GRI Africa Regional Conference
Transformation through Transparency
13 May 2015, Johannesburg, South Africa
ABOUT GRI

GRI is an international independent organization that helps businesses, governments and other organizations understand and communicate the impact of business on critical sustainability issues such as climate change, human rights, corruption and many others.

With thousands of reporters in over 90 countries, GRI provides the world’s most trusted and widely used standards on sustainability reporting, enabling organizations and their stakeholders to make better decisions based on information that matters. Currently, 30 countries and regions reference GRI in their policies.

GRI is built upon a unique multi-stakeholder principle, which ensures the participation and expertise of diverse stakeholders in the development of its standards. GRI’s mission is to empower decision makers everywhere, through its standards and multi-stakeholder network, to take action towards a more sustainable economy and world.

Website: www.globalreporting.org
Contact: info@globalreporting.org

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Africa is emerging as an exciting area for investment by domestic and global businesses. Given its comparatively high levels of GDP growth, the rapid rise of the African middle-class, and the scale of investor-friendly policy reforms across the continent, the region presents valuable opportunities for business investment and growth. Despite these opportunities, significant social, economic and environmental challenges throughout the region continue to present risks and barriers, both to business investment and to the longer-term well-being of the continent and its people.

Promoting greater corporate transparency on the business response to societal challenges will form the cornerstone of sustainable development in Africa. While environmental, social and governance issues are increasingly being incorporated into organizational strategies in key economies across the region, there remains significant scope for further improvements in both performance and disclosure. There is also scope for greater recognition of how social and environmental challenges are framing the innovation opportunities of the future.

The GRI Africa Regional Conference brought together 175 leaders and practitioners from 14 countries for a day of exchange and dialogue on how sustainable economic transformation in Africa can be achieved. The conference provided participants with a platform to share ideas and practical experiences aimed at fostering a climate of corporate transparency and trust to help overcome some of the barriers facing long-term sustainable growth for all of Africa’s stakeholders.

GRI would like to express its gratitude to the conference sponsors: Swedish International Development Cooperation Agency and EY; the supporters of the GRI Regional Hub South Africa: ACCA and Swiss State Secretariat for Economic Affairs; and GRI’s communications partner for this conference: Russell and Associates.

GRI appreciates the invaluable support of the following conference sponsors and supporters:
The Conference at a Glance

“"The event paved the way for me to meet, share, get new insights around sustainability reporting and forge strategic links with professionals from several countries.””

**ATTENDEES BY COUNTRY**

- SWEDEN
- UK
- THE NETHERLANDS
- SWITZERLAND
- ISRAEL
- JORDAN
- NIGERIA
- GHANA
- KENYA
- THE DEMOCRATIC REPUBLIC OF CONGO
- ZIMBABWE
- MAURITIUS
- BOTSWANA
- SOUTH AFRICA

**ATTENDEES BY CONSTITUENCY**

- BUSINESS/ENTERPRISE: 55%
- MEDIATING INSTITUTION: 19%
- CIVIL SOCIETY ORGANIZATION: 12%
- OTHER: 6%
- GOVERNMENT: 4%
- INVESTMENT INSTITUTION: 4%

**CONFERENCE MEDIA COVERAGE**

- Watch GRI Chief Executive Michael Meehan’s interview on CNBC Africa’s Power Lunch, talking about the value of sustainability reporting.
- Watch the conference highlights, created by CNBC Africa.
Master Classes

Four half-day Master Classes took place just before the conference on Tuesday 12 May, organized by GRI in collaboration with partners. The Master Classes proved to be very popular reaching almost full capacity. They were held on the following topics:

- **IMPLEMENTING GRI SUSTAINABILITY REPORTING IN THE SUPPLY CHAIN/VALUE CHAIN**
  - In collaboration with ESS
  - Total number of attendees: 39

- **BEYOND THE REPORT: MAXIMIZING VALUE FROM THE REPORTING PROCESS**
  - In collaboration with ERM
  - Total number of attendees: 37

- **DEFINING THE MEANING OF MATERIALITY IN THE CONTEXT OF REPORTING INTEGRATION**
  - In collaboration with BSD Consulting International
  - Total number of attendees: 42

- **STAKEHOLDER ENGAGEMENT**
  - In collaboration with EY South Africa
  - Total number of attendees: 38

“**The experience and knowledge of the speakers was exceptional.**”

“I appreciated the fair representation within the speakers at the different panels as well as in the audience. Packed agenda with more than enough time for networking – a very rare balance but you managed it.”

“I have been to hundreds of legal and other events over my 34 years as an attorney, but this is the best one by far! Thank you; it was extremely enlightening and helpful.”
Key Takeaways

- Sustainability reporting can play a pivotal role in linking Africa’s economic growth to social development and environmental stewardship.

- The reporting process should inspire deep conversations within and beyond the organization.

- While stakeholders value concise reports, they still want detailed data on material aspects of sustainability performance.

- Africa is giving rise to exciting examples of shared value innovation across a range of sectors, including agriculture, food and beverage, education, retail, finance and ICT.

- Businesses need greater appreciation of their interdependence with society.

- Responsible investment is gaining traction within the investment community however, short-term performance still predominates investment analysis over longer-term risk.

- More companies, particularly MNCs, are exploring the potential of value chain reporting which highlights the critical relationship between transparency and trust.

- Attitudes need to be underscored by realities. If development is to happen sustainably, the value needs to be felt in Africa.
Pre Conference Briefing Session

**EMPOWERING SUSTAINABLE DECISIONS**

GRI Africa organized an exclusive briefing session with GRI Chief Executive Michael Meehan for the regional GRI community and partners on the eve of the conference.

Members of GRI Governance Bodies (Board of Directors, Global Sustainability Standards Board, Stakeholder Council), GRI Organizational Stakeholders, GRI Africa Advisory Group and supporting partners (ACCA, SECO, SIDA) attended the session.

The session provided an opportunity for Michael Meehan to engage guests on GRI’s five-year focus ahead of the conference, and to discuss key sustainability topics and market dynamics.

Looking ahead, GRI will continue to work towards improving the quality and functionality of sustainability data, with greater focus on the value of sustainability data in empowering decision making. Meehan stressed that decision makers need to have reliable, high quality sustainability information.

Participants welcomed the focus on maximizing value from the reporting process and one of the key focus areas: “beyond reports”. Former GRI Stakeholder Council chairperson Karin Ireton pointed out that in many cases “companies do not know how to use their own data.”

Meehan also noted the importance of collaboration between standard-setting organizations. He responded to questions on the relationship between sustainability and integrated reporting, stressing that GRI is fully supportive of integrated reporting and was a co-convener of the IIRC.

He pointed out that the GRI sustainability reporting guidelines are a platform upon which others can build. To support companies in looking to better integrate sustainability data into their mainstream business processes and reporting, GRI has convened a corporate leadership group on integrated reporting, and as such, GRI will play an active role in shaping the practice of integrated reporting.

Participants appreciated the opportunity to engage in GRI’s five-year focus and commended the positive energy within the organization.

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GRI Africa expresses gratitude to the City of Tshwane Sustainability Unit for generously hosting the event.
FROM AFRICA TO EUROPE AND BEYOND: SUPPLY CHAINS AND SUSTAINABILITY

The day before the conference, the Embassy of Sweden in Pretoria hosted a roundtable dialogue for around 40 Swedish and African companies, policymakers and practitioners to take on some of the tough challenges that surround increasing transparency in the value chain.

The event was hosted by Deputy Head of Mission Karin Johanson, facilitated by Alyson Slater of GRI, and featured insights from Michael Meehan and Bastian Buck of GRI, Monique van Zijl from Oxfam’s ‘Behind the Brands’ Campaign, and Sara Norell, Head of purchasing for Sweden’s state-owned sprits company Systembolaget.

In contrast to high interest and engagement from consumers and investors in Europe for sustainably sourced products, this level of pressure does not yet exist in Africa. This causes a disconnect between what African companies sell and what European companies want to buy. Sara Norell gave the example that South African wineries were diminishing in competitiveness because they do not yet offer organic products which are in high demand in Sweden. Monique Van Zijl pointed to the need to build capacity of civil society and consumers to engage with companies and hold them accountable for what they publish in reports. Smaller enterprises struggle to keep up with buyer requirements for speed and quality – capacity and investment will be necessary if credible sustainability data is required from these entities as well.
WELCOMING REMARKS
Jeremy Grist, EY (Conference Sponsor)

“There is a growing expectation for greater transparency in reporting. The activities of GRI and the significant adoption and reporting by companies in this regard have been a key contributor to responding to the need for increased transparency. I commend the work of GRI and their efforts in the development of their standards. I have no doubt that it has contributed to the improvement of non-financial reporting and the recognition that there is the need for the integration of financial and non-financial reporting.

There are obvious advantages to be had through the improvement of corporate reporting and the need for businesses to provide a more complete picture of their work. I am very supportive of GRI and pleased to participate in their efforts to further the development of future reporting.”

Douglas Kativu, Director GRI Africa

The Opening Plenary set the tone for the day, providing the 175 delegates with an informed dialogue and spirited exchange. After a brief welcome by Douglas Kativu (GRI Regional Hub Africa) and Jeremy Grist (EY), opening remarks by were provided by the Ambassador of Switzerland, Christian Meuwly, and GRI Chief Executive, Michael Meehan. This was followed was a lively panel discussion, with panellists Michael Meehan (GRI), Mervyn King (IIRC), Michael O’Brien Onyeka (Greenpeace Africa), Karin Ireton (Independent Director), and Tlou Ramaru (DEA).

In his opening remarks, Ambassador Christian Meuwly introduced a theme that set the scene: **Sustainability reporting is becoming more important in Africa due to increasing economic growth and the challenges that are still pervasive in the environmental, social and governance arena.**

This theme was taken further by Michael Meehan, who in his keynote address highlighted the critical contribution of transparency as a means of enhancing trust and credibility, and in turn economic success. In his words, “All of us, even investors, want a world where business creates value for more than just its shareholders.” Driving this reporting trend, across Africa and the world, are significant changes in the context of business and stakeholder expectations.

Risks are becoming more complex and difficult to address in isolation. Ambassador Meuwly noted that transgressions of human rights, labor, corruption and environmental issues remain widespread, and that despite many efforts, are still compromising people’s
lives and futures. Meehan suggested that every business should consider the question: “How can my business ensure these challenges are reflected in all aspects of organizational decision making?”

Companies should be driven by business opportunities for sustainability Ambassador Meuwly and Ireton agreed that companies can be powerful drivers of change in society. “The sphere of influence via supply chains and service providers, involvement in industry associations and so forth, means that companies can encourage others to undertake voluntary reporting on sustainability issues.” Karin Ireton suggested that the business sense behind this influence should drive company actions.

Effective reporting is about thinking differently There was little disagreement on this point. “If we carry on using the same tools that have caused the crises we see today, we will not resolve them,” warned Mervyn King. “There must be an appreciation of this by executives and boards. It is not simply the report that should be integrated – it’s the thinking that needs to change.”

Effective reporting processes can - and should - be a catalyst for change In Meehan’s terms: “Sustainability reporting is a vital step towards achieving smart, sustainable and inclusive growth that balances long term profitability with environmental care and social justice.” He stressed GRI’s role in enabling better decision making through reporting, specifically GRI’s role in helping developed countries invest in sustainable development activities in emerging markets. He noted, “This year, we will see $4.2 billion going into sub-Saharan Africa.”

Ambassador Meuwly similarly saw reporting as helping to create the market conditions for sustainable and competitive business and development goals. In his terms, “this will enable businesses to become more competitive and strengthen their access to international markets and capital.”

Tlou Ramaru agreed, highlighting the role that reporting processes can play in driving an appreciation of the strategic importance of so-called ‘non-financial’ issues. He reflected on the role that the South African government is playing in promoting reporting at home and abroad.

Accountability and trust are crucial for business success in Africa Michael O’Brien Onyeka called for “a well-informed and active citizen group that will use reports to assess companies and get involved in shaping our future.” Stakeholder outreach should be backed by companies that genuinely want to know what people think. As King pointed out: “Shouldn’t the board know the expectations of the stakeholders? Shouldn’t they be informed? Isn’t that their duty?” This, he said, was what he meant by dynamic activism.

“It is not simply the report that should be integrated – it’s the thinking that needs to change.”  Mervyn King, IIRC

“If Africa could keep even 15% or 20% of the financial flows currently leaving the continent, we would be more able to meet our potential.”  Michael O’Brian Onyeka, Greenpeace Africa
Multiple players are driving corporate responsibility and accountability
Jon Duncan outlined some of the contributions being made by the investment community such as catalyzing long-term thinking and integrating sustainability into investment analysis, direct investments in the sustainability space and driving financial inclusion. Theo Botha emphasised the need to hold companies to account on four elements: fairness, accountability, responsibility and transparency. Adrian Bertrand spoke to the value of initiatives such as the UN Principles for Responsible Investment (UNPRI) and its sister initiatives, the UNEP Finance Initiative and UN Global Compact.

A reluctance to engage
Concerns were raised about investors and in particular the role of asset owners. Botha suggested that asset owners should be holding companies to account, but in his experience, “Directors of companies say that no one ever asks about sustainability or environmental issues.” Bertrand questioned whether the clients of pension fund managers are demanding more attention to environmental and social governance (ESG) issues. Duncan agreed, noting that by and large, investment decisions are still based primarily on an analysis of strategy. Ultimately, the big challenge of incentive structures still being focused on the short term remains.

Gaps remain in the nature and comparability of ESG data
Data sources for ESG information are expanding. Duncan noted the increasing prevalence of ESG data in company reports, Bloomberg Information Services, new ESG data service providers, as well as
the proprietary research undertaken by financial service providers.

Bertrand indicated that the UNPRI would like to see more use of ESG data within company valuation models.

A conference participant noted that asset managers tend to focus on downside risk protection rather than being used as leading indicators for performance.

A concern was noted regarding the decreasing number of sustainability reports since the introduction of integrated reporting in South Africa. “While the provision of a concise overview was important,” said Botha, “companies should not see this as an alternative to providing investors with the detail needed to make informed decisions.”

Assurance is important, but could be more effectively applied

Botha supported the need for assurance, but pointed out a lack of consistency in uptake and the fact that many assurance statements were not written in a useful way. “In general, companies don’t see assurance as critical,” he noted.

While agreeing that assurance is critical for external stakeholders, Duncan noted that not everything could be assured. In his terms, “Sustainability also has a normative or ethical element. This is about a societal shift, about leadership.”

“Investors are interested in creating high performance against the market. If sustainability information can give you downside risk protection, and reputational leadership, the investors will use that information.”
Jon Duncan, OMIGSA

“Without disclosure, stakeholders can’t engage effectively. We are agents for transformation.” Theo Botha, CA-Governance

“It’s one thing for directors to say that nobody reads their integrated reports, but if they’re not reading their own integrated reports then they can’t blame the investors for not doing so.” Jon Duncan, OMIGSA
Effective value chain reporting is based on effective relationships

Sara Norell emphasised the importance of relationships with customers (enabling informed choices), suppliers (driving efficiency and packaging improvements), and buyers (critical to implementation). Seakle Godschalk agreed that it was critical to build trust, to establish open lines of communication, and to reward good performance by suppliers. From the supplier’s side, accurate reporting also enhanced their ability to maintain important long-term contracts.

Materiality is the starting point

For Omnicane, the drivers of supply chain reporting included customer requirements (in particular, corporate customers such as Coca-Cola and Nestlé), the need to reduce production costs, and adherence to ISO standards. Rajiv Ramlugon recommended that companies “identify the most critical suppliers in their supply chain using economic, social and environmental factors.”

For SMEs, the impetus came either from a need to comply with reporting requirements of large customers or from a desire to produce their own reports, noted Godschalk. He suggested that SMEs were especially challenged by the lack of capacity to provide data, limited information systems and concerns regarding the disclosure of sensitive information.

Monique Van Zijl pointed to the need to get stakeholders involved and for companies to find the confidence to be transparent.
Companies are beginning to engage their suppliers in sustainability efforts
Ramlugon identified the key barriers for Omnicane as the diversity and scale of suppliers; unfamiliarity with the concept of sustainability; high production costs and scarcity of labor; and the fact that the company has limited control over supply chain organisations.

The company was able to understand and address barriers by mapping the supply chain landscape and engaging with their “listed suppliers”. These were the most significant by volume, monetary value and level of risk. By establishing a procurement policy, Omnicane began a process of awareness that resulted in their ability to evaluate suppliers on social and environmental performance. “It was important to see this as a long term process,” noted Ramlugon.

Consumer interests matter, even if the transactions are far upstream
This point was made by Van Zijl of Oxfam, whose “Behind the Brands” campaign has rated 10 large companies on seven sustainability-related themes in an effort to point out the social and environmental transgressions that occur namely on the far edges of the value chain. By posting data online, consumers are able to educate themselves about how their food is being produced, and to enter into a dialogue with big brands about taking action to improve impacts in their value chains.

“Supply chain reporting is mainly new territory for even advanced reporters.” Bastian Buck, GRI

“There is no fixing anything without transparency. Consumers are savvy, they want to know their favourite products are produced sustainably.” Monique van Zijl, Oxfam International
SESSION 2A: BUSINESS ACCOUNTABILITY AS A MEANS OF ACHIEVING DEVELOPMENT GOALS

Later this year, the world will agree on a set of Sustainable Development Goals (SDGs) that will shape global development priorities for the coming decades. Businesses have been a part of the dialogue leading up to the SDGs, and, together with civil society and governments, they will have a major role to play in their implementation.

**Chair:**
- Reana Rossouw, Next Generation Consultants

**Panellists:**
- John Capel, Benchmarks Foundation
- Claude Kabemba, South African Resource Watch
- Anne Kullman, GRI
- Elias Masilela, DaMina Advisors/UNGC
- Nellia Mutemeri, AngloGold Ashanti, but speaking in her personal capacity

How effective is reporting in a developmental context?
Claude Kabemba posed an opening challenge: “Why does industrial development not result in tangible improvements in the lives of ordinary people?” While companies report extensively on social and environmental impacts, engagement with surrounding communities is often weak.

John Capel agreed, pointing to “a real disjuncture between the interests of multinational corporations and governments.” He saw reporting as being primarily about securing legitimacy; about being seen to be doing good, rather than addressing the need to internalise costs. In too many instances, he suggested, “social and labor plans are secret documents, created by cut and paste. There is a lack of accountability mechanisms, and an inability to measure their implementation.”

The desired level of accountability through reporting is not yet a reality
Capel said that in his experience, it was often difficult to separate fact from fiction in company reports. He saw the need for greater disclosure on unintended consequences and negative impacts, as well as independent monitoring by communities themselves rather than only by auditing firms – thereby requiring the need for reporting to be more location specific.

Accountability should be at the heart of reporting, noted Elias Masilela. He saw GRI not as the provider of a reporting framework, but rather as the initiator of a conversation among key stakeholders to enable a better understanding of shared responsibilities.
Corporates need greater appreciation of their interdependence with society

Kabemba pointed to the Marikana events which took place “even though Lonmin was regarded as a highly accountable company.” Accountability, he suggested, is important, but not sufficient. “In order for business to contribute effectively to development, there must be a capable state and an informed citizenry.”

A key challenge is to enable greater learning from the reporting journey

This was suggested by Anne Kullman, who believed that greater awareness of impacts and stakeholder debate would begin the process of change. Companies that already have an advanced model for stakeholder dialogue and reporting should share their experiences and show leadership in order to inspire others.

Masilela then raised the challenge of operationalizing the solution. He noted the complexity of reporting, and the need for incentive structures. Nellia Mutameri agreed, but said that “Reporting mechanisms are not perfect, but they can contribute to achieving the mining vision.”

The SDGs offer an opportunity to consider and act on this interconnection

Kullman pointed out that the SDGs are a business opportunity for companies to provide innovative solutions and products to solve the worlds’ most pressing challenges – and that companies should gear themselves up to take advantage of this. GRI is, together with UNGC and WBCSD, developing the SDG Compass – a tool for businesses to set goals for their sustainability work, choose KPIs and indicators, and measure and report the company’s contribution to the SDGs.

“GRI reporting won’t help us achieve development goals unless the reporters are applying it with conscious effort to ensure their companies make a positive impact.” Elias Masilela, DaMina Advisors/UNGC

“If development is to happen sustainably, the value needs to be felt in Africa.” Claude Kabemba, South African Resource Watch
SESSION 2B: COMMUNICATING SHARED VALUE

The concept of “shared value” appears to be gaining interest and traction in several African countries. This session explored perspectives on creating and communicating shared value.

Chair:
• Charmane Russell, Russell and Associates

Panellists:
• Michael Koech, Safaricom
• Sanjeev Raghubir, Nestlé
• Nicola Robins, Incite and Shared Value Initiative

Shared value is driven by innovation in response to social challenges
Nicola Robins indicated that the approach was particularly geared to markets where large-scale social challenges were reshaping the competitive landscape.

She acknowledged that shared value was often conflated with general sustainability initiatives, “but four specific criteria must be met for an initiative to qualify as shared value.” These are:
1. The initiative should be innovative and distinct from business as usual.
2. It should deliver measurable social value.
3. It should deliver measurable financial value, as revenues, cost reductions or tangible market projections.
4. The value should be scaled or scalable, commensurate to the size of the operation.

Africa is giving rise to exciting examples of shared value across many sectors
There were two excellent examples of shared value: Sanjeev Raghubir outlined Nestlé’s approach to creating shared value, particularly in the areas of nutrition, water and rural development. Michael Koech shared the case of Safaricom’s M-PESA which is an innovative mobile money transfer system that provides unprecedented access to financial services to Kenya’s unbanked populations while generating substantial revenue and business opportunities for the company. Koech agreed that product innovation was at the heart of Safaricom’s strategy and that they were constantly looking for new ways to deliver value to their customers.
Measurement of shared value is a challenge

Audience members and panellists agreed that shared value could only be communicated when it was measured. Robins noted that “Social metrics seldom aggregate as easily as financial metrics. They are also harder to attribute.” She highlighted Unilever as a company that had progressed well on delivering a shared value narrative at the enterprise level.

Raghubir highlighted the report ‘Nestlé in Society: Creating Shared Value’ as an important milestone in their reporting journey. In 2014, the company published its eighth report and held their ‘Creating Shared Value Global Forum’ – a day-long event that brought together leading development and business experts from around the world to discuss the business response to socio-economic challenges.

Reporting frameworks encourage shared value reporting

Panellists agreed that the GRI G4 guidelines allowed for increasing focus on shared value reporting. Robins suggested that shared value was indicative of the kind of thinking at the heart of the integrated reporting movement. “We will not see standard GRI indicators for shared value because the social value delivered will be different depending on the context, organisational strategy or set of innovations.” But a successful shared value strategy was likely to enhance an organisation’s ability to meet their non-financial reporting requirements.

Koech indicated that Safaricom measured the number of people who have been able to access financial services for the first time because of M-PESA.

Value is in the eye of the beholder

In deciding whether an organisation presented a good example of shared value, Koech and Raghubir emphasised the importance of stakeholder perspectives and the organisation’s ability to interpret and apply stakeholder feedback. The ultimate test of shared value, however, would be the ability of the business to grow and disrupt a market that is constrained by a limiting perception of value, on who it should be shared with, and for how long.

“All companies need to innovate; but companies operating in contexts where there are significant social or infrastructural challenges, need to innovate faster and better.” Nicola Robins, Incite and Shared Value Initiative

“All companies need to innovate; but companies operating in contexts where there are significant social or infrastructural challenges, need to innovate faster and better.” Nicola Robins, Incite and Shared Value Initiative

“Product innovation is at the heart of Safaricom’s strategy and we are constantly looking for new ways to deliver value.” Michael Koech, Safaricom
The frameworks differ in areas of focus and target audience
Shireen Naidoo noted that each of the reporting frameworks had contributed significantly to the field and that assurance would not have been possible in the absence of such criteria. While acknowledging their value, Stiaan Wandrag indicated that the multiplicity of frameworks remained a challenge for companies seeking to report in accordance with best practice. Bastian Buck pointed out that companies should not see GRI and IIRC frameworks as an either/or choice. “It is rather about the tool that helps you to tell the story or address a particular audience.” The CDP primarily targets an investor audience, as does the IIRC framework, whereas the GRI Standards address multiple stakeholder needs and perspectives. It was agreed that a distinct target audience for the report (e.g. investors) should not limit engagement of other stakeholder groups in the reporting process.

There will be greater alignment but no single reporting framework
Respondents agreed that there was no easy answer to the question of a unified framework. Frameworks differed at a fundamental level, with some being principles-based (e.g. IIRC), and others being indicator-based (e.g. GRI, CDP). As a result, although the key players would work on greater alignment, a unified framework was not expected. Maia Kutner noted that this was still a new field, relative to financial reporting. “Stakeholders have a massive role to play in ensuring better disclosure. We believe
more stakeholder engagement will result in better data.”

**Fewer sustainability reports, more integrated reporting**

In Stiaan Wandrag’s experience, the principles-based IR framework has been received positively by executives. This led to Sasol publishing just one Integrated Report this year, with a separate Sustainability Report available online. Buck agreed that this was a trend globally, which he saw as “a welcome development if properly done.” He saw GRI as contributing a common language for non-financial performance reporting, whether in the integrated or sustainability report.

Ian Jameson emphasised the importance of retaining access to information and comparability of data, even in the context of a single report being published.

**More senior executives are becoming involved in the materiality process**

Naidoo was pleased to see materiality reviews taking place at the board level. Jameson was less certain about the increasing extent of board involvement, noting that most companies still had some way to go with respect to integrated thinking and its link to risk and materiality. Wandrag agreed, noting that “while awareness is improving, not every non-executive director appreciates this process.”

**Executives question the financial value of publishing sustainability data**

In response to this point raised by a member of the audience, Kutner indicated that stakeholder expectation provided the primary business case for reporting sustainability data. For Wandrag, the financial value of sustainability reporting was never an issue. “It is simply not possible to report on performance without including sustainability data in the process,” he said.

**Assurance of non-financial data remains strongly on the agenda**

The ability to assure an integrated report in its entirety has not yet been agreed. According to Jameson, “the engagement is going the right way.” Buck noted that many boards were nervous about signing off on something for which there was no agreed international standard. He saw South Africa as unique in this respect as the board was asked to have an opinion on non-financials. Kutner emphasised that non-financial data should be accorded the same respect as financial data and therefore should be assured. Wandrag indicated that his board was supportive of the idea of combined assurance.

> “There is a trend for sustainability data to be combined with annual accounts or financial reports. This is welcome, but we want to retain a common language for the sustainability performance observations of the company. And that would be the GRI metrics.” Bastian Buck, GRI

> “We must not lose the strength of comparability of data as we move toward a ‘one report’ environment.” Ian Jameson, IIRC
SESSION 3B: REPORTING 2025 WORKSHOP

GRI’s Reporting 2025 initiative is an international discussion among leaders from business, civil society, investors and others on the main sustainability trends arising 10 years from now, and how transparency and reporting will change – or be changed – by such developments.

This session provided an opportunity for conference participants to lend their voice to this high profile programme, by helping to map what the most important topics will be for reporting. Participants first explored the big-picture macro sustainability issues that are likely to characterize our world in the future, they then translated these into concrete challenges, risks and opportunities for companies, and finally they looked at what this would mean for reporting.

What major issues will characterize our world in 2025?

**State of the world**
- Heightened security concerns
- Shortages of natural capital and resource constraints
- Impacts of increased consumption
- Increased investment in developing countries
- Growing middle class in emerging economies
- Significant developments in energy e.g. renewables, storage
- Addressing the “too big to fail” concern

**Growing nationalism as governments struggle to meet social demands, including employment**
- Persistent and potentially increasing socio-economic inequality
- Impacts of climate change
- Demographic challenges (large number of old in the North and many young in the South)
- Persistent corruption
- Increasing migration and challenges associated with the integration of migrants
What will companies be dealing with in 2025?

**Business models**
- Redefinition of “capital” and who provides it
- Digital economy enhances efficiencies, but brings challenges related to privacy, socialisation
- Traditional sectors disrupted by innovations
- Greater uptake of more inclusive business models
- New businesses emerging out of crises and growing societal challenges
- Resource constraints drive better resource and material use

**Stakeholders and information**
- Greater access to real time information by stakeholders
- Big data provides enhanced access to information
- Enhanced engagement between top management and stakeholders

**Workforce**
- Shortage of skills globally
- Pressure to create jobs
- Need to improve education, create skills and enhance professional skill-set

**Value chain**
- Move towards increased localisation of purchasing
- Increased focus on consumer-driven customer-focused marketing

**Governance**
- Enhanced corporate governance practices – more accountable and transparent
- Greater stakeholder responsiveness and representation on the board
- Quality of leadership will differentiate across sectors
- Driven by 2025 societal ethics
- More self-determination, but better principle-based “regulation”

What does this mean in terms of reporting?

- Shift towards full accounting for externalities and new ways to measure value
- Enhanced role of qualitative information (data intelligence)
- Need to recognise trade-offs between different capitals and for frank discussion of allocation decisions
- Improved understanding of the stakeholders to which companies are truly responsible (e.g., mining company communities), with improved transparency and disclosure on those responsibilities
- A paradigm shift in the corporate mind-set recognising a shift in the balance of control
- More data, more often consolidated
- Accuracy/consistency/comparability of data remains a challenge
- Better stories and explanations of data trends and anomalies
- Significant potential role of ‘big data’ in analysing and rapidly applying ‘intelligence’ to data
- Improved mining of data contributing to enhanced decision making
- Having systems in place to manage access to information via social media

These findings are an important contribution from the African perspective to the global conversation on Reporting 2025. Visit the GRI Reporting 2025 webpages: [http://bit.ly/1sceyhc](http://bit.ly/1sceyhc) and tune into what others are saying from around the world.
In the final session, the Chairs of all the panels shared their perspectives on the themes, opportunities and learning points of the day.

On **Reporting as a Facilitator of Trade and Investment**, Alexandra Watson reported on three major themes: the use of ESG information; how companies can be made more accountable; and how companies can provide better and more useful information to investors. She noted that although investors are using this information, there is not yet the requisite level of demand that would push reporters to interrogate the nature of the information they deliver.

Karin Ireton’s overview of **Value Chain Reporting** highlighted the critical relationship between transparency and trust. Increased pressure for supply chain reporting is being felt, and this was coming from a number of points within the value chain. However, the issues remained complex and organisations needed to provide training and support for smaller suppliers to enable them to deliver on information needs.

In her feedback on **Business Accountability to Achieve Development Goals**, Reana Rossouw noted that while companies have accounted for their actions, few have considered how they have contributed to the Millennium Development Goals, and this will need to change in the SDG era. She reflected on GRI as a conversation between stakeholders and companies.

Charmane Russell’s feedback on **Communicating Shared Value** focused on the importance of clarity in defining what shared value is and what it is not. She raised the challenge of metrics and auditing the combined delivery of social and financial value. She saw the G4 materiality analysis as an opportunity for companies to explore shared value potential.

In **Navigating Multiple Frameworks**, Jonathon Hanks recognised the value of each, and the likelihood of greater alignment, he warned against companies expecting a single unified framework anytime soon. On materiality, he stressed the process of executive engagement on how the business creates value and how it might create value more effectively into the future. The future of reporting, he suggested, would include greater focus on the reporting process rather than on the report itself.

Alyson Slater’s feedback on the **Reporting 2025 Workshop** included a brief summary of macro trends and implications for companies which would lead to changes in reporting such as more intelligence coming out of better quality data, automated data capture, with an ongoing challenge in how to use it effectively.

Panellists and the audience agreed that there was a need for a more strategic perspective on reporting and the onus was on each one of us to stand up for a more equitable and sustainable future.

**CLOSING REMARKS**

Michael Gora, ACCA and host of GRI Africa offices

“Our thanks and congratulations to GRI, its sponsors, speakers and delegates on a very successful conference. We believe the issues covered and level of engagement and debate reflects its great relevance to the African sustainability agenda.

As a founding member of GRI’s Steering Committee in 1997, and an active GRI member, we continue to support the movement towards more responsive and accountable reporting. We believe GRI plays key role in this movement and that its track record over nearly two decades speaks to the value of its ongoing contribution.”
Sustainability in action at the conference

By minimizing potential negative impacts during the conference and adopting a sustainable approach to the services provided, GRI sought to inspire all those involved in the conference to contribute to a more sustainable world.

Some of the key sustainability actions that were taken:

• Name badges were produced from 100% recyclable seeded paper with biodegradable ink.

• The conference venue was Green Star SA certified.

• At least 80% of the food provided was categorized as fresh, local, organic/ biological, or seasonal, with at least 50% being vegetarian. The use of disposable items was minimized and tap water was used wherever possible.

• Leftover food from the conference was donated to the Safe Haven charity in Johannesburg.

• Conference materials were mainly provided electronically. Any paper that was used was made from 100% recovered paper fibres (recycled) or sourced from sustainably harvested forests.

• All GHG emissions produced as a result of travel to and from the conference were offset by supporting the Paradigm Project which provides clean and sustainable wood stoves in Kenya: www.theparadigmproject.org

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Additional text provided by
• Douglas Kativu, Director GRI Africa
• Alyson Slater, Director, Regional Network and Sustainable Development

Design
• Scribble Design

GRI
Barbara Strozzilaan 336
1083 HN Amsterdam
The Netherlands

Telephone: +31(0) 20 531 00 00

www.globalreporting.org
info@globalreporting.org