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& assurance services
Since 2009

2020 Update on SDG Reporting in South Africa

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Summary of our 2019 SDG Reporting Research & Analysis.

Because we didn't believe the results of a report issued by PWC, two researchers at IRAS, within a three-week period (while doing other things), reviewed the 2018-19 annual reports for ALL of the 320 companies listed on the Johannesburg Securities Exchange (JSE) to assess the status of Sustainable Development Goal (SDG) reporting in South Africa. This is what we found:

1. Of the 320 JSE-listed companies reviewed (i.e., the entire population of JSE-listed companies), 90 companies at least "mentioned" the SDGs in either a Chairman or CEO Statement (the minimum threshold PWC sought in their research), or somewhere else within the company's integrated annual reporting (inclusive of supplemental online reporting). A "mention rate" of 28.1%, compared to PWCs 77%.

2. Of the 90 companies that at least mentioned the SDGs, 22 only made a "cursory mention", or some form of hollow assertion alluding to alignment with the SDGs, while 68 provided a "specific mention" and/or aligned the SDGs to their material issues.

3. Of the 90 companies that at least mentioned the SDGs, 60 of the 68 companies that provided a "specific mention" backed up their SDG reporting with a discussion of specific progress targets the company had set relative to impacting one or more of the 17 SDGs.

4. Of the 90 companies that at least mentioned the SDGs, 59 of the 60 companies that provided a "specific mention" inclusive of targets, went so far as to provide at least some detail on their progress toward meeting their SDG targets.

5. Of the 60 companies that make specific mention of at least one of the SDGs, 10 companies make mention of all of the 17 SDGs, compared to four companies that only mention one of the SDGs.

6. SDG 8 (Decent Work & Economic Growth) was the most frequently mentioned of the 17 SDGs, with 65 of the 68 companies that make specific mention of at least one SDG (95.5%) providing at least some detail around their alignment to SDG 8.

7. The least frequently discussed SDG was SDG 14: Life Below Water (18 companies, 26.5%), followed by SDG 16: Peace & Justice from Institutions (25 companies, 36.8%) and…surprisingly for a country oft-cited as the least equitable in the world…SDG 10: Reduce Inequality (28 companies, 41.2%).

8. The industry sectors with the highest rate of SDG mention were Financial Services – Banking (75%, or 6 of 8 companies), General Industrials (50%, or 5 of 10 companies), Energy & Natural Resources (50%, or 4 of 8 companies), Household & Leisure Goods (50%, or 2 of 4 companies) and Metals & Mining (49%, or 19 of 39 companies).

9. Two industry sectors, Engineering & Support Services and Media, both had zero mentions of the SDGs from five companies in each sector.

10. The 2019 Top 10 SDG Reporters in South Africa – in our humble opinion, albeit based on clear qualitative criteria – are as follows (in order of observed excellence): Distell, Mondi, Nedbank, Oceana, African Rainbow Minerals, Impala Platinum, Royal Bafokeng Platinum, Sappi, Attacq and Liberty.

PWC was not "wrong" (per se)!

Their *"2019 SDG Challenge"* research into corporate reporting on the United Nations Sustainable Development Goals (or, "the SDGs") was not "inaccurate" (also per se).

In fact, we at Integrated Reporting & Assurance Services (IRAS) highly doubt that most people would have found any cause for concern with the information PWC published via LinkedIn earlier this year (January 2020), and probably wouldn't have cared if PWC was wrong and/or inaccurate.

IRAS is not, however, "most people".

Ours is a business that specialises in the provision of independent third-party assurance over the Environmental, Social and Governance ("ESG", but also known as "Sustainability") data contained within corporate annual reports. Our role is ultimately to sign off on the ESG data that companies place into the public domain for review and/or use by their many stakeholders. As such, by the very nature of what we do, we're expected to pay attention to detail.

Upon immediate and cursory review of PWC's report, we at IRAS were concerned that people reading PWC's report could be misled by the core statistics being presented.

We quote:

*"Nearly three quarters of the companies (72% globally and 77% South African) considered in our study publicly mentioned the **#SDGs** in their reporting publications."*

Based on our more than 20 years in the ESG/Sustainability reporting and assurance space in South Africa, it was immediately obvious to us that the "77%" could not be a fair representation of the current status of SDG reporting among SA companies. Unfortunately, PWC didn't define their population sample (i.e., who they "considered") in any great detail, and by way of what can only be assumed to be a non-random population sample, published a report that – in our view – could misguide their readers.

So…we thought we'd better help clarify matters by digging a little deeper.

IRAS is currently a team of four people, inclusive of two non-executive directors, one senior consultant (the Managing Partner), and one consultant with five years' experience in the sustainability arena. As such, this document is the product of two people investing some unscheduled time over a three-week period, to come to the following conclusions.

1. PWC's population sample in South Africa is difficult to determine…because if 32 companies (as per their report) mentioned the SDGs, and if this resulted in a 77% response rate, then the total population of companies reviewed (i.e., the denominator to a numerator of 32) must have been 41.5. But we're not sure what a "point five company" is.

2. Because PWC didn't specify what kind of companies they selected from (listed, non-listed, state owned enterprises, etc.), their population sample…assuming 42…could be perceived to be statistically insignificant in the context of more than 500 000 currently registered South African companies. However, the sample could have been reasonably significant if it were a totally random sample of the 320 companies listed on the Johannesburg Securities Exchange (JSE). Giving them the benefit of the doubt, we've taken the liberty to assume their sampled companies were all JSE-listed.

3. PWC's assertion that 77% of South African companies mention the SDGs in their annual reporting FAR exceeds our finding that only 28.1% (90 of the 320 JSE-listed companies we reviewed) mentioned the SDGs in their most recent annual reports (2018 or 2019, depending on each company's financial year end).

So what?

Essentially, we're reminding our clients, potential clients, peers, colleagues and competitors that data accuracy matters!

ESG data reporting and analytics has grown leaps and bounds over the past few years. Whereas rating agencies and institutional investors merely "hoped for" data as recent as five years ago when IRAS was publishing our 9th annual ESG research report, it now appears that the absence of meaningful ESG data would be sacrilegious.

As such, it's extremely important that when companies report ESG data, they ought to ensure their information is accurate, consistent, complete and reliable. In short, the data – much the same as data presented as fact in documents purporting to be research – must be **dependable**. There should be no room for stakeholders to misinterpret the data in a way that leads them to a conclusion that isn't based on fact. For example, South African companies that do not currently discuss the SDGs within their annual reporting shouldn't assume that they are among the minority of companies failing to do so.

But are the SDGs tantamount to "ESG"?

Yes. Sort of. In a way.

The 17 SDGs, coupled with their 169 targets, set out a UN-derived global framework for tackling much of what key thought leaders believe is taking us all to Hell in a handbasket. Poverty, hunger, inadequate access to healthcare, inequality, environmental degradation, etc. The 17 SDGs are an ambitious set of goals that, if even remotely addressed, would help reduce not only harm, but may also reduce potential for future conflict. In fact, each of the SDGs is essentially an early warning device for conflict identification, while addressing them could be an early warning mechanism for conflict resolution. Unfortunately though, we're all human, and at the risk of insulting pigs, we're all pigs.

At our core, we're selfish, incapable of understanding long-term consequences of short-term gains, and grossly incompetent with respect to truly understanding what "sustainability" means, and therefore how to act sustainably.

We discard single-use plastics as if they're someone else's problem, and then cry foul when they harm our fowl.

We abuse energy to keep ourselves warm in winter and cool in summer, and then blame the auto manufacturers for not being quick enough in producing electric vehicles with little regard for the fact that EVs will leave us with spent batteries as our next nuclear-esque hazardous waste.

We consume sugar at rates our bodies were never designed to process, and then blame big pharma for over-pricing insulin.

We over-buy, over-consume, and over-dispose. Those of us within the "have" part of the global economy tend to throw away more food than would be needed to sustain those among the "have not".

As a species, we're disgusting, and as a sub-species, corporations (i.e., collections of humans congregating around a common financial purpose) are diabolical in their quest to conquer and kill our planet. This is why some of the largest employers on our planet seem to have been baited into a form of SDG compliance, and why accountancy behemoths, inclusive of but by no means limited to PWC, seem to want companies to report on the SDGs.

Why?

Because the SDGs, like the Global Reporting Initiative (GRI) Standards and other similar frameworks, are an excellent tool for the exploitation of ill-informed clients in the pursuit of greater revenue, on the back of a hollow promise of improved reporting. In some ways, the SDGs are a little more than a revenue trap!

OK, but do we at IRAS believe companies ought to consider aligning their annual reporting to the SDGs?

Yes, but only if it's helpful to each individual company, and beneficial to their stakeholders. For some, the SDGs could merely act as a useful structure around which an integrated annual report could be written, while for others the SDGs provide a taxonomy around which ESG data could be monitored, managed, collected, collated and reported.

Ultimately, our recommendation is *"don't design new business practices and/or projects to meet the SDGs,"* but rather *"measure and report on where existing business practices and/or projects impact on one or more of the SDGs."* In fact, IRAS, despite the sum total of four people within our company, is able to provide stakeholders a document outlining where our activities are specifically aligned to SDGs 1, 2, 5, 8, 13 and 15, noting that our future goals include SDGs 7 and 17.

Why?

Because we can, and because we believe that before ever consulting on something like SDG reporting, we ought to first make sure we can apply our guidance to our own operations. That is, we walk our talk.

NOTE: Access to our IRAS-specific response to the SDGs is available via michael@iras.co.za.

Again…so what?

Regardless of whether their report appeared somewhat misleading to us, PWC's research into SDG reporting is helpful. It provides a snapshot of trends in SDG reporting, and may help companies consider increasing the depth of their SDG reporting in order to help make progress towards SDG 17: the one about partnerships for shared developmental efficiency.

If nothing else, PWC's report encouraged IRAS to build on their work to see if we could also help SA companies understand a bit more about the SDGs and how to report on them.

What did we find?

1. Of the 320 JSE-listed companies reviewed (i.e., the entire population of JSE-listed companies), 90 companies at least "mentioned" the SDGs in either a Chairman or CEO Statement (the minimum threshold PWC sought in their research), or somewhere else within the company's integrated annual reporting (inclusive of supplemental online reporting). This represents a "Mention Rate" of 28.1%, compared to PWCs 77%.

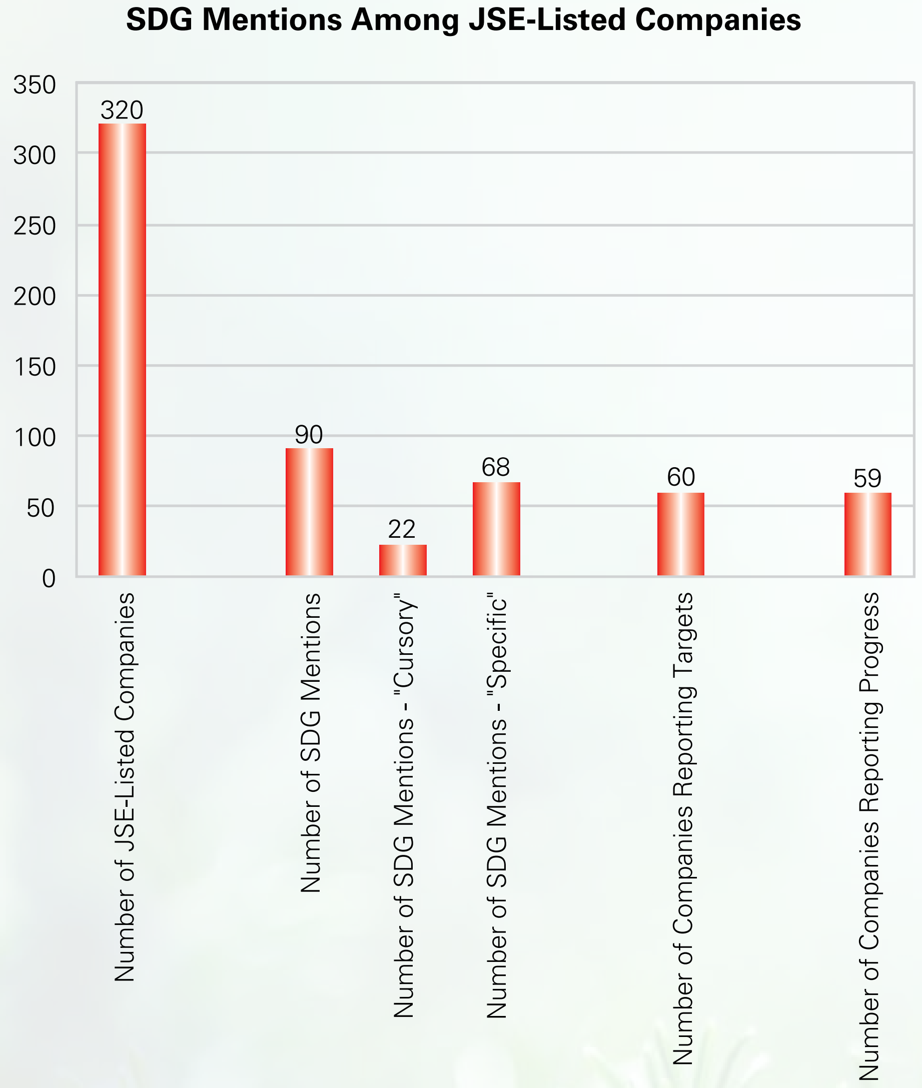
   While we believe it's fair of us to state that PWC's reported 77% was misleading, it was by no means "wrong" (per se), although we did struggle to figure out what the total population sample was (i.e., "41.5 companies"?). If anything, their data was extremely helpful in forcing IRAS to dig deeper and figure out what the correct SDG Mention Rate is for the entire population of JSE-listed companies: 28.1%. Moreover, it forced us to uncover the extent to which SDG reporters were only making, in our terminology, "cursory mention" of the SDGs.

2. Of the 90 companies that at least mentioned the SDGs, 22 only made a "cursory mention", or some form of hollow assertion alluding to alignment with the SDGs, while 68 provided a "specific mention" and/or aligned the SDGs to their material issues.

   The difference between a "cursory mention" and a "specific mention" is somewhat self-explanatory, but in essence we looked for supporting detail to back up any suggestion that the reporting entity was actually monitoring and/or managing their SDG impacts.

3. Of the 90 companies that at least mentioned the SDGs, 60 of the 68 companies that provided a "specific mention" backed up their SDG reporting with a discussion of specific progress targets the company had set relative to impacting one or more of the 17 SDGs.

   It's worth noting that while the UN has established its own set of 169 SDG targets, what we were looking for was a discussion of what the company was intending to achieve. For example, a company might have said, *"It is our policy to ensure that no employee, or contractor employee, is forced to live in poverty."* For IRAS, this would constitute a "specific mention" of SDG 1.



However, a company might have go further and state, *"It is our policy to ensure that the minimum wages for all of our employees, contractor employees and supplier employees are above the UN's minimum threshold for "Poverty" US$1.90 per person per day. To ensure this, we will conduct a minimum wage contractor and supplier compliance audit across our entire supply chain by no later than the end of 2025."* If this, or something similar, was stated, then IRAS would have acknowledged mention of at least one "Target".

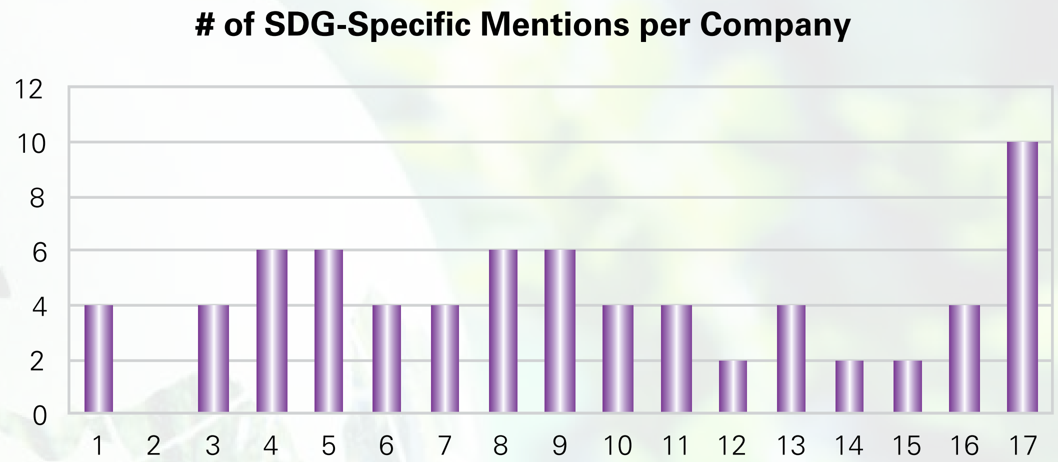
As one might reasonably expect, no company has gone as far as we've suggested above, but our hope is that this is what at least some companies aspire to.

4. Of the 90 companies that at least mentioned the SDGs, 59 of the 60 companies that provided a "specific mention" inclusive of targets, went so far as to provide at least some detail on their progress toward meeting their SDG targets.

Based on the fact that 59 of the 60 target-mentioning companies also provided feedback on their progress toward prior targets, it's assumed that companies are unlikely to be prepared to mention targets until they're equally prepared to state how well they're progressing towards them. In our experience, most companies don't want to make any forward-looking commitments until they've guaranteed that they have the appropriate policies, procedures, systems and controls in place to guarantee success. That is, nobody wants to set themselves up for failure.

5. Of the 68 companies that make at least a cursory mention of at least one of the SDGs, 10 companies make mention of all of the 17 SDGs, compared to four companies that only mention one of the SDGs. The average number of SDG-specific mentions per company was 7.5.

Perhaps not surprisingly, six of the 10 companies that mentioned all 17 of the SDGs were in the Metals & Mining sector, with one company in each of the followings sectors: Banking, General Industrials, Real Estate – Holdings & Development and Travel & Leisure.



6. SDG 8 (Decent Work & Economic Growth) was the most frequently mentioned of the 17 SDGs, with 65 of the 68 companies that make a cursory mention of at least one SDG (95.6%) providing at least some detail around their alignment to SDG 8.

The next most frequently mentioned SDGs were SDG 13 – Climate Change (53, or 77.9%), SDG 12 – Responsible Consumption & Production (52, or 76.5%), SDG 4 – Quality Education (49, or 72.1%) and SDG 9 – Industry Innovation and Infrastructure (48, or 70.6%). None of these SDGs should be of much surprise in terms of their frequency of mention, as all of them are material to the context in which South African companies operate, inclusive of the need for companies to consider their role in improving the quality of education for not only their employees, but also their future employees.

Frequency of SDG Mentions

	Decent Work & Economic Growth	Climate Action	Responsible Consumption & Production	Quality Education	Industry Innovation & Infrastructure	Good Health & Wellbeing	Affordable & Clean Energy	Partnerships	Gender Equality	Clean Water & Sanitation	Life on Land	Poverty	Sustainable Cities & Communities	Hunger	Reduce Inequality	Peace & Justice from Institutions	Life Below Water
SDG #	**8**	**13**	**12**	**4**	**9**	**3**	**7**	**17**	**5**	**6**	**15**	**1**	**11**	**2**	**10**	**16**	**14**
Total Mentions	65	53	52	49	48	45	42	40	39	39	36	35	32	30	28	25	18
Mention Rate	95.6%	77.9%	76.5%	72.1%	70.6%	66.2%	61.8%	58.8%	57.4%	57.4%	52.9%	51.5%	47.1%	44.1%	41.2%	36.8%	26.5%
Cursory	5	5	4	5	2	2	4	2	3	2	0	2	3	3	3	1	1
Specific	12	14	16	11	16	10	9	10	10	12	19	11	8	11	6	10	6
Specific & Targets	4	6	3	5	4	1	5	11	6	5	1	5	4	1	1	5	3
Specific & Progress	0	0	0	0	0	2	2	3	1	0	0	1	0	0	0	1	1
Specific, Targets & Progress	44	28	29	28	26	30	22	14	19	20	16	16	17	15	18	8	7

7. The least frequently discussed SDG was SDG 14: Life Below Water (18 companies, 26.5%), followed by SDG 16: Peace & Justice from Institutions (25 companies, 36.8%) and…surprisingly for a country oft-cited as the least equitable in the world…SDG 10: Reduce Inequality (28 companies, 41.2%).

It is our assertion that these frequency rates suggest that the companies that **are** reporting on their company-specific impacts on the SDGs appear to be reasonably applying their minds to what they can/can not influence, or what is/is not reasonably expected of them to try to influence. Some things are completely outside a company's ability to control, and while the larger companies, those with greater physical footprints and/or workforces, may have a stronger voice when attempting to influence government policy and/or performance, most companies simply cannot be expected to be all things to all causes.

8. The industry sectors with the highest rate of SDG mention were Financial Services – Banking (75%, or 6 of 8 companies), General Industrials (50%, or 5 of 10 companies), Energy & Natural Resources (50%, or 4 of 8 companies), Household & Leisure Goods (50%, or 2 of 4 companies) and Metals & Mining (49%, or 19 of 39 companies).

Based on our experience with reviewing the ESG reporting of every single JSE listed company for several years, we believe we're in a unique position to comment on who does/does not report on the SDGs at this stage, although some of the reasons should be obvious to most people in the know about integrated reporting in South Africa. For example, it should be obvious that due to the significant environmental, health & safety, labour unrest and community unrest risks associated with companies in the Metals & Mining and Energy & Natural Resources sectors, companies within these sectors would already be geared towards reporting on the SDGs. They're energy intensive, water intensive, labour intensive and have the potential to be significant contributors to carbon emissions, water contamination, and both hazardous and non-hazardous waste stockpiling. However, the role SDGs play for banks may not be so obvious. However, not all companies are equal. An Anglo Platinum, African Rainbow Minerals, Exxaro or Royal Bafokeng Platinum is not an ArecelorMittal, Assore, Tharisa or a Wesizwe, where their reporting suggests that the quality of their ESG disclosure will only matter when their investors force it matter.

NOTE: In fairness to the Metals & Mining sector, there are several companies that are bit players and/or not yet at the mining operating level, and thus expectations for reporting at an Anglo American plc level would be wholly unreasonable. If one were to filter out the 'Exploration & Other' companies within the Metals & Mining sector, it's possible that greater than 75% of all companies within the sector would already be SDG reporters.

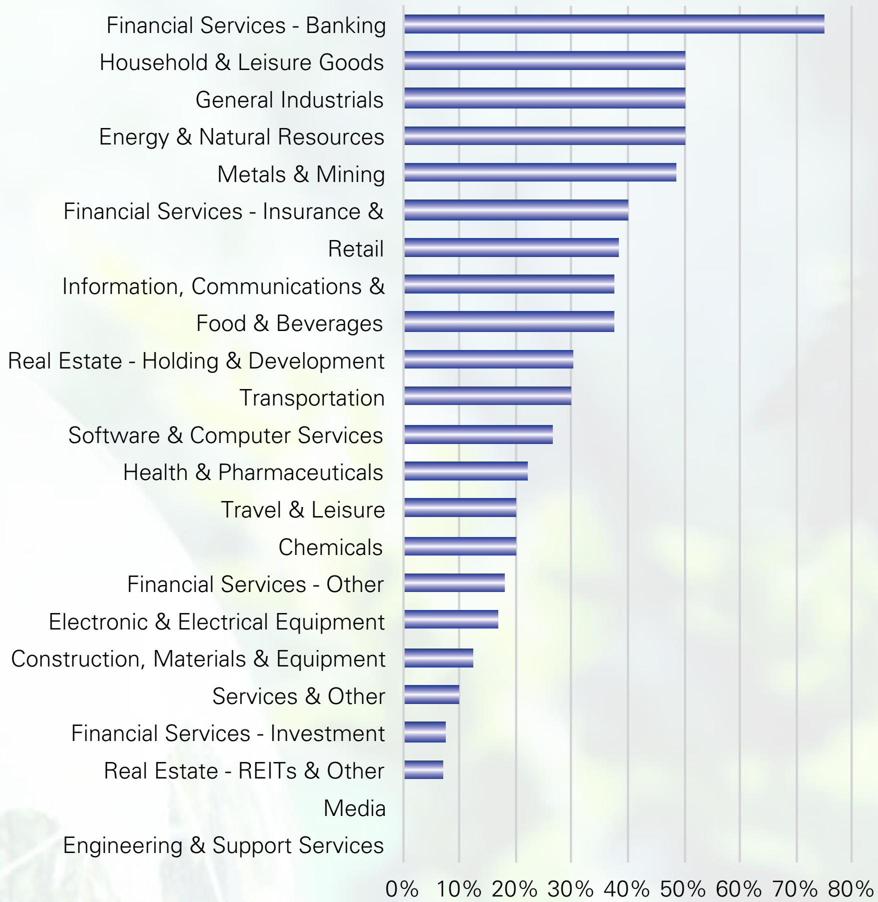
In our experience, the banks are expected to lead via their Rands and sense. They have their own rules for responsible investment, including the Equator Principles, and are well-heeled when it comes to having advanced procedures for regular reporting. They view ESG as core to their overall risk management, and tend to be less likely to be caught out for not considering the financial impacts of ESG matters. At Standard Bank for example, it was noted at one point that their #1 "Up in Africa Risk" was access to water. While they consume very little water, theirs is a risk associated with not being able to lend money to new agricultural, industrial and/or infrastructure projects if/when there's insufficient water availability to proceed with these sorts of projects. Moreover, the likes of Nedbank, Absa, and to a lesser extent Investec and Standard Bank, have often been touted as leaders in ESG/Sustainability reporting in South Africa. As such, the fact that 75% of South African banks already report on the SDGs offers no jaw drop moments.

What may be interesting to note is that of the 17 SDGs, Absa discusses 6, Capitec 1, Investec 6, Nedbank 17, RMB 5 and Standard Bank 5, echoing our sentiment particularly toward Nedbank and Absa, where we view them as leading reporters in SA.

9. Two industry sectors, Engineering & Support Services and Media, both had zero mention of the SDGs from five companies in each sector.

Also based on our prior experience, it's of NO surprise that NONE of the companies within either sector report on the SDGs. They're notorious for under-reporting on most ESG matters, and they really don't seem to give a shit. In our most recent Sustainability Data Transparency Index (SDTI) research report (for 2016 year ends), the average ESG score for companies within the Engineering & Support sector was 30.8%, while the average for the Media sector was only 24.9%...the worst performing sector overall, even though this is the sector that tends to be the first and loudest to complain about insufficient transparency among other listed companies.

SDG Reporting per Industry Sector



Once more, it's unlikely we'll see a shift in SDG reporting within these sectors, as with certain mining companies, until investors demand increased transparency over ESG performance.

10. The 2019 Top 10 SDG Reporters in South Africa – in our humble opinion, albeit based on clear qualitative criteria – are as follows (in order of observed excellence, and described in more specific detail in the table at the end of this report): Distell, Mondi, Nedbank, Oceana, African Rainbow Minerals, Impala Platinum, Royal Bafokeng Platinum, Sappi, Attacq and Liberty. These are the companies we believe provide the most meaningful discourse on how aspects of their direct business and/or indirect social and/or environmental responsibility programs are likely to have an impact on one or more of the SDGs.

Following on from PWC's search for mention of the SDGs, our approach sought to dig a little deeper, ultimately attempting to identify "Best Practice" that companies interested in mimicking excellence could mirror in their own reporting. As such, we structured our count of whether a company is/is not a reporter of SDGs on whether a company's SDG discourse could be rated as either "No Mention", "Cursory" or "Specific". Whereas "No Mention" of the SDGs is self-explanatory, the difference between "Cursory" and "Specific" is a bit more nuanced. Any mention of the SDGs would automatically be deemed "Cursory" unless the company provided detail with respect to one or more of the following conditions:

1. Does the company link each of the SDGs to the Material Issues identified within their report?
2. Does the company link each of the SDGs to Global Reporting Initiative (GRI) indicators identified within a GRI summary or index table?
3. Does the company link each of the SDGs to some other form of reporting expectations, such as the International Council on Mining & Metals (ICMM) Sustainable Development Framework (SDF), or within a related summary or index table?
4. Does the company identify which, if any, of the overall 169 SDG Targets the company is attempting to impact through either their direct business activities and/or Corporate Social Investment (CSI) projects?
5. Does the company provide detail regarding their own SDG-specific targets, preferably linked to target-specific timelines?
6. Does the company provide detail regarding progress towards their own previously stated targets?

Potential Opportunity for Improvement

While we didn't rate (i.e., provide some form of compliance score) all of the 90 SDG reporters based on what was ultimately deemed "excellence in SDG reporting", we did identify specific reasons why each of our Top 10 were identified as such. In doing so, we also noted that the reporting of most companies, inclusive of almost all of our Top 10, could be improved by tabulating the SDGs with specific identification of which of the 169 "SDG Targets" are addressed within the company's business strategy and/or actions, and then including explicit reference to what KPIs they intend to achieve.

It's important to remember that there are two different types of "targets" within our study of SDG reporting. The first type are the 169 "SDG Targets" that are derived from the UN's 17 SDGs, whereas the second type are the targets that companies established based on where their activities are aligned to one or more of the SDGs. For example, a company may set a target to improve electricity efficiency by 10% by 2025 (i.e., reduce total volume of electricity consumed per person hour worked), in accordance with their commitment to SDG 12 and/or 13.

SDG Reporting & ESG Assurance

As already suggested, we believe that it's reasonable to assert that while there may not be an identifiable cause and effect relationship, a correlative link does seem to exist between SDG reporting and ESG assurance.

The link?

"Best Practice".

Of the 320 JSE listed companies reviewed within this study, 49 of them (15.3%) obtained independent third-party assurance over some or all of the ESG/Sustainability content within their integrated annual reports. While this is markedly down from 2016, when the uptake rate was 58 of 297 companies (19.5%), it still represents a significant pool of companies that tend to fall within a category of reporting entities deemed "leaders".

Number of JSE-listed Companies	320	
Assured Companies	49	15.3%
Non-Assured Companies	271	84.7%
SDG Reporters	90	28.1%
Assured SDG Reporters	37	41.1%
Not Assured SDG Reporters	53	58.9%
SDG Non-Reporters	230	71.9%
Assured SDG Non-Reporters	12	5.2%

It now appears that a similar link appears between SDG reporting and best practice, where 90 of the 320 companies (28.1%) report on the SDGs, with 37 of the 90 (41.1%) also falling within the pool of assured companies. Of the 230 companies that did not report on the SDGs only 12 (5.2%) obtained assurance.

Perhaps, the link lays somewhere within the companies' connection to leaders in the provision of assurance.

It should be of little surprise that PWC would produce a research report on SDG reporting as a means of attracting attention to its sustainability/ESG assurance services, or IRAS for that matter. We appear to have a shared belief that as a service provider in such space, our companies have a duty to serve not only our clients and prospective clients, but also to inform the reporting sphere on trends and best practices. As such, it was of no surprise to us that of the 10 JSE-listed companies PWC provided assurance services to, ALL 10 of them were deemed to provide "specific mention" of the SDGs in their reporting, although we were surprised that only two of their client were identified as "Best Practice".

Because providing "specific mention" of the SDGs was a core requirement for being identified as a leader in SDG reporting, it extends that ALL 10 of our "leaders" went beyond cursory mention of the SDGs. However, it was interesting, to us at least, that of these 10 companies, only seven sought assurance over their ESG reporting. Neither Attacq, Distell nor Oceana appear to have sought assurance, suggesting to us that, based on the quality of their SDG reporting, they employee either internal staff or external integrated annual report writers that are current in their knowledge of what companies ought to be reporting, inclusive of the SDGs. This appears particularly true of the Distell team, noting that they were selected as our #1 SDG Reporter.

Of the seven companies that did obtain assurance, Nedbank was assured jointly by Deloitte and KPMG, while KPMG solely assured Sappi"s reporting. ERM provided assurance service to Mondi, IBIS assured African Rainbow Minerals and Royal Bafokeng Platinum, and PWC assured the reports for Impala Platinum and Liberty. To us, this suggests that assurance providers that have been respected as leaders in the assurance space appear to be either guiding their clients towards excellence in reporting, or are being recruited by companies deemed "excellent reporters" who understand the value of quality assurance services. Either way, it's equally clear that some assurance providers still need to hone their skills and experience in reporting.

Compared to PWC and ERM, both being companies highly respected for their assurance services, with 100% of their clients undertaking to report on the SDGs, the likes of Grant Thornton, SizweNtsalubaGobodo and Deloitte appear to require some catching up, particularly Deloitte who assured seven reports, yet only two (28.6%) included even a cursory mention of the SDGs. To us, this suggests that they need to play catch up on what role assurance providers ought to play in helping clients understand not only the simplicity of SDG reporting, but also the way in which the SDGs can help explain their E & S activities and impacts in a more global context.

Assured by...	Assurances		SDG Reporters		SDG Non-Reporters		SDG Rate
PWC	10	20.4%	10	27.0%	0	0.0%	100.0%
IBIS	8	16.3%	6	16.2%	3	25.0%	75.0%
Deloitte	7	14.3%	2	5.4%	5	41.7%	28.6%
KPMG	7	14.3%	6	16.2%	1	8.3%	85.7%
EY	6	12.2%	4	10.8%	2	16.7%	66.7%
ERM	4	8.2%	4	10.8%	0	0.0%	100.0%
Corporate Citizenship	1	2.0%	1	2.7%	0	0.0%	100.0%
Grant Thornton	1	2.0%	0	0.0%	1	8.3%	0.0%
Grant Thornton & SNG	1	2.0%	0	0.0%	1	8.3%	0.0%
IRAS	1	2.0%	1	2.7%	0	0.0%	100.0%
KPMG & Deloitte	1	2.0%	1	2.7%	0	0.0%	100.0%
Ngubane & Co	1	2.0%	1	2.7%	0	0.0%	100.0%
PWC & Nexia SAB&T	1	2.0%	1	2.7%	0	0.0%	100.0%
TOTAL	**49**	**100.0%**	**37**	**100.0%**	**12**	**100.0%**	**75.5%**

For the last time... So what?

At the end of the day, IRAS expects to gain very little from the time and effort we invested in this bit of research...aside of reminding potential ESG reporting, assurance or advisory clients that we exist as an alternative to our more expensive peers and colleagues.

It's worth noting that while IRAS would consider providing commentary over SDG reporting within an assurance statement, similar to what ERM did for Aspen Pharmacare, this wouldn't significantly increase the scope of work, and thus wouldn't increase the cost of an assurance engagement. Moreover, while IRAS would never suggest to clients a "need" for SDG reporting, we would act in a manner similar to what we assume the likes of PWC, ERM, EY, IBIS and KPMG have been doing, by helping our clients align their reporting to the SDGs (hence this document). However, this too wouldn't be at a cost over and above the normal scope of a reporting or assurance engagement.

Why wouldn't IRAS attempt to sell SDG-specific services?

Because NOBODY seems to be doing the math!

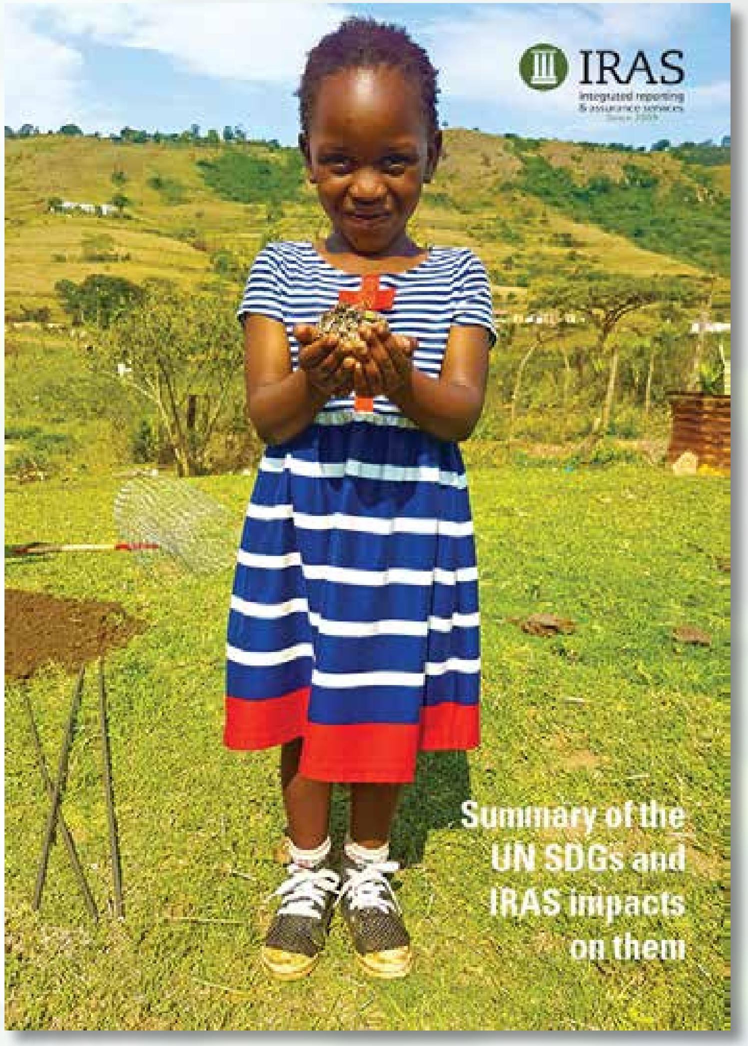
Perhaps the greatest and/or over-arching problem with the SDGs is that, to the best of our knowledge, nobody is collecting, collating and/or reporting on the collective impact of SDG commitment **by companies**. In most cases, progress toward achieving the SDGs at a national/country-specific level can be measured through processes not unlike the UN's annual *Human Development Report*, but this won't ever capture the minutia of corporate level SDG impacts. Therefore, one must assume that there is little to no "need" for companies to report on the SDGs.

Unless…

The primary way in which the SDGs can be helpful is in inspiring companies…right down to the individual employee level…to be part of a common good. The assumption is that companies and their employs want to share in the ownership of ANY impact a company can have on attempting to make the world a better, safer, more sustainable place to live in. We all want to self-actualise, and we all want to work for companies that in at least some small way are "doing good". Thus, the SDGs can be a useful mechanism for companies to not only assert that they're environmentally and/or socially responsible, but also to set specific targets, measure progress towards meeting those targets, and adjust future actions to increase the potential for being "good corporate citizens".

Ultimately, companies MUST do good in our modern world. Failing to do so comes at the expense of a dissatisfied workforce, increased labour turnover (and associated costs), increased labour unrest (and associated costs), increased community and/or other stakeholder opposition (and associated costs), failure to obtain or retain legal and/or societal licenses to operate (and associated costs), failure to obtain supply contracts with global brands that are forced to give a shit by consumers who already do (and associated costs), etc. The UN SDGs therefore form a useful 17-pronged hall tree that companies can hang their CSR hat on, a place where comparability of what it takes to do good (or be good) can occur globally.

It took IRAS very little time to make our SDG impacts public and we intend to continue updating our stakeholders on what impact we're having, and if/when clients can demonstrate their own business case for doing so we'll be ready to help where we can.

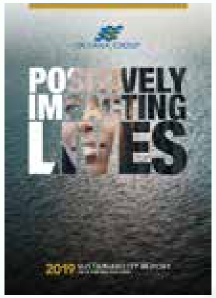
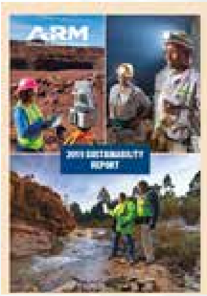
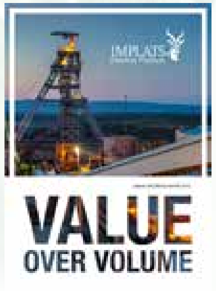


Our Commitment to Transparency & Collective Thought Leadership…

For anyone seeking to leverage off of our hard work, we'd like to invite you to request our working papers (Excel files). We've already done the leg work, there's no sense in you repeating it. All we ask in return is for due citation of our work. For a copy of our spreadsheets, please email michael@iras.co.za.

Our Top 10

Company	# of SDGs	# with Targets	Comments
#1 Distell 	11	11	**Food & Beverages** Distell has aligned their business strategy to the SDGs in a striking and accommodating manner, resulting in what is uncomplicated and user-friendly for the reader. Distell's Sustainability Report provides a methodology of how the SDGs were incorporated within the company, and specifically mention that they intend to work towards 19 of the 169 SDG targets, across 11 of the 17 SDGs, by 2025. The fact that Distell's Sustainability Report appears to have been structured around the SDGs, as well as a specific mention in the CEOs Statement, suggests that the company not only believes in the merit of the SDGs, but is committed, where appropriate, to helping achieve SDG success. It's worth noting that Distell's referencing of additional information concerning each SDG is excellent, and extremely useful.
#2 Mondi 	6	6	**Energy & Natural Resources** Mondi has strategically aligned their report with material United Nations Sustainable Development Goals (SDGs) which will contribute the most impact. The company has also created an SDG index whereby the SDG is explained and which of the 169 targets have been selected and where more information (targets and performance) can be located within the report. The 'Our Growing Model' is quite vivid and easily understood as the SDGs are briefly explained in relation to Mondi's 10 action areas. The report has important scientific and social 'did you know' snippets that intrigue and educate the mind.
#3 Nedbank 	17	15	**Financial Services – Banking** Based on the level of detail within their Sustainable Development Review, one must assume that while this is Nedbank's first report (FYE 2018) that attempts to align their reporting to the SDGs, they must have been focusing on the SDGs long before 2018. They specifically mention prioritisation of 33 of the 169 targets and demonstrate of how they have strategically linked the SDGs to their business strategy, inclusive of how each SDG has a direct and significant impact. Additionally, Nedbank fairly attempts to explain the SDGs that they do not have a major impact on. The CEO provides an overview of the importance of the SDGs within their business, while their report further outlines the company's performance in relation to the relevant SDGs (targets and progress are described). This provides a smooth connection between Nedbank's activities and the SDGs for the reader. Thus, this reveals that the SDGs have been considered from the top level of the organisation.

Company	# of SDGs	# with Targets	Comments
#4 Oceana 	8	8	**Food & Beverages** Oceana has incorporated the SDGs that are material to their company's activities. The CEO mentions the importance of the SDGs, revealing that the top management has taken them seriously. Oceana provides short- and long-term goals with regards to the SDGs this includes performance and targets and the date as to when they are meant to be achieved. the report could be made more user-friendly by easily referencing and linking the SDGs to business activities - this allows the reader not to guess how the SDGs link to the business activities.
#5 African Rainbow Minerals 	17	16	**Metals & Mining** African Rainbow Minerals lists the SDGs as one of the reporting frameworks duly considered within their materiality determination process. The SDGs are conveniently referenced and explained in greater detail in relation to ARM's business activities, inclusive of targets, progress and performance. In addition, ARM links the SDGs to their reporting in accordance with the International Council on Mining and Metals (ICMM) Sustainable Developed Framework (SDF).
#6 Impala Platinum 	11	11	**Metals & Mining** Impala Platinum lists their top United Nations Sustainable Development Goals (SDGs) and provides an explanation of their contribution, furthermore they provide a reference page of their performance, progress and targets with regards to the SDG. They also indicate that the SDG is a key issue to stakeholders.

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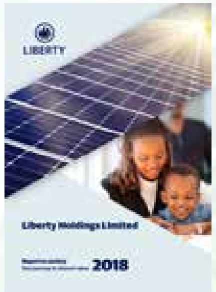
#7 Royal Bafokeng Platinum 	17	10	**Energy & Natural Resources** Royal Bafokeng Platinum has considered which United Nations Sustainable Development Goals (SDGs) are likely to be achieved within their management framework as they distinctly differentiate which SDGs they focus on, which they directly and indirectly contribute to on the first page of the report. The report provides highlighted snippets of the SDGs and a detailed explanation of the targets and progress on the specific SDGs.
#8 Sappi 	7	6	**Energy & Natural Resources** Sappi has aligned their key material issues to specific United Nations Sustainable Development Goals (SDGs) that they deem impactful. They have also provided insight in how forests contribute to the SDGs which is quite interesting since one of their main resources for operation is forests. Furthermore, they provide a goal orientated approach to the SDGs i.e. what does this SDG goal mean for Sappi and how does Sappi translate the goal into action. The report could be improved by having the SDGs as the core of the report and building around the SDGs as the SDGs seem like an appendix attached to the report.

Company	# of SDGs	# with Targets	Comments
#9 Attacq 	5	5	**Real Estate – Holding & Development** Attacq has provided United Nations Sustainable Development Goals (SDGs) which are material to the company and includes a brief explanation of their approach to the SDG, detailed explanation of their performance and interesting tabulated highlights and lowlights of the progress and targets of the SDGs (this gives off the impression of transparency).
#10 Liberty Holdings 	5	5	**Financial Services – Insurance & Benefits** Liberty has aligned their report to the United Nations Sustainable Development Goals (SDGs), they provide their approach to the selected SDG that they have deemed material and provide performance data associated with the SDG.