



Companies and Intellectual Property Commission (CIPC)  
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77 Meintjies Street  
Sunnyside, Pretoria  
Republic of South Africa

Via electronic submission

Date: 14.03.2025

## Sustainability Reporting Market Sentiment Survey - South Africa

We refer to the Sustainability Reporting Market Sentiment Survey conducted by Alexforbes in collaboration with the Companies and Intellectual Property Commission (CIPC). We welcome the opportunity to provide our perspective on the development of sustainability reporting in South Africa.

Norges Bank Investment Management (NBIM) is the investment management division of the Norwegian Central Bank and is responsible for investing the Norwegian Government Pension Fund Global. NBIM is a globally diversified investment manager with 32,867 billion South African rand in assets under management at year-end 2024, of which 88 billion South African rand is invested in the listed shares of South African companies.

As a long-term investor, we consider our returns over time to be dependent on sustainable development in economic, environmental, and social terms. We need information from companies about their exposure to sustainability-related financial risks and opportunities, and how these are managed, to inform our investment decisions, risk management processes and ownership activities. As a global investor with holdings in companies in 65 countries, we have an interest in this information being reported in a consistent and comparable manner across markets worldwide.

We strongly support the International Sustainability Standards Board (ISSB) and its mission to deliver a global baseline of disclosure standards that provide decision-useful information to investors. The ISSB standards have been endorsed by the International Organisation of Securities Commissions (IOSCO) to support the integration of sustainability-related financial information in capital markets.

We believe adopting the ISSB standards into South Africa's sustainability disclosure framework is the most effective way to deliver globally comparable sustainability-related

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financial information for investors and streamline reporting for South African companies with operations and value chains spanning different jurisdictions. Global standardisation of investor-focused disclosures will enable investors to accurately assess and benchmark South African companies alongside their international peers. This enhances market efficiency and can support cross-border capital flows to the South African market.

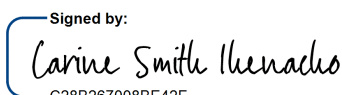
We welcome the CIPC's consideration of adopting the ISSB standards. From the perspective of a global investor, we would encourage full adoption of the ISSB standards without modifications. We believe that global comparability and consistency of information is best achieved by the alignment of jurisdictional regimes with the ISSB standards through the "building blocks" approach. The building blocks approach enables jurisdictions to address any country-specific policy objectives by building on top of the global baseline.

In terms of scope, we support the expansion of disclosure requirements to all listed entities and ultimately unlisted over time. This can help create a level playing field and ensure complete, reliable information across value chains, where many sustainability-related risks and opportunities materialise. We do, however, recognise the implementation challenges, and therefore support phasing in the requirements over time. The ISSB standards include built-in proportionality mechanisms and transitional reliefs that can be leveraged to accommodate reporters with varying levels of resources and experience.

We appreciate that the CIPC has already taken progressive steps to enhance the quality and comparability of sustainability-related information, notably the October 2024 update to its XBRL taxonomy framework that added a disclosure module aligned with ISSB's IFRS S1 and S2. This proactive approach to building a structured framework for voluntary sustainability reporting represents an important foundation for potential future disclosure requirements. We also note the recent updates by the Johannesburg Stock Exchange (JSE) to its Sustainability Disclosure Guidance to align with the ISSB standards, and encourage the CIPC to continue working with the JSE to enhance and streamline companies' sustainability disclosure practices.

Please find in Annex 1 to this letter our responses to selected survey questions. Our comments focus on areas where we believe our input as a global institutional investor can be most relevant. We thank you for considering our perspective and remain at your disposal should you wish to discuss these matters further.

Yours sincerely,

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 Carine Smith Ihenacho  
 Chief Governance and Compliance Officer

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## ANNEX 1: NBIM RESPONSES TO SELECTED QUESTIONS FROM THE SUSTAINABILITY REPORTING MARKET SENTIMENT SURVEY

**10. To what degree do you agree or disagree with the following statement: "Sustainability reporting is important for fostering transparency and accountability within South African organisations?"**

- Strongly agree

**13. In your view, should reporting of sustainability information become a mandatory requirement for organisations in South Africa?**

- Yes

**19. In your view, what level of assurance should be required for sustainability disclosures, if such disclosures were to become mandatory in South Africa?**

- In line with our public expectations of portfolio companies on climate change, we expect reasonable assurance for Scope 1 and 2 emissions information and limited assurance for remaining sustainability disclosures. We acknowledge that assurance of sustainability reporting has been largely voluntary so far, and believe that limited assurance can be a practical starting point, with an expectation that it develops to reasonable assurance over time, depending on market and policy developments.

**42. In your view, should South African organisations disclose in line with the IFRS International Sustainability Standards Board (ISSB) Standards?**

- Yes

**43. In your view, how should the ISSB sustainability standards be adopted by South Africa?**

- Without any modifications

**48. In your view, should South Africa align its sustainability disclosure approach with global frameworks, codes and standards?**

- Yes

**49. In your view, what role should government and regulators play in enabling sustainability disclosures?**

- Adopting and enforcing mandatory reporting requirements
- Facilitating capacity building and training for organisations
- Providing guidance and support to organisations

**51. What recommendations, if any, would you make to improve the sustainability disclosure landscape in South Africa?**

We recommend full adoption of the ISSB standards (IFRS S1 and S2) without modifications to ensure global comparability and consistency. We support the expansion of disclosure requirements to all listed entities and ultimately unlisted over time. This can help create a level playing field and ensure complete, reliable information across value chains, where many sustainability-related risks and opportunities materialise. We do, however, recognise the implementation challenges, and therefore support phasing in the requirements over time.



We note that the ISSB standards contain built-in proportionality mechanisms to allow for appropriate application by entities with different levels of resources and capabilities. These include the 'reasonable and supportable information without undue cost or effort' provisions and flexibility regarding quantitative disclosures when measurement uncertainty is high. These features could be emphasized in implementation guidance to help preparers apply the standards proportionately.

We also recommend building capacity within the market through guidance, training, and support from regulators and industry bodies to facilitate effective implementation.

**52. In your opinion, how could South Africa balance local priorities with global standards in sustainability disclosures?**

The CIPC could adopt the "building blocks" approach which involves mandating the ISSB standards as a global baseline and then adding jurisdiction-specific requirements to address national priorities and regulatory needs. This approach ensures comparability across markets while still accommodating country-specific concerns and policy objectives.

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