



RI TRANSPARENCY REPORT

2019

JSE Limited

About this report

This report is an export of the individual Signatory organisation responses to the PRI Service Provider Reporting Framework during the 2019 reporting period. It shows your responses to mandatory indicators, as well as responses to voluntary indicators that your organisation has agreed to make public. You will be able to access the public RI Transparency report of your organisation and that of other signatories on the [PRI website](#).

The information is presented exactly as it was reported. Where an indicator offers a response option that is multiple-choice, all options that were available to the signatory to select are presented in this report. Presenting the information exactly as reported is a result of signatory feedback which suggested the PRI not summarise the information. As a result, the reports can be extensive. However, to help easily locate information, there is an **Index** which highlights where the information can be found and summarises the indicators that signatories complete and disclose.

Understanding the Index

The Index summarises the response status for the individual indicators and modules. It can be used by stakeholders as an 'at a glance' summary of reported information and to identify particular themes or areas of interest.

All indicators within a module are presented below. The status of indicators is shown with the following symbols:

Symbol	Status
✓	The signatory has completed all mandatory parts of this indicator
☑	The signatory has completed some parts of this indicator
🔒	This indicator was not relevant for this signatory
-	The signatory did not complete any part of this indicator.
⚠	The signatory has flagged this indicator for internal review

Within the table, indicators marked in blue are mandatory to complete. Indicators marked in grey are voluntary to complete.

Index

Organisational Overview			
Indicator	Short description	Status	Disclosure
OO 01	Basic information	✓	Public
OO 02	Reporting year	✓	Public
OO 03	Signatory category and services	✓	Public
OO 04	Other offerings/business activities	✓	Public
OO 05	Breakdown of ESG coverage	✓	Asset mix disclosed in OO 06
OO End		✓	-

Strategy and Governance			
Indicator	Short description	Status	Disclosure
SG 01	Responsible investment policy	✓	Public
SG 02	Norms used to develop policies	✓	Public
SG 03	Policy offerings to clients	✓	Public
SG 04	ESG/RI in business offerings	🔒	n/a
SG 05	Outsourcing of services	✓	Private
SG 06	Providing training/education	✓	Public
SG 07	Applying, advancing and promoting the PRI principles	✓	Public
SG 08	Actions taken to promote responsible investment	✓	Public
SG 09	Long term trends	✓	Public
SG 10	Interaction with asset owners	🔒	n/a
SG 11	Aligning approach with investor goals	✓	Public
SG 12	ESG recommendations not aligned with investor goals	✓	Public
SG 13	Seeking feedback from clients	✓	Public
SG 14	Managing conflicts of interest	✓	Public
SG End		✓	-

JSE Limited

Reported Information

Public version

Organisational Overview

PRI disclaimer

This document presents information reported directly by signatories. This information has not been audited by the PRI Secretariat or any other party acting on their behalf. While this information is believed to be reliable, no representations or warranties are made as to the accuracy of the information presented, and no responsibility or liability can be accepted for any error or omission.

Basic Information

OO 01	Mandatory	Public	Descriptive
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OO 01.1 Select the location of your organisation's headquarters.

South Africa

OO 01.2 Indicate the number of countries in which you have offices (including your headquarters).

- 1
- 2 - 5
- 6 - 10
- 11 - 50
- >50

OO 01.3 Indicate the regions where you have offices.

- Africa/Middle East
- Asia (excluding Japan & Korea)
- Australasia
- Canada
- Continental Europe
- Japan & Korea
- Nordic
- South America
- UK & Ireland
- US

OO 01.4 Indicate the approximate number of staff in your organisation in full-time equivalents (FTE).

FTE

392

Reporting Year

OO 02	Mandatory	Public	Descriptive
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OO 02.1 Indicate the year end date for your reporting year.

31/12/2018

Signatory category and services

OO 03

Mandatory

Public

Gateway

OO 03.1

Indicate which of the following categories reflect your core offering or main business activity:

- Reporting
- Active Ownership Services
- Investment consultancy
- Research and Data Provision
- Other, specify (1)

The JSE is a self-regulatory multi-asset securities exchange offering primary and secondary market, post-trade, technology and information services

- Other, specify(2)

OO 03.2

Indicate any other business activities that your organisation offers. Indicate whether you wish to report on these business areas.

- Reporting
- Active Ownership Services
- Investment consultancy
- Research and Data provision

Research and Data provision

- Yes
- No
- Other, specify (3)
- Other, specify (4)

Development, listing and trading of securities and related products, including indices, ETFs, bonds, derivatives etc. <w:br />Regulation of and guidance on reporting <w:br />ESG events and training

- None of the above

OO 03.3

Attach a graph showing a breakdown of your business activities. [OPTIONAL]

OO 03.4

Additional information [OPTIONAL]

Please refer to Integrated Annual Report 2018 available at <http://ir.jse.co.za/static-files/774c44a1-28fc-4c17-90fc-8e05c5e27adf> (see pages 4 and 5 for an explanation of key revenue driving activities), and pages 21 to 28 for a full breakdown of financial performance for the FY2018.

OO 04

Mandatory

Public

Descriptive

OO 04.1

Please describe your core offering or main business activity.

The JSE is a multi-asset class securities exchange, offering investors deep liquidity across its product range. It provides:

A primary market - sourcing issuers to list and supporting potential and existing issuers.

A secondary market that facilitates trading in: equities; financial derivatives; commodity derivatives; currency derivatives; and interest rate instruments.

Post-trade services - Through a division responsible for clearing, settlement and assurance.

Technology services - that support the JSE's operations; and

Information services, including market data.

It also regulates the primary and secondary markets via a self-regulatory model.

The JSE is licensed to operate under the Financial Markets Act, 19 of 2012.

OO 04.4

If you reported a second non-core offering or business activity, please describe it below.

Development, listing and trading of securities and related products, including indices, ETFs, bonds, derivatives etc. With reference to responsible investment, the JSE currently offers the following:

- FTSE/JSE Responsible Investment Index Series which is supported by the FTSE Russell ESG Ratings, and a new related offering covering granular ESG data on JSE-listed companies as well as green revenues data, which contribute to ESG information availability for the market. The data offering was introduced in late 2018.

- green bonds

- futures contracts on the FTSE/JSE Responsible Investment Top 30 index

Additional ESG futures contracts are under development.

The JSE is also active in the promotion of sustainable business practices and responsible investment in dealing with our clients across issuers and investors, both directly as well as indirectly through various avenues such as regulation of reporting, training offerings and events enabling issuer-investor interaction on market and other issues including ESG.

JSE Limited

Reported Information

Public version

Strategy and Governance

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Policy on ESG beliefs

SG 01	Mandatory	Public	Gateway
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SG 01.1

Describe how your organisation's philosophy incorporates environmental, social and governance factors, and the link to your business offerings.

The JSE understands that a sustainable business is one that operates with a long-term perspective and the recognition that it both impacts on, and is impacted by the context within which the business operates (including the stakeholder, environmental, political, legal, and economic context).

As a leader in emerging markets, the JSE recognises the importance of integrating the long-term perspective into financial markets to reduce socio-economic and physical risks and to contribute to enhanced financial stability and a low-carbon economy.

The business is operated according to a philosophy that tries to balance the interests of all stakeholders, particularly in relation to the following three pressures:

- optimising shareholder value;
- reinvesting internally in people and technology; and
- driving down cost to clients.

As far as possible, the JSE business is operated and positioned in a manner that not only provides thought leadership impacting or influencing stakeholders, but also sets an example in achieving excellence. The JSE actively promotes sustainable, transparent business and responsible investment across a range of areas including the following:

- as a global thought leader in the field of governance and sustainability and the related standards and disclosure;
- evolving and expanding its responsible investment product offering;
- ensuring operational excellence through considering the ESG risks, impacts and opportunities of the JSE's activities and disclosures.

Recent progress has entrenched and improved the JSE Ltd's inclusion in both the FTSE/JSE Responsible Investment benchmark index as well as the FTSE/JSE Responsible Investment Top 30 Index. The JSE's ESG rating improved as at last rating in June 2018.

Please see pages 21 to 23 of our 2018 Social Value Report for more detail (available at <http://ir.jse.co.za/static-files/1aeacff1-32e1-4aaa-b4e0-9eb2cd54e9fa>)

In 2018, our Sustainability Position Statement was approved by our Board and is as follows:

"The JSE, as a leader in emerging markets, recognises the importance of integrating the long-term perspective into financial markets to reduce socio-economic and physical risks and to contribute to enhanced financial stability and a low carbon economy. We undertake to:

- Guide our markets on the importance of incorporating ESG into investment considerations
- Provide the tools and services that facilitate responsible investing and the re-orientation of capital flows to more sustainable development
- Use our central role as connector to facilitate engagement and advocacy in relation to sustainability
- Ourselves behave in a manner that explicitly considers sustainability across our value chain as an exchange and as a central player in the South African economy"

SG 01.2

Indicate whether you have policies that formalise the incorporation of your ESG beliefs in your business offerings.

Yes

SG 01.3

Indicate the components/types of your internal policy and provide the URL and/or an attachment of the document/s if they are publicly available.

Policy components/types

- Policy setting out your overall ESG/RI approach
- Formalised guidelines on environmental factors

	Public availability
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- URL

	URL
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<https://www.jse.co.za/about/sustainability>

- Attachment
- Not publicly available
- Formalised guidelines on social factors

	Public availability
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- URL

	URL
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<https://www.jse.co.za/about/sustainability>

- Attachment
- Not publicly available
- Formalised guidelines on corporate governance factors

	Public availability
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- URL

	URL
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<https://www.jse.co.za/about/sustainability>

- Attachment
- Not publicly available
- Formalised guidelines on engagement approach
- Formalised guidelines on (proxy) voting approach
- Other, specify (1)

Overview of organisational strategy and corporate scorecard performance is set out annually in our Integrated Annual Report

Public availability

URL

URL

http://ir.jse.co.za/results/annual-reports?field_nir_asset_date_value=2018

Attachment

Not publicly available

Other, specify (2)

Sustainability strategy

Public availability

URL

Attachment

Not publicly available

None of the above

SG 01.4

Indicate how these are put into practice internally across the organisation.

Regular employee training on RI/ESG

Regular RI/ESG policy awareness building for employees

Establishment of policy review committee/team

Remuneration linked to achieving ESG objectives

Annual performance incentives

Other, specify (1)

Monitoring of progress against strategic objectives through corporate scorecard and reporting at executive and Board level

Other, specify (2)

Other, specify (3)

No

SG 02	Mandatory	Public	Descriptive
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SG 02.1

Indicate what frameworks and guidelines you have used to develop your organisation's policies. Tick all that apply.

- UN Principles for Responsible Investment
- UN Global Compact Principles
- UN Guiding Principles on Business and Human Rights
- Universal Declaration of Human Rights
- UN Sustainable Development Goals
- International Bill of Human Rights
- International Labour Organisation Conventions
- IFC Performance Standards
- United Nations Convention Against Corruption
- OECD Principles of Corporate Governance
- OECD Guidelines for Multinational Enterprises
- GRI standards
- Other, specify (1)
King Code on Corporate Governance for South Africa
- Other, specify (2)
National legislation including the Constitution of South Africa; Companies Act; Labour Relations, Employment Equity and Broad-Based Black Economic Empowerment legislation; Financial Sector transformation codes
- Other, specify (3)
WFE Sustainability Principles <w:br />Sustainable Stock Exchanges Initiative guidelines <w:br />The CDP (Carbon Disclosure Project) <w:br />FTSE Russell ESG ratings data model
- None of the above

SG 03**Mandatory****Public****Descriptive****SG 03.1**

Indicate whether you offer standard, off the shelf, policies to clients as part of your product offerings, and/or whether you create tailored versions for individual clients.

	Off the shelf	Tailored
Asset class-specific RI guidelines	<input type="checkbox"/>	<input type="checkbox"/>
Sector-specific RI guidelines	<input type="checkbox"/>	<input type="checkbox"/>
Screening/exclusions policy	<input type="checkbox"/>	<input type="checkbox"/>
Engagement policy	<input type="checkbox"/>	<input type="checkbox"/>
(Proxy) voting policy	<input type="checkbox"/>	<input type="checkbox"/>
RI guidelines set out within the Investment Policy Statement (IPS)	<input type="checkbox"/>	<input type="checkbox"/>
RI guidelines set out in a freestanding RI policy	<input type="checkbox"/>	<input type="checkbox"/>
Multi-year RI implementation project plan	<input type="checkbox"/>	<input type="checkbox"/>
Conflict of interest management policy	<input type="checkbox"/>	<input type="checkbox"/>
Stockbroker allocation policy	<input type="checkbox"/>	<input type="checkbox"/>
Securities lending policy	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (1)	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (2)	<input type="checkbox"/>	<input type="checkbox"/>
Other, please specify (3)	<input type="checkbox"/>	<input type="checkbox"/>
None of the above	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

SG 06	Mandatory	Public	Descriptive
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SG 06.1	Indicate whether you provide training/educational services on ESG/RI. Tick all that apply.
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- Board/trustee training
- Investment manager training
- Regulatory bodies/authorities or public policy makers
- Corporate executive training
- ESG analyst training
- Other, specify (1)

Training for listed companies

- Other, specify (2)
- Other, specify (3)
- Other, specify (4)
- None of the above

SG 06.2	Describe the main components of your training/educational services on ESG/RI and any variations depending on the group you provide training/education to.
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Various training offerings are in place and correspond with the JSE view that sustainability and good governance are inseparable. Topics currently include director induction and training, listing requirements training, governance, specifically the King Code, integrated reporting and ethics. Our ESG specific training is bespoke (tailored to each client) , and covers how the FTSE ESG data model works and how companies are faring and what their weak and strong areas of performance are.

SG 06.3	Describe whether these training/educational services include any commercial elements.
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Basic training is free of cost. Beyond that, costs vary with the needs of the client.

SG 07	Mandatory	Public	Descriptive
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SG 07.1	Describe how your organisation applies, advances and promotes the PRI Principles.
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Please refer to previous questions regarding business activities as well as SSE fact sheet and Communication to Stakeholders at <http://www.sseinitiative.org/fact-sheet/jse/>

SG 07.2	Highlight whether there are any ways that your organisation would like to engage further with the PRI. [OPTIONAL]
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We'd like to work on further promoting the SDG's and promoting better understanding and integration of the SDG's into investment decision making, as well as on working to promote better alignment on ESG reporting frameworks in order to promote meaningful, comparable and decision-useful information.

SG 08	Mandatory	Public	
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SG 8.1

Indicate which of the following actions your organisation has taken to promote responsible investments during the reporting year, independently of collaborative initiatives.

- Provided or supported education or training programmes for clients, investment managers, legal advisers or other investment organisations
- Provided financial support for academic or industry research on responsible investment
- Encouraged better transparency and disclosure of responsible investment practices across the investment industry
- Spoken publicly at events and conferences to promote responsible investment
- Written and published in-house research papers on responsible investment
- Encouraged the adoption of the PRI
- Written and published articles on responsible investment in the media
- Policy engagements and other interactions
- Other, specify
Offering responsible investment products <w:br />Promoting and encouraging greater ESG transparency
- None of the above

SG 09**Mandatory****Public****Descriptive****SG 09.1**

Indicate which of the following long-term trends are addressed in your product outputs.

- Changing demographics

SG 09.2

Explain how this long-term trend affects your product outputs.

Product and service offerings need to take account of the particular context of South Africa and the need to enable broader economic participation

- Climate change

SG 09.2

Explain how this long-term trend affects your product outputs.

Certain listed sectors and asset classes such as commodities may be directly affected by climate change, having a range of potential impacts on the market including price volatility.

The need to address climate change through mitigation and adaptation creates opportunity for new products / markets, but also strengthens the imperative for offering risk management tools.

- Resource scarcity

SG 09.2

Explain how this long-term trend affects your product outputs.

Certain listed sectors and asset classes may be directly affected by resource scarcity, which could either negatively or positively affect their long term prospects and attractiveness to investors.

- Technology developments

SG 09.2

Explain how this long-term trend affects your product outputs.

Capital markets are highly dependent on technology and must remain rapidly responsive to and even take the lead technological advancements.

Other, specify (1)

Socio-economic transformation

SG 09.2

Explain how this long-term trend affects your product outputs.

Product and service offerings need to take account of the particular context of South Africa and the need to enable broader economic participation, and ensure that offerings are relevant and progressive.

Other, specify (2)

None of the above

SG 11

Mandatory

Public

Descriptive

SG 11.1

Describe how you typically align your organisation's philosophy and approach to ESG/RI with your investor clients' goals.

Describe

Services and products are developed and evolved with client needs in mind as far as possible. Customised offerings aim to meet particular needs or goals.

This is not relevant for my organisation

SG 12

Mandatory

Public

Descriptive

SG 12.1

Describe what steps you take, if any, when your ESG recommendations are not in line with your investor clients' goals.

Describe

Customised offerings can be explored where broad market offerings don't align with specific investor's goals. Services and products are intended to ensure market stability and investor protection, however aim to be flexible and adaptable to client needs as well.

This is not relevant for my organisation

SG 13

Mandatory

Public

Descriptive

SG 13.1

Indicate whether you seek feedback from clients on your RI/ESG services and product offerings

Yes

SG 13.2 Describe how you use this feedback in your RI/ESG services and product offerings.

Feedback is used to continue to evolve existing offerings and to explore new offerings.

No

SG 14	Mandatory	Public	Descriptive
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SG 14.1 Indicate whether your organisation has a policy for managing potential conflicts of interest.

Yes

SG 14.2 Describe how you manage potential conflicts of interest.

Strict policies are in place around disclosure and management of conflicts. In particular, since the organisation has both a regulatory function (as a self-regulatory organisation) and a commercial objective, perceived conflicts may arise. The organisation has detailed and well-defined policies covering this, particularly in relation to the Issuer Regulation and Market Surveillance functions.

SG 14.3 Describe how you ensure that company employees do not derive any personal gain from the use of information collected during your work process.

Strict employment policies apply with serious consequences for contraventions (including potential criminal action in the case of e.g. insider trading or market manipulation).

Issuer Regulation and Market Surveillance functionality is physically and practically isolated and ring-fenced from commercial and other business functionality.

No