

Press release – no embargo

Sustainability reporting coming of age?

Cape Town, 24 August 2010. Apply or explain! This statement is currently creating much angst in company corridors as corporate South Africa gets to grips with the latest developments in sustainability reporting. It refers to the recommendations of the King III Report on Governance, which advocates that companies need to integrate their sustainability reporting with the company's financial reporting. This so, says King III, because "the board should appreciate that strategy, risk, performance and sustainability are inseparable".

Article contributor, Rob Worthington-Smith, says that this holds profound implications for company strategy, management and annual reporting. "Over the next few years, companies will need to re-assess, fundamentally, the way they manage and report on a wide range of environmental, social and governance issues."

These and other recent developments on the corporate sustainability front are explored in the second edition of *The Trialogue Sustainability Review*, which was carried in *The Financial Mail* of 5 August 2010. The *Review* is a quarterly snapshot of corporate sustainability issues, published by niche consultants and publishers, Trialogue, who focus exclusively on sustainability and good citizenship in the corporate sector.

In this edition of the supplement, editor Andy Freemantle also reviews some of the recent reports, events and corporate actions that are helping to shape the sustainability agenda in the business sector. Says Freemantle: "Big business, small business, any business, can no longer ignore their environmental and social obligations. *The Trialogue Sustainability Review* keeps corporate readers abreast of the sustainability agenda and helps them to see sustainability as a set of opportunities and a route to competitive differentiation, so serving the long-term interests of shareholders and society".

This quarter, the *Sector Spotlight* section of the *Review* examines sustainability in the mining industry. Guest contributor Markus Reichardt evaluates the question of whether mining can ever be environmentally or socially sustainable. After all, no matter where a mine is built, its aim is to extract ore from a finite ore body and then to close the mine, relinquish the site, and move on. Per definition, this is not the mark of sustainable business. Yet, Reichardt explains that in this key economic sector the sustainability challenge is not about functioning in perpetuity, but rather about how responsibly the miner operates over the duration of the project.

Often, media-fuelled controversies about sustainability issues bring companies to their knees. In our *In the Media* section of the *Review*, follow corporate media reputations through our Sustainability Coverage Monitor, which assesses sustainability coverage in our mainstream media each quarter. As Media Tenor's Wadim Schreiner points out, "The BP oil spill disaster in the Gulf of Mexico has recently shown us that corporate actions must match the perceived reality of stakeholders and the public, otherwise corporate reputation can suffer untold damage. The lesson is that companies should do all

they can to entrench their reputations as reliable, responsible citizens, rather than relying on ‘spin’ to shore up their reputation when the chips are down.”

If you missed the second edition of *The Trialogue Sustainability Review* in the Financial Mail of 5 August 2010, you can read all the articles on the Trialogue website at www.trialogue.co.za – Click on ‘Sustainability Review’ for the environmentally-friendly electronic version.

The third edition of *The Trialogue Sustainability Review* will be carried in *The Financial Mail* at the end of October 2010.

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Notes to editors:

Trialogue is one of a handful of consultancies in South Africa that focuses exclusively on corporate responsibility issues. The company has over ten years of experience in this area, having entered the field at a time when sustainability, corporate social responsibility (CSR), corporate citizenship and corporate social investment (CSI) were new concepts that were not well understood by the corporate sector. Trialogue consults to companies about their sustainability- and CSI-related practices and reporting, and disseminates knowledge through a range of its own publications, including *The Trialogue Sustainability Review*, *The Sustainability Handbook*, *The CSI Handbook* and *The Environmental Handbook*.

Media Tenor (The Media Tenor Institute of Media Analysis) scrutinises the news, opinion and business sections of leading South African print, broadcast and online media to provide a range of media intelligence to the corporate sector. Media Tenor’s data comes from its comprehensive day-by-day analysis of the editorial content in 30 broad-based national daily and weekly newspapers and TV news broadcasts. Media Tenor conducts the media analysis for Trialogue’s Sustainability Coverage Monitor (SCM), as reported each quarter in *The Trialogue Sustainability Review*.