



JSE

**SUSTAINABILITY  
REPORT**

**2022**

for the year ended 31 December 2022

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## Feedback

We welcome feedback from stakeholders on this report and invite you to contact [ir@jse.co.za](mailto:ir@jse.co.za) should you have any questions or recommendations.

 Page reference for additional reading in this report.

 Reference to online data at <https://group.jse.co.za/investor-relations/reporting-suite>

# REPORT OVERVIEW

*The JSE is positioned at the heart of South Africa's capital market and has a key role in driving long-term sustainable economic growth, stability and resilience in our economy.*

## Report objectives

This report reflects the progress we have made towards embedding sustainability matters as an integral and fundamental part of our strategy and culture. It discusses how our sustainability approach is evolving to align with local and global developments.

The governance chapter of the integrated annual report at <https://web.jse.co.za/ar2022> provides an overview of how governance supports our commitment to advancing better sustainability practices.

## Scope and boundary

The information presented in this report describes the JSE and the five financial markets operated by the Group, and the investor protection funds<sup>1</sup> associated with its markets. The report excludes details on our associate, Strate, in which the JSE holds 44.55%, as Strate has an independent board and management team. The JSE equity accounts for Strate. The Group legal structure is available online in the [Integrated Annual Report](#).

The report covers the financial year from 1 January 2022 to 31 December 2022 and includes historical information and forward-looking statements, which provide context to the Group's sustainability strategy and performance. It is structured to align with our four commitments to drive our objective of creating an enabling environment for better sustainability practices and disclosure to grow (see  page 16).

<sup>1</sup> These funds consist of the JSE Guarantee Fund Trust, the JSE Derivatives Default Fund Trust and the JSE Debt Guarantee Fund Trust.

Our reporting approach considers a range of sustainability-related reporting frameworks, standards and rating tools, including:

- International Integrated Reporting Framework;
- Companies Act, 71 of 2008 (as amended) (the Companies Act);
- King Report on Corporate Governance™ for South Africa, 2016 (King IV);
- Relevant indicators of FTSE Russell's ESG ratings methodology as applied for purposes of the FTSE/JSE Responsible Investment Index Series, of which the JSE is a constituent;
- United Nations Global Compact (UNGC);
- UN Principles for Responsible Investment;
- Sustainable Stock Exchange Initiative (SSEI);
- CDP (formerly known as the Carbon Disclosure Project);
- JSE's Sustainability and Climate Change Disclosure Guidance; and
- Task Force for Climate-related Financial Disclosures (TCFD).

## Our reporting suite

The JSE's full reporting suite is available at <https://web.jse.co.za/ar2022> and comprises:

### Sustainability report

Sets out our approach to sustainability and our commitments to support and drive sustainable value creation.

### Integrated annual report

Sets out how the JSE creates value in the context of our business model, strategy, operating context, governance and operational performance.

### Annual financial statements

Sets out our financial results, with the Group Audit Committee report, directors' report and annual financial statements prepared according to International Financial Reporting Standards (IFRS).

### Remuneration report

Sets out the JSE's remuneration philosophy and policy, and how it was implemented in 2022.

### Notice of annual general meeting (AGM) and proxy form


Sets out the notice of the JSE's AGM of shareholders to be held on 9 May 2023, together with the summarised report containing the required financial disclosures.

### Disclaimer

Many of the statements in this report constitute forward-looking statements. These are not guarantees or predictions of future performance. The information on which forward-looking statements were based was not audited. Like all businesses, the JSE faces risks and other factors outside of its control. This may lead to outcomes unforeseen by the Group. These are not reflected in the report.

Readers are cautioned not to place undue reliance on forward-looking statements.

## Material matters

Find more detail on how we consider environmental, social and governance (ESG) elements when evaluating material matters on  page 3 of this report.

## Internal assurance over this report

The information contained in this report was prepared and provided by the JSE's various departments, based on the Group's internal reporting and information systems.

Management decides and applies judgement in deciding what to report, based on principles of materiality and stakeholder inclusiveness.

The Board's responsibilities include oversight of financial and non-financial value drivers against agreed performance measures and the annual corporate scorecard.

The Board, supported by its committees, is ultimately accountable for the JSE's systems of internal control, designed to identify, evaluate, manage and provide reasonable assurance against material misstatement. This process is undertaken with the oversight of the Group Sustainability Committee (GSC).

Executive management and internal audit provide the Board with formal confirmation of the effectiveness of the internal control environment.

Financial information in this report is drawn from the annual financial statements prepared in accordance with the relevant standards. These are audited by the Group's external auditors, Ernst & Young Inc., in accordance with international auditing standards. Non-financial information in this report is reviewed and approved by the relevant Board committee.

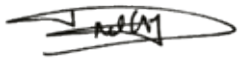
AQRate verification service, an accredited BBBEE verification agency, has verified our BBBEE performance. It has confirmed a Level 2 rating and the verification certificate is available at <https://www.jse.co.za/investor-relations/jse-bee>.

The Board is satisfied that internal oversight sufficiently ensures the reliability of the information presented in this report and did not obtain additional external assurance over this report.

Over time, we plan to strengthen internal assurance over sustainability information through our combined assurance model with the ultimate goal of adding external assurance in the future.

## Board approval

The directors of the JSE acknowledge responsibility for the integrity of this report. The directors have applied their minds to the report and believe that the information is reliable, and that it fairly presents the Group's sustainable value creation.



**Phuthuma Nhleko**  
Chairman: Board



**Dr Suresh Kana**  
Chairman: Group Sustainability Committee



# MATERIAL MATTERS

*Our material matters shape our Group strategy and serve as a filter for determining the material information to be included in our reporting.*

JSE Limited (the Group or the JSE) revisits material matters annually. The material matters are workshopped by senior management and approved by the Board of Directors (Board). Our material matters are similar to last year, with some enhancements to the definitions to reflect changes in our context and to provide more clarity.

Sustainability is a broad domain with various environmental, social and governance (ESG) elements. The JSE considered these elements when evaluating its material matters, both from our role as an Exchange and how we address these as a business. Therefore, we do not have a material matter called sustainability, but rather the specific elements we consider material. Our approach is evolving as we expand the depth and breadth of our practice.

Transformation and socio-economic advancement is not a material matter as it is part of the JSE's approach to business and enshrined in its mission, purpose and strategy to create a diverse Group over time to support value creation.

Below we demonstrate how our sustainability undertakings help to support some of our material matters. Refer to page 12 for more detail on our approach to sustainability.

1

## Attractiveness of the JSE as a capital raising and investment platform

The JSE's sustainability depends on a healthy Primary Market where the Exchange is seen as an attractive destination for raising capital in both public and private markets.

Perceptions about the Exchange's attractiveness are impacted by:

- The global context within which the Exchange operates.
- The South African macroeconomic and political environment – markets with high listings activity typically have supportive policies – as well as the current delisting trend and slow listings environment.
- The demand for non-traditional asset classes and the need to raise capital while remaining a private entity.
- The Exchange's ability to provide and oversee an effective regulatory environment, ensuring regulatory requirements add value and create an enabling environment for new and existing listings.
- The JSE's compliance with laws and regulations.
- The JSE's approach to ESG matters through its regulations, its product offering and its advocacy role.
- South Africa's high local market concentration.

M ▲

## Our sustainability undertakings

Behave in a manner that explicitly considers sustainability across our value chain, encouraging greater transparency and disclosure.

📄 pages 17-31

Provide the tools and services that facilitate responsible investing and the re-orientation of capital flows to more sustainable development.

📄 pages 36-37

Use our central role as connector to facilitate engagement and advocacy in relation to sustainability.

📄 pages 38-39

### Level of our control over the matter

H high M medium L low

### Change in level of impact since 2021

Increased impact ▲ Unchanged impact ▶

2

**Level of trading activity**

The value of and number of transactions directly impact financial performance. The level of trading activity and market quality is assessed by measuring liquidity, transparency, price discovery and transaction costs, among others. Trading activity is impacted by:

- The local and global macro-economic environment. The South African market is also highly event driven, impacting volatility.
- The influence of the South African political environment and fiscal stability.
- Changes in regulation that allows institutional investors to invest more offshore.
- Emerging markets sentiment and our relevance in financial markets.
- Most trading activities take place in a limited number of shares, and there is a limited number of buy and sell side participants.

L ▲

3

**Operational availability and stability**

The JSE's ability to operate trusted markets depends on its ability to provide a reliable, stable and secure trading and clearing environment that is competitive and meets its clients' requirements. The reliability, effectiveness and efficiency of systems, processes, controls and employees have a direct impact (positive or negative) on the JSE's reputation and earnings.

The JSE's complex operating ecosystem and dependency on third parties can impact strategic project execution, or the speed thereof.

H ▶

4

**Enabling technology to provide innovative solutions**

Future value creation is impacted by the extent to which the JSE can be nimble and agile in adopting or deploying new technology that is cost-effective and aligned with clients' requirements. The interdependency with key stakeholders, including suppliers and clients, impacts the JSE's ability to deliver these solutions and their time to market.

H ▲

5

**Attractiveness of the JSE as an employer**

The JSE needs to attract, retain and develop a motivated, skilled and diverse workforce that is suited to its current and future needs. This includes scarce and specialised skills in regulation, operations, technology and futuristic thinking. Being an attractive employer requires progressive policies and a dynamic employee value proposition considering the evolving work landscape.

H ▲

The JSE's success depends on attracting, retaining and motivating the right employees in the right roles. ESG considerations are embedded in our support activities to ensure that our approach to human capital management, corporate social responsibility and other areas contribute to value creation.

📄 pages 18-25

6

**Robust clearing and settlement for all transactions**

The JSE's systems and processes must ensure that cash equities transactions are settled within three days while achieving simultaneous, final and irrevocable delivery versus payment. The JSE provides settlement assurance for trades executed on the central order book, as governed through its rule book.

JSE Clear (the clearing house and central counterparty (CCP)), now an independent CCP, must ensure that all transactions in listed derivatives and listed cash bond securities are settled. JSE Clear needs to clear and risk manage transactions in securities listed on the JSE's Derivatives, Interest Rate, and Currency markets.

H ▶

7

**Competition and disruptors**

The JSE faces local and global competition as an investment destination, and competes against organisations that provide alternative capital raising, trading, clearing or settlement platforms and data functions. The traditional stock exchange business lines are impacted by technological and behavioural disruption and changes in regulation.

M ▶

**Level of our control over the matter**

H high M medium L low

**Change in level of impact since 2021**

Increased impact ▲ Unchanged impact ▶

Further details on each matter and how they impact value creation can be found in our [Integrated Annual Report](#)



Dr Suresh Kana

Chairman: Group Sustainability Committee

# CHAIRMAN'S LETTER – GROUP SUSTAINABILITY COMMITTEE

*The JSE plays a powerful role in promoting the practices that support better disclosure of ESG-related risks and opportunities, and facilitates the allocation of capital to more sustainable outcomes and therefore supporting a more resilient market in the longer term.*

The pace at which the global sustainability agenda is evolving continues to increase, with urgent action to address climate change at the forefront. However, the need to address the many social challenges the world faces is equally pressing. In South Africa, the weightiest of these issues include widespread poverty and inequality, failing infrastructure and rising unemployment which are further stressing the country's social fabric.

Just as these challenges arose over decades, they will take many years and significant investment to address. Healthy and transparent capital markets are essential to facilitate the capital required for this investment and to drive economic growth and sustainable development. Thankfully, ESG risks and opportunities are starting to receive more attention from companies, shareholders and investors. The JSE's position at the heart of capital markets imposes on us the duty to ensure capital markets correctly identify and price these risks and opportunities by promoting transparency, facilitating the growth in ESG-linked products and services, and providing guidance on reporting best practices.

## Sustainability oversight

The GSC oversees and reports on the manner and extent to which the JSE protects, enhances and invests in a more prosperous and equitable South Africa. It operates with the long-term perspective appropriate for assessing sustainability issues and, while the headline areas of our evaluation and monitoring remain largely the same year on year, the emphasis shifts to account for local and global developments.

## Guidance on ESG disclosures

The plethora of global sustainability guidelines and frameworks have created an increasingly complex and confusing reporting landscape. The Sustainability and Climate Change Disclosure Guidance we launched in June were derived through a consultative process and aimed to guide how companies report on their impacts and assess the sustainability matters that are material to their businesses. They recognise that the landscape is rapidly evolving and hence are intended to assist companies to gear up their processes and understanding so as to be able to be better prepared for the increasing disclosure pressures which they are facing. They represent a curation of the leading sustainability disclosure frameworks, standards and guidelines with a local context layer that emphasises the social and Just Transition dimensions. In the year ahead, we will monitor their use closely and revise them as necessary to align with global guidance in due course.

## Climate change and enhancing our sustainability performance

Our response to climate change takes two forms. As a listed company, we are deepening our understanding of our environmental impacts and improving our sustainability reporting. We have started the process of explicitly considering sustainability risks in our Enterprise Risk Management (ERM) framework. We refurbished our building to make it more energy efficient and further improved the measurement, monitoring and disclosure of our carbon footprint. On [page 26](#), we show our first set of climate change disclosures aligned with the recommendations of the TCFD, demonstrating our commitment to being a sustainability leader and providing an opportunity to share our learnings with listed companies.

We are working hard to identify the relevant internal sustainability and climate change key performance indicators to track and strengthening our processes to collect and assure the relevant data. Over time, we plan to strengthen internal assurance over sustainability information through our combined assurance model with the ultimate goal of adding external assurance in the future.

The JSE plays an important advocacy role to raise the profile of sustainability as a key business imperative and provide guidance through our participation in various sustainability-related fora and the tireless efforts of our CEO, Dr Leila Fourie, in her roles in these initiatives ([page 38](#)).

In our second role as a market structure for capital formation, we can support business in driving the shift towards stakeholder capitalism by offering relevant products and services, such as ESG indices, and providing a platform for sustainable finance instruments. We added a new transition segment and sustainability-linked bonds to our existing green, social and sustainability instruments during the year, Green bond issuance in 2022 reached R37 billion (2021: R21 billion), with 65 issues (2021: 37).

We are working with market players to increase our suite of sustainability-related products and investigating new partnerships and third-party sustainability ratings providers.

## Supporting our people

Successful businesses are defined by the quality of their people and we work hard to attract, develop, motivate and retain a high-performing team. Financial services skills are in global demand and the war for talent is a reality. We strive to recognise, reward and retain top performers and focus on succession planning to develop the next level of leadership. We held a series of workshops and surveys with employees to develop a unique culture formula to improve strategic delivery and strengthen our culture.

Diversity and inclusion are priorities for the JSE and we continue to make progress to improve representation of African, Coloured and Indian (ACI) employees, particularly in top and senior management. At time of publishing, ACI representation was 64% at Board and 70% at Exco levels. Gender mainstreaming is a similar priority and a number of projects contributed to further improvement in this regard ([page 22](#)).

In the context of South Africa's extreme levels of inequality, pay parity remains a focus and we report transparently on executive pay and how this compares to rest of the workforce. You will find more detail on our remuneration practices in our [remuneration report](#).



While the immediate physical health challenge of COVID-19 seems to have passed, we are conscious of the ongoing impact on the country's mental health in the context of the shift to hybrid work combined with the high underlying levels of stress arising from South Africa's socio-economic challenges. We are engaging our benefit partners to improve our understanding of the key challenges our employees face and using the feedback from our employee engagement surveys to help where we can. Initiatives introduced during the year to promote both physical and mental health included wellness workshops, yoga and fitness classes, a hiking club and an anonymous mental wellness app.

### Making a difference in society

Our Corporate Social Investment (CSI) strategy prioritises projects that align with our business strategy and chosen SDGs, with an emphasis on creating broad impact. We commissioned a survey of four of our funded non-profit organisations that showed that our investment reached 1 648 beneficiaries directly and a further 616 indirectly through these programmes.

More than half of our CSI investment goes to education and our flagship JSE Investment Challenge this year attracted nearly 25 000 participants at 448 schools and 83 universities, as well as over 4 000 members of the public. 57 black students received financial and extended support to complete their studies and enter the financial sector through bursaries from the JSE Empowerment Fund. The JSE provided grants to organisations to grow their businesses, expand their customer base, increase their turnover and profitability, and scale their operations to be more sustainable. These grants include procurement spend allocated to black- and black women-owned businesses through our enterprise and supplier development programme (📄 page 25).

The transformation team monitors our BBBEE performance and ensures that the transformation strategy continues to contribute to the national agenda and has impactful, measurable outcomes. Retaining our Level 2 BBBEE rating is an ongoing focus and I am pleased to report that we retained this level at both Group and at JSE Ltd levels.

### Stakeholder engagement

We value our relationships with our stakeholders, which include clients, investors, regulators, communities, suppliers and employees. The Net Promoter Score (NPS) survey of clients showed a pleasing further improvement on last year's figure and our employee survey creates a benchmark against which we can measure engagement. The integrated report provides more information on our stakeholder management strategy and engagements during the year.

### Business ethics

The JSE has zero tolerance for bribery, corruption, misconduct, fraud, theft and unethical behaviour. This approach is emphasised in our code of conduct and ethics, policies and procedures, and entrenched through regular training sessions. An anonymous third-party whistle-blowing hotline provides a confidential channel for employees, stakeholders and the general public to register grievances and concerns.

### Appreciation

On behalf of the Board, I would like to thank our CEO, Leila, and her Exco for their commitment and dedication in leading the JSE. We are equally grateful for the exceptional contribution from all of the JSE's employees in another year of good progress against our strategy. In closing, I thank my fellow Board and committee members for their insight and continued support.



**Dr Suresh Kana**

*Chairman: Group Sustainability Committee*

# HOW THE JSE CREATES VALUE

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*Creating sustainable value for our stakeholders is inherent in our strategy and our vision of growing shared prosperity.*

## WHO WE ARE

The JSE is a self-regulatory\* multi-asset class stock exchange based in South Africa that offers listings, trading, clearing and settlement (post-trade), and information services, as well as issuer services. It has been operating as a marketplace for the trading of financial products for 136 years and is the largest stock exchange by market capitalisation in Africa and the 19th largest stock exchange in the world.

### Our purpose

People with passion, powering a trusted marketplace for an inclusive and prosperous future.

### Our vision

Growing shared prosperity.

### Our mission

To be the best globally connected platform for inclusive and sustainable value creation that enriches lives and enables a positive future.

### Our values

We deliver on our purpose through our core values of servant leadership, connecting for co-creation and growing together.

### Our ethical culture

We remain focused on adhering to the applicable legislation and being an ethical, environmentally responsible business.

\* The JSE is a self-regulatory organisation (SRO), licensed in terms of section 8 of the Financial Markets Act, 19 of 2012 and responsible for regulating the financial markets that it operates.

**Market capitalisation (JSE Limited)***(2021: R9.7 billion)***R9.4bn****Average liquidity\* (JSE Limited)***(2021: 61%)***46%****Securities available on the JSE***(2021: 1 108)***1 247****272****Companies listed on the Main Board***(2021: 288),*including **57**  
**foreign domiciled companies***(2021: 62)***Permanent employees\*\****(2021: 542)***544****Invested in CSI***(2021: R9.0 million)***R9.2m****83% ACI***(2021: 81%)***54% female employees***(2021: 57%)***Carbon footprint (Scope 1, 2 and 3) per full-time employee***(2021: 16 tCO<sub>2</sub>e/FTE)***14 tCO<sub>2</sub>e**

\* Liquidity is the ratio between total value traded and market capitalisation annualised, and an indicator of market quality.

\*\* Includes JSE (382); JIS (139), JSEC (21) and JPP (2).

## WHAT WE DO

Exchanges and clearing houses provide facilities for businesses to raise capital and investors to trade financial securities, helping them to grow their businesses and enabling long-term wealth creation. They are critical role-players in a market economy that fosters inclusive economic growth that helps to create jobs and address inequality. Our activities and infrastructure promote the efficient allocation of capital and facilitate access to the finance that is essential to address South Africa's social and economic challenges.

The JSE is a fully electronic, efficient and secure market with world-class regulation, trading and clearing systems, settlement assurance and risk management. We are also the frontline regulator of the financial markets we operate.

Our products and services are summarised below, with more information on pages 23 to 26 of the [Integrated Annual Report](#).

## Capital Markets

Operates the markets under our exchange licence to connect businesses and investors with access to capital markets.

The **Primary Market** seeks new equity and debt listings on the JSE's Equity and Interest Rate markets.

Provides trading, colocation and market development services in the Equity, Bonds, Financial Derivatives and Commodity Derivatives Markets.

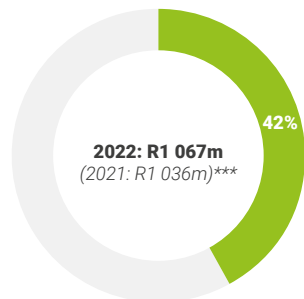
### Value created for stakeholders

Enables liquid and transparent markets.

### Value created for the JSE

Fees for new issuances, annual listing fees, corporate actions, trading and colocation\* rentals.

### Contribution to 2022 revenue\*\*



## Post-Trade Services

Responsible for the risk management, clearing and settlement assurance of markets operated by the JSE.

The JSE acts as the settlement authority for the exchange-traded Equity Market and as the clearing house for the exchange-traded Derivatives Market (via the CCP, JSE Clear Proprietary Limited (JSE Clear)).

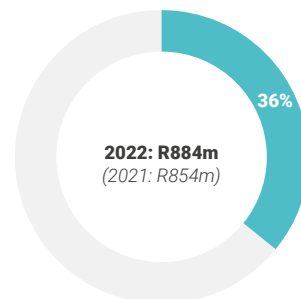
### Value created for stakeholders

Promotes operational efficiency, risk and balance sheet management.

### Value created for the JSE

Fees on clearing and settlement, broker dealer accounting, connectivity, subscription and dissemination.

### Contribution to 2022 revenue



## Information Services

Provides market data, reference data, corporate actions, client data, indices, valuations, business intelligence, statistics and analytics. Information Services is responsible for the promotion, licensing and sale of all JSE information products and services across all JSE markets, currently weighted towards the Equity Market. Data products and licenses are billed in either rands or US dollars.

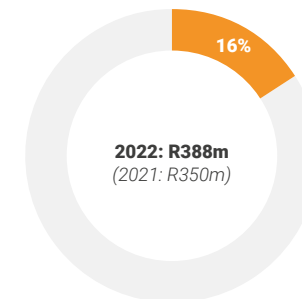
### Value created for stakeholders

Generate propriety multi-asset data that is widely used by market participants to inform their decision making.

### Value created for the JSE

Sales of data products and licensing their distribution and use. Licensing fees include end-user terminal fees, non-display use fees and fees for passively tracking products on indices.

### Contribution to 2022 revenue



\* Colocation allows clients to host their infrastructure in the same vicinity as the infrastructure that drives the markets at the JSE, enabling low-latency trading strategies through high-speed trading and market data access.

\*\* Includes colocation revenue.

\*\*\* Figures contain rounding differences.

## Issuer Services

Provides listed companies with market-specific services including training, presentation venues, AGM facilitation and centralised communication platform that assists issuers in communicating with their shareholders (ShareHub).

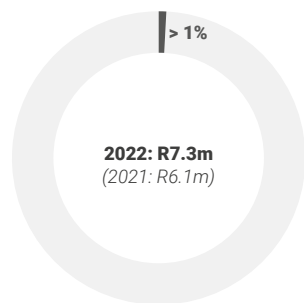
### Value created for stakeholders

Comprehensive market-specific services provide a central hub that improves accessibility to key services for our stakeholders.

### Value created for the JSE

Income from providing training, presentation venues and AGM facilitation.

### Contribution to 2022 revenue



## JSE Investor Services

Provides transfer secretarial services to issuers, including share register maintenance, issuer communication, the handling of corporate actions, share scheme management, administration and financial management, shareholder analytics, as well as a central securities depository participant offering.

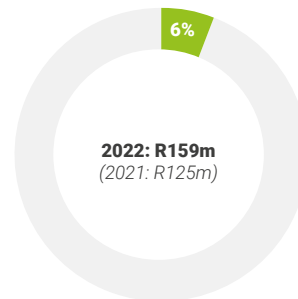
### Value created for stakeholders

Enables the JSE to move closer to our issuers and provides the means to offer a one-stop shop to them.

### Value created for the JSE

Earns fees from registry services, share plan administration, corporate actions, margin income, shareholder analytics, financial management for trusts, asset reunification and directors' board apps.

### Contribution to 2022 revenue



## JSE Private Placements

Supports private markets by providing a forum to raise equity and debt through Globacap's automated and digitised platform.

### Value created for stakeholders

Provides cost-effective, centralised and more transparent capital raising opportunities for issuers and investors across private equity and private debt issuers.

### Value created for the JSE

Fees earned from deals placed on private placement platform.

### Contribution to 2022 revenue

In 2022, the focus was on scaling the business to ensure a healthy pipeline of deals and investors on the platform. The fee structure is heavily weighted towards deal closure and there is revenue upside potential in 2023 and onwards.

# OUR SUSTAINABILITY APPROACH

*The JSE has an exciting opportunity to drive sustainability and maximise its impact by creating an enabling environment for improved ESG behaviour and disclosures.*

Globally and locally, companies are feeling increased pressure to improve their performance and disclosure on ESG and climate-related matters, and to demonstrate leadership in addressing social and environmental challenges. As investor interest in ESG matters continues to grow, stock exchanges have an opportunity to support businesses in driving the shift towards a more stakeholder centric approach within the context of sustainable development.

The concepts of sustainability, inclusivity and shared prosperity are deeply embedded in the JSE's DNA. The sustainability strategy aligns with and supports our corporate strategy, informing our actions and entrenching the JSE's position as a thought leader.

## Sustainability context

Our sustainability approach incorporates global trends and the South African context to ensure that our approach and actions are relevant, timely, create value for our stakeholders and align with international norms and local needs. Below is a list of key developments that are gaining momentum within the sustainability space that we are keeping a keen eye on:

- An ongoing emphasis on addressing climate change with net zero target-setting and systemic and financial risks dominating the discourse. There is also a greater acknowledgement of the need to ensure that the transition to a low-carbon economy is done in a “just” way.
- Increased use of litigation, both by parties seeking to advance effective action on climate change and by those opposing these actions. As an example, the US Environmental Protection Agency's ability to control emissions and mitigate climate change suffered a setback when the Supreme Court issued a ruling preventing it from setting state-level caps on carbon emissions.
- Further consolidation and alignment of sustainability standards, frameworks and definitions, as well as growing mandatory reporting requirements. In March 2022, the US Securities and Exchange Commission issued a proposed rule that would require enhanced and standardised climate disclosures in US company registration statements and annual reports.
- Nature-related disclosures are growing in importance as concerns over the biodiversity crisis deepen, and human rights issues remain top of mind as the world emerges from the COVID-19 pandemic.
- Sustainable finance instruments are showing high growth levels globally and locally as investors look for more products that are sustainability focused. At the same time, the reputational risk for companies of green/sustainability-washing is rising and regulations on labelling are tightening.
- Investors, activists, clients and civil society are asking for more sustainability information from companies.
- The private sector is more visible and active in activities related to enhancing the sustainability agenda. In addition, there is a noticeable increase in local company interest in sustainability, with requests for guidance and training.
- The local context of poverty, inequality and high levels of unemployment underscored by the challenges posed by corruption in a low growth environment will have to be explicitly considered in any approach to sustainability and hence we need to ensure we consistently check our efforts against this and revisit where our opportunities to support positive changes lie.

The recommendations of King IV form the basis for our overarching approach to sustainability. Various frameworks, guidelines, regulations and initiatives further inform this approach (see [IFC](#)), as well as our strategy, specific disclosures and management practices.

## Sustainability impacts

As the sustainability landscape evolves, our approach to sustainability reporting (internally and externally) has developed iteratively to improve the way we consider and reflect our impacts on society, the environment, the economy and the sustainability landscape.

When assessing our sustainability impacts, we consider internal and external drivers that are symbiotic and mutually value adding.

### Internal

How the Group operates its business and addresses its corporate sustainability concerns to deliver lasting value for stakeholders and broader society.



### External

The Group's circle of control and ability to influence and encourage change in behaviour in the broader discourse on sustainability matters with connected entities.




### We consider the areas we can most meaningfully contribute sustainability outcomes to be:

Demonstrating and providing leadership in ESG matters to enhance the resilience of our markets and South Africa as an investment destination.

See  pages 17, 36-37

Helping to entrench sustainability, long-term thinking and addressing the national agenda in corporate South Africa by mandating and promoting ESG disclosures.

See  pages 32-35

Participating in various sustainability-related initiatives and platforms to support their continued development, implementation and bringing related learnings back into our markets.


See  pages 38-39




### Our secondary impacts include:

- Our employees are essential to our ability to conduct our business.
- We provide jobs for 544 people and prioritise diversity and inclusion. Our employees report increased levels of stress since the shift to hybrid working and in the context of increasingly challenging socio-economic conditions in South Africa.
- Our CSI programme invests in various initiatives aligned with our strategy that aim to make a sustainable difference in the lives of beneficiaries over the long term (2022: R9.2 million).
- The enterprise and supplier development programme supports transformation in our supply chain and R5.8 million was invested in these initiatives in 2022.

#### People and communities

See  pages 19-25

#### The environment

See  pages 26-31

We are committed to reducing and mitigating our environmental impacts, including our carbon footprint, energy use, water consumption and waste produced.

#### The economy

The JSE contributes to the fiscus by paying taxes and levies (2022: R288 million) and rewards employees with fair and equitable remuneration (2022: R693 million).

## Sustainability governance, risk and opportunities

The GSC, a sub-committee of the Board, monitors the Group's progress in terms of sustainability matters and advancing the UNGC's ten principles with respect to business, human rights, labour, environment, and anti-corruption (see 📄 page 42). It also monitors our progress in terms of our sustainability-related disclosures, which includes climate change. Sustainability considerations are embedded in our business strategy and our day-to-day activities. The resources necessary to scale up our sustainability capabilities have been budgeted and the recruitment process is underway.

Improving our climate change-related disclosures is an area of focus in 2022/2023 to assist us in meeting our commitment to net zero. This aligns with our membership of the Net Zero Service Provider's Alliance as part of the first group of global exchanges to commit to net zero. During the year, we conducted an energy audit, a TCFD gap analysis and began preparing our first TCFD-aligned set of disclosures (see 📄 page 26).

We consider ESG risks and opportunities when evaluating our material matters both from our role as an Exchange and in how we address these as a business. The specific sustainability elements that we consider material are explicitly outlined in the JSE's material matters (refer to 📄 page 3).

Our most significant sustainability-related risks and opportunities:

### Risks

- The cost of attracting, developing and retaining key talent.
- Some initiatives do not have immediate or direct revenue upside to offset the cost of implementation.
- The influence of the South African political environment and fiscal stability.
- The local and global macro-economic environment.

### Opportunities

- Elevate employee value proposition through a competitive retention model and enhanced employee experience.
- Enhanced revenue opportunities through new products and services, including those that relate to sustainable finance.
- New and enhanced partnerships that support business growth.
- Positive marketing/reputational benefits that differentiate the JSE from its competitors.
- Contribute to longer-term cost savings.

## Our sustainability purpose statement

**Our reason:** Markets are a powerful force for good in achieving the aims of supporting and driving sustainable value creation. The JSE, as a leader in sustainability in emerging markets, recognises the importance of integrating the long-term perspective into financial markets to reduce socio-economic and physical risks and contribute to enhanced financial stability and a low-carbon economy.

**Our sustainability mission:** To create an enabling environment for better sustainability practices and disclosure to grow.

The JSE has several opportunities to drive sustainability and maximise our impact in each of its roles:

### As an exchange

- Facilitating more efficient capital markets by supporting the better pricing of social and environmental risks through effective, consistent, and comparable sustainability and climate-related disclosure.
- Supporting the growth and development of sustainable finance instruments.
- Providing thought leadership and guidance to companies on sustainability and climate change disclosures.

### As a regulator

- Including mandatory governance requirements regarding sustainability in the listing rules.
- Requiring companies to report using King IV on an "apply and explain" basis.

### As a listed company

- Leading by example and integrating sustainability matters and SDGs into our operations and activities.
- Raising ESG awareness and driving the sustainability agenda through investor briefings, showcases, presentations, partnerships and collaborations.
- Advocacy through the JSE's representation and participation in international and local ESG initiatives (see 📄 page 38).

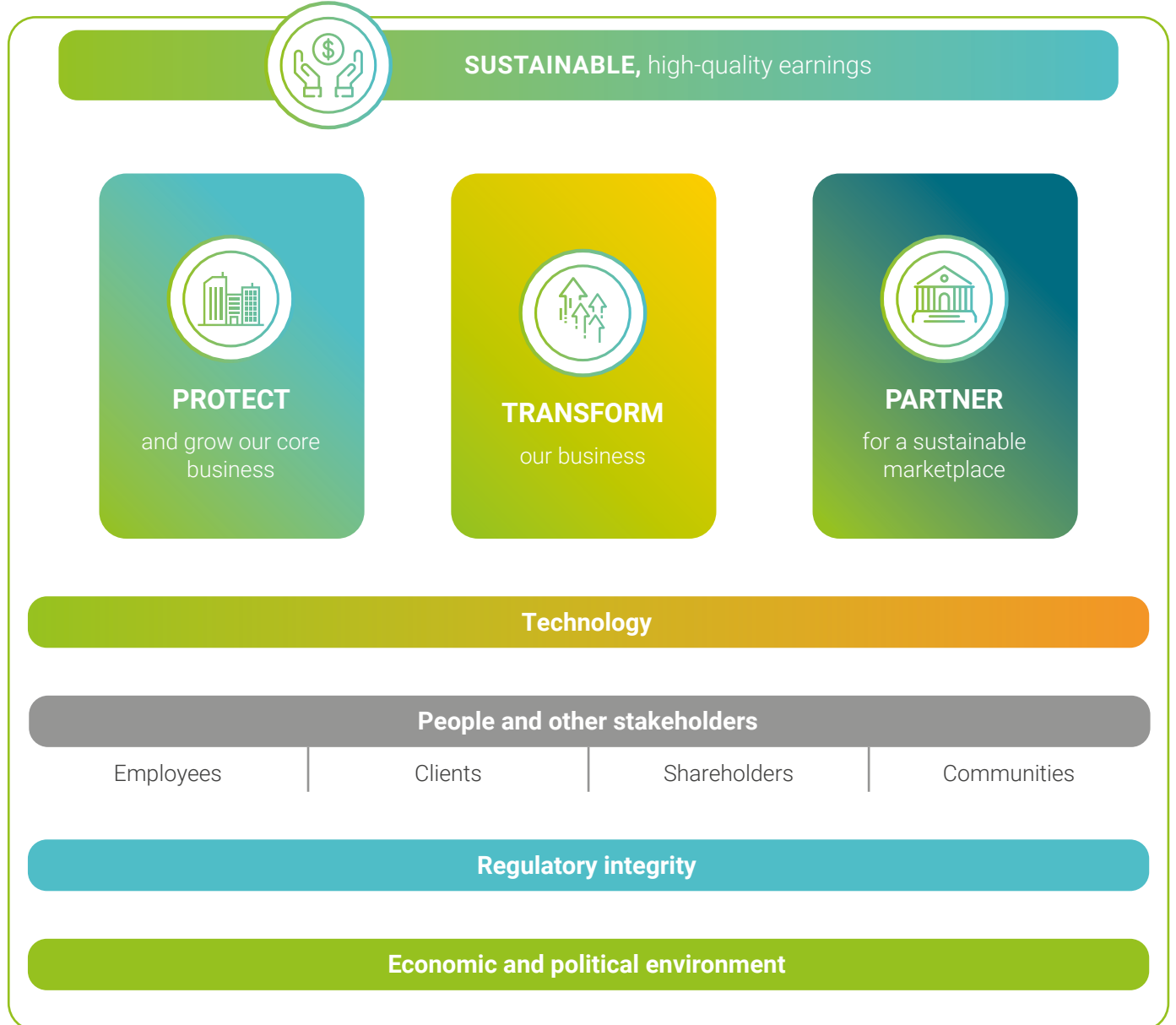


# OUR STRATEGY

We regularly review and adapt our strategy to ensure we appropriately manage the risks and leverage the opportunities arising from the changing financial market landscape.

An upward trend in the uptake of sustainability-linked products, increasing disintermediation of market infrastructures, and global growth in retail investment are some of the trends that shape our refreshed 2026 strategic vision. Our strategy focuses on both organic and inorganic growth to return high-quality earnings while protecting and growing our core business to ensure the Group's growth and sustainability. The JSE has affirmed its sustainability mission of creating an enabling environment for better sustainability practices and disclosure growth. For more information on our strategy, refer to page 28 to 31 in the [Integrated Annual Report](#).

Our sustainability metrics are embedded in our Group strategy and are measured under the partner for a sustainable market metric of our corporate scorecard, (refer to page 33 in the [Integrated Annual Report](#)).



## Sustainability strategy

The sustainability strategy comprises four sustainability focus areas. More information on how we action these undertakings form the core chapters of this report. Our critical dependencies for the success of our undertakings are stakeholder consultation, market research and feasibility studies; budget and systems maintenance; and internal competence and capability to adequately support and lead our ambitions and uphold credibility.

Our sustainability undertakings	How will we do this	What we did in 2022	Focus for 2023 and beyond
Behave in a manner that explicitly considers sustainability across our value chain as an exchange and as a central player in the South African economy.	Enhance internal sustainability performance.  Page 17	<ul style="list-style-type: none"> <li>Progressed the development of a TCFD-aligned set of disclosures for the 2022 financial year.</li> <li>Developed a sustainability dashboard.</li> <li>Undertook an energy audit.</li> </ul>	<ul style="list-style-type: none"> <li>Enhance sustainability capacity and skills and improve sustainability reporting.</li> <li>Improve public availability of common ESG indicator information for JSE.</li> <li>Improve energy and water management to reduce carbon footprint.</li> </ul>
Guide our markets on the importance of ESG disclosure and incorporating ESG into investment considerations.	Influence and support better sustainability practices in the market.  Page 32	<ul style="list-style-type: none"> <li>Published sustainability and climate change voluntary disclosure guidance in June 2022.</li> <li>Offered sustainability and climate change training to the market.</li> </ul>	<ul style="list-style-type: none"> <li>Collect data on the use of the JSE Disclosure Guidance.</li> <li>Develop an information repository on sustainability debt instruments.</li> </ul>
Provide the tools and services that facilitate responsible investing and the re-orientation of capital flows to more sustainable development.	Grow the span and take-up of relevant sustainability instruments in the market.  Page 36	<ul style="list-style-type: none"> <li>Refined and expanded ESG product offerings based on emerging and anticipated client demand.</li> <li>Expanded the ESG ratings coverage via our partnership with FTSE Russell (FTSE4Good) to circa 160 companies (from approximately 100).</li> </ul>	<ul style="list-style-type: none"> <li>ETFs and Structured Products – Ongoing encouragement to issuers to expand offerings.</li> <li>JPP – Investigate appropriate approach to impact labelling and marketing, and devise an action plan.</li> <li>JSE Academy – ongoing development of training offerings in line with market needs and evolution.</li> </ul>
Use our central role as connector to facilitate engagement and advocacy in relation to sustainability.	Participate and engage in national and global sustainability fora.  Page 38	Facilitate, support and drive industry-leading initiatives, leveraging the JSE's role as an influencer and connector.	

These sustainability initiatives support our strategic direction by:

- Supporting the growth of the business by providing new or enhanced revenue opportunities and partnerships.
- Creating positive marketing/reputational benefits and differentiating the JSE from its competitors, improving our sustainability profile and credibility as thought and action leaders.
- Supporting the financing and competency needs for the Just Transition and the national agenda.
- Contributing to the public good in relation to sustainable development.
- Mitigating long-term risk in relation to growing social and environmental risks.
- Contributing to longer-term cost savings.
- Aligning with peer best practice.

### Our efforts towards better alignment and disclosure of the SDGs.

Improving disclosures is an ongoing effort and we are doing this in tandem with the evolution of our practices and strategy.

In addition to improving our climate change-related disclosures, our internal Sustainability Committee is currently reviewing our SDGs with the aim of strengthening our SDG disclosure through the setting of targets that are aligned with our strategic priorities and business model.

# ENHANCE INTERNAL SUSTAINABILITY PERFORMANCE

Sustainability across primary and secondary activities	17
Sustainability across support activities	18

*We undertake to behave in a manner that explicitly considers sustainability across our value chain as an exchange and as a central player in the South African economy.*

## In this chapter

The JSE's business includes several primary and secondary activities. Sustainability is integrated into our value chain, as shown in the following pages.

- Sustainability across primary and secondary activities.
- Sustainability across support activities, including how we manage our human capital, contribute to wider society and minimise our environmental impact.

## SUSTAINABILITY ACROSS PRIMARY AND SECONDARY ACTIVITIES

### Primary activity

### 2022 focus areas

#### Capital Markets

Improving ESG product opportunities by promoting and progressing existing and new investable products. See [📄](#) page 36 for more information.

#### Information Services

Improving ESG rating coverage to include a greater number of listed companies beyond those assessed for our responsible investment indices.

#### Regulation

Working with the King Committee, National Treasury, Financial Sector Conduct Authority and South African Reserve Bank to consider a harmonised national approach to sustainability disclosure in the longer term.

### Future focus areas

- Expanding sustainability product offerings based on market needs.
- Create governance solutions that promote better shareholder inclusivity and transparency.
- Expand sustainability-related training offerings.
- ESG data collection and provisioning (FTSE).
- ESG rating progression in line with global norms.

# SUSTAINABILITY ACROSS SUPPORT ACTIVITIES

ESG considerations are embedded in our support activities to ensure that our approach to human capital management, corporate social investment and other areas contribute to value creation, sustainability and positive social impact. For more detail, refer to pages 67 to 79 of the [Integrated Annual Report](#).

## Our people

Effective human capital management is essential for the Group's long-term sustainability. Focus areas include skills development, diversity and inclusion, and employee engagement and wellness.

## Social investment

Our corporate social investment programme supports initiatives that have a meaningful positive impact in addressing South Africa's social challenges.

## Our environmental impact

Despite not having a significant environmental footprint, we recognise the importance of responsible stewardship of natural resources and we strive to minimise our impact on the environment and, in turn, on climate change.

## Supporting the JSE's people objectives

The JSE's success depends on attracting, retaining and motivating the right employees in the right roles, and ensuring that we help them to develop their skills to meet current and future business requirements. Employee wellness is a high priority, and we provide resources and support for employees to protect and strengthen their resilience. Our human capital management approach fosters diversity and aims to further improve the employee experience, particularly in the context of the hybrid work environment.

Our HR focus in 2022 included building employee resilience, advancing the right talent and running a robust HR operation by deploying technology to manage volume or manual processes.

The section that follows provides a high-level overview of the JSE's human capital and associated approach. Our [Integrated Annual Report](#) on pages 73 to 79 provides more information on our human capital management and efforts toward transformation.

## Our employee complement

### Permanent employees

#### JSE Group

##### Total permanent employees\*

(2021: 542)

544

##### Male

(2021: 43%)

46%

##### Fixed-term contract employees\*\*

(2021: 39)

59

##### ACI

(2021: 81%)

83%

##### Female

(2021: 57%)

54%

##### Employees with disabilities\*\*\*

(2021: 15)

12

##### Average age of JSE employees

(2021: 41)

40

##### Workman's compensation claim

(2021: 2)

2

##### Employee turnover

(2021: 13%)

14.4%

##### The average length of service across all categories

(2021: 8)

7

\* Includes JSE (382); JIS (139), JSEC (21) and JPP (2).

\*\* JIS.

\*\*\* JIS: 11; JSE: 1.

## Attracting and retaining diverse top talent

The scarce and specialised skills we require are in high demand globally and employee engagement and retention are ongoing focuses. These skills include regulation, operations, technology and futuristic thinking.

In 2022 we continued to build the diversity and skills of our workforce, keeping a tight grip on headcount, and successfully integrated employees from the JSE's acquisitions into our workforce. We also approved a retention strategy in response to retention challenges at executive and senior leadership levels that were identified in 2021. To address the retention challenges, the following four focus areas were addressed:

- Ensuring that the JSE guaranteed pay benchmarking analysis is credible and linked to an appropriate and defensible peer group
- Reviewed the JSE pay policy which outlines that the JSE sets guaranteed pay at median of the market, with limited exceptions allowed based on scarce skills
- Aligning the JSE pay mix with market and ensuring this translates into a competitive total remuneration for senior executives
- Determining that variable pay opportunities are realistic and realisable

For further reading, see our online [remuneration report](#).

## Developing our people

We are committed to developing the skills, knowledge and capability of our employees and providing immersive and engaging learner experiences that increase cross-functional collaboration and foster a continuous learning culture. Essential training and mandatory courses are provided through the JSE Training Academy digital platform and include short courses and on-the-job training. Support is provided to employees furthering their tertiary studies and high-potential leaders receive leadership training and coaching.

The JSE invested R8.6 million in learning and development (2021: 8.4 million) across 557 learning interventions. ACI employees accounted for 84% of employees trained and females for 58%.

New learning and development interventions to foster an environment of continuous learning were introduced in 2022. These included programmes for young professionals, high-potential leaders, emerging young leaders, women in leadership and identified Exco successors.

The JSE invested R3.09 million (2021: R1.9 million) in a learnership programme for people with disabilities. The programme aims to positively empower and help redress the balance of the skills deficit prevalent in South Africa and support sustainable transformation in both the financial sector and the country. 46 disabled learners completed an NQF 5 qualification in banking and they were absorbed into employment by an external company.

### Our redefined culture

We held a series of workshops and surveys with employees to identify and rank the elements that enable or obstruct the JSE's ability to execute the strategy and strengthen our culture. The outcome was a unique culture formula that informs the business units' action plans with a view to minimising or eliminating disabling elements while strengthening enablers. It is envisaged that there will be a shift in the formula over time and the enabling elements of the JSE culture will be amplified.

### Employee engagement and experience

The JSE strives to be an employer of choice and one of the ways we gauge and measure employee sentiment is by using cutting-edge employee engagement technology. In 2022 we implemented Peakon for our annual employee engagement survey to measure engagement and sentiment. It also empowers line managers to drive actions in support of improving engagement in the Group.

The participation rate and overall scores remain positive for the business. Areas where we are doing well are goal setting, the environment and meaningful work. Areas that require focus for improvement are workload, growth and reward.

### Employee wellbeing

The JSE's employee wellbeing programme is designed to build employee resilience and health. Statistics from our medical aid partners show that the JSE's overall health profile compares relatively well with that of the financial services industry. Data provided by our benefit partners informs initiatives to assist with overall employee wellbeing, which include initiatives to support physical and mental health. Interventions during the year promoted physical activity (walking, hiking, yoga and fitness sessions), COVID-19 and flu vaccinations, awareness and screening sessions, workshops and webinars covering topics such as mental health, family and work/life integration.

Employees have access to an Employee Assistance Programme and usage indicates that, in line with comparable organisations, the most common issues are mental health, financial constraints and relationship challenges. We launched Panda, a mental wellbeing app, to provide anonymous support in this area, and introduced a programme to strengthen the mental health skills and resilience of young professionals.

We have also introduced a secondary medical aid scheme for employees, effective from January 2023. This enhancement to our employee value proposition will give our employees choice in terms of the best healthcare suited for them and provides more cost-effective medical aid plans given South Africa's tough economic conditions.

### Fair and responsible remuneration

The JSE's remuneration philosophy and policy govern the remuneration of all employees. We are committed to fair and equitable remuneration for all employees in the context of overall employee remuneration. An internal pay parity exercise was conducted in 2021 to ensure a 90% comparable employee ratio of comparable employee groups in terms of job grade, performance rating and tenure. Where necessary, employees received pay parity adjustments.

In 2022 the JSE performed a pay parity exercise in line with our commitment. This included JSE Clear as well as JPP. We also embarked on a complete job evaluation and benchmarking exercise for JIS in which all roles were graded, and employees were granted salary adjustments to align their remuneration to that of their roles. A phased approach will be taken to adjust the pay for these employees.

More information on remuneration is available in our [remuneration report](#).

## Continuing our transformation journey

The JSE is committed to transformation in line with South Africa's priorities and our transformation initiatives aim to achieve demographic representation in knowledge, skills and experience, race, gender and disability, while redressing historical inequality.

The employment equity policy aims to eliminate unfair discrimination. Mandatory diversity, inclusion, equality and belonging workshops and training sessions are provided to employees and leadership to facilitate discussion and a shared understanding of diversity and the JSE's transformation priorities. HR policies and practices have been reviewed to ensure the fairness and equality of our working environment.

2022 marks the second year of our three-year employment equity plan and we are making progress towards our December 2023 objectives. Appointments and succession plans prioritise ACI candidates, particularly at levels where we are experiencing attrition. As of 31 December 2022, 83% of our employees are ACI and we are focused on continuing to improve ACI representation in senior and top management.

## Employment Equity

### Race breakdown\*

Occupational level	Male				Female				Foreign national		Total
	African	Coloured	Indian	White	African	Coloured	Indian	White	Male	Female	
Top management	1	0	2	3	4	1	2	3	0	0	16
Senior management	7	2	6	16	8	2	7	10	0	0	58
Professionally qualified and experienced specialists and mid-management	61	6	21	32	55	11	19	23	2	0	230
Skilled technical and academically qualified workers, junior management, supervisors, foremen and superintendents	56	10	9	5	88	31	14	8	1	0	222
Semi-skilled and Discretionary Decision Making	5	2	1	1	3	1	1	0	0	0	14
Unskilled and Defined Decision Making	0	0	0	0	4	0	0	0	0	0	4
<b>Total Permanent</b>	<b>130</b>	<b>20</b>	<b>39</b>	<b>57</b>	<b>162</b>	<b>46</b>	<b>43</b>	<b>44</b>	<b>3</b>	<b>0</b>	<b>544</b>

\* Data includes all JSE subsidiaries (JIS, JPP and JSE Clear).

## Female representation at\*\*

### Board

(2021: 67%)

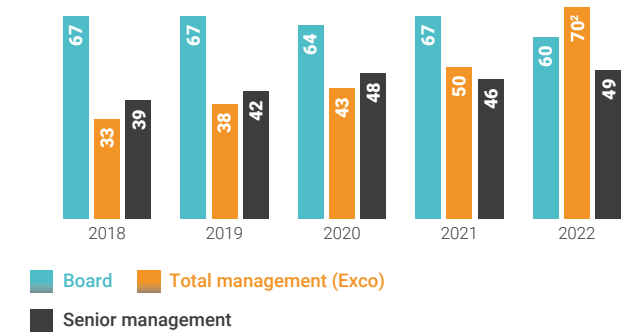
64%

### Exco

(2021: 75%)

80%

ACI representation in leadership (%)



\*\* Includes Chief financial officer that was appointed January 2023.

\*\*\* Includes the acting chief financial officer who stepped down from the role in January 2023.

## Gender equality

The JSE's gender promotion strategy aligns to the Sustainable Stock Exchanges Initiative's Best Practice Framework to ensure that the strategy is both internationally relevant and considers local dynamics (regulatory, demographics, etc.). As shown in the table below, the JSE made good progress against the Framework in 2022.

### Sustainable Stock Exchanges Framework Pillars

### Progress to date

Evaluate and disclose the exchange's progress on gender equality	As at end December 2022, women represent 54% of the JSE workforce. In January 2023, 64% of the Board and 80% of Exco is now female. The employee engagement survey returned a positive score for gender equality.  According to the 2022 Sustainability Stock Exchange report, JSE-listed companies have the highest overall number of women on boards for an emerging market, with 32% of the board seats held by women.
Promote gender equality internally	Recruitment, development and retention initiatives prioritise increasing representation of women in the workforce. Pay parity adjustments in 2022 achieved parity between male and female employees. The hybrid working policy allows for flexible working hours and time in the office to support work/life balance.  HR policies include a gender-neutral parental leave policy, mandatory employee training on gender-based violence and a gender-based violence policy to provide victim support.
Integrate gender equality into stakeholder relations	R1 million of CSI funding was allocated towards gender equality issues, including gender-based violence and femicide. 66% of the beneficiaries of our CSI programmes are female. Procurement from black women-owned businesses has remained constant year on year at 15%.  Market opening on International Women's Day focuses on gender equality with a 'Ring the Bell for Gender Equality' ceremony and the JSE sponsors the Gender Mainstreaming Awards.
Support the listing of gender-focused products	A diversity-focused ETF was listed by Satrux and Barloworld listed two gender-linked bonds targeted at increasing female representation in its leadership structures and supply chain.
Adapt SME offerings for gender-inclusiveness	Eight black women-owned businesses with annual turnover above R20 million were recruited into our SME Accelerator Programme for 2023. 63% of supplier development grants in 2022 were allocated to women-owned businesses for business development purposes.
Enhance women's ability to invest	The JSE's 2022 #ShelInvests conference had the theme "Fearlessly owning the markets" and positioned financial education as a vehicle for growing women's confidence in making investment decisions. The conference was attended by 950 women with 200 attending in-person and 750 virtually (2021: 800 virtual only).
Address barriers to gender equality on company boards	The JSE Listing Requirements require the nomination committee of a board to have a policy on the promotion of diversity at a board level – including gender – and report on how they have applied this in their board appointments.
Promote transparency on the market's gender performance	The JSE Sustainability Disclosure Guidance promotes measurement and reporting of board and employee diversity across demographic factors such as gender.
Set gender targets/requirements for listed companies	South Africa has a well-established gender equality framework and the JSE supports this through the listing requirements on diversity disclosures.
Foster broader market action on gender equality	In August, the JSE and the Gender-based Violence and Femicide Response Fund 1 hosted a seminar on the Code of Good Practice on the Elimination and Prevention of Harassment in the Workplace to raise awareness on the issue. We also co-sponsored the launch of the Africa Shared Value Initiative Report on the financial impact of gender-based violence on corporates.



## Reinforcing our ethics

The JSE holds itself to high ethical standards, complies with applicable legislation and has zero tolerance for bribery, corruption, misconduct, fraud, theft and unethical behaviour. Ethical behaviour and anti-corruption measures are entrenched through the code of conduct and ethics, policies, procedures, and training material, and through compliance oversight of the Group's adherence to relevant legislation.

The JSE has an externally facilitated anonymous whistle-blowing hotline that is available to employees, stakeholders and the general public. Zero calls were received during 2022 (2021: 1). Zero matters were escalated for investigation and closed during the year.

We monitor organisational ethical fitness with a GIBS Ethics Barometer Survey every second year. The most recent (2021) survey showed the JSE's overall ethical fitness as improved on the preceding survey, above the benchmark and in the top 36% of companies.

The JSE subscribes to the Code of Good Practice on the Prevention and Elimination on Harassment in the Workplace (Code on Harassment), which was introduced in March 2022. Our harassment policy is aligned with this code. Mandatory training sessions and webinars were held to sensitise employees and management to the requirements of the Code, and to prevent and eliminate harassment in the workplace.

\* Figures contain rounding differences.

## Corporate social investment

*The JSE is committed to investing in social initiatives that make a positive, sustainable, and meaningful impact on the wellbeing of South Africans.*

### Managing our corporate social investment

The JSE's CSI strategy supports programmes that directly benefit disadvantaged individuals and contribute to the national agenda. We also allocate 5% of the CSI budget to ad hoc requests from registered non-profit organisations (NPOs).

We form long-term relationships with NPO partners to ensure they have a deep, broad and sustainable impact in the identified communities. In 2022 we invested R9.2 million (1% of net profit after tax) across 16 CSI partners (15 NPOs), with 55% allocated to educational projects. We also launched an employee payroll giving programme to encourage employees to contribute to a few selected NPOs.

#### CSI focus areas

<b>R3.5m</b>	<b>Consumer education (including financial literacy)</b>
<b>R1.5m</b>	<b>Education</b>
<b>R0.75m</b>	<b>Environment</b>
<b>R1.05m</b>	<b>Gender equality</b>
<b>R0.55m</b>	<b>Social welfare</b>
<b>R0.37m</b>	<b>Discretionary</b>
<b>R1.4m</b>	<b>Fundisa Fund</b>
<b>R9.2m</b>	<b>Total*</b>

#### Strategic lens

##### Corporate objectives

- Lead on the climate agenda
- Promote financial literacy
- Maintain BBBEE Level 2 score

## JEF Trust bursaries

JSE Empowerment Fund (JEF) Trust bursaries provide financial and holistic support for education initiatives targeted at bringing black people into the financial services sector and contributing to the sustainable growth of our industry. The programme supports students from the second year through to honours studies and provides comprehensive support, including tuition, living costs, books and learning materials, transport allowance and a stipend. Support is renewed annually, dependent on student performance.

There were 57 students on the programme in 2022 at five universities, with preference given to students completing specific Bachelor of Accounting Science, Bachelor of Economic Science and Bachelor of Commerce or (Business) Science degrees.

Following an external survey of the bursary programme in 2021, we made some changes to enhance the effectiveness of the Trust and improve graduation rates. The revised student-centric holistic approach provides additional support and services, including laptops, tutoring, training, exam preparation workshops and mental wellness support to help the students cope with the pressures of university life.

The trust's total spend was R10 million (2021: R10.5 million).

Since the inception of the trust in 2009, it has supported 705 students with total disbursements of R83 million.

We also fund a revision programme for Chartered Financial Analyst Level 1 students through the Hedge Fund Academy.

## The JSE Investment Challenge

The JSE Investment Challenge is our flagship consumer education initiative, introducing and exposing students and learners to the securities market. Participation in the Challenge's 49th year rose above pre-COVID-19 levels, refer to page 70 in the [Integrated Annual Report](#).

We continue to seek partnerships to exponentially increase the number of schools and universities participating. The Challenge was also extended to the public through the Virtual Trading Game, where 4 351 individuals registered.

The 2022 Challenge concluded in September, with the awards ceremony taking place in October at the JSE building.

## Measuring our impact

During the year, we engaged external consultants to review the "multiplier" societal benefit of the CSI programme funding to its beneficiaries. The review included an assessment of how these funds may have:

- "Crowded" in other funders by opening other funding channels.
- Contributed to direct job creation for beneficiaries.
- Contributed indirectly to other stakeholders (such as family members of direct beneficiaries).
- Contributed to alternative benefits derived via the funding (such as capacity development, improvements in socio-economic or environmental conditions etc.).

Four organisations were selected for the review representing approximately 20% of total CSI spend, based on our history with the organisation and our ability to allocate the funds to specific beneficiaries. The review indicated that these four organisations supported 1 648 direct beneficiaries and 616 indirect beneficiaries.

	Direct beneficiaries	Indirect beneficiaries
<b>Imbumba Foundation</b> Exists to raise awareness and funding to alleviate 'period poverty' for indigent young girls in South Africa.	1 281	Girls given sanitary pads, and hence less likely to miss school days. Employment opportunities for the individuals employed at Imbumba to manufacture the sanitary pads.
<b>Alexandra Education Committee</b> Provides bursaries and wrap-around support to high school scholars	4	High school students receiving school bursaries for the year
<b>Afrika Tikkun</b> Focuses on youth education and development	166	50 young children enrolled in the Child and Youth Development Programme, plus 5 young adults (mentors) gaining part-time jobs; 111 young people participating in the JSE Challenge 2022
<b>Conservation SA</b> To preserve the environment while also creating jobs and contributing to development	197	19 people trained and gaining temporary jobs; plus 178 community members
	250	Household members of those who gained jobs
	20	Household members of the learners
	250	Children and their families also benefit from social services that they get access to by being on the programme
	96	Household members of those gaining temporary jobs

## Supporting the growth and sustainability of black-owned SMEs

The JSE's enterprise and supplier development (ESD) programme supports black-owned SMEs to grow revenue, create jobs and enhance their sustainability. While the programme aligns with the Amended Financial Sector Scorecard, our approach focuses on impact, rather than compliance. For example, our investment in the Black Stockbroker Programme exceeds the legislated amount and our support through the Enterprise Accelerator does not qualify for the scorecard as we charge a participant fee.

The enterprise development strategy is currently being revised to improve our SME offering and impact, and to unlock synergies and linkages between the programmes and our business operations.

There are four primary initiatives in the current ESD programme.

### Black Stockbroker Programme

Since 2016, the JSE Black Stockbroker Programme has supported the sustainable growth of emerging black stockbroking firms and has been lauded for its contribution to transformation in the industry. Qualifying participants receive 33% of their equity trading fees and connectivity fees back in cash. Participants are expected to use the funds to develop their businesses by employing more resources or acquiring technological tools that will enable the firms to develop their service offerings and ultimately their business activity and growth.

In 2022, R8.3 million was invested in the programme, supporting 12 out of 48 equity trading members. (2021: R9.1 million, supporting 13 out of 48). We are reviewing the programme to assess how we can fast-track the graduation of more stockbrokers, as only one has graduated since inception.

## Enterprise Accelerator

The JSE Enterprise Accelerator Programme provides a bespoke programme to SMEs to facilitate their growth, including business analysis, masterclasses, access to markets, mentorship and capital raising readiness training. The first 16 graduates reported revenue growth of 56%, increased full-time employment by 32% and raised R944 million in capital.

Refer to page 72 of the [Integrated Annual Report](#).

## JSE Empowerment Fund

The JSE Empowerment Fund (JEF) was established in 2005 to advance the education of black students that intend to make careers in the financial services industry. Bursaries are funded from the dividends earned from the Fund's 2.5% holding of JSE shares and interest earned from its cash balances. The bursary scheme is discussed on [page 24](#).

## JSE Supplier Development

The JSE's supplier development initiatives assist the growth of qualifying organisations in our supply chain, strengthening their offering and sustainability. The supplier development strategy was revised during the year to prioritise suppliers that are strategically linked to our supply chain or preferred sectors/groups, and to improve measurement and reporting of our impact through the programme support. The payment formula was also revised to upweight black-female owned entities.

In 2022, R5.8 million was disbursed to 17 suppliers (2021: R6.2 million to 14 suppliers).

## Our environmental impact

*We remain cognisant of our impact on the environment through our consumption of natural resources and our contribution to climate change.*

We are mindful of our duty to operate in an environmentally responsible manner. We aim to understand, monitor and minimise our direct environmental impact, with a focus on energy use and carbon emissions, while raising awareness internally to encourage positive sustainable behaviour.

Through our position as a central player in the South African economy and influencer in emerging markets, we can have a much wider-reaching impact by using our voice to influence sustainability practices in our market and beyond. It is imperative that we leverage our roles as an exchange and regulator to support clients and stakeholders in moving towards a low-carbon economy.

### Climate-related disclosures

We support the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD), which was established by the Financial Stability Board to improve the reporting of climate-related risks and opportunities.

We have commenced the journey toward the alignment of our disclosures with the TCFD framework and the climate change theme of the JSE Sustainability Disclosure Guidance (which is premised on the TCFD recommendations) as well as the targeted approach for stock exchanges being developed via the Sustainable Stock Exchanges Initiative in support of the Net Zero Service Providers Alliance (NZSPA).

We recognise that this is a journey and that we are at the early stages of this journey. Our disclosures will mature as we continually improve our approach to embedding the relevant processes and thinking into, inter-alia, our strategy and risk management processes.

During the year we conducted a TCFD gap analysis to identify areas for improvement required to report in terms of the recommendations. This was followed by a climate change workshop in October and a strategy and resilience workshop in November to refine climate change risks and opportunities. With the improved understanding of our carbon footprint and opportunities for reduction, we improved our understanding of a realistic pathway to net-zero. This will inform our science-based emission reduction targets which we are in the process of refining as we assess the feasibility of the emissions reduction strategies which we have identified.

2022 is the first year that the JSE reports on a set of TCFD-aligned climate disclosures which will form the basis for continual refinement and improvement. Our disclosures in this report align with the TCFD recommendations, categorised according to four thematic areas that represent core elements of how organisations operate: Governance, Strategy, Risk Management and Metrics & Targets.

## Governance

### TCFD Recommendation

Disclose the organisation's governance around climate-related issues and opportunities.

### JSE Climate Disclosure Guidance Recommendation

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

### Recommended Disclosure

a. Describe the Board's oversight of climate-related risks and opportunities.

The role of the Board is to promote the long-term sustainable success of the company, generating value for shareholders while having regard for the interests of our other stakeholders, the impact of our operations on the communities and environment in which we operate. In doing this role the Board monitors the JSE's strategy and is responsible for monitoring management and operations and obtaining assurance on the delivery of the strategy. Any changes to the JSE's purpose, strategy and values are reserved for Board approval.

The Board and its committees have oversight of climate-related matters, which include climate-related risks and opportunities. The Group Sustainability Committee oversees the JSE's overall environmental impact and overall sustainability initiatives and is also tasked with monitoring and reporting on the Group's efforts to protect, enhance, and invest in the economy and society.

The role of the committees in respect of climate-related risks and opportunities is set out below.

Board Committee	Role	Relevance to addressing climate change
Group Sustainability Committee	Oversight, monitoring and reporting on compliance by JSE Limited with legislated social and economic development requirements and other codes of good practice relating to corporate citizenship, the environment, health, public safety, and consumer protection.	GSC oversees and monitors the JSE's contribution towards combating climate change and its progress on the journey towards TCFD-aligned climate disclosure. In 2021, the committee supervised the development and issuing of the JSE's Sustainability Disclosure and Climate Change Disclosure guidelines.
Group Risk Management Committee (GRMC)	The Committee has an independent role, providing oversight of all enterprise-wide risk management policies, procedures and activities of the Group, including all subsidiary companies and entities within the Group. Also provides oversight over the governance of technology and information, including oversight of all information security matters and cyber risks.	GRMC is also responsible for identifying risks associated with future strategic initiatives and identifying mitigating measures to address specific risks. This includes risks related to climate change.
Group Self-Regulatory Organisation Oversight committee (GSROOC)	The Committee has an independent role, providing oversight of regulatory matters, policies and related activities of the Group.	The committee also monitors changing regulations to climate change, and consideration of a changing environment.

**Recommended Disclosure**

- b. Describe management's role in assessing and managing climate-related risks and opportunities.

The highest management-level position with responsibility for climate-related issues at the JSE lies with the Chief Sustainability Officer and the Chief Operating Officer. The Chief Sustainability Officer is responsible for developing and monitoring the execution of our sustainability strategy, objectives and initiatives relating to sustainability.



The Chief Sustainability Officer reports to the Chief Operating Officer, a member of the Group Executive Committee. This arrangement facilitates transparent communication between top management and the Board, ensuring that all aspects of our sustainability mandate are addressed. Direct communication with the highest levels of authority in the business and across the supporting structures enables effective communication regarding climate-related issues both from a top-down and bottom-up perspective.

**Strategy**

**TCFD Recommendation**

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning where such information is material.

**JSE Climate Disclosure Guidance Recommendation**

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

**Recommended Disclosure**

a. Describe the climate-related risk and opportunities that the JSE has identified over the short, medium and long term.

The focus of our strategy is to ensure that our business strategy and our day-to-day activities remain sustainable in the long-term. In our strategic planning and reporting, we define short-term as within the next 12 months, medium-term is one to 5 years and long-term refers to 5+ years.

During the year, the Board approved a refreshed 2026 Group strategy that provides clear direction and momentum to the Group's strategic direction for the

next five years. We have also developed a five-year vision which will underpin our strategy to generate sustainable quality earnings by 2026. A key pillar of our strategy is that of "*Partnering for a sustainable marketplace*" which includes some of the focal areas of our sustainability strategy.

While the group's activities do not have a significant negative impact on the environment, and our carbon footprint is small, as a responsible stock exchange, we are committed to addressing climate change challenges. ESG practices are integrated into our value system and the way in which we operate. Our sustainability strategy guides our business operations and ensures ESG awareness and action are implemented through a range of mechanisms, including climate-related disclosures and sustainable products such as green, social and sustainability bonds. Environmental management systems are prevalent in our business practices and operations. We have developed strategies to reduce our carbon footprint through more efficient energy and water usage, recycling activities and waste management.

**Recommended Disclosure**

b. Describe the impact of climate-related risks and opportunities on the organisation's business strategy and financial planning.

We annually review risks which are categorised as either financial, reputational, regulatory or environmental risks. Climate change impacts are cross-cutting and may be related to risks across one or all of these risk categories. Specific attention is given to ensure compliance with current and emerging regulations related to climate change and other pertinent sustainability issues.

The TCFD framework calls for companies to disclose existing and future impacts that climate change may have on their business strategies and to assess how resilient their strategies are to climate-related risks. Accordingly, the JSE conducted an assessment against the requirements of the TCFD to determine areas of improvement for our reporting and disclosures. The assessment indicates that the JSE has fulfilled the requirements for the TCFD's governance and risk management recommendations however we will re-visit these on an ongoing basis as our practice matures.

The areas for our improvement relate to our strategy and our plans to contribute to developing South Africa's low-carbon economy. Enhancements to our strategy will include quantifiable and timebound metrics and targets, which we are currently developing. The development of metrics and targets is being undertaken in the context of the climate change scenario analyses which were conducted in 2022. These climate change scenario analyses will help the JSE to assess and manage the risks posed by climate change, to enhance our strategic planning and decision making processes in the medium to long term.

Accordingly, our business strategy has been, and will continue to be, influenced by climate-related issues as part of the group's long-term business goal to be a sustainable stock exchange. Our continuous monitoring of our risks helps us to respond to how climate change impacts our operations and facilitated markets, as well as how our action in turn impact on the markets.

### Recommended Disclosure

- c. Describe the resilience of the organisation's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.

The TCFD, JSE Climate Disclosure Guidelines and the ISSB recommend the use of scenario analysis to disclose climate-related risks and opportunities. To assess the inherent climate-related risks on our business, we used different scenario studies to define and consider the potential impacts of physical and transitional risks and opportunities on the JSE's business.

The climate scenario frameworks considered were:

1. The Network of Central Banks and Supervisors for Greening the Financial System (NGFS) scenarios – these considered the impact of climate change on the financial sector;
2. The Intergovernmental Panel on Climate Change's Shared Socio-economic Scenarios (SSP) – the emphasis in these scenarios is socio-economic development and how these drive climate change at different rates; and
3. The Shell Waves, Islands and Sky scenarios – which consider the energy development implications for socio-economic conditions.

The aim of considering multiple climate scenario frameworks was to identify the most probable scenario relevant to the JSE, within each scenario set.

The chosen scenarios are based on different assumptions about the pace and severity of climate change and the level of global cooperation to mitigate its effects. They are designed to help financial institutions assess their exposure to climate-related risks and opportunities and to guide their strategic decision-making in response to climate change.

Together, these scenarios provide a range of plausible futures for the JSE that can help inform decision-making and strategic planning in response to climate change. They allow our stakeholders to explore the potential impacts of different policy choices and technological developments on the environment, the economy, and society. By considering these scenarios, we can better understand the risks and opportunities associated with climate change and make more informed decisions about how to respond. The outcomes of the scenario analysis planning will be used to inform our strategic planning and risk management process going forward.

We considered these scenarios via cross-divisional workshops and identified key themes considered likely to impact our business. These key themes, some of which represent both risks and opportunities, are presented in order of identified priority for the JSE:

- Change in regulations
- Changes to market structure
- Carbon pricing
- Reputational risks
- Value-added services to markets such as climate-related disclosures
- Advisory role in terms of policies and guidelines
- New trading instruments related to climate change
- Extreme weather
- Facilitation of new markets
- Social inequality

The JSE plans to periodically update the climate scenario analyses. The scope will be extended to include a wider range of stakeholders to reflect any changes in the scenario frameworks or the group's business environment.

### Risk Management

#### TCFD Recommendation

Disclose the actual and potential impacts of climate-related risks and opportunities on the organisation's business, strategy and financial planning where such information is material.

#### JSE Climate Disclosure Guidance Recommendation

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

#### Recommended Disclosure

- a. Describe the organisation's processes for identifying and assessing climate-related risks.

#### Recommended Disclosure

- b. Describe the organisation's process for managing climate-related risks.

GRMC is the formal committee that identifies, manages and assesses the top business risks and associated opportunities, whilst GSC oversees and monitors the Group's contributions towards combating climate change.

The processes used to determine which risks and/or opportunities have a substantive financial or strategic impact on our direct operations are through our Enterprise Risk Management (ERM) Framework. We have started with the identification and assessment of climate risks (and opportunities) considered within the context of the various roles that the JSE occupies in relation to climate change, namely: JSE as a Company, JSE as an Exchange and JSE as a Regulator.

**Recommended Disclosure**

c. Describe how processes for identifying, assessing and managing climate-related risks are integrated into the organisation's overall risk management.

The JSE's governance mechanisms are informed by a range of local and international requirements, standards and guidance, including, but not limited to, the Companies Act, listing requirements, King IV and the Sustainable Development Goals.

The governance mechanism by which we integrate climate-related issues into strategy and practice is informed by a range of local and international requirements, standards and guidance. This also includes the review and guidance of major plans of action, specifically where these have a climate focus. As recommended by the JSE Climate Change Disclosure Guidance and ISSB Climate Standard ("S2"),

we have integrated climate-related risks and opportunities within our governance, strategy, and risk management process by recognising the climate-related risks and opportunities that are relevant to our organisation.

Our climate-related risks are integrated into the multi-disciplinary company-wide risk identification, assessment, and management process. Risk management is embedded into our strategic business planning cycle and strategy. Our chief sustainability officer is assisted in monitoring climate-related issues through the use of our ERM Framework. Risks and opportunities are managed through the Risk and Resilience Programs, which is aligned with the ISO 31000:2018 standard.

**Managing our energy consumption**

**Metrics and Targets**

We have increased our focus on climate change in line with the aim of the Paris Agreement to reduce global emissions and halt climate change. As we are not an emission-intensive organisation, we have historically not had emission targets. We are however, in the process of refining our carbon footprint approach and as a part of this, we are considering setting emission targets which could be implemented within a year should we be able to identify a relevant and achievable pathway. At present we have drafted targets which we are assessing for robustness and achievability.

**a. Energy consumption**

We remain committed to reducing energy consumption to ensure the long-term sustainability of our company. Energy security is vital for our operations, especially our data centre, which is dependent on an uninterrupted electricity supply to support the stock exchange's

trading activities. We conducted an energy audit to better understand our energy use and footprint and our total annual energy consumption per relevant business unit is reflected below. These numbers are baseline energy consumption based on the energy audit and therefore will change annually.

Carrier	Electricity Consumption (kWh)
Electricity from diesel generators	258 548
Purchased grid electricity	5 865 067
Total electricity consumed	6 123 615

To reduce our energy consumption, we are currently undergoing internal upgrades of our office spaces with new LED panel lights to replace the fluorescent light bulbs. Moreover, we are investigating the potential installation of rooftop solar photovoltaic (PV) systems, with the aim of reducing our reliance on emission intensive grid electricity. Such initiatives are expected to reduce our Scope 2 emissions (indirect emissions from imported energy).

**b. Greenhouse gas emission metrics**

Our reporting on indirect emissions has gradually improved over the years, with a wider span of activities being disclosed. In 2022 we conducted a carbon footprint assessment based on the GHG Protocol standard and the summary of our footprint according to the GHG Protocol is shown below.

**Our scope 1 and scope 2 emissions combined make up 72% of our carbon footprint.**



### Carbon footprint summary

	2022		2021		2020		2019	
	Measure	tCO <sub>2</sub> e	Measure	tCO <sub>2</sub> e	Measure	tCO <sub>2</sub> e	Measure	tCO <sub>2</sub> e
Scope 1: Direct emissions (litres of petrol/diesel used) <sup>1</sup>	174 020	491	27 562	77	21 658	60	35 351	98
Scope 2: Electricity used (kWh)	5 665 659	4 986	5 865 067	5 572	6 409 397	5 971	7 574 713	7 223
Scope 3: Air travel (kms travelled) and other <sup>2</sup>	2 194 133	2 142	217 626	1 193 <sup>3</sup>	693 766	1 000	7 457 316	2 905
<b>Total tCO<sub>2</sub>e</b>		<b>7 619</b>		6 842		7 031		10 226

2022 changes:

<sup>1</sup> The significant increase in Scope 1 emissions in 2022 is largely attributed to load-shedding from Eskom (national power utility), which resulted in the building generators consuming more diesel. South Africa experienced more than 192 000 minutes of power cuts - 200% more than any other year.

<sup>2</sup> The increase in scope 3 emissions in 2022 is largely attributed to an increase in employee international air travel. Scope 3 emission consists of purchased goods and services, fuel and energy-related activities, waste generated in operations, business travel and employee commute.

<sup>3</sup> The JSE conducted an employee commuting survey to determine the transport mechanisms employees use and how this contributes to our overall carbon footprint. The survey results were used to adjust the employee commuting carbon footprint figures for 2021 and 2022.

### Other factors

JSE Ltd	2022	2021	2020	2019
Energy spend (R)	8 069 779	7 374 817	7 202 224	7 011 387
Energy consumed (kWh)	5 402 703	5 600 975	6 261 141	7 296 880
Number of employees	544	403	406	389
Floor space (m <sup>2</sup> )	16 603	16 603	16 603	16 603
Operating revenue (R million)	2 650	2 517	2 446	2 187
Energy spend as % of turnover	0.30	0.29	0.29	0.32

JSE Investor Services	2022	2021	2020	2019
Energy spend (R)	798 387	731 040	672 338	720 619
Energy consumed (kWh)	262 956	264 092	148 256	277 833
Number of employees	139	137	96	90
Floor space (m <sup>2</sup> )	1433	1433	1433	1433
Energy spend as % of turnover	0.03	0.029	0.029	0.032

### Intensity factors (per unit tCO<sub>2</sub>e)

	2022	2021	2020	2019	2018
Per unit of total revenue	0.0000029	0.0000034	0.0000029	0.0000047	0.0000039
Per unit of full-time employee	14	16	14	21	23
Per square metre of office space	0.4	0.5	0.4	0.6	0.5

### d. Emission reduction targets

We recognise the importance of achieving a goal of net zero greenhouse gas emissions by 2050 or sooner, which is consistent with a maximum average global temperature rise of 1.5°C above pre-industrial levels. Accordingly, we are committed to setting emission reduction targets which are aligned with a “required by science” pathway with due consideration to the principle of “common but differentiated” responsibility.

To begin our target-setting pathways, we have decided to firstly plan for a near-term target, which will cover Scope 1 and 2 emissions, following the guidance of the Science Based Targets initiative (SBTi). Considerations for reducing residual emissions in the remaining emission Scope 1 and 3, will be made once we have mitigated our Scope 2 emissions which make up the majority of our emissions, and assuming that our emissions inventory is still above our target.

We are developing a near-term target-setting plan according to a possible scenario in the context of the level of decarbonisation of the national grid. We have used the middle-of-the-road scenario, with a 50% achievement of the grid decarbonisation, according to the latest national Integrated Resource Plan, in setting our targets. The JSE is considering applying SBTi in this regard, during the course of 2023.

Our target-setting approach will set out a realistic outlook, which focusses on ways to reduce our Scope 2 emissions as purchased grid-electricity is currently the highest source of emissions and presents potentially economically feasible opportunities for emissions reductions.

# INFLUENCE AND SUPPORT BETTER SUSTAINABILITY PRACTICES

Guidance to our markets on sustainability and climate change disclosure

33

*We aim to guide our markets on the importance of sustainability disclosure and incorporating ESG matters into investment considerations.*

Sustainability factors are increasingly recognised as important for both investors and issuers. Stock exchanges are well-placed to connect both groups, facilitating a deeper understanding of ESG matters and enabling a better flow of information to other stakeholders. Increased transparency builds trust and is critical to well-functioning markets. Improving the quality of ESG reporting assists participants in understanding important drivers of value creation and address investor demand for new products, better services and more transparent data.

## Investors

Increased interest in understanding how issuers are responding to long-term and macro-economic trends such as climate, demographic, social and technological change as well as political developments.

As ESG considerations are incorporated into the investment process, capital is being allocated to companies that are better placed to benefit from the transition to the green economy, with investors seeking to position their portfolios against downside sustainability risks.

## Issuers

Increased awareness that sustainability performance in areas such as resource use, human rights, health and safety, corruption and transparency are increasingly seen by investors as indicators of management quality, exposure to business risks and ability to leverage business opportunities.

Improved disclosures improve access to capital. Issuers are increasingly seeking guidance on how to integrate sustainability into stakeholder reporting and communication to communicate clearly and accurately with investors and other stakeholders on their ESG performance.

## In this chapter

We outline how we are helping issuers to effectively navigate the reporting landscape, deepening understanding between issuers and investors. By encouraging dialogue between investors and issuers on responsible investing, we promote responsible investment practices and the integration of sustainability factors in investment decisions.

# GUIDANCE TO OUR MARKETS ON SUSTAINABILITY AND CLIMATE CHANGE DISCLOSURE

The JSE's initial approach to improving sustainability disclosure by issuers was to incorporate the principles of King IV into the listing rules and allocating responsibility for the identification of all material matters, including sustainability matters, to the governing body. No local separate guidance document was issued to assist listed companies with sustainability disclosure.

With the rapid evolution and expansion in global sustainability standards, as well as increasing stakeholder interest in ESG (particularly climate change), we recognised the need to assist our listed companies by providing disclosure guidance.

The JSE's three functions provide alternative and overlapping approaches to driving sustainability as a company, as an exchange and as a regulator.

## JSE Limited (the Company)

### Key decision and timing drivers:

**Aim: To lead by example on "best practice" in sustainability disclosure, and integration of sustainability matters into strategy.**

- Progress by the International Sustainability Standards Board (ISSB) on sustainability disclosure standards (impact on ESG guidance messaging)
- Peer progress
- Evolving national context (including political economy)
- The JSE's own strategy

### Current state

- Expanded understanding of sustainability risks and assessments.
- TCFD-aligned disclosures published (see 📄 page 26).
- High level of leadership presence locally and globally on relevant advocacy and engagement platforms (see 📄 page 38).
- Lead on the national agenda by influencing policy.

### 2023

- Target setting for emissions reduction in progress and the mechanisms for reduction are being tested for viability.

### Future state

- Robust scenario and materiality analyses on sustainability and climate change for the JSE Limited complete with sufficient depth and quantification consistent disclosures done and governance process embedded.
- TCFD-aligned climate disclosures published annually.

## The exchange/market infrastructure

### Key decision and timing drivers:

**Aim: Be the leading finance destination in emerging markets by supporting the financing and competency needs of the Just Transition.**

- Market needs (supported by engagement)
- Peer approaches

### Current state

### 2023

### Ongoing

### Future state

- Providing products and services that facilitate responsible investing:
  - o Debt: sustainability segment.
  - o Equities: FTSE/JSE Responsible Investment indices.
  - o Derivatives: futures on the Responsible Investment Top 30 index.
  - o ESG data: FTSE Russell data based on the FTSE4Good rating, methodology, and green revenues.
  - o ETFs.
- Disclosure guidance on sustainability and climate change issued.

- Assess the guidelines against the final ISSB's standards and align them.
- Collect data on reporting practices and alignment with guidance.

- Training for the market on climate disclosure.
- Product development based on anticipated and existing needs.

- Carbon credit trading.
- Governance solutions that promote better shareholder inclusivity and transparency (JIS).
- Education of listed companies and investors on climate (and other ESG) risks.
- Training for the market on climate disclosure.
- Thematic supplements to support the JSE Climate Disclosure Guidance.

## The regulator

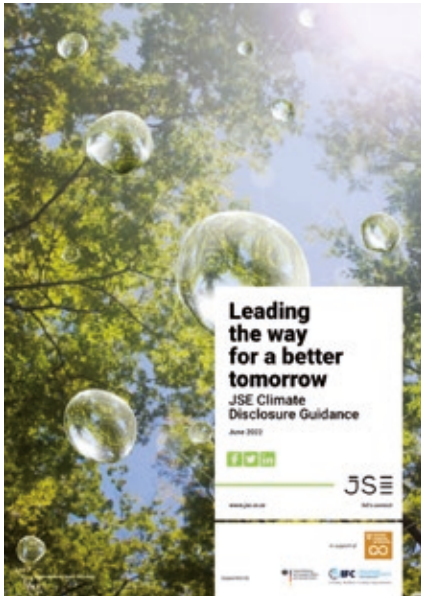
### Key decision and timing drivers:

**Aim:** Seek to ensure that our regulation of issuers and trading participants is robust, transparent and consistent in support of markets that are secure and efficient.

- Global and local developments in sustainability disclosure and reporting, including the work done by:
- ISSB on sustainability and climate change disclosure standards.
  - The International Organization of Securities Commissions.
  - The Climate Risk Forum chaired by South Africa's National Treasury.
  - Acknowledging that this forum is evolving and we will continue to engage with it.

### Current state

We are working with the Climate Risk Forum for a broader set of recommendations for the country. Global trends indicate that a harmonised regulatory approach at a national level is favoured, as it ensures that sustainability and climate risks are considered across all entities and elements of the financial market and the economy.



## JSE Disclosure Guidance

The JSE launched its Sustainability and Climate Change Disclosure Guidance in June 2022. The guidance aims to assist listed companies faced with a plethora of mostly voluntary sustainability frameworks and standards alongside a rapidly developing regulatory landscape where increasingly, sustainability and climate change reporting is becoming mandatory.

The Guidance has the following broad objectives:

- Assist companies in navigating the increasingly complex global sustainability/ESG landscape.
- Improve the quality of sustainability/ESG information available to enable more informed investment decisions.
- Drive improved sustainability performance and accountability and encourage business leadership in addressing some of South Africa's significant social and environmental challenges.

The guidance was developed through a process of research, public consultation and stakeholder feedback, with global support and inputs provided by the International Finance Corporation network.

Further thematic disclosure guidance documents will be developed over time as we engage with stakeholders. The guidance is intended to provide a flexible template that companies can adapt and modify to meet their circumstances for promoting best practice voluntary reporting.



## ESG training

Listed companies can access several free and paid for ESG training courses through the JSE Academy to support improved reporting. These are a combination of once-off and ongoing options including:

- Instituting sustainability reporting competencies
- Establishing operational capabilities for sustainability reporting
- Introduction to sustainability
- Climate change director liability

We are also investigating offering a low-cost course supporting implementation of the JSE Disclosure Guidance to promote accessibility.



# GROW THE SPAN AND TAKE-UP OF SUSTAINABILITY INSTRUMENTS

*Provide the tools and services that facilitate responsible investing and the re-orientation of capital flows to more sustainable development.*

Stock exchanges can support sustainability by promoting improved sustainability disclosure by issuers and by providing products and services that facilitate responsible investing and capital allocation to sustainable development. These products and services primarily take the form of sustainability bonds and ETFs, and sustainability indices.

## In this chapter

We provide insight into the products and services that facilitate responsible investing and reorient capital flows to more sustainable development.

## Sustainability indices

Sustainability indices define universes that meet specific criteria for use by asset managers, as well as standards for characteristics to compare with the underlying market. These indices are primarily used as performance benchmarks, as the basis for passive investment funds such as ETFs and as investment policy benchmarks for large asset owners such as pension funds.

Indices create a supportive environment for greater ESG investment by:

- providing transparency regarding the performance of the ESG index relative to the benchmark;
- providing more information about the level of demand for ESG-aligned products; and
- enhancing the ability of investment managers to provide ESG-aligned investment products.

The JSE launched the Socially Responsible Investment (SRI) Index in 2004 and partnered with FTSE Russell to create the FTSE/JSE Responsible Investment Index Series. We extended our coverage of environmental, social and governance (ESG) ratings assessments from about 100 listed companies to about 160 companies, thereby allowing more companies to interact with an ESG rating and get exposure to peer benchmarking.

While activity around ESG indices in the South African market is still relatively low compared to the USA and Europe, we expect the market to grow, driven by regulatory pressures and growing demand in the underlying market.

## Sustainability instruments

Transitioning to a net zero carbon emissions world and driving social transformation will require a considerable investment. Capital for this transition will need to come from many sources, including global concessionary finance and climate-oriented active funds. Stock exchanges will be a critical market infrastructure in this process, providing the required infrastructure and innovative financial instruments to fund the transition. For the JSE, these instruments provide an opportunity to support the financing and competency needs for a Just Transition as well as representing a revenue opportunity as offerings expand.

Sustainability bonds are similar to regular bonds and can be listed on any exchange with a traditional bond platform. However, proceeds from these instruments are dedicated to projects with environmental and social benefits.

The JSE launched the Green Bond Segment in 2017, which was expanded in 2020 to the Sustainability Segment to include social and sustainability bonds. In 2022, we introduced sustainability-linked bonds and transition bonds, which are of particular relevance to climate action and the need for market mechanisms to support the local context on just transition. The JSE also saw the listing of its first-ever gender-linked bond during the year. Refer to page 52 in the [Integrated Annual Report](#) for more detail.

In 2020, we listed the first ESG ETFs, providing investors with exposure to emerging and developed market ESG exposure based on global ESG indices. In 2022, three new ESG ETFs were listed on the JSE, bringing the total to seven, with a combined market capitalisation of R1.2 billion.

We will continue to investigate opportunities to expand the suite of sustainability debt listings and encourage issuers to expand their ESG ETF offerings, based on current and anticipated needs and issuer appetite.



# PARTICIPATE AND ENGAGE IN NATIONAL AND GLOBAL SUSTAINABILITY FORA

*We aim to use our central role as connector to facilitate engagement and advocacy in relation to sustainability.*

The JSE engages extensively in sustainability matters and participates in a wide range of local and global initiatives to advocate and promote sustainable, transparent business and responsible investment. Our local and global advocacy and engagements help to:

- enhance our reputation and visibility as an emerging market destination of choice and as a thought leader within our local ecosystem;
- open doors and create linkages for the growth of our various offerings; and
- reinforce the JSE's position as a credible voice on matters of relevance to the global and emerging markets.

We are recognised globally as a thought leader in sustainability matters and represented in various ESG-related fora including:

- the Sustainable Stock Exchanges Initiative (founding member);
- the Net Zero Financial Service Providers Alliance (NZFSPA);
- the Glasgow Finance Alliance for Net Zero; and
- the National Treasury's Financial Sector Climate Risk Forum and chair the Sustainable Finance Working Group.

The JSE's CEO:

- co-chairs the UN GISD;
- is a member of the GFANZ Africa Advisory Committee

## In this chapter

We discuss our role in sharpening the focus on sustainability through continuous stakeholder engagement, spearheading and participating in making sustainability a key market component.





Sustainability initiatives we participated in during 2022 include:

### COP27 and JSE Commitment to net zero

- Attended the 2022 COP27 summit.
- Participated as speakers at five events at COP27 hosted by Sustainable Stock Exchanges Initiative, the GISD; the National Business Initiative and WWF and TNFD.

### Sustainable Finance Working Group (National Treasury) with the JSE as chair

- Awaiting final publication of the first phase of the working group's outputs.
- Next phase is on hold pending alignment with the objectives of the Sustainable Finance Taskforce led by National Treasury.

### NZFSPA

- Participated in the stock exchange grouping to draft criteria for stock exchanges to meet the UN's Race to Zero criteria.
- Provided a developing market context to discussions and drove the inclusion of an explicit provision for a Just Transition.

### Global Investors for Sustainable Development

- The JSE plays a lead role in guiding the GISD and coordinating input at the co-chair level.
- We participated in a GISD panel at the World Economic Forum in Davos in May.
- The GISD launched a new model mandate in collaboration with the International Corporate Governance Network to align portfolios with sustainable development.
- GISD outputs received positive responses from member states at the annual meeting in October.
- Current focus is on engagement and outreach to get the work recognised and used, and on progressing the Sustainable Infrastructure Investment Platform following the appointment of an asset manager as well as advocacy for MBD reforms. The various GISD outputs are meant as public goods and can be accessed here: <https://www.gisdalliance.org/about>

# GROUP SUSTAINABILITY COMMITTEE REPORT

*The JSE is committed to doing business the right way. Sustainability best practice is promoted across the Group and embedded in our business model.*

The Board retains ultimate responsibility for the oversight and monitoring of the Group's status as a good corporate citizen, with a focus on employees and the workplace, as well as societal and environmental impacts.

The Board has delegated to the GSC its responsibility for monitoring and managing the Group's social and economic development, good corporate citizenship and sound business ethics. The committee assists the Board by monitoring these areas, with the aim of promoting high standards and ensuring good business conduct in respect of both its financial and non-financial performance.

## Annual confirmations by the committee

The committee confirms that it:

- has discharged its responsibilities as mandated by the Board, its statutory duties in compliance with the Companies Act and best practice in corporate governance as set by King IV; and
- is satisfied that the Group's social and ethics procedures and controls are operating effectively.

## Committee composition and mandate

The GSC is a statutory committee constituted in terms of section 72(4) of the Companies Act to monitor and report on the manner and extent to which the Group protects, enhances and invests in the economy and in society.

**Independence of the committee: 100%**

Members	Attendance	Regular invitees
Dr SP Kana (Chairman)	3/3 100%	P Nhleko (Board Chairman)
S Cleary	3/3 100%	L Fourie (Group CEO) Chief operating officer
VN Fakude <sup>1</sup>	0/1 –	Director: human resources
FN Khanyile	3/3 100%	Director: marketing and corporate affairs Group company secretary
MA Matooane	3/3 100%	Chief sustainability officer

<sup>1</sup> On 5 August 2022, Ms Fakude stepped down as member of GSC however remains an independent non-executive director of the JSE and chair the Group Remuneration Committee of the Board.

The committee's primary goals are to provide direction and to promote social and economic development and good corporate citizenship practices in the organisation. The mandate of the committee, as stipulated in the Companies Act, is to:

- 1 Monitor the Group's activities in the following areas:
  - social and economic development;
  - good corporate citizenship;
  - the environment, health and public safety;
  - consumer relationship; and
  - labour and employment.
- 2 Bring matters within its mandate to the attention of the Board, as required.
- 3 Report on matters within its mandate to shareholders during the AGM.

In monitoring the JSE Group's activities, the Companies Act requires that the committee considers various pieces of legislation that relate to employee equity and empowerment, the 10 principles of the UNGC and the recommendations of the Organisation for Economic Co-operation and Development regarding corruption and the International Labour Organization.

## Committee focus areas for 2022

GSC held three meetings in the 2022 financial year, aligned with its work plan and its five key areas of responsibility, as prescribed by Regulation 43 of the Companies Act.

Area of focus considered by the committee included:

1

### Social and economic development

- Oversight over the JSE's approach to transformation and the implementation of enterprise and supplier development strategy.
- Approved the allocation of funds towards enterprise development and supplier development.

2

### Good corporate citizenship

- Monitored the implementation of the JSE's sustainability strategy.
- Reviewed the status of the JSE's community development and CSI programme.
- Monitored JSE compliance with its code of conduct and ethics.
- Reviewed and approved the 2022 JSE [Sustainability Report](#).

3

### Environment, health and safety

- Oversight over the development and launch of the JSE's Sustainability Disclosure and Climate Change Disclosure guidelines.
- Oversight over the Group's approach to sustainability reporting and commitment to TCFD-aligned climate disclosure for the 2022 reporting year.

4

### Consumer relationships

- Monitored delivery of strategy and the efforts to drive and enhance client experience.
- Oversaw the JSE's reputation management.

5

### Labour and employment

- Reviewed the JSE's employee value proposition and oversaw initiatives in the following areas:
  - *Employment equity:* Approved the implementation of a JSE Graduate Development Programme and Formal Mentorship Programme to actively develop ACI talent for key roles.
  - *Employee wellbeing:* Close monitoring of JSE's corporate health profile.
  - *Culture:* Monitored progress on client and employee engagement surveys.
- Reviewed the JSE's approach to promoting gender equality both internally and in the broader community.

## Report on statutory requirements (as per regulation 43 of the Companies Act)

The JSE is committed to upholding fundamental human rights, ensuring fair labour practices, working against corruption in all its forms and protecting the natural environment within which the Group operates. We have set up our work using the UNGC principles as our guideline which is demonstrated in the table below.

UNGC principle	JSE's support of the principle	Relevant policies and/or frameworks
<p><b>Human rights</b></p> <p><b>Principle 1:</b> Businesses should support and respect the protection of internationally proclaimed human rights</p> <p><b>Principle 2:</b> Ensure that the Group is not complicit in human rights abuses</p>	<p>The JSE is bound by the Constitution of the Republic of South Africa, which contains the Bill of Rights.</p> <p>All employees and contractors are bound by the JSE's conduct and ethics policy and are guided in their behaviour in terms of integrity, loyalty, equity, tolerance, impartiality and discretion.</p>	<p>Code of conduct and ethics, the employee conduct and ethics policy and employment policies</p> <p>Employment policies</p>
<p><b>Labour</b></p> <p><b>Principle 3:</b> Uphold freedom of association and the effective recognition of the right to collective bargaining</p> <p><b>Principle 4:</b> The elimination of all forms of forced and compulsory labour</p> <p><b>Principle 5:</b> The effective abolition of child labour</p> <p><b>Principle 6:</b> The elimination of discrimination in respect of employment and occupation</p>	<p>The JSE supports collective bargaining and its principles as promulgated in South African labour legislation. While the JSE does not have any recognised trade union and operates in a non-unionised environment, it continues to promote good employee relations through detailed guidelines, policies and engagement.</p> <p>South African law prohibits forced, compulsory and child labour and South Africa is a signatory to the International Labour Organization convention, as applicable to fair labour practices.</p> <p>South Africa has a plethora of labour legislation that embodies these standards and the JSE's employment policies incorporate these legislative provisions.</p> <p>The JSE's HR policy in respect of employment equity aims to eradicate all forms of unfair discrimination. It aims to create opportunities for all employees, with special emphasis on previously disadvantaged employees, through specific employment equity programmes. These include affirmative action, performance management, learning and development plans, promotions and career planning.</p> <p>No reported incidents of discrimination and/or human rights incidents relating to employees during the reporting period.</p>	<p>Employment policies</p>

**UNGC principle****JSE's support of the principle****Relevant policies and/or frameworks****Environment**

**Principle 7:** Businesses should support a precautionary approach to environmental challenges

**Principle 8:** Undertake initiatives to promote greater environmental responsibility

**Principle 9:** Encourage the development and diffusion of environmentally friendly technologies

The JSE is conscious of its interdependence with the natural environment and the growing concern about the environmental impact of non-sustainable business practices, as well as the need to play a role in nurturing its ecosystem.

Environmental management and sustainability form part of the Group's sustainability strategy.

The JSE participates in several significant initiatives and developments, including the adoption of the FTSE Russell ESG rating process, through which eligible listed companies are assessed against a range of environmental themes including climate change, water use, pollution and resources. This rating process determines the constituents of the FTSE/JSE Responsible Investment index series.

The JSE participates in the CDP reporting process annually as part of our journey to better climate change disclosures. The JSE's first TCFD-aligned climate change report is included on  page 26.

Sustainability strategy

Creation of products that are supportive of the aims of sustainable development and low carbon economy such as green, social and sustainability bonds, our FTSE/JSE Responsible Investment Indices and our ESG futures contracts.

**Anti-corruption**

**Principle 10:** Businesses should work against corruption in all its forms, including extortion and bribery and Organisation for Economic Co-operation and Development recommendations regarding corruption

The JSE's code of conduct and ethics articulates the values and acceptable ethical standards to which all persons associated with the Company are required to adhere.

The Group has a zero-tolerance approach towards fraud and corruption and management is committed to combating fraud and corruption in all its forms.

A whistle-blowing hotline provides employees with a confidential and anonymous channel for reporting any transgressions. The toll-free hotline is independently managed and administered.

The JSE's Market Regulation division reports suspicious trade activity in the JSE markets it regulates to the Financial Sector Conduct Authority for follow-up and further action.

Code of conduct and ethics policy

Dealings in shares policy

Whistle-blowing policy

## Regulation 43 legislation

The Companies Act refers to various pieces of legislation and areas that fall within the committee's mandate and oversight role.

### Legislation

### JSE's compliance with legislation

### Relevant policies and/or frameworks

#### ***The Employment Equity Act, 55 of 1998***

The JSE supports the promotion of equal opportunity and fair treatment, the prevention of unfair discrimination and the implementation of affirmative action measures to redress disadvantages in employment.

Employment equity policy in place

#### ***The BBBEE Act, 53 of 2003***

The JSE strives to ensure that there is increased and fair participation of black people in the economy of South Africa, supported by the Group HR department which provides ongoing monitoring and quarterly compliance reports to the Board.

We are measured under the revised Financial Services Sector Code and have maintained our Level 2 rating.

#### ***The Consumer Protection Act, 68 of 2008***

The JSE understands our risk areas. The JSE aims to treat our clients fairly and engages with them through various stakeholder mechanisms and forums.

Client engagement initiatives

#### ***The International Labour Organization protocol***

The JSE upholds the International Labour Organization protocol on decent work and working conditions by encouraging an environment where people are valued. This is achieved through people policies and team practices that continuously strive to enhance diversity in the interest of building a capable, respected workforce.

Employee engagement initiatives  
JSE Gender mainstreaming strategy

#### ***Good corporate citizenship***

The JSE is committed to making a difference in the lives of South Africans by investing time, effort and money in its various community-orientated initiatives. We also believe that this difference should be sustainable and should ensure that individuals benefit directly through positive and meaningful contributions.

2022 CSI spend  
JSE CSI strategy

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## KING IV PRINCIPLES

We are a listed company, listed on our own exchange, and paragraph 3.84 of the Listings Requirements stipulates that issuers must comply with specific requirements concerning corporate governance. The JSE certifies that it complies with all the requirements detailed in paragraph 3.84.

We believe that our governance processes should aim to achieve an ethical culture, good performance, effective control and legitimacy. We have applied all the principles outlined in King IV adequately during 2022. The table sets out a brief description of the principles and their application within the JSE environment. More information can be found in the [Integrated Annual Report](#) where relevant information is indicated through a King IV icon. Principle 17 relates to institutional investors and has no bearing on the JSE.

**Desired outcomes****Activities in the year****Key governance policies and procedures****Principle 1**

Lead ethically and effectively

- Satisfactory attendance by directors at Board meetings.
- Declaration of interest at each Board and Board committee meeting.
- Oversight and monitored the implementation and execution of policies by management.

- Board charter and terms of reference
- Declarations of interest
- Board assessments

**Principle 2**

Govern the ethics of the organisation to support an ethical culture

- Continued to embed a culture of putting people first and taking care of employees by focusing on employee safety and wellness programmes.
- Employees trained on their obligations in respect of the JSE Group code of conduct and ethics policy.
- Oversight over culture initiative that was aimed to identify and rank organisational cultural elements that enable or disable the JSE from achieving success.

- Whistle-blowing hotline
- Group dealing in shares policy
- Code of conduct and ethics policy
- Protected disclosure/whistle-blowing procedures

**Principle 3**

Ensure that the organisation is seen to be a responsible corporate citizen

Oversaw and monitored the Group's following activities:

- Transformation efforts – achievement of Level 2 on BBBEE scorecard.
- Launch of Sustainability and Climate Change Disclosure Guidance.
- Commitment to TCFD-aligned set of climate disclosure for the 2022 reporting year.
- Revision of the carbon footprint.

- Sustainability strategy
- Employment equity plan
- BBBEE scorecard

**Principle 4**

The organisation's core purpose, its risks and opportunities, strategy, business model, performance and sustainable development are inseparable elements of the value creation process

- Approved a new refined long-term strategy that provides clear direction and momentum to the Group's strategic direction for the next five years.
- Oversaw the integration and full year financial consolidation of JIS.
- Oversaw the implementation of Information Services strategy which aims to transform market data business.

- 2022 Group strategy
- 2022 CEO and corporate scorecard
- 2022 annual budget
- Information Services strategy



**Desired outcomes****Activities in the year****Key governance policies and procedures****Principle 5**

Ensure that reports issued by the organisation enable stakeholders to make informed assessments of the organisation's performance and its short-, medium- and long-term prospects

- Timely submissions to the Board and Board committees to better monitor strategic objectives.
- Reviewed and approved the 2022 [reporting suite](#), Group consolidated annual financial statements, financial results and results announcements.

- Shareholder/investor roadshows
- [Integrated Annual Report](#)
- Trading statements
- [Remuneration report](#)

**Principle 6**

The Board is the focal point and custodian of corporate governance in the organisation

- Change in chairman of the Group Risk Management Committee.
- Reviewed Board work plan and Board committees' terms of reference.
- Group Nominations Committee's mandate expanded to include governance oversight and renamed Group Nominations and Governance Committee.
- Group Investment Committee mandate has expanded to include oversight over all investments.

- Board charter
- Board protocol on access to independent, professional advice

**Principle 7**

Appropriate balance of knowledge, skills, experience, diversity and independence to discharge governance role and responsibilities objectively and effectively

- Achieved voluntary diversity targets at Board level.
- Reviewed Board succession plan.
- Fully integrated the new Board Chairman.
- Under the guidance of GNGC, undertook a skill audit of the Board.

- Diversity policy
- Group Nominations and Governance Committee terms of reference
- Chairman is an independent non-executive director
- Have a lead independent non-executive director
- CEO and CFO are executive directors of the Board

**Principle 8**

Ensure that arrangements for delegation within Board structures promote independent judgement, and assist with the balance of power and the effective discharge of its duties

- Reviewed and updated the committee terms of reference to ensure alignment between the committees.
- Meetings without management.

- Board charter
- Board committees' terms of reference

**Desired outcomes****Activities in the year****Key governance policies and procedures****Principle 9**

Ensure that the evaluation of the Board and its committees supports continued improvement

- Implemented action plans from the 2021 independent Board evaluation.
- Performed 2022 internal evaluation of directors, chairs and committees.

- Board and committee evaluations

**Principle 10**

Ensure that the appointment of, and delegation to, management contribute to role clarity and the effective exercise of authority and responsibilities

- Implement the Board delegation of authority as a base for the divisional delegations of authority.

- Delegation of authority

**Principle 11**

Govern risk in a way that supports the organisation in setting and achieving its strategic objectives

- Continued to embed a risk-aware culture by integrating risk and resilience activities into business processes and decision-making.

- ERM policy
- Risk and resilience roadmap
- Control management framework
- Business continuity management policy
- Business continuity management plan

**Principle 12**

Govern technology and information in a way that supports the organisation setting and achieving its strategic objectives

- Invested in our operational capabilities, technology upgrade, information security, cybersecurity, technical skills and backup systems to ensure the operational stability of our markets and reduce operational disruption.

- IT and associated security policies
- Operational resilience framework
- Control management framework

**Principle 13**

Govern compliance with applicable laws and adopted, non-binding rules, codes and standards in a way that supports the organisation being ethical and a good corporate citizen

- Entrenched legal compliance processes to mitigate the risk of non-compliance.
- Monitored regulatory compliance to ensure the fulfilment of licence operating conditions.

- Group compliance charter
- Group compliance framework

**Desired outcomes****Activities in the year****Key governance policies and procedures****Principle 14**

Ensure that the organisation remunerates fairly, responsibly and transparently to promote the achievement of strategic and positive outcomes in the short, medium and long term

- Reviewed and updated remuneration policy to ensure that it is aligned to current remuneration designs.
- Conducted pay parity alignment.

- Remuneration policy

**Principle 15**

Ensure that assurance services and functions enable an effective control environment that supports the integrity of information for internal decision-making and for external reports

- Applied three levels of combined assurance model that is aligned to King IV and designed to effectively address significant risks and material matters.
- The Group Audit Committee received regular reports from GIA on any identified weaknesses in controls.

- Non-audit services policy
- GIA charter
- Annual internal audit plan
- Control management framework

**Principle 16**

Adopt a stakeholder-inclusive approach that balances the needs, interests and expectations of material stakeholders in the best interests of the organisation

- Focused on enhancing customer experience and improving the quality of our engagements.
- Continued to embark on initiatives to improve the JSE's employee value proportion with the aim of improving employee wellbeing.

- Stakeholder engagement framework
- Crisis communication standard
- Employee engagement initiatives

# ADVISORY COMMITTEES

The JSE is supported by 11 advisory committees that provide fora for stakeholders to discuss and influence JSE activity, including trading on all markets, clearing and settlement, indices and the Listings Requirements. The advisory committees consider and advise on principle and operational matters and, where appropriate, propose amendments to the JSE rules, directives and Listings Requirements.

## JSE Clear (JSEC) Operations Advisory

Advises JSEC's management on matters pertaining to the central counterparty and the derivatives markets it serves, with a specific focus on operational matters.

## Commodity Derivatives Advisory Committee

Provides advice on matters related to agricultural products traded on the Commodity Derivatives Market.

## Bonds and Interest Rate Derivatives Committee

The committee has oversight over the secondary market trading of a diverse set of products, across the cash, repo/carry and derivatives markets.

## Equity Trading Advisory Committee

Engages with key stakeholders in the equity trading environment, from senior trading members and buy-side firms to industry associations such as the Association for Savings and Investment South Africa. The committee's main objective is to provide insights and guidance to promote and build deeper and stronger equity markets.

## FTSE/JSE Advisory Committee

Provides a forum for the index partners to interact with index users and other stakeholders to enhance the underlying methodologies of the FTSE/JSE indices.

### Solid Mineral and Oil and Gas Advisory Committee

Advises the JSE on Competent Person's Report compliance with the South African Code for the Reporting of Exploration Results, Mineral Resources and Mineral Reserves, the South African Code for the Reporting of Mineral Asset Valuation and the South African Code for the Reporting of Oil and Gas Resources, prior to publication.

### JSEC Risk Advisory

Advises JSEC's management on matters pertaining to the central counterparty and the derivatives markets it serves, with a specific focus on risk management considerations.

### AltX Advisory Committee

Engages prospective AltX companies to assess their business plans and make recommendations to the Issuer Regulation division on the suitability to list on AltX.

### Currency Derivatives Advisory Committee

The committee is responsible for reviewing the rules, directives and treatment of currency-related instruments trading on Nutron and may make recommendations to the JSE.

### The Financial Derivatives Advisory Committee

Engages with Equity Derivatives Market participants to build and promote efficient, innovative and robust equity derivatives markets.

### Issuer Regulation Advisory Committee

Considers and advises on proposed amendments to the Listings Requirements. The committee also considers objections and appeals in relation to the Listings Requirements.

# GLOSSARY

<b>ACI</b>	African, Coloured and Indian	<b>GISD</b>	Global Investors for Sustainable Development Alliance
<b>AGM</b>	annual general meeting	<b>GSC</b>	Group Sustainability Committee
<b>BBBEE</b>	Broad-based Black Economic Empowerment	<b>HR</b>	human resources
<b>CCP</b>	central counterparty	<b>IFRS</b>	International Financial Reporting Standards
<b>CEO</b>	chief executive officer	<b>JEF</b>	JSE Empowerment Fund
<b>CFO</b>	chief financial officer	<b>JIS</b>	JSE Investor Services
<b>Companies Act</b>	Companies Act, 71 of 2008 (as amended)	<b>JSEC</b>	JSE Clear Proprietary Limited
<b>COP27</b>	2022 United Nations Climate Change Conference	<b>JSE/the Group</b>	JSE Limited
<b>CSI</b>	corporate social investment	<b>King IV</b>	King Report on Corporate Governance™ for South Africa, 2016 (copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved)
<b>ERM</b>	Enterprise Risk Management framework	<b>Listings Requirements</b>	JSE Listings Requirements
<b>ESG</b>	environmental, social and governance	<b>SDGs</b>	Sustainable Development Goals
<b>ETFs</b>	exchange-traded funds	<b>TCFD</b>	Task Force for Climate-related Financial Disclosures
<b>Exco</b>	Executive Committee	<b>UN</b>	United Nations
<b>FTSE</b>	Global provider of benchmarks, analytics, and data solutions with multi-asset capabilities. FTSE Russell provides a comprehensive range of indices	<b>UNGC</b>	United Nations Global Compact
<b>GHG</b>	greenhouse gas		

# CORPORATE INFORMATION AND DIRECTORATE

## JSE Limited

(Incorporated in the Republic of South Africa)  
Registration number: 2005/022939/06  
Share code: JSE  
ISIN: ZAE000079711  
LEI: 213800MZ1VUQEBWRF039

## Registered office

One Exchange Square  
2 Gwen Lane  
Sandown, 2196

## Postal address

Private Bag X991174  
Sandton, 2146

## Contacts

Telephone: +27 (0) 11 520 7000  
Web: [www.jse.co.za](http://www.jse.co.za)  
Investor relations: [ir@jse.co.za](mailto:ir@jse.co.za)  
Group company secretary:  
[GroupCompanySecretary@jse.co.za](mailto:GroupCompanySecretary@jse.co.za)

## Directors as at 31 December 2022

P Nhleko (Chairman)  
Z Bassa  
MS Cleary  
VN Fakude  
SP Kana (Lead Independent Director)  
FN Khanyile  
IM Kirk  
BJ Kruger  
MA Matooane  
L Fourie (Group CEO)<sup>1</sup>

<sup>1</sup> Executive director.

## Changes to the Board in 2022

N Nyembezi (independent non-executive directors) resigned from the Board, effective 3 May 2022.

A Takoordeen (executive director) resigned from the Board, effective 20 May 2022.

## Changes to the Board in 2023

F Suliman was appointed as Group Chief Financial Officer and executive director effective 9 January 2023, and will stand for election to the Board by shareholders at the AGM to be held on Tuesday, 9 May 2023, as required by the MOI.

MA Matooane will retire as an independent non-executive director at the AGM to be held on Tuesday, 9 May 2023, having served for a consecutive term of ten years on the Board.

## Group company secretary

GA Brookes

## Transfer secretary

JSE Investor Services Proprietary Limited  
One Exchange Square  
2 Gwen Lane  
Sandown, 2196

## Sponsor

Rand Merchant Bank (a division of FirstRand Bank Limited)  
1 Merchant Place  
Corner Fredman and Rivonia Road  
Sandton, 2196

## AGM scrutineers

The Meeting Specialist Proprietary Limited  
One Exchange Square  
2 Gwen Lane  
Sandown, 2196

## Auditors

Ernst & Young Inc.  
102 Rivonia Road  
Sandton, 2196

## Bankers

First National Bank of SA Limited  
Corporate Account Services  
4 First Place  
Bank City  
Simmonds Street  
Johannesburg, 2001

Investor queries should be directed to [ir@jse.co.za](mailto:ir@jse.co.za) and will be redirected, where necessary, to the appropriate Board member or executive for a response.

Governance and secretarial queries should be directed to [GroupCompanySecretary@jse.co.za](mailto:GroupCompanySecretary@jse.co.za)



[www.jse.co.za](http://www.jse.co.za)