

THE CAPITAL MARKETS ENVIRONMENT, SOCIAL AND GOVERNANCE (ESG) DISCLOSURES AND SUSTAINABILITY REPORTING GUIDELINES, 2025

Arrangement of Guidelines

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The Capital Markets Authority (ESG Disclosures and Sustainability reporting) Guidelines)2026

(Under section 29 (1) (a) of the Capital Markets Authority Act, Cap. 64)

IN EXERCISE of the powers conferred on the Capital Markets Authority (“Authority”) UNDER Section 29 (1) (a) of the Capital Markets Authority Act, Cap 64 (“The Act”), these guidelines are made this day of2026.

PREAMBLE

The evolving landscape of environmental, social, and governance (ESG) expectations has placed sustainability, transparency, and accountability at the core of global capital markets. Of particular concern is the need for consistent, comparable, and decision-useful information and the risk of greenwashing. In response, the Capital Markets Authority has developed these ESG Disclosure and Sustainability Reporting Guidelines to support regulated entities in embedding credible reporting and public disclosure aligned with internationally recognized standards.

These Guidelines serve as a strategic framework for aligning Uganda’s capital markets with internationally recognized standards and reporting best practices. They are designed to promote coherent, comparable, and decision-useful ESG and sustainability information, enabling stakeholders to assess long-term value, resilience, and societal impact.

By fostering consistency, transparency and enhancing investor confidence, these Guidelines position Uganda’s market participants to lead with integrity and innovation. Entities are encouraged to approach ESG disclosure and sustainability reporting requirements in the guidelines as more than a compliance exercise — but as a platform for meaningful engagement, risk-informed strategy, and enduring value creation.

PART I – PRELIMINARY

1. Title

These Guidelines may be cited as the Capital Markets Authority (ESG Disclosure and Sustainability Reporting) Guidelines, 2026.

2. General definitions and interpretations

Assurance	Refers to independent verification of reported ESG and sustainability information, providing confidence in accuracy and reliability.
ESG ¹	ESG stands for Environment, Social, Governance and refers to as a set of environmental, social, and governance factors considered by companies when managing their operations, and investors when making investments, in respect of the risks, impacts, and opportunities relating to but not limited to: Environmental issues: potential or actual changes to the physical or natural environment (e.g. pollution, biodiversity impacts, carbon emissions, climate change, natural resource use); Social issues: potential or actual changes on surrounding community and workers (e.g. health and safety, supply chain, diversity and inclusion); and Governance: corporate governance structures and processes by which companies are directed and controlled (e.g. board structure and diversity, ethical conduct, risk management, disclosure and transparency), including the governance of key environmental and social policies and procedures.
ESG Metrics	Refers to quantitative indicators used to assess an entity's performance across environmental, social, and governance factors.
Double Materiality	Refers to the concept that entities must assess both how sustainability issues affect the entity (financial materiality) and how the entity impacts society/environment (impact materiality).
“Materiality Assessment”	Refers to the process of prioritizing ESG topics for reporting based on the assessed needs of the different stakeholders, the business operations and industry in which a reporting entity operates
“Material topics”	“Material topics” are topics that represent an entity's most significant impacts on the economy, environment, and people, including impacts on their human rights. (also referred to as material issues in these guidelines)
Reporting Boundaries	Means the defined scope of operations, entities, and activities included in ESG or sustainability disclosures.
Reporting Entity	Means an entity to whom these guidelines apply and which is required to make reports described in these guidelines

¹ IFC ESG Guidebook

Acronyms	
CMA	Capital Markets Authority
GRI	Global Reporting Initiative
ISSB	International Sustainability Standards Board
LTIFR	Lost Time Injury Frequency Rate
CO ₂ e	Carbon Dioxide Equivalent
GHG	Greenhouse Gas
SDGs	Sustainable Development Goals
CSR	Corporate Social Responsibility
IFRS	International Financial Reporting Standards

3. Objectives

The objectives of these Guidelines are to—

- a) promote adoption of disclosure best practices across regulated entities ;
- b) ensure consistent and comparable ESG disclosures and sustainability reporting across regulated entities;
- c) enable investors and stakeholders to assess sustainability-related risks and performance;
- d) align Uganda capital markets’ disclosure and reporting practices with globally recognized sustainability frameworks;
- e) foster responsible investment and facilitate access to sustainable finance; and
- f) strengthen market integrity and investor confidence through enhanced ESG governance.

4. Scope and application

These guidelines shall apply to:-

- (a) all issuers whose securities are listed on a approved exchange;
- (b) Fund Managers;
- (c) Investment Advisors
- (d) Securities Exchanges
- (e) Commodities Exchanges
- (f) such other licensed and or approved person as may be determined by the Authority.

PART II: GUIDING PRINCIPLES

5. Overarching Principles for Disclosures

Reporting entities shall ensure that disclosures made under ESG disclosure and or sustainability reports are—

- (a) Material to investor decision-making;

- (b) Comparable across time and entities;
- (c) Verifiable through appropriate internal and external assurance;
- (d) Timely, published within 180 days of the financial year-end; or in the case of prospective issuers within a draft prospectus document submitted for to the Authority for approval
- (e) Balanced, reflecting both positive and negative impacts.
- (f) Reporting entities shall ensure that the disclosures are in line with sustainability labels required for investment products and Issuers as approved by the Authority.

6. Determination of Materiality

In determining material issues, reporting entities shall use a consultative approach and the following steps:

- (a) Understand the entity's context. In this step, the entity creates an initial high-level overview of its activities and business relationships, the sustainability context in which these occur, and an overview of its stakeholders. This provides the organization with critical information for identifying its actual and potential impacts.
- (b) Identify actual and potential impacts. In this step, the entity identifies its actual and potential impacts on the economy, environment, and people, including impacts on their human rights, across the entity's activities and business relationships. Actual impacts are those that have already occurred, and potential impacts are those that could occur but have not yet occurred. These impacts encompass both negative and positive impacts, as well as short-term and long-term impacts, intended and unintended impacts, and reversible and irreversible impacts.
- (c) Assess the significance of the impacts. In this step, the entity assesses the significance of its identified impacts to prioritise them. Prioritisation enables the organization to take action to address the impacts and also to determine its material topics for reporting. Prioritising impacts for action is relevant where it is not feasible to address all impacts at once. Assessing the significance of impacts should follow quantitative and qualitative analysis.
- (d) Prioritize the most significant impacts for reporting. In this step, to determine its material topics for reporting, the organization prioritizes its impacts based on their significance.

7. Reporting Standards and frameworks

- (a) For sustainability reporting entities shall as a minimum adopt or align disclosures with—
 - (i) the IFRS Sustainability Disclosure Standards (ISSB);
 - (ii) other internationally recognized standards endorsed by the Authority.

- (b) For ESG disclosures, disclosing entities shall adopt or align disclosure formats to internationally recognized standards endorsed by the Authority.
- (c) The disclosing entity shall ensure that the ESG disclosure format(s) selected is appropriate for and suited to its industry and business model.
- (d) The framework(s) adopted by the disclosing entity shall be disclosed.
- (e) The Authority will also approve the adoption of industry specific disclosing frameworks and guides save that these frameworks shall demonstrate alignment with the global reporting standards specified in 7.2 (b) above. This adoption shall also be disclosed by reporting/disclosing entities.

8. Reporting boundaries

- (a) Reporting entities must clearly define the reporting boundaries of their disclosures by articulating the scope of operations, entities, and value chain activities covered in the report. Key considerations in defining reporting boundaries include:
 - ii. **Operational Scope:** disclosures should reflect the entity's own operations, including wholly-owned subsidiaries, joint ventures, and leased assets where operational control is exercised.
 - iii. **Value Chain Inclusion:** Where material, entities should extend reporting to upstream and downstream activities — such as suppliers, distributors, and outsourced services — to capture broader sustainability impacts.
 - iv. **Geographic and Business Segmentation:** Entities must specify which locations, business units, or product lines are included or excluded, and justify any exclusions.
 - v. **Time Horizon and Comparability:** Reporting boundaries should remain consistent across reporting periods. Any changes must be disclosed with rationale and impact on comparability.
 - vi. **Legal and Regulatory Alignment:** Boundaries should align with applicable reporting frameworks adopted and ensure coherence with financial reporting where feasible.
- (b) For avoidance of doubt the reporting and disclosure requirements under these guidelines shall not detract from, substitute or constitute a waiver of the reporting entity's obligation to disclose any information that is necessary to avoid the establishment of a false market or would be likely to materially affect the price or value of its securities prescribed under the CMA Act Cap. 64, regulations thereunder; or the disclosure requirements per the rules of an Exchange as approved by the Authority.
- (c) The Authority may issue reporting entity-specific technical guidance on the reporting scope and material topics /issues for purposes of ESG disclosures and sustainability reporting.

9. Preservation of the linkage between materiality and reporting boundaries

- (a) It is emphasized that materiality and boundary-setting are interdependent. The determination of reporting boundaries must be guided by materiality assessments — identifying which activities, entities, or impacts are significant to stakeholders or pose financial, reputational, or regulatory risks
- (b) Material issues must be reported within the defined boundary, and boundaries must be reassessed if material issues arise
- (c) Reporting entities are encouraged to adopt a double materiality lens — considering both the impact of sustainability issues on the entity and the entity's impact on society and the environment

PART III: GUIDELINES ON DISCLOSURE AND REPORTING REQUIREMENTS

10. Minimum ESG Disclosure Requirements

- (a) Reporting Entities shall in any addition to any disclosures required under the Capital Markets Authority (Corporate Governance regulations) 2025 or rules of an exchange where such person is listed or is a trading participant of provide on an annual basis the following minimum ESG disclosures:

Governance: its ESG governance structure, including:

- (i) board oversight;
- (ii) policies on ethics, anti-corruption, and whistleblowing;
- (iii) whether executive remuneration is tied to ESG performance;
- (iv) ESG risk integration within enterprise risk management systems.
- (v) board composition, independence, and tenure;
- (vi) anti-bribery controls and enforcement records;
- (vii) shareholder and stakeholder engagement practices.

Environmental: subject to the entities materiality analysis

- (i) total energy consumption, including renewable energy use;
- (ii) climate-related risks and mitigation strategies;
- (iii) water usage and waste management practices;
- (iv) biodiversity impacts, especially near ecologically sensitive zones.
- (v) Where applicable emissions

Social:

- (i) workforce composition by gender, age, and ethnicity;
- (ii) health and safety statistics, including incident rates;
- (iii) community engagement and social investment programs;
- (iv) human rights due diligence across supply chains;
- (v) mechanisms for stakeholder feedback and grievance resolution.

- (b) Entities should disclose performance indicators across all factors environmental, social, and governance dimensions, guided by materiality and sector relevance.
- (c) The adopted ESG metrics such as in relation to scope 1–3 emissions, Lost Time Injury Frequency Rate (LTIFR), board composition by gender and independence, and

community investment expenditure must align with and be presented in accordance with the reporting framework adopted by the reporting entity.

- (d) Reporting Entities must provide year-on-year comparisons, explain any significant changes, and disclose methodological assumptions. Where data is unavailable, entities shall provide a timeline for future inclusion.
- (e) Entities are encouraged to adopt a “progressive disclosure” approach, starting with metrics most relevant to their operations and expanding over time
- (f) Assurance: All data all ESG disclosures shall be subject to limited assurance and the reporting entity shall disclose the name and methodology of the assurance provider

Sustainability reporting

The Capital Markets Authority (Corporate Governance) Regulations 2025 requires every issuer to prepare an annual report, which must include a statement on how opportunities risks to the future success of the business have been considered and addressed, the sustainability of the company’s business model and how its governance contributes to the delivery of its strategy. This Part contains the Sustainability Reporting Guide which provides guidance on the expected minimum structure and contents when preparing a sustainability report prepared in satisfaction of aligned with these guidelines:

11. Primary components of a Sustainability report

A sustainability report should comprise the following primary components:

Material ESG Factors

- i. Identify the material ESG factors, and describe both the reasons for and the process of selection, taking into consideration their relevance or impact to the business, strategy, financial planning, business model and key stakeholders.
- ii. Climate-related disclosures; Include disclosures related to climate-related risks and opportunities.
- iii. Policies, practices and performance: Set out the issuer's policies, practices and performance in relation to the material ESG factors identified, providing descriptive and quantitative information on each of the identified material ESG factors for the reporting period. Performance should be described in the context of previously disclosed targets.
- iv. ESG Targets. targets for the forthcoming year in relation to each material ESG factor identified. Targets should be considered for defined short, medium and long-term horizons, and if not consistent with those used for strategic planning and financial reporting, the reasons for the inconsistency should be disclosed.

Board statement.

The sustainability report should contain a statement of the Board that it has considered sustainability issues in the reporting entity's business and strategy, determined the material ESG factors and overseen the management and monitoring of the material ESG factors. In addition, the sustainability report should describe the roles of the Board and the management in the governance of sustainability issues.

Corruption and bribery

Where corruption has been addressed in the Corporate Governance report, the issuer may refer to that report. If corruption is not assessed to be a material ESG factor by the issuer, where stakeholders express sufficient interest in the information, the issuer is advised to state its policy and safeguards on its website.

Gender, skills and experience

These have been highlighted as diversity indicators material to business sustainability. Diversity greatly enhances business' capacity for breadth of input and perspectives into decision making, risk alertness and responsiveness to change. Reporting entities should be aware of this trend and assess whether diversity is a material social factor in its business. It should engage stakeholders in assessing the necessity of reporting on this matter. In satisfying investors and other stakeholders, diversity should be examined through broad levels of staff and also importantly, in the Board. Where other sections of the annual report sufficiently address stakeholders' interest in diversity, the reporting entity may refer to those sections.

Value chain operations

The reporting entity should consider not just its internal circle of operations but also widen that circle to include persons and processes in the value chain that contribute to the reporting entity's product or service. Parts of the business outsourced to third parties, as well as downstream processes, constitute an integral part of the reporting entity's business and need to be included in the sustainability report.

12. Group and investment holding company reporting

- (a) Holding companies may make reference in its sustainability report to the sustainability reports of the operating subsidiaries. If the holding company has material investee companies which are not subsidiaries, its sustainability report should include the selection and management of these investee companies.
- (b) Reporting entities that are part of a group structure (subsidiaries) must make reference in their sustainability reports to the sustainability report of the group /holding company

13. Internal Reviews and External Assurance

- (a) Internal reviews and external assurance increase stakeholder confidence in the accuracy and reliability of the sustainability information disclosed. An internal review of the sustainability reporting process builds on the issuer's existing governance structure, buttressed by adequate and effective internal controls and risk management systems.
- (b) Where the internal audit function conducts the internal review, such review shall be should be conducted in accordance with the International Standards for the Professional Practice of Internal Auditing (or any subsequent framework or standard including the International Professional Practices Framework and the Global Internal Audit Standards replacing such standards) issued by The Institute of Internal Auditors.
- (c) Where a reporting entity has reviewed that certain or all key aspects of the sustainability report has been externally assured, the issuer can, as part of its internal review, determine that no further internal review on such aspects of the sustainability report is required under a risk-based approach.
- (d) Reporting entities whose sustainability reporting has already matured after several annual exercises are encouraged to undertake external assurance by independent professional bodies to add credibility to the information disclosed and analysis undertaken. These entities are particularly encouraged to consider independent external assurance on selected important aspects of its sustainability report even in its initial years, expanding coverage in succeeding years.
- (e) External assurance must be performed in accordance with recognised assurance standards,
- (f) A reporting entity that has conducted external assurance should disclose, in the sustainability report, that external assurance has been conducted, including the scope covered, the identity of the external assurer, the standards used, the level of assurance obtained and key findings.

14. Distinguishing ESG Disclosures reporting from sustainability reporting

To ensure clarity of reporting obligations and encourage coherent disclosure practices, the guidance below outlines the conceptual and practical distinctions between ESG disclosures and sustainability reporting.

Reporting distinctions

- (a) "ESG disclosures reporting" refer to standardized and verifiable data relating to environmental, social, and governance metrics used primarily for regulatory compliance, investment analysis, and risk assessment; while

“Sustainability reporting” refers to broader communications that contextualize an entity’s environmental and social commitments, long-term strategy, and stakeholder engagement efforts. The reporting is intended for a wider stakeholder base, including communities, employees, and civil society actors, and may include both quantitative and qualitative narratives.

(b) Distinction Guidance Summary

Aspect	ESG Disclosures	Sustainability Reporting
Focus	Specific metrics on Environmental, Social, and Governance factors	Broader narrative on environmental and social responsibility
Audience	Primarily investors and regulators	Wider stakeholders (employees, communities, customers)
Purpose	Assess risk, performance, and compliance	Communicate values, impact, and long-term strategy
Standards	ISSB use of internationally recognized format or format approved by the Authority	ISSB
Tone	Data-driven, comparable, auditable	Strategic, qualitative, aspirational

15. Form and Frequency of Sustainability Reporting

- (a) A reporting entity should report on sustainability at least once a year. An issuer's sustainability disclosure shall be done in its annual report.
- (b) Sustainability reports contained within annual reports would observe annual report deadlines.

16. Integrating ESG disclosures in sustainability report

Reporting entities may fulfill ESG disclosure requirements within a standalone sustainability report, an integrated annual report, or any other format approved by the Authority, provided that:

- i. ESG metrics are distinctly presented and verifiable;
- ii. qualitative descriptions are clearly identified as contextual commentary and not substitutes for mandatory disclosure

PART IV – IMPLEMENTATION AND ENFORCEMENT

17. Non-compliance A reporting entity that fails to comply with these Guidelines may be subject to— (a) administrative sanctions, including public censure or publication of a statement of a reporting entity’s non-compliance status.

18. Misrepresentation and false information

(a) Where a reporting entity discloses or reports in its ESG or sustainability reports to the public or the Authority or includes in its communication with the investor (including advertising or promotional materials) false statements (whether as a result of negligence or knowingly) they shall be liable to the penalties provided under Section 14 of the Act.

(b) Green washing

(i) Reporting entities shall not make environmental claims **without** adequate and proper substantiation this includes:

- Use aspirational language (e.g., “net zero by 2030”) without a credible roadmap
- Recycling unverifiable claims across multiple platforms for promotional gain
- Misrepresent third-party certifications or omit disclaimers on limitations

(ii) Upon identification of greenwashing, the Authority may require public correction or retraction of misleading claims Impose administrative penalties or refer cases for further investigation or prosecution in line with Section 14 of the Act.

Under these guidelines green washing refers to the practice of making unsubstantiated, exaggerated, or deceptive claims about the environmental benefits of a product, service, business activity, or strategy

(c) Corporate Social Responsibilities (CSR) not to be represented as ESG performance indicators

While CSR activities are encouraged as part of responsible corporate citizenship, reporting entities should note that they **do not substitute for ESG or sustainability reporting obligations**. Entities must ensure that:

- CSR initiatives are not misrepresented as ESG performance indicators
- ESG disclosures are based on verifiable data and materiality assessments
- Sustainability reports reflect strategic impact, not promotional narratives

19. Implementation

The Authority shall implement these Guidelines in a phased manner as follows—

2026 – 2027: Voluntary reporting and pilot programs;

2028: Mandatory reporting for listed issuers and large fund managers;

1st January 2030: Full compliance, assurance, and enforcement commence.

Issued this.....Day