



IRAS

Integrated reporting
& assurance services



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

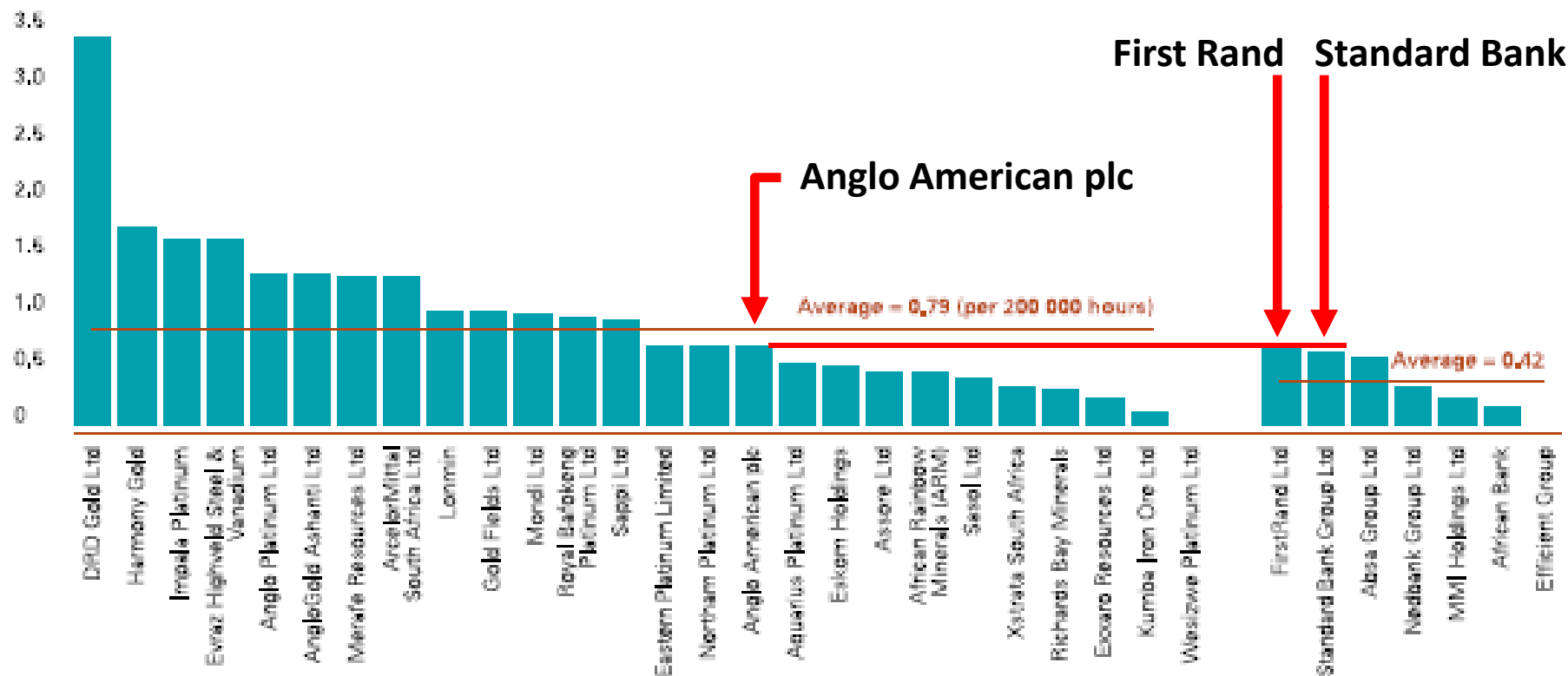
- Scoring is based on a 0 / 1 / 2 rating scale, whereby:
 -  = No response = 0
 -  = Partial response = 1
 -  = Reasonable response = 2
- The goal is not to encourage 'tick boxing', but to identify whether SA's companies are actually adhering to King III's recommendations for integrated annual reporting 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

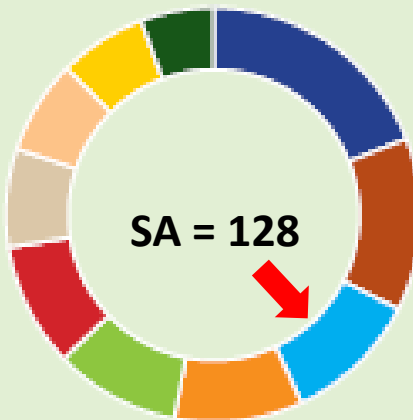
Getting the data right

Lost Time Injury Frequency Rate (LTIFR)



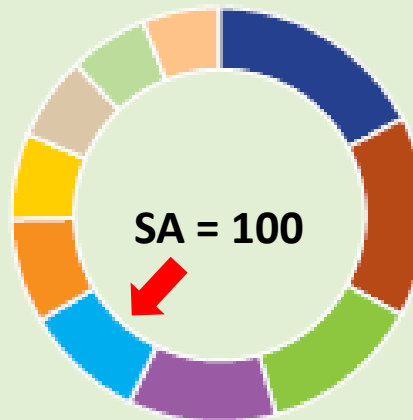
Our research findings

2011 Top GRI-Based
Reporting Countries



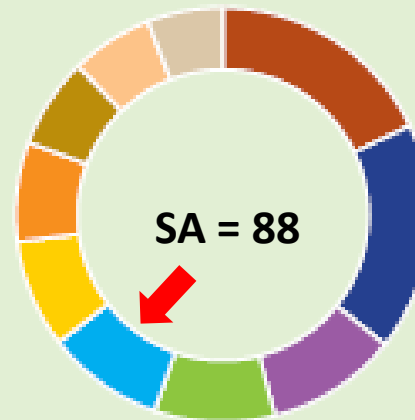
- USA (231)
- Spain (184)
- South Africa (128)**
- Sweden (122)
- Brazil (119)
- China (118)
- Netherlands (93)
- Germany (89)
- Australia (83)
- United Kingdom (83)

2010 Top GRI-Based
Reporting Countries



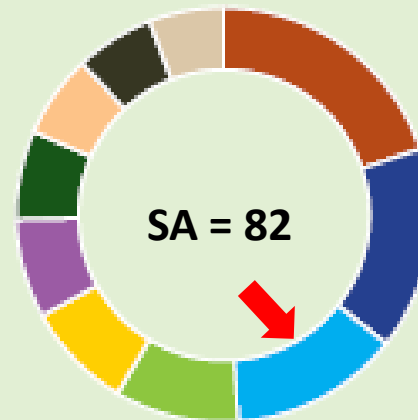
- USA (183)
- Spain (186)
- Brazil (133)
- Japan (122)
- South Africa (100)**
- Sweden (88)
- Australia (71)
- Netherlands (69)
- Canada (65)
- Germany (63)

2009 Top GRI-Based
Reporting Countries



- Spain (168)
- USA (167)
- Japan (96)
- Brazil (88)
- South Africa (86)**
- 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	Country	Reports
1 USA	231	38 Thailand	11
2 Spain	164	39 United Arab Emirates	10
3 South Africa	128	40 Malaysia	8
4 Sweden	122	41 Ecuador	7
5 Brazil	119	42 Sri Lanka	7
6 China	118	43 Bolivia	4
7 Netherlands	93	44 Jordan	4
8 Germany	89	45 Saudi Arabia	4
9 Australia	83	46 Uruguay	3
10 UK	69	47 Costa Rica	3
11 Switzerland	69	48 Croatia	3
12 Canada	63	49 Czech Republic	3
13 Italy	58	50 Indonesia	3
14 Republic of Korea	53	51 Ireland	3
15 Russian Federation	44	52 Luxembourg	3
16 Austria	43	53 Bulgaria	2
17 Argentina	39	54 Honduras	2
18 India	39	55 Pakistan	2
19 Japan	37	56 Romania	2
20 Finland	36	57 Kuwait	1
21 Chile	36	58 Albania	1
22 Greece	35	59 Andorra	1
23 Portugal	35	60 Bangladesh	1
24 Mexico	34	61 Egypt	1
25 Peru	33	62 Estonia	1
26 Colombia	31	63 Georgia	1
27 Hungary	30	64 Kenya	1
28 France	29	65 Latvia	1
29 Belgium	24	66 Mongolia	1
30 Denmark	19	67 Nigeria	1
31 Norway	17	68 Papua New Guinea	1
32 Turkey	17	69 Qatar	1
33 Israel	15	70 Serbia	1
34 Philippines	13	71 Slovakia	1
35 New Zealand	12	72 Slovenia	1
36 Singapore	12	73 Ukraine	1
37 Poland	12		

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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