



# Jean Birkett

- Managing Consultant for 8<sup>th</sup> Man Consulting
- EPM Expert/Architect
- In the industry since 1997
- Consulting since 2003
- Heading up Sustainability for 8<sup>th</sup> Man Consulting



# Why Sustainability and Integrated Reporting?

Jean Birkett (née Heath)

Managing Consultant

8<sup>th</sup> Man Consulting





# Agenda

- Why is sustainability so important?
- Business Case
- Why use HFM?
- References



# Calculating your footprint

Category	Motor Travel	Electricity	Flights	Paper	Total
Type / Consumption					
Annual Personal Consumption					
CO2					
Trees					



# Calculating your footprint

Category	Motor Travel	Electricity	Flights	Paper	Total
Type / Consumption	2.0 L Diesel SUV	9000 KWH	2 X 2 HR flights	1 Ream/ Month	
Annual Personal Consumption					
CO2					
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# Calculating your footprint

Category	Motor Travel	Electricity	Flights	Paper	Total
Type / Consumption	2.0 L Diesel SUV	9000 KWH	2 X 2 HR flights	1 Ream/ Month	
Annual Personal Consumption	25,000 KM	3,750 KWH	3,400 KM	12 Reams / Year	
CO2					
Trees					



# Calculating your footprint

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CO2	6450 KG				
<b>Trees</b>					



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Type / Consumption	2.0 L Diesel SUV	9000 KWH	2 X 2 HR flights	1 Ream/ Month	
Annual Personal Consumption	25,000 KM	3,750 KWH	3,400 KM	12 Reams / Year	
CO2	6450 KG	3863 KG			
<b>Trees</b>					



# Calculating your footprint

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Category	Motor Travel	Electricity	Flights	Paper	Total
Type / Consumption	2.0 L Diesel SUV	9000 KWH	2 X 2 HR flights	1 Ream/ Month	
Annual Personal Consumption	25,000 KM	3,750 KWH	3,400 KM	12 Reams / Year	
CO2	6450 KG	3863 KG	442 KG		
<b>Trees</b>					



# Calculating your footprint

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Category	Motor Travel	Electricity	Flights	Paper	Total
Type / Consumption	2.0 L Diesel SUV	9000 KWH	2 X 2 HR flights	1 Ream/ Month	
Annual Personal Consumption	25,000 KM	3,750 KWH	3,400 KM	12 Reams / Year	
CO2	6450 KG	3863 KG	442 KG	28 KG	<b>10,783 KG</b>
<b>Trees</b>					




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# Calculating your footprint

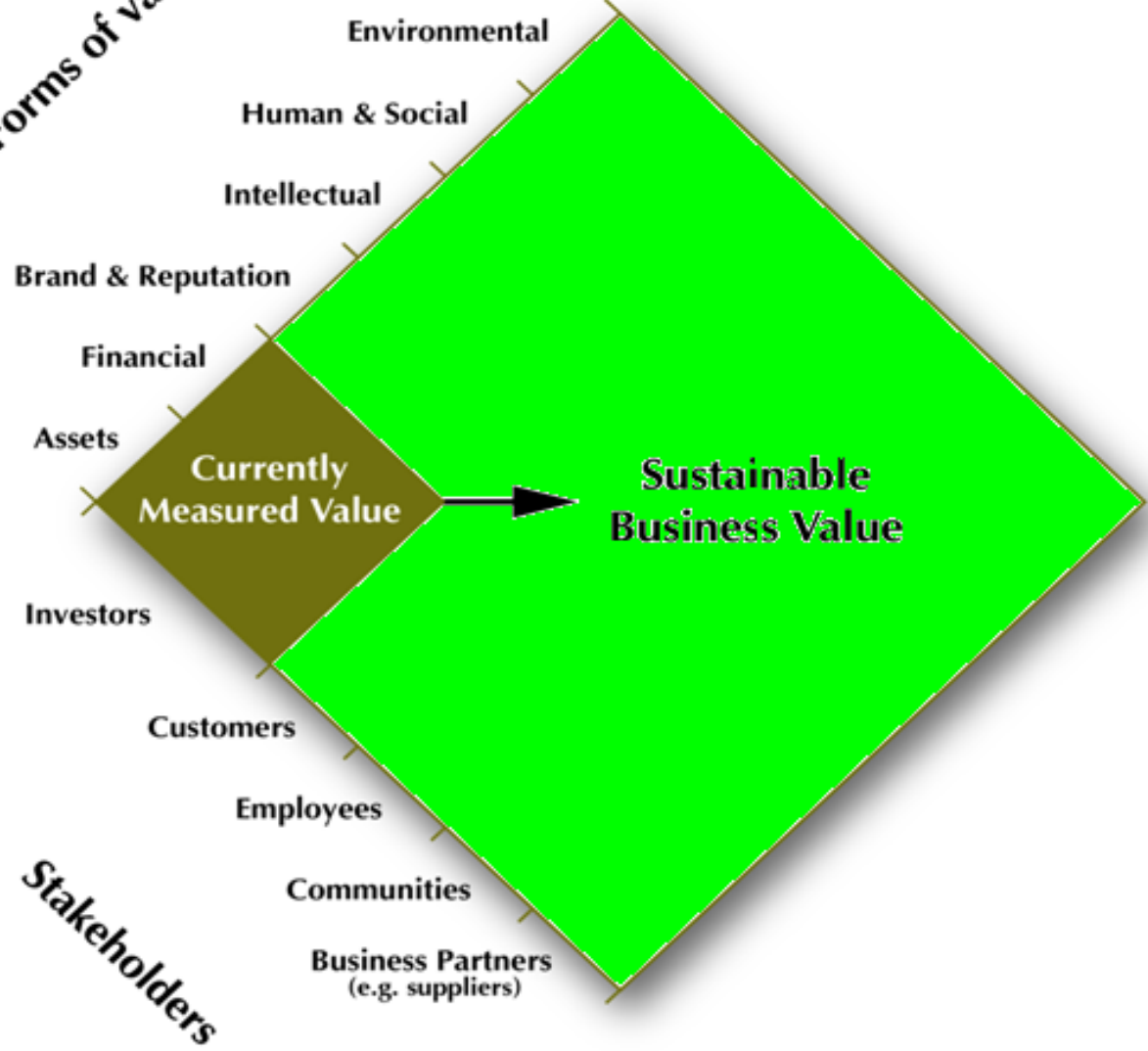
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CO2	6450 KG	3863 KG	442 KG	28 KG	<b>10,783 KG</b>
<b>Trees</b>	<b>17.2</b>	<b>10.3</b>	<b>1.2</b>	<b>0.1</b>	<b>28.8</b>



**Based on the assumptions we have made. 28.8 Trees per year in an average South African Household of 2.4 people – 69.12 trees per household per year.**



**Forms of value**





**Forms of value**



**Stakeholders**



# Compliance

- South Africa is way ahead of the global curve in this area.
- Biggest single driving factor for reporting in South Africa.
- We are bound by legislation to do and disclose more on the way we do business.
- Provides motivation for change.



# Requirements

**King III**

**Workplace Skills Development Act**

**Employment Equity Act**

**dti Codes of Good Practice**

**Industry charters**

**JSE listing requirements**

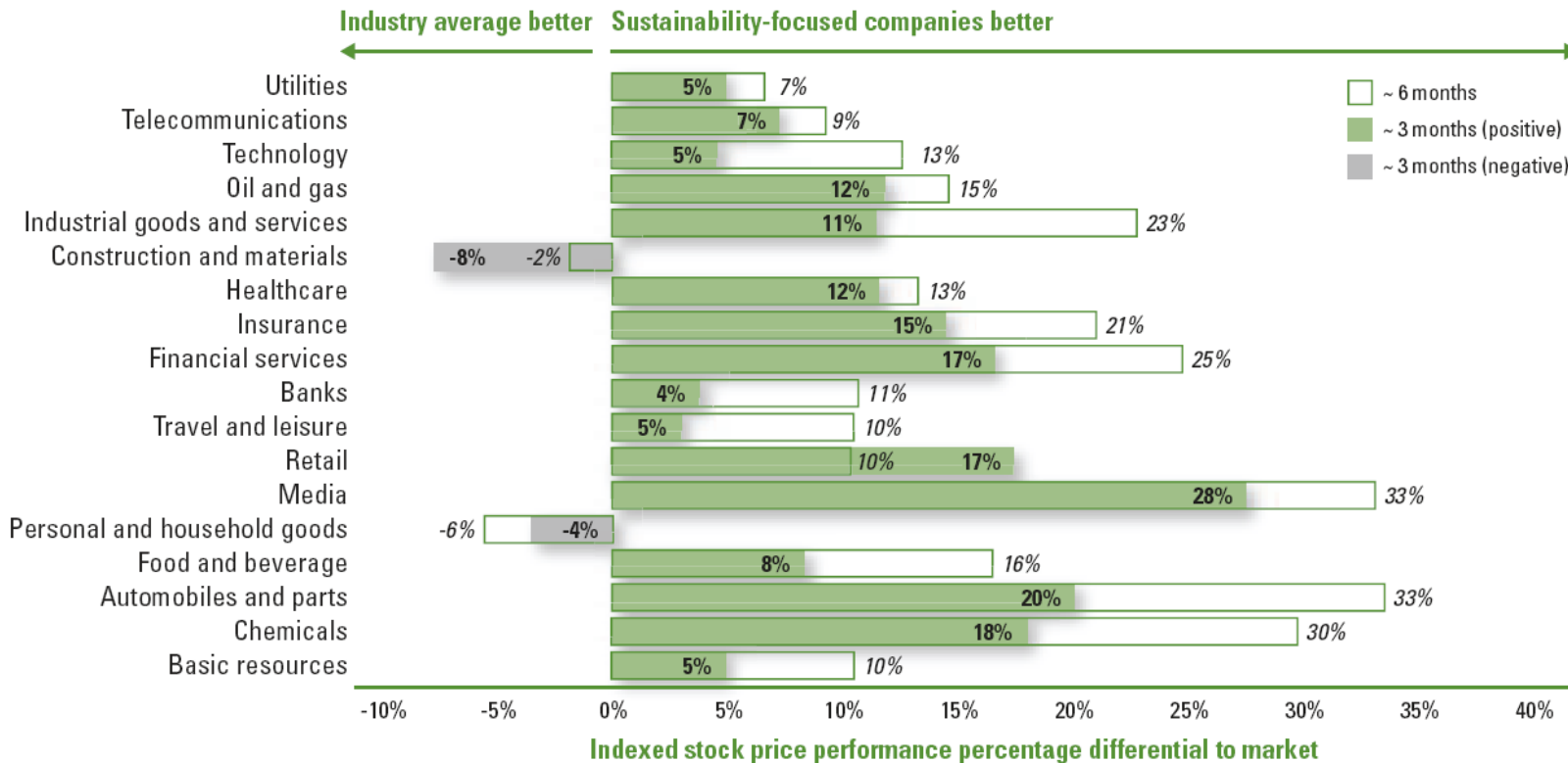
**PIC's commitment to the Principles for Responsible Investing  
(PRI)**

**Banking sector's commitment to the Equator Principles**



# Competitive Advantage

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Note: Indexed stock prices at ~ 3 months = September 8, 2008 and ~ 6 months = May 19, 2008 to current date, November 24, 2008. Percentage performance differential calculated by taking the percentage point difference of averaged sustainability companies' indexed performance to the market indexed performance over the market indexed performance. Sustainability companies include DJSI World 80 2008/2009 + DJSI 2008 Supersector Leaders + Goldman Sachs SUSTAIN focus list for mature industries.

n=99 sustainability companies

Sources: Bloomberg; A.T. Kearney analysis



# HFM for your reporting

- Oracle's Sustainability kit – GRI 3.1 certified
- “Sustainability reporting needs the same rigorous process as financial data.” George Turk, Telenor Group
- Handles compliance
- Move from spread sheet data bases to analysis of data.
- Provide auto submissions to JSE
- Up and running quickly



# Features

- Centralised CO2 Emissions Administration
- Automatic CO2 Emissions conversions
- Automatic aggregation of all reporting units
- Simplified reporting process
- Local reporting units
- No manual interactions / calculations



# Aligning Financial and Sustainability Reporting

One of the leading energy companies in Northern Europe with headquarters in Denmark. In 2009 the company generated DKK 49.3B and had over 6000 employees.

## Before

- External and internal demand for reliable information
- Sustainability reporting handled via Excel spreadsheets and email
- Archiving challenges with different versions of Excel sheets
- External audit by PWC of 2007 CSR report revealed critical weaknesses in collecting and reporting data



## After

- Hyperion Financial Management implemented for Sustainability Reporting in 5 months
- Single system for financial and non-financial reporting
- Reliable Sustainability data that are relevant, structured and detailed
- PWC audit of 2008 data revealed no critical weaknesses



# Integrated Financial and Non-Financial Reporting

Telenor Group is one of the leading mobile operators in the world, with more than 203 million mobile subscribers and over 30,000 employees across 11 markets in the Nordics, Asia, and Central and Eastern Europe.

## Before

- Separate systems for financial and non-financial reporting
- Reliance on spreadsheets for sustainability reporting
- Too much staff time spent on quality control issues with sustainability data
- Sustainability Reporting process not controlled by Finance



## After

- Sustainability Reporting process transferred to Finance
- Financial and non-financial reporting integrated into Hyperion Financial Management application
- By streamlining the process, more staff time spent on analysis vs. data quality
- Meets the reporting needs of GRI, CDP and DJ Sustainability Index



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