



SRI INDEX

RESULTS ANNOUNCEMENT

27 November 2014

Introduction



- What a journey it has been
- Thank you to a stellar team at JSE and EIRIS

The 2014 review: Overview of timeline



- **Initial public research commenced during June 2014**
- **Company preliminary profiles sent out in three tranches between July and September**
 - ❑ Companies given two weeks to respond to profiles
 - ❑ EIRIS responsible for researching companies this year
- **Engagement on controversial issues and borderline cases during September and November 2014**
- **Results approved by Advisory Committee on 18 November 2014**
- **Individual results distributed on 26 November 2014**

Research methodology – criteria overview



- **Covers four areas of measurement**
 - ☐ Environment
 - ☐ Society
 - ☐ Governance and related sustainability concerns
 - ☐ Climate change
- **Entry level threshold for each of the four areas of measurement**
 - ☐ All four must be met to be included in Index
- **Environmental impact classification**
 - ☐ Aligned to sector's overall environmental impacts relative to economic contribution of the relevant activity to company revenue
 - ☐ Currently no impact classification for social, governance or climate change

Research methodology – criteria overview (2)



- EIRIS responsible for the entire research this year
- Only publicly available information
- Entire FTSE/JSE All Share Index automatically assessed

Experience of the process



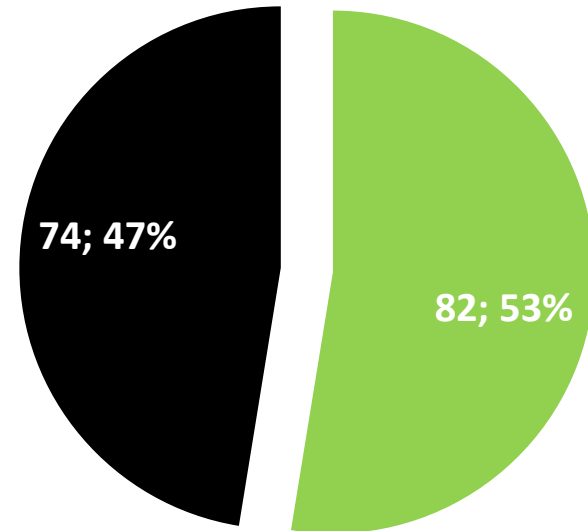
- **156 companies assessed in 2014 (157 in 2013)**
 - 11 for the first time
- **120 of these submitted detailed profile/survey responses (high response rate) – 76.9% of total**
 - Represents highest level of engagement – increases robustness of data collection process
 - Despite small caps with limited resources, e.g. few employees, they are progressing well.
- **Top 40 best responders – 92.5% of Top 40 companies responded with additional information**

Results at a glance



2014 SRI Index constituents:

82



■ 2014 SRI Index

■ Did not qualify

Total assessed	156 (157)
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Newly assessed	11 (53)
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Borderline	18 (27)
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Newly out	0
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Ineligible from 2013	4
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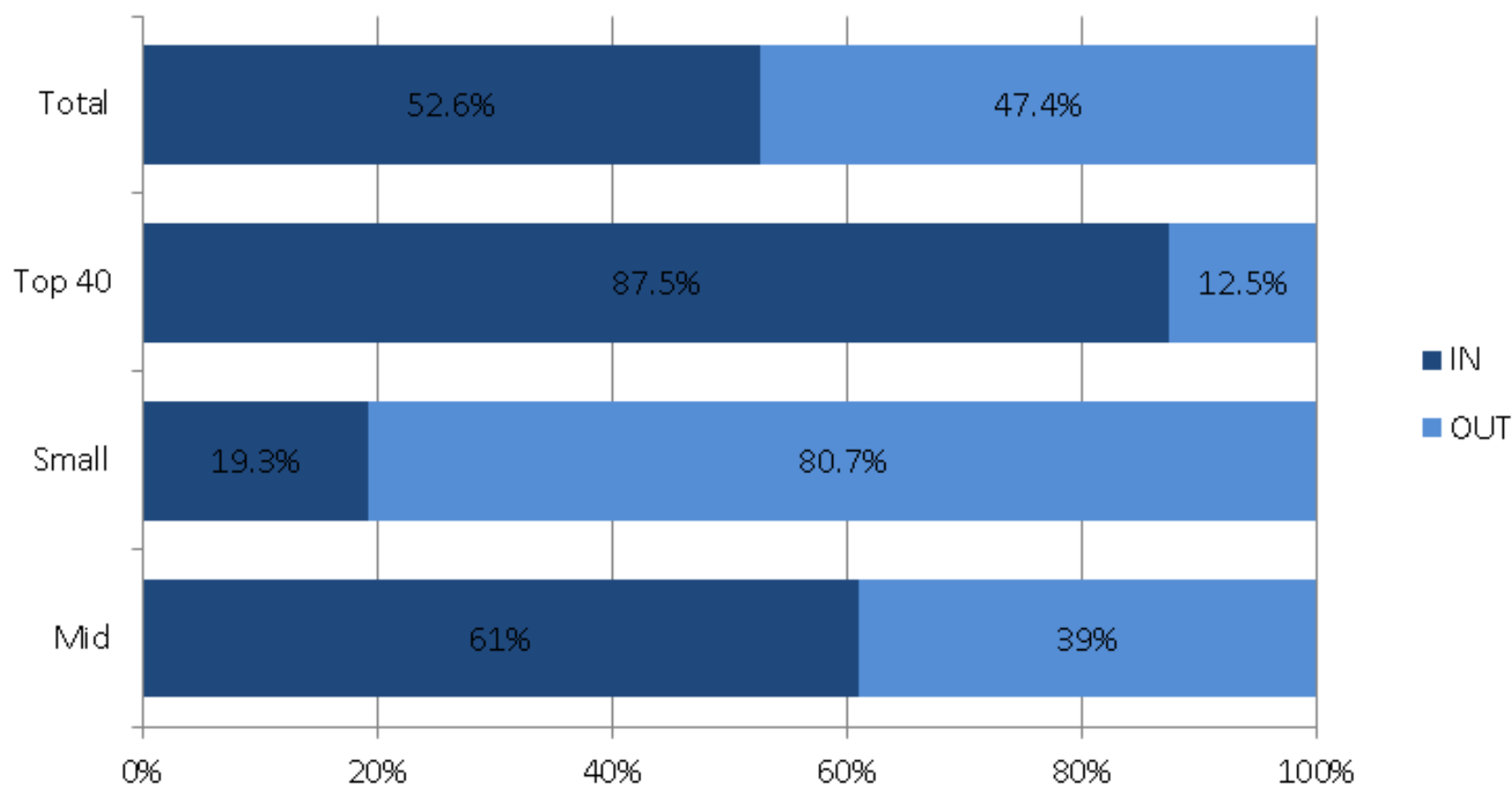
First time in	8
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Back from before	6
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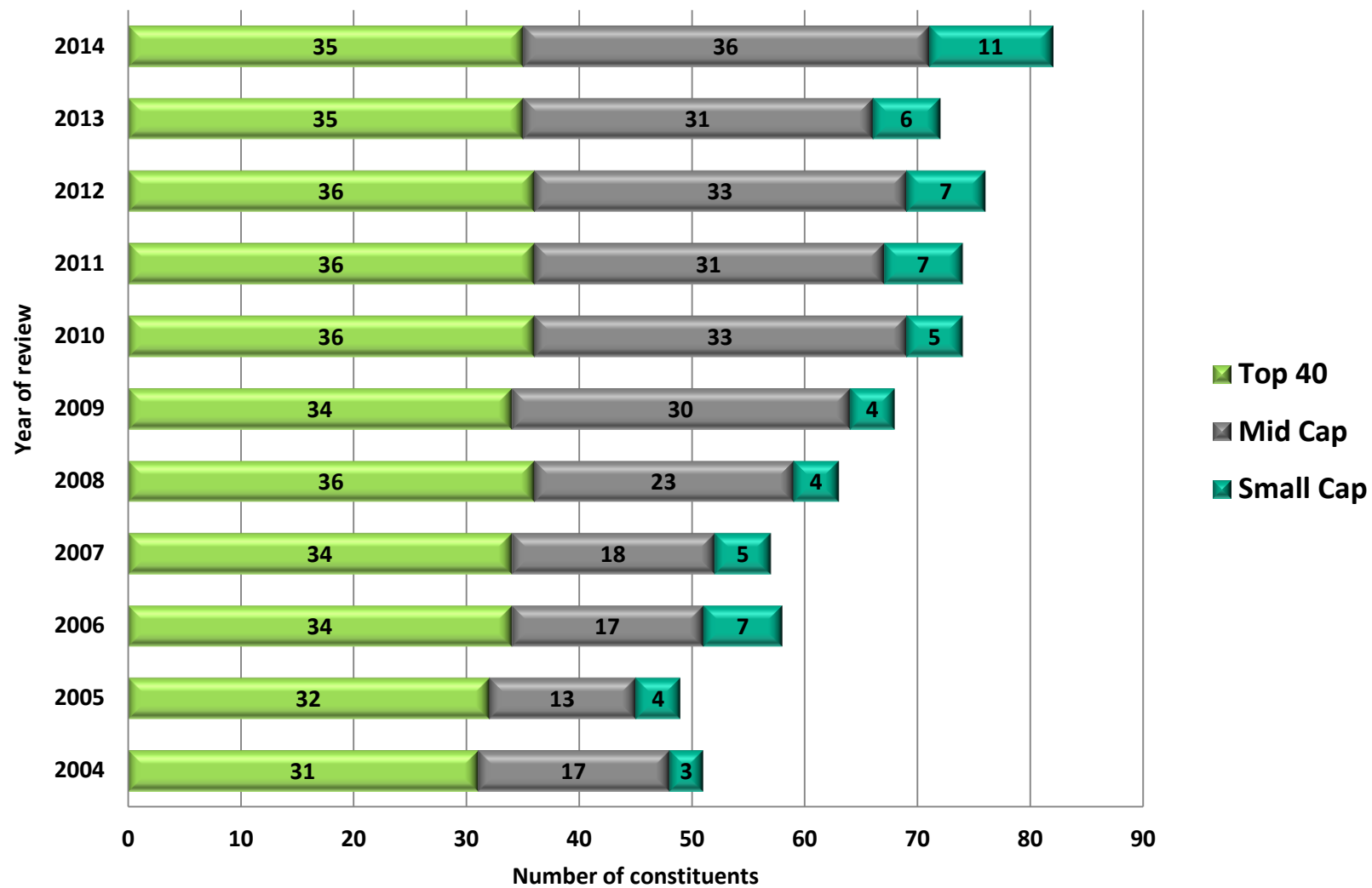
Performance by size*

JSE

The result of the JSE SRI Index Review 2014



Performance by size – over Index life



Sector performance

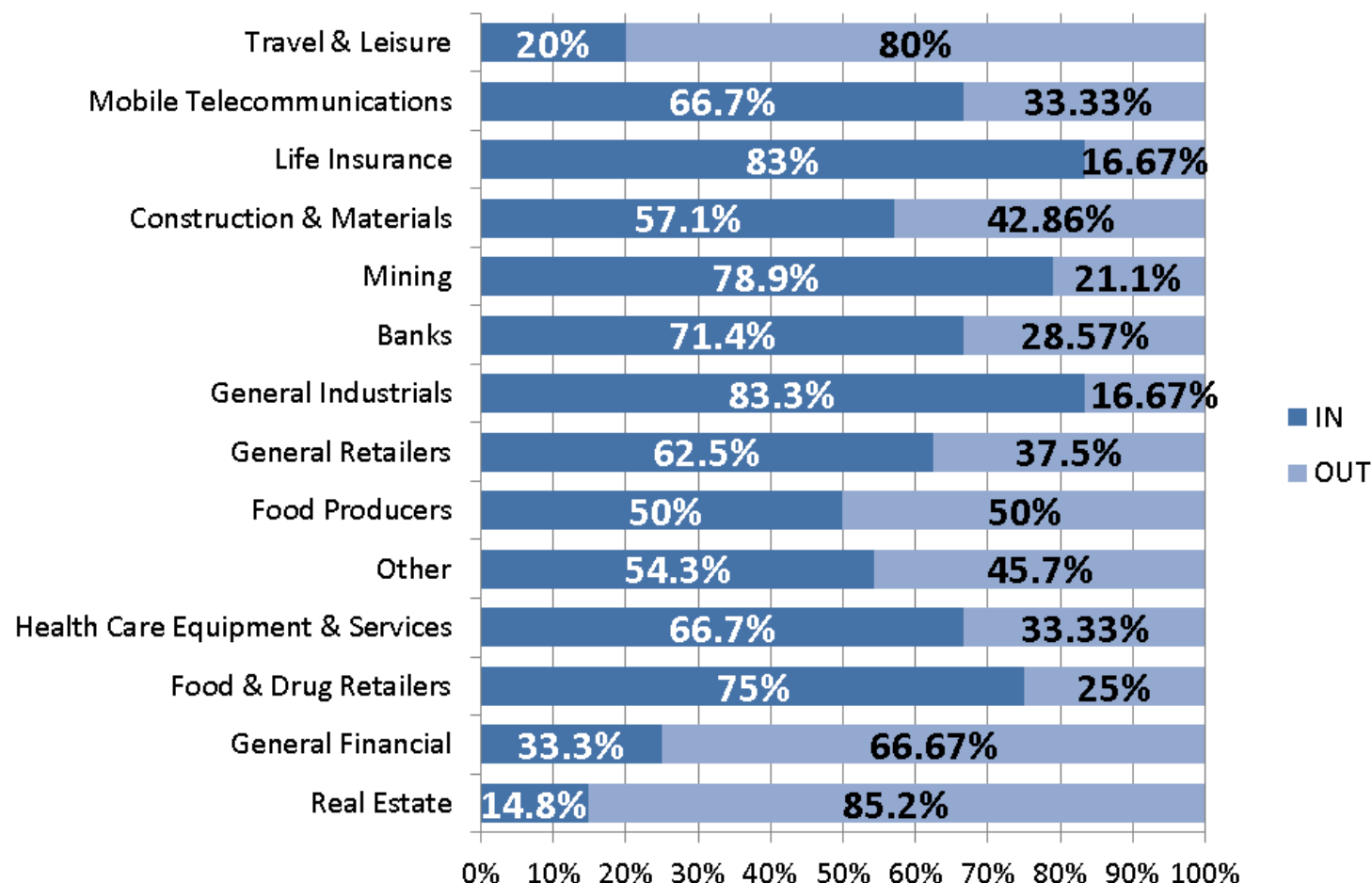


- **Biggest sector representation: Mining**
 - ❑ 15 out of 18 mining companies have qualified
 - ❑ Makes up 19% of companies in index (20% in 2013, 18% in 2012)
- **Further strong sectors:**
 - ❑ Life Insurance, General Retailers, General Industrials, Food Producers – each 6.3% of total number of companies in Index
 - ❑ Banks – 5.1% (down from 6.9% in 2013)

Sector performance (2)*



Sector Performance in the JSE SRI Index 2014



* Source: Report by the Data Provider, EIRIS, November 2014

Individual research areas: Environment



- **66.7% of all assessed met environmental requirements in 2014
(65.6% in 2013)**
 - Comprehensive disclosure requirement remains a challenge particularly for high impacts
- **Medium impact companies do best in policy, need to improve management and reporting**
- **Low impact category still strong in reporting**

Individual research areas: Society



- **66.7% of all assessed met social requirements in 2014 (65% in 2013)**
 - ❑ Slight improvement on last year
- **Consistently strong themes**
 - ❑ Stakeholder engagement, Community relations and BEE
 - ❑ Demonstrates awareness of external / societal expectations and willingness to engage
 - ❑ Improvements have been observed in all areas apart from HIV/AIDS and Social reporting
- **Challenging themes**
 - ❑ Downward performance in reporting has highlighted that there is still room for increased transparency and reporting

Individual research areas:

Governance & related sustainability concerns

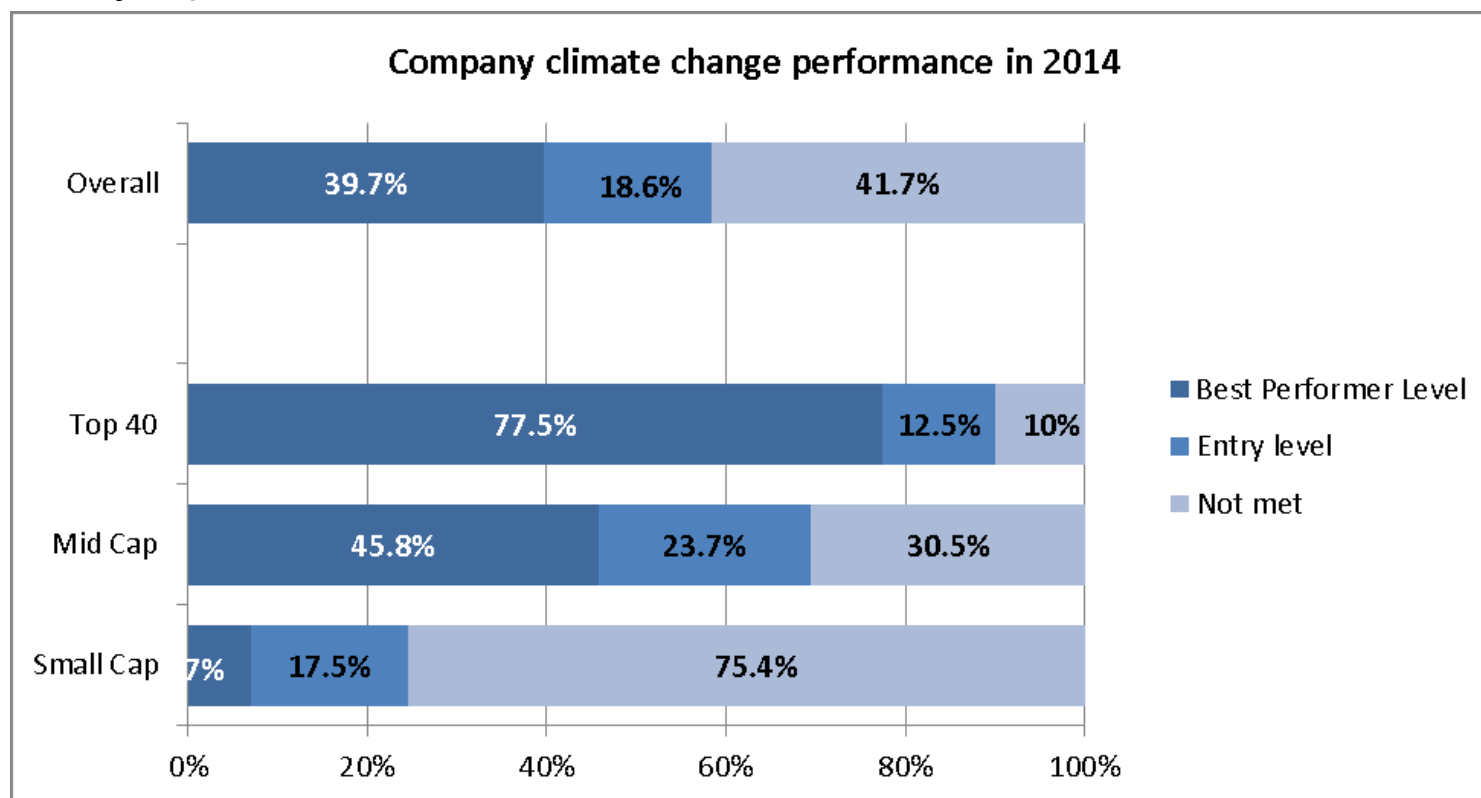


- **92.9% of all assessed met governance requirements in 2014 (90.4% in 2013)**
- **Strongest performance area**
 - ❑ Attributed to influence of King III
- **Strong areas**
 - ❑ Improvements have been observed in Business Value & Risk Management and Code of Ethics
 - ❑ Other areas showing similar trends as in previous years, with Board practice remaining strongest area
- **Despite slight improvement, governance reporting remains challenging area**

Individual research areas: Climate Change*



- 58.3% of all assessed met climate change entry level requirements in 2014 (56.2% in 2013) - shows signs of improvement although level of disclosure still problematic
- Strongest performance by Top 40 companies – 90% meeting entry level (slight decrease from last year)



THE SUCCESSFUL CONSTITUENTS OF 2014



2014 constituents (A)

JS

ADvTECH

AECI Limited

African
Oxygen

African
Rainbow
Minerals

Altron

Anglo
American

Anglo
American
Platinum

Anglo Gold
Ashanti

Aquarius
Platinum

Arcelormittal
SA

Aspen
Pharmacare

Aveng



2014 constituents (B-F)

JS

Barclays
Africa Group

Barloworld

BHP Billiton

Bidvest

British
American
Tobacco

Business
Connexion

Capevin

Clicks

Discovery

Exxaro
Resources

FirstRand

Foschini



2014 constituents (G-J)



2014 constituents (K-M)



Kap
Industrial
Holdings

Kumba Iron
Ore

Lewis Group

Liberty
Holdings

Life
Healthcare
Group

Lonmin

Massmart

Mediclinic

MMI
Holdings

Mondi

Mpact

MTN Group

Mr Price

Murray &
Roberts



2014 constituents (N-R)



Nampak

Nedbank

Netcare

Northam
Platinum

Oceana
Group

Old
Mutual

Pick N Pay

PPC
Limited

RCL Foods

Redefine
Properties

Remgro

Reunert

RMB
Holdings

Royal
Bafokeng
Platinum



2014 constituents (S)

JS

SABMiller

Sanlam

Santam

Sappi

Sasol

Sibanye Gold

Spar

Standard
Bank

Steinhoff

Sun
International

Super Group



2014 constituents (T-W)

JS

Telkom

TigerBrands

Tongaat Hulett

Truworths

Vodacom

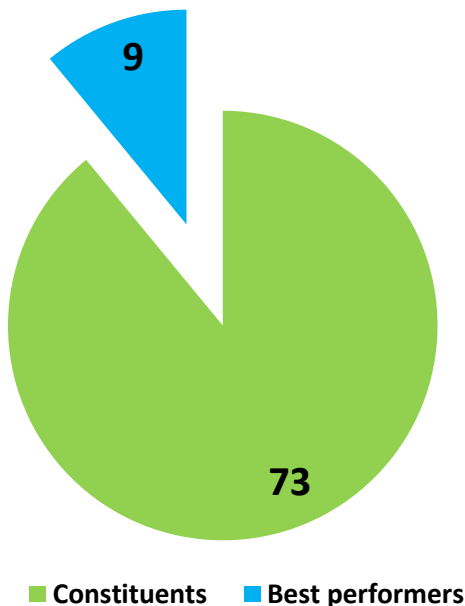
Woolworths



Best performers



- **Companies that meet additional levels of performance**
 - ❑ All relevant core requirements in social and governance
 - ❑ Independent chair
 - ❑ Environmental best performer threshold
 - ❑ All climate change indicators (except for “Trend data”)



Best performers	9
New BPs	4
No longer BP	1
Consistent since 2007	1

Best performers by size & impact



<i>HEADLINE</i>	2014
Top 40	4
Mid Cap	5
Small Cap	0
<i>Total</i>	9

<i>IMPACT</i>	2014
High	5
Medium	1
Low	3
<i>Total</i>	9





Best performers 2014

JS



Best performers 2014

JS



Best performers 2014

JS









Best performers 2014: Every year since 2007

JS



The future

JSΞ

“If you are planning for a year, sow rice; if you are planning for a decade, plant trees; if you are planning for a lifetime, educate people”

Chinese proverb

- **We’ve reaped heaps of rice**
- **We can see the trees spreading their branches**
- **Now we are ready for the next evolution**
- **Strategy implementation reality in 2015**
 - ❑ Expanding data availability
 - ❑ Enhancing opportunities to share and learn

Thank you

JS



Advtech	Barloworld (BP)	Group Five	Liberty Holdings	Northam Platinum	Sappi Limited
AECI	BHP Billiton	Growth Point Properties	Life Healthcare	Oceana Group	Sasol
African Oxygen	The Bidvest Group Limited	Harmony Gold	Lonmin plc (BP)	Old Mutual	Sibanye Gold
African Rainbow Minerals	Business Connexion Group	Howden Africa Holdings	Massmart Holdings	Pick n Pay	The Spar Group
Allied Electronics Corporation	British American Tobacco	Hyprop Investments	Mediclinic International	PPC	Standard Bank Group (BP)
Anglo American (BP)	Capevin	Illovo Sugar (BP)	MMI Holdings	RCL Foods	Steinhoff International
Anglo American Platinum (BP)	Clicks Group	Impala Platinum Holdings	Mondi	Redefine Properties	Sun International
AngloGold Ashanti	Discovery Holdings	Imperial Holdings	Mpact	Remgro	Super Group
Aquarius Platinum	Exxaro Resources	Investec	Mr Price	Reunert	Telkom
ArcelorMittal South Africa	FirstRand	Intu Properties	MTN Group	RMB Holdings	TigerBrands
Aspen Pharmacare Holdings	The Foschini Group Limited	JSE Limited	Murray & Roberts	Royal Bafokeng Platinum (BP)	Tongaat Hulett
Aveng	Gold Fields Limited	KAP Industrial Holdings	Nampak	SAB Miller plc	Truworths International
Barclays Africa Group	Grindrod	Kumba Iron Ore	Nedbank	Sanlam	Vodacom Group (BP)
		Lewis Group Ltd	Netcare Limited (BP)	Santam	Woolworths