



BOTSWANA STOCK
EXCHANGE

COMMITMENT TO NET ZERO



Sphere Of Influence	Focus Area	Our Net Zero Initiatives
1.1 Governance		
Category 1: Lead by example Exchange-focused targets	<p>1.1.1 Implement appropriate governance structures to ensure accountability for and oversight of the development and execution of the NZFSPA commitments</p>	<p>The BSE joined the Net Zero Financial Service Providers Alliance (NZFSPA) in May 2025 to strengthen its commitment to sustainable finance and climate action. This commitment demonstrates the Exchange's intention to take a market leadership role by implementing exchange-focused initiatives and leveraging its position as market infrastructure to influence the broader market toward sustainability.</p> <p>To develop an effective target-setting and attainment framework, the BSE focused on creating a conducive environment for implementing and monitoring the delivery of its commitments. As such, it was important for the Exchange to strengthen its governance structures at both Management and Board levels. Upon joining the NZFSPA, both internal and external stakeholders were informed of the commitment. The targets set were cascaded to staff members, management, and the Boards of Directors of both the BSE Group and the CSDB, one of its subsidiaries. This was achieved through presentations and training sessions aimed at sensitizing and encouraging the team to incorporate Net Zero commitments into their day-to-day activities. This had a positive impact by fostering a sustainability-focused mindset that influenced the design of governance structures, policy development, and the creation of products and services at the BSE.</p> <p>The signing of the commitment also came at an opportune time, as the BSE was developing its 10X by 2030 Strategy. It influenced the introduction of the "Force for Good" pillar as one of the Exchange's key strategic focus areas. This pillar reflects the BSE's commitment to driving positive environmental and social impact, with a strong emphasis on climate action and sustainable development. Through this pillar, the Exchange promotes climate-related initiatives, SME development, and the transition to a more sustainable economy, while supporting long-term value creation for all stakeholders.</p> <p>Following the development of the strategy, the team added climate-related objectives and targets were successfully incorporated into the corporate scorecard and cascaded to departmental and individual scorecards.</p>



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<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Category 1: Lead by example Exchange-focused targets</p>		<p style="text-align: center;">1.1 Governance</p> <p>In the same year, the BSE established a Sustainability Committee, a Management-level committee responsible for overseeing all Net Zero initiatives. At the same time, the terms of reference for Management committees such as the Business Development Committee and the Business Operations Committee were amended to include Net Zero considerations in the approval of business initiatives, as well as product and service development.</p> <p>At Board level, the Nominations, Governance and Remuneration Committee also amended its terms of reference to include Net Zero as a standing agenda item for consideration.</p> <p>The BSE has also incorporated climate change-related risks and broader ESG considerations into its risk management framework. The Exchange maintains a risk register to continuously monitor these risks, which are regularly reported to the Board on a quarterly basis.</p>
	<p>1.1.2 Develop relevant policies, procedures and training to support exchange climate action</p>	<p>Climate action remains a critical responsibility for the BSE. As such, the Exchange continues to integrate sustainability considerations into its business operations and decision-making processes through policies, procedures, and staff training.</p> <p>The BSE has a Corporate Social Investment (CSI) Policy in place, with sustainability forming one of its key guiding principles. In implementing the CSI Policy, the Exchange places significant emphasis on environmental sustainability. It is important to note that the policy is scheduled for review this year, and the team will ensure stronger and clearer alignment with climate action objectives. In addition, the BSE is currently reviewing other internal policies to identify those that require the inclusion of Net Zero considerations and to undertake the necessary amendments.</p> <p>Further, the BSE has reduced the number of company vehicles from three to two to maintain modest usage and contribute toward reducing emissions, and business operations have not been negatively affected by this change.</p>



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1.1 Governance		
Category 1: Lead by example Exchange-focused targets	<p>1.1.2 Develop relevant policies, procedures and training to support exchange climate action</p>	<p>To support staff development on climate action-related matters, the BSE subscribes to educational platforms such as UDEMY, where employees have access to information and training materials on sustainability and climate-related topics. These include climate change, sustainability, ESG, and renewable energy, among others. The utilization of UDEMY resources at the BSE has continued to improve over time.</p> <p>The BSE has also participated in all United Nations Sustainable Stock Exchanges (UNSSE) awareness sessions on Net Zero, enabling the Exchange to learn from peer exchanges and strengthen its own sustainability initiatives. Further, the World Bank facilitated training on Carbon Credits to the BSE Staff and Brokers.</p> <p>In May 2026, the BSE will host a climate-related webinar for issuers, market participants, and regulators aimed at improving awareness of climate risks, opportunities, and disclosure expectations.</p>



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Emissions reduction and disclosure		
Category 1: Lead by example Exchange-focused targets	<p>1.2.1 Make annual public disclosure of climate actions as part of a transition plan</p>	<p>In the past, the BSE has publicly disclosed information on climate-related and sustainability practices through its annual reports, although the disclosures were relatively brief. The Exchange has also documented the sustainability practices of listed entities.</p> <p>Since joining the Net Zero Alliance, the BSE has decided to adopt the Integrated Reporting Framework for its 2025 Integrated Report to strengthen transparency, accountability, and sustainable value creation in line with its Net Zero commitments and broader sustainability agenda. The report is currently in its final stages of development and is expected to be published by the end of May. It will place emphasis on the BSE's climate action plans and sustainability initiatives. In addition to the Integrated report, the BSE intends to introduce periodic sustainability reports in the future.</p> <p>As part of its reporting commitments, the BSE also looks forward to publishing its inaugural Net Zero Report in May 2026, further demonstrating its commitment to sustainability and climate-related transparency.</p> <p>The BSE continues to raise awareness and promote transparency regarding its Net Zero initiatives through various communication channels, including X-News and other stakeholder engagement platforms.</p>
	<p>1.2.2 Measure and disclose scope 1,2 and (where material) 3 emissions annually</p>	<p>The Exchange is aligning its approach with the Greenhouse Gas Protocol to establish appropriate methods for calculating, reporting, and reducing emissions.</p> <p>An assessment of the BSE's business model as an exchange was also conducted to identify areas where operations can be optimized to support sustainability objectives. As a result, the BSE has made commitments and continues to improve in several key areas, including implementing energy-saving measures, maintaining a small vehicle fleet to reduce emissions and fuel consumption, and promoting paperless operations through the full adoption of digitization initiatives.</p> <p>The Exchange is currently monitoring data relating to these initiatives with the objective of achieving continuous and measurable improvements, by the end of the year.</p>



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Emissions reduction and disclosure		
Category 1: Lead by example Exchange-focused targets	1.2.3 Commit to scope 1,2 and (where material) 3 emission reductions for exchange's own operations	<p>Botswana's electricity sector remains heavily dependent on coal-based power generation, primarily through the Morupule A and Morupule B power plants, which have received significant government investment. The country has also experienced electricity supply challenges in the past, highlighting the need for a more diversified and sustainable energy mix. In response, the BSE has been vocal in advocating for the transition toward renewable energy, particularly solar power, given Botswana's strong solar energy potential. Although several solar plants have been developed across the country, there is still a need for a clearer long-term strategy regarding the national energy mix and the transition to cleaner energy sources. The exchange encourages listings from companies in the renewable space.</p> <p>The BSE currently operates from rented premises, where it benefits from several environmentally conscious building management practices, including:</p> <ul style="list-style-type: none"> • Installation and use of energy-efficient LED lighting in common areas and basement parking levels. • Routine maintenance of HVAC, plumbing, and electrical systems to promote efficient resource utilization. • Monitoring of electricity and water consumption to identify opportunities for improved efficiency. • Maximization of natural lighting in common areas where feasible. • Landscaping and maintenance practices designed to reduce unnecessary water consumption. <p>In line with its sustainability objectives, the BSE is also in the process of constructing its iconic head office, which is intended to be developed as a green building that incorporates environmentally sustainable design principles and energy-efficient technologies.</p>

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2.1 Transparency & Education		
Category 2: Exercise influence Market-focused targets	<p>2.1.1 Promote availability of high-quality climate information by producing guidance for issuers or undertaking initiatives that encourage climate-related disclosure (as may be relevant to the market)</p>	<p>The BSE launched its Voluntary Sustainability Disclosure Guidance in August 2024 in response to the growing demand for robust sustainability reporting frameworks that align with evolving global disclosure standards. The Guidance incorporates the IFRS/ISSB S1 and S2 Standards and is intended to assist listed companies in disclosing climate-related risks, ESG performance, sustainability opportunities, and environmental impacts in a more transparent and consistent manner.</p> <p>Following the launch, the BSE conducted training sessions for issuers and market participants to enhance awareness and build capacity around sustainability and climate-related disclosures. The Exchange continues to monitor developments within the regulatory environment and actively engages with stakeholders to ensure that the Guidance remains relevant and aligned with international best practices. As part of this ongoing process, the BSE intends to review and enhance the Guidance by December 2026 to further strengthen climate-related disclosure requirements.</p> <p>While the current disclosure framework remains voluntary, the BSE recognizes the global shift toward mandatory sustainability and climate-related reporting. In response, the Exchange is currently conducting a survey among issuers to assess the level of adoption of the BSE Sustainability Disclosure Guidance and to evaluate market readiness for a future transition to mandatory disclosure requirements.</p>
	<p>2.1.2 Offer climate disclosure training at least annually</p>	<p>Training issuers and market participants on the voluntary sustainability guidelines has been a priority, and the BSE has conducted training in February 2025. The same will be arranged for issuers, the market and regulators by December 2026. A webinar on Net zero is also scheduled for May 2026.</p> <p>The annual refresher workshops hosted twice a year also include ESG or climate related topics/discussions.</p>



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2.2 Products & Services		
Category 2: Exercise influence Market-focused targets	2.2.1 Raise visibility for climate- themed products	<p>Over the last few years, the BSE has been on a strategic path toward internationalization and the adoption of global best practices. The Exchange introduced a Sustainable Bonds Segment in 2023, providing listing requirements and fee incentives for sustainable debt instruments. This segment broadens investment opportunities for investors while enabling issuers to increase participation in impact and sustainability-focused investments.</p> <p>Also, the BSE is actively driving efforts to attract equity companies that implement sustainable business practices, while also encouraging existing listed companies to strengthen their sustainability frameworks and ESG performance.</p> <p>Following its membership in the Net Zero Financial Service Providers Alliance in May 2025, the BSE announced plans to develop and expand climate-focused financial instruments. These instruments are intended to support Botswana’s transition to a low-carbon economy and strengthen climate resilience, which remains both a strategic and national priority. The planned initiatives include support for green bonds, sustainability-linked bonds, climate infrastructure investment vehicles, and other ESG-oriented market products. This is currently work in progress.</p> <p>The BSE has continued strengthening and promoting its Sustainable Bonds Segment through engagements with prospective issuers and participation in various market development platforms and industry events. To encourage the uptake of sustainable financial instruments, the Exchange has maintained incentives such as a 25% discount on listing fees for sustainable bonds, thereby supporting climate-aligned financing initiatives.</p> <p>In line with Botswana’s development priorities, the Exchange has also been promoting projects on renewable energy transition, clean transportation, water and sanitation infrastructure, climate-resilient projects, and social welfare initiatives. The BSE has partnered with the Ministry of Transport and Infrastructure, as well as councils and local authorities, to support sustainable development efforts.</p>

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2.2 Products & Services		
Category 2: Exercise influence Market-focused targets	2.2.1 Raise visibility for climate- themed products	<p>In 2025, the BSE facilitated the listing of GAIA Renewables 1, providing Botswana-based investors with exposure to the GAIA Africa Climate Fund. This investment product focuses on renewable energy infrastructure, clean energy access, and climate infrastructure projects across Africa.</p> <p>Through its partnership with Risk Insights, the BSE has also expanded access to AI-powered ESG services, including ESG ratings, sustainability analytics, and ESG assessments. Through the implementation of its Market Development Strategy, the Exchange continues to raise awareness of these product offerings through various engagement channels and platforms aimed at attracting both issuers and investors.</p>
	2.2.2 Incorporate Climate-related considerations into the development processes for products and services	<p>Since signing the alliance Tunis, the Botswana Stock Exchange has expanded the mandate of the Business Development and Business Operations committee to include climate related, and broader ESG considerations in the development of new products, services and strategic partnerships. All the product and service requests through these committees have been reviewed according to this lens. It is worth noting that the BSE has had a green bond issued by ABSA which matured, and has GAIA Preference B shares, a company that is in the renewable energy space. With the existing framework in place that allows for the BSE sustainable products, the BSE has announced plans to introduce climate focused financial instruments such as sustainability linked bonds, infrastructure investment vehicles to support infrastructure development by the Government of Botswana.</p>



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2.3 Policy, Persuasion & Engagement		
Category 2: Exercise influence Market-focused targets	<p>2.3.1 Actively engage with local and global policy makers and standard setters to stay informed of and promote net zero aligned policies</p>	<p>The BSE has been engaging extensively with local and central government authorities, regulators, and policymakers on Net Zero commitments and the broader sustainability agenda. Following the Exchange's admission into the Net Zero Financial Service Providers Alliance, information regarding the commitment was shared with key stakeholders, and the BSE's Net Zero objectives have since become an important subject of discussion across various public and private sector forums.</p> <p>The Exchange actively participates in panel discussions, presentations, and global engagements focused on climate action and sustainable finance. In addition, the BSE continues to engage on climate-related matters with key regulatory and our member organisations, including Committee of SADC Stock Exchanges (CoSSE), Non-Bank Financial Institutions Regulatory Authority (NBFIRA), Bank of Botswana (BoB), Financial Institutions Association of Botswana (FIA), World Federation of Exchanges (WFE), African Securities Exchanges Association (ASEA), African and Middle East Depositories Association (AMEDA), and World Forum of CSDs (WFC). These engagements support the alignment of the BSE's sustainability initiatives with regional and global best practices.</p> <p>As of March 2026, the BSE joined the National Technical Working Group on Climate Change, which is responsible for developing Botswana's national ESG roadmap, sustainability taxonomies, and carbon credits framework. The Exchange also participates in national consultative forums relating to carbon credits, Nationally Determined Contributions (NDCs), and the development of Botswana's national Just Transition Roadmap.</p>
	<p>2.3.2 Work towards mandatory climate-related disclosure in the exchange's market</p>	<p>The current sustainability disclosure guidance is voluntary, however there are plans to explore the introduction of mandatory disclosure guidelines, therefore, to establish market readiness, the BSE is conducting a survey with BSE issuers to assess the adoption of the voluntary guidelines while checking the readiness for the introduction of mandatory guidelines.</p> <p>The BSE will continuously monitor the development of the market to establish an appropriate time for climate disclosures to be mandatory.</p>



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2.3 Policy, Persuasion & Engagement		
<p>Category 2: Exercise influence Market-focused targets</p>	<p>2.3.3 Proactively engage with market participants, including through market awareness programmes, to promote adoption of net zero commitments and transition plans among market participants</p>	<p>The BSE will continue to proactively promote net zero and promote thought leadership around the topic. This will include participating in relevant forums as well as hosting thought leadership sessions with market participants.</p>



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Published: 05 2026