



KING III & GRI +13

2012 Review of Sustainability Reporting in South Africa
as per the Global Reporting Initiative (GRI) Guidelines

Who is IRAS?



Integrated Reporting & Assurance Services...or 'IRAS'

- Team of 4 full timers and a network of 'associated practitioners'
- Backed by 13 years' experience in sustainability reporting and assurance in over 25 countries (assurance in 15 countries)
- Providers of integrated report authorship, assurance, training and advisory services
- Current roster of clients = 14; capacity = 20
- South Africa's leading assurance providers...and the only company to review the Integrated Annual Reports of EVERY JSE-listed company in SA, as well as those for 'known reporters'

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Research scope & objectives

- The project was started in 2009 due to a defined absence of a ‘complete’ database of South African GRI-based reports
- Our team reviews ALL JSE listed companies + “known reporters”
- Initial population of over 400 reports, ultimately reduced to 363
- Evaluate responses to all 127 GRI G3 indicators
- Establish GRI compliance score to rank all 363 companies
- Identify reporting strengths and weaknesses to inform the space

2009



2010



2011



2012



Research approach

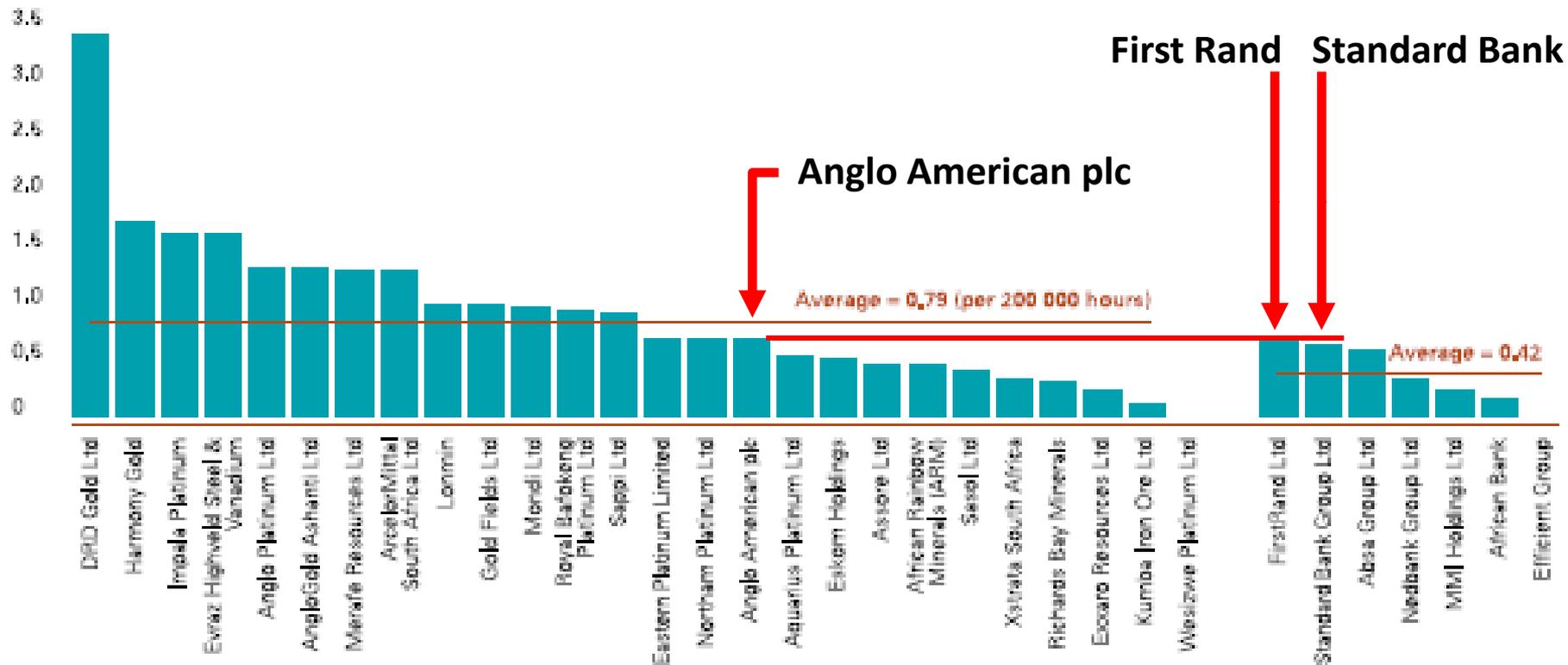
- Scoring is based on a 0 / 1 / 2 rating scale, whereby:
 -  = No response = 0
 -  = Partial response = 1
 -  = Reasonable response = 2
- The goal is not to encourage ‘tick boxing’, but to identify whether SA’s companies are actually adhering to King III’s recommendations for integrated annual reporting using the GRI Guidelines
- The challenge is to ‘assess responses’...preferably without having to dig for them

Why report according to GRI?

- Successful reporters recognize the GRI Guidelines as a framework to build upon
- The GRI guidelines are best used when converted into a company's *'own language'*
- The value of reporting ...and assurance...is in the process and not necessarily the product
- The ultimate benefit is comparability

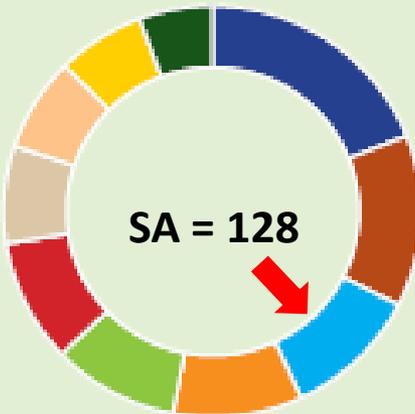
Getting the data right

Lost Time Injury Frequency Rate (LTIFR)



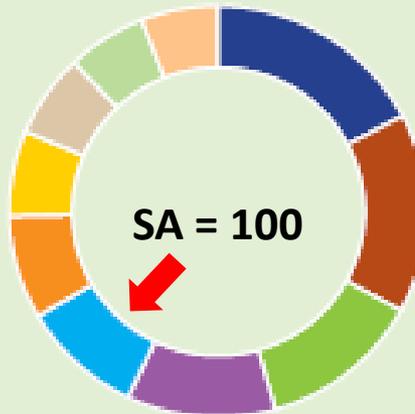
Our research findings

2011 Top GRI-Based Reporting Countries



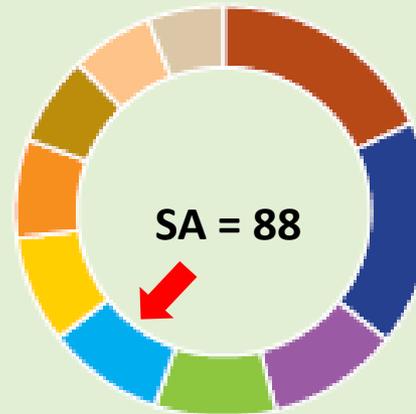
- USA (231)
- Spain (184)
- South Africa (128)**
- Sweden (122)
- Brazil (119)
- China (118)
- Netherlands (93)
- Germany (89)
- Australia (83)
- United Kingdom (83)

2010 Top GRI-Based Reporting Countries



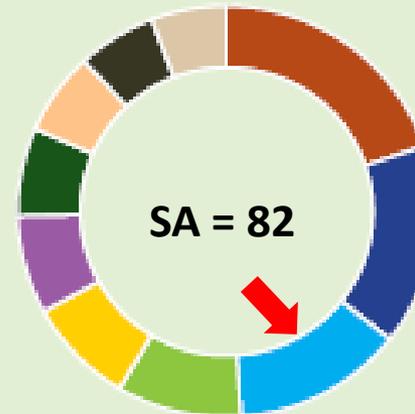
- USA (183)
- Spain (186)
- Brazil (133)
- Japan (122)
- South Africa (100)**
- Sweden (88)
- Australia (71)
- Netherlands (69)
- Canada (65)
- Germany (63)

2009 Top GRI-Based Reporting Countries



- Spain (168)
- USA (167)
- Japan (96)
- Brazil (88)
- South Africa (88)**
- Australia (79)
- Sweden (73)
- Republic of Korea (68)
- Germany (60)
- Netherlands (55)

2008 Top GRI-Based Reporting Countries



- Spain (123)
- USA (98)
- South Africa (82)**
- Brazil (80)
- Australia (52)
- Japan (48)
- United Kingdom (43)
- Germany (40)
- Italy (38)
- Netherlands (38)

Our research findings

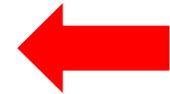
Who's Reporting? (www.globalreporting.org)

	Country	Reports
1	USA	231
2	Spain	164
3	South Africa	128
4	Sweden	122
5	Brazil	119
6	China	118
7	Netherlands	93
8	Germany	89
9	Australia	83
10	UK	69
11	Switzerland	69
12	Canada	63
13	Italy	58
14	Republic of Korea	53
15	Russian Federation	44
16	Austria	43
17	Argentina	39
18	India	39
19	Japan	37
20	Finland	36
21	Chile	36
22	Greece	35
23	Portugal	35
24	Mexico	34
25	Peru	33
26	Colombia	31
27	Hungary	30
28	France	29
29	Belgium	24
30	Danmark	19
31	Norway	17
32	Turkey	17
33	Israel	15
34	Philippines	13
35	New Zealand	12
36	Singapore	12
37	Poland	12

	Country	Reports
38	Thailand	11
39	United Arab Emirates	10
40	Malaysia	8
41	Ecuador	7
42	Sri Lanka	7
43	Bolivia	4
44	Jordan	4
45	Saudi Arabia	4
46	Uruguay	3
47	Costa Rica	3
48	Croatia	3
49	Czech Republic	3
50	Indonesia	3
51	Ireland	3
52	Luxembourg	3
53	Bulgaria	2
54	Honduras	2
55	Pakistan	2
56	Romania	2
57	Kuwait	1
58	Albania	1
59	Andorra	1
60	Bangladesh	1
61	Egypt	1
62	Estonia	1
63	Georgia	1
64	Kenya	1
65	Latvia	1
66	Mongolia	1
67	Nigeria	1
68	Papua New Guinea	1
69	Qatar	1
70	Serbia	1
71	Slovakia	1
72	Slovenia	1
73	Ukraine	1

Top 10 Reporting Countries

USA	231
Spain	164
SA	128
Sweden	122
Brazil	119
China	118
Netherlands	93
Germany	89
Australia	83
UK	69



NOTE: Impahla Clothing was the only SMME identified as having a GRI-based Integrated Annual Report (3 NGOs)

3 reasons why SMMEs should care



- 1. The world has unprecedented access to information and are not limited by geography**
- 2. Consumers of goods and services purchase a brand and/or a reputation...which cannot be outsourced**
- 3. Integrated Annual Reporting – when one considers the verb ‘reporting’, rather than the noun ‘report’ – is all about efficiency, process improvement and enhanced risk management**

3 reasons why SMMEs should care



1. The world has unprecedented access to information and are not limited by geography

IBM Smart: *The world is increasingly being defined by big data. Data is an organisation's most valuable asset after, of course, its people.*

Over 2.5 quintillion bytes of data are created every day.

Over 90% of all data was created in the last 2 years!

So what?

1. Stakeholders – even those with limited direct prior interest in a company – now can assess the overall “sustainability” and/or “corporate social responsibility” of ANY company at ANY time.
2. Big companies are therefore becoming much more attuned to the information their suppliers may be making available to stakeholders, and therefore are monitoring supply chain CSR much more closely than ever before (e.g., dti Codes of Good Practice).

3 reasons why SMMEs should care

2. Consumers of goods and services purchase a brand and/or a reputation...which cannot be outsourced

So what?

1. Protecting a brand is not just about avoiding counterfeiting, but also about ensuring that the brands core values are enforced throughout the supply chain.
2. Brands are far more assertive in protecting their brands, requiring far more information from suppliers, than ever before.
3. Brand enhancement – such as proving that a company is a “good corporate citizen” – is as much a part of the supply chain equation as brand protection.

Top 10 Value of seized counterfeit goods by company (2011, US Dollars)		
1.	Nike	\$462 271 572
2.	Louis Vuitton	\$136 157 557
3.	Tag Heuer	\$84 516 670
4.	Nokia	\$44 775 862
5.	Burberry	\$42 077 600
6.	Rolex	\$32 669 118
7.	Cartier	\$27 289 392
8.	Adidas	\$25 261 032
9.	Bulgari	\$19 445 389
10.	Omega	\$19 042 477

3 reasons why SMMEs should care

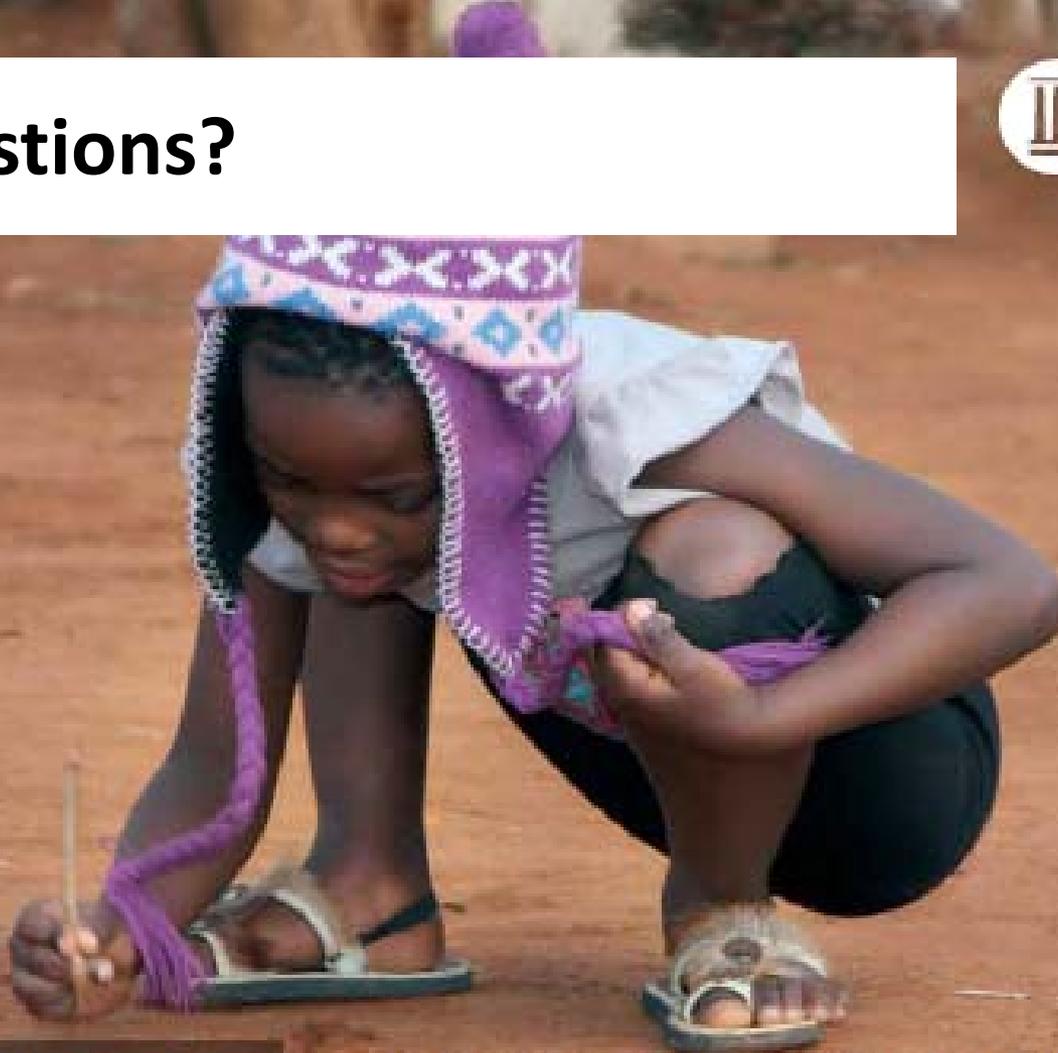
3. **Integrated Annual Reporting – when one considers the verb ‘reporting’, rather than the noun ‘report’ – is all about efficiency, process improvement and enhanced risk management (e.g., Impahla Clothing)**

So what?

1. In an industry that is otherwise on life support in SA, Impahla has quadrupled in size over the past 5 years.
2. Impahla has reduced its total absenteeism by more than 50% through improved data tracking, at a savings of more than R1 million per annum.
3. Impahla is a “PUMA World Cat Supplier”, which effectively guarantees 3 years of production
4. Impahla is SA’s first ‘Carbon Neutral Garment Manufacturer’, and the first such supplier for PUMA Africa
5. Impahla now generates ~1/3 of its required electricity through solar panels (installed by the IDC, dti and GTZ)
6. PUMA uses Impahla as a global success story!



Any questions?



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