Investment for Inclusion Forum
6 March 2019
Menti feedback

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Has the JSE provided sufficient leadership on Responsible Investment?

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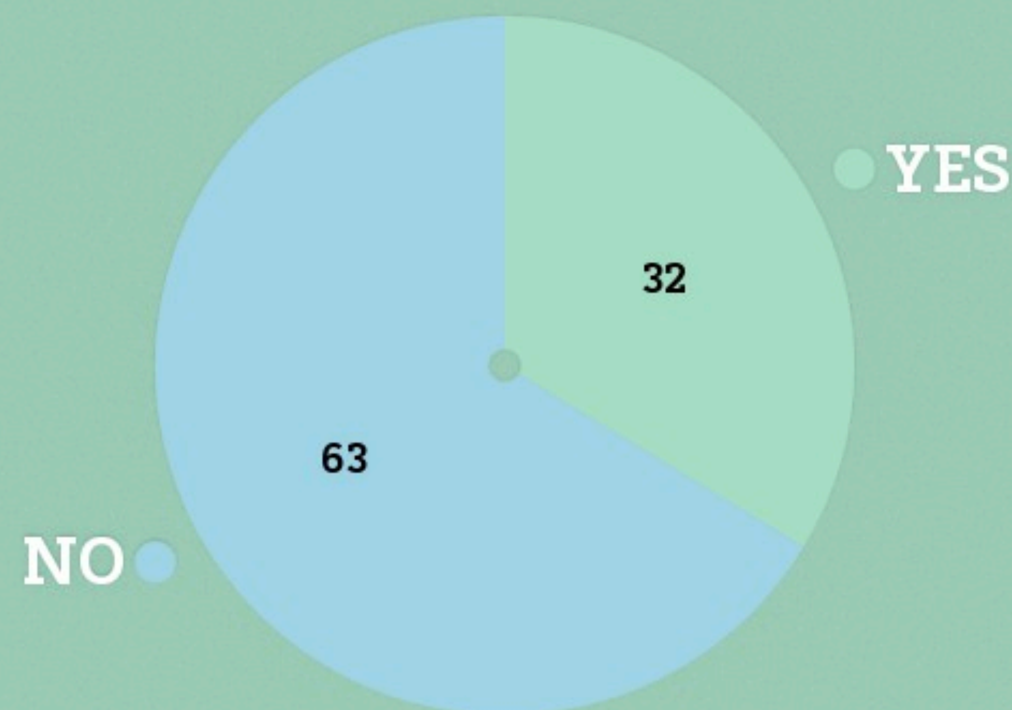

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What else should the JSE be doing to drive responsible investment?

Mentimeter

No

Stop being a listed company itself

Market the concept of Imapct Investing

Push access for retail investors! Grow the investor base through platforms like EasyEquities

Name and shame the badies

Adopt and drive TVFD

Demand disclosure

More aggressively incentivize ESG product take-up

Look st your own practices, purpose and policies before lecturing others

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What else should the JSE be doing to drive responsible investment?

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- Change listings requirements to allow investors to participate electronically in AGM's
- Stronger marketing - shout out message louder
- Award companies where voting actually makes a difference
- Monitoring and verification of the reports
- Bar directors with past bad behaviour from boards of new or current listings
- Create more investable sustainable indices
- Drive the issues Nicky just talked about
- Binding vote on executive remuneration;
- Enforce various regulations such as board evaluations and regulate the regulators

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- Ensure robust climate risk disclosure which works to ensure alignment with the Paris Climate Agreement goals.
- Educate investors
- Include impact investments as a an asset class alongside alternative investments
- Drive corporate donations based on bonus sizes from executives
- More rigorous listing requirements
- Enforce disclosure from companies
- Hard quotas and fine irregularities. Nothing's happened to Markus Jooste to date which makes non-compliance unpunished.
- More products for SA circumstances
- Force the compliance of proxy voting and ensure that a uniform platform such as Strates solution to be used or promoted to asset managers

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What else should the JSE be doing to drive responsible investment?

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Set higher standards on Governance

Make TCFD a listing requirement

Help create a ESG EFT. Why do we not have this??

Boldly publicize and stand behind human injustices

Clear listing requirements as outlined by Nicky

Strengthen and enforce listing requirements

Provide tools for assisting companies to change thought leadership in the impact investing space is needed

Hold listed companies more responsible in their disclosures

Challenge CEO/executives to allocate portion of bonus to lowest paid workers. A bit like the Warren Buffet challenge. JSE to highlight those that do this

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What else should the JSE be doing to drive responsible investment?

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- Allow retail investors to Partake
- Enforce it through regulations
- Harsher sanctions for companies that produce low quality integrated reports, so investors can be better informed and make better decisions.
- Drive accountability and transparency of ESG reporting
- Competition 4 execs having understood SDGs & what they can do to meet them
- Monitoring and verification of ESG reports
- Regulate not strongly towards individual shareholding
- Shift towards report on impact
- Outs companies and their assurance-audit companies when "greenwashing" Encourage asset managers to launch REAL esg investment funds Provide a platform for impact investment and returns for investors

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What else should the JSE be doing to drive responsible investment?

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Resolve market concerns and investigations quickly . Take a hint from the SEC

Make incentive structures that incorporate inclusive behavior mandatory

Stricter guidelines that companies have to provide balanced reporting, not only a focus on successes

There should be a listing requirement for Impact asset class.

Limit non execs to no more than four other directorships including unlisted companies to break the old boy network of the Institute of Directors

Lead The responsible investment platform

Eliminate the concentration of power in the top leadership (Chairman, CEO, CFO)... beyond remuneration to accountable leadership. C.60 people control the JSE. #notRight

Make CSI compulsory. With minimum spend as% of Revenue

Consider the circumstances that South Africa face including poverty, unemployment and inequality with depressed economic growth and look to uplift the country via interaction with business and other stakeholders to find a balanced solution for growth

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Deploy stringent repurcussions for non-complaint entities.

More education to make investors aware of the impact they can have

Support full time independent researchers at Just Share to develop real time indices on all listed companies so investors are properly informed on how listed companies are really doing on ESG

Address gender and race pay gaps

Governance, incentives, drive the conversation and name the good and bad

Demand personal tax disclosure from all prescribed officers and board members of JSE companies - disclosure of all their income sources

Let's move away from mere 'suggestions' and start incentivizing the behavior that will lead to results and vis-à-vis start punishing behavior that aren't taking us to a better inclusive SA

Establish SRI index, impact investments index, support whistle-blowers, name and shame listed companies that unreasonably refuse to disclose info about their conduct

Guide companies towards reporting on all values created.

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Why has sustainability reporting not changed investor behaviour?

Mentimeter

Superficial disclosure

Because disclosures are often not material to the companies but rather tick box

Same old same old investors. Grow investor base - more retail investors

It's not taken seriously and isn't well represented in relation to returns

You cannot quantify sustainability and plug it in as a discount to your valuation.

Investors don't read sustainability reports...

Comply or explain is not effective There must be clear standards that need to be met so that there is some level of enforcement

Asset managers provide lip service and do not care.

Lack of consistency in requirements

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Why has sustainability reporting not changed investor behaviour?

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Not consistent reporting disallows meaningful comparisons

Too check list based, must report on impact and behavioural change

It's been used as a tick box exercise / marketing.

It doesn't translate to co-responsibility

It doesn't give enough and meaningful detail

No link between company strategy and reporting

No consequences

Ignorance

The investor is removed from the conversations on sustainability

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Why has sustainability reporting not changed investor behaviour?

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A strong enough link has not been made between ESG issues and issuer financial and operational performance

Sustainability reports don't get the airtime they need with investors. They are also not always comparable.

Head in the sand

We need strong negative ramifications for lack of progress on sustainability reporting, not just box ticking exercises.

No incentive for investors based on client mandates and push back from assets owners

We need to focus on solutions, not merely report the issues

Buy and Sell sides don't interrogate these reports in forming investment decisions

Disclosures not linked to strategy - and reports too long

Small number of institutional investors dominate shareholding and can be influenced

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Why has sustainability reporting not changed investor behaviour?

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Because of a focus on disclosure even disclosure of non compliance, particularly around environmental issues and limited interrogation of that non compliance

Because it doesn't have little to no financial consequence if companies have negative social and/or environmental impacts

The integrated reports are naturally aiming to report their company in a positive way not enough transparency

It is still a 'print and file' excercise - standardise, compare and publicise leaders and laggard

Investors do not see the financial implication in the importance of sustainability for companies

Reporting is only foccusd on suceesses and not failures

Information in sustainability reports often does not reflect what is really happening; and investors often cannot use the information as it is presented, or benchmark it.

Asset owners are toooo removed from the assets they own did to turf protection of asset managers and consultants

Investor apathy

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Why has sustainability reporting not changed investor behaviour?

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Money matters

Sustainability reporting is inward focused does not generate rich data linked to financial metrics - TCFD will be next generation

Boards are not engaged on sustainability issues

It was historically considered an add on to the Financial statements. Considered as a soft set of words or talk shop.

Unless something is directly threatening people won't change. Vested interests just hang in

Because investors are more concerned about profits and that behavioural change isn't an event but a process.

Because the link to returns is not made strongly enough and because of the short-termism in markets

Disempowered asset owners; status quo works, mandates not taking account of ESG, active ownership responsibilities, short term investment horizons, problematic remuneration and incentive structures, conflicts of interest

Sustainability and ROI should be matched

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Pension fund trustees don't have sufficient understanding of the long term, state subsidised nature and purpose of pension funds and what they should be trying to achieve when making investment decisions.

It is not driven by the tone at the top. It is an outsourced function to finance teams

It is dishonest. What we need is independent researchers looking at the Listed Companies and delving into their ESG status and a web site where an index that is up to date is freely available for all asset owners, asset managers.

It has been done from more of a compliant point of view to tick the boxes and not actually changing the behaviour

Because it is self reporting and there is a lack of trust around how corporates report as clearly evidenced in Andrew's presentation and the Cente for Environmental Rights Report Full Disclosure.

Asset managers provides lip service and the don't care.

Linear thought dominates as profit objectives trump long-term social and environmental threats which appear on the distant horizon

Reporting does not result in shift in actual investment decision-making POWER. The real question: how to shift this power to people who are STRUCTURALLY interested in ensuring that companies invested in follow inclusive and sustainable growth models?

Investors can't translate esg performance into financial performance, and therefore leave it out.

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Why has sustainability reporting not changed investor behaviour?

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Investors don't read sustainability reports

If asset owners started challenging companies on their sustainability initiatives and allocted capital accordingly

Incentivize corporate SA to promote inclusive behavior

Shareholder activism / Active ownership Looking beyond the listed companies

Move your money to green and inclusive investment now!

Empower the true beneficial owners and turn the spotlight on those who make investment decisions on their behalf

It doesn't exist

Small group of institutional investors can be influenced

Sustainability reporting has become backward looking not forward looking

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Why has sustainability reporting not changed investor behaviour?

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Increase more women on boards and bring in diversity to bring in change. #thinkdifferently

All stakeholders are not on the same page as business are progressing ESG matters which fail to be recognised

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It has become a box ticking exercise and C-Suite does not really or often really engage or understand real drivers.

Drive demand for sustainable investment portfolios

It's used as tick box approach.

A collaborative approach would have the greatest impact.

Because no routine in depth interrogations taking place...

Jon Duncan

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Which of the actions proposed by the speakers would have the greatest impact?

Mentimeter

Personal participation

Unlisted space - for retail investors to be able access, as well as for pension funds to more aggressively invest in this space.

Push for greater board diversity

Institutional clients remain listed biased and benchmark cognisant. The indices on the JSE and the measurement criteria of funds should drive more investments to these

Move your money and the one you manage to green and inclusive investment now!

Get more ladies into the boardroom. #enoughalready

Jon Duncan

Andrew

An independent think tank or resource where people can call in and get good informed info and opinion of companies AND Asset Manager.

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Which of the actions proposed by the speakers would have the greatest impact?

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I like the idea of a Think Tank of trusted people to have difficult conversations. But the biggest impact may still be via regulation as no one wants to integrate ESG or sees the value. And yet EVERY issue that is eroding our economy is an ESG issue

Jon and Andrew approach is needed

Create a platform for citizens to be active and to be able to influence the investment agenda and change the mandates

Andrew

Jon Duncan

Empowered class conscious community identified Black women on boards

Jobs and entrepreneurship access to capital, the culture shift that you have to get a job must change to I will create jobs as an entrepreneur

Jon Duncan

Jon Duncan

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Transformation- representative and diverse management teams and boards

See the Centre for Environmental Right's report called Full Disclosure that assesses the public disclosures of listed South African mining companies with significant environmental impacts. Companies are rated. this is the kind of research needed.

Shainal Sukha

A true independent media. The think tank idea

Andrew approach

Think tanks are important but not without follow through. Supporting active citizens is essential to raise financial costs of delinquent investors

Shainal Sukha approach

Aggressive messaging, using journalists and social media, on ESG in the public domain, using more basic language that the public can understand & then give them a platform to channel their concerns or reactions

Asset consultants need to have a lot of self introspection about their role All off them are not honest about their roles and contribution to the situation we find ourselves

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Which of the actions proposed by the speakers would have the greatest impact?

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A collaborative approach will have the greatest impact.

Create different incentives to up-End the current system. Use, track and replicate the innovations expressed by Jon

Ann Crotty. Democracy can only work for everyone's benefit when people actually feel an obligation to each other and to values we have agreed to operate under. We need commitment to the jobs and roles we play in society.

It has to be a mix of interventions as the context continues to evolve

Civil activism

All of them together! And many more!

More information and transparency rather than less

Interrogating further what a long term portfolio looks like. - Jon Broadening the role of Asset Consultants in the value chain as drivers of the agenda of trustee - Shainai

Interrogation of disclosed data

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Wendy Luhabe and Jon Duncan proposal regarding ownership by all on the matter. We fail as pointing figures at certain stakeholders such as Sasol and Coronation does not suffice.

We fail as stakeholders to come around the table to craft a solution that is in the best interests of the country and all its stakeholders.

Should we revisit King Code integrated reporting? Ann says obfuscation

Focusing on certain company AGM's and resolutions does not solve the problem. Taking ownership by all partners is key

The assest managers/consultants space must be less incestuous

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