION		**Metric**	**Unit**	**Other frameworks**	**Rationale**
G2.1 Remuneration practices	C	How the remuneration policies for board members and senior executives relate to their objectives and performance in relation to delivery of the organisation's strategy and management of its impacts on people, the environment and the economy, noting the split between fixed pay and variable pay, and with variable pay split into short- and long-term incentives.	Description	GRI 2-19 ESRS G1-6	The incentives provided to board members and senior executives, and the manner in which they are structured, can significantly reinforce or impede long-term value creation. Importantly, this disclosure requires the reporting organisation to explicitly address how its approach to remuneration relates to the organisation's economic, environmental and social objectives.
G3 ETHICAL BEHAVIOUR		**Metric**	**Unit**	**Other frameworks**	**Rationale**
G3.1 Anti-corruption **G3.1a**	C	Total percentage of governance body members, employees and business partners who have received training or awareness-raising on the organisation's anti-corruption policies and procedures, broken down by **employee category** and region.	% Board members	GRI 205-2 ESRS G2-5 SASB 510	Corruption undermines stakeholder legitimacy and trust; it is linked to misallocation of capital, environmental harm, human exploitation and unethical and illegal behaviour. Anti-corruption training and investment in initiatives to improve both operating environment and culture develop an organisation's anti-corruption capabilities. The total number and nature of corruption incidents are a proxy for the effectiveness of an organisation's overarching anti-corruption culture and capabilities.
G3.1b	C	Total number and nature of incidents of **corruption** confirmed during the current year, related to this year and previous years, with a description of the activities taken to address confirmed incidents, and of the outcomes of these activities.	# and description	GRI 205-3 ESRS G2-3	
G3.1c	C	A description of: i) the internal and external grievance mechanisms (including whistle-blowing facilities) for reporting concerns about unethical or unlawful behaviour and lack of organisational integrity; ii) mechanisms for seeking advice about ethical and lawful behaviour and organisational integrity; and iii) the extent to which these various mechanisms have been used, and the outcomes of processes using these mechanisms.	# and description	GRI 2-25 GRI 2- GRI 205-3 ESRS G2-6 ESRS G2-7 SASB 510	
G3.1d	L	Discussion of initiatives and stakeholder engagement to improve the broader operating environment and culture, to combat corruption.	Description	GRI 205 ESRS G2-3	
G3.2 Lobbying and political contributions **G3.2a**	C	Total monetary value of financial and in-kind political contributions made directly and indirectly by the organisation, by country and recipient/beneficiary.	ZAR, $US or other currency	GRI 415-1 ESRS G2-9	Consistency between an organisation's activities related to lobbying and its publicly stated purpose and strategy is a core component of alignment on long-term objectives, which is essential for long-term value creation. Monitoring this consistency is an important element of overall transparency and the authentic pursuit of the organisation's objectives.
G3.2b	C	Identify the significant issues that are the focus of the company's participation in public policy development and lobbying, including within any business association that the company is a member of; describe the company's strategy relevant to these areas of focus, identifying any differences between its lobbying positions and its purpose, policies, goals and other public positions.	Description	GRI 415-1 ESRS G2-9	

G4 COMPLIANCE AND RISK MANAGEMENT		Metric	Unit	Other frameworks	Rationale
G4.1 Incidents	C	Number and nature of significant environmental, social and/or governance related incidents during the reporting period, including incidents of legal non-compliance (whether under investigation, pending finalisation, or finalised) and directives, compliance notices, warnings or investigations, and any public controversies.	# and description	GRI 2-27 SASB 510 SASB 270	The number and nature of significant environmental, social and/or governance related incidents can be a proxy for the general effectiveness of an organisation's overarching culture, management systems and capabilities, particularly when tracked over time.
G4.2 Fines and monetary loss	C	Total number and monetary value of fines, settlements, penalties, and other monetary loss suffered in relation to ESG incidents or breaches, including individual and total cost of the fines, settlements and penalties paid in relation to ESG incidents or breaches; and description of plans to address any incidents or breaches.	# / ZAR, $US or other currency; and description		

G5 TAX TRANSPARENCY		Metric	Unit	Other frameworks	Rationale
G5.1 Tax paid and estimated tax gap **G5.1a**	C	A description of the organisation's approach to tax, including: i) whether the organisation has a tax strategy and, if so, a link to this strategy if publicly available; ii) the governance body or executive-level position within the organisation that formally reviews and approves the tax strategy, and the frequency of this review; iii) how its approach to tax is linked to the business and sustainability strategies of the organisation.	Description	GRI 207-1	Reporting of total tax paid provides global information on the organisation's contribution to governmental revenues. This disclosure provides information on the organisation's global tax profile and on the various categories of taxes that support governmental functions and public benefits.
G5.1b	C	For each tax jurisdiction: the total global tax borne by the company, including corporate income taxes, property taxes, non-creditable VAT and other sales taxes, employer-paid payroll taxes and other taxes that constitute costs to the company, by category of taxes.	ZAR, $US or other currency	GRI 207-4	
G5.1c	L	Extent of exposure to countries and jurisdictions recognised for their corporate tax rate, tax transparency and tax haven status; estimated tax gap (gap between estimated effective tax rate and estimated statutory tax rate).			

Social Disclosure Metrics

SOCIAL METRICS: Core (C) and Leadership (L)

S1 LABOUR STANDARDS		Metric	Unit	Other frameworks	Rationale
S1.1 Diversity and inclusion **S1.1a**	C	Percentage of **employees** per **employee category** by race, gender, age group (under 30, 30-50, over 50), and where relevant other **diversity indicators.**	% workforce by category	GRI 405-1 SASB 330	Organisations with higher levels of diversity, particularly within executive teams, are generally better able to innovate, attract top talent, improve their customer orientation, enhance employee satisfaction, access more wide-ranging networks, and secure their licence to operate.
S1.1b	C	Number of allegations and confirmed incidents of **discrimination** and/or **human rights** incidents relating to workers incidents during the reporting period, noting the investigation status of reported and actual incidents, actions taken, and total amount of monetary losses due to legal proceedings associated with labour law violation, employment discrimination, and/or human rights violations.	# and description	GRI 406-1 ESRS-S1-18 ESRS-S1-25 SASB 310	To be effective, organisational culture should be built on a foundation of respect, courtesy, and professionalism, free from any acts of discrimination, bullying or harassment.

S1 LABOUR STANDARDS		Metric	Unit	Other frameworks	Rationale
S1.2 Pay equality S1.2a	C	Ratio between the CEO's total **annual remuneration** and the median, lower quartile, and upper quartile of the total **annual remuneration** of all the organisation's **employees** (excluding the CEO).	Ratio	GRI 2-21 GRI 202-1 ESRS-S1-14 ESRS-S1-17	Globally, economic analysis has shown that high levels of inequality undermine economic growth. As noted under G2.1 Remuneration practices, incentives provided to senior executives, and the manner in which they are structured, can significantly reforce or impede long-term value creation. However, at an organisational level, a wide gap between CEO compensation and the median reinforces inequality and could undermine long-term value creation. This is seen to be particularly relevant in South Africa given that it has one of the highest levels of inequality globally.
S1.2b	L	The ratio of the average **annual remuneration** of the top 10% of the organisation's top earners, and the average annual remuneration for the bottom 10% of the lowest earners in the organisation.	Ratio		
S1.2c	C	The total **annual remuneration** of both the highest paid employee and the lowest paid employee; the average remuneration; and the median remuneration of all employees.	ZAR, $US or other currency		
S1.2d	C	Ratio of the total **annual remuneration** of women to men, and by race group, for each **employee category**, by 'significant locations of operation' (as defined by the organisation).	Ratio	GRI 202-1 SASB 310	Corporate policies promoting pay equality reflect an organisation's culture and help organisations to bridge diversity gaps, attract talent and drive long-term competitiveness. Organisations with racial and other discrimination imbalances, expose themselves to reputational and potential legal risk.
S1.3 Wage level and living wage S1.3a	C	When a significant proportion of **employees** are compensated based on wages subject to minimum wage rules, report the relevant ratio of the standard **entry level wage** by race and gender compared to the applicable legislated **minimum wage** for the sector.	Ratio	GRI 202-1 SASB 310	A wide gap between the highest-paid individual and the median reinforces inequality and could impede long-term value creation. Disclosure provides greater insight into how organisations are spending on top-management, their basis for doing so, and the opportunity costs that might impact their performance.
S1.3b	C	Ratio of lowest wage to **living wage** for **employees** and non-employee **workers** for each significant location of operation.	Ratio	Accounting for a Living Wage (Shift and Capitals Coalition)	The provision of living wages offer companies a wide range of internal benefits, including: lowering staff turnover, a more motivated and productive workforce, greater economic security, strengthening value chain stability, improving company reputation, and stimulating local economies leading to various positive multiplier effects.[27]
S1.3c	L	Percentage of employees and non-employee workers whose wages fall below a specific **living wage methodology or benchmark.**	% workforce		
S1.4 Freedom of Association and Collective Bargaining S1.4a	C	Describe how the organisation manages **freedom of association** and **collective bargaining**, noting any policy or policies considered likely to affect workers' decisions to form or join a trade union, to bargain collectively or to engage in trade union activities.	Description	GRI 407 ESRS-S1-2	The right to freedom of association and collective bargaining are not only internationally recognised as fundamental rights of employees, but are also useful tools for organisations and employees to engage, build trust, and negotiate solutions when potential conflicts arise.
S1.4b	C	Percentage of total **employees** covered under **collective bargaining** agreements.	% workforce	GRI 2-30 ESRS-S1-22 SASB 310	
S1.4c	C	Disclose the extent of major work stoppages (including both strikes and lockouts) due to disputes between the undertaking and its workforce, including the number of major work stoppages, and for each: number of workers involved; length in days of stoppage, reasons, and steps taken to resolve each dispute.	No and description	ESRS-S1-23	
S1.4d	L	An explanation of the **due diligence** assessment performed on suppliers for which the right to **freedom of association** and **collective bargaining** is at risk including measures taken by the organisation to address these risks.	Description	GRI 407-1	
S1.5 Characteristics of employees and workers in workforce S1.5a	C	Describe key characteristics of **employees** in own workforce, including: total number of all employees by country; permanent employees; temporary employees; non-guaranteed hours employees; full-time employees; and part-time employees – with breakdown by race and gender for each.	Ratio workers	ESRS-S1-7	This provides insight into the organisation's approach to employment, including the nature of impacts arising from its employment practices, to provide contextual information that aids an understanding of the information reported in other disclosures.
S1.5b	C	Describe key characteristics of non-employee **workers** in the organisation's own workforce, including: total number of non-employee workers, noting the most common type of workers and their relationship with the organisation.		ESRS-S1-8	

[27] *See Barford, A., Gilbert, R., Beales, A., Zorila, M., & Nelson, J. 2022. The case for living wages: How paying living wages improves business performance and tackles poverty.*

S2 COMMUNITY DEVELOPMENT		Metric	Unit	Other frameworks	Rationale
S2.1 Community human rights S2.1a	C	Total number and percentage of operations that have been subject to a human rights due diligence process or impact assessments, by country.	# and % operations and description	GRI 408-1 GRI 409-1 GRI 410-1 GRI 205-1 ESRS S3-2 ESRS S3-3 SASB 210 UN Guiding Principles on Business and Human Rights	The activities of organisations may cause or contribute to environmental or social abuses that violate the human rights of individuals, workers and communities. Without a mechanism for employees and other key stakeholders to report human rights violations, organisations could miss opportunities to identify and mitigate such underlying issues.
S2.1b	C	Nature of processes for engaging with affected communities and their representatives, and channels for affected community members to raise concerns.	Description		
S2.1c	C	Number and type of grievances reported with associated impacts related to a **salient human rights issue** in the reporting period, and an explanation of the % of these that are remedied in agreement with those who expressed the grievance.	# and description		
S2.1d	L	Number and percentage of relevant sites (typically those involved in extracting, harvesting, or developing natural resources or energy) that implement a human rights and security approach consistent with the **Voluntary Principles on Security and Human Rights.**	# and % operations		
S2.1e	L	Number and percentage of sites at which the ownership, use of or access to land is contested, and an explanation of actions taken to address related social risks.	# and % operations		
S2.2 Skills for the future	C	Describe the employee and external skills development programmes aimed at developing skills that increase the recipient's future mobility, career development, and/or income earning potential.	Description	GRI 404-2 SASB 101	Building human capital to secure a motivated, productive and skilled workforce is a key priority for organisations. When firms fail to invest in training, education, skilling and reskilling of their employees, it can affect their business performance, reputation and ability to attract talented workforce. It can also lead to higher operating costs related to recruiting, developing and retaining employees.
S2.3 Employment and wealth creation S2.3a	C	Total number and rate of new **employee** hires during the reporting period, by age group, gender, other **indicators of diversity**, and region.	# and rate	GRI 401-1 GRI 202-2 SASB 310	Employment and job creation are key drivers of economic growth, dignity and prosperity. The metrics provide a basic indication of an organisation's capacity to attract diverse talent, which is key to innovate new products and services. Employee turnover may serve as an indication of employee satisfaction or dissatisfaction and potential unfairness in the workplace.
S2.3b	C	Total number and rate of **employee** turnover (for permanent employees) during the reporting period, by age group, gender, other **indicators of diversity**, and region.	# and rate	GRI 401-1 SASB 310	

S2 COMMUNITY DEVELOPMENT		Metric	Unit	Other frameworks	Rationale
S2.4 **Economic contribution** **S2.4a**	**C**	Direct economic value generated and distributed (EVG&D) on an accrual basis, covering the basic components for the organisation's global operations, ideally split out by: (i) Revenue (ii) Operating costs (iii) **Employee** wages and benefits (iv) Payments to providers of capital (v) Payments to government (taxes, royalties, levies, etc.) (vi) Community investment (including charitable giving, impact investment and other social investment).	ZAR, $US or other currency	GRI 201-1	The metrics on economic contribution provide a broad indication of how an organisation has created wealth for its various stakeholders by summarising the direct monetary value added to local economies. Disclosure on the financial assistance received from government, when compared with separate disclosures on taxes, is often useful in developing a more balanced review of the balance of transactions between the company and government.
S2.4b	**C**	Description of significant identified indirect economic impacts of the organisation, including for example: number of jobs supported in supply or distribution chain; number of suppliers/enterprises supported from defined vulnerable groups; nature of economic development in areas of high poverty; availability of products and services for those on low incomes or previously disadvantaged; enhanced skills and knowledge in a professional community or geographic location.	Description - with # and spend where relevant	GRI 203-2 GRI 204-1 GRI 413-1 GRI 413-2 SASB 210	
S2.4c	**C**	Percentage of the procurement budget used for significant locations of operation that is spent on **local suppliers**, noting the organisation's definitions of 'local' and for 'significant locations of operation'.	% of spend	GRI 204-1	
S2.4d	**L**	Description (quantitative and qualitative) of the extent of significant **infrastructure** investment and services supported.	ZAR, $US or other currency Description	GRI 203-1	
S2.4e	**L**	Total monetary value of **financial assistance** received by the organisation from any government during the reporting period.	ZAR, $US or other currency	GRI 201-4	

S3 HEALTH AND SAFETY		Metric	Unit	Other frameworks	Rationale
S3.1 **Workplace health and safety** **S3.1a**	**C**	Number and rate of fatalities as a result of a **work-related injury or ill-health** during the reporting period across the organisation; the disclosure should include both **employees** and **workers** who are not employees, but whose work and/or workplace is controlled by the organisation.	# and rate	GRI 403-9 GRI 403-10 ESRS-S1-11 SASB 320	Maintaining strong safety and health standards can improve employee productivity and operational efficiency. Working proactively in these areas of business will help identify and mitigate risks and it is increasingly required by law.
S3.1b	**C**	Number of **recordable work-related injuries**, and number of work-related illnesses or health conditions arising from exposure to **work-related hazards** during the reporting period; the disclosure should include both **employees** and **workers** who are not employees, but whose work and/or workplace is controlled by the organisation.	No / rate	GRI 403-9 GRI 403-10 SASB 320	
S3.1c	**L**	An explanation of how the organisation facilitates workers' access to non-occupational medical and healthcare services and the scope of access provided for **employees** and **workers**, and a description of any voluntary health promotion services and programmes offered to workers to address major non-work-related health risks, including the specific health risks addressed.	Description	GRI 403-6	

S4 CUSTOMER RESPONSIBILITY		Metric	Unit	Other frameworks	Rationale
S4.1 High risk products and services S4.1a	C	Description of products and services that present specific risks to individuals, communities, or the environment; an outline of the nature of these risks, and the measures taken to mitigate these.	Description	GRI 416-1 GRI 417-1 SASB 250 SASB 0 SASB 270	Disclosure should demonstrate how well an organisation manages the potential impact of its products or services on customers, its exposure to product recalls, and the strength of organisation policies, practices and procedures regarding supply chain, sourcing, and manufacturing compliance. Potential areas of concern include (but are not limited to) products and services associated with gambling, alcohol, tobacco, food and nutrition, medicines, breast milk substitutes, consumer finance, and retailing of processed foods and alcohol.
S4.1b	C	Number and nature of any product recalls.	# and description	GRI 416-2 GRI 417-2 SASB 270	
S4.2 Product innovation S4.2a	C	Total research and development spend.	ZAR, $US or other currency	Adapted from US GAAP ASC 730	Innovation is a significant contributor to ensuring longer-term prosperity. Total costs relating to R&D can be regarded as a basic indication of an organisation's efforts to innovate new products and services and be fit for the future. This can also provide insights into the capacity of the organisation to create new offerings and generate social or environmental benefits. The metric is a proxy to measure the effectiveness and productivity of an organisation's investments in innovation and serves as a primary metric for the maturity phase of innovation.
S4.2b	L	Total costs related to research and development aimed at enhancing social or environmental attributes of products and services.	ZAR, $US or other currency	Adapted from US GAAP ASC 730	
S4.2c	L	Percentage of revenue from products and services designed to deliver specific social or environmental benefits or to address specific sustainability challenges; if the company applies a taxonomy or benchmark to label their activities as sustainable, they should report on the benchmark used and how they meet the criteria of the benchmark.	% Revenue	Adapted from GRI (FiFS7 + FiFS8) and SASB FN0102-16.a, EPIC)	
S4.3 Consumer data and privacy S4.3a	C	A description of the mechanisms and steps taken to ensure privacy of consumer data.	Description	GRI 418-1 SASB 230	With the world becoming increasingly digitised, and with many organisations having significant access to potentially sensitive data on customers, clients and/or consumers, there is a heightened need to safeguard consumers' rights of privacy by limiting the types of information gathered and the ways in which such information is obtained, used and secured. Increasing use of electronic communication (including for financial transactions), as well as growth in large-scale databases, raise concerns about how consumer privacy can be protected, particularly with regard to personally identifiable information.
S4.3b	C	Total number of substantiated complaints received concerning breaches of customer privacy (categorised by complaints received from outside parties and substantiated by the organisation, and complaints from regulatory bodies), and total number of identified leaks, thefts, or losses of customer data.	# and description	GRI 418-1 SASB 230	

S5 SUPPLY CHAIN		Metric	Unit	Other frameworks	Rationale
S5.1 Supply Chain (Social) S5.1a	C	Description of the operations and suppliers considered to have a significant risk of **child** labour, **forced or compulsory labour**, or other significant actual and potential negative social impacts, given the type of operation, commodities, or geographic region, and the nature of the measures taken by the organisation intended to contribute to eliminating these risks.	Description	GRI 408-1 GRI 409-1 ESRS S2-2 ESRS S2-3 ESRS S2-5 SASB 430 SASB 440	All organisations have the responsibility to respect human rights, including within their sphere of influence. Delivering on this responsibility requires that organisations exercise due diligence to identify, prevent and address any actual or potential human rights impacts resulting from their activities or the activities of those with which they have relationships. Identifying, managing and disclosing these risks, helps to mitigate potential abuses, in the interests of the organisation, affected stakeholders and society at large.
S5.1b	C	The number and percentage of identified **child** labour, or forced and compulsory labour incidents in its operations or value chain; and percentage of these where the reporting entity has played a role in securing remedy for those affected.	# and %		
S5.1c	C	Report wherever material across the **supply chain**: mechanisms (eg supplier screening, and audits) to identify and address significant actual and potential negative social impacts, nature of these impacts, and measures to address these.	Description	GRI 414-1 GRI 414-2 ESRS S2-5 SASB 430 SASB 440	
S5.1d	L	% of products certified by external agencies, % of traceable origin.		SASB 430	

Environmental Disclosure Metrics

ENVIRONMENTAL: Core (C) and Leadership (L)

E1 CLIMATE CHANGE		Metric	Unit	Other frameworks	Rationale
E1.1 GHG Emissions E1.1a	C	Absolute gross **greenhouse gas** emissions expressed as metric tonnes of CO_2 equivalent and measured in accordance with the Greenhouse Gas Protocol for: **Scope 1, Scope 2,** and **Scope 3** emissions. Scope 1 and Scope 2 emissions should be disclosed separately for (i) the consolidated accounting group (the parent and its subsidiaries) and (ii) associates, joint ventures, unconsolidated subsidiaries or affiliates not included in (i).	Metric tonnes of carbon dioxide equivalent (tCO_2e)	IFRS S2 GRI 305:1-3 ESRS E1-7 ESRS E1-8 ESRS E1-9 ESRS E1-10 SASB 110 TCFD GHG Protocol	GHG emissions cause climate change, which is expected to have increasingly significant economic, environmental, and social impacts. As a result, GHGs are a key focus area for policy, regulatory, market and technology responses to limit rising temperatures. Organisations with emission-intensive business models are likely to face greater risks from the transition to a lower emission economy in terms of increased regulatory requirements and additional capital expenditure. For many organisations, the most significant GHG emissions are found in their supply chains, not in their own operations. Reporting on Scope 3 emissions can assist in identifying potential supply chain risks in terms of exposure to the transition to a lower emission economy. It can also help improve energy efficiency and cost reduction programmes.
E1.1b	L	**Scope 3** emissions should include upstream and downstream emissions. The categories of Scope 3 emissions and basis for measurement for information provided by entities in the value chain should be disclosed. Recognising the challenges related to the disclosure of Scope 3 emissions, including data availability, reasons should be provided when Scope 3 emissions or categories of Scope 3 emissions are omitted.	Metric tonnes of carbon dioxide equivalent (tCO_2e)	IFRS S2 GRI 305:1-3 ESRS E1-9	
E1.1c	C	GHG emissions intensity for Scope 1, 2 and 3, expressed as metric tonnes of CO_2 equivalent per unit of physical or economic output.	$MtCO_2$-e per unit of output	GRI 305:1-3 ESRS E1-10	
E1.2 Energy mix	C	Total energy use and share of energy usage by generation type noting use of energy from renewable non-fossil sources, (namely wind, solar (solar thermal and solar photovoltaic) and geothermal energy, ambient energy, tide, wave and other ocean energy, hydropower, biomass, landfill gas, sewage treatment plant gas, and biogas).	MWhs or GJ/ Percentage by type	GRI 302 ESRS E1-5 SASB 130	
E1.3 Science-based targets	L	Define and report progress against time-bound short-, medium-, and long-term science-based GHG emissions targets that are in line with the goals of the Paris Agreement and Glasgow Climate Pact. This includes reducing global carbon dioxide emissions by 45% by 2030 relative to the 2010 level, and to net zero around mid-century, based on the best available scientific knowledge and equity, taking into account common but differentiated responsibilities and respective capabilities, and in the context of sustainable development and efforts to eradicate poverty. Science-based emissions reduction targets should be informed by recognised scientific methodologies and verified through approved processes; they should (as an absolute minimum) be consistent with relevant host country/ies' Nationally Determined Contribution.	Description	GRI 305 SASB 110	The Paris Agreement and recent Glasgow Climate Pact aim to limit the global average temperature increase to well below 2°C above pre-industrial levels and preferably to 1.5°C above pre-industrial levels. Climate-related risks such as extreme weather events are projected to increase substantially as temperatures increase. Science-based targets are emission reduction targets aligned with the latest climate science that provide companies with a pathway that is consistent with the Paris Agreement. Under the Paris Agreement, the principle of common but differentiated responsibilities and respective capabilities acknowledges different national circumstances while calling on all parties to take action.
E1.4 Just transition E1.4a	C	Existence and nature of a 'transition plan' that commits to stakeholder engagement with affected workers and communities (see the JSE Climate Disclosure Guidance for further detail).	Description	TCFD consultation WBA GRI 11 (Oil and Gas supplement)	The Paris Agreement incorporated the notion of a "just transition", which originated in the labour movement, to signal the importance of minimising the negative impacts and maximising the positive opportunities for communities and workers as part of the shift toward a low emission economy. Given the importance of the just transition, it will be critical to pay increasing attention to the related risks and opportunities and ensure that social considerations are also addressed in decarbonisation and energy transition plans.
E1.4b	C	Number of workers in the past year recruited, retrained, retrenched, and/or compensated due to implementation of the decarbonisation plan.	#		
E1.4c	L	Number of engagements undertaken with affected parties by group and geography.	#		
E1.4d	L	Nature of climate-related lobbying activities, and those of relevant associations and membership groups, and their alignment with the objectives of the Paris Agreement and Glasgow Climate Pact.	Description		

E1 CLIMATE CHANGE		Metric	Unit	Other frameworks	Rationale
E1.4e	L	Nature of provision for delivery of the transition plan within executive remuneration.	Description		
E1.4f	L	Nature of provision for impacts on workers and communities within climate scenario plans.	Description		
E1.4g	L	Amount of capital and expenditure deployed on direct and indirect climate adaptation and climate mitigation efforts.	ZAR/US$ etc		

E2 WATER SECURITY		Metric	Unit	Other frameworks	Rationale
E2.1 **Water usage** E2.1a	C	Total **water consumption** from all areas, and from areas with **water stress.**	Megalitres	GRI 303-5 ESRS-E3-4 SASB 140	Water is a finite resource and its consumption has implications for the environment and society at both local and national levels. Organisations can face operational, regulatory and reputational risks relating to water use, while failing to manage water use efficiently can result in additional costs. Water usage in water-stressed areas can result in negative societal impacts due to greater competition over scarce resources. There is also a greater risk of possible operational disruptions and shutdowns.
E2.1b	L	Total **water withdrawal** from all areas with **water stress**, with a breakdown by following sources if applicable: surface water, groundwater, seawater, produced water, third-party water.	Megalitres	GRI 303-3 ESRS-E3-4 SASB 140	
E2.1c	L	Freshwater consumption intensity: total freshwater use per material unit (eg sales revenue, unit of production, m^2 of building, or other).	Megalitres/per unit	ESRS-E3-4 SASB 140	

E3 BIODIVERSITY AND LAND USE		Metric	Unit	Other frameworks	Rationale
E3.1 **Biodiversity footprint (ecosystems)** E3.1a	C	Number and area of sites owned, leased, or managed in or adjacent to areas of high biodiversity value (Key Biodiversity Areas – KBAs), for operations (if applicable) and full supply chain (if material).	# and hectares (or km2 if applicable)	GRI 304-1 ESRS-E2-6	As noted in the World Economic Forum's 2020 Global Risks Report "biodiversity loss has critical implications for humanity, from the collapse of food and health systems to the disruption of entire supply chains." Key biodiversity areas (KBAs) are sites that contribute significantly to the global persistence of biodiversity, while protected areas are areas of recognised ecological or cultural importance that typically have specific legal protections. KBAs as defined in South Africa by SANBI include Critical Biodiversity Areas and Ecological Support Areas Companies with operations inside or close to such areas may pose a greater threat to biodiversity and, as a result, face a heightened risk of exposure to associated legal or reputational risk. A primary driver of biodiversity loss is the growth in demand for land or marine areas and the associated conversion of ecosystems. Current demand for land is indicated in the area of land used in a company's operations and supply chains while the annual change reflects whether there is increasing or decreasing pressure for new conversions of ecosystems.
E3.1b	C	Area of land used for the production of basic plant, animal or mineral commodities (e.g. the area of land used for forestry, agriculture or mining activities).	Total surface Hectares	GRI 304-2 ESRS-E4-5	
E3.1c	C	Level of capital and expenditure deployed towards implementation of measures undertaken to manage positive impacts and avoid, minimise, restore/ rehabilitate and/or offset negative impacts on biodiversity and ecosystems.	ZAR, $US or other currency	ESRS-E4-7	
E3.1d	L	Describe wherever material across the value chain mechanisms aimed at enhancing management of biodiversity and ecosystem impacts (such as policies, targets, certifications, and audits).	Description	GRI 304 ESRS-E4-7	
E3.1e	L	Describe and report results of any processes aimed at identifying, assessing and/or managing the biodiversity footprint of the organisation, including for example: size and location of all habitat areas protected or restored, and whether the success of the restoration measure was or is approved by independent external professionals; and status of each area based on its condition at the close of the reporting period, noting the standards and methodologies used.	Description Hectares (or km^2)	GRI 304-3	

E4 POLLUTION AND WASTE		Metric	Unit	Other frameworks	Rationale
E4.1 Solid waste E4.1a	C	Total weight of **waste** generated (non-recycled), with a breakdown by composition of waste, noting % directed to disposal (including landfill and incineration), and % diverted from disposal (eg reuse, recycling, recovery).	Tonnes and %	GRI 306-3 ESRS-E5-6 SASB 150	Waste is a growing concern in many economies due to factors such as urbanisation, poor regulation and standards, inadequate facilities, and new sources of waste such as plastic and e-waste. Waste management is critical for both environmental protection and public health. Effective waste management, which can include circular economy principles, can reduce operational and capital costs through improved efficiencies and, in some case, provide new input sources. A failure to manage waste can result in reputational damage and increase potential financial and legal liability costs.
E4.1b	C	Total weight of **hazardous waste** generated, noting % directed to disposal (including landfill and incineration), and % diverted from disposal (eg reuse, recycling, recovery).	Tonnes and %	GRI 306-4 GRI 306-5 ESRS-E5-6 SASB 150	
E4.1c	C	Waste intensity: total waste per material unit (eg sales revenue, unit of production, or other).	Tonnes / ZAR or US$ etc / unit	GRI 306-3	
E4.2 Single use plastic	L	Report wherever material along the value chain: estimated metric tonnes of single-use plastic consumed and share (%) of single-use plastic weight of total plastic weight.	Tonnes / %	ESRS-E5-4 ESRS-E5-5 SASB 410	Eliminating plastic pollution requires a shift from single-use to reusable packaging. Recycling is important, but reusable packaging will reduce the need for single-use products. Plastic waste has significant environmental impacts that range from the loss of marine life to the build-up of potentially toxic material in the food chain.
E4.3 Atmospheric pollution E4.3a	C	Report wherever material along the value chain: nitrogen oxides (NOx), sulphur oxides (SOx), volatile organic compounds (VOC), persistent organic pollutants (POP), particulate matter, and other significant air emissions identified in relevant regulations.	Kilograms or multiples per emission type	GRI 305-7 ESRS-E2-4 SASB 120	Air pollutants, which include particulate matter, volatile organic compounds and the oxides of sulphur and nitrogen, are harmful to human health and a leading cause of respiratory illnesses and premature death around the world. Pollutant emissions in densely populated areas are often particularly harmful due to the large number of people affected and the higher level of ambient pollution.
E4.3b	L	Wherever possible estimate the proportion of specified emissions that occur in or adjacent to urban/densely populated areas.	Percentage	ESRS-E2-5	
E4.4 Water pollution	L	Total water discharge to all areas in megalitres, and list of priority substances of concern for which discharges are treated, including how these substances were defined, approach to setting discharge limits, and number of incidents of non-compliance with discharge limits.	Megalitres, description and # of incidents	GRI 303-4 ESRS-E2-5 ESRS-E2-6	Water pollution can result from a range of economic activities. Sources of water pollution include industrial waste, sewerage, and agricultural runoff. The effective functioning of ecosystems and the services that they provide requires the nitrogen, phosphorus and potassium cycles to be kept in balance. Where levels of nitrogen, phosphorus and potassium exceed sustainable thresholds, freshwater and oceanic dead zones may occur. Water pollution can also result in a variety of other ecological and public health issues.

E5 SUPPLY CHAIN AND MATERIALS		Metric	Unit	Other frameworks	Rationale
E5.1 Supply chain (environmental)	L	Report wherever material across the **supply chain:** mechanisms (eg supplier screening, and audits) to identify and address significant actual and potential negative environmental impacts, nature of these impacts, and measures to address these.	Description	GRI 308-1 GRI 308-2 SASB 440 SASB 430	Environmental issues in the supply chain can lead to operational risks, such as shutdowns, financial risks from fines and compliance orders, and reputational risks. These can impact an organisation's ability to access finance and capital. Mechanisms such as supplier codes of conduct can reduce environmental risks in the supply chain by improving business practices. These can result in positive returns through lower costs, improved efficiency and access to new markets.
E5.2 Materials of concern E5.2a	C	Process to identify and manage emerging materials and chemicals of concern in products (materials of concern could include conflict minerals or recognised high impact raw materials such as palm oil).	Description	GRI 417-1 SASB 430	Materials of concern in the supply chain can raise both reputational and operational risks due to environmental factors such as biodiversity loss, deforestation, water pollution and waste management. A process to identify and manage materials of concern, such as a due diligence and supply chain mapping process, should be used to prevent and/or address potential environmental impacts.
E5.2b	L	Percentage of materials identified in point 1 above that are covered by a sustainability certification standard or formalised sustainability management programme.	% materials	SASB 430	Signing up to a sustainability certification standard or formalised sustainability management programme can provide stakeholders with a degree of confidence that materials of concern within the supply chain are being properly addressed.

04 Annexes

Annex 1: Global and regional standards and frameworks relating to sustainability disclosure

CDP (formerly the Carbon Disclosure Project)

CDP collects standardised information from companies on climate change and the use of natural resources such as water and forests.

Climate Action 100+ Net Zero Company Benchmark Disclosure Indicators

The Benchmark assesses the performance of focus companies against the initiative's three high-level goals: emissions reduction, governance, and disclosure. The benchmark helps investor signatories evaluate company ambition and action in tackling climate change.

Climate Disclosure Standards Board (CDSB)

Issued by the Climate Disclosure Standards Board, the CDSB Framework helps companies explain how environmental matters affect their performance and show how they are addressing associated risks and opportunities to investors in annual or integrated reports.

EU Corporate Sustainability Reporting Directive (CSRD)

In April 2021, the Commission adopted a proposal for a Corporate Sustainability Reporting Directive (CSRD) that would amend the existing reporting requirements of the Non-Financial Reporting Directive (NFRD), extending the scope to all large companies and all companies listed on regulated markets (except listed micro-enterprises), and introducing more detailed reporting requirements.

European Sustainability Reporting Standards (ESRS)

In April 2022, the European Financial Reporting Advisory Group (EFRAG) issued the first draft of sustainability reporting standards for public comment, as part of the CSRD. The standards will require detailed corporate reporting on a broad range of ESG issues, as well as audited assurance on the information disclosed.

EU Sustainable Finance Disclosure Regulation (SFDR)

The EU SFDR applies to financial market participants ranging from asset managers to financial advisors. It aims to increase transparency in how sustainability risks and opportunities are integrated into the investment decisions and recommendations of financial market players.

EU Taxonomy Regulation

The EU Taxonomy Regulation is a classification system for sustainable economic activities. It defines which economic activities can be considered environmentally sustainable. It focuses on environmental considerations, with social and governance factors to be included by the end of 2021.

GRI (formerly Global Reporting Initiative)

The GRI Sustainability Reporting Standards, issued by the Global Sustainability Standards Board (GSSB), are the most widely used standards for sustainability reporting, developed over many years with multi-stakeholder input. It offers a set of modular standards to enable organisations to report on their sustainability impacts against universal standards and sector-specific standards.

IFC's Corporate Governance Methodology

This is an approach to evaluate and improve the corporate governance of a company – including the governance attributes of key environmental and social policies and procedures – to identify, reduce, and manage risk.

IFC's Performance Standards on Environmental and Social Sustainability

These standards define IFC clients' responsibilities for managing the environmental and social risks of their projects in emerging markets, provide guidance on how to identify risks and impacts, and are designed to help avoid, mitigate, and manage risks and impacts as a way of doing business in a more sustainable way.

IFC's Toolkit for Disclosure and Transparency

The Toolkit is designed to guide companies in preparing comprehensive and best-in-class disclosures that reflects investors' views of what drives corporate value.

IFRS Foundation International Sustainability Standards Board (ISSB)

The International Financial Reporting Standards (IFRS) Foundation is a public interest organisation established to develop globally accepted accounting standards. In response to investor calls for comparable sustainability reporting, the Foundation Trustees have recently established the International Sustainability Standards Board (ISSB).

Integrated Reporting Committee (IRC)

The Integrated Reporting Committe of South Africa (IRC SA) is a voluntary association, not for gain, in South Africa founded in May 2010. The role of the IRC as a national body is to provide direction on matters relating to integrated reporting and integrated thinking in South Africa through technical information and guidance, conferences and other activities.

ISO 26000

ISO 26000 is an international guidance standard on social responsibility. In addition to its specific guidance on sustainability disclosure, it includes detailed guidance on the fundamental expectations of socially responsible behaviour, derived primarily from authoritative international instruments.

ISO 37000:2021 Governance of organisations

ISO 37000 provides principles and key aspects of practices to guide governing bodies and governing groups on how to meet their responsibilities so that the organisations they govern can fulfil their purpose. It is also intended for stakeholders involved in, or impacted by, the organisation and its governance. It is applicable to all organisations regardless of type, size, location, structure or purpose.

OECD Guidelines for Multinational Enterprises

The Guidelines are far-reaching recommendations addressed by governments to multinational enterprises operating. They provide voluntary principles and standards for responsible business conduct in areas such as employment and industrial relations, human rights, environment, information disclosure, combating bribery, consumer interests, science and technology, competition, and taxation.

SDG Disclosure Recommendations

The Sustainable Development Goals Disclosure (SDGD) Recommendations seek to establish best practice for corporate reporting on the SDGs and enable more effective and standardised reporting and transparency on climate change, social and other environmental impacts. The report was published by the global accountancy bodies, IFAC, ACCA, ICAS, CA ANZ, as well as the IIRC and World Benchmarking Alliance.

South African Green Finance Taxonomy

South Africa's National Treasury published a draft Technical Paper on Financing a Sustainable Economy in May 2020 to unlock access to sustainable finance and stimulate the allocation of capital to support a development-focused and climate-resilient economy. One of the recommendations is to "develop or adopt a taxonomy for green, social and sustainable finance initiatives, consistent with international developments, to build credibility, foster investment and enable effective monitoring and disclosure of performance."

Task Force on Climate-related Financial Disclosures (TCFD)

The Financial Stability Board established the TCFD in December 2015 to develop recommendations for more effective climate-related disclosures that could promote more informed investment, credit, and insurance underwriting decisions and, in turn, enable stakeholders to understand better the concentrations of carbon-related assets in the financial sector and the financial system's exposures to climate-related risks. The TCFD recommendations were published in June 2017.

UN Global Compact (UNGC) Principles

The Global Compact requires companies to commit to a set of ten universal principles concerning human rights, labour, environment, and anti-corruption.

UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines

The Model Guidance is a voluntary tool for stock exchanges to guide issuers on how to report on environmental, social and governance (ESG) issues.

Value Reporting Foundation: Integrated Reporting Framework

Issued by the International Integrated Reporting Council (IIRC), which has recently merged with SASB to form the Value Reporting Foundation, the Integrated Reporting Framework helps companies to produce a concise, investor-focused report that looks at an issuer's performance and prospects through the lens of six 'capitals' (financial, manufactured, human, natural, intellectual, social and relationship).

Value Reporting Foundation: Sustainability Accounting Standards Board (SASB)

SASB issues sustainability accounting standards that help public corporations disclose material and decision-useful information to investors in their mandatory filings, based on their industry, in line with the notion that under existing regulation material information should be disclosed in the Forms 10-K or 20-F.

WEF Measuring Stakeholder Capitalism

Developed in response to a call from 120 of the world's largest companies to develop a set of common metrics on non-financial factors, this document provides a core and expanded set of metrics to be used by companies to align their reporting on sustainability and ESG performance and track their contributions to the SDGs. The metrics are based on existing standards, with the aim of accelerating convergence in sustainability disclosures.

World Benchmarking Alliance (WBA)

The WBA has identified seven systems transformations needed to achieve the SDGs and is developing a series of publicly available benchmarks to assess the contributions of the 2,000 most influential companies to the SDGs. A series of indicators have been (and are being) developed with associated indicators.

Annex 2: JSE Disclosure Guidance, the IFRS Sustainability Disclosure Standards[28] and the European Sustainability Reporting Standards[29] – A brief comparison

	JSE Sustainability Disclosure Guidance	IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information	IFRS S2: Climate-related Disclosures	European Sustainability Reporting Standards
Purpose of the Disclosure Document	Provides **guidance** to JSE listed companies on the disclosure of **sustainability-related impacts, risks, and opportunities** – to meet calls from investors and other stakeholders for more consistent, complete, comparable, and verifiable metrics and narrative disclosures.	Sets out the overall **requirements** for disclosing sustainability-related financial information relevant to the **sustainability-related risks and opportunities** of the entity – to assist the primary users of 'general purpose financial reporting' in deciding whether to provide resources to the entity.	Sets out the **requirements** for the identification, measurement, and disclosure of **climate-related financial information** – to assist the primary users of 'general purpose financial reporting' in deciding whether to provide resources to the entity.	Improve sustainability reporting at least possible cost, contribute to the transition towards a sustainable and inclusive economy, enhance clarity and certainty on issues to disclose, reduce competing demands on companies for sustainability information, promote convergence and harmonisation.
Target users of the disclosed information	**All stakeholders** with an interest in the reporting entity's sustainability-related impacts, risks, and opportunities, including investors specifically on the sustainability-related risks and opportunities impacting enterprise value	Primary users of general purpose financial reporting – namely existing and potential **investors, lenders and other creditors.**	Primary users of general purpose financial reporting – namely existing and potential **investors, lenders and other creditors.**	Two primary users: **investors**, including asset managers, who want to better understand the risks and opportunities that sustainability issues pose to their investments, and the impacts of these investment; and **other stakeholders** that wish to hold organisations to account for their sustainability impacts.
Disclosure channel/s covered by the Guidance and draft Standards	**Integrated reports** – disclosure to investors and other creditors about sustainability matters that affect their assessment of enterprise value. **Sustainability reports** – disclosures to stakeholders about impacts on people, the environment, and the economy. **Annual financial report** – disclosures to investors, lenders and other creditors about monetary amounts included in the financial statements.	**General purpose financial reports** – disclosure to investors, lenders and other creditors about sustainability matters that affect their assessment of enterprise value.	**General purpose financial reports** – disclosure to investors, lenders and other creditors about climate-related issues that affect their assessment of enterprise value.	**Sustainability reporting, published as part of companies' management reports, and disclosed in a digital, machine-readable format.** Organisations should prepare their financial statements and management report in XHTML format and mark-up sustainability information in accordance with relevant regulations, and tagged according to an agreed digital taxonomy.
Approach to materiality	**Double materiality** – impact and enterprise value The JSE's Sustainability Disclosure Guidance has adopted the double materiality approach, and recommends that those sustainability issues that could reasonably be foreseen to meaningfully affect a company's operational and financial results should be disclosed in an annual integrated report; and that information relating to the organisation's significant impacts on the economy, society, and the environment – including, but not limited to, where these impacts affect enterprise value – should be in addition to the IR in an appropriate format, such as a separate sustainability report.	**Single materiality** – enterprise value Sustainability-related financial information is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that the primary users of general purpose financial reporting make on the basis of that reporting, which provides information about a specific reporting entity.	**Single materiality** – enterprise value Climate-related financial information is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that the primary users of general purpose financial reporting make on the basis of that reporting, which provides information about a specific reporting entity.	**Double materialit**y – impact and enterprise value Organisations required to report both on how sustainability matters affect the entity, and on the impacts of the activities of the organisation on people and the environment – referred to as the double-materiality perspective, in which the risks to the undertaking and the impacts of the undertaking each represent one materiality perspective.

[28] *[Draft] IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information and [Draft] IFRS S2 Climate-related Disclosures.*

[29] *EFRAG / Project Task Force on European Sustainability reporting standards Draft European Sustainability Reporting Standards.*

	JSE Sustainability Disclosure Guidance	IFRS S1: General Requirements for Disclosure of Sustainability-related Financial Information	IFRS S2: Climate-related Disclosures	European Sustainability Reporting Standards
Disclosure guidance *Narrative disclosures*	Disclosure guidance on: (a) governance (b) strategy (c) management (d) metrics, targets and performance *Note: the JSE has ensured consistency in the details within each of above narrative disclosures with those provided in the ISSB Protocol and EU Directive.*	Disclosure guidance on: (a) governance (b) strategy (c) risk management (d) metrics and targets	Disclosure guidance on: (a) governance (b) strategy (c) risk management (d) metrics and targets	Disclosure guidance on (amongst others): • Role of board and management • Strategy • Targets • Principal adverse impacts connected to the company and its value chain
Disclosure guidance *Specific metrics*	**Core and Leadership metrics** on: **Governance** • Board composition • Ethical behaviour • Compliance and risk • Tax transparency **Social** • Labour standards • Human rights / community dev • Health and safety • Customer responsibility • Supply chain (social) **Environmental** • Climate change and energy • Water use • Pollution and waste • Biodiversity and land-use • Supply chain and materials	**No specific metrics** in this Protocol These will be included in separate thematic standards on sustainability-related matters (in addition to the current draft on climate), as well as industry-specific standards.	**Specific metrics** on • Greenhouse gas emissions • Transition risks • Physical risks • Climate-related opportunities • Capital deployment • Internal carbon prices • Remuneration	**Specific metrics** to be published in reporting standards; first set by 31 October 2022, including: **Governance** • Role of supervisory bodies • Ethics and culture • Political engagements • Control and risk management **Social** • Equal opportunities • Working conditions • Respect for human rights **Environmental** • Climate change • Water and marine resources • Resource use and circular economy • Pollution • Biodiversity and ecosystems
Reporting principles	• Relevance • Materiality • Faithful representation • Comparability • Verifiability • Timeliness • Understandability	• Relevance • Materiality • Faithful representation • Comparability • Verifiability • Timeliness • Understandability	• Relevance • Materiality • Faithful representation • Comparability • Verifiability • Timeliness • Understandability	• Relevance • Faithful representation • Comparability • Verifiability • Understandability

ANNEX 3: Glossary[30]

Annual remuneration	Basic salary plus additional amounts paid, including bonuses, stock and option awards, benefit payments, overtime, time owed, and any additional allowances, such as transportation, living and childcare allowances.
Business model	An entity's system of transforming inputs through its business activities into outputs and outcomes that aims to fulfil the entity's strategic purposes and create value over the short, medium and long term.
Child (for purposes of child labour)	Person under the age of 15 years, or under the age of completion of compulsory schooling, whichever is higher. Exceptions regarding child labour can occur in certain countries where economies and educational facilities are insufficiently developed, and a minimum age of 14 years applies. These countries of exception are specified by the International Labour Organization (ILO) in response to a special application by the country concerned and in consultation with representative organisations of employers and workers.
Collective bargaining	All negotiations that take place between one or more employers or employers' organisations, on the one hand, and one or more workers' organisations (eg, trade unions), on the other, for determining working conditions and terms of employment or for regulating relations between employers and workers.
Corruption	Abuse of entrusted power for private gain, which can be instigated by individuals or organisations. Corruption includes practices such as bribery, facilitation payments, fraud, extortion, collusion, and money laundering. It also includes an offer or receipt of any gift, loan, fee, reward, or other advantage to or from any person as an inducement to do something that is dishonest, illegal, or a breach of trust in the conduct of the enterprise's business. This can include cash or in-kind benefits, such as free goods, gifts, and holidays, or special personal services provided for the purpose of an improper advantage, or that can result in moral pressure to receive such an advantage. (Source: Transparency International, Business Principles for Countering Bribery, 2011).
CSRD	Corporate Sustainability Reporting Directive: The European Commission adopted a proposal for this directive, amending the existing reporting requirements of the NFRD.
Discrimination	Act and result of treating persons unequally by imposing unequal burdens or denying benefits instead of treating each person fairly on the basis of individual merit. Discrimination can also include harassment, defined as a course of comments or actions that are unwelcome, or should reasonably be known to be unwelcome, to the person towards whom they are addressed.
Diversity indicator	Indicator of diversity for which the organisation gathers data; examples include: age, race, citizenship, creed, disability, and gender.
Due diligence	Process to identify, prevent, mitigate, and account for how the organisation addresses its actual and potential negative impacts.
EFRAG	European Financial Reporting Advisory Group: A private association that the European Commission has assigned to develop the EU ESRS. These standards will form part of the proposed CSRD.
Employee	Individual who is in an employment relationship with the organisation according to national law or practice.

[30] *Unless otherwise indicatied, the glossary of terms provided here draw significantly from the GRI Sustainability Reporting Standards or the Draft IFRS Sustainability Disclosure Standards.*

Employee category	Breakdown of employees by level (such as senior management, middle management) and function (such as technical, administrative, production). Note: This information is derived from the organisation's own human resources system, and in accordance with any relevant local labour law requirements.
Enterprise value	The total value of an organisation. It is the sum of the value of the organisation's equity (market capitalisation) and the value of the organisation's net debt.
Entry level wage	Full-time wage in the lowest employment category. Intern or apprentice wages are not considered entry level wages.
ESRS	EU Sustainability Reporting Standards: The reporting standards that will form part of the CSRD. EFRAG are tasked by the European Commission to act as technical advisor and develop the draft ESRS.
Exposure	Quantity of time spent at or the nature of contact with certain environments that possess various degrees and kinds of hazard, or proximity to a condition that might cause injury or ill health (eg, chemicals, radiation, high pressure, noise, fire, explosives).
Financial assistance	Direct or indirect financial benefits that do not represent a transaction of goods and services, but which are an incentive or compensation for actions taken, the cost of an asset, or expenses incurred. Note: The provider of financial assistance does not expect a direct financial return from the assistance offered.
Financial materiality	Defining why and how certain issues are important for an organisation by whether they have actual or potential significant impacts on the reporting organisation's future cash flows – and thus the 'enterprise value' – of the organisation in the short-, medium- or long-term.
Forced or compulsory labour	All work and service that is exacted from any person under the menace of any penalty and for which this person has not offered herself or himself voluntarily. The most extreme examples of forced or compulsory labour are slave labour and bonded labour, but debts can also be used as a means of maintaining workers in a state of forced labour.
Freedom of association	Right of employers and workers to form, to join and to run their own organisations without prior authorisation or interference by the state or any other entity.
Greenhouse gases	The seven greenhouse gases listed in the Kyoto Protocol–carbon dioxide (CO_2); methane (CH_4); nitrous oxide (N_2O); hydrofluorocarbons (HFCs); nitrogen trifluoride (NF_3); perfluorocarbons (PFCs); and sulphur hexafluoride (SF_6).
Hazardous waste	Waste that possesses any of the characteristics contained in Annex III of the Basel Convention, or that is considered hazardous by national legislation.
Human rights	Rights inherent to all human beings, which include, at a minimum, the rights set out in the UN International Bill of Human Rights and the principles concerning fundamental rights set out in the International Labour Organization (ILO) Declaration on Fundamental Principles and Rights at Work (Source: GRI Standards, citing UN Guiding Principles on Business and Human Rights.
Human rights due diligence	An ongoing risk management process that a reasonable and prudent undertaking needs to follow in order to identify, prevent, mitigate and account for how it addresses its adverse human rights impacts. It includes four key steps: assessing actual and potential human rights impacts; integrating and acting on the findings; tracking responses; and communicating about how impacts are addressed.

IFRS	International Financial Reporting Standards Foundation: "established to develop a single set of high-quality, understandable, enforceable and globally accepted accounting and sustainability disclosure standards—IFRS Standards—and to promote and facilitate adoption of the standards".
Impact	The effect an organisation has or could have on the economy, environment and people, including effects on their human rights, as a result of the organisation's activities or business relationships. The impacts can be actual or potential, negative or positive, short-term or long-term, intended or unintended, and reversible or irreversible. Impacts indicate the undertaking's contribution, negative or positive, to sustainable development.
Impact materiality	Defining why and how certain issues are important for an organisation by whether they have actual or potential significant impacts on people, the environment and the economy over the short-, medium-, or long-term.
Infrastructure	Facilities built primarily to provide a public service or good rather than a commercial purpose, and from which the organisation does not seek to gain direct economic benefit. Examples include: hospitals, roads, schools, water supply facilities.
Intensity target	A target defined by a change in the ratio of emissions to a business metric over time, for example, reduce CO_2 per tonne of cement by 12% by 2008.
ISSB	International Sustainability Standards Board: Established by the IFRS Foundation, with the aim of developing and maintaining a global set of sustainability-related reporting standards.
Key biodiversity areas (KBAs)	Key biodiversity areas (KBAs) as defined in South Africa by SANBI include Critical Biodiversity Areas and Ecological Support Areas. Most provinces have developed, or are in the process of developing, maps of these areas in the form of provincial spatial biodiversity plans. The TNFD uses the term 'high importance ecosystems'.
King IV	The King IV Report on Corporate Governance for South Africa 2016 sets out the "philosophy, principles, practices and outcomes which serve as the benchmark for corporate governance in South Africa".
Living wage	Remuneration received for a standard work week by a worker in a particular place sufficient to afford a decent standard of living for the worker and her/his family, including food, water, housing, education, health care, transport, clothing, and other essential needs, including provision for unexpected events.[31] Methods to define living wages for countries, regions, or cities include: **living wage methodologies and benchmarks**; social dialogue and collective bargaining processes; and employee consultations and surveys.
Living wage methodologies and benchmarks	Key living wage methodologies and benchmarks include: the **Anker Methodology** (a methodology for calculating living wage levels through engaging local people and local organisations); **Anker Reference Values** (a set of estimates of living wage or income for rural and urban areas in countries not yet covered by a full Anker Methodology benchmark study); **Fair Wage Network's Living Wage Database** (Paid-for wage benchmarks for 200 countries and more than 1500 regions and cities); the **Global Living Wage Coalition Database** (information on living wages in 37 regions or countries); **IDH Benchmark Finder** (database of IDH-recognised living wage benchmarks for over 140 countries); and **IDH Benchmark Series** (a list of living wage methodologies recognised by IDH as having met nine quality criteria).[32]

[31] *Global Living Wage Coalition. 2021a. The Anker Methodology for Estimating a Living Wage.*

[32] *Barford, A., Gilbert, R., Beales, A., Zorila, M., & Nelson, J. 2022. The case for living wages: How paying living wages improves business performance and tackles poverty.*

Local suppliers	Organisation or person that provides a product or service to the reporting organisation, and that (as a minimum) is based in the same geographic market as the reporting organisation (ie no transnational payments are made). Note: the organisation's definition of 'local' can specifically include the community surrounding operations, a region within a country, or a country.
Minimum wage	Minimum remuneration that an employer is legally required to pay wage earners, and which cannot be reduced by collective agreement or individual contract.
NFRD	Non-Financial Reporting Directive: EU law requiring certain large companies to disclose information on the way they operate and manage social and environmental challenges.
Political contributions	Financial or in-kind support given directly or indirectly to political parties, their elected representatives, or persons seeking political office. Financial contributions can include donations, loans, sponsorships, retainers, or the purchase of tickets for fundraising events. In-kind contributions can include advertising, use of facilities, design and printing, donation of equipment, or the provision of board membership, employment or consultancy work for elected politicians or candidates for office.
Recordable work-related injury or ill health	Work-related injury or ill health that results in any of the following: death, days away from work, restricted work or transfer to another job, medical treatment beyond first aid, or loss of consciousness; or significant injury or ill health diagnosed by a physician or other licensed healthcare professional, even if it does not result in death, days away from work, restricted work or job transfer, medical treatment beyond first aid, or loss of consciousness.
Salient human rights issues	Those human rights that stand out because they are at risk of the most severe negative impact through the company's activities or business relationships. This concept uses the lens of risk to people, not the business, as the starting point, while recognising that where risks to people's human rights are greatest, there is strong convergence with risk to the business.
Science-based target	Science-based targets are aligned with the latest climate science in terms of what is required to meet the Paris Agreement's goal of limiting global warming to well-below 2°C above pre-industrial levels and pursuing efforts to limit warming to 1.5°C.
Scope 1 emissions	Direct greenhouse gas emissions that occur from sources that are owned or controlled by an entity, for example, emissions from combustion in owned or controlled boilers, furnaces, vehicles or emissions from chemical production in owned or controlled process equipment.
Scope 2 emissions	Indirect greenhouse gas emissions that occur from the generation of purchased electricity, heat or steam consumed by an entity. Purchased electricity is defined as electricity that is purchased or otherwise brought into an entity's boundary. Scope 2 emissions physically occur at the facility where electricity is generated.
Scope 3 emissions	Indirect emissions outside of Scope 2 emissions that occur in the value chain of the reporting organisation, including both upstream and downstream emissions, as a consequence of the activities of the organisation. Scope 3 emissions include purchased goods and services; capital goods; fuel- and energy-related activities not included in Scope 1 emissions or Scope 2 emissions; upstream transportation and distribution; waste generated in operations; business travel; employee commuting; upstream leased assets; downstream transportation and distribution; processing of sold products; use of sold products; end-of-life treatment of sold products; downstream leased assets; franchises; and investments.

Supply chain	Range of activities carried out by entities upstream from the organisation that provide products or services that are used in the development of the organisation's own products or services. This includes upstream entities with which the undertaking has a direct (often referred to as a first-tier supplier) or indirect business relationship.
Sustainable development	Development that meets the needs of the present without compromising the ability of future generations to meet their own needs. (Note: The terms 'sustainability' and 'sustainable development' are used interchangeably in this Disclosure Guidance).
TCFD	Task Force on Climate-related Financial Disclosures: established by the Financial Stability Board in 2015 to develop recommendations for more effective climate-related disclosures to support informed capital allocation.
TNFD	Task Force on Nature-related Financial Disclosures.
Under-represented social groups	Group of individuals who are less represented within a subset (eg, a body or committee, employees of an organisation) relative to their numbers in the general population, and who therefore have less opportunity to express their economic, social, or political needs and views. Under-represented social groups may include minority groups. The groups included under this definition depend on the organisation's operating context and are not uniform for every organisation or region.
Value chain	The full range of activities or processes needed to create a product or service. This includes entities with which the undertaking has a direct or indirect business relationship, both upstream and downstream of its own activities, which either (a) supply products or services that contribute to the organisation's own products or services, or (b) receive products or services from the organisation.
Voluntary Principles on Security and Human Rights	A set of principles that guides companies on how to conduct their security operations while respecting human rights.
Waste	Anything that the holder discards, intends to discard, or is required to discard.
Water consumption	Sum of all water that has been withdrawn and incorporated into products, used in the production of crops or generated as waste, has evaporated, transpired, or been consumed by humans or livestock, or is polluted to the point of being unusable by other users, and is therefore not released back to surface water, groundwater, seawater, or a third party over the course of the reporting period.
Water discharge	Sum of effluents, used water, and unused water released to surface water, groundwater, seawater, or a third party, for which the organisation has no further use, over the course of the reporting period. Water can be released into the receiving waterbody either at a defined discharge point (point-source discharge) or dispersed over land in an undefined manner (non-point-source discharge). Water discharge can be authorised (in accordance with discharge consent) or unauthorised (if discharge consent is exceeded).
Water stress	Ability, or lack thereof, to meet the human and ecological demand for water; water stress is based on subjective elements and is assessed differently depending on societal values, such as the suitability of water for drinking or the requirements to be afforded to ecosystems. Publicly available and credible tools for assessing areas with water stress include the World Resources Institute 'Aqueduct Water Risk Atlas,' and the WWF 'Water Risk Filter'.
Water withdrawal	Sum of all water drawn from surface water, groundwater, seawater, or a third party for any use over the course of the reporting period.
Work-related hazard	Source or situation with the potential to cause injury or ill health. Hazards can be physical, ergonomic, chemical, biological, psychosocial, or related to work organisation.
Work-related injury or ill-health	Negative impacts on health arising from exposure to hazards at work. 'Ill health' indicates damage to health and includes diseases, illnesses, and disorders (conditions with specific symptoms and diagnoses).
Worker	An individual performing work for a company, regardless of the existence or nature of any contractual relationship with that company. Examples include employees, agency workers, apprentices, contractors, home workers, interns, self-employed persons, sub-contractors, volunteers, and persons working for organisations other than the reporting organisation, such as for suppliers. For the purposes of the health and safety metrics, worker relates to those who are not employees, but whose work and/ or workplace is controlled by the reporting organisation.

Annex 4: Acknowledgements

Project team

Development of the JSE Disclosure Guidance documents was led internally by Shameela Soobramoney, Chief Sustainability Officer at the JSE, with financial support provided by the IFC, a member of the World Bank Group, in partnership with the German Federal Ministry for the Environment, Nature Conservation, Nuclear Safety, and Consumer Protection (BMUV).

The Disclosure Guidance documents were drafted by a multi-disciplinary team led by Incite, a Cape Town based consultancy that works across emerging markets (ww.incite.co.za). The lead authors were Jonathon Hanks (Incite), Mike Davies (Kigoda), Nicola Robins (Incite) and Phil Barttram (Philbar Consulting). Technical review was provided by the IFC team: Ralitza Germanova, Louise Gardiner, and Malango Mughogho.

External stakeholder input

Valuable input was provided to the public draft of the guidance document from a range of stakeholder groups, including local and international reporting companies, investors, civil society bodies, regulatory agencies, business sector organisations, consultants, international standards bodies, and academics. In addition to formal written submissions and a response to an online feedback form, feedback was received through various individual engagements with thought leaders, investors, and representative stakeholder bodies, as well as a series of online webinars with listed companies, investors, government, NGOs, and consultants.

JSE Sustainability Advisory Committee

In addition to the above engagement process, valuable guidance was received from the JSE Sustainability Advisory Committee established specifically for this project. The committee members included:

- **Dr. Achieng Ojwang** UN Global Compact SA Network Director
- **Andre Visser** JSE Issuer Regulation Director
- **Anne-Marie D'Alton** BATSETA Council of Retirement Funds for South Africa CEO
- **Ansie Ramalho** King Committee Chair
- **Itumeleng Monale** JSE Chief Operating Officer
- **Joanne Yawitch** National Business Initiative CEO
- **Jolly Mokorosi** Trustee and pension fund specialist
- **Karin Ireton** National Treasury's Climate Risk Forum Disclosure Working Group
- **Mark Randall** JSE Information Services Director
- **Nilesh Moodley** Government Employees Pension Fund (GEPF) Responsible Investment
- **Olano Makhubela** Financial Sector Conduct Authority, Divisional Executive: Retirement Funds Supervision
- **Ralitza Germanova** International Finance Corporation (IFC) Disclosure and Transparency Program Lead
- **Rubeena Solomon** Public Investment Corporation (PIC) Head of ESG
- **Sarah McPhail** National Treasury Director: Financial Sector Policy
- **Sunette Mulder** Association for Savings and Investment South Africa (ASISA) Senior Policy Advisor
- **Tracey Davies** Just Share Executive Director
- **Vukile Davidson** National Treasury, Chief Director for Financial Stability
- **Willem Fourie** University of Pretoria: Albert Luthuli Leadership Institute (SA SDG Hub)

Support team members included: Shreelin Naicker and Takalani Lukhaimane of the Financial Sector Conduct Authority (FSCA).

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This report is informed by the South African legislative landscape and relevant international standards and frameworks as available by the cut-off date of the publication (1 December 2021). As the sustainability reporting standards and legal framework develop over time, the contents of these Guidelines may be updated in the future. This publication has been produced by the JSE with the assistance of the International Finance Corporation (IFC). The contents of this document do not necessarily reflect the views of the IFC. While every effort is taken to avoid errors, the JSE and IFC cannot accept responsibility for the accuracy of any statement or information contained within the report, nor for any decision made on the basis of any statement or information included herein.