



JSE

**SUSTAINABILITY  
REPORT**  
2023



# Explaining this report

## Report structure

<b>Explaining this report</b>	<b>IFC</b>
Report objectives	
Scope and boundary	
Internal assurance over this report	
Reporting suite	
<b>Business overview</b>	<b>4</b>
The JSE's role within financial markets	
JSE markets and structures to deliver products and services	
The products and services we deliver	
<b>Material matters and sustainability</b>	<b>8</b>
<b>Chairman's letter – Group Sustainability Committee</b>	<b>11</b>
Group Sustainability Committee report	
<b>Our sustainability context and strategy</b>	<b>18</b>
Sustainability context	
A summary of our strategy	
Sustainability strategy	
<b>The role of stakeholders</b>	<b>27</b>
<b>Guide markets on sustainability practices</b>	<b>33</b>
JSE Sustainability Disclosure Guidance	
ESG training	
<b>Sustainability across our value chain</b>	<b>36</b>
Our people	
Gender equality	
Corporate social investment	
Economic development and transformation	
Our environmental impact	
<b>Facilitate responsible investing</b>	<b>56</b>
Sustainability indices	
Sustainability instruments	
Sustainable development through private markets	
Voluntary Carbon Market	
<b>Connecting for a more sustainable world</b>	<b>60</b>
<b>Glossary</b>	<b>62</b>
<b>Corporate information and directorate</b>	<b>63</b>

We are pleased to present our  
**2023 sustainability report** that provides  
insights into our sustainability strategy,  
performance and future priorities.  
We invite you to learn how we create value  
for our stakeholders and work towards our  
vision of growing shared prosperity.

## 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.

## Report objectives

*The JSE plays a pivotal role in promoting stable, resilient and long-term sustainable local economic growth and the responsible development of South Africa's capital markets.*

This report reflects the progress the JSE Limited (JSE or the Group) has made towards embedding sustainability matters as an integral and fundamental part of our strategy. It discusses how our sustainability approach is evolving to align with local and global developments. It also describes how we achieve our sustainability mission of creating an enabling environment to support sustainable value creation, facilitate responsible investing and drive better sustainability practices and improved disclosure.

This report covers our sustainability performance, including our internal and external sustainability impacts.

### Internal impacts

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

### External impacts

The Group's circle of control and ability to influence and encourage behavioural changes in the broader discourse on sustainability matters.

## Scope and boundary

This report describes the JSE, its public and private markets, new ventures it operates, and the investor protection funds<sup>1</sup> associated with its markets. The report excludes our equity-accounted-for associate, Strate, in which the JSE holds 44.55%, as it has an independent board and management team. The Group legal structure is available online in the integrated annual report.

The report covers the financial year from 1 January 2023 to 31 December 2023 and includes historical information and forward-looking statements, which provide context to the Group's sustainability strategy and performance. Our reporting approach considers a range of sustainability-related reporting frameworks, standards and rating tools, including:

JSE's Sustainability and Climate Change Disclosure Guidance

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)

Task Force for Climate-related Financial Disclosures (TCFD)

It also considers the:

International Integrated Reporting Framework

Companies Act, No 71 of 2008, as amended (the Companies Act)

King Report on Corporate Governance™ for South Africa, 2016 (King IV)<sup>2</sup>

Financial Markets Act, 19 of 2012

<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.

<sup>2</sup> Copyright and trademarks are owned by the Institute of Directors in South Africa NPC and all of its rights are reserved.

## 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.

## Internal assurance over this report

The information 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. More details on how we consider environmental, social and governance (ESG) elements when evaluating material matters, are available on page 8 of this report.

The Board's responsibilities include overseeing 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 internal control systems, designed to identify, evaluate, manage and provide reasonable assurance against material misstatement. This process is undertaken with Group Sustainability Committee (GSC) oversight.

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

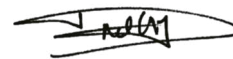
Financial information in this report is drawn from the annual financial statements prepared in accordance with the relevant standards. These are audited by the Group's external auditors, Ernst & Young Inc., in accordance with international auditing standards. The relevant Board committee reviews and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

AQRate verification service, an accredited BBBEE verification agency, has verified our BBBEE performance. It has confirmed a Level 1 rating, and the verification certificate is available at <https://group.jse.co.za/sustainability/bbbbee>.

The Board is satisfied that internal oversight sufficiently ensures the reliability of the information presented in this report, and it did not obtain additional external assurance over this report. Over time, we will strengthen internal assurance over sustainability information through our combined assurance model with the ultimate goal of adding external assurance in the future. In 2024, we plan to undertake a readiness review to identify and close gaps in controls and processes related to material ESG data.

### 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 the information is reliable and fairly presents the Group's sustainability practices, performance and outlook.



**Phuthuma Nhleko**  
Chairman: Board




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

<sup>1</sup> Self-regulatory organisation (SRO).




# Reporting suite

Our full reporting suite is available at <https://group.jse.co.za/investor-relations/reporting-suite> and comprises the following reports:




**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**  
Set out our financial results, with the Group Audit Committee (GAC) report, directors' report and annual financial statements prepared in accordance with International Financial Reporting Standards (IFRS).



**Annual results booklet**  
Contains the annual results presentation, summarised consolidated annual financial results and ordinary cash dividend declaration.




**Sustainability disclosure matrix**  
Sets out the JSE's sustainability disclosures for 2023 and is designed as an online tool and as a PDF, available on the JSE's website.



**Notice of AGM and proxy form**  
Sets out the notice of the JSE's AGM of shareholders to be held on Tuesday 7 May 2024, together with the summarised report containing the required financial disclosures.



**Group SRO<sup>1</sup> Oversight Committee report**  
The annual report to stakeholders on the committee's activities for 2023 as required in terms of the Financial Sector Conduct Authority (FSCA) Board Notice.



**Governance and remuneration report**  
Presents the JSE's governance philosophy and priorities, and includes our remuneration policy and implementation report.



**King IV summary overview**  
Sets out a brief description of the King IV principles and their application within the JSE during 2023.

<sup>1</sup> Self-regulatory organisation (SRO).

# Business overview

The JSE is a multi-asset class stock exchange that offers listings, trading, clearing and settlement (post-trade), information services, and issuer services. The JSE is based in South Africa and is the largest stock exchange by market capitalisation in Africa and the 19th largest stock exchange in the world. It has been operating as a marketplace for the trading of financial products for 137 years.

**Public Markets:** JSE provides public marketplaces for raising capital and trading in equities, bonds, derivatives, currencies and commodities, while JSE Clear provides clearing services for listed derivatives.

- o Listing services
- o Trading services
- o Post-Trade Services
- o JSE Clear
- o Information Services
- o JSE Investor Services (JIS)
- o Issuer Services

**Private Markets:** JSE Private Placements (JPP) supports private markets by providing a forum to raise equity and debt through Globacap's automated and digitised platform.

**R19 trillion**

Market capitalisation of the Exchange  
*(2022: R21.34 trillion)*

**284**

Companies listed on the Exchange  
*(2022: 304), including 123 dual-listed companies (2022: 120)*

**R8 billion**

Market capitalisation of the JSE Limited  
*(2022: R9.4 billion)*

**45%**

Average liquidity<sup>1</sup> of the JSE Limited  
*(2022: 46%)*

*The JSE has a strong and ethical foundation.*

## Our purpose

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

## Our values

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

## Our vision

Growing shared prosperity.

## Our ethical culture

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

## Our mission

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

## Positioned as a diversified and sustainable exchange Group

The JSE focusses on protecting its core business, transforming the business and partnering for a sustainable marketplace. This aims to ensure sustainable, high-quality earnings.

**12.2%** Headline earnings per share (HEPS) growth

**11.0%** Net profit after tax (NPAT) margin

**19.4%** Return on equity (ROE)

**99.89%** Overall annual operational/systems stability

<sup>1</sup> Liquidity is the ratio between total value traded and market capitalisation annualised.



## The JSE's role within financial markets

*Financial market infrastructures (FMIs) are key components of any financial system that are responsible for the smooth functioning of financial markets. The JSE is a listings authority of the markets it operates and a commercial entity. The JSE is licensed as an exchange, and JSE Clear is licensed as an independent clearing house.*

Exchanges and clearing houses are critical players in a market economy, fostering economic growth and strengthening market integrity. As FMIs, they enable the efficient allocation of capital by providing platforms for raising capital and connecting buyers and sellers.

In South Africa, the JSE contributes to solving South Africa's socio-economic challenges by providing a capital raising platform for companies to expand. With this expansion comes economic growth and job creation. In addition, the government relies on the JSE's Interest Rate Market to list its bonds and raise finance for its developmental agenda.

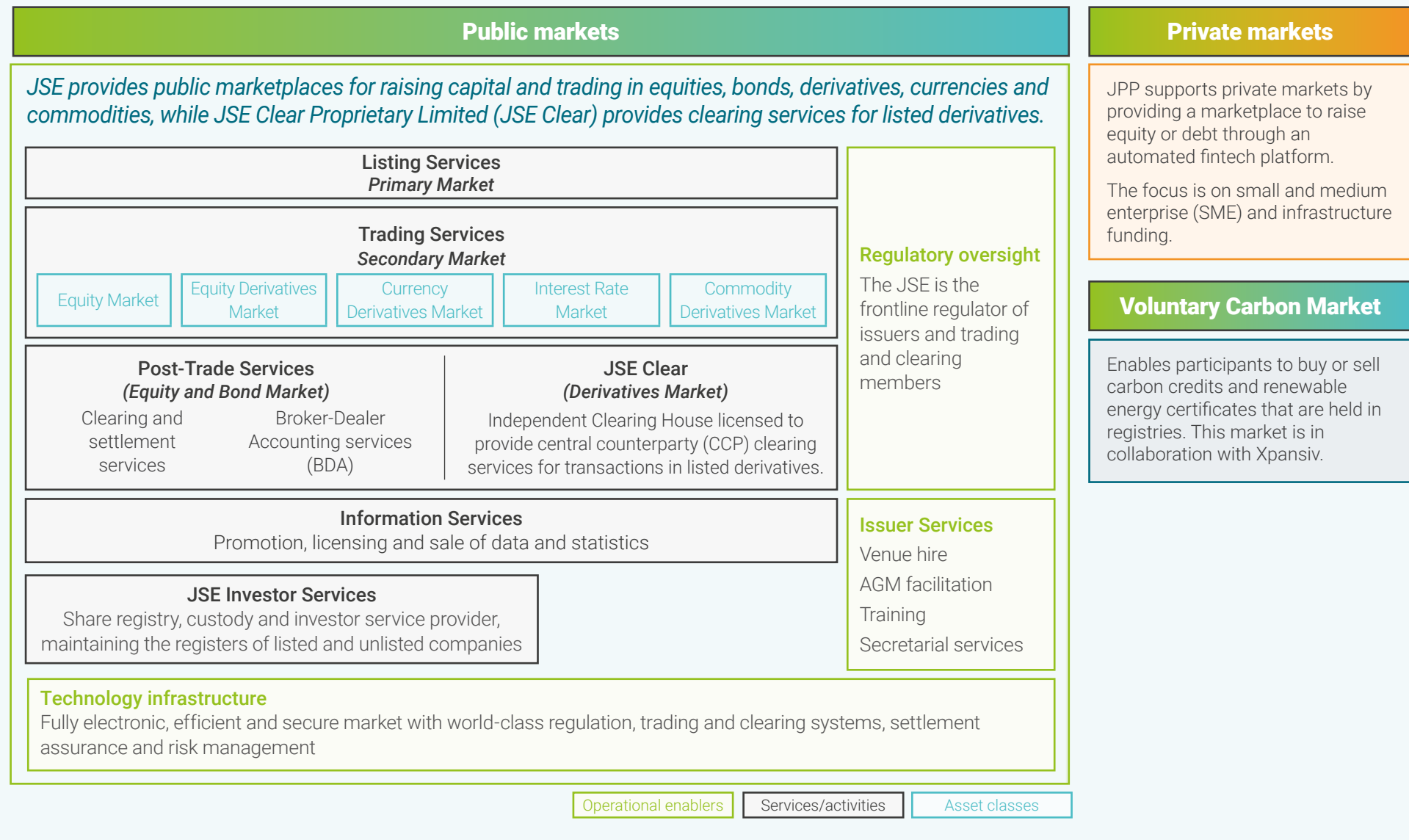
The JSE's statutory responsibility as a licensed FMI is to ensure it:

- o Provides facilities for the listing of securities, including equities and debt instruments issued by domestic or foreign companies.
- o Provides the JSE's users with an orderly and secure marketplace for trading, clearing and settling transactions in listed securities.
- o Regulates the listing of securities and the trading, clearing and settling of transactions in a fair, transparent and consistent manner.

*The JSE maintains an appropriate balance between regulating its markets and pursuing shareholder returns in discharging our FMI responsibilities and pursuing our strategic objectives as a commercial entity.*

The JSE balances stakeholders' interests, particularly concerning achieving efficiencies for clients, reinvesting internally in people and technology and optimising shareholder value. This means balancing prices to clients, dividends to shareholders and rewards to employees. We use our inputs responsibly and manage certain key dependencies and resource constraints while delivering our products and services.

## JSE markets and structures to deliver our products and services





## The products and services we deliver

Our products and services are summarised below, with more information on pages 9 to 10 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.

The **Secondary Market** provides trading, colocation\* and market development services in the Equity, Bonds, Financial Derivatives and Commodity Derivatives Markets.

### 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.

The BDA system for the Equity Market provides the JSE with surveillance capabilities, allowing it to see certain transactions at the client level in real time. Equity members use the system, which keeps the securities records and books of individual broking firms and their clients. The system enables the JSE to provide settlement assurance for central order book equity transactions.

### JSE Clear

JSE Clear is the clearing house for the exchange-traded Derivatives Market (via the CCP). It takes the necessary and appropriate steps to clear and risk-manage transactions in securities listed on the JSE's Derivatives Markets.

JSE Clear executes the daily operations of these markets and ensures all activities required to facilitate the daily clearing and settlement of derivatives trades and positions are performed.

### Information Services

Governs, manages and 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.

### Issuer Services

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

### JIS

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, and a central securities depository participant offering.

### JPP

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

### Voluntary Carbon Market

Enables local participants to buy or sell carbon credits and renewable energy certificates that are held in registries.

\* 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.

# Material matters and sustainability

*We consider our material matters when developing our Group and sustainability strategies and selecting the information to include in our reporting.*

The JSE assesses its material matters in the fourth quarter of every year. Senior management workshops the material matters before the Board approves them. Our material matters remain unchanged from last year. However, we have enhanced some definitions to provide greater clarity and account for changes in our context.

There are many different ESG aspects to consider within the broad field of sustainability. The JSE evaluated these aspects 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 we consider the sustainability implications for each material matter.

Transformation and socio-economic advancement is not a material matter as it is integral to the JSE's approach to business and enshrined in its mission, purpose and strategy to create a diverse and inclusive Group.

We consider ESG risks and opportunities when evaluating our material matters and have reflected these in the following tables.

Refer to page 20 for more details on our sustainability strategy. Further details on each matter and how they impact value creation can be found in our integrated annual report.

## Considering double materiality

The JSE's Sustainability Disclosure Guidance recommends a double materiality approach.

Double materiality attempts to provide a full picture of a company's impacts. On the one hand, it refers to how a company creates value through its product or services and how this impacts society and the environment (inside out). Conversely, it examines how the environment or society impacts the company and its products or services (outside in).

We acknowledge that what is material to a given organisation is dynamic and informed by its business model and operating context. As this context changes, sustainability information from an impact perspective may become financially material.

In 2024, the JSE will begin to consider an approach towards adopting double materiality. This will include the requirements for double materiality and methodology for determining double materiality.

Level of our control over the matter

Change in level of impact since 2022





## 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:

- o The global context within which the Exchange operates.
- o The South African macro-economic environment and the prolonged economic stagnation.
- o The South African political environment. Additionally, markets with high listings activity typically have supportive policies.
- o The demand for non-traditional asset classes and the need to raise capital while remaining a private entity.
- o The Exchange's ability as an SRO to provide and oversee an effective regulatory environment, ensuring regulatory requirements add value and create an enabling environment for new and existing listings.
- o The JSE's compliance with laws and regulations.
- o The JSE's approach to ESG matters through its:
  - » Guidance to local markets, including the JSE's voluntary Sustainability and Climate Change Disclosure Guidance.
  - » Product offering by providing the tools and services that facilitate responsible investing.
  - » Advocacy role, including using our central role as a connector to facilitate engagement and advocacy in relation to sustainability.
- o South Africa's high local market concentration in terms of its liquidity in its top listed stocks and its high reliance on its institutional investor base.

### Sustainability opportunities

- o Enhanced revenue opportunities through new products and services, including those that relate to sustainable finance.
- o New and enhanced partnerships that support business growth.
- o 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.
- o Providing thought leadership and guidance to companies on sustainability and climate change disclosures.

### Sustainability risks

- o Lower levels of foreign investment into South Africa impacting financing for sustainable development.
- o Increased incidence of greenwashing by companies to access financing streams, with the potential to crowd out those committed to sustainable development.

## 2. Level of trading activity

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

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

### Sustainability opportunities

- o Our investor education initiatives can increase retail investor activity in our market and wealth building for ordinary South Africans. In addition, we continually look for opportunities to mitigate for further concentration from a broker perspective.

### Sustainability risks

- o Lower liquidity levels could result in less investment interest from foreign investors, which impacts investment into JSE-listed companies.
- o ESG and sustainability-related capacity and competency of third-party vendors in the wider FMI ecosystem may be a limiting factor.

## 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. These include the escalating power disruptions within South Africa.

### Sustainability opportunities

- o Opportunity to reduce our reliance on Eskom's grid through renewable energy while improving operational resilience and lowering carbon emissions.

### Sustainability risks

- o A total grid failure in South Africa leading to severe reputational damage for the country and negative social impacts.
- o Over-reliance on diesel generation increases our carbon footprint significantly.
- o South Africa's limited renewable energy options may hinder the JSE's decarbonisation efforts.

#### 4. Ability to use 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 aligns with clients' requirements and market technological trends. The interdependency with key stakeholders, including suppliers and clients, impacts the JSE's ability to deliver these solutions and their time to market.

##### Sustainability opportunities

- o We can use technological innovations to extract the ESG data and insights investors seek.
- o Technological innovations serve our clients and support revenue generation opportunities through new data product developments that respond to key stakeholder requirements.
- o JPP, our private marketplace, can utilise technology to better channel funding for SME development and other projects with societal and environmental benefits.

##### Sustainability risks

- o Potential reputational impact to being seen as a credible sustainability leader if innovation is not embraced.
- o Broader sustainable development may be limited due to the lack of data available to support decision-making.



#### 6. Robust trade execution, clearing and settlement for all transactions

The trust and integrity of our markets rely partly on the JSE's ability to ensure efficient, timeous and accurate execution, clearing and settlement for all transactions. This also requires alignment with international best practice.

The JSE's systems and processes must ensure that all markets have robust technology for the execution of transactions. The JSE must provide settlement assurance for trades executed on the central order book, as governed through its rule book. JSE Clear 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.

##### Sustainability opportunities

- o Demonstrating good ESG and sustainability practices to enhance the reputation and attractiveness of JSE Clear.

##### Sustainability risks

- o Failure to ensure trade execution, clearing and settlement will negatively impact South Africa's reputation as an investment destination. This will affect local economic development.
- o Potential increased costs for customers.



#### 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.

##### Sustainability opportunities

- o Elevate employee value proposition through a competitive retention model and enhanced employee experience.
- o Potential to further transform the workplace to reflect the demographics of our country.
- o Appeal to employees who want to work for a purpose-led employer contributing to local sustainable development.

##### Sustainability risks

- o The cost of attracting, developing and retaining key talent becomes prohibitive and the JSE cannot deliver its strategy.
- o The JSE is unable to retain a diverse workplace.
- o Possible business continuity risks due to employee attrition.



#### 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, including changes in the ESG landscape.

##### Sustainability opportunities

- o Positive marketing and reputational benefits from our positioning as a sustainability leader that differentiates the JSE from its competitors.

##### Sustainability risks

- o The JSE fails to keep up with changes in the ESG landscape, which has negative reputational impacts.
- o Limits the attractiveness of the JSE as capital-raising and trading platform, which could see reduced uptake of the JSE's sustainable finance instruments.





“ The JSE’s central role in capital markets requires that we guide our issuers and investors on how to identify, consider and price ESG risks and opportunities. To this end, we encourage transparency, aid in the expansion of ESG-linked goods and services, and offer recommendations for best practices in reporting. ”

**Dr Suresh Kana**

*Chairman: Group Sustainability Committee*

## Chairman’s letter – Group Sustainability Committee

As the International Sustainability Standards Board’s (ISSB) new sustainability standards come into effect around the globe, issuers and other stakeholders will have to grapple with the complexity and potential complications regarding alignment to these initiatives. It is pleasing to see that several other sustainability standard setters are working closer together and seeking areas of interoperability between standards. This is an exciting evolution for sustainability reporting, but also challenging for listed companies to absorb and apply.

As the JSE, we continue to raise awareness of sustainability topics among issuers and investors. While the main global focus remains on climate change, we also feel it is important to consider South Africa’s social challenges, including poverty, inequality and unemployment. We are guiding our issuers around sustainability topics through seminars and events and will maintain this momentum in 2024.

In 2023, we monitored the uptake of the JSE’s Sustainability and Climate Change Guidance that was launched in June 2022. We noted the positive feedback and challenges with implementing the guidance. In addition, we have reviewed the guidance documents and compared them to the ISSB’s new standards. We plan to publish amended guidance in the first half of 2024. This will not be a radical revision but rather a refinement.

Read more about our developments in the global sustainability space on page 19.



## Sustainability strategy oversight

The GSC oversees and reports on how the JSE protects, enhances and invests in a more prosperous and equitable South Africa. We take a long-term view in assessing sustainability issues and consider local and global sustainability thinking and developments. In 2023, we continued to oversee the implementation of the JSE's sustainability strategy. While we regularly review and refine the strategy, it has not materially changed, except that in many areas the cadence and intensity of focus have changed.

### Sustainable instruments

Improving ESG product opportunities by promoting and progressing existing and new investable products.

In November 2023, we launched our Voluntary Carbon Market to allow participants to buy or sell carbon credits and renewable energy certificates in local or global registries.

Read more on page 56.

### Information Services

Improving ESG rating coverage to include more listed companies beyond those assessed for our responsible investment indices.

Read more on page 57.

### 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.

In 2023, we made important progress in how jobs are graded. This lays a foundation for future HR initiatives, including better career pathing. We also noted our employee turnover and have designed measures to reduce the number of employees leaving the JSE.

Read more on page 37.

### Gender equality

We have a gender strategy that ensures adequate female representation within the Group and promotes gender equality among our listed companies.

Read more on page 43.

### Social investment

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

In 2023, we commissioned an independent assessment of our CSI activities with the aim of amplifying our impact.

Read more on page 44.

### Supplier development and transformation

We have a well-developed transformation strategy to support ACI-owned<sup>1</sup> businesses within our supply chain and beyond. I am pleased to report that we have achieved a BBBEE Level 1 rating at both the Group and JSE Limited levels.

Read more on page 46.

### Economic development

The JSE devotes significant resources to providing tangible solutions to fast-track SME growth and facilitate access to capital. In 2023, we ramped up our internal resources to manage our incubation and acceleration initiatives.

Read more on page 46.

### Our environmental impact

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

In supporting our ecosystem, we have continued to enhance the internal skills and capacity of our sustainability team.

Read more on page 47.

<sup>1</sup> ACI: African, Coloured and/or Indian.

## Stakeholder engagement

One performance measure of our stakeholder engagement is our net promoter score (NPS), which is developed based on surveys among key stakeholders, including clients and employees. Our 2023 NPS score was at an all-time high, and customer satisfaction survey results indicate a notable increase in “promoters”. In 2023, the JSE introduced targeted training for those JSE business units with low NPS scores, and this intervention contributed to a marked improvement in client satisfaction.

We pride ourselves on upholding high ethical standards, as emphasised in our code of conduct and ethics policies and procedures, that are entrenched through regular training sessions. We participate in the GIBS Ethics Barometer survey every second year. The results, based on a survey of 209 JSE employees, indicate positive ethical improvements across most categories, with the JSE’s overall ethical fitness rating at 72%.

Tracking our NPS and ethical performance are important measures to ensure we have a stakeholder-inclusive approach while entrenching the right behaviours. We have noted substantial improvements from when we completed the first NPS survey four years ago. While we are proud of our achievements, we must keep up the hard work and focus on those areas that still need improvement.

Read more about our stakeholder engagement activities on page 27.

## The JSE’s social investments

I joined the JSE Board in 2015, and it has been a privilege to play a role in guiding an organisation that is central to the local economy. As the JSE, we must balance our three roles as an exchange, a regulator and a listed company. We have always made decisions that have supported South Africa’s national interests while safeguarding our interests as a company. The JSE’s continued investment in social upliftment initiatives relies on the JSE’s financial sustainability and ability to remain an attractive listings and investment destination. As a committee, we always keep this in mind.

The JSE has an incredible track record of social investments, including tackling financial literacy, which remains a major social issue in South Africa. The choices we make as individuals, consumers and investors are linked to the broader economy in ways we do not always appreciate. We make better financial decisions if we are better informed, for the benefit of the economy.

In 2023, the JSE Investment Challenge marked its 50th anniversary. We are proud of this milestone and the impact on the young people participating in this challenge over the years, many of whom now work in the financial services industry. In 2024, the committee plans to increase our focus on consumer investment education and has challenged management to ramp up their activities among the general public.

### Annual confirmations by the committee

The committee confirms that it:

- o 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.
- o Is satisfied that the Group’s social and ethics procedures and controls are operating effectively.

## A note of thanks

On behalf of the Board, I thank our CEO, Leila, and her Exco for their leadership and commitment to delivering on the JSE’s strategy despite the difficult operating environment. We are also appreciative of the hard work and dedication of the JSE’s employees in achieving our goals, engaging with stakeholders and contributing to our vision of growing shared prosperity. The JSE’s people are passionate about developing South Africa’s financial markets and the broader economy. It is wonderful to work with colleagues who share this purpose.

In April 2023, we said goodbye to Shameela Soobramoney, our former chief sustainability officer (CSO). Shameela spent more than 16 years at the JSE, including three years as our CSO. She made valuable contributions in elevating the importance of sustainability within the Group, including driving the development of our sustainability guidance. We wish her well in her new role.

We welcome Loshni Naidoo, who joined us in 2023 as CSO. Loshni is an engineer with extensive experience in sustainability, including climate change and sustainability reporting. We look forward to her perspectives as we refine and execute our sustainability strategy.

Finally, I thank my fellow directors and committee members for their robust discussions, new perspectives and continued support in 2023.



**Dr Suresh Kana**

*Chairman: Group Sustainability Committee*

# Group Sustainability Committee report

*The GSC fosters sustainability and good corporate citizenship best practices throughout the Group.*

The Board is responsible for overseeing and monitoring the Group's reputation and practices as a responsible corporate citizen, with a particular emphasis on employees and the workplace and the Group's environmental and societal impacts.

The Board has tasked the GSC with overseeing and evaluating the Group's social and economic development, good corporate citizenship and sound business ethics. To encourage high standards and ensure good business conduct regarding financial and non-financial performance, the committee supports the Board by monitoring these areas.

## 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 society. 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 relationships.
  - 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 Group's activities, the committee is mindful that the Companies Act requires it to consider various pieces of legislation related to employee equity and empowerment, the 10 principles of the UNGC, the Organisation for Economic Co-operation and Development's recommendations regarding corruption, and the protocols of the International Labour Organization.

The committee is 100% independent and the members, meeting attendance and invitees are set out below.

Members	Attendance	Regular invitees
SP Kana (Chairman)	3/3 100%	P Nhleko (Board chairman) L Fourie (Group CEO) Chief operating officer
S Cleary	3/3 100%	Human resources executive
FN Khanyile	3/3 100%	Director: marketing and corporate affairs Group company secretary
MA Matookane <sup>1</sup>	1/1 100%	Chief sustainability officer

<sup>1</sup> MA Matookane retired as an independent non-executive director at the AGM held on 9 May 2023.

## Sustainability governance

The GSC monitors the Group's progress in advancing sustainability matters and the UNGC's 10 principles with regard to business, human rights, labour, environment and anti-corruption. It also tracks progress made regarding the JSE's Sustainability Guidance, which includes climate change. Sustainability considerations are embedded in our business strategy and our day-to-day activities. The Group's sustainability function is led by our chief sustainability officer and supported by a research analyst for ESG and sustainable finance.

The JSE's ESG dashboard, which tracks our progress against our ESG targets, is reviewed at the February and July meetings of the GSC each year. Where relevant, ESG metrics are subject to annual oversight by other Board committees, such as remuneration metrics by the Group Remuneration Committee and governance metrics by the Group Nominations and Governance Committee.



## Committee focus areas for 2023

The GSC held three meetings in 2023, aligned with its work plan and five key areas of responsibility, as prescribed by Regulation 43 of the Companies Act. The focus areas considered by the committee are described below.

### Social and economic development

- o Oversight over the JSE's transformation approach and enterprise and supplier development strategy implementation.
- o Approved allocating funds towards enterprise development and supplier development, including a new enterprise and supplier development fund.
- o Reviewed the annual preferential procurement report, which includes management's steps to address suppliers who do not comply with BBBEE.

### Good corporate citizenship

- o Monitored the implementation of the JSE's sustainability strategy and developments in the sustainability space.
- o Reviewed management's steps to resource the Group's sustainability team adequately.
- o Reviewed the status of the JSE's community development and CSI programme.
- o Monitored JSE compliance with its code of conduct and ethics and approved amendments to the code of ethics and ethics policy.
- o Noted the results of the 2023 GIBS Ethics Barometer.
- o Reviewed and approved the 2023 JSE sustainability report.

### Environment, health and safety

- o Oversight over the interest in the JSE's Sustainability Disclosure and Climate Change Disclosure guidelines.
- o Noted a report comparing the JSE's Sustainability Disclosure and Climate Change Disclosure with IFRS S1 and S2.
- o Oversight over the Group's approach to sustainability reporting and commitment to TCFD-aligned climate disclosure for the 2023 reporting year.
- o Reviewed and approved management's zero emissions roadmap.

### Labour and employment

Reviewed the JSE's employee value proposition and oversaw initiatives in the following areas:

- o **Employment equity:** Noted the successful delivery of the three-year employment equity plan (2021 – 2023) and the new employment equity plan.
- o **Employee wellbeing:** Close monitoring of the JSE's corporate health profile.
- o **Culture:** Monitored progress on client engagement surveys and progress made with improving the culture based on employee feedback from the 2022 employee engagement survey.

### Consumer relationships

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

## Report on statutory requirements

*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>	Code of conduct and ethics, the employee conduct and ethics policy, and employment policies
<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 has no 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 year.</p>	Employment policies
<p><b>Environment</b></p> <p><b>Principle 7:</b> Businesses should support a precautionary approach to environmental challenges</p> <p><b>Principle 8:</b> Undertake initiatives to promote greater environmental responsibility</p> <p><b>Principle 9:</b> Encourage the development and diffusion of environmentally friendly technologies</p>	<p>The JSE is conscious of its interdependence with the natural environment, the growing concern about the environmental impact of non-sustainable business practices, and the need to play a role in nurturing our local ecosystem.</p> <p>Environmental management and sustainability form part of the Group’s sustainability strategy.</p> <p>The JSE participates in several significant initiatives and developments, including adopting 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.</p> <p>The JSE participates annually in the CDP reporting process in our journey to better climate change disclosures. The JSE’s second TCFD-aligned climate change report is on page 48.</p>	<p>Sustainability strategy</p> <p>Creation of products that support 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. In 2023, the JSE launched its voluntary Voluntary Carbon Market.</p>

UNGC principle	JSE's support of the principle	Relevant policies and/or frameworks
<b>Anti-corruption</b> <b>Principle 10:</b> Businesses should work against corruption in all its forms, including extortion and bribery, according to Organisation for Economic Co-operation and Development recommendations regarding corruption	<p>The JSE's code of conduct and ethics articulates the values and acceptable ethical standards to which all persons associated with the Group must adhere.</p> <p>The Group has a zero-tolerance approach towards fraud and corruption, and management is committed to combating fraud and corruption in all its forms.</p> <p>A whistle-blowing hotline provides employees with a confidential and anonymous channel for reporting transgressions. The toll-free hotline is independently managed and administered.</p> <p>The JSE's Market Regulation division reports suspicious trade activity in the JSE markets it regulates to the FSCA for follow-up and further action.</p>	<p>Code of conduct and ethics policy</p> <p>Dealings in shares policy</p> <p>Whistle-blowing policy</p>

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
<b>The Employment Equity Act, No 55 of 1998</b>	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
<b>The BBBEE Act, No 53 of 2003</b>	The JSE strives to ensure there is increased and fair participation of ACI people in the South African economy, 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 in 2023 we have achieved a Level 1 BBBEE rating
<b>The Consumer Protection Act, No 68 of 2008</b>	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
<b>The International Labour Organization protocol</b>	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 to build a capable, respected workforce.	Employee engagement initiatives JSE gender mainstreaming strategy
<b>Good corporate citizenship</b>	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 this difference should be sustainable and ensure that individuals benefit directly through positive and meaningful contributions.	JSE CSI strategy CSI spend



# Our sustainability context and strategy

*Creating sustainable value for our stakeholders is inherent in our strategy and vision of growing shared prosperity. The JSE aims to create an enabling environment for improved ESG practices and investment in sustainable development.*

Local and global companies face mounting pressure to improve their performance and disclosure on sustainability and climate-related matters and to contribute to resolving serious social and environmental challenges. This pressure comes from various quarters, including customers, employees, regulators and investors. Increasingly, investors are pushing companies in their portfolios to disclose how they manage their environmental and climate impacts. This pressure can kickstart a fundamental and positive change in how listed companies operate.

Stock exchanges can and do contribute to economic growth and sustainable development. They do so through two main mechanisms: the first is promoting good ESG business practices, and the second is promoting investment in sustainable development.

Stock exchanges connect investors and issuers, 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 addresses investor demand for new products, better services and more transparent data. In addition, many stock exchanges provide learning and training opportunities for companies and investors to handle ESG issues better.

According to a study by McKinsey, about 85% of chief investment officers surveyed state that ESG is an important factor in their investment decisions. Of this, 60% review their overall portfolio for ESG considerations, and about 80% assess individual company positions in the context of how ESG affects forecasted cash flows.

This research indicates that investors are prepared to pay a premium for companies that show a clear link between their ESG efforts and financial performance.

## Investors

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

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

## Issuers

Increased awareness that investors see sustainability performance as an indicator of management quality, exposure to business risks and ability to leverage business opportunities.

Improved disclosures improve access to capital. Issuers increasingly seek guidance on integrating sustainability into their reporting and communication to communicate clearly and accurately with investors and other stakeholders on their ESG performance.

## Sustainability context

The King IV recommendations form the basis for our overarching approach to sustainability. Various frameworks, guidelines, regulations and initiatives further inform this approach, together with our corporate strategy and management practices.

Our sustainability approach considers global trends and the South African context. This ensures our actions are relevant and create value for our stakeholders. 2023 was an eventful year in the global sustainability space and we continue to monitor key developments and trends, as described below.

### Key sustainability developments in 2023

In **July 2023**, the European Commission adopted the Delegated Act, laying out the first set of European Sustainability Reporting Standards (ESRS) under the Corporate Sustainability Reporting directive.

In **June 2023**, the ISSB launched its inaugural global standards on sustainability reporting, IFRS S1 (sustainability) and IFRS S2 (climate change).

In **September 2023**, the Taskforce on Nature-related Financial Disclosures (TNFD) published final recommendations for nature-related management and disclosure to enable the identification, assessment and disclosure of exposure to nature-related issues in a manner consistent with climate-related reporting.

In **September 2023**, the Securities and Exchange Commission (SEC) in the United States adopted a new rule to eradicate greenwashing practices by American investment funds. The SEC's "Name Rule" requires that 80% of a fund's portfolio matches the asset advertised by its name. Funds must also define their terms and explain the criteria for selecting investments in their disclosures.

In **October 2023**, the European parliament approved the new European Green Bond (EuGB) label. This aims to fight greenwashing and give investors the confidence that their investments are appropriately directed towards financing sustainable business activities and technologies.

From **2026**, public companies in Brazil will be required to publish annual sustainability and climate-related disclosures. These disclosures will be based on IFRS S1 and IFRS S2.

S&P Global added climate-related physical risk to the Climate Credit Analytics solution, aimed at enabling clients to understand and manage companies' and portfolios' physical and financial exposure to climate change.

Bloomberg launched science-based risk indicators for data analytics to enable companies and investors to assess and understand exposure to climate-related risks such as floods, droughts and wildfires.

## Mandatory disclosures

Regulators around the globe are finalising rules that require companies to publish standardised information after years of inconsistent voluntary ESG reporting based on a host of frameworks. While Europe is leading the way in sustainability regulation, the United States (US) is following with a proposed rule that would require enhanced and standardised climate disclosures in US company registration statements and annual reports. We expect further consolidation and alignment of sustainability standards, frameworks and definitions.

## Climate at the forefront

Climate change is widely seen as the biggest challenge of our age, with vast financial and human resources being mobilised to deal with its causes and effects. There is an ongoing emphasis on net zero target setting and the need to transition from fossil fuels to renewable resources.

There is also a growing acknowledgement of the importance of a just transition to ensure the benefits of a green economy transition are widely shared while supporting those who stand to lose economically.

## Calls for nature-related disclosures

While climate change is perceived as the main threat to our environment, there is growing acknowledgement that several other major environmental threats impact our planet's sustainability. For example, nature-related disclosures are gaining traction as concerns over the biodiversity crisis deepen.

## A local focus on the "S" in ESG

South Africa faces severe socio-economic challenges, including high levels of poverty, inequality and unemployment. Local companies need to consider these challenges when developing their sustainability strategies.

## Growth in sustainable finance

The demand for sustainable finance instruments continues to grow as investors look for financial returns and positive environmental and social impacts. At the same time, the reputational risk for companies of green/sustainability-washing is rising, and regulations on labelling are tightening.

## A summary of our strategy

The JSE regularly reviews and adapts our strategy to ensure it remains resilient and competitive in an evolving and competitive landscape. Our strategy refresh completed in 2022 defined the 2026 strategic vision for the Group. This strategy focusses on organic and inorganic growth to generate high-quality earnings while protecting our core business to ensure the Group's growth and sustainability. For more information on our strategy, refer to page 52 in the integrated annual report.

The JSE's sustainability strategy aligns with our overall Group strategy and commits the Group to create an enabling environment to support sustainable value creation, facilitate responsible investing and to drive better sustainability practices and improved disclosures. It informs our actions and entrenches the JSE's position as a thought leader in sustainability.

Sustainability metrics are embedded in our Group strategy and are measured under the partner for a sustainable marketplace pillar of our corporate scorecard.



**The Group's 2026 strategy positions the JSE as a diversified exchange group**

**The JSE's 2026 strategic pillars**

*Anchored by initiatives with annual objectives*

*Working towards an ultimate objective*

**PROTECT AND GROW our core business**

- o Digitise, transform and simplify technology.
- o Grow our core market products and services with efficiency and quality.
- o Proactively advance market development for quality and growth.

**Objectives for 2024**

- o Maintain operational resilience and stability.
- o Cloud strategy expansion.
- o Innovate and modernise legacy systems – transformation of BDA.

**TRANSFORM our business**

- o Expand our business footprint in private markets.
- o Develop comprehensive digital assets offering.
- o Create an adjacent financial data business.

**Objectives for 2024**

- o Evolving client proposition through innovative products and partnerships.
- o Continued diversification of revenue.
- o Progress Information Services growth strategy.

**PARTNER for a sustainable marketplace**

- o Facilitate SME growth and access to capital.
- o Accelerate international connections and partnerships.
- o Become the emerging market ESG exchange of choice.

**Objectives for 2024**

- o Attract and retain top talent.
- o Maintain Level 1 BBBEE scorecard rating.
- o Progress listing reforms.
- o Deliver the sustainability strategy.

**Successful delivery of the strategy will result in SUSTAINABLE, HIGH-QUALITY EARNINGS over the period to 2026. We aim to accelerate the Group's revenue growth, improve profitability and cash generation, and decrease exposure to cyclicity and volatility.**

**Objectives for 2024\***

Positive operating leverage on reported results for FY2024	NPAT growth: in line with CPI	Maintain NPAT margin	Maintain strong ROE
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**Supported by foundational enablers**

**PEOPLE AND OTHER STAKEHOLDERS**

Putting our stakeholders at the centre of what we do and aligning business initiatives with those that provide the most value in enhancing the stakeholder experience. This includes a motivated, skilled and diverse workforce that is suited to our current and future needs.

**TECHNOLOGY**

A technology strategy that covers core modernisation and simplification, data foundations, cloud, cyber resilience, and digital capabilities.

**REGULATION**

Simplified regulation for the listing of securities and robust oversight of the trading, clearing and settling of transactions.

\* Defined as the on-target objectives in the Group scorecard for 2024.

## Sustainability strategy

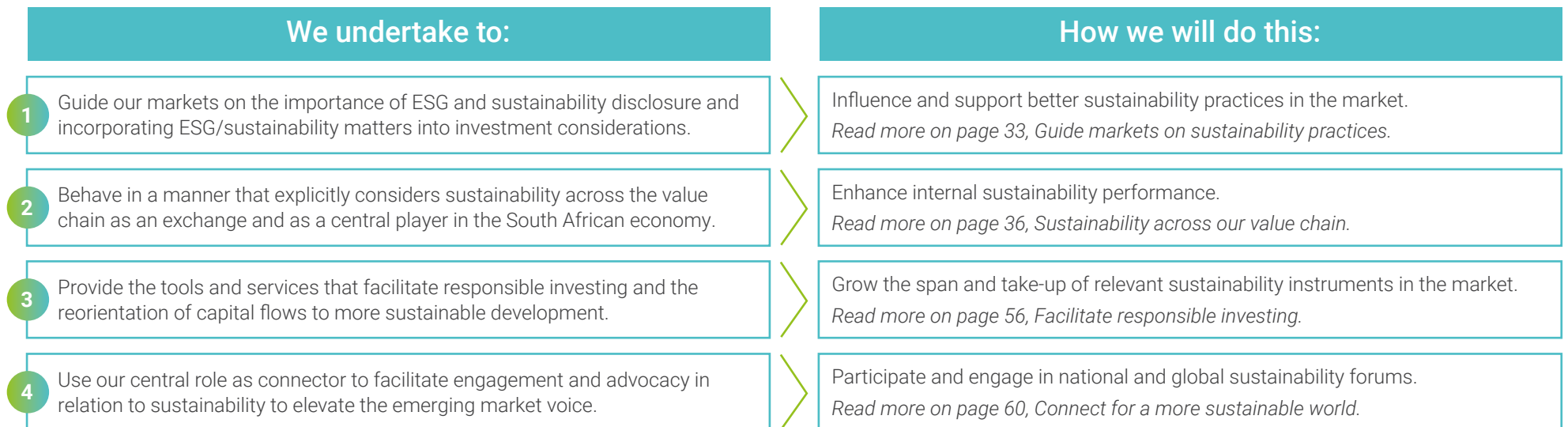
### Our sustainability purpose statement

**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 through a just transition.

**Our sustainability mission:** To create an enabling environment to support sustainable value creation, facilitate responsible investing, and drive better sustainability practices and improved disclosure. This mission will be achieved by delivering on our four sustainability undertakings.

Some planned activities for 2023 were delayed by the departure of our CSO. We used the arrival of our new CSO as an opportunity to revisit the sustainability strategy and refocus our initiatives to respond to an ever-evolving landscape and be able to demonstrate value-creating impact given our current resource capabilities.

### Our four sustainability undertakings



## Our three roles

The JSE's three functions, as an exchange, regulator and listed company, provide alternative and overlapping approaches to how we execute the various elements of our sustainability strategy, i.e., our four sustainability undertakings. Our ability to execute our roles is also influenced by local and global regulatory developments, progress made by peer exchanges, market needs, stakeholder consultation and the JSE's overall strategy.

## Key dependencies

To execute our strategy, we require stakeholder consultation and support, market research and feasibility studies, a budget and systems maintenance. The sustainability strategy must be driven by our internal sustainability function with support from other functions within the Group.

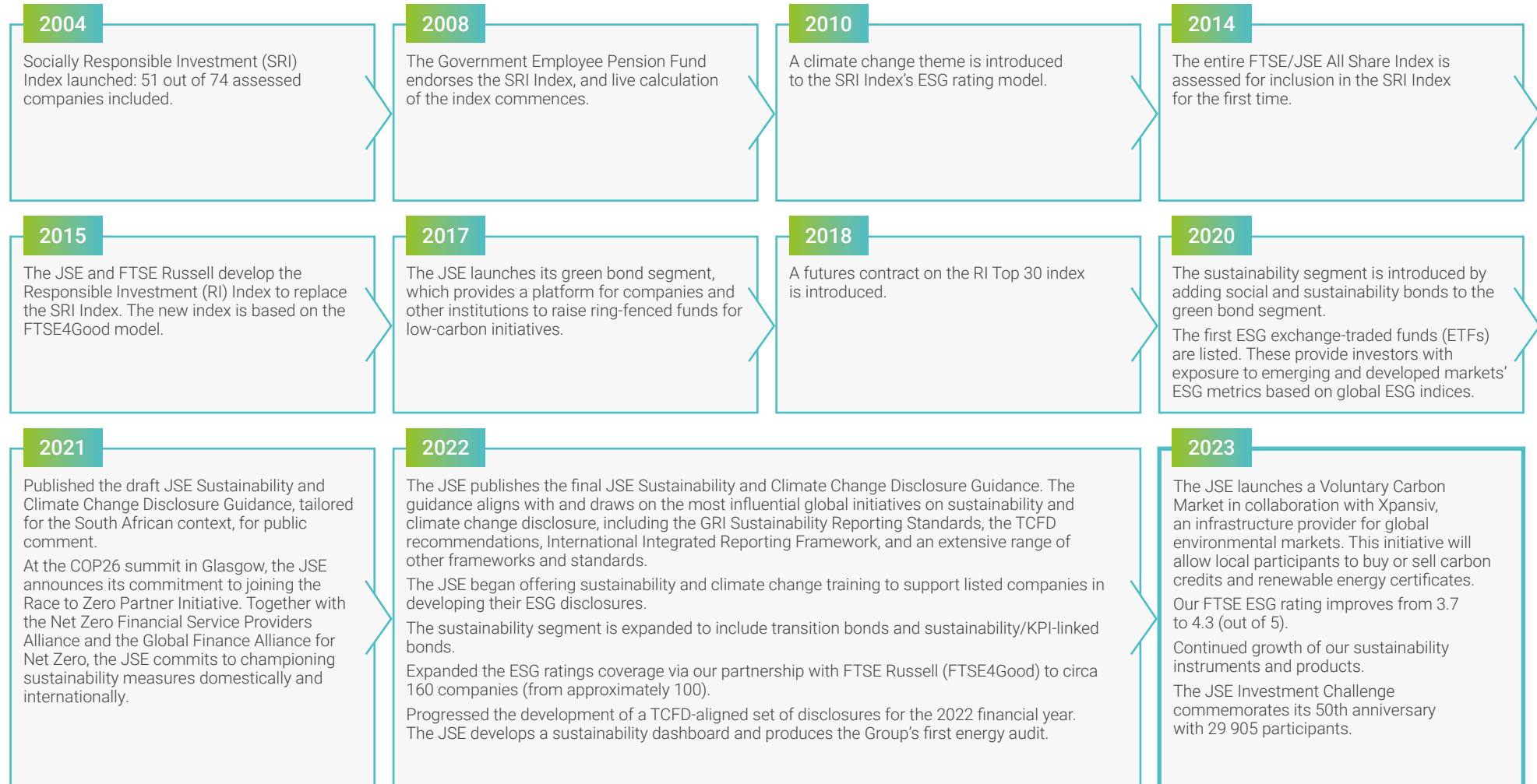
## How the sustainability strategy supports our strategy

The four sustainability undertakings support the achievement of our overall strategy by:

- o Creating positive marketing/reputational benefits and differentiating the JSE from its competitors.
- o Improving our sustainability profile and credibility as thought and action leaders.
- o Supporting the financing and competency needs for a just transition and the national agenda.
- o Contributing to the public good in relation to sustainable development.
- o Mitigating long-term risks concerning growing social and environmental risks.
- o Contributing to longer-term cost savings.
- o Aligning with peer best practice.
- o Facilitating, supporting, and driving industry-leading initiatives, both locally and internationally, leveraging the JSE's role as an influencer, connector and credible voice on behalf of emerging markets.
- o Enhancing our reputation and visibility as an emerging market destination of choice as thought leader within our local ecosystem.

## Our sustainability milestones

Over the years, as an exchange and frontline regulator, we have promoted responsible investment. Our sustainability journey reflects this, focussing on local and global leadership and creating opportunities to grow our product base with sustainable investment products.





**A word with Loshni Naidoo,  
our new CSO**



## ? What is your background and what attracted you to the sustainability space

I began my career as a chemical engineer in a production and then project environment. I moved into consulting, where I was fortunate to encounter a sustainability expert who was setting up a sustainability division at my company. For more than 16 years, I held several sustainability-related roles in consulting and corporates across several sectors, including a stint at a professional accounting body.

***The sustainability space is so vast and is constantly evolving. I am constantly challenged to invent, create and find solutions that are impactful.***

## ? What are some of the most important skills a CSO needs to succeed in their role

A CSO needs a sound technical base as sustainability draws on environmental or climate sciences. This often requires taking a systems view, as sustainability challenges are interlinked. This is essential to better problem-solving and minimising negative unintended consequences. It is so important to question – why something is the way it is and is there a better way of doing things. This makes for better problem-solving, supports innovation and provides a more holistic approach to finding solutions.

Then, there is a host of soft skills required. This includes negotiation and communication skills, as you need to collaborate with internal and external stakeholders to achieve sustainability goals. You need to be flexible to adapt, learn and unlearn, as the solutions to many sustainability problems cannot be found in a textbook.

It is important to operate without an ego, maybe more a mindset than a skill, as you do not know everything. This involves active listening, learning from others and carefully applying that knowledge.

This is a rapidly evolving space. It is increasingly important to sift out what is relevant and what to ignore or discard. You need to keep an eye on issues that could evolve into a risk or an opportunity. This demands foresight and vigilance.

## ? What is the JSE's role in promoting better sustainability practices, and how will you measure success in achieving this role

Our sustainability mission states: "We aim to create an enabling environment to support sustainable value creation, facilitate responsible investing and drive better sustainability practices and improved disclosure." Our sustainability strategy has four components which articulate how we will achieve this mission.

It becomes more complicated when you begin to consider the JSE's three roles as an exchange, regulator and listed company. We must view our strategy through the lens of each of these roles. For example, as an exchange, we provide a platform for listing and investing in sustainable financial instruments. As a regulator, we maintain appropriate governance requirements that consider sustainability. Finally, as a listed company, we must lead by example by integrating leading sustainability practices into our systems, processes and operations.

We are currently visualising what future success looks like for us. This includes further take-up in our existing sustainable financial instruments, launching new instruments, listed companies further implementing sustainability strategies and reporting on the successful execution thereof. We also want to continue to innovate and push the sustainability boundaries.

## ? What are the JSE's sustainability priorities for 2024

2024 is a year of balance, where we intend to balance our internal and external priorities with a focus on embedding sustainability practices within the Group.

Our priorities for 2024 include planning around our 2050 net zero commitment. Our first net zero reporting is due in June 2024, and we need to make progress against the milestone we have set. We are also focussing on bedding down our internal systems, processes and structures to advance our sustainability journey. With regards to the JSE's Sustainability Guidance, we are mapping a way forward to ensure our guidance remains relevant and helpful as the local and global reporting landscape unfolds.

# The role of stakeholders

*Stakeholder engagement is critical to informing our decisions and providing the support and participation required for our long-term sustainability.*

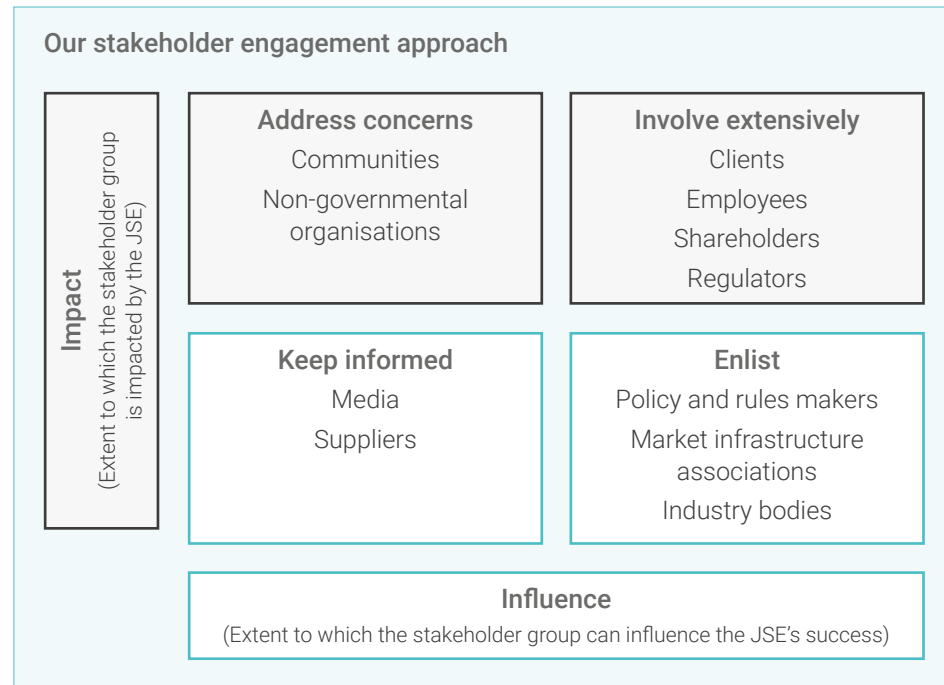
We place our stakeholders at the centre of our business activities and consider the stakeholder experience when formulating our strategy and designing our business initiatives. We group our stakeholders into 11 key categories and consider their concerns, why they matter to us and how they are affected by our strategic decisions. The level and depth of our engagements are driven by their influence, interests, expectations and concerns.

**Connecting for co-creation** is one of the JSE's values. We collaborate with each other and other stakeholders to deliver on our vision.

## Engagements with key stakeholders

### Our clients

The Group has different client types, with the major client categories outlined below:



### Trading members

Trading members generate revenue for the JSE through their trading activity, market data needs and clearing and settlement requirements. They also utilise other services, including JPP and colocation, and may participate in future revenue opportunities such as our Voluntary Carbon Market.

### Buy-side clients

These include local and international pension funds, asset managers and hedge funds trading and investing in the South African market. While they are indirect clients of the JSE, they contribute to our trading flow through our local trading members.

### Clearing members

JSE Clear has several clearing members who clear all exchange-traded derivatives trades for our trading members. Clearing members underwrite the risk associated with the exposures of the market participants for whom they clear in the derivatives market. JSE Clear earns membership fees from clearing members and fees per clearing transaction.

### Issuers

Issuers are companies that raise capital by listing their shares or bonds on the JSE. We generate income from listing fees and other *ad hoc* products and services.

### Other clients

- o Information Services clients who are not trading members.
- o SMEs raising funding through JPP's platform.
- o Clients who hire our venue.

## Why we engage

The JSE seeks to cultivate a culture of client-centricity and collaboration with clients. We believe that stronger and trusted relationships with clients are critical to increasing their satisfaction and willingness to provide feedback and insights. New products and services are developed with extensive stakeholder engagement to meet client needs and ensure support and participation. A recent example of this was the launch of Colo 2.0, which was developed in partnership with trading members, and offers new cloud computing capabilities (page 79 of the 2023 integrated annual report).

## How we engage

We have a dedicated key client management (KCM) team to engage with trading members, and regular engagements include one-on-ones with JSE senior leadership and, networking events. Trading members participate in the various advisory committees for each market. We personalise engagements per client needs, and we share the JSE's plans for the different markets.

Our KCM team is responsible for buy-side client relationships, and key engagement avenues include one-on-one and group engagements with JSE senior leadership, participation of clients in a buy-side council, and networking events. Engagements are tailored according to the client's portfolio and bespoke needs. We outline the JSE's strategy, share market developments (for example, our Voluntary Carbon Market), and discuss market statistics. We also address some buy-side clients' interests and concerns around sustainability.

JSE Clear provides quarterly operations performance feedback on specific incidents, issues and performance against end-of-day service levels. There are quarterly JSE Clear Risk Advisory meetings covering risk management reporting, annual policy and risk management framework reviews. JSE Clear provides regular feedback regarding key projects, including systems upgrades, the securities collateral initiative (see page 83 of the 2023 integrated annual report) and ongoing process enhancements.

In addition, JSE Clear conducts annual clearing member due diligence meetings where various aspects of the clearing member's operations, risk management and compliance structures and processes are assessed.

We maintain relationships with our issuers through thought leadership sessions, relevant advisory committee meetings (Issuer Regulation Advisory Committee and AltX Advisory Committee), one-on-one meetings and hosted events.

In-person engagement across all client types is supplemented by email communication, market-wide notices, workshops and hotlines.

The quality of relationships with clients is measured through our NPS, which is tracked annually, is a key component of our annual corporate scorecard, and is considered in remuneration decisions. The final score showed an improvement on the prior year. In general, clients express satisfaction with the JSE. The survey indicates that:

- o We have improved consistently since the 2019 survey, where we obtained a negative score of -28 compared to the 33 score for 2023.
- o Key drivers of the change have been the consistent improvement in areas of culture, service, communication and strategic alignment.
- o Compared to global capital market scores, the JSE was either on par or leading among global exchanges.

The focus for 2023 will be on continuing to work at growing a customer-centric culture to garner positive sentiment and recommendation from clients. To further improve service, the JSE should focus on innovating when it comes to products and platforms, streamlining processes, being more proactive and supportive when engaging with clients, increasing stakeholder workshops, and upskilling employees.



## Engagement themes

Different client types have different interests and concerns.

Trading members and buy-side members are interested in our listing pipeline of both companies and products and are concerned about delisting. We share our plans to grow our listings and further diversify our product offerings, including in specialised securities such as actively managed certificates and actively managed ETFs.

Trading members have responded well to Colo 2.0, launched in 2023, which offers an enhanced service and reduced total cost of ownership in our colocation data centre. They participated in the equipment and client testing in 2023.

After extensive consultation in 2022 and 2023, trading members support JSE Clear's plans to be the CCP for the JSE's planned on-market trading of bonds (page 83 of the 2023 integrated annual report). Further market workshops and one-on-one sessions on this multi-year project are scheduled for 2024.

For several years, trading members have expressed concerns regarding the high cost of funding to meet their margin call obligations in the Equity Derivative and Currency Derivative Markets. In December 2023, the JSE went live with our service offering to accept non-cash collateral (government bond securities). This means that investors have the choice to provide less expensive forms of collateral.

In 2023, JSE Clear facilitated extensive group and one-on-one consultations with clearing members on key risk management matters and JSE Clear's margin methodology, default management processes and default size review, liquidity provision and clearing member obligations in the event of a participant default.

Multiple sessions and one-on-one engagements were held with clearing members to discuss the potential impacts of South Africa's greylisting and the European Commission blacklisting. These key rulings will negatively affect the number of derivative transactions from European market participants (page 83 of the integrated annual report).

JSE Clear considered and addressed the following concerns:

- The JSE considered the timing of initiatives, including testing and go-live requirements, to consider the workload of clearing members before committing to scheduled dates.
- Concerns around the change in the daily settlements cut-off time from midday to 10h00 were addressed and approved by the regulator.

The JSE engages in regular dialogue with its issuers. In 2023, we addressed the following issuer concerns:

- With the South African Post Office under provisional liquidation, and deteriorating postal services, the JSE now offers a virtual mailbox system to provide issuers with uninterrupted communication services.
- The JSE is reviewing and revising its Listings Requirements to alleviate the compliance burden for issuers.

## Returning wealth to ordinary South Africans

In 2023, issuers raised concerns about the FSCA's proposed plans to centralise unclaimed dividends, as they believe these funds belong to shareholders. The JSE, after careful consideration and investigation, proposed a solution to reunite shareholders with their unclaimed dividends by rolling out a national asset reunification campaign in 2024.

In 2024, the JSE will launch a countrywide initiative to help return R4.5 billion in unclaimed dividends to rightful shareholders. This will see the Exchange deploying its shareholder tracing services to identify and reunite individuals with unclaimed entitlements stemming from limited or outdated information about the shareholders.

The initiative will begin with a shareholder education drive to inform the public on how dividends work, the ways unclaimed dividends could arise, how individuals can verify whether unclaimed shares and dividends are due to them from listed companies, and how to update their shareholder information.

The JIS, a JSE subsidiary, will be the implementation agent for the processing and paying of dividends to legitimate claimants and updating of share registers of companies. Over the past five years, JIS has paid R420 million in unclaimed dividends to thousands of investors, including a significant portion of BBBEE shareholders, with some claims dating back more than 15 years.

The initiative requires the involvement and support of the broader business community and financial markets to ensure its success. The JSE has engaged with several larger issuers who have indicated their commitment to participate and contribute to its nationwide implementation.

## Our employees

### Why we engage

Employees are key stakeholders as they directly contribute to the JSE's success. Their skills and inputs impact the Group's productivity and achievement of our strategy. We attract and retain top talent by offering competitive rewards, growth and learning opportunities, and effective wellbeing interventions and platforms, and cultivating an attractive company culture.

### How we engage

We engage with employees through one-on-one discussions, team meetings held virtually and in person, emails and Microsoft Teams channel updates. We host Kopano and Imbizo days to bring all employees together to share strategic updates and encourage collaboration between divisions and teams. We also offer an intranet that provides important employee information.

### Engagement themes

We receive employee feedback from our employee engagement surveys, which are conducted every second year. We did not conduct this survey in 2023, but rather focussed on improvement areas from 2022. Read more about our employee key initiatives and engagement themes for 2023 on page 37.

## Our shareholders

Effective, proactive and transparent engagement with investors to build trust is essential in differentiating the Group in a competitive market. This includes communicating our vision and our management's capabilities and providing details on our financial and operational activities.

In 2023, we maintained a full calendar of in-person and online engagements with existing and prospective shareholders. We also communicate through SENS, press releases, email, ShareHub, and the JSE Group website. We host two formal shareholder roadshows, at financial year-end and at our interim results. We also attend conferences hosted by local investor banks and coordinate our international roadshows to reach out to our foreign shareholders and prospective investors.

We measure the quality of our shareholder relationships through in-person engagement, feedback and *ad hoc* perception studies. Our engagement is informed by a JSE perception study conducted in 2022, which gave insights into shareholders' expectations and their understanding of the JSE's investment proposition.

In our GIBS Ethics Barometer 2023 survey, scores for the treatment of shareholders matched and exceeded the respective corporate benchmarks and our previous scores.

### Engagement themes

As part of an ongoing dialogue with institutional shareholders, the JSE undertook a roadshow on remuneration and related matters during April 2023. This roadshow was an opportunity for direct engagement with the chairman of the Group Remuneration Committee without JSE executive management being present. We used the remuneration proposals set out in the published remuneration report 2022 as a framework for discussion in advance of the AGM that was held in May 2023, with the aim of eliciting shareholder input.

Shareholders welcomed the opportunity to engage directly with non-executive leadership, with no concerns raised regarding the JSE's governance of remuneration. Shareholders welcome the evolution of JSE remuneration design over time. Read the governance and remuneration report for changes to the remuneration policy and its implementation in 2023.

Shareholders acknowledge the challenges of the operating environment, the constraints we face and the cyclical and event-driven nature of our business. They acknowledge our progress with our revenue diversification strategy; however, they seek clarity on how this translates into earnings growth, especially concerning the Information Services strategy. Our investment proposition and rerating of our stock will depend on our ability to diversify away from our reliance on cash equities revenues.

To meet shareholder expectations, we will continue to invest in the core business to sustain operations, drive the diversification of revenues, including inorganic growth, pursue the Information Services growth strategy formulated over a five-year horizon, and accelerate growth in new business lines. We will continue to prudently manage the Group's cost base. Read more about our revenue diversification in our Group chief financial officer's review on page 64 of our 2023 integrated annual report.

## Our regulators

The Financial Sector Conduct Authority (FSCA) is the lead regulator of the JSE and JSE Clear in terms of the performance of our licensed functions, which includes oversight of our conduct and SRO functions in terms of the regulation of issuers of securities and surveillance of our markets, and as an independent clearing house respectively. The FSCA is responsible for the supervision of the conduct of financial institutions, including market infrastructures.

The Prudential Authority (PA) regulates the JSE and JSE Clear, as FMIs, on a prudential basis in terms of their mandate for the maintenance and enhancement of financial stability and promotion of the safety and soundness of market infrastructures.

We also engage with various policymakers to provide insight into policy or regulatory initiatives.

### Why we engage

The integrity of the JSE's regulatory relationships is fundamental to the exercise of its licensed functions and the exercise of its regulatory authority.

We remain fully committed to contributing to a robust regulatory environment, and we engage with regulators and policymakers in our role as both a regulated entity and a frontline regulator.

### How we engage

Relationships are nurtured through strategic and collaborative forums that enable dialogue between government, regulatory bodies and business on creating a conducive environment for investment and economic development.

The FSCA and PA conducted onsite and hybrid supervisory meetings with JSE and JSE Clear and the JSE Compliance function ensured that all quarterly, monthly and *ad hoc* reporting requirements were adhered to.

## Engagement themes

The FSCA conducted onsite reviews with the Issuer Regulation, Market Regulation and Capital Market Divisions of the JSE.

The PA engaged directly with the CEOs, board chairs, and the full boards of the JSE and JSE Clear on matters related to strategy and risk management. Online and hybrid supervisory meetings were also held with the JSE and JSE Clear executives and senior members of the finance, risk, operations, IT, internal audit and compliance teams in 2023. Additionally, the JSE and JSE Clear submitted detailed prudential reports on a quarterly and monthly basis.

The JSE publishes an annual report in terms of the performance of its self-regulatory functions, which sets out the processes for the identification and management of any conflict of interests that could arise between JSE and JSE Clear regulatory functions and commercial services. This report is approved by the Group SRO Oversight Committee, is submitted to the FSCA and the PA, and is published as part of our integrated reporting suite.

More details can be found in the Group SRO Committee Report for 2023.

## Other stakeholders

We have a diverse range of other stakeholders that are discussed in other sections of this report:

Communities (SMEs)	Page 46
Suppliers (enterprise and supplier development initiatives)	Page 46
Market infrastructure associations and industry bodies	Page 32
Media	Page 61

## Advisory committees

The JSE is supported by 12 advisory committees that create opportunities for stakeholders to provide input on our business activities and decision-making. This includes 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 Committee

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 insights and advice on matters to build an efficient, transparent and sustainable Commodity Derivatives Market. Committee members are participants in the agriculture value chain and are underlying clients of the JSE trading members.

### Bonds and Interest Rate Derivatives Committee

Oversees 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 Readers' Panel

Advises the JSE on a 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, before publication.

### JSEC Risk Advisory Committee

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 of listing on AltX.

### Currency Derivatives Advisory Committee

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

### 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.

### Debt Advisory Committee

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



# Guide markets on sustainability practices

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

The JSE's initial approach to improving sustainability disclosure by issuers was to incorporate the principles of King IV into the JSE Listing Requirements and allocate responsibility for identifying all material matters, including sustainability matters, to the governing body. No local separate guidance document assisted listed companies with sustainability disclosure.

With the rapid evolution of global sustainability standards and increasing stakeholder interest in ESG (particularly climate change), we recognised the need to assist our listed companies by providing disclosure guidance. Today, we are helping issuers navigate the reporting landscape to produce the sustainability disclosures that investors require.

By encouraging dialogue between investors and issuers on responsible investing, we promote responsible investment practices and the integration of sustainability factors in investment decisions.

## Salient features of 2023

**1 547 downloads** of the JSE Sustainability Disclosures Guidance

**Completed a study to understand the costs** associated with implementing the JSE's Sustainability Guidance

## JSE sustainability disclosure guidance

*The JSE continues to assess our role in serving the needs of issuers and investors regarding sustainability and climate change disclosures while also ensuring we apply our efforts to the areas of greatest impact.*

The JSE launched its voluntary Sustainability and Climate Change Disclosure Guidance in June 2022. The guidance was developed through research, extensive public consultation and inputs from the International Finance Corporation (IFC) network.

The guidance aims to support listed companies in navigating the increasingly complex global sustainability disclosure landscape and an evolving regulatory environment. It will benefit investors by improving the quality of sustainability information available to enable informed investment decisions. The locally relevant guidance encourages greater accountability and business leadership in addressing South Africa's most pressing socio-economic challenges.

## Progress made

In 2023, we developed a survey to understand how various users are implementing the guidance. The survey, completed in November 2023, indicated positive feedback which described the guidance as helpful and practical for ESG reporting. While many respondents welcomed the guidance, others indicated they were already reporting using the GRI and TCFD. In addition, respondents indicated that they are monitoring ISSB developments in preparation for when these become mandatory in South Africa.

Downloads of the guidance as at 31 December 2023		
Total <b>1 547</b>	Sustainability Disclosure Guidance <b>1 026</b>	Climate Disclosure Guidance <b>521</b>

### Cost analysis

The JSE, in partnership with the IFC, commissioned a specialist consultancy to analyse the costs to companies when implementing disclosure practices in line with the guidance. The analysis considered the full journey undertaken by a reporting company. This included:

- o Developing a sustainability framework.
- o Data collection and management.
- o Report drafting and publication.
- o Optional independent assurance.

Different reporting company archetypes face different costs	Additional costs accrued in the first two years of adoption of the guidance
<p><b>The beginner:</b> A company that has not actively collected or reported sustainability information before.</p>	<p><b>R2.3 to R10.1 million:</b> Largest upfront costs; however, majority are likely to be smaller enterprises that could have simpler reporting frameworks.</p>
<p><b>The budding reporter:</b> A company with a simple sustainability framework and approach that collects and reports basic sustainability data.</p>	<p><b>R1.4 to R10.1 million:</b> Have the basics in place but would face additional costs in defining and collecting new data points and publishing a sustainability report.</p>
<p><b>The established reporter:</b> A company that acknowledges the importance of sustainability and produces a sustainability report with a combination of internal resources and service providers.</p>	<p><b>R0 to 1.3 million:</b> Established reporters will only need to make minor modifications. Potential additional costs relate to support from consultants in adapting existing sustainability reporting.</p>
<p><b>The advanced reporter:</b> A company that has integrated sustainability into its strategy and internal processes and produces a high-quality sustainability report and has a dedicated sustainability team.</p>	<p><b>R0 to R800 000:</b> These reporters face the lowest costs in adopting the guidance as comprehensive data collection and reporting systems are already in place.</p>

## Next steps

In the first half of 2024, the JSE will publish an updated Sustainability and Climate Change Disclosure Guidance. This update will incorporate relevant requirements from IFRS S1 and IFRS S2. We will continue to track the update and usability of the guidance through stakeholder engagement.

We are monitoring both local and global developments pertaining to the release of reporting standards such as the TNFD, as well as discussions relating to reporting and disclosure standards becoming mandatory legislative or regulatory requirements. These developments will inform the JSE's approach to ensuring the relevance or ongoing maintenance of the Disclosure Guidance.

## ESG training

Listed companies can take advantage of several paid and free ESG training courses offered by the JSE Academy to facilitate better reporting.

These are a combination of once-off and ongoing options, including:

- o Instituting sustainability reporting competencies.
- o Establishing operational capabilities for sustainability reporting.
- o Introduction to sustainability.
- o Climate change director liability.
- o Investor engagement on ESG.
- o Sustainable finance and impact investing.

# Sustainability across our value chain

*We ensure that our human capital management, economic development and transformation, CSI and environmental management have a positive social impact and a lower environmental footprint.*

We aim to continually improve our disclosures as we evolve our practices and strategy. With the appointment of our new CSO and reprioritisation of our sustainability strategy, we also plan to review our Sustainable Development Goals (SDGs) as a means to further strengthen our SDG disclosure.

## Salient features of 2023

We invested **R10.3 million** in employee learning and development interventions.  
*(2022: R8.4 million).*

**60%** of our Board members are female while **78%** of our Exco members are female.

**R9.8 million** invested in our CSI programme  
*(2022: R9.8 million).*

The JSE Investment Challenge commemorated its 50th anniversary with **29 905** participants  
*(2022: 24 410).*

We allocated **R14.4 million** to our enterprise and supplier development programmes.

We achieved a **3.3% reduction** in our absolute Scope 1 and Scope 2 greenhouse gas (GHG) emissions from the 2022 baseline.

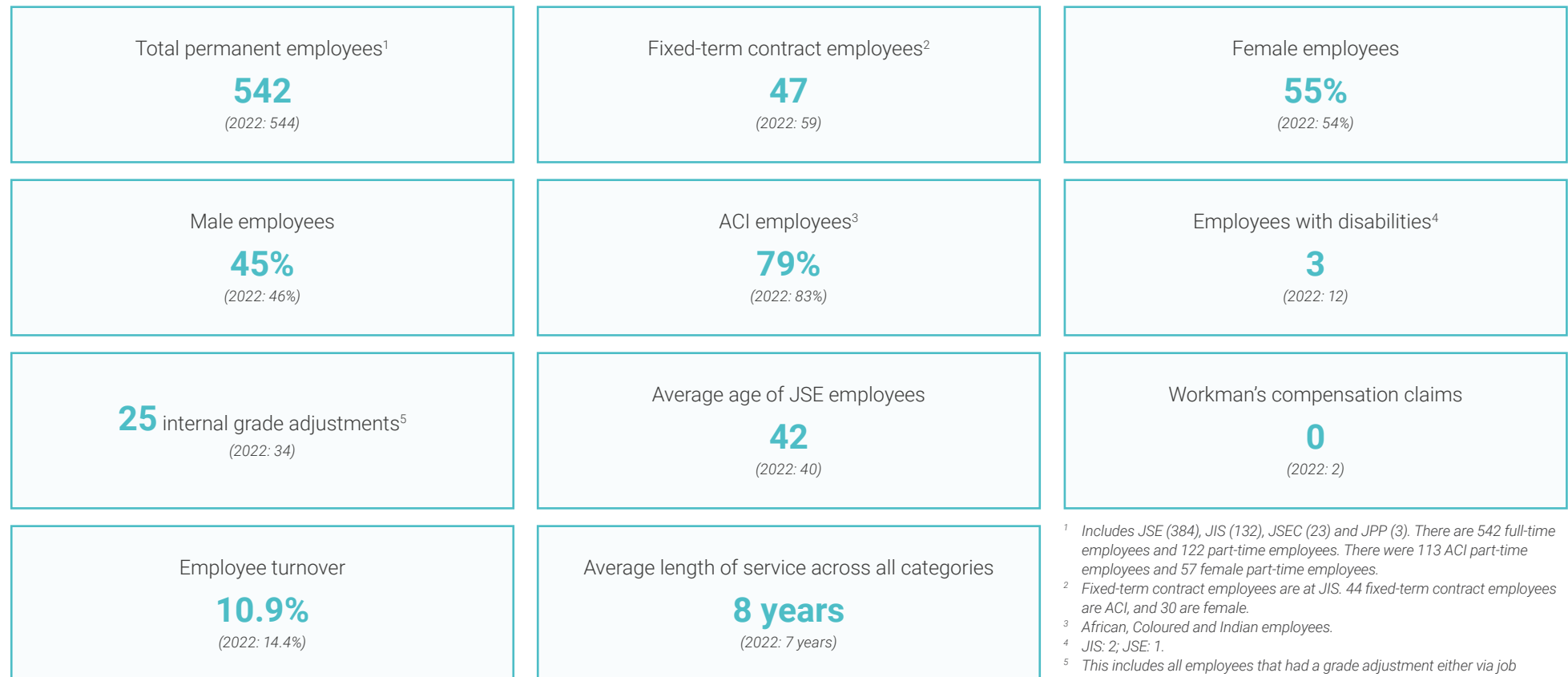


## Our people

*Our overall employee experience is aligned with our strategy, values and culture. We empower employees to work in cross-functional initiatives that place us at the forefront of our industry. We believe in the power of diversity and have strategies to attract and retain diverse talent.*

Our progressive policies and hybrid working approach consider the evolving work landscape and the employee experience. We continue to invest in our culture, employee engagement and wellbeing initiatives to support employees. Our learning and development initiatives have a strong focus on leadership development. Refer to page 90 of our integrated annual report for a more detailed review of our human capital management in 2023.

### Our Group employee complement



## Attracting, retaining and developing our skills

We believe that attracting and retaining top talent is a sign of success. In 2023, the JSE spent significant executive time on talent conversations to map the Group's talent and determine which propositions will retain critical skill sets and support our people. We hired 58 new employees (2022: 51), of whom 54 are ACI employees and 29 are female. In 2024, we will prioritise our talent management capabilities, including career pathing. This will result in highly customised development plans aligned to the career path of each employee.

In 2023, we initiated our journey to automate the HR environment. We successfully introduced the first HR bot, Karabo, to handle general queries from employees on various HR topics. We plan to automate HR processes further to enhance efficiencies and free up time for HR practitioners to focus on higher-value tasks, including talent management. We will also prioritise internal talent management to empower existing talent by identifying, unlocking and nurturing the inherent potential of our people.

Post-COVID-19, there is increased mobility in the marketplace as employees seek new opportunities unavailable during the pandemic. Despite this trend, we experienced an acceptable level of resignations, with an employee turnover of 10.9% (2022: 14.4%) and a higher exit rate among employees with tenure between two and five years. The total turnover of ACI employees was 7.3%, while the turnover for female employees was 2.7%. The average turnover rate within financial services, for 2023, is currently around 18.5%<sup>1</sup>.

In 2024, in collaboration with Deloitte, we will kickstart the JSE Digital and Data Factory Programme. This learnership programme will develop future-fit skills, including data analytics, business acumen and communication skills. The programme is structured with theoretical and practical learning outcomes combined with mentoring and coaching. The programme's first intake will be in June 2024, with a cohort of 15 people. This will include a mix of graduates and current employees seeking to pivot in their careers.

<sup>1</sup> Remchannel research.

## The Paterson job grading methodology

A notable project for the year was moving from the Hay methodology of job grading to Paterson. The project was completed in January 2024. This is a foundational transition as it helps us establish a base for future initiatives, including setting career paths and recognising specialists. It means we can initiate very specific learning interventions for job families to ensure a future-fit employee base. It also gives our employees comfort that their roles can be internationally benchmarked.

The Paterson methodology offers the JSE simplification and efficiency benefits. It aligns with the preferred grading method used by local financial services companies. Most salary benchmarking and salary surveys use Paterson. This makes it easier for us to interpret and use this research data in our environment instead of first correlating the data back to Hay.

A positive outcome of the change was the recognition that employees' roles have grown and evolved during their tenure at the JSE. 36% of employees were graded at a higher level than anticipated. This indicates that our learning and development interventions have been successful.

The project also allowed the JSE to re-evaluate our role documentation so that descriptions accurately reflect what different roles entail. This allows for improved recruitment, including increased automation to match candidates to roles better.

### Fair and responsible remuneration

In 2022 and 2023, the JSE completed an internal pay parity exercise covering JSE Limited, JSE Clear and JPP. This was to ensure a comparable employee ratio of comparable employee groups in terms of job grade, performance rating and tenure.

In 2022, we created JIS job profiles aligned to Hay, and in 2024, we will align these profiles to Paterson. We will continue to monitor pay parity in support of fair and responsible remuneration across the Group.

## Learning and development

The JSE's investments in the skills, knowledge and capability of its employees included 575 learning interventions, which included short courses, sponsored education (tertiary studies), coaching, on-the-job training and leadership training.

**R10.3 million**

**Group learning and development interventions**

*(2022: R8.4 million)*

We subscribe to Udemy to provide employees with access to online short courses and Bookboon to allow employees to download learning content, including business books, textbooks and audiobooks. In 2023, employees completed 704 Udemy courses and downloaded 231 books and audiobooks from Bookboon.

The JSE has a deliberate approach to improving its cyber resilience through employee training. In 2023, the Group rolled out modules covering the JSE's cyber risks, which were attended by 94% employees. This focus on improving employee's competence and awareness of cyber risks will continue into 2024.

The JSE aspires to high ethical standards. We underwent the GIBS Ethics Barometer survey for the third year with good participation. Our HR practices ensure we address the ethics gaps identified. Read more about our ethics journey on page 41.

The JSE is developing a cohort of future leaders to take the Group forward. We facilitated the following learning and development interventions in 2023:

**66**

employees participated in the programme for young professionals, targeted at people between the ages of 25 and 35. It aims to provide tools for a resilient mindset and healthy state of mind.

**2**

young leaders attended the One Young World Summit in Ireland. This programme aims to build a new base of leadership for South Africa for accelerated social impact. The annual event brings young leaders and global figures from more than 190 countries together over four days to develop solutions to the world's most pressing challenges.

**3**

high-potential women employees completed the FASSET-funded Executive Development programme.

Novia One facilitated two leadership programmes for **97** senior managers and middle managers. The programmes focussed on managing oneself and managing teams for future success.

The International Women's Federation South Africa partnered with FASSET and the Duke Corporate Education Institution for the Women in Leadership Programme to sponsor a leadership programme.

We had **6** women leaders attend the programme.

## Our enabling culture

In 2022, the JSE facilitated a series of workshops and surveys where employees identify and rank elements that enable or prevent the JSE from achieving success. Enabling elements support the strategy and strengthen our culture while disabling elements erode the positive impact of the enabling elements.

*Our culture promotes inclusion, open communication and collaboration. This supports productivity, performance and the execution of our strategy.*

The outcome was a unique culture formula encapsulating the top-line enablers and bottom-line disablers. Every two years, employees will be invited to rate the degree to which each element in the formula is being lived.

All business units have action plans to foster the enabling elements and minimise or eliminate disabling elements. The culture formula will evolve so that the enabling elements are amplified. In 2023, the JSE hired an organisational development specialist to assist with embedding the JSE's culture post-COVID-19. The specialist, supported by other HR team members, focussed on identifying culture enablers and solving for the disablers.

## Employee engagement and experience

The JSE strives to be an attractive employer. We measure employee sentiment and engagement through employee surveys. Research indicates that companies that prioritise employee engagement are more likely to have better retention rates and increased productivity.

In 2022, we completed the biannual employee engagement survey. The participation rate was 72%, and the overall scores were positive for the business. In 2023, we focussed on improving the problem areas identified, including workload, growth and reward. We will conduct the next employee engagement survey in 2024.

In 2023, we equalised the leave policy across all members of the Group. This means that employees of acquired subsidiaries enjoy the same leave allocation as the rest of the JSE's employees.

## Employee wellbeing

### Panda Mental wellbeing app

All permanent JSE employees can access the Panda Mental wellbeing app. This app allows the JSE to track stress and anxiety levels in different teams to address issues before they become real problems.

Employees can access professional support at any time via their mobiles. Support includes assessments, anonymous group sessions, one-on-one consults with a therapist and text-based chat support. In addition, employees can access support for their family members.

The app has a 44% adoption rate among JSE employees, which is exceptional in comparison to the average adoption rate of employee assistance programmes of between 3% and 5%.

Our wellness strategy is a significant employee experience differentiator, as the capital markets environment can be demanding. In addition, a higher cost of living and inflation negatively affect employee stress levels.

We use the data provided by our benefit partners to better understand employees' overall wellbeing and address common wellness issues. In 2023, statistics from our medical aid partners indicate that the JSE's overall health profile compares favourably to other companies within the financial services industry. However, the financial stress levels of JSE employees are slightly higher than our employee wellness provider's average.

### Corporate health profile

Based on sourced data from Discovery Health:

- o The JSE has 2% more healthy employees than the financial services industry as a whole, and the same proportion of transient employees as the industry as a whole.
- o The JSE's ill health profile is 3% lower than that of the financial services industry as a whole.

The JSE encourages exercise and healthy lifestyles by offering yoga and hiking. In addition, we provide webinars to support employees with mental health, family and work-life balance issues. In 2023, we focussed on men's health issues, including mental health, and facilitated energy management and empathy workshops. These workshops encouraged employees to be more human-centric in their approach to colleagues and clients and work well with people from different backgrounds.

Employees can select one of two medical aid scheme providers. This gives employees the choice to select the best healthcare for them at a price point they can afford. In 2023, we added an additional employee benefit by offering medical insurance for lower-income employees. These employees are not on medical aid, but now have better access to private healthcare. This includes an accident benefit and doctor's visits.

### Fostering a strong ethical culture

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. The JSE entrenches ethical behaviour and prevents corruption through a code of conduct and ethics, policies, procedures, training and compliance oversight of the Group's adherence to relevant legislation.

In 2023, two notable amendments to the JSE conduct and ethics policy were approved to ensure alignment with our existing HR practices. The first amendment prohibits JSE employees from serving on the Board and Board committees of JSE-listed companies. The second amendment requires all employees to complete JSE mandatory training.

An externally facilitated anonymous whistle-blowing hotline is available to JSE employees, stakeholders and the general public. All whistle-blower reports and allegations of fraud or misconduct were thoroughly assessed and appropriately managed.

We participate in the GIBS Ethics Barometer survey every second year. The Ethics Barometer uses a research tool developed by three Harvard Business School scholars and adapted to make it relevant to our issues and challenges in South Africa. Company-specific data from more than 50 000 companies is aggregated and anonymised into the general data, enabling GIBS to construct a national benchmark against which companies can measure their ethical performance.

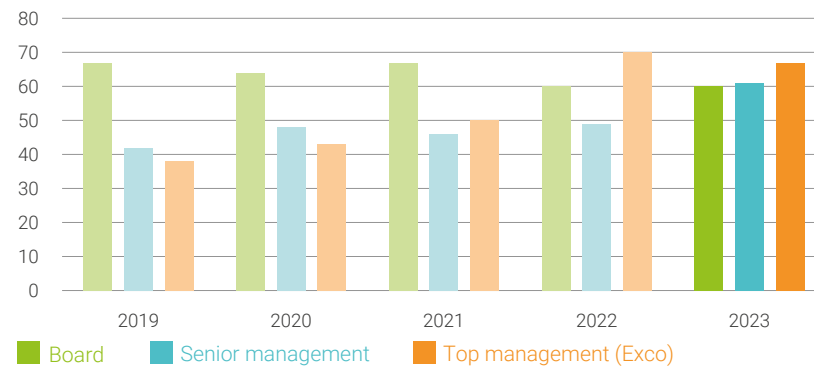
In 2023, 209 JSE employees completed the survey, equivalent to a 47% completion rate (2022: 53%). The survey results indicate ethical improvements across most categories, and the JSE's overall ethical fitness was rated at 72% (2021: 73%). Notable results of the survey rate the ethical treatment of different stakeholder groups as:

- o Customers at 80% (2021: 73%).
- o Employees at 68% (2021: 57%).
- o Shareholders at 85% (2021: 84%).

### Strengthening diversity and equality

The JSE is committed to transformation objectives and redressing historical inequality. Our employment equity policy and targets aim to create a workforce that is demographically representative in knowledge, skills, experience, race, gender, and disability.

ACI representation as at 31 December 2023 (%)





## Race and gender breakdown\*

Occupational levels	FEMALE					MALE					Grand total
	African	Coloured	Foreigner	Indian	White	African	Coloured	Foreigner	Indian	White	
Professionally qualified, experienced specialists and mid-management	58	13	2	22	24	64	7	7	16	31	244
Semi-skilled and discretionary decision making	16	10	0	3	2	5	4	0	2	0	42
Senior management	9	6	2	9	10	9	2	0	11	17	75
Skilled technical and academically qualified workers, junior management, supervisors, foremen, superintendents	71	14	0	9	6	41	6	1	9	5	162
Top management	3	1	0	3	3	1	0	0	2	3	16
Unskilled and defined decision making	2	0	0	0	0	1	0	0	0	0	3
<b>Permanent employees</b>	<b>159</b>	<b>44</b>	<b>4</b>	<b>46</b>	<b>45</b>	<b>121</b>	<b>19</b>	<b>8</b>	<b>40</b>	<b>56</b>	<b>542</b>

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

Employees attend mandatory diversity, inclusion, equality and belonging workshops and training sessions while management participates in specific ones for our leadership group. These aim to provide a platform for discussion and a common understanding of the importance of diversity and the JSE's transformation imperative.

The JSE subscribes to the Code of Good Practice on the Prevention and Elimination of Harassment in the Workplace (Code on Harassment), which was introduced in 2022. In addition, the JSE has a harassment policy aligned with this code. The policy addresses and prevents antagonistic situations that violate employees' dignity. It also covers incidents of intimidation, humiliation, bullying and other undesirable conduct towards a person or group. The JSE provides anti-harassment training to socialise the Group on the different types of harassment, which is much broader than sexual harassment.

## Gender equality

The JSE's gender mainstreaming strategy aligns with the Sustainable Stock Exchanges Initiative's Best Practice Framework. This ensures the strategy is internationally relevant and considers local dynamics (regulatory, demographics, etc.). The table below shows that the JSE made good progress against the Framework in 2023.

Sustainable Stock Exchanges Framework Pillars	Progress to date
<b>Evaluate and disclose the Exchange's progress on gender equality</b>	<p>As at end December 2023, women represent 55% of the JSE workforce. 60% of the Board and 78% of Exco are female.</p> <p>According to the 2023 Sustainable Stock Exchanges report on gender equality in corporate leadership, JSE-listed companies have the highest overall number of women on boards for an emerging market, with 32% of the board seats of the top 100 JSE-listed companies held by women. This compares to the G20 average of 20%.</p> <p>The JSE showed a large increase in the number of issuer boards with female chairs, adding an additional 10 female board chairs this year. Only two exchanges have more than 15% of the boards of their top 100 companies chaired by women: Borsa Italiana (Italy) and the JSE.</p>
<b>Promote gender equality internally</b>	<p>Recruitment, development and retention initiatives prioritise increasing representation of women in the workforce. Pay parity surveys conducted ensure 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.</p> <p>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.</p>
<b>Integrate gender equality into stakeholder relations</b>	<p>R1.2 million of CSI funding was allocated towards gender equality issues, including gender-based violence and femicide. 12% of our CSI programme beneficiaries are female.</p> <p>In 2023, the JSE once again commemorated International Women's Day with a focus on equality with a Ring the Bell for Gender Equality ceremony. The JSE sponsored the Gender Mainstreaming Awards Africa for the second year.</p>
<b>Adapt SME offerings for gender-inclusiveness</b>	<p>Nine ACI women-led businesses, which experienced 22% growth and a 6% increase in job creation, participated in our SME Accelerator Programme for 2023.</p>
<b>Enhance women's ability to invest</b>	<p>In 2023, the JSE hosted the fifth edition of the #Shelvests event. This year's event focussed on equipping women with the tools and knowledge to build financial wealth and more importantly, protect their investments and estates. The conference was attended by 368 women with 268 attending in-person and 100 virtually (2022: 950)*.</p>
<b>Address barriers to gender equality on company boards</b>	<p>The JSE Listings Requirements require the nominations committee of a board to have a policy on the promotion of diversity at a board level – including gender – and to report on how they have applied this in their board appointments.</p>
<b>Promote transparency on the market's gender performance</b>	<p>The JSE Sustainability Disclosure Guidance promotes measurement and reporting of board and employee diversity across demographic factors such as gender.</p>
<b>Set gender targets/requirements for listed companies</b>	<p>South Africa has a well-established gender equality framework and the JSE supports this through the Listings Requirements on diversity disclosures.</p>

\* The decrease in attendance was due to the a decrease in online attendees as the JSE changed its online platform.

## Corporate social investment

*We are proud of our achievements for 2023 in the areas of financial education, tertiary education and CSI.*

The JSE's CSI strategy is well embedded as we continue to invest in areas that are aligned to achieving our priority SDGs and contributing to the national agenda. We also allocate 4% of our CSI budget to *ad hoc* requests from registered non-profit organisations (NPOs).

We establish enduring relationships with CSI partners to ensure their deep and sustainable impact in the designated communities. In 2023, we invested R9.8 million (1% of net profit after tax) across 16 CSI partners (15 NPOs), with 56% allocated to educational projects. We conducted our measurement and evaluation study for the year, which provided assurance that we are investing in the right organisations and that the funds are used appropriately. We will continue to support the same CSI partners in 2024 at similar donation amounts.

CSI focus areas		Strategic lens	
<b>R3.9m</b>	Consumer education (including financial literacy)	<b>Corporate objectives</b>	<ul style="list-style-type: none"> <li>o Lead on the climate agenda</li> <li>o Promote financial literacy</li> <li>o Maintain BBBEE Level 2*** score</li> </ul>
<b>R1.7m</b>	Education		
<b>R0.75m</b>	Environment		
<b>R1.2m</b>	Gender equality		
<b>R0.60m</b>	Social welfare		
<b>R0.29m</b>	Discretionary		
<b>R1.5m</b>	Fundisa Fund Alternative*		
<b>R9.8m</b>	<b>Total**</b>		

\* As the Fundisa Fund has been closed, we are working closely with our rating agency, accreditation body, the Association for Savings and Investment South Africa (ASISA), and the Financial Sector Transformation Council to find a suitable substitute that we can invest in.

\*\* Figures contain rounding differences.

\*\*\* The JSE has achieved a Level 1 BBBEE rating in 2023.

### JEF Trust bursaries

JSE Empowerment Fund (JEF) Trust bursaries offer comprehensive and monetary support for educational programmes to attract ACI individuals to the financial services industry. The bursaries offer full support, including tuition, living expenses, books and study materials, transportation allowance, and a stipend, to students starting in their second year of study and continuing through honours courses. Support is renewed annually, contingent upon student progress.

In 2023, we had 53 active bursars enrolled and supported at eight universities. Preference was given to students completing specific Bachelor of Accounting Science, Bachelor of Economic Science, Bachelor of Commerce or Business Science degrees. This is lower than the normal intake of 60 students, as seven students pulled out of our bursary mid-year in favour of bursaries that offered greater benefits, such as work experience and guaranteed employment. We were not able to find suitable replacements.

This year, we recruited from three new universities to diversify our provincial representation and include historically disadvantaged universities (University of Limpopo, North West University and University of Free State).

Our training vendor provides additional support to bursars, including private tutoring, exam preparation skills training, wellness services and educational psychologists. Bursars also receive laptops. This is the first full year the students have received this support, and it has resulted in marked improvements in pass rates.

The trust's total spend was R10.5 million (2022: R10 million) with an average spend of R150 000 per student. 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 45.

## JSE Investment Challenge commemorates 50th anniversary

JSE's 2023 Investment Challenge celebrated the competition's 50th anniversary this year. In a country where financial security is often elusive, the challenge has equipped thousands of participants with the tools to make informed financial decisions.

Over the 50 years, the game has evolved, reaching key milestones such as transitioning from a paper-based system to an electronic platform in 2002 and the introduction of the university game in 2005. Through these developments, the challenge has been able to reach a diverse audience and introduce the youth to the world of investing and the dynamics of the stock exchange.

The 50th anniversary year saw us recording the highest number of participants in the history of the challenge. There were 29 905 participants this year, up 22% compared to 2022. Participants were drawn from both high schools and universities across the country. This year, we had prize winners from five provinces (excluding Northern Cape and Limpopo) and saw lower grades (8 – 9) being recognised. We held our anniversary celebrations in October, where students and learners joined us for a gala event and prize-giving ceremony.

A recent Organisation for Economic Co-operation and Development report indicates that less than half of South Africa's adult population are considered financially literate. Against this backdrop, the challenge stands as a powerful agent of change, contributing to the nation's economic wellbeing.

*"I was immediately interested when I heard about the JSE Investment Challenge. I approached two of my friends to make up a team. They were initially worried that it would distract us from our studies, but I convinced them that it would be a great learning experience. Now, my eyes have been opened, and I can't wait to start saving and investing."*

*Makhosazane Mathobela, participant and student at the University of KwaZulu-Natal*

## Measuring our CSI impact

For the third consecutive year, we engaged external consultants to assess how funds provided to beneficiary organisations during 2023 were allocated and how this funding contributed to improved social outcomes. The review assessed how these funds may have:

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

In 2023, we expanded the scope of the review from four to 16 organisations. The review represents approximately 40% of total CSI spend. While the JSE cannot claim attributable measurable outcomes for most of its funding owing to small relative funding contributions, it can claim contribution towards outcomes. However, there are instances where the funds were used for a specific project within a broader CSI partner programme. In these instances, the JSE can claim attributed outcomes to the beneficiaries directly impacted by the specific project. All CSI partners appear to be broadly achieving their stated outputs. In future, the JSE may consider narrowing the CSI focus further to support fewer partners with larger amounts. This would enable clearer data and reporting requirements to make attribution and impact more evident.

The review identified opportunities to maximise the JSE's CSI contribution as several CSI partners expressed interest for the JSE to participate in partner-affiliated career expos, for JSE employees to volunteer as mentors and tutors, and for the JSE to explore possible job shadowing opportunities for beneficiaries.

In addition, the review evaluated the impact of the JEF Trust. The review found that the impact of the bursaries for the bursars is significant and multi-dimensional. It enables social mobility, economic empowerment, and psychosocial changes and engenders a desire to pay the privilege forward. Bursars express an appetite for greater alignment between the JSE's talent acquisition needs and the bursary programme. This includes internships and work experience. This would position the JSE well in the highly competitive bursary sector, where top-performing students prefer bursaries that offer internships and employment opportunities.

## Economic development and transformation

### Enterprise and supplier development

The JSE's enterprise and supplier development programme supports ACI-owned SMEs to grow revenue, create jobs and enhance their sustainability. While the programme aligns with the Amended Financial Sector Scorecard, our approach focusses 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.

#### Black Stockbroker Programme

The JSE Black Stockbroker Programme, established in 2016, supports the sustainable growth of emerging ACI stockbroking firms and contributes to transforming the financial services industry. Qualifying participants receive back 33% of their equity trading and connectivity fees in cash. They use the funds to develop their businesses through new employees or acquiring technology and tools to broaden their service offerings.

In 2023, R8.5 million was invested in the programme, supporting 12 out of 45 equity trading members (2022: R8.3 million, supporting 12 out of 48). This year, we reviewed the programme to support the graduation of more stockbrokers, as only one has graduated since its inception. However, we found the programme has merit and does support our transformation objectives.

#### JSE Supplier Development Programme

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 strategically linked to our supply chain or preferred sectors/groups, and to improve the measurement and reporting of our impact. The payment formula was also revised to upweight ACI female-owned entities.

In 2023, R5.9 million was disbursed to 14 suppliers (2022: R5.8 million to 17 suppliers).

### Enterprise Accelerator

The JSE Enterprise Accelerator Programme provides a bespoke programme to SMEs to facilitate their growth, including business analysis, master classes, access to markets, mentorship and capital raising readiness training.

The nine graduates for 2023 reported revenue growth of 22%, and increased employment by 6%.

### Other contributions

The JSE contributes to the fiscus by paying taxes and levies. In 2023, we contributed R309 million to the state (2022: R288 million). We believe in fair and equitable remuneration, and our total salary costs in 2023 were R789 million (2022: R693 million).

### Addressing the SME funding gap in the Western Cape

The Western Cape Department of Economic Development and Tourism (DEDAT) collaborated with the JSE to address the funding gap for Western Cape SMEs. More than 80 SMEs from various sectors joined a capital matching event in November 2023, to engage with South Africa's leading funders in speed pitching sessions where funders could give them a perspective of their growth prospects.

An IFC estimate reveals the local SME sector contributes approximately 34% to the country's GDP and employs between 50% to 60% of the total workforce. Over 70% of small businesses face challenges that lead to failure within the first five years. These include a pervasive lack of funding.

This inaugural event represents a significant collaboration between the government, businesses and capital providers to proactively promote economic growth through impactful solutions to grow and scale small businesses sustainably.

The event was the culmination of a five-month capital readiness course. Selected SMEs underwent workshops on developing compelling investment cases to appeal to funders. The capital matching solutions featured by participating funders offered debt, equity (angel and venture capital), enterprise and supplier development, and grant funding. JPP, the JSE's private marketplace, was one of the funding options presented to SMEs.

The JSE entered into a three-year SME development programme with DEDAT to stimulate the growth of the SME sector in the province.



## Our financial value added statement

We are proud to contribute to South Africa's economic development by sharing our wealth with several important stakeholders.

Stakeholders sharing in financial value (Rm)	Value and percentage <sup>1</sup> 2023	Value and percentage <sup>1</sup> 2022
<b>Employees</b> Employees benefit from remuneration, performance bonuses, participation in incentive schemes and other retention programmes.	<b>789</b>	719
<b>Shareholders</b> Shareholders receive dividends and benefit from funds retained for future growth opportunities.	<b>784</b>	668
<b>Retained for future growth</b> The Group retains financial reserves to invest in its identified growth areas and diversification opportunities.	<b>3 937</b>	3 842
<b>Government</b> The Group contributes to South Africa's economic development by paying taxes.	<b>351</b>	291
<b>Enterprise and supplier development</b> The Group supports ACI-owned enterprises to grow and participate in its supply chain.	<b>15</b>	14
<b>CSI</b> The Group supports several CSI initiatives in education, social welfare and gender equality, among others.	<b>12</b>	10
<b>Total wealth distributed</b>	<b>5 888</b>	5 544

<sup>1</sup> This refers to the percentage of total wealth distributed.

## Our environmental impact

*We seek to minimise our environmental impact while lowering our carbon footprint to limit our contribution to climate change.*

The Financial Stability Board (FSB) created the TCFD in 2016 to develop recommendations on the type of information that companies should disclose to support investors, lenders and insurance underwriters in appropriately assessing and pricing risks related to climate change.

In October 2023, the TCFD fulfilled its remit and disbanded. The FSB asked the IFRS Foundation to take over monitoring the progress of companies' climate-related disclosures.

The TCFD disclosure recommendations are structured around four thematic areas representing core elements of how companies operate: governance, strategy, risk management, and metrics and targets. The four recommendations are supported by 11 recommended disclosures that build out the framework.

We accept responsibility for conducting ourselves in an environmentally conscious manner. We seek to identify, track and minimise our direct environmental impact, focussing on energy use and carbon emissions. We promote internal awareness of environmental matters to promote better business practices. We recognise that as a regulator and an exchange, we can assist clients and other stakeholders in transitioning to a low-carbon economy by providing guidance and thought leadership.

## Climate-related disclosures

We support the recommendations of the TCFD to improve our reporting of climate-related risks and opportunities.

In 2022, we began a journey to align our disclosures with the TCFD framework and the climate change recommendations of the JSE Sustainability Disclosure Guidance. We also consider the targeted approach for stock exchanges developed by the Sustainable Stock Exchanges Initiative to support the Net Zero Service Providers Alliance.

We aim to continually improve our disclosures as we embed the relevant processes and thinking into our strategy and risk management processes. We are working to close the gaps identified in the TCFD gap analysis conducted in 2022.

We have a solid understanding of our carbon footprint and reduction opportunities, and in 2024 we will develop a zero emissions roadmap. This will inform our science-based emission reduction targets, which we will finalise in 2024. We plan to publish our decarbonisation plan and net zero report by 2025.

2023 is the second year that the JSE reports on a set of TCFD-aligned climate disclosures. The disclosures in the following pages align with the TCFD recommendations, categorised according to its four thematic areas.

### 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 Board's role is to promote the long-term sustainability of the Group and generate value for shareholders while considering the interests of other stakeholders. These stakeholders include surrounding communities and the environment where we operate. To fulfil its role, the Board monitors the JSE's strategy and how management delivers against the strategy. Any changes to the JSE's purpose, strategy and values are reserved for Board approval.

The Board and its committees oversee all climate-related matters, which include climate-related risks and opportunities. The GSC oversees the JSE's overall environmental impact and sustainability initiatives while also 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 the JSE 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.	The GSC oversees and monitors the JSE's contribution towards combating climate change and its progress towards TCFD-aligned climate disclosure. In 2021 and 2022, the committee supervised the developing 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. It also provides oversight over the governance of technology and information, including oversight of all information security matters and cyber risks.	The 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.

**Recommended disclosure**

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

The highest management-level responsibility for climate-related issues at the JSE lies with the CSO and the chief operating officer. The CSO is responsible for developing and monitoring the execution of our sustainability strategy, objectives and initiatives relating to sustainability. She is supported by a team that includes a sustainability associate and a business manager: group operations and sustainability, on a part-time basis.

The CSO reports to the chief operating officer, a member of the Group Executive Committee (Exco). This arrangement enables transparent communication between top management and the Board to ensure all aspects of our sustainability mandate are addressed. Direct communication with the highest levels of authority in the business and across the supporting structures facilitates effective top-down and bottom-up communication regarding climate-related issues.



**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.

Our strategy aims to ensure our business remains sustainable, efficient and successful in the long term. In our strategic planning and reporting, we define short-term as within the next 12 months, medium-term as one to five years, and long-term as more than five years. We have committed to being a net zero organisation by 2050.

The summary of the Group strategy is on page 21, and detailed information is on page 52 in the integrated annual report. Our sustainability strategy and how it aligns with the Group strategy is set out on page 22.

While our Group's operations are not highly carbon-intensive, we remain committed to addressing climate change challenges. Sound ESG practices are fundamental to our value system and how we operate. We are evaluating appropriate strategies to lower 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 review our risks annually. These are categorised as either financial, reputational, regulatory or environmental risks. Climate change impacts are cross-cutting and may impact more than one risk category. We also pay attention to ensuring compliance with current and emerging regulations related to climate change and other prominent sustainability issues.

The TCFD framework requires companies to disclose existing and future impacts that climate change may have on their business strategies and to assess their strategies' resilience to climate-related risks. In 2022, the JSE first evaluated the TCFD requirements to determine improvement areas for our reporting and disclosures. While the JSE has met the requirements for the TCFD's governance and risk management recommendations, we will continue to revisit these.

Our strategy improvement areas relate to our plans to contribute to developing South Africa's low-carbon economy by providing the platforms and tools to finance this transition. We are growing our suite of investment instruments. In 2023, we launched our Voluntary Carbon Market.

In 2024, we will develop quantifiable and timebound metrics and targets to enhance our strategy. We will also look to update the climate change scenario analysis that was completed in 2022, as we believe these help the JSE to evaluate and mitigate climate change risks and improve our strategic planning and decision-making in the medium to long term.

Our business strategy will continue to be influenced by climate-related issues as part of the Group's long-term objective of being a sustainable stock exchange. We continually monitor our risks to determine how climate change affects our operations and 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 ISSB propose using scenario analysis to disclose climate-related risks and opportunities. To assess the inherent climate-related risks to 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 on socio-economic development and how these drive climate change at different rates.
3. The Shell Waves, Islands and Sky scenarios – these consider the energy development implications for socio-economic conditions.

The benefits of considering multiple climate change scenario frameworks allowed us to identify the most likely scenario relevant to the JSE. They offer a range of plausible futures for the JSE based on different assumptions about the pace and severity of climate change and the level of global cooperation to mitigate its effects. They help us determine our exposure to climate-related risks and opportunities and make better decisions in response to climate change.

The frameworks allow our stakeholders to evaluate 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 our climate change risks and opportunities and make more informed decisions about how to respond. The outcomes of the scenario analysis planning inform our strategic planning and risk management process.



The key themes that are likely to impact our business are presented below, in order of identified priority:

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

The JSE will periodically update the climate scenario analyses. The scope will be extended to include a broader range of stakeholders to reflect any changes in the scenario frameworks or the Group's operating 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.
- b. Describe the organisation's process for managing climate-related risks.

The GRMC is the formal Board committee that identifies, manages and evaluates the JSE's more prominent risks and associated opportunities. At the same time, the GSC oversees and tracks the Group's contributions towards preventing climate change.

Our Enterprise Risk Management (ERM) Framework outlines the processes used to determine which risks and opportunities will have a significant financial or strategic impact on our direct operations. This is discussed on page 44 in the integrated annual report. We have identified and assessed the climate risks and opportunities within the various roles the JSE occupies in relation to climate change. These roles are the JSE as a company, the JSE as an exchange and the 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 various local and international requirements, standards and guidance, including, but not limited to, the Companies Act, the Listing Requirements, King IV and the SDGs.

The governance mechanism by which climate-related issues are incorporated into strategy and practice is shaped by a range of local and international requirements, standards and guidance. This 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 IFRS S2, we have integrated climate-related risks and opportunities within our governance, strategy, and risk management process by recognising the Group's relevant climate-related risks and opportunities.

Our climate-related risks are integrated into the multi-disciplinary, Group-wide risk identification, assessment, and management process. Risk management is embedded into our strategic business planning cycle and strategy. Our CSO uses our ERM Framework to monitor climate-related issues. Risks and opportunities are managed through the Risk and Resilience Programmes, which align with the ISO 31000:2018 standard.

### Metrics and targets

As our operations are not emission-intensive, we have historically not had emission targets. However, in the process of refining our carbon footprint approach, we have decided to set emission targets. This will allow us to identify an achievable pathway to reduce our emissions and become a net zero organisation by 2050.

### a. Energy consumption

We are committed to reducing energy consumption to ensure our Group's long-term sustainability. Energy security is critical for our operations, especially our data centre, which relies on an uninterrupted electricity supply to support the Exchange's trading activities. In 2022, we conducted an energy audit to understand our total annual energy use and footprint. In 2023, our energy usage breakdown was as follows:

Carrier	Electricity consumption (kWh)
Electricity from diesel generators	1 253 260
Purchased grid electricity	5 178 254
Total electricity consumed	6 431 514

To lower our office energy usage, we have installed new LED panel lights to replace fluorescent light bulbs. In 2023, we completed a feasibility study on installing a rooftop solar photovoltaic system to reduce our reliance on emission-intensive grid electricity. This installation would have reduced our Scope 2 emissions (indirect emissions from imported energy). However, the outcomes of the feasibility study indicate that a rooftop solar installation would not adequately support our shift towards lower emissions. Therefore, we are evaluating possible wheeling options based on renewables sourced from independent power producers.

## b. GHG emission metrics

Our reporting on indirect emissions has broadened over the years, with a wider span of activities being disclosed. In 2023, 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 70% of our carbon footprint.

### Carbon footprint summary

#### Our consumption

The JSE's Scope 2 indirect emissions contribute approximately 57% towards our total carbon footprint.

	2023		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	Measure	tCO <sub>2</sub> e
Scope 1: Direct emissions (litres of petrol and diesel used)	<b>361 125</b>	<b>948</b>	174 020	491	27 562	77	21 658	60	35 351	98
Scope 2: Electricity used (kWh)	<b>5 178 254</b>	<b>4 350</b>	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) + Other	<b>3 077 312</b>	<b>2 288</b>	2 164 379	2 097	217 626	1 193 <sup>3</sup>	693 766	1 000	7 457 316	2 905
Total CO <sub>2</sub> e		<b>7 586</b>		7 574		6 842		7 031		10 226

#### 2023 changes:

- <sup>1</sup> The increase in Scope 1 emissions in 2023 is largely attributed to the continued increase in load shedding from Eskom (the national power utility from which the JSE procures electricity), where South Africa experienced regular stage 6 power cuts. This resulted in the need to self-generate electricity through the use of diesel-powered generators.
- <sup>2</sup> The decrease in Scope 2 emissions is attributed to less electricity being consumed and lower emissions factor compared to FY2022. The relocation of JIS employees into the JSE Sandton offices has also contributed to the reduction in our purchased energy consumption.
- <sup>3</sup> The increase in Scope 3 emissions is largely due to the increase in employee business travel.

**Other factors**

<b>JSE Group</b>	<b>2023</b>	2022	2021	2020	2019
Energy spend (R million)	<b>9 145 564</b>	8 868 166	8 105 857	7 874 562	7 732 006
Energy consumed (kWh)	<b>5 178 254</b>	5 665 659	5 865 067	6 409 397	7 574 713
Number of employees	<b>542</b>	544	540	502	479
Floor space (m <sup>2</sup> )	<b>16 603</b>	18 042	18 042	18 042	18 042
Revenue (R billion)	<b>2 814</b>	2 650	2 517	2 446	2 187
Energy spend as % of turnover	<b>0.32</b>	0.33	0.32	0.32	0.35

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

	<b>2023</b>	2022	2021	2020	2019
Per unit of total revenue	<b>0.0000027</b>	0.0000029	0.0000027	0.0000029	0.0000047
Per unit of full-time employee	<b>14</b>	14	13	14	21
Per square metre of office space	<b>0.45</b>	0.4	0.4	0.4	0.6

**d. Emission reduction targets**

We acknowledge the importance of achieving a goal of net zero GHG emissions by 2050 or sooner. This is consistent with a maximum average global temperature rise of 1.5°C above pre-industrial levels. We are committed to setting emission reduction targets by 2024, which will be guided by an appropriate, acceptable standard.

# Facilitate responsible investing

*The JSE plays an important role in facilitating responsible investment and sustainable development by providing a platform for ESG instruments.*

Stock exchanges promote sustainability by offering services and products that reallocate capital to sustainable development. Examples of these products and services include sustainability bonds, ESG-related ETFs and sustainability indices. The JSE, through JPP, also provides a private marketplace to raise funds for SMEs and other projects with social and environmental benefits.

## Salient features of 2023

Raised **R11.7 billion** through the sustainability segment  
(2022: R17.5 billion)

**76** bonds in the sustainability segment  
(2022: 64)

In November 2023, the JSE launched South Africa's **first Voluntary Carbon Market**

**138** companies assessed for inclusion in the FTSE/JSE RI Index Series  
(2022: 137)

**R2.3 billion** market capitalisation for ESG ETFs as at end of 2023



## Sustainability indices

Sustainability indices are stock market indices that evaluate the sustainability performance of companies across ESG factors. They provide non-financial data that can tell investors and stakeholders how the selected companies manage their environmental stewardship and social responsibility. They can be used as the basis for investment products such as ETFs.

Indices create a supportive environment for greater ESG investment by:

- o Providing transparency regarding the performance of the ESG index relative to the benchmark.
- o Providing more information about the level of demand for ESG-aligned products.
- o Enhancing the ability of investment managers to provide ESG-aligned investment products.

In 2022, we extended our coverage of ESG assessments from about 100 listed companies to about 160 companies, 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 data initiative

The JSE is considering providing an ESG data product offering to our listed companies with a specialist ESG data provider. This would support our issuers in using the JSE sustainability guidance and provide locally relevant ESG data to meet investor demand.

## Sustainability instruments

We are exploring 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.

Bonds	ETFs
<ul style="list-style-type: none"> <li>35 green bonds</li> <li>27 social bonds</li> <li>2 sustainability bonds</li> <li>12 sustainability-linked bonds</li> </ul>	<ul style="list-style-type: none"> <li>8 ESG ETFs (2022: 9)</li> </ul>

The Energy Transitions Commission estimates that achieving net zero by 2050 requires an average annual investment of \$3.5 trillion globally between 2021 and 2050. That is \$110 trillion in capital investment, or 1.3% of projected global gross domestic product (GDP), over the next three decades.

We will need significantly more investment to transition to a low-carbon world. Stock exchanges are critical market infrastructures in this process, providing the platforms for innovative financial instruments to fund the transition. For the JSE, these instruments support the financing for a just transition and represent 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. The proceeds from these instruments are committed to projects with environmental and social benefits.

In 2022, we introduced sustainability-linked bonds and transition bonds. Sustainability-linked bonds differ from sustainability bonds in that the proceeds from the issuance are not ring-fenced for sustainable purposes and may be used for other purposes. Instead, the sustainability-linked bonds are linked to certain KPIs in achieving sustainability performance targets. Transition bonds support climate action and the need for market mechanisms to fund a just transition in South Africa.

In 2023, the following new bonds were listed on the JSE, raising R11.7 billion:

- o R9.2 billion in green bonds (7 bonds).
- o R0.2 billion in social bonds (4 bonds).
- o R2.3 billion in sustainability-linked bonds (1 bond).

In 2020, we listed the first ESG ETFs, providing investors with exposure to emerging and developed market ESG exposure based on global ESG indices.

At the end of 2023, we had 8 ESG ETFs (2022: 9), making a total of 99 ETFs since we listed the first ETFs and a combined market capitalisation of R148 billion.

The JSE's Capital Markets team has recruited a head of fixed income who will also be responsible for sustainable finance instruments.

## Sustainable development through private markets

*This was an exciting year of growth for JPP, which onboarded companies seeking funding for many projects, including developing rural areas, solar installations and local manufacturing.*

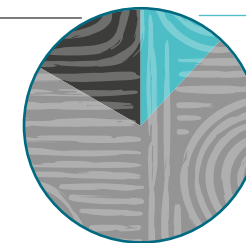
JPP, a wholly owned subsidiary of the JSE, is Africa's largest private marketplace. The marketplace facilitates private funding transactions between companies and investors. An online solution connects private companies and issuers directly to investors, enabling private capital formation in a more transparent, efficient and accessible manner.

One of the key focus areas of JPP is to make funding more accessible to South African SMEs. These companies cannot list on a public exchange and do not have the same opportunities to secure funding as larger businesses.

Another key focus is funding important sectors for South Africa's economic growth and sustainable development.

The deals that are raising funds through JPP are split between sustainable and non-sustainable deals as per below.

**R1.90bn**  
Non-sustainability deals



**R1.39bn**

Environmental –  
reduction in carbon

**R8.21bn**

Social – BBBEE issuers,  
ACI women-led businesses,  
rural customers

## Voluntary Carbon Market

In November 2023, the JSE launched a new Voluntary Carbon Market in collaboration with Xpansiv, an infrastructure provider for global environmental markets, under a separate legal entity called JSE Ventures. This groundbreaking sustainability initiative will allow local participants to buy or sell carbon credits and renewable energy certificates in local or global registries.

Clients will be able to advance their sustainability goals by accessing the functionality of the global Xpansiv platform for spot trading, auctions, or requests for quotes for both carbon offsets and renewable energy certificates.

According to the Atlantic Council, Voluntary Carbon Market increased four times from 2020 to 2022, surpassing two billion US dollars in value – and African credits have seen an average growth of 36% on average over the last five years. There is an opportunity to deliver a world-class carbon and renewable energy marketplace in Africa, enabling new regional products and initiatives to thrive as the continent steps up its global climate ambitions.

*There is a heightened global focus on carbon markets, and we saw this as an opportunity to bring an innovative solution to our market participants while positioning South Africa as a significant contributor to decarbonisation.*

South Africa is the 12th-highest carbon emitter globally and increasingly needs access to and supply of carbon credits. A South African Voluntary Carbon Market will accelerate the creation of carbon offset projects, help meet the demand for credits by emitters seeking to offset their emissions, increase investment interest in the country, and contribute meaningfully to helping grow the economy and improve sustainability practices.

This initiative is suited to market participants who have identified clear sustainability commitments, particularly towards net zero. We aim to promote transparency in an evolving landscape for environmental investment. We hope to do this while expediting potential funding mechanisms for these projects.

# Connect for a more sustainable world

*The JSE is a credible voice on sustainability matters relevant to global markets. We use our role as a connector to foster engagement and advocacy around sustainability topics.*

The JSE is heavily involved in sustainability-related matters and participates in various national and international initiatives to support and encourage sustainable, transparent business practices and responsible investing. Our local and international advocacy activities enhance our reputation as a leading emerging market destination and a local thought leader. They also open doors and creates linkages for the growth of our various sustainability offerings.

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

- o The Sustainable Stock Exchanges Initiative (founding member).
- o The Net Zero Financial Service Providers Alliance.
- o The Glasgow Finance Alliance for Net Zero.
- o The JSE's CEO is a member of the UN GISSD<sup>1</sup> and the GFANZ Africa Advisory Committee.

Sustainability initiatives we participated in during 2023 include:

## COP28 and JSE commitment to net zero

- o Attended the 2023 COP28 summit.
- o Facilitated the GISSD Alliance's panel discussion at COP28 on *Mobilising private capital to ensure a just transition and deliver on the SDGs*.
- o Participated as speakers at the *Accelerating carbon accounting in emerging economies* event at COP28 hosted by Naspers, Prosus at the South African Pavilion.
- o Participated in the *Just Transition – Role of Exchanges* panel hosted by the World Federation of Exchanges (WFE).

## Net Zero Financial Service Providers Alliance

- o Launched a target-setting framework in June 2023 to support exchanges as they work towards their net zero goals.

## GISSD

- o October marked the end of Leila Fourie's term as co-chair of the GISSD.
- o The GISSD continues its work on private capital mobilisation and is working towards launching the Sustainable Infrastructure Investment Platform.
- o Leading up to COP28, the GISSD Alliance co-signed a Call to Action on scaling private capital mobilisation.
- o The GISSD outputs are public goods and can be accessed here: <https://www.gissdalliance.org/about>

## WFE/Sustainable Stock Exchange initiative

- o Responded to a request for comments for the International Auditing and Assurance Standards Board ISSA 5000 (General Requirements for Sustainability Assurance) exposure draft.

## JSE-hosted events

- o Hosted the Ring A Bell for Gender Equality event in March 2023.
- o Hosted the launch of the ISSB S1 and S2 standards with SAICA in June 2023. The standards are intended to pave the way for sustainability reporting in South Africa.
- o Co-hosted the South African Transmission Financing Seminar in September 2023, with Minister in the Presidency for Electricity, Dr Kgosisentsho Ramokgopa.
- o Hosted the JPP Green Energy Investor event in October 2023.
- o Hosted the Presidential Climate Commission Financial Sector Dialogue in November 2023.
- o Hosted the African National Capital Alliance and partners in the South African launch of the TNFD in November 2023.

<sup>1</sup> In October 2023, Dr Leila Fourie stepped down as the co-chair of the UN GISSD.

## Working with the media

The media is an important conduit between the JSE and external audiences. We work with both local and international media outlets to build our reputation and communicate regarding our key initiatives.

Media relations are managed through a multi-faceted external communications strategy, including educational workshops, one-on-one engagements, media releases, interviews and thought leadership pieces.

We provide the media with training on financial markets and instruments to enhance understanding of the JSE as a marketplace and regulatory authority. In October 2023, we hosted a media workshop to empower journalists, particularly new journalists, about financial markets and the role of the JSE in the economy. This was attended by 11 journalists.

We conduct a biannual qualitative media perception audit to understand the media's views and sentiment towards the JSE. The 2022 survey revealed a positive perception of the JSE, with some respondents seeking more frequent communication and proactive engagement from the JSE.

### JSE Sustainability Showcase 2023

In October 2023, the JSE hosted its annual Sustainability Showcase and first in-person showcase since the COVID-19 pandemic. The event, attended by 161 delegates, allowed investors, issuers and industry experts to engage on ESG issues relating to business strategy and investment and promote the aims of responsible investing and sustainable development.

The event offered a variety of presentations, commencing with companies included on the FTSE/JSE Responsible Investment Indices who shared their sustainability journeys. The various panels and speakers that followed over the course of the two days unpacked some of the challenges, experiences and learnings on themes such as the sustainability imperative from a board context, the role of taxonomies, and natural capital management.



# Glossary

## Job titles and committees

<b>CEO</b>	Group chief executive officer
<b>CSO</b>	chief sustainability officer
<b>EXCO</b>	Group Executive Committee
<b>GRMC</b>	Group Risk Management Committee
<b>GSC</b>	Group Sustainability Committee

## Group entities

<b>JEF</b>	JSE Empowerment Fund
<b>JIS</b>	JSE Investor Services
<b>JPP</b>	JSE Private Placements
<b>JSEC</b>	JSE Clear Proprietary Limited
<b>JSE/the Group</b>	JSE Limited

## Other

<b>ACI</b>	African, Coloured and Indian
<b>AGM</b>	annual general meeting
<b>BBBEE</b>	Broad-based Black Economic Empowerment
<b>CCP</b>	central counterparty
<b>Companies Act</b>	Companies Act, No 71 of 2008, as amended
<b>COP28</b>	2023 United Nations Climate Change Conference
<b>CSI</b>	corporate social investment
<b>ERM</b>	Enterprise Risk Management
<b>ESG</b>	environmental, social and governance
<b>ETFs</b>	exchange-traded funds
<b>FMI</b>	financial market infrastructure

<b>FSCA</b>	Financial Sector Conduct Authority
<b>FTSE</b>	Global provider of benchmarks, analytics, and data solutions with multi-asset capabilities. FTSE Russell provides a comprehensive range of indices.
<b>GHG</b>	greenhouse gas
<b>GISD</b>	Global Investors for Sustainable Development Alliance
<b>GRI</b>	Global Reporting Initiative
<b>HR</b>	human resources
<b>IFC</b>	International Finance Corporation
<b>IFRS</b>	International Financial Reporting Standards
<b>ISSB</b>	International Sustainability Standards Board
<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>Listings Requirements</b>	JSE Listings Requirements
<b>NPS</b>	net promoter score
<b>RI Index</b>	Responsible Investment Index
<b>SDGs</b>	United Nations Sustainable Development Goals
<b>SME</b>	small and medium enterprise
<b>SRI Index</b>	Socially Responsible Investment Index
<b>SRO</b>	self-regulatory organisation
<b>TCFD</b>	Task Force for Climate-related Financial Disclosures
<b>tCO<sub>2</sub>e</b>	tonnes of carbon dioxide equivalent
<b>TNFD</b>	Taskforce on Nature-related Financial Disclosures
<b>UN</b>	United Nations
<b>UNGC</b>	United Nations Global Compact

# 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

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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 2023

P Nhleko (Chairman)  
ZBM Bassa  
MS Cleary  
VN Fakude<sup>1</sup>  
SP Kana (Lead Independent Director)  
FN Khanyile  
IM Kirk  
BJ Kruger  
L Fourie (Group CEO)<sup>2</sup>  
F Suliman (Group CFO)<sup>2</sup>

<sup>1</sup> Retired 5 January 2024.

<sup>2</sup> Executive director.

## Changes to the Board

Ms F Suliman joined the JSE on 9 January 2023 as Group CFO. Her appointment to the Board as executive director was confirmed by shareholders at the annual general meeting (AGM) held on 9 May 2023.

Dr MA Matookane retired as an independent non-executive director at the AGM held on 9 May 2023, having served for a consecutive term of ten years on the Board.

Subsequent to the 2023 reporting period, and as previously announced, Ms VN Fakude, independent non-executive director, retired from the Board effective 5 January 2024.

## 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  
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)