# The extent to which sustainability performance indicators give effect to South Africa's Integrated Environmental Management principles

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# PREFACE

This dissertation contains the following Chapters:

**Chapter 1: Introduction**

The study's background is established through the introduction chapter. The introductory chapter includes a description of the problem statement, rationale for the study, research aim, and objectives. The scope of the research is explained, and the assumptions and limitations are described. The chapter further provides a structure and outline of the dissertation.

**Chapter 2: Literature Review**

Chapter 2 contains the literature review, providing background on, and explanations of, various concepts within the context of the study, among others:

- Integrated Environmental Management:
    - Defining Integrated Environmental Management;
    - The purpose of Integrated Environmental Management;
    - Integrated Environmental Management Tools; and
    - Integrated Environmental Principles.
- Sustainability Reporting:
    - Defining Sustainability Reporting;
    - The purpose of Sustainability Reporting; and
    - Sustainability Reporting in the South African context.

A chapter summary is provided at the end of the Chapter.

**Chapter 3: Methodology**

Chapter 3 outlines the methodology used, covering the research design and approach. The chapter discusses details on the collection of source material and the data analysis process. The data analysis process entails developing an evaluation protocol, which includes the evaluation matrix and criteria. An evaluation was undertaken, detailed through the application of this protocol. Ultimately, an analysis of the results is presented. The chapter concludes with a summary that highlights the key points discussed.

**Chapter 4: Results and Discussion**

This chapter presents the findings from applying the evaluation protocol and discusses the extent to which the sustainability performance indicators, as adopted in the sustainability reports in South Africa, give effect to South Africa's Integrated Environmental Management principles. A summary of the chapter is provided at its conclusion.

**Chapter 5: Conclusions and Recommendations**

The chapter offers conclusions and recommendations regarding the extent to which sustainability performance indicators adopted in the sustainability reports in South Africa, give effect to South Africa's Integrated Environmental Management principles. Additionally, it examines adjustments to these indicators that could enhance their alignment with the principles. The chapter concludes with a summary.

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# ABSTRACT

The concept of Integrated Environmental Management (IEM) finds it origins from when environmental impact assessment was a voluntary process and later developed into a legislative and mandatory requirement. The legal framework in South Africa provides that the aim of IEM is to promote sustainable development. Similarly, sustainability reporting was introduced at the same time as environmental impacts assessments. Sustainability reporting on the other hand has always been a voluntary process and is a mechanism for a company to disclose on their sustainability related impacts, to ensure that sustainable development is promoted. In South Africa, IEM is underpinned by various principles that can be realised through the application of several tools, with one of the tools being sustainability reporting (DEAT, 2004). Companies use sustainability reporting to disclose to the public information on sustainable risks and opportunities, and the organisation's environmental, social, and governance impacts. The purpose of sustainability reporting is to improve financial accessibility, increase probability and growth, enhance compliance and risk management, and enhance corporate reputation and stakeholder relationships (JSE, 2022). Sustainability Reporting is conducted by way of performance indicators adopted from various sustainability reporting disclosure standards and frameworks. Hypothetical, for sustainability reporting to have been identified as an IEM tool and be effective in achieving its objective, one would expect sustainability reporting to give effect to the various principles that underpin IEM. The aim of this research was therefore to determine the extent to which sustainability performance indicators give effect to South Africa's IEM principles.

To achieve the aforementioned aim, the objectives were to identify the different IEM principles that underpin IEM, determine the sustainability reporting disclosure standards and frameworks used in sustainability reports in South Africa, evaluate the extent to which the sustainability performance indicators adopted in these sustainability reports give effect to South Africa's IEM principles, and to make recommendations towards the adjustments of the sustainability performance indicators to give effect to South Africa's IEM principles. The method followed was to compare the sustainability performance indicators of the identified sustainability reporting disclosure standards and frameworks to the IEM principles. Hereafter the extent to which the sustainability performance indicators give effect to the IEM principles was determined by applying an evaluation protocol.

The results indicate that the sustainability performance indicators in all 21 of the standards and frameworks give full effect to only two of the 19 IEM Principles. The sustainability performance indicators in the majority of the standards and frameworks have minimal shortcomings giving

effect to 13 of the 19 IEM Principles. Overall, 4 of the 19 IEM Principles showed the weakest performance within the standards and frameworks. The GRI Sustainability Reporting Standards, the ISO 26000 standard, and the OECD Guidelines for Multinational Enterprises are the only three sustainability reporting disclosure standards and frameworks out of the 21 that give full effect to all 19 of the IEM principles. These three sustainability standards and frameworks are therefore recommended to be used when reporting on sustainability in South Africa, as they are the most aligned to the IEM principles. Recommendations were further made for adjustments to the sustainability indicators to consider the IEM principles, in order to ensure that sustainability reports be used as an effective tool for IEM.

**Keywords:**

**Integrated Environmental Management, Principles, Sustainability reporting, Sustainability performance indicators, Sustainability disclosure, Sustainable Development, South Africa**

# ABBREVIATIONS AND ACRONYMS

| | |
|---|---|
| BAT | Best Available Technology/Technique |
| BPEO | Best Practicable Environmental Option |
| CDP | Carbon Disclosure Project |
| CDSB | Climate Disclosure Standards Board |
| CSRD | Corporate Sustainability Reporting Directive |
| DEA | Department of Environmental Affairs |
| DEAT | Department of Environmental Affairs and Tourism |
| EC | European Commission |
| EFRAG | European Financial Reporting Advisory Group |
| ESG | Environmental, Social and Governance |
| ESRS | European Sustainability Reporting Standards |
| EU | European Union |
| FPIC | Free, Prior, and Informed Consent |
| GRI | Global Reporting Initiative |
| IASB | IFRS Foundation’s International Accounting Standards Board |
| ICP | Informed Consultation and Participation |
| IEM | Integrated Environmental Management |
| IFC | International Finance Corporation |
| IFRS | International Financial Reporting Standards |
| ILO | International Labour Organisation |
| IR | Integrated Reporting |

| | |
|---|---|
| IIRC | International Integrated Reporting Council |
| ISSB | International Sustainability Standards Board |
| JSE | Johannesburg Stock Exchange |
| NEMA | National Environmental Management Act 107 of 1998 |
| NFRD | Non-Financial Reporting Directive |
| OECD | Organisation for Economic Co-operation and Development |
| SASB | Sustainability Accounting Standards Board |
| SDG | Sustainable Development Goals |
| SDGD | Sustainable Development Goals Disclosure |
| SFDR | Sustainable Finance Disclosure Regulation |
| SSE | Sustainable Stock Exchanges Initiative |
| TCFD | Task Force on Climate-related Financial Disclosures |
| TSFs | Tailings Facilities |
| UNGC | United Nations Global Compact |
| VGGT | Voluntary Guidelines on the Responsible Governance of Tenure of Land, Fisheries and Forests in the Context of National Food Security |
| WBA | World Benchmarking Alliance |
| WEF | World Economic Forum |

# KEY DEFINITIONS

**Accountability and responsibility**

The accountability and responsibility of all stakeholders in the process should be clarified for each stage of the activity life cycle, in particular with regard to information provided, decisions taken and implementation requirements **(DEAT, 2004:9)**

**Adaptive**

The process should be flexible and adjust to the realities, issues and circumstances of the activities under review, without compromising the integrity of the process; and be iterative, incorporating lessons learned throughout the activity life cycle **(DEAT, 2004:9)**

**Alternative options**

The process must identify and define all reasonable alternatives and provide the decision-makers with an understanding of the trade-offs that will result from the alternative options. These alternatives could include demands, activities, locations, processes, schedules and/or inputs (e.g., raw materials or energy sources **(DEAT, 2004:9)**

**Community empowerment**

Community well-being and empowerment should be promoted through knowledge sharing and awareness raising programmes in order to build the capacity of people to participate effectively in managing the environment and contributing to sustainable development **(DEAT, 2004:9).**

**Continual improvement**

The process of enhancing the overall environmental performance of an organisation in accordance with that organisation's environmental policy and objectives **(DEAT, 2004:9).**

**Dispute Resolution**

Processes should be undertaken in a consensus-seeking spirit and aim to minimise or resolve conflicts wherever possible **(DEAT, 2004:9).**

**Environmental Justice**

Adverse environmental impacts should not be distributed in a manner that unfairly discriminates against any person, particularly vulnerable and disadvantaged persons **(DEAT, 2004:9).**

**Equity**

Equitable access should be provided to environmental resources, benefits and services to meet basic human needs and promote human well-being for both present and future generations **(DEAT, 2004:9).**

**Global Responsibilities**

Due consideration should be given to global and international responsibilities and transboundary issues relating to the environment **(DEAT, 2004:9).**

**Holistic decision-making**

Decisions must take into account the interests, needs and values of all interested and affected parties and all relevant forms of knowledge, including traditional knowledge **(DEAT, 2004:9).**

**Informed decision-making**

The most appropriate methods and techniques must be applied responsibly and rigorously to address issues that really matter and so provide sound and useful information for decision-making **(DEAT, 2004:9).**

**Institutional co-ordination**

Inter-governmental co-ordination and harmonization of policies, legislation and actions relating to the environment is required **(DEAT, 2004:9).**

**Integrated Environmental Management**

A holistic framework that can be embraced by all sectors of society for the assessment and management of environmental impacts and aspects associated with each stage of the activity life cycle, taking into consideration a broad definition of environment and with the overall aim of promoting sustainable development **(DEAT, 2004:2)**

**Integrated report**

Concise communication about how an organisation's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long term **(King Committee on Corporate Governance and King, 2016:13)**

**Integrated approach**

Environmental management must be integrated, acknowledging that all elements of the environment are linked and interrelated, and it must take into account the effects of decisions on all components of the environment and all people in the environment **(DEAT, 2004:9).**

**Polluter Pays**

The costs of remedying pollution, environmental degradation and consequent adverse health effects and of preventing, controlling or minimising further pollution, environmental damage or adverse health effects must be paid for by those primarily responsible for causing these effects **(DEAT, 2004:10).**

**Precautionary approach**

Adopt a risk averse and cautious approach, in particular where current knowledge is limited, and link this approach to a commitment to continuous improvement **(DEAT, 2004:10).**

**Responsible investment**

An approach that incorporates Environmental, Social and Governance (ESG) factors into investment decision making, to better manage risk and generate sustainable long-term returns (**King Committee on Corporate Governance and King, 2016:16)**

**Rigour**

Ensure that appropriate techniques and experts in the relevant bio-physical and socio-economic disciplines are deployed, in conjunction with peer review to independently verify the objectivity, professionalism and rigour of the specialist work **(DEAT, 2004:10).**

**Stakeholder engagement**

Opportunities for meaningful and timely engagement with all stakeholders, in particular youth, women and vulnerable or disadvantaged groups, to enable them to contribute effectively to informed decision-making **(DEAT, 2004:10).**

**Sustainability**

Resources and natural cycles of renewal and replenishment should be utilized in a manner that does not lead to their long-term decline, in order to enable the needs and aspirations of present and future generations to be met" **(DEAT, 2004:10).**

**Sustainable development**

Development that meets the needs of the present without compromising the ability of future generations to meet their own needs **(United Nations, 1987:41)**

**Sustainable development**

The integration of social, economic and environmental factors into planning, implementation and decision-making to ensure that development serves present and future generations **(Environmental Management Act 107 of 1998)**

**Transparency**

Decisions must be taken in an open and transparent manner, and access to information must be provided in accordance with the law **(DEAT, 2004:10).**

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# CHAPTER 1 INTRODUCTION

## 1.1 Introduction and Problem Statement

In 1970, the concept of environmental impact assessment was formally introduced by the National Environmental Policy Act (NEPA) in the United States (Sowman et al., 1995). Following this approach a document entitled “Integrated Environmental Management in South Africa” was published by the Council for the Environment in 1989. This guideline introduced the concept of Integrated Environmental Management (IEM) to South Africa (DEAT, 2004) and the purpose of IEM was to ensure that the environmental consequences of development proposals were understood and adequately considered in the planning, implementation and management of all developments (Sowman et al., 1995). Although, the guideline encouraged developers to undertake environmental impact assessment voluntarily, there was still a drive from business leaders and professional ecologists that environmental impact assessments should be formally legislated and become compulsory (Preston et al., 1989). Another IEM series of guideline documents and checklists were published by the former Department of Environmental Affairs (DEA) in 1992, that largely focused on one tool, i.e. environmental impact assessment. Subsequently, the then Department of Environmental Affairs and Tourism published another guideline on IEM in 2004, namely the “Overview of Integrated Environmental Management. Integrated Environmental Management Information Series 0 Guideline” (hereinafter referred to as the “IEM Guideline”). The IEM Guideline explained that to promote sustainable development a wider range of environmental assessment and management tools across the full activity life cycle and by all sectors of society is required (DEAT, 2004). Therefore, the IEM Guideline includes numerous other tools, in addition to environmental impact assessment which was the only tool the previous guideline document of 1992 focused on. The IEM Guideline identifies 19 principles that underpin IEM and several tools that can be applied to realise these principles. One of the tools identified in the IEM Guideline is Sustainability Reporting.

Similarly to the concept of environmental impact assessment, sustainability reporting was also introduced in 1970’s (Junior et al., 2014). Companies use sustainability reporting to disclose to the public information on sustainable risks and opportunities and the organisation's environmental, social, and governance impacts. The purpose of sustainability reporting is to improve financial accessibility, increase probability and growth, enhance compliance and risk management, and enhance corporate reputation and stakeholder relationships (JSE, 2022). The King IV Report on Corporate Governance for South Africa (2016) (hereinafter referred to as “King IV”) outlines 17 principles reflected in four areas, namely ethical culture, good performance, effective control, and legitimacy, that an organisation must or should adhere to in

order to justify their claim of good governance (King Committee on Corporate Governance and King, 2016). In accordance with Principle 17 of King IV, the board of an institutional investor should ensure that responsible investment is made by the organisation to promote good governance and the creation of value by the companies in which it invests (King Committee on Corporate Governance and King, 2016). Responsible investment is described by King IV as "an approach that incorporates environmental, social and governance factors into investment decision making, to better manage risk and generate sustainable long-term returns" (King Committee on Corporate Governance and King, 2016:16). JSE Listings Requirements mandate that companies that list their shares on the Johannesburg Stock Exchange (JSE) report annually on the extent to which they have met King IV's requirements by applying and explaining. This is frequently included as part of an integrated report, which King IV defines as a "concise communication about how an organisation's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long term" (King Committee on Corporate Governance and King, 2016:13). These integrated reports often include a sustainability report that specifically focusses on the environmental, social and governance factors. The sustainability reports are further informed by global and regional standards and frameworks related to sustainability disclosure. These sustainability reporting disclosure standards and frameworks provide for performance indicators an organisation can use to publicly disclose on its performance in relation to sustainable development.

The global concept of sustainable development dates as far back as 1987, when it was defined as "development that meets the needs of the present without compromising the ability of future generations to meet their needs and aspirations" (United Nations, 1987:41). The concept of sustainable development was subsequently adopted in the *Constitution of South Africa* (1996) and recognised in the Bill of Rights in Section 24 of the *Constitution of South Africa* (1996).

Section 24 of the *Constitution of South Africa* (1996) preserves the right to environmental protection and guarantees everyone the right to an environment that is not harmful to their health or well-being and to have their environment protected, for the benefit of present and future generations, through reasonable legislative and other means. It is evident from section 24 of the *Constitution of South Africa* (1996) that the South African legislature is responsible for developing legislation for the purpose of:

i. preventing pollution and ecological degradation;
ii. promoting conservation; and
iii. securing ecologically sustainable development and using natural resources while promoting justifiable economic and social development.

The National Environmental Management Act 107 of 1998 (NEMA) was one of the legislative instruments enacted to achieve this purpose. Additional Specific Environmental Management Acts (SEMAs) have also been enacted and are all guided by the overarching NEMA, such as the Environment Conservation Act 73 of 1989, the National Water Act 36 of 1998, the National Environmental Management: Protected Areas Act 57 of 2003, the National Environmental Management: Biodiversity Act 10 of 2004, the National Environmental Management: Air Quality Act 39 of 2004, the National Environmental Management: Integrated Coastal Management Act 24 of 2008, the National Environmental Management: Waste Act 59 of 2008 and the World Heritage Convention Act 49 of 1999.

The NEMA, in Section 1, defines sustainable development as “the integration of social, economic and environmental factors into planning, implementation and decision-making to ensure that development serves present and future generations” (Section 1 of NEMA). Sustainable development furthermore underpins many of the environmental management principles and objectives set out in Section 2 of the NEMA.

In addition to the above, NEMA further provides for Integrated Environmental Management (IEM) through Chapter 5. The purpose of Chapter 5 is “to promote the application of appropriate environmental management tools to ensure the integrated environmental management of activities” (Section 23(1) of NEMA) and the objective of integrated environmental management amongst others is to “promote the integration of the principles of environmental management set out in section 2 into the making of all decisions which may have a significant effect on the environment” (Section 23(2)(a) of NEMA).

As mentioned above, IEM is underpinned by various principles that can be realised through the application of several tools, with one of the tools being sustainability reporting (DEAT, 2004). Sustainability reporting is conducted by way of performance indicators adopted from sustainability reporting disclosure standards and frameworks. Hypothetically, in order for a tool to have been identified as an IEM tool and be effective in achieving its objective, one would expect the tool to give effect to the various principles that underpin IEM.

### 1.2 Research aim and objectives

The aim of this research is therefore to determine the extent to which sustainability performance indicators give effect to South Africa’s Integrated Environmental Management (IEM) principles.

To achieve the aforementioned aim, the following objectives were set:

1. Identify the principles that underpin IEM.
2. Determine the sustainability reporting disclosure standards and frameworks used in Sustainability Reports in South Africa.
3. Evaluate the extent to which sustainability performance indicators adopted in sustainability reporting disclosure standards and frameworks used in Sustainability Reports in South Africa give effect to South Africa's IEM principles.
4. Make recommendations towards the adjustments of the sustainability performance indicators to give effect to the South Africa's IEM principles.

### 1.3 Scope of the research

The scope of the research was limited to the sustainability reporting disclosure standards and frameworks applied in the sustainability reports of JSE listed companies in South Africa, as recommended by the JSE Limited Sustainability Disclosure Guidance (2022). It is important to note that this study is a dissertation of limited scope (only focussed on the content of the performance indicators and not the full content of the sustainability reporting disclosure standards and frameworks ), which inherently affects the depth and breadth of the investigation. This limitation has implications for various aspects of the research, including the extent of the literature review, the depth of analysis, and the generalisability of some of the findings.

### 1.4 Limitations

Limitations are potential weaknesses or problems with the study identified by the researcher (Cresswell, 2005). The research was based on the most recent versions of the disclosure standards and frameworks identified at the time of the study. The disclosure standards and frameworks that do not have, or yet have, performance indicators were not included in the research.

### 1.5 The outline and structure of the dissertation

To make interpretation of the results easier, the research aimed to establish a clear connection between the research questions and the methodology used to address the objectives. The research aim (defined in Chapter 1, section 1.2) was subsequently achieved by linking the research objectives and the methodology applied. The research objectives have been addressed in various chapters and are illustrated in Table 1-1 and described below.

<u>Chapter 1: Introduction</u>

The introductory chapter provides the background to the study. The problem statement and rational of the study, as well as the research aim, and objectives were described. The scope of

the research explained, and the assumptions and limitations described. The chapter further provides for the structure and outline of the dissertation.

Chapter 2: Literature Review

This chapter provides background to, and explain, amongst others, the following concepts in the context of the study:

- Integrated Environmental Management:
  - Defining Integrated Environmental Management;
  - The purpose of Integrated Environmental Management;
  - Integrated Environmental Management Tools; and
  - Integrated Environmental Principles.
- Sustainability Reporting:
  - Defining Sustainability Reporting;
  - The purpose of Sustainability Reporting; and
  - Sustainability Reporting in the South African context.

This chapter addresses research objectives 1 and 2 (outlined in Chapter 1, section 1.2) and identifies the IEM principles in South Africa and the sustainability reporting disclosure standards and frameworks used in the sustainability reports in South Africa.

Chapter 3: Methodology

This chapter describes the research methodology that was applied to address the research aim and objectives introduced in Chapter 1. This chapter further includes the research design, and the approach includes details on the collection of source material and data analysis.

Chapter 4: Results and Discussion

Chapter 4 of the research addresses research objective 3 (outlined in Chapter 1, section 1.2). Data is collected via documentation review and the data is analysed (outlined in Chapter 3 sections 3.3 and 3.4). The performance indicators from the applicable disclosure standards and frameworks used in the sustainability reports in South Africa are analysed by comparing the content of the performance indicator to the IEM principles identified in Chapter 2, section 2.2.3. After the comparison between the performance indicators and the IEM principles, the extent to which the performance indicators conform to the IEM principles were evaluated. The analysis enabled the identification of which performance indicators are aligned with the IEM principles and where there is misalignment.

Chapter 5: Conclusion and Recommendations

In this chapter, overall conclusions and recommendations are made in terms of the research results from Chapter 4 and address research objective 4 (outlined in section 1). Recommendations towards the adjustments of the sustainability performance indicators to give effect to the South Africa's IEM principles are also discussed in Chapter 5.

**Table 1-1: The outline and structure of the dissertation**

| RESEARCH OBJECTIVES<br>(See **Chapter 1**, section 1.2) | METHODOLOGY<br>**(See Chapter 3)** | CHAPTERS<br>(See **Chapter 1**, section 1.5) |
|---|---|---|
| 1. Identify the IEM principles that underpin IEM | **Literature Review**<br>(See Chapter 3, section 3.3) | **Chapter 2**<br>Literature Review<br>(See Chapter 2, section 2.2.3) |
| 2. Determine the sustainability reporting disclosure standards and frameworks used in Sustainability Reports in South Africa. | **Literature Review**<br>(See Chapter 3, section 3.3) | **Chapter 2**<br>Literature Review<br>(See Chapter 2, section 2.3.2) |
| 3. Evaluate the extent to which sustainability performance indicators adopted in sustainability reporting disclosure standards and frameworks used in Sustainability Reports in South Africa give effect to South Africa's IEM principles | **Documentation Review and applying an evaluation protocol**<br>(See Chapter 3, section 3.4) | **Chapter 4**<br>Results and Discussion (See Chapter 4, section 4.2-4.21) |
| 4. Make recommendations towards the adjustments of the sustainability performance indicators to give effect to the South Africa's IEM principles. | **Results of evaluation protocol**<br>(See Chapter 4 and the Appendices) | **Chapter 5**<br>**Conclusion and Recommendations** |
| **RESEARCH AIM**<br>(See **Chapter 1**, section 1.2)<br>The extent to which sustainability performance indicators give effect to South Africa's Integrated Environmental Management principles | | |

## 1.6 Conclusion

This introductory chapter provides the background to the study. The problem statement and rational of the study, as well as the research aim, and objectives are described. The scope of the research is explained, and the assumptions and limitations applicable to the study are described. The chapter further provides for the outline and structure of the dissertation.

# CHAPTER 2 LITERATURE REVIEW

## 2.1 Introduction

This chapter aimed to fully address research objective 1 (***Identify the IEM principles that underpin IEM***) and 2 (***Determine the sustainability reporting disclosure standards and frameworks used in Sustainability Reports in South Africa*** ). The main focus of the chapter was to provide background to, and explain the following concepts in the context of the study:

- Integrated Environmental Management:
    - Defining Integrated Environmental Management;
    - The purpose of Integrated Environmental Management;
    - Integrated Environmental Management Tools; and
    - Integrated Environmental Principles.
- Sustainability Reporting:
    - Defining Sustainability Reporting;
    - The purpose of Sustainability Reporting; and
    - Sustainability Reporting in the South African context.

## 2.2 Integrated Environmental Management

### 2.2.1 Definition and purpose of Integrated Environmental Management

In 1970, the concept of environmental impact assessment was formally introduced by the National Environmental Policy Act (NEPA) in the United States (Sowman et al., 1995). In section 102C of the NEPA the environmental assessment process is referred to as an Environmental Impact Statement (EIS) and "major federal actions significantly affecting the quality of the human environment" requires an environmental impact assessment to be conducted. The NEPA swiftly motivated other countries to follow on the concept of environmental impact assessment and develop similar legislation (Brown, 1990), however South Africa took a while to follow on this concept (Sowman et al., 1995). In 1972, in South Africa, a Cabinet Committee on Environmental Conservation was established and chaired by the Minister of Planning (Fuggle & Rabie, 1992), with a second Committee on Environmental Conservation to advise the Cabinet Committee (Sowman et al., 1995). This was renamed the Council for Environment in 1975 (Sowman et al., 1995). Also, during 1972, after the United Nations (UN) Conference on the Human Environment was held in Stockholm, environmental concerns were rising, and the Habitat Council and the Environmental Planning Professionals Interdisciplinary Committee (EPPIC) were formed as a result (Sowman et al., 1995) During 1977 the Habitat

Council approached the Minister of Planning and requested for legislation to be developed to include for an EIS for major developments, and subsequently the EPPIC was tasked to develop a set of guidelines to assist professional planners in taking environmental aspects into account during planning (Sowman et al., 1995). In 1979 these guidelines were further refined at a symposium called "Shaping our Environment" and here it was decided that environmental impact assessment must not only inform planning but must also be accepted as a tool for environmental management (Sowman et al., 1995). After the symposium the Council for the Environment conducted an assessment of environmental impact assessment procedures that had been developed and an adopted in other countries and started preparing a national policy for environmental impact assessment. The national policy included environmental impact assessment as a tool for environmental management in South Africa and was presented at the Midmar Workshop in 1985 and the approach to include environmental impact assessment into panning, decision-making, development, and management actions and processes was unanimously supported (Sowman et al., 1995). Following this approach a document entitled “Integrated Environmental Management in South Africa” was published by the Council for the Environment in 1989, this guideline introduced the concept of Integrated Environmental Management (IEM) to South Africa (DEAT, 2004) and the purpose of IEM was to ensure that the environmental consequences of development proposals were understood and adequately considered in the planning, implementation and management of all developments (Sowman et al., 1995). Although, the guideline encouraged developers to undertake environmental impact assessment voluntarily, there was still a drive from business leaders and professional ecologists that environmental impact assessments should be formally legislated and become compulsory (Preston et al., 1989). Another IEM series of guideline documents and checklists were published by the former Department of Environmental Affairs (DEA) in 1992, that largely focused on one tool, i.e. environmental impact assessment.

Although environmental impact assessments were conducted voluntarily in South Africa, it was only in September 1997 when the regulations to the Environment Conservation Act 73 of 1998 were promulgated that environmental impact assessments became mandatory . The publication of the National Environmental Management Act 107 of 1998 (NEMA) followed shortly thereafter. The NEMA provides for IEM through Chapter 5. In Section 23(1) of NEMA the purpose of Chapter 5 is described "to promote the application of appropriate environmental management tools to ensure the integrated environmental management of activities" and the general objective of IEM amongst others is to “promote the integration of the principles of environmental management set out in section 2 into the making of all decisions which may have a significant effect on the environment” (Section 23(2)(a) of NEMA).

Subsequently, the then Department of Environmental Affairs and Tourism published another guideline on IEM in 2004, namely the “Overview of Integrated Environmental Management. Integrated Environmental Management Information Series 0 Guideline” (hereinafter referred to as the “IEM Guideline”).

Accordingly, IEM was defined in this guideline as "a holistic framework that can be embraced by all sectors of society for the assessment and management of environmental impacts and aspects associated with each stage of the activity life cycle, taking into consideration a broad definition of environment and with the overall aim of promoting sustainable development" (DEAT, 2004:2). The IEM Guideline explained that to promote sustainable development a wider range of environmental assessment and management tools across the full activity life cycle and by all sectors of society is required (DEAT, 2004). Therefore, the IEM Guideline includes numerous other tools, in addition to environmental impact assessment which was the only tool the previous guideline document of 1992 focused on.

### 2.2.2 Integrated Environmental Management Tools

The IEM Guideline identifies the following IEM tools to promote sustainable development: Screening; Environmental Impact Assessment, Stakeholder Engagement, Life Cycle Assessment; Environmental Auditing, Environmental Accounting, Technology Assessment, Cumulative Effects Assessment, Cost-Benefit Analysis, Environmental Economics, Ecological and Environmental Footprinting, Risk Assessment, State of the Environment Reporting, Sustainability Analysis, Indicators, Strategic Environmental Assessment, Environmental Management Systems, Eco-labelling, Scenario Analysis, Environmental Policy and Environmental Management. Most notably, Sustainability Reporting has been included in the IEM Guideline as a tool for IEM.

### 2.2.3 South Africa’s Integrated Environmental Management principles

According to the IEM Guideline the application of one or more of a suite of the tools can give realisation to the principles that underpin IEM, and the aim of these principles are to guide South Africa on a path of sustainable development (DEAT, 2004). A set of 19 of principles were proposed in the IEM Guideline and are listed and described in Table 2-1 below.

**Table 2-1: IEM Principles identified in the IEM Guideline (2004)**

| IEM Principles | Description of the principle |
|---|---|
| **Principle 1: Accountability and Responsibility** | The accountability and responsibility of all stakeholders in the process should be clarified for each stage of the activity life cycle, in particular with regard to information provided, decisions taken and implementation requirements. |
| **Principle 2: Adaptive** | The process should be flexible and adjust to the realities, issues and circumstances of the activities under review, without compromising the integrity of the process; and be iterative, incorporating lessons learned throughout the activity life cycle. |
| **Principle 3: Alternative options** | The process must identify and define all reasonable alternatives and provide the decision-makers with an understanding of the trade-offs that will result from the alternative options. These alternatives could include demands, activities, locations, processes, schedules and/or inputs (e.g., raw materials or energy sources). |
| **Principle 4: Community empowerment** | Community well-being and empowerment should be promoted through knowledge sharing and awareness raising programmes in order to build the capacity of people to participate effectively in managing the environment and contributing to sustainable development. |
| **Principle 5: Continual improvement** | The process of enhancing the overall environmental performance of an organisation in accordance with that organisation's environmental policy and objectives. |
| **Principle 6: Dispute Resolution** | Processes should be undertaken in a consensus-seeking spirit and aim to minimise or resolve conflicts wherever possible. |
| **Principle 7: Environmental Justice** | Adverse environmental impacts should not be distributed in a manner that unfairly discriminates against any person, particularly vulnerable and disadvantaged persons. |
| **Principle 8: Equity** | Equitable access should be provided to environmental resources, benefits and services to meet basic human needs and promote human well-being for both present and future generations. |
| **Principle 9: Global Responsibilities** | Due consideration should be given to global and international responsibilities and transboundary issues relating to the environment. |

| | |
|---|---|
| **Principle 10: Holistic decision-making** | Decisions must take into account the interests, needs and values of all interested and affected parties and all relevant forms of knowledge, including traditional knowledge. |
| **Principle 11: Informed decision-making** | The most appropriate methods and techniques must be applied responsibly and rigorously to address issues that really matter and so provide sound and useful information for decision-making. |
| **Principle 12: Institutional co-ordination** | Inter-governmental co-ordination and harmonization of policies, legislation and actions relating to the environment is required. |
| **Principle 13: Integrated approach** | Environmental management must be integrated, acknowledging that all elements of the environment are linked and interrelated, and it must take into account the effects of decisions on all components of the environment and all people in the environment. |
| **Principle 14: Polluter Pays** | The costs of remedying pollution, environmental degradation and consequent adverse health effects and of preventing, controlling or minimising further pollution, environmental damage or adverse health effects must be paid for by those primarily responsible for causing these effects. |
| **Principle 15: Precautionary approach** | Adopt a risk averse and cautious approach, in particular where current knowledge is limited, and link this approach to a commitment to continuous improvement. |
| **Principle 16: Rigour** | Ensure that appropriate techniques and experts in the relevant bio-physical and socio-economic disciplines are deployed, in conjunction with peer review to independently verify the objectivity, professionalism and rigour of the specialist work. |
| **Principle 17: Stakeholder engagement** | Opportunities for meaningful and timely engagement with all stakeholders, in particular youth, women and vulnerable or disadvantaged groups, to enable them to contribute effectively to informed decision-making. |
| **Principle 18: Sustainability** | Resources and natural cycles of renewal and replenishment should be utilized in a manner that does not lead to their long-term decline, in order to enable the needs and aspirations of present and future generations to be met. |

| | |
|---|---|
| **Principle 19: Transparency** | Decisions must be taken in an open and transparent manner, and access to information must be provided in accordance with the law. |

Source: (DEAT, 2004)

## 2.3 Sustainability Reporting

### 2.3.1 Definition and purpose of Sustainability Reporting

Similarly to the concept of environmental impact assessment, sustainability reporting was also introduced in 1970's (Junior et al., 2014). Unlike environmental impact assessment, sustainability reporting since its inception has been a voluntary process (Daizy et al, 2013).

Sustainability reporting started off as financial reporting (Hughen et al., 2014), .and as the impact companies have on stakeholders became more apparent, it resulted in companies having to disclose to their stakeholders on much more than just financial matters (Steyn, 2014 ). Sustainability reporting has therefore developed into a mechanism for companies to not only disclose on their financial matters, but to also disclose to the public information about their sustainability-related risks and opportunities, as well as information about the organisation's Environmental, Social and Governance (ESG) impacts (JSE, 2022). Furthermore, O'Dwyer (2011) identified sustainability reporting to be a much more significant communication tool as it includes for broader and more relative disclosures to be made.

The purpose of sustainability reporting is to provide for a balanced and accountable representation of a company's sustainability-related risks (Junior et al., 2014), in order to provide stakeholders with a transparent platform upon which to make decisions (Amran et al., 2014 ).

To disclose on sustainability-related risks and opportunities, as well as information about the organisation's ESG impacts will further enhance access to capital, drive probability and growth, improve compliance and risk management, and enhance corporate reputation and stakeholder relationships (JSE, 2022).

Should sustainability impacts be neglected this could have a significant cost liability to the company (Wong, 2014). Therefore, a company must be able to adapt and adjust to the issues and circumstances to manage the company's sustainability-related risks (Daizy et al., 2013). Through identifying and managing a company's sustainability-related risks, this may further lead to the exploration of alternative options and innovative approaches.

Corporate reputation and stakeholder relationships are directly linked to the value of a company (Anderson & Varney, 2015), and it is therefore imperative that the risks and interests raised by the stakeholders regarding the company are clarified and dealt with in an innovative manner (Steyn, 2014 ). By enhancing a company's reputation, the financial performance will enhance, and competitive advantage will be gained (Wong, 2014).

As mentioned previously, sustainability reporting is a voluntary process and is not mandated by legislation. Therefore, various internal challenges exist within a company when it needs to manage and report on sustainability (Wong, 2014) and to further increase the complexity of the challenges, various global and regional standards and frameworks relating to sustainability disclosure exists (Anderson & Varney, 2015).

### 2.3.2 Sustainability Reporting in the South African context

In South Africa, the King IV Report on Corporate Governance for South Africa (2016) (hereinafter referred to as "King IV") outlines 17 principles reflected in four areas, namely ethical culture, good performance, effective control, and legitimacy, that an organisation must or should adhere to in order to justify their claim of good governance (King Committee on Corporate Governance and King, 2016). In accordance with Principle 17 of King IV, the board of an institutional investor should ensure that responsible investment is made by the organisation to promote good governance and the creation of value by the companies in which it invests (King Committee on Corporate Governance and King, 2016). Responsible investment is described by King IV as "an approach that incorporates environmental, social and governance factors into investment decision making, to better manage risk and generate sustainable long-term returns" (King Committee on Corporate Governance and King, 2016:16).

JSE Listings Requirements mandate that companies that list their shares on the Johannesburg Stock Exchange (JSE) report annually on the extent to which they have met King IV's requirements by applying and explaining. This is frequently included as part of an integrated report, which King IV defines as a "concise communication about how an organisation's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long term" (King Committee on Corporate Governance and King, 2016:13). These integrated reports often include a sustainability report that specifically focusses on the environmental, social and governance factors.

The sustainability reports are further informed by global and regional standards and frameworks related to sustainability disclosure. These sustainability reporting disclosure standards and

frameworks provide for performance indicators an organisation can use to publicly disclose on its performance.

According to the JSE Limited Sustainability Disclosure Guidance (2022), there is an extensive range of global and regional standards and frameworks relating to sustainability disclosure. The JSE Limited Sustainability Disclosure Guidance (2022) identified 25 global and regional standards and frameworks that reporting companies in South Africa use to disclose on sustainability (JSE, 2022). The 25 standards and frameworks are listed and a summary on their purpose and objectives are provided in Table 2-2 below.

**Table 2-2: Global and regional standards and frameworks relating to sustainability disclosure**

| Standard/Framework | Purpose and objective of the standard and framework |
|---|---|
| **CDP (formerly the Carbon Disclosure Project)** | CDP collects standardised information from companies on climate change and the use of natural resources such as water and forests (JSE, 2022:57). |
| **Climate Action 100+ Net Zero Company Benchmark Disclosure Indicators** | The Benchmark assesses the performance of focus companies against the initiative's three high-level goals: emissions reduction, governance, and disclosure. The benchmark helps investor signatories evaluate company ambition and action in tackling climate change (JSE, 2022:57). |
| **Climate Disclosure Standards Board (CDSB)** | Issued by the Climate Disclosure Standards Board, the CDSB Framework helps companies explain how environmental matters affect their performance and show how they are addressing associated risks and opportunities to investors in annual or integrated reports (JSE, 2022:57). |
| **EU Corporate Sustainability Reporting Directive (CSRD)** | In April 2021, the Commission adopted a proposal for a Corporate Sustainability Reporting Directive (CSRD) that would amend the existing reporting requirements of the Non-Financial Reporting Directive (NFRD), extending the scope to all large companies and all companies listed on regulated markets (except listed micro-enterprises), and introducing more detailed reporting requirements (JSE, 2022:57). |
| **European Sustainability Reporting Standards (ESRS)** | In April 2022, the European Financial Reporting Advisory Group (EFRAG) issued the first draft of sustainability reporting standards for public comment, as part of the CSRD. The standards will require detailed corporate reporting on a broad range of ESG issues, as well as audited |

| Standard/Framework | Purpose and objective of the standard and framework |
|---|---|
| | assurance on the information disclosed (JSE, 2022:57).<br><br>On 31 July 2023, the European Commission adopted the European Sustainability Reporting Standards (ESRS) into legislation (EC, 2023:1). |
| **EU Sustainable Finance Disclosure Regulation (SFDR)** | The EU SFDR applies to financial market participants ranging from asset managers to financial advisors. It aims to increase transparency in how sustainability risks and opportunities are integrated into the investment decisions and recommendations of financial market players (JSE, 2022:57). |
| **EU Taxonomy Regulation** | The EU Taxonomy Regulation is a classification system for sustainable economic activities. It defines which economic activities can be considered environmentally sustainable. It focuses on environmental considerations, with social and governance factors to be included by the end of 2021 (JSE, 2022:57). |
| **GRI Sustainability Reporting Standards (formerly Global Reporting Initiative)** | The GRI Sustainability Reporting Standards, issued by the Global Sustainability Standards Board (GSSB), are the most widely used standards for sustainability reporting, developed over many years with multistakeholder input. It offers a set of modular standards to enable organisations to report on their sustainability impacts against universal standards and sector-specific standards (JSE, 2022:57). |
| **IFC's Corporate Governance Methodology** | This is an approach to evaluate and improve the corporate governance of a company – including the governance attributes of key environmental and social policies and procedures – to identify, reduce, and manage risk (JSE, 2022:57). |
| **IFC's Performance Standards on Environmental and Social Sustainability** | These standards define IFC clients' responsibilities for managing the environmental and social risks of their projects in emerging markets, provide guidance on how to identify risks and impacts, and are designed to help avoid, mitigate, and manage risks and impacts as a way of doing business in a more sustainable way (JSE, 2022:57). |
| **IFC's Toolkit for Disclosure and Transparency** | The Toolkit is designed to guide companies in preparing comprehensive and best-in-class disclosures that reflects investors' views of what drives corporate value (JSE, 2022:57). |
| **IFRS Foundation International** | The International Financial Reporting Standards (IFRS) Foundation is a public interest organisation established to develop globally accepted |

| Standard/Framework | Purpose and objective of the standard and framework |
|---|---|
| **Sustainability Standards Board (ISSB)** | accounting standards. In response to investor calls for comparable sustainability reporting, the Foundation Trustees have recently established the International Sustainability Standards Board (ISSB) (JSE, 2022:57). |
| **Integrated Reporting Committee (IRC)** | The Integrated Reporting Committee of South Africa (IRC SA) is a voluntary association, not for gain, in South Africa founded in May 2010. The role of the IRC as a national body is to provide direction on matters relating to integrated reporting and integrated thinking in South Africa through technical information and guidance, conferences and other activities (JSE, 2022:57). |
| **ISO 26000** | ISO 26000 is an international guidance standard on social responsibility. In addition to its specific guidance on sustainability disclosure, it includes detailed guidance on the fundamental expectations of socially responsible behaviour, derived primarily from authoritative international instruments (JSE, 2022:58). |
| **ISO 37000:2021 Governance of organisations** | ISO 37000 provides principles and key aspects of practices to guide governing bodies and governing groups on how to meet their responsibilities so that the organisations they govern can fulfil their purpose. It is also intended for stakeholders involved in, or impacted by, the organisation and its governance. It is applicable to all organisations regardless of type, size, location, structure or purpose (JSE, 2022:58). |
| **OECD Guidelines for Multinational Enterprises** | The Guidelines are far-reaching recommendations addressed by governments to multinational enterprises operating. They provide voluntary principles and standards for responsible business conduct in areas such as employment and industrial relations, human rights, environment, information disclosure, combating bribery, consumer interests, science and technology, competition, and taxation (JSE, 2022:58). |
| **SDG Disclosure Recommendations** | The Sustainable Development Goals Disclosure (SDGD) Recommendations seek to establish best practice for corporate reporting on the SDGs and enable more effective and standardised reporting and transparency on climate change, social and other environmental impacts (JSE, 2022:58). |
| **South African Green Finance Taxonomy** | South Africa's National Treasury published a draft Technical Paper on Financing a Sustainable Economy in May 2020 to unlock access to sustainable finance and stimulate the allocation of capital to support a |

| Standard/Framework | Purpose and objective of the standard and framework |
|---|---|
| | development-focused and climate-resilient economy. One of the recommendations is to "develop or adopt a taxonomy for green, social and sustainable finance initiatives, consistent with international developments, to build credibility, foster investment and enable effective monitoring and disclosure of performance" (JSE, 2022:58). |
| **Task Force on Climate-related Financial Disclosures (TCFD)** | The Financial Stability Board established the TCFD in December 2015 to develop recommendations for more effective climate-related disclosures that could promote more informed investment, credit, and insurance underwriting decisions and, in turn, enable stakeholders to understand better the concentrations of carbon relate assets in the financial sector and the financial system's exposures to climate-related risks. The TCFD recommendations were published in June 2017 (JSE, 2022:58). |
| **UN Global Compact (UNGC) Principles** | The Global Compact requires companies to commit to a set of ten universal principles concerning human rights, labour, environment, and anti-corruption (JSE, 2022:58). |
| **UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines** | The Model Guidance is a voluntary tool for stock exchanges to guide issuers on how to report on environmental, social and governance (ESG) issues (JSE, 2022:58). |
| **Value Reporting Foundation: Integrated Reporting Framework** | Issued by the International Integrated Reporting Council (IIRC), which has recently merged with SASB to form the Value Reporting Foundation, the Integrated Reporting Framework helps companies to produce a concise, investor-focused report that looks at an issuer's performance and prospects through the lens of six 'capitals' (financial, manufactured, human, natural, intellectual, social and relationship) (JSE, 2022:58).<br><br>As of August 2022, the IFRS Foundation assumed responsibility for the Integrated Reporting Framework. The IFRS Foundation's International Accounting Standards Board (IASB) and the International Sustainability Standards Board (ISSB) will work together to agree on how to build on and integrate the Integrated Reporting Framework into their standard setting projects and requirements. The IFRS Foundation and Chairs of the IASB and ISSB actively encourage the continued adoption of the Integrated Reporting Framework by preparers (IR, 2021). |
| **Value Reporting** | SASB issues sustainability accounting standards that help public |

| Standard/Framework | Purpose and objective of the standard and framework |
|---|---|
| **Foundation: Sustainability Accounting Standards Board (SASB)** | corporations disclose material and decision useful information to investors in their mandatory filings, based on their industry, in line with the notion that under existing regulation material information should be disclosed in the Forms 10-K or 20-F (JSE, 2022: 58). |
| **WEF Measuring Stakeholder Capitalism** | Developed in response to a call from 120 of the world's largest companies to develop a set of common metrics on non-financial factors, this document provides a core and expanded set of metrics to be used by companies to align their reporting on sustainability and ESG performance and track their contributions to the SDGs. The metrics are based on existing standards, with the aim of accelerating convergence in sustainability disclosures (JSE, 2022: 58). |
| **World Benchmarking Alliance (WBA)** | The WBA has identified seven systems transformations needed to achieve the SDGs and is developing a series of publicly available benchmarks to assess the contributions of the 2,000 most influential companies to the SDGs. A series of indicators have been (and are being) developed with associated indicators (JSE, 2022: 58). |

Within these sustainability reporting disclosure standards and frameworks, it is evident there are numerous performance indicators a company can use to disclose on their sustainability performance.

It is specifically noted that the following four of the 25 standards and frameworks identified in Table 2-2 do not yet have performance indicators developed:

- EU Corporate Sustainability Reporting Directive (CSRD);
- EU Sustainable Finance Disclosure Regulation (SFDR);
- EU Taxonomy Regulation; and
- IFC's Corporate Governance Methodology.

## 2.4 Chapter summary

This chapter aimed to fully address research objective 1 (***Identify the IEM principles that underpin IEM***) and objective 2 (***Determine the sustainability reporting disclosure standards and frameworks used in Sustainability Reports in South Africa***). The main focus

of the chapter was to provide background to, and explain, amongst others, the following concepts in the context of the study:

- Integrated Environmental Management:
    - Defining Integrated Environmental Management;
    - The purpose of Integrated Environmental Management;
    - Integrated Environmental Management Tools; and
    - Integrated Environmental Principles.
- Sustainability Reporting:
    - Defining Sustainability Reporting;
    - The purpose of Sustainability Reporting; and
    - Sustainability Reporting in the South African context.

The literature review showed IEM and sustainability reporting originated in 1970 when environmental impacts became a major concern for stakeholders, there was a great need for developers and companies to account for the impact they have on the environment. To assess their impact, environmental impact assessment was introduced as a voluntary process that later became a legislative and mandatory requirement. During this voluntary process guidelines were developed to provide for environmental impact assessment as a voluntary tool to give effect to the concept of IEM. Later on, various other tools (such as sustainability reporting) were added to the list of tools. According to the IEM Guideline the application of one or more of a suite of the tools can give realisation to the principles that underpin IEM and a set of 19 of principles were proposed in the IEM Guideline. The overall aim of IEM was to promote sustainable development. Eventually, impact assessments and the concept of IEM were included in the South African legal framework.

Similarly, sustainability reporting was introduced at the same time as environmental impact assessments. Sustainability reporting on the other hand has always been a voluntary process and is a mechanism for a company to disclose on their sustainability related impacts, and to ensure that sustainable development is promoted. Although there is no legal requirement on the format of what a sustainability report should entail, various standards and frameworks have been developed that companies can use to report on sustainability. During the literature review there were 25 standards and frameworks identified that are used by companies in South Africa.

# CHAPTER 3 METHODOLOGY

## 3.1 Introduction

This chapter describes the research methodology that was applied to address the research aim and objectives introduced in Chapter 1 namely, to determine:

> The extent to which sustainability performance indicators give effect to South Africa's Integrated Environmental Management principles.

This chapter further includes the research design, and the approach includes details on the collection of source material and data analysis.

## 3.2 Research design

David and Sutton (2011) describe a research design of a study to be the sequence in which data collection and date analysis is linked to the research objectives of the study, allowing for conclusions to be drawn from the information investigated.

According to Creswell (2005), qualitative research is best suited to address a research problem in which the variables are not known and need to be explored, and where the literature provides little information about the phenomenon of the study. Patton (2015) describes qualitative research to include collecting data (interviews, observations or documents) and interpretation of them (Patton, 2015.) Qualitative research involves collecting and analysing non-numerical data to understand concepts, opinions, or experiences with data collected usually comprising of words that are analysed into categories or themes and drafting a report using flexible, emerging structures and evaluative criteria, and including the researchers' subjective reflexivity (Creswell, 2005). The evaluation criteria is used to assess the quality of data (Creswell, 2005).

The current study therefore followed a qualitative approach stipulated by Creswell (2005) following an evaluation research approach. An evaluation protocol was developed and applied to achieve the aim of the study.

The following two phases and steps in the research design were conducted:

***Phase 1 - Data collection:***

Step 1: Obtain relevant source material (Integrated Environmental Management principles and sustainability reporting disclosure standards and frameworks used in South Africa).

***Phase 2 - Data analysis:***

Step 2: Develop an evaluation protocol.

Step 2.1: Develop an evaluation matrix.

Step 2.2: Develop an evaluation criteria.

Step 3: Selection of indicators from the sustainability reporting disclosure standards and frameworks

Step 4: Conduct the evaluation through applying the evaluation protocol.

Step 5: Analyse and discuss results.

### 3.3 Data collection

The source material was obtained and consisted of the IEM Principles and sustainability reporting disclosure standards and frameworks used in the Sustainability Reports in South Africa.

#### 3.3.1 Description of the IEM Principles

The IEM Principles were sourced through the literature review conducted in Chapter 2. The 19 principles identified in section 2.2.3 of Chapter 2 were used in the evaluation.

#### 3.3.2 Description of the Sustainability Performance Indicator

The sustainability reporting disclosure standards and frameworks used in sustainability reports in South Africa were identified and the sustainability reporting disclosure standards and frameworks (including their performance indicators) were sourced from public websites.

As discussed in section 2.3.2 of Chapter 2 and from a review of the standards and frameworks obtained, the following standards and frameworks do not have performance indicators:

- EU Corporate Sustainability Reporting Directive (CSRD);
- EU Sustainable Finance Disclosure Regulation (SFDR);

- EU Taxonomy Regulation; and
- IFC's Corporate Governance Methodology.

Subsequently, the above-mentioned standards and frameworks were excluded from the study as they do not provide performance indicators. A total of 21 sustainability reporting disclosure standards and frameworks were identified to contain performance indicators and are depicted in Table 3-1 below.

**Table 3-1: Standards and frameworks and their performance indicator documents**

| No. | Standard/Framework | Name of the document containing the performance indicators |
|---|---|---|
| 1. | **CDP (formerly the Carbon Disclosure Project)** | • *CDP Climate Change 2022 Scoring Methodology*<br>• *CDP Forests 2022 Scoring Methodology*<br>• *CDP Water Security 2022 Scoring Methodology* |
| 2. | **Climate Action 100+ Net Zero Company Benchmark Disclosure Indicators** | • *Climate Action 100+ Net Zero Company Benchmark Disclosure Framework (assessed by Transition Pathway Initiative)* |
| 3. | **Climate Disclosure Standards Board (CDSB)** | • *CDSB Framework Advancing and aligning disclosure of environmental and social information in mainstream reports for reporting environmental & social information* |
| 4. | **European Sustainability Reporting Standards (ESRS)** | • *Draft European Sustainability Reporting Standards*<br>• *ESRS 1 General Requirements*<br>• *ESRS 2 General Disclosures*<br>• *ESRS E1 Climate*<br>• *ESRS E2 Pollution*<br>• *ESRS E3 Water and marine resources*<br>• *ESRS E4 Biodiversity and ecosystems*<br>• *ESRS E5 Resource use and circular economy*<br>• *ESRS S1 Own workforce*<br>• *ESRS S2 Workers in the value chain*<br>• *ESRS S3 Affected communities*<br>• *ESRS S4 Consumers and end users*<br>• *ESRS G1 Business conduct* |
| 5. | **GRI Sustainability Reporting Standards (formerly Global Reporting Initiative)** | • *Consolidated Set of the GRI Standards* |

| No. | Standard/Framework | Name of the document containing the performance indicators |
|---|---|---|
| **6.** | **IFC's Performance Standards on Environmental and Social Sustainability** | • *Performance Standards on Environmental and Social Sustainability* |
| **7.** | **IFC's Toolkit for Disclosure and Transparency** | • *IFC Toolkit for Disclosure and Transparency* |
| **8.** | **IFRS Foundation International Sustainability Standards Board (ISSB)** | • *IFRS S1 General Requirements for Disclosure of Sustainability-related Financial Information*<br>• *IFRS S2 Climate-related Disclosures* |
| **9.** | **Integrated Reporting Committee (IRC)** | • *Disclosure of Governance Information in the Integrated Report: An information Paper* |
| **10.** | **ISO 26000** | • *International standard ISO 26000: Guidance on social responsibility* |
| **11.** | **ISO 37000:2021 Governance of organisations** | • *ISO 37000:2021: Governance of Organisations Guidance* |
| **12.** | **OECD Guidelines for Multinational Enterprises** | • *OECD Guidelines for Multinational Enterprises* |
| **13.** | **SDG Disclosure Recommendations** | • *Sustainable Development Goals Disclosure (SDGD) Recommendations* |
| **14.** | **South African Green Finance Taxonomy** | • *South African Green Finance Taxonomy 1st EDITION March 2022* |
| **15.** | **Task Force on Climate-related Financial Disclosures (TCFD)** | • *Recommendations of the Task Force on Climate related Financial Disclosures* |
| **16.** | **UN Global Compact (UNGC) Principles** | • *United Nations Global Compact: Guide to Corporate Sustainability* |
| **17.** | **UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines** | • *Model guidance on reporting ESG information to investors a voluntary tool for stock exchanges to guide issuers* |
| **18.** | **Value Reporting Foundation:** | • *International <IR> Framework January 2021* |

| No. | Standard/Framework | Name of the document containing the performance indicators |
|---|---|---|
| | **Integrated Reporting Framework** | |
| **19.** | **Value Reporting Foundation: Sustainability Accounting Standards Board (SASB)** | • *Sustainability Accounting Standard:*<br>• *Household & Personal Products*<br>• *Metals & Mining*<br>• *Professional & Commercial Services* |
| **20.** | **WEF Measuring Stakeholder Capitalism** | • *Measuring Stakeholder Capitalism Towards Common Metrics and Consistent Reporting of Sustainable Value Creation* |
| **21.** | **World Benchmarking Alliance (WBA)** | • *Social transformation framework*<br>• *Methodology for the Food and Agriculture Benchmark*<br>• *Nature Benchmark Methodology*<br>• *Digital Inclusion Benchmark Methodology report*<br>• *Financial System Benchmark Methodology* |

### 3.4 Data analysis

The performance indicators of the 21 standards and frameworks listed in Table 3-1 were reviewed against each of the 19 IEM Principles and the extent to which the principle is addressed in each standard or framework was evaluated using the evaluation criteria (Table 3-2). This was done by reading the performance indicators associated with the relevant standard or framework and searching for evidence on an applicable principle. The extent to which a principle was reflected was then established, e.g. if it was thoroughly discussed and clearly articulated in the applicable standard or framework, the principle would be scored 'full effect', indicating that full effect was given to the principle. Notes were made to document the reasons as to why a specific criteria was allocated in each case. The results of the evaluation were presented in a matrix and discussed (refer to Chapter 4).

Table 3-2: Evaluation criteria

| Criteria | Criteria description |
|---|---|
| **Full effect** | The performance indicators completely give effect to the IEM principle. |
| **Partial effect** | The performance indicators are well attempted to give effect to the IEM principle, but some omissions or inadequacies exist. |
| **No effect** | The performance indicators do not give effect to the IEM principle at all. |

### 3.5 Ethical considerations

The research design was submitted to the Faculty of Natural and Agricultural Sciences Ethics Committee for review which cleared the study from any further ethics review (Ethics number: NWU-01215-23-A9).

### 3.6 Methodological assumptions and limitations

The qualitative research was used to address the research problem as variables are not known and need to be explored, and the literature provide little information about the phenomenon of the study (Cresswell, 2005). The data collected was based on the versions of the disclosure standards and frameworks sourced from public websites during the period of April 2023 and October 2023. The disclosure standards and frameworks that do not have, or yet have performance indicators were excluded from the evaluation and research.

### 3.7 Chapter summary

This chapter explains how the research was conducted. The study followed a qualitative approach, following an evaluation research approach. An evaluation protocol was developed and applied to achieve the aim of the study. The research approach included the collection of source material (the Integrated Environmental Management principles and sustainability reporting disclosure standards and frameworks used in South Africa) that was obtained through information and data available in the public domain during the period of April and October 2023. A total of 21 sustainability reporting disclosure standards and frameworks were identified to contain performance indicators. The data analysis included the reading the performance indicators associated with the relevant standard or framework and searching for evidence on an applicable principle.

# CHAPTER 4 RESULTS AND DISCUSSION

## 4.1 Introduction

The results in this chapter are based on Objective 3 (***Evaluate the extent to which sustainability performance indicators adopted in sustainability reporting disclosure standards and frameworks used in Sustainability Reports in South Africa give effect to South Africa's IEM principles***). The results will first be discussed per principle, followed by an integrated reflection on all principles and standards/frameworks concerned.

## 4.2 Results on the extent to which the sustainability performance indicators give effect to the IEM Principles

Table 4-1 provides complete summarised list of the results on the outcome of the evaluation protocol applied to compare the performance indicators of the 21 standards and frameworks against the 19 IEM Principles. This was done by reading the performance indicators associated with the relevant standard or framework and searching for evidence on an applicable principle. The extent to which a principle was reflected was then established, e.g. if it was thoroughly discussed and clearly articulated in the applicable standard or framework, the principle would be scored 'full effect', indicating that full effect was given to the principle. Notes were made to document the reasons as to why a specific criteria was allocated in each case. The results of the evaluation were presented in a matrix and discussed. A discussion on the results for each of the 19 IEM Principle is also presented below. For further reading on the results, refer to Annexure 1 to 19.

**Table 4-1: Summary of the extent to which the sustainability performance indicators give effect to South Africa's IEM principles**

| | Sustainability reporting disclosure standards and frameworks | Principles | | | | | | | | | | | | | | | | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | 1. Accountability and responsibility | 2. Adaptive | 3. Alternative options | 4. Community empowerment | 5. Continual improvement | 6. Dispute Resolution | 7. Environmental Justice | 8. Equity | 9. Global Responsibilities | 10. Holistic decision-making | 11. Informed decision-making | 12. Institutional co-ordination | 13. Integrated approach | 14. Polluter Pays | 15. Precautionary approach | 16. Rigour | 17. Stakeholder engagement | 18. Sustainability | 19. Transparency |
| 1 | CDP (formerly the Carbon Disclosure Project) | | | | | | | | | | | | | | | | | | | |
| 2 | Climate Action 100+ Net Zero Company Benchmark Disclosure Indicators | | | | | | | | | | | | | | | | | | | |
| 3 | Climate Disclosure Standards Board (CDSB) | | | | | | | | | | | | | | | | | | | |
| 4 | European Sustainability Reporting Standards (ESRS) | | | | | | | | | | | | | | | | | | | |
| 5 | GRI Sustainability Reporting Standards (formerly Global Reporting Initiative | | | | | | | | | | | | | | | | | | | |
| 6 | IFC's Performance Standards on Environmental and Social Sustainability | | | | | | | | | | | | | | | | | | | |
| 7 | IFC's Toolkit for Disclosure and Transparency | | | | | | | | | | | | | | | | | | | |
| 8 | IFRS Foundation International Sustainability Standards Board (ISSB) | | | | | | | | | | | | | | | | | | | |
| 9 | Integrated Reporting Committee (IRC) | | | | | | | | | | | | | | | | | | | |
| 10 | ISO 26000 | | | | | | | | | | | | | | | | | | | |
| 11 | ISO 37000:2021 Governance of organisations | | | | | | | | | | | | | | | | | | | |
| 12 | OECD Guidelines for Multinational Enterprises | | | | | | | | | | | | | | | | | | | |
| 13 | SDG Disclosure Recommendations | | | | | | | | | | | | | | | | | | | |
| 14 | South African Green Finance Taxonomy | | | | | | | | | | | | | | | | | | | |
| 15 | Task Force on Climate-related Financial Disclosures (TCFD) | | | | | | | | | | | | | | | | | | | |
| 16 | UN Global Compact (UNGC) Principles | | | | | | | | | | | | | | | | | | | |
| 17 | UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines | | | | | | | | | | | | | | | | | | | |
| 18 | Value Reporting Foundation: Integrated Reporting Framework | | | | | | | | | | | | | | | | | | | |
| 19 | Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) | | | | | | | | | | | | | | | | | | | |
| 20 | WEF Measuring Stakeholder Capitalism | | | | | | | | | | | | | | | | | | | |
| 21 | World Benchmarking Alliance (WBA) | | | | | | | | | | | | | | | | | | | |

| Criteria | Criteria description |
|---|---|
| Full effect | The performance indicators completely give effect to the IEM principle. |
| Partial effect | The performance indicators are well attempted to give effect to the IEM principle, but some omissions or inadequacies exist. |
| No effect | The performance indicators do not give effect to the IEM principle at all. |

## 4.3 Discussion on the extent to which the sustainability performance indicators give effect to the IEM Principles

### 4.3.1 Principle 1:Accountability and Responsibility

Annexure 1 provides a summary of the outcome of the evaluation protocol applied to compare the performance indicators against Principle 1: Accountability and Responsibility.

As identified in Chapter 2.2.3 the IEM Guideline describes Principle 1: Accountability and Responsibility to be: “The accountability and responsibility of all stakeholders in the process should be clarified for each stage of the activity life cycle, in particular with regard to information provided, decisions taken and implementation requirements” (DEAT, 2004:9).

From applying the evaluation protocol, the results show that 20 of the 21 performance indicators of the standards and frameworks give full effect to the Principle 1: Accountability and Responsibility, with the exception of the South African Green Finance Taxonomy. The performance indicators of the South African Green Finance Taxonomy provide for transparency in public reporting, and transparency in communication of the standards documents and processes, however, no specific reference is made to responsibility and accountability. The rest of the performance indicators give full effect to Principle 1: Accountability and Responsibility as the performance indicators require organisations to appoint individuals with the necessary skills and expertise in positions to account for and take responsibility for sustainability matters and the indicators further impose a responsibility on these organisations to manage and take accountability for its impact on the environment and its stakeholders. Notable the performance indicators of the standards and frameworks that give full effect to principle 1: Accountability and Responsibility further provide that these responsibilities should be accounted for and disclosed as part of its sustainability reporting.

### 4.3.2 Principle 2: Adaptive

Annexure 2 provides a summary of the outcome of the evaluation protocol applied to compare the performance indicators against Principle 2: Adaptive.

As identified in Chapter 2.2.3 the IEM Guideline describes Principle 2: Adaptive to be: “The process should be flexible and adjust to the realities, issues and circumstances of the activities under review, without compromising the integrity of the process; and be iterative, incorporating lessons learned throughout the activity life cycle” (DEAT, 2004:9).

From applying the evaluation protocol, the results show that all 21 of the performance indicators of all the standards and frameworks completely give effect to Principle 2: Adaptive, as the

performance indicators require organisations to continuously identify, assess and respond to the risks and opportunities. The indicators further require that the response ensure that sustainability issues are reviewed, and that the organisation adapts and change through forward planning and changing the way it mitigates, manages, and avoids sustainability impacts.

### 4.3.3 Principle 3: Alternative options

Annexure 3 provides a summary of the outcome of the evaluation protocol applied to compare the performance indicators against Principle 3: Alternative options.

As identified in Chapter 2.2.3 the IEM Guideline describes the Alternative options principle to be: “The process must identify and define all reasonable alternatives and provide the decision-makers with an understanding of the trade-offs that will result from the alternative options. These alternatives could include demands, activities, locations, processes, schedules and/or inputs (e.g., raw materials or energy sources)” (DEAT, 2004:9).

From applying the evaluation protocol, the results show that 18 of the 21 standards and frameworks evaluated give full effect to Principle 3: Alternative options, with the exception of the ISO 37000 standard, the UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines and the Integrated Reporting Committee.

The UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines and the Integrated Reporting Committee give no effect to Principle 3: Alternative options, as no reference to alternative options is provided for. The Integrated Reporting Committee (IRC) does not provide for specific alternative options, however to an extent the indicators provide for an explanation by companies of the processes followed for strategy, risk, ethics, technology and information, compliance and assurance. The 18 performance indicators that do give effect to Principle 3: Alternative options require an organisation to either reduce or remove their negative impacts on the environment, this should be done through for example emission reduction initiatives, setting water-related targets and goals, reducing, or removing deforestation and to strive for cleaner production, renewable alternatives, and eco-efficiency. Notable, most of the performance indicators require an organisation to explore alternative designs or offsets to mitigate their impact by first avoidance, and where avoidance is not possible to consider reduction.

### 4.3.4 Principle 4: Community Empowerment

Annexure 4 provides a summary of the outcome of the evaluation protocol applied to compare the performance indicators against Principle 4: Community Empowerment.

As identified in Chapter 2.2.3 the IEM Guideline describes Principle 4: Community Empowerment to be: “Community well-being and empowerment should be promoted through knowledge sharing and awareness raising programmes in order to build the capacity of people to participate effectively in managing the environment and contributing to sustainable development” (DEAT, 2004:9).

From applying the evaluation protocol, the results show that only eight of the 21 standards and frameworks evaluated give full effect to Principle 4: Community Empowerment, with nine of the standards and frameworks that do not give effect to Principle 4: Community Empowerment at all, and four that has some inadequacies in giving effect to the Principle 4: Community Empowerment.

From the results, it is evident that in the nine standards and frameworks that do not give effect to Principle 4: Community Empowerment there is a general absence in the performance indicators to promote knowledge sharing and awareness raising to the community. Without such knowledge sharing and awareness raising programmes the community’s capacity to participate in managing the environment and contributing to sustainable development will be ineffective, which will indirectly affect their well-being and disempower them as described by the IEM Guideline. In the four standards and frameworks that give partial effect to Principle 4: Community Empowerment training is provided for; however, this training is mostly aimed at the organisation’s employees and not to an extent for the whole community. The eight standards and frameworks that do give full effect to Principle 4: Community Empowerment provides for knowledge sharing and awareness raising programmes to the community, this builds the capacity of people to participate effectively in managing the environment and contributing to sustainable development.

### 4.3.5 Principle 5: Continual improvement

Annexure 5 provides a summary of the outcome of the evaluation protocol applied to compare the performance indicators against Principle 5: Continual improvement.

As identified in Chapter 2.2.3 the IEM Guideline describes Principle 5: Continual improvement to be: “The process of enhancing the overall environmental performance of an organisation in accordance with that organisation’s environmental policy and objectives” (DEAT, 2004:9).

From applying the evaluation protocol, the results show that 19 of the 21 standards and frameworks evaluated give full effect to Principle 5: Continual improvement and two give partial effect to the principle.

The two standards and frameworks that give partial effect have some inadequacies as no mention is made of specifically environmental performance. The 19 of the 21 standards and frameworks that give full effect allow for organisations to provide for an environmental policy and objectives/targets. The policy and objectives provide that organisations will need to describe their actual negative and positive impacts on amongst other the environment and have set targets or objectives to prevent or mitigate potential negative impacts, as well as actions to address negative impacts. Notably, some of the performance indicators even require an organisation to track the effectiveness of these actions, goals and targets and incorporate the learnings into their policy and objectives. The results show that for an organisation to have an implemented environmental policy and set objectives, it could overall enhance the environmental performance of an organisation.

### 4.3.6 Principle 6: Dispute Resolution

Annexure 6 provides a summary of the outcome of the evaluation protocol applied to compare the performance indicators against Principle 6: Dispute Resolution.

As identified in Chapter 2.2.3 the IEM Guideline describes Principle 6: Dispute Resolution to be: “Processes should be undertaken in a consensus-seeking spirit and aim to minimise or resolve conflicts wherever possible” (DEAT, 2004:9).

From applying the evaluation protocol, the results show that only 10 of the 21 standards and frameworks evaluated completely give effect to Principle 6: Dispute Resolution, and 11 do not give effect to Principle 6: Dispute Resolution.

The 10 standards and frameworks that give no effect to Principle 6: Dispute Resolution do not provide for indicators on dispute resolution at all. The 10 standards and frameworks that give full effect to Principle 6: Dispute Resolution do provide for some sort of dispute or grievance mechanisms. In order for an organisation to assess and manage their environmental and social risks and impacts on the community it is prudent that these organisations have a dispute or grievance mechanism in place. The dispute or grievance mechanism allows for consensus seeking between the organisation and the community and to resolve conflict, in an impartial manner, and subsequently provide long term value for the organisation and the community.

### 4.3.7 Principle 7: Environmental Justice

Annexure 7 provides a summary of the outcome of the evaluation protocol applied to compare the performance indicators against Principle 7: Environmental Justice.

As identified in Chapter 2.2.3 the IEM Guideline describes Principle 7: Environmental Justice to be: “Adverse environmental impacts should not be distributed in a manner that unfairly discriminates against any person, particularly vulnerable and disadvantaged persons” (DEAT, 2004:9).

From applying the evaluation protocol, the results show that 11 of the 21 standards and frameworks evaluated completely give effect to Principle 7: Environmental Justice, 5 of the 21 standards and frameworks do not give effect to the principle and 5 of the 21 standards and frameworks give partial effect to the principle.

The 5 standards and frameworks that do not give effect to the principle do not have any indicators that relate to Principle 7: Environmental Justice. The 5 standards and frameworks that partially give effect to Principle 7: Environmental Justice do provide that environmental impacts and risks should be identified; however, no mention is made of the impact on vulnerable and disadvantaged groups. From the results of the 11 standards and frameworks that do give full effect to Principle 7: Environmental Justice it is evident that an organisation’s impact should be non-discrimination and the impacts should provide for equal opportunity to local communities that are impacted on or that could be impacted on by an organisation’s activities. Specifically, the organisation should not have a larger impact on vulnerable and disadvantaged persons as a result of their impacts. Where these individuals and or groups are identified, the organisation must propose and implement specific measures to prevent adverse impacts from disproportionately affecting the disadvantaged or vulnerable groups, and that the disadvantaged or vulnerable groups share the same development benefits and opportunities as other individuals and groups.

### 4.3.8 Principle 8: Equity

Annexure 8 provides a summary of the outcome of the evaluation protocol applied to compare the performance indicators against Principle 8: Equity.

As identified in Chapter 2.2.3 the IEM Guideline describes Principle 8: Equity to be: “Equitable access should be provided to environmental resources, benefits and services to meet basic human needs and promote human well-being for both present and future generations” (DEAT, 2004:9).

From applying the evaluation protocol, the results show that 19 of the 21 standards and frameworks evaluated completely give effect to Principle 8: Equity, one of the standards and frameworks evaluated do not give effect to the principle at all and one gives effect to the principle to an extent.

The performance indicators of the Integrated Reporting Committee (IRC) provide no reference to the IEM principle of Equity and therefore give no effect to Principle 8: Equity and the ISO 37000 standard that gives partial effect to Principle 8: Equity clarifies that the governing body should actively and dynamically steer the strategy in way that balances value generation in the present with value generation in the future. However, no reference is made to access that should be provided to environmental resources.

From the results, it is evident that 19 of the 21 standards and frameworks that give full effect to Principle 8: Equity identify that an organisation may have adverse environmental impacts that could influence access to environmental resources, benefits, and services to the community and stakeholders. It is shown that in order to promote equity, performance indicators require an organisation to consider the connection between their environmental impacts and natural capital dependencies. Interestingly, an organisation's positive impacts can result in negative impacts and vice versa. It is therefore prudent that organisations should ensure sustainable access to natural resources, identify equivalent replacement resources, or as a last resort, provide compensation and identify alternative livelihoods where a project development results in a loss of natural resource access.

#### 4.3.9 Principle 9: Global Responsibilities

Annexure 9 provides a summary of the outcome of the evaluation protocol applied to compare the performance indicators against Principle 9: Global Responsibilities.

As identified in Chapter 2.2.3 the IEM Guideline describes Principle 9: Global Responsibilities as: "Due consideration should be given to global and international responsibilities and transboundary issues relating to the environment" (DEAT, 2004:9).

From applying the evaluation protocol, the results show that 16 of the 21 standards and frameworks evaluated completely give effect to Principle 9: Global Responsibilities and four of the 21 do not give effect to the principle at all and one gives effect to the principle to an extent.

The four standards and frameworks that give no effect to the principle provide no reference to Principle 9: Global Responsibilities. The one standard and framework that gives partial effect to Principle 9: Global Responsibilities, provides to an extent the Global Responsibility principle but is only related to climate change. From the results, it is evident that the 16 standards and frameworks that give full effect to Principle 9: Global Responsibilities provide that an organisation has a public commitment not only on a regional or local scale but also on a global and international scale. The performance indicators would therefore require an organisation to disclose on information about its impacts in relation to societal expectations and expectations of

responsible business conduct set out in authoritative intergovernmental instruments with which the organisation is expected to comply, such as local, regional, or global instruments. The standards and frameworks suggest that by giving consideration to global and international responsibilities, an organisation recognises the growing linkages among various environmental issues as well as their connections to social and development priorities. This further enhances an organisation's approach to measuring and reducing environmental impacts beyond national regulations.

### 4.3.10 Principle 10: Holistic decision-making

Annexure 10 provides a summary of the outcome of the evaluation protocol applied to compare the performance indicators against the Principle 10: Holistic decision-making.

As identified in Chapter 2.2.3 the IEM Guideline describes Principle 10: Holistic decision-making to be: "Decisions must take into account the interests, needs and values of all interested and affected parties and all relevant forms of knowledge, including traditional knowledge" (DEAT, 2004:9).

From applying the evaluation protocol, the results show that 18 of the 21 standards and frameworks evaluated completely give effect to Principle 10: Holistic decision-making and three do not give effect to the principle at all. The three standards and frameworks that give no effect to Principle 10: Holistic decision-making, makes no reference to requirements of Principle 10: Holistic decision-making. The 18 standards and frameworks that do give full effect to Principle 10: Holistic decision-making, found that indigenous peoples are at higher risk of experiencing severe negative impacts from an organisation's activities and as a result community involvement should therefore be undertaken to assist organisations to familiarise themselves with community needs and priorities. This will ensure that the organisation's decisions are aligned with the needs and priorities of the community and society.

### 4.3.11 Principle 11: Informed decision-making

Annexure 11 provides a summary of the outcome of the evaluation protocol applied to compare the performance indicators against the Principle 11: Informed decision-making.

As identified in Chapter 2.2.3 the IEM Guideline describes Principle 11: Informed decision-making to be: "The most appropriate methods and techniques must be applied responsibly and rigorously to address issues that really matter and so provide sound and useful information for decision-making" (DEAT, 2004:9).

From applying the evaluation protocol, the results show all 21 of the standards and frameworks evaluated completely give effect to Principle 11: Informed decision-making . The performance indicators show that decisions made by an organisation could have an impact on sustainable development. The performance indicators indicate that where there are potentially significant adverse impacts, that communities and stakeholders should be involved in order to obtain information to adequately address the impacts and inform decision making. Also, that the credibility of the organisation is enhanced by promoting socially responsible behaviour within the area or within the respective communities. The performance indicators suggest that by making relevant commitments regarding their impacts, taking appropriate action and assessing performance and reporting on progress and shortcomings, the organisation will enhance their credibility.

### 4.3.12 Principle 12: Institutional co-ordination

Annexure 12 provides a summary of the outcome of the evaluation protocol applied to compare the performance indicators against the Principle 12: Institutional co-ordination.

As identified in Chapter 2.2.3 the IEM Guideline describes Principle 12: Institutional co-ordination to be: “Inter-governmental co-ordination and harmonization of policies, legislation and actions relating to the environment is required” (DEAT, 2004:9).

From applying the evaluation protocol, the results show that 17 of the 21 standards and frameworks evaluated completely give effect to Principle 12: Institutional co-ordination and three do not give effect to the principle at all, with one that gives effect to an extent.

The three standards and frameworks that give no effect to the principle makes no specific mention of institutional co-ordination in the performance indicators. The standard and framework that gives partial effect to Principle 12: Institutional co-ordination requires that organisations impact the achievement of sustainable development both internally and externally within their organisational boundaries, however no mention is made on how these are integrated and aligned. The 17 standards and frameworks that give full effect to Principle 12: Institutional co-ordination show that the performance indicators require an organisation to have policies and track their progress towards targets set and required organisations to meet these targets set by law and regulation. Furthermore, that exchange of information should be undertaken between or among representatives of governments, employers and workers, on matters of common interest relating to environmental, economic and social concerns.

### 4.3.13 Principle 13: Integrated approach

Annexure 13 provides a summary of the outcome of the evaluation protocol applied to compare the performance indicators against Principle 13: Integrated approach.

As identified in Chapter 2.2.3 the IEM Guideline describes the Principle 13: Integrated approach to be: “Environmental management must be integrated, acknowledging that all elements of the environment are linked and interrelated, and it must take into account the effects of decisions on all components of the environment and all people in the environment” (DEAT, 2004:9).

From applying the evaluation protocol, the results show that 14 of the 21 standards and frameworks evaluated give full effect to Principle 13: Integrated approach, two do not give effect to the principle and five give partial effect to the principle.

The two standards and frameworks that give no effect to the principle provides no specific reference to the requirements of Principle 13: Integrated approach. The five standards and frameworks that give partial effect to Principle 13: Integrated approach, provide for environmental management to be integrated and taken into account during decision making, however, some are focussed on only one aspect of the environment, such as water or climate change and in many the effects on people are not provided for in the indicators. The 14 of the standards and frameworks evaluated that give full effect to Principle 13: Integrated approach recognise that there are interdependency between impacts on people and the environment. Furthermore, it is recognised in these standards and frameworks that environmental challenges are interconnected and that there is a need for integration when it comes to decisions that would affect components of the environment and all people in the environment.

### 4.3.14 Principle 14: Polluter Pays

Annexure 14 provides a summary of the outcome of the evaluation protocol applied to compare the performance indicators against the Principle 14: Polluter Pays.

As identified in Chapter 2.2.3 the IEM Guideline describes the Principle 14: Polluter Pays to be: “The costs of remedying pollution, environmental degradation and consequent adverse health effects and of preventing, controlling or minimising further pollution, environmental damage or adverse health effects must be paid for by those primarily responsible for causing these effects” (DEAT, 2004:10).

From applying the evaluation protocol, the results show that only 10 of the 21 standards and frameworks evaluated completely give effect to the Principle 14: Polluter Pays, and 11 do not give effect to the principle at all. The 11 standards and frameworks that give no effect to the

Principle 14: Polluter Pays makes no provision for performance indicators related to the polluter pays principle. The result show that the 10 standards and frameworks that give full effect to the Principle 14: Polluter Pays, requires that an organisation must be responsible for the cost of pollution caused by its activities according to the degree to which the pollution exceeds an acceptable level, the extent of the environmental impact on society and the remedial action required.

### 4.3.15 Principle 15: Precautionary approach

Annexure 15 provides a summary of the outcome of the evaluation protocol applied to compare the performance indicators against the Principle 15: Precautionary approach.

As identified in Chapter 2.2.3 the IEM Guideline describes the Principle 15: Precautionary approach to be: “Adopt a risk averse and cautious approach, in particular where current knowledge is limited, and link this approach to a commitment to continuous improvement” (DEAT, 2004:10).

From applying the evaluation protocol, the results show that 19 of the 21 standards and frameworks evaluated give full effect to Principle 15: Precautionary approach and two give effect to the principle to an extent.

The two standards and frameworks that give partial effect to Principle 15: Precautionary approach, require that an organisation adopt a risk averse and cautious approach, however no requirements are provided in the indicators to link this risk averse and cautious approach to continuous improvement. The 19 standards and frameworks that give full effect to Principle 15: Precautionary approach, show that where there are risks of significant or irreversible damage to the environment or human health, lack of full scientific data should not be used as a reason for delaying measures to prevent environmental degradation or damage to human health. The measures should include long term and short-term costs and benefits. Furthermore, the standards and frameworks that give full effect to Principle 15: Precautionary approach, show that organisations should disclose risks and opportunities that affect the organisation’s ability to create value over the short, medium and long term, and how the organisation is addressing these risks.

### 4.3.16 Principle 16: Rigour

Annexure 16 provides a summary of the outcome of the evaluation protocol applied to compare the performance indicators against Principle 16: Rigour.

As identified in Chapter 2.2.3 the IEM Guideline describes Principle 16: Rigour to be: “Ensure that appropriate techniques and experts in the relevant bio-physical and socio-economic disciplines are deployed, in conjunction with peer review to independently verify the objectivity, professionalism and rigour of the specialist work” (DEAT, 2004:10).

From applying the evaluation protocol, the results show that 17 of the 21 standards and frameworks evaluated give full effect to Principle 16: Rigour, two do not give effect to the principle and two give partial effect to the principle.

The two standards and frameworks that give no effect to the principle do not provide for any performance indicators related to deploying experts in the bio-physical and socio-economic disciplines and peer review of specialist work  The two standards and frameworks that give partial effect to Principle 16: Rigour, provide that an organisation must ensure that appropriate techniques and experts in the relevant bio-physical and socio-economic disciplines are deployed, however no requirement is made for peer reviews. The 17 standards and frameworks that give full effect to Principle 16: Rigour provide that an organisation shall report information that is correct and sufficiently detailed to allow an assessment of the organisation’s impacts and also to indicate which data has been estimated, and explain the underlying assumptions and techniques used for the estimation as well as any limitations of the estimates. Furthermore, that the information disclosed faithfully represents factually based strategies, plans and risk analysis, including where inputs come from affected stakeholders, their legitimate representatives, or subject-matter experts. Also, on whether and how targets are informed by engagement with affected stakeholders, their legitimate representatives and/or subject matter experts.

### 4.3.17 Principle 17: Stakeholder Engagement

Annexure 17 provides a summary of the outcome of the evaluation protocol applied to compare the performance indicators against Principle 17: Stakeholder Engagement.

As identified in Chapter 2.2.3 the IEM Guideline describes Principle 17: Stakeholder Engagement to be: “Opportunities for meaningful and timely engagement with all stakeholders, in particular youth, women and vulnerable or disadvantaged groups, to enable them to contribute effectively to informed decision-making” (DEAT, 2004:10).

From applying the evaluation protocol, the results show that 14 of the 21 standards and frameworks evaluated completely give effect to Principle 17: Stakeholder Engagement, two do not give effect to the principle and five give effect to the principle to an extent.

The two standards and frameworks that give no effect to Principle 17: Stakeholder Engagement make no specific mention of any stakeholder engagement to be undertaken. The five standards and frameworks that give partial effect to Principle 17: Stakeholder Engagement, do provide for stakeholder engagement to be undertaken, however, no specific requirement is made for these engagements to be in particular with youth, women, and vulnerable or disadvantaged groups. The 14 standards and frameworks that give full effect to Principle 17: Stakeholder Engagement requires that engagement with affected stakeholders should be undertaken ongoing and that stakeholders include vulnerable or disadvantaged groups. Furthermore, that stakeholder engagement is best conducted as a preventative rather than reactionary activity, as stakeholders can help a company identify, mitigate, and manage environmental and social risks and opportunities before problems emerge.

### 4.3.18 Principle 18: Sustainability

Annexure 18 provides a summary of the outcome of the evaluation protocol applied to compare the performance indicators against Principle 18: Sustainability.

As identified in Chapter 2.2.3 the IEM Guideline describes Principle 18: Sustainability to be: “Resources and natural cycles of renewal and replenishment should be utilized in a manner that does not lead to their long-term decline, in order to enable the needs and aspirations of present and future generations to be met” (DEAT, 2004:10).

From applying the evaluation protocol, the results show that 17 of the 21 standards and frameworks evaluated give full effect to Principle 18: Sustainability, two does not give effect to the principle at all and two give effect to the principle to an extent.

The two standards and frameworks that give no effect to Principle 18: Sustainability provide no specific reference to the requirements of this principle. The two standards and frameworks that give partial effect to the Principle 18: Sustainability requires an organisation to disclose on their risks and opportunities related to sustainability, which could affect the organisation’s finances, however, the focus is not specifically on the natural resources and cycles. The 17 standards and frameworks that do give full effect to Principle 18: Sustainability requires that an organisation understand the sustainability context of its activities and business relationships and that an organisation should provide a presentation of sustainable development issues that covers both positive and negative aspects. Furthermore, that organisations put in place measures to address environmental responsibilities, assess the value of natural capital, and better comprehend the connections between resources. Organisations should become part of

the solution for a sustainable future by actively addressing risks and opportunities and by moving beyond the approach of traditional compliance.

### 4.3.19 Principle 19: Transparency

Annexure 19 provides a summary of the outcome of the evaluation protocol applied to compare the performance indicators against Principle 19: Transparency.

As identified in Chapter 2.2.3 the IEM Guideline describes Principle 19: Transparency to be: “Decisions must be taken in an open and transparent manner, and access to information must be provided in accordance with the law” (DEAT, 2004:10).

From applying the evaluation protocol, the results show that 18 of the 21 standards and frameworks evaluated completely give effect to Principle 19: Transparency, and three give effect to the principle to an extent.

The three standards and frameworks that give partial effect to Principle 19: Transparency, require an organisation to make decisions that are open and transparent and aligned with broader societal expectations, however, no specific mention is made of the environment. The 18 standards and frameworks that give full effect to Principle 19: Transparency requires that an organisation makes sure that transparency is considered a general principle for a company's interactions with the public. To ensure that organisations meet the public's ever-increasing demands for information, they must be transparent in their operations and responsive. This will improve the public’s understanding of the organisation and how it interacts with society and the environment. In addition, it is crucial for companies committed to sustainability to report to stakeholders in a transparent and public manner.

## 4.4 Chapter summary

This chapter presented the result for research objective 3 (***Evaluate the extent to which sustainability performance indicators adopted in sustainability reporting disclosure standards and frameworks used in Sustainability Reports in South Africa give effect to South Africa’s IEM principles***).

This chapter presented the findings from an evaluation of the extent to which sustainability performance indicators adopted in sustainability reporting disclosure standards and frameworks used in Sustainability Reports in South Africa give effect to South Africa’s IEM principles. The results were discussed under each IEM principle.

In summary, the results indicate that the sustainability performance indicators in all 21 of the standards and frameworks give full effect to only two of the 19 IEM Principles, namely Principle 2: Adaptive and Principle 11: Informed decision-making. The sustainability performance indicators in the majority of the standards and frameworks have minimal shortcomings in giving effect to 13 of the 19 IEM Principles, namely Principle 1: Accountability and Responsibility, Principle 3: Alternative Options, Principle 5: Continual improvement, Principle 8: Equity, Principle 9: Global Responsibilities, Principle 10: Holistic decision-making, Principle 12: Institutional co-ordination, Principle 13: Integrated approach, Principle 15: Precautionary-approach, Principle 16: Rigour, Principle 17: Stakeholder engagement, Principle 18: Sustainability and 19: Transparency. Overall, 4 of the 19 IEM Principles, namely Principle 4: Community empowerment, Principle 6: Dispute Resolution, Principle 7: Environmental Justice, and Principle 14: Polluter Pays showed the weakest performance within the standards and frameworks.

The GRI Sustainability Reporting Standards, the ISO 26000 standard, and the OECD Guidelines for Multinational Enterprises are the only three sustainability reporting disclosure standards and frameworks out of the 21 that give full effect to all 19 of the IEM principles.

# CHAPTER 5 CONCLUSIONS AND RECOMMENDATIONS

## 5.1 Introduction

IEM is underpinned by various principles that can be realised through the application of several tools, with one of the tools being sustainability reporting. Sustainability reporting is conducted by way of performance indicators adopted from sustainability reporting disclosure standards and frameworks. In order for a tool to have been identified as an IEM tool and be effective in achieving its objective, one would expect the tool to give effect to the various principles that underpin IEM.

The study explored to which extent the sustainability performance indicators from global and regional standards and frameworks related to sustainability disclosure adopted in South African sustainability reports give effect to the IEM principles.

The main aim of the research determined:

> The extent to which sustainability performance indicators give effect to South Africa's Integrated Environmental Management principles.

The following research objectives were addressed in order to achieve the research aim mentioned above:

1. Identify the IEM principles that underpin IEM.
2. Determine the sustainability reporting disclosure standards and frameworks used in Sustainability Reports in South Africa.
3. Evaluate the extent to which sustainability performance indicators adopted in sustainability reporting disclosure standards and frameworks used in Sustainability Reports in South Africa give effect to South Africa's IEM principles.
4. Make recommendations towards the adjustments of the sustainability performance indicators to give effect to South Africa's IEM principles.

## 5.2 Conclusions

Chapter 2 of the study address research objective 1 (***Identify the IEM principles that underpin IEM***) and objective 2 (***Determine the sustainability reporting disclosure standards and frameworks used in Sustainability Reports in South Africa*** ).

The literature review showed that the application of one or more of a suite of the tools can give realisation to the principles that underpin IEM, with one of these tools being sustainability reporting. A set of 19 of principles were identified and the overall aim of IEM is to promote sustainable development. During the literature review there were 25 standards and frameworks identified that are used by companies in South Africa, with 21 of these standards and frameworks that provide for performance indicators.

Chapter 4 presented the result for research objective 3 (***Evaluate the extent to which sustainability performance indicators adopted in sustainability reporting disclosure standards and frameworks used in Sustainability Reports in South Africa give effect to South Africa's IEM principles***). The protocol developed in Chapter 3 was applied to evaluate the extent to which sustainability performance indicators adopted in the sustainability reporting disclosure standards and frameworks identified give effect to South Africa's IEM principles. The results were provided and discussed in Chapter 4 per IEM principle followed by an integrated reflection on all principles and standards/frameworks concerned. The results provided that the sustainability performance indicators in all 21 of the standards and frameworks give full effect to only two of the 19 IEM Principles, namely Principle 2: Adaptive and Principle 11. The sustainability performance indicators in the majority of the standards and frameworks have minimal shortcomings in giving effect to 13 of the 19 IEM Principles, and overall, four of the 19 IEM Principles namely Principle 4: Community empowerment, Principle 6: Dispute Resolution, Principle 7: Environmental Justice and Principle 14: Polluter Pays, showed the weakest performance within the standards and frameworks. Notably, the GRI Sustainability Reporting Standards, the ISO 26000 standard, and the OECD Guidelines for Multinational Enterprises are the only sustainability reporting disclosure standards and frameworks out of the 21 standards and frameworks that give full effect to all 19 of the IEM principles.

This chapter (Chapter 5) aims to present the result for research objective 4 (***Make recommendations towards the adjustments of the sustainability performance indicators to give effect to South Africa's IEM principles*** ).

## 5.3 Recommendations towards the adjustments of the sustainability performance indicators to give effect to South Africa's IEM principles

In order for sustainability reporting to be used as an effective tool for IEM, adjustments to the sustainability indicators of the disclosure standards and frameworks used in sustainability reports in South Africa would need to be made. It is recommended that the IEM principles that showed an overall weaker performance within the standards and frameworks namely Principle 4: Community empowerment, Principle 6: Dispute Resolution, Principle 7: Environmental Justice, and Principle 14: Polluter Pays be adjusted to include for the requirements of these principles.

Principle 4: Community empowerment requires that "Community well-being and empowerment should be promoted through knowledge sharing and awareness raising programmes in order to build the capacity of people to participate effectively in managing the environment and contributing to sustainable development" (DEAT, 2004:9). Although some sustainability indicators do provide for training, this is mostly aimed at the organisation's employees and not to an extent for the whole community. It is recommended that the sustainability indicators in the Climate Action 100+ Net Zero Company Benchmark Disclosure Indicators; Climate Disclosure Standards Board (CDSB); European Sustainability Reporting Standards (ESRS); IFC's Performance Standards on Environmental and Social Sustainability; IFC's Toolkit for Disclosure and Transparency; IFRS Foundation International Sustainability Standards Board (ISSB); Integrated Reporting Committee (IRC); ISO 37000:2021 Governance of organisations; SDG Disclosure Recommendations; South African Green Finance Taxonomy; Task Force on Climate-related Financial Disclosures (TCFD); Value Reporting Foundation: Integrated Reporting Framework and WEF Measuring Stakeholder Capitalism to ensure that there are programs that promote community well-being and empowerment through the sharing of knowledge and awareness.

Principle 6: Dispute Resolution requires that "Processes should be undertaken in a consensus-seeking spirit and aim to minimise or resolve conflicts wherever possible" (DEAT, 2004:9). It is recommended that the sustainability indicators in the CDP (formerly the Carbon Disclosure Project); Climate Action 100+ Net Zero Company Benchmark Disclosure Indicators; IFRS Foundation International Sustainability Standards Board (ISSB); Integrated Reporting Committee (IRC); ISO 37000; South African Green Finance Taxonomy; Task Force on Climate-related Financial Disclosures (TCFD); UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines; Value Reporting Foundation: Integrated Reporting Framework; WEF Measuring Stakeholder Capitalism and World Benchmarking Alliance (WBA) be adjusted to include for a dispute or grievance mechanism.

Principle 7: Environmental Justice requires that “Adverse environmental impacts should not be distributed in a manner that unfairly discriminates against any person, particularly vulnerable and disadvantaged persons” (DEAT, 2004:9). It is recommended that the sustainability indicators in the CDP (formerly the Carbon Disclosure Project);Climate Action 100+ Net Zero Company Benchmark Disclosure Indicators; IFRS Foundation International Sustainability Standards Board (ISSB);Integrated Reporting Committee (IRC);ISO 37000;South African Green Finance Taxonomy; Task Force on Climate-related Financial Disclosures (TCFD);UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines; Value Reporting Foundation: Integrated Reporting Framework and WEF Measuring Stakeholder Capitalism be adjusted to include that an organisation identify disadvantaged or vulnerable groups or individuals, and where these individuals and or groups are identified, the organisation must propose and implement specific measures to prevent adverse impacts from disproportionately affecting the disadvantaged or vulnerable groups, and that the disadvantaged or vulnerable groups share the same development benefits and opportunities as other individuals and groups.

Principle 14: Polluter Pays requires that “The costs of remedying pollution, environmental degradation and consequent adverse health effects and of preventing, controlling or minimising further pollution, environmental damage or adverse health effects must be paid for by those primarily responsible for causing these effects” (DEAT, 2004:10). It is recommended that the sustainability indicators in the European Sustainability Reporting Standards (ESRS); IFRS Foundation International Sustainability Standards Board (ISSB); Integrated Reporting Committee (IRC); ISO 37000; SDG Disclosure Recommendations; South African Green Finance Taxonomy; Task Force on Climate-related Financial Disclosures (TCFD); UN Global Compact (UNGC) Principles; Value Reporting Foundation: Integrated Reporting Framework; Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) and WEF Measuring Stakeholder Capitalism be adjusted to include that an organisation must be responsible for the cost of pollution caused by its activities according the degree to which the pollution exceeds an acceptable level, the extent of the environmental impact on society and the remedial action required.

Furthermore, it is recommended that the JSE in an update of their JSE Limited Sustainability Disclosure Guidance document recognise that Sustainability Reporting has been identified as a tool for realising the principles that underpin IEM in South Africa and subsequently recommend that the standards and frameworks that typically conform to these IEM Principles (i.e. GRI Sustainability Reporting Standards, the ISO 26000 standard and the OECD Guidelines for Multinational Enterprises) be considered when organisations in South Africa disclose on their sustainability.

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# APPENDIX 1: RESULTS FOR PRINCIPLE 1: ACCOUNTABILITY AND RESPONSIBILITY

| Sustainability reporting disclosure standards and frameworks | | Principle 1: Accountability and Responsibility | Notes on the findings from the sustainability performance indicators |
|---|---|---|---|
| 1 | CDP (formerly the Carbon Disclosure Project) | Full effect | The performance indicator of the CDP Climate Change 2022 Scoring Methodology (2022), the CDP Forests 2022 Scoring Methodology (2022) and the CDP Water Security 2022 Scoring Methodology (2022) provide that the position(s) of the individual(s) on the board with responsibility for climate-related, forest-related and water-related issues, be shown. In addition to the above, there are further performance indicators for the competence of and management level of these responsible persons. |
| 2 | Climate Action 100+ Net Zero Company Benchmark Disclosure Indicators | Full effect | The performance indicators of the Climate Action 100+ Net Zero Company Benchmark Disclosure Framework (2022) provide that the board should have sufficient capabilities/competencies to assess and manage climate related risks and opportunities. |
| 3 | Climate Disclosure Standards Board (CDSB) | Full effect | The performance indicators in the Climate Disclosure Standards Board (CDSB) Framework: provide that the chief executive officer (CEO)/senior executives/board committees responsible for environmental and social policies, strategies, and information be shown, and to explain the expertise they have, or have access to, about environmental and social issues. |
| 4 | European Sustainability Reporting Standards (ESRS) | Full effect | The performance indicators of the European Sustainability Reporting Standards (ESRS) show that companies should provide the expertise of their administrative, management, and supervisory bodies on sustainability matters or that they have access to such expertise and skills. |
| 5 | GRI Sustainability Reporting Standards (formerly Global Reporting Initiative | Full effect | The performance indicators of the Global Reporting Initiative Reporting Standards provide for a governance body, a formalized group of individuals responsible for the strategic guidance of the organisation, the effective monitoring of management, and the accountability of management to the broader organisation and its stakeholders. |
| 6 | IFC's Performance Standards on Environmental and Social Sustainability | Full effect | The performance indicators of the IFC's Performance Standards on Environmental and Social Sustainability provide for an Environmental and Social Sustainability policy to be formulated by a company and that the policy should describe the company's commitments, roles, and responsibilities related to environmental and social sustainability. |
| 7 | IFC's Toolkit for Disclosure and Transparency | Full effect | The performance indicators of the IFC's Toolkit for Disclosure and Transparency provide for board independence and the role of independent directors in accountability, oversight of the management, and management of conflicts. |
| 8 | IFRS Foundation International Sustainability Standards Board (ISSB) | Full effect | The performance indicators of the IFRS Foundation International Sustainability Standards Board (ISSB) provide that a company should provide for the governance processes, controls and procedures the company uses to check and manage sustainability-related risks and opportunities. |
| 9 | Integrated Reporting Committee (IRC) | Full effect | The performance indicators of the Integrated Reporting Committee (IRC) provide that the organisation's leadership structure, including the skills and diversity (e.g., range of backgrounds, gender, competence, and experience) of those charged with governance and whether regulatory requirements influence the design of the governance structure be shown, whilst describing the processes for decision-making and monitoring by the governing body and its committees. The IRC set out parameters in the board charter and the |

| Sustainability reporting disclosure standards and frameworks | | Principle 1: Accountability and Responsibility | Notes on the findings from the sustainability performance indicators |
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| | | | terms of reference of each committee are relevant. Furthermore, it is needed to provide an explanation of how the committees collaborate with each other (for instance, information flow and common membership), and how and when they report back and make recommendations to the governing body which retains overall responsibility. The explanation of processes covers areas such as strategy, risk, ethics, technology and information, compliance, and assurance. |
| 10 | ISO 26000 | Full effect | The performance indicators of the ISO 26000 provide an organisation should be accountable for its impacts on society, the economy, and the environment. |
| 11 | ISO 37000:2021 Governance of organisations | Full effect | The performance indicators of the ISO 37000 clarify that the governing body handles and accountable to the organisation as a whole. The standard further shows that accountability should be established through the assignment of, and agreeing to, responsibility and the delegation of authority and that the governing body can delegate but should demonstrate its willingness to answer for the fulfilment of its responsibilities, even where these have been delegated. |
| 12 | OECD Guidelines for Multinational Enterprises | Full effect | The performance indicators of the OECD Guidelines for Multinational Enterprises provide that companies should provide correct information on their products and have several options such as voluntary labelling or certification schemes. In using these instruments enterprises should take due account of their social and economic effects on developing countries and of existing internationally recognised standards. The Guidelines also encourage organisations to work to raise the level of environmental performance in all parts of their operations, even where this may not be formally required by existing practice in the countries in which they work. Organisations should take due account of their social and economic effects on developing countries. The Principles call on the board of the parent organisation to ensure the strategic guidance of the organisation, the effective monitoring of management and to be accountable to the organisation and to the shareholders, while taking into account the interests of stakeholders. In undertaking these responsibilities, the board needs to ensure the integrity of the organisation's accounting and financial reporting systems, including independent audit, control systems, in particular, risk management, and financial and operational control, and compliance with the law and relevant standards. The company should further assess, and address in decision-making, the foreseeable environmental, health, and safety-related impacts associated with the processes, goods and services of the enterprise over their full life cycle to avoid or, when unavoidable, mitigate them. Where these proposed activities may have significant environmental, health, or safety impacts, and where they are subject to a decision of a competent authority, companies must prepare an appropriate environmental impact assessment. |
| 13 | SDG Disclosure Recommendations | Full effect | The performance indicators of the SDG Disclosure Recommendations provide that SDG Disclosures should reflect the outcome of the reporting organisation's process to show its key stakeholder groups, including communities it impacts, and should explain how it has responded to their reasonable expectations and interests. |
| 14 | South African Green Finance Taxonomy | Partial effect | The performance indicators of the South African Green Finance Taxonomy provide for transparency in public reporting, and transparency in communication of the standards documents and processes, however, no specific reference is made to responsibility |

| Sustainability reporting disclosure standards and frameworks | | Principle 1: Accountability and Responsibility | Notes on the findings from the sustainability performance indicators |
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| | | | and accountability. |
| 15 | Task Force on Climate-related Financial Disclosures (TCFD) | Full effect | The performance indicators of the Task Force on Climate-related Financial Disclosures (TCFD) provide that a company show its governance around climate related risks and opportunities and to describe the board's oversight of climate-related risks and opportunities and to describe management's role in assessing and managing climate-related risks and opportunities. |
| 16 | UN Global Compact (UNGC) Principles | Full effect | The performance indicators of the UN Global Compact (UNGC) Principles provide that full buy-in from the chief executive and the board of directors is essential to orient a company towards. |
| 17 | UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines | Full effect | The performance indicators of the UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines provide as a practical first measure, that it is useful to determine within a company the roles, responsibilities and capabilities that are relevant for ESG reporting, including identifying appropriate personnel and coordinating among them and that senior management can lead the process by demonstrating commitment to high-quality reporting and providing strategic input into, and oversight over, the process. Furthermore, that any team working on ESG reporting should have access to input from across the functional divisions of a company, as distinct functions within the company may be engaging with different stakeholders and managing material issues and that a company's board of directors can play an essential role in relation to integration and oversight, as the board of directors has responsibility for oversight of the strategic direction of a company. |
| 18 | Value Reporting Foundation: Integrated Reporting Framework | Full effect | The performance indicators of the Value Reporting Foundation: Integrated Reporting Framework provide that the person(s) or organisation(s) (e.g., the board of directors or a corporate trustee) are charged with responsibility for overseeing the strategic direction of an organisation and its obligations with respect to accountability and stewardship and that some organisations and jurisdictions, those charged with governance may include executive management. |
| 19 | Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) | Full effect | The performance indicators of the Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) show that a company should provide a summary of the governance framework that outlines the accountability from management from the site level through to executive leadership and the board of directors. |
| 20 | WEF Measuring Stakeholder Capitalism | Full effect | The performance indicators of the WEF Measuring Stakeholder Capitalism provide that a committee or board responsible should offer the strategic guidance of the organisation, the effective monitoring of management and the accountability of management to the broader organisation and its stakeholders. |
| 21 | World Benchmarking Alliance (WBA) | Full effect | The performance indicators of the World Benchmarking Alliance (WBA) provide that a committee or board responsible should offer the strategic guidance of the organisation, the effective monitoring of management and the accountability of management to the broader organisation and its stakeholders. The WBA further provides that the company should have a governance system that includes highest level responsibility and accountability for its sustainability goals and targets |

# APPENDIX 2: RESULTS FOR PRINCIPLE 2: ADAPTIVE

| Sustainability reporting disclosure standards and frameworks | | Principle 2: Adaptive | Notes on the findings from the sustainability performance indicators |
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| 1 | CDP (formerly the Carbon Disclosure Project) | Full effect | The performance indicator of the CDP Climate Change 2022 Scoring Methodology (2022), the CDP Forests 2022 Scoring Methodology (2022) and the CDP Water Security 2022 Scoring Methodology (2022) provide that the organisation must have a process for identifying, assessing, and responding to climate-related, forest-related and water-related risks and opportunities. |
| 2 | Climate Action 100+ Net Zero Company Benchmark Disclosure Indicators | Full effect | The performance indicators of the Climate Action 100+ Net Zero Company Benchmark Disclosure Framework (2022) provide that the company ensures that its decarbonisation efforts and new projects are developed in consultation and seek the consent of affected communities. |
| 3 | Climate Disclosure Standards Board (CDSB) | Full effect | The performance indicators in the Climate Disclosure Standards Board (CDSB) Framework: provide that organisation's environmental and social results compare with results for earlier reporting periods and with performance targets set in previous periods. |
| 4 | European Sustainability Reporting Standards (ESRS) | Full effect | The performance indicators of the European Sustainability Reporting Standards (ESRS) provide disclosure actions and resources in relation to material sustainability matters. |
| 5 | GRI Sustainability Reporting Standards (formerly Global Reporting Initiative | Full effect | The performance indicators of the Global Reporting Initiative Reporting Standards provide tools and methodologies for identifying impacts that include life cycle assessments, environmental impact assessments, water footprint assessments, scenario analysis, and stakeholder engagement. |
| 6 | IFC's Performance Standards on Environmental and Social Sustainability | Full effect | The performance indicators of the IFC's Performance Standards on Environmental and Social Sustainability provide the importance of managing environmental and social performance throughout the life of a project. |
| 7 | IFC's Toolkit for Disclosure and Transparency | Full effect | The performance indicators of the IFC's Toolkit for Disclosure and Transparency provide that the disclosure report should describe the structure and processes in place to ensure that ESG issues are periodically reviewed and addressed at the board level; by a corporate governance committee; and a committee or subcommittee to review sustainability issues. |
| 8 | IFRS Foundation International Sustainability Standards Board (ISSB) | Full effect | The performance indicators of the IFRS Foundation International Sustainability Standards Board (ISSB) provide metrics and targets to evaluate the entity's performance in relation to sustainability-related risks and opportunities, including progress towards any targets the entity has set or is required to meet by law or regulation. |
| 9 | Integrated Reporting Committee (IRC) | Full effect | The performance indicators of the Integrated Reporting Committee (IRC) provide that the organisation's ability to innovate may be critical to its strategic direction, business model, and longer-term viability. Information about the actions taken by the governing body to promote and facilitate innovation throughout the organisation must be provided to inform users. |
| 10 | ISO 26000 | Full effect | The performance indicators of the ISO 26000 provide for a life cycle approach. The standard provides that the main objectives of a life cycle approach are to reduce the environmental impacts of products and services as well as to improve their socio-economic performance throughout their life cycle, that is, from the extraction of raw materials and energy generation, through production and use, to end-of-life disposal or recovery. The standard further indicates that an organisation should focus on innovations, not only on compliance, and should commit to continuous improvements in its environmental performance; |

| Sustainability reporting disclosure standards and frameworks | | Principle 2: Adaptive | Notes on the findings from the sustainability performance indicators |
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| 11 | ISO 37000:2021 Governance of organisations | Full effect | The performance indicators of the ISO 37000 require the governing body to define a clear and transparent value generation model that defines, creates, delivers, and sustains appropriate value. |
| 12 | OECD Guidelines for Multinational Enterprises | Full effect | The performance indicators of the OECD Guidelines for Multinational Enterprises require that companies must assess, and address in decision-making, the foreseeable environmental, health, and safety-related impacts associated with the processes, goods and services of the enterprise over their full life cycle to avoid or, when unavoidable, mitigate them. Furthermore, whether these proposed activities may have significant environmental, health, or safety impacts, and whether they are subject to a decision of a competent authority. |
| 13 | SDG Disclosure Recommendations | Full effect | The performance indicators of the SDG Disclosure Recommendations provide that a company should identify and respond to external environmental factors including sustainable development risks and opportunities and that value creation (or destruction) involves the transformation of multiple capitals: social and relationship capital, natural capital, human capital, intellectual capital, financial capital, and manufactured capital. The standard further requires that the value creation process should involve trade-offs to impact on the achievement of the SDGs. |
| 14 | South African Green Finance Taxonomy | Full effect | The performance indicators of the South African Green Finance Taxonomy consider an economic activity to contribute substantially to climate change adaptation where: a) That economic activity includes adaptation solutions that either substantially reduce the risk of adverse impact or substantially reduce the adverse impact of the current and expected future climate on that economic activity itself without increasing the risk of an adverse impact on other people, nature and assets; or where b) That economic activity provides adaptation solutions that contribute substantially to preventing or reducing the risk of adverse impact or substantially reduces the adverse impact of the current and expected future climate on other people, nature or assets, without increasing the risk of an adverse impact on other people, nature and assets. Furthermore, the adaptation solutions referred to in point (a) above must be assessed and prioritised using the best available climate projections and must, as a minimum, prevent or reduce: 1) the location-specific and context-specific adverse impact of climate change on the economic activity; or 2) the adverse impact that climate change may have on the environment within which the economic activity takes place. |
| 15 | Task Force on Climate-related Financial Disclosures (TCFD) | Full effect | The performance indicators of the Task Force on Climate-related Financial Disclosures (TCFD) provide that organisations should describe their key climate-related targets such as those related to greenhouse gas (GHG) emissions, water usage, energy usage, etc., in line with anticipated regulatory requirements or market constraints or other goals. Other goals may include efficiency or financial goals, financial loss tolerances, avoided GHG emissions through the entire product life cycle, or net revenue goals for products and services designed for a lower-carbon economy. The TCFD further provides that in describing targets, an organisation should consider including the following: whether the target is absolute, or intensity-based, time frames over which the target applies, base year from which progress is measured, and key performance indicators used to assess progress against targets. |
| 16 | UN Global Compact (UNGC) Principles | Full effect | The performance indicators of the UN Global Compact (UNGC) Principles provide for life-cycle assessment to be conducted. |
| 17 | UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines | Full effect | The performance indicators UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines provide that the guidance should not be viewed as a one size fits all text, but a flexible template that exchanges can adapt and modify to meet their own circumstances for promoting best practice voluntary reporting. Furthermore, exchanges are encouraged to |

| Sustainability reporting disclosure standards and frameworks | | Principle 2: Adaptive | Notes on the findings from the sustainability performance indicators |
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| | | | adapt the questions to better suit the needs of their listed companies and incorporate them in the appropriate sections of their own, customised version of the Model Guidance. |
| 18 | Value Reporting Foundation: Integrated Reporting Framework | Full effect | The performance indicators of the Value Reporting Foundation: Integrated Reporting Framework provide that companies should have a business model and indicate what changes to that business model might be necessary to implement chosen strategies to provide an understanding of the organisation's ability to adapt to change. |
| 19 | Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) | Full effect | The performance indicators of the Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) indicate that the scope of disclosure must include a summary of plans, procedures, and policies for the entity's active and inactive tailings storage facilities for all phases of the life cycle, including closure and post-closure. Furthermore, that entities who have an effective environmental management plan for different stages of the project lifecycle will minimise their compliance costs and legal liabilities, face less resistance in developing new mines, and avoid difficulties in obtaining permits, accessing reserves, and facing delays in project completion. |
| 20 | WEF Measuring Stakeholder Capitalism | Full effect | The performance indicators of the WEF Measuring Stakeholder Capitalism provide that it is important for companies to understand the relevance of environmental impacts to long-term value creation and basic commercial viability and to consider those impacts along the full value chain or life cycle of products or services. |
| 21 | World Benchmarking Alliance (WBA) | Full effect | The performance indicators of the World Benchmarking Alliance (WBA) provide that a company should have a corporate sustainability strategy that prioritises and embeds sustainability objectives and targets that would help the company to deliver on key Sustainable Development Goals (SDGs). Furthermore, the corporate sustainability strategy should facilitate the company's ability to adapt and change through forward planning, increasing its resilience, managing risks, and protecting workers, the company, and society at large. |

# APPENDIX 3: RESULTS FOR PRINCIPLE 3: ALTERNATIVE OPTIONS

| Sustainability reporting disclosure standards and frameworks | | Principle 3: Alternative options | Notes on the findings from the sustainability performance indicators |
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| 1 | CDP (formerly the Carbon Disclosure Project) | Full effect | The performance indicators of the Climate Change 2022 Scoring Methodology (2022) provide that a company should undertake organisational-level emissions reduction initiatives. The performance indicators of the CDP Forests 2022 Scoring Methodology (2022) provide that an organisation must make a public commitment to reduce or remove deforestation and/or forest degradation from its direct operations and/or supply chain. The performance indicator of the CDP Water Security 2022 Scoring Methodology (2022) provides that a company should describe its approach to setting and monitoring water-related targets and/or goals. |
| 2 | Climate Action 100+ Net Zero Company Benchmark Disclosure Indicators | Full effect | The performance indicators of the Climate Action 100+ Net Zero Company Benchmark Disclosure Framework (2022) require that a company has a decarbonisation strategy that explains how it intends to meet its long and medium-term GHG reduction targets. Furthermore, the company finds the set of actions it intends to take to achieve its GHG reduction targets over the targeted timeframe, and that the company quantifies key elements of this strategy with respect to the major sources of its emissions, including Scope 3 emissions where applicable (e.g., changing technology or product mix, supply chain measures). |
| 3 | Climate Disclosure Standards Board (CDSB) | Full effect | The performance indicators in the Climate Disclosure Standards Board (CDSB) Framework provide that a company should show the capacity to innovate (for example, whether a renewable alternative offers opportunities to the organisation in maximising its ability to create value). |
| 4 | European Sustainability Reporting Standards (ESRS) | Full effect | The performance indicators of the European Sustainability Reporting Standards (ESRS) provide that companies show in a statement its actions to address those adverse impacts. |
| 5 | GRI Sustainability Reporting Standards (formerly Global Reporting Initiative | Full effect | The performance indicators of the Global Reporting Initiative Reporting Standards provide that a scenario analysis be conducted by companies that considers alternative situations to assess future outcomes, and that the scenario analysis should include various methodologies, qualitative and quantitative to consider alternative forms of future states simultaneously. |
| 6 | IFC's Performance Standards on Environmental and Social Sustainability | Full effect | The performance indicators of the IFC's Performance Standards on Environmental and Social Sustainability provide that a company mitigates impact by avoidance, and when avoidance is not possible, minimize displacement by exploring alternative project designs. |
| 7 | IFC's Toolkit for Disclosure and Transparency | Full effect | The performance indicators of the IFC's Toolkit for Disclosure and Transparency provide that companies should report on strategy and management systems they have in place to manage and monitor the core environmental and social issues and that companies should adopt a mitigation hierarchy to anticipate and avoid, or where avoidance is not possible, minimize impacts and, where residual impacts remain, compensate for or offset risks and impacts to workers, affected communities, and the environment. |
| 8 | IFRS Foundation International Sustainability Standards Board (ISSB) | Full effect | The performance indicators of the IFRS Foundation International Sustainability Standards Board (ISSB) show that companies should describe the alternatives that an entity evaluated in setting its strategy in response to its sustainability-related risks and opportunities, including a description of the trade-offs between those risks and opportunities that the entity considered. |

| Sustainability reporting disclosure standards and frameworks | | Principle 3: Alternative options | Notes on the findings from the sustainability performance indicators |
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| 9 | Integrated Reporting Committee (IRC) | Partial effect | The performance indicators of the Integrated Reporting Committee (IRC) do not provide for specific alternative options, however to an extent the indicators provide for an explanation by companies of the processes followed for strategy, risk, ethics, technology and information, compliance, and assurance. |
| 10 | ISO 26000 | Full effect | The performance indicators of ISO 26000 provide that companies should strive for cleaner production and eco-efficiency and that these are strategies for satisfying human needs by using resources more efficiently and by generating less pollution and waste. Also, companies should focus on making improvements at the source rather than at the end of a process or activity. Cleaner and safer production and eco-efficiency approaches mentioned in the standard include improving maintenance practices; upgrading or introducing modern technologies or processes; reducing materials and energy use; using renewable energy; rationalizing the use of water; eliminating or safely managing toxic and hazardous materials and wastes; and improving product and service design. |
| 11 | ISO 37000:2021 Governance of organisations | No effect | The performance indicators of the ISO 37000 do not provide any reference to alternative options. |
| 12 | OECD Guidelines for Multinational Enterprises | Full effect | The performance indicators of the OECD Guidelines for Multinational Enterprises provide that enterprises should carry out appropriate environmental impact assessments, even if they are not required by law, as environmental assessments made by the enterprise may contain a broad and forward-looking view of the potential impacts of an enterprise's activities and of activities of sub-contractors and suppliers, addressing relevant impacts and examining alternatives and mitigation measures to avoid or redress adverse impacts. The Guidelines also recognise that multinational enterprises have certain responsibilities in other parts of the product life cycle. |
| 13 | SDG Disclosure Recommendations | Full effect | The performance indicators of the SDG Disclosure Recommendations provide that a value creation approach be followed that also involves trade-offs in impact on the achievement of the SDGs. |
| 14 | South African Green Finance Taxonomy | Full effect | The performance indicators of the South African Green Finance Taxonomy provide that companies use alternative schemes as proxies, set up schemes such as 'green building' certifications or building regulations and standards may be used as alternative proof of eligibility. The organisation responsible for the scheme will be able to apply for official recognition of its scheme by presenting evidence that a specific level of certification/regulation can be considered equivalent (or superior) to the taxonomy mitigation for the relevant climatic zone and building type. Furthermore, that the official recognition of a scheme is confirmed and identified through inclusion in the relevant metrics and thresholds as an alternative approach in future taxonomy updates. |
| 15 | Task Force on Climate-related Financial Disclosures (TCFD) | Full effect | The performance indicators of the Task Force on Climate-related Financial Disclosures (TCFD) provide that countries will need to transition a major percentage of their energy generation to low emission alternatives such as wind, solar, wave, tidal, hydro, geothermal, nuclear, biofuels, and carbon capture and storage. Furthermore, that organisations that shift their energy usage toward low emission energy sources could potentially save on annual energy costs. |
| 16 | UN Global Compact (UNGC) Principles | Full effect | The performance indicators of the UN Global Compact (UNGC) Principles provide for that companies should encourage the |

| Sustainability reporting disclosure standards and frameworks | | Principle 3: Alternative options | Notes on the findings from the sustainability performance indicators |
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| | | | development and diffusion of environmentally friendly technologies. |
| 17 | UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines | **No effect** | The performance indicators of the UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines do not provide any reference to alternative options. |
| 18 | Value Reporting Foundation: Integrated Reporting Framework | Full effect | The performance indicators of the Value Reporting Foundation: Integrated Reporting Framework show that a culture of innovation is often a key business activity in terms of generating new products and services that anticipate customer demand, introducing efficiencies and better use of technology, substituting inputs to minimize adverse social or environmental effects, and finding alternative uses for outputs. |
| 19 | Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) | Full effect | The performance indicators of the Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) show that the way in which an entity manages its overall energy efficiency and intensity, its reliance on diverse types of energy, and its ability to access alternative sources of energy, is a material factor to be disclosed. |
| 20 | WEF Measuring Stakeholder Capitalism | Full effect | The performance indicators of the WEF Measuring Stakeholder Capitalism provide that companies disclose on alternatives. |
| 21 | World Benchmarking Alliance (WBA) | Full effect | The performance indicators of the World Benchmarking Alliance (WBA) identified seven systems of alternatives that companies should consider; these are indicated as:<br>• Social transformation: achieve universal human development by respecting human rights, promoting equality, and empowering people to pursue the opportunities and choices they value.<br>• Food and agriculture transformation: produce healthy and nutritious food to feed a growing world population while staying within planetary boundaries and ensure a decent standard of living for farmers, fishers and their families.<br>• Decarbonisation and energy transformation: provide universal access to modern energy services while significantly reducing the world's dependency on carbon-based energy.<br>• Circular transformation: decouple consumption and production from natural resource use and design out waste and pollution.<br>• Digital transformation: harness the potential and benefits of digital technologies for all while managing risks, including safeguarding against undesirable effects.<br>• Urban transformation: create sustainable, inclusive and connected cities that are safe, resilient and clean.<br>• Financial system transformation: reorient the flow of resources and exercise good stewardship to accelerate the economy's transition towards long-term sustainable development. |

# APPENDIX 4: RESULTS FOR PRINCIPLE 4: COMMUNITY EMPOWERMENT

| Sustainability reporting disclosure standards and frameworks | | Principle 4: Community Empowerment | Notes on the findings from the sustainability performance indicators |
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| 1 | CDP (formerly the Carbon Disclosure Project) | Full effect | The performance indicator of the CDP Climate Change 2022 Scoring Methodology (2022) provides that a company should allocate its emissions to its customers according to the goods or services sold to them in the reporting period and to give details on the climate related engagement strategy with customers (This includes engagement campaigns to educate customers and encourage innovation to reduce climate change impacts). The CDP Forests 2022 Scoring Methodology (2022) has an indicator where a company must show if they are collaborating with smallholders to support good agricultural practices and reduce deforestation and/or conversion of natural ecosystems and the CDP Water Security 2022 Scoring Methodology (2022) provide that companies disclose details of any other water-related supplier engagement activity. |
| 2 | Climate Action 100+ Net Zero Company Benchmark Disclosure Indicators | No effect | The Climate Action 100+ Net Zero Company Benchmark Disclosure Indicators do not provide for any performance indicators related to community empowerment where the community's well-being and empowerment is be promoted through knowledge sharing and awareness raising programmes. |
| 3 | Climate Disclosure Standards Board (CDSB) | No effect | The Climate Disclosure Standards Board (CDSB) does not provide for any performance indicators related to community empowerment where the community's well-being and empowerment is be promoted through knowledge sharing and awareness raising programmes. |
| 4 | European Sustainability Reporting Standards (ESRS) | No effect | The European Sustainability Reporting Standards (ESRS) do not provide for any performance indicators related to community empowerment where the community's well-being and empowerment is be promoted through knowledge sharing and awareness raising programmes. |
| 5 | GRI Sustainability Reporting Standards (formerly Global Reporting Initiative | Full effect | The performance indicators of the Global Reporting Initiative Reporting Standards provide that an organisation must describe how it takes part in discussions with stakeholders, the frequency of this engagement, and its role in these discussions. The standards further provide that the outcomes of collaborating with stakeholders may include, for example, collective target-setting for water use, increased investment in infrastructure, policy advocacy, and capacity building and awareness raising. The standard also specifically requires companies to engage with consumers to raise awareness about sustainable consumption practices, such as reduced purchasing of products, product sharing, exchange, reuse, and recycling. |
| 6 | IFC's Performance Standards on Environmental and Social Sustainability | No effect | The IFC's Performance Standards on Environmental and Social Sustainability do not provide for any performance indicators related to community empowerment where the community's well-being and empowerment is promoted through knowledge sharing and awareness raising programmes. |
| 7 | IFC's Toolkit for Disclosure and Transparency | Partial effect | The performance indicators of the IFC's Toolkit for Disclosure and Transparency allow for customer Training Forums, however, these are only focused on employee training and not on the community. |
| 8 | IFRS Foundation International Sustainability Standards Board (ISSB) | No effect | The IFRS Foundation International Sustainability Standards Board (ISSB) does not provide for any performance indicators related to community empowerment where the community's well-being and empowerment is promoted through knowledge sharing and awareness raising programmes. |
| 9 | Integrated Reporting | Partial effect | The performance indicators of the Integrated Reporting Committee (IRC) provide that commentary by the governing body on the quality of the organisation's relationships with key stakeholders is material in |

| Sustainability reporting disclosure standards and frameworks | | Principle 4: Community Empowerment | Notes on the findings from the sustainability performance indicators |
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| | Committee (IRC) | | assessing the organisation's prospects. Disclosure of how the governing body considers and responds to stakeholders' needs, interests, and expectations is a demonstration of integrated thinking. Commentary on the quality of key stakeholder relationships, and how the organisation has responded to those stakeholders' needs, interests, and expectations, is relevant to the prospects of the organisation. Similarly, commentary on its plans to secure the strategic resources needed to achieve the organisation's strategic objectives in the future adds value to reporting. However, no specific reference is made to training programmes and awareness raising amongst the community. |
| 10 | ISO 26000 | Full effect | The performance indicators of the ISO 26000 provide that organisations should invest their resources in initiatives and programmes aimed at improving social aspects of community life. Types of social investments may include projects related to education, training, culture, health care, income generation, infrastructure development, improving access to information, or any other activity likely to promote economic or social development. |
| 11 | ISO 37000:2021 Governance of organisations | No effect | The ISO 37000 does not provide for any performance indicators related to community empowerment where the community's well-being and empowerment is be promoted through knowledge sharing and awareness raising programmes. |
| 12 | OECD Guidelines for Multinational Enterprises | Full effect | The performance indicators of the OECD Guidelines for Multinational Enterprises provide that companies should promote awareness of and compliance by workers employed with respect to company policies through appropriate dissemination of these policies, including through training programmes. Also, that companies should contribute to the development of environmentally meaningful and economically efficient public policy, for example, by means of partnerships or initiatives that will enhance environmental awareness and protection. |
| 13 | SDG Disclosure Recommendations | No effect | The SDG Disclosure Recommendations do not provide for any performance indicators related to community empowerment where the community's well-being and empowerment is be promoted through knowledge sharing and awareness raising programmes. |
| 14 | South African Green Finance Taxonomy | Partial effect | The performance indicators of the South African Green Finance Taxonomy provide that international and multi-factor coordination regarding domestically-appropriate, internationally-compatibly taxonomies' development continues and that the work of developing the first national Green Finance Taxonomy and the national dialogue that has been central to it, has itself contributed substantially to advancement of awareness more broadly, of our national and international role and possibilities for change. |
| 15 | Task Force on Climate-related Financial Disclosures (TCFD) | No effect | The Task Force on Climate-related Financial Disclosures (TCFD) does not provide for any performance indicators related to community empowerment where the community's well-being and empowerment is be promoted through knowledge sharing and awareness raising programmes. |
| 16 | UN Global Compact (UNGC) Principles | Full effect | The performance indicators of the UN Global Compact (UNGC) Principles provide for that companies should take part in a range of activities at the international and local levels from raising awareness and developing resources and best practices, to facilitating partnerships and developing action initiatives on critical issues like climate, water and women's empowerment. |
| 17 | UN Sustainable Stock Exchanges | Full effect | The performance indicators UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines require companies to publicise any ESG |

| Sustainability reporting disclosure standards and frameworks | | Principle 4: Community Empowerment | Notes on the findings from the sustainability performance indicators |
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| | Initiative Model Reporting Guidelines | | trainings or education programmes in which companies have taken part. Also, to show the training and other educational resources offered by the company or relevant third parties on market specific ESG issues and best practices, such as online training programmes. |
| 18 | Value Reporting Foundation: Integrated Reporting Framework | No effect | The Value Reporting Foundation: Integrated Reporting Framework does not provide for any performance indicators related to community empowerment where the community's well-being and empowerment is be promoted through knowledge sharing and awareness raising programmes. |
| 19 | Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) | Full effect | The performance indicators of the Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) provide that companies should adopt a "shared value" approach to provide a key socio-economic benefit to the community while allowing the entity to profitably operate. |
| 20 | WEF Measuring Stakeholder Capitalism | Partial effect | The performance indicators of the WEF Measuring Stakeholder Capitalism provide that a company should invest in relevant training programmes that will help the organisations fill vacant skilled positions, thereby improving productivity and reducing employee turnover. However, this only relates to employees and not to an extent the whole community. |
| 21 | World Benchmarking Alliance (WBA) | Full effect | The performance indicators of the World Benchmarking Alliance (WBA) show that a company should explain more than just how it observes or monitors its business relationships, as part of its work to support business relationships in relation to freedom of association and collective bargaining (For example, with respect to its suppliers, it should provide training to them or conduct joint projects with them). |

# APPENDIX 5: RESULTS FOR PRINCIPLE 5: CONTINUAL IMPROVEMENT

| Sustainability reporting disclosure standards and frameworks | | Principle 5: Continual improvement | Notes on the findings from the sustainability performance indicators |
|---|---|---|---|
| 1 | CDP (formerly the Carbon Disclosure Project) | Full effect | The performance indicator of the CDP Climate Change 2022 Scoring Methodology (2022) provides for targets and performance in line with the organisation's policy, the CDP Forests 2022 Scoring Methodology (2022) provides that companies disclose on commodity specific sustainability policy(ies) and the CDP Water Security 2022 Scoring Methodology (2022) provide that the organisation should have a water policy in line with the SDGs. |
| 2 | Climate Action 100+ Net Zero Company Benchmark Disclosure Indicators | Full effect | The performance indicators of the Climate Action 100+ Net Zero Company Benchmark Disclosure Framework (2022) provide that the company publicly committed to implement the recommendations of the Task Force on Climate related Financial Disclosures (TCFD) by committing to aligning its disclosures with the TCFD recommendations or listed as a supporter on the TCFD website and the company explicitly signposts TCFD aligned disclosures in its annual reporting or publish them in a TCFD report. |
| 3 | Climate Disclosure Standards Board (CDSB) | Full effect | The performance indicators in the Climate Disclosure Standards Board (CDSB) Framework provide that companies provide information about the targets, timelines, and key performance indicators against which delivery of environmental and social strategies and policies are assessed. |
| 4 | European Sustainability Reporting Standards (ESRS) | Full effect | The performance indicators of the European Sustainability Reporting Standards (ESRS) provide that companies track effectiveness of policies and actions through targets, including information on how the target is monitored and reviewed, whether the progress is in line with what had been initially planned, and an analysis of trends or significant changes in the performance of the undertaking towards achieving the target. |
| 5 | GRI Sustainability Reporting Standards (formerly Global Reporting Initiative | Full effect | The performance indicators of the Global Reporting Initiative Reporting Standards provide that an organisation shall describe the actual and potential, negative and positive impacts on the economy, environment, and people, including impacts on their human rights and report whether the organisation is involved with the negative impacts through its activities or as a result of its business relationships. Furthermore, to describe the activities or business relationships; describe its policies or commitments regarding the material topic; describe actions taken to manage the topic and related impacts, including. actions to prevent or mitigate potential negative impacts; actions to address actual negative impacts, including actions to provide for or cooperate in their remediation and actions to manage actual and potential positive impacts. Also, to report the processes used to track the effectiveness of the actions; goals, targets, and indicators used to evaluate progress; the effectiveness of the actions, including progress toward the goals and targets; lessons learned and how these have been incorporated into the organisation's operational policies and procedures; describe how engagement with stakeholders has informed the actions taken and how it has informed whether the actions have been effective. |
| 6 | IFC's Performance Standards on Environmental and Social Sustainability | Full effect | The performance indicators of the IFC's Performance Standards on Environmental and Social Sustainability require companies to apply the standards to manage environmental and social risks and impacts so that development opportunities are enhanced. |
| 7 | IFC's Toolkit for Disclosure and Transparency | Full effect | The performance indicators of the IFC's Toolkit for Disclosure and Transparency provide that companies provide a description and link to their environmental and social policy approved by senior management. |

| Sustainability reporting disclosure standards and frameworks | | Principle 5: Continual improvement | Notes on the findings from the sustainability performance indicators |
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| 8 | IFRS Foundation International Sustainability Standards Board (ISSB) | Full effect | The performance indicators of the IFRS Foundation International Sustainability Standards Board (ISSB) provide that a company shall disclose information about the targets it has set to monitor progress towards achieving its strategic goals, and any targets it is required to meet by law or regulation. For each target, the entity shall disclose: the metric used to set the target and to monitor progress towards reaching the target; the specific quantitative or qualitative target the entity has set or is required to meet; the period over which the target applies; the base period from which progress is measured; any milestones and interim targets; performance against each target and an analysis of trends or changes in the entity's performance; and any revisions to the target and an explanation for those revisions. |
| 9 | Integrated Reporting Committee (IRC) | Partial effect | The performance indicators of the Integrated Reporting Committee (IRC) provide that particular actions those charged with governance have taken to influence and monitor the strategic direction of the organisation and its approach to risk management. Showing how the governing body has applied integrated thinking in considering the organisation's inputs to outcomes is relevant to the value creation process and assists users in making an informed assessment of the quality of the organisation's governance. |
| 10 | ISO 26000 | Full effect | The performance indicators of the ISO 26000 provide that companies should use relevant technical tools, such as standards from the ISO 14000 series of standards as an overall framework to assist an organisation in addressing environmental issues in a systematic manner and should be considered when evaluating environmental performance, quantifying and reporting greenhouse gas emissions, and in life cycle assessment, design for the environment, environmental labelling and environmental communication. It should include in a due diligence process, in a manner appropriate to the organisation's size and circumstances, the following components:<br><br>• organisational policies related to the relevant core subject that give meaningful guidance to those within the organisation and those intricately linked to the organisation;<br>• means of assessing how existing and proposed activities may affect those policy goals;<br>• means of integrating social responsibility core subjects throughout the organisation;<br>• means of tracking performance over time, to be able to make necessary adjustments in priorities and approach; and<br>• appropriate actions to address the negative impacts of its decisions and activities.<br><br>In identifying potential areas for action, an organisation should strive to better understand challenges and dilemmas from the perspective of the individuals and groups potentially harmed. |
| 11 | ISO 37000:2021 Governance of organisations | Partial effect | The performance indicators of the ISO 37000 clarify that the governing body should direct and engage with the organisational strategy, in accordance with the value generation model, to fulfil the organisational purpose. The governing body sets the strategic outcomes, establishes governance policies to guide the strategy development, and engages in strategic planning. However, no mention is made of specifically environmental performance. |
| 12 | OECD Guidelines for Multinational Enterprises | Full effect | The performance indicators of the OECD Guidelines for Multinational Enterprises provide that companies should continually seek to improve corporate environmental performance by encouraging such activities as: |

| Sustainability reporting disclosure standards and frameworks | | Principle 5: Continual improvement | Notes on the findings from the sustainability performance indicators |
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| | | | • adoption of technologies and operating procedures in all parts of the enterprise that reflect standards concerning environmental performance in the best performing part of the enterprise;<br>• development and provision of products or services that have no undue environmental impacts; are safe in their intended use; reduce greenhouse gas emissions; are efficient in their consumption of energy and natural resources; can be reused, recycled, or disposed of safely;<br>• promoting higher levels of awareness among customers of the environmental implications of using the products and services of the enterprise, including, by providing accurate information on their products (for example, on greenhouse gas emissions, biodiversity, resource efficiency, or other environmental issues); and<br>• exploring and assessing ways of improving the environmental performance of the enterprise over the longer term, for instance by developing strategies for emission reduction, efficient resource utilisation and recycling, substitution or reduction of use of toxic substances, or strategies on biodiversity. |
| 13 | SDG Disclosure Recommendations | Full effect | The performance indicators of the SDG Disclosure Recommendations provide that SDG Disclosures should reflect the extent to which consideration of the SDGs, and the sustainable development issues that they address, are integrated into the organisation's processes. This includes processes for considering risk and opportunity that influence strategy and the organisation's business model to create long term value for the organisation and society. |
| 14 | South African Green Finance Taxonomy | Full effect | The performance indicators of the South African Green Finance Taxonomy provide that companies should reduce financial sector risks through enhanced management of environmental and social performance. |
| 15 | Task Force on Climate-related Financial Disclosures (TCFD) | Full effect | The performance indicators of the Task Force on Climate-related Financial Disclosures (TCFD) provide that companies describe the targets used by the organisation to manage climate-related risks and opportunities and performance against targets. Also, whether the board and/or board committees consider climate-related issues when reviewing and guiding strategy, major plans of action, risk management policies, annual budgets, and business plans as well as setting the organisation's performance objectives, monitoring implementation and performance, and overseeing major capital expenditures, acquisitions, and divestitures. Organisation's disclosures should allow for meaningful comparisons of strategy, business activities, risks, and performance across organisations and within sectors and jurisdictions. An organisation's reporting should provide a thorough overview of its exposure to potential climate-related impacts; the potential nature and size of such impacts; the organisation's governance, strategy, processes for managing climate-related risks, and performance with respect to managing climate-related risks and opportunities. |
| 16 | UN Global Compact (UNGC) Principles | Full effect | The performance indicators of the UN Global Compact (UNGC) Principles provide for Global Compact participants to rank supply chain practices as the biggest challenge to improving their sustainability performance, with the aim to achieve higher levels of performance, tackle challenging and frontier corporate sustainability issues, and also encourage greater action by the broader business universe. Furthermore, the UNGC Principles provide for monitoring and evaluation of the performance to be conducted. |

| Sustainability reporting disclosure standards and frameworks | | Principle 5: Continual improvement | Notes on the findings from the sustainability performance indicators |
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| 17 | UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines | Full effect | The performance indicators UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines provide that while reporting provides decision-useful information for stakeholders, the process of compiling this information can also strengthen internal reporting systems beneficial to the management of a company and that there is a need for clear links between strategic goals, the business model, risks, opportunities, operational indicators and financial performance. The UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines provide that with strong connections between these areas, a company becomes better able to identify and manage risk, evaluate and measure success, as well as identify future challenges and opportunities. An integrated report should be concise communication about how an organisation's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value over the short, medium and long term and how can the company use their feedback to improve performance. |
| 18 | Value Reporting Foundation: Integrated Reporting Framework | Full effect | The performance indicators of the Value Reporting Foundation: Integrated Reporting Framework provides that companies should create a linkage between past and current performance, and between current performance and the organisation's outlook. |
| 19 | Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) | Full effect | The performance indicators of the Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) provide that a company should provide a description of its environmental management policies and practices. |
| 20 | WEF Measuring Stakeholder Capitalism | Full effect | The performance indicators of the WEF Measuring Stakeholder Capitalism provides a core set of "Stakeholder Capitalism Metrics" and disclosures that can be used by members to align their mainstream reporting on performance against environmental, social and governance (ESG) indicators and track their contributions towards the SDGs on a consistent basis. |
| 21 | World Benchmarking Alliance (WBA) | Full effect | The performance indicators of the World Benchmarking Alliance (WBA) provide that companies disclose its system to monitor, review and improve its performance on minimising its footprint across material realms (land, fresh water and marine) affected by its activities and upstream business relationships. |

# APPENDIX 6: RESULTS FOR PRINCIPLE 6: DISPUTE RESOLUTION

| Sustainability reporting disclosure standards and frameworks | | Principle 6: Dispute Resolution | Notes on the findings from the sustainability performance indicators |
|---|---|---|---|
| 1 | CDP (formerly the Carbon Disclosure Project) | No effect | The CDP (formerly the Carbon Disclosure Project) does not provide any indicators on conflict resolution. |
| 2 | Climate Action 100+ Net Zero Company Benchmark Disclosure Indicators | No effect | The Climate Action 100+ Net Zero Company Benchmark Disclosure Indicators do not provide any indicators on conflict resolution. |
| 3 | Climate Disclosure Standards Board (CDSB) | Full effect | The performance indicators in the Climate Disclosure Standards Board (CDSB) Framework include for labour disputes, including strikes and company/community conflict. |
| 4 | European Sustainability Reporting Standards (ESRS) | Full effect | The performance indicators of the European Sustainability Reporting Standards (ESRS) provide for an assessment to be provided by companies on the quality of its relationships with local communities by reference to the proportion of issues raised by communities that were resolved to their satisfaction. |
| 5 | GRI Sustainability Reporting Standards (formerly Global Reporting Initiative | Full effect | The performance indicators of the Global Reporting Initiative Reporting Standards provide for a dispute resolution mechanism to be provided by companies. |
| 6 | IFC's Performance Standards on Environmental and Social Sustainability | Full effect | The performance indicators of the IFC's Performance Standards on Environmental and Social Sustainability provide that a company will establish a grievance mechanism consistent with as early as possible in the project development phase. Furthermore, that this will allow the companies to receive and address specific concerns about compensation and relocation raised by displaced persons or members of host communities in a timely fashion, including a recourse mechanism designed to resolve disputes in an impartial manner. |
| 7 | IFC's Toolkit for Disclosure and Transparency | Full effect | The performance indicators of the IFC's Toolkit for Disclosure and Transparency provide that companies provide a description of a link to an assessment and Management of Environmental and Social Risks and Impacts Affected Community grievance mechanism. |
| 8 | IFRS Foundation International Sustainability Standards Board (ISSB) | No effect | The IFRS Foundation International Sustainability Standards Board (ISSB) does not provide any indicators on conflict resolution. |
| 9 | Integrated Reporting Committee (IRC) | No effect | The Integrated Reporting Committee (IRC) does not provide any indicators on conflict resolution. |
| 10 | ISO 26000 | Full effect | The performance indicators of the ISO 26000 provide that companies should have effective grievance mechanisms. The mechanism should not prejudice access to available legal channels. Organisations should make use of alternative dispute resolution, conflict resolution and redress procedures that are based on national or international standards, are free of charge or are at minimal cost to consumers, and do not require consumers to waive their rights to seek legal recourse. Further reference is made that companies should refer to the other ISO standards on quality management especially external dispute resolution for those situations where the complaints cannot be resolved within the organisation. |

| Sustainability reporting disclosure standards and frameworks | | Principle 6: Dispute Resolution | Notes on the findings from the sustainability performance indicators |
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| 11 | ISO 37000:2021 Governance of organisations | No effect | The ISO 37000:2021 Governance of organisations does not provide any indicators on conflict resolution. |
| 12 | OECD Guidelines for Multinational Enterprises | Full effect | The performance indicators of the OECD Guidelines for Multinational Enterprises indicate that companies should provide consumers with access to fair, easy to use, timely and effective non-judicial dispute resolution and redress mechanisms, without unnecessary cost or burden. |
| 13 | SDG Disclosure Recommendations | Full effect | The performance indicators of the SDG Disclosure Recommendations provide that material sustainable development information is disclosed and can include any information that is reasonably capable of making a difference to the conclusions drawn by stakeholders concerning the positive and negative impacts of the organisation on global achievement of the SDGs, and providers of finance concerning the ability of the organisation to create long term value for the organisation and society. |
| 14 | South African Green Finance Taxonomy | No effect | The South African Green Finance Taxonomy does not provide any indicators on conflict resolution. |
| 15 | Task Force on Climate-related Financial Disclosures (TCFD) | No effect | The Task Force on Climate-related Financial Disclosures (TCFD) does not provide any indicators on conflict resolution. |
| 16 | UN Global Compact (UNGC) Principles | Full effect | The performance indicators of the UN Global Compact (UNGC) Principles provide for guidance on how business can allow for timely, fair, transparent and predictable resolution of disputes. |
| 17 | UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines | No effect | The UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines do not provide any indicators on conflict resolution. |
| 18 | Value Reporting Foundation: Integrated Reporting Framework | No effect | The Value Reporting Foundation: Integrated Reporting Framework does not provide any indicators on conflict resolution. |
| 19 | Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) | Full effect | The performance indicators of the Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) provide that an entity shall describe the reason for each work stoppage, and the impact on production, and any corrective actions taken as a result. |
| 20 | WEF Measuring Stakeholder Capitalism | No effect | The WEF Measuring Stakeholder Capitalism does not provide any indicators on conflict resolution. |
| 21 | World Benchmarking Alliance (WBA) | No effect | The World Benchmarking Alliance (WBA) does not provide any indicators on conflict resolution. |

# APPENDIX 7: RESULTS FOR PRINCIPLE 7: ENVIRONMENTAL JUSTICE

| Sustainability reporting disclosure standards and frameworks | | Principle 7: Environmental Justice | Notes on the findings from the sustainability performance indicators |
|---|---|---|---|
| 1 | CDP (formerly the Carbon Disclosure Project) | Partial effect | Although the CDP Climate Change 2022 Scoring Methodology (2022), the CDP Forests 2022 Scoring Methodology (2022) and the CDP Water Security 2022 Scoring Methodology (2022) provide indicators on managing adverse environmental impacts, no mention is made to discrimination against vulnerable and disadvantaged persons. The CDP therefore partially gives effect to the IEM principle of environmental justice. |
| 2 | Climate Action 100+ Net Zero Company Benchmark Disclosure Indicators | Partial effect | The performance indicators of the Climate Action 100+ Net Zero Company Benchmark Disclosure Framework (2022) provide that the company implements its decarbonisation strategy in line with Just Transition principles and that the company supports low-carbon initiatives (e.g., regeneration, access to clean and affordable energy, site repurposing) in regions affected by decarbonisation. Although indicators on managing adverse environmental impacts are provided for, no mention is made to discrimination against vulnerable and disadvantaged persons |
| 3 | Climate Disclosure Standards Board (CDSB) | Full effect | The performance indicators in the Climate Disclosure Standards Board (CDSB) Framework that the companies disclose on the end users or others impacted by the use of the organisation's products or services. For example, children targeted by marketing of unhealthy foods, or product designs that excludes people with disabilities or that embeds algorithms that discriminate based on race or gender. |
| 4 | European Sustainability Reporting Standards (ESRS) | Full effect | The performance indicators of the European Sustainability Reporting Standards (ESRS) provide that companies track effectiveness of policies and actions through targets and when setting targets related to the prevention or mitigation of environmental impacts, the undertaking shall prioritise targets related to the reduction of the impacts in absolute terms rather than in relative terms. Also, that these targets address the prevention or mitigation of social impacts, specifically in terms of the effects on human rights, welfare or positive outcomes for affected stakeholders. |
| 5 | GRI Sustainability Reporting Standards (formerly Global Reporting Initiative | Full effect | The performance indicators of the Global Reporting Initiative Reporting Standards provide that there should be non-discrimination and equal opportunity and that local communities comprise individuals living or working in areas that are affected or that could be affected by an organisation's activities. An organisation is expected to conduct community engagement to understand the vulnerabilities of local communities and how they may be affected by the organisation's activities (including socio-economic, cultural, health, and human rights impacts on local communities). |
| 6 | IFC's Performance Standards on Environmental and Social Sustainability | Full effect | The performance indicators of the IFC's Performance Standards on Environmental and Social Sustainability provide where the project involves specifically identified physical elements, aspects and facilities that are likely to generate impacts, and as part of the process of identifying risks and impacts, the company must identify individuals and groups that may be directly and differentially or disproportionately affected by the project because of their disadvantaged or vulnerable status. Where individuals or groups are identified as disadvantaged or vulnerable, the company must propose and implement differentiated measures so that adverse impacts do not fall disproportionately on them, and they are not disadvantaged in sharing development benefits and opportunities. |
| 7 | IFC's Toolkit for Disclosure and Transparency | Full effect | The performance indicators of the IFC's Toolkit for Disclosure and Transparency provide that companies should report on sustainability performance and should provide a context for how well the company is meeting sustainability objectives, including managing environmental |

| Sustainability reporting disclosure standards and frameworks | | Principle 7: Environmental Justice | Notes on the findings from the sustainability performance indicators |
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| | | | and social opportunities and risks and its relationships with key stakeholders. It should also describe environmental damage and adverse socioeconomic effects. |
| 8 | IFRS Foundation International Sustainability Standards Board (ISSB) | Partial effect | The performance indicators of the IFRS Foundation International Sustainability Standards Board (ISSB) provide that an organisation shall disclose, for each sustainability-related risk and opportunity that could reasonably be expected to affect the entity's prospects: metrics required by an applicable IFRS Sustainability Disclosure Standard; and metrics the entity uses to measure and monitor that sustainability-related risk or opportunity; and its performance in relation to that sustainability-related risk or opportunity, including progress towards any targets the entity has set, and any targets it is required to meet by law or regulation. However, no mention is made of the impact on vulnerable and disadvantaged groups. |
| 9 | Integrated Reporting Committee (IRC) | No effect | The Integrated Reporting Committee (IRC) does not provide for any performance indicators related to the IEM principle of Environmental Justice. |
| 10 | ISO 26000 | Full effect | The performance indicators of the ISO 26000 provide that an organisation should contribute to redressing discrimination or the legacy of past discrimination. It should strive to employ or do business with organisations operated by people from groups historically discriminated against and it should support efforts to increase access to education, infrastructure or social services for groups denied full access. The full and effective participation and inclusion in society of all groups, including those who are vulnerable, groups that have suffered persistent discrimination, and their human rights should be the focus of additional attention in terms of protection and respect by organisations. |
| 11 | ISO 37000:2021 Governance of organisations | Partial effect | The performance indicators of the ISO 37000 explain that the governing body sets the tone and shapes the culture for an initiative-taking and anticipative approach to the management of risk across the organisation. The governing body ensures the systematic assessment of risks and defines the risk criteria, in particular the appetite for risk and risk limits. The governing body assesses, treats, monitors, and communicates the nature and extent of the risks faced when making decisions. However, no mention is made of the impact on vulnerable and disadvantaged groups. |
| 12 | OECD Guidelines for Multinational Enterprises | Full effect | The performance indicators of the OECD Guidelines for Multinational Enterprises provide that enterprises should take the situations of vulnerable and disadvantaged consumers into account when they market goods and services. Furthermore, that companies should take into consideration, in applying the above principles the needs of vulnerable and disadvantaged consumers and ensuring equal opportunities for training for women and other vulnerable groups, such as youth, low-skilled people, people with disabilities, migrants, older workers, and indigenous peoples. When dealing with consumers, enterprises should act in accordance with fair business, marketing and advertising practices and should take all reasonable steps to ensure the quality and reliability of the goods and services that they provide. |
| 13 | SDG Disclosure Recommendations | Full effect | The performance indicators of the SDG Disclosure Recommendations provide that disclosures should reflect the sustainable development context of the organisation and its industry/sector and be relevant to that context. Information on targets should be placed in the context of the targets underpinning the SDGs, of which vulnerable and disadvantaged groups are included. An organisation's presentation of sustainable development issues should include, and go beyond, their relationship to both positive and negative performance to consider |

| Sustainability reporting disclosure standards and frameworks | | Principle 7: Environmental Justice | Notes on the findings from the sustainability performance indicators |
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| | | | their implications for what business is done and how business is done. |
| 14 | South African Green Finance Taxonomy | No effect | The South African Green Finance Taxonomy does not provide for any performance indicators related to the IEM principle of Environmental Justice. |
| 15 | Task Force on Climate-related Financial Disclosures (TCFD) | No effect | The Task Force on Climate-related Financial Disclosures (TCFD) does not provide for any performance indicators related to the IEM principle of Environmental Justice. |
| 16 | UN Global Compact (UNGC) Principles | Full effect | The performance indicators of the UN Global Compact (UNGC) Principles provide for companies to conduct a risk and impact assessment. |
| 17 | UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines | No effect | The UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines do not provide for any performance indicators related to the IEM principle of Environmental Justice. |
| 18 | Value Reporting Foundation: Integrated Reporting Framework | Partial effect | The performance indicators of the Value Reporting Foundation: Integrated Reporting Framework provide that companies identify critical stakeholder and other (e.g., raw material) dependencies and key factors affecting the external environment. However, no mention is made of the impact on vulnerable and disadvantaged groups. |
| 19 | Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) | Full effect | The performance indicators of the Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) provide that an entity shall describe its due diligence practices and procedures with respect to human rights, including discrimination. One of the instruments implemented by the SASB is for companies to obtain the free, prior, and informed consent of indigenous peoples for decisions affecting them. |
| 20 | WEF Measuring Stakeholder Capitalism | No effect | The WEF Measuring Stakeholder Capitalism does not provide for any performance indicators related to the IEM principle of Environmental Justice. |
| 21 | World Benchmarking Alliance (WBA) | Full effect | The performance indicators of the World Benchmarking Alliance (WBA) require that a company, when acquiring, leasing land or making other arrangements to use or restrict the use or access to land or natural resources, discloses its processes to (i) identify legitimate tenure rights holders, including through engagement with affected communities in the process, paying particular attention to vulnerable or marginalised tenure rights holders, and (ii) negotiate with them to provide adequate compensation. Furthermore, that the company respects indigenous peoples' rights and obtains affected indigenous peoples' free, prior and informed consent regarding whether and how to conduct projects. |

# APPENDIX 8: RESULTS FOR PRINCIPLE 8: EQUITY

| Sustainability reporting disclosure standards and frameworks | | Principle 8: Equity | Notes on the findings from the sustainability performance indicators |
|---|---|---|---|
| 1 | CDP (formerly the Carbon Disclosure Project) | Full effect | The performance indicator of the CDP Climate Change 2022 Scoring Methodology (2022), the CDP Forests 2022 Scoring Methodology (2022), and the CDP Water Security 2022 Scoring Methodology (2022) provide indicators on public information disclosure and Systems in place to protect local community rights Systems in place to protect workers' rights. |
| 2 | Climate Action 100+ Net Zero Company Benchmark Disclosure Indicators | Full effect | The performance indicators of the Climate Action 100+ Net Zero Company Benchmark Disclosure Framework (2022) provides that the company implements a decarbonisation strategy in line with just transition principles and that the company supports low-carbon initiatives in regions affected by decarbonisation. |
| 3 | Climate Disclosure Standards Board (CDSB) | Full effect | The performance indicators in the Climate Disclosure Standards Board (CDSB) Framework provide that companies should consider the connection between their environmental impacts and natural capital dependencies and overall trends in natural resource depletion or degradation, as well as between their social impacts, human and social capital dependencies, and overall trends in social and economic inequalities. |
| 4 | European Sustainability Reporting Standards (ESRS) | Full effect | The performance indicators of the European Sustainability Reporting Standards (ESRS) provide that companies should have an undertaking that describes the type and amount of current and future financial and other resources allocated to the organisation's action plan, environmental or social objectives and relevant terms of sustainable finance instruments, such as green bonds, social bonds and green loans, and that organisations provide complementary explanatory information, where the ability to implement the actions or action plan depends on specific preconditions. |
| 5 | GRI Sustainability Reporting Standards (formerly Global Reporting Initiative | Full effect | The performance indicators of the Global Reporting Initiative Reporting Standards provide that the impacts of a company on the economy, environment, and people are interrelated and that an organisation's impacts on the economy and environment can result in impacts on people and their human rights. Similarly, that an organisation's positive impacts can result in negative impacts and vice versa, for example, an organisation's positive impacts on the environment can lead to negative impacts on people and their human rights. |
| 6 | IFC's Performance Standards on Environmental and Social Sustainability | Full effect | The IFC's Performance Standards on Environmental and Social Sustainability provides performance indicators on Biodiversity Conservation and Sustainable Management of Living Natural Resources and that companies should ensure continued access to natural resources, identifying the equivalent replacement resources, or, as a last option, providing compensation and identifying alternative livelihoods if project development results in the loss of access to and the loss of natural resources independent of project land acquisition. |
| 7 | IFC's Toolkit for Disclosure and Transparency | Full effect | The performance indicators of the IFC's Toolkit for Disclosure and Transparency indicate that when applied to companies, sustainability (or corporate sustainability) refers to the creation of economic value, taking into account the interests of various stakeholders, including workers, customers, locally affected communities, and the environment. The IFC's Toolkit for Disclosure and Transparency includes social and environmental impacts that companies may impose, and that can affect their long-term performance:<br>• Social factors include considerations that affect the wellbeing of employees, customers, and local communities and that are under the control or influence of the company. This includes fair treatment of workers, health and safety of workers and |

| Sustainability reporting disclosure standards and frameworks | | Principle 8: Equity | Notes on the findings from the sustainability performance indicators |
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| | | | consumers, access to and affordability of basic services, economic impact on local communities, and conditions of relocation and livelihood restoration for resettled communities.<br>• Environmental factors include the effect of the company's physical activities on the environment or natural capital the company uses to operate. Effects on the environment include harmful releases, such as greenhouse gas (GHG) emissions, air pollution, and waste, as well as the use of natural resources in production (for example, water, energy, and minerals) that adversely affect other users of these resources. |
| 8 | IFRS Foundation International Sustainability Standards Board (ISSB) | Full effect | The performance indicators of the IFRS Foundation International Sustainability Standards Board (ISSB) provide that companies disclose risks and opportunities related to sustainability. Including degradation or depletion of resources resulting from the organisation's own activities and from other factors that could create a risk of disruption to the organisation's operations and affect the entity's business model or strategy and could ultimately negatively affect the entity's financial performance and financial position. Also, that regeneration and preservation of that resource including resulting from the entity's own activities and from other factors could positively affect the entity. |
| 9 | Integrated Reporting Committee (IRC) | No effect | The performance indicators of the Integrated Reporting Committee (IRC) provide no reference to the IEM principle of Equity. |
| 10 | ISO 26000 | Full effect | The performance indicators of the ISO 26000 provide that companies should consider contributing to programmes that provide access to food and other essential products for vulnerable or discriminated groups and persons with low income, taking into account the importance of contributing to their increased capabilities, resources, and opportunities. |
| 11 | ISO 37000:2021 Governance of organisations | Partial effect | The performance indicators of the ISO 37000 clarify that the governing body should actively and dynamically steer the strategy in a way that balances value generation in the present with value generation in the future. However, no reference is made to access that should be provided to environmental resources. |
| 12 | OECD Guidelines for Multinational Enterprises | Full effect | The performance indicators of the OECD Guidelines for Multinational Enterprises provide that companies should continually seek to improve corporate environmental performance, at the level of the organisation or its supply chain, by encouraging the development and provision of products or services that have no undue environmental impacts, are safe in their intended use, reduce greenhouse gas emissions, are efficient in their consumption of energy and natural resources and that can be reused, recycled, or disposed of safely. Companies should contribute to economic, environmental, and social progress with a view to achieving sustainable development. |
| 13 | SDG Disclosure Recommendations | Full effect | The performance indicators of the SDG Disclosure Recommendations provide that disclosures should reflect the extent to which organisations consider the SDGs and that the sustainable development issues that they address are integrated into the organisation's processes. This includes processes for considering risk and opportunity that influence strategy and the organisation's business model, to create long term value for the organisation and society. |
| 14 | South African Green Finance Taxonomy | Full effect | The performance indicators of the South African Green Finance Taxonomy provide for sustainable resource extraction, and that resources are managed to prevent overexploitation. |

| Sustainability reporting disclosure standards and frameworks | | Principle 8: Equity | Notes on the findings from the sustainability performance indicators |
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| 15 | Task Force on Climate-related Financial Disclosures (TCFD) | Full effect | The performance indicators of the Task Force on Climate-related Financial Disclosures (TCFD) provide that the concept of climate resilience involves organisations developing adaptive capacity to respond to climate change to better manage the associated risks and opportunities, including the ability to respond to transition risks and physical risks. Opportunities should include improving efficiency, designing new production processes, and developing new products. Organisations with long-lived fixed assets or extensive supply or distribution networks, those that depend critically on utility and infrastructure networks or natural resources in their value chain, and those that may require longer-term financing and investment must consider opportunities related to resilience. |
| 16 | UN Global Compact (UNGC) Principles | Full effect | The performance indicators of the UN Global Compact (UNGC) Principles provide that companies are to address environmental responsibilities, value natural capital, and better understand the linkages between resources. |
| 17 | UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines | Full effect | The performance indicators of the UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines provide those resources regarding locally relevant stakeholder groups (e.g., indigenous peoples and minorities) and their ESG concerns to be taken into consideration by companies when reporting and that investors recognise that a company's ability to create value in the long term depends on its interactions with its stakeholders and use of resources. |
| 18 | Value Reporting Foundation: Integrated Reporting Framework | Full effect | The performance indicators of the Value Reporting Foundation: Integrated Reporting Framework provide that companies report on the resources used and affected by the organisation, these include financial, manufactured, intellectual, human, social and relationship, and natural. |
| 19 | Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) | Full effect | The performance indicators of the Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) indicate that companies provide for a process to manage risks and opportunities associated with community rights and interests. |
| 20 | WEF Measuring Stakeholder Capitalism | Full effect | The performance indicators of the WEF Measuring Stakeholder Capitalism provide that companies should have an ambition to protect the planet from degradation, including through sustainable consumption and production, sustainably managing its natural resources and taking urgent action on climate change, so that the organisation can support the needs of the present and future generations. |
| 21 | World Benchmarking Alliance (WBA) | Full effect | The performance indicators of the World Benchmarking Alliance (WBA) provide that a company has a commitment to respect ownership and use of land and natural resources and related legitimate tenure rights. Also, that the company, when acquiring, leasing land or making other arrangements to use or restrict the use or access to land or natural resources, discloses its processes to (i) identify legitimate tenure rights holders, including through engagement with affected communities in the process, paying particular attention to vulnerable or marginalised tenure rights holders, and (ii) negotiate with them to provide adequate compensation. The company should further demonstrate it is working towards decoupling economic prosperity from resource consumption and environmental degradation. |

# APPENDIX 9: RESULTS FOR PRINCIPLE 9: GLOBAL RESPONSIBILITIES

| Sustainability reporting disclosure standards and frameworks | | Principle 9: Global Responsibilities | Notes on the findings from the sustainability performance indicators |
|---|---|---|---|
| 1 | CDP (formerly the Carbon Disclosure Project) | Full effect | The performance indicator of the CDP Climate Change 2022 Scoring Methodology (2022) provides that a company discloses if it engages in activities that could either directly or indirectly influence policy, law, or regulation that may impact the climate, the CDP Forests 2022 Scoring Methodology (2022) requires that for a company's disclosed commodity(ies), indicate how legal compliance with forest regulations and/or mandatory standards are ensured and CDP Water Security 2022 Scoring Methodology provides that there should be a water policy on international standards and widely-recognized water initiatives. |
| 2 | Climate Action 100+ Net Zero Company Benchmark Disclosure Indicators | Full effect | The performance indicators of the Climate Action 100+ Net Zero Company Benchmark Disclosure Framework (2022) provide that an organisation has a public commitment to implement the recommendations of the Task Force on Climate related Financial Disclosures (TCFD) and that the company commits to align its disclosures with the TCFD recommendations or indicate if the organisation is listed as a supporter on the TCFD website. Furthermore, that the company signposts TCFD aligned disclosures in its annual reporting or publishes them in a TCFD report. Also, that the organisation has a specific commitment/position statement to conduct all of its lobbying activities (e.g., meetings, and policy submissions) in line with the goals of the Paris Agreement. |
| 3 | Climate Disclosure Standards Board (CDSB) | Full effect | The performance indicators in the Climate Disclosure Standards Board (CDSB) Framework require companies to provide information about whether and how policies and strategies are informed by sustainability initiatives, regulatory schemes, voluntary reporting, or similar. |
| 4 | European Sustainability Reporting Standards (ESRS) | Full effect | The performance indicators of the European Sustainability Reporting Standards (ESRS) indicate that companies should provide an undertaking that include in its sustainability statements additional disclosures stemming from (i) local legislations, and (ii) generally accepted sustainability reporting pronouncements of other standard setting bodies and non-mandatory guidance including sector-specific guidance (such as technical material issued by the International Sustainability Standards Board or the Global Reporting Initiative). |
| 5 | GRI Sustainability Reporting Standards (formerly Global Reporting Initiative | Full effect | The performance indicators of the Global Reporting Initiative Reporting Standards require companies to report information about their impacts in relation to societal expectations and expectations of responsible business conduct set out in recognised sector-specific, local, regional, global and authoritative intergovernmental instruments, with which they are expected to comply. |
| 6 | IFC's Performance Standards on Environmental and Social Sustainability | Full effect | The performance indicators of the IFC's Performance Standards on Environmental and Social Sustainability provide companies must comply with applicable national law, including those laws implementing host country obligations under international law. |
| 7 | IFC's Toolkit for Disclosure and Transparency | Full effect | The performance indicators of the IFC's Toolkit for Disclosure and Transparency provide that the Toolkit incorporates international best practices and standards in corporate governance, environmental and social management systems, and disclosure and transparency. |
| 8 | IFRS Foundation International Sustainability Standards Board (ISSB) | No effect | The performance indicators of the IFRS Foundation International Sustainability Standards Board (ISSB) provide no reference to the IEM principle of Global Responsibility. |

| Sustainability reporting disclosure standards and frameworks | | Principle 9: Global Responsibilities | Notes on the findings from the sustainability performance indicators |
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| 9 | Integrated Reporting Committee (IRC) | No effect | The performance indicators of the Integrated Reporting Committee (IRC) provide no reference to the IEM principle of Global Responsibility. |
| 10 | ISO 26000 | Full effect | The performance indicators of the ISO 26000 provide that companies when addressing environmental matters at the local, regional, and global level require a comprehensive, systematic, and collective approach. Furthermore, companies should include regional and global discussions and agreements between organisations operating internationally. |
| 11 | ISO 37000:2021 Governance of organisations | No effect | The performance indicators of the ISO 37000 have no reference to the IEM principle of Global Responsibility. |
| 12 | OECD Guidelines for Multinational Enterprises | Full effect | The performance indicators of the OECD Guidelines for Multinational Enterprises provide that companies should take into account both the law of the country in which they are operating and the laws of all countries they have a significant impact on. |
| 13 | SDG Disclosure Recommendations | Full effect | The performance indicators of the SDG Disclosure Recommendations provide that organisations create (or destroy) value for their investors through the value they create (or destroy) for the organisation and society. Through the process of creating (or destroying) value, organisations have an impact (positive or negative) on the achievement of the SDGs and that the achievement of the SDGs is critical to creating long term value for providers of finance. |
| 14 | South African Green Finance Taxonomy | Full effect | The performance indicators of the South African Green Finance Taxonomy provide international and multi-actor coordination regarding domestically appropriate, internationally-compatibly taxonomies' development continues. |
| 15 | Task Force on Climate-related Financial Disclosures (TCFD) | Partial effect | The performance indicators of the Task Force on Climate-related Financial Disclosures (TCFD) provide to an extent the Global Responsibility principle but only related to climate change. |
| 16 | UN Global Compact (UNGC) Principles | Full effect | The performance indicators of the UN Global Compact (UNGC) Principles provide for companies to develop a holistic and comprehensive strategy. The strategy should recognize the growing linkages among various environmental issues, as well as their connections to social and development priorities. Also, for companies to commit to advocate for a global climate change agreement in global and local policy discussions. |
| 17 | UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines | Full effect | The performance indicators UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines indicate that a company can also use a variety of national and international resources to develop an initial list of ESG themes, be they generic or sector specific. To highlight and list relevant global and local resources for listed companies to use as tools and resources. Consult nationally or internationally recognised reporting guidelines and protocols for measuring, preparing and presenting ESG metrics to improve the quality of a company's disclosure. Include national reporting standards and any relevant guidelines or incentives for sustainable development and/or corporate sustainability. |

| Sustainability reporting disclosure standards and frameworks | | Principle 9: Global Responsibilities | Notes on the findings from the sustainability performance indicators |
|---|---|---|---|
| 18 | Value Reporting Foundation: Integrated Reporting Framework | No effect | The performance indicators of the Value Reporting Foundation: Integrated Reporting Framework provide no reference to the IEM principle of Global Responsibility. |
| 19 | Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) | Full effect | The performance indicators of the Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) do take into account Global Responsibilities. |
| 20 | WEF Measuring Stakeholder Capitalism | Full effect | The performance indicators of the WEF Measuring Stakeholder Capitalism provide that companies provide for their significant indirect economic impacts in the context of external benchmarks and stakeholder priorities (e.g., national and international standards, protocols, and policy agendas). |
| 21 | World Benchmarking Alliance (WBA) | Full effect | The performance indicators of the World Benchmarking Alliance (WBA) methodology reference several organisations for each indicator. As such, this indicator measures companies' approach to measuring and reducing harmful air pollutants across the value chain, including beyond national and international regulations. |

# APPENDIX 10: RESULTS FOR PRINCIPLE 10: HOLISTIC DECISION-MAKING

| Sustainability reporting disclosure standards and frameworks | | Principle 10: Holistic decision-making | Notes on the findings from the sustainability performance indicators |
|---|---|---|---|
| 1 | CDP (formerly the Carbon Disclosure Project) | Full effect | The performance indicators of the CDP Climate Change 2022 Scoring Methodology (2022), the CDP Forests 2022 Scoring Methodology (2022) and the CDP Water Security 2022 Scoring Methodology (2022) do provide indicators on stakeholder engagement and feedback and request. The CDP therefore does gives effect to IEM principle of holistic decision making. |
| 2 | Climate Action 100+ Net Zero Company Benchmark Disclosure Indicators | Full effect | The performance indicators of the Climate Action 100+ Net Zero Company Benchmark Disclosure Framework (2022) provide that company must engage with its stakeholders on just transition. Furthermore, that the company, together with its workers, unions, communities and suppliers must developed and compile a Just Transition Plan. |
| 3 | Climate Disclosure Standards Board (CDSB) | Full effect | The performance indicators in the Climate Disclosure Standards Board (CDSB) Framework provide that companies disclose on the impact to community members that can be affected by the organisation's own operational sites or that of entities in the organisation's value chain. |
| 4 | European Sustainability Reporting Standards (ESRS) | Full effect | The performance indicators of the European Sustainability Reporting Standards (ESRS) provide that companies should have a materiality assessment informed by the dialogue with affected stakeholders. The undertaking may engage with affected stakeholders or their representatives (such as employees or trade unions), along with users of sustainability reporting and other experts, to provide inputs or feedback on its conclusions regarding its material impacts, risks and opportunities. |
| 5 | GRI Sustainability Reporting Standards (formerly Global Reporting Initiative | Full effect | The performance indicators of the Global Reporting Initiative Reporting Standards provide that indigenous peoples are at higher risk of experiencing negative impacts more severely as a result of an organisation's activities and therefore an organisation is required to report on how authoritative international human rights instruments have been used to protect both collective and individual rights of indigenous people. |
| 6 | IFC's Performance Standards on Environmental and Social Sustainability | Full effect | The performance indicators of the IFC's Performance Standards on Environmental and Social Sustainability provide projects with potentially significant adverse impacts on Affected Communities, the company will need to conduct an Informed Consultation and Participation (ICP) process that will build upon the steps outlined above in Consultation and will result in the Affected Communities' informed participation. For projects with adverse impacts to Indigenous Peoples, the company is required to engage them in a process of ICP and in certain circumstances the company is required to obtain their Free, Prior, and Informed Consent (FPIC). |
| 7 | IFC's Toolkit for Disclosure and Transparency | Full effect | The performance indicators of the IFC's Toolkit for Disclosure and Transparency provide for companies to disclose legal actions, community grievances, or public controversies involving harm to indigenous people (through relocation, impact on livelihoods, taking traditional knowledge, etc.). |
| 8 | IFRS Foundation International Sustainability Standards Board (ISSB) | No effect | The performance indicators of the IFRS Foundation International Sustainability Standards Board (ISSB) do not specifically provide for Holistic decision making. |

| Sustainability reporting disclosure standards and frameworks | | Principle 10: Holistic decision-making | Notes on the findings from the sustainability performance indicators |
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| 9 | Integrated Reporting Committee (IRC) | Full effect | The performance indicators of the Integrated Reporting Committee (IRC) provide that meaningful disclosure of governance information should be provided an integrated report to reflect how the governance structure, processes and practices and the actions of the governing body translate into ethical and effective leadership of the organisation's value creation process. |
| 10 | ISO 26000 | Full effect | The performance indicators of the ISO 26000 provide that companies implement policies and practices that promote the respect for property rights and traditional knowledge. An organisation should respect the cultural, social and political rights of such groups. Community involvement should be undertaken to help organisations to familiarize themselves with community needs and priorities, so that the organisation's developmental and other efforts are compatible with those of the community and society. Organisations must become involved in communities through, for example, participation in forums established by local authorities and residents' associations or by creating such forums. |
| 11 | ISO 37000:2021 Governance of organisations | Full effect | The performance indicators of the ISO 37000 clarifies ISO 37000 outlines why and how the governing body should understand its stakeholders, engage them in achieving the organisational purpose through the strategy, establish clear criteria to determine the relevance of stakeholder expectations, ensure effective relationships are established and maintained, and that expectations become an effective part of organisational decision-making. |
| 12 | OECD Guidelines for Multinational Enterprises | Full effect | The performance indicators of the OECD Guidelines for Multinational Enterprises provide that organisations have the ability to access and use technology and that this is essential for improving enterprise performance. Organisations must show technological progress, including productivity growth and job creation, within the context of sustainable development. |
| 13 | SDG Disclosure Recommendations | Full effect | The performance indicators of the SDG Disclosure Recommendations provide that SDG Disclosures should reflect the outcome of the organisation's process to find its key stakeholder groups, including communities it impacts, and should further explain how it has responded to their reasonable expectations and interests. |
| 14 | South African Green Finance Taxonomy | No effect | The performance indicators of the South African Green Finance Taxonomy do not specifically provide for Holistic decision making. |
| 15 | Task Force on Climate-related Financial Disclosures (TCFD) | No effect | The performance indicators of the Task Force on Climate-related Financial Disclosures (TCFD) do not specifically provide for Holistic decision making. |
| 16 | UN Global Compact (UNGC) Principles | Full effect | The performance indicators of the UN Global Compact (UNGC) Principles provide for companies to develop a holistic and comprehensive strategy. It recognizes the growing linkages among various environmental issues as well as their connections to social and development priorities. Furthermore, that organisations are urged to create policies that will incentivize sustainability and provide guidance on interpreting legislation that affects sustainability. |
| 17 | UN Sustainable Stock Exchanges Initiative Model | Full effect | The performance indicators UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines provide that it is important for companies to consider recommended standards for assurance within their sector, as well as stakeholder expectations. Companies should provide |

| Sustainability reporting disclosure standards and frameworks | | Principle 10: Holistic decision-making | Notes on the findings from the sustainability performance indicators |
|---|---|---|---|
| | Reporting Guidelines | | resources regarding locally relevant stakeholder groups (e.g., indigenous peoples and minorities) and their ESG concerns for companies to take into consideration when reporting. |
| 18 | Value Reporting Foundation: Integrated Reporting Framework | Full effect | The performance indicators of the Value Reporting Foundation: Integrated Reporting Framework provide that an integrated report should provide insight into the nature and quality of the organisation's relationships with its key stakeholders, including how and to what extent the organisation understands, takes into account and responds to their legitimate needs and interests. Furthermore, to report on the ability of the organisation to respond to key stakeholders' legitimate needs and interests. |
| 19 | Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) | Full effect | The performance indicators of the Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) provide that companies should have a discussion of process to manage risks and opportunities associated with community rights and interests, and that the community rights and interests specifically be addressed by the organisation's practices. |
| 20 | WEF Measuring Stakeholder Capitalism | Full effect | The performance indicators of the WEF Measuring Stakeholder Capitalism provide that enhanced skills and knowledge in a community or in a geographic location are particularly important to assess as component of a company's overall contribution to local communities and regional economies. This metric expands upon the economic contribution metric to find further contributions to long-term value and a prosperous society. |
| 21 | World Benchmarking Alliance (WBA) | Full effect | The performance indicators of the World Benchmarking Alliance (WBA) provide that a company has a commitment to respect indigenous peoples' rights and that it must reference the relevant conventions and declarations on the rights of indigenous and tribal people. An organisation must disclose the process to find and recognise the rights of indigenous peoples when activities in the organisation may impact indigenous peoples' rights, and describes how it obtains indigenous peoples' free, prior and informed consent regarding whether and how to conduct projects. Furthermore, the organisation is required to describe how its business relationships work to improve their practices in respecting the rights of indigenous peoples. |

# APPENDIX 11: RESULTS FOR PRINCIPLE 11: INFORMED DECISION-MAKING

| Sustainability reporting disclosure standards and frameworks | | Principle 11: Informed decision-making | Notes on the findings from the sustainability performance indicators |
|---|---|---|---|
| 1 | CDP (formerly the Carbon Disclosure Project) | Full effect | The performance indicator of the CDP Climate Change 2022 Scoring Methodology (2022), the CDP Forests 2022 Scoring Methodology (2022) and the CDP Water Security 2022 Scoring Methodology (2022) provide that do provide indicators on Improved business models that enable inclusion improved capacity for community engagement in multi-stakeholder processes. The CDP therefore does gives effect to IEM principle of informed decision making. |
| 2 | Climate Action 100+ Net Zero Company Benchmark Disclosure Indicators | Full effect | The performance indicators of the Climate Action 100+ Net Zero Company Benchmark Disclosure Framework (2022) provide that the company ensures that its decarbonisation efforts and new projects are developed in consultation and seek the consent of affected communities. |
| 3 | Climate Disclosure Standards Board (CDSB) | Full effect | The performance indicators in the Climate Disclosure Standards Board (CDSB) Framework provide whether and how targets are informed by engagement with affected stakeholders, their legitimate representatives and/or subject matter experts. |
| 4 | European Sustainability Reporting Standards (ESRS) | Full effect | The performance indicators of the European Sustainability Reporting Standards (ESRS) provide that sustainability information is relevant when it may be effective in the decisions of users under a double materiality approach. Information may have influence in a decision even if some users choose not to take advantage of it or are already aware of it from other sources. The European Sustainability Reporting Standards suggests that sustainability information may affect decisions of users if it has predictive value and/or confirmatory value. |
| 5 | GRI Sustainability Reporting Standards (formerly Global Reporting Initiative | Full effect | The performance indicators of the Global Reporting Initiative Reporting Standards indicate that companies are to provide transparency on how an organisation contributes or aims to contribute to sustainable development. Furthermore, that the GRI Standards enable an organisation to show publicly its most significant impacts on the economy, environment and people, including impacts on their human rights and how the organisation manages these impacts. |
| 6 | IFC's Performance Standards on Environmental and Social Sustainability | Full effect | The performance indicators of the IFC's Performance Standards on Environmental and Social Sustainability highlights the importance of managing environmental and social performance throughout the life of a project. The IFC's Performance Standards provide that a good system appropriate to the nature and scale of the project promotes sound and sustainable environmental and social performance, and can lead to improved financial, social, and environmental outcomes. |
| 7 | IFC's Toolkit for Disclosure and Transparency | Full effect | The performance indicators of the IFC's Toolkit for Disclosure and Transparency provide that for projects with potentially significant adverse impacts on affected communities, organisations must involve affected communities (both men and women) in decision making that affects them directly, such as proposed mitigation measures, the sharing of development benefits and opportunities, and implementation issues. The organisation must document the process, in particular the measures taken to avoid or minimize risks to, and adverse impacts on the affected communities, and the organisation must inform affected communities about how their concerns have been considered. |

| Sustainability reporting disclosure standards and frameworks | | Principle 11: Informed decision-making | Notes on the findings from the sustainability performance indicators |
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| 8 | IFRS Foundation International Sustainability Standards Board (ISSB) | Full effect | The performance indicators of the IFRS Foundation International Sustainability Standards Board (ISSB) provides an entity to disclose information about its risks and opportunities related to sustainability that is useful to users of financial reports in making decisions relating to providing resources to the organisation. |
| 9 | Integrated Reporting Committee (IRC) | Full effect | The performance indicators of the Integrated Reporting Committee (IRC) provides that companies should include meaningful disclosure of governance information in an integrated report that reflects how the governance structure, processes and practices and the actions of the governing body translate into ethical and effective leadership of the organisation's value creation process. It informs on how the application of integrated thinking by the governing body contributes to creating positive outcomes for stakeholders and society and preventing or ameliorating negative outcomes. Furthermore, Integrated Reporting Committee (IRC) suggest that by providing such substantive, insightful information is an invaluable part of assessing the prospects and longer-term viability of the organisation by investors and other stakeholders. |
| 10 | ISO 26000 | Full effect | The performance indicators of the ISO 26000 provides that there are numerous ways in which an organisation can establish its credibility. Stakeholder engagement is one of them and involves dialogue with stakeholders and is an important means of increasing confidence that the interests and intentions of all participants are understood. Stakeholder engagement can be a basis for involving stakeholders in the verification of an organisation's claims concerning its performance. The organisation and stakeholders can make arrangements for stakeholders to periodically review or otherwise monitor aspects of an organisation's performance. Also to develop initiatives to certify product safety or to certify processes or products regarding their environmental impact, labour practices and other aspects of social responsibility. |
| 11 | ISO 37000:2021 Governance of organisations | Full effect | ISO 37000 outlines that the governing body should recognize data as a strategic and valuable resource for decision-making by the governing body. The governing body must ensure that its own decision-making process and those of others in the organisations are ethical, responsible and effective. |
| 12 | OECD Guidelines for Multinational Enterprises | Full effect | The performance indicators of the OECD Guidelines for Multinational Enterprises provide that an organisation establishes and maintains a system of environmental management appropriate to the organisation, including: collection and evaluation of adequate and timely information regarding the environmental, health, and safety impacts of their activities; establishment of measurable objectives and targets for improved environmental performance and resource utilisation, including periodically reviewing the continuing relevance of these objectives; targets should be consistent with relevant national policies and international environmental commitments; and regular monitoring and verification of progress toward environmental, health, and safety objectives or targets. The OECD Guidelines for Multinational Enterprises also encourage a second set of disclosure or communication practices in areas where reporting standards are still evolving such as social, environmental and risk reporting. |
| 13 | SDG Disclosure Recommendations | Full effect | The performance indicators of the SDG Disclosure Recommendations provide that SDG Disclosures should be complete, balanced and understandable. The disclosures should report on the organisation's impact on the achievement of the |

| Sustainability reporting disclosure standards and frameworks | | Principle 11: Informed decision-making | Notes on the findings from the sustainability performance indicators |
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| | | | SDGs in a balanced way and without material error. Furthermore, that in order to comply with the concepts of sustainable development and materiality, organisations, they may need to address issues and impact in the organisation's value chain but outside its boundary. |
| 14 | South African Green Finance Taxonomy | Full effect | The performance indicators of the South African Green Finance Taxonomy provide that companies must ensure emissions to air and water are based on the application of the Best Practicable Environmental Option (BPEO) principle informed by the Best Available Technology/Technique (BAT) approach in alignment with South African environmental legislation such as National Environmental Management Air Quality (Act 39 of 2004), the National Environmental Management Waste Act (Act 59 of 2008) and the 2017 National Framework for Air Quality Management. |
| 15 | Task Force on Climate-related Financial Disclosures (TCFD) | Full effect | The performance indicators of the Task Force on Climate-related Financial Disclosures (TCFD) provide that the organisation should provide information specific to the potential impact of climate-related risks and opportunities on its markets, businesses, corporate or investment strategy, financial statements, and future cash flows. Scenario analysis can help organisations identify indicators to monitor the external environment and better recognize when the environment is moving toward a different scenario state (or to a different stage along a scenario path). This allows organisations the opportunity to reassess and adjust their strategies and financial plans accordingly. |
| 16 | UN Global Compact (UNGC) Principles | Full effect | The performance indicators of the UN Global Compact (UNGC) Principles provides for multi-stakeholder dialogue. |
| 17 | UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines | Full effect | The performance indicators UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines provides that companies must adopt existing reporting processes or develop new ones in line with investor and other stakeholder expectations. |
| 18 | Value Reporting Foundation: Integrated Reporting Framework | Full effect | The performance indicators of the Value Reporting Foundation: Integrated Reporting Framework provide that an integrated report should include all material matters, both positive and negative, in a balanced way and without material error. |
| 19 | Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) | Full effect | The performance indicators of the Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) provide that a company should disclose information about its risks and opportunities related to sustainability that is useful to users of financial reports in making decisions relating to providing resources to the organisation. |
| 20 | WEF Measuring Stakeholder Capitalism | Full effect | The performance indicators of the WEF Measuring Stakeholder Capitalism provide that governance oversees the effective identification and management of strategic risks and opportunities. Risk management is a critical aspect of good governance, requiring oversight of the effectiveness of the enterprise risk management system (or its equivalent) and incorporating its outputs into corporate strategy. |
| 21 | World Benchmarking Alliance (WBA) | Full effect | The performance indicators of the World Benchmarking Alliance (WBA) provide that the company has a governance system that includes highest level responsibility and accountability for its sustainability objectives and targets. Senior executive members |

| Sustainability reporting disclosure standards and frameworks | | Principle 11: Informed decision-making | Notes on the findings from the sustainability performance indicators |
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| | | | have incentives to reward the effective delivery of relevant. |

# APPENDIX 12: RESULTS FOR PRINCIPLE 12: INSTITUTIONAL CO-ORDINATION

| Sustainability reporting disclosure standards and frameworks | | Principle 12: Institutional co-ordination | Notes on the findings from the sustainability performance indicators |
|---|---|---|---|
| 1 | CDP (formerly the Carbon Disclosure Project) | Full effect | The performance indicator of the CDP Climate Change 2022 Scoring Methodology (2022), the CDP Forests 2022 Scoring Methodology (2022) and the CDP Water Security 2022 Scoring Methodology (2022) provide that The performance indicators in the Climate Change 2022 Scoring Methodology, CDP Forests 2022 Scoring Methodology and CDP Water Security 2022 Scoring Methodology do provide indicators on enhance government and capacity. The CDP therefore does gives effect to IEM principle of informed decision making. |
| 2 | Climate Action 100+ Net Zero Company Benchmark Disclosure Indicators | Full effect | The performance indicators of the Climate Action 100+ Net Zero Company Benchmark Disclosure Framework (2022) that the company should reference the Paris Agreement on Climate Change and/or the International Labour Organisation's (ILO's) Just Transition Guidelines. |
| 3 | Climate Disclosure Standards Board (CDSB) | Full effect | The performance indicators in the Climate Disclosure Standards Board (CDSB) Framework provides for disclosure on the input an organisation made to regulators, policy makers and international standard setters on the options available for introducing, developing, or setting compliance requirements for reporting environmental and social information. |
| 4 | European Sustainability Reporting Standards (ESRS) | Full effect | The performance indicators of the European Sustainability Reporting Standards (ESRS) include for companies to disclosure on the methodologies and significant assumptions used to define targets, including where applicable, the selected scenario, data sources, alignment with national, EU or international policy goals and how the targets consider these. |
| 5 | GRI Sustainability Reporting Standards (formerly Global Reporting Initiative | Full effect | The performance indicators of the Global Reporting Initiative Reporting Standards provide that when reporting on goals and targets, the organisation should report whether goals and targets are mandatory (based on legislation) or voluntary. If they are mandatory, the organisation must list the relevant legislation. |
| 6 | IFC's Performance Standards on Environmental and Social Sustainability | Full effect | The performance indicators of the IFC's Performance Standards on Environmental and Social Sustainability provides that the policy of an organisation needs to indicate who in the organisation will be responsible for executing and ensuring conformance with the policy (with reference to an appropriate responsible government agency or third party). The policy further needs to be communicated to all levels within the organisation. |
| 7 | IFC's Toolkit for Disclosure and Transparency | Full effect | The performance indicators of the IFC's Toolkit for Disclosure and Transparency provide that a company must have written policies that address compliance with environmental and social law and regulations. |
| 8 | IFRS Foundation International Sustainability Standards Board (ISSB) | Full effect | The performance indicators of the IFRS Foundation International Sustainability Standards Board (ISSB) provides that the entity's performance in relation to risks and opportunities related to sustainability include progress towards any targets the entity has set or is required to meet by law or regulation. |
| 9 | Integrated Reporting Committee (IRC) | No effect | No specific mention is made to institutional co-ordination in the performance indicators of the Integrated Reporting Committee (IRC). |

| Sustainability reporting disclosure standards and frameworks | | Principle 12: Institutional co-ordination | Notes on the findings from the sustainability performance indicators |
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| 10 | ISO 26000 | Full effect | The performance indicators of the ISO 26000 provides that companies should include a social dialogue includes all types of negotiation, consultation or exchange of information between or among representatives of governments, employers and workers, on matters of common interest relating to economic and social concerns. It could take place between employer and worker representatives, on matters affecting their interests, and could also include governments where broader factors, such as legislation and social policy, are at stake. |
| 11 | ISO 37000:2021 Governance of organisations | No effect | No specific mention is made to institutional co-ordination in the performance indicators of the ISO 37000. |
| 12 | OECD Guidelines for Multinational Enterprises | Full effect | The performance indicators of the OECD Guidelines for Multinational Enterprises provide that enterprises are encouraged to co-operate with governments in the development and implementation of policies and laws. |
| 13 | SDG Disclosure Recommendations | Partial effect | The performance indicators of the SDG Disclosure Recommendations provide that organisations impact the achievement of sustainable development both outside and within their organisational boundaries. |
| 14 | South African Green Finance Taxonomy | Full effect | The performance indicators of the South African Green Finance Taxonomy provide that companies develop policy and delegated acts/regulations. |
| 15 | Task Force on Climate-related Financial Disclosures (TCFD) | No effect | No specific mention is made to institutional co-ordination in the performance indicators of the Task Force on Climate-related Financial Disclosures (TCFD). |
| 16 | UN Global Compact (UNGC) Principles | Full effect | The performance indicators of the UN Global Compact (UNGC) Principles provides for policy dialogue, allowing businesses to engage with local and national government, to urge them to create policies that will incentivize sustainability and to understand how to comply with legislation that affects sustainability. This includes business models, products and services with a joint societal and economic return, publicly advocating for government policies that advance sustainability priorities, and collaborating with peers to make systemic changes. |
| 17 | UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines | Full effect | The performance indicators UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines identify and connect any regulatory requirements related to ESG disclosure, broad or issue-specific, as well as statutory requirements related to stakeholder engagement and information disclosure. |
| 18 | Value Reporting Foundation: Integrated Reporting Framework | Full effect | The performance indicators of the Value Reporting Foundation: Integrated Reporting Framework includes that when discussing performance, organisations should include instances where regulations have a significant effect on the organisations performance (e.g., a constraint on revenues as a result of regulatory rate setting) or the organisation's non-compliance with laws or regulations that may significantly affect its operations. |
| 19 | Value Reporting Foundation: Sustainability Accounting | Full effect | The performance indicators of the Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) provide that companies describe the entity's performance in relation to risks and opportunities related to sustainability, including progress towards any |

| Sustainability reporting disclosure standards and frameworks | | Principle 12: Institutional co-ordination | Notes on the findings from the sustainability performance indicators |
|---|---|---|---|
| | Standards Board (SASB) | | targets the entity has set or is required to meet by law or regulation. |
| 20 | WEF Measuring Stakeholder Capitalism | Full effect | The performance indicators of the WEF Measuring Stakeholder Capitalism indicates that companies should be consistent with existing frameworks and standards. |
| 21 | World Benchmarking Alliance (WBA) | Full effect | The performance indicators of the World Benchmarking Alliance (WBA) indicate that the company advocates nature-positive policies and regulations and discloses any misalignment with its lobbying activities as well as the measures it takes to address misalignment and that the company discloses a clear and detailed framework for assessing alignment of its trade associations with nature-positive policies. |

# APPENDIX 13: RESULTS FOR PRINCIPLE 13: INTEGRATED APPROACH

| Sustainability reporting disclosure standards and frameworks | | Principle 13: Integrated approach | Notes on the findings from the sustainability performance indicators |
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| 1 | CDP (formerly the Carbon Disclosure Project) | Partial effect | The performance indicator of the CDP Climate Change 2022 Scoring Methodology (2022), the CDP Forests 2022 Scoring Methodology (2022) and the CDP Water Security 2022 Scoring Methodology (2022) only provide for the only components water climate change and forestry. The CDP therefore does gives partial effect to IEM principle of informed decision making. |
| 2 | Climate Action 100+ Net Zero Company Benchmark Disclosure Indicators | Partial effect | The performance indicators of the Climate Action 100+ Net Zero Company Benchmark Disclosure Framework (2022) only take components on Climate Change are taken into account. |
| 3 | Climate Disclosure Standards Board (CDSB) | Full effect | The performance indicators in the Climate Disclosure Standards Board (CDSB) Framework provides that the organisation determined the natural, human, and social capital dependencies and/or environmental and social impacts present material risks and opportunities for the business and its ability to conduct its objectives and that environmental and social information should therefore be reported. |
| 4 | European Sustainability Reporting Standards (ESRS) | Full effect | The performance indicators of the European Sustainability Reporting Standards (ESRS) provide that policies be adopted to manage material sustainability matters. Due to the interdependency between impacts on people and the environment, risks and opportunities, a single policy may apply to several material sustainability matters, including matters addressed by more than one ESRS. Equally a policy may be reported in the social section with a cross-reference to it in the environmental section. The description of the scope of the policy may explain which activities and/or segments of the undertaking's own operations or value chain it concerns. The description may also explain further boundaries relevant to the specific topic or the undertaking's circumstances, which may include geographies, life cycles, etc. In certain cases, such as if the policy does not cover the full value chain, the undertaking may provide clear information regarding the extent of the value chain covered by the policy. |
| 5 | GRI Sustainability Reporting Standards (formerly Global Reporting Initiative | Full effect | The performance indicators of the Global Reporting Initiative Reporting Standards provide that the information reported under these disclosures is important for understanding how the management of the organisation's impacts on the economy, environment, and people, including impacts on their human rights, is integrated into the organisation's strategy and operations. It addresses how the governance bodies are set up and how well equipped they are to oversee the management of the organisation's impacts. It also facilitates an understanding of the role and the responsibilities of governance bodies with respect to these impacts. how stakeholder feedback is recorded and integrated into decision-making, and how stakeholders are informed about the way in which their feedback has influenced decisions. |
| 6 | IFC's Performance Standards on Environmental and Social Sustainability | Full effect | The performance indicators of the IFC's Performance Standards on Environmental and Social Sustainability provides that companies must provide: an integrated assessment to identify the environmental and social impacts, risks, and opportunities of projects, for effective community engagement through disclosure of project-related information and consultation with local communities on matters that directly affect them, and the organisation's management of environmental and social performance throughout the life of a project. |
| 7 | IFC's Toolkit for Disclosure and | Full effect | The performance indicators of the IFC's Toolkit for Disclosure and Transparency provide that the Toolkit often goes beyond legal |

| Sustainability reporting disclosure standards and frameworks | | Principle 13: Integrated approach | Notes on the findings from the sustainability performance indicators |
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| | Transparency | | requirements for disclosure and transparency, looking to the next frontier of reporting on environmental, social, and governance (ESG) issues and making sure it is integrated into the company's strategy, culture, and risk management, and that the information is subject to independent verification and assurance. |
| 8 | IFRS Foundation International Sustainability Standards Board (ISSB) | Partial effect | The performance indicators of the IFRS Foundation International Sustainability Standards Board (ISSB) provides risk management, the processes the entity uses to identify, assess, prioritise and monitor sustainability-related risks and opportunities, however no mention is made to stakeholders. |
| 9 | Integrated Reporting Committee (IRC) | No effect | The performance indicators of the Integrated Reporting Committee (IRC) provide no specific reference to integrated approach. |
| 10 | ISO 26000 | Full effect | The performance indicators of the ISO 26000 provide an organisation should take into account the environmental, social and ethical performance of the products or services being procured, over their entire life cycles. Where possible, it should give preference to products or services with minimized impacts, making use of reliable and effective independently verified labelling schemes or other verification schemes, such as eco-labelling or auditing activities. |
| 11 | ISO 37000:2021 Governance of organisations | No effect | The performance indicators of the ISO 37000 provide no specific reference to integrated approach. |
| 12 | OECD Guidelines for Multinational Enterprises | Full effect | The performance indicators of the OECD Guidelines for Multinational Enterprises provide enterprises should, within the framework of laws, regulations and administrative practices in the countries in which they operate, and in consideration of relevant international agreements, principles, objectives, and standards, take due account of the need to protect the environment, public health and safety, and generally to conduct their activities in a manner contributing to the wider goal of sustainable development. |
| 13 | SDG Disclosure Recommendations | Full effect | The performance indicators of the SDG Disclosure Recommendations provide that SDG Disclosures should be concise so that relevant information is not obscured, but that SDG disclosures must still satisfy the Principle of Completeness. |
| 14 | South African Green Finance Taxonomy | Partial effect | The performance indicators of the South African Green Finance Taxonomy provide the present coverage of the indicators enables classifying relevant activities into two categories of environmental objectives, namely those economic activities that make substantial contribution to either climate change mitigation or climate change adaptation. Future expansions of the performance indicators are anticipated for covering the other four central environmental objectives; namely: Sustainable use of water and marine resources; Pollution prevention; Sustainable resource use and circularity and Ecosystem protection and restoration. |
| 15 | Task Force on Climate-related Financial Disclosures (TCFD) | Partial effect | The performance indicators of the Task Force on Climate-related Financial Disclosures (TCFD) only focus on climate related risks. |
| 16 | UN Global Compact (UNGC) Principles | Full effect | The performance indicators of the UN Global Compact (UNGC) Principles provides for disclosure on interconnected environmental challenges in areas including climate change, water, energy, |

| Sustainability reporting disclosure standards and frameworks | | Principle 13: Integrated approach | Notes on the findings from the sustainability performance indicators |
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| | | | biodiversity and agriculture. |
| 17 | UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines | Full effect | The performance indicators UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines Whether a company reports on a smaller number of only the most material themes or a more comprehensive range, an effective report covers ESG considerations that are relevant to business strategy and illustrates the link to both long-term and, when possible, short-term value. |
| 18 | Value Reporting Foundation: Integrated Reporting Framework | Full effect | The performance indicators of the Value Reporting Foundation: Integrated Reporting Framework provide that companies describe the extent to which environmental and social considerations have been embedded into the organisation's strategy to give it a competitive advantage. |
| 19 | Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) | Full effect | The performance indicators of the Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) indicate that companies should provide discussion of engagement processes and due diligence practices with respect to human rights, indigenous rights, and operation in areas of conflict and discussion of process to manage risks and opportunities associated with community rights and interests. |
| 20 | WEF Measuring Stakeholder Capitalism | Full effect | The performance indicators of the WEF Measuring Stakeholder Capitalism provides that each of the pillars of ESG has an important bearing on the capacity of a firm to generate shared and sustainable value. Performance in one pillar is highly interdependent with that in the others and the company's performance across all of them has an important influence on the pace at which society advances towards the broader aspirations enshrined in the SDGs. |
| 21 | World Benchmarking Alliance (WBA) | Full effect | The performance indicators of the World Benchmarking Alliance (WBA) provides that the organisation has a commitment to respects the right to a safe, clean, healthy and sustainable environment. Furthermore, that the company demonstrates that its human rights risks and impacts identification process includes a focus on the health of local communities. The company provides evidence of tracking its actual or potential negative impacts on the health of local communities. The company provides evidence of how it prevents, mitigates or remediates its actual and potential negative impacts on the health of local communities. The company has a commitment to zero tolerance for acts of violence, threats, intimidation or judicial harassment committed against land and environmental rights defenders. |

# APPENDIX 14: RESULTS FOR PRINCIPLE 14: POLLUTER PAYS

| Sustainability reporting disclosure standards and frameworks | | Principle 14: Polluter Pays | Notes on the findings from the sustainability performance indicators |
|---|---|---|---|
| 1 | CDP (formerly the Carbon Disclosure Project) | Full effect | The performance indicator of the CDP Climate Change 2022 Scoring Methodology (2022) requires a company to provide details of risks identified with the potential to have a substantive financial or strategic impact on your business, the CDP Forests 2022 Scoring Methodology (2022) requires companies to identified any inherent forests-related risks with the potential to have a substantive financial or strategic impact on the business and the CDP Water Security 2022 Scoring Methodology (2022) provide that a company identifies any inherent water-related risks with the potential to have a substantive financial or strategic impact on the business. |
| 2 | Climate Action 100+ Net Zero Company Benchmark Disclosure Indicators | Full effect | The performance indicators of the Climate Action 100+ Net Zero Company Benchmark Disclosure Framework (2022) that the company has committed to retain, retrain, redeploy and/or compensate workers affected by decarbonisation. |
| 3 | Climate Disclosure Standards Board (CDSB) | Full effect | The performance indicators in the Climate Disclosure Standards Board (CDSB) Framework provide that the company disclose any actual or anticipated penalties relating to environmental and social performance. |
| 4 | European Sustainability Reporting Standards (ESRS) | No effect | No provision is made for performance indicators related to the polluter pays principle. |
| 5 | GRI Sustainability Reporting Standards (formerly Global Reporting Initiative | Full effect | The performance indicators of the Global Reporting Initiative Reporting Standards requires that the organisation shall report the total number of significant instances of non-compliance with laws and regulations during the reporting period, and a breakdown of this total by instances for which fines were incurred; and instances for which non-monetary sanctions were incurred. Also to report the total number and the monetary value of fines for instances of non- compliance with laws and regulations that were paid during the reporting period, and a breakdown of this total by: fines for instances of non-compliance with laws and regulations that occurred in the current reporting period and fines for instances of non-compliance with laws and regulations that occurred in previous reporting periods; describe the significant instances of non-compliance; and describe how it has determined significant instances of non-compliance. |
| 6 | IFC's Performance Standards on Environmental and Social Sustainability | Full effect | The performance indicators of the IFC's Performance Standards on Environmental and Social Sustainability provides organisations to anticipate and avoid adverse impacts of projects on communities of indigenous people, or when avoidance is not possible, to minimize and/or compensate for such impacts. Adverse impacts on indigenous people should be avoided where possible. Where alternatives have been explored and adverse impacts are unavoidable, the organisation must minimize, restore, and/or compensate for these impacts in a culturally appropriate manner. Furthermore, that the project will be developed with the indigenous people and contained in a time-bound plan, such as an Indigenous Peoples Plan, or a broader community development plan with separate components for indigenous people. |
| 7 | IFC's Toolkit for Disclosure and Transparency | Full effect | The performance indicators of the IFC's Toolkit for Disclosure and Transparency provide that organisations should follow the process of identifying risks, assessing the critical functions necessary to continue business operations, determining the controls in place to reduce exposure, and evaluating the cost of such controls. |

| Sustainability reporting disclosure standards and frameworks | | Principle 14: Polluter Pays | Notes on the findings from the sustainability performance indicators |
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| 8 | IFRS Foundation International Sustainability Standards Board (ISSB) | No effect | No provision is made for performance indicators related to the polluter pays principle. |
| 9 | Integrated Reporting Committee (IRC) | No effect | No provision is made for performance indicators related to the polluter pays principle. |
| 10 | ISO 26000 | Full effect | The performance indicators of the ISO 26000 provide an organisation should bear the cost of pollution caused by its activities according to either the extent of the environmental impact on society and the remedial action required, or the degree to which the pollution exceeds an acceptable level. An organisation should endeavour to internalize the cost of pollution and quantify the economic and environmental benefits of preventing pollution. Furthermore, that organisation may choose to co-operate with others to develop economic instruments such as contingency funds to cope with costs of major environmental incidents. |
| 11 | ISO 37000:2021 Governance of organisations | No effect | No provision is made for performance indicators related to the polluter pays principle. |
| 12 | OECD Guidelines for Multinational Enterprises | Full effect | The performance indicators of the OECD Guidelines for Multinational Enterprises provide that organisations should be consistent with the scientific and technical understanding of the risks, where there are threats of severe damage to the environment, taking also into account human health and safety, not use the lack of full scientific certainty as a reason for postponing cost-effective measures to prevent or minimise such damage. |
| 13 | SDG Disclosure Recommendations | No effect | No provision is made for performance indicators related to the polluter pays principle. |
| 14 | South African Green Finance Taxonomy | No effect | No provision is made for performance indicators related to the polluter pays principle. |
| 15 | Task Force on Climate-related Financial Disclosures (TCFD) | No effect | No provision is made for performance indicators related to the polluter pays principle. |
| 16 | UN Global Compact (UNGC) Principles | No effect | No provision is made for performance indicators related to the polluter pays principle. |
| 17 | UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines | Full effect | The performance indicators UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines requires organisations to report on challenges and mistakes as well as accomplishments. |
| 18 | Value Reporting Foundation: Integrated Reporting Framework | No effect | No provision is made for performance indicators related to the polluter pays principle. |
| 19 | Value Reporting Foundation: Sustainability | No effect | No provision is made for performance indicators related to the polluter pays principle. |

| Sustainability reporting disclosure standards and frameworks | | Principle 14: Polluter Pays | Notes on the findings from the sustainability performance indicators |
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| | Accounting Standards Board (SASB) | | |
| 20 | WEF Measuring Stakeholder Capitalism | No effect | No provision is made for performance indicators related to the polluter pays principle. |
| 21 | World Benchmarking Alliance (WBA) | Full effect | The performance indicators of the World Benchmarking Alliance (WBA) requires that a company discloses ecosystem restoration efforts beyond areas affected by its own operations or upstream business relationships (e.g., compensation or offset mechanisms). The company, when acquiring, leasing land or making other arrangements to use or restrict the use or access to land or natural resources, discloses its processes to (i) identify legitimate tenure rights holders, including through engagement with affected communities in the process, paying particular attention to vulnerable or marginalised tenure rights holders, and (ii) negotiate with them to provide adequate compensation. The company requires its business relationships to have a process to identify legitimate tenure rights holders when acquiring, leasing or making other arrangements to use land, paying particular attention to vulnerable or marginalised tenure rights holders, and to negotiate with them to provide adequate compensation. |

# APPENDIX 15: RESULTS FOR PRINCIPLE 15: PRECAUTIONARY APPROACH

| Sustainability reporting disclosure standards and frameworks | | Principle 15: Precautionary approach | Notes on the findings from the sustainability performance indicators |
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| 1 | CDP (formerly the Carbon Disclosure Project) | Full effect | The performance indicator of the CDP Climate Change 2022 Scoring Methodology (2022), the CDP Forests 2022 Scoring Methodology (2022) and the CDP Water Security 2022 Scoring Methodology (2022) provide for risk, targets and improvements to be disclosed. |
| 2 | Climate Action 100+ Net Zero Company Benchmark Disclosure Indicators | Full effect | The performance indicators of the Climate Action 100+ Net Zero Company Benchmark Disclosure Framework (2022) requires that the company employs climate-scenario planning to assess its strategic and operational resilience and that the company has conducted a climate-related scenario analysis including quantitative elements and disclosed its results. |
| 3 | Climate Disclosure Standards Board (CDSB) | Full effect | The performance indicators in the Climate Disclosure Standards Board (CDSB) Framework provides that companies should describe policies, strategies and targets used to monitor and manage an organisation's dependence on natural capital or human and social capital, respectively, its environmental and social results, and environmental and social risks and opportunities and impacts. |
| 4 | European Sustainability Reporting Standards (ESRS) | Full effect | The performance indicators of the European Sustainability Reporting Standards (ESRS) require that organisations reports on the performance or overall progress against its disclosed targets, including information on how the target is monitored and reviewed, whether the progress is in line with what had been initially planned, and an analysis of trends or significant changes in the performance of the undertaking towards achieving the target. |
| 5 | GRI Sustainability Reporting Standards (formerly Global Reporting Initiative | Full effect | The performance indicators of the Global Reporting Initiative Reporting Standards requires that organisation should report on examples of actions taken to prevent or mitigate potential negative impacts (e.g., adaptation/modification measures, facility upgrading, training, red-flag systems); the approaches taken to prevent or mitigate systemic negative impacts; how the organisation applies the precautionary principle, including: how the organisation proactively informs the public about potential negative impacts of its activities, products, and services, and how it deals with related questions and complaints; the organisation's support or contribution to scientific research related to evaluating potential negative impacts of its activities, products, and services; the organisation's participation in collaborative efforts to share knowledge and to prevent negative impacts of its activities, products, and services; how the organisation uses or increases its leverage to motivate its business relationships to prevent or mitigate potential negative impacts. |
| 6 | IFC's Performance Standards on Environmental and Social Sustainability | Full effect | The performance indicators of the IFC's Performance Standards on Environmental and Social Sustainability require its organisations to apply the Performance Standards to manage environmental and social risks and impacts so that development opportunities are enhanced. |
| 7 | IFC's Toolkit for Disclosure and Transparency | Full effect | The performance indicators of the IFC's Toolkit for Disclosure and Transparency provide that companies should follow intermediate ESG practices, incorporating basic steps to strengthen ESG within the organisation, which reflects a culture of continuous improvement. Specific: Target a specific area for improvement. |
| 8 | IFRS Foundation International Sustainability Standards Board (ISSB) | Full effect | The performance indicators of the IFRS Foundation International Sustainability Standards Board (ISSB) provide that organisations disclose on risk management to enable users of financial reports: to understand an entity's processes to identify, assess, prioritise and monitor sustainability-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's |

| Sustainability reporting disclosure standards and frameworks | | Principle 15: Precautionary approach | Notes on the findings from the sustainability performance indicators |
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| | | | overall risk management process; and to assess the entity's overall risk profile and its overall risk management process. |
| 9 | Integrated Reporting Committee (IRC) | Partial effect | The performance indicators of the Integrated Reporting Committee (IRC) provide that organisations identify specific processes used to make strategic decisions and to establish and monitor the culture of the organisation, including its attitude to risk and mechanisms for addressing integrity and ethical issues. |
| 10 | ISO 26000 | Full effect | The performance indicators of the ISO 26000 provide for a precautionary approach that indicates where there are risks of significant or irreversible damage to the environment or human health, lack of full scientific data should not be used as a reason for delaying measures to prevent environmental degradation or damage to human health. The measures should include long term and short-term costs and benefits. |
| 11 | ISO 37000:2021 Governance of organisations | Partial effect | The performance indicators of the ISO 37000 require that the governing body identifies, describes and assesses the key resources and value generation systems the organisation depends on to generate value, how these interrelate and how they are used over time. It ensures that the organisation protects and restores the key resources and systems that it depends on or affects. |
| 12 | OECD Guidelines for Multinational Enterprises | Full effect | The performance indicators of the OECD Guidelines for Multinational Enterprises provide that enterprise identifies a risk of contributing to an adverse impact, then it should take the necessary steps to cease or prevent its contribution and use its leverage to mitigate any remaining impacts to the greatest extent possible. Organisations must conduct risk-based due diligence, by incorporating it into their enterprise risk management systems, to identify, prevent and mitigate actual and potential adverse impacts, and account for how these impacts are addressed. |
| 13 | SDG Disclosure Recommendations | Full effect | The performance indicators of the SDG Disclosure Recommendations provide that SDG Disclosures should demonstrate the achievement on the SDGs and integrate these into the organisation's: business model; consideration of risks and opportunities in the external environment; strategy to create value and avoid harm; risk management, and other key organisational processes. |
| 14 | South African Green Finance Taxonomy | Full effect | The performance indicators of the South African Green Finance Taxonomy provide that organisations reduce financial sector risks through enhanced management of environmental and social performance. Therefore, the taxonomy can be used as a risk management tool as well as a tool that helps direct and redirect finance to green activities by helping markets manage the impact of climate change. |
| 15 | Task Force on Climate-related Financial Disclosures (TCFD) | Full effect | The performance indicators of the Task Force on Climate-related Financial Disclosures (TCFD) require companies to disclose clear, comparable and consistent information about the risks and opportunities presented by climate change. This will ensure that the effects of climate change become routinely considered in business and investment decisions. |
| 16 | UN Global Compact (UNGC) Principles | Full effect | The performance indicators of the UN Global Compact (UNGC) Principles provide that organisations should support a precautionary approach to environmental challenges. |

| Sustainability reporting disclosure standards and frameworks | | Principle 15: Precautionary approach | Notes on the findings from the sustainability performance indicators |
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| 17 | UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines | Full effect | The performance indicators UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines require that organisations disclose the key ESG factors that impact the company strategy in terms of the risks and opportunities they present and address mandatory reporting requirements on financially material factors and mitigate compliance risks related to financial disclosure obligations. Furthermore, to communicate how the organisation is managing ESG-related risks and opportunities. |
| 18 | Value Reporting Foundation: Integrated Reporting Framework | Full effect | The performance indicators of the Value Reporting Foundation: Integrated Reporting Framework provide that an integrated report should be developed that includes the risks and opportunities that affect the organisation's ability to create value over the short, medium and long term, and how is the organisation dealing with them. |
| 19 | Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) | Full effect | The performance indicators of the Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) requires organisations to disclose on the entity's processes to identify, assess, prioritise and monitor sustainability-related risks and opportunities, including whether and how those processes are integrated into and inform the entity's overall risk management process; and to assess the entity's overall risk profile and its overall risk management process. |
| 20 | WEF Measuring Stakeholder Capitalism | Full effect | The performance indicators of the WEF Measuring Stakeholder Capitalism provide that companies address the extent to which governance oversees the effective identification and management of strategic risks and opportunities and incorporating its outputs into corporate strategy. However, opportunities must also be considered. Explicitly incorporating the risks and opportunities associated with economic, environmental and social topics into the firm's governance and related processes is essential for prioritizing and addressing these issues over time, and for long-term value creation. |
| 21 | World Benchmarking Alliance (WBA) | Full effect | The performance indicators of the World Benchmarking Alliance (WBA) require a company to disclose its system to monitor, review and improve its performance on minimising its footprint across material realms (land, fresh water and marine) affected by its activities and upstream business relationships. |

# APPENDIX 16: RESULTS FOR PRINCIPLE 16: RIGOUR

| Sustainability reporting disclosure standards and frameworks | | Principle 16: Rigour | Notes on the findings from the sustainability performance indicators |
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| 1 | CDP (formerly the Carbon Disclosure Project) | Full effect | The performance indicators of the CDP Climate Change 2022 Scoring Methodology (2022), the CDP Forests 2022 Scoring Methodology (2022) and the CDP Water Security 2022 Scoring Methodology (2022) provide for verification of data. |
| 2 | Climate Action 100+ Net Zero Company Benchmark Disclosure Indicators | Full effect | The performance indicators of the Climate Action 100+ Net Zero Company Benchmark Disclosure Framework (2022) require that a company has a process to ensure its trade associations lobby in accordance with the Paris Agreement. The company conducts and publishes a review of its trade associations' climate alignment with the Paris Agreement and that the company explains what actions it took as a result of this review. |
| 3 | Climate Disclosure Standards Board (CDSB) | Full effect | The performance indicators in the Climate Disclosure Standards Board (CDSB) Framework require that the information disclosed faithfully represents factually based strategies, plans and risk analysis, including where inputs come from affected stakeholders, their legitimate representatives, or subject-matter experts. Also, on whether and how targets are informed by engagement with affected stakeholders, their legitimate representatives and/or subject matter experts. |
| 4 | European Sustainability Reporting Standards (ESRS) | Full effect | The performance indicators of the European Sustainability Reporting Standards (ESRS) require organisations to identify actual and potential impacts (both negative and positive), through engaging with relevant stakeholders and experts. |
| 5 | GRI Sustainability Reporting Standards (formerly Global Reporting Initiative | Full effect | The performance indicators of the Global Reporting Initiative Reporting Standards provide that an organisation shall report information that is correct and sufficiently detailed to allow an assessment of the organisation's impacts and also to indicate which data has been estimated, and explain the underlying assumptions and techniques used for the estimation as well as any limitations of the estimates. |
| 6 | IFC's Performance Standards on Environmental and Social Sustainability | Full effect | The performance indicators of the IFC's Performance Standards on Environmental and Social Sustainability provide that projects posing potentially significant adverse impacts or where technically complex issues are involved, clients may be required to involve external experts to assist in the risks and impacts identification process. |
| 7 | IFC's Toolkit for Disclosure and Transparency | Full effect | The performance indicators of the IFC's Toolkit for Disclosure and Transparency provide for sustainability committee reviews to be undertaken on annual report with ESG information and that ESG data is subject to independent review. |
| 8 | IFRS Foundation International Sustainability Standards Board (ISSB) | Full effect | The performance indicators of the IFRS Foundation International Sustainability Standards Board (ISSB) provide that sustainability-related financial disclosures are prepared for primary users who have reasonable knowledge of business and economic activities and who review and analyse information diligently. |
| 9 | Integrated Reporting Committee (IRC) | Full effect | The performance indicators of the Integrated Reporting Committee (IRC) provide that organisations disclose information that includes the governing body's assessment of its performance (or an independent assessment) and the results and remedial actions taken. Also, a description of the actions undertaken by the governing body to ensure that a delegation of authority framework is in place. |

| Sustainability reporting disclosure standards and frameworks | | Principle 16: Rigour | Notes on the findings from the sustainability performance indicators |
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| 10 | ISO 26000 | Full effect | The performance indicators of the ISO 26000 require organisations to conduct a review and that the review should include factors such as social, environmental and economic characteristics of the areas of organisation. |
| 11 | ISO 37000:2021 Governance of organisations | Partial effect | The performance indicators of the ISO 37000 provide that the governing body can delegate but should demonstrate its willingness to answer for the fulfilment of its responsibilities, even where these have been delegated. However, there is no requirement for a review to be undertaken. |
| 12 | OECD Guidelines for Multinational Enterprises | Full effect | The performance indicators of the OECD Guidelines for Multinational Enterprises call on the board of the organisations to ensure the strategic guidance of the organisation, the effective monitoring of management and to be accountable to the organisation and to the shareholders, while taking into account the interests of stakeholders. In undertaking these responsibilities, the board needs to ensure the integrity of the organisation's accounting and financial reporting systems, including independent audit, appropriate control systems (risk management, financial and operational control, and compliance with the law and relevant standards. |
| 13 | SDG Disclosure Recommendations | Partial effect | The performance indicators of the SDG Disclosure Recommendations provide no specific mention of peer review, however only that quantified SDG Disclosures should be reliable and verifiable. |
| 14 | South African Green Finance Taxonomy | No effect | The performance indicators of the South African Green Finance Taxonomy provide Regular reviews and revisions of the standard and not specifically that a company should review their information. |
| 15 | Task Force on Climate-related Financial Disclosures (TCFD) | Full effect | The performance indicators of the Task Force on Climate-related Financial Disclosures (TCFD) require that organisations apply greater rigor and sophistication in the use of data and quantitative models and analysis may be warranted for organisations with more extensive experience in conducting scenario analysis. Organisations may decide to use existing external scenarios and models (e.g., those provided by third-party vendors) or develop their own, in-house modelling capabilities. Furthermore, that in conducting scenario analysis, organisations should strive to achieve: transparency around parameters, assumptions, analytical approaches, and time frames; comparability of results across different scenarios and analytical approaches; adequate documentation for the methodology, assumptions, data sources, and analytics; consistency of methodology year over year; sound governance over scenario analysis conduct, validation, approval, and application; and effective disclosure of scenario analysis that will inform and promote a constructive dialogue between investors and organisations on the range of potential impacts and resilience of the organisation's strategy under various climate-related scenarios. |
| 16 | UN Global Compact (UNGC) Principles | Full effect | The performance indicators of the UN Global Compact (UNGC) Principles provide for that companies to annually peer review their reporting. |
| 17 | UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines | Full effect | The performance indicators of the UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines ESG reports are made more credible by strong internal assessment processes and/or external assurance, if resources permit. |

| Sustainability reporting disclosure standards and frameworks | | Principle 16: Rigour | Notes on the findings from the sustainability performance indicators |
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| 18 | Value Reporting Foundation: Integrated Reporting Framework | Full effect | The performance indicators of the Value Reporting Foundation: Integrated Reporting Framework provide that the reliability of information should be enhanced by mechanisms such as robust internal control and reporting systems, stakeholder engagement, internal audit or similar functions, and independent, external assurance. |
| 19 | Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) | Full effect | The performance indicators of the Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) requires entities to adopt comprehensive practices to maintain the integrity and safety of TSFs may do so through assigning accountability for tailings management at the highest levels of the entity, conducting frequent internal and external independent technical reviews of TSFs, and ensuring that mitigation measures are implemented in a timely manner in case of a safety concern. |
| 20 | WEF Measuring Stakeholder Capitalism | No effect | The performance indicators of the WEF Measuring Stakeholder Capitalism do not provide any specific reference to the Rigour principle. |
| 21 | World Benchmarking Alliance (WBA) | Full effect | The performance indicators of the World Benchmarking Alliance (WBA) require a company discloses an annual review of all the advocacy activities it has undertaken. |

# APPENDIX 17: RESULTS FOR PRINCIPLE 17: STAKEHOLDER ENGAGEMENT

| Sustainability reporting disclosure standards and frameworks | | Principle 17: Stakeholder Engagement | Notes on the findings from the sustainability performance indicators |
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| 1 | CDP (formerly the Carbon Disclosure Project) | Full effect | The performance indicator of the CDP Climate Change 2022 Scoring Methodology (2022) indicates that organisations should engage with the organisation's value chain on climate-related issues and offer on-site technical assistance and extension services that includes: providing agricultural inputs; organizing capacity building events; investing in pilot projects; supporting smallholders to clarify and secure land tenure rights; prioritizing support for smallholders in high-risk deforestation regions; paying higher prices linked to best agricultural practices; financial incentives for certified products; purchase guarantee linked to best agricultural practices and long term contracts linked to forest related commitments. The CDP Water Security 2022 Scoring Methodology (2022) provides that organisations should have a public policy on; engagement, supply chain engagement, community engagement and supplier engagement. |
| 2 | Climate Action 100+ Net Zero Company Benchmark Disclosure Indicators | Full effect | The performance indicators of the Climate Action 100+ Net Zero Company Benchmark Disclosure Framework (2022) require that a company engages with its stakeholders on Just Transition and that the company, in partnership with its workers, unions, communities and suppliers has developed a Just Transition Plan. |
| 3 | Climate Disclosure Standards Board (CDSB) | Partial effect | The performance indicators in the Climate Disclosure Standards Board (CDSB) Framework provide for stakeholder engagement but not specifically youth and women. |
| 4 | European Sustainability Reporting Standards (ESRS) | Full effect | The performance indicators of the European Sustainability Reporting Standards (ESRS) provide that engagement with affected stakeholders should be undertaken during on-going due diligence processes and sustainability materiality assessment. This includes its processes to identify and assess actual and potential negative impacts, which then inform the assessment process to identify the material impacts for the purposes of sustainability reporting. Stakeholders include vulnerable or disadvantaged groups. |
| 5 | GRI Sustainability Reporting Standards (formerly Global Reporting Initiative | Full effect | The performance indicators of the Global Reporting Initiative Reporting Standards require that an organisation shall describe its approach to engaging with stakeholders, including the categories of stakeholders it engages with, and how they are identified; the purpose of the stakeholder engagement; and how the organisation seeks to ensure meaningful engagement with stakeholders. The standard provides for common categories of stakeholders for organisations are business partners, civil society organisations, consumers, customers, employees and other workers, governments, local communities, non-governmental organisations, shareholders and other investors, suppliers, trade unions, and vulnerable groups. |
| 6 | IFC's Performance Standards on Environmental and Social Sustainability | Full effect | The performance indicators of the IFC's Performance Standards on Environmental and Social Sustainability provide that an organisation should provide adequate documented evidence of stakeholder engagement and that the effective stakeholder engagement should include the following: begin early in the process of identification of environmental and social risks and impacts and continue on an ongoing basis as risks and impacts arise; be based on the prior disclosure and dissemination of relevant, transparent, objective, meaningful and easily accessible information which is in a culturally appropriate local language(s) and format and is understandable to communities; focus inclusive engagement on those directly affected as opposed to those not directly affected; be free of external manipulation, interference, coercion, or intimidation; enable meaningful participation, where applicable; and be documented. The organisation should further adjust its consultation to the language preferences of the community, their decision-making process, and the |

| Sustainability reporting disclosure standards and frameworks | | Principle 17: Stakeholder Engagement | Notes on the findings from the sustainability performance indicators |
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| | | | needs of disadvantaged or vulnerable groups. |
| 7 | IFC's Toolkit for Disclosure and Transparency | Partial effect | The performance indicators of the IFC's Toolkit for Disclosure and Transparency provide for governance of Stakeholder Engagement but not specifically youth and women and disadvantage people. |
| 8 | IFRS Foundation International Sustainability Standards Board (ISSB) | No effect | The performance indicators of the IFRS Foundation International Sustainability Standards Board (ISSB) provide no specific mention of stakeholder engagement. |
| 9 | Integrated Reporting Committee (IRC) | Partial effect | The performance indicators of the Integrated Reporting Committee (IRC) provide In exercising informed oversight the governing body should consider, at its meetings and as a matter of course, the value creation process from inputs to outcomes, including the quality of stakeholder relationships and the organisation's responses to those stakeholders' needs, interests and expectations, the trade-offs among the capitals, and the management of risks, opportunities, technology and information. However, no specific reference is made to youth and women and disadvantage people. |
| 10 | ISO 26000 | Full effect | The performance indicators of the ISO 26000 provide that when developing plans for community involvement and development, an organisation should seek opportunities to engage with a broad range of stakeholders and that it is important to identify and consult with and support vulnerable, marginalized, discriminated or under-represented groups. Also, that organisations should consult representative community groups in determining priorities for social investment and community development activities. Special attention should be given to vulnerable, discriminated, marginalized, unrepresented and under-represented groups, to involve them in a way that helps to expand their options and respect their rights. |
| 11 | ISO 37000:2021 Governance of organisations | Partial effect | The performance indicators of the ISO 37000 outline why and how the governing body should understand its stakeholders, engage them in achieving the organisational purpose through the strategy, establish clear criteria to determine the relevance of stakeholder expectations, ensure effective relationships are established and maintained, and that expectations become an effective part of organisational decision-making. However, no specific reference is made to youth and women and disadvantage people. |
| 12 | OECD Guidelines for Multinational Enterprises | Full effect | The performance indicators of the OECD Guidelines for Multinational Enterprises provide for companies to foster capacity building by working closely with the local community, which includes business interests, as well as developing the organisations activities consistent with sound commercial practices. Involve relevant stakeholders through interactions such as meetings, hearings or consultation proceedings, to provide meaningful opportunities for their perspectives to be taken into account during planning and decision making for projects or activities that may significantly impact local communities, such as intensive use of land or water. |
| 13 | SDG Disclosure Recommendations | Full effect | The performance indicators of the SDG Disclosure Recommendations provide that SDG Disclosures should reflect the outcome of the reporting organisation's process to identify its key stakeholder groups, including communities it impacts, and should explain how it has responded to their reasonable expectations and interests The process of creating value involves identifying and responding to external environment factors including sustainable development risks and opportunities. Value creation (or destruction) involves the |

| Sustainability reporting disclosure standards and frameworks | | Principle 17: Stakeholder Engagement | Notes on the findings from the sustainability performance indicators |
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| | | | transformation of multiple capitals: social and relationship capital, natural capital, human capital, intellectual capital, financial capital and manufactured capital. The value creation process also involves trade-offs in impact on the achievement of the SDGs. |
| 14 | South African Green Finance Taxonomy | Partial effect | The performance indicators of the South African Green Finance Taxonomy provide for multi-stakeholder involvement in standard development process and stakeholder consultation in certification and auditing processes. However, no specific reference is made to youth and women and disadvantage people. |
| 15 | Task Force on Climate-related Financial Disclosures (TCFD) | No effect | The performance indicators of the Task Force on Climate-related Financial Disclosures (TCFD) provide no specific mention of stakeholder engagement. |
| 16 | UN Global Compact (UNGC) Principles | Full effect | The performance indicators of the UN Global Compact (UNGC) Principles provide help to companies to navigate a range of challenges through resources, ranging from guidance documents, webinars, and online forums to special initiatives on the rights of groups, such as women, children, indigenous peoples and persons with disabilities. |
| 17 | UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines | Full effect | The performance indicators UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines require companies to engage stakeholders on ESG factors are best conducted as a preventative rather than reactionary activity, as stakeholders can help a company identify, mitigate, and manage ESG risks and opportunities before problems emerge. Stakeholder engagement can also be a source of innovation, future opportunities, and new partnerships that fuel strategic growth. Disclosing a company's engagement process can help investors understand if and how well a company is integrating ESG risks and opportunities into planning and operations, as well as lend credibility to company claims about leadership in ESG performance. Systematic stakeholder engagement enhances receptivity and the usefulness of corporate ESG information. Executed properly, stakeholder engagement is likely to result in improved understanding by the company of its strategic partners and resources, strengthen relationships with stakeholders, and foster higher levels of trust among external parties regarding the company's actions and reporting. |
| 18 | Value Reporting Foundation: Integrated Reporting Framework | Full effect | The performance indicators of the Value Reporting Foundation: Integrated Reporting Framework provides that organisations should include the legitimate needs and interests of key stakeholders be included, how the organisation's culture, ethics, and values are reflected in its use of and effects on the capital, including its relationships with key stakeholders. How the organisation has responded to key stakeholders' legitimate needs and interests and that the integrated report should provide insight into the nature and quality of the organisation's relationships with its key stakeholders, including how and to what extent the organisation understands, takes into account and responds to their legitimate needs and interests. |
| 19 | Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) | Full effect | The performance indicators of the Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) provide for multistakeholder engagement. |
| 20 | WEF Measuring Stakeholder | Full effect | The performance indicators of the WEF Measuring Stakeholder Capitalism provide that companies should address the nature of engagement with material stakeholders, including the processes in |

| Sustainability reporting disclosure standards and frameworks | | Principle 17: Stakeholder Engagement | Notes on the findings from the sustainability performance indicators |
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| | Capitalism | | place to understand stakeholders' key concerns and the company's impact on them. Effective stakeholder engagement should ensure a robust process for identifying and selecting relevant stakeholders (e.g. employees, customers, suppliers, local communities, and shareholders) and for proactively soliciting their input while outlining the frequency and method of engagement. Such engagement is vital in helping to frame effective, purpose-led strategy, to strengthen accountability for sustainable value creation and to advance trust in corporations. |
| 21 | World Benchmarking Alliance (WBA) | Full effect | The performance indicators of the World Benchmarking Alliance (WBA) require that the company engages with stakeholders on sustainable development issues and incorporates the outcomes of these activities in its strategy and operations. Rationale: Serving the interests of all stakeholders is key to businesses' long-term success. Regularly engaging with stakeholders contributes to the company's understanding of diverse and frequently opposing perspectives, drives innovation, and helps to shape robust and inclusive approaches. Companies are expected to engage in meaningful stakeholder engagement. Engagement processes are expected to produce a clear output or action and an acknowledgment of how stakeholder inputs are used. Also that the company discloses an overview of the issues raised during its stakeholder engagement activities; the company discloses its process for identifying relevant stakeholders across its value chain; the company discloses its process for engaging with stakeholder groups, including frequency and channels, beyond its materiality assessment or similar equivalent; the company discloses the outcomes of its stakeholder engagement activities and their integration into its sustainability strategy and the company's stakeholder engagement covers nature (including biodiversity) and social issues. |

# APPENDIX 18: RESULTS FOR PRINCIPLE 18: SUSTAINABILITY

| Sustainability reporting disclosure standards and frameworks | | Principle 18: Sustainability | Notes on the findings from the sustainability performance indicators |
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| 1 | CDP (formerly the Carbon Disclosure Project) | Full effect | The performance indicator of the CDP provides that an organisation adopts sustainable irrigation practices (food, beverage & tobacco sector only); promote the adoption of sustainable irrigation practices among suppliers (food, beverage & tobacco sector only); procurement/production of sustainable raw materials (food, beverage & tobacco sector only); be committed to the UN Sustainable Development Goals and promote sustainable agriculture practices. |
| 2 | Climate Action 100+ Net Zero Company Benchmark Disclosure Indicators | Partial effect | The performance indicators of the Climate Action 100+ Net Zero Company Benchmark Disclosure Framework (2022) provide that the company should be committed to Just Transition principles and that the company has published a policy committing it to decarbonise in line with Just Transition principles. |
| 3 | Climate Disclosure Standards Board (CDSB) | Full effect | The performance indicators in the Climate Disclosure Standards Board (CDSB) Framework the organisation should disclose its ability to influence natural capital, for example through its supply chain, procurement of resources from sustainable sources and impacts associated with the use of the organisation's goods and services. |
| 4 | European Sustainability Reporting Standards (ESRS) | Full effect | The performance indicators of the European Sustainability Reporting Standards (ESRS) require that companies issue a sustainability statement for all the ESRS standards. |
| 5 | GRI Sustainability Reporting Standards (formerly Global Reporting Initiative | Full effect | The performance indicators of the Global Reporting Initiative Reporting Standards require that an organisation should consider the following to understand the sustainability context of its activities and business relationships: Economic, environmental, human rights, and other societal challenges at local, regional, and global levels related to the organisation's sectors and the geographic location of its activities and business relationships (e.g., climate change, lack of law enforcement, poverty, political conflict, water stress). Furthermore, that the organisation's is responsible for complying to laws and regulations. |
| 6 | IFC's Performance Standards on Environmental and Social Sustainability | Full effect | The performance indicators of the IFC's Performance Standards on Environmental and Social Sustainability refer to the IFC's Sustainability Framework that focuses on the IFC's strategic commitment to sustainable development and is an integral part of IFC's approach to risk management. The Sustainability Framework comprises of the IFC's Policy and Performance Standards on Environmental and Social Sustainability and the IFC's Access to Information Policy. |
| 7 | IFC's Toolkit for Disclosure and Transparency | Full effect | The performance indicators of the IFC's Toolkit for Disclosure and Transparency provide that in the performance section of the annual report, companies should report on their performance in managing the sustainability issues they have identified as material. This includes a discussion of performance and key performance indicators (KPIs) in the performance report as well as the disclosure of quantitative, comparable, and consistent sustainability metrics in the sustainability statements. |
| 8 | IFRS Foundation International Sustainability Standards Board (ISSB) | Partial effect | The performance indicators of the IFRS Foundation International Sustainability Standards Board (ISSB) require an entity to disclose information about all risks and opportunities related to sustainability that could reasonably be expected to affect the entity's cash flows, its access to finance or cost of capital over the short, medium or long term and is not specifically focussed on the environment. |
| 9 | Integrated Reporting | No effect | The performance indicators of the Integrated Reporting Committee (IRC) provide no specific reference to the Sustainability principle. |

| Sustainability reporting disclosure standards and frameworks | | Principle 18: Sustainability | Notes on the findings from the sustainability performance indicators |
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| | Committee (IRC) | | |
| 10 | ISO 26000 | Full effect | The performance indicators of the ISO 26000 provide that in its purchasing decisions, an organisation should take into account the environmental, social, and ethical performance of the products or services being procured, over their entire life cycles. Organisations should make use of reliable and effective independently verified labelling schemes or other verification schemes, such as eco-labelling or auditing activities, and give preference to products or services with minimal impacts. An organisation should further implement programmes using a risk based and sustainability perspective to assess, avoid, reduce, and mitigate environmental risks and impacts from its activities. An organisation should develop and implement awareness-raising activities and emergency response procedures to reduce and mitigate environmental, health, and safety impacts caused by accidents and to communicate information about environmental incidents to appropriate authorities and local communities. |
| 11 | ISO 37000:2021 Governance of organisations | Full effect | The performance indicators of the ISO 37000 clarify that the governing body identifies, describes and assesses the key resources and value generation systems the organisation depends on to generate value, how these interrelate and how they are used over time. It ensures that the organisation protects and restores the key resources and systems that it depends on or affects. |
| 12 | OECD Guidelines for Multinational Enterprises | Full effect | The performance indicators of the OECD Guidelines for Multinational Enterprises provide that organisations contribute to economic, environmental, and social progress with a view to achieving sustainable development. |
| 13 | SDG Disclosure Recommendations | Full effect | The performance indicators of the SDG Disclosure Recommendations provide that SDG Disclosures should reflect the sustainable development context of the organisation and its industry/sector and be relevant to that context. Information on targets should be placed in the context of the targets underpinning the SDGs. An organisation's presentation of sustainable development issues should include, but go beyond, their relationship to both positive and negative performance to consider their implications for what business is done – and how business is done. |
| 14 | South African Green Finance Taxonomy | Full effect | The performance indicators of the South African Green Finance Taxonomy provide that companies should conduct taxonomy-aligned economic activities to make a significant contribution to at least one environmental objective. It may also be that a taxonomy-aligned economic activity makes a significant contribution to more than one environmental objective and has co-benefits and contributions in terms of multiple sustainable development dimensions. |
| 15 | Task Force on Climate-related Financial Disclosures (TCFD) | No effect | The performance indicators of the Task Force on Climate-related Financial Disclosures (TCFD) provide no specific reference to the Sustainability principle. The performance indicators of the Task Force on Climate-related Financial Disclosures (TCFD) require that investors and other stakeholders need to understand how climate-related issues may affect an organisation's businesses, strategy, and financial planning over the short, medium, and long term. Such information is used to inform expectations about the future performance of an organisation. |
| 16 | UN Global Compact (UNGC) Principles | Full effect | The performance indicators of the UN Global Compact (UNGC) Principles require organisations to implement efforts to address environmental responsibilities, value natural capital, and better understand the linkages between resources. Companies should move |

| Sustainability reporting disclosure standards and frameworks | | Principle 18: Sustainability | Notes on the findings from the sustainability performance indicators |
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| | | | beyond traditional approaches based largely on compliance and narrow risk assessments and to actively address environmental risks and opportunities and prepare for a more sustainable future and become part of the solution. |
| 17 | UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines | Full effect | The performance indicators UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines require companies to report on their public commitments towards sustainable development and corporate responsibility. |
| 18 | Value Reporting Foundation: Integrated Reporting Framework | Full effect | The performance indicators of the Value Reporting Foundation: Integrated Reporting Framework require companies to mainstream business practice in the public and private sectors, facilitated by integrated reporting as the corporate reporting norm. Also, that companies adopt the cycle of integrated reporting and thinking, resulting in efficient and productive capital allocation, as a force for financial stability and sustainable development. |
| 19 | Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) | Full effect | The performance indicators of the Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) require companies to disclose on topics that describe specific sustainability-related risks or opportunities associated with the activities conducted by entities within a particular industry. |
| 20 | WEF Measuring Stakeholder Capitalism | Full effect | The performance indicators of the WEF Measuring Stakeholder Capitalism provide that organisations should have the ambition to protect the planet from degradation, including through sustainable consumption and production, sustainably managing its natural resources, and taking urgent action on climate change, so that it can support the needs of the present and future generations. |
| 21 | World Benchmarking Alliance (WBA) | Full effect | The performance indicators of the World Benchmarking Alliance (WBA) require a company's business model embeds circularity and follow a pathway that aligns with nature's full recovery by 2050. |

# APPENDIX 19: RESULTS FOR PRINCIPLE 19: TRANSPARENCY

| Sustainability reporting disclosure standards and frameworks | | Principle 19: Transparency | Notes on the findings from the sustainability performance indicators |
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| 1 | CDP (formerly the Carbon Disclosure Project) | Full effect | The performance indicator of the CDP Climate Change 2022 Scoring Methodology (2022), the CDP Forests 2022 Scoring Methodology (2022) and the CDP Water Security 2022 Scoring Methodology (2022) allows for public commitment and disclosure. |
| 2 | Climate Action 100+ Net Zero Company Benchmark Disclosure Indicators | Full effect | The performance indicators of the Climate Action 100+ Net Zero Company Benchmark Disclosure Framework (2022) require that a company discloses the methodology used to determine its future capital expenditures and the methodology and criteria it uses to assess the alignment of its capital expenditure plans with decarbonisation goals, including key assumptions and key performance indicators (KPIs). |
| 3 | Climate Disclosure Standards Board (CDSB) | Full effect | The performance indicators in the Climate Disclosure Standards Board (CDSB) Framework require an organisation to comply with mainstream corporate requirements or with compliance requirements on the conduct of human rights and environmental due diligence and/or on the disclosure of environmental and social information. |
| 4 | European Sustainability Reporting Standards (ESRS) | Full effect | The performance indicators of the European Sustainability Reporting Standards (ESRS) require companies to be transparent towards stakeholders. |
| 5 | GRI Sustainability Reporting Standards (formerly Global Reporting Initiative | Full effect | The performance indicators of the Global Reporting Initiative Reporting Standards indicate that organisations it is crucial for organisations to help customers make informed choices by having fair and responsible marketing communications, as well as access to information about the composition of products and their proper use and disposal. |
| 6 | IFC's Performance Standards on Environmental and Social Sustainability | Full effect | The performance indicators of the IFC's Performance Standards on Environmental and Social Sustainability provide for an IFC's Access to Information Policy that reflects the IFC's commitment to transparency and good governance on its operations and outlines the corporation's institutional disclosure obligations regarding its investment and advisory services. |
| 7 | IFC's Toolkit for Disclosure and Transparency | Full effect | The performance indicators of the IFC's Toolkit for Disclosure and Transparency require organisations to promote high standards in disclosure and transparency across emerging capital markets. Also, for companies to design comprehensive and best-in-class annual reports that are appropriate for their size and organisational complexity and adapted to the context of operation— to provide information that investors and other stakeholders can use to make informed decisions. |
| 8 | IFRS Foundation International Sustainability Standards Board (ISSB) | Full effect | The performance indicators of the IFRS Foundation International Sustainability Standards Board (ISSB) require an entity to disclose information about all risks and opportunities related to sustainability that is likely to have an impact on the entity's cash flows, financing access, or capital cost in the short, medium, or long term and the organisation's future. |
| 9 | Integrated Reporting Committee (IRC) | Partial effect | The performance indicators of the Integrated Reporting Committee (IRC) require that the information disclosed is at a high level with references to more comprehensive information elsewhere, if appropriate. However, the IRC suggests that the inclusion of compliance-related governance information can obfuscate material information and does not need to be disclosed. |

| Sustainability reporting disclosure standards and frameworks | | Principle 19: Transparency | Notes on the findings from the sustainability performance indicators |
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| 10 | ISO 26000 | Full effect | The performance indicators of the ISO 26000 provide that organisations invest their resources in initiatives and programmes aimed at improving social aspects of community life. Types of social investments may include projects related to education, training, culture, health care, income generation, infrastructure development, improving access to information, or any other activity likely to promote economic or social development. In identifying opportunities for social investment, an organisation should align its contribution with the needs and priorities of the communities in which it operates, taking into account priorities set by local and national policymakers. Information sharing, consultation, and negotiation are useful tools for a participative approach to identifying and implementing social investments. |
| 11 | ISO 37000:2021 Governance of organisations | Partial effect | The performance indicators of the ISO 37000 require that the governing body should ensure that decisions are transparent and aligned with broader societal expectations. However, no specific mention is made to the environment. |
| 12 | OECD Guidelines for Multinational Enterprises | Full effect | The performance indicators of the OECD Guidelines for Multinational Enterprises provide that transparency is recognised as a general principle for a company's dealings with the public. To improve public understanding of enterprises and their interaction with society and the environment, enterprises should be transparent in their operations and responsive to the public's increasingly sophisticated demands for information. |
| 13 | SDG Disclosure Recommendations | Full effect | The performance indicators of the SDG Disclosure Recommendations provide that SDG Disclosures should be concise so that relevant information is not obscured, but SDG Disclosures must, nevertheless, satisfy the Principle of Completeness. |
| 14 | South African Green Finance Taxonomy | Full effect | The performance indicators of the South African Green Finance Taxonomy provide that it is the intention of the taxonomy to encourage transparency through disclosure, and especially disclosure concerning social impact performance of taxonomically aligned activities, and that there should be transparency in communication of the standards documents and processes. |
| 15 | Task Force on Climate-related Financial Disclosures (TCFD) | Full effect | The performance indicators of the Task Force on Climate-related Financial Disclosures (TCFD) require that disclosures should be written to communicate financial information that serves the needs of a range of financial sector users (e.g., investors, lenders, insurers, and others). This requires reporting at a level beyond compliance with minimum requirements. The disclosures should be sufficiently granular to inform sophisticated users but should also provide concise information for those who are less specialized. Clear communication will allow users to identify key information efficiently. |
| 16 | UN Global Compact (UNGC) Principles | Full effect | The performance indicators of the UN Global Compact (UNGC) Principles provide reporting to stakeholders in a transparent and public manner is fundamental for companies committed to sustainability. |
| 17 | UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines | Full effect | The performance indicators UN Sustainable Stock Exchanges Initiative Model Reporting Guidelines require organisations to identify and connect any regulatory requirements related to ESG disclosure, broad or issue-specific, as well as statutory requirements related to stakeholder engagement and information disclosure. Include statutory requirements related to stakeholder engagement and information disclosure. Furthermore, that companies should demonstrate transparency and effective management and enhance the company's |

| Sustainability reporting disclosure standards and frameworks | | Principle 19: Transparency | Notes on the findings from the sustainability performance indicators |
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| | | | ability to attract long-term capital and favourable financing conditions. |
| 18 | Value Reporting Foundation: Integrated Reporting Framework | Full effect | The performance indicators of the Value Reporting Foundation: Integrated Reporting Framework indicates that an integrated report enhances transparency and accountability, which are essential in building trust and resilience, by disclosing how key stakeholders' needs and interests are understood by the organisation, how these needs are taken into account and addressed through decision-making, actions, and performance, as well as ongoing communication. |
| 19 | Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) | Full effect | The performance indicators of the Value Reporting Foundation: Sustainability Accounting Standards Board (SASB) requires an entity to disclose information about all risks and opportunities related to sustainability that is likely to have an impact on the entity's cash flows, financing access, or capital cost in the short, medium, or long term and the organisation's future. |
| 20 | WEF Measuring Stakeholder Capitalism | Partial effect | The performance indicators of the WEF Measuring Stakeholder Capitalism provide that the intention of the recommended metrics and disclosures will enable each company to provide the narrative and the numbers that its investors and stakeholders need to track that corporate journey towards sustainable value creation. |
| 21 | World Benchmarking Alliance (WBA) | Full effect | The performance indicators of the World Benchmarking Alliance (WBA) indicate that these indicators are used to assess companies, regardless of the sector in which they operate, based on publicly available information, to drive transparency about responsible business conduct. The core social indicators are supplemented by transformation-specific social indicators that are relevant to the sectors being assessed. |