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Next Step Academy

ESG Now

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ESG Footprint

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Why Choose this Training Course?

This 5-day Environmental, Social, and Governance (ESG) training course is designed to provide participants with a comprehensive understanding of ESG principles and how they apply to organizations. The course covers key ESG components, strategies for integrating ESG into business operations, regulatory requirements, and the impact of ESG on financial performance and stakeholder relations. Participants will also learn how to measure, report, and communicate ESG performance, as well as explore case studies and best practices from leading organizations.

Course Objectives?

By the end of this training course, participants will be able to:

- Understand the core concepts of Environmental, Social, and Governance (ESG).
- Recognize the importance of ESG in today's business environment.
- Integrate ESG principles into business strategies and operations.
- Identify and comply with relevant ESG regulations and standards.
- Assess and mitigate ESG risks.
- Develop and implement effective ESG policies and practices.
- Measure, report, and communicate ESG performance to stakeholders.
- Analyze case studies to understand the impact of ESG on business performance.
- Explore emerging trends and future developments in ESG.

Benefits of Attending

- Comprehensive Understanding: Gain in-depth knowledge of ESG principles and their application in business.
- Strategic Integration: Learn how to embed ESG into your organization's strategy and operations.
- Regulatory Compliance: Stay informed about the latest ESG regulations and standards.
- Risk Management: Identify and manage ESG risks that could impact your organization.
- Enhanced Reporting: Improve your ability to measure, report, and communicate ESG performance.
- Stakeholder Engagement: Build stronger relationships with stakeholders through effective ESG communication.
- Competitive Advantage: Position your organization as a leader in ESG practices.
- Networking Opportunities: Connect with other professionals and experts in the field of ESG.

Day 4: Governance and Risk Management

Session 1: Corporate Governance and ESG Integration

- Principles of good corporate governance.
- Integrating ESG into corporate governance.

Session 2: Risk Management in ESG

- Identifying and assessing ESG risks.
- Mitigating ESG risks and building resilience.
- Case study: Risk management in ESG-focused organizations.

Day 2: Environmental Stewardship

Session 1: Environmental Impact Assessment

- Understanding environmental impact.
- Tools and methodologies for impact assessment.

Session 2: Environmental Management and Sustainability

- Developing and implementing environmental policies.
- Best practices in resource management and waste reduction.
- Case study: Successful environmental initiatives in business.

Day 3: Social Responsibility

Session 1: Social Governance and Ethical Practices

- Importance of social governance in business.
- Ethical business practices and human rights.
- Diversity, equity, and inclusion in the workplace.

Session 2: Stakeholder Engagement and Community Relations

- Engaging with stakeholders effectively.
- Building strong community relations.
- Case study: Impact of social governance on business reputation.

The Foundation of Management

Day 1: Introduction to ESG

Session 1: Understanding ESG Concepts

- Introduction to ESG and its evolution.
- The role of ESG in sustainable development.
- The business case for ESG.

Session 2: ESG Regulations and Standards

- Overview of global ESG regulations.
- Key standards and frameworks (e.g., GRI, SASB, TCFD).
- Case study: ESG compliance in practice.

Day 5: ESG Reporting and Future Trends

Session 1: ESG Reporting and Disclosure

- Best practices in ESG reporting.
- Tools and frameworks for ESG reporting.
- Case study: Analyzing ESG reports from leading organizations.

Session 2: Future of ESG

- Emerging trends in ESG.
- The role of technology in ESG.
- Preparing for the future of ESG in business.

Final Session: Course Recap and Q&A

- Recap of key learnings.
- Open Q&A session.
- Course evaluation and feedback.

Entity overview

The Deposit Protection Corporation (DPC) is an **independent statutory body of the Government of Zimbabwe** responsible for administering Zimbabwe's Deposit Protection Scheme.

It began operations on **1 July 2003** as the Deposit Protection Board. Following enactment of the **Deposit Protection Corporation Act [Chapter 24:29], No. 7 of 2011**, effective 16 March 2012, it became the Deposit Protection Corporation and received an expanded mandate covering bank resolution, judicial management and liquidation of failed institutions. ZimLII +1

DPC therefore occupies an important position in Zimbabwe's **financial-sector safety net**. It is not simply an insurer that pays depositors after a bank fails. It has preventative, monitoring, resolution, public-awareness and financial-stability responsibilities.

Its current stated vision is:

> "To be a credible and resilient deposit insurer contributing to financial system stability by 2030." DPCorp

Its mission is to **protect depositors, enhance public confidence and financial-system stability, promote sound business practices, and facilitate speedy resolution of failed contributory institutions.** DPCorp

Legal mandate

The legislation then goes further and explicitly identifies DPC's objectives as **protecting depositors, particularly small depositors; contributing to financial stability; enhancing competition; promoting sound business practices; and protecting the Deposit Protection Fund against loss**. ZimLII

This is important for ESG analysis because the legislation also requires DPC's decisions and activities, as far as possible, to be **fair, accountable and open**, including consultation with affected parties and providing reasons for decisions. ZimLII

That makes governance, accountability and stakeholder treatment part of the **legal architecture of DPC**, rather than merely voluntary ESG commitments.

MCO’s

#	Mission-critical objective	What success should look like
1	**Protect depositors**	Eligible depositors are appropriately protected when contributory institutions fail.
2	**Maintain payout readiness**	DPC can identify eligible depositors and reimburse them rapidly following failure.
3	**Maintain a financially resilient Deposit Protection Fund**	Fund growth and target fund levels remain sufficient relative to insured exposure.
4	**Identify and mitigate institutional risk**	Effective monitoring and early-warning mechanisms identify emerging weaknesses in contributory institutions.
5	**Resolve failed/failing institutions effectively**	Resolution and liquidation occur quickly, fairly and with minimum systemic disruption and loss.
6	**Contribute to financial-system stability**	Depositor confidence is maintained and the probability of destabilising bank runs is reduced.
7	**Maintain public confidence, awareness and financial inclusion**	Depositors understand their protection and vulnerable/small depositors have meaningful access to information.
8	**Maintain effective governance, institutional resilience and regulatory compliance**	DPC remains transparent, accountable, ethical, operationally resilient and capable of fulfilling its statutory mandate.

OUR APPROACH TO SUSTAINABILITY

Environment

Social

Governance

The DPC Board has a robust plan to ensure that we act responsibly and transparently across all operations in our business relationships and value chain. We believe that it is the role of the Board of Directors to drive the sustainability agenda for the Corporation so that we can meaningfully contribute to economic stability, financial inclusion, preservation of the environment and the upliftment of lives of the people of Zimbabwe

ESG alignment

Mission-critical objective	E	S	G	ESG materiality
Protect depositors		**High**	**High**	Critical
Ensure rapid depositor reimbursement		**High**	**High**	Critical
Maintain resilient Deposit Protection Fund	Medium	Medium	**High**	Critical
Monitor contributory institutions	Medium	Medium	**High**	Critical
Resolve failed institutions		**High**	**High**	Critical
Support financial-system stability	Medium	**High**	**High**	Critical
Build public confidence and financial literacy		**High**	High	Very high
Maintain institutional resilience	Medium	Medium	**High**	Very high
Responsible investment of the Fund	**High**	Medium	**High**	Very high
Sustainable internal operations	**High**	Medium	High	Medium/High

Investment portfolio

DPC identifiable investment portfolio — 2024

Approximate composition based on audited 2024 investment property and financial-asset balances.

Investment property Listed equities Money-market fund Treasury instruments

Source: DPC 2024 Annual Report. Values in ZWG millions.

This is already a significant Scope 3 finding: **approximately 78% of the identifiable 2024 portfolio was in property and equity rather than conventional money-market/sovereign instruments.**

Scope 3 exposure

I would currently rate the portfolio as follows.

DPC actual exposure	Scope 3 treatment	Carbon exposure	Climate-risk exposure	Priority
Mutapa Gold Resources equity	Category 15 equity investment	**Very High**	High transition + physical	**Critical**
Other ZSE/VFEX equities	Category 15 equity investments	Depends on investee sector	High where mining, energy, industrial, property	**Very High**
REITs	Category 15 investment / look-through	Medium–High	High energy + physical climate exposure	**High**
Direct investment property	Depends on organisational boundary/lease structure; potentially Cat. 13 rather than Cat. 15	Medium	**High physical risk**	**High**
Old Mutual money-market fund	Look-through required	Unknown	Depends on underlying securities	**Medium/High**
Treasury bills/bonds	Sovereign financed-emissions methodology	Economy-wide attribution	Sovereign climate exposure	Medium
Operational cash	Generally low financed-emissions priority	Low	Low	Low

Course outcomes

KINGV
CODE
ON CORPORATE GOVERNANCE
FOR SOUTH AFRICA
2025

- Understand ESG principles and their strategic business implications.
- Interpret global and African ESG frameworks and sustainability standards.
- Strengthen Board oversight and governance of ESG matters.
- Integrate ESG into enterprise strategy and risk management.
- Understand climate risk, sustainability reporting and stakeholder expectations.
- Improve ESG governance, accountability, reporting readiness and transparency.
- Evaluate ESG investment and sustainable finance considerations.
- Build practical ESG implementation roadmaps aligned to SDGs and Net Zero ambitions.

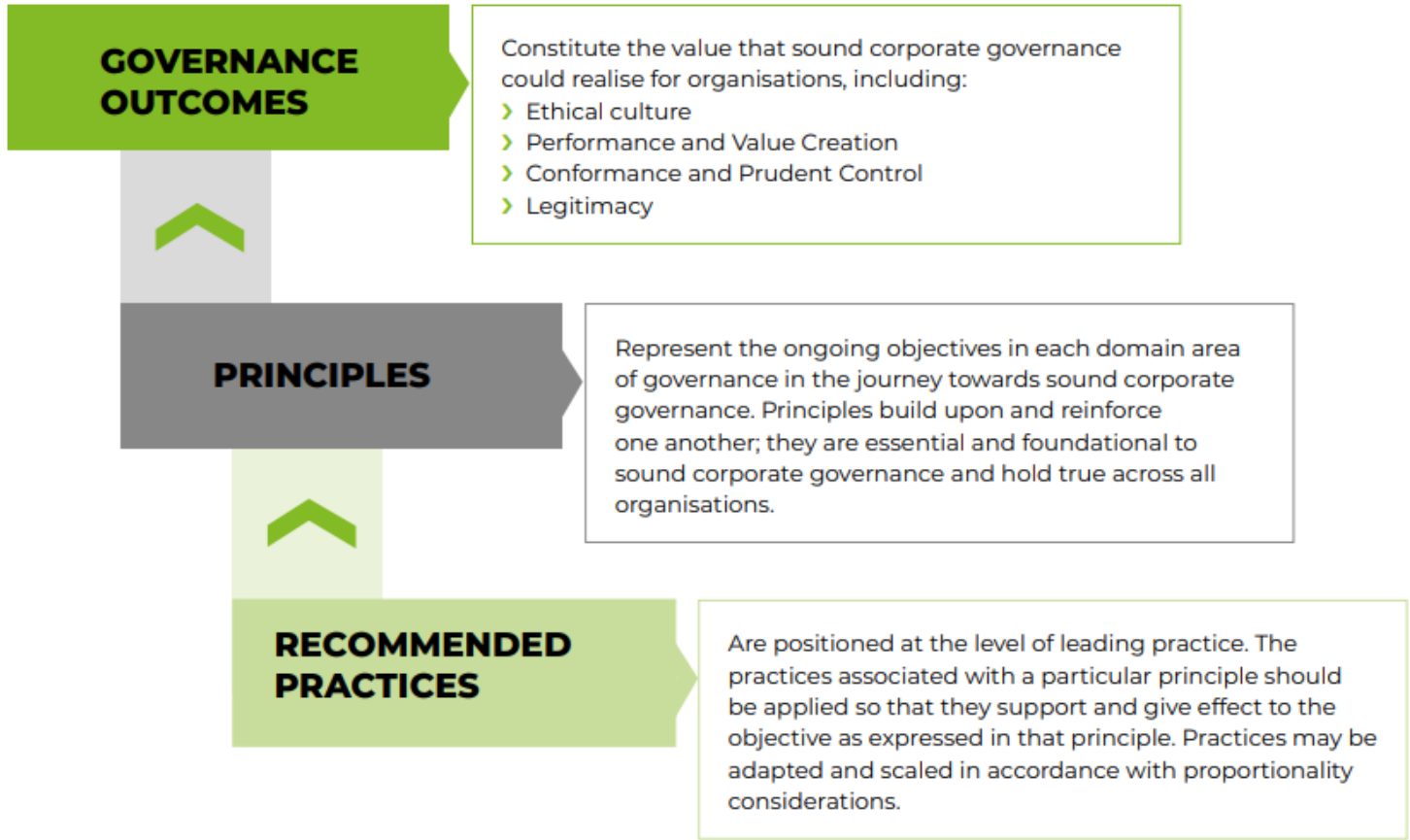
DAY 1

ESG, Sustainable Leadership & Stakeholder Value

- Module 1 - Introduction to ESG & Sustainable Leadership
- Module 2 - Business Sustainability & Future-Ready Organisations
- Module 3 - The Role of Boards & Executives in ESG Governance
- Module 4 - Environmental Factors & Climate Governance
- Module 5 - Social Factors & Stakeholder Value Creation

KINGV CODE

Figure 2: Governance Outcomes, Principles and Recommended Practices



Understanding ESG Fundamentals

ESG stands for Environmental, Social and Governance.
It is a framework used to assess how organisations manage sustainability and ethical considerations that impact long-term value.

ENVIRONMENTAL

Focuses on how an organisation manages its impact on the natural environment.

SOCIAL

Focuses on how an organisation manages relationships with people and communities.

GOVERNANCE

Focuses on how an organisation is led, controlled and makes decisions.

ESG vs Sustainability vs CSR

ESG

A framework used by investors, boards and stakeholders to evaluate a company's environmental, social and governance performance and risks.

Focus: Managing risks and opportunities that impact long-term value.

Scope: Broad – covers environmental, social and governance factors across the entire business.

Example: Managing carbon emissions, board diversity, executive pay alignment.

Sustainability

A company's long-term approach to creating value by balancing economic growth, environmental protection and social well-being.

Focus: Creating long-term value by meeting the needs of today without compromising the future.

Scope: Organization-wide strategy that integrates environmental, social and economic considerations.

Example: Using renewable energy, reducing waste, supporting communities, building resilient supply chains.

CSR

A company's commitment to operate ethically and contribute to the economic development of communities.

Focus: Doing good and giving back to society.

Scope: Typically focused on community initiatives and social impact outside core business.

Example: Donating to local charities, volunteering, supporting education programs.

Evolution of ESG: Globally and in Africa

ESG has evolved from ethical considerations to a mainstream business imperative, driving sustainable value creation worldwide and across Africa.

Global Evolution

1960s–1970s

Foundations

Growing environmental awareness and corporate responsibility movements emerge.

1980s–1990s

Early ESG Concepts

Sustainable investment begins to take shape. First ESG guidelines and frameworks introduced.

2000s

Integration Begins

ESG becomes part of risk management and corporate strategy. Global reporting initiatives expand.

2010s

Mainstream Adoption

Investors, regulators and businesses embed ESG. Climate change and social issues gain urgency.

2020s

ESG 2.0

Focus on net zero, nature-positive, just transition and long-term value creation.

Africa Evolution

1990s

Early Awareness

Environmental protection and social development priorities emerge post liberalisation.

2000s

Development Focus

Focus on poverty reduction, education, health and basic infrastructure.

2010s

ESG Takes Root

African companies adopt ESG practices. Regional frameworks and reporting guidance introduced.

2020s

Acceleration

ESG integrated into strategy, governance and financing. Growth of green finance and impact investing.

Future

Sustainable Africa

ESG drives inclusive growth, climate resilience and long-term prosperity for people and planet.

SOUTH AFRICA'S POSITION IN TERMS OF ESG IN THE WORLD

GLOBAL ESG OVERALL RANKING
(Out of 180 Countries)

49
/180

SOUTH AFRICA
Top 30% globally

Ranked 1st in Africa and ahead of most emerging markets.

Source: ESG Country Ranking 2024 – Sustainalytics

ESG PILLAR SCORES (Out of 100)

Source: Refinitiv ESG Country Score 2024

KEY STRENGTHS

- **Progressive policy and regulatory framework** on sustainability and climate action.
- **Strong governance structures and** institutional transparency.
- **Active corporate ESG disclosure and** reporting culture on the JSE.
- **Vibrant civil society and stakeholder** engagement driving accountability.
- **Abundant renewable energy resources** supporting the just energy transition.

HOW SOUTH AFRICA PERFORMS AGAINST KEY ESG DIMENSIONS

CLIMATE ACTION	Policy leadership, carbon pricing, renewable energy investment.	STRONG
ENVIRONMENTAL PERFORMANCE	Water security, biodiversity protection and pollution management.	MODERATE
SOCIAL DEVELOPMENT	Inequality remains high, but improvements in health, education and inclusion.	MODERATE
GOVERNANCE	Effective institutions, rule of law and anti-corruption frameworks.	STRONG
CORPORATE ESG DISCLOSURE	High disclosure rates among JSE-listed companies.	STRONG
SUSTAINABLE FINANCE	Growing green bond market and ESG-aligned investment flows.	MODERATE

OPPORTUNITIES TO STRENGTHEN ESG LEADERSHIP

- **Accelerate decarbonization** of the economy and coal transition.
- **Improve water security** and **climate resilience.**
- **Advance social equity, job creation and skills development.**
- **Mobilize more sustainable finance and green investment.**
- **Strengthen ESG integration across all sectors** and supply chains.

TREND OVER TIME

Steady improvement in South Africa's ESG ranking over the past 5 years.

Momentum is driven by policy reform, corporate leadership and stakeholder collaboration.

ZIMBABWE'S POSITION IN TERMS OF ESG IN THE WORLD

GLOBAL ESG OVERALL RANKING
(Out of 180 Countries)

122 /180

ZIMBABWE
Bottom 30% globally

Ranked 43rd in Africa and behind most regional peers.

Source: ESG Country Ranking 2024 – Sustainalytics

ESG PILLAR SCORES (Out of 100)

ENVIRONMENTAL	32
SOCIAL	36
GOVERNANCE	29

Source: Refinitiv ESG Country Score 2024

KEY STRENGTHS

- **Abundant natural capital and biodiversity** including rich minerals and land resources.
- **Renewable energy potential** (solar, wind, hydro, biomass).
- **Commitment to climate action through NDC** and National Climate Policy.
- **Strong policy intent on governance reforms** and anti-corruption.
- **Active regional and global engagement** on sustainable development and ESG initiatives.

HOW ZIMBABWE PERFORMS AGAINST KEY ESG DIMENSIONS

CLIMATE ACTION	NDC commitment, renewable energy targets and climate resilience initiatives.	MODERATE
ENVIRONMENTAL PERFORMANCE	Biodiversity rich but under pressure from land use, pollution and deforestation.	LOW
SOCIAL DEVELOPMENT	Challenges remain in health, education, inequality and poverty.	LOW
GOVERNANCE	Reform in progress, but governance quality and rule of law weak.	LOW
CORPORATE ESG DISCLOSURE	Low ESG disclosure rates among listed and private sector companies.	LOW
SUSTAINABLE FINANCE	Green finance market is nascent with limited sustainable investment flows.	LOW

OPPORTUNITIES TO STRENGTHEN ESG LEADERSHIP

- **Accelerate economic reforms and improve governance** and institutional effectiveness.
- **Scale up renewable energy and climate resilience** investments.
- **Advance human capital development** and social inclusion.
- **Enhance ESG disclosure and corporate transparency.**
- **Mobilize green finance, impact investment and** regional partnerships.

TREND OVER TIME

Gradual improvement in Zimbabwe's ESG ranking over the past 5 years.

Improvement driven by policy reforms, renewable energy expansion and greater disclosure.

SOUTH AFRICA'S BANKS – A LEADING ESG FORCE IN THE WORLD

GLOBAL ESG RANKING – BANKING SECTOR
(Out of 100)

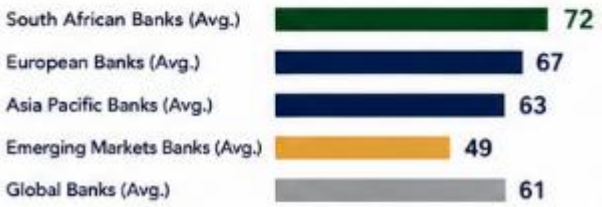
1ST IN AFRICA

TOP 50 GLOBALLY

South African banks rank among the Top 50 globally and ahead of most emerging markets.

Source: S&P Global ESG Score 2024 – Financials Sector

ESG SCORE COMPARISON – BANKS
(Out of 100)



Source: Refinitiv ESG Scores 2024

ESG PERFORMANCE BY DIMENSION – SOUTH AFRICAN BANKS

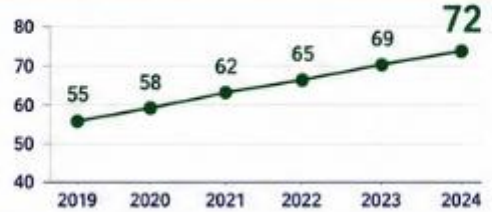
DIMENSION	PERFORMANCE	GLOBAL CONTEXT
ENVIRONMENTAL Climate strategy, emissions management, green finance	STRONG	Top 25% globally
SOCIAL Financial inclusion, customer outcomes, talent, diversity	STRONG	Top 30% globally
GOVERNANCE Board oversight, ethics, risk management	STRONG	Top 25% globally
ESG DISCLOSURE Transparency, TCFD/SASB/ IFRS S2 aligned reporting	STRONG	Top 20% globally
SUSTAINABLE FINANCE Green, social & sustainability lending and investment	STRONG	Top 25% globally

KEY STRENGTHS

- ✓ Robust ESG governance at board and executive level
- ✓ Strong risk management of environmental and social risks
- ✓ High-quality, transparent ESG disclosures
- ✓ Innovation in sustainable products and services
- ✓ Active role in funding the just transition
- ✓ Trusted by investors and stakeholders globally

SOUTH AFRICAN BANKS – ESG SCORE TREND OVER TIME
(Out of 100)

Consistent improvement in ESG performance reflects stronger strategy, governance, disclosure and impact.



Momentum driven by climate action, responsible finance, innovation and stakeholder trust.

Executive summary

- While there is **broad understanding** of sustainability-related risks and opportunities in boardrooms worldwide, this has not yet had a tangible impact on **financial decision making,** according to new survey data from KPMG.
- Some **72 percent** of executives surveyed have a **detailed understanding** of their sustainability strategy, metrics and performance — or are familiar with the key aspects.
- However, **only 19 percent** use robust **quantification** approaches to measure how sustainability impacts financial outcomes, operational gains and innovation.
- Few organizations have succeeded in **translating sustainability into financial terms** that boards and finance teams recognize — Earnings Before Interest, Taxes, Depreciation, and Amortization (EBITDA) bridges, cash flow and capital expenditures (CapEx) impacts, balance sheet exposure and credible risk ranges.
- As a result, **the sustainability business case and the enterprise value (EV) are disconnected** at many organizations. What is missing is the bridge between them, often reflected in a disconnect between sustainability and finance teams within organizations.
- Failing to quantify can create a **blind spot** when it comes to sustainability-related risks and opportunities. This can result in commercial projects failing to secure approval, or in deals and decisions going ahead that companies struggle to defend later on.
- Understanding the business case for sustainability-related investments and risk mitigation is a starting point. This requires investment grade, decision-useful data.
- Organizations should therefore focus on applying **fit-for-purpose valuation approaches** to quantify the financial impacts of sustainability-related risks and opportunities, assess the return on investment in addressing them, and make the cost of inaction clear. Only then can sustainability move to the core of business decision-making where it belongs.

Only 19 percent

of executives use robust

quantification approaches

Key findings

What the data tells us about the valuation gap

KPMG's survey reveals a gap between executives' awareness of sustainability-related risks and opportunities, and their ability to apply that knowledge in financial decision making.

Key findings from KPMG's survey

72% of executives have a **detailed understanding** of their sustainability strategy, metrics and performance — or are familiar with the key aspects.

60% consider **sustainability-related risks and opportunities** in **financial planning**.

50% say sustainability is **an integral part** of their strategies.

40% integrate sustainability into **innovation** and **product development**.

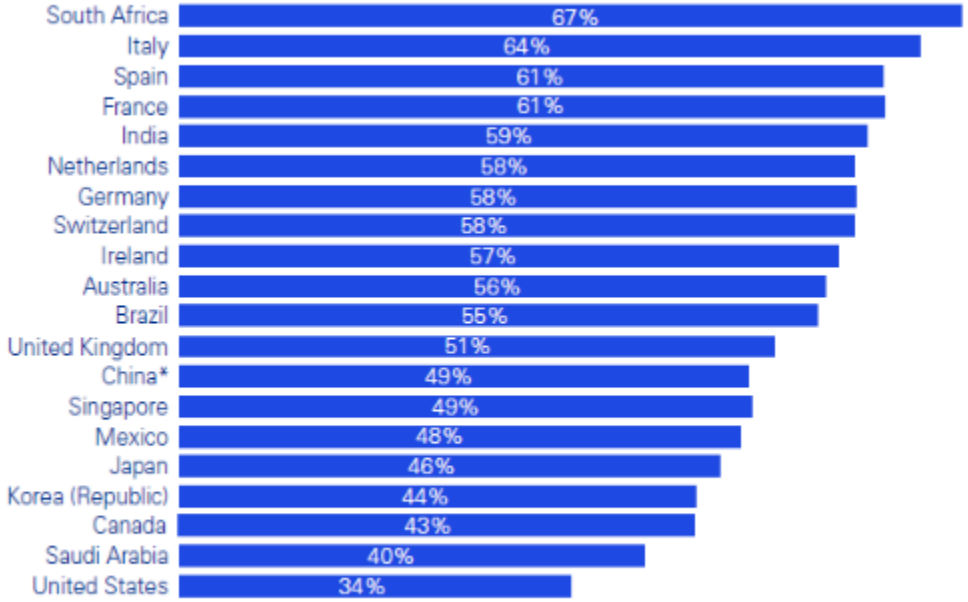
BUT

Only

use robust **quantification** approaches to measure how sustainability impacts financial outcomes, operational gains and innovation.

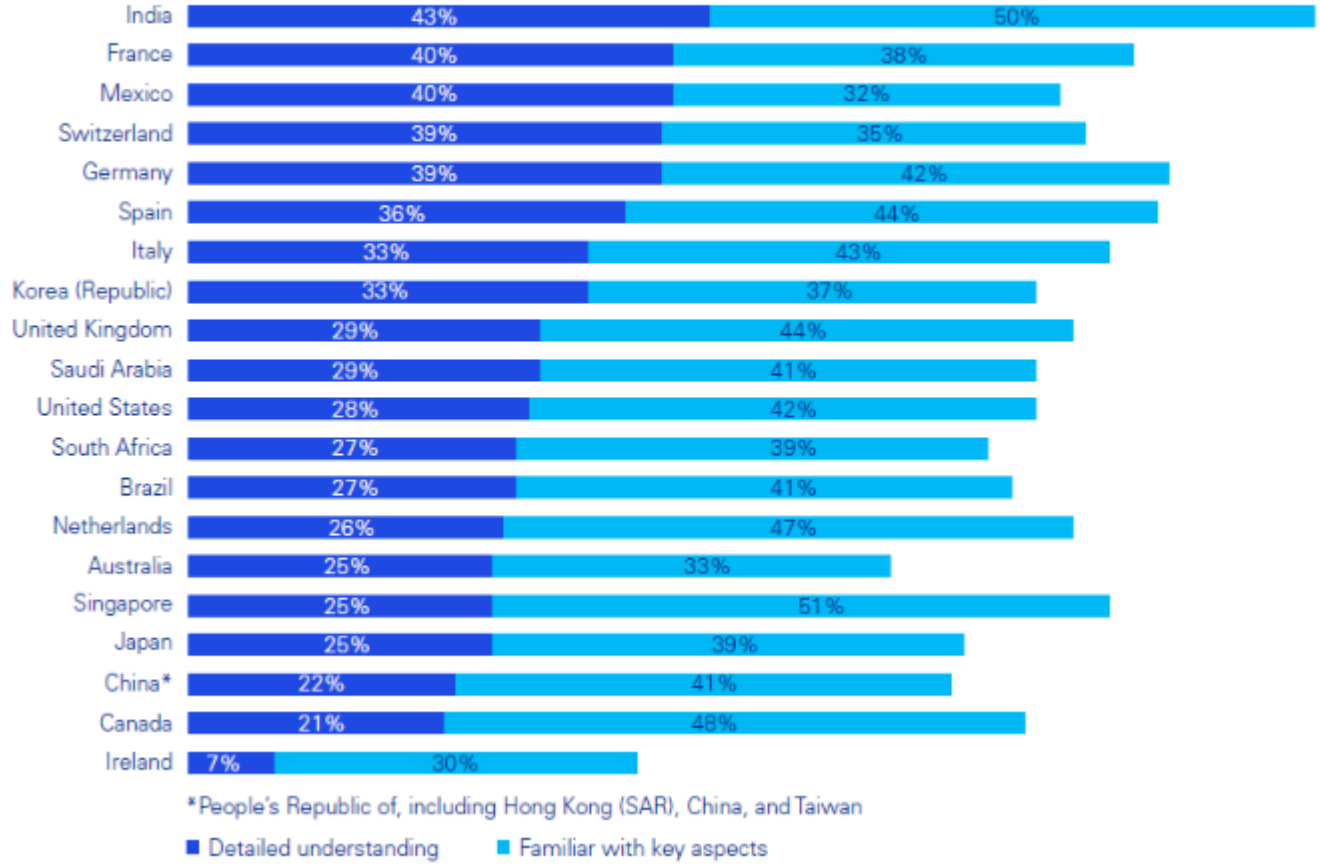
Questions were answered by 2,024 respondents across 19 countries, territories and jurisdictions in the Americas, EMEA and ASPAC. See page 27 for the survey methodology.

Companies where sustainability is an integral part of strategy

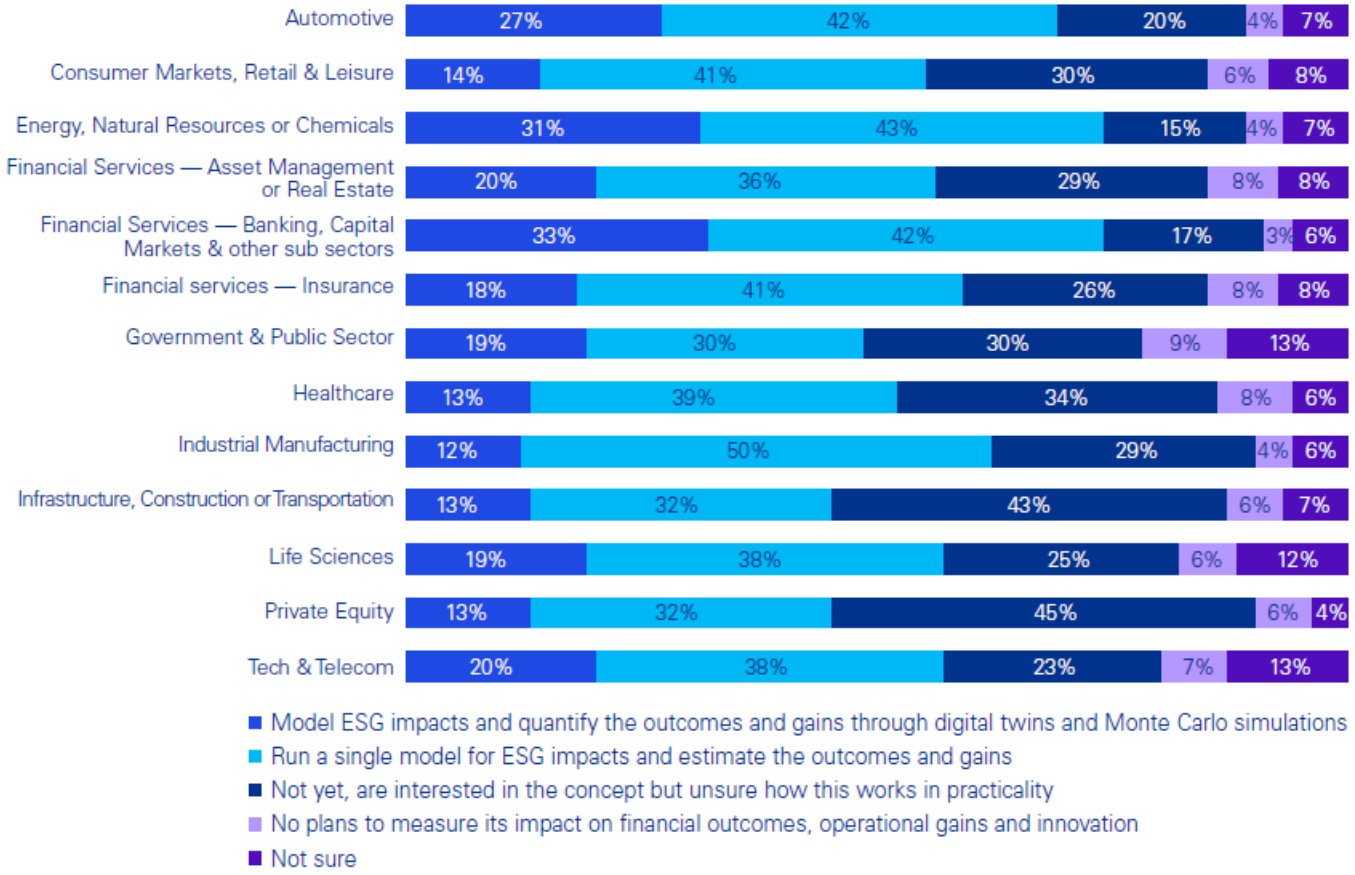


*People's Republic of, including Hong Kong (SAR), China, and Taiwan

Executive understanding of sustainability strategy, metrics and performance



How do you measure the impact of sustainability on value creation — e.g. financial outcomes, operational gains and innovation?



KPMG viewpoint

Sustainability's missing leg: why the business case now matters more

KPMG's survey has identified the sustainability valuation gap as a clear challenge. We believe the time is now for companies to start applying robust financial quantification methodologies to sustainability-linked initiatives:

1

External pressures are rising

Macroeconomic headwinds, geopolitical shocks, climate impacts and rising stakeholder expectations are converging to put pressure on revenues, margins and the cost of capital. Quick wins have been realized so companies are looking more broadly for value.

2

Management teams are approaching value creation limits

Management teams are focused on defending and growing value, but traditional levers such as pricing, headcount, CapEx cuts and incremental efficiency are reaching their limits.

3

Sustainability holds untapped value creation potential

Sustainability can enhance value creation if it is recognized as a driver of enterprise value, rather than being treated solely as a compliance or reputational issue. It can become a practical lever to help strengthen growth resilience and improve capital efficiency when properly quantified and embedded into business strategy and financial planning.

If you want to understand how your organization can use sustainability to identify, prioritize and quantify material financial value drivers, speak to your KPMG contact. They can also help you build a strong business case for sustainability.

Why ESG Matters to Boards and Executives

ESG is no longer optional. It has a direct impact on strategy, risk, performance, reputation, and long-term value creation.

MANAGES RISK

Helps identify and mitigate environmental, social and governance risks that could impact financial performance and business continuity.

CREATES LONG-TERM VALUE

Integrates ESG into strategy to drive innovation, efficiency, resilience and sustainable growth.

ATTRACTS INVESTMENT

Investors increasingly allocate capital to companies with strong ESG performance and credible disclosure.

ENHANCES REPUTATION

Strong ESG practices build trust with stakeholders, strengthen brand reputation and protect the organisation's licence to operate.

IMPROVES STAKEHOLDER TRUST

Meets the expectations of customers, employees, regulators, communities and other key stakeholders.

DRIVES OPERATIONAL EXCELLENCE

Promotes responsible resource use, workplace wellbeing, ethical conduct and efficient governance.

ENSURES COMPLIANCE & ACCOUNTABILITY

Supports regulatory compliance, strengthens governance oversight and ensures accountability to shareholders and society.

MEASURING THE CARBON FOOTPRINT OF A COAL MINE

A practical approach to measure, calculate and manage greenhouse gas (GHG) emissions

1. DEFINE SCOPE & BOUNDARY

- Define organisational boundary (all owned and controlled operations)
- Select reporting period
- Choose methodology (GHG Protocol)
- Identify emission sources across Scopes 1, 2 and 3

Output: Emission sources inventory

2. IDENTIFY EMISSION SOURCES

SCOPE 1 – Direct Emissions

- Diesel used in mining equipment
- Explosives
- Blasting agents
- On-site fuel use (boilers, heaters)
- Fugitive emissions (CH_4 from coal seams)

SCOPE 2 – Indirect Emissions (Energy)

- Purchased electricity

SCOPE 3 – Other Indirect Emissions

- Upstream: fuel production, suppliers
- Downstream: coal transportation, processing, product use
- Business travel, employee commuting, waste, water, etc.

Output: Comprehensive source list

3. COLLECT ACTIVITY DATA

- Fuel consumption (litres, tonnes)
- Electricity purchased (kWh)
- Explosives used (kg)
- Coal production (tonnes)
- Fugitive methane data (ventilation, degasification)
- Transportation distances and modes
- Supplier and other activity data

Output: Activity data dataset

4. CALCULATE EMISSIONS

Emissions (tCO_2e) = Activity Data × Emission Factor

- Apply appropriate emission factors (IPCC, DEFRA, IEA, local factors)
- CO_2, CH_4 and N_2O calculated separately
- Convert to CO_2 equivalent (tCO_2e) using Global Warming Potentials (GWP)

Output: Emissions (tCO_2e) by source, scope and total

5. ANALYSE, REPORT & MANAGE

- Analyse results and identify key hotspots
- Track performance against baselines and targets
- Implement mitigation actions
- Disclose in sustainability report (aligned with GRI / TCFD / CDP / ISSB)
- Continuously improve data quality and reduce emissions

Output: Insights, actions and ESG disclosure

EMISSION SOURCES ACROSS THE VALUE CHAIN

SCOPE 1 Direct	• Diesel in mobile equipment (trucks, excavators, drills) • On-site fuel combustion (boilers, generators) • Blasting explosives • Fugitive methane from coal seams and ventilation
SCOPE 2 Indirect (Energy)	• Purchased electricity for fixed and mobile operations • Purchased steam, heating or cooling (if applicable)
SCOPE 3 Other Indirect (Upstream & Downstream)	• Upstream: fuel extraction and transport, purchased goods and services • Downstream: coal transportation, processing, use and end-of-life • Other: business travel, employee commuting, waste disposal, water treatment

MEASURING SCOPE 3 CARBON FOOTPRINT FOR A BANK

A practical approach to measure, calculate and manage indirect emissions across the value chain

1. DEFINE BOUNDARY & PRIORITISE

- Define organisational boundary
- Use GHG Protocol Corporate Value Chain (Scope 3) Standard
- Identify and prioritise relevant Scope 3 categories based on relevance and materiality
- Set baseline year and targets

Output: Scope 3 boundary and material category list

2. IDENTIFY SCOPE 3 CATEGORIES & ACTIVITIES

- Map value chain activities for each relevant category
- Identify key data sources and stakeholders
- Engage with business units and suppliers/partners

3. COLLECT ACTIVITY DATA

- Collect primary data where possible
- Use secondary data and industry averages where primary data is not available
- Ensure data quality and completeness
- Document assumptions and methodologies

4. CALCULATE EMISSIONS

- Apply appropriate emission factors (see sources)
- Emissions (tCO_2e) = Activity Data × Emission Factor
- Sum emissions by category and total Scope 3 emissions
- Conduct uncertainty assessment where possible

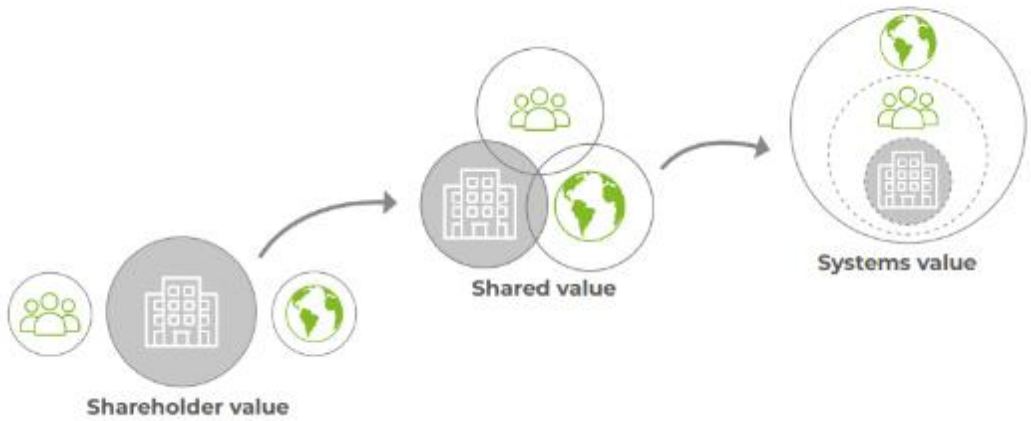
5. ANALYSE, REPORT & MANAGE

- Analyse results and identify key hotspots
- Track performance against baseline and targets
- Implement reduction actions and influence value chain
- Disclose in sustainability report aligned with GRI / TCFD / ISSB

SCOPE 3 CATEGORIES RELEVANT TO BANKS (GHG PROTOCOL)

Category	Description	Bank Examples	Typical Data Sources
1. Purchased Goods and Services	Emissions from production of goods and services purchased	IT hardware, professional services, facilities management, marketing, stationery	Supplier invoices, spend data, supplier surveys
2. Capital Goods	Emissions from production of capital assets	Buildings, data centres, ATMs, furniture, major equipment	Capex data, supplier data, life cycle databases
3. Fuel- and Energy-Related Activities	Emissions from extraction, production and transport of fuels and energy	Electricity T&D losses, upstream fuels for generators	Utility data, national energy statistics
4. Upstream Transportation and Distribution	Emissions from transport and delivery of purchased goods	Courier services, cash logistics, delivery of IT equipment	Logistics providers, spend data, distance data
5. Waste Generated in Operations	Emissions from disposal and treatment of operational waste	Paper, e-waste, general waste, recycling	Waste contractors, waste records
6. Business Travel	Emissions from employee business travel	Air, rail, road, accommodation	Travel management data, booking reports
7. Employee Commuting	Emissions from employee commuting to and from work	Car, public transport, ride-hailing	Employee surveys, HR data
8. Upstream Leased Assets	Emissions from leased assets not in the bank's control	Leased branches, ATMs, office equipment	Lease data, energy bills, supplier data
9. Downstream Leased Assets	Emissions from assets leased to others	ATMs hosted at merchant locations	Lease data, energy estimates
10. Investments	Emissions from investments and financed activities	Loans, bonds, equities, project finance	Financed emissions calculation (see right)

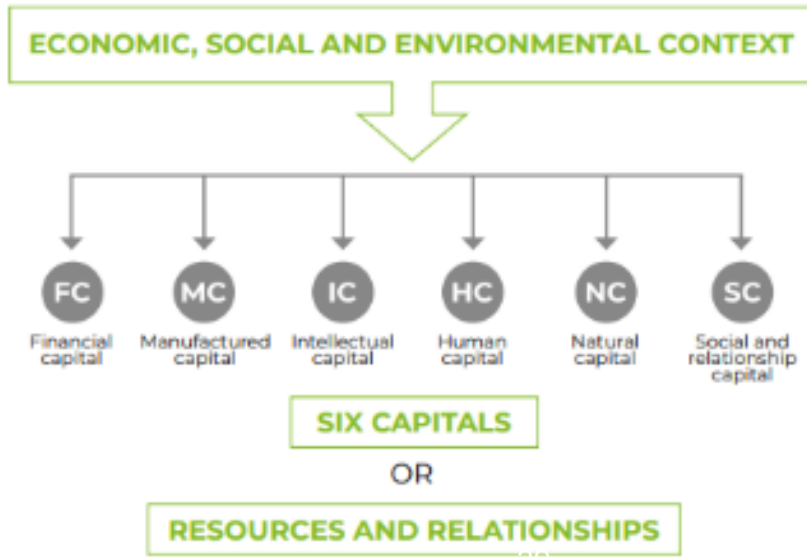
Figure 3: Evolution of perspectives on value creation[8]



Integrated thinking and related concepts

The **"economic, social and environmental context"** provides the macro perspective for integrated thinking. This context invokes the economic, social, and environmental systems within which all organisations operate.

Integrated thinking can be carried out at a more granular level by employing the **"six capitals"** model to identify the **"resources and relationships"** which the organisation uses, relies upon and affects. These capitals include financial, manufactured, human, intellectual, social and relationship as well as natural capitals.



ESG as a Driver of Long-Term Value Creation

Integrating Environmental, Social and Governance (ESG) factors into strategy creates sustainable advantages and long-term value for the organisation and its stakeholders.

FOUNDATION

Strong Governance
Effective oversight, policies and accountability

Reliable Data & Metrics
Measure, monitor and report ESG performance

Continuous Improvement
Set targets, track progress and drive performance improvement

Transparency & Reporting
Clear, consistent and credible ESG disclosures

Stakeholder Collaboration
Partnering for shared value and long-term impact

Stakeholder Capitalism and Responsible Leadership

Creating long-term value by balancing the needs of all stakeholders, society and the planet, not just shareholders.

RESPONSIBLE LEADERSHIP

Purpose-Driven
Leaders define a clear purpose that creates value for all stakeholders.

Ethical and Accountable
Leaders act with integrity, transparency and fairness in all decisions.

Inclusive and Engaged
Leaders listen, engage and collaborate with stakeholders meaningfully.

Long-Term Focused
Leaders prioritise sustainable growth over short-term financial gain.

Stewardship Mindset
Leaders safeguard resources, people and the environment for future generations.

OUTCOMES

Sustainable Value Creation
Balanced value for stakeholders drives long-term financial and societal value.

Stronger Trust and Reputation
Responsible leadership builds trust with stakeholders and enhances reputation.

Resilient and Future-Ready
Businesses are more resilient, adaptive and better prepared for the future.

Innovation and Growth
Collaboration with stakeholders drives innovation and opens new opportunities.

Positive Impact
Contributes to a fairer, more inclusive and sustainable world.

THE CORE PRINCIPLE

When leaders succeed, all stakeholders succeed.
Responsible leadership creates a thriving business and a better world.

Emerging ESG Trends in Africa

Africa is driving a unique ESG agenda shaped by its development priorities, natural capital, demographics and commitment to a sustainable future.

01 Climate Action Acceleration

Stronger focus on net zero pathways, renewable energy and climate resilience.

02 Green Growth & Just Transition

Balancing economic growth with environmental protection and a just transition for communities and workers.

03 Social Impact & Inclusive Development

Greater emphasis on poverty reduction, education, health, gender equality and youth empowerment.

04 ESG Regulation & Disclosure

Increasing regulatory momentum and voluntary frameworks driving ESG disclosure and transparency.

05 Sustainable Finance & Investment

Growth in green bonds, ESG funds and impact investing to mobilize capital for sustainable projects.

06 Natural Capital Stewardship

Protecting Africa's rich biodiversity, forests, water resources and ecosystems.

07 Technology & Innovation

Leveraging digital technology, data and innovation to improve ESG performance and reporting.

08 Strong Governance & Ethics

Heightened focus on board oversight, ethics, anti-corruption and accountability.

Africa is not just adapting to global ESG trends – it is shaping them for an inclusive, resilient and sustainable future.

DAY 1

ESG, Sustainable Leadership & Stakeholder Value

- Module 1 - Introduction to ESG & Sustainable Leadership
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ZIMBABWE VISION 2030 – PROGRESS TOWARDS THE 7 GOALS

Transforming Zimbabwe into an upper middle-income society by 2030

VISION 2030 GOAL	MATERIAL TOPIC	ALIGNMENT WITH NDS1 AND VISION 2030	SOURCES
1. A Prosperous and Empowered Upper Middle-Income Society	ECONOMY	**NDS1 and Vision 2030:** Focus on macroeconomic stability, financial sector resilience, and inclusive economic growth. **DPC's Role:** • We safeguard depositors' funds, enhance public confidence in the banking sector and promote financial stability. • The Corporation contributes to financial inclusion by protecting small depositors, aligning with NDS1's goal of inclusive growth. • We support economic resilience by mitigating bank failures' systemic risks, crucial for Vision 2030's sustainable growth. 	• ZIMSTAT, National Accounts Statistics Report 2024 • World Bank, Zimbabwe Economic Update, Winter 2025 • World Bank, World Development Indicators (NY.GDP.PCAP.CD) • World Bank, Poverty & Equity Brief Zimbabwe, April 2025
2. A Modern and Efficient Upper Middle-Income Economy			• ZIMSTAT, National Accounts Statistics Report 2024 • Ministry of Mines & Mining Development, 2024 Annual Report • ZIMSTAT, Manufacturing Survey Report 2024 • ZESA Holdings, Integrated Report 2024
3. A Knowledge-Based Society	SOCIAL	**NDS1 and Vision 2030:** Emphasize poverty reduction, social protection, and improved livelihoods. **DPC's Role:** • We protect vulnerable depositors, reducing financial losses during bank failures (social safety net). • DPC promotes public trust in financial systems, encouraging savings and investment—key for wealth creation. • We support financial literacy initiatives, aligning with NDS1's human capital development objectives. 	• UNESCO Institute for Statistics, Education Database 2024 • POTRAZ, Postal & Telecommunications Sector Report 2024 • ZIMSTAT, Science & Technology Survey 2022
4. A Socially Inclusive Society			• ZIMSTAT, Multiple Indicator Cluster Survey 2024 • ZIMSTAT, Labour Force Survey 2024 • WHO, Global Health Observatory 2024
5. A Society with World-Class Infrastructure and Utilities	GOVERNANCE	**NDS1 and Vision 2030:** Strengthen institutions, transparency, and accountability for sustainable development. **DPC's Role:** • DPC adheres to sound corporate governance, setting standards for the financial sector. • We ensure transparent and efficient deposit insurance, reinforcing regulatory frameworks under NDS1. • DPC promotes risk-based supervision, aligning with Zimbabwe's financial sector reforms for Vision 2030. 	• Ministry of Transport & Infrastructural Development, 2024 Report • ZESA Holdings, Integrated Report 2024 • POTRAZ, Postal & Telecommunications Sector Report 2024
6. A Green and Climate-Resilient Society	ENVIRONMENT	**NDS1 and Vision 2030:** Promote climate resilience, sustainable resource management, and green economy transition. **DPC's Role:** • We are working on models to integrate environmental risk assessments in bank stability monitoring (though indirect, supports sustainable finance). • We are in support of the RBZ's (as the bank supervisor) green banking initiatives among member institutions, contributing to Zimbabwe's climate action goals. 	• Ministry of Environment, Climate, Tourism & Hospitality Industry, National Climate Change Policy, 2021 • UNFCCC, Zimbabwe Updated NDC, 2021 • ZESA Holdings, Integrated Report 2024 • FAO, Zimbabwe Country Programming Framework 2022–2026
7. A Peaceful and Well-Governed Society			• Transparency International, Corruption Perceptions Index 2024 • Ministry of Public Service, Labour & Social Welfare, PSMP Progress Report 2024 • Ministry of Local Government & Public Works, Annual Report 2024 • ZimAsset, Public Sector Governance Report 2024

Sustainability as a Strategic Imperative

Embedding sustainability in strategy drives resilience, innovation, and long-term value for the business and society.

KEY DRIVERS

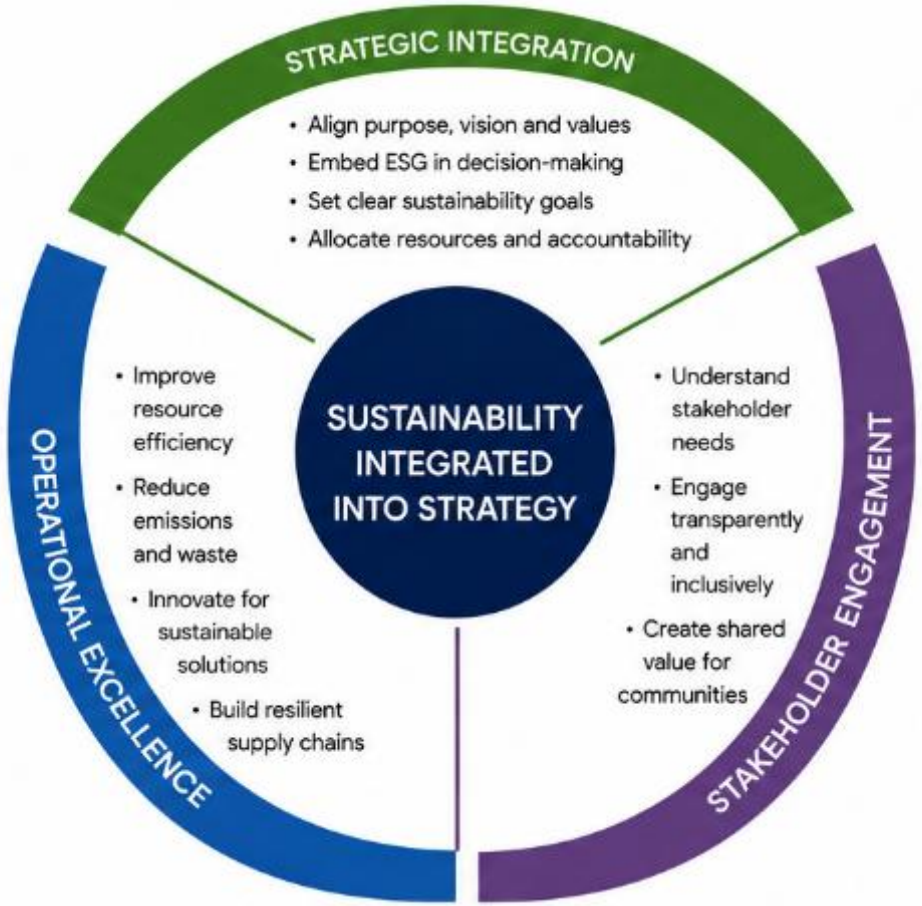
Stakeholder Expectations
Rising expectations from investors, customers, employees and communities.

Regulatory Pressure
Stricter environmental and social regulations and mandatory disclosures.

Risk Management
Managing climate, social and governance risks to protect value and ensure continuity.

Market Opportunities
Growing demand for sustainable products, services and responsible business practices.

Global Megatrends
Climate change, resource scarcity, inequality and technological disruption.



STRATEGIC BENEFITS

Long-Term Value Creation
Sustainable growth and stronger financial performance.

Enhanced Resilience
Better prepared for risks, disruptions and change.

Stronger Reputation
Builds trust and strengthens brand and social licence.

Access to Capital
Attracts investors and unlocks green and sustainable finance.

Innovation & Efficiency
Drives innovation, productivity and cost savings.

Positive Impact
Contributes to a better environment and society.

OUTCOMES

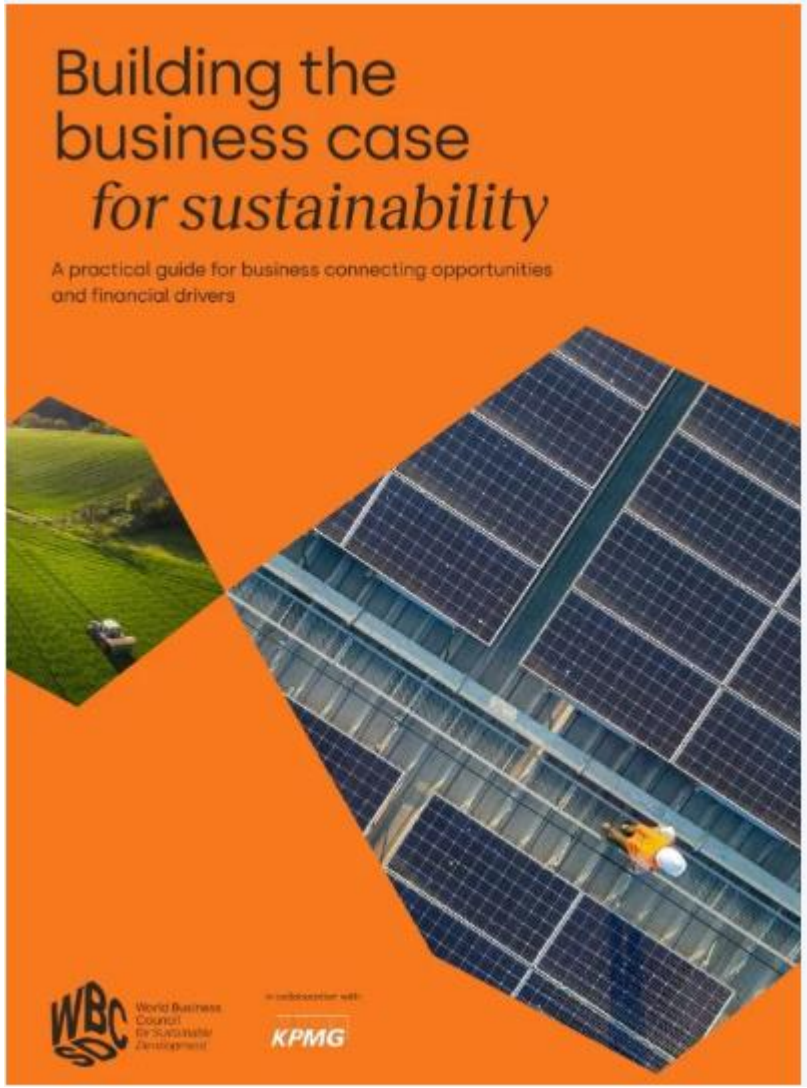
Purpose-Driven Organisation
Clear purpose aligned with sustainability.

Integrated Decision-Making
ESG factors embedded across all business functions.

Sustainable Growth
Resilient business model delivering long-term performance.

Stakeholder Value
Creating value for all stakeholders, not just shareholders.

Future-Fit Organisation
Adaptable, innovative and prepared for the future economy.



A strong environmental, social, and governance (ESG) proposition links to value creation in five essential ways.

	Strong ESG proposition (examples)	**Weak ESG proposition** (examples)
Top-line growth	Attract B2B and B2C customers with more sustainable products Achieve better access to resources through stronger community and government relations	Lose customers through poor sustainability practices (eg, human rights, supply chain) or a perception of unsustainable/unsafe products Lose access to resources (including from operational shutdowns) as a result of poor community and labor relations
Cost reductions	Lower energy consumption Reduce water intake	Generate unnecessary waste and pay correspondingly higher waste-disposal costs Expend more in packaging costs
Regulatory and legal interventions	Achieve greater strategic freedom through deregulation Earn subsidies and government support	Suffer restrictions on advertising and point of sale Incur fines, penalties, and enforcement actions
Productivity uplift	Boost employee motivation Attract talent through greater social credibility	Deal with "social stigma," which restricts talent pool Lose talent as a result of weak purpose
Investment and asset optimization	Enhance investment returns by better allocating capital for the long term (eg, more sustainable plant and equipment) Avoid investments that may not pay off because of longer-term environmental issues	Suffer stranded assets as a result of premature write-downs Fall behind competitors that have invested to be less "energy hungry"

Business Resilience and Long-Term Sustainability

Building resilience today ensures sustainable value creation tomorrow.
Resilient businesses anticipate change, adapt quickly and thrive over the long term.

BUILDING BUSINESS RESILIENCE

Anticipate Risks
Identify environmental, social, governance and financial risks early.

Strengthen Operations
Build flexible systems, robust processes and strong governance to withstand disruption.

Diversify and Adapt
Diversify markets, supply chains and resources to reduce vulnerability.

Empower People
Invest in skills, health, safety and wellbeing to build a resilient and engaged workforce.

Respond and Recover
Act decisively, learn and improve to emerge stronger from challenges.

DRIVING LONG-TERM SUSTAINABILITY

Sustainable Strategy
Integrate ESG and sustainability into strategy and decision-making.

Responsible Growth
Balance financial performance with environmental stewardship and social impact.

Stakeholder Trust
Build strong relationships through transparency, ethics and accountability.

Innovation and Efficiency
Drive innovation, resource efficiency and circular solutions for the future.

Enduring Value
Create long-term value for shareholders, stakeholders and future generations.

RESULTING OUTCOMES

Lower Risk Exposure
Better prepared for disruptions and uncertainties.

Operational Continuity
Maintain critical functions and deliver reliably.

Stronger Performance
Improved efficiency, innovation and competitiveness.

Sustainable Growth
Create value consistently over the long term.

Positive Impact
Contribute to a thriving economy, society and planet.

Intangible drivers of a business case

In addition to clear and measurable financial benefits, companies undertaking sustainability initiatives can accrue intangible benefits like better customer loyalty, employee/supplier relations, and a heightened culture of innovation.[12]

Investor perception
Investors are increasingly prioritizing companies pursuing better sustainability performance[13], as these companies are well equipped to manage risks in the long term. Companies can accrue multiple benefits from improved investor perception including financial benefits of reduced cost of capital.

Customer sentiment
Companies with sustainable products gain a competitive edge and attract more customers, leading to revenue generation in the long-term. Over two-thirds of consumers[14] cite green or sustainable options as one of their considerations while making a purchase decision, and are increasingly willing to pay a green premium, other factors being equal.

Supplier relations
Embedding sustainability across the value chain leads to stronger supplier relations and value chain engagement. New York University found that 50% of survey respondents[15] thought sustainable supply chains lead to better risk management and 30% reported reduced costs[15] among other benefits.

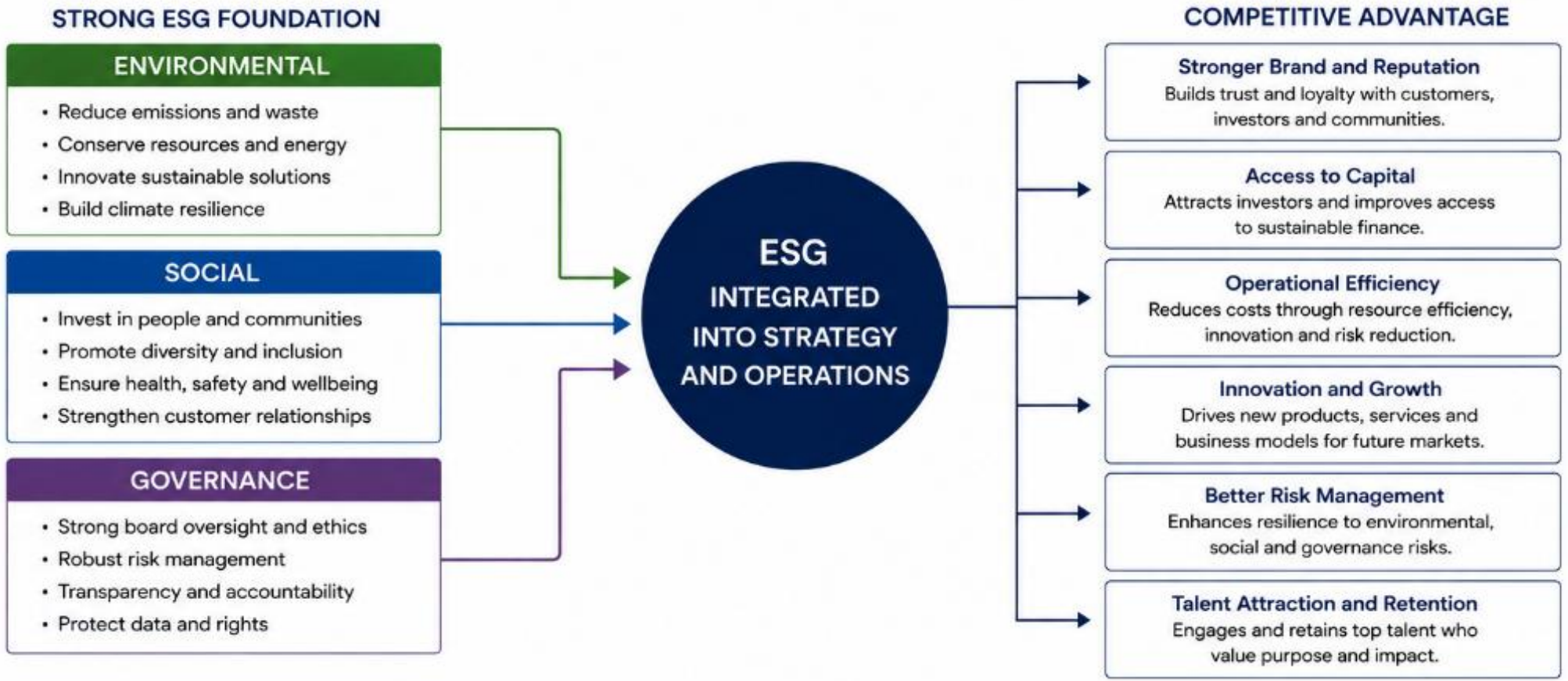
Employee value
Sustainability has emerged as a key employee value proposition in recent years, with strategic benefits of attracting new talent, boosting health and productivity, and retaining talent. 55% of employees[16] (age 25-34) place a high level of importance on environmental and social issues, and 20% of job seekers[16] have turned-down employers due to sub-par ESG performance.

Brand and reputation
Improved sustainability performance can help in driving more brand equity for companies. On average, a company's perceived sustainability contributes to 3% of brand equity[17], amounting to USD 193Bn[18] in brand value for global top 100 brands.

Improved business management
By recognizing sustainability-related risks and opportunities and embedding these into strategic decision-making, businesses are better able to plan, allocate resources, and respond to emerging situations. Enabling them to reduce volatility[19] and improve performance.

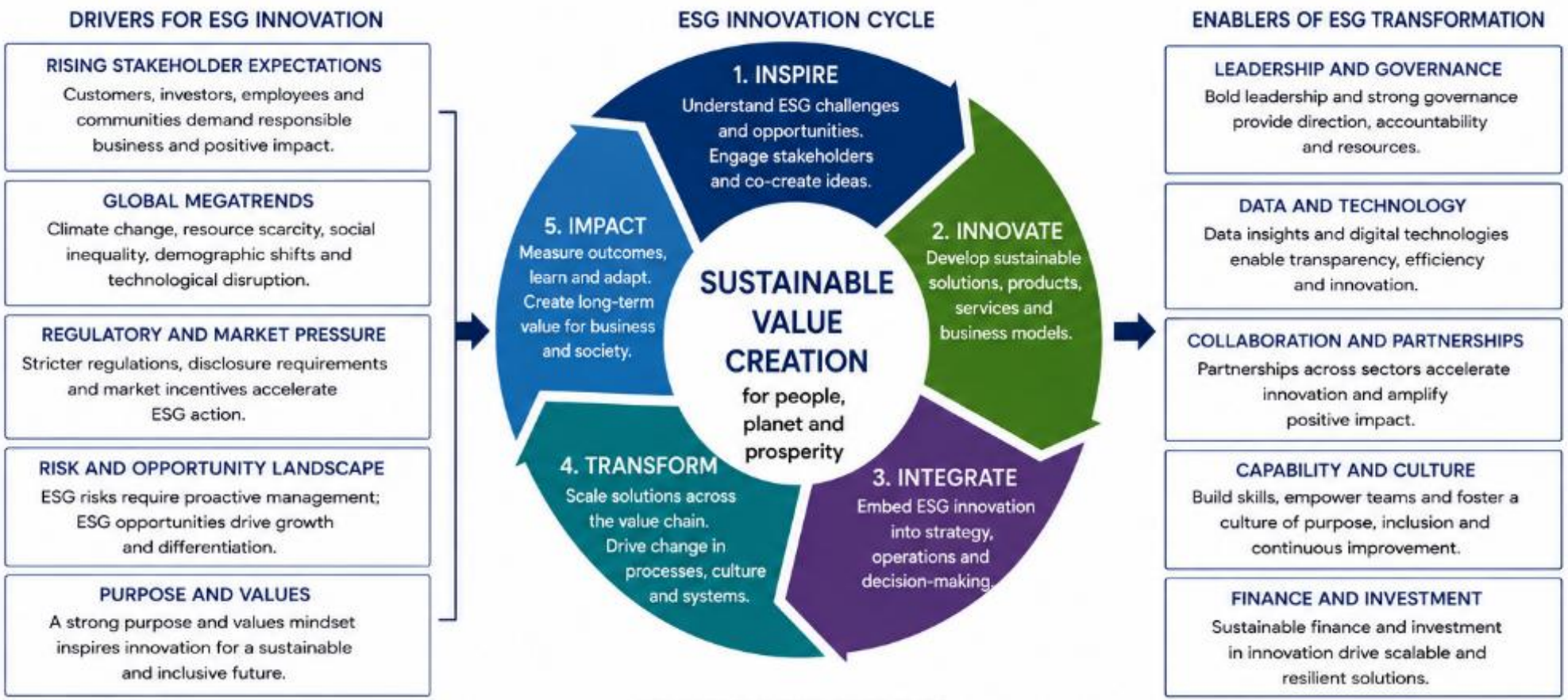
ESG and Competitive Advantage

Integrating Environmental, Social and Governance (ESG) factors strengthens performance today and creates sustainable advantage tomorrow.



ESG INTEGRATION INTO CORPORATE STRATEGY

ESG INNOVATION AND TRANSFORMATION



SUSTAINABILITY AND ENTERPRISE VALUE

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FIDUCIARY DUTIES AND ESG ACCOUNTABILITY

A South African Perspective

1. FIDUCIARY FOUNDATION

Directors and executives owe duties of care, diligence, loyalty and responsibility.

Key duties

- Act in the best interests of the company
- Exercise care, skill and diligence
- Act with honesty and integrity
- Avoid conflicts of interest
- Ensure the company is a responsible corporate citizen

Key reference

Companies Act 71 of 2008 (Section 76)
King IV™ Principle 2

2. ESG AS A FIDUCIARY ISSUE

ESG considerations are material to enterprise value, risk and long-term sustainability.

Directors must

- Understand ESG risks and opportunities relevant to the business
- Ensure ESG is integrated into strategy and decision-making
- Oversee effective management of ESG risks and impacts
- Consider stakeholder interests in the best interests of the company

Key reference

King IV™ Principles 4, 5, 6
JSE Listings Requirements

3. LEGAL AND REGULATORY CONTEXT

South African laws require transparency, sustainability and accountability.

Key requirements

- Companies Act: directors must act in the best interests of the company and its stakeholders
- King IV™: ethical leadership, integrated thinking and responsible corporate citizenship
- JSE Listings Requirements: apply or explain on sustainability and climate disclosure (IFRS S1 & S2)
- PFMA & MFMA (public sector): promote transparency, accountability and socio-economic development

Key reference

Companies Act, King IV™
JSE, PFMA, MFMA

4. OVERSIGHT AND GOVERNANCE

Boards are accountable for ESG oversight, culture and performance.

Board responsibilities

- Set the tone at the top and promote ethical leadership
- Approve ESG strategy, policies and targets
- Ensure robust risk management and internal control
- Monitor ESG performance and ensure credible reporting
- Ensure assurance and continuous improvement

Key reference

King IV™ Principle 7
IIA Three Lines Model

5. ACCOUNTABILITY AND DISCLOSURE

Transparent reporting and assurance strengthen trust and demonstrate accountability.

What this looks like

- Integrated reporting on material ESG matters
- Climate-related disclosure (TCFD/IFRS S1 & S2 aligned)
- Independent assurance over ESG information
- Stakeholder engagement and responsiveness
- Clear consequences for poor governance or misconduct

Key reference

King IV™ Principle 5
IFRS Sustainability Standards
JSE Sustainability Disclosure

6. VALUE CREATION AND CONSEQUENCES

Embedding ESG in fiduciary practice creates long-term value and mitigates risk.

Outcomes

- Protect and enhance enterprise value
- Strengthen resilience and access to capital
- Build trust with stakeholders and society
- Support inclusive economic growth in South Africa

Consequences of failure

- Regulatory action and penalties
- Reputational damage
- Litigation and personal liability
- Loss of investor and stakeholder confidence

FIDUCIARY DUTIES AND ESG ACCOUNTABILITY – ZIMBABWE

A Zimbabwe Perspective

1. FIDUCIARY FOUNDATION

Directors and executives owe duties of care, diligence, loyalty and good faith to the company and its stakeholders.

Key duties

- Act in the best interests of the company
- Exercise care, skill and diligence
- Act with honesty, integrity and in good faith
- Avoid conflicts of interest and self-dealing
- Ensure compliance and protect company assets
- Promote the long-term success of the company and stakeholders

Key reference

Companies and Other Business Entities Act [Chapter 24:31] (Sections 75–77)
King IV™ Principle 2
Common Law Duties

2. ESG AS A FIDUCIARY ISSUE

ESG matters affect enterprise value, risk and long-term sustainability and are therefore a fiduciary consideration.

Directors must

- Identify and understand ESG risks and opportunities relevant to the business
- Integrate ESG into strategy and investment decisions
- Ensure ESG information is accurate, complete and reliable
- Oversee effective management of ESG impacts and dependencies
- Consider stakeholder interests in the company's best interests

Key reference

King IV™ Principles 4, 5, 6
JSE Listings Requirements (ESG Disclosure Guidance)
PFMA (public sector)

3. LEGAL AND REGULATORY CONTEXT

Zimbabwe law and regulatory frameworks require transparency, responsible conduct and accountability.

Key requirements

- Companies Act: directors must act in good faith in the best interests of the company
- Environmental Management Act [Chapter 20:27]: duty to prevent pollution and promote sustainable development
- Climate Change Management Act [Chapter 20:23]: integrate climate risks and support national climate goals
- Statutory Instrument 134 of 2019 (SI 134/2019): ESG disclosure for listed entities
- Public Finance Management Act [Chapter 22:19] (public sector accountability)

Key reference

Companies Act [Ch. 24:31]
EMA [Ch. 20:27]
CCMA [Ch. 20:23]
SI 134/2019
PFMA [Ch. 22:19]

4. OVERSIGHT AND GOVERNANCE

Boards are accountable for ESG oversight, culture, ethics and performance.

Board responsibilities

- Set the tone at the top and promote ethical leadership
- Approve ESG strategy, policies and targets
- Ensure robust risk management and internal control
- Oversee climate-related risks and opportunities (TCFD aligned)
- Monitor ESG performance and ensure credible reporting
- Ensure assurance and continuous improvement

Key reference

King IV™ Principle 7
King IV™ Practice Guide
IIA Three Lines Model

5. ACCOUNTABILITY AND DISCLOSURE

Transparent reporting and assurance strengthen trust, access to capital and stakeholder confidence.

What this looks like

- Integrated reporting on material ESG matters
- Climate-related disclosure (TCFD/IFRS S1 & S2 aligned)
- Independent assurance over ESG information
- Stakeholder engagement and responsiveness
- Digital and accessible disclosure
- Compliance with SI 134/2019 and JSE sustainability disclosure guidance

Key reference

SI 134 of 2019
JSE Sustainability Disclosure Guidance
IFRS Sustainability Standards (S1 & S2)

6. VALUE CREATION AND CONSEQUENCES

Embedding ESG in fiduciary practice creates long-term value and mitigates risk.

Outcomes

- Stronger enterprise value and resilience
- Better access to capital and lower cost of capital
- Enhanced reputation and stakeholder trust
- Inclusive growth and social licence to operate
- Contribution to Zimbabwe's sustainable development

Consequences of failure

- Regulatory action and penalties
- Reputational damage
- Litigation and personal liability
- Loss of investor and stakeholder confidence
- Poor financial performance and value destruction

BOARD OVERSIGHT RESPONSIBILITIES

The board provides strategic leadership and oversight to ensure the organisation is governed ethically, performs sustainably and creates long-term value.

1. STRATEGY AND PURPOSE

Oversee the development and approval of strategy aligned to the organisation's purpose, values and long-term sustainability.

2. RISK OVERSIGHT

Ensure a robust risk management framework is in place to identify, assess, monitor and manage key risks and opportunities.

3. ETHICS AND CULTURE

Set the tone at the top and promote an ethical culture, integrity and responsible behaviour throughout the organisation.

4. GOVERNANCE AND COMPLIANCE

Ensure effective governance structures, policies and controls are in place to ensure compliance with applicable laws, regulations and standards.

5. PERFORMANCE OVERSIGHT

Monitor organisational performance against strategic objectives, key indicators and stakeholder expectations.

6. FINANCIAL STEWARDSHIP

Oversee financial reporting, internal controls and the prudent use of resources to ensure financial sustainability.

7. STAKEHOLDER ENGAGEMENT

Ensure effective engagement with key stakeholders and that their interests are understood, considered and addressed.

8. TALENT AND SUCCESSION

Oversee leadership development, succession planning and a diverse, skilled and accountable leadership team.

9. DISCLOSURE AND ACCOUNTABILITY

Ensure transparent reporting and disclosure of material matters and acceptability to the organisation and stakeholders.

6.6 CLIMATE CHANGE

While DPC's direct environmental footprint is smaller than that of industrial or commercial entities, climate change remains relevant through operational continuity, business interruption risk, infrastructure vulnerability, and the broader effect of systemic shocks on the financial sector. Public entities are increasingly expected to recognize sustainability and resilience in governance, strategy, and risk management.

6.6.1 Climate-related Relevance

Climate-related events can affect the business continuity of financial institutions, the resilience of public infrastructure, and the stability of economic activity on which financial systems depend. DPC therefore has an interest in institutional resilience, continuity planning, energy efficiency in operations, and awareness of system-wide risk channels relevant to its mandate.

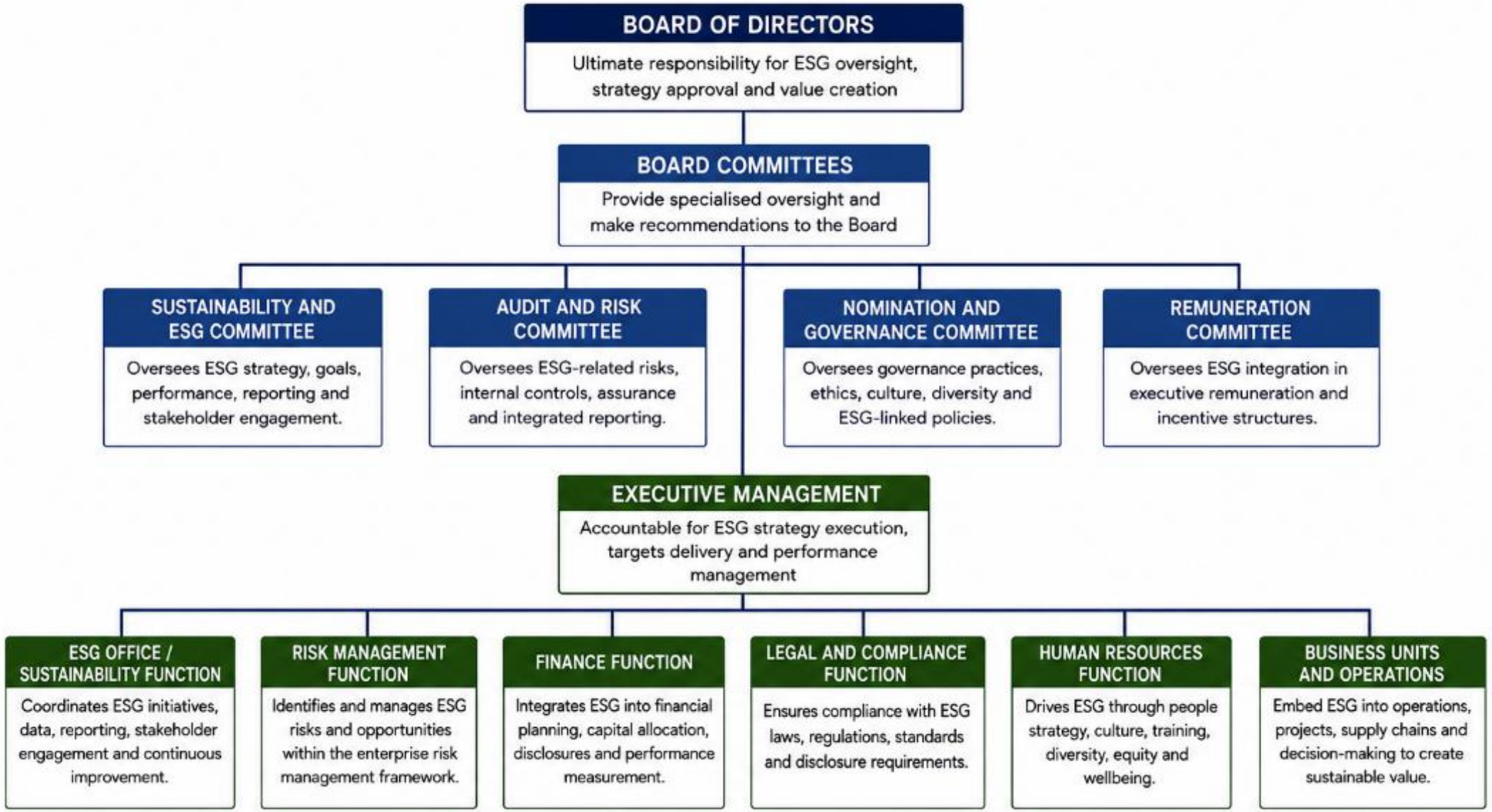
6.6.1 Operational Stewardship

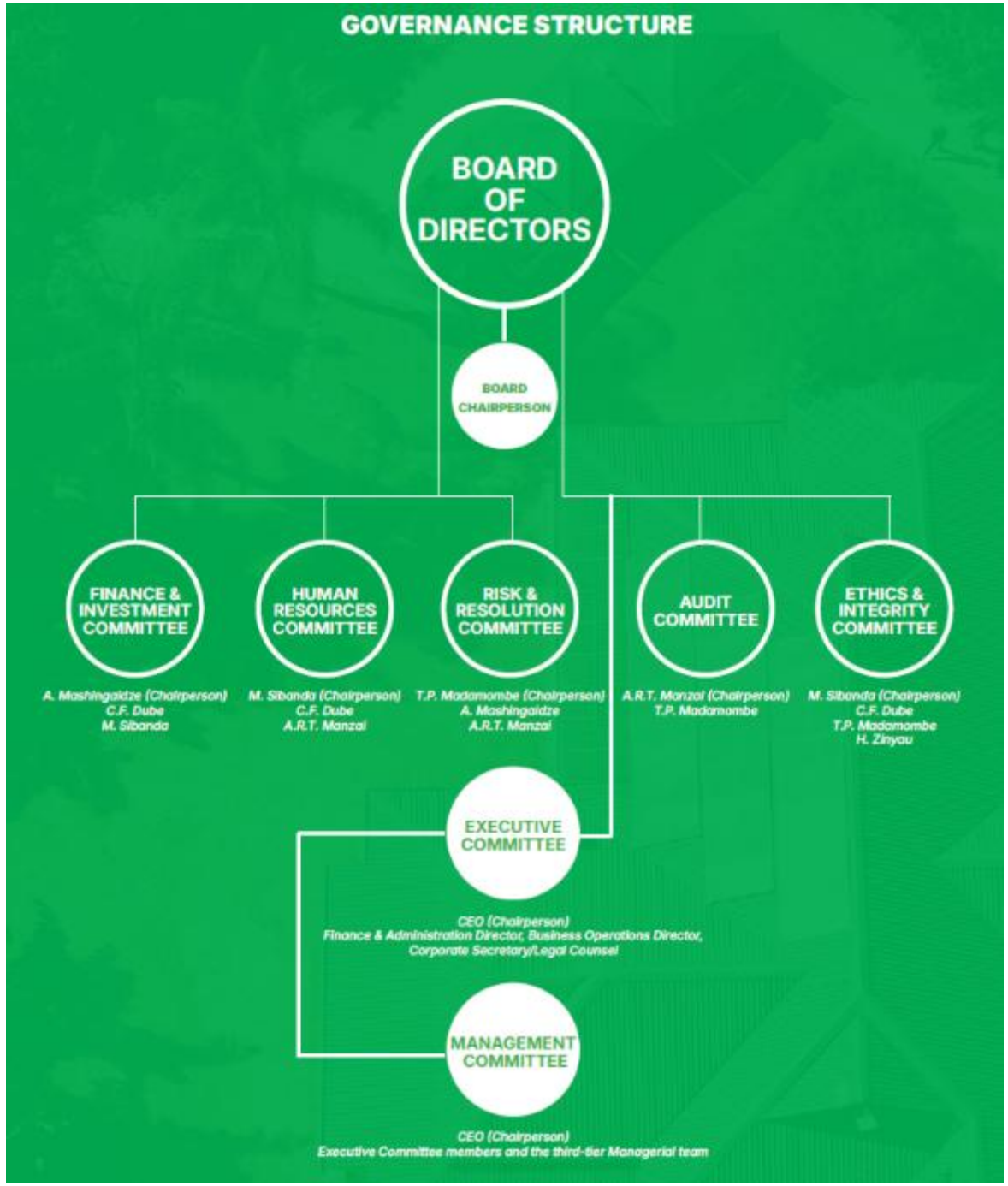
Practical climate-related actions for an institution such as DPC include efficient use of utilities, digitization of workflows where feasible, disaster recovery readiness, records protection, and continuity planning for critical functions. These measures complement broader public-sector expectations regarding responsible resource use and resilience.

Forward-Looking Statement

As the Corporation looks to the future, it does so with confidence, clarity, and bold ambition. While the financial landscape continues to evolve, our compass remains steady: protecting depositors, strengthening resilience, and advancing financial stability. Tomorrow's challenges — whether regulatory, technological, or systemic — are not obstacles, but opportunities to innovate, adapt, and lead. Guided by our mandate and strengthened by experience, we will continue to invest in our people, refine our systems, and expand our influence across the region. In short, the Corporation is not merely preparing for the future; it is shaping it, ensuring that trust in the financial system remains unshakable and that our social license to operate grows stronger with each passing

ESG GOVERNANCE STRUCTURES AND COMMITTEES





Name	Gender	Position	Region of Origin	No. of terms	Qualifications	Other Board Memberships (Current)
Canan Dube	M	Chair	Masvingo	1 of 2	• LLB(Unilag) • LLB (UZ) • MBA • PHD graduand • Corporate Gov Expert	• Hippo Valley Estates Limited (Chair) • NSSA Staff Pension Fund • NEC Iron & Steel Industry (Aid Chair) • EMF Medical Aid (Chair) • Scandisk Investments t/a Suburban Medical Centre (Chair) • Bata Shoe Company Zimbabwe P/L • Dube, Hwacha & Manikai • Old Mutual Life Assurance Co. Zimbabwe Limited
Annah Mashingaidze	F	Vice Chair	Manicaland	1 of 2	• LLB (UNISA) • MBL (UNISA) • ACMA CGMA) • BAcc (Hons) (UZ) • Accountant	
Amos R. T. Manzai	M	Member	Manicaland	2 of 2	• BA (Hons) Economics (UK) • Chartered Accountant (ACA (Z)) • Accountant	• First Mutual Holdings • First Mutual Life
Philip T. Madamombe	M	Member	Mash West	1 of 2	• BBS(Hons) UZ • EMBA (NUST) • AIOBZ • Banker	• Aurex (Pvt) Ltd
Meluleki Sibanda	F	Member	Mat North	1 of 2	• LLB (Fort Hare) • Legal Practitioner	• National Venture Capital Company of Zimbabwe (NVCCZ)
Hopewell Zinyau	M	Ex-officio	Manicaland	1 of 2	• LLB (UNISA); • MBA (UZ); • B.A. English & Communication (UZ); • Dip. Personnel (IPMZ); • Dip. Training Management (IPMZ) • Human Resources Expert	• Eagle Asset Management Advisory Board • IADI African Regional Committee (ARC) Vice President

EXECUTIVE ACCOUNTABILITY AND ESG KPIs

Accountability, measurement and performance drive sustainable value and long-term success

		ESG KPIs EXAMPLES
1. GOVERNANCE AND OVERSIGHT	• Board sets ESG expectations • Clear roles and responsibilities • Oversight through committees	• % ESG oversight meetings • ESG strategy approved • Risk management effectiveness
2. EXECUTIVE ACCOUNTABILITY	• ESG objectives embedded in executive scorecards • Defined targets and deliverables • Regular performance reviews	• % achievement of ESG targets • ESG objectives in scorecards (Y/N) • Performance review completion
3. PERFORMANCE MEASUREMENT	• Use of relevant and material ESG KPIs • Balanced scorecard approach • Short-term and long-term measures	• CO_2e emissions (tCO_2e) • Lost Time Injury Frequency Rate • Employee engagement score
4. INCENTIVES AND REWARDS	• Link a portion of variable pay to ESG performance • Reward achievement of ESG goals • Foster long-term value creation	• % variable pay linked to ESG • ESG target achievement rate • Long-term incentive vesting
5. TRANSPARENCY AND REPORTING	• Transparent disclosure of ESG performance • Communicate progress to stakeholders	• ESG report published (Y/N) • TCFD/IFRS S1 & S2 disclosure (Y/N) • Stakeholder satisfaction score
6. CONTINUOUS IMPROVEMENT	• Monitor, learn and adapt • Strengthen policies, targets and performance	• Improvement intiatives implemented • KPI performance trend • ESG maturity assessment score

ESG PERFORMANCE OBJECTIVES

LINKED TO MISSION CRITICAL OBJECTIVES AND KPIs

MISSION CRITICAL OBJECTIVES	ESG PERFORMANCE OBJECTIVES	ESG KPIs	TARGET
1. ENABLE A LOW CARBON AND RESOURCE EFFICIENT BUSINESS	Reduce greenhouse gas emissions	Scope 1 & 2 emissions (tCO_2e)	-30% by 2030
	Improve resource efficiency	Energy intensity (kWh per unit)	-20% by 2030
	Protect biodiversity and ecosystems	Land disturbed rehabilitated (%)	100% by 2030
2. EMPOWER PEOPLE AND STRENGTHEN COMMUNITIES	Ensure a safe, healthy and inclusive workplace	Lost Time Injury Frequency Rate (LTIFR)	Zero harm
	Develop skills and future talent	Training hours per employee	40 hours per employee
	Create positive social impact	Community investment (R million)	≥ 1% of NPAT
3. UPHOLD STRONG GOVERNANCE AND ETHICAL CONDUCT	Strengthen ethics, integrity and compliance	Code of conduct breaches	Zero tolerance
	Enhance risk management	High risk issues resolved (%)	100%
	Ensure transparent disclosure and reporting	ESG report published on time (Y/N)	Yes

STRATEGY EXECUTION | RISK MANAGEMENT | STAKEHOLDER VALUE CREATION

6.1 HOW WE MAINTAIN OUR SOCIAL LICENSE TO OPERATE

The Corporation maintains its social license to operate by consistently demonstrating that its actions, decisions, and interventions serve the public interest and uphold the integrity of the financial system. As the statutory guarantor of protected deposits, the Corporation's impact is both systemic and deeply personal, providing assurance to individual depositors while reinforcing confidence in the broader financial architecture.

Through transparent execution of its mandate, public awareness, timely reimbursement processes, and unwavering adherence to legal and prudential standards, DPC positions itself as a stabilizing force in times of uncertainty. Our role in safeguarding depositors, mitigating contagion risks, and supporting orderly bank resolutions is central to preserving financial stability. It is this combination of legal authority, operational credibility, and demonstrable public value that continually renews the Corporation's social license and affirms its legitimacy as a trusted pillar of the financial safety net.

6.3 DPC STAKEHOLDER ENGAGEMENT AND SUSTAINABILITY MATERIALITY ASSESSMENT

In October 2025, Mushawedu provided valuable feedback during DPC's stakeholder engagement session and sustainability materiality assessment workshop. Their perspectives enriched the Corporation's understanding of the social dimensions of financial protection and reinforced the importance of embedding inclusivity into our sustainability agenda.

6.4 WORLD TREE PLANTING DAY

To commemorate World Tree Planting Day in December 2025, DPC collaborated with Mushawedu Housing Cooperative members in Caledonia, symbolizing growth, resilience, and a greener future for generations to come. This initiative reflected our belief that sustainability is not only about protecting deposits but also about nurturing the environment in which our communities thrive.

2. EMPOWER PEOPLE AND STRENGTHEN COMMUNITIES	Ensure a safe, healthy and inclusive workplace	Lost Time Injury Frequency Rate (LTIFR)	Zero harm
	Develop skills and future talent	Training hours per employee	40 hours per employee
	Create positive social impact	Community investment (R million)	≥ 1% of NPAT

IFRS S1 AND IFRS S2 – GLOBAL SUSTAINABILITY DISCLOSURE STANDARDS

Building investor-grade, decision-useful sustainability information for DPC and its stakeholders

IFRS S1
General Requirements for Disclosure of Sustainability-related Financial Information

Sets out core content and general requirements for disclosing sustainability-related risks and opportunities that could reasonably be expected to affect DPC's cash flows, access to finance or cost of capital over the short, medium or long term.

WHAT S1 REQUIRES DPC TO DISCLOSE

GOVERNANCE	How DPC's governance body oversees sustainability-related risks and opportunities.
STRATEGY	The sustainability-related risks and opportunities that could reasonably affect DPC's strategy, business model, cash flows, access to finance and cost of capital.
RISK MANAGEMENT	How DPC identifies, assesses, prioritises and monitors sustainability-related risks.
METRICS AND TARGETS	The metrics DPC uses to assess and manage relevant risks and opportunities, and the targets it uses to monitor progress.

FOCUS OF S1
- Applies to all sustainability topics (environmental, social and governance).
- Material information for investors and capital providers.
- Requires entities to apply the principle of materiality.
- Provides a common foundation for global baseline disclosures.

HOW IFRS S1 AND S2 RELATE TO DPC

DPC'S PURPOSE AND MANDATE
Protect depositors by maintaining a sufficiently large, liquid and resilient Deposit Protection Fund.

SUSTAINABILITY INFORMATION THAT MATTERS TO DPC

HOW DPC APPLIES S1 AND S2 IN PRACTICE	
INVESTMENT MANAGEMENT	Assess and disclose sustainability and climate risks in the Deposit Protection Fund (equities, property, REITs, funds, etc.).
RISK MANAGEMENT	Integrate sustainability and climate risks into enterprise risk management and stress testing.
REPORTING	Provide transparent, investor-grade disclosures in the annual report and on the DPC website.
STAKEHOLDER TRUST	Demonstrate accountability to contributors, government, institutions, depositors and the public.

BETTER DECISIONS AND STRONGER RESILIENCE
- Stronger risk management
- More resilient investments
- Stronger depositor protection

IFRS S2
Climate-related Disclosures

Creates mandatory climate-related disclosures to help investors understand an entity's exposure to climate-related risks and opportunities, and how it is managing them.

WHAT S2 REQUIRES DPC TO DISCLOSE

GOVERNANCE	How DPC's governance body oversees climate-related risks and opportunities.
STRATEGY	Actual and potential climate-related impacts on DPC's strategy, business model, value creation and financial planning, under different climate-related scenarios.
RISK MANAGEMENT	Processes for identifying, assessing, prioritising and monitoring climate-related risks.
METRICS AND TARGETS	Climate-related metrics (e.g., GHG emissions, financed emissions, carbon intensity) and targets used to manage climate-related risks and opportunities.

FOCUS OF S2
- Focused specifically on climate-related risks and opportunities.
- Aligns with the TCFD recommendations.
- Requires scenario analysis where relevant.
- Supports transition planning and decarbonisation strategies.

EMBEDDING ESG INTO GOVERNANCE FRAMEWORKS

Aligned to the COSO Internal Control – Integrated Framework

ESG is embedded across all components and principles to support ethical leadership, value creation, risk management, and reliable reporting for sustainable performance.

COSO COMPONENTS	WHAT IT MEANS	EMBEDDING ESG – KEY FOCUS AREAS	OUTCOMES
1. CONTROL ENVIRONMENT	The foundation for how the organisation approaches risk and control.		
2. RISK ASSESSMENT	Identifying and analysing risks to achieve objectives.		
3. CONTROL ACTIVITIES	Policies and procedures that help manage risks.		
4. INFORMATION AND COMMUNICATION	Capturing, reporting and sharing relevant information.		
5. MONITORING ACTIVITIES	Ongoing evaluation of control performance over time.		

Key Highlights Dashboard of the Major Risks

Risk Description	Inherent Risk	Control Performance	Residual Risk	Risk Direction
Macroeconomic Risk	Medium	Good	Medium	↔
Strategic Risk	Medium	Good	Medium	↔
Fund Adequacy Risk	Medium	Satisfactory	Medium	↔
Operational Risk	Medium	Good	Medium	↔
Cyber Risk	High	Good	Medium	↑
Investment Risk	Medium	Good	Medium	↔
Project Risk	Medium	Satisfactory	Medium	↔
Resolution Risk	High	Satisfactory	Medium	↔

BOARD ESG MATURITY MODELS

Aligned to the COSO Maturity Model for ESG

MATURITY DIMENSION	1. INITIAL (REACTIVE)	2. DEVELOPING (EMERGING)	3. DEFINED (ESTABLISHED)	4. MANAGED (INTEGRATED)	5. OPTIMISED (LEADING)
GOVERNANCE AND OVERSIGHT	Limited board awareness of ESG issues. No formal oversight or structures.	Board acknowledges ESG importance. Ad hoc oversight with limited oversight structures.	Board has formal ESG oversight through a committee. Roles, responsibilities and accountabilities defined.	ESG oversight is integrated into board agendas and decision-making. Regular performance review.	Board provides proactive leadership on ESG. ESG embedded in governance and value creation.
STRATEGY AND OBJECTIVES	No clear ESG strategy. ESG not considered in strategic planning.	ESG considered in some strategic discussions. No clear strategy or objectives.	ESG strategy defined and aligned with organisational purpose. Clear ESG objectives established.	ESG fully integrated into strategy and business model. Targets linked to value creation.	ESG drives strategy and innovation. Long-term sustainable value is demonstrably created.
RISK MANAGEMENT	ESG risks not identified or assessed. Reactive to issues.	Some ESG risks identified. Limited assessment and management.	ESG risks systematically identified, assessed and prioritised within ERM.	ESG risks actively managed across the enterprise and value chain.	ESG risk management optimised and drives resilience and opportunity.
PERFORMANCE MANAGEMENT	No ESG metrics or KPIs. Performance not measured or tracked.	Some ESG metrics used. Performance tracking is inconsistent.	ESG KPIs defined and measured. Targets monitored regularly.	ESG performance is embedded in management processes and incentives.	ESG performance is industry leading and continuously improving.
INFORMATION, REPORTING AND COMMUNICATION	Minimal or no ESG disclosure. Communication is reactive.	Basic ESG reporting. Limited transparency and stakeholder communication.	Standardised ESG reporting aligned to recognised frameworks (e.g. ISSB, GRI). Stakeholders are informed.	Integrated reporting on ESG and financial performance. Transparent and proactive stakeholder engagement.	Best-in-class reporting. Stakeholder trust and dialogue drive continuous improvement.
CULTURE AND STAKEHOLDER ENGAGEMENT	Limited awareness of ESG issues. Stakeholder engagement is minimal.	Growing awareness of ESG within the organisation. Stakeholder engagement is ad hoc.	ESG values embedded in policies and culture. Stakeholder engagement is structured.	Strong ESG culture. Employees act on ESG values. Stakeholders are partners in value creation.	Purpose-led culture. Stakeholders co-create solutions for a sustainable future.

EMBEDDING ESG INTO GOVERNANCE FRAMEWORKS

Aligned to the NIST AI Risk Management Framework (AI RMF 1.0)

ESG principles and considerations are embedded across the AI governance lifecycle to ensure responsible, ethical, lawful and sustainable AI that creates long-term value for the organisation and society.

NIST AI RMF CORE FUNCTIONS	OBJECTIVE	EMBEDDING ESG – KEY FOCUS AREAS	ESG OUTCOMES
1. GOVERN Establish AI governance to support risk management.	Establish policies, roles, accountabilities and oversight to ensure responsible AI.	• Board oversight of AI strategy, ethics and ESG impacts • Define AI governance structure, roles and responsibilities • Embed ESG values (environmental stewardship, social responsibility, human rights, transparency, accountability) in AI policies • Ensure adherence to laws, standards and stakeholder expectations	Strong ethical leadership and accountability Alignment of AI with ESG values and organisational purpose
2. MAP Contextualise AI risks and opportunities.	Understand the context in which AI systems operate and the associated risks and opportunities.	• Identify AI use cases and their ESG impacts across the value chain • Assess environmental (e.g., energy use), social (e.g., bias, inclusion, labour), and governance (e.g., privacy, transparency) factors • Engage stakeholders to understand expectations and material ESG topics • Consider regulatory, cultural and societal context	Holistic understanding of AI-related ESG risks and opportunities Informed and inclusive decision-making
3. MEASURE Assess, analyse and prioritise AI risks.	Evaluate AI risks and determine their likelihood and impact.	• Assess AI risks through an ESG lens (people, planet, governance) • Evaluate bias, fairness, explainability, safety, security and privacy • Measure environmental footprint (e.g., carbon, resources) • Prioritise risks based on materiality and potential impact on stakeholders	Evidence-based prioritisation of AI risks Focus on issues that matter most to stakeholders
4. MANAGE Act to mitigate AI risks and seize opportunities.	Implement actions to address and reduce AI risks and enhance positive impacts.	• Design and implement controls to mitigate ESG-related AI risks • Embed fairness, transparency, privacy and sustainability by design • Promote inclusive AI that benefits people and communities • Manage third-party and supply chain AI risks	Reduced negative impacts Enhanced positive social and environmental outcomes Responsible AI innovation
5. MEASURE (Monitor) Continuously monitor AI performance and risks.	Continuously monitor, review and improve AI systems and controls.	• Monitor AI performance and ESG impacts against KPIs and thresholds • Conduct audits, testing and reviews for bias, safety, security and privacy • Report on AI and ESG performance transparently • Learn from incidents and stakeholder feedback to improve	Continuous improvement Trust through transparency and accountability Resilient and adaptive AI governance

ETHICAL LEADERSHIP AND ORGANISATIONAL CULTURE

Aligned with KING V™

KING V™ PRINCIPLES	ETHICAL LEADERSHIP IN ACTION Leaders at all levels:	CULTURAL ENABLERS	CULTURAL OUTCOMES
Ethical Culture	• Demonstrate integrity, honesty and fairness in all decisions and actions • Role model the organisation's values and code of ethics • Promote a speak-up culture and address unethical behaviour decisively	• Shared values and clear purpose • Tone at the top and visible commitment • Zero tolerance for unethical behaviour	Strong ethical culture and shared values
Good Performance	• Set clear ethical expectations and performance standards • Align behaviour, incentives and consequences with ethical values • Foster accountability for delivering sustainable results	• Ethical decision-making • Alignment of rewards and recognition • Performance conversations with integrity	Sustainable performance and responsible behaviour
Effective Control and Legitimacy	• Ensure robust governance structures and ethical oversight • Embed ethics in risk management and internal control processes • Ensure compliance with laws, regulations and ethical standards	• Independent oversight and assurance • Strong policies and ethical frameworks • Transparency and accountability	Legitimacy, compliance and stakeholder confidence
Trust, Relationships and Inclusivity	• Treat all stakeholders with respect, dignity and fairness • Build trust through transparency, consistency and open communication • Value diversity, inclusion and psychological safety	• Open, two-way communication • Inclusion, equity and respect • Collaboration and mutual trust	High trust, engagement and inclusive culture
Integrated Thinking and Value Creation	• Consider the impact of decisions on the short, medium and long term • Balance the needs of the organisation, society and the environment • Promote responsible innovation and sustainable value creation	• Systems thinking and holistic decision-making • Environmental and social responsibility • Intergenerational equity	Long-term value creation and organisational resilience
Stakeholder Inclusivity	• Engage stakeholders meaningfully and openly • Understand and respond to stakeholder interests and concerns • Create shared value and uphold stakeholder rights	• Stakeholder engagement and dialogue • Responsiveness and inclusivity • Community and societal impact	Positive impact and social licence to operate

DAY 1

ESG, Sustainable Leadership & Stakeholder Value

- Module 1 - Introduction to ESG & Sustainable Leadership
- Module 2 - Business Sustainability & Future-Ready Organisations
- Module 3 - The Role of Boards & Executives in ESG Governance
- Module 4 - Environmental Factors & Climate Governance
- Module 5 - Social Factors & Stakeholder Value Creation

CLIMATE CHANGE AND BUSINESS RISK

RISK AND CONTROL MATRIX – FOCUS ON STRATEGIC RISKS

RISK CATEGORY	STRATEGIC RISK
STRATEGIC RISKS Long-term risks that affect objectives, value creation and sustainability	1. Transition Risk – Policy and Regulation
	2. Transition Risk – Market
	3. Transition Risk – Technology
PHYSICAL RISKS Risks arising from the physical impacts of climate change	4. Physical Risk – Acute
	5. Physical Risk – Chronic
REPUTATION AND STAKEHOLDER RISKS Risks to trust, licence to operate and stakeholder value	6. Reputation and Stakeholder Risk
FINANCIAL RISKS Risks affecting financial position, access to capital and cost of finance	7. Financial Risk

6.6 CLIMATE CHANGE

While DPC's direct environmental footprint is smaller than that of industrial or commercial entities, climate change remains relevant through operational continuity, business interruption risk, infrastructure vulnerability, and the broader effect of systemic shocks on the financial sector. Public entities are increasingly expected to recognize sustainability and resilience in governance, strategy, and risk management.

6.6.1 Climate-related Relevance

Climate-related events can affect the business continuity of financial institutions, the resilience of public infrastructure, and the stability of economic activity on which financial systems depend. DPC therefore has an interest in institutional resilience, continuity planning, energy efficiency in operations, and awareness of system-wide risk channels relevant to its mandate.

6.6.1 Operational Stewardship

Practical climate-related actions for an institution such as DPC include efficient use of utilities, digitization of workflows where feasible, disaster recovery readiness, records protection, and continuity planning for critical functions. These measures complement broader public-sector expectations regarding responsible resource use and resilience.

Forward-Looking Statement

As the Corporation looks to the future, it does so with confidence, clarity, and bold ambition. While the financial landscape continues to evolve, our compass remains steady: protecting depositors, strengthening resilience, and advancing financial stability. Tomorrow's challenges — whether regulatory, technological, or systemic — are not obstacles, but opportunities to innovate, adapt, and lead. Guided by our mandate and strengthened by experience, we will continue to invest in our people, refine our systems, and expand our influence across the region. In short, the Corporation is not merely preparing for the future; it is shaping it, ensuring that trust in the financial system remains unshakable and that our social license to operate grows stronger with each passing

CARBON EMISSIONS AND DECARBONISATION

MINING INDUSTRY LIFECYCLE

Addressing carbon emissions across the entire value chain to achieve a low-carbon, resilient and competitive mining industry.

1. EXPLORATION AND PLANNING

Key activities

- Geological exploration
- Site surveys and studies
- Resource estimation
- Feasibility studies

Emissions sources

- Field vehicles and equipment
- Drilling activities
- Energy for camps
- Air travel and logistics

2. MINE DEVELOPMENT AND CONSTRUCTION

Key activities

- Land clearing
- Infrastructure construction
- Plant and equipment
- Establish power and water systems

Emissions sources

- Construction equipment
- Cement and steel use
- Diesel and electricity
- Material transport

3. MINING AND EXTRACTION

Key activities

- Overburden removal
- Drilling and blasting
- Loading and haulage
- Ore extraction

Emissions sources

- Diesel for mobile equipment
- Explosives
- Ventilation (underground)
- Electricity for operations

4. PROCESSING AND BENEFICIATION

Key activities

- Crushing, grinding
- Separation and concentration
- Smelting or refining
- Tailings management

Emissions sources

- Electricity consumption
- Thermal energy
- Process reagents
- Tailings emissions (e.g. methane)

5. TRANSPORTATION AND LOGISTICS

Key activities

- Product transport
- Rail, road or port logistics
- Shipping (if applicable)
- Fuel handling

Emissions sources

- Fuel for trucks, trains, ships
- Port and loading operations
- Logistics and distribution
- Employee commuting

6. CLOSURE AND REHABILITATION

Key activities

- Mine closure planning
- Site rehabilitation
- Ecosystem restoration
- Monitoring and maintenance

Emissions sources

- Equipment for rehabilitation
- Transport and logistics
- Long-term monitoring
- Residual methane (if any)

CARBON EMISSIONS AND DECARBONISATION

MINING INDUSTRY LIFECYCLE

DECARBONISATION LEVERS ACROSS THE LIFECYCLE

ENERGY TRANSITION

- Increase renewable energy
- Electrify equipment and processes
- Improve energy efficiency

EFFICIENT OPERATIONS

- Optimise equipment use
- Reduce idle time
- Improve process efficiency
- Digital and automation

LOW CARBON TECHNOLOGIES

- Battery electric vehicles
- Hydrogen and alternative fuels
- Low carbon heating and fuels
- Advanced process technologies

MATERIAL AND WASTE MANAGEMENT

- Reduce waste and rework
- Reuse and recycle materials
- Manage tailings responsibly
- Reduce fugitive emissions

NATURE AND LAND STEWARDSHIP

- Rehabilitate disturbed land
- Protect biodiversity
- Improve water management
- Carbon sequestration

TRANSPARENCY AND COLLABORATION

- Measure and report emissions
- Engage stakeholders
- Set science-based targets
- Collaborate across value chain

TOWARDS A LOW-CARBON MINING FUTURE

Reduce emissions and costs | Improve operational resilience | Enhance licence to operate | Attract investment and markets | Create long-term value for people and planet

DECARBONISE TODAY SUSTAIN TOMORROW

THE FOUR PILLARS OF THE CIRCULAR CARBON ECONOMY

TURNING CO_2 INTO SOLUTIONS

From Emissions to Products. Powering Industries and Everyday Life.

1. CO_2 SOURCES

INDUSTRIAL FACILITIES

POWER GENERATION

OTHER SOURCES

DIRECT AIR CAPTURE

2. CO_2 CAPTURE & PURIFICATION

Capture technologies remove CO_2 from emissions or air.

Purification & compression deliver high-purity CO_2 for conversion.

3. CONVERSION TECHNOLOGIES

Transform CO_2 using advanced technologies

CHEMICAL CONVERSION

CO_2 reacts with other molecules to create valuable chemicals.

ELECTROCHEMICAL CONVERSION

Electricity drives CO_2 conversion into fuels and chemicals.

THERMOCHEMICAL CONVERSION

High temperatures convert CO_2 into syngas and other intermediates.

BIOCONVERSION

Microorganisms or enzymes convert CO_2 into bio-based products.

4. PRODUCTS

CHEMICALS

e.g., Methanol, Ethylene, Acetic Acid

BUILDING MATERIALS

e.g., Carbonates, Cement, Aggregates

FUELS

e.g., E-fuels, Methanol, SAF, Synthetic Diesel

POLYMERS & PLASTICS

e.g., Polycarbonates, Polyols

FOOD & CONSUMER PRODUCTS

e.g., Food Additives, Personal Care Ingredients

5. POWERS INDUSTRIES & EVERYDAY LIFE

Industrial Manufacturing

Raw materials for countless products

Construction & Infrastructure

Stronger, greener buildings and roads

Transport & Mobility

Cleaner fuels for air, land & sea

Consumer Products

Everyday items we use and trust

Energy & Utilities

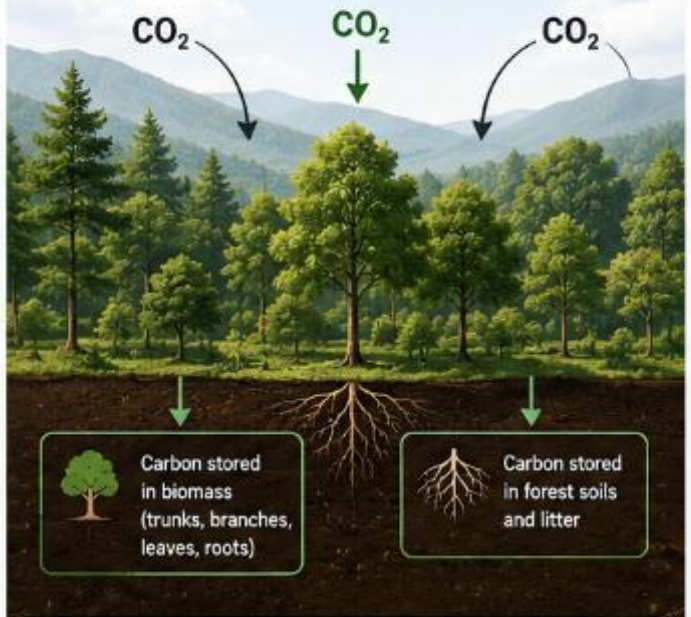
Reliable, low-carbon energy solutions

NATURAL SEQUESTRATION: NATURE'S POWER TO STORE CARBON

Afforestation, Soil Carbon and Ocean Sinks – Working Together for a Sustainable Future

1. AFFORESTATION & REFORESTATION

Trees absorb CO_2 from the atmosphere through photosynthesis and store carbon in biomass and soils.

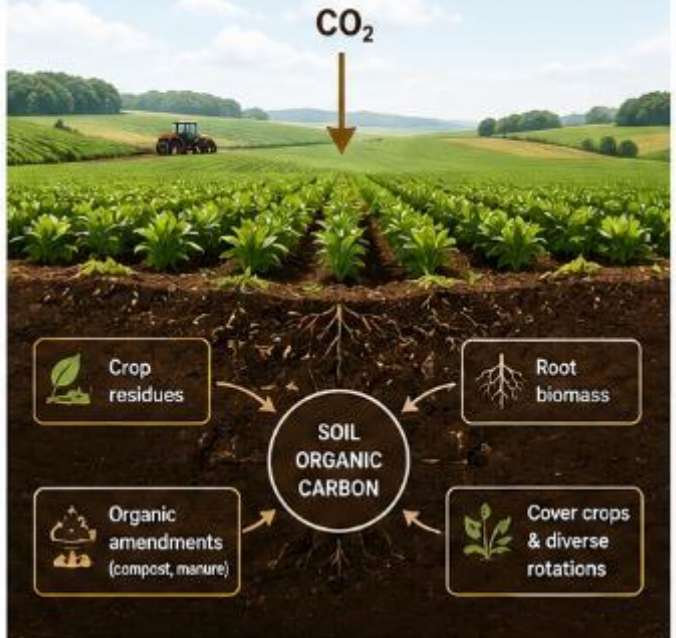


KEY ACTIONS

- Planting new forests
- Restoring degraded lands
- Protecting existing forests
- Promoting native species diversity

2. SOIL CARBON SEQUESTRATION

Healthy soils capture and store CO_2 in organic matter, improving soil health and productivity.

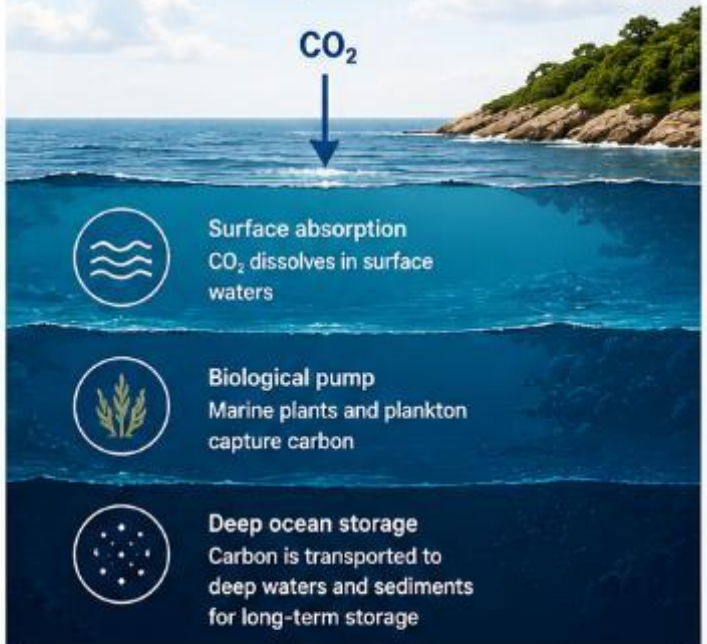


KEY PRACTICES

- Reduced tillage
- Cover cropping
- Organic amendments
- Agroforestry
- Crop rotation
- Managed grazing

3. OCEAN SINKS

Oceans absorb CO_2 from the atmosphere. Carbon is stored in marine biomass and deep ocean waters.



KEY SOLUTIONS

- Protect and restore coastal ecosystems (mangroves, seagrass, salt marshes)
- Support ocean health and productivity

CARBON EMISSIONS AND DECARBONISATION

BANKING INDUSTRY LIFECYCLE

1. OPERATIONS AND INFRASTRUCTURE

2. FINANCING AND INVESTMENT ACTIVITIES

3. CLIENT ACTIVITIES (SUPPORTED BY BANK)

4. RISK MANAGEMENT AND DISCLOSURE

5. PRODUCTS, SERVICES AND ADVICE

6. MONITORING, ENGAGEMENT AND IMPROVEMENT

DECARBONISATION LEVERS ACROSS THE BANKING LIFECYCLE

REDUCE OPERATIONAL EMISSIONS

- Improve energy efficiency
- Use renewable electricity
- Green buildings and smart offices
- Reduce business travel
- Sustainable procurement

ALIGN FINANCING WITH NET ZERO

- Integrate climate criteria in lending
- Phase out high-emission financing
- Set sector-based targets
- Support client transition plans
- Increase green and sustainable finance

SUPPORT CLIENT DECARBONISATION

- Finance low-carbon projects
- Provide transition finance
- Share knowledge and best practices
- Build client capacity
- Encourage innovation

ENHANCE RISK MANAGEMENT

- Embed climate risk in risk frameworks
- Use scenario analysis and stress testing
- Improve data and analytics
- Strengthen ESG due diligence
- Monitor and report progress

TRANSPARENCY AND ACCOUNTABILITY

- Disclose climate strategy and targets
- Report financed emissions
- Follow global reporting standards
- Ensure governance and oversight
- Engage stakeholders regularly

CULTURE AND CAPABILITY

- Build climate literacy and awareness
- Incentivise sustainable behaviour
- Strengthen governance structures
- Foster collaboration and innovation
- Drive continuous improvement

WATER STEWARDSHIP AND BIODIVERSITY

A LIFECYCLE APPROACH

Managing water responsibly and protecting biodiversity across all stages of the value chain.

1. UNDERSTAND AND PLAN

Key activities

- Assess water availability and quality
- Identify ecological value and sensitive habitats
- Set targets and plans

2. DESIGN AND DEVELOP

Key activities

- Apply water-efficient design and construction
- Avoid sensitive ecosystems
- Implement mitigation measures

3. OPERATE AND USE RESOURCES

Key activities

- Use water efficiently
- Treat and recycle water
- Prevent pollution and spills
- Manage impacts on habitats

4. SUPPLY CHAIN AND TRANSPORT

Key activities

- Source responsibly
- Reduce water footprint in supply chain
- Minimise impact on ecosystems from transport

5. PRODUCTS AND SERVICES

Key activities

- Design lower water impact products and services
- Promote responsible use by customers
- Support conservation initiatives

6. RESTORE AND CREATE LASTING VALUE

Key activities

- Rehabilitate land and habitats
- Restore ecosystems
- Partner for conservation
- Deliver positive legacy

ENABLERS THROUGHOUT THE LIFECYCLE

Strong governance and accountability | Science-based decisions | Stakeholder engagement and partnerships | Innovation and technology | Monitoring, reporting and continuous improvement

POSITIVE OUTCOMES

SECURE WATER RESOURCES

Reliable and clean water for current and future generations

HEALTHY ECOSYSTEMS

Protected and restored habitats

THRIVING BIODIVERSITY

Healthy species and ecosystems

RESILIENT COMMUNITIES

Shared value and sustainable livelihoods

A SUSTAINABLE AND NATURE-POSITIVE FUTURE

Business success in balance with nature

ENVIRONMENTAL COMPLIANCE OBLIGATIONS

1 NATIONAL ENVIRONMENTAL LEGISLATION

Comply with applicable national laws and regulations that protect the environment.

- Environmental impact assessments
- Permits and licensing
- Pollution control and waste management
- Biodiversity and protected areas

2 INTERNATIONAL TREATIES AND AGREEMENTS

Meet obligations under ratified international environmental agreements.

- Paris Agreement – climate change mitigation and adaptation
- Convention on Biological Diversity (CBD)
- Basel Convention – hazardous waste
- Minamata Convention – mercury

3 CLIMATE CHANGE OBLIGATIONS

Act in line with global climate goals and national commitments.

- Paris Agreement – limit global warming to well below 2°C
- Nationally Determined Contributions (NDCs)
- Climate risk disclosure and reporting
- Transition to low-carbon economy

4 SUSTAINABILITY REPORTING – GRI STANDARDS

Disclose material environmental impacts in accordance with GRI Standards.

- GRI 2 – General Disclosures
- GRI 3 – Material Topics
- GRI 301 – Materials
- GRI 302 – Energy
- GRI 303 – Water and Effluents
- GRI 305 – Emissions
- GRI 304 – Biodiversity

5 POLLUTION PREVENTION AND RESOURCE USE

Prevent pollution and use natural recources responsibly.

- Air, water and soil pollution control
- Waste minimisation and circular economy
- Water stewardship
- Energy efficiency and renewable energy
- Sustainable use of raw materials

6 BIODIVERSITY AND ECOSYSTEM PROTECTION

Protect biodiversity and ecosystems impacted by operations.

- Avoid, minimise and restore impacts
- No net loss / Net positive impact
- Protection of key habitats and species
- Ecosystem services consideration
- Compliance with CBD targets

7 DISCLOSURE AND TRANSPARENCY

Provide accurate, reliable and timely environmental information.

- Mandatory environmental reporting
- GRI-aligned sustainability reporting
- Climate-related financial disclosures (TCFD/ISSB)
- Public communication and stakeholder engagement

8 SUPPLY CHAIN AND THIRD-PARTY ENVIRONMENTAL OBLIGATIONS

Ensure environmental compliance across the value chain.

- Supplier environmental standards
- Due diligence on environmental risks
- Contractual compliance requirements
- Capacity building and monitoring
- Responsible sourcing of materials

9 MONITORING, ASSURANCE AND CONTINUAL IMPROVEMENT

Monitor performance and drive continual improvement in compliance.

- Environmental management systems (e.g. ISO 14001)
- Internal monitoring and audits
- Management review and corrective actions
- Independent assurance
- Continuous improvement and innovation

DAY 1

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HUMAN CAPITAL AND WORKFORCE WELLBEING

1 STRATEGIC WORKFORCE PLANNING

Align people strategy with business goals and future capabilities.

- Workforce plannieg with talent forecasting
- Critical skills identification and development
- Succession planning and leadership pipeline
- Agile workforce and future of work readiness

2 DIVERSITY, EQUITY AND INCLUSION

Foster an inclusive culture where all employees belong and contribute.

- Equal opportunities and fair treatment
- Diverse representation at all levels
- Inclusive policies and bias elimination
- Measuring and improving DEI outcomes

3 EMPLOYEE HEALTH AND WELLBEING

Support physical, mental and financial wellbeing for a healthy and productive workforce.

- Health, safety and ergonomics
- Mental health support and resilience
- Work-life balance and flexibility
- Financial wellbeing and stress management

4 LEARNING, DEVELOPMENT AND CAREER GROWTH

Invest in continuous learning and career advancement for all employees.

- Learning culture and skills development
- Training and upskilling programs
- Career pathing and internal mobility
- Performance coaching and feedback

5 ENGAGEMENT, CULTURE AND PURPOSE

Build a positive culture where people are engaged, motivated and aligned to purpose.

- Employee engagement and listening
- Recognition and reward systems
- Values-based culture and purpose
- Strong internal communication

6 REWARD, RECOGNITION AND WELLBEING

Offer fair and competitive rewards that motivate and retain talent.

- Competitive and equitable compensation
- Performance-based incentives
- Recognition and appreciation programs
- Benefits that support wellbeing

7 SAFE, RESPECTFUL AND INCLUSIVE WORKPLACE

Ensure a safe workplace where employees are treated with dignity and respect.

- Zero tolerance for harassment and discrimination
- Safe working conditions and practices
- Psychological safety and respect
- Speak-up culture and grievance mechanisms

8 WORKFORCE ANALYTICS AND PEOPLE INSIGHTS

Use data and insights to make informed people decisions and improve outcomes.

- Workforce metrics and dashboards
- People analytics for decisions
- Predictive insights and trend analysis
- Data privacy and ethical use of data

9 LEADERSHIP AND PEOPLE MANAGEMENT

Empower leaders to inspire, support and develop their teams.

- Leadership development and capability
- People management and coaching
- Accountability and empowerment
- Change leadership and adaptability

DIVERSITY, EQUITY AND INCLUSION

Building a fair, inclusive and high-performing organisation where everyone belongs and can thrive.

1 INCLUSIVE LEADERSHIP AND ACCOUNTABILITY

Leaders set the tone and drive a culture of inclusion and belonging.

- Visible commitment from the top
- Clear DEI strategy and measurable goals
- Leaders role model inclusive behaviours
- Accountability through metrics and reporting

2 FAIR ACCESS, EQUITY AND OPPORTUNITY

Ensure everyone has fair access to opportunities and the resources to succeed.

- Equitable policies and practices
- Pay equity and fairness in rewards
- Accessible learning and development
- Removing systemic barriers

3 DIVERSE TALENT AND REPRESENTATION

Build a diverse workforce that reflects different backgrounds, perspectives and experiences.

- Inclusive recruitment and selection
- Diverse pipelines and succession planning
- Balanced representation at all levels
- Tracking and improving diversity metrics

4 INCLUSIVE CULTURE AND BELONGING

Create a workplace where everyone feels valued, respected and able to be their authentic self.

- Promote respect, trust and psychological safety
- Zero tolerance for bias, discrimination and harassment
- Celebrate differences and cultural awareness
- Support employee resource groups and communities

5 BIAS AWARENESS AND BEHAVIOUR CHANGE

Increase awareness and address unconscious bias in decisions and daily interactions.

- Regular bias awareness training
- Bias-free decision-making processes
- Speak up and active bystander culture
- Continuous learning and feedback

6 INCLUSIVE POLICIES AND PRACTICES

Embed DEI principles into policies, systems and ways of working.

- Inclusive policy design and review
- Flexible work and reasonable accommodation
- Inclusive communication and language
- Procurement and partner diversity

7 COMMUNITY ENGAGEMENT AND SOCIAL IMPACT

Partner with communities and contribute to a more equitable and inclusive society.

- Community partnerships and investment
- Support underrepresented groups
- Supplier diversity and local inclusion
- Social impact and shared value

8 DATA, MEASUREMENT AND TRANSPARENCY

Use data and transparency to drive progress and build trust.

- Collect high-quality DEI data
- Set targets and track progress
- Transparent reporting and communication
- Use insights to improve outcomes

9 CONTINUOUS IMPROVEMENT AND INNOVATION

Continuously learn, innovate and evolve to advance DEI outcomes.

- Listen to employee and stakeholder feedback
- Benchmark and learn from best practice
- Pilot new approaches and scale what works
- Review, adapt and continuously improve

LABOUR RELATIONS AND EMPLOYEE ENGAGEMENT

1 RESPECTFUL AND COLLABORATIVE RELATIONS

Build trust and mutual respect between employers, employees and their representatives.

- Open, honest and constructive dialogue
- Recognition of employee rights and dignity
- Fair treatment and non-discrimination
- Strong relationships with unions/representatives

2 EFFECTIVE COMMUNICATION AND TRANSPARENCY

Keep employees informed and involved through transparent communication.

- Timely and accurate information sharing
- Two-way communication channels
- Regular updates on business matters
- Transparency in decisions and changes

3 EMPLOYEE ENGAGEMENT AND PARTICIPATION

Involve employees in decisions and initiatives that affect their work and workplace.

- Employee voice in decision-making
- Participation in problem-solving
- Involvement in change and improvement
- Engagement surveys and feedback

4 FAIR EMPLOYMENT PRACTICES AND CONDITIONS

Ensure fair, equitable and compliant employment practices that promote a positive workplace.

- Fair recruitment, selection and promotion
- Competitive pay and fair benefits
- Safe, healthy and dignified working conditions
- Compliance with labour laws and standards

5 PERFORMANCE, RECOGNITION AND DEVELOPMENT

Support employees to perform, grow and be recognised for their contributions.

- Clear performance expectations and feedback
- Recognition of achievements and contributions
- Learning and skills development opportunities
- Career growth and advancement support

6 RESOLUTION OF CONCERNS AND CONFLICTS

Address issues and disputes fairly, quickly and respectfully.

- Accessible grievance and dispute processes
- Mediation and constructive resolution
- Fair investigation and outcomes
- Learning from disputes to prevent recurrence

7 CHANGE MANAGEMENT AND WORKPLACE TRANSITIONS

Manage change in ways that respect employees and maintain strong relationships.

- Early engagement and consultation
- Clear communication of change impacts
- Support during transitions and restructuring
- Minimising disruption and uncertainty

8 WELLBEING, SAFETY AND WORK-LIFE BALANCE

Promote employee wellbeing and balance to support a productive and sustainable workplace.

- Health, safety and wellness programs
- Mental health and support services
- Flexible work arrangements where possible
- Respect for personal time and boundaries

9 MEASUREMENT, ACCOUNTABILITY AND CONTINUOUS IMPROVEMENT

Track, evaluate and improve labour relations and engagement outcomes.

- Monitor engagement and labour relations metrics
- Regular reviews and joint assessments
- Accountability at all levels
- Continuous improvement of practices and processes

COMMUNITY ENGAGEMENT AND SOCIAL LICENCE TO OPERATE

Building trust, creating shared value and maintaining the right to operate through meaningful relationships and responsible impact.

1 UNDERSTAND COMMUNITY CONTEXT AND EXPECTATIONS

Understand the communities and environments in which we operate.

- Map stakeholders and community groups
- Understand needs, priorities and concerns
- Assess social, cultural, economic context
- Identify potential impacts and opportunities

2 BUILD TRUSTING RELATIONSHIPS AND PARTNERSHIPS

Build constructive, long-term relationships based on trust and respect.

- Engage early and continuously
- Be transparent, honest and consistent
- Respect local culture, values and customs
- Strengthen partnerships and collaboration

3 MEANINGFUL ENGAGEMENT AND PARTICIPATION

Engage communities in ways that are inclusive, accessible and two-way.

- Use inclusive and culturally appropriate methods
- Provide clear, relevant and timely information
- Listen actively and value community input
- Involve communities in decisions that affect them

4 MANAGE IMPACTS AND ADDRESS CONCERNS

Identify, manage and mitigate impacts on communities and the environment.

- Conduct social impact assessments
- Implement mitigation and management plans
- Monitor impacts and adapt as needed
- Address concerns quickly and effectively

5 CREATE SHARED VALUE AND CONTRIBUTION

Contribute to the social and economic development of communities.

- Support local employment and procurement
- Invest in education, skills and enterprise
- Support health, infrastructure and services
- Promote inclusive and sustainable development

6 RESPECT HUMAN RIGHTS AND CULTURAL HERITAGE

Respect the rights, dignity and heritage of all people.

- Respect human righits and land rights
- Protect cultural heritage and sacred sites
- Avoid involuntary displacement
- Promote equality, inclusion and non-discrimination

7 COMMUNICATION AND TRANSPARENCY

Communicate openly and transparently about our activities and decisions.

- Share information in clear and accessible ways
- Report on commitments, performance and impacts
- Be open about challenges and changes
- Build credibility through transparency

8 MONITORING, FEEDBACK AND CONTINUOUS IMPROVEMENT

Monitor performance, learn and continuously improve engagement and outcomes.

- Track social performance and commitments
- Seek feedback and measure satisfaction
- Learn from experience and adapt
- Improve systems, processes and relationships

9 MAINTAIN SOCIAL LICENCE TO OPERATE

Earn and sustain the social licence to operate through responsible actions and accountability.

- Deliver on commitments and promises
- Act with integrity and accountability
- Manage risks to reputation and relationships
- Sustain trust and long-term acceptance

HEALTH, SAFETY AND WELLNESS GOVERNANCE

Strong governance provides leadership, accountability and assurance for the health, safety and wellbeing of our people.

1 BOARD OVERSIGHT AND LEADERSHIP

The board provides strategic oversight and sets the tone for a safe and healthy culture.

- Approve health, safety and wellness strategy and objectives
- Ensure adequate resources and capabilities
- Monitor performance and review reports
- Promote a culture of care and accountability

2 POLICIES, STANDARDS AND RISK MANAGEMENT

Establish clear policies and manage risks to prevent harm and promote wellbeing.

- Comprehensive HSW policy and standards
- Identify hazards and assess risks
- Determine controls and manage critical risks
- Integrate HSW into enterprise risk management

3 ROLES, RESPONSIBILITIES AND ACCOUNTABILITIES

Define clear roles and empower people at all levels.

- Assign responsibilities and authorities
- Ensure competency and training
- Hold all levels accountable for performance
- Recognise and reward safe behaviours

4 PLANNING AND OBJECTIVES

Plan effectively to achieve measurable health, safety and wellness outcomes.

- Set measurable objectives and targets
- Develop action plans and allocate resources
- Consider legal and other requirements
- Align with business goals and values

5 IMPLEMENTATION AND OPERATION

Implement effective processes and controls in daily operations.

- Safe work procedures and operating controls
- Competent workforce and contractor management
- Communication, consultation and participation
- Emergency preparedness and response

6 HEALTH AND WELLNESS PROGRAMMES

Promote physical, mental and social wellbeing in the workplace.

- Physical health and injury prevention
- Mental health and psychosocial support
- Healthy lifestyle and wellbeing initiatives
- Support for employee and family wellbeing

7 MONITORING, PERFORMANCE AND REPORTING

Monitor performance and report transparently on health, safety and wellness.

- Monitor leading and lagging indicators
- Conduct inspections, audits and assessments
- Investigate incidents and near misses
- Report performance to leadership and stakeholders

8 ASSURANCE AND COMPLIANCE

Provide assurance that governance processes are effective and compliant.

- Ensure legal and regulatory compliance
- Internal audits and independent assurance
- Verify effectiveness of controls
- Address gaps and take corrective action

9 CONTINUOUS IMPROVEMENT AND CULTURE

Embed a culture of learning and continuous improvement.

- Learn from incidents and experience
- Implement corrective and preventive actions
- Drive innovation and best practice
- Foster a culture where everyone cares and speaks up

HUMAN RIGHTS AND ETHICAL SUPPLY CHAINS

Respecting people. Acting ethically. Building responsible and resilient supply chains.

1 COMMITMENT AND GOVERNANCE

Demonstrate leadership and accountability for human rights across the supply chain.

- Establish a human rights policy aligned to international standards
- Integrate human rights into governance structures and decision-making
- Allocate resources and set clear expectations
- Embed ethical values and tone from the top

2 HUMAN RIGHTS DUE DILIGENCE AND RISK ASSESSMENT

Identify, assess and prioritise human rights risks across the supply chain.

- Map the supply chain and understand context
- Identify actual and potential human rights impacts
- Assess severity and likelihood of risks
- Prioritise risks and focus on the most severe
- Review and update regularly

3 RESPONSIBLE SOURCING AND SUPPLIER EXPECTATIONS

Set clear expectations and promote responsible business conduct.

- Communicate a supplier code of conduct
- Include human rights requirements in contracts
- Require compliance with laws and standards
- Promote fair labour practices and decent work
- Encourage continuous improvement

4 SUPPLIER SCREENING AND ONBOARDING

Assess suppliers before engaging to reduce human rights risks.

- Conduct supplier screening and risk profiling
- Assess commitment to human rights
- Check legal compliance and past performance
- Prioritise higher-risk suppliers for due diligence
- Approve suppliers that meet expectations

5 MONITORING, AUDIT AND PERFORMANCE MANAGEMENT

Monitor supplier performance and ensure ongoing compliance.

- Monitor and assess supplier performance
- Conduct audits and on-site assessments
- Use worker voice and independent verification
- Address non-compliance promptly
- Link performance to incentives and contracts

6 WORKER RIGHTS AND STAKEHOLDER ENGAGEMENT

Engage workers and stakeholders to understand impacts and improve outcomes.

- Engage and consult workers and their representatives
- Provide accessible grievance mechanisms
- Protect freedom of association and collective bargaining
- Engage communities and affected stakeholders
- Ensure non-retaliation and confidentiality

7 REMEDIATION AND GRIEVANCE MECHANISMS

Provide access to remedy and address adverse impacts.

- Provide fair and accessible grievance channels
- Investigate concerns quickly and fairly
- Provide or enable effective remediation
- Track and close cases transparently
- Learn from cases to prevent recurrence

8 CAPACITY BUILDING AND SUPPLIER SUPPORT

Build capability and support suppliers to improve human rights performance.

- Provide training and awareness for suppliers
- Share guidance, tools and good practices
- Support improvement plans and remediation
- Build capacity in labour standards and ethics
- Recognise and reward responsible suppliers

9 TRANSPARENCY, REPORTING AND CONTINUOUS IMPROVEMENT

Report transparently and continuously improve human rights performance.

- Disclose policies, risks and actions taken
- Report on performance and progress
- Benchmark and learn from best practice
- Engage in industry collaboration and initiatives
- Review and strengthen systems and processes

DAY 2

Governance, Standards, Risk, Reporting & Sustainable Finance

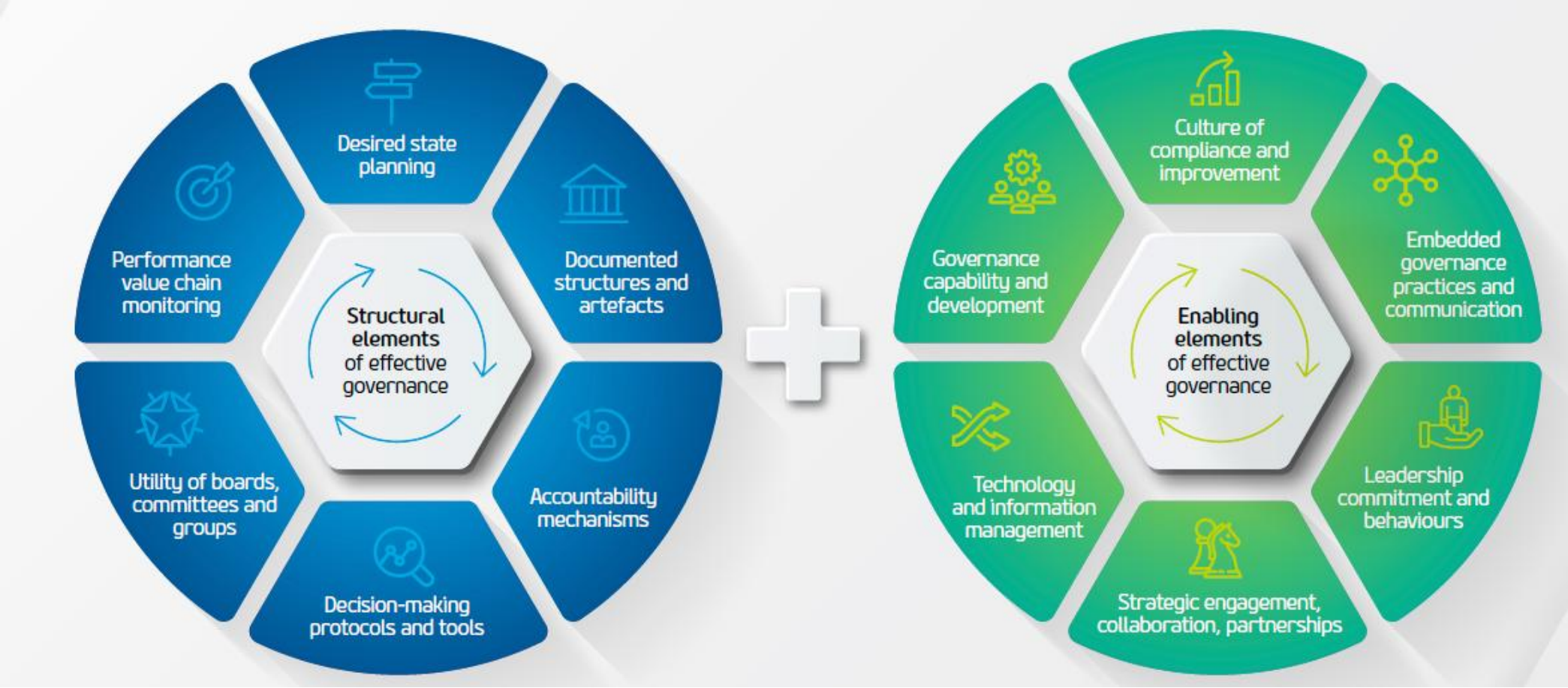
- Module 6 - Governance & Ethical Corporate Leadership
- Module 7 - ESG Frameworks, Standards & Regulatory Environment
- Module 8 - ESG Risk Management & Enterprise Strategy
- Module 9 - ESG Reporting, Disclosure & Assurance
- Module 10 - ESG Investing & Sustainable Finance

New focus of corporate governance

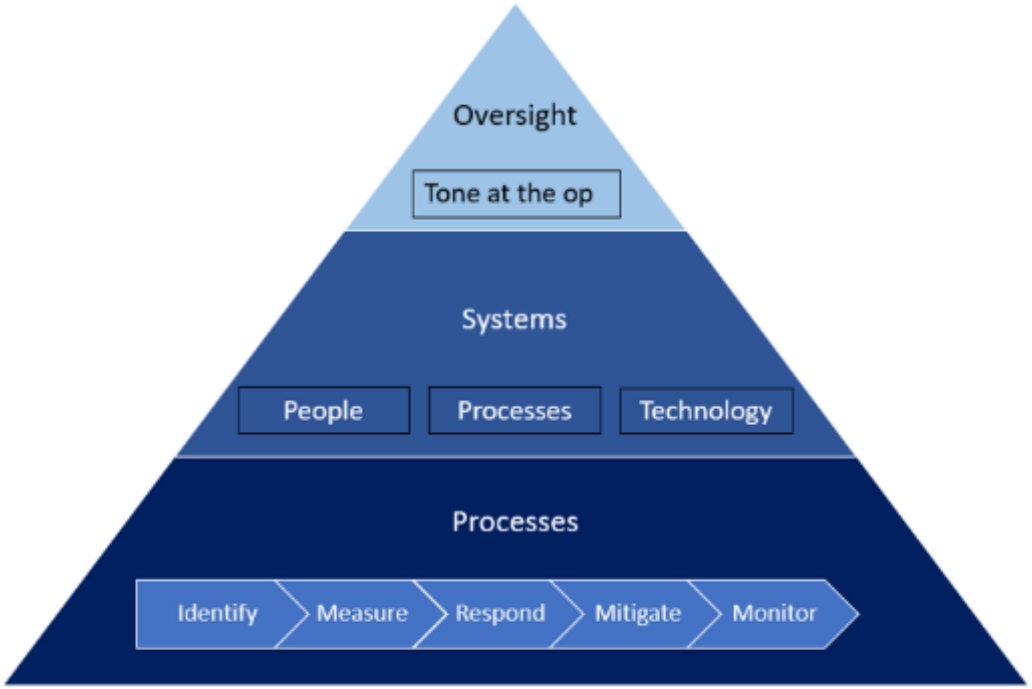
Ethical transparent leadership-improved communication	ESG Factors – competitive advantage
• Integrated reporting • Governance practices and ethics • Disclosure of information • Stakeholder engagement	• Environmental responsibility • Social impact • Risk management • Supplier chain sustainability

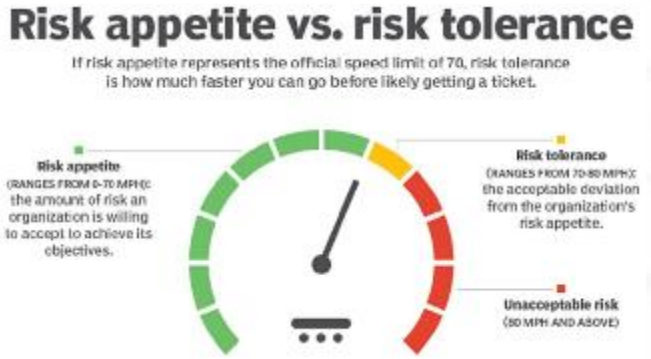
Trust **Resilience** **Credibility**

Governance Model



Risk Culture	Risk Strategy and Appetite	Risk Governance

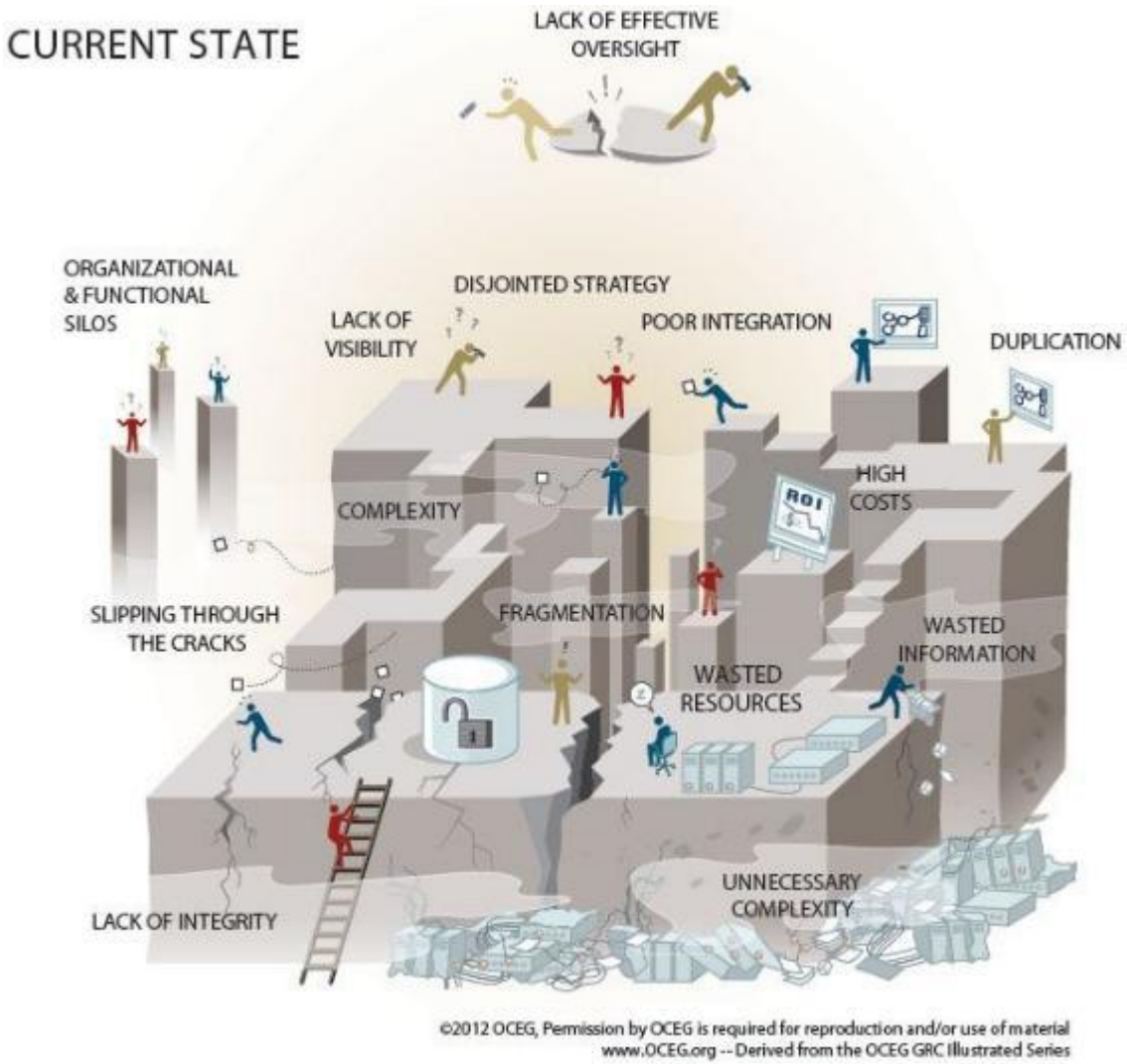




Likelihood		Very Likely	Likely	Unlikely	Highly Unlikely
Consequences	Fatality	High	High	High	Medium
	Major Injuries	High	High	Medium	Medium
	Minor Injuries	High	Medium	Medium	Low
	Negligible Injuries	Medium	Medium	Low	Low

ESG governance

Our ESG governance framework enables the effective implementation of the policies, practices and procedures adopted to manage and enhance our ESG performance.


CURRENT STATE
LACK OF EFFECTIVE OVERSIGHT
ORGANIZATIONAL & FUNCTIONAL SILOS
DISJOINTED STRATEGY
LACK OF VISIBILITY
POOR INTEGRATION
DUPLICATION
HIGH COSTS
ROI
COMPLEXITY
SLIPPING THROUGH THE CRACKS
FRAGMENTATION
WASTED INFORMATION
WASTED RESOURCES
UNNECESSARY COMPLEXITY
LACK OF INTEGRITY
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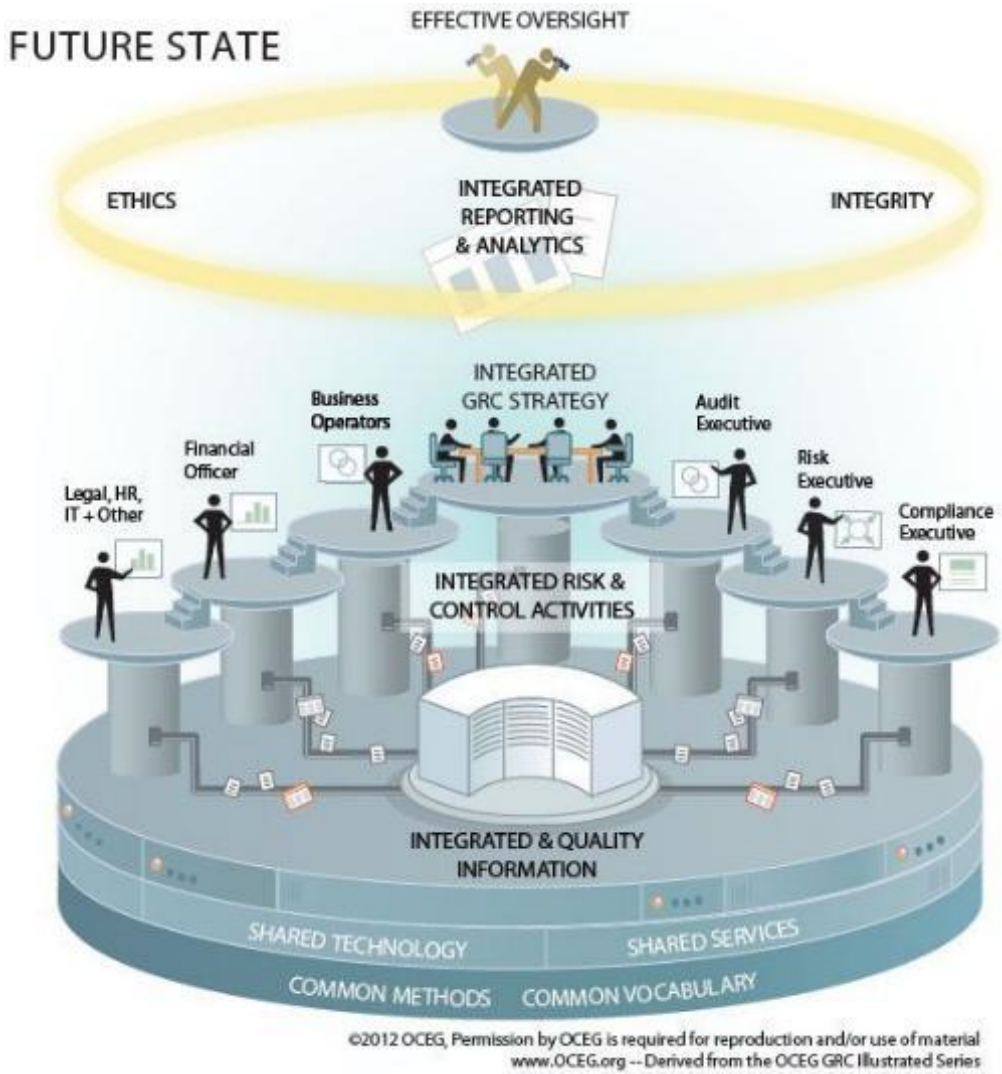
FUTURE STATE
EFFECTIVE OVERSIGHT
ETHICS
INTEGRATED REPORTING & ANALYTICS
INTEGRITY
INTEGRATED GRC STRATEGY
Business Operators
Financial Officer
Legal, HR, IT + Other
Audit Executive
Risk Executive
Compliance Executive
INTEGRATED RISK & CONTROL ACTIVITIES
INTEGRATED & QUALITY INFORMATION
SHARED TECHNOLOGY
SHARED SERVICES
COMMON METHODS
COMMON VOCABULARY
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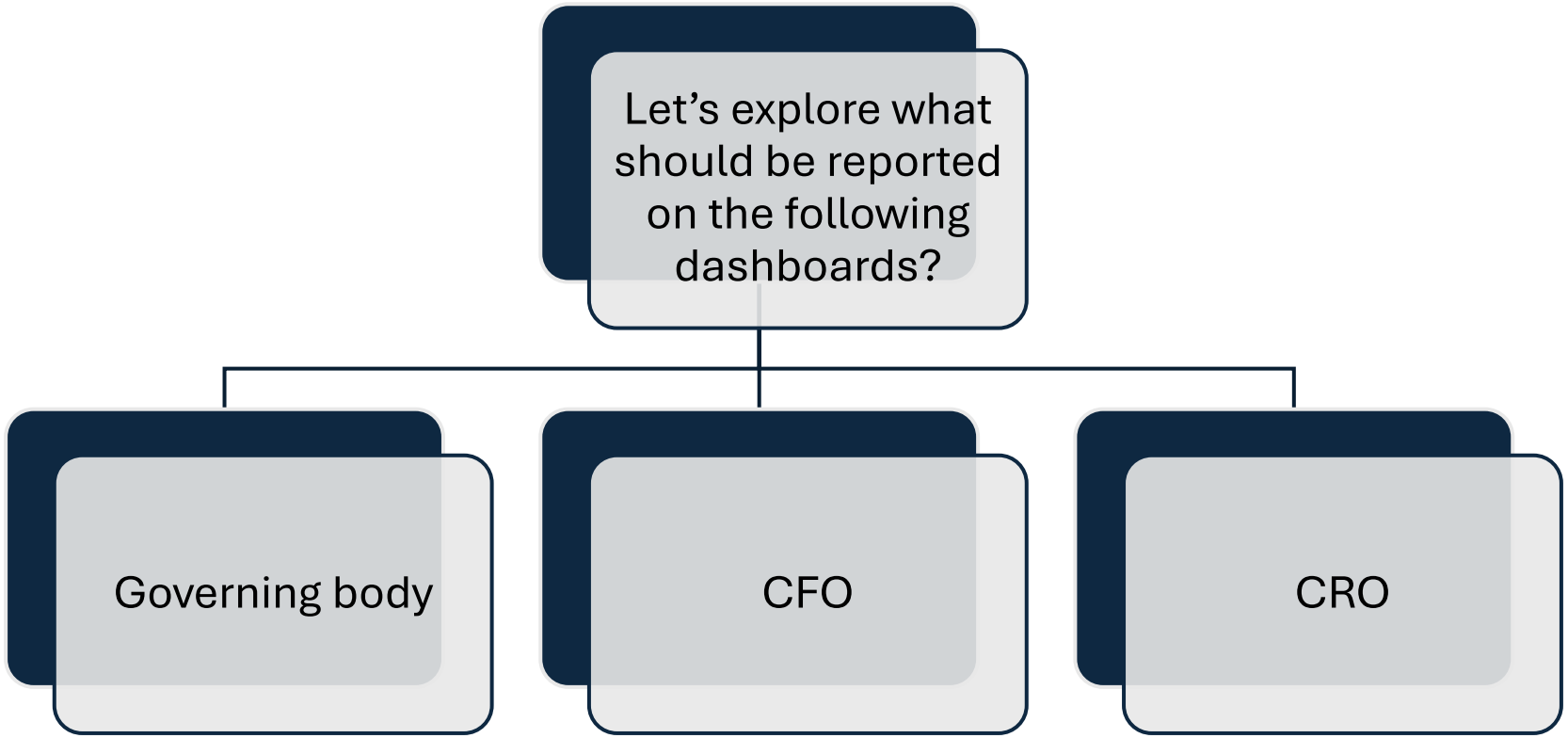
Dashboards


Let’s explore what should be reported on the following dashboards?
Governing body
CFO
CRO

INTEGRATED ESG DASHBOARD FOR THE GOVERNING BODY

STRATEGY. OVERSIGHT. PERFORMANCE. IMPACT.

A real-time view of environmental, social and governance performance driving long-term value and stakeholder trust.

Reporting Period:	Benchmark:
Q1 2024 (Jan – Mar)	Global Utilities

ESG OVERALL PERFORMANCE (vs Target)

Target: 70%

On Track	5
At Risk	3
Behind	1
Not Assessed	1

ESG PRIORITY AREAS

Climate Action & Energy Transition	At Risk
Environmental Stewardship	On Track
Social Impact & Inclusiveness	On Track
Governance & Ethics	At Risk
ESG Disclosure & Transparency	On Track
Sustainable Finance	At Risk

ESG SCORECARD – KEY DIMENSIONS (vs Target)

ENVIRONMENTAL

65%

Target: 70%

At Risk

- Emissions Reduction
- Energy Transition
- Water Stewardship
- Waste Management

TREND (Last 4 Quarters)

Q2 23 Q3 23 Q4 23 Q1 24

SOCIAL

72%

Target: 70%

On Track

- Health & Safety
- Community Impact
- Employee Wellbeing
- Diversity & Inclusion

TREND (Last 4 Quarters)

Q2 23 Q3 23 Q4 23 Q1 24

GOVERNANCE

73%

Target: 70%

On Track

- Board Oversight
- Ethics & Integrity
- Risk Management
- Compliance

TREND (Last 4 Quarters)

Q2 23 Q3 23 Q4 23 Q1 24

DISCLOSURE & TRANSPARENCY

80%

Target: 70%

On Track

- Reporting Quality
- Framework Alignment
- Data Assurance
- Stakeholder Engagement

TREND (Last 4 Quarters)

Q2 23 Q3 23 Q4 23 Q1 24

SUSTAINABLE FINANCE

58%

Target: 70%

At Risk

- Green Finance
- Transition Finance
- Data Investment
- Capital Allocation

TREND (Last 4 Quarters)

Q2 23 Q3 23 Q4 23 Q1 24

ESG RISKS – TOP 5 (Inherent Risk Rating)

Climate Change & Transition Risk	High
Regulatory & Policy Risk	High
Water Security Risk	Medium
Cyber & Data Risk	Medium
Social License to Operate	Medium

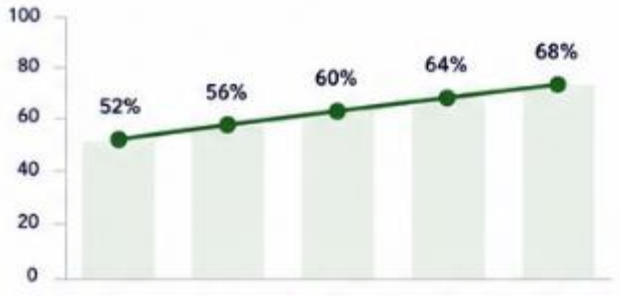
STAKEHOLDER IMPACT – SUMMARY

Communities	Positive impact in 85% of key programmes
Employees	Engagement score up 6% vs last quarter
Customers	Reliability improved to 92%
Investors	Strong recognition of ESG leadership

KEY ESG INDICATORS (vs Target)

INDICATOR	Q1 2024	TARGET	STATUS
Scope 1 & 2 Emissions Intensity (tCO_2e/MWh)	0.78	0.70	At Risk
Renewable Energy Share (%)	32%	40%	At Risk
Lost Time Injury Frequency Rate (LTIFR)	0.45	0.50	On Track
Total Recordable Case Frequency Rate (TRCFR)	1.10	1.20	On Track
Board ESG Oversight Meetings	3	≥ 3	On Track
ESG Report Assurance Level	Limited	Reasonable	At Risk

ESG PERFORMANCE TREND (Overall Score %)



ESG CONTRIBUTION TO VALUE (YTD)

R12.6bn
Cost Savings from Efficiency & Resource Optimization

R8.3bn
New Revenue from Sustainable Products & Services

R15.9bn
Access to Sustainable Finance

R23.4bn
Avoided Risk & Resilience Value

NEXT STEPS – GOVERNING BODY FOCUS

- Strengthen climate strategy execution and decarbonisation roadmap.
- Enhance sustainable finance mobilisation to meet transition needs.
- Drive social impact and Just Transition programmes.
- Improve ESG data quality and assurance

INTEGRATED ESG DASHBOARD FOR THE CFO

FINANCIAL PERFORMANCE. ESG VALUE. SUSTAINABLE GROWTH.

Driving profitability, managing risk and creating long-term value.

Reporting Period
Q1 2024 (Jan – Mar)

Benchmark
Global Utilities

ESG FINANCIAL IMPACT
YTD (Q1 2024)

R12.6bn
ESG-RELATED REVENUE
12% of Total Revenue
↑ 8% vs Q1 2023

R15.9bn
COST SAVINGS FROM ESG
Energy Efficiency, Waste, Water, Process Optimization
↑ 14% vs Q1 2023

R23.4bn
SUSTAINABLE CAPEX
38% of Total CAPEX
↑ 10% vs Q1 2023

R8.3bn
AVOIDED RISKS & LIABILITIES (PROVISION)
Carbon Price, Compliance, Regulatory, Litigation
↑ 9% vs Q1 2023

R1.92
ESG VALUE CREATED
(Value created per R1 Invested)
Target: ≥ 1.50 On Track

ESG PERFORMANCE SUMMARY

ENVIRONMENTAL
65%
Target: 70%
At Risk
- Emission reduction
- Energy efficiency
- Water stewardship
- Waste & circularity

Trend (Last 4 Quarters)

SOCIAL
72%
Target: 70%
On Track
- Employee wellbeing
- Health & safety
- Diversity & inclusion
- Community impact

Trend (Last 4 Quarters)

GOVERNANCE
73%
Target: 70%
On Track
- Board oversight
- Risk management
- Ethics & compliance
- Internal controls

Trend (Last 4 Quarters)

DISCLOSURE & TRANSPARENCY
80%
Target: 70%
On Track
- ESG reporting quality
- TCFD / IFRS S2 alignment
- Data assurance
- Stakeholder engagement

Trend (Last 4 Quarters)

SUSTAINABLE FINANCE
58%
Target: 70%
At Risk
- Green financing
- Sustainable products
- ESG-linked instruments
- Investor confidence

Trend (Last 4 Quarters)

ESG COST & VALUE DRIVERS (YTD)

CATEGORY	YTD (R bn)	vs Q1 2023
Energy Efficiency Savings	7.2	↑ 15%
Water & Waste Savings	1.8	↑ 10%
Sustainable Procurement Savings	2.1	↑ 12%
TOTAL COST SAVINGS	**11.1**	↑ 13%
Carbon Price Impact (Provision)	(3.0)	↑ 8%
Regulatory & Compliance	(2.2)	↑ 7%
Litigation & Reputational Risk	(3.1)	↑ 12%
TOTAL RISK MITIGATION (AVOIDED COSTS)	**(8.3)**	↑ 9%
NET ESG FINANCIAL IMPACT	**2.8**	↑ 20%

ESG INVESTMENT & RETURNS

SUSTAINABLE CAPEX ALLOCATION (YTD)

RETURN ON SUSTAINABLE INVESTMENT (ROSI)

18.7%
Target: ≥ 15%
On Track

Payback Reriod (Avg.)
3.6 years
Target: ≤ 4 years

SUSTAINABLE REVENUE BY SEGMENT (YTD)

Renewable Energy Sales	5.6bn	↑ 12%
Green Products & Services	3.4bn	↑ 9%
Energy Efficiency Solutions	2.3bn	↑ 14%
Sustainable Infrastructure	1.3bn	↑ 8%
Total Sustainable Revenue	R12.6bn	↑ 8%

ESG-RELATED RISK EXPOSURE

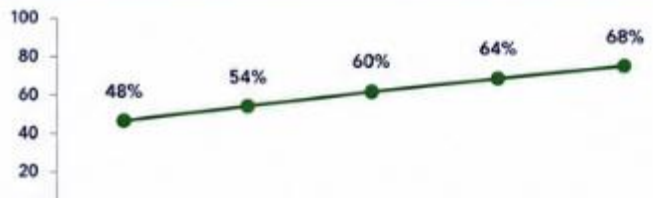
RISK CATEGORY	INHERENT RISK	RESIDUAL RISK	TREND
Climate Transition Risk	High	Medium	↘
Physical Climate Risk	Medium	Medium	—
Regulatory & Policy Risk	High	Medium	↘
Technology & Innovation Risk	Medium	Low	↘
Reputation & Stakeholder Risk	Medium	Low	↘

Risk scores: High (15-25) Medium (8-14) Low (1-7)

KEY ESG FINANCIAL KPIs

KPI	Q1 2024	TARGET	STATUS	vs Q1 2023
Carbon Intensity (tCO_2e / MWh)	0.78	0.70	At Risk	↑ 6%
Renewable Energy %	32%	40%	At Risk	↑ 3 pp
Energy Cost per MWh (R)	412	≤ 430	On Track	↓ 5%
Water Withdrawal (Ml)	1,250	≤ 1,350	On Track	↓ 3%
Lost Time Injury Frequency Rate	0.45	≤ 0.50	On Track	↓ 10%

ESG PERFORMANCE TREND (OVERALL SCORE %)



CASH FLOW & FINANCING IMPACT

GREEN & SUSTAINABILITY-LINKED FINANCING

R18.7bn
Total Outstanding

Avg. Interest Rate
6.1%

ESG INTEGRATION IN FINANCIAL PLANNING

- ESG risks integrated in capital allocation
- Internal carbon price: R750 / tCO_2e
- ESG scenarios stress-tested in financial models
- Linking executive incentives to ESG KPIs

INTEGRATED ESG DASHBOARD FOR THE CFO

IDENTIFY. ASSESS. MITIGATE. MONITOR. CREATE VALUE.

A risk-informed view of ESG exposures, threats and opportunities.

Reporting Period	Benchmark
Q1 2024 (Jan – Mar)	Global Utilities

ESG RISK OVERVIEW (vs Risk Appetite)

Low (0-3)	3
Medium (3-6)	7
High (6-8)	4
Extreme (8-10)	1
Not Assessed	1

Overall ESG Risk Score
(Weighted Average)

TOP ESG RISKS (Inherent Risk Rating)

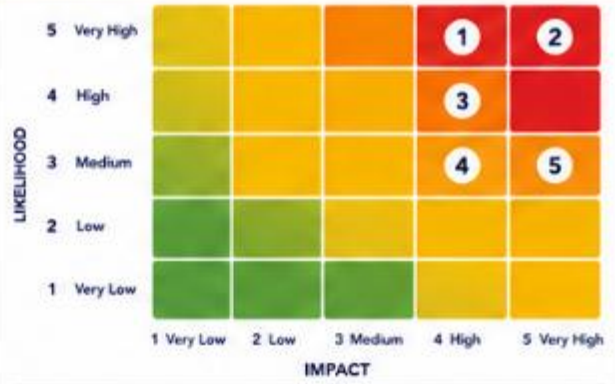
Climate Change & Transition Policy, technology & market shifts	High
Physical Climate Impacts Extreme weather, asset damage	High
Regulatory & Compliance ESG laws, reporting, penalties	High
Environmental Incidents Pollution, waste, biodiversity	Medium
Social License to Operate Community, reputational impact	Medium

ESG RISK EXPOSURE BY PILLAR (Inherent vs Residual Risk)

ENVIRONMENTAL	SOCIAL	GOVERNANCE	DISCLOSURE & TRANSPARENCY	SUSTAINABLE FINANCE
6.2 Inherent	5.4 Inherent	5.7 Inherent	4.8 Inherent	5.3 Inherent
3.8 Residual ↘	3.2 Residual ↘	3.1 Residual ↘	2.7 Residual ↘	3.0 Residual ↘
Key Risk Drivers	**Key Risk Drivers**	**Key Risk Drivers**	**Key Risk Drivers**	**Key Risk Drivers**
• Emissions & carbon pricing	• Health & safety	• Board oversight & culture	• ESG reporting quality	• Access to capital
• Resource & water scarcity	• Community relations	• Ethics & conduct	• Data accuracy & assurance	• Investor expectations
• Waste & biodiversity loss	• Talent attraction & retention	• Executive incentives	• TCFD / IFRS S2 alignment	• Transition financing
• Pollution & compliance	• Human rights & diversity	• Corruption & fraud	• Stakeholder transparency	• Cost of capital impact

Risk Score: 0-3 Low (Green) 3-6 Medium (Amber) 6-8 High (Orange) 8-10 Extreme (Red) Trend (vs Last Quarter): ↘ Improving ↘ Stable ↘ Worsening

ESG RISK HEAT MAP (Inherent Risk)



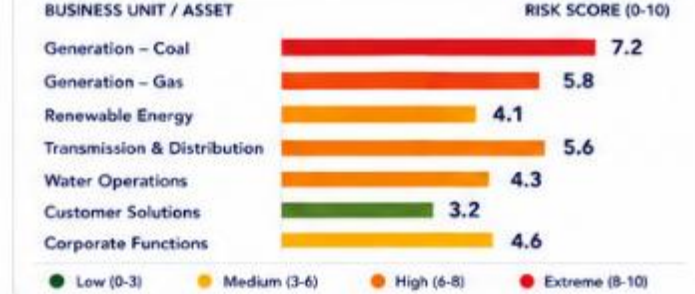
1. Climate Change & Transition
2. Physical Climate Impacts
3. Regulatory & Compliance
4. Environmental Incidents
5. Social License to Operate

ESG RISK TREND OVER TIME (Overall Inherent Risk Score)

RISK MITIGATION PROGRESS (Top ESG Risks)

RISK	MITIGATION PROGRESS		RESIDUAL RISK	TREND
Climate Change & Transition		60%	3.8	↘
Physical Climate Impacts		55%	4.1	↘
Regulatory & Compliance		65%	3.6	↘
Environmental Incidents		70%	2.6	↘
Social License to Operate		50%	3.3	↘

ESG RISK BY BUSINESS UNIT / ASSET (Inherent Risk Score)



KEY ESG RISK INDICATORS

INDICATOR	Q1 2024	TARGET		vs Q4 2023
Carbon Intensity (tCO_2e / MWh)	0.78	0.81	At Risk	↓ 4%
Renewable Energy Share (%)	32%	30%	On Track	↑ 2 pp
Lost Time Injury Frequency Rate (LTIFR)	0.45	0.55	On Track	↓ 18%
Water Withdrawal (Ml)	1,250	1,320	On Track	↓ 5%

ESG SCENARIO RISK IMPACT (2030) (Potential Financial Impact)

ORDERLY TRANSITION	DISORDERLY TRANSITION	HOT HOUSE WORLD
1.5°C Pathway	2.5°C Pathway	3.0°C+ Pathway
R2.8bn	(R6.2bn)	(R9.7bn)

EARLY WARNING INDICATORS

INDICATOR	STATUS	TREND
Carbon Price (R/tCO_2e)	R750	↑
Extreme Weather Events (YTD)	12	↑
Regulatory Changes (YTD)	8	↑

NEXT STEPS – CRO FOCUS

- Enhance climate scenario analysis and stress testing.
- Strengthen data quality and ESG risk analytics.
- Embed ESG risks in enterprise risk management.

ENTERPRISE RISK MANAGEMENT

Governance & Culture

1. Exercises Board Risk Oversight
2. Establishes Operating Structures
3. Defines Desired Culture
4. Demonstrates Commitment to Core Values
5. Attracts, Develops, and Retains Capable Individuals

Strategy & Objective-Setting

6. Analyzes Business Context
7. Defines Risk Appetite
8. Evaluates Alternative Strategies
9. Formulates Business Objectives

Performance

10. Identifies Risk
11. Assesses Severity of Risk
12. Prioritizes Risks
13. Implements Risk Responses
14. Develops Portfolio View

Review & Revision

15. Assesses Substantial Change
16. Reviews Risk and Performance
17. Pursues Improvement in Enterprise Risk Management

Information, Communication, & Reporting

18. Leverages Information and Technology
19. Communicates Risk Information
20. Reports on Risk, Culture, and Performance

Our leaders

We expect every leader across our business to be a strong role model for acting with integrity and promoting a safe, responsible and ethical culture.

All leaders must:

- live the Values and act in accordance with the Code and its spirit
- promote our Values, Code and policies, and define expected behaviours
- look for opportunities to create value and grow our business in a manner consistent with our Values and Code
- treat their teams fairly and with respect, and create an environment where everyone feels comfortable speaking openly about concerns without fear of retaliation
- listen to concerns, take them seriously, and address them appropriately
- be alert to and report any violations of the Code

Decision Tree

STEP 1

Is this a decision, action, or request that involves...

- Use of DPC resources?
- Interaction with stakeholders, suppilers, or regulators?
- Personal gain or benefit?
- A potential confuct of interest?

YES → Proceed with the action, but documen your rationale if necessary,

NOO

STEP 2

Does the action comply with...

- DPC's Code of Ethics and Condut?
- The Public Entittes Corporate Governance Act?
- Any applicable laws, regulations, or board resolutions?

NO → Consult the Ethics and Integrity Committee or Legal Advisor before proceeding.

NO

STEP 3

Could this action...

- Benefit you, your family, or associates personally?
- Be perceived as blased, unfair, or self serving?
- Involve gifts, hospitality, or favors?

YES → Reconsider the action or seek guidance.

Halt the action and escalate to the CEO or Board.

NO

STEP 4

Could this action...

- Damage DPC's public trust or credibility?
- Undermine stakeholder confidence?
- Contradict DPC's values of integrity, professionalism, and accountability?

YES → Halt the action and escalate to the CEO or Board.

STEP 6

Document and Act

Record your decision and rationale.
Inform relevant parties as needed.
Proceed with the action.

A framework for making decisions with integrity

Keeping to the Code helps us make ethical decisions. When facing a tough decision or situation not explicitly covered in the Code, we ask ourselves the following questions:

Is it legal?

Is it consistent with our Values and our policies?

Am I comfortable with the impact my decision will have on others?

Am I comfortable with others knowing about my decision?

Have I taken the decision myself, without any pressure from others?

Does it feel right?

Yes

It appears you're making the right decision.

If you still have doubts, discuss further with your manager or supervisor.

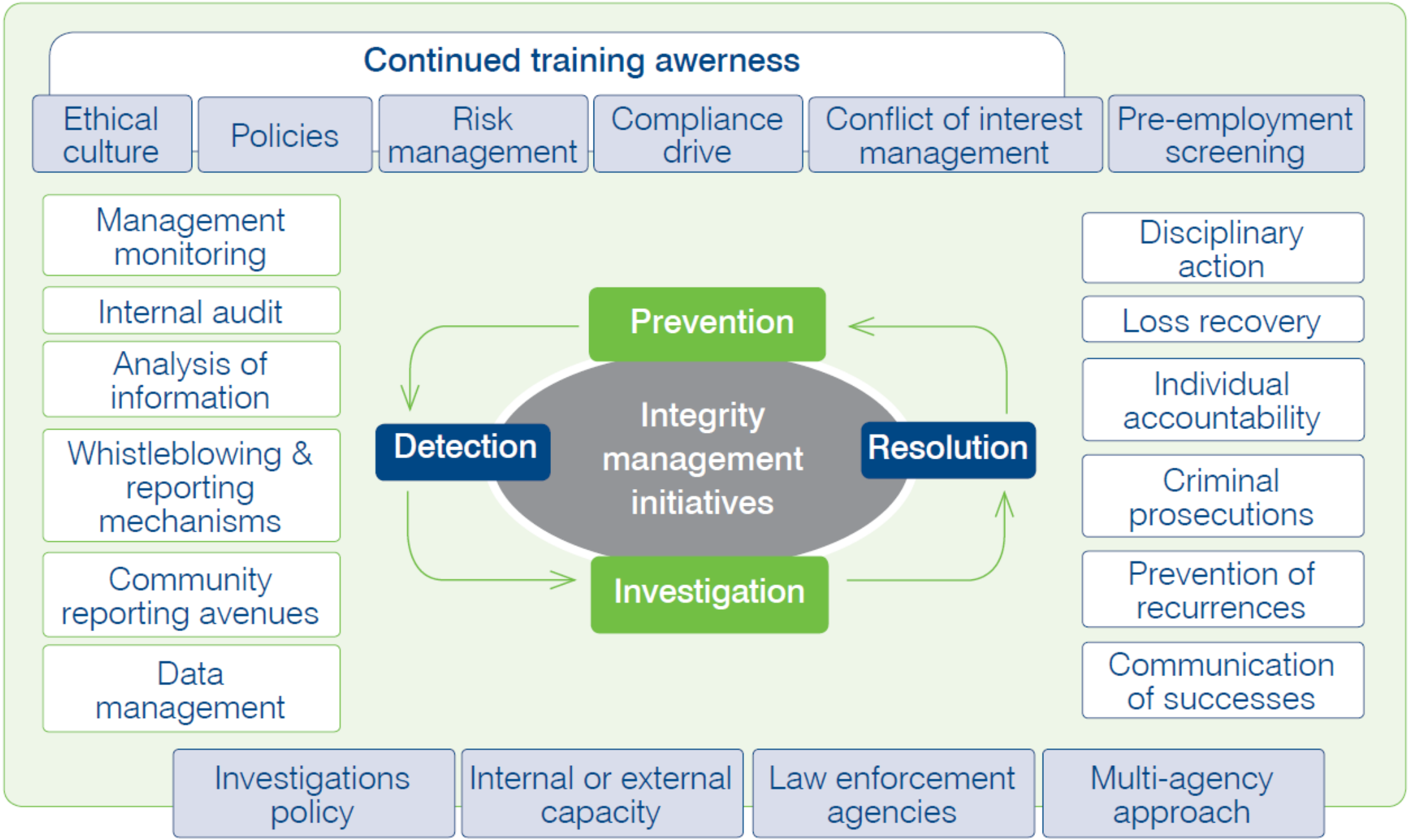
No, not sure

Your decision might lead to significant negative financial, reputational or other impacts for you and Glencore.

Speak with your manager or supervisor before taking any further action.

Who else can I talk to?

In addition to your manager or supervisor, you can also discuss with managers from other teams, like those in Human Resources, HSEC, Legal, Corporate Affairs, or with your local Compliance contact.



Schematic diagram of the integrity management initiatives

DAY 2

Governance, Standards, Risk, Reporting & Sustainable Finance

- Module 6 - Governance & Ethical Corporate Leadership
- Module 7 - ESG Frameworks, Standards & Regulatory Environment
- Module 8 - ESG Risk Management & Enterprise Strategy
- Module 9 - ESG Reporting, Disclosure & Assurance
- Module 10 - ESG Investing & Sustainable Finance

KING V AND ESG REQUIREMENTS

KING V PRINCIPLES THAT DRIVE ESG

1. Ethical leadership and corporate citizenship
2. Board effectiveness and independence
3. Integrity in organisational ethics
4. Sustainable value creation
5. Responsible risk oversight
6. Stakeholder inclusivity
7. Integrated thinking and reporting
8. Transparency and accountability

These principles underpin governance leadership and the effective management of ESG matters.

STAKEHOLDER OUTCOMES (KING V)

Value is created when the organisation delivers positive outcomes for all stakeholders.

Shareholders and investors	Employees	Customers	Communities
Suppliers and business partners	Government and regulators	Environment	Future generations

GOVERNANCE OUTCOMES

Constitute the value that sound corporate governance could realise for organisations, including:
- Ethical culture
- Performance and Value Creation
- Conformance and Prudent Control
- Legitimacy

PRINCIPLES

Represent the ongoing objectives in each domain area of governance in the journey towards sound corporate governance. Principles build upon and reinforce one another; they are essential and foundational to sound corporate governance and hold true across all organisations.

RECOMMENDED PRACTICES

Are positioned at the level of leading practice. The practices associated with a particular principle should be applied so that they support and give effect to the objective as expressed in that principle. Practices may be adapted and scaled in accordance with proportionality considerations.

ESG REQUIREMENTS

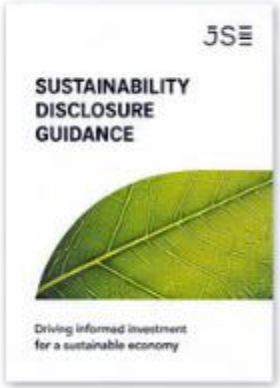
ENVIRONMENTAL
- Climate change and emissions
- Resource use and circular economy
- Biodiversity and ecosystem protection
- Pollution prevention and management

SOCIAL
- Human rights and fair treatment
- Health, safety and wellbeing
- Diversity, equity and inclusion
- Skills development and community impact
- Responsible supply chains

GOVERNANCE
- Ethical leadership and culture
- Board oversight and accountability
- Risk management and internal controls
- Compliance and legal responsibility
- Transparency and stakeholder engagement
- Anti-corruption and ethical conduct

JSE SUSTAINABILITY DISCLOSURE GUIDANCE
AND ESG REQUIREMENTS

THE JSE SUSTAINABILITY DISCLOSURE GUIDANCE (SDG)



The JSE SDG supports consistent, comparable and decision-useful sustainability disclosures by South African companies.

- Aligned with global best practice
- Supports integrated thinking and reporting
- Enhances transparency and long-term value creation

MATERIALITY: FOCUS ON WHAT MATTERS MOST

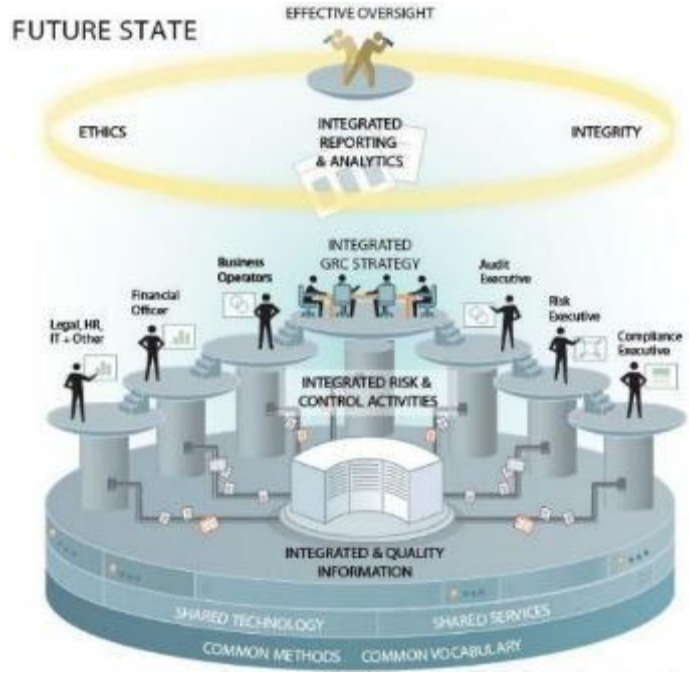
Disclose matters that are material to the business and to investors in their decision-making.

FINANCIAL MATERIALITY

Issues that could reasonably affect the company's financial position, performance or cash flows.

IMPACT MATERIALITY

Issues that reflect the company's significant impacts on the economy, environment and people.



INTEGRATED REPORTING CONNECTION

Strategy and Resource Allocation + Performance and Outlook + Risk and Opportunities + Governance and Ethics + ESG Metrics and Targets = **INFORMED INVESTMENT DECISIONS**

KEY DISCLOSURE AREAS IN THE JSE SDG

1		**STRATEGY AND CONTEXT** Disclose how sustainability issues affect the business model, strategy and value creation.
2		**GOVERNANCE** Disclose the governance structures, oversight and management of sustainability matters.
3		**RISK MANAGEMENT** Disclose material sustainability risks and opportunities and how they are managed.
4		**METRICS AND TARGETS** Disclose measurable indicators, performance against targets and future commitments.
5		**CLIMATE-RELATED DISCLOSURE** Provide climate-related information aligned to the TCFD recommendations.
6		**VALUE CHAIN CONSIDERATIONS** Disclose material sustainability impacts across the value chain.
7		**STAKEHOLDER ENGAGEMENT** Disclose how stakeholders are identified, engaged and how their concerns inform decisions.


TCFD
TASK FORCE ON
CLIMATE-RELATED
FINANCIAL
DISCLOSURES


European
Commission


GRI
Empowering
Sustainable
Decisions


SUSTAINABILITY ACCOUNTING
SASB
STANDARDS BOARD

1. Global Reporting Initiative (GRI)

- **Purpose:** Broad sustainability impact reporting for all stakeholders.
- **Scope:** Economic, environmental, and social (full ESG).
- **Materiality Lens:** Impact materiality (effects on economy, environment, and people).
- **Best for:** Full ESG transparency and multi-stakeholder engagement.

2. Task Force on Climate-related Financial Disclosures (TCFD)

- **Purpose:** Climate-related financial risk and opportunity disclosure.
- **Scope:** Climate governance, strategy, risk management, and metrics.
- **Materiality Lens:** Financial materiality of climate risks.
- **Best for:** Climate resilience analysis and integration into financial filings.

3. Sustainability Accounting Standards Board (SASB)

- **Purpose:** Industry-specific financially material ESG disclosures for investors.
- **Scope:** ESG factors linked to enterprise value.
- **Materiality Lens:** Financial materiality by sector/industry.
- **Best for:** Investor-grade comparable metrics, especially sector-specific.

4. International Sustainability Standards Board (ISSB) – IFRS S1 & S2

- **Purpose:** Global baseline for sustainability and climate disclosures.
- **Scope:** S1 = General ESG; S2 = Climate-specific.
- **Materiality Lens:** Financial materiality.
- **Best for:** Aligning ESG disclosures with global capital market requirements.

5. Carbon Disclosure Project (CDP)

- **Purpose:** Disclosure of environmental impacts (climate, water, forests).
- **Scope:** Climate change, water security, deforestation.
- **Materiality Lens:** Environmental impact (can link to financial materiality).
- **Best for:** Benchmarking environmental performance against global peers.

6. UN Sustainable Development Goals (SDGs)

- **Purpose:** Global goals for social, environmental, and economic sustainability.
- **Scope:** 17 goals, 169 targets.
- **Materiality Lens:** Societal impact.
- **Best for:** Linking ESG efforts to global sustainable development priorities.

7. EU Corporate Sustainability Reporting Directive (CSRD) / ESRS

- **Purpose:** Mandatory EU sustainability disclosure standards.
- **Scope:** Full ESG with double materiality (impact + financial).
- **Materiality Lens:** Double materiality.
- **Best for:** Companies with EU operations needing regulatory compliance.

---

8. UN Principles for Responsible Investment (UN PRI)

- **Purpose:** Voluntary commitment for investors to integrate ESG into decision-making.
- **Scope:** Investment process ESG integration.
- **Materiality Lens:** Responsible investment focus.
- **Best for:** Institutional investors and asset managers demonstrating ESG integration.

---

9. OECD Guidelines for Multinational Enterprises

- **Purpose:** Government-backed recommendations on responsible business conduct.
- **Scope:** Human rights, labour, environment, anti-corruption.
- **Materiality Lens:** Responsible business conduct lens.
- **Best for:** Multinationals managing complex global supply chains.

10. Integrated Reporting Framework (<IR>)

- **Purpose:** Connects financial and non-financial performance.
- **Scope:** Six capitals: financial, manufactured, intellectual, human, social, natural.
- **Materiality Lens:** Value creation over time.
- **Best for:** Boards wanting to show the link between ESG and long-term strategy.

Scope 1 – Direct Emissions

- **Definition:** Greenhouse gas emissions from sources **owned or controlled** by the organisation.
- **Examples:**
  - Fuel combustion in company-owned vehicles.
  - On-site generation (e.g., boilers, furnaces, turbines).
  - Industrial process emissions.
- **Key Point:** These are emissions the organisation has **full operational control over**.

Scope 2 – Indirect Energy Emissions

- **Definition:** Greenhouse gas emissions from the **generation of purchased energy** (electricity, steam, heating, or cooling) that the organisation consumes.
- **Examples:**
  - Emissions from a power station producing electricity purchased by the company.
  - Purchased chilled water for cooling.
- **Key Point:** These emissions occur **off-site**, but are **a result of the organisation's energy use**.

Scope 3 – Other Indirect Emissions

- **Definition:** All other indirect greenhouse gas emissions **not included in Scope 2** that occur in the organisation's **value chain** — both **upstream** (suppliers) and **downstream** (customers).
- **Examples:**
  - Purchased goods and services.
  - Business travel (air, rail, car hire).
  - Employee commuting.
  - Waste disposal.
  - Use of sold products.
  - End-of-life treatment of products.
  - Investments and leased assets.
- **Key Point:** Often the **largest share** of total emissions; requires engagement with suppliers and customers for measurement and reduction.

SCOPE 1, 2 & 3 EMISSIONS IN SAUDI ARABIA

Estimated percentage distribution across the top 10 economic drivers

Understanding where emissions occur across our key economic sectors helps prioritize action, allocate resources, and accelerate our transition to a low-carbon economy.

ESTIMATED PERCENTAGE DISTRIBUTION OF SCOPE 1, 2 & 3 EMISSIONS ACROSS THE TOP 10 ECONOMIC DRIVERS IN SAUDI ARABIA

RANK	ECONOMIC DRIVER	SCOPE 1 (DIRECT) %	SCOPE 2 (INDIRECT) %	SCOPE 3 (INDIRECT) %	TOTAL (ALL SCOPES) %
1	Oil & Gas (Crude Oil Production, Refining & Petrochemicals)	38%	3%	11%	52%
2	Manufacturing (Basic Metals, Chemicals, Cement, etc.)	10%	2%	6%	18%
3	Electricity & Heat Production	9%	3%	1%	13%
4	Transport & Storage (Road, Aviation, Shipping, Rail)	6%	0%	6%	12%
5	Construction & Real Estate	3%	1%	4%	8%
6	Wholesale & Retail Trade	1%	0%	4%	5%
7	Agriculture, Forestry & Fishing	2%	0%	2%	4%
8	Mining & Quarrying (Non-Oil)	2%	0%	1%	3%
9	Public Administration & Defense	0%	1%	1%	2%
10	Accommodation & Food Services	0%	0%	1%	1%
TOTAL (ALL SECTORS)		71%	7%	22%	100%

GHG Emissions at a Glance

GHG	Main Sources	GWP*	Reduction Levers
CO_2	Fossil fuel combustion Industrial processes Land use change	1	Energy efficiency Renewable energy Reforestation
CH_4	Agriculture, landfills Fossil fuel extraction Fuel combustion	28–34	Methane capture Dietary changes Waste management
N_2O	Agricultural soil management Industrial production Fuel combustion	265–298	Nitrogen use efficiency No-till farming
HFC_s	Hydrofluorocarbons HFCs Refrigeration	12–12.000	Refrigerant management Alternatives
PFC_s	Aluminum production Semiconductor manufacturing	Up to 12.000	Substitute Alternatives
SF_6	Electrical equipment Magnesium production	23.500	Replace equipment
NF_3	Nitrogen trifluoride Electronics manufacturing	17.200	Adopt alternatives

NDC stands for **Nationally Determined Contribution.**

It's a key concept under the **Paris Agreement (2015)**, where each country sets out its **own climate action plan** to reduce greenhouse gas emissions and adapt to climate change impacts.

Formal Definition

An NDC is a **national climate pledge** that outlines:

1. **Emission reduction targets** (mitigation).
2. **Adaptation strategies** to climate impacts.
3. **Implementation plans** and policies.

It reflects a country's "**highest possible ambition**" in line with its national circumstances and capabilities.

GWP stands for **Global Warming Potential.**

It's a scientific metric used to **compare the warming impact of different greenhouse gases (GHGs) relative to carbon dioxide (CO_2)** over a specific period, usually **100 years** (sometimes 20 years for short-lived gases like methane).

1. Carbon Dioxide (CO_2) – *Baseline greenhouse gas*

- **Source:**
  - Fossil fuel combustion (coal, oil, gas).
  - Industrial processes (cement production, steelmaking).
  - Land use change and deforestation.
- **Key Traits:**
  - Most prevalent GHG from human activity.
  - Long atmospheric lifespan (~300–1,000 years).
- **Measurement:** **CO_2** or **CO_2e** (carbon dioxide equivalent when aggregated with other gases).

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2. Methane (CH_4) – *High-impact short-term warming gas*

- **Source:**
  - Agriculture (livestock digestion, manure).
  - Landfills and waste decomposition.
  - Fossil fuel extraction and transport (coal mining, oil and gas leaks).
- **Key Traits:**
  - Global Warming Potential (GWP) ~28–34 times greater than CO_2 over 100 years.
  - Shorter atmospheric life (~12 years) but stronger near-term impact.

3. Nitrous Oxide (N_2O) – *Agricultural and industrial gas*

- **Source:**
  - Agricultural soil management (fertilisers, manure).
  - Industrial chemical production (nitric acid, adipic acid).
  - Combustion of fossil fuels and biomass.
- **Key Traits:**
  - GWP ~265–298 times greater than CO_2 over 100 years.
  - Long-lived in the atmosphere (~114 years).

---

4. Hydrofluorocarbons (HFCs) – *Synthetic refrigerant gases*

- **Source:**
  - Refrigeration, air conditioning, heat pumps.
  - Aerosol propellants and foaming agents.
- **Key Traits:**
  - GWP ranges from 12 to >12,000 times greater than CO_2.
  - Short to medium atmospheric life.
  - Controlled under the Kigali Amendment to the Montreal Protocol.

5. Perfluorocarbons (PFCs) – *Industrial process gases*

- **Source:**
  - Aluminium production.
  - Semiconductor manufacturing.
- **Key Traits:**
  - Very high GWP (up to 12,000).
  - Extremely long atmospheric lifespan (thousands of years).

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6. Sulphur Hexafluoride (SF_6) – *Electrical insulating gas*

- **Source:**
  - Electrical transmission and distribution systems.
  - Magnesium production.
- **Key Traits:**
  - GWP ~23,500 (one of the most potent GHGs).
  - Very long atmospheric life (~3,200 years).

7. Nitrogen Trifluoride (NF_3) – *Emerging industrial gas*

- **Source:**
  - Manufacturing of flat-panel displays, semiconductors, and solar panels.
- **Key Traits:**
  - GWP ~17,200.
  - Recognised in the Kyoto Protocol's second commitment period.

Key ESG Note for Directors

- All GHGs are typically reported in **CO_2e** (carbon dioxide equivalent), converting each gas's GWP into an equivalent amount of CO_2.
- While **CO_2** dominates in volume, gases like **SF_6** and **CH_4** have far higher warming impacts per molecule and are strategic reduction priorities.

THE 17 GOALS

169
Targets

I. Five years to go: the stark reality of SDG progress

MATERIAL TOPICS	SDGs	ALIGNMENT
Economic		• Responsible investing • Supply chain and responsible procurement practices. • Contributing to the stability of the financial services sector and economic growth. • Contributing to poverty reduction through financial literacy and inclusion.
Social		• Education and Training. • Human Rights. • Customer Welfare. • Occupational Health and Safety. • Employment creation. • Employee Relations. • Diversity and Inclusion. • Corporate Social Responsibility.
Environmental		• Water. • Waste. • Climate Change. • Energy.
Governance		• Business Ethics and Compliance. • Anti-corruption. • Cybersecurity and Privacy Protection. • Innovation and Digitalisation. • Legal and Regulatory Compliance.

Material Topics	SDGs	Alignment
ECONOMIC 		• Responsible investing • Supply chain & responsible procurement practices • Contributing to the stability of the financial services sector and economic growth • Contributing to poverty reduction through financial literacy and inclusion
SOCIAL 		• Education & Training • Human Rights • Customer Welfare • Occupational Health & Safety • Employment creation • Employee Relations • Diversity & Inclusion • Corporate Social Responsibility
GOVERNMENTAL 		• Water • Waste • Climate Change • Energy
ENVIRONMENT 		• Business Ethics & Compliance • Anticorruption • Cybersecurity • & Privacy Protection • Innovation & Digitalisation • Legal & Regulatory Compliance

Climate Change

DPC recognizes the growing impact of climate change on financial stability and economic resilience. Through various pipeline initiatives with fellow financial safety net players, we aim to explore opportunities to support more digital financial service platforms. Furthermore, we seek to collaborate on financial inclusion initiatives that empower vulnerable communities—often disproportionately affected by climate shocks—with adaptive financial tools.

Key elements covered

Internal Efforts: DPC partnered with the Zimbabwe Sunshine Group (ZSG) to develop a climate change road map for the Corporation. ZSG conducted a Sustainability materiality assessment and gap analysis, assisted in the development of climate change policies and conducted training for staff members and Management on sustainability. We are targeting a 20% reduction in paper-based transactions by 2026, among other key climate change targets.

Economic Influence: Digitalisation plays a huge role in mitigating climate change. As such, DPC has steadily progressed in automating processes and utilising digital platforms for transacting, premium assessment and other administrative functions.

Social Equity: During the period under review, DPC invested in projects that have built communities, created employment and changed the economic outlook for underserved communities in areas such as Mazowe in Mashonaland Central. We continue to invest with entities that have demonstrated their commitment to observing green practices and the betterment of vulnerable communities.

Policy Alignment: By aligning our efforts with Zimbabwe's National Climate Policy and the SDGs, the DPC is committed to fostering a financial ecosystem that prioritizes both economic growth and environmental sustainability

1.1	International poverty	○
1.2	National poverty	○
1.3	Social protection	○
1.4	Access to basic services	●
1.5	Resilience to disasters	○
1.a	Government spending on essential services	●
1.b	Poverty eradication policies	●

2.1	Undernourishment and food security	●
2.2	Malnutrition	○
2.3	Small-scale food producers	●
2.4	Productive and sustainable agriculture	●
2.5	Genetic resources for agriculture	●
2.a	Investment in agriculture	●
2.b	Agricultural export subsidies	●
2.c	Food price anomalies	●

3.1	Maternal mortality	○
3.2	Child mortality	●
3.3	Communicable diseases	○
3.4	NCD and mental health	○
3.5	Substance abuse and treatment	○
3.6	Road traffic accidents	○
3.7	Sexual and reproductive health	○
3.8	Universal health coverage	○
3.9	Health impact of pollution	●
3.a	Tobacco control	●
3.b	Immunization coverage	●
3.c	Health workforce	○
3.d	Management of health risks	●

4.1	Effective learning outcomes	○
4.2	Early childhood education	○
4.3	TVET and tertiary education	○
4.4	Skills for employment	●
4.5	Equal access to education	●
4.6	Adult literacy and numeracy	●
4.7	Sustainable development education	●
4.a	Education facilities	○
4.b	ODA for scholarships	●
4.c	Qualified teachers	●

5.1	Legal frameworks on gender equality	○
5.2	Violence against women and girls	●
5.3	Child marriage	●
5.4	Unpaid care and domestic work	●
5.5	Women in leadership	○
5.6	Reproductive health access and rights	●
5.a	Equal economic rights for women	●
5.b	Technology for women empowerment	●
5.c	Gender-responsive budgeting	○

- 6.1 Safe drinking water
- 6.2 Access to sanitation and hygiene
- 6.3 Water quality
- 6.4 Water-use efficiency
- 6.5 Transboundary water cooperation
- 6.6 Water-related ecosystems
- 6.a International cooperation on water and sanitation
- 6.b Participatory water and sanitation management

- 7.1 Access to energy services
- 7.2 Share of renewable energy
- 7.3 Energy efficiency
- 7.a International cooperation on energy
- 7.b Investing in energy infrastructure

- 8.1 Economic growth
- 8.2 Economic productivity
- 8.3 Formalization of SMEs
- 8.4 Material resource efficiency
- 8.5 Full employment and decent work
- 8.6 Youth NEET
- 8.7 Child and forced labour
- 8.8 Labour rights and safe working environment
- 8.9 Sustainable tourism
- 8.10 Access to financial services
- 8.a Aid for Trade
- 8.b Strategy for youth employment

- 9.1 Infrastructure development
- 9.2 Sustainable/inclusive industrialization
- 9.3 Small-scale industries' access to finance
- 9.4 Sustainable and clean industries
- 9.5 Research and development
- 9.a ODA for infrastructure
- 9.b Domestic technology development
- 9.c Access to ICT and the Internet

- 10.1 Income growth of bottom 40 per cent
- 10.2 Income distribution
- 10.3 Eliminate discrimination
- 10.4 Fiscal and social protection policies
- 10.5 Regulation of financial markets
- 10.6 Inclusive global governance
- 10.7 Safe migration and mobility
- 10.a Special and differential treatment (WTO)
- 10.b Resource flows for development
- 10.c Remittance costs

- 11.1 Housing and basic services
- 11.2 Public transport systems
- 11.3 Sustainable urbanization
- 11.4 Cultural and natural heritage
- 11.5 Human and economic losses to disasters
- 11.6 Urban air quality and waste management
- 11.7 Urban green and public spaces
- 11.a Urban planning policies
- 11.b Disaster risk management policies
- 11.c Sustainable and resilient buildings

- 12.1 Programmes on sustainable consumption and production
- 12.2 Sustainable use of natural resources
- 12.3 Food waste and losses
- 12.4 Managing chemicals and wastes
- 12.5 Reduction in waste generation
- 12.6 Corporate sustainable practices
- 12.7 Public procurement practices
- 12.8 Sustainable development awareness
- 12.a Support for R&D capacity for sustainable development
- 12.b Sustainable tourism monitoring
- 12.c Fossil fuel subsidies

- 13.1 Resilience and adaptive capacity
- 13.2 Climate change policies
- 13.3 Climate change awareness
- 13.a UNFCCC commitments
- 13.b Climate change planning and management

- 14.1 Marine pollution
- 14.2 Marine and coastal ecosystems
- 14.3 Ocean acidification
- 14.4 Sustainable fishing
- 14.5 Conservation of coastal and marine areas
- 14.6 Fisheries subsidies
- 14.7 Marine resources for SIDS and LDCs
- 14.a Research capacity and marine technology
- 14.b Small-scale artisanal fishing
- 14.c Implementing UNCLOS

- 15.1 Terrestrial and freshwater ecosystems
- 15.2 Sustainable forests management
- 15.3 Desertification and land degradation
- 15.4 Conservation of mountain ecosystems
- 15.5 Loss of biodiversity
- 15.6 Utilization of genetic resources
- 15.7 Protected species trafficking
- 15.8 Invasive alien species
- 15.9 Biodiversity in national and local planning
- 15.a Resources for biodiversity and ecosystems
- 15.b Resources for forest management

16.1	Reduction of violence and related deaths	○
16.2	Human trafficking	●
16.3	Justice for all	○
16.4	Illicit financial and arms flows	●
16.5	Corruption and bribery	●
16.6	Effective institutions	●
16.7	Inclusive decision-making	○
16.8	Inclusive global governance	○
16.9	Legal identity	●
16.10	Public access to information	●
16.a	National human rights institutions	○
16.b	Non-discriminatory laws	●

17.1	Tax and other revenue collection	○
17.2	ODA commitment by developed countries	○
17.3	Additional financial resources for development	●
17.4	Debt sustainability	●
17.5	Investment promotion for LDCs	●
17.6	Access to technology	●
17.7	Transfer of technologies	○
17.8	Use of the Internet	●
17.9	Capacity-building for SDGs	●
17.10	Multilateral trading system (WTO)	●
17.11	Exports of developing countries	○
17.12	Duty-free market access for LDCs	○
17.13	Global macroeconomic stability	○
17.14	Policy coherence for sustainable development	●
17.15	Respect country's policy space	●
17.16	Global partnership for sustainable development	●
17.17	Partnerships (public, private, CSO)	●
17.18	National statistics availability	○
17.19	Statistical capacity	●

Legend

- ● On track or target met
- ● Moderate progress, but acceleration needed
- ○ Marginal progress, and significant acceleration needed
- ○ Stagnation
- ● Regression
- ● Insufficient data

List of acronyms and abbreviations

CSO: Civil society organization

ICT: Information and communications technology

NCD: Non-communicable disease

NEET: Not in employment, education or training

ODA: Official development assistance

R&D: Research and development

SME: Small and medium enterprise

TVET: Technical and vocational education and training

UNCLOS: United Nations Convention on the Law of the Sea

UNFCCC: United Nations Framework Convention on Climate Change

WTO: World Trade Organization

For further details, please see the SDG Progress Chart 2025. Technical note at: https://unstats.un.org/sdgs/report/2025/

TCFD

Governance

Disclose the organization's governance around climate-related risks and opportunities.

Strategy

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

Risk Management

Disclose how the organization identifies, assesses, and manages climate-related risks.

Metrics & Targets

Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.

Purpose of TCFD

The **Task Force on Climate-related Financial Disclosures** provides a **voluntary but widely adopted framework** for companies to disclose **climate-related financial risks and opportunities**. Its aim is to improve the quality, consistency, and comparability of climate-related disclosures so that investors, lenders, insurers, and regulators can make better-informed decisions.

Four Core Pillars

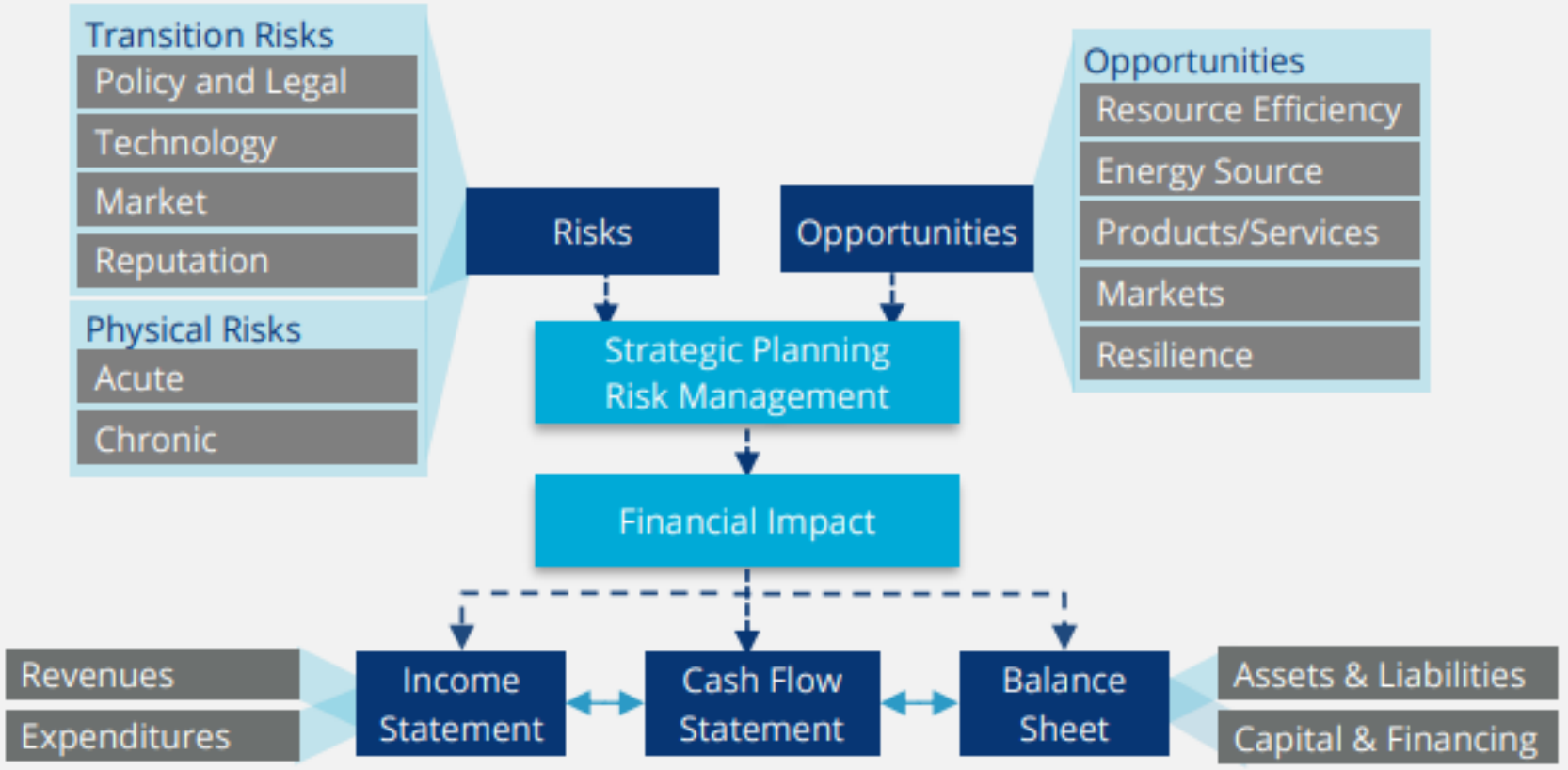
TCFD's recommendations are structured around **four thematic areas** that represent core business elements:

- **Governance** – Board and management oversight of climate risks.
- **Strategy** – Climate-related impacts on business, strategy, and financial planning.
- **Risk Management** – Processes for identifying, assessing, and managing climate risks.
- **Metrics & Targets** – Indicators and goals for managing climate-related risks and opportunities.

Climate Risk Categories

Figure 1

Climate-Related Risks, Opportunities, and Financial Impact



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Final Report

Recommendations of the Task Force on Climate-related Financial Disclosures

Scenario Analysis

TCFD

Climate Action Tracker

NET ZERO TRACKER

Figure 4

Recommendations and Supporting Recommended Disclosures

Governance	Strategy	Risk Management	Metrics and Targets
Disclose the organization's governance around climate-related risks and opportunities.	Disclose the actual and potential impacts of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning where such information is material.	Disclose how the organization identifies, assesses, and manages climate-related risks.	Disclose the metrics and targets used to assess and manage relevant climate-related risks and opportunities where such information is material.
Recommended Disclosures	**Recommended Disclosures**	**Recommended Disclosures**	**Recommended Disclosures**
a) Describe the board's oversight of climate-related risks and opportunities.	a) Describe the climate-related risks and opportunities the organization has identified over the short, medium, and long term.	a) Describe the organization's processes for identifying and assessing climate-related risks.	a) Disclose the metrics used by the organization to assess climate-related risks and opportunities in line with its strategy and risk management process.
b) Describe management's role in assessing and managing climate-related risks and opportunities.	b) Describe the impact of climate-related risks and opportunities on the organization's businesses, strategy, and financial planning.	b) Describe the organization's processes for managing climate-related risks.	b) Disclose Scope 1, Scope 2, and, if appropriate, Scope 3 greenhouse gas (GHG) emissions, and the related risks.
	c) Describe the resilience of the organization's strategy, taking into consideration different climate-related scenarios, including a 2°C or lower scenario.	c) Describe how processes for identifying, assessing, and managing climate-related risks are integrated into the organization's overall risk management.	c) Describe the targets used by the organization to manage climate-related risks and opportunities and performance against targets.

Alignment with Other Frameworks

TCFD aligns closely with:

- **ISSB IFRS S2** (climate-related disclosure standard replacing TCFD reporting from 2024).
- **CDP (Carbon Disclosure Project)** questionnaires.
- **GRI** environmental disclosures.
- Regulatory requirements in jurisdictions where TCFD has been embedded into law (e.g., UK, New Zealand, Japan).

Value for ESG Officials

For ESG leaders, TCFD offers:

- A **globally recognised framework** to disclose climate risks and opportunities.
- A way to **build investor confidence** through transparent, decision-useful climate data.
- A method for integrating climate considerations into **corporate governance and strategy**.
- A **bridge to compliance** with emerging sustainability disclosure regulations (e.g., ISSB).

DAY 2

Governance, Standards, Risk, Reporting & Sustainable Finance

- Module 6 - Governance & Ethical Corporate Leadership
- Module 7 - ESG Frameworks, Standards & Regulatory Environment
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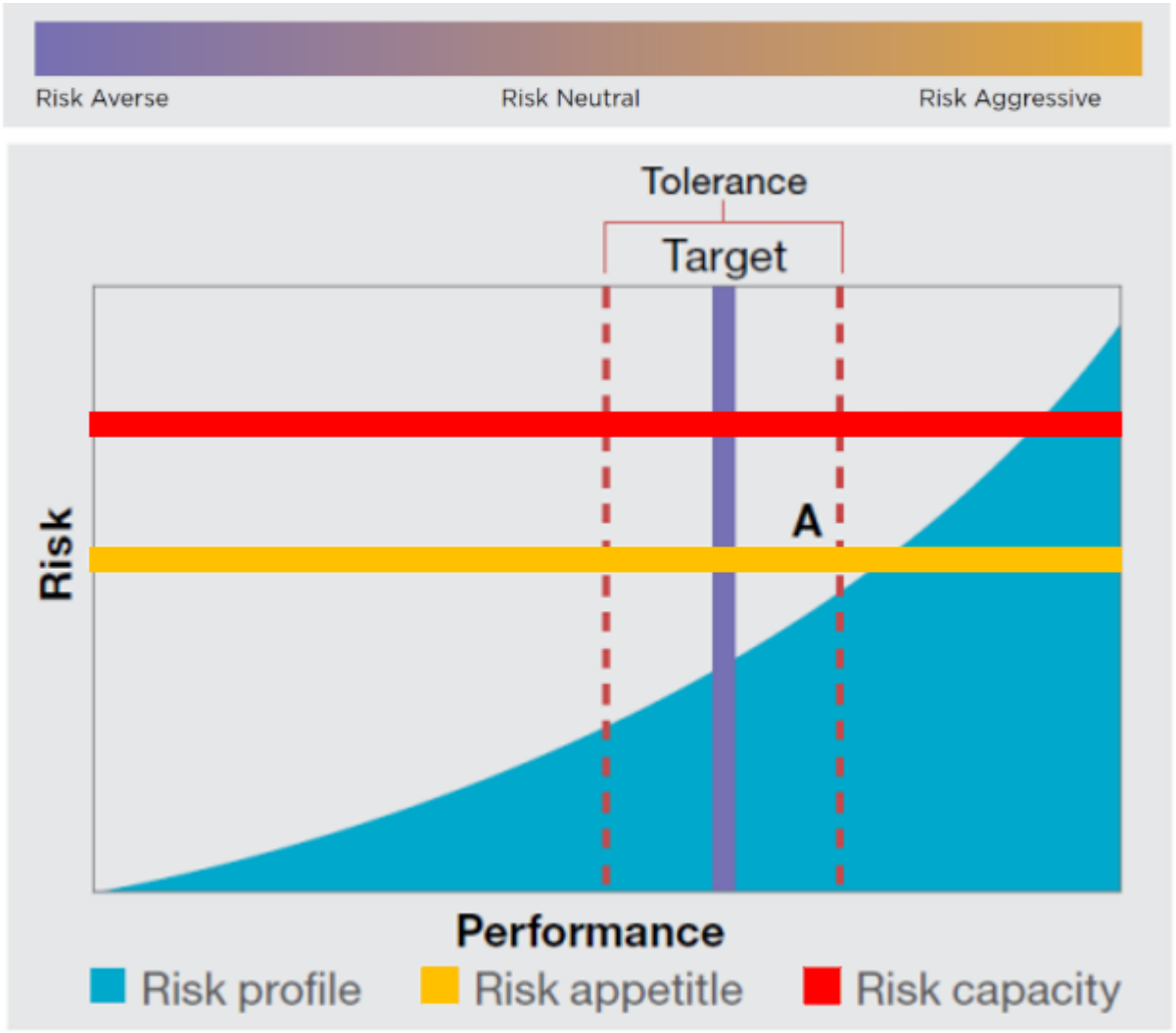
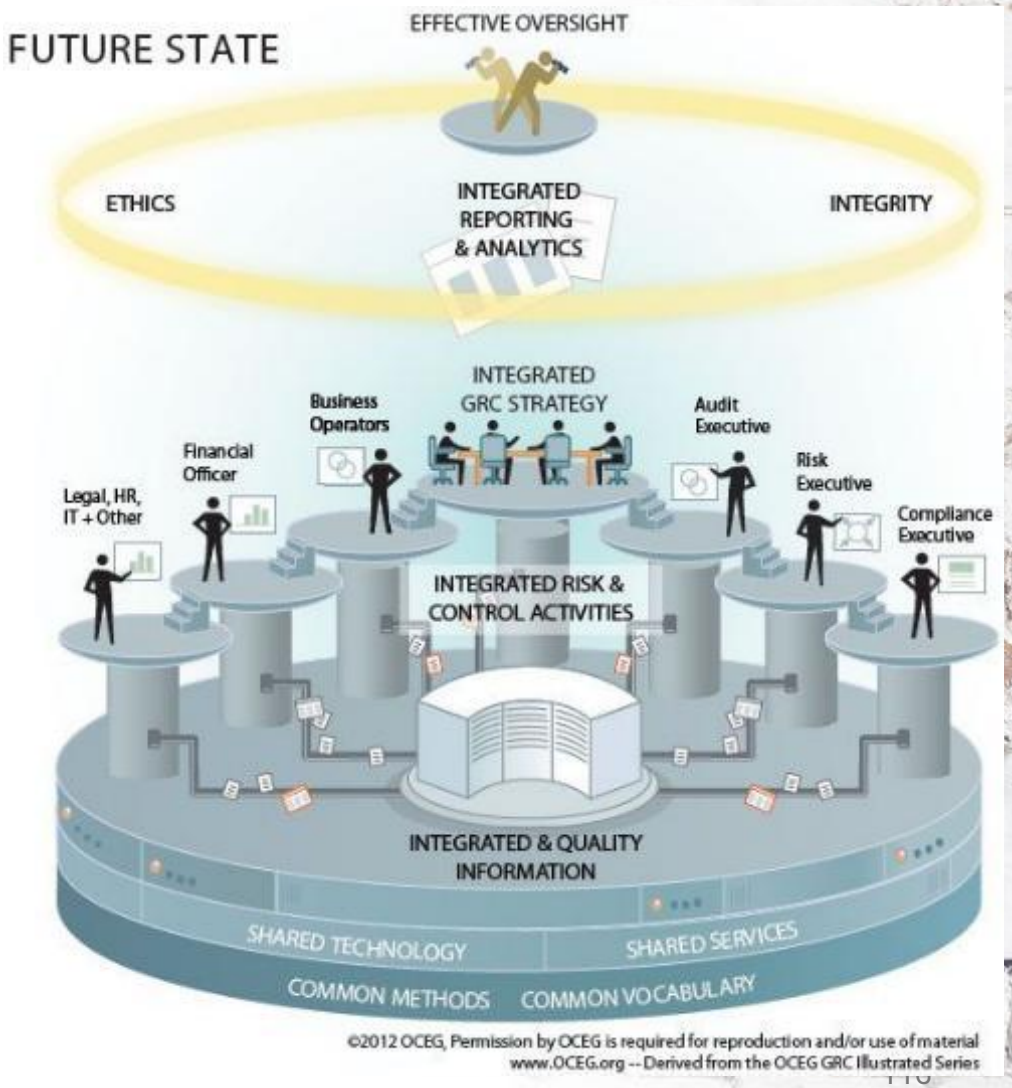
- Module 9 - ESG Reporting, Disclosure & Assurance
- Module 10 - ESG Investing & Sustainable Finance


cr
RISK MANAGER
RISK MANAGER
RISK MANAGER
DECISION-MAKER
DECISION-MAKER
DECISION-MAKER

Risk vs. Performance





Risk vs. Opportunity

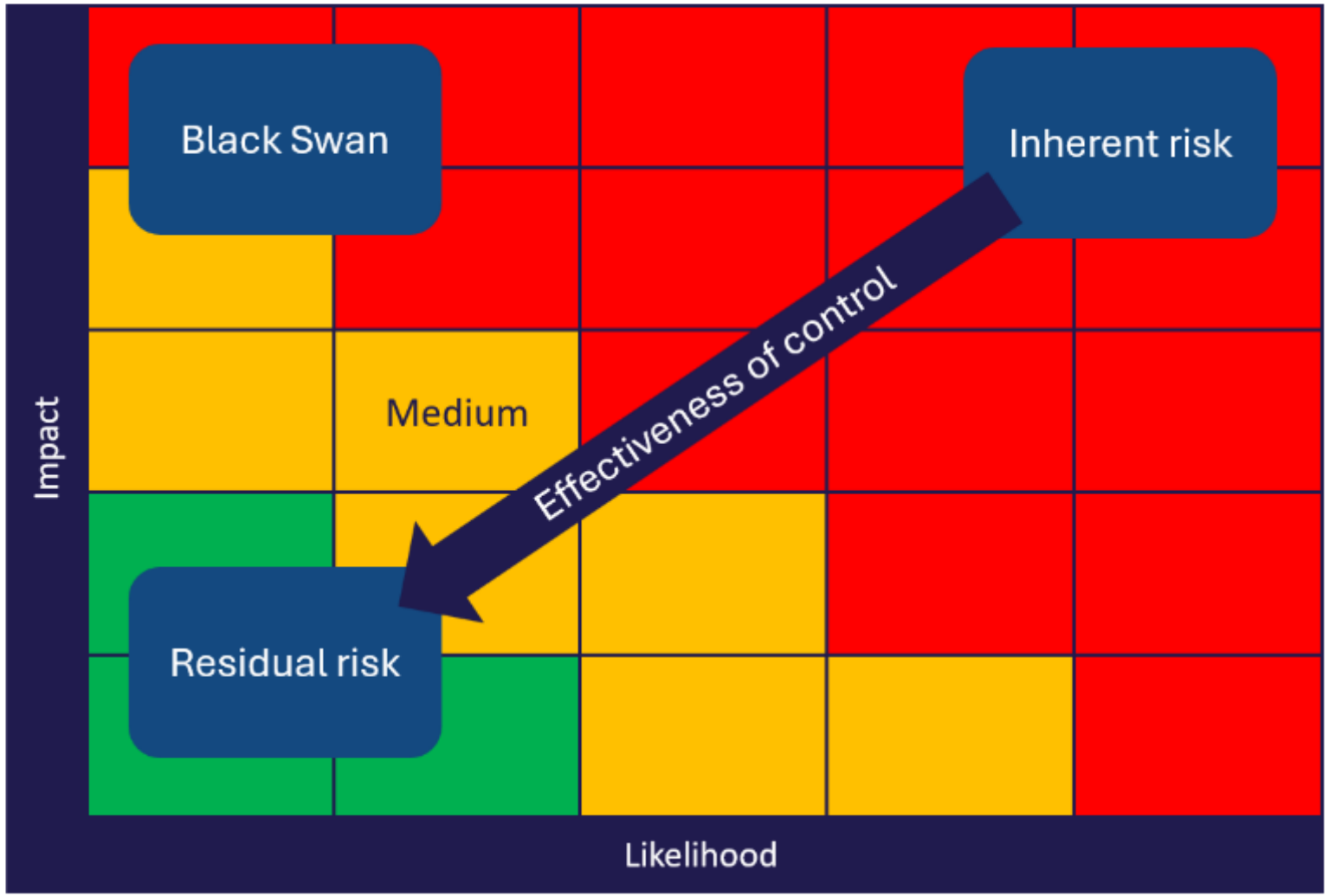
Likelihood											
	Almost Certain (5)	-S	-S	-S	-H	-M	M	H	S	S	S
	Likely (4)	-S	-S	-H	-H	-M	M	H	H	S	S
	Possible (3)	-S	-H	-H	-M	-L	L	M	H	H	S
	Unlikely (2)	-H	-H	-M	-M	-L	L	M	M	H	H
	Rare (1)	-M	-M	-L	-L	-L	L	L	L	M	M
		Extreme Negative -5	Major Negative -4	Moderate Negative -3	Minor Negative -2	Insignificant Negative -1	Insignificant Positive +1	Minor Positive +2	Moderate Positive +3	Major Positive +4	Extreme Positive +5
		Negative Consequences					**Positive Consequences**				

Terminology - 11 Key Principles

Financial

Operational

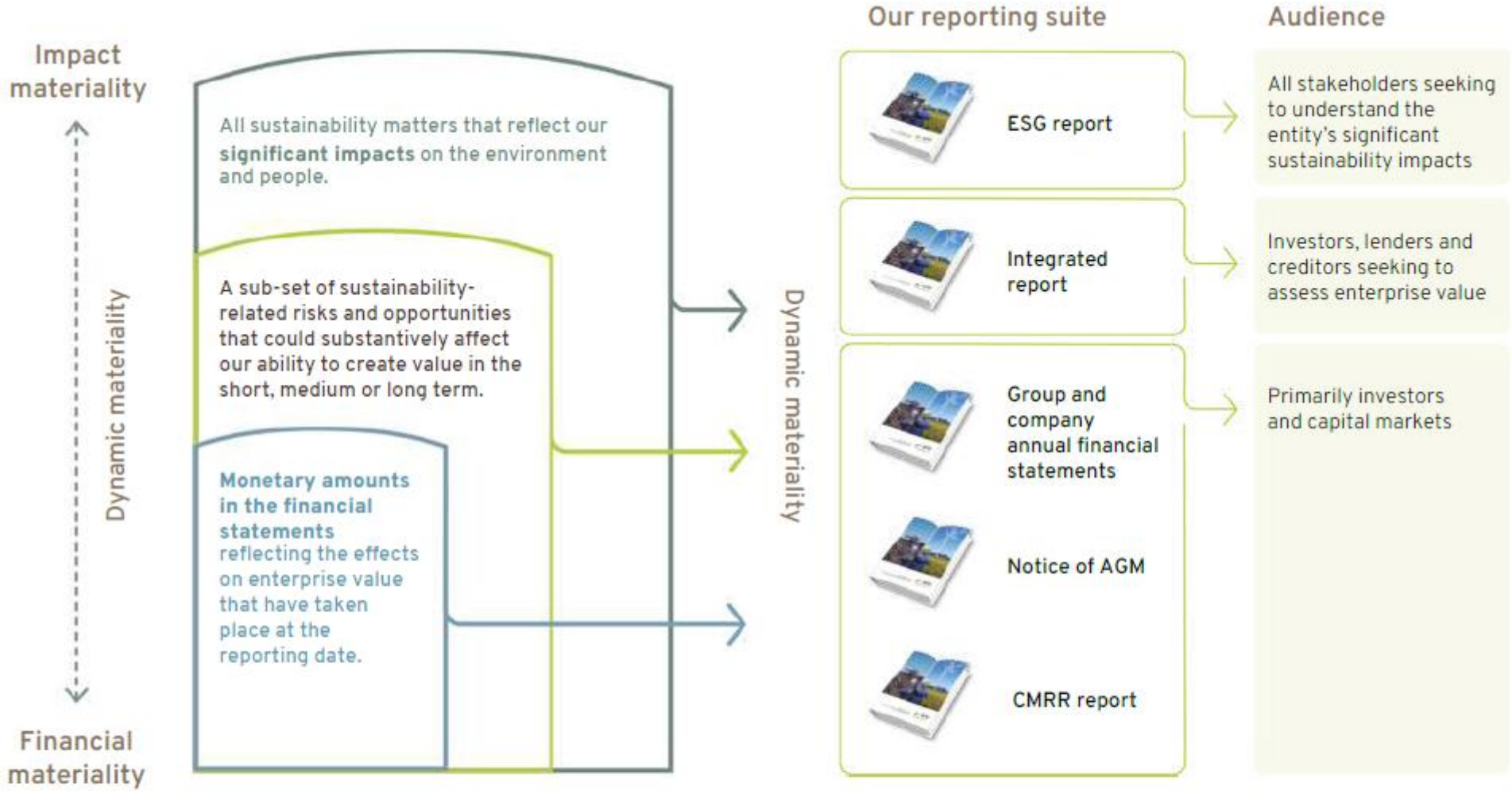
Legal



Risk management strategy
Avoid
Accept
Mitigate
Transfer

Internal audit
Assurance?

Advice?



Defining short, medium and long term

Short term	Medium term	Long term
Between one and five years	Between six and 10 years	More than 10 years

THE 15 MOST CRITICAL ESG RISKS

Key risks that can impact value, performance, reputation and long-term sustainability

ENVIRONMENTAL Risks related to natural resources, climate and environmental stewardship		SOCIAL Risks related to people, communities and human capital		GOVERNANCE Risks related to leadership, ethics, controls and accountability
1 CLIMATE CHANGE & TRANSITION RISK Physical impacts, transition costs, and policy shifts that can disrupt operations and reduce value.	**2 GREENHOUSE GAS EMISSIONS** Inability to reduce emissions in line with targets and stakeholder expectations.	**6 EMPLOYEE HEALTH & SAFETY** Workplace injuries, illnesses and unsafe conditions impacting people and costs.	**7 DIVERSITY, EQUITY & INCLUSION** Failure to foster an inclusive culture may limit talent, innovation and performance.	**11 ETHICS & BUSINESS CONDUCT** Unethical behaviour, corruption or fraud can lead to legal, financial and reputational harm.
3 WATER SCARCITY & STRESS Limited water availability, increasing costs and operational disruptions in water-stressed regions.	**4 WASTE & POLLUTION** Ineffective waste management, pollution of air, soil and water leading to regulatory fines and ecosystem damage.	**8 COMMUNITY RELATIONS & SOCIAL LICENCE** Loss of community trust or social licence to operate can delay or halt projects.	**9 HUMAN RIGHTS RISKS** Modern slavery, labour abuses or rights violations in operations or supply chains.	**12 DATA PRIVACY & CYBER SECURITY** Data breaches or cyber attacks can disrupt operations and erode stakeholder trust.
5 BIODIVERSITY & ECOSYSTEM LOSS Habitat destruction and biodiversity loss can impact ecosystem services and business continuity.	**10 RESOURCE SCARCITY & RAW MATERIALS** Rising costs and supply disruptions for critical raw materials and natural resources.	**13 TALENT ATTRACTION & RETENTION** Inability to attract and retain skilled talent affects productivity, culture and growth.	**14 REGULATORY & COMPLIANCE RISK** Changing laws and regulations increase compliance costs and risk of penalties.	**15 BOARD EFFECTIVENESS & OVERSIGHT** Ineffective oversight or lack of ESG expertise can lead to poor decisions and unmanaged risks.

Key Highlights Dashboard of the Major Risks

Risk Description	Inherent Risk	Control Performance	Residual Risk	Risk Direction
Macroeconomic Risk	Medium	Good	Medium	↔
Strategic Risk	Medium	Good	Medium	↔
Fund Adequacy Risk	Medium	Satisfactory	Medium	↔
Operational Risk	Medium	Good	Medium	↔
Cyber Risk	High	Good	Medium	↑
Investment Risk	Medium	Good	Medium	↔
Project Risk	Medium	Satisfactory	Medium	↔
Resolution Risk	High	Satisfactory	Medium	↔

4.4 DATA PROTECTION AND CYBERSECURITY

During 2025, the Corporation maintained strict compliance with the country's Cyber and Data Protection Act [Chapter 12:07] and related regulatory frameworks. The Corporation has fully operationalized key tenets of the Act, including:

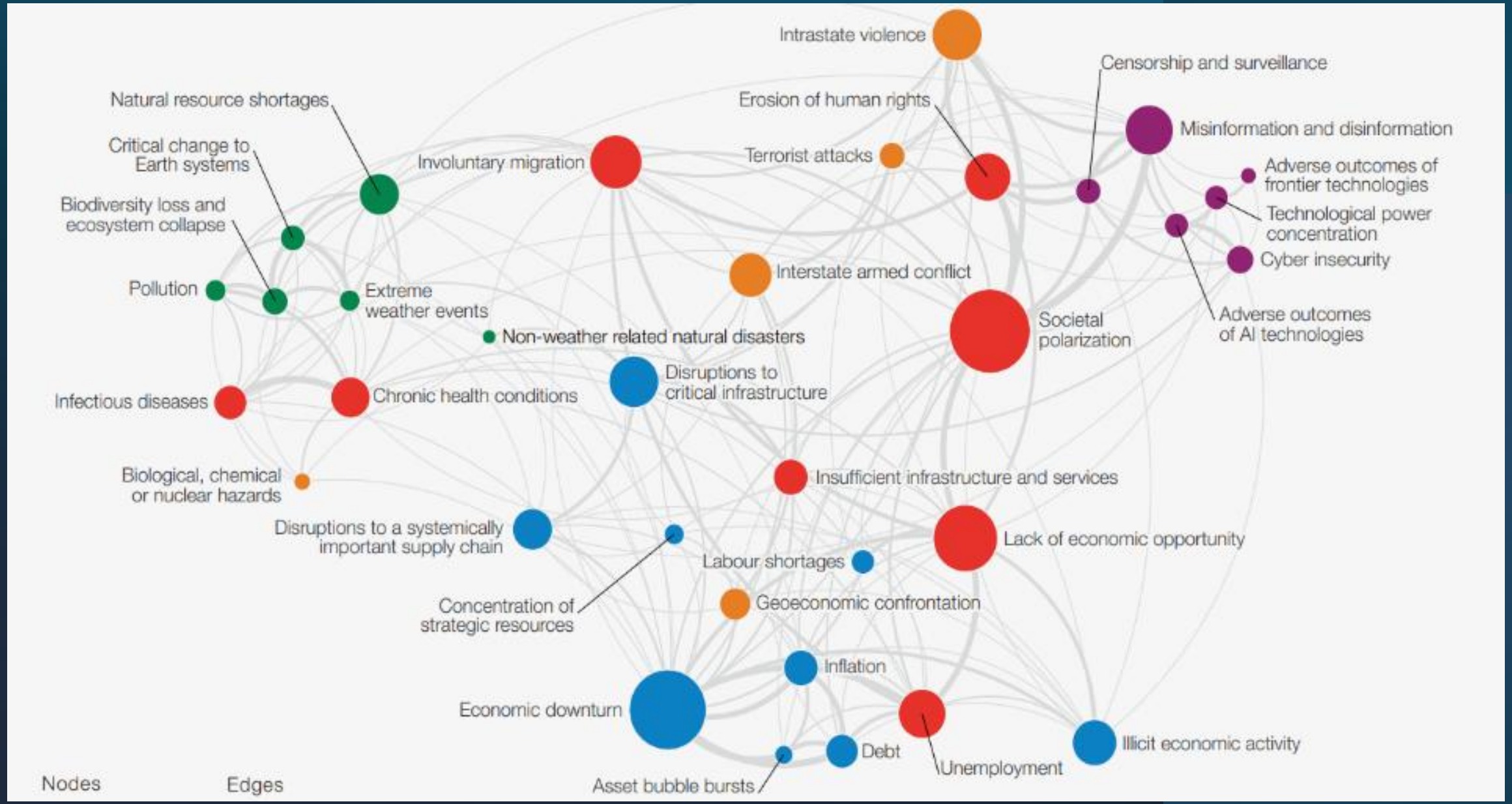
i. Data subject access rights through near-completion of Data Subject Access Request (DSAR) automation, expected go-live in 2026.

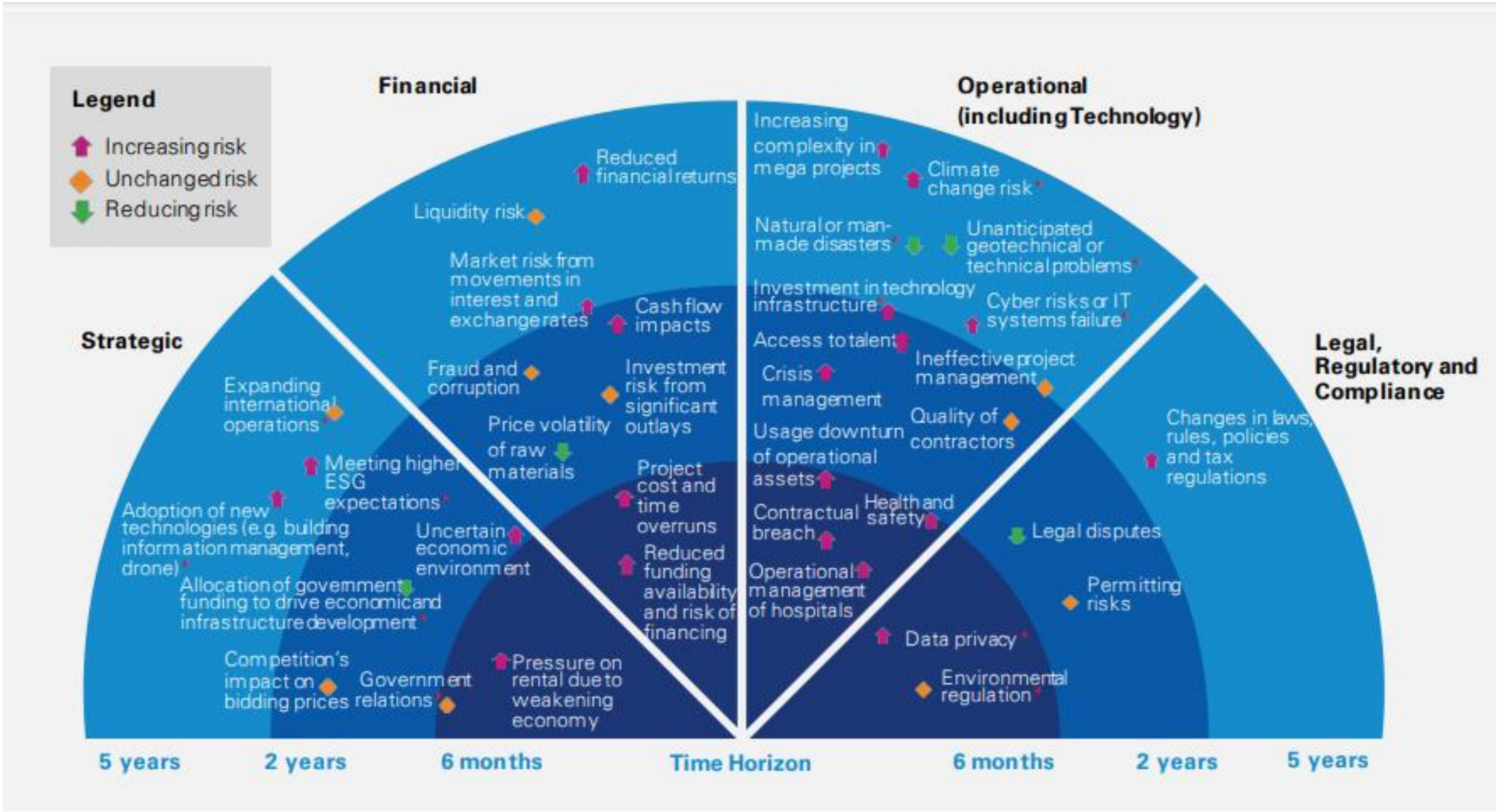
ii. Data protection impact assessments embedded in new system implementations such as ZOHO and the upcoming Business Operations System.

iii. Lawful processing and consent management via updated Data Protection Policy and Procedures.

iv. Breach notification protocols aligned with mandatory reporting timelines.

v. Appointment of a Data Protection Officer implicit in governance structures.


Intrastate violence
Censorship and surveillance
Natural resource shortages
Erosion of human rights
Misinformation and disinformation
Critical change to Earth systems
Involuntary migration
Terrorist attacks
Adverse outcomes of frontier technologies
Biodiversity loss and ecosystem collapse
Technological power concentration
Interstate armed conflict
Cyber insecurity
Pollution
Extreme weather events
Societal polarization
Adverse outcomes of AI technologies
Non-weather related natural disasters
Disruptions to critical infrastructure
Infectious diseases
Chronic health conditions
Biological, chemical or nuclear hazards
Insufficient infrastructure and services
Disruptions to a systemically important supply chain
Lack of economic opportunity
Labour shortages
Concentration of strategic resources
Geoeconomic confrontation
Inflation
Economic downturn
Illicit economic activity
Debt
Unemployment
Asset bubble bursts
Nodes
Edges


Legend
Increasing risk
Unchanged risk
Reducing risk
Financial
Operational (including Technology)
Strategic
Legal, Regulatory and Compliance
Reduced financial returns
Liquidity risk
Market risk from movements in interest and exchange rates
Cash flow impacts
Fraud and corruption
Investment risk from significant outlays
Price volatility of raw materials
Project cost and time overruns
Reduced funding availability and risk of financing
Increasing complexity in mega projects
Climate change risk
Natural or man-made disasters
Unanticipated geotechnical or technical problems
Investment in technology infrastructure
Cyber risks or IT systems failure
Access to talent
Ineffective project management
Crisis management
Quality of contractors
Usage downturn of operational assets
Contractual breach
Health and safety
Operational management of hospitals
Expanding international operations
Meeting higher ESG expectations
Adoption of new technologies (e.g. building information management, drone)
Uncertain economic environment
Allocation of government funding to drive economic and infrastructure development
Competition's impact on bidding prices
Government relations
Pressure on rental due to weakening economy
Changes in laws, rules, policies and tax regulations
Legal disputes
Permitting risks
Data privacy
Environmental regulation
5 years
2 years
6 months
Time Horizon
6 months
2 years
5 years

DAY 2

Governance, Standards, Risk, Reporting & Sustainable Finance

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Case study – best practices

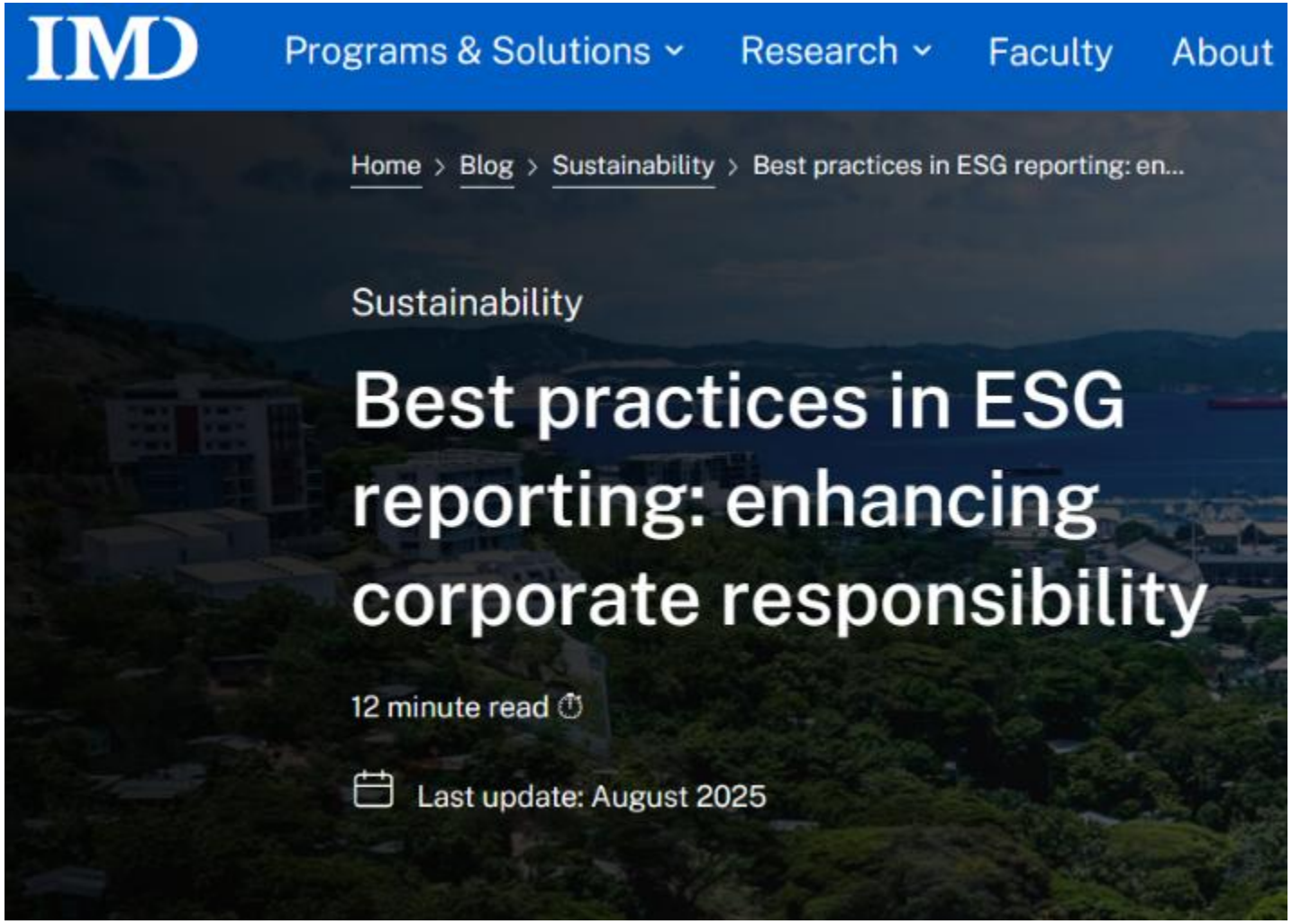


Figure 1. ESG metric coverage by ESG pillars and topics

Figure 2. Topic coverage across ESG rating products

Topic coverage differs substantially across topics and ESG rating products.

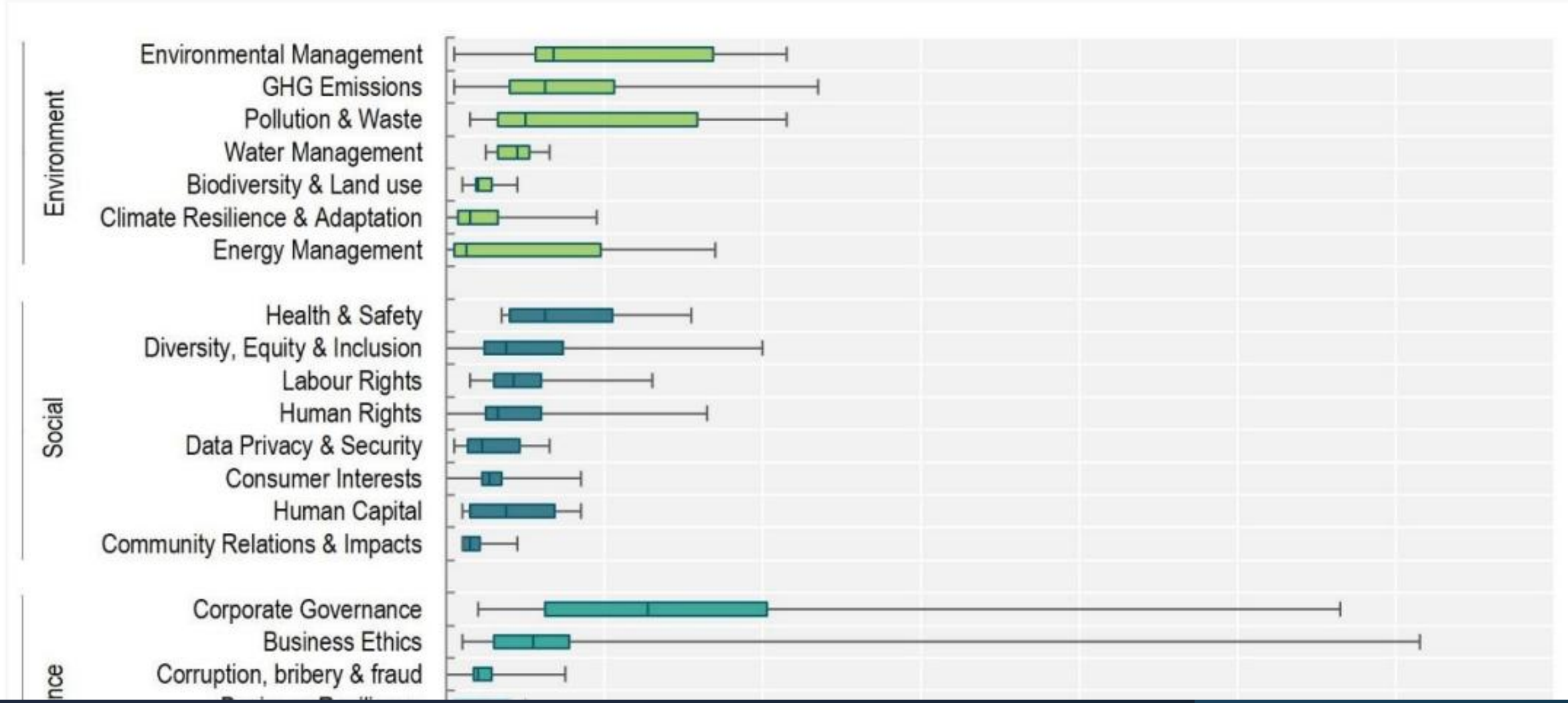


Figure 3. Distribution of metric characteristics

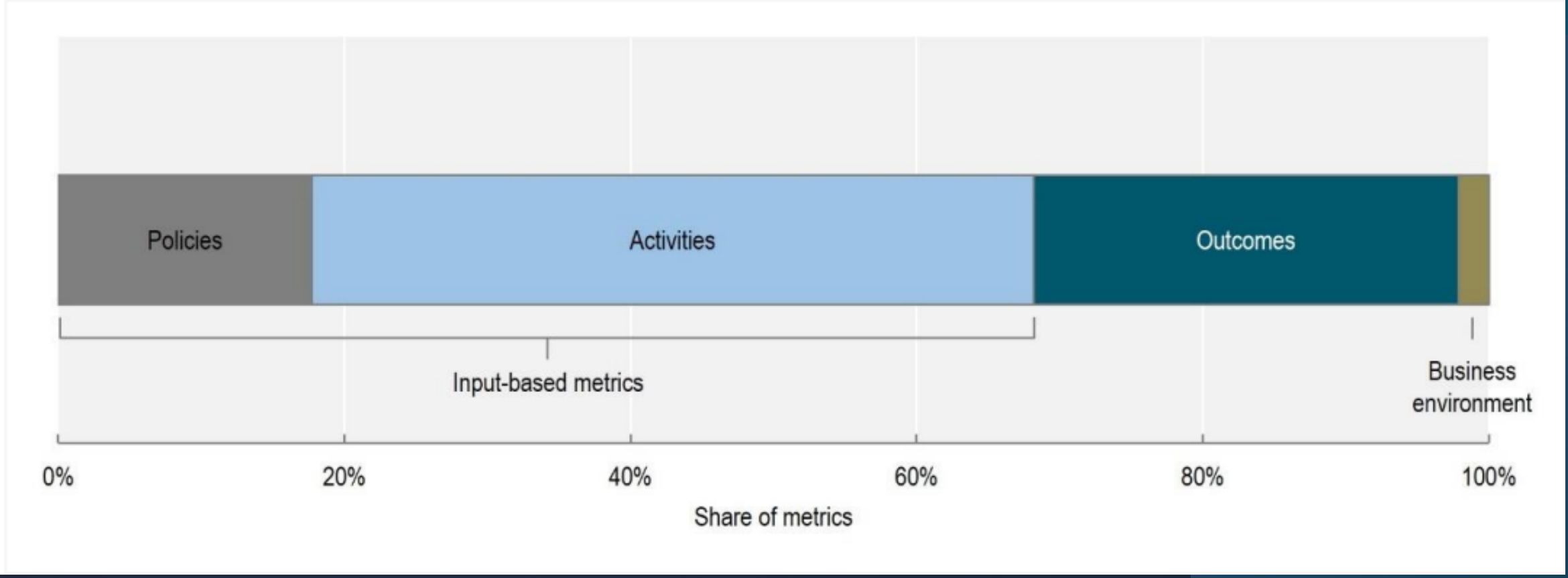
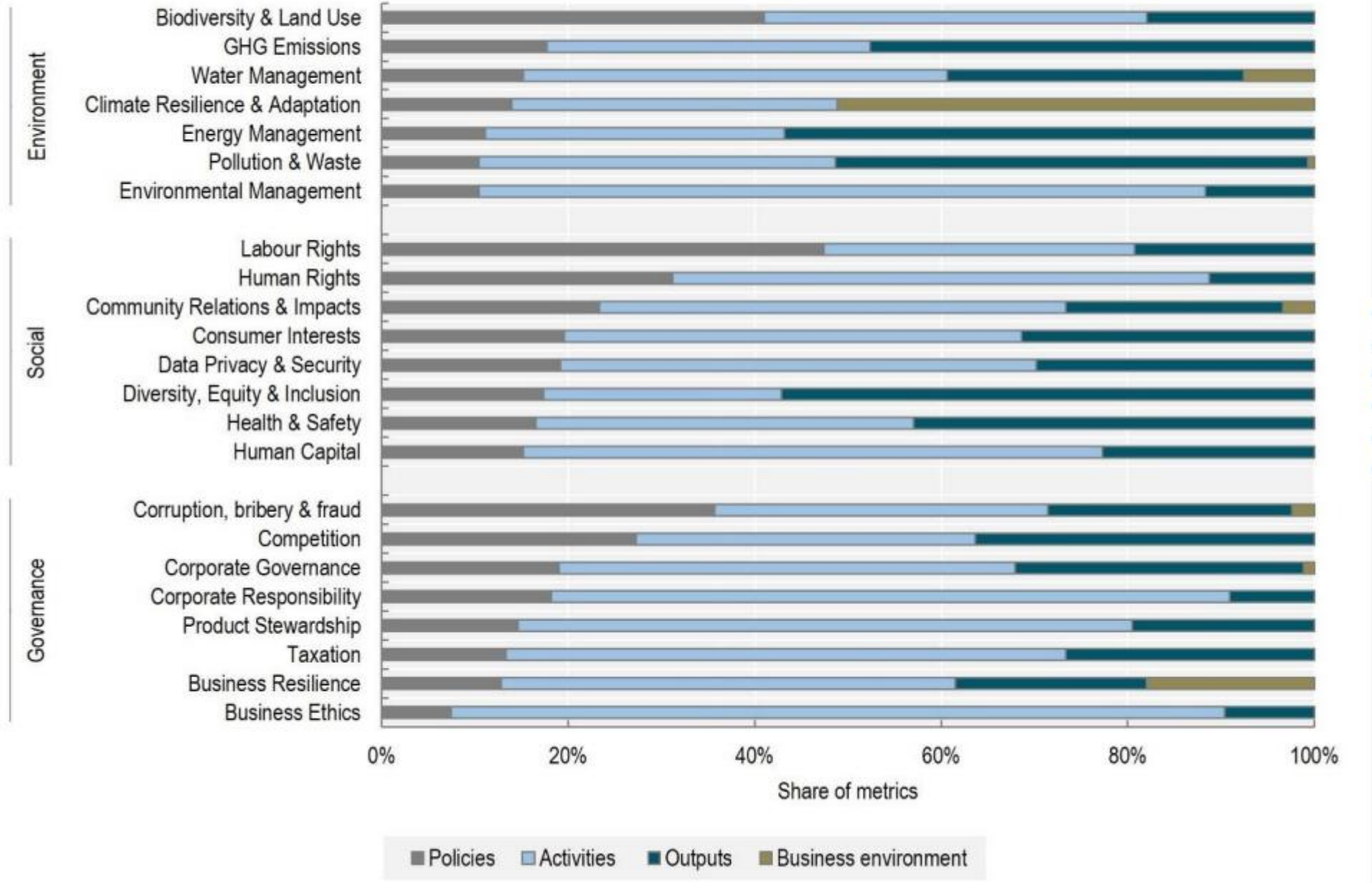


Figure 4. Distribution of policy, activity, output and business environment metrics across topics



- Climate Resilience & Adaptation (0%)
- Corporate Responsibility (9%)
- Human Rights (11%)
- Biodiversity & Land Use (18%)
- Labour Rights (19%)
- Product Stewardship (20%)

Table 1. Examples of business environment metrics in ESG rating products

Type of risk factors	Metrics
Exposure to financial risk factors	Risk of stranded assets
	Presence of core physical assets in areas subject to weather- and climate-related hazards
	Reliance on highly specialized workforce
	Tax or investment costs related to policy and regulatory change
	Trends in social values that could affect demand for enterprise's products and services or access to capital
	Business reliance (incl. throughout the supply chain) on GHG-intensive products, assets, or operations
Exposure to geographic risk factors	Exposure to water stress areas
	Asset location
	Headquarter location
	Level of regional corruption
Exposure to product risk factors	Percentage of products sold that are recyclable
	Revenue from products "third-party certified" to environmental and/or social sustainability standards
	Percentage of sale revenue from products with health-related risks

Figure 6. Prevalence of different combinations of metric characteristics per topic

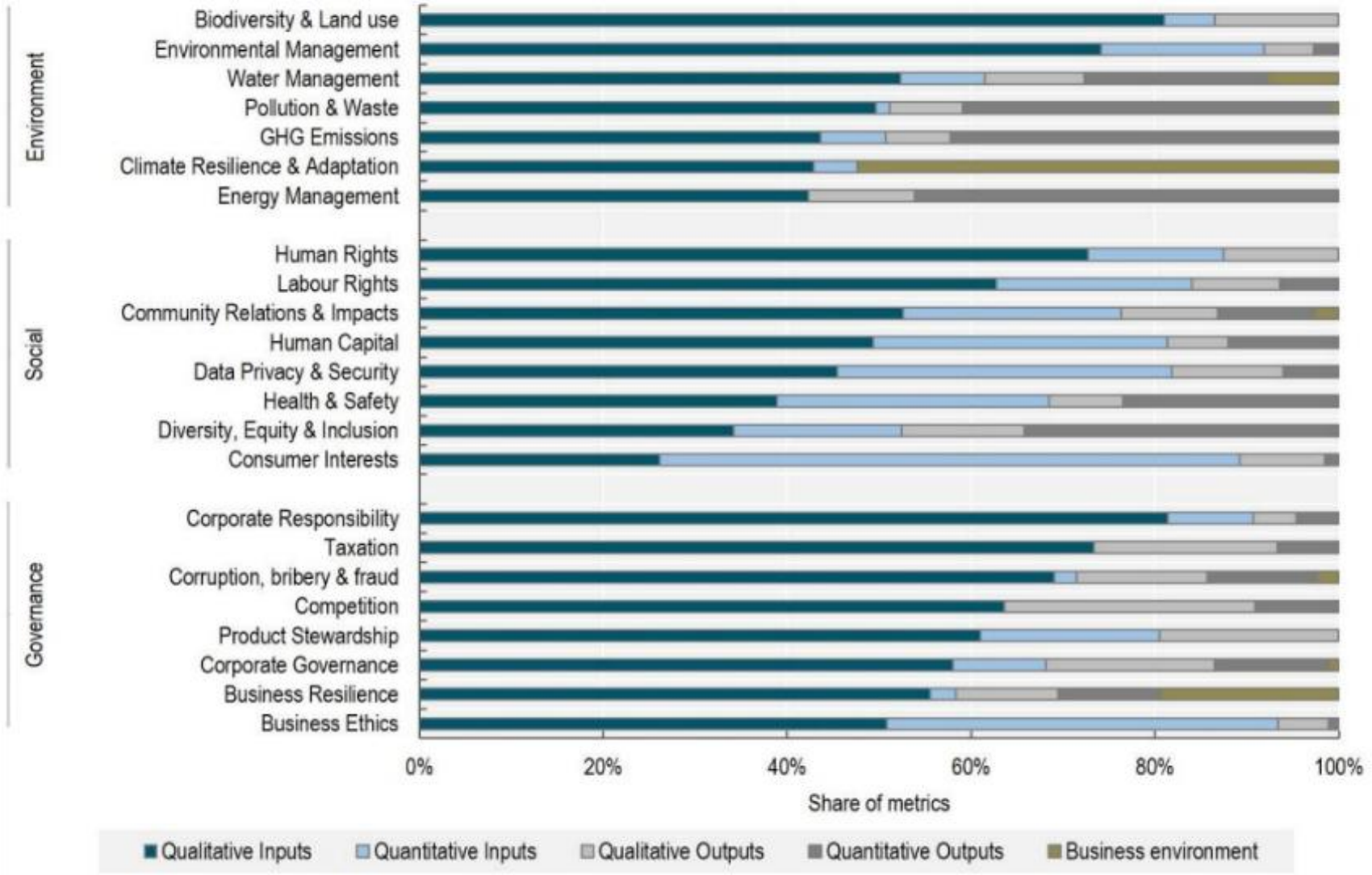


Table 2. Examples of metric characteristics that impact performance measurement

Pillar	ESG topics	ESG metric characteristics combination		
		Quantitative output metrics	Quantitative input metrics	Qualitative input metrics
Environment	GHG Emissions	Scope 3 emissions intensity	Absolute scope three reduction target	Existence of Scope 3 GHG emissions reporting
	Environmental Management	Cost of environmental fines	Total amount of expenditure allocated to environmental management	Existence of a certified Environment Management System
	Water Management	Freshwater withdrawal (total in litres)	KPIs on water use reduction	Water risk management system
	Pollution & Waste	Waste recycled to total waste	Target waste reduction	Internal recycle and reuse awareness programme
	Energy Management	Transmission and distribution losses as a % of total energy entering the system	Reduction target for energy transmission leakages	Measures to minimise environmental impacts of electricity transmission and distribution
Social	Human Rights	N.A.	Share of suppliers subject to human rights training programme	Existence of a human rights training programme
	Human Rights	Share of complaints with remediation provided	Share of suppliers covered by grievance	Existence of a grievance mechanism
	Community Relations & Impacts	Share of local hiring	Investment (in USD) in community relation programmes	Local procurement policy
	Health & Safety	Contractor fatalities rate	Costs related to employee safety protection, health, and safety	Supplier factory monitoring and auditing programme
	Human Capital	Employee turnover rate	Share of employees who responded to survey	Existence of surveys to monitor employee satisfaction
	Diversity, Equity, and Inclusion	Gender-pay gap	Gender-pay gap reduction target	Gender pay equality programme
Governance	Corruption, bribery & fraud	Cost of fines, penalties, settlements in relation to corruption	Percentage of suppliers subject to anti-corruption due diligence processes	Anti-corruption due diligence programme on third party
	Corporate Governance	Number of ESG-related resolutions	Voting cap in percentage	Disclosure of voting results

Table 3. Types and examples of dynamic and forward-looking metrics

Types of dynamic data	Topics	Examples of metric
Forward-looking and **self-referenced targets** (e.g. short- or long-term reduction targets or progress)	GHG Emissions	Absolute scope 1; scope 2 or scope 3 emission reduction targets
		Entity progress towards GHG emission reduction targets (annual, absolute or %)
		Intensity reduction targets
	Energy Management	Time-bound action plan to reduce energy consumption
		Time-bound action to increase renewable energy use
	Water Management	Freshwater use reduction targets and action plans
	Pollution & Waste	Waste reduction targets
		Resources use reduction targets
	Health & Safety	Work-related incident reduction targets
		Health & Safety performance targets
	DEI	New Women Employees
Benchmarking against past performance (e.g. achieved reduction against past performance or past industry performance).	GHG Emissions	GHG emissions and energy reduction
		Reduction of carbon emission in logistics and fleet efficiency
		Reduction in methane emissions
	Energy Management	Reduction in energy consumption per production units
		Reduction in energy consumption of heating, ventilation, and air conditioning
	Water Management	Reduction of water consumption through innovative equipment and technologies
	Pollution & Waste	Reduction of total use of substances of concern in production process
		Particulate Matter Emission reduction
Benchmarking against targets (e.g. quantified progress against targets)	GHG Emissions	Quantified progress against emissions reduction targets
		Demonstrated track record of achieving carbon emission reduction target
	Pollution & Waste	Progress against resource use and management efficiency target
		Progress on toxic emissions and waste reduction targets based on ISO 140001
	Health & Safety	Performance and progress against health and safety indicators
	Corporate Responsibility	Progress towards specific SDGs
Trends (e.g. average over a defined period)	GHG Emissions	Carbon Intensity Trend
	Water Management	Water Intensity Trend
	Human Capital	Trends in employee engagement
	Health & Safety	Lost Time Incident Trend
Measures with expected dynamic effects (e.g. investments, expenditure)	Environmental Management	Total environmental-related R&D in revenue (in million)
	Climate Resilience & Adaptation	Financial quantification of costs and R&D linked to climate change
		EU Taxonomy Alignment – Capex and Opex
	Business Ethics	Share of Lobbying Expenditure

Figure 8. Two approaches through which ESG topics are assessed across rating products

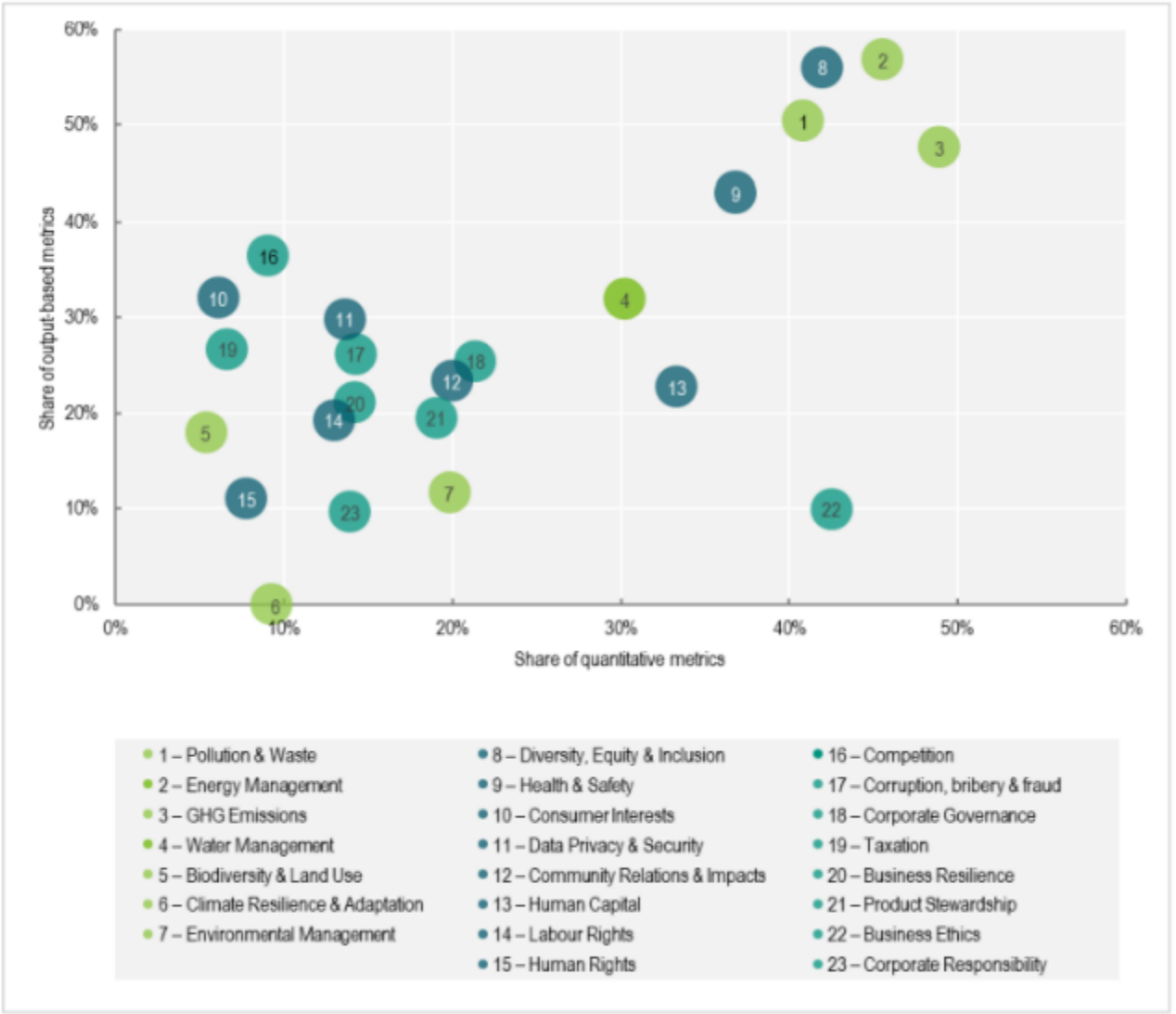
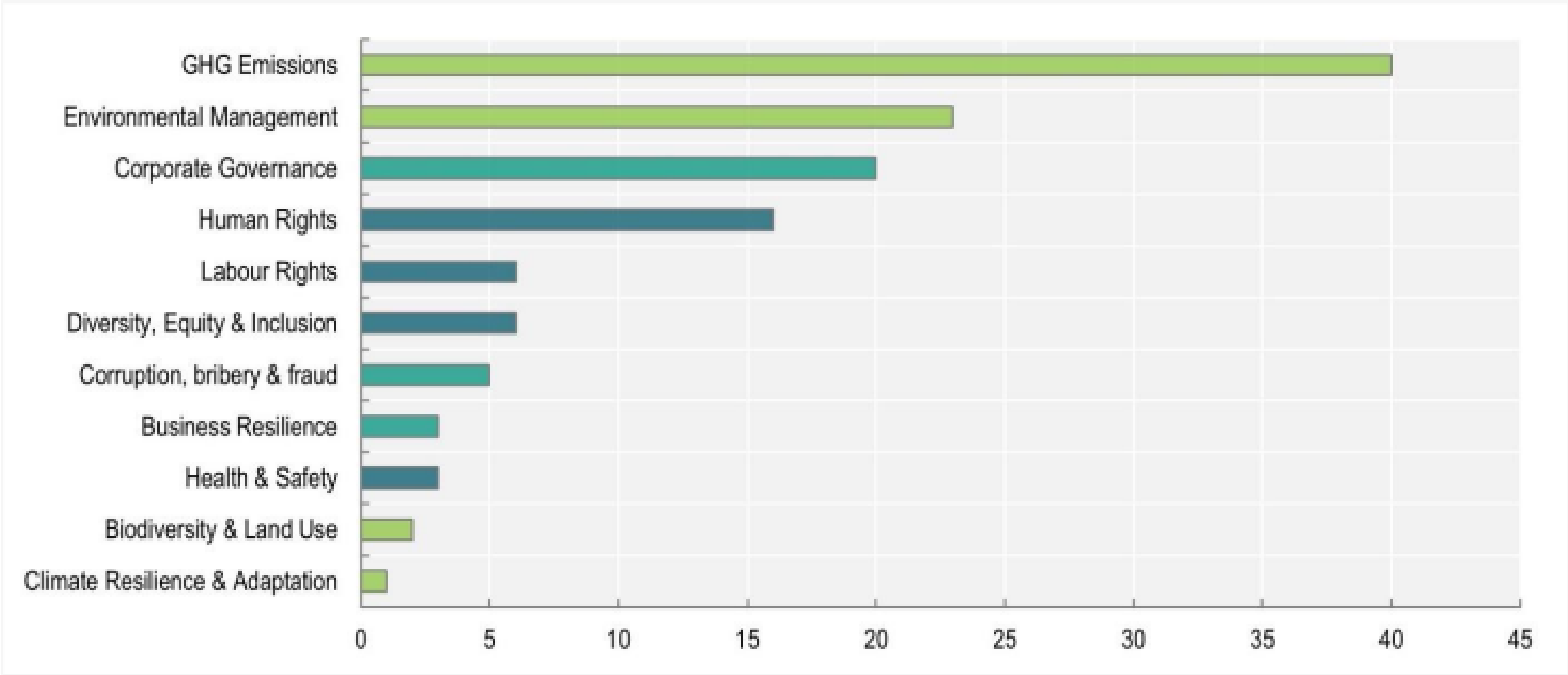


Figure 9. Number of supply chain metrics per ESG topic



Note: This chart illustrates the number of supply chain-related metrics available per topic

Environmental topics

Our approach

Exxaro's corporate governance is underpinned by principles that guide the board in meeting its responsibilities to the company, the group, and its stakeholders. These principles enable the company to achieve the King IV governance outcomes and fulfil its purpose to power better lives in Africa and beyond through its own ethical and effective leadership.

Accountability and responsibility	Exxaro's board is the focal point and custodian of good corporate governance for the group, assuming ultimate accountability and responsibility for the group's performance and affairs. In so doing, it effectively represents and promotes the group's legitimate interests. As a responsible corporate citizen, Exxaro considers its material stakeholders' legitimate interests and expectations to ensure it contributes positively to society and the environment.
Regulatory compliance	Our governance approach complies with relevant national legislation, particularly the Companies Act, Financial Markets Act, JSE Listings Requirements, SAMREC Code and King IV.
Beyond compliance	King IV promotes good governance, transparency in leadership and decision making, and a focus on sustainability. Sustainable development is an ethical and economic imperative. It entails economic and social growth to meet present needs without compromising future generations' ability to fulfil their needs. Sustainable development is a fitting response to organisations being an integral part of society, their status as corporate citizens, and meeting stakeholders' needs, interests and expectations. Exxaro expresses its commitment to sustainable development through its Sustainable Growth and Impact strategy.

Exxaro Resources Limited
Environmental, social and governance report
for the year ended 31 December 2024

exxaro

POWERING POSSIBILITY

DAY 2

Governance, Standards, Risk, Reporting & Sustainable Finance

- Module 6 - Governance & Ethical Corporate Leadership
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FREE CLIMATE TRACKING TOOLS

GREENHOUSE GAS ACCOUNTING & EMISSIONS TRACKING

- **GHG Protocol Calculators**
  ghgprotocol.org/calculators
  Official calculators for corporate value chain (Scope 1, 2 & 3) emissions.
- **Cool Calculator**
  coolcalculator.org
  Calculate and understand your business emissions.
- **SME Climate Hub**
  smeclimatehub.org
  Free emissions calculator and tools for SMEs.

CARBON FOOTPRINT CALCULATORS

- **Carbon Footprint Calculator (UNFCCC)**
  footprint.undp.org
  Calculate your carbon footprint for lifestyle and businesses.
- **My Climate**
  myclimate.org/en/
  Measure, understand and reduce your footprint.
- **Carbon Independent**
  carbonindependent.org
  Calculate, reduce and offset your carbon footprint.

CLIMATE & WEATHER DATA VISUALIZATION

- **NASA Climate Data**
  climate.nasa.gov
  Access global climate data and visualizations.
- **Copernicus Climate Change Service (C3S)**
  climate.copernicus.eu
  Free climate data and tools on global climate change.
- **NOAA Climate.gov**
  climate.gov
  Explore climate data, articles and teaching resources.

ENVIRONMENTAL MONITORING & AIR QUALITY

- **IQAir Air Quality Index**
  iqair.com/air-quality-map
  Real-time air quality map and data.
- **OpenAQ**
  openaq.org
  Global open-source air quality data and API.
- **PurpleAir**
  map.purpleair.com
  Real-time air quality map from global sensors.

DEFORESTATION & LAND MONITORING

- **Global Forest Watch**
  globalforestwatch.org
  Monitor forests, deforestation, and land use change.
- **Hansen Global Forest Change**
  glad.earthengine.app
  Explore global forest change from 2000 to present.
- **Land & Carbon Lab**
  lmap.purpleair.com
  Free tools to monitor land, carbon and emissions.

RENEWABLE ENERGY & ENERGY DATA

- **Global Solar Atlas**
  globalsolaratlas.info
  Explore solar resource and PV potential worldwide.
- **Global Wind Atlas**
  globalwindatlas.info
  Assess wind energy potential anywhere in the world.
- **Our World in Data – Energy**
  ourworldindata.org/energy
  Explore global energy data and trends.

CLIMATE RISK & IMPACT ASSESSMENT

- **Climate Impact Explorer**
  climateimpactexplorer.climateanalytics.org
  Explore future climate impacts by location.
- **ND-GAIN Index**
  gain.nd.edu
  Assess climate vulnerability and readiness of countries.
- **Coastal Risk Screening Tool**
  coastal.climatecentral.org
  Understand coastal flood and risk exposure.

ESG & SUSTAINABILITY REPORTING TOOLS

- **B Impact Assessment**
  bimpactassessment.net
  Free tool to assess and improve social and environmental impact.
- **Sustainability Tracker (UN SDGs)**
  sdg-tracker.org
  Track progress on the UN Sustainable Development Goals.
- **Open-Source Sustainability (OS-S)**
  os-s.org
  Open-source platform for sustainability reporting.

COMMUNITY SCIENCE & CITIZEN MONITORING

- **iNaturalist**
  inaturalist.org
  Track biodiversity and contribute to citizen science.
- **eBird**
  ebird.org
  Track bird observations and biodiversity.
- **Globe Observer**
  observer.globe.gov
  Collect local environmental data and contribute to research.

EDUCATION & LEARNING PLATFORMS

- **Project Drawdown**
  drawdown.org
  Explore climate solutions and track solutions progress.
- **Climate Literacy Project**
  climateliteracy.org
  Learn science-based climate concepts and solutions.
- **FutureLearn – Climate Courses**
  futurelearn.com
  Free climate and sustainability courses from top universities.

NET ZERO TRACKER

Measuring Progress. Driving Action. Delivering a Net Zero Future.

PURPOSE

The Net Zero Tracker is a strategic monitoring tool that tracks progress towards net zero emissions across key dimensions of the energy transition and sustainable development.

WHAT IT DOES

MONITORS PROGRESS	TRACKS KEY INDICATORS	IDENTIFIES GAPS AND RISKS	SUPPORTS COURSE CORRECTION	ENHANCES TRANSPARENCY
Monitors progress against clear targets and benchmarks	Tracks key indicators across emissions, energy, economy, society and governance	Identifies gaps and risks to inform timely decisions	Supports course correction and policy alignment	Enhances transparency and accountability for stakeholders

HOW IT WORKS

1. COLLECT DATA	2. ASSESS PROGRESS	3. VISUALIZE INSIGHTS	4. DRIVE ACTION
Collect data from credible sources and reporting frameworks	Assess progress against national commitments and international goals	Visualize insights through dashboards and trend analysis	Drive action by enabling informed decisions and accelerating implementation

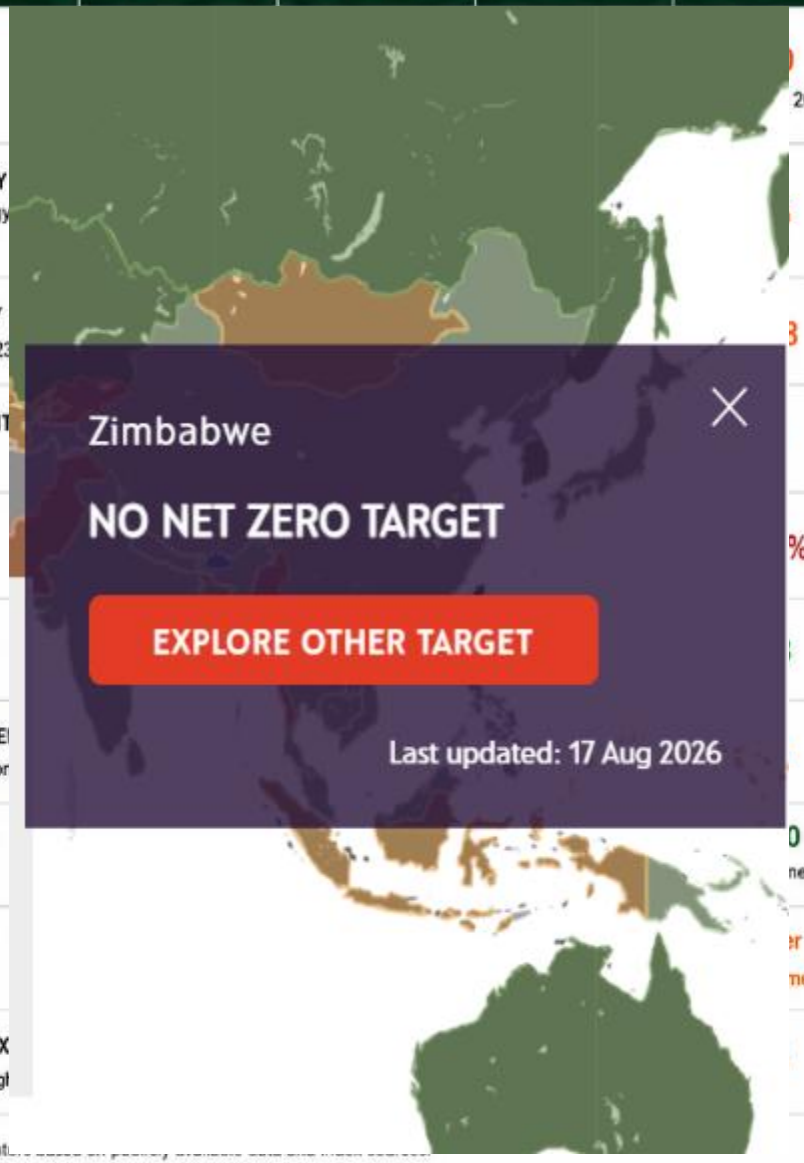
INTENDED OUTCOME

ACCELERATE TRANSITION	IMPROVE ACHIEVEMENT	CREATE LONG-TERM VALUE	STRENGTHEN RESILIENCE	CLOSE GAPS
Accelerate the transition to a net zero economy	Improve achievement of climate and development goals	Create long-term value for people, planet and prosperity	Strengthen resilience and intergenerational equity	Close gaps and build a net zero future for all

NET ZERO TRACKER – COUNTRY COMPARISON

Tracking progress across key dimensions of the net zero transition

OUTCOME DIMENSIONS	NORWAY	CHINA	KSA	KUWAIT	SOUTH AFRICA
1. GHG EMISSIONS ($MtCO_2e$, 2023)				2010)	456 (↓ 3% vs 2010)
2. RENEWABLE ENERGY (% of total final energy consumption, 2023)					11%
3. ENERGY INTENSITY (MJ per USD PPP, 202				3	7.6
4. GREEN INVESTMENT (USD billion, 2023)					10
5. ECONOMY – GDP (Growth %, 2023)				%	0.7%
6. POPULATION (million, 2023)					60.6
7. CLIMATE POLICY STRE (0 = Weak, 100 = Stror					62
8. NET ZERO TARGET (Target Year)				0 nent)	2050 (Commitment)
9. CARBON PRICING (Status, 2023)				er nent	Implemented (Carbon Tax)
10. CLIMATE RISK INDEX (0 = Low Risk, 100 = Higl					52



* Index scores are relative indicat

CLIMATE ACTION TRACKER

Tracking Today. Transforming Tomorrow.

Measuring progress across key dimensions of climate action to accelerate a resilient, low-carbon future.

PURPOSE

The Climate Action Tracker is a strategic monitoring tool that evaluates countries' climate commitments, policies, implementation and outcomes.
It provides clear, comparable insights to inform decisions, mobilize action and drive accountability toward the goals of the Paris Agreement.

WHAT IT DOES

TRACKS PROGRESS	ASSESSES POLICIES	IDENTIFIES GAPS	SUPPORTS TRANSPARENCY	HELPS COURSE-CORRECT
Tracks progress against national and international climate targets	Assesses policies, implementation and real-world outcomes	Identifies gaps, risks and opportunities	Supports transparency, stakeholder engagement and accountability	Helps course-correct and accelerate climate action

HOW IT WORKS

1. COLLECT DATA	→	2. ASSESS & SCORE	→	3. ANALYZE & COMPARE	→	4. INFORM & ACT
Collect data from credible sources, national reports and international datasets		Assess & score performance against key indicators and benchmarks		Analyze & compare countries, visualize trends and identify gaps		Inform & act by turning insights into policies, investments and action

INTENDED OUTCOME

ACCELERATE EMISSION REDUCTIONS	ENHANCE RESILIENCE	MOBILIZE FINANCE	BUILD EQUITABLE FUTURE	STRENGTHEN ACCOUNTABILITY
Accelerate emission reductions in line with 1.5°C pathways	Enhance resilience and adaptation to climate impacts	Mobilize finance and innovation for low-carbon solutions	Build a sustainable, equitable future for all	Strengthen accountability and deliver on global climate goals

OUTCOME

1. GHG EMI
($MtCO_2e$, 2
2. RENEWAB
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consumptio
3. ENERGY I
(MJ per US
4. CLIMATE
(0 = Weak,
5. NDC TARG
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8. CLIMATE
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9. CARBON
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100 = High

TH AFRICA

456
% vs 2010)

11%

7.6

62

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55

45

lemented
rbon tax)

49

Australia	Indonesia	Saudi Arabia
Bhutan	Iran (Islamic Republi	Singapore
Brazil	Japan	South Africa
Canada	Kazakhstan	South Korea
Chile	Kenya	Switzerland
China	Mexico	Thailand
Colombia	Morocco	The Gambia
Costa Rica	Nepal	Türkiye
EU	New Zealand	UAE
Egypt	Nigeria	USA
Ethiopia	Norway	Ukraine
Gabon	Peru	United Kingdom
Germany	Philippines	Viet Nam

ESG INVESTING TRENDS GLOBALLY AND IN AFRICA

erotracker.net/

1 RISING GLOBAL ESG ASSETS

ESG assets are growing rapidly as investors align capital with purpose and performance.

- ESG assets exceeded $40 trillion globally
- Strong growth across equities, bonds and funds
- Mainstream adoption by asset managers
- Regulatory support and investor demand
- Long-term outperformance evidence builds confidence

2 CLIMATE ACTION AND NET ZERO COMMITMENTS

Climate risk is at the core of ESG strategies and investment decisions.

- Surge in net zero commitments by investors
- Transition finance and decarbonisation focus
- Growth in renewable energy investments
- Carbon pricing and disclosure alignment
- Demand for climate resilience and adaptation

3 REGULATORY MOMENTUM AND DISCLOSURE

Stronger regulation and reporting standards are driving transparency and accountability.

- Expansion of ESG disclosure requirements
- ISSB standards gaining global traction
- EU SFDR and taxonomy influencing markets
- Mandatory reporting increases comparability
- Greenwashing scrutiny and investor protection

4 SOCIAL IMPACT AND INCLUSIVE INVESTING

Investors are prioritising people, equity and positive social outcomes.

- Focus on human capital and labour practices
- Gender lens and diversity investing grow
- Affordable housing, health and education focus
- Impact investing targets measurable outcomes
- Blending financial returns with social value

5 TECHNOLOGY AND ESG DATA EVOLUTION

Data, analytics and technology are transforming ESG investing.

- AI and analytics improve ESG data quality
- Real-time monitoring and risk assessment
- Growth of ESG data providers and ratings
- Use of satellite and alternative data
- Digital platforms increase transparency and access

6 AFRICA: GROWING ESG INVESTMENT OPPORTUNITY

ESG is unlocking capital for Africa's sustainable and inclusive growth.

- Rising investor interest in African markets
- Strong pipeline in renewables and infrastructure
- Natural capital and biodiversity advantages
- Demographic dividend and urban growth
- Support for SDGs and regional integration

7 AFRICA: LOCAL INNOVATION AND FINANCE SOLUTIONS

Local solutions and innovative finance models are advancing ESG impact.

- Green bonds and sustainability-linked instruments
- Blended finance de-risks investments
- Growth of impact funds and platforms
- Support for SMEs and inclusive businesses
- Community-driven and place-based approaches

8 RISKS, RESILIENCE AND JUST TRANSITION

Investors focus on managing ESG risks and supporting a fair transition.

- Managing climate, social and governance risks
- Just transition for workers and communities
- Water, food security and resource resilience
- Strengthening governance and ethics
- Scenario analysis and long-term value creation

9 FUTURE OUTLOOK: PURPOSE, PROFIT AND PLANET

ESG investing will continue to reshape markets for a sustainable future.

- ESG integration becomes standard practice
- Capital flows align with sustainability outcomes
- Collaboration across sectors and borders
- Innovation drives scalable impact
- Sustainable growth benefits investors and society

SUSTAINABLE FINANCE PRINCIPLES

Mobilising capital for long-term value creation, environmental stewardship and social well-being.

1 INTEGRATE ESG FACTORS

Incorporate environmental, social and governance considerations into investment and lending decisions.

- Assess material ESG risks and opportunities
- Use ESG data and analysis in decision-making
- Align with long-term financial performance
- Review and update ESG integration processes

2 PURSUE SUSTAINABLE OUTCOMES

Direct capital towards activities and solutions that generate positive environmental and social impact.

- Support the transition to a low-carbon economy
- Promote inclusive and equitable development
- Invest in sustainable products and services
- Aim for measurable positive impact

3 MANAGE ESG RISKS

Identify, assess and manage ESG risks to protect the value and resilience of investments.

- Conduct ESG risk assessments
- Integrate ESG risk management into processes
- Monitor and report on ESG risk exposure
- Strengthen resilience to long-term risks

4 ALIGN WITH GLOBAL STANDARDS

Align activities with internationally recognised standards and frameworks.

- Support the Paris Agreement and climate goals
- Adhere to UN Sustainable Development Goals
- Follow relevant taxonomies and guidelines
- Respect international norms and best practice

5 PROMOTE TRANSPARENCY AND DISCLOSURE

Be transparent about ESG practices, impacts and financial performance.

- Disclose ESG policies, practices and risks
- Report on sustainability performance
- Use clear, comparable and reliable information
- Enhance investor and stakeholder trust

6 ENGAGE STAKEHOLDERS

Engage with stakeholders to understand expectations and drive better outcomes.

- Engage investors, clients and communities
- Collaborate with peers and partners
- Consider stakeholder interests and feedback
- Build strong, long-term relationships

7 FINANCE A JUST TRANSITION

Support a fair and inclusive transition to a sustainable and resilient economy.

- Support workers and communities in transition
- Promote decent work and social inclusion
- Invest in reskilling and economic diversification
- Avoid leaving people or regions behind

8 ENSURE GOOD GOVERNANCE

Uphold strong governance, ethics and accountability in all financial activities.

- Maintain strong governance structures
- Ensure ethical conduct and integrity
- Prevent corruption and conflicts of interest
- Promote accountability and oversight

9 DRIVE CONTINUOUS IMPROVEMENT

Continuously enhance sustainable finance practices and contribute to system-wide impact.

- Set targets and monitor progress
- Learn from experience and emerging trends
- Invest in innovation and capacity building
- Contribute to policy and market development

ESG RATINGS AND INVESTOR EXPECTATIONS

Performance, transparency and impact drive investor confidence and long-term value.

1 WHAT ARE ESG RATINGS?

ESG ratings assess a company's environmental, social and governance performance and management of ESG risks and opportunities.

- Evaluate policies, practices and outcomes
- Use standardized frameworks and data
- Cover industry-specific and material factors
- Provide scores, grades or rankings
- Influence investor research and decisions

2 KEY ESG RATING PROVIDERS

Multiple providers assess ESG performance using different methodologies and focus areas.

- MSCI, Sustainalytics, ISS ESG, S&P Global
- CDP, Refinitiv, Morningstar, FTSE Russell
- Each uses unique metrics and weightings
- Coverage and comparability vary
- Understand methodologies and limitations

3 WHY ESG RATINGS MATTER

ESG ratings shape capital allocation, reputation and long-term financial performance.

- Inform investment analysis and valuations
- Affect cost of capital and access to finance
- Influence index inclusion and fund eligibility
- Impact stakeholder trust and brand value
- Drive continuous improvement and disclosure

4 INVESTOR EXPECTATIONS: DISCLOSURE

Investors expect clear, consistent and decision-useful ESG information.

- Comprehensive, material and comparable data
- Aligned with global reporting standards
- Timely and regular disclosure
- Transparent ESG risks and opportunities
- Forward-looking goals and progress updates

5 INVESTOR EXPECTATIONS: PERFORMANCE

Investors expect strong ESG performance and credible management of impacts.

- Robust policies and governance structures
- Measurable targets and key performance indicators
- Effective risk management and oversight
- Positive impact on people and planet
- Evidence of improvement over time

6 INVESTOR EXPECTATIONS: GOVERNANCE

Investors expect sound governance that supports accountability and ethics.

- Independent and diverse boards
- Executive accountability for ESG
- Ethical business conduct and integrity
- Effective controls and risk management
- Alignment of incentives with long-term value

7 RATING DRIVERS AND IMPROVEMENT

Focus on the factors that most influence ratings and drive meaningful improvement.

- Identify material ESG issues by industry
- Address data gaps and quality issues
- Strengthen policies, practices and outcomes
- Engage stakeholders and respond to feedback
- Track performance and report progress

8 COMMON INVESTOR CONCERNS

Investors look for clarity on risks, impact and resilience.

- Greenwashing and misleading claims
- Lack of data quality and transparency
- Unmanaged ESG risks and controversies
- Short-term focus over long-term value
- Poor disclosure and inconsistent reporting

9 BUILDING INVESTOR CONFIDENCE

Consistent performance, disclosure and engagement build trust and attract capital.

- Integrate ESG into strategy and decision-making
- Engage proactively with investors
- Communicate clearly and consistently
- Deliver on commitments and targets
- Create long-term value for all stakeholders

RESPONSIBLE INVESTMENT STRATEGIES

Invest for long-term value while delivering positive environmental, social and governance outcomes.

1. ESG INTEGRATION

- Embed ESG factors in investment decisions.
- Assess material sustainability risks and opportunities.
- Build more resilient, future-ready portfolios.
- Align investments with long-term value.

2. ACTIVE OWNERSHIP

- Engage with portfolio companies on ESG.
- Vote on resolutions that drive sustainable change.
- Encourage better disclosure and performance.
- Protect and enhance long-term shareholder value.

3. IMPACT INVESTING

- Direct capital to solutions for global challenges.
- Support clean energy, inclusion and innovation.
- Generate measurable positive environmental and social outcomes.
- Create sustainable, long-term returns.

4. RISK MANAGEMENT

- Identify and price ESG-related risks.
- Reduce exposure to climate and social risks.
- Build portfolio resilience.
- Align risk with sustainable growth.

5. LONG-TERM VALUE CREATION

- Invest in companies with strong ESG performance.
- Improve operational efficiency and innovation.
- Build trust with stakeholders.
- Deliver sustainable, risk-adjusted returns.

6. TRANSPARENT REPORTING

- Measure and disclose ESG performance.
- Provide clear, consistent sustainability data.
- Build investor confidence.
- Enable accountability and continuous improvement.

7. THEMATIC INVESTING

- Target investment themes with strong sustainability impact.
- Focus on climate action, social inclusion and responsible business.
- Capture emerging opportunities.
- Position portfolios for a sustainable future.

8. STAKEHOLDER ALIGNMENT

- Consider interests of all stakeholders.
- Invest in companies with strong governance and ethical conduct.
- Support social licence to operate.
- Create shared long-term prosperity.

9. CONTINUOUS IMPROVEMENT

- Review and enhance investment approach.
- Track ESG performance and impact.
- Learn from best practice and innovation.
- Build stronger, more sustainable portfolios.

RAND MERCHANT BANKS APPROACH TO SUSTAINABILITY FINANCING

Mobilising capital for a sustainable, inclusive and resilient future.

1. STRATEGIC COMMITMENT

Sustainability is embedded in our purpose, strategy and client relationships.

- Long-term focus on sustainable value creation
- Align with global and local sustainability goals
- Strong governance and accountability
- Integrate sustainability across the business
- Drive positive impact for clients and society

2. CLIENT-CENTRIC SOLUTIONS

We work with clients to design fit-for-purpose sustainability financing solutions.

- Understand client sustainability objectives
- Provide tailored financing and advisory solutions
- Support across sectors and project lifecycles
- Leverage our sector expertise and insights
- Build long-term partnerships and trust

3. DISCIPLINED RISK MANAGEMENT

We apply rigorous environmental, social and governance risk management.

- Robust ESG risk assessment and due diligence
- Apply international standards and best practice
- Manage environmental and social risks proactively
- Monitor performance and compliance
- Promote transparency and responsible banking

4. INNOVATIVE FINANCING

We offer innovative products to mobilise capital for sustainable outcomes.

- Green loans and sustainability-linked loans
- Green bonds and other sustainable instruments
- Blended finance and impact solutions
- Trade finance for sustainable supply chains
- Structured finance for green infrastructure

5. IMPACT AND VALUE CREATION

We focus on measurable impact and sustainable value for all stakeholders.

- Support the transition to a low-carbon economy
- Promote inclusive and equitable growth
- Create jobs and build resilient communities
- Contribute to climate resilience and adaptation
- Deliver financial returns and positive impact

6. TRANSPARENCY AND REPORTING

We are committed to transparency, disclosure and continuous improvement.

- Clear reporting on sustainability performance
- Align with global reporting frameworks
- Engage openly with stakeholders
- Learn and adapt to emerging best practice
- Drive accountability and long-term impact

IMPACT INVESTING AND BLENDED FINANCE

Mobilising capital for measurable impact and sustainable development.

1. WHAT IS IMPACT INVESTING?

Investments made with the intention to generate positive, measurable social and environmental impact alongside financial returns.

- Targets real-world challenges
- Measures outcomes and impact
- Seeks competitive financial returns
- Focuses on long-term value creation

2. PRINCIPLES OF IMPACT INVESTING

Guiding principles to ensure impact is intentional, measurable and aligned with investor goals.

- Intentionality: Clear impact objectives
- Additionality: Creates impact beyond what would happen anyway
- Measurement: Track and report outcomes
- Transparency: Disclose impact and performance
- Accountability: Align incentives and govern well

3. WHY IMPACT INVEST?

Impact investing contributes to a better world and a more resilient, inclusive economy.

- Addresses unmet social and environmental needs
- Supports the Sustainable Development Goals
- Enhances risk management and resilience
- Builds trust and strengthens reputation
- Attracts purpose-driven capital

4. WHAT IS BLENDED FINANCE?

The strategic use of development finance for mobilising additional capital towards impact.

- Uses concessional or catalytic capital
- De-risks investments to attract private capital
- Improves risk-adjusted returns
- Expands scale and sustainability of impact

5. HOW BLENDED FINANCE WORKS

Blends public, philanthropic and private capital to bridge gaps and unlock investment.

- Concessional capital absorbs first losses
- Guarantees and risk-sharing reduce risk
- Technical assistance builds capacity
- Structures tailored to project needs
- Mobilises multiples of private investment

6. FINANCIAL INSTRUMENTS USED

A range of instruments enable impact and blended finance solutions.

- Grants and concessional loans
- Guarantees and risk-sharing facilities
- Equity and quasi-equity
- Senior and subordinated debt
- Results-based financing and pay-for-success

7. KEY IMPACT AREAS

Impact investments target sectors that drive sustainable and inclusive growth.

- Renewable energy and climate action
- Affordable housing and infrastructure
- Health, education and basic services
- Sustainable agriculture and food systems
- Financial inclusion and livelihoods

8. MEASURING IMPACT

Measuring impact is critical to demonstrate results and drive improvement.

- Define expected outcomes and indicators
- Use appropriate metrics and methodologies
- Monitor, evaluate and learn continuously
- Report transparently to stakeholders
- Link impact to decision-making and incentives

9. CHALLENGES AND SUCCESS FACTORS

Overcoming challenges and applying best practice drives effective impact and blended finance.

- Challenges: risk, complexity, data gaps, alignment
- Ensure strong governance and accountability
- Build partnerships and stakeholder trust
- Design investable, scalable solutions
- Focus on long-term impact and sustainability

GREEN FINANCING OPPORTUNITIES

Mobilising capital for a low-carbon, resilient and inclusive future.

1. GROWING GLOBAL MARKET

Green finance is expanding rapidly as investors, businesses and governments prioritise sustainability.

- Rising demand for sustainable solutions
- Policy and regulatory support increasing
- Shift to low-carbon and climate-resilient economies
- Strong investor and stakeholder expectations

2. GREEN BONDS

Debt instruments used to finance projects with positive environmental impact.

- Green bond proceeds fund eligible projects
- Attracts ESG-focused and impact investors
- Transparent use of proceeds and reporting
- Wide range: sovereign, corporate, municipal

3. SUSTAINABILITY-LINKED LOANS

Loans with interest rates linked to the borrower's sustainability performance.

- Incentivises measurable ESG improvement
- Aligns financial terms with sustainability goals
- Flexible use of proceeds
- Growing adoption across sectors and regions

4. GREEN EQUITY AND FUNDS

Equity investments and funds focused on sustainable businesses and projects.

- Invest in companies driving green solutions
- Supports innovation and clean technologies
- Access to dedicated green funds and ETFs
- Long-term value and impact creation

5. PROJECT FINANCE FOR GREEN ASSETS

Financing structures tailored to large-scale green infrastructure and energy projects.

- Suitable for renewable energy and infrastructure
- Risk allocation improves bankability
- Attracts institutional and development capital
- PPPs unlock scale and impact

6. BLENDED FINANCE

Combines public, philanthropic and private capital to de-risk and unlock investment.

- Concessional capital improves viability
- Crowds in private investment
- Supports projects in emerging markets
- Delivers both impact and financial returns

7. CARBON MARKETS AND CREDITS

Finance through carbon markets and high-quality carbon credit mechanisms.

- Generate revenue from emissions reductions
- Voluntary and compliance market opportunities
- Supports climate action and net-zero goals
- Finances nature-based and adaptation projects

8. GREEN INNOVATION FINANCE

Funding innovative solutions that drive the green transition.

- Supports clean tech and circular economy
- Venture capital and growth equity opportunities
- Accelerates research, development and scaling
- Builds competitive and future-ready businesses

9. POLICY AND INCENTIVE SUPPORT

Enabling policies and incentives create strong green financing opportunities.

- Tax incentives and green subsidies
- Green taxonomy and disclosure standards
- Risk mitigation and credit enhancement
- Stable policy drives private sector confidence

SUCCESSFUL CLIMATE FINANCE EXAMPLES IN AFRICA

Real projects. Real impact. A sustainable future for Africa.

1. NOOR Ouarzazate Solar Complex – Morocco

One of the world's largest concentrated solar power projects.

Finance: Green bonds, multilateral development banks, climate funds

Impact: 580 MW of clean energy, powering over 1 million homes and reducing CO_2 emissions

Why successful: Strong policy support, bankable project structure, and long-term power purchase agreement

Outcome: Demonstrates how blended finance and green bonds can mobilise large-scale private capital

2. Lake Turkana Wind Power – Kenya

Africa's largest wind farm and a game changer for renewable energy.

Finance: Equity, debt, and concessional loans from development finance institutions

Impact: 365 MW of wind power, supplying clean energy to hundreds of thousands of homes

Why successful: Innovative financing, risk mitigation, and strong public-private partnership

Outcome: Reduced energy costs, lower emissions, and a model for renewable investment in Africa

3. Green Mini-Grids – Nigeria

Bringing clean energy access to off-grid communities.

Finance: Blended finance, grants, and impact investors

Impact: Clean electricity for rural communities, schools, and businesses

Why successful: Community engagement, affordable solutions, and innovative business models

Outcome: Improved livelihoods, economic growth, and climate resilience through clean energy access

4. Great Green Wall Initiative – Across the Sahel

Restoring degraded landscapes and building climate resilience.

Finance: Climate funds, grants, and blended finance mechanisms

Impact: Restoration of millions of hectares, improved livelihoods, and carbon sequestration

Why successful: Regional collaboration, strong governance, and long-term commitment

Outcome: Enhanced food security, biodiversity, and resilience for millions of people

SUCCESSFUL CLIMATE FINANCE EXAMPLES BY SOUTH AFRICAN BANKS

South African banks are mobilising capital for a low-carbon, resilient and inclusive future.

1. Standard Bank – Renewable Energy Finance

What it is: Financing large-scale renewable energy projects across Africa.

Finance provided: Project finance, green loans, and guarantees

Impact: Supported over 2 GW of renewable energy capacity, reducing millions of tonnes of CO_2 emissions

Why successful: Strong project pipeline, technical expertise, and long-term partnerships

Outcome: Accelerates the transition to clean energy and supports energy security and job creation

2. FirstRand – Green Building Finance

What it is: Financing green buildings and energy-efficient developments.

Finance provided: Green mortgages, loans, and sustainability-linked facilities

Impact: Supports energy-efficient buildings that reduce emissions and operating costs

Why successful: Integrated ESG assessment and strong client engagement

Outcome: Promotes sustainable cities and reduces the environmental footprint of the built environment

3. Nedbank – Sustainable Trade and Climate Finance

What it is: Supporting sustainable trade and climate-friendly projects.

Finance provided: Trade finance, green bonds, and sustainability solutions

Impact: Enabled low-carbon projects and sustainable supply chains across sectors

Why successful: Innovative products, risk management, and strong ESG governance

Outcome: Drives sustainable economic growth and supports businesses to transition to a low-carbon economy

4. Absa – Sustainable Agriculture and Water Finance

What it is: Financing climate-smart agriculture and sustainable water solutions.

Finance provided: Green loans, blended finance, and advisory services

Impact: Supports water security, improved productivity, and climate resilience for farming communities

Why successful: Client-centric solutions, partnerships, and focus on rural impact

Outcome: Enhances food security, builds resilience, and supports inclusive and sustainable development

DAY 3

Implementation, Transformation & Boardroom Decision-Making

- Module 11 - ESG Strategy Development & Implementation
- Module 12 - ESG as a Business Transformation Driver
- Module 13 - Boardroom ESG Simulations & Executive Decision-Making
- Module 14 - Building an ESG Action Plan

9 MISSION CRITICAL INTERVENTIONS AROUND ESG

REQUIRED BY THE BOARD OF DIRECTORS

Strategic actions to protect value, strengthen resilience and deliver sustainable long-term performance.

1 INTEGRATE ESG INTO STRATEGY AND DECISION-MAKING

- Embed ESG in purpose, strategy and risk appetite.
- Align ESG priorities with long-term value creation.
- Ensure ESG is a standing agenda item at every Board meeting.

2 STRENGTHEN ESG GOVERNANCE AND OVERSIGHT

- Define clear Board oversight accountabilities.
- Establish or empower a Board ESG committee.
- Ensure robust policies, charters and delegation frameworks for ESG.

3 ENHANCE ESG RISK MANAGEMENT AND INTERNAL CONTROLS

- Identify, assess and monitor material ESG risks.
- Integrate ESG risks into enterprise risk management.
- Assure effective controls and independent oversight of ESG risks.

4 DRIVE CLIMATE ACTION AND DECARBONISATION

- Set science-aligned climate targets and transition plans.
- Prioritise energy efficiency and low-carbon solutions.
- Monitor climate-related risks and opportunities across the value chain.

5 STRENGTHEN PEOPLE, CULTURE AND SOCIAL IMPACT

- Promote a culture of ethics, inclusion and respect.
- Ensure health, safety and wellbeing of employees.
- Create positive social impact and respect for human rights.

6 ENSURE ETHICAL LEADERSHIP AND INTEGRITY

- Set the tone from the top on ethics and integrity.
- Strengthen anti-corruption, whistleblowing and conflict of interest controls.
- Hold leadership accountable for ESG performance.

7 IMPROVE ESG DATA QUALITY, DISCLOSURE AND TRANSPARENCY

- Ensure accurate, reliable and decision-useful ESG data.
- Disclose material ESG matters transparently and timely.
- Align reporting with global standards and stakeholder expectations.

8 ENGAGE STAKEHOLDERS AND BUILD TRUST

- Proactively engage key stakeholders on ESG priorities.
- Understand stakeholder expectations and concerns.
- Build trust through transparency, responsiveness and collaboration.

9 DRIVE CONTINUOUS IMPROVEMENT AND PERFORMANCE

- Set measurable ESG objectives and KPIs.
- Monitor performance against targets and benchmarks.
- Promote innovation and continuous improvement in ESG practices.

ROADMAP TOWARDS INTEGRATING ESG INTO ORGANISATIONAL STRATEGY

A step-by-step journey to embed ESG into strategy and create long-term value.

Integrating ESG into organisational strategy drives resilience, innovation, and sustainable value for all stakeholders.

ROADMAP TOWARDS ESG LEADERSHIP ALIGNMENT AND CULTURE CHANGE

A step-by-step journey to align leadership and embed ESG into strategy, decisions and daily behaviours.

SUCCESSFUL EXAMPLE: UNILEVER

ESG leadership alignment and culture that drive sustainable value

CONTEXT	Growing stakeholder expectations, climate risks and resource constraints required Unilever to embed sustainability across its global operations.
LEADERSHIP APPROACH	The CEO and leadership team positioned sustainability as a core business driver through the Unilever Sustainable Living Plan, aligning purpose, strategy and culture.
ACTIONS TAKEN	• ESG targets linked to executive performance and incentives • Integrated ESG into strategy, innovation and brand decisions • Engaged employees and suppliers through global programmes • Transparent reporting and stakeholder engagement
OUTCOME	• Reduced GHG emissions from operations by over 60% (vs 2010 baseline) • 100% renewable electricity in operations • Stronger brands and customer loyalty • Consistently ranked among global sustainability leaders
KEY LEARNINGS	Clear purpose, leadership role modelling, integration into systems and empowering people creates a culture where ESG drives innovation, resilience and long-term value.

UNSUCCESSFUL EXAMPLE: EXXONMOBIL (HISTORICAL)

Lack of ESG leadership alignment and culture change that created long-term risk

CONTEXT	Rising awareness of climate change and energy transition created growing expectations for action and disclosure.
LEADERSHIP APPROACH	Leadership prioritised short-term profitability and resisted aligning with the urgency of the energy transition and ESG expectations.
ACTIONS TAKEN (OR NOT TAKEN)	• Downplayed climate risks in public communications • Limited investment in low-carbon technologies relative to peers • Weak integration of ESG into strategy and capital allocation • Insufficient transparency and stakeholder engagement
OUTCOME	• Reputational damage and loss of investor confidence • Legal and regulatory challenges and shareholder activism • Stranded asset risk and pressure on long-term value
KEY LEARNINGS	Without leadership alignment, transparency and culture change, organisations risk losing trust, competitiveness and long-term sustainability.

ROADMAP TOWARDS ESG TECHNOLOGY AND DIGITAL ENABLEMENT

A step-by-step journey to leverage technology and data to drive ESG performance, transparency and impact.

1 DEFINE VISION AND OBJECTIVES

- Define the purpose of digital enablement for ESG
- Align with business strategy and ESG priorities
- Set clear outcomes and success measures

2 ASSESS CURRENT STATE

- Evaluate existing ESG data, systems and processes
- Identify data gaps, technology maturity and risks
- Benchmark against industry best practices

3 DESIGN THE DIGITAL ESG STRATEGY

- Define the target operating model and capabilities
- Prioritise use cases with highest impact
- Develop data strategy, architecture and governance framework

4 SELECT AND BUILD TECHNOLOGY CAPABILITIES

- Choose the right platforms and tools (buy, build, partner)
- Ensure integration and interoperability
- Establish data quality, security and privacy controls

5 DEPLOY AND INTEGRATE

- Implement solutions in phases
- Integrate ESG data across the value chain
- Automate data collection, reporting and workflows

6 ENABLE INSIGHTS AND DECISIONS

- Use analytics, AI and dashboards for real-time insights
- Support scenario analysis and risk management
- Drive data-informed decisions and action

7 ENGAGE AND COLLABORATE

- Enhance stakeholder engagement through digital channels
- Share data transparently and build trust
- Collaborate across partners and ecosystems

8 MONITOR, IMPROVE AND SCALE

- Monitor performance and technology effectiveness
- Continuously improve and innovate
- Scale successful solutions across the organisation

INTERNATIONAL EXAMPLES OF SUCCESSFUL ESG TECHNOLOGY AND DIGITAL ENABLEMENT

1. UNILEVER

Purpose-led digital transformation

Overview	Unilever embedded sustainability into its business strategy and leveraged digital to drive measurable impact across its operations and value chain.
Technology Approach	• Integrated ESG data platform across 400+ brands • Real-time data collection from sites and suppliers • Advanced analytics and dashboards for decision-making • Supplier collaboration platform for sustainable sourcing
Outcomes Impact	• 60% reduction in GHG emissions from operations (vs 2010) • 100% renewable electricity for operations • Improved supplier sustainability performance • Enhanced transparency and stakeholder trust

2. ØRSTED

Digitalising for a green energy future

Overview	Ørsted used digital technologies to accelerate its transition from fossil fuels to renewable energy and improve ESG performance.
Technology Approach	• Digital twins for offshore wind farms • AI and IoT for predictive maintenance • Advanced analytics for grid optimisation and trading • Integrated ESG data and reporting platform
Outcomes Impact	• 99% reduction in coal consumption since 2006 • Higher asset reliability and lower operating costs • Data-driven decisions improved project delivery • Recognised globally for climate leadership

3. SAP

Embedding ESG into enterprise software

Overview	SAP integrated ESG into its core enterprise applications to help customers manage sustainability data and drive responsible business.
Technology Approach	• Embedded ESG metrics in SAP S/4HANA Cloud • Real-time ESG data collection and reporting • Sustainability control tower with analytics • API ecosystem for partner and data integration
Outcomes Impact	• Thousands of customers using SAP for ESG management • Improved data transparency and reporting efficiency • Enabled customers to reduce environmental impact • Recognised leader in sustainable software solutions

Digital enablement turns ESG ambition into action, driving measurable impact, resilience and long-term value.

DAY 3

Implementation, Transformation & Boardroom Decision-Making

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BOARD DECISION-MAKING UNDER ESG PRESSURE

A structured approach for boards to make informed, balanced and courageous decisions in a complex ESG environment.

THE BOARD ESG DECISION-MAKING JOURNEY

1 UNDERSTAND THE ESG CONTEXT

- Review global, industry and regulatory ESG trends.
- Understand stakeholder expectations and societal impact.
- Assess emerging risks and opportunities related to ESG.
- Clarify the company's purpose and long-term value drivers.

2 IDENTIFY AND PRIORITISE ESG MATTERS

- Identify material ESG issues for the business.
- Assess impact on strategy, risk and performance.
- Prioritise issues using materiality and double materiality lenses.
- Validate priorities with stakeholders and management.

3 INTEGRATE INTO STRATEGY AND RISK

- Integrate ESG matters into strategy development.
- Consider ESG risks and opportunities in enterprise risk management.
- Evaluate scenarios including climate and social implications.
- Ensure alignment with risk appetite.

4 EVALUATE OPTIONS AND TRADE-OFFS

- Consider a range of strategic options.
- Assess financial, operational and reputational implications.
- Evaluate impact on stakeholders, society and the environment.
- Challenge assumptions and management recommendations.

5 MAKE INFORMED AND COURAGEOUS DECISIONS

- Make decisions in the best interest of long-term value creation.
- Balance short-term pressures with long-term sustainability.
- Document the rationale and expected outcomes.
- Ensure decisions are ethical and values-led.

6 OVERSIGHT AND ACCOUNTABILITY

- Assign clear accountability for ESG outcomes.
- Set measurable targets and key performance indicators.
- Monitor progress through regular reporting.
- Oversee management actions and resource allocation.

7 REVIEW, LEARN AND ADAPT

- Review outcomes and lessons learned.
- Adapt strategy and decisions based on new information.
- Strengthen governance and capabilities.
- Communicate transparently with stakeholders.

KEY ENABLERS FOR EFFECTIVE BOARD ESG DECISION-MAKING

STRONG GOVERNANCE

- Clear ESG oversight responsibilities.
- Effective board committees.
- Robust policies and frameworks.

QUALITY INFORMATION

- Reliable ESG data and insights.
- Independent assurance.
- Timely and forward-looking information.

DIVERSE PERSPECTIVES

- Diverse board skills and experience.
- Inclusion of stakeholder voices.
- Constructive challenge and debate.

INTEGRATED THINKING

- Connect ESG with strategy, risk and performance.
- Consider interdependencies across capitals.
- Focus on long-term value.

ETHICAL LEADERSHIP

- Values-based decision-making.
- Transparency and honesty.
- Courage to make difficult choices.

STAKEHOLDER ENGAGEMENT

- Ongoing dialogue with key stakeholders.
- Understand concerns and expectations.
- Build trust and social licence to operate.

OUTCOMES

Better quality decisions	Enhanced long-term value creation	Stronger resilience and risk management	Greater stakeholder trust and support	Sustainable impact on people, planet and prosperity

ESG DRIVEN INNOVATION

Innovating for a sustainable future while creating measurable business value.

TYPE OF INNOVATION	ALIGNMENT TO MISSION CRITICAL OBJECTIVES	VALUE CREATION MEASUREMENT	EFFICIENCY GAINS
SUSTAINABLE PRODUCT INNOVATION Developing products and services that solve environmental or social challenges.	Deliver sustainable, high-quality products that meet stakeholder needs and advance a low-carbon future.	• Revenue from sustainable products • Market share growth in green segments • Customer satisfaction and loyalty	• Reduced material use and lifecycle impact • Lower product returns and defects • Streamlined design and development
PROCESS INNOVATION Improving operations to reduce environmental impact and resource use.	Achieve operational excellence through resource efficiency, emissions reduction and waste minimisation.	• Reduction in GHG emissions • Resource savings (energy, water, materials) • Waste reduction and circularity metrics	• Lower energy and water consumption • Reduced waste disposal costs • Improved process yield and uptime
BUSINESS MODEL INNOVATION Creating new business models that deliver ESG value and commercial returns.	Build resilient, future-ready businesses that create long-term value and competitive advantage.	• New revenue streams • Return on innovation investment • Business resilience and risk reduction	• Lower cost of capital through ESG leadership • Optimised asset utilisation • Reduced compliance and risk costs
DIGITAL AND TECHNOLOGY INNOVATION Using digital solutions and emerging technologies to enable ESG outcomes and efficiency.	Leverage data and technology to improve decision-making, transparency and ESG performance.	• Efficiency gains through digital solutions • Data-driven ESG performance improvement • Cost savings and productivity gains	• Automation and process optimisation • Faster reporting and decision-making • Reduced manual effort and errors
SOCIAL INNOVATION Innovating to improve social impact, inclusion and community well-being.	Create positive social impact by advancing inclusion, health, safety and community development.	• Number of lives positively impacted • Employee engagement and diversity metrics • Community investment outcomes	• Reduced employee turnover • Lower health and safety incidents • Stronger social licence to operate

REAL CASE EXAMPLE: ØRSTED (DENMARK)

INNOVATION FOCUS	MISSION ALIGNMENT	VALUE CREATED	EFFICIENCY GAINS	OUTCOMES
Transitioned from oil and gas to offshore wind energy through large-scale investment and innovation in renewable technology and project delivery.	Support the global energy transition and create a world that runs entirely on green energy.	• Over 99% reduction in carbon emissions since 2006 • Market leader in offshore wind with strong pipeline growth • Improved brand reputation and stakeholder trust	• Cost of energy reduced by ~50% over the last decade • Scalable project delivery model drives cost competitiveness • Optimised operations through digital monitoring and analytics	Strong financial performance, resilient business model and significant contribution to a low-carbon future.

ESG DRIVEN INNOVATION CREATES SUSTAINABLE VALUE, IMPROVES EFFICIENCY AND BUILDS A BETTER FUTURE.

ESG DRIVEN INNOVATION WHEN USING AI – BANKING INDUSTRY

Leveraging AI to advance environmental stewardship, social impact and governance excellence while creating measurable business value.

TYPE OF INNOVATION	ALIGNMENT TO MISSION CRITICAL OBJECTIVES	VALUE CREATION MEASUREMENT	EFFICIENCY GAINS
AI POWERED SUSTAINABLE FINANCE AI models assess ESG risk and impact to originate and price sustainable loans and investments.	Mobilise capital for a low-carbon and inclusive economy while managing ESG risk and supporting responsible growth.	• Growth in green/sustainable loan portfolio • Increase in ESG-linked revenue • Reduction in credit losses from ESG risk • Improved ESG ratings and investor trust	• Faster credit risk assessment • Automated ESG due diligence • Lower manual review time and cost • Scalable portfolio screening
AI DRIVEN CLIMATE RISK ANALYTICS AI analyses climate scenarios and geospatial data to assess physical and transition risks across the portfolio.	Strengthen resilience by embedding climate risk into decision-making and safeguarding long-term value.	• Reduced climate-related loan losses • Capital optimisation through better risk pricing • Avoided losses from stranded assets • Enhanced regulatory compliance	• Faster climate risk reporting • Reduced reliance on third-party data • Automated scenario analysis • Lower model development time
AI ENABLED OPERATIONAL SUSTAINABILITY AI optimises energy use, reduces paper consumption and improves resource efficiency in branches and data centres.	Reduce environmental footprint and operating costs while advancing net zero and responsible operations.	• Reduction in GHG emissions (Scope 1, 2) • Lower energy and water consumption • Cost savings realised • Progress toward net zero targets	• Predictive energy management • Reduced waste and paper use • Lower facilities and IT operating costs • Automated monitoring and alerts
AI ENHANCED FINANCIAL INCLUSION AI uses alternative data and analytics to expand access to banking for underserved and SME customers.	Advance inclusive growth and customer well-being while expanding market opportunity.	• Increase in customers served (underserved/SMEs) • Higher deposits and loans from new segments • Improved customer retention and satisfaction • Social impact score improvement	• Automated onboarding and KYC • Lower cost-to-serve per customer • Reduced credit assessment time • Scalable digital channels

REAL CASE EXAMPLE: DBS BANK – AI FOR ESG AND SUSTAINABLE BANKING

INNOVATION FOCUS

DBS uses AI and data analytics to embed ESG across lending, operations and customer engagement. The bank combines AI with geospatial data, ESG data and natural language processing.

MISSION ALIGNMENT

To be the "Best Bank for a Better World" by mobilising sustainable finance, operating responsibly and creating positive social impact at scale.

VALUE CREATED (MEASUREMENT)

- Over SGD 50 billion in sustainable financing committed (2021–2023)
- Recognised as Global Leader in Sustainable Finance (Euromoney)
- Improved ESG ratings (MSCI AAA)
- Increased customer trust and market leadership

EFFICIENCY GAINS

- AI driven credit assessment reduced turnaround time by ~30%
- Automated ESG screening improved productivity by ~40%
- Paperless processes reduced costs and emissions
- Scalable digital onboarding lowered cost-to-serve

OUTCOMES

DBS demonstrates how AI accelerates ESG outcomes while improving efficiency and profitability. The bank continues to innovate to create long-term value for customers, communities and the planet.

ESG DRIVEN INNOVATION WHEN USING AI – AGRICULTURE INDUSTRY

Using AI to drive sustainable agriculture, strengthen food security and create measurable environmental, social and economic value.

TYPE OF INNOVATION	ALIGNMENT TO MISSION CRITICAL OBJECTIVES	VALUE CREATION MEASUREMENT	EFFICIENCY GAINS
AI POWERED PRECISION FARMING AI analyses data from sensors, drones and satellites to enable precise planting, irrigation, fertilisation and crop protection.	Increase crop productivity and quality sustainably while optimising resource use and minimising environmental impact.	• Increase in crop yield per hectare • Improvement in crop quality and market value • Reduction in input costs • Increase in farm profitability • Lower greenhouse gas emissions	• Reduced water usage • Optimised use of fertilisers and pesticides • Lower fuel and labour costs • Timely interventions reduce crop loss • Higher operational efficiency
AI DRIVEN SOIL HEALTH MANAGEMENT AI models analyse soil data and historical patterns to predict soil health and recommend regenerative practices.	Build long-term soil health and biodiversity to ensure sustainable production and climate resilience.	• Improvement in soil organic matter • Long-term yield stability and productivity • Reduced soil degradation • Carbon sequestration increase • Compliance with sustainability standards	• Targeted soil amendments • Reduced need for chemical inputs • Lower soil testing and monitoring costs • Efficient allocation of resources
AI ENABLED CLIMATE RISK MANAGEMENT AI predicts weather patterns, extreme events and climate risks to support supply chain and farm resilience.	Enhance resilience to climate change and protect farmers' livelihoods and business continuity.	• Reduced losses from weather events • Improved planning and decision-making • Lower insurance costs • More resilient supply chains • Increased production reliability	• Early warnings reduce response time • Better resource and logistics planning • Reduced downtime and disruptions • Lower costs from climate-related losses
AI DRIVEN SUSTAINABLE SUPPLY CHAINS AI provides end-to-end traceability and monitors ESG performance across the agri supply chain.	Ensure responsible sourcing, traceability and fair practices while meeting market and regulatory ESG requirements.	• Improved traceability and transparency • Reduced non-compliance risks • Access to premium markets • Stronger brand trust and reputation • Improved social outcomes for communities	• Automated data collection and reporting • Faster audits and compliance checks • Reduced administrative costs • Streamlined supplier management
AI ENHANCED LIVESTOCK MANAGEMENT AI uses sensors and computer vision to monitor animal health, welfare and productivity in real time.	Improve animal welfare and health while increasing productivity and reducing emissions intensity.	• Improved animal health and survival rates • Higher milk/meat yield and quality • Reduced methane emissions per unit • Lower veterinary and treatment costs • Compliance with animal welfare standards	• Early disease detection and treatment • Reduced labour for monitoring • Optimised feed usage • Improved herd management efficiency

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GOVERNANCE AND ETHICS SCANDALS AROUND ESG

When ESG is misrepresented or poorly governed, it destroys trust, value and credibility.

1. VOLKSWAGEN – DIESEL EMISSIONS SCANDAL (GERMANY)	
Background	Volkswagen promoted its vehicles as clean diesel technology that met environmental standards.
What Happened	• VW installed "defeat devices" in diesel vehicles to cheat emissions tests. • Real-world emissions were up to 40 times higher than claimed.
Governance & Ethics Failures	• Pressure to meet emissions targets and protect reputation. • Lack of ethical leadership and oversight by the Board. • Inadequate challenge and weak internal controls.
Consequences	• Over €30 billion in fines, settlements and compensation. • Criminal charges and executive resignations. • Severe reputational damage and loss of stakeholder trust.
Key Lessons	• ESG claims must be accurate, verifiable and transparent. • Strong governance and a speak-up culture are essential. • Ethics cannot be compromised for performance.

2. EQUINOR – BRIBERY AND CORRUPTION CASE (NORWAY)	
Background	Equinor (formerly Statoil) positioned itself as a leader in sustainability and responsible business.
What Happened	• Equinor was involved in a corruption scandal in Iraq through its joint venture partner. • Payments were made to secure contracts and business advantages.
Governance & Ethics Failures	• Weak oversight of joint ventures and third parties. • Inadequate due diligence and monitoring. • Failure to uphold ethical standards in high-risk markets.
Consequences	• Paid over USD 1 billion in penalties and settlements. • Damage to reputation as a responsible energy leader. • Increased regulatory scrutiny and compliance costs.
Key Lessons	• ESG leadership requires integrity across the value chain. • Robust governance must extend to partners and suppliers. • Strong ethics controls prevent long-term harm.

3. DWS GROUP – ESG GREENWASHING CASE (UNITED STATES)	
Background	DWS marketed several funds as sustainable and ESG-focused.
What Happened	• US regulators accused DWS of greenwashing. • ESG claims overstated and not backed by investment practices. • Internal documents contradicted public claims.
Governance & Ethics Failures	• Misalignment between marketing and actual investment decisions. • Weak oversight and challenge from senior management and Board. • Inadequate controls over ESG disclosures.
Consequences	• USD 19 million fine by the SEC. • Reputational damage and loss of client trust. • Increased compliance and remediation costs.
Key Lessons	• ESG disclosures must be credible, consistent and evidence-based. • Boards must ensure integrity in ESG reporting and communications. • Greenwashing erodes trust and attracts regulatory action.

Strong governance, ethical leadership and transparent reporting are the foundation of credible ESG performance.

ESG REPORTING CONTROVERSIES

When ESG reporting is misleading, inconsistent or incomplete, trust and credibility are at risk.

1. SHELL – CLIMATE TARGETS CONTROVERSY (NETHERLANDS / UK)	
Overview	Shell faced criticism over how it reported climate targets and progress in its sustainability reports.
What Happened	• Shell promoted net-zero ambitions for 2050. • Critics said the company overstated progress on reducing emissions. • Reported reductions were influenced by selling assets rather than real operational emissions cuts.
Reporting Issues	• Lack of clarity on what emissions were included in targets. • Inconsistent metrics and explanations. • Overemphasis on future plans over current performance.
Consequences	• Legal action from investors and NGOs. • Reputational damage and loss of trust. • Greater scrutiny from regulators and stakeholders.
Key Lesson	ESG reports must be clear, consistent and based on real performance, not just aspirations.

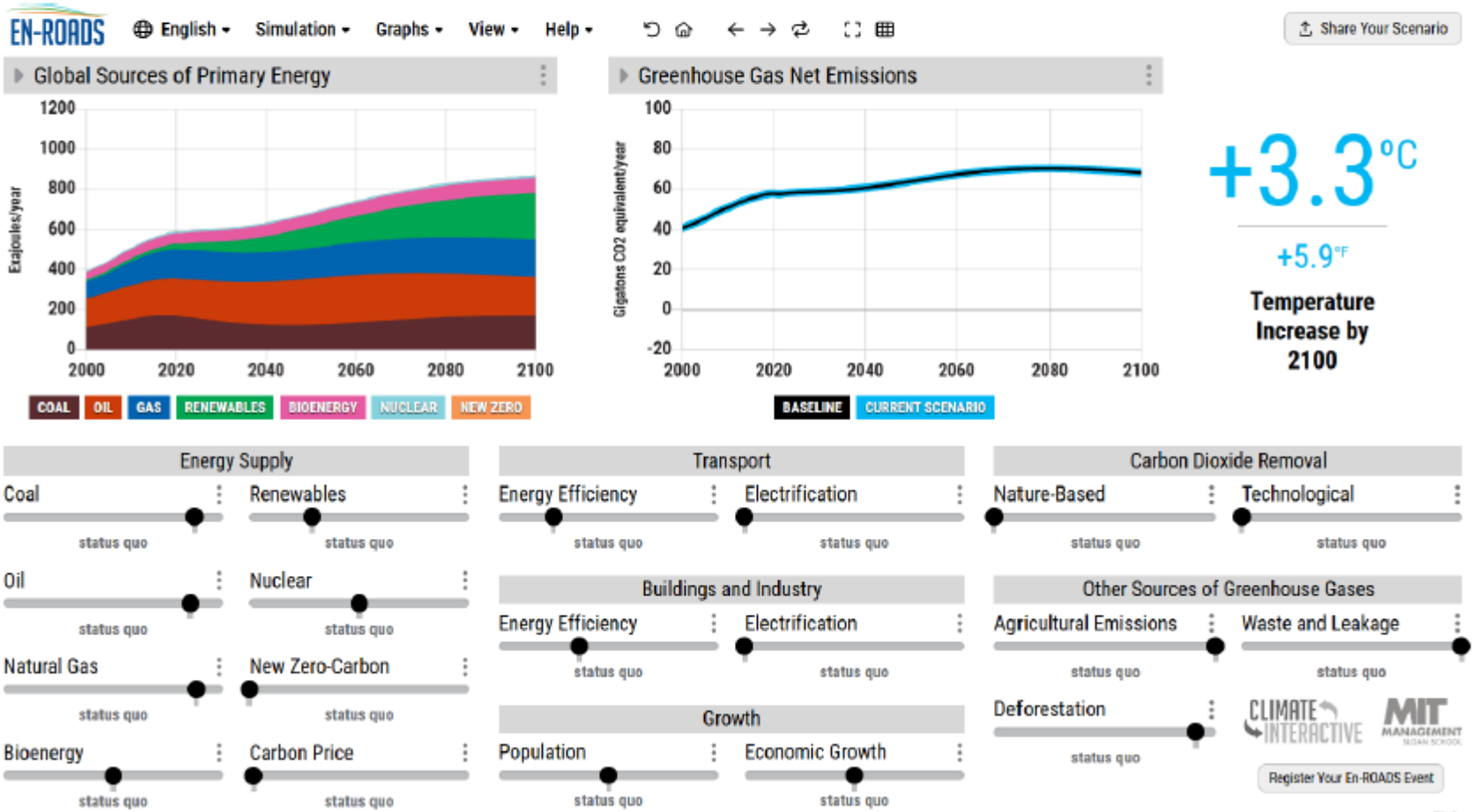
2. RIO TINTO – DESTRUCTION OF JUUKA FOREST (AUSTRALIA)	
Overview	Rio Tinto was criticised after it reported strong environmental performance while destroying an ancient Aboriginal heritage site.
What Happened	• Rio Tinto destroyed the Juukan Gorge caves in 2020 to expand an iron ore mine. • The company had reported it respected Indigenous heritage and had robust ESG practices. • Destruction of a 46,000-year-old site caused widespread outrage.
Reporting Issues	• ESG reports did not reflect the real impact on Indigenous rights and heritage. • Material cultural and social risks were missing or downplayed. • Gap between reported values and actual actions.
Consequences	• CEO and senior executives resigned. • Significant reputational damage. • Loss of investor confidence. • Review and overhaul of governance and reporting processes.
Key Lesson	ESG reporting must include all material environmental, social and governance impacts, including cultural heritage and human rights.

3. LVMH – SUPPLY CHAIN TRANSPARENCY DISPUTE (FRANCE)	
Overview	LVMH was challenged over its claims of responsible sourcing in its supply chain disclosures.
What Happened	• LVMH stated it had strong ESG standards and supplier oversight. • Investigations found human rights and environmental issues in supplier factories, including poor working conditions. • Stakeholders said disclosures were incomplete and lacked transparency.
Reporting Issues	• Limited disclosure of supplier environmental and social risks. • Lack of data on audits, corrective actions and impacts. • Insufficient transparency on high-risk suppliers.
Consequences	• Criticism from NGOs and media. • Pressure from investors for better disclosure. • Commitments to improve supply chain transparency and reporting.
Key Lesson	ESG reports must provide transparent, verifiable information on supply chains and demonstrate accountability for impacts.

Credible ESG reporting requires transparency, consistency, completeness and accountability.

The En-ROADS Climate Solutions Simulator

En-ROADS is an online simulator that provides policymakers, educators, businesses, the media, and the public with the ability to test and explore cross-sector climate solutions.



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ESG ACTION PLAN – SHORT, MEDIUM & LONG TERM

A phased roadmap to embed ESG into strategy, operations and culture to create long-term value.

FOCUS AREA	SHORT TERM (0–12 MONTHS) Lay the Foundations	MEDIUM TERM (1–3 YEARS) Scale and Integrate	LONG TERM (3+ YEARS) Lead and Future-Proof
ENVIRONMENTAL Protect the planet, manage resources responsibly and build climate resilience.	Conduct materiality assessment for environmental issues. Establish baseline for key metrics (energy, emissions, water, waste). Set initial environmental policies and operating standards. Implement quick wins: energy efficiency, waste reduction, recycling. Develop climate risk assessment and scenario analysis. Build awareness and capability across the organisation.	Set science-aligned targets for emissions reduction, energy, water and waste. Implement emissions reduction roadmap and renewable energy initiatives. Embed sustainable procurement and supply chain environmental criteria. Invest in resource efficiency, circular economy and low-carbon solutions. Enhance climate resilience and adapt to physical climate risks.	Achieve net-zero pathway or industry-leading decarbonisation. Innovate in clean technologies and nature-positive solutions. Restore and regenerate ecosystems and biodiversity. Embed circular economy across the value chain. Lead sector collaboration on global environmental challenges.
SOCIAL Create positive impact for people, communities and society.	Identify key social impacts and stakeholder groups. Ensure health, safety and wellbeing standards. Promote diversity, equity and inclusion (DEI) baseline and policies. Engage with communities and understand their needs. Implement community investment quick wins. Establish grievance mechanisms and human rights due diligence.	Develop and implement social impact strategy. Invest in employee development, skills and career growth. Advance DEI targets and inclusive culture. Strengthen community partnerships and local development programs. Embed human rights across operations and supply chain. Measure and report on social outcomes.	Be an employer of choice with inclusive and diverse leadership. Drive systemic social impact and shared value. Empower communities and support economic inclusion. Champion human rights leadership in the industry. Create a legacy of positive impact for future generations.
GOVERNANCE Uphold strong governance, ethics and accountability to build trust and sustainable value.	Clarify Board oversight of ESG and assign accountabilities. Establish ESG governance structure and policies. Integrate ESG risks into enterprise risk management. Strengthen ethics, anti-corruption and compliance controls. Ensure transparent ESG reporting in line with recognised standards. Build Board and executive ESG capability.	Embed ESG in strategy, performance management and executive incentives. Enhance data quality, systems and reporting maturity. Strengthen stakeholder engagement and disclosure. Conduct regular ESG assurance and independent oversight. Monitor regulatory developments and ensure compliance readiness.	Achieve leading governance practices and global recognition. Embed continuous improvement and innovation in governance. Influence policy and industry standards. Ensure long-term value creation with ethical leadership and accountability. Build enduring trust with all stakeholders.

Questions?

Deon van der Westhuizen

Governance | Risk | Combined Assurance | ESG now | Supply Chain Sustainability

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