

What should ESG reporting look like in Africa?

 By [Sandy Peters](#)

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While global standards and measures exist, the ESG reports businesses on the continent churn out also need to take into account Africa's many challenges. This is according to Mpho Mookapele, CEO of the Energy & Water Seta (EWSeta), who participated in a panel discussion at the recently held inaugural ESG Africa Conference in Johannesburg.



Mpho Mookapele, CEO of the Energy & Water Seta

These challenges, she noted, include access to clean water and sanitation, energy security, unemployment, food insecurity, and weak economic growth. Mookapele said that while these may sound like issues for governments to address, it is the reality in which companies operate in Africa and so this needs to be considered when compiling their ESG reports.

She referred to the [results of PwC's 25th Annual Global CEO Survey](#) released earlier this year which indicated that "73% of South African CEOs are very or extremely concerned about social inequality in the country impacting their company over the next 12 months". In comparison, only 13% of global leaders were concerned about social risk, she noted.

This is why ESG should not be considered in a vacuum, Mookapele emphasised, as global measures - often from an environmental perspective - are set by those who consider social risk as much less of a challenge.

She said that ESG considerations should also not be limited to reporting. "I think in 10 years' time if we've got all these beautiful reports but the social and environmental landscape in South Africa remains the same, we would have failed ourselves."



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She said that just as companies start at the beginning of every year, focusing on ensuring a good-looking balance sheet, the same should be applied when it comes to ESG, and ethical leadership should be threaded throughout planning and reporting.

There should be greater alignment between ESG and financial reporting results - South Africa, for example, should not be plagued by issues related to acid mine drainage while the profits and reports of companies that create these challenges still look good.

Mookapele noted how ESG measures are impacting on policy setting in developing countries. "Fossil fuel is not financed by many financiers, yet it's a significant part of our energy mix," she said.

She asked whether it was ethical or fair to hold Africa back from driving its industrialisation using fossil fuels while, historically, many developed nations have taken this growth path. "How are we expecting certain countries to reach that

stage of industrialisation and resolve their social issues when we are putting in place certain limitations because of ESG?"



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"Do we continue to look at international benchmarks and global standards and enforce them in developing countries, or are we going to define it for ourselves?" asked Mookapele.

"I think South Africa is capable of leading the world, leading Africa, and developing measures that are relevant for a developing country. It's going to require us not only relying on international trends, but really to assess ourselves as Africa and ask what is it that is relevant for us from an ESG perspective," she said.

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