



2000
Survey of Environmental and Social Reporting
in South Africa

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Executive Summary

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The 2000 Survey of Environmental and Social Reporting in South Africa is the seventh in a series of annual surveys. Since 1993, this research has tracked developments in environmental disclosure in annual financial reports. In 1998, the top 50 performing companies were ranked for the first time and, in 1999, an analysis of separate environmental reports was also included.

In 2000, the survey has once again been extended to keep up with the times. This year, in addition to environmental reporting, health, safety, social and ethical disclosure has been evaluated. This is in line with the current trend towards so-called “triple bottom line” reporting.

In particular, three emerging areas in non-financial reporting are discussed: sustainability reporting, greenhouse gas reporting and internet reporting.

The survey is based on annual reports of the Financial Mail Top 100 Industrial companies, public companies, and the Top 48 JSE-listed Mining companies in South Africa. Key findings were that information on different issues is disclosed in the following order of decreasing frequency: environment (most), health & safety, employees, social / community, business ethics, sustainable development and AIDS (least). Also, that mining companies consistently outperform industrial companies on disclosure of non-financial information in their annual reports.

The survey also analysed eleven separate corporate environmental or health, safety and environmental reports using the KPMG Sustainability Reporting Scorecard. Key findings were that the weakest areas of reporting are External verification, Product performance and Innovations. In general, the lack of quantitative data is still a problem, especially relating to financial management. The strongest aspects of reporting are the CEO statement, Report design, layout and appearance and Sustainability management.

Congratulations are due to all those top performing companies who received Environmental and Social Reporting Awards, namely: ISCOR, ESKOM, SASOL, Amplats, Palabora Mining, Durban Roodepoort Deep, Huntsman Tioxide and SmithKline Beecham.

The survey concludes that only a portion of South Africa’s largest companies have begun to demonstrate their accountability through credible environmental and social reporting. On the whole, disclosure in annual reports still tends to be superficial, and detailed separate reports remain few in number and lagging against international standards.

Before mandatory reporting defines the agenda, these companies and their peers will need to do more to convince the country’s stakeholders that they are capable of self-regulation and true sustainability performance. Meanwhile, stakeholders have an equal responsibility to make their information needs known and to help companies define what “sustainability” means in a developing country context.

Introduction

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Background and purpose

The 2000 Survey of Environmental and Social Reporting in South Africa is the seventh in a series of annual surveys. Since 1993, this research has tracked developments in environmental disclosure in annual financial reports. In 1998, the top 50 performing companies were ranked for the first time and, in 1999, an analysis of separate environmental reports was also included.

In 2000, the survey was once again updated to keep up with the times. In addition to environmental reporting, health, safety, social and ethical disclosure has been included in the evaluation. This is in line with the current trend towards so-called “sustainability” or “triple bottom line” reporting.

Why report on environmental and social issues?

There are growing pressures for companies to provide information on their environmental, health, safety, social and ethical performance. They come from regulators, the financial community, shareholders, customers, environmental groups and the public. For instance, studies by Q. Vorster, C.J. De Villiers and M.C. van Niekerk of the University of Pretoria indicate that users of financial statements, directors of companies, auditors and portfolio managers of unit trusts are all demanding increased corporate environmental disclosure. Academics argue that this is linked to companies maintaining their legitimacy in society. In lay business terms, this is referred to as protecting their “license to operate”.

Reflecting this trend, non-financial reporting is now underpinned by a growing number of international voluntary standards and guidelines, such as ISO 14040 on Environmental Performance Evaluation, UNEP-Sustainability’s 50 Environmental Reporting Criteria, Accountability 1000 on Social and Ethical Accounting, Auditing and Reporting, The Copenhagen Charter on Stakeholder Reporting, and the Global Reporting Initiative’s Sustainability Reporting Guidelines.

In South Africa, the trend is further supported by the emphasis on transparency enshrined in our legislation, including the Constitution (1996), the Promotion of Access to Information Act (2000) and the National Environmental Management Act (1998). Furthermore, mainstream organisations in South Africa, such as the Institute of Directors and the South African Institute of Chartered Accountants, acknowledge the right of a wide array of corporate stakeholders to information. Stakeholders are also increasingly realising their right to information which may be relevant to the protection of their environment, health, safety and sense of values and ethics.

Sustainability reporting

One of the most significant developments in the past year was the launch of two sustainability reporting standards: the Copenhagen Charter on Stakeholder Reporting (November 1999) and the Global Reporting Initiative's Sustainability Reporting Guidelines (June 2000), the latter being the more comprehensive of the two.

The Global Reporting Initiative (GRI) describe themselves as “a long term, multi-stakeholder, international undertaking whose mission is to develop and disseminate globally applicable Sustainability Reporting Guidelines for voluntary use by organisations reporting on economic, environmental and social dimensions of their activities, products and services.” The following table outlines some of the sustainability reporting parameters envisaged by GRI.

Sustainability reporting parameters

Economic: *Including, for example, payroll expenses, labour productivity, job creation, expenditures on outsourcing, expenditures on research and development, and investments in training and other forms of human capital. The economic element includes, but is not limited to, financial statements and related disclosures.*

Environmental: *Including, for example, impacts of processes, products and services on air, water, land, biodiversity, and human health.*

Social: *Including, for example, workplace health and safety, employee retention, labour rights, human rights, and wages and working conditions at outsourced operations.*

The Guideline contains the following sections: Introduction and general guidance; Reporting principles and practices; Report content; and Annexes which include, among others Guidance on verification. The recommended report content includes:

- CEO statement;
- Profile of reporting organisation;
- Executive summary and key indicators;
- Vision and strategy;
- Policies, organisation and management systems; and
- Performance.

GRI states its long term the development of “generally accepted sustainability accounting” principles. Their website is www.globalreporting.com.

Greenhouse gas reporting

The global response to the threat of climate change has gathered significant momentum in the past few years. The political foundation for action has been the United Nations Framework Convention on Climate Change (UNFCCC) and its related Kyoto Protocol which is still in the process of being negotiated. At the very heart of these political agreements is a commitment to reducing anthropogenic greenhouse gases (GHGs).

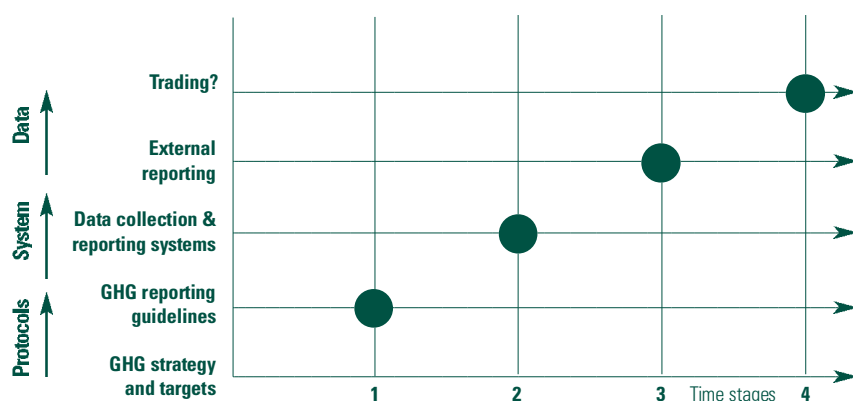
Under the Kyoto Protocol, specified developed countries have GHG reduction targets, but will be able to use three so-called flexible mechanisms – emissions trading, joint implementation and the clean development mechanism – to help them achieve these targets. This also implies that companies will begin trading on a global GHG emissions market. For these reasons, accurate measurement and reporting of GHGs has become of paramount importance.

Initially, countries and companies relied solely on guidance by International Panel on Climate Change (a scientific advisory body to the UNFCCC) to determine how to measure and calculate GHGs. More recently, however, several countries have issued more comprehensive guidelines on GHG measurement, reporting and verification. These include, for example:

- UK Department of the Environment, Transport and the Regions: Environmental Reporting Guidelines for Company Reporting on Greenhouse Gas Emissions, June 1999;
- Australian Greenhouse Office: Verification and Reporting Guidelines, March 2000;
- Ministry of Economic Affairs of the Netherlands: Baseline Studies, Monitoring and Reporting (Volume 2a of the Operational Guidelines for Baseline Studies, Validation, Monitoring and Verification of Joint Implementation Projects), May 2000; and
- World Resources Institute: Is working, together with a number of partner organisations, on an international standardised protocol for measuring and reporting greenhouse gas (GHG) emissions.

KPMG advises companies to move steadily up the following GHG data assurance ladder, as illustrated by the following diagram:

GHG assurance framework



Environmental financial accounting

Corporate environmental responsibility can be a costly business if taken seriously. For example, money needs to be spent on environmental controls, conservation, rehabilitation and management systems. On the other hand, poor environmental performance by business may lead to increased environmental fines, financial liabilities resulting from lawsuits related to environmental incidents, or damage to public image as a result of pressure group campaigns.

Despite this fact, very few companies have financial accounting and reporting systems which are capable of accurately quantifying their environmental costs and liabilities. The discipline which is emerging to address this shortcoming is commonly referred to as environmental accounting.

With the trend towards integration of financial and non-financial reporting, the need to accurately account for environmental finance is becoming critical. While there is still no “generally accepted accounting standard” for environmental issues, the following authoritative guidelines and standards have emerged in recent years:

- United Nations: Guidance Manual on Accounting and Financial Reporting for Environmental Costs and Liabilities, 1999;
- International Federation of Accountants: International Auditing Practice Standard 1010 on the Consideration of Environmental Matters in the Audit of Financial Statements (equivalent to SAAS 2501 in South Africa);
- Federation of European Accountants: Review of International Accounting Standards for Environmental Issues, 1999;
- Japanese Environment Agency: A Draft Guideline for Evaluating Environmental Costs and Publicly Disclosing Environmental Accounting Information, 1999; and
- Commission of the European Communities: White Paper on Environmental Liability, 2000.

As a general guide, companies should look to measure and disclose the following types of environmental financial information:

- Operating expenditure;
- Capital expenditure;
- Liabilities;
- Contingent liabilities;
- Reserves; and
- Accounting policy notes.

Internet reporting

As companies' stakeholders increasingly rely on electronic media, internet-based social and environmental reporting will become the norm rather than the exception. There are several advantages to this on-line approach, including:

- Reduced or avoided costs in publication and distribution;
- Potentially wider accessibility of the report to some stakeholders;
- Increased ease of interacting with the readers, especially getting feedback from stakeholders on the report; and
- The opportunity to update information more frequently, eventually moving towards real time reporting.

Many companies have already gone the Internet reporting route. The following websites are examples of sources for these e-Reports:

- www.corporateregister.com is a site with a database of approximately 1 500 published corporate environmental and social reports;
- www.enviroreporting.com has an overview of sites with directories of online available environmental reports; and
- www.tomorrow-web.com has a Corporate Environmental Reporting "hotlink" categorised by industry sector.

Seeking to ride on the wave of this trend, a new Swedish-based organisation called Global Responsibility is planning to launch a web site and related services for standardising corporate sustainability reporting and hosting dialog with stakeholders. Pioneer companies which have signed up to participate in developing the prototype include, among others, Novo Nordisk, Sony International Europe and Volvo Car Corporation. KPMG will verify the data.

Disclosure in Annual Reports

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Methodology

An analysis was made of corporate annual reports with their year-end within the 1999 calendar year to determine the extent and type of social and environmental information these reports contain. The companies selected for the survey were the Financial Mail Top 100 Industrial companies, the top 48 JSE-listed mining companies, and the top public companies, all based on total assets.

Findings

From the table on the next page, the following observations can be made about reporting trends:

- Information on different issues is disclosed in the following order of decreasing frequency: environment (most), health & safety, employees, social / community, business ethics, sustainable development and AIDS (least).
- Disclosure on environmental, health, safety and sustainable development issues tends to be better among the mines than the industrial companies.
- Overall disclosure on environmental issues decreased slightly from the previous year, although improvements were evident in the detail of reporting.
- Quantified information on environment, health and safety is still less common.
- Information on corporate policies is more available for employment practices and employees than for social / community and environmental issues.
- Corporate governance related disclosure, in terms management responsibility for environmental issues, shows clear evidence of improvement, especially at the executive level.
- Formal Environmental, Health and Safety (EHS) management systems are not yet prevalent, and EHS audits are still relatively uncommon, if disclosure is an indicator of these.
- Where EHS management systems are being implemented, recognised standards are being used. Consensus on environmental standards (i.e. ISO 14001) appears to be greater than for health and safety standards. International social and ethical standards do not seem to have been recognised by South African companies as yet.
- Reporting of environmental financial information shows few signs of improvement from an extremely low base, with the possible exception of capital expenditure. The mines remain much stronger on environmental accounting than the industrials, largely due to statutory rehabilitation requirements and tax incentives to make provisions for the associated liabilities.
- Separate reporting of non-financial information appears to be extremely low.

Table of findings: Environmental and social disclosures in 1999 annual reports

Checklist question (Percentages indicate the number of affirmative responses)	Top100 Industrials		Top Mines	
	1998	1999	1998	1999
1 Does the annual report disclose anything regarding:				
Environment	52%	48%	81%	75%
Health and safety	n/a	36%	n/a	60%
Employee medical aid benefits	n/a	31%	n/a	6%
Business principles and ethics	n/a	93%	n/a	65%
Upliftment/improvement of society/the community	n/a	40%	n/a	27%
Sustainable development/sustainability	n/a	16%	n/a	48%
AIDS	n/a	15%	n/a	31%
2 Is there any quantitative (non-financial) disclosure on:				
Environment	9%	20%	22%	58%
Health & safety	n/a	15%	n/a	44%
3 Does the report mention disclose a policy/mission regarding:				
Employment practices	n/a	95%	n/a	83%
Employees	n/a	85%	n/a	56%
Social/community issues	n/a	60%	n/a	43%
Environment	22%	31%	32%	52%
4 Does the annual report disclose whether there is an Executive Director entrusted with:				
Environmental, health & safety (EHS) responsibility	18%	25%	10%	23%
Business principles/ethics responsibility	n/a	7%	n/a	2%
5 Does the annual report disclose whether there is a member of senior management entrusted with:				
EHS responsibility	48%	52%	39%	42%
Business principles/ethics responsibility	n/a	15%	n/a	4%
6 Is mention made of a formal EHS management system?				
	n/a	18%	n/a	42%

Checklist question (Percentages indicate the number of affirmative responses)	Top100 Industrials		Top Mines	
	1998	1999	1998	1999
7 Does the annual report mention EHS audits:				
Internal	n/a	5%	n/a	14%
External	n/a	8%	n/a	23%
8 Does the company disclose any information regarding standards:				
ISO 14000 (environment)	9%	11%	17%	15%
Any health and safety performance standard	n/a	16%	n/a	50%
AccountAbility 1000 (social & ethical)	n/a	0%	n/a	0%
Social Accountability 8000 (social & ethical / labour)	n/a	0%	n/a	0%
9 Does the annual report contain any financial / related disclosure on environment:				
Operating expenditure	6%	4%	46%	44%
Capital expenditure	3%	10%	39%	42%
Liabilities	3%	4%	42%	44%
Reserves	n/a	3%	n/a	33%
Contingent liabilities	2%	2%	14%	21%
Accounting policy notes	5%	5%	57%	60%
10 Is mention made of a separate report / information on:				
Environmental, health & safety (EHS)	n/a	4%	n/a	6%
Social / Community / Ethics	n/a	9%	n/a	6%

The ranking of South African companies on environmental and social disclosure in annual reports is continued in Annexure A.

Disclosure in Separate Reports

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Methodology

Eleven corporate environmental and social reports for 1999 were analysed as part of the survey. None of these reports were found to have sufficient information on social, environmental and economic aspects to be judged as Sustainability Reports.

The University of Pretoria, using KPMG's internationally developed Sustainability Reporting Scorecard, independently rated these reports. The Scorecard synthesizes the requirements of the Balanced Scorecard, the UNEP/SustainAbility 50 Reporting Ingredients and the GRI Sustainability Reporting Guidelines. The scoring framework uses a 'modular structure', allowing for different requirement combinations and maximum scores for environmental, HSE, social, and sustainability reports for both manufacturing and non-manufacturing reporting entities.

The Scorecard contains a maximum of 127 questions, which varies depending on the report to be assessed. The questions are organised into the following 14 groups of criteria:

- Overall report structure: CEO Statement, Overview of the reporting entity, Reporting principles, Report design, layout and appearance, Report communication and feedback mechanisms and Verification; and
- Detailed contents: Financial management, Eco-efficiency, Sustainability management, Operational performance, Competence management, Innovations, Stakeholder performance and Product performance.

Findings

The overall Sustainability Reporting performance of the eleven South African companies is summarised in the spider diagram on the next page. The results are reflected as a percentage of the total which could have been scored for a given report in a given category.

The low overall score of 37% suggests considerable room for improvement if South African companies wish to benchmark against international standards.

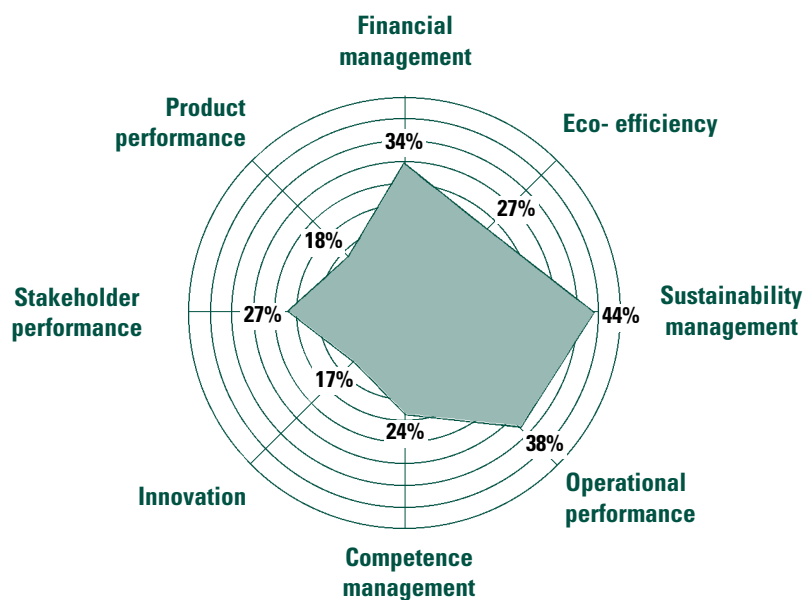
The weakest areas of reporting are external verification, product performance and innovations. In general, the lack of quantitative data is still a problem, especially relating to financial management.

The strongest aspects of reporting are the CEO statement, report design, layout and appearance and sustainability management.

The ranking of the reports in terms of performance is as follows:

- 1 ESKOM (environmental)
- 2 Huntsman Tioxide (environmental)
- 3 SmithKline Beecham (environmental)
- 4 BMW South Africa (environmental)
- 5 South African Breweries plc and Pick 'n Pay (social, tied score)
- 6 Old Mutual (social)
- 7 SAFCOL (environmental)
- 8 Table Mountain Aerial Cableway Company Ltd (environmental)
- 9 Southern Sun Group (social)
- 10 Nissan South Africa (environmental)

KPMG Sustainability Reporting Scorecard : South Africa's 2000 ratings



A more detailed description of the KPMG Sustainability Reporting Scorecard is contained in Annexure B.

Environmental Reporting Awards

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Based on the analysis and scoring by the University of Pretoria against their checklist of environmental and social disclosure in annual reports, congratulations are due to the following top performers:

- For the Best Environmental and Social Disclosure in an Annual Report (Industrial Category):
 - Gold Award – ISCOR Ltd
 - Silver Award – ESKOM
 - Bronze Award – SASOL Ltd
- For the Best Environmental and Social Disclosure in an Annual Report (Mining Category):
 - Gold Award – Anglo American Platinum Corporation Ltd
 - Silver Award – Palabora Mining Company Ltd
 - Bronze Award – Durban Roodepoort Deep Ltd

Based on the analysis and scoring by the University of Pretoria against the KPMG Sustainability Reporting Scorecard, we also congratulate the following top performers:

- For the Best Corporate Environmental Report
 - Gold Award – ESKOM
 - Silver Award – Huntsman Tioxide
 - Bronze Award – SmithKline Beecham

Conclusion

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South African companies are increasingly players in the global marketplace, whether as exporters or subsidiaries of multinationals. It is an operating environment in which stakeholders have moved up the ladder of required corporate assurance, from the old “trust me” model to the more recent expectations of “tell me” and “show me”.

Hence, the need for transparency is a firm trend fuelled by the mounting campaigns of civil society pressure groups. Their calls are for democratic principles to be extended into the corporate arena, through greater private sector accountability for the impacts of their activities on society and the environment.

These principles are likely to be increasingly tested by the South African courts and tried in the media, as the country seeks to follow its political miracle by a simultaneous economic and social transformation. Many believe companies are the only institutions with the capacity and flexibility to effectively respond to these challenges.

The drivers for change will be not so much companies’ sense of social responsibility, but organised demands by international business partners and financiers, together with social and environmental activist groups seeking to enforce their constitutional rights.

This survey shows that only a portion of South Africa’s largest companies have begun to demonstrate their accountability through credible environmental and social reporting. While those who have performed well should be recognised and congratulated, on the whole, disclosure in annual reports still tends to be superficial, and detailed separate reports remain few in number and lagging against international standards.

Before mandatory reporting defines the agenda, these companies and their peers will need to do more to convince the country’s stakeholders that they are capable of self-regulation and true sustainability performance. Meanwhile, stakeholders have an equal responsibility to make their information needs known and to help companies define what “sustainability” means in a developing country context.

Annexure A

Social and Environmental Disclosure Corporate Rankings (based on 1999 annual reports)

Below, the Top 25 performing Industrial and Mining companies are ranked, based on the analysis and scoring by the University of Pretoria against their checklist of environmental and social disclosure in annual reports. Last year's top 50 rankings, re-computed to be comparable to this year's Industrial and Mining categories, are included in brackets. However, it should be noted that this year's scoring checklist has been substantially expanded beyond environmental disclosure only, to include social criteria, including health, safety, ethics, employees community relations.

Ranking 2000	Financial Mail top 100 Industrial companies (Top 25 position in 1999)	Ranking 2000	Top Mining companies (Top 25 position in 1999)
1	ISCOR Ltd (5)	1	Anglo American Platinum Corporation Ltd (2)
2	ESKOM (1)	2	Palabora Mining Company Ltd (7)
3	SASOL Ltd (3)	3	Durban Roodepoort Deep Ltd (6)
4	The South African Breweries Ltd (4)	4	Impala Platinum Holdings Ltd (14)
5	SAPPI Ltd (10)	5	Billiton plc (24)
6	Illovo Sugar Limited (NR)	6	Anglo American plc (11)*
7	AECI Ltd (2)	7	Anglovaal Mining Ltd (NR)
8	Highveld Steel & Vanadium Corporation Ltd (11)	8	Anglogold Ltd (1)
9	Pretoria Portland Cement Company Ltd (12)	9	Gold Fields of South Africa Ltd (34)
10	Pick 'n Pay Stores Ltd (NR)	10	Duiker Mining Ltd (13)
11	The Tongaat-Hullett Group Ltd (NR)	11	Lonmin plc (NR)
12	Chemical Services Ltd (NR)	12	The Associated Manganese Mines of South Africa Ltd (26)
13	Development Bank of South Africa (15)	13	Harmony Gold Mining Company Ltd (25)
14	Umgeni Water (7)	14	Assore Ltd (20)
15	Del Monte Royal Foods Ltd (NR)	15	De Beers Consolidated Mines Ltd (9)
16	EnviroServ Holdings Ltd (8)	16	Kelgran Ltd (NR)
17	Distillers Corporation SA Ltd (NR)	17	Avgold Ltd (NR)
18	Amalgamated Beverage Industries Ltd (NR)	18	Northam Platinum Ltd (32)
19	Rembrandt Group Ltd (NR)	19	Trans Hex Group Ltd (27)
20	Group Five Ltd (NR)	20	Petra Mining Ltd (NR)
21	JD Group Ltd (NR)	21	Kroondal Platinum Mines Ltd (NR)
22	Cadbury Schweppes (SA) Ltd (16)	22	Gem Diamond Mining Corporation Ltd (NR)
23	Kersaf Investments Ltd (NR)	23	Barplats Investments Ltd (NR)
24	Stellenbosch Farmers Winery Group Ltd (NR)	24	Ocean Diamond Mining Holdings Ltd (NR)
25	Dunlop Africa Ltd (NR)	25	Marlin Corporation Ltd (NR)

NR = not ranked in 1999 top 50

* 1999 ranking as Anglo American Corporation of South Africa Ltd

Annexure B

KPMG Sustainability Reporting Scorecard

KPMG's internationally developed Sustainability Reporting Scorecard synthesizes the reporting concepts and criteria of the Balanced Scorecard, the UNEP/SustainAbility 50 Reporting Ingredients and the GRI Sustainability Reporting Guidelines. The scoring framework uses a 'modular structure', allowing for different requirement combinations and maximum scores for environmental, HSE, social, and sustainability reports for both manufacturing and non-manufacturing reporting entities.

The Scorecard contains a maximum of 127 questions, which vary depending on the report to be assessed. The questions are organised into 8 groups of criteria. The criteria for each group are briefly described below.

Financial Management: This dimension aims at assessing the financial implication of sustainability factors. It refers to topics like present and future costs, ad-spend, liabilities, government financial instruments (e.g. taxes, fines, subsidies) and their impacts on the reporting entity's financial position, external costs, financial benefits related to sustainability improvement, charitable contributions, donations and sponsoring activities.

Eco-efficiency: This dimension aims at assessing the eco-efficiency measures put in place by the reporting entity from a qualitative perspective. The questions refer to energy, material and water efficiency programmes, property management, activities aimed at reducing any sort of discharge, dematerialising products or extending their durability, as well as the use of eco-efficiency indicators.

Sustainability Management: This section mainly aims at evaluating the description of the key components of the reporting entity's management system. Of the questions included in it, some specifically refer to management systems in place, their conformity to national or international standards and external certification, while others check the legal compliance of the reporting entity and its adherence to internal policies.

Operational Performance: This section aims at illustrating how thoroughly the reporting entity describes its operational environmental, health, safety, social and/or sustainability performance. The questions assess the scope, quality and degree of specificity of the information concerning inputs, emissions, waste, transportation, packaging, as well as health and safety data and disclosure activities concerning business ethics, employment practices, community relations and ethical sourcing.

Competence Management: The questions included in this dimension are used to assess the learning and growth dimension within the reporting entity. This section evaluates disclosure practices related to training programmes, internal recognition systems for outstanding performance and key personnel specifically appointed for environmental, health and safety, and social issues.

Innovations: This section aims at evaluating the reporting entity's disclosure practices concerning innovations of products, processes or services, implementation of environmentally-driven technologies and R&D activities.

Stakeholder Management: This section is designed to assess the extent to which the reporting entity describes its relationship with both internal and external stakeholders, and how the relationship is managed. Sustainable Development issues are also included.

Product Performance: This section is designed to evaluate the quality and the degree of specificity of the information concerning the reporting entity's Life Cycle management. The questions refer to Eco-Design activities, use of Life Cycle Assessments, product stewardship and Eco-labelled products.

Besides the already cited 8 groups of criteria, another 6 extra criteria are included in the questionnaire. They aim at assessing the structure of the report and relate to the: CEO Statement; Overview of the reporting entity; Reporting principles; Report design, layout and appearance; Report communication and feedback mechanisms, and Verification.

Each of the questions in the questionnaire is worth from 0 to 5 points. The scale refers to the presence or absence and the degree of specificity of each of the information items. A score of 0 indicates that the item is not reported, while a score of 5 is awarded if the required qualitative and quantitative information is provided, comparisons are made, future targets are set and, in addition to this, if the specific information has been benchmarked and independently verified.

Detailed evaluations of corporate environmental, HSE, social, and sustainability reports using the KPMG Sustainability Reporting Scorecard are for sale on request, including those ranked in this survey.

Annexure C

The Social Accounting Unit of the Department of Accounting of the University of Pretoria

Professor Quintus Vorster, who is currently the head of the Department of Accounting at the University of Pretoria, created the Social Accounting Unit in 1993. Social Accounting was regarded as an important growth area in Accounting, which needed tracking to highlight its emergence as a vital part of the legitimisation of organisations in a changing social environment.

The goals of the unit are to:

- track changes in social reporting over time;
- track changes in stakeholder perceptions of social reporting;
- develop and highlight new methods of social accounting;
- raise general awareness of social issues in business; and
- create, develop and maintain a research database that facilitates continued research outputs and confirms the position of the Department as the leader in this important research area.

The exceptional research output from the Department in this field has assisted in it becoming the leader in terms of total research output by South African university accounting departments.

Members of the business community often consult the Unit and papers are presented annually at various local and international conferences.

Should you require further information, please contact:

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Annexure D

The Association of Chartered Certified Accountants (ACCA)

ACCA is the largest examining and qualifying professional accountancy body to operate on a global basis. As of mid-2000 ACCA had some 250 000 members and students working in over 160 countries.

ACCA has branches and staffed offices in 25 locations including Australia, China, Hong Kong, Malaysia, Pakistan, Singapore, South Africa and Trinidad. ACCA's European interests are managed by a full-time Head of European Affairs based in Paris.

ACCA is the first accountancy body in the world to offer its students the opportunity to take their examinations based on international standards of accounting and auditing.

ACCA has been active in environmental and social issues since 1990. It has held an annual UK environmental reporting award scheme every year since 1991. In 1996 it initiated a European version of the scheme that now involves 11 member states. In 1999 ACCA and the Institute for Social and Ethical AccountAbility launched a new social reporting award.

ACCA is a member of the Steering Committee of the Global Sustainability Reporting Initiative (GRI) and is an active contributor to the work of the Environmental Task Force of the European Federation of Accountants (FEE).

For further information on ACCA's activities in the environmental and social areas, please contact Rachel Jackson on +44 207 396 5845 or see ACCA's website at www.acca.org.uk

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Annexure E

Sustainability Services of KPMG

KPMG is one of the world's largest global professional services organisations, with 103 000 professionals in 159 countries and revenues of US\$12.2 billion in 1999. Hence, we are well placed to assist organisations to respond pragmatically to the sustainability challenge. The heart of our approach is to relate environmental, social, ethical, economic and financial issues to the core strategy, management objectives and operational processes of any organisation.

Our service offerings are seen to fall into three broad categories:

- Strategic advice;
- Implementation; and
- Assurance.

Specifically, KPMG offers the following Sustainability Advisory and Assurance Services:

Business Ethics Consulting

KPMG has ethics and integrity practices comprising more than 30 professionals in 9 countries. In South Africa, the Business Ethics Consulting Unit has offices in Cape Town and Johannesburg and provides the following core services:

- *Integrity Thermometer* – applying an interactive, web-based tool that measures the level of integrity within an organisation.
- *Cards on the Table* – introducing and facilitating a game of ethical dilemmas to sensitise staff to their ethical values.
- *Codes of Conduct* – developing and implementing social and ethical policies and codes of conduct to guide organisations.
- *Accountability* – advising on, developing and conducting social and ethical accounting, auditing and reporting.
- *Ethics Helpline* – assisting with the design and implementation of an internal helpline, or offering an independent call-centre service.
- *Impact Assessment* – conducting ethics impact assessments on the effects of policies, procedures or specific actions.
- *Training* – providing a one day Introduction to Business Ethics course, as well as Ethics Officer training.
- *“Just right” services* – supplying tailored services relating to ethics policy, communications and training.

Environmental Health & Safety (EHS) Services

KPMG has environmental practices comprising more than 160 professionals in 26 countries. In South Africa, our EHS Unit has offices in Cape Town, Durban and Johannesburg and provides the following core services:

- *Strategy and governance* – conducting strategic analyses and corporate governance assessments to position EHS management for the future.
- *Management systems and standards* – designing and implementing management systems for compliance with ISO 14001 and OHSAS 18001.
- *Audits and assessments* – auditing compliance of EHS management systems and performance with legal and other standards, including due diligence investigations. Our EHS auditors are among the most qualified and experienced in Africa, with more than 6 000 combined EHS audit hours (as at January 2000).
- *Finance and accounting* – integrating EHS issues into financial and accounting systems to provide essential management information.
- *Reporting and verification* – benchmarking, advising on and verifying EHS data systems, disclosures and reports.
- *Ethics Line* – providing an independent call-centre facility to manage stakeholder communications more efficiently and effectively.
- *Climate change and the Kyoto Protocol* – providing strategic advice and verification services related to flexible instruments for greenhouse gas emissions reduction.
- *Briefings and training* – supplying tailored presentations and courses on all aspects of our EHS services.
- *Research and benchmarking* – conducting tailored research and benchmarking on all subjects related to our EHS services.

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Acknowledgments

The primary sponsorship and authorship of the 2000 Survey of Environmental and Social Reporting in South Africa, as well as the Sustainability Reporting Scorecard were provided by



The analysis of environmental and social disclosure in South African annual and separate environmental and social reports was conducted by



Secondary sponsorship of the 2000 Survey of Environmental and Social Reporting in South Africa were provided by





Professional Management Review (PMR), a
leading South African management
publication has awarded KPMG a

Golden Arrow

as the top financial consultants
to government

1999

Golden Arrow

Top management consultants
(separate division of auditing or accounting firm)

2000

Golden Arrow

Top auditing and accounting firm

Silver Arrow

Top accounting/auditing firm in e-business

Nominated Impumelelo South Africa's
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within its business market)