



Building Public Trust Through Tax Reporting

**PwC's 11th annual tax transparency review of
the top 100 companies on the Johannesburg
Stock Exchange**



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Introduction

Welcome to the 11th edition of Building Public Trust Through Tax Reporting.

In this year's publication, we look at why tax, risk, and sustainability sometimes speak different languages within the same organisation, and what that means for the Johannesburg Stock Exchange (JSE) Top 100 as expectations for transparency continue to rise. Drawing on our review of this year's disclosures, we examine the gap between the Chief Risk Officer (CRO), Chief Sustainability Officer (CSO), and Tax Director, and consider what it takes to bring those perspectives together into a single, coherent story.

That gap is often hidden.

A tax position can clear the Tax Director's technical threshold, sit untested on the CRO's risk register, and quietly undercut the CSO's public sustainability claims, without anyone being wrong, or even noticing. Viewed in isolation, each disclosure may make sense. Read together, however, they can tell a different story.

That risk is now real.

Tax authorities are already using AI to scrutinise filings in real time, and investors and analysts are applying the same scrutiny to public disclosures. Organisations that still view tax, risk, and sustainability through separate lenses are likely to be the last to spot when their story no longer adds up.

Against this backdrop, we examine how companies are responding to an increasingly complex tax environment. We analyse early disclosures under new regimes, including the first wave of reporting under **Pillar Two**, the Organisation for Economic Co-operation and Development's (OECD) global minimum corporate tax framework, which introduces a 15% minimum effective tax rate for large multinational groups. We also consider the progress being made in **Total Tax Contribution** (TTC) disclosure and voluntary Country-by-Country Reporting (CbCR), providing insight into how businesses are navigating an increasingly complex environment. These comparisons help place individual disclosures in context, enabling organisations to understand how their approach compares with those of their peers and competitors. Our research continues to show that there is no 'one-size-fits-all' approach. Businesses preparing to report in the coming years should focus on sharing information that's consistent, clear, and useful to stakeholders. As transparency expectations continue to evolve, companies that invest in connected, narrative-rich reporting will be better placed to build trust, meet stakeholder expectations, and respond confidently to a rapidly changing global tax landscape.

If you'd like to talk about your tax reporting or request your personalised tax transparency report to compare your approach with your peers, we'd be glad to continue the conversation with you.

Throughout this report, look out for our "Judges' Perspective". These are independent views of this year's judging panel on the themes explored throughout the publication.

[Click for quick view](#)


Key findings

Our review of the top 100 JSE-listed companies by market capitalisation shows where South African companies stand on the journey toward greater openness, stronger governance, and a single, coherent tax story.

28%

the average transparency score for all companies [↗](#)

39

companies treated tax as a key business risk [↗](#)

13

companies treated tax as a material sustainability topic [↗](#)

R35.6

billion Pillar Two top-up tax reported [↗](#)

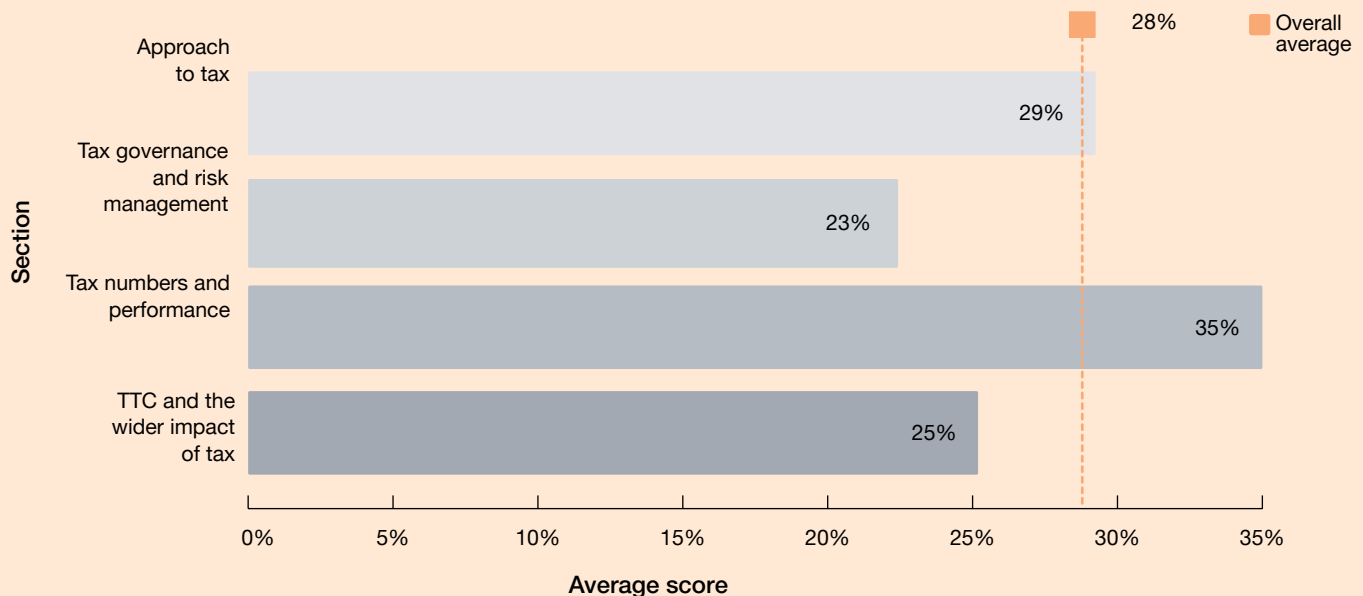
R1,844

billion in TTC disclosed by 48 of the 100 companies assessed [↗](#)

8

companies disclosed full CbCR data² [↗](#)

Deeper dive into overall performance [↗](#)

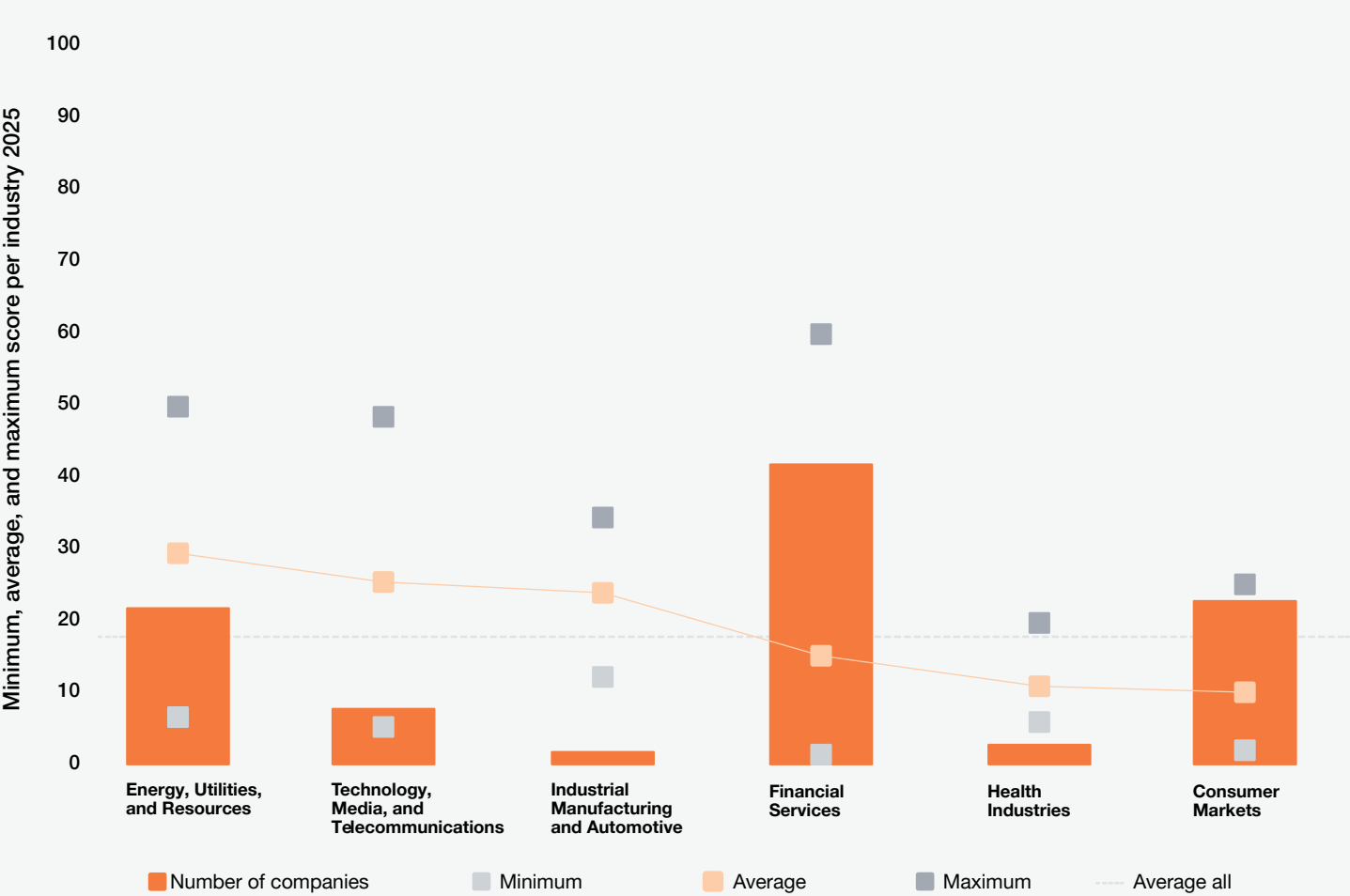


Graph 1: Overview of average transparency in South Africa per category of the framework – all companies¹.

In 2025, 12 companies scored above 60% for overall tax transparency (2024: 12). This group includes 8 primary-listed and 4 secondary-listed entities. Meanwhile, 68 companies (2024: 65) scored 30% or less, indicating that transparency remains a challenge for most of the market.

¹ From this edition onwards, we have aligned our category structure with PwC's Global Tax Transparency and Tax Sustainability Reporting Study methodology, to enable more consistent benchmarking between South African and global results. While the underlying criteria assessed remain substantively similar, category names and the grouping of criteria within them have changed. However, the overall average score remained unchanged from the previous year. Where comparison was possible based on matching criteria we showed 2024 numbers.

² Full CbCR data refers to the complete OECD BEPS Table 1, which provides jurisdiction-by-jurisdiction information on key financial and tax indicators.



Graph 2: The minimum, average, and maximum scores (out of a possible 80 points) for total tax transparency across various sectors. It highlights how companies within each sector perform relative to one another, offering a comparative view of disclosure practices.

On average, the energy, utilities, and resources sector demonstrated the highest levels of tax transparency. Of the top 20 performers, 11 companies are from the energy, utilities, and resources sector, four from the financial services sector, four from the technology, media, and telecommunications sector, and one from the industrial manufacturing and automotive sector.





If external stakeholders are already reading your data together, the CRO, CSO, and Tax Director can't afford to read it apart.

The missing link

Three functions. Three lenses. One tax position

Last year's report focused on the shift brought about by the King V™ Report on Corporate Governance for South Africa, 2025 (King V™). Tax transparency is no longer simply about informing stakeholders of documented policies and robust controls. It is about explaining how tax decisions contribute to ethical culture, performance, conformance, and legitimacy, and how they create value for the organisation and its stakeholders.

In previous publications, we've also looked at the **practical challenges** of tax reporting, particularly the difficulty of working across teams to ensure tax is clearly reflected in the broader value creation narrative. This year, we turn to a related issue that often receives less attention but can have an even greater impact: limited alignment between the CRO, CSO, and Tax Director. Risk, strategy, governance, and value creation should tell one coherent story, not three disconnected ones.

Each leader has a clear objective and delivers it well: risk is managed, sustainability targets are reported, and tax is compliant. Yet when tax, risk, and sustainability are considered through separate lenses, organisations can develop blind spots, inconsistent data, and exposure to regulatory challenges. The three functions rarely use the same language when discussing how tax affects risk exposure or sustainability performance.

There are usually no obvious warning signs at first. Instead, they emerge later through disclosures that do not align, tax positions that sit uneasily alongside stated risk appetite, or sustainability metrics that overlook tax altogether. With each leader focused on their own responsibilities, ownership of bringing these perspectives together can remain unclear. The gap may persist quietly for years, only to surface as a credibility issue when stakeholders start asking questions.

A new age of scrutiny driven by AI changes the stakes

Why it matters now: Stakeholders and regulators increasingly analyse disclosures together

As reporting shifts from periodic disclosure to continuous compliance, there is little room to correct the story after the fact—data accuracy has to be right from the start, with a clear audit trail behind it. That responsibility can no longer sit with the tax function alone.

Our **research** shows that corporate disclosures are rarely read in isolation and AI is embedded in this process. The goal is never just to read a report—it's to inform a decision. The only defensible stance is to be clear and consistent about strategy, performance, and trade-offs.

Investors already combine financial statements, sustainability disclosures, and investor communications with external inputs, including analyst reports, credit ratings, ESG scores, and other third-party data. **Tax authorities** are moving the same way: the OECD's Inventory of Tax Technology Initiatives shows over 70% now use AI to manage compliance and taxpayer services—often assessing risk before a return is filed.



The uncomfortable truth

Room to grow: Tax risk disclosure

Tax appears in risk reporting, but depth is inconsistent

Only **39% (2024: 31%)** of JSE Top 100 companies treated tax as a key business risk



Depth of disclosure varied widely across the companies we reviewed.

What did this year's study find?

- 52 (2024: 48) companies explained how they identify, manage, and monitor tax risk.
- Of these, 17 (2024: 10) offered only high-level commentary, while 35 (2024: 38) went further—describing specific tax risks, setting out their risk appetite and tolerance for tax, and/or referring to recognised risk management frameworks.

So, what is the takeaway?

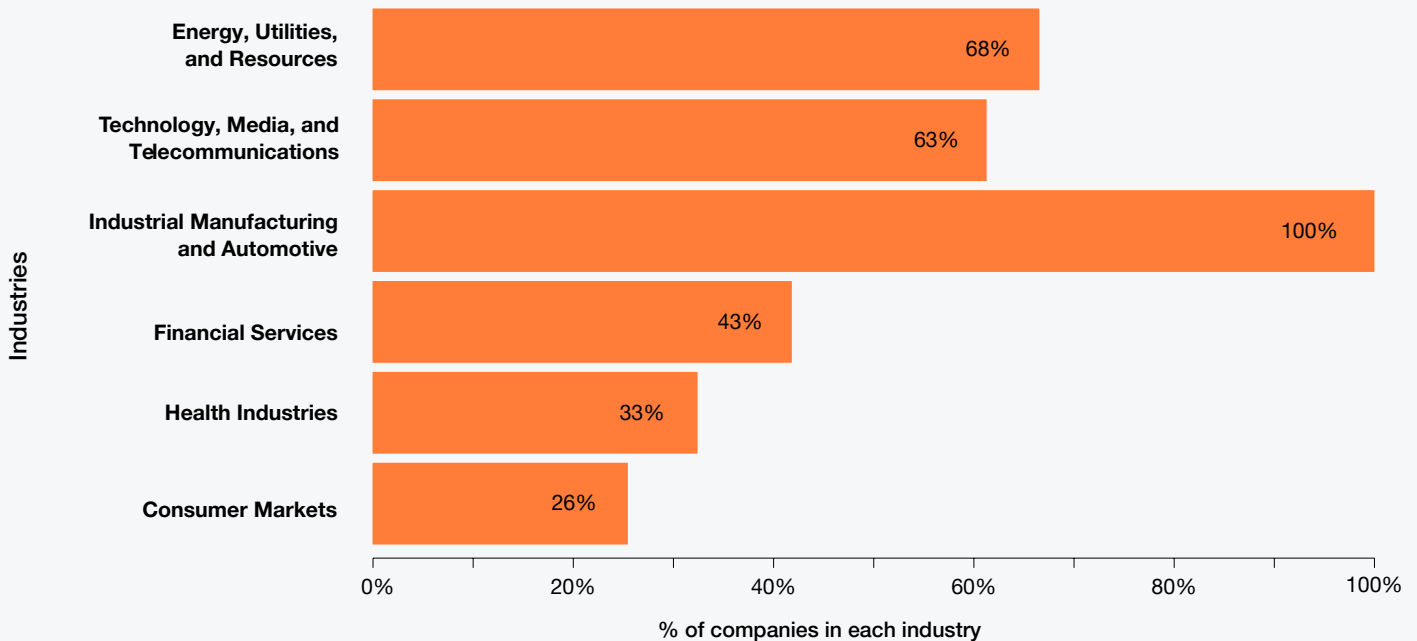
The headline shows improvement—but it masks a decline in the depth of disclosure that matters most. More companies are naming tax as a risk, but the quality of that engagement isn't keeping pace. Closing the gap between naming a risk and genuinely explaining it will be critical to meeting stakeholder expectations.

An open door: Tax in sustainability

Tax appears in sustainability reporting only rarely

Just **13% (2024: 13%)** of JSE Top 100 companies treated tax as a material sustainability topic





Graph 3: Tax strategy publication rates across various sectors.³

³ Sector sample sizes vary considerably, from 2 companies (Industrial Manufacturing and Automotive) to 42 companies (Financial Services). Percentages for sectors with small sample sizes — particularly Industrial Manufacturing and Automotive (n=2) and Health Industries (n=3) — should be interpreted with caution, as individual company results can shift these rates substantially and may not be representative of broader sector trends.



Publishing a tax strategy is only the first step. The real test is whether that strategy connects to anything beyond itself.

What did this year's study find?

- 47 companies published a tax strategy in 2025—down slightly from 49 in 2024.
- Fewer than 30% connected their strategy to sustainability objectives, and fewer than 20% addressed tax within sustainability reporting frameworks at all.
- Only one company provided the detailed, quantified analysis that stakeholders increasingly expect, given tax's role in funding public services, supporting the climate transition and underpinning broader ESG commitments.

So, what is the takeaway?

- Publication rates ranged from roughly a quarter to more than two-thirds of companies, depending on the sector. This suggests that regulatory exposure, stakeholder pressure, or reporting maturity, rather than a consistent market-wide approach, are driving this variation.
- **Publishing a tax strategy is no longer the differentiator—connecting it to sustainability is.** For most companies, tax still sits outside the sustainability lens, leaving a gap between compliance and the credible, connected account stakeholders now expect.

Present, but not connected

Taken together, these findings reveal a consistent pattern. Organisations are increasingly willing to talk about tax as a risk, and many now publish tax strategies. Yet few connect those disclosures to risk appetite, sustainability commitments, or broader value creation.

The issue is not disclosure. The issue is integration.

The issue is not that organisations lack information. The issue is that the same information is being viewed through separate lenses—and no one is responsible for bringing those views together.

This year, we asked why that gap persists. The answer starts with who's actually in the room.

Three chairs, one table

Who owns what?

Picture the CRO, the CSO, and the Tax Director sitting around the same table, each asked the same simple question: **“Is tax a risk your business needs to manage?”**

Chances are that you’d hear three different answers. The disconnect is not caused by poor governance. It arises because three leaders are looking at the same issue from three different perspectives.

CRO

The **CRO** views tax through the lens of enterprise risk management. Their focus is whether tax exposures are identified, assessed, monitored, and aligned with the organisation’s risk appetite and governance structures.

Ask the CRO: *Are we operating inside or outside our risk appetite?*

The CRO reads this through the enterprise risk framework: is the tax position captured in the risk register? Does it align with board-approved tolerances? For the CRO, tax risk appetite is a **governance question**—has it been formally assessed, documented, and escalated through the right structures?

CSO

The **CSO** is a **strategic change agent** and views tax through the lens of sustainability performance, stakeholder expectations, and organisational trust. Their focus is whether tax conduct aligns with public commitments and supports the organisation’s licence to operate.

Ask the CSO: *What tax positions are we consciously accepting, and why?*

The CSO reads this through impact and reputation: does this position align with our public sustainability commitments? Would it withstand scrutiny if it became visible in a sustainability report? For the CSO, tax risk appetite is a **credibility question**—does our tax conduct match the story we’re telling the market?





Tax Director

The **Tax Director**, navigating a once-in-a-generation change in the global corporate tax environment, views tax through the lens of technical compliance, commercial outcomes, and regulatory change. Their focus is balancing risk, opportunity, and uncertainty while supporting business objectives. Increasingly, this means embedding **tax risk management** into business decision-making, ensuring **clean data flows across systems, and producing reporting** that can withstand growing scrutiny from regulators, investors, and other stakeholders. Equally vital is establishing board-approved tax governance aligned with wider sustainability goals. Transparent reporting is not merely a compliance exercise; it is a strategic tool to protect reputation and build lasting stakeholder trust.

Ask the Tax Director: *What does that mean for escalation, replanning, or trade-offs?*

The Tax Director reads this through technical and commercial trade-offs: what's the exposure if this position is challenged? What's the cost of certainty versus the value of the opportunity? For the Tax Director, tax risk appetite is an **operational question**—how much uncertainty can we accept in a specific position, and what's the plan if it's tested?

A tax position can pass the Tax Director's technical threshold, sit untested against the CRO's formal risk register, and still undermine the CSO's public sustainability narrative. What appears acceptable through one lens may create concerns through another.

Judges' perspective:

Why should tax transparency matter to CROs and CSOs?

The judging panel sees tax transparency as more than additional disclosure. It enables stakeholders to understand why an organisation takes a particular approach to tax, how that approach is governed, and whether its tax conduct is consistent with its strategy, risk appetite, sustainability commitments, and contribution to society. This makes tax transparency an important test of both organisational resilience and responsible corporate citizenship.

Same data, different language

The disconnect between the CRO, CSO, and Tax Director isn't about disagreement—it's about how the information is framed. Tax information, read from different vantage points, produces different conclusions, priorities, and disclosures. What follows shows what that looks like in practice.

Tax through the risk lens

Tax risk is often absorbed into broader categories such as compliance, governance, or ethics. It is considered, but not always visible. Yet almost every significant business transaction can affect an organisation's tax position and, ultimately, its ability to create value.

From a risk perspective, tax disclosure is about understanding how uncertainty could affect strategy, cash flow, reputation, and long-term viability. Strong reporting brings the approach to tax into the centre of your business model, governance, and your relationships with the six capitals.



Tax risk can affect multiple forms of value:

Financial capital: Through penalties, disputes, and unexpected liabilities.

Social and relationship capital: Through reduced trust among regulators, investors, and communities.

Human capital: Through employment taxes, skills incentives, and the consequences of investment and employment decisions.

Intellectual capital: Through the quality of tax data, systems, and compliance capability.

Natural capital: Through carbon taxes, environmental levies, and transition incentives.

Manufactured capital: Through tax policy's influence on investment in physical infrastructure and assets.

Effective disclosure demonstrates how these risks are identified, governed, monitored, and managed—including a board-approved tax strategy, a defined risk appetite, effective lines of defence, and a robust process for communicating tax impacts.

Judges' perspective:

The most underappreciated capital connection

The judging panel identified social and relationship capital as the connection most often overlooked. A tax position may be technically lawful and financially immaterial, yet still carry consequences for trust, legitimacy, and an organisation's social licence to operate.

Tax reflects a reciprocal relationship. Organisations rely on public goods such as the rule of law, an educated workforce, and functioning infrastructure to create value, while their tax contributions help sustain those systems. The relationship can also be mutually reinforcing. A secure licence to operate and constructive relationships with governments and communities can support long-term financial value.

Tax as a business risk in integrated reporting

The judging panel's view is that the tax charge is only one part of the story. Integrated reporting should show whether material tax risks could create, preserve, or erode value, and how those risks relate to strategic priorities and organisational resilience.

Tax through the sustainability lens

Sustainability teams may still view tax as a financial reporting matter, while tax teams may not see themselves as contributors to sustainability outcomes. Yet tax increasingly sits at the intersection of environmental, social, and governance performance.

The question is no longer whether tax belongs in sustainability discussions, but how organisations explain that connection.



Environmental: Carbon, waste, and pollution taxes shape strategy and drive investment in green technology.



Social: Tax funds public services and reflects a company's contribution to the societies in which it operates.



Governance: Transparent, responsible tax conduct signals the strength of a company's broader governance culture.

Viewed through this lens, tax becomes more than a compliance obligation. It becomes part of how an organisation creates, distributes, and sustains value.

Judges' perspective: Bold predictions on the relationship between tax and sustainability reporting

The judging panel expects the boundary between tax and sustainability reporting to become increasingly blurred. Tax information is likely to become more frequent, connected, and assurance-ready, with stakeholders looking beyond the amount paid to understand how tax outcomes arise from an organisation's strategy, operations, and sustainability performance. This will require reliable data, clear ownership, and effective controls across functions and jurisdictions. African organisations have an opportunity to help shape this evolution, given the visible relationship between corporate tax contributions, public finances, and development outcomes across the continent.

Warning signs seen through different lenses

Different perspectives do not always produce conflicting conclusions. More often, they create gaps. Certain issues may appear important to one function but remain largely invisible to another. The following warning signs illustrate where these gaps commonly emerge.

How uncertain is a tax position?

What did this year's study find?

- 30 companies (2024: 20) addressed uncertain tax positions (UTPs).
- Of these, 18 included only a short statement—either confirming that UTPs exist without explaining what they relate to or stating that none exist.
- A further 5 companies explained the nature of the uncertain tax position.
- Just 7 companies set out the full picture: a specific explanation, a quantified estimate, and a description of how they calculated that estimate.

So, what is the takeaway?

- The difference is often not disclosure but perspective. IFRIC 23 asks whether a position is technically defensible. GRI 207: Tax 2019 (GRI 207) asks whether stakeholders can understand the rationale behind that position and its broader implications. A company may satisfy one lens completely while leaving the other largely unanswered.

Discrepancy between cash taxes paid and reported tax expense

What did this year's study find?

- 29 companies (2024: 10) disclosed cash tax paid for the year in a voluntary, explanatory format—typically in the Chief Financial Officer review or as part of a broader TTC disclosure.⁴
- Of these, just 1 company reconciled that figure back to the tax charge in the income statement.
- Only 4 went further, providing a full three-way reconciliation bridging cash tax paid, the tax charge, and TTC—usually presented visually.

⁴ Note: the statement of cash flows figure doesn't count here — this is specifically about voluntary, explanatory disclosure of the "why", not the mandatory cash flow statement line item.





So, what is the takeaway?

This is a classic example of the same information being interpreted from different perspectives. Finance teams understand the legitimate reasons behind the difference: timing, deferred tax, and prior-year adjustments. External stakeholders often do not. Without explanation, a normal accounting outcome can be misread as a tax issue, leaving analysts and NGOs to draw their own conclusions. The company provides no guidance on which explanation is correct. For a metric that's easy to misread—and highly consequential if misunderstood by the market—that's a narrow base of transparency on which to build trust.

Where tax risk often appears first

Beyond the two disclosure gaps above, tax risk often signals its presence well before it appears in any formal report. The following organisational and structural patterns are worth watching, not because each one is a problem in itself, but because they are the kinds of conditions that frequently sit behind a tax risk before it becomes visible to the CRO, CSO, or Tax Director.



Corporate restructuring, market expansion or intercompany transactions pursued with limited non-tax commercial rationale or without corresponding tax risk assessments.



Migration of significant IP or intangible assets to low-tax jurisdictions, or the use of complex holding company or SPV structures with unclear business purposes.



Thin capitalisation or aggressive intercompany financing structures.



Whistleblower exposure risk or data breach risk that could reveal tax arrangements externally before they are addressed internally.



Heavy reliance on tax rulings, incentives, or holidays that could be withdrawn or challenged.



Volatile or unexplained effective tax rate fluctuations year-on-year.



Limited real-time visibility into global tax positions, or inadequate readiness for Pillar Two or other global minimum tax requirements.

These warning signs rarely surface in a single function's reporting. A restructure may clear the Tax Director's technical review but never reach the CRO's risk register; an incentive arrangement may be commercially sound but sit at odds with the CSO's public sustainability commitments. The pattern is consistent: the risk is not that something has gone wrong—it is that no one is looking across all three perspectives at once.

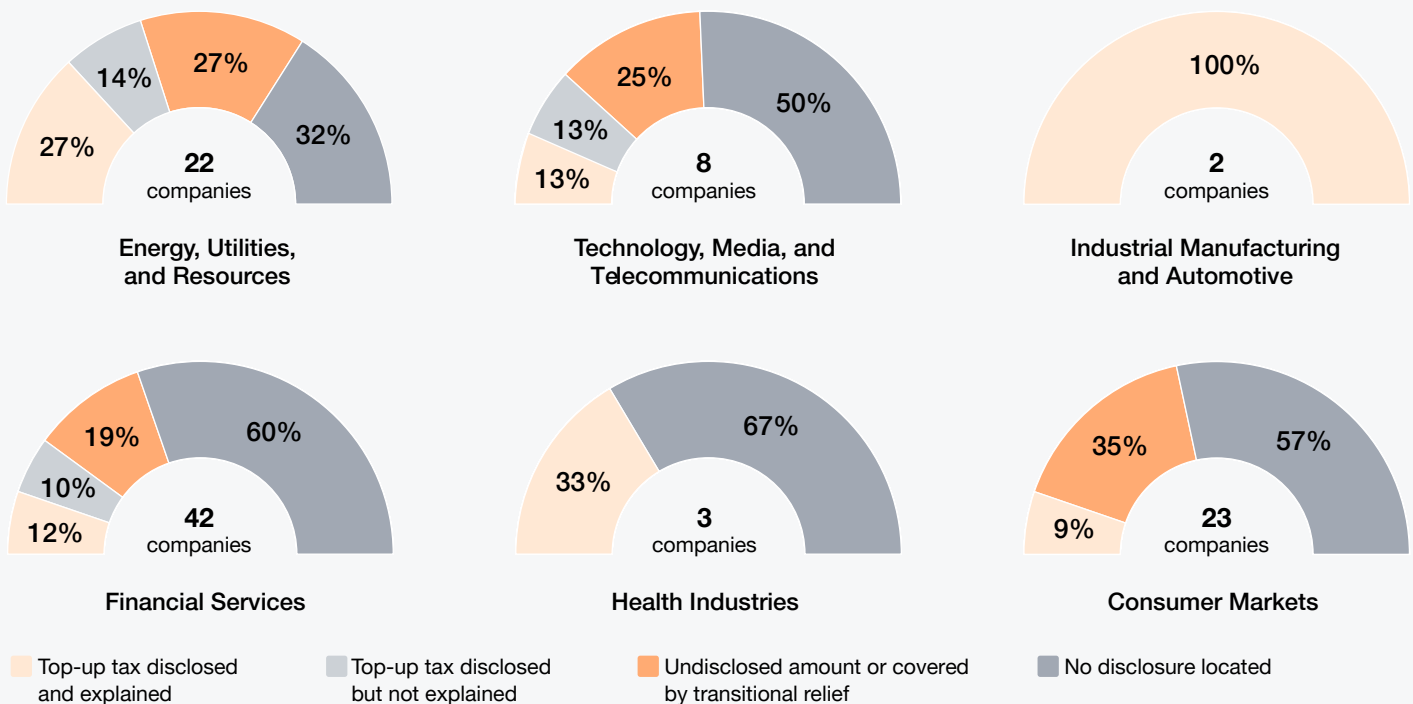
Pillar Two in practice: South Africa's first wave

Nowhere is this more visible right now than in Pillar Two reporting. While the warning signs above can feel abstract until they're tested, Pillar Two reporting gives you real, current data on how prepared—or unprepared—companies are when a major global tax reform lands.

Pillar Two provides a practical example of how tax, risk, and sustainability perspectives converge around the same issue. It therefore offers a useful test of how effectively organisations connect these different perspectives in practice.

This review covers the first wave of Pillar Two top-up tax disclosures across the JSE Top 100 and mirrors similar first-wave reviews conducted internationally. As with those global peers, this first reporting cycle is an early indication of readiness rather than a final verdict on transparency.

Quality and depth of disclosure



Graph 4: Total Pillar Two top-up tax disclosed across various sectors

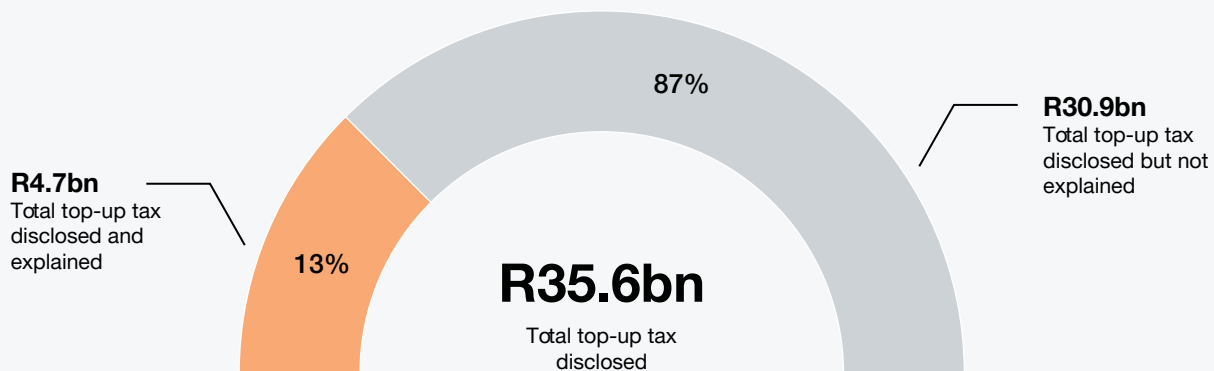
What did this year's study find?

- Forty-nine companies disclosed some form of top-up tax position—whether fully explained, partially explained, or relying on transitional relief.
- Of these, only 17 fully quantified and clearly explained their position.

So, what is the takeaway?

- This gap—most companies engage with the topic, but only around one-third provide a complete explanation—shows that understanding of the rules is outpacing the depth and clarity of disclosure in this first reporting cycle. It highlights a clear opportunity to strengthen future reporting.
- Disclosure is rarely binary. A company may disclose a top-up tax figure without explaining the underlying mechanism—for example, whether it arises under South Africa's Domestic Minimum Top-up Tax or a foreign jurisdiction's Income Inclusion Rule. Stakeholders then see a number but not the story behind it.
- Importantly, not all limited disclosure reflects a failure of transparency. Common and legitimate reasons for limited quantification include reliance on transitional safe harbour relief, an assessed minimal impact on the group's overall tax position, or the relevant rules not yet being enacted in a jurisdiction where the group operates.
- The 24 companies in the 'undisclosed amount or covered by transitional relief' category should be read in this light. They don't all represent a transparency gap; in many cases they reflect a reasonable position in a first reporting cycle.

Scale and context of disclosure



Graph 5: Quality of top-up tax disclosure — all companies.

What did this year's study find?

- R35.6bn in top-up tax was identified across these companies. Of that, 87% sits in the 'disclosed but not explained' category.
- Financial services accounted for approximately 86% of the total Pillar Two top-up tax disclosed.

So, what is the takeaway?

- This highlights the central gap the report focuses on: For most of the top-up tax disclosed, the figure is there, but the supporting narrative—the story—is still missing.



Pillar Two: The numbers in context

National Treasury's 2024 Budget Review estimates that the introduction of global minimum tax rules, aligned with the OECD's base erosion and profit shifting framework, will increase South African corporate tax collection by R8bn in 2026/27⁵. Multinational entities with global revenues exceeding €750m will be subject to the 15% global minimum tax. The R8bn reflects the anticipated increase in domestic tax collected specifically by SARS.

By contrast, the R35.6bn in top-up tax disclosed across the JSE Top 100 represents the global Global Anti-Base Erosion Rules (GloBE)⁶ top-up tax exposure reported by these groups. It is their total anticipated Pillar Two liability across every jurisdiction in which they operate, not solely their South African tax contribution.

The two figures are not directly comparable but together they show the scale of change underway. The R8bn National Treasury expects to collect domestically is only a fraction of the global top-up tax footprint disclosed by South African multinational groups. Pillar Two therefore reaches beyond South Africa's borders, requiring JSE-listed multinationals to communicate a global—not merely domestic—tax position across tax, risk, and sustainability functions.

This context also helps explain some of the variations in disclosure quality we observed in this review. With SARS having extended the deadline for the first GloBE information returns to June 2026, many companies reported Pillar Two before their first formal filing obligation to SARS. They often relied on transitional safe harbour relief or preliminary group-level estimates rather than final, jurisdiction-by-jurisdiction calculations.

As explained above, the 'undisclosed amount or covered by transitional relief' category may reflect a filing and administrative timeline that is still catching up with annual financial reporting. Because South Africa's mandatory registration and filing systems launched in the first half of 2026, variation is likely transitional rather than permanent.

As South African companies move beyond this first reporting cycle and transitional relief begins to expire, variation in disclosure quality will face growing scrutiny. Greater consistency and clarity will become essential—not only to meet regulatory expectations, but also to give stakeholders visibility into Pillar Two's true impact on the South African tax base.



Taken together, these warning signs highlight a clear reality: tax runs through almost every business decision you make. When you overlook it in a restructuring, a financing structure, a market expansion, or an intercompany transaction, it tends to resurface later as a risk on the CRO's register, a challenge to the CSO's sustainability story, or both.

5 National Treasury, 2024 Budget Review: Chapter 4 — Revenue Trends and Tax Proposals, Republic of South Africa, February 2024, p.39. Available at: <https://www.treasury.gov.za/documents/national%20budget/2024/review/Chapter%204.pdf>

6 <https://www.oecd.org/en/topics/sub-issues/global-minimum-tax/global-anti-base-erosion-model-rules-pillar-two.html>



Two lenses. One decision

Once you spot a warning sign, the practical question is clear: how should you assess it? The examples above show why tax cannot be judged through a single lens.

When tax hits the bottom line, cash flow, or enterprise value

The risk lens asks: What is the financial exposure?

Financial exposure can arise in several ways, including:



Understated liabilities: Unexpected tax arrears, penalties, or the loss of tax incentives



Audits and disputes: Ongoing legal battles or aggressive tax planning settlements with revenue authorities



Compliance costs: Financial exposure tied to changes in global tax laws, like Pillar Two or local carbon taxes

When tax shapes society

The sustainability lens asks: What is the broader impact?

Left unmanaged, tax practices can create real consequences beyond the balance sheet, including:



Profit shifting: Moving profits away from the local economies where value is created



Erosion of the tax base in developing countries: Where public revenue directly funds critical infrastructure and poverty reduction



Loss of public trust: The absence of a clear, communicated tax policy leaves stakeholders to assume the worst



Strained relationships with tax authorities: Adversarial disputes and litigation in place of cooperative compliance



Reputational exposure: Unethical tax practices surfacing externally because no secure internal channel existed to catch them first



Erosion of legitimacy in fiscal policy debates: Lobbying or trade association activity that shapes tax legislation without transparency

This aligns with **double materiality**. Both questions matter. Financial materiality highlights how tax affects earnings, cash flow, and enterprise value. Impact materiality highlights how tax decisions affect stakeholders, society, and long-term trust.

Organisations that focus on only one of these perspectives risk missing a significant part of the picture. King V™ requires boards to hold both views simultaneously. This is **integrated thinking**. No decision taken to protect near-term earnings should quietly undermine the organisation's long-term licence to operate, and vice versa.

Judges' perspective:

Blind spots in double materiality assessments

The judging panel cautions that tax is still more readily assessed through the financial-materiality lens (what a tax position could cost the organisation). Too often, tax is viewed primarily as an expense to be managed rather than as part of how value is shared with society. The less developed part of many assessments is impact materiality—how the organisation's tax conduct affects the economies and societies in which it operates.

A complete assessment should therefore consider both directions of impact. It should examine not only how tax affects enterprise value, but also how tax behaviour influences public finances, stakeholder trust, and an organisation's contribution to the societies in which it creates value.

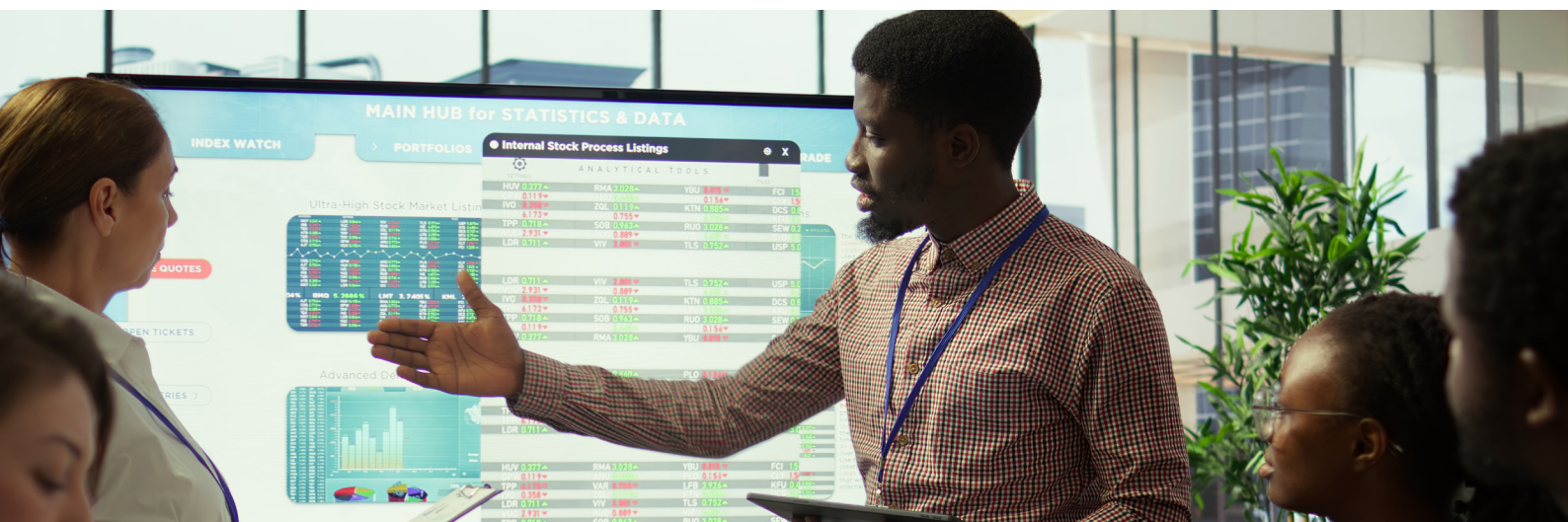
TTC and CbCR in practice:

TTC and CbCR offer a practical way to bring these two perspectives together with clear numbers and informative data. Both help set out the full economic footprint of your business—not only the tax expense in the income statement, but the taxes you bear and collect across the value chain, and where you create that value. This is how you close the gap between what you pay and what you say.

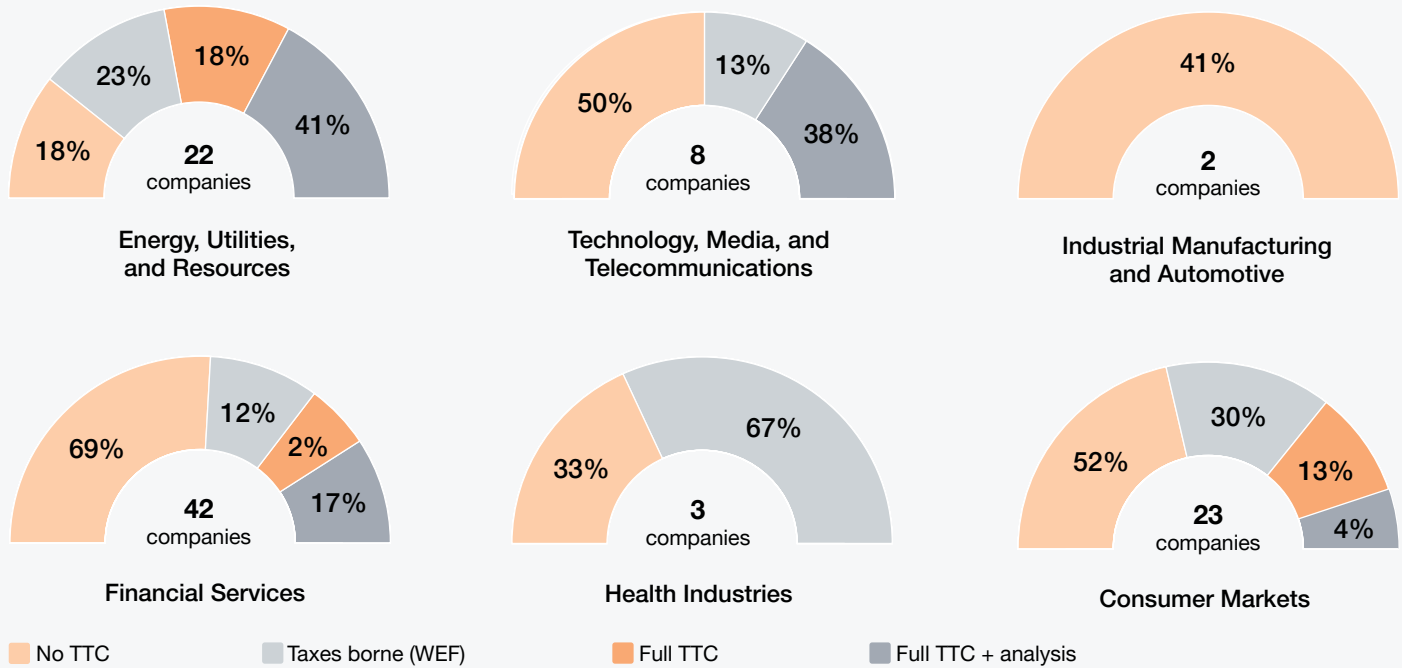
What did this year's study find?

The data shows these disclosures are still the exception, not the norm.

- 81 companies (2024: 84) disclosed no CbCR data at all, and only 8 published a full OECD BEPS Table 1, the most complete and comparable format.

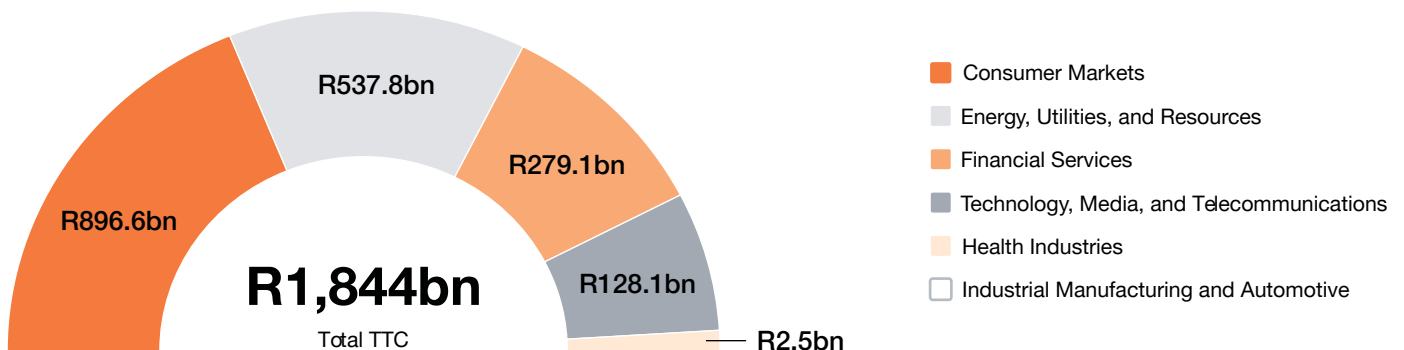


TTC by sector



Graph 6: TTC disclosure across various sectors

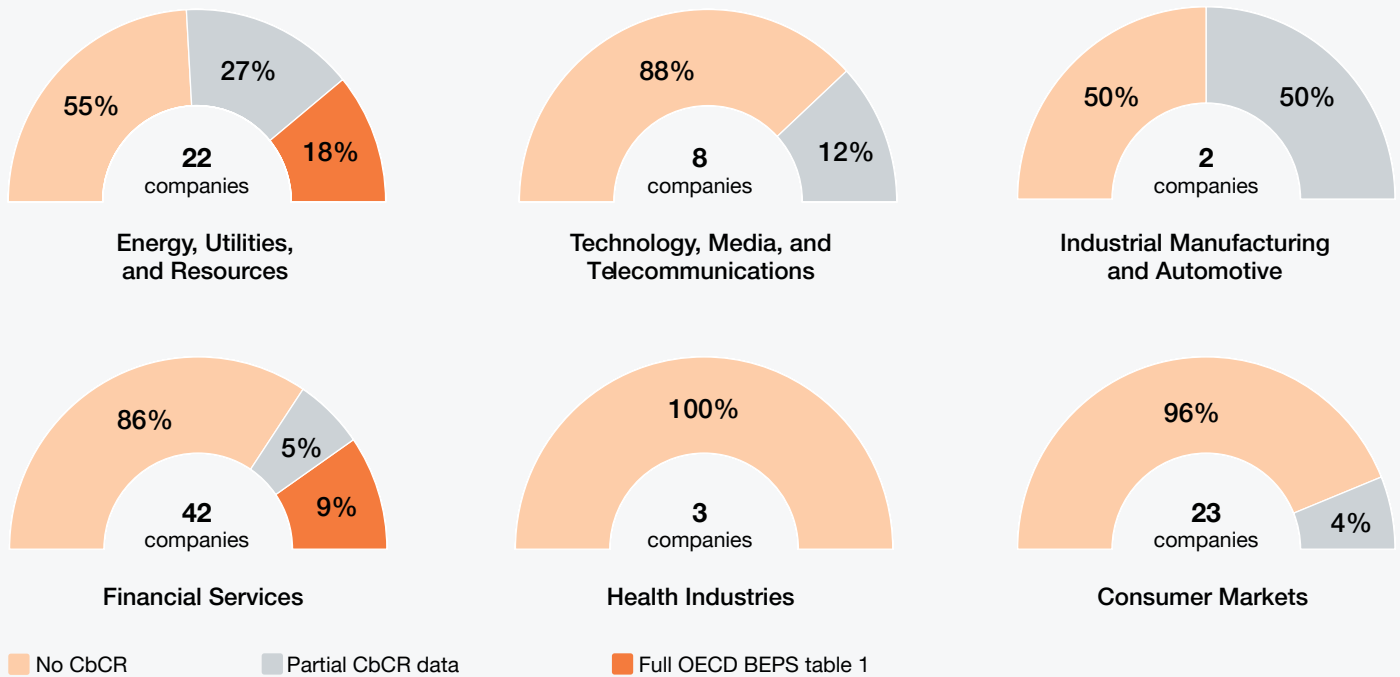
- 52 (2024: 51) companies disclosed no TTC information.
- Of the 48 companies that disclosed some form of TTC, 19 reported only taxes borne—consistent with the World Economic Forum (WEF) stakeholder capitalism metrics, which exclude taxes collected on behalf of government such as VAT and PAYE.
- 9 reported a full TTC figure without narrative, and 20 combined a full TTC disclosure with narrative analysis that links their tax contribution to wider value creation.



Graph 7: Total TTC disclosed by 48 companies across various sectors

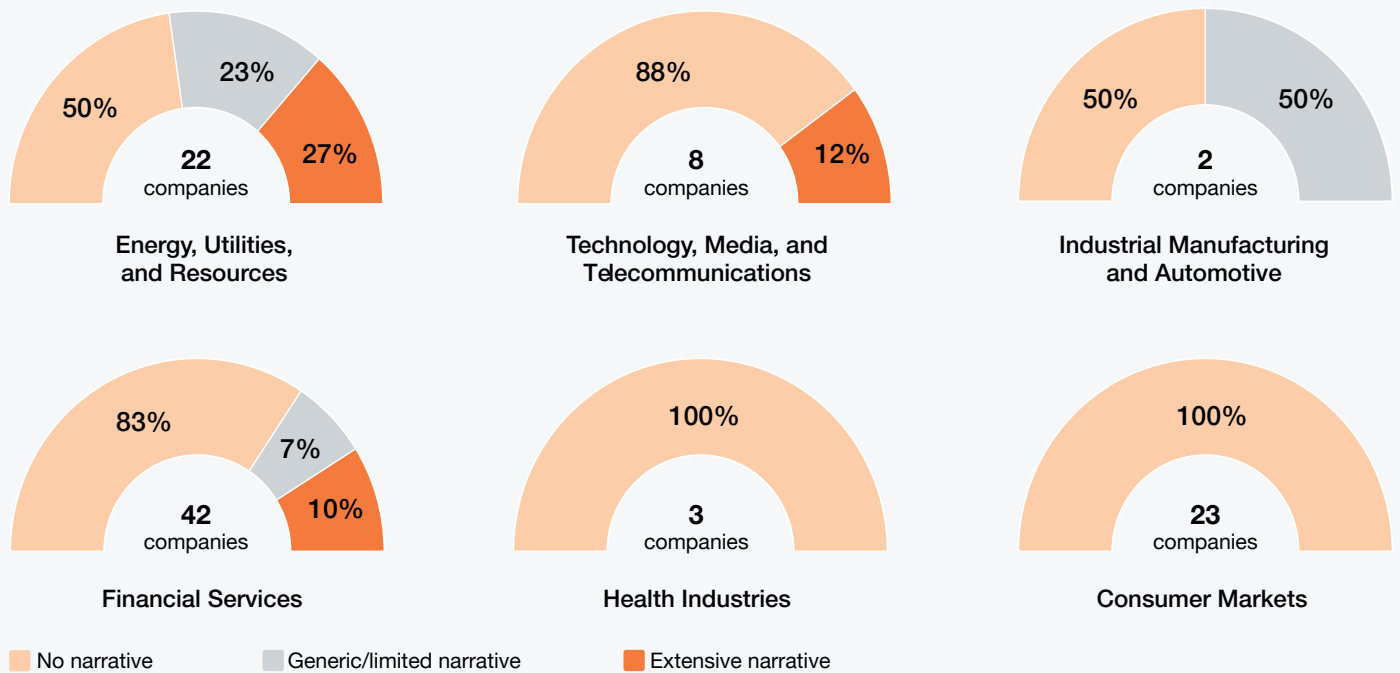
- Together, these 48 companies contributed R1,844bn to the South African economy in 2025, the largest portion coming from the consumer markets sector and energy utilities and resources sector.

CbCR by sector



Graph 8: CbCR disclosure across various sectors

- Full CbCR disclosure is concentrated in just two sectors, energy, utilities, and resources, and financial services, suggesting sector-specific exposure, such as royalty reporting requirements or financial sector regulation, is driving what limited full disclosure exists, rather than broader market readiness.



Graph 9: CbCR narrative disclosure across various sectors

- Even where CbCR data exists, only 9 companies offer generic or limited commentary, and just 11 provide an extensive narrative that clearly contextualises the underlying figures.

So, what is the takeaway?

- The pattern is consistent across both TTC and CbCR disclosures: Even where data exists, it is not always surfaced, connected, and explained.
- TTC provides organisations with an immediate opportunity to explain their wider economic contribution through a consolidated view of taxes borne and collected, without waiting for new regulatory requirements to mandate it.
- CbCR provides a complementary perspective, helping stakeholders understand whether value creation and tax outcomes are aligned across jurisdictions. Its implementation is slower and follows a more technical, compliance-heavy route tied to OECD BEPS Action 13, rather than broader public storytelling. However, emerging public CbCR rules are increasing and Pillar Two safe harbour rules depend heavily on accurate CbCR data integrity to work as intended.
- Full CbCR disclosure, where provided, is generally meaningful. But data and narrative do not always move together. Some companies explain their CbCR position qualitatively even without publishing the full underlying dataset. This remains a useful, if partial, form of transparency as it helps stakeholders understand the intent, context, and accountability, even when there isn't yet complete quantitative disclosure.
- Together, these disclosures help organisations move beyond reporting tax numbers and towards reporting a coherent tax narrative.

Judges' perspective:**Which stakeholder group most drives tax as an impact materiality issue**

The judging panel sees governments and revenue authorities as the strongest current drivers of tax as an impact-materiality issue, particularly in African markets. But they do not act in isolation, governments act on behalf of citizens, while investors and civil society organisations increasingly test whether an organisation's approach to tax is consistent with its sustainability commitments. Together, these pressures make tax progressively harder to treat as a purely financial disclosure.





From different lenses to better decisions

Recognising the gap between the CRO, CSO, and Tax Director is the easy part. Closing it is where the work starts.

South African organisations already have access to extensive guidance through King V™, GRI 207, and the JSE Sustainability and Climate Disclosure Guidance. Yet our findings suggest that frameworks alone do not create integration. The challenge is not understanding what to disclose but ensuring that different functions use the same information to answer the same questions.

So, what can organisations do next?

Start with shared questions

Instead of asking tax, risk, and sustainability teams to produce separate answers, ask them to work through the same issues together.

Questions such as:



What is the risk?



What is the broader impact?



What information supports our view?



How should this be communicated?

A shared question often reveals different assumptions long before those differences appear in public disclosures. Shared questions create shared accountability.

Use governance to connect the lenses

The objective is not to blur accountability. The CRO, CSO, and Tax Director should retain distinct responsibilities. But governance processes should create regular opportunities for these perspectives to come together. This includes risk workshops, materiality assessments, disclosure reviews, and strategic planning discussions.

Test the narrative before others do

Stakeholders increasingly review disclosures together rather than in isolation.

Before publication, organisations should ask:

	Does our tax strategy align with our sustainability commitments?
	Does our risk disclosure reflect our tax disclosures?
	Would an external stakeholder reach the same conclusion reading all of our reports together?

The organisations most likely to build trust are those that identify and resolve inconsistencies before someone else does.

Closing this gap does not require a new framework, standard, or reporting obligation. It requires organisations to recognise that tax, risk, and sustainability are increasingly different views of the same issue.

The organisations building trust most effectively will not necessarily be those disclosing the most information. They will be those connecting information most effectively.

In an environment shaped by AI, growing stakeholder scrutiny, and rising transparency expectations, the challenge is no longer disclosure.

The challenge is integration.





Findings from our judging panel

Each year, our independent judging panel commends companies with a primary listing on the JSE that demonstrate the highest level of tax transparency, based on the PwC Tax Transparency Framework. The companies recognised here delivered strong, consistent, and comprehensive reporting across all categories of the Framework and addressed most of its criteria.

We extend our sincere thanks to the judging panel for their time, expertise, and commitment to this initiative. Their independent assessments and thoughtful feedback continue to drive progress in transparency and accountability.

Below we present the panel's findings, along with some insightful comments made by them.

Best performance in tax reporting

Nedbank Group Limited

The judging panel recognised Nedbank as the leading performer in tax transparency reporting. Its disclosures demonstrated depth, consistency, and strong integration, with tax connected across governance, risk, and ethics reporting rather than treated as a standalone exercise. The panel particularly commended its mature tax governance, detailed effective tax rate analysis and five-year reporting window. These developments build on an already strong foundation and continue to set a high standard under the Framework.

Highly commended for excellence in tax reporting

Impala Platinum Holdings Limited

The judging panel highly commended Impala Platinum for reporting that explains its tax position rather than simply presenting the numbers. Its multi-year tax rate comparisons, clear explanations of rate movements, informative reconciliation between tax expense and cash tax paid, and candid discussion of uncertain tax positions were particular strengths. The judges also recognised the way its reporting connects tax with sustainability, economic contribution, and wider value creation.

Commended for consistent performance in tax reporting

The judging panel commended the following companies, listed in alphabetical order, for their consistent performance in tax transparency reporting:

Absa Group Limited

Accessible and stakeholder-focused reporting that uses an African perspective to explain the societal impact of Absa's tax contribution, while transparently outlining the commercial rationale for its operations in lower-tax jurisdictions.

Exxaro Resources Limited

Mature tax risk governance, company-specific reporting on emerging international tax developments and candid disclosure, including where the narrative is not favourable, strengthen the credibility of Exxaro's reporting.



Vodacom Group Limited

Clear, accessible reporting connects tax with purpose and value creation, supported by meaningful year-on-year information and independent limited assurance over Vodacom's public-finance contribution data.

Our judging panel

Carolynn Chalmers

Carolynn Chalmers is an internationally recognised authority in corporate governance and sustainability, dedicated to advancing responsible leadership and long-term value creation. She serves as Chief Executive Officer of the Good Governance Academy and Chief Strategy Officer of The ESG Exchange, both founded by Professor Mervyn King. She co-edited ISO 37000, the first global standard for the governance of organisations, and was the lead editor of ISO 37004, the Governance Maturity Model, as well as ISO 37014, the Governance Maturity Model for organisational groups. She chairs South Africa's Technical Committee (TC 309), ensuring that South Africa contributes actively to the international governance discourse. With more than 20 years in leadership roles—including CIO, CTO, board member and adviser—Carolynn brings together expertise in governance, sustainability, technology, and systems thinking. Her career spans multiple industries, from financial services and healthcare to energy, education and construction.

Prof. Madeleine Stiglingh

Prof. Madeleine Stiglingh is the Head of the CA Programme at the University of Pretoria. She serves as the Chair of the Association of Heads of Accounting (AHA) and is a member of the SAICA Council and CAPD Committee. Prof. Stiglingh's research focuses on accounting education and the corporate tax burden. She is the editor of *Silke on South African Income Tax*, the country's leading taxation reference work used extensively by both practitioners and students.

Tracy Johnson

Tracy Johnson is the Head of Postgraduate Taxation in the Department of Finance and Tax, Faculty of Commerce, at the University of Cape Town. She is also a member of UCT's Tax Unit for Fiscal Research and serves on the Executive Committee of the International Fiscal Association (IFA): South Africa. After a career in corporate taxation at PwC, she joined UCT's Faculty of Commerce, where she lectures in the Bachelor of Commerce (Honours) in Taxation programme and has convened the Master of Commerce in Taxation programmes. Tracy holds a master's degree in taxation and is a Chartered Tax Advisor (CTA (SA)). She also serves on the Education Committee of the South African Institute of Tax Professionals (SAIT).

Zubair Wadee

Zubair is the Head of the Wits Margo Steele School of Accountancy at the University of the Witwatersrand (Wits). His experience includes serving on the IFRS Foundation's Integrated Reporting and Connectivity Council, the JSE Financial Reporting Investigation Panel, the International Integrated Reporting Framework Board, SAICA's Accounting Practices Committee and the Financial Reporting Technical Committee. Before joining academia, he was a partner at PwC.



Methodology

The PwC Tax Transparency Framework

Many organisations consider their tax disclosures in terms of “for whom and for what purpose” they are reporting—moving beyond a tick-the-box approach. There is no right way to do this. What works depends on a company’s geography, sector, and other factors. Different businesses will come to different conclusions about what to disclose and when, all in the name of building trust.

Our goal is to help companies navigate the complexity of tax transparency and turn it into something practical. With this in mind, we closely monitor developments in voluntary tax reporting and regularly update the framework to stay aligned with global frameworks and best practice. We also ensure that our criteria are clear, consistent, and comparable. This year, we have taken a further step in that alignment by adopting the same four category structure used in PwC’s Global Tax Transparency and Tax Sustainability Reporting Study.

We assessed the companies’ tax disclosures to determine if they met the criteria outlined in the Framework. The criteria are organised into four main categories:

- Approach to Tax.
- Tax Governance and Risk Management.
- Tax Numbers and Performance.
- Total Tax Contribution and the Wider Impact of Tax.

The Framework is aligned with several leading external standards and guidelines:

- GRI 207: Tax 2019.
- The tax portion of the S&P Corporate Sustainability Assessment (CSA).
- The OECD Guidelines for Multinational Enterprises.
- The World Economic Forum’s (WEF) Stakeholder Capitalism Metrics on tax.
- The EU Minimum Safeguards on taxation.

We conducted a comprehensive review of all publicly available information for the companies included in our analysis. This covered annual reports, tax reports, sustainability reports, company websites, and other relevant public information on tax. We also used AI-enabled tools to help identify, extract, and assess relevant disclosures—improving the consistency and efficiency of the review process. While we aimed to include all relevant public data, our sources may not be exhaustive.

We hope this report is a useful tool for companies developing their tax transparency narrative and preparing for new global standards and regulatory disclosures.

If you’d like to explore ways to enhance your tax reporting and governance, we are here to help. On request, we can provide high-level feedback reports that benchmark your company’s voluntary tax disclosures against your peers.

In this publication, we share the results of our review of the top 100 JSE-listed companies by market capitalisation as of 31 December 2025, using the Framework as the basis for our review.



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