CDP Insights South Africa

CDP
DISCLOSURE INSIGHT ACTION

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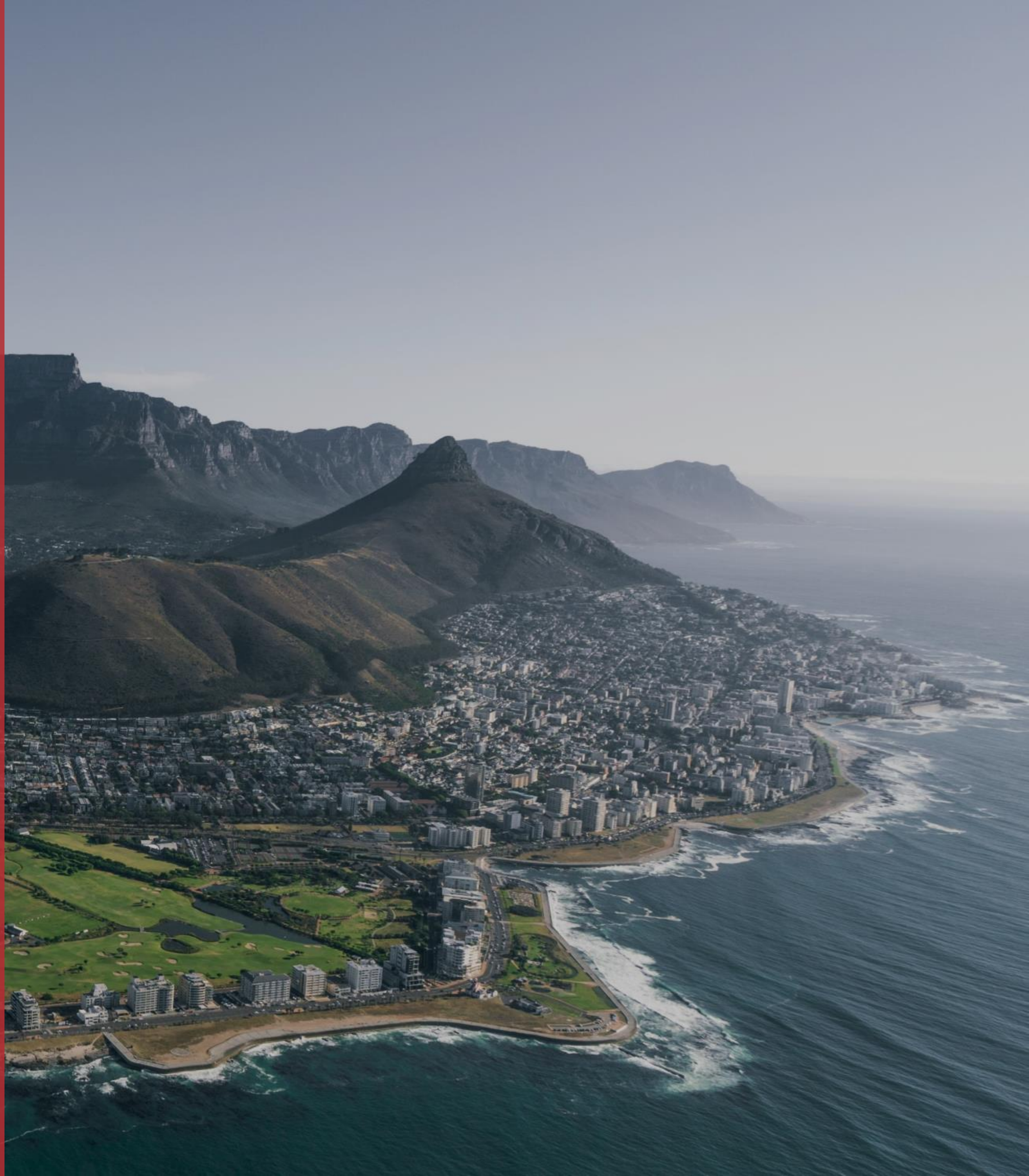

Analysis based on publicly reported data only.

Climate Change

38%

disclosure growth in five years

69

public disclosures in 2022

36%

of JSE top 100 responded

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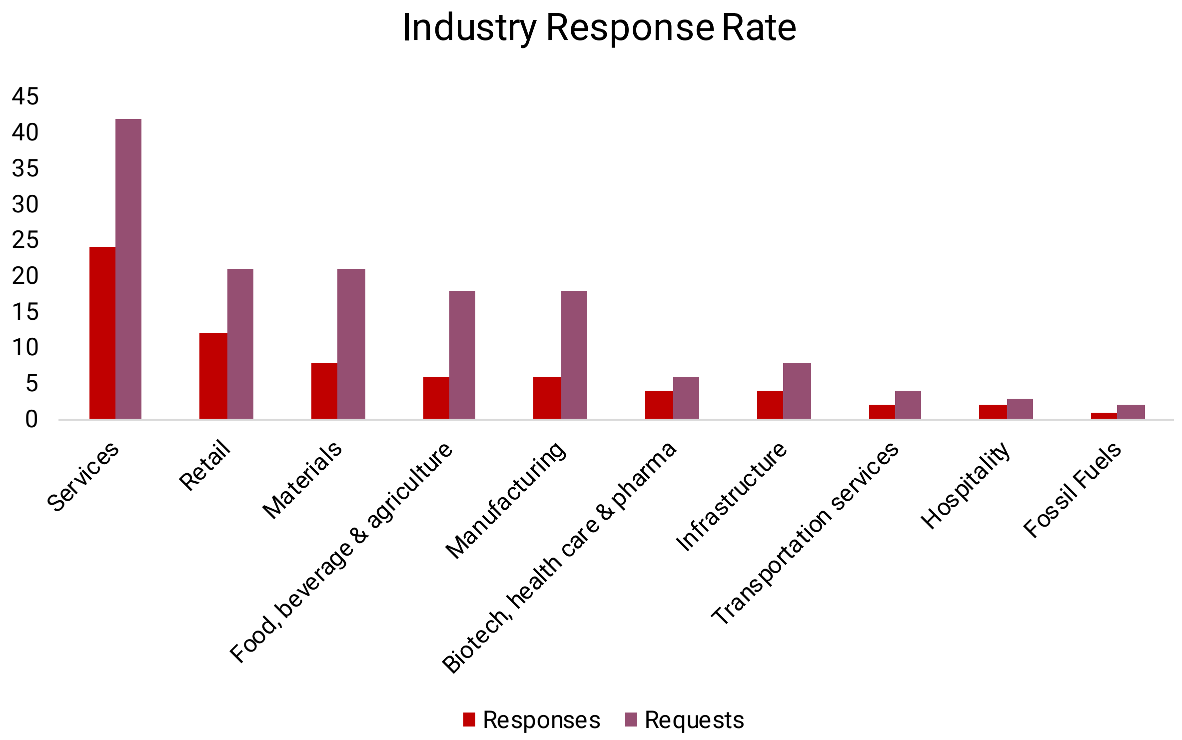
Disclosure

The number of South African organizations disclosing through CDP's climate change questionnaire has increased at a rate of approximately five new organizations per year, over the past five reporting cycles.



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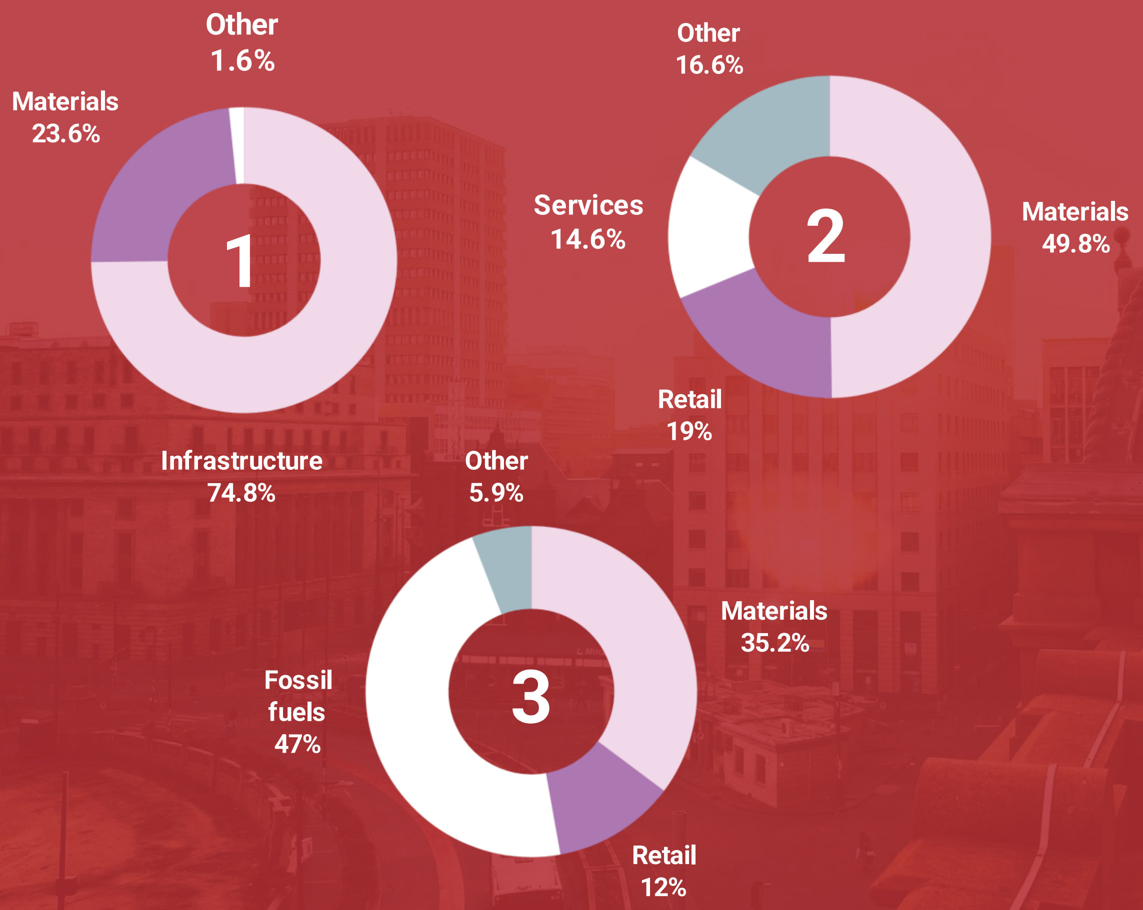
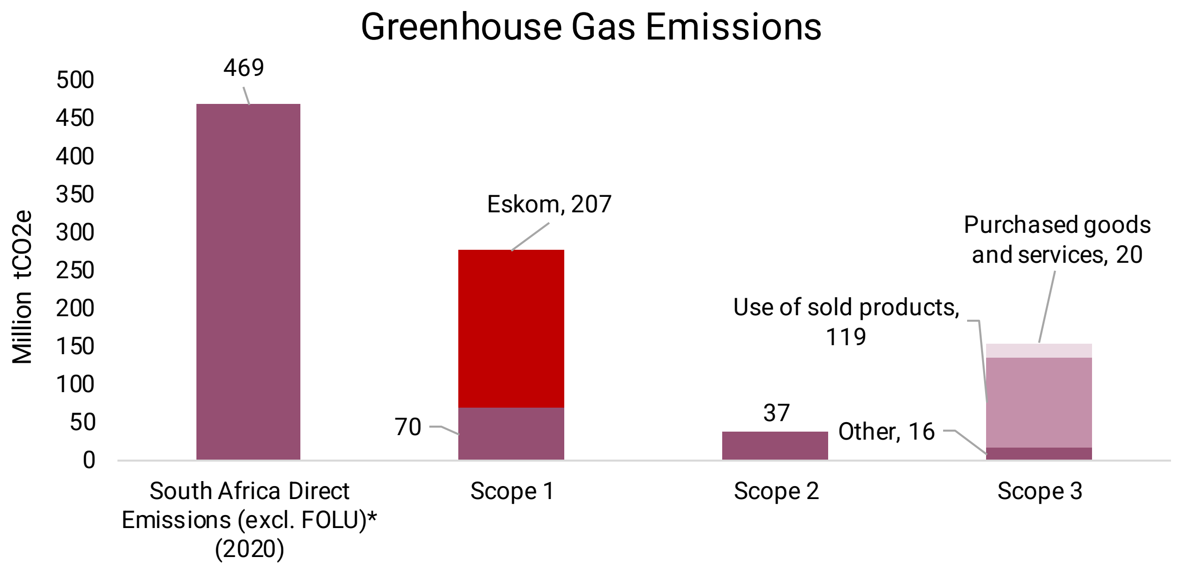
Climate Change

Percentage of total emissions reported by sector:



- Scope 1 reporting dominated by Eskom; increased disclosures from the rest of the major players in the economy required to better represent SA economy
- Scope 3 indicates supply chains are under-analyzed, dominated by the use of sold products



90%

of responses include Scope 1 & 2

86%

of organizations calculate at least one Scope 3 category

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* 8th South African National GHG Inventory Report – most recent data available

Governance

65%

board-level competency on climate-related issues

75%

report to board quarterly or more frequently

Transition

What is a credible transition plan?

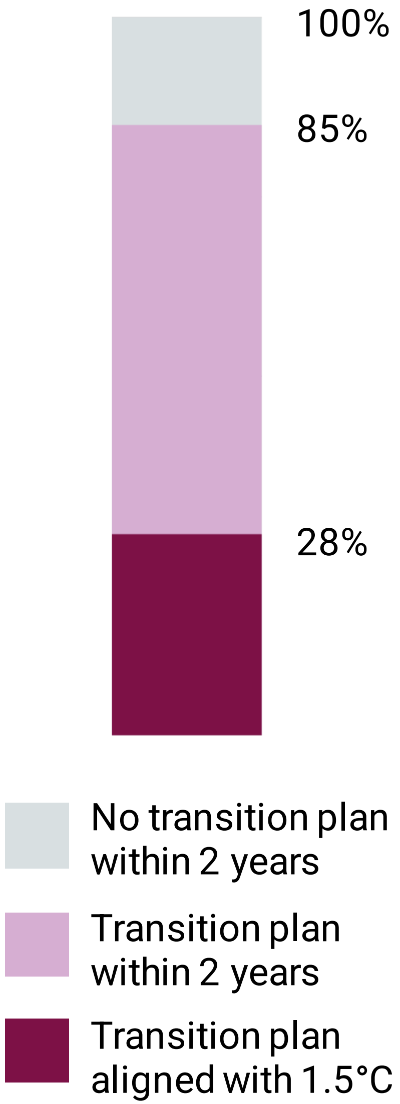
- Time-bound
- Action-oriented
- Aligns with the latest climate science
- Requires detail, such as:
  - Pivots in existing assets
  - Operational adjustments
  - Business model repositioning

Only 14%

of disclosers have publicly available 1.5°C transition plans

47%

of these have collected stakeholder feedback on transition plans



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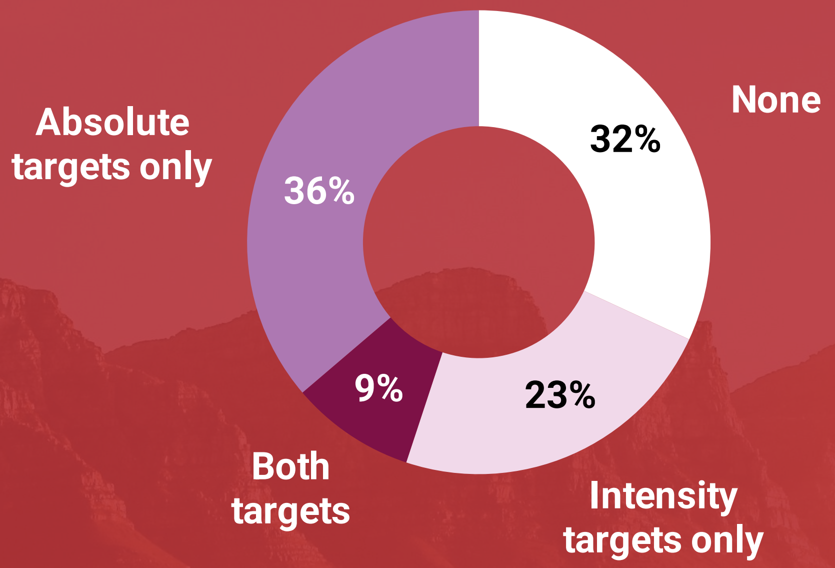
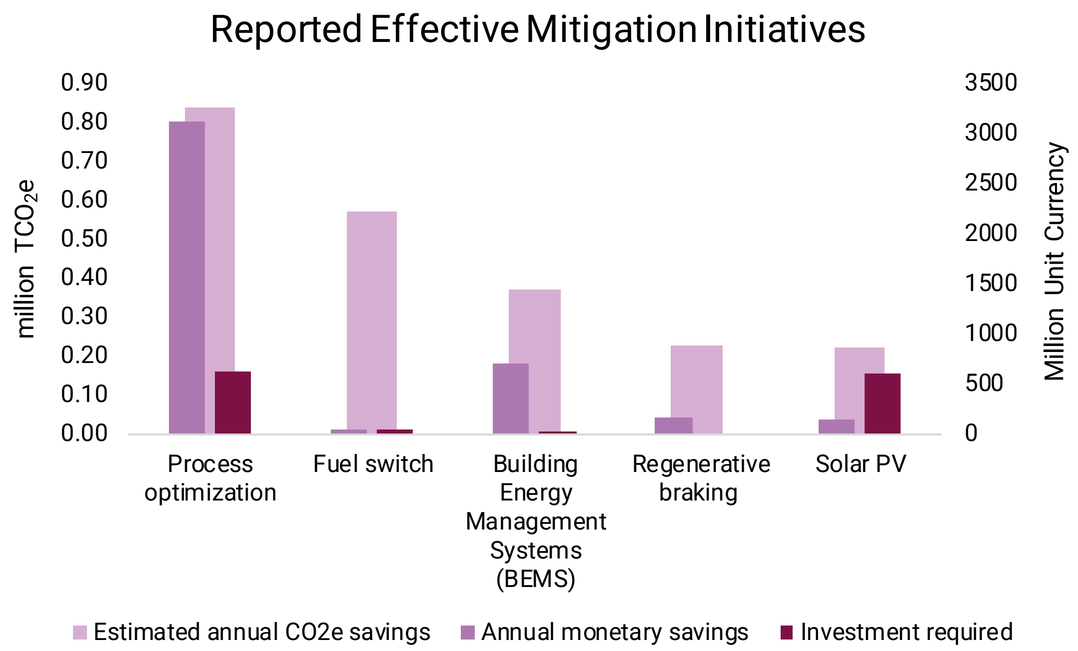
Targets





Only 22% are best practice near-term targets

Best practice:

- 5-10-year horizon
- Absolute targets

Only 15% of absolute targets achieved

3.3m annual tCO_2e reduction (implemented)

1% of disclosed Scope 1 and 2 emissions covered

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Value Chain Engagement

Best practice considered:

- Innovation & collaboration
- Engagement & incentivization
- Compliance & onboarding

On average, global Scope 3 emissions are

11.4x

greater than Scope 1 emissions

2/3

of disclosers engage suppliers or customers

49%

of engagements align with best practice

Only 13%

of disclosers engage more than 80% of their supply chain, based on emissions

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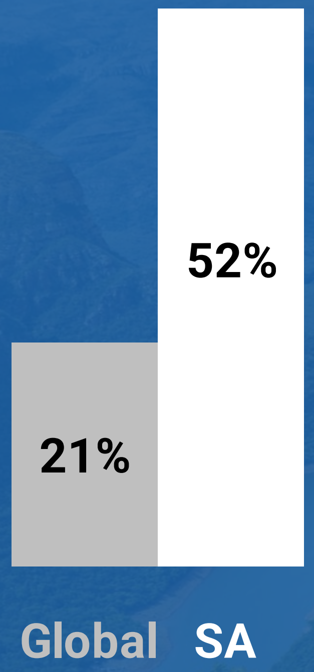
Water Security



Proportion of companies that respond through CDP on climate change also responding on water security

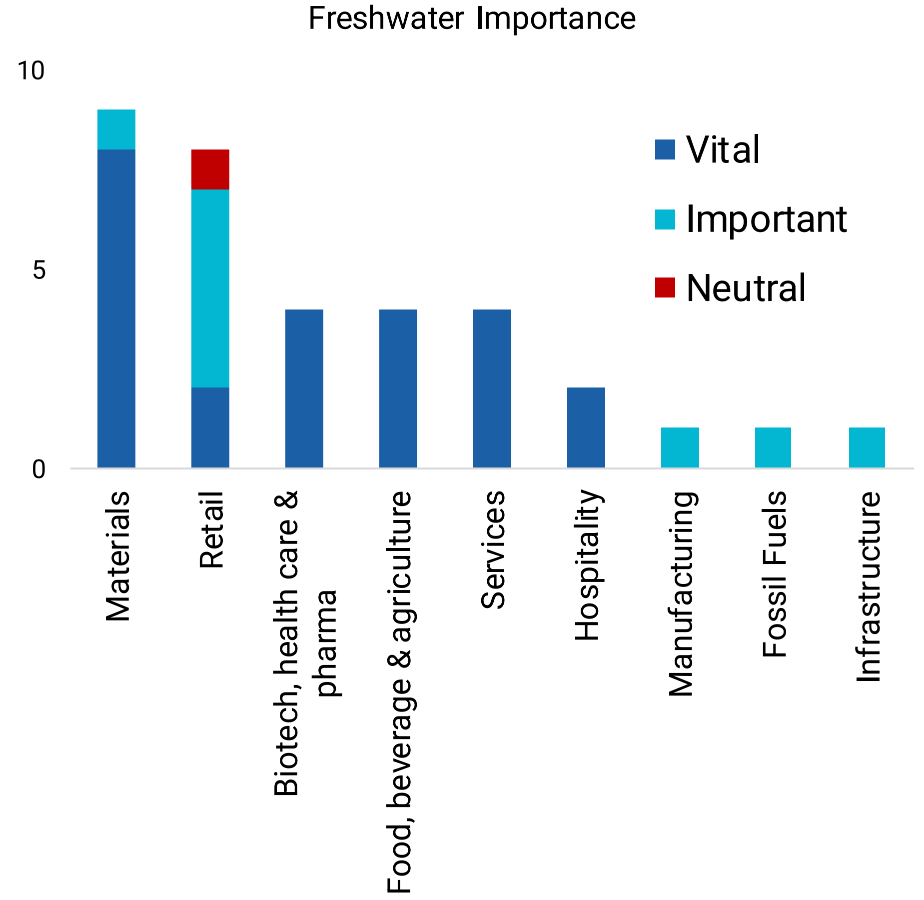
20%

disclosure growth in five years

36

public disclosures

The proportion of South African disclosing companies which respond to the water security questionnaire is much higher than the global average. This suggests water security is perceived as more important in South Africa than globally - most likely due to South Africa already being water scarce in some regions.



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Water Security

- Organizations heavily rely on and impact local watersheds.
- Efficiency of use & replenishment are key to resilience.
- Key sectors for water use and reliance are materials and food & beverage.

97%

of disclosers believe freshwater is vital or important to business

53%

of disclosers treat discharge

19%

of disclosers discharge to natural environment without treatment

>95%

total reported withdrawals represented by the materials and food & beverage sectors

70%

of disclosers withdraw over 50% of their total water from water stressed areas

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Biodiversity* & Forests

- Disclosure and understanding of forest risk are developing.
- Organizations have oversight of biodiversity but are not disclosing on forests.
- 9% of companies reporting on climate are early adopters of forest disclosure with many others yet to report.
- Only 20% of forest requested companies responded.

*Biodiversity questions are located in the climate change questionnaire

Only 35%

of disclosers are currently aware of value chain impact on biodiversity

61%

have board oversight of biodiversity-related issues

46%

support biodiversity initiatives

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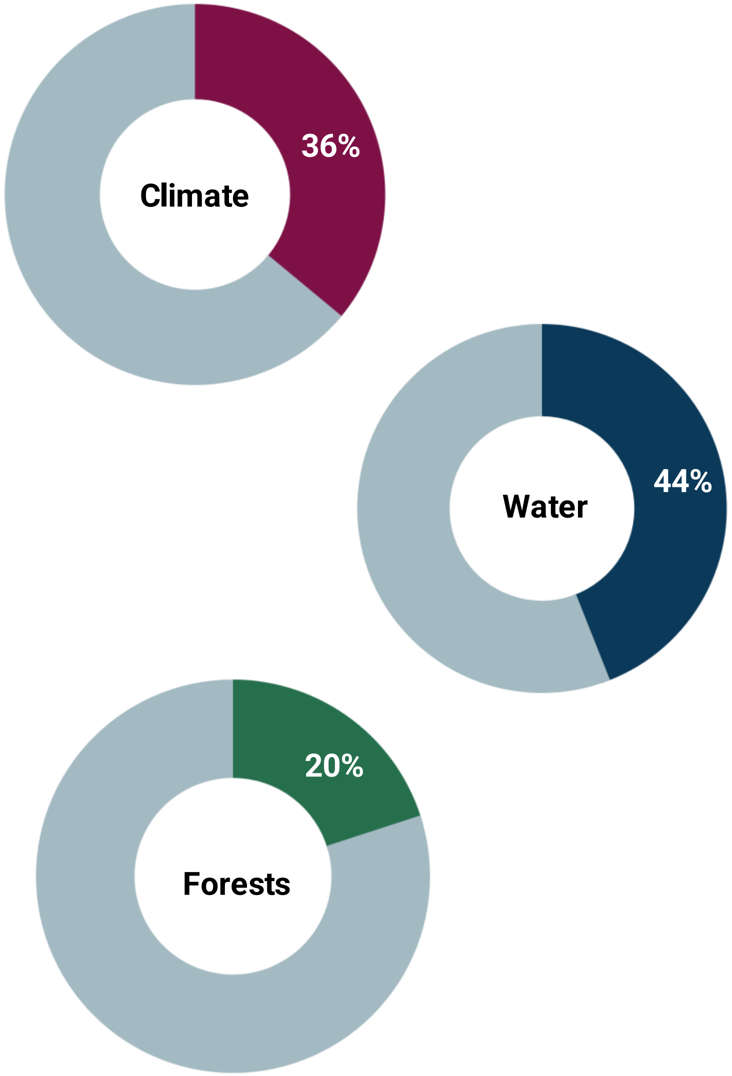
- Disclosure is growing across all questionnaires, driving accountability and continuous improvement.
- Supply chain engagement needs to move towards best practice.
- Business case is clear for emissions reductions, with an urgent need for increased scale.
- Disclosers are implementing transition planning to mitigate risks and reduce impact.
- Water disclosure shows clear opportunities to improve circularity/resilience.
- Disclosure and action regarding impact on nature – particularly in relation to forests – in SA is in early stages and requires development.

Public disclosure rate vs total investor requested companies



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