AN ANALYSIS OF INDICATORS DISCLOSED IN THE INTEGRATED ANNUAL REPORTS OF SELECTED SOUTH AFRICAN RETAILERS

A half-thesis submitted in partial fulfilment of the requirements for the degree of

MASTER OF BUSINESS ADMINISTRATION

of

RHODES UNIVERSITY

By

Anna Cornelia Blignaut

May 2019

Abstract

This study aimed to analyse the indicators disclosed in the Integrated Annual Reports (IARs) of selected South African retailers. This was firstly done by identifying the six capital and governance indicators retailers report on in order to analyse the commonalities and differences between them, secondly by identifying and assessing evidence of integrated thinking and lastly by making recommendations for optimal retail sector reporting. IARs from Pick n Pay Stores Ltd, Shoprite Holdings Ltd, Spar Group Ltd and Woolworths Holdings Ltd were analysed using content analysis.

The results found noteworthy differences in IAR composition in terms of report length and the sections retailers devoted more or less of their report to. Governance and Remuneration indicator disclosure did not allow for broad comparison among all four retailers. In terms of indicator disclosure few indicators were disclosed by all retailers, whilst many were only disclosed by one retailer. Disclosures related to all six capitals were found, yet some indicators were disclosed excessively. Paradoxically, insufficient disclosure of indicators that are easily measurable and low levels of negative or unfavourable indicator disclosure was also apparent in this study. The comparability of indicators was influenced by the aggregation and disaggregation of indicators as well as the lack of consistency in the terminology used in IARs. Indicator disclosure also revealed several trends in the South African retail industry.

This research identified the following six themes related to integrated thinking in the sample IARs. Retailers understand the connection between capitals, express consideration for multiple stakeholders and appreciate the context in which they operate, to some extent. Retailers were also found to have different interpretations of sustainability as part of their strategy and risk management whilst the completeness and consistency of information disclosed and retailers' conceptualisation of value-added in IAR has not yet developed to the same extent across the retail industry.

This study finally makes recommendations that may be used for optimal retail sector reporting with regards to the integrated reporting process as well as the integrated report itself. Addressing the former it is recommended that: integrated reporting be viewed as a means to build an internal understanding of their sustainability practices; integrated thinking be included as part of their strategic planning process; all capitals be considered in decision making; communication be established with others in the retail industry and that retailers engage with the IIRC on integrated reporting issues. In terms of the IAR itself, it is recommended that retailers ensure consistency in the terminology used and that the disaggregation of indicators is done in a consistent way. Retailers should include a balance of positive and negative disclosures as well as context-based indicators and seek assurance of the social, environmental and ethical information in their IARs. Finally, retailers need to set measurable sustainability performance targets and link them to specific performance indicators.

The results of this study are not without limitations. The identification and categorisation of an indicator was largely based on the researcher's own judgement in the content analysis process and can be highlighted as the main limitation of this research.

Key words: Sustainability, sustainability reporting, integrated reporting, integrated thinking, sustainability indicators

Acknowledgements

To my family and friends who supported me throughout my studies, thank you.

A very special thanks to the staff of Rhodes Business School for the supportive learning environment they have created. In particular I would like to thank my supervisor, Ms Leticia Greyling for her guidance, without which this study would not have been possible.

Contents

List of Figures

List of Abbreviations

CSR - Corporate Social Responsibility

ESG - Environmental, Social and Governance

GDP – Gross Domestic Product

GRI - Global Reporting Initiative

IAR - Integrated Annual Report

IIRC - International Integrated Reporting Council

IPCC - Intergovernmental Panel on Climate Change

JSE – Johannesburg Stock Exchange

LCA - Life Cycle Assessments

NRBV - Natural Resource-based view

PB - Planetary Boundaries

RBT - Resource Based Theory

SAC - Sustainable Apparel Coalition

SDGs - Sustainable Development Goals

TBL - Triple Bottom Line

UN - United Nations

WEF - World Economic Forum

1 Introduction

1.1 Sustainability and sustainable development

Sustainability, as understood today, stems from the Brundtland report (Brundtland, Khalid and Agnelli, 1987, p.41) which defines sustainable development as "development that meets the needs of the present without compromising the ability of future generations to meet their own needs". From sustainable development, the term sustainability developed as a multi-dimensional concept that generally refers to the economic, social and environmental aspects that determine the quality of life within a community (Ferdig, 2007; White, 2013). Nonetheless, sustainability "means different things to different people" and remains hard to define (White, 2013, p.217).

Although sustainability is a complex concept, it has become part of everyday life through initiatives like the United Nations (UN) Development Program's 17 Sustainable Development Goals, which call on governments, business, society and individuals to work towards a sustainable future (UN, 2018). Increasingly, businesses are motivated to rethink what it means to be sustainable and have the resources to make the transition possible (Hart, 1997; Loorbach and Wijsman, 2013). The role of business in society, as well as the expectations society places on business, is changing. As a result, more and more companies are engaging with social and environmental problems (Knauer and Serafeim, 2014). Companies can no longer view themselves in isolation, instead, they must view themselves as part of the system in which they operate as they affect the system and the system affects them. This view is essential if a company is to achieve its goals (Hurth, 2017).

The shift towards sustainability comes at a time when global risks related to sustainability are increasing. Business relies on the natural environment, consequently, the World Economic Forum (WEF), highlighted risks such as failure to mitigate and adapt to climate change as one of the top five economic risks in terms of likelihood and impact (WEF, 2018). Adding urgency to the need for action to mitigate or adapt to these risks, the Intergovernmental Panel on Climate Change (IPCC) has warned of the impacts of global warming above 1.5°C pre-industrial levels (IPCC, 2018), the prevention of which requires immediate action. A company could be considered sustainable from an environmental perspective if they do not exceed their ecological limits. This is however easier said than done since companies are rarely able to use ecological limits in determining what or how to produce (Bjørn et al., 2017).

Business as usual remains the norm with the growth of awareness and action on sustainability not taking on the speed and scale needed. At the moment companies, who play a pivotal role in resource use decisions do not, for example, pay the full cost of the natural resources they use if the system was to be preserved in its current state (Hurth, 2017). Furthermore, there exists a lack of accountability from an organizational side for their value creation, as well as value destruction, which leads to deteriorating levels of trust between organisations and the people they serve (Hurth, 2017). Subsequently, it is difficult for companies and their stakeholders to determine whether they are sustainable or making progress towards becoming sustainable due to the persisting ambiguity of sustainability as a concept and the slow incorporation of sustainability in mainstream business.

1.2 Corporate sustainability

The increased scale of business operations, the ability to trace the impact of these operations and increased pressure from various stakeholders has led to business being held accountable (Meyer and Kirby, 2010). Stakeholders have come to expect more transparency and a tangible global impact from companies (Whelan and Fink, 2016). In the past businesses have primarily used annual financial statements to communicate relevant information to the providers of financial capital and other stakeholders. These financial reports are generally compiled according to the International Financial Reporting Standards (IFRS), to ensure transparency, accountability and efficiency in financial reporting globally (IFRS, 2019). Increasingly, however, the need to include non-financial information, focused on the corporate sustainability of an organisation, has been emphasized (KPMG, 2017).

As Montiel and Delgado-Ceballos (2014) note, a standardised definition for corporate sustainability does not exist, even though it is widely used in practice and in specialised academic literature. This may be confusing at times but could also be an advantage as it contributes to a rich discussion and development of the field (Montiel and Delgado-Ceballos, 2014). Loorbach and Wijsman (2013) would, however, argue that the evolution of corporate sustainability requires systemic change, change that does not focus on optimising existing norms, but rather transitions organisations to a new normal. How these transitions should be facilitated remains to be seen.

In attempting to address sustainability-related issues within the current business context, several concepts have been developed. One of the most prominent being the Triple Bottom Line (TBL) approach which considers people, planet and profit (Elkington, 1997). Companies have also expressed their obligation towards society and its various stakeholders who they effect through Corporate Social Responsibility (CSR) initiatives (Smith, 2003). Finally, companies have increased their collection, analysis and disclosure of information related to Environmental, Social and Governance (ESG) issues in the process of coming to grips with sustainability in business (KPMG, 2017).

In this research, however, environmental, social, financial and governance issues will be considered as essential components to corporate sustainability. This is in line with the quadruple bottom line approach as suggested by the National Framework for Sustainable Development in South Africa, which states that "social, economic and ecosystems factors are embedded within each other and are underpinned by our systems of governance" (DEAT, 2008, p.15). The same sentiment is echoed by former Secretary-General of the UN, Ban Ki-Moon, who has urged business leaders to not only create value in financial terms but in social, environmental and ethical terms as well, through the quadruple bottom line. He argues that it is both a responsibility and an opportunity, which will result in lasting, positive change (Ban, 2012).

1.3 Sustainability reporting

Once some level of corporate sustainability has become part of an organisation, reporting on the sustainability-related progress within the organisation becomes the natural next step. The sustainability reporting process informs stakeholders of the value a company is adding to its interests and whether its growth is sustainable (Aktas, Kayalidere and Kargin, 2013). Sustainability reporting signified a shift away from financial reporting, through annual financial reports, as the only means of communication to inform stakeholders of the value a company is creating. As a result, non-financial dimensions including environmental, social and governance dimensions of companies' impacts are increasingly reported on.

Once again practitioners and academics are inundated with a myriad of terms and frameworks describing reporting types related to sustainability. In practice, these include a variety of different names including environmental, social, sustainability, corporate social responsibility (CSR), corporate citizenship and GRI-inspired reports (Roca and Searcy, 2012; De Villiers, Rinaldi and Unerman, 2014). Regardless of the name used sustainability reporting is faced with inherent challenges due to the persisting ambiguous nature of sustainability as a concept (Searcy and Buslovich, 2014). In this research all forms of reporting related to sustainability, as described above, will be referred to as sustainability reporting. This is done in order to retain an inclusive understanding of sustainability reporting in practice as well as in academic research related to the subject.

In the 2017 Survey of Corporate Responsibility Reporting of 250 of the world's largest corporations, 93% of companies report on their sustainability performance (KPMG, 2017). Sustainability reporting has experienced rapid growth and improvements in report quality in recent years. These positive trends are linked to companies' use of guidelines like the GRI guidelines (Lozano, 2013). Notwithstanding the increase of sustainability reporting as part of some companies' reporting practice, this still pales in comparison to the total number of businesses globally (Lozano, 2013).

Ultimately, sustainability measurement and disclosure (through the use of indicators) remains voluntary (KPMG, 2017). The non-prescriptive nature of voluntary sustainability reporting standards or frameworks leads to requirements often being adapted or ignored. This makes a comparison between sustainability reports problematic (Searcy and Buslovich, 2014).

The voluntary shift towards sustainability reporting has been facilitated by the Global Reporting Initiative (GRI) which initially provided guidelines to compile a sustainability report (Hahn and Kühnen, 2013). The GRI, as a non-profit organisation, provides companies with guidelines to produce standardised sustainability reports focusing on economic, environmental and social aspects of sustainability reporting. The GRI has recently transitioned to using standards as opposed to guidelines. In the GRI standards the main content, concepts and requirements remain unchanged, whilst the structure and format have been updated. Internationally, companies signing up to this voluntary disclosure, are required to include GRI standards from 1 July 2018 onwards (GRI, 2018a).

Thus far, the use of the GRI guidelines have significantly increased the reliability of sustainability reports internationally (GRI, 2018b), and remains the most widely used framework for corporate sustainability reporting (KPMG, 2017). These guidelines do, however, still treat sustainability dimensions in compartments, often neglecting the interlinkages between environmental, social and financial dimensions (Lozano, 2013). Growth in sustainability reporting through the use of GRI guidelines in practice has prompted strong growth in empirical research, yet inconsistencies and gaps are prevalent (Hahn and Kühnen, 2013).

1.4 Integrated Reporting

In order to overcome the challenge of producing multiple reports, including annual financial reports and sustainability reports, focused on separate, yet related dimensions of sustainability, the concept of Integrated Reporting developed. Integrated reporting focuses on the integration of financial and non-financial information (De Villiers, Venter and Hsiao, 2017). Through an Integrated Reporting approach, organisations are better able to relate to the environment in which they operate, by asking the right questions about their relationship to their environment (Hurth, 2017).

In developing an Integrated Annual Report (IAR), companies generally use the framework as set out by the International Integrated Reporting Council (IIRC) (Cheng et al., 2014). As a result, the environmental, social and financial dimensions are reported on in a single report through an integrated approach. Increasingly companies are embracing Integrated Reporting through the IIRC framework (Adams, 2015). Companies labelling a report as an 'integrated report' has risen to 14% in a global survey done by KPMG with two-thirds of these companies referencing the IIRC framework (KPMG, 2017).

IARs, following the IIRC framework approach, explain how a company creates and sustains value over time for the company itself and all other stakeholders. The providers of financial capital are interested in this information, especially when value creation for others influences a company's ability to create value for itself (IIRC, 2013b). According to the IIRC, a company can create value over the short, medium and long-term through the utilization of resources and relationships, referred to as the six capitals. Quantitative indicators can be very important in measuring the effect an organisation has on its financial, manufactured, intellectual, human, social and relationship, and natural capitals (IIRC, 2013b).

In South Africa, the role of sustainability reporting has extended beyond a voluntary means of communication. Integrated Reporting, has been a listing requirement on the Johannesburg Stock Exchange (JSE) since March 2010 on a 'comply or explain' basis with the adoption of the King III report on corporate governance (SAICA, 2010). Since the publication of the IIRC framework in 2013, companies have used the IIRC framework as a normative guideline to produce an integrated report. Integrated reporting remains the disclosure requirement under the updated King IV report (IoDSA, 2016).

The Integrated Reporting Committee of South Africa (IRCSA) notes that "integrated reporting is founded on integrated thinking", and as such the six capitals need to be considered in daily operations, decision making processes and strategy of an organisation (IRCSA, 2017, p.1). Integrated thinking and Integrated Reporting are therefore essential to sustainability reporting in South Africa.

1.5 The South African retail industry

The South African retail industry forms part of the trade sector which accounted for 15% of nominal Gross domestic product (GDP) in South Africa in 2017 (StatsSA, 2018). In the same year, the South African retail industry generated R1 trillion in sales through the sale of a wide variety of goods, including groceries, clothes and other consumables. General dealers, which includes supermarkets, account for 44% of these sales (StatsSA, 2018). Non-specialised stores are the largest employer in the South African retail sector, employing a third or approximately 812 104 individuals. Employees of non-specialised stores were, however, paid an average of R66 044 in 2014/15, the lowest in the retail industry, compared to an industry average of R93 632 (StatsSA, 2018). The retail industry, particularly retailers like supermarkets make a significant contribution to the South African economy and impacts the lives of virtually all South Africans, either through employment or by supplying the goods people need.

1.6 Problem statement – Aims and objectives

Corporate sustainability, including environmental, social, financial and governance issues, should be part of the global sustainability agenda. All efforts made thus far by organisations related to corporate sustainability have been communicated through sustainability reporting and/or Integrated Reporting. This research will explore how Integrated Reporting, as a prominent reporting approach and the evolutionary step in corporate reporting, is used in practice in the South African retail industry. The retail industry in South Africa provides a rich context to research Integrated Reporting in practice due to its scale and impact throughout South African society. As Integrated Reporting through the use of the IIRC framework increases, research needs to keep up in order to provide empirical evidence to support or highlight flaws in the practical application of this relatively new reporting approach.

Limited empirical research has, thus far, explored how Integrated Reporting is operationalised, and specifically how indicators are disclosed in IARs. Furthermore, research is also needed to understand integrated thinking within the context of Integrated Reporting. As a result, the aim of this research is to analyse the indicators currently disclosed in the Integrated Annual Reports of selected South African retailers. This will be achieved through the following objectives. Firstly, by identifying the different indicators retailers report on and analysing the commonalities and differences between them; secondly, by identifying and assessing evidence of integrated thinking in the IARs; and finally, by making recommendations for optimal retail sector reporting.

2 Literature review

2.1 Integrated Reporting

The IIRC defines Integrated Reporting as "a process founded in integrated thinking that results in a periodic integrated report by an organization about value creation over time and related communications regarding aspects of value creation" (IIRC, 2013b, p.33). Integrated reporting is actively promoted by the IIRC as a new corporate disclosure philosophy (De Villiers, Rinaldi and Unerman, 2014). Notwithstanding the interest in Integrated Reporting in practice, research surrounding Integrated Reporting remains scarce. There is however a growing trend of academic interest, particularly in publishing and conference presentation (Dumay et al., 2016).

To date, much of the research surrounding Integrated Reporting as a concept has revolved around the IIRC framework. As an emerging phenomenon, few academic articles and studies have investigated Integrated Reporting without the explicit inclusion of the IIRC framework. Integrated reporting guided by the IIRC framework builds on financial statements, management commentary, governance and remuneration disclosures and sustainability reporting, which were separate parts of an organisation's reporting practices traditionally as illustrated by Figure 1 (IIRC, 2011, p.7). Integrated Reporting intends to bring these parts together and promotes an integrated report as an organisation's primary reporting vehicle that describes how an organisation create value through the use of its capitals (IIRC, 2011).

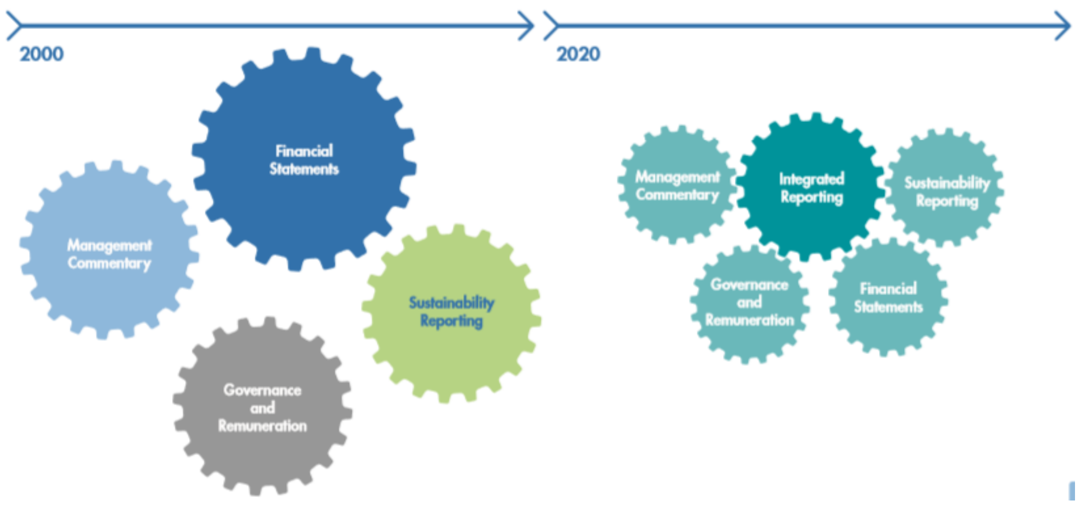


Figure 1: The evolution of corporate reporting (IIRC, 2011, p.7)

According to the IIRC, those charged with governance of an organisation have to take responsibility for an integrated report as a designated, identifiable communication that applies the principles-based approach as outlined in the IIRC framework. Content elements and guiding principles are the building block of the IIRC framework. Content elements include: Organizational overview and external environment; Governance; Business model; Risks and opportunities; Strategy and resource allocation; Performance; Outlook and Basis of presentation (IIRC, 2013b).

Guiding principles inform how the preceding content elements are presented, they include: Strategic focus and future orientation; Connectivity of information; Stakeholder relationships; Materiality; Conciseness; Reliability and completeness and Consistency and comparability (IIRC, 2013b).

Integrated reporting research, primarily through the use of the IIRC framework, appears to be divided with researchers being supportive of the potential IR holds to change the corporate reporting landscape (Adams, 2015) or highly critical of Integrated Reporting as a concept and of its implementation (Flower, 2015).

Adams, (2015) has posed a persuasive call to action for academics to support integrated reporting. According to the author, Integrated Reporting has the "potential to change the thinking of corporate actors leading to the future integration of sustainability actions into corporate strategic planning and decision making" (Adams, 2015, p.23). Yet, the potential success of Integrated Reporting, when applying the IIRC framework, does not necessarily depend on the framework, but in how organisations choose to apply it (Conradie and De Jongh, 2017).

As more and more companies report on their sustainability practices through IARs, more and more research can be done in the field, yet research thus far has been normative, with few studies done on the use of IARs in practice (Dumay et al., 2016). Some research in practice has shown that the extent to which companies report on their value creation and the quality of their IARs has improved over time. These improvements have come about because companies are focused on value creation and the impact of interdependencies and trade-offs (Haji and Anifowose, 2016). At the same time, key aspects of integrated reporting, in theory, remain lacking in IARs in practice. These include materiality issues, connectivity of information, reliability and completeness (Haji and Anifowose, 2016).

A pressure point concern, noted by several authors, is the importance the IIRC framework currently places on the providers of financial capital as the primary users of integrated reports (Cheng et al., 2014; Flower, 2015). Flower (2015) argues that the IIRC's Framework has abandoned sustainability accounting due to its conceptualisation of value as 'value for investors' and the lack of obligation it places on organisations to report on the harm they inflict on other entities. Ultimately Flower (2015) maintains that the IIRC's proposed framework will not have a significant impact on corporate reporting in practice and that its abandonment of sustainability accounting is the result of the influence of professional accountants as well as multinational companies on the IIRC's governing council's board.

Tweedie and Martinov-Bennie (2015) also warn that integrated reporting, in contrast to other social and environmental frameworks, places greater importance on communication rather than accountability, organisational sustainability rather than social sustainability and on the providers of financial capital rather than other stakeholders. The potential of sustainability measurement and reporting, as used in the mainstream, is stifled because it is used strategically and instrumentally, leading to misleading performance information (Haffar and Searcy, 2018).

Currently, Integrated Reporting is not seen "as a natural part of the business process, despite the relevance of multiple types of capital for organisations' business models" (McNally, Cerbone and Maroun, 2017, p.481). At present integrated reporting as a concept still suffers from a lack of concrete specification or evidence to motivate organisations to adopt it as a tool to reflect and report on the value they create (Feng, Cummings and Tweedie, 2017). How capitals should be assessed, and assurance of integrated reports should be done according to the IIRC framework remains problematic (Cheng et al., 2014). The principles-based nature of the IIRC framework (IIRC, 2013b) leaves the application of Integrated Reporting principles to the discretion of managers, which creates difficulties in assessing compliance, assurance, regulation and in research related to the framework (De Villiers, Venter and Hsiao, 2017).

Some authors have also been critical of Integrated Reporting, seeing it as a natural evolution from sustainability reporting. Stubbs and Higgins (2014), for example, found that integrated reporting is not a revolutionary approach to reporting, rather an incremental transition from previously supported sustainability reporting. Supporting these findings, the use of the IIRC framework has also been found to lead to integrated thinking becoming part of the fundamental changes within five public organisations. These changes are, however, seen as a progression from sustainability reporting, not a revolutionary transition since sustainability and financial reporting were already mature in these organisations (Guthrie, Manes-Rossi and Orelli, 2017). Whether or not the IIRC framework is a suitable tool to guide the integrated reporting process is, therefore, an important question all stakeholders should ask (Conradie and De Jongh, 2017).

2.2 Integrated Reporting in South Africa

South Africa, as an early adopter of Integrated Reporting, would seem to provide numerous opportunities for research. Interestingly this opportunity has not been taken advantage of to the extent that one would expect. Dumay et al. (2016), in their review of research done in the field of integrated reporting, has found that only eights research articles are based in the South African context, compared to 27 articles in the EU region.

Thus far studies of JSE-listed companies, who are required to produce an integrated report (SAICA, 2010), have yet to substantiate the claims of benefits as promoted by the IIRC but do provide valuable initial insights. Integrated reporting has influenced and improved the risk and opportunity disclosures made by JSE top 100 companies, nevertheless these findings do not provide a persuasive argument of significant change within these companies (Moolman, Oberholzer and Steyn, 2016).

Although integrated reporting has increased the disclosure of non-financial capitals, social and relational capital disclosures, in particular, have increased at a greater increment than other capitals. These findings point to JSE-listed companies applying symbolic management as a means to legitimise themselves through integrated reports (Setia et al., 2015).

Steyn (2014) found that listed companies in South Africa value the integrated reporting process, especially with regards to the legitimising effect it has on their corporate reputation and their engagement and relationship with stakeholders. These findings are also in line with recent research in the South African context that has found the trend of Integrated Reporting to be “largely ceremonial in nature” as its main purpose is to increase organisational legitimacy (Haji and Anifowose, 2016, p.216). This does, however, point to a disconnect between the intended audience of integrated reports as identified by the IIRC as the providers of financial capital and the intended audience as perceived by the preparers of these reports. This is confirmed by McNally, Cerbone and Maroun (2017), who found that the preparers of integrated reports are not convinced that the providers of financial capital take these reports seriously.

2.3 Indicators

In order for stakeholders to make well-informed decisions related to sustainability, relevant indicators are needed (Dong and Hauschild, 2017). The selection of indicators to make a specific decision depends on the context and overlapping indicators or indicator sets may be necessary (Dong and Hauschild, 2017). Research on indicators in business often categorises indicators along the "three generally accepted dimensions of sustainability namely, environmental, economic or social issues" (Roca and Searcy, 2012, p.108). Examples of indicators include environmental - greenhouse gas emissions, economic – total turnover and social – total employees (Roca and Searcy, 2012).

Indicators can be defined as "variables that summarise or otherwise simplify relevant information, make visible or perceptible phenomena of interest, and quantify, measure, and communicate relevant information" (Gallopín, 1996, p.108). Indicators include quantitative variables, as well as qualitative variables (Gallopín, 1996), and are useful in assessing and communicating information. Several methods to asses sustainability, for example, have already been developed and are currently in use (Singh et al., 2009). Sustainability indicators "structure and communicate information about key issues and their trends considered relevant for sustainable development" (Rametsteiner et al., 2011, p.62). They are considered useful tools that convey information related to national and corporate performance associated with environmental, economic, social and technological issues (Singh et al., 2009).

Currently, indicators are predominantly developed and used at international and national policy level and are rarely translated to indicators at a company level. Indicators at an international level are commonly used to assess progress towards international goals, like the Sustainable Development Goals, for example (Hák, Janoušková and Moldan, 2016). The development of sustainability indicators has often been led by intergovernmental processes or developed as part of large research projects (Rametsteiner et al., 2011). The normative dimension of sustainability has, however, made the development of sustainability indicators particularly challenging (Rametsteiner et al., 2011). Relatively few international efforts to measure sustainability consider the environmental, economic and social aspects of sustainability within one composite indicator or index. This is detrimental to the issues at hand since sustainability needs to consider the interlinkages and dynamics within a system (Singh et al., 2009).

Limiting indicator use to national level will not suffice in meeting the sustainability challenges ahead. Indicators are needed at a global level measuring planetary sustainability as well as at an individual level, to incentivise behavioural change (Dahl, 2012). A multilevel sustainability indicator system is essential in capturing, categorising and managing key sustainability elements from individual behavioural level through to planetary level. The development of such a complex system has however yet to be realised (Dahl, 2012). Thus far, efforts in indicator development have focused on specific areas or levels within this complex system.

With the purpose of managing sustainability, a multitude of specific indicators and indices have been developed to provide information on various levels. Sustainability indicators sets at these various levels include Planetary Boundaries (PB), Sustainable Development Goals (SDGs) and Life Cycle Assessments (LCA). PB and LCA are science-based and focused on the long-term protection of the earth whereas SDGs are highly focused on the social dimension of sustainability (Dong and Hauschild, 2017). All three indicators include "climate change, acidification, ozone depletion eutrophication, chemical pollution, freshwater use and changes in biosphere integrity/biodiversity" impact categories in their assessments (Dong and Hauschild, 2017, p.702). As Dong and Hauschild (2017) caution, several considerations need to be taken when selecting indicator sets. These indicator sets are suitable examples of assessing sustainability at a product, national and global level.

At present, indicators are generally used to measure "unsustainable trends that can be targeted by management action (Dahl, 2012, p.14). This does not, however, amount to actions ensuring sustainability in the long-run (Dahl, 2012). Once indicators create an awareness of an unsustainable trend, action is needed. As Dahl (2012, p.19) so eloquently describes: "Indicators can be powerful tools for making important dimensions of the environment and society visible and enabling their management. For an issue as challenging and urgent as planetary sustainability, adequate indicators can help to guide the major efforts needed for the economy and society to make the necessary transition”.

In order to make this transition possible, decision-makers require science-based information to inform sustainable decisions related to consumption and production (Dong and Hauschild, 2017). In addition, Rametsteiner et al. (2011) believe that indicators facilitate our understanding of how both human and environmental systems function, highlighting and deepening our understanding the linkages between components of these systems as well as the effect human actions have within the system. Indicators are “meant to support scientists, politicians, citizens and decision-makers to monitor status and changes in key sustainability dimensions and to more clearly foresee the consequences of action or inaction” (Rametsteiner et al., 2011, p.62).

2.4 Indicators in sustainability reports

Indicators are a key element of measuring progress within a business, particularly in their sustainability (Rahdari and Rostamy, 2015). Although standardised methods to holistically measure corporate sustainability remain absent in business today (Montiel and Delgado-Ceballos, 2014), some useful tools are available in corporate sustainability communication. Sustainability reporting through the GRI’s guidelines, for example, prescribe indicators to communicate relevant organisational performance and progress data to stakeholders. Although the IIRC Framework does not prescribe indicators, it lists qualitative and quantitative indicators as helpful tools to explain how a company creates value (IIRC, 2013). Often companies use both the GRI’s guidelines and the IIRC’s framework in their sustainability reports (GRI, 2017). As a result, it is difficult to study the impact of GRI guidelines or the IIRC’s framework in isolation.

In terms of empirical academic research, indicators disclosed in sustainability reports are more readily available. Two studies, in particular, have focused on indicators disclosed in corporate sustainability reports: the first focused on indicator disclosure across several different industries within a country (Roca and Searcy, 2012) and the second on indicators disclosed in the apparel industry (Kozlowski, Searcy and Bardecki, 2015).

Roca and Searcy (2012) identified 585 different indicators in 94 Canadian reports with indicators related to the environmental, economic and social dimensions of sustainability widely represented. Similarly, Kozlowski, Searcy and Bardecki (2015) identified a total of 87 reported corporate sustainability indicators in a study aimed at analysing the disclosed indicators of 14 apparel brands. These indicators covered a variety of issues, most frequently related to performance in supply-chain sustainability, yet there was a clear lack of consistency of indicators disclosed between reports.

A study by Haffar and Searcy (2018) focused on the environmental indicators disclosed in corporate sustainability reports of sustainability leader firms and the extent to which these indicators speak to the broader sustainability context in which they operate. The study found high levels of self-referential reporting with none of the 463 environmental indicators identified being context-based. As the authors note the “lack of context prevents a true and meaningful assessment of the sustainability of these companies, as well as their contribution to the larger trend of environmental degradation” (Haffar and Searcy, 2018, p.510).

Research on companies reporting on sustainability and their indicator use is inconclusive. Haffar and Searcy (2018) found that companies use an extensive range of indicators including different performance areas and types of indicators. In contrast, a study of common sustainability indicators (environmental, social and governance) at a corporate level by (Rahdari and Rostamy, 2015) found that nearly half of the indicators extracted from normative frameworks, management, systems, guidelines and rating systems were environmental indicators. Since indicator disclosure is voluntary, the amount of information organisations disclose also vary considerably (Aktas, Kayalidere and Kargin, 2013).

Key performance indicators (KPIs) are used increasingly in decision-making, planning and performance management related to sustainability. These KPIs include environmental and social indicators, yet the indicators selected, and their impact varies significantly (Adams and Frost, 2008). KPI selection should be done in consultation with stakeholders (Adams and Frost, 2008).

Organisations are increasingly expected to account for issues which they cannot obtain hard data for, rather these issues are assessed based on value judgements and often remain outside of its direct control (Keeble, Topiol and Berkeley, 2002). As Figure 2 illustrates, sustainability indicators can become more complex to collect and have an increasingly external focus, ranging from in-house indicators, management indicators to stakeholder and product indicators. Measuring performance is further complicated within an organisation due to complex organisational structures (Keeble, Topiol and Berkeley, 2002). The complexity, access and control organisations have over the indicators they collect data for ultimately influence the indicators they choose to disclose in their IARs.

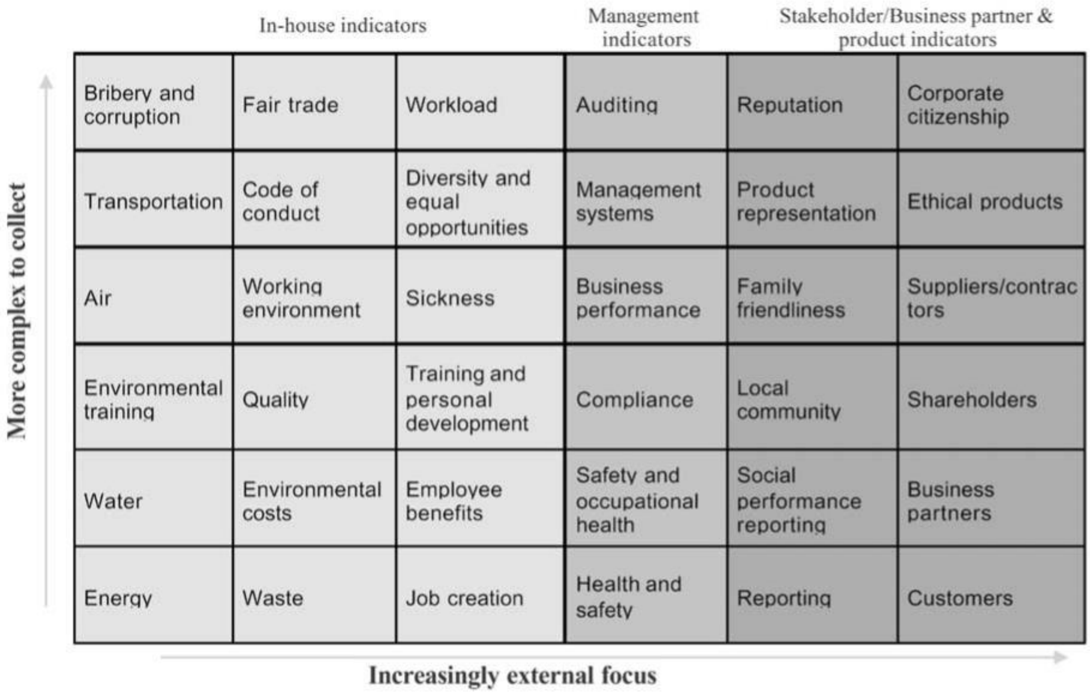


Figure 2: The complexity of sustainability indicators (Keeble, Topiol and Berkeley, 2002, p.150)

2.5 Indicators in integrated reports

As briefly mentioned in the introduction of this research, the IIRC requires companies to report on the resources they use to create value under the six capitals model. These included financial, manufactured, natural, intellectual, human and social and relationship capital. Integrated reporting in practice, however, has not yet developed sufficient methods to take account of these six capitals. At the same time, integrated reporting research methods have also not yet reached maturity (Adams, 2015). As a result, there exists a gap between what should be disclosed in theory and what is disclosed in practice. Since the indicators needed in integrated reports are not specified by the IIRC framework, organisations would therefore likely have to use additional frameworks to guide and support their disclosures (Conradie and De Jongh, 2017).

Research by Dos Santos, Svensson and Padin (2013) has investigated how a single retailer, Woolworths, uses economic, environmental and social indicators to evaluate and control the sustainability of its business practices. The case study based on the indicators disclosed in the sustainability and annual reports found that "indicators play a significant role in evaluating and implementing various business practices aimed at sustainability" (Dos Santos, Svensson and Padin, 2013, p.104). In this case study, positive outcomes were associated with sustainable business practices implementation and assessment, aided by the use of sustainability indicators. Indicators are therefore an indispensable part of sustainability.

2.6 Integrated thinking

Integrated thinking is defined by the IIRC as "the active consideration by an organisation of the relationships between its various operating and functional units and the capitals that the organisation uses or effects. Integrated thinking leads to integrated decision-making and actions that consider the creation of value over the short medium and long term" (IIRC, 2013b, p.33). Integrated thinking, as seen by the IIRC, is an outcome of integrated reporting (IIRC, 2013b). Notwithstanding these statements, the IIRC and practitioners alike have yet to gain a full conceptual understanding of the interrelated nature of integrated reporting and integrated thinking (Feng, Cummings and Tweedie, 2017). Dumay et al. (2017, p.466) goes so far as to describe integrated thinking as a "newly invented abstract concept broadly open to interpretation"

Some research has looked at the connection between integrated reporting and integrated thinking. The process of integrated reporting has been found to drive change towards integrated thinking between strategy, risks and opportunities among JSE-listed companies (Moolman, Oberholzer and Steyn, 2016). Furthermore, Integrated reporting, as opposed to current reporting practices, includes integration, oversight and that significant attention is paid to future uncertainties. From a systems thinking perspective, these elements may be critical to ensuring sustainability and financial stability in the corporate environment (Stent and Dowler, 2015). These findings support the IIRC's claims of the importance of both Integrated Reporting and integrated thinking, but further research is necessary.

Particular attention thus far has been paid to how the concept of integrated thinking is understood and interpreted in theory and practice by key integrated reporting stakeholders. Feng, Cummings and Tweedie (2017, p.346), in an interview-based study of key integrated reporting stakeholders, for example, found that integrated thinking can be seen in practices including "boards and senior managers who are actively committed to integrated reporting, the establishment of cross-organizational teams, greater sensitivity to key types of non-financial capitals and closer links between certain types of non-financial capital (e.g. social and relational) and organizational strategy". Senior management, as agents in the integrated thinking process, therefore, have an important role to play. Through discussions with various parties they are able provide reasons for their decisions, whilst fostering relationships, which serves as evidence of soft integrated thinking. (Oliver, Vesty and Brooks, 2016).

Integrated thinking may not, however, be the ideal approach in all organisations on all level of operation. Preliminary research has also found that in some cases, integrated thinking may be detrimental as it could interfere with independence in risk management and the prevention of fraud which requires employees to think independently in day-to-day operation (Dumay and Dai, 2017). Furthermore, organisations exhibiting an existing responsible culture may not benefit as much from integrated thinking as other organisations. Integrated thinking may be limited in its effectiveness and penetration in successful companies with established organisational cultures (Dumay and Dai, 2017).

An often-neglected part of the discussion related to integrated thinking is the concept of value creation and materiality. How an organisation defines value and what it deems material based on this definition is important (Conradie and De Jongh, 2017). These concepts form part of the critically important process of integrated reporting in which integrated thinking takes place. Once again, integrated thinking and value creation remain ambiguously defined (Dumay et al., 2017)

2.7 Theoretical underpinnings

Integrated Reporting is still a young concept with limited empirical evidence to support the normative claims some researchers have made as to the benefits of Integrated Reporting. As to be expected, a dominant theoretical approach has yet to emerge in Integrated Reporting research. Some theoretical approaches have been used within the limited research related to integrated reporting, most prominently 'Institutional Theory' and 'Stakeholder Theory' (Perego, Kennedy and Whiteman, 2016). This research will, however, be based on 'Resource Based Theory' (RBT), as an argument could be made for the alignment of RBT and Integrated Reporting in theory and in practice (Barney, 1991).

RBT outlines the ability of a firm to obtain a sustained competitive advantage through the use of resources in the value-adding process. Similarly, integrated reporting communicates value creation through the use of resources, known as the six capitals, namely financial, manufactured, intellectual, human, social and relationship, and natural capital (IIRC, 2013b). Simply put, RBT and Integrated Reporting both focus on value creation through the use of resources or capitals.

RBT highlight several requirements for resources to be a source of sustained competitive advantage. These resources need to be valuable, rare, imperfectly imitable and substitution of the resource should not be possible (Barney, 1991). Unlike RBT, the value creation process, as outlined in the IIRC framework, does not set requirements for the resources in order to be a source of sustained competitive advantage. The value creation process according to the IIRC framework, focuses on the ability of the organisation to use its business model to transform inputs (i.e. six capitals) through business activities to produce outputs that lead to outcomes that impact the six capitals (IIRC, 2013b).

The development of RBT to natural resource-based view (NRBV) is also influential in this research since NRBV brings into account the interaction between the organisation and the external natural environment in which it operates (Barney, 1991). Through strategic capability development in pollution prevention, product stewardship, clean technology and base of the pyramid consideration, NRBV addresses the environmental, economic, and social challenges business and society faces (Hart and Dowell, 2011). Consequently, it makes an argument for the inclusion of both financial and non-financial aspects, not only in managing these challenges but in ultimately gaining a competitive advantage. Indeed, this study will explore retailers' use of internal (for example, Human Capital) and external (for example, Social and Relationship Capital) resources, or capitals as it were, as well as their ability to consider both financial and non-financial aspects in the value creation process in order to gain a competitive advantage.

3 Methodology

3.1 Goals of the research

Integrated annual reports inherently contain indicators related to the use of the six capitals in the value creation process, whether explicitly stated or not. The disclosure of these indicators warrants investigation in order to reflect on the current state of integrated reporting as well as integrated thinking. Considering the potential for industry-specific research in the fast-moving consumer goods sector in South Africa and recognising the role of indicators in integrated reporting, the overall aim of this research was to analyse the indicators currently disclosed in the Integrated Annual Reports of selected South African retailers.

In order to address this aim, the objectives of this study were to:

- Identify the different six capital and governance indicators retailers report on and analyse the commonalities and differences between them
- Identify and assess evidence of integrated thinking in their IARs
- Make recommendations for optimal retail sector reporting

3.2 Ontology and epistemology

This research was conducted with critical realism as the ontological assumption underpinning it. Critical realism assumes the existence of reality, although it may only be imperfectly understood due to inherently flawed human comprehension. The research process seeks to understand the reality of the subject matter in question as closely as possible, albeit imperfectly (Guba and Lincoln, 1994). Accordingly, this study will be done with post-positivist epistemological assumptions guiding the research inquiry (Vos et al., 2017). Post-positivism as a research paradigm is applicable since it focuses on an evolving understanding of a study through investigation. Post-positivism may capture the reality or truth of the subject of investigation by using multiple methods. A mixed-method methodology is appropriate in this study and supported by the ontological and epistemological approaches described above and will be discussed in depth in the following section.

3.3 Research method

In addressing the research aim and objectives, a mixed-method methodology relying on content analysis as the data collection and analysis technique was applied. Research focused on integrated reporting as well as integrated thinking has been done using a mixed-method approach and has been found to be suitable (Moolman, Oberholzer and Steyn, 2016).

The research objectives were addressed in stages. The first research objective was addressed by making use of quantitative content analysis to identify and analyse the commonalities and differences in six capital and governance indicators retailers disclose. Content analysis "seeks to quantify content in term of predetermined categories in a systematic and replicable manner" (Bryman and Bell, 2015, p.300).

In reaching the second objective of this research, qualitative content analysis was used in order to identify and assess evidence of integrated thinking in the IARs. Qualitative content analysis requires the identification of themes. In this study, brief quotations were used to illustrate and support the identification of these themes (Bryman and Bell, 2015). Finally, based on the results of the preceding objectives, recommendations for optimal retail sector reporting were made. The following section describes the rationale behind sample selection.

3.4 Sample

For this study, the formal fast-moving consumer goods retail sector in South Africa was analysed, since it is dominated by JSE-listed companies. Companies listed on the JSE are an ideal sample since integrated reporting is a listings requirement for them (SAICA, 2010). Purposive sampling was used to identify the potential sample from JSE-listed companies within the fast-moving consumer goods sector as these retailers have similar characteristic (Vos et al., 2017, p.231). Pick n Pay Stores Ltd, Shoprite Holdings Ltd, Spar Group Ltd and Woolworths Holdings Ltd are listed as the four largest fast-moving consumer goods retailers in South Africa (Deloitte, 2018) and are therefore appropriate for inclusion in this study. All four retailers used the IIRC framework, among others, to determine the content of their Integrated Annual Reports. For the purposes of this study, Spar's 'Abridged Integrated Report' was included as the data source document to align with the other retailers who have all produced downloadable off-line/PDF reports. The IARs of these selected retailers for the financial year 2017 were used – they are:

- Pick n Pay Stores Ltd (Pick n Pay, 2017)
- Shoprite Holdings Ltd (Shoprite, 2017)
- Spar Group Ltd (Spar, 2017)
- Woolworths Holdings Ltd (Woolworths, 2017)

3.5 Data collection

The publicly available IARs used in this study were accessed via the four selected companies' corporate websites after which data collection was managed in several stages. Before data collection began, the IAR composition was analysed in Microsoft Excel to determine the pages to be included in order to meet the study objectives. These pages are considered sampling units as they are "units that are distinguished for selective inclusion in analysis" (Krippendorff, 2013, p.100). Simply put, sampling units are pages of the IARs to be included as sources of indicator disclosures. Non-sample unit pages explain how the report should be used, pages included for their practical value (e.g. index pages, forms and administrative information), as well as aesthetic value (e.g. picture pages). Non-sample unit pages were not included as sources of indicator disclosures or used in quantitative analysis but were included in the description of report composition.

Through the initial analysis, it became apparent that the sample IARs often contained large extracts from other reports and report sections that act as separate reports. These include 'Financial Statements and Summaries', as well as 'Governance and Remuneration' sections of the reports. This study, therefore, distinguished between 'Sample-unit', 'Non-sample unit', 'Governance and Remuneration' and 'Financial Statements and Summaries' sections of the reports. Analysis of extracts from other reports, included under 'Financial Statements and Summaries', fall outside the scope of this study due to the complexity and volume of analysis, and extracts from these reports are therefore excluded. 'Governance and Remuneration' sections were analysed and reported separately due to the varying regulatory demands placed on organisations in terms of their governance and remuneration disclosure in different countries. In South Africa, for example, the sample retailers applied King III or King IV in the reporting period in question.

Data collection was done using content analysis which systematically analyses elements within documents (Vos et al., 2017), in order to identify indicators disclosed within the IARs of the selected retailers. Within the sample units, described above, recording units were identified. Recording units are "units that are distinguished for separate description, transcription, recording or coding" (Krippendorff, 2013, p.100). Accordingly, each recording unit was described and recorded as a separate data point i.e. indicator, which was ultimately used in frequency analysis.

In this case recording units containing indicators were identified and included when containing numeric and non-numeric disclosures. An example of a numeric disclosure like "Turnover R77.5 billion" (Pick n Pay, 2017, p.60) could be found in a paragraph or in a table, in which case each indicator was be counted separately. Non-numeric disclosures include sentences/phrases, for example, "Shoprite also uses peer educators to communicate to staff on health and safety issues" (Shoprite, 2017, p.45). Indicators can be defined as "variables that summarise or otherwise simplify relevant information, make visible or perceptible phenomena of interest, and quantify, measure, and communicate relevant information" (Gallopín, 1996, p.108). Both quantitative, as well as qualitative indicators, were included for analysis (Gallopín, 1996).

Indicators were recorded in Microsoft Access to develop a database of all the indicators contained the four retailers' reports. Indicators were categorised according to the IIRC's definition of the six capitals, namely financial, manufactured, natural, social and relationship, human and intellectual capital, (IIRC, 2013b). The first example above, for instance, was categorised as a Financial Capital indicator, *Turnover (Aggregated),* and the second as a Human Capital indicator, *Health and safety programmes*. Due to a lack of standardization in indicator disclosure and the variation in wording retailers use in their disclosures, some interpretation was required in order to group disclosures. Wording emanating from the actual reports were used to label indicators. In the second example, an employee health and safety program was described, although it was not explicitly stated.

In the data collection process, a distinction was made between aggregated and disaggregated indicators in order to provide a more nuanced analysis of indicator disclosure and to allow more accurate comparison between the indicators retailers disclose. Aggregation and disaggregation were necessary because the aggregation of all information in a report can lead to a loss of meaning, whilst unnecessary disaggregation may hamper a full understanding of information. Each organisation, or retailer in this study, determine their own level of aggregation (e.g. by country, subsidiary, division, or site) (IIRC, 2013b).

All data collected and analysed in Microsoft Excel and Access was stored electronically by the researcher to allow access and review of the data upon request. Data will be stored for 5 years after completion of the study.

3.6 Data analysis and interpretation of results

Firstly, an analysis of report composition provided an overview of the structural differences between IARs. This was done in order to offer the reader context of the number of pages retailers dedicated to different parts of their report as well as highlight the relationship between report length, indicators disclosed and indicators frequency. Secondly, an analysis of governance indicators disclosed in the IARs was done. The governance indicators (all originating from the 'Governance and Remuneration' sections in the IARs) have been analysed separately.

Thirdly, an analysis of the indicators disclosed in the sample IARs was done. Commonalities and disparities between reports were based on indicator disclosures in the retail sector per capital as well as indicator disclosure per retailer. Finally, qualitative content analysis of integrated thinking was done. Quotes were used as evidence of integrated thinking through the identification of themes (Bryman and Bell, 2015), as well as extracts from the sample IARs.

3.7 Ethical concerns

No significant ethical concerns were expected in conducting this research since all the data used were sourced from publicly available documents, which are primary sources of information (Vos et al., 2017).

4 Results

The following chapter outlines the findings from the four IARs as listed in section 3.4. Unless stated otherwise, all findings originate from these four IARs and for the sake of legibility and conciseness reference will be made to the IARs based on retailers' short names as highlighted below.

- Pick n Pay Stores Ltd: **Pick n Pay**
- Shoprite Holdings Ltd: **Shoprite**
- Spar Group Ltd: **Spar**
- Woolworths Holdings Ltd: **Woolworths**

At this point, it is also worth clarifying the two major ways in which the results of this study were organised. Firstly, results were reported as **indicators disclosed** to indicate the presence of an indicator in a retailer's IAR. These results are detailed in the appendices of this document, essentially listing the indicators disclosed, identified by name (per row of Appendices 2, 3 and 4), for Governance and Remuneration disclosures (Appendix 2), each of the six capitals (Appendix 3) and each of the four retailers (Appendix 4). This form of analysis shows a retailer's awareness and knowledge of a concept since "the presence or absence of a reference or concept is taken to indicate the source's awareness or knowledge of the object referred to or conceptualised" (Krippendorff, 2013, p.62). Please note that all indicators can be found in Appendix 3 and Appendix 4 (these two appendices constitute the same data organised in different ways).

Secondly, results were reported as **combined indicator disclosures**, either per capital or retailer. The indicator *Turnover performance (Disaggregated)* (Appendix 3), for example, was disclosed 79 times (third column), as a combined total across all four retailers (fourth column), which contributed to a combined total Financial Capital disclosures of 531 (end of the table). The analysis is essential in this study since "the frequency with which a symbol, idea, reference or topic occurs in a stream of messages is taken to indicate the importance of, attention to, or emphasis on that symbol, idea, reference or topic in the messages" (Krippendorff, 2013, p.62). Due to the volume of disclosures, results were once again organised per capital (Appendix 3) and per retailer (Appendix 4), with figures in this section summarising and highlighting the results.

4.1 Overview of retailers included in the sample

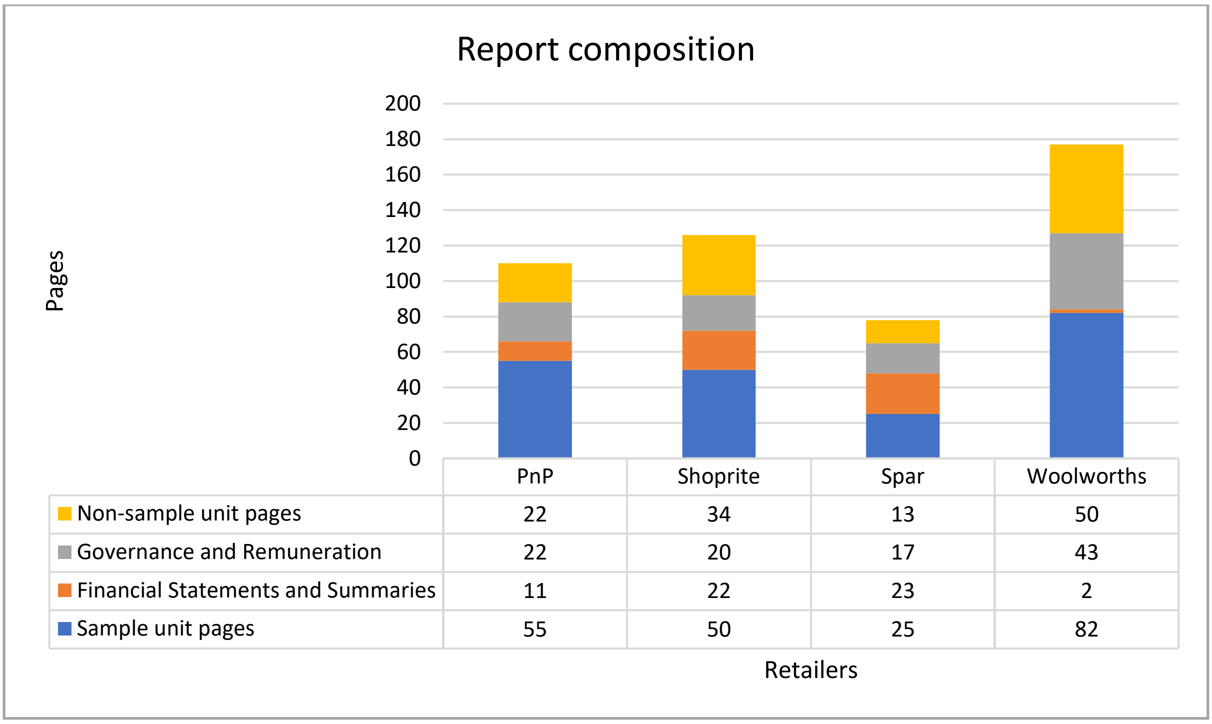
All four selected retailers operate in the fast-moving consumer goods industry with operations in South Africa and other African countries. Two retailers have operations beyond the African continent, in England, Ireland, and Switzerland (Spar), as well as Australia and New Zealand (Woolworths). The sample IARs included the term 'Integrated Report' or 'Integrated Annual Report' in their titles and are from the financial year 2017. Spar's IAR is titled an 'Abridged Integrated Report' and states that a full report is available online (as a web-enabled report instead of a single report) as they transition to digital reporting (Spar, 2017).

Retailers' operations exist across a variety of store formats including supermarkets, convenience stores, liquor stores and other specialised stores, serving a range of customers from low income to affluent consumers. Consequently, there are some noteworthy differences in their business models. Pick n Pay and Shoprite serve both low income and affluent consumers through company-owned and franchised stores. Woolworths, who does not have any franchised stores, focuses on offering exceptional quality often at greater cost, which ultimately serves more affluent consumers. Spar primarily operates as a warehousing and distribution business supplying to a network of independent retailers.

4.2 Report composition

The sample IARs varied noticeably in length, with the shortest report from Spar consisting of 78 pages in total compared to Woolworths' report consisting of 177 pages. Pick n Pay and Shoprite consisted of 110 and 126 pages respectively (Appendix 1). These results are summarised in Figure 3. The largest section of IARs composed of 'Sample unit' pages (PnP 50%, Shoprite 40%, Spar 32%, Woolworths 46%). These pages comprised of quantitative and qualitative disclosures presented in narrative form, in tables, with maps and other infographics etc.

The reports also differ noticeably with regard to 'Financial Statements and Summaries' (PnP 10%, Shoprite 17%, Spar 29%, Woolworths 1%). Woolworths had the lowest number of pages dedicated to ‘Financial Statements and Summaries’, whilst Spar had the highest. The proportion of pages dedicated to ‘Governance and Remuneration’ as well as ‘Non-sample unit’ pages were less varied between retailers whilst still making up a considerable proportion of each report as shown in Figure 3. ‘Governance and Remuneration’ sections make up the following percentages of the total report: PnP 20%, Shoprite 16%, Spar 22%, Woolworths 24%; ‘Non-sample unit’ pages: PnP 20%, Shoprite 27%, Spar 17%, Woolworths 28%. These pages are, however, only the canvas on which these retailers have to communicate the value they create. Next, this study considers the quantity and quality of their disclosures within these pages.



	PnP	Shoprite	Spar	Woolworths
Non-sample unit pages	22	34	13	50
Governance and Remuneration	22	20	17	43
Financial Statements and Summaries	11	22	23	2
Sample unit pages	55	50	25	82

Figure 3: Report composition

4.3 Analysis of Governance and Remuneration disclosures

The main and subheadings in the ‘Governance and Remuneration’ sections of the sample IRAs were analysed quantitatively to identify the Governance and Remuneration indicators disclosed. Governance and Remuneration disclosures were analysed on a presence/ absence basis across all four reports, with wording emanating from the documents once again guiding the labelling of the indicators.

The IARs contained 68 Governance and Remuneration indicators of which, only 4 out of the 68 (i.e. 5.9%) were disclosed (i.e. used) by all four retailers, namely *Board of directors' profiles, Company secretary, Executive directors and employees' remuneration and Remuneration committee chairman's statement* (Appendix 2). Nearly half of the Governance and Remuneration indicators, 31 of 68 (i.e. 45.6%), were used by only one retailer and are therefore unique. The remainder of the indicators were disclosed by two or three retailers. Figure 4 illustrates these findings visually, whilst Figure 5 lists the Governance and Remuneration indicators disclosed (i.e. used) by two or more retailers (see Appendix 2 for a full listing of Governance and Remuneration indicators).

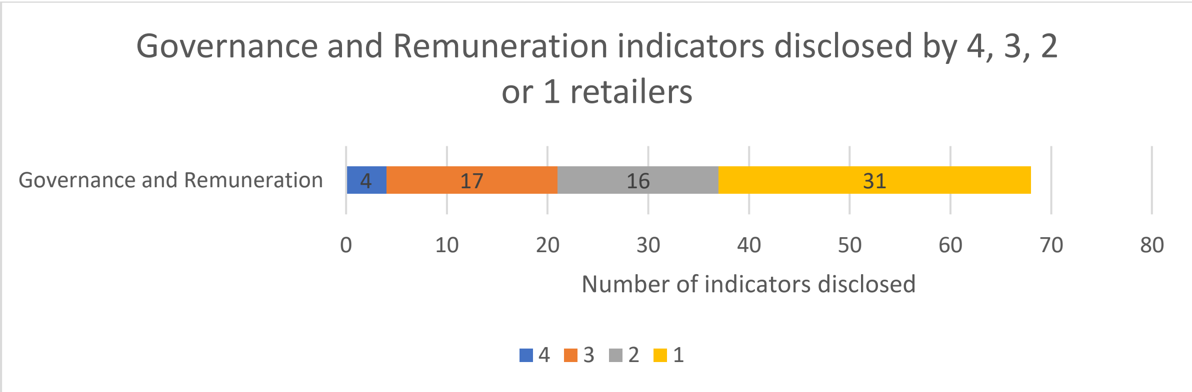


Figure 4: Governance and Remuneration indicators disclosed by 4, 3, 2 or 1 retailers

Figure 5: Governance and Remuneration indicators disclosed by two or more retailers

4.4 Indicator disclosure per capital

Content analysis of the four sample IARs found a wide variety of **indicators disclosed** in the South African fast-moving consumer goods sector, with all capitals represented. A total of 332 **indicators were disclosed**. The highest variety of indicators disclosed were Financial Capital with 104 different indicators and the lowest variety was Natural Capital with 32 different indicators disclosed. The remaining capitals' indicator disclosures were fairly balanced across the remaining capitals as shown in Figure 6.

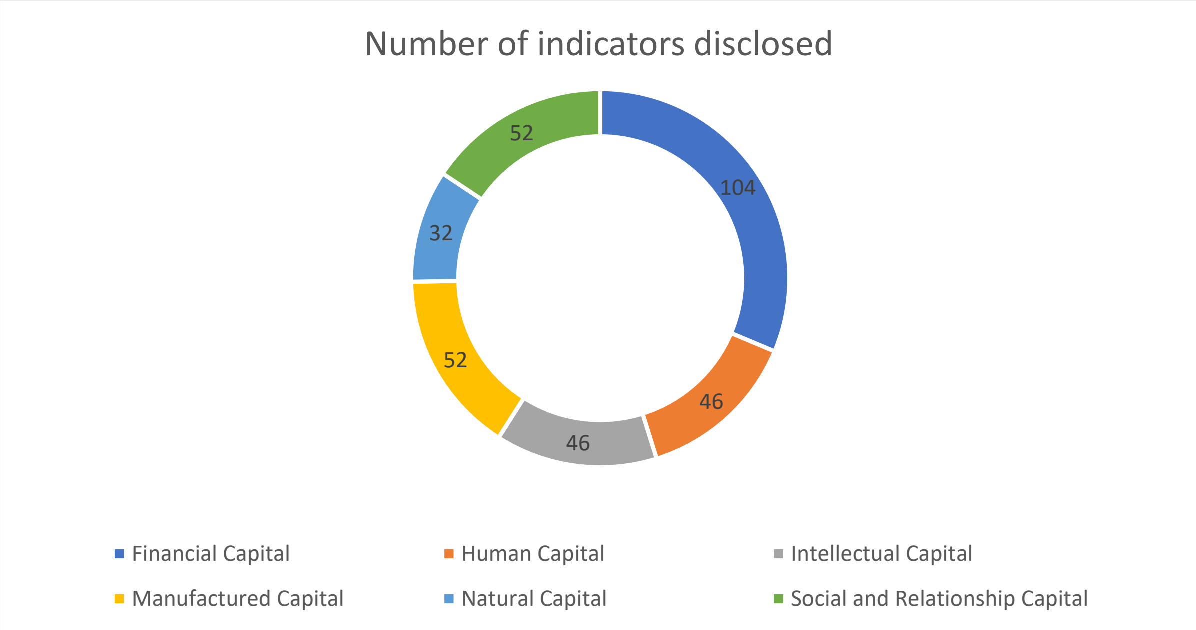


Figure 6: Number of indicators disclosed

The number of times with which these indicators were disclosed varied, amounting to a combined total of 1478 disclosures across all four retailers. Figure 7 summarises the distribution of the combined number of indicator disclosures from the sample IARs across the six capitals.

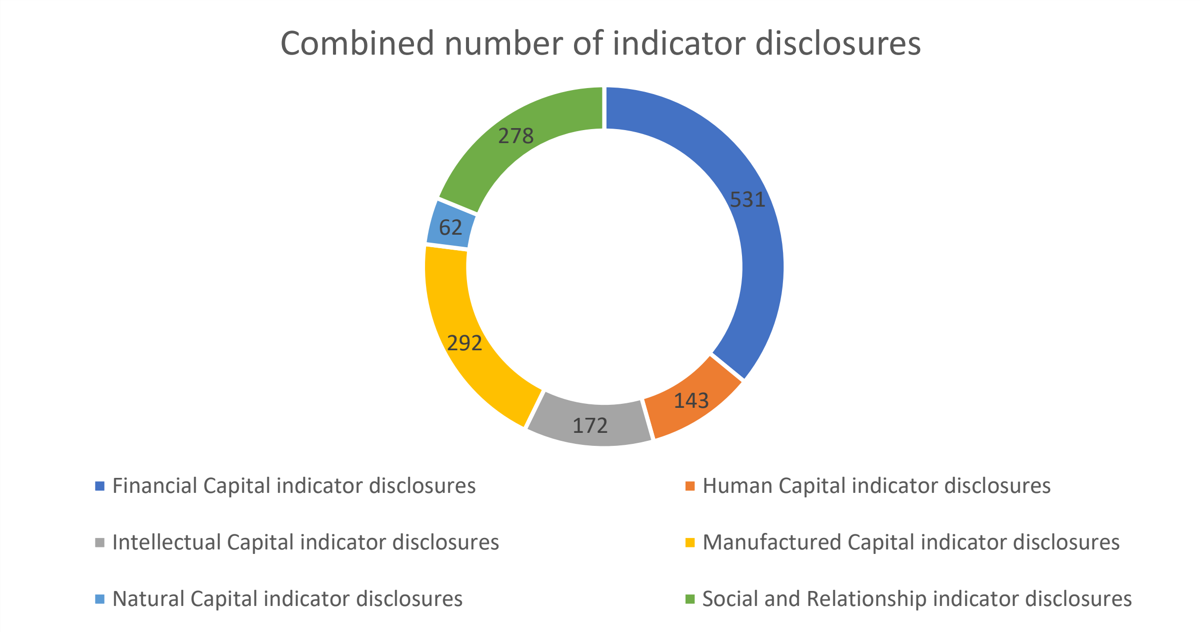


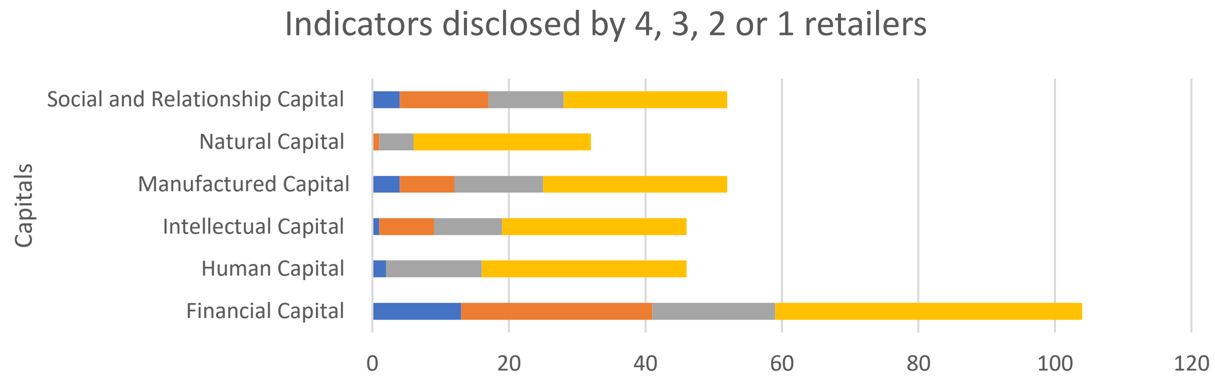
Figure 7: Combined number of indicator disclosures

The ratio of **indicators disclosed** to the **combined number of indicator disclosures** shows the average repetition rate of the indicators disclosed per capital. Each Financial or Social and Relationship indicator, for example, was used 5 times on average, compared to Natural Capital indicators used twice on average. These results are a conservative estimate considering the exclusion of 'Financial Statements and Summaries' sections. Some indicators may be more material to a retailer and therefore higher frequency of disclosure is to be expected.

The ratios of 'number of indicators disclosed' (as outlined in Figure 6) to the 'combined number of indicator disclosures' (as outlined in Figure 7) are as follows, giving some indication of the most and least repeated indicators per capital:

- Financial 1:5 (104:531)
- Human 1:3 (46:143)
- Intellectual 1:4 (46:172)
- Manufactured 1:6 (52: 292)
- Natural 1:2 (32: 62)
- Social and Relationship 1:5 (52:278)

Adding to this analysis of indicator disclosure, some indicators were disclosed by all four retailers, while others were disclosed by two or three retailers. The majority of indicators were, however, disclosed by only one retailer (Figure 8). This means that each retailer primarily uses their own unique indicators in their IARs. The yellow bar on the following figures shows this clearly, as well as the number of indicators disclosed by all four sample retailers (indicated in blue). The rest of this section will look at indicator disclosure per capital in more detail.



	Financial Capital	Human Capital	Intellectual Capital	Manufactured Capital	Natural Capital	Social and Relationship Capital
Disclosed by all four retailers	13	2	1	4	0	4
Disclosed by three retailers	28	0	8	8	1	13
Disclosed by two retailers	18	14	10	13	5	11
Disclosed by one retailer	45	30	27	27	26	24

Number of indicators

Figure 8: Indicators disclosed by 4, 3, 2 or 1 retailers

4.4.1 Financial Capital

The 104 Financial Capital indicators identified in the four sample retailers' IAR's were disclosed a combined total of 531 times. It should just be reiterated that this excludes the 'Financial Statements and Summaries' sections, hence this discussion only refers to the 'Sample unit' report content. Thirteen of the 104 Financial Capital indicators identified in the four sample IARs were disclosed by all four retailers. In contrast, 45 Financial Capital indicators were only used by one retailer (Figure 8).

Financial Capital indicators were the most varied (i.e. had the highest number of different indicators disclosed) and most frequently disclosed (i.e. had the highest combined number of indicator disclosures) of all six capitals. Disclosures related to turnover dominated the most frequently disclosed Financial Capital indicators (Figure 9), with *Turnover (Aggregated)* and *Turnover (Disaggregated), Contribution to turnover*, *Turnover performance (Aggregated)* and

Turnover performance (Disaggregated) making up 155 of the 531 Financial Capital disclosures by frequency (Appendix 3).

4.4.2 Human Capital

The 48 Human Capital indicators identified in the four sample retailers' IAR's were disclosed a combined total of 143 times. Few Human Capital indicators allow for comparison across all four retailers. *Employees (Aggregated)* and *Employees (Disaggregated)* are the only two indicators disclosed by all four retailers (Figure 9). On the other end of the spectrum, 30 of the 48 Human Capital indicators were disclosed by only one retailer (Figure 8).

Employees (Aggregated) (18 disclosures) and *Specific employee training* (14 disclosures) were most frequently disclosed. Retailers also disclosed *Employees (Disaggregated)* (9 disclosures), *New jobs created* (9 disclosures) and *Training days, interventions or courses* (9 disclosures) frequently (Figure 9).

4.4.3 Intellectual Capital

The 46 Intellectual Capital indicators identified in the four sample retailers' IAR's were disclosed a combined total of 172 times. Of these disclosures, *Brands* was the only indicator disclosed by all four retailers and accounted for 21 disclosures in terms of frequency (Figure 9). In total 27 of the 46 Intellectual Capital indicators were disclosed by only one retailer (Figure 8).

Intellectual Capital indicator disclosures cover a wide variety of areas in the retail sector, from *Merchandising systems* (18 disclosures), *Extension of private label offering* (12 disclosures), *Online and mobile app development and enhancements* (11 disclosures) to *Customer loyalty programmes* (9 disclosures) (Figure 9).

4.4.4 Manufactured Capital

The 52 Manufactured Capital indicators identified in the sample retailers' IAR's were disclosed a combined total of 292 times. The number of *Stores (Disaggregated)* (42 disclosures), *Stores (Aggregated)* (18 disclosures), *New stores* (30 disclosures) and disclosures related to *Distribution centres* (21 disclosures), were made by all four retailers. In total 27 of the 52 Manufactured Capital indicators were disclosed by only one retailer (Figure 8).

Other frequently disclosed indicators include *New stores opened (Aggregated)* (12 disclosures), *Range expansion* (11 disclosures) and *Retail space* (Disaggregated) (11 disclosures) (Figure 9).

4.4.5 Natural Capital

The 32 Natural Capital indicators identified in the four sample retailers' IAR's were disclosed a combined total of 62 times. Natural Capital indicators were the least varied (i.e. had the lowest number of different indicators disclosed) and least frequently disclosed (i.e. had the lowest combined number of indicator disclosures) of all six capitals. These results are further emphasised by the finding that 26 of the 32 Natural Capital indicators are disclosed by only one retailer. None of the 32 Natural Capital indicators were disclosed by all four retailers (Figure 8).

The most frequently disclosed indicators include *Environmental impact of merchandise* (7 disclosures), *Shrink and waste management* (6 disclosures) and disclosures related to *Carbon* (5 disclosures) (Figure 9).

4.4.6 Social and Relationship Capital

The 54 Social and Relationship Capital indicators identified in the four sample retailers' IAR's were disclosed a combined total of 278 times. Of the 54 Social and Relationship Capital indicators disclosed, 24 were disclosed by only one retailer (Figure 8). Indicator disclosures related to *Supplier development* (21 disclosures), *Countries of operation* (15 disclosures), *Partnership development* (13 disclosures) and *Years of operation (Aggregated)* (11 disclosures), were made by all four retailers (Appendix 3).

Other frequently disclosed indicators include *Awards and accomplishments* (15 disclosures), *Community engagement programs* (14 disclosures) and *Subsidies and low price offers* (11 disclosures) (Figure 9).

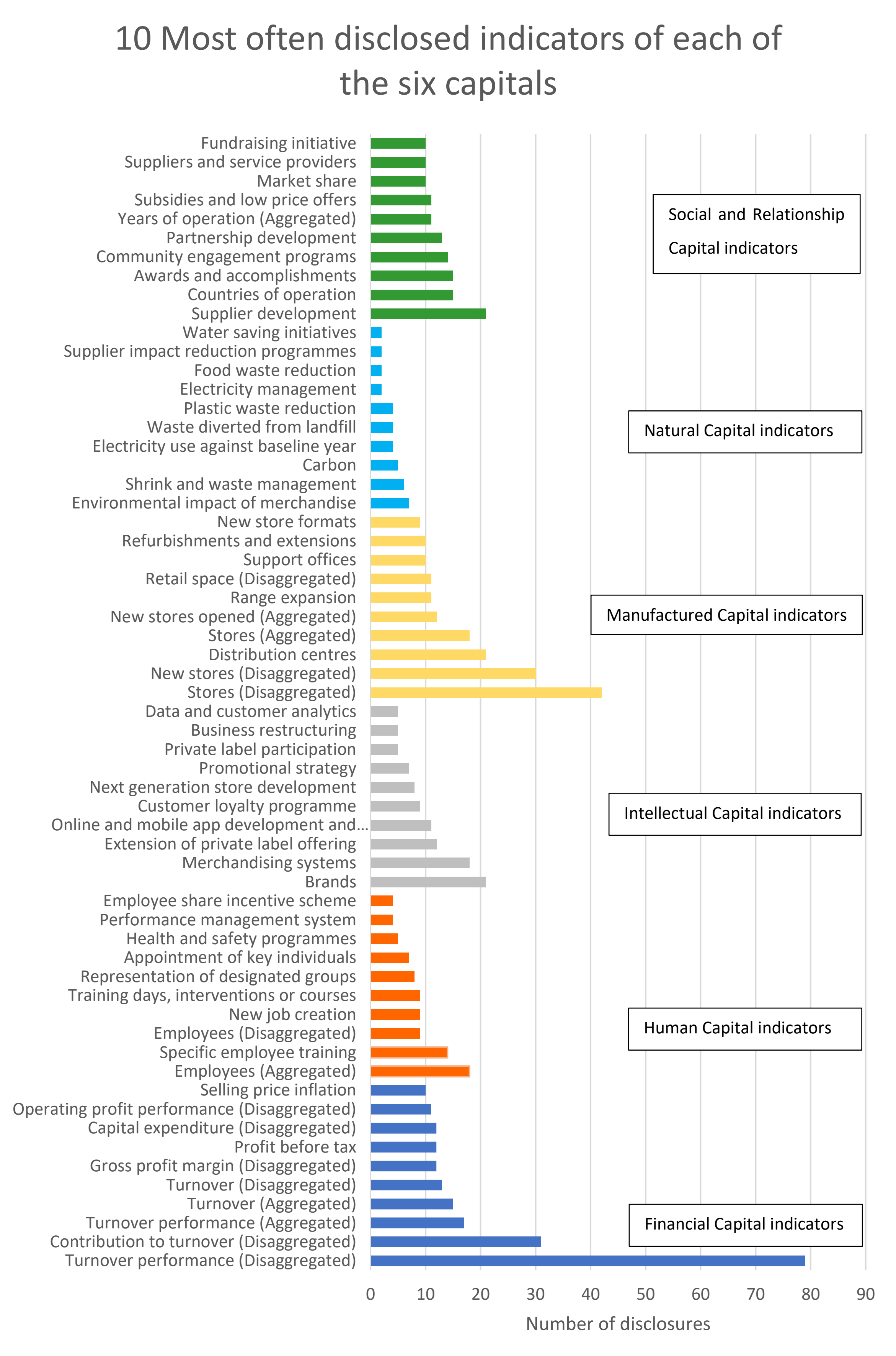


Figure 9: Ten most often disclosed indicators of each of the six capitals

4.5 Indicator disclosure per retailer

Despite the difference in the lengths of reports, as described in the preceding 'Report Composition' section 4.2 above, Pick n Pay, Shoprite and Woolworths made similar combined indicator disclosures ranging from 418 (Pick n Pay) to 457 (Woolworths). Spar is the clear exception with 192 combined disclosures (Figure 10). These combined indicator disclosures can be broken down per capital (Figure 11), in order to show which capitals retailers made more or fewer disclosures of. The following sub-sections will discuss each retailer's disclosures in detail.

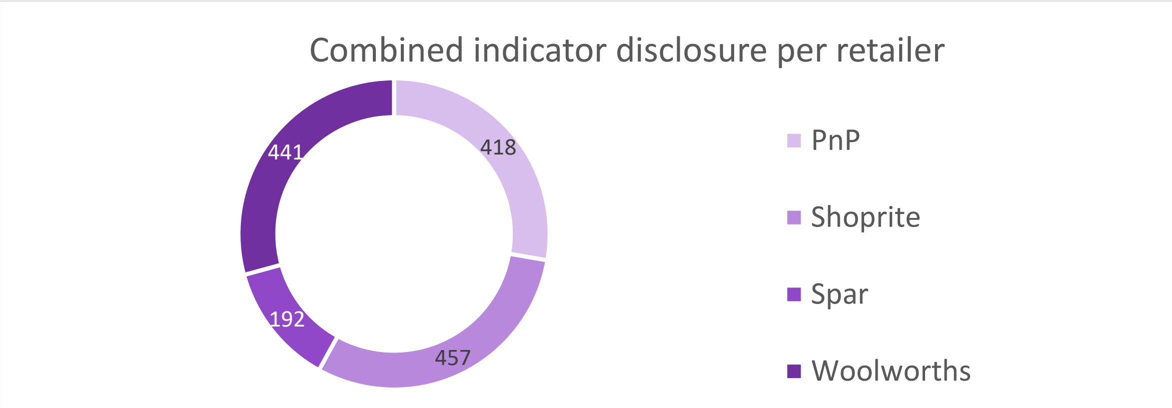
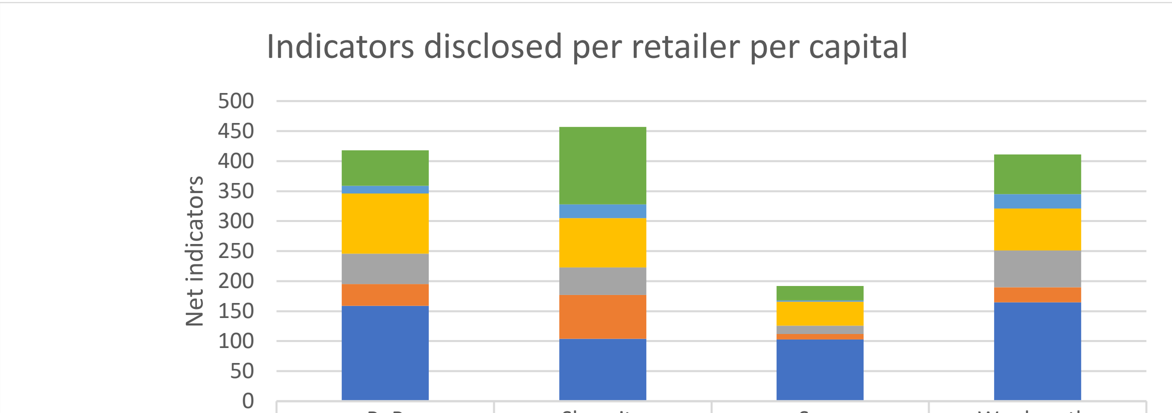


Figure 10: Combined indicator disclosure per retailer



	PnP	Shoprite	Spar	Woolworths
Social and relationship	59	129	24	66
Natural	13	23	2	24
Manufactured	100	82	40	70
Intellectual	51	46	14	61
Human	36	73	9	25
Financial	159	104	103	165

Figure 11: Indicators disclosed per retailer per capital

4.5.1 Pick n Pay

Pick n Pay disclosed a combined total of 418 indicators with 159 Financial Capital indicators making up the largest part of their disclosures (i.e. 38%). Natural Capital disclosures were lowest accounting for 13 indicator disclosures (i.e. 3.1%). *Stores (Disaggregated), Contribution to turnover (Disaggregated),* and *New stores (Disaggregated)* were the most frequently disclosed indicators (Appendix 4).

When compared to other retailers Pick n Pay disclosed the highest number of indicators related to Manufactured Capital (100).

4.5.2 Shoprite

Shoprite disclosed a combined total of 457 indicators. Social and Relationship Capital indicator disclosures added up to 129 of their total disclosures (i.e. 28.2%). Natural Capital disclosures were lowest, with 23 indicators disclosed (i.e. 5%). *Turnover performance (Disaggregated), Stores (Disaggregated)* and *Specific employee training* were the most frequently disclosed indicators by Shoprite (Appendix 4).

When compared to other retailers Shoprite had the highest number of Social and Relationship Capital and Human Capital disclosures, accounting for 129 and 73 of their total 457 disclosures.

4.5.3 Spar

Spar's combined total of 192 disclosures were dominated by Financial Capital indicators which amount to 103 disclosures (i.e. 53.6%), whilst Natural Capital indicators disclosures were only made twice (i.e. 1%). *Turnover performance (Disaggregated), New stores (Disaggregated)* and *Gross profit margin (Disaggregated)* were the most frequently disclosed indicators by Spar (Appendix 4).

When compared to other retailers Spar consistently disclosed the lowest number of indicators for all capitals.

4.5.4 Woolworths

Woolworths disclosed a combined total of 411 indicators with 165 Financial Capital indicators making up the largest part of their disclosures (i.e. 40.1%). Natural capital disclosures were the lowest accounting for 24 indicator disclosures (i.e. 5.8%). *Turnover performance (Disaggregated), Contribution to turnover (Disaggregated)* and *New store formats* were the most frequently disclosed indicators by Woolworths (Appendix 4).

When compared to other retailers Woolworths had the highest number of disclosures across all retailers with regard to Financial (165), Intellectual (61) and Natural capital (24) indicators.

4.6 Integrated thinking

All retailers showed some implicit evidence of integrated thinking whilst some attempted to explicitly demonstrate their ability to apply integrated thinking. Through qualitative content analysis, the following themes became apparent within the sample IARs.

4.6.1 Connectivity of capitals and trade-offs

Pick n Pay's *Local sourcing* disclosure **connects** Manufactured Capital and Financial Capital by considering the value chain beyond its own operations "95% of our offer is local – reducing the impact of a weaker rand on the value chain" (Pick n Pay, 2017, p.32).

Considering the Financial Capital impacts (Trading profit performance), of a change in Manufactured Capital, highlights the **connection** between capitals. "29% more products distributed from Shoprite DCs, improving retailer margins by 0.5%" (Shoprite, 2017, p.24).

Developing a Supplier partnership and increasing its Social and Relationship Capital has influenced and has been **connected** with Woolworth's use of Manufactured Capital. "Two production facilities were commissioned by one of our key, exclusive suppliers, which provide us with innovative private label produce and prepared food ranges." (Woolworths, 2017, p.59).

Woolworths disclosed the percentage of Revenue tracked on loyalty cards, **connecting** Social and Relationship Capital with Financial capital. "% revenue tracked on loyalty cards 75% 83%" (Woolworths, 2017, p.39).

Pick n Pay gave explicit examples of the **trade-offs** they make between capitals in the value creation process (Figure 12) (Pick n Pay, 2017, p.20). All of the trade-offs highlighted resulted in a reduction of Financial Capital.

REDUCING OUR IMPACT ON THE ENVIRONMENT

The Group is committed to finding more energy efficient and environmentally friendly ways in which to do business and this has required investment across our stores and distribution centres, including investment in energy-efficient lighting and refrigeration, rain water harvesting and recycling initiatives.

↑ Natural capital

↓ Financial capital

Figure 12: Extract from Pick n Pay's IAR - Trade-offs (Pick n Pay, 2017, p.20)

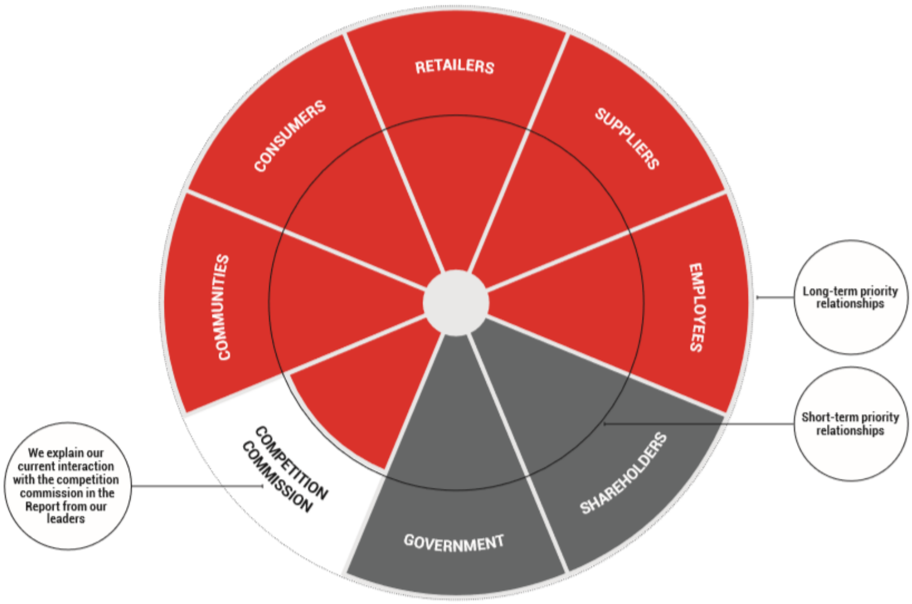
The relationship between employee cost and other capitals is highlighted by Pick n Pay (Figure 13). Interestingly this is the first and only time the voluntary severance program was mentioned, even though it may be considered a **trade-off.**

- We completed Pick n Pay's first business-wide voluntary severance programme in May 2017, reducing the number of roles in various areas of the business where better processes, newer technology and improved organisation mean we can operate more efficiently and more cheaply. Our aim is that the resulting savings in employment costs are reinvested in even better prices and even better value for customers.

Figure 13: Extract from Pick n Pay's IAR – Trade-offs (Pick n Pay, 2017, p.59)

4.6.2 Multiple stakeholder consideration

All retailers report on who they consider to be their stakeholders and the importance of these relationships as Figures 14, 15 and 16 illustrate. Woolworths, for example, also explicitly includes the providers of financial capital "The report has been prepared for the benefit of all our stakeholders, with a particular focus on aspects relevant to those stakeholders who provide us with access to resources of a financial nature" (Woolworths, 2017, p.6).



- These stakeholder relationships are treated as material in this report
- These stakeholder relationships are mainly vested in the executive team and board and are deemed less material for reporting purposes

Figure 14: Extract from Spar's IAR – Stakeholder engagement (Spar, 2017, p.23)

Below we detail our engagement with key stakeholders, focusing on those groups that have either a significant interest in the operations of the Group or have significant influence over the way we do business and create value.

CUSTOMERS **885 million interactions with customers this year**

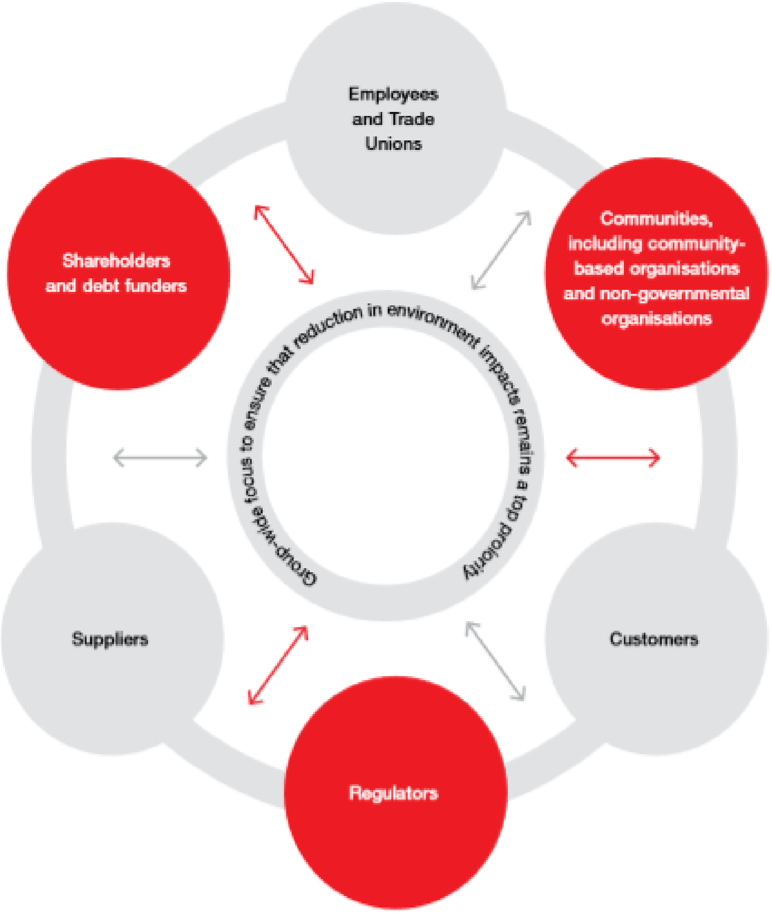
WHAT OUR CUSTOMERS TELL US IS MOST IMPORTANT TO THEM:	HOW OUR STRATEGY RESPONDS TO CUSTOMERS NEEDS:	WHY WE ENGAGE:	HOW WE ENGAGE:
• More convenience • Low prices, good value • Product quality and food safety • Good, consistent availability • Great service • Rewards for loyalty • Community involvement	**Strategic pillar: Better for customers** 1 • Convenient store locations • Leading product range • Great prices and promotions • South Africa's favourite loyalty programme • Excellent place to shop • Compelling value-added services *Refer to the better for customers business acceleration pillar on page 44*	• To improve our customer offer • To adequately respond to the changing needs of our customers • To hold ourselves accountable to those we serve	• Daily engagements in our stores • Dedicated Customer Director • Customer-care line • One-on-one meetings • Regular customer surveys, consumer forums and online customer panels • Website www.picknpay.co.za and various social media forums

Figure 15: Extract from Pick n Pay's IAR – Stakeholder engagement (Pick n Pay, 2017, p.29)

Stakeholder engagement

Our stakeholders

Shoprite maintains relationships with a range of interested parties to continuously improve the alignment of interests between the Company and its key stakeholders. The stakeholder groups below have been identified based on the extent to which they can influence the financial and operational performance, as well as the strategic direction of the Group.



Stakeholder engagement

Shareholders and debt funders

Engagement methods

Shoprite engages with investors through meetings, investor days, webcasts, conference calls, perception studies and surveys, conferences and presentations.

Key issues raised	Our response
Africa growth opportunities and disclosure	We are providing more information on the investment case and economic outlook for Africa.
Access to management	Access to management was improved this year by increasing the number of meetings with investors and by attending investor conferences locally and abroad.
Understanding Shoprite's strategy	In-depth strategy discussions have been incorporated in investor presentations and included in the Integrated Report.
Management succession	CEO succession was well flagged and the new team have made themselves available to meet with investors. Succession seems to have been well-received.

Figure 16: Extract from Shoprite's IAR - Stakeholder Engagement (Shoprite, 2017, p.15)

Securing a labour agreement and creating franchised store partnerships considers **multiple stakeholders** through Human as well as Social and Relationship Capital management, “secured a three-year wage agreement with labour partners” (Pick n Pay, 2017, p.48) as well as Manufactured and Social and Relationship Capital management “six spaza shops to franchise stores, working with the Gauteng government” (Pick n Pay, 2017, p.39).

Multiple stakeholders are considered when highlighting the use of suppliers in meeting customer needs. “We use more than 23 000 suppliers in 43 countries to provide customers with the greatest choice and consistent availability.” (Shoprite, 2017, p.17).

Shoprite’s engagement with plastic recycling partners not only **links** Social and Relationship Capital with Natural Capital, but it also highlights **stakeholder inclusion** “Shoprite engages informally with industry associations, such as PETCO, to stay abreast of developments in the field.” (Shoprite, 2017, p.52). Similarly, Spar engaged with the South African competition commission as illustrated by Figure 17.

OUR INTERACTION WITH THE COMPETITION COMMISSION

The past year saw increased engagement with the Competition Commission in South Africa on the following matters:

- The Commission believes there are features in the grocery retail sector that may be preventing, distorting or restricting competition, thereby adversely affecting consumers and households. The inquiry is looking *inter alia* at the impact of the dominance of the big four retailers, which includes SPAR. Public enquiries into the activities of the grocery retail sector were held during July 2017 and SPAR participated in these. A senior management team attended the session held in Durban. Further public enquiries are scheduled for December 2017.
- The Competition Tribunal matter launched by Massmart against Shoprite/Checkers, Pick n Pay and SPAR continues. A second round of exception hearings were held in September 2017 and the outcome is still awaited from the Tribunal.

Figure 17: Extract from Spar's IAR – Stakeholder Engagement (Spar, 2017, p.14)

4.6.3 Contextualisation

Retailers have shown an awareness of the environment in which they operate. Figures 18 and 19 serve as an example of this.


Operating context and strategy

Our market place – long term drivers

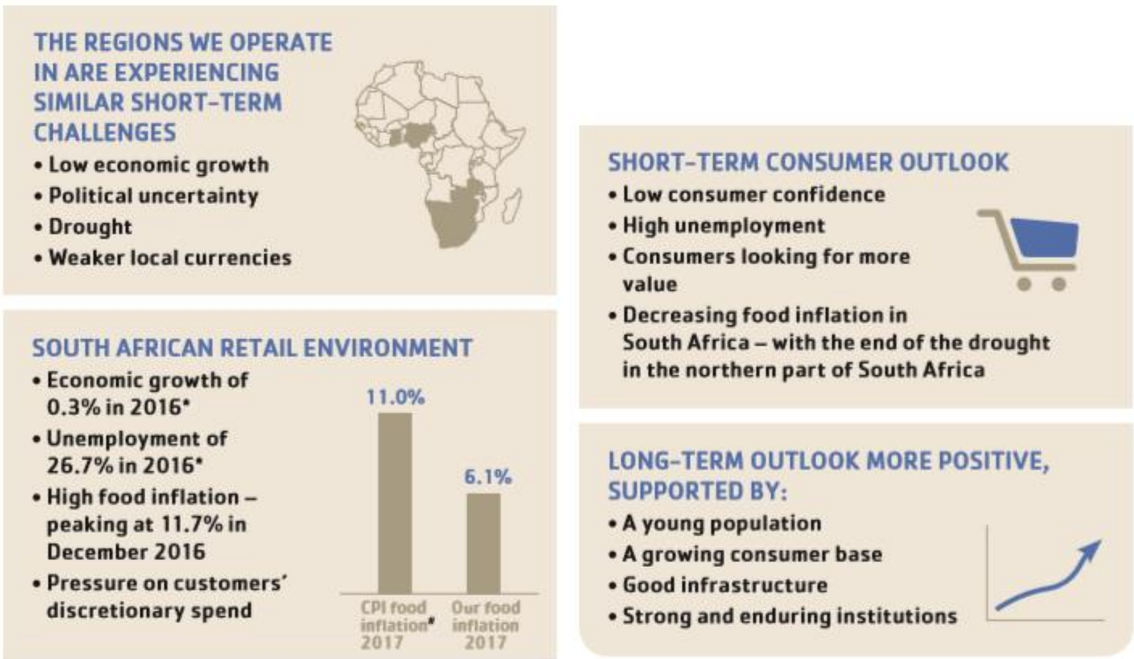
A large and growing population on the African continent requiring food and staple products

Africa's population is set to DOUBLE to 2.4 billion people by 2050. Large scale and rapid urbanisation, strong population growth and economic growth that is persistently higher than that of developed economies, continue to make Africa an attractive long-term investment opportunity.

As the largest retailer in Africa, with almost 40 years of experience in South Africa and more than 26 years in the rest of Africa, Shoprite is ideally positioned to meaningfully participate in this growth.

Low commodity prices, weak currencies and pervasive drought conditions momentarily slowed our game plan for Africa in 2017, but we remain committed to the long-term opportunities presented by the continent. The 15 markets that Shoprite operates in, have a combined population of 500 million people and a collective gross domestic product (GDP) of R15 trillion.

Figure 18: Extract from Shoprite's IAR - Operating context (Shoprite, 2017, p.19)


THE REGIONS WE OPERATE IN ARE EXPERIENCING SIMILAR SHORT-TERM CHALLENGES
- Low economic growth
- Political uncertainty
- Drought
- Weaker local currencies

SOUTH AFRICAN RETAIL ENVIRONMENT
- Economic growth of 0.3% in 2016*
- Unemployment of 26.7% in 2016*
- High food inflation – peaking at 11.7% in December 2016
- Pressure on customers' discretionary spend

SHORT-TERM CONSUMER OUTLOOK
- Low consumer confidence
- High unemployment
- Consumers looking for more value
- Decreasing food inflation in South Africa – with the end of the drought in the northern part of South Africa

LONG-TERM OUTLOOK MORE POSITIVE, SUPPORTED BY:
- A young population
- A growing consumer base
- Good infrastructure
- Strong and enduring institutions

Figure 19: Extract from Pick n Pay's IAR - Operating context (Pick n Pay, 2017, p.24)

Pick n Pay, for example, disclosed *Selling price inflation* in relation to CPI food inflation which **contextualises** their disclosures in relation to the external environment "Food selling price inflation kept to 6.1% against CPI food inflation of 11.0%" (Pick n Pay, 2017, p.44).

Woolworths included factors behind an indicator's performance, a description of the **internal context**, provides a more nuanced reporting picture. "Sales, including concession sales, for the year increased by 1.0% in Australian dollar terms. The termination of the Dick Smith electronics concession last year negatively impacted growth by 1.0%. (David Jones)" (Woolworths, 2017, p.101).

Retailers have acknowledged the **context in which they operate** and as a result, they have accepted various responsibilities towards society, particularly in Chairman's reports. Shoprite, for example, emphasises a responsibility towards job creation (Figure 20) whilst Woolworths focuses on values-driven business leadership (Figure 21)

Our trading environment

There is little doubt that the absence of growth in the economy is putting South African consumers under enormous pressure. In the course of our work in the communities in which we operate, we are constantly aware of heightened levels of financial distress.

South Africans have recently had some cause to contemplate what has gone wrong in our society and economy to have resulted in this dismal outcome.

Government's new Inclusive Growth Action Plan and the South African Reserve Bank's decision to start cutting interest rates reflect a recognition by the state and regulators of the need to stimulate economic growth following the economy's descent into recession. But with a GDP growth outlook of less than 1% at best, and with our foreign currency debt downgraded to junk, these steps are widely acknowledged as palliative in a situation where intensive care is required, coupled with innovative thinking.

At the heart of South Africa's challenges is widening income disparity caused by rampant unemployment and poor education. The unemployment rate for the first quarter of 2017 was 27.7%, the highest it has been in 14 years. Of more concern is an unemployment rate among 15 to 34-year-olds of 38.6%. Various local and international organisations estimate South Africa's youth unemployment at over 50%.

Attempts to find practical solutions to our social and economic challenges have been futile simply because the wrong questions have been asked. There is nothing structurally wrong with South Africa. The issue is that we are not following the policies that could so easily make life so much better for all South Africans.

The right question is not: "What do our people want?" Nor is it: "What do our people need?" The right question is: "What can our people not do without?" The answer is self-evident – our people need jobs.

Once we arrive at that answer, then everything else falls into place. Everything our government does should be determined by whether it creates or destroys jobs. If guided by this test, we will arrive at the right solutions and focus on implementing policies and actions which bring more people into the economy.

In our Group, we constantly ask ourselves if what we are about to do will be good for our customers, employees, suppliers, shareholders and the communities in which we operate.

In doing so, we can continue to operate a successful business which is able to create jobs.

The Shoprite Group is the country's largest private sector employer, employing over 143 000 people and creating between 5 000 and 12 000 new jobs a year. We walk the talk.

It is part of our DNA to play a very active role in society beyond creating jobs and advancing careers. Our wide ranging initiatives to support the communities we operate within are discussed in detail in this report.

Figure 20: Extract from Shoprite's IAR – Responsibility towards society (Shoprite, 2017, p.28)

TOWARDS A VALUES DRIVEN SOUTH AFRICA

I talked last year about the lack of values demonstrated by our South African national leadership. Never before has this been more evident than in the recent firing of Pravin Gordhan by Jacob Zuma in March. As a direct result, the country's credit rating was downgraded and trust in government dropped to an all-time low. The president's apparent concern for his personal interests above those of the country has put incredible strain on the economy. Already hampered by red tape and restrictive labour legislation, it is now exceedingly difficult for business, especially small entrepreneurs, to drive meaningful, inclusive growth and jobs. As ever, the greatest sufferers will be the poor and those millions desperately seeking employment.

I write this report on the morning after the No Confidence Debate. How difficult it is, even for a free nation, to remove corruption when, from what is so widely reported, it starts at the top. As a business leader, I am proud that in the private sector in South Africa we have such strong checks and balances. Our corporate governance is among the best in the world. Whereas in our state institutions, those same checks and balances are being eroded daily - and nowhere more so than in our state-owned enterprises. There is no rational reason for many of these to even exist.

Our privately owned airlines serve the public well, employ thousands, make profit and pay taxes that are then wasted by an unnecessary state-controlled airline. The same is true of PetroSA and much of the electricity generating industry. Most of the ills of these institutions could be eliminated with proper independent governance, independent shareholders and, above all, transparency and accountability for both their boards and their executives.

We are fortunate still to have some key pillars of civil society prepared to act in defence of the South African constitution and its people. We have a proud and independent judiciary which has been handing down critically important judgements, affirming that the executive needs to act rationally and in the interest of the nation. We have a free press which is showing great courage. They are exposing more and more of the detail of state capture and the links between the Gupta family, the president and some members of his cabinet. We too, have the ballot box and we have civil society itself. That civil society in South Africa has not been at such risk since the days of apartheid. Woolies role in those dark days was to act and speak bravely as a constant agent for change and transformation. We continue to accept that role as part of our values today and will do so for as long as is needed.

We are active in a number of civil and business groups, working together with those areas of government that we feel we can trust. We are also particularly proud of our association with Business Leadership South Africa (BLSA). Under its new leadership BLSA is taking a principled stance in driving transparency in government and in supporting the role of business as our nation's key engine of economic transformation.

The current climate has forced, not just Woolworths, but thousands of other businesses around the country to pull back on capital expenditure and on job creation. The sooner we see a change towards a values-based political and economic leadership, the faster we can all get back to growing our economy and to creating those desperately needed jobs.

Across the Indian Ocean sits Australia. That nation's deep commitment to transparent government, steeped in values and principles, has driven enormous transformational benefits to its citizens. Its culture of accountability is a telling example to South Africa's leaders. Our decision over the past few years to expand our footprint in Australia has been strongly vindicated. There is, though, little doubt that if South Africa were to come back on track from a moral and economic point of view, the Group's southern hemisphere strategy will be doubly powerful.

Figure 21: Extract from Woolworths' IAR – Responsibility towards society (Woolworths, 2017, p.54)

Some indicators are novel and creative, like Spar's disclosure of *Distance travelled per accident* (Spar, 2017, p.3) which states that 3.1 million kilometres are travelled per accident, yet no further context or information is provided.

4.6.4 Completeness and consistency

The inclusion of disclosures that may put a retailer in a **negative** light, like *Inventory target performance* in the following example, provides a complete reporting picture. "Inventory targets were not met – greater levels of centralisation, new stores and investment buys at yearend increased the number of days stock-on-hand" (Pick n Pay, 2017, p.46).

Electricity management considered in relation to the cost of electricity creates win-win scenarios for multiple capitals. "Energy-saving initiatives contributed to well-managed electricity costs" (Pick n Pay, 2017, p.46). At the same time, this disclosure highlights an

inconsistency between Pick n Pay's perception of the trade-off between capitals as highlighted in section 4.6.2.

Spar intends to make **improvements in the completeness** of their disclosure "As BWG Group and SPAR Switzerland are further integrated into the group, the extent and depth of non-financial reporting will improve." (page before page 1). Similarly, Shoprite intends to improve its Natural Capital disclosures through short- and long-term goals (Figure 22). "We are in the process of broadening our strategic focus to include long-term complex, multidimensional and far-reaching external factors" (Shoprite, 2017, p.51).

Our short- and long-term goals include:

- Reporting more comprehensively on our carbon emissions.
- Expanding our carbon footprint reporting boundaries and scope.
- Setting science-based emission reduction targets.
- Contracting a third party to verify carbon emission data.
- Reducing carbon emission intensities.
- Appointing a dedicated sustainability manager.
- Establishing a committee, comprising internal resources and external subject matter experts, to identify climate change risks and opportunities over a six-year horizon.

Figure 22: Extract from Shoprite's IAR – Natural Capital goals (Shoprite, 2017, p.51)

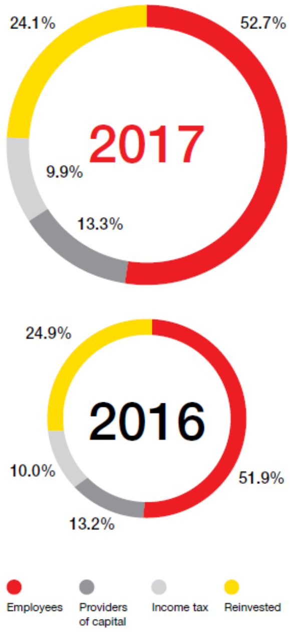
4.6.5 Conceptualisation of value-added

The sample retailers, apart from Woolworths, used strikingly similar methods to illustrate the value they add. (Figures 23, 24 and 25). In contrast, Woolworths conceptualised value creation in terms of various stakeholders as illustrated by Figure 26.

Value-added Statement

	52 weeks 2017 Rm	%	Restated 53 weeks 2016 Rm*	%
Sale of merchandise	141 000		130 028	
Investment income	415		285	
Cost of goods and services	(119 447)		(110 329)	
Value added	21 968	100.0	19 984	100.0
Employed as follows:				
Employees				
Salaries, wages and service benefits	11 563	52.7	10 356	51.9
Providers of capital	2 926	13.3	2 642	13.2
Finance costs to providers of funds	340	1.5	498	2.5
Dividends to providers of share capital	2 586	11.8	2 144	10.7
Income tax				
Income tax on profits made	2 180	9.9	1 998	10.0
Reinvested				
Reinvested in the Group to finance future expansion and growth	5 299	24.1	4 988	24.9
Depreciation and amortisation	2 457	11.2	2 288	11.4
Retained earnings	2 842	12.9	2 700	13.5
Employment of value added	21 968	100.0	19 984	100.0

* The 2016 figures have been restated for the change in accounting treatment of advertising rebates. Refer to note 12 of the summary consolidated financial statements for more detail.



14 Shoprite Holdings Ltd
Integrated Report 2017

Figure 23: Extract from Shoprite's IAR - Conceptualisation of value-added (Shoprite, 2017, p.15)

VALUE ADDED STATEMENT

	52 weeks 26 February 2017 Rm	%	52 weeks 28 February 2016 Rm	%
Turnover	77 486.1		72 445.1	
Amounts paid for merchandise and expenses	(67 731.7)		(63 787.8)	
Finance income	126.1		60.9	
Total value created	9 880.5	100.0	8 718.2	100.0
Distributed as follows:				
Employees				
Salaries, wages and other benefits	6 619.8	67.0	6 060.6	69.5
To providers of capital	1 317.5	13.3	832.7	9.6
Distributions to shareholders	753.5	7.6	589.5	6.8
Share purchases	345.4	3.5	126.2	1.4
Finance costs	218.6	2.2	117.0	1.4
Government				
Taxation expense	471.7	4.8	408.1	4.7
Retained for growth	1471.5	14.9	1416.8	16.2
Depreciation and amortisation	981.5	9.9	940.9	10.8
Profit for the period after distributions to shareholders	490.0	5.0	475.9	5.4
Total value distributed	9 880.5	100.0	8 718.2	100.0

WE HAVE CREATED FINANCIAL VALUE OF R9.9 BILLION (2016: R8.7 BILLION) DURING THE FINANCIAL PERIOD. THE VALUE ADDED STATEMENT ILLUSTRATES HOW WE HAVE DISTRIBUTED THIS VALUE TO OUR STAKEHOLDERS.

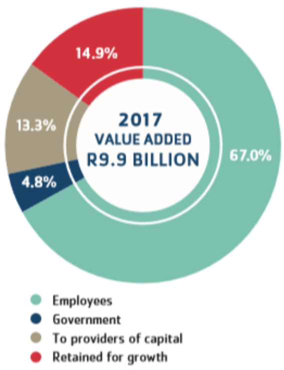


Figure 24: Extract from Pick n Pay's IAR - Conceptualisation of value-added (Pick n Pay, 2017, p.79)

VALUE ADDED STATEMENT

	2017			2016		
	Rmillion	% of revenue	%	Rmillion	% of revenue	%
Revenue	97 174			92 227		
Less:						
Net cost of product and services	89 807			85 721		
Value added	7 367			6 506		
Add:						
Income from investments and associates	114			103		
Wealth created	7 481	7.7	100.0	6 609	7.2	100.0
Applied to:						
Employees						
Salaries, wages and other benefits	4 180		55.9	3 422		51.8
Providers of capital	1 430		19.1	1 370		20.7
Interest on borrowings	178		2.4	217		3.3
Dividends to ordinary shareholders	1 252		16.7	1 153		17.4
Taxation	645		8.6	624		9.5
Replacement of assets	658		8.8	531		8.0
Retained in the group	568		7.6	662		10.0
Wealth distributed	7 481		100.0	6 609		100.0

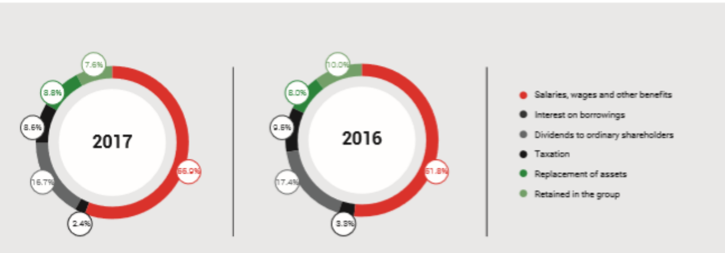


Figure 25: Extract from Spar's IAR - Conceptualisation of value-added (Spar, 2017, p.22)

18

VALUE CREATION FOR OUR STAKEHOLDERS

As a retail group, we contribute to the GDP growth of the countries in which we operate through our business of selling quality clothing, general merchandise, and food products to the middle- and upper-income consumer. In sourcing and selecting the most-wanted merchandise – both private label and external brands – we create opportunities for a number of supporting industries and agriculture, enabling them to grow and also contribute to and increase GDP.

CUSTOMERS	Customers are our largest stakeholder base and their purchases are the main source of the revenue that we earn	*We create value for our customers by:* • *Providing safe, reliable and responsibly sourced products* • *Enhancing their wellbeing and self-confidence through the clothing, footwear, and accessory products* • *Providing nourishing food options* • *Giving them access to responsible consumption* • *Providing them with opportunities to give back to their communities*
EMPLOYEES	It is through the dedication, talent, and knowledge of our employees in South Africa, Australia and New Zealand and rest of Africa that our business exists and creates value	*In return for their dedication, the Group creates value for our employees through:* • *Entitling them to fair and responsible remuneration* • *Creating additional employment as the Group grows* • *Recognising diversity, both gender and race, through equal work for equal pay* • *Providing an opportunity to continued training and upskilling, enabling a more specialised and knowledgeable workforce for the future*
SHAREHOLDERS	The Group is one of the top 40 listed companies on the JSE with a diverse shareholder base	*Our shareholders expect the Group to create value for them by:* • *Delivering a consistent return on their investment* • *Providing regular dividend income* • *Managing the business in a responsible manner to ensure sustainability for the short-, medium- and long-term* • *Practicing good corporate citizenship*
DEBT FUNDERS	Our debt funders are a major source of financial capital to the Group	*We create value for our debt funders through:* • *Ensuring the Group is adequately and appropriately funded to meet its financial obligations and business objectives* • *Actively managing liquidity, refinancing, interest rate, and counterparty risks* • *Regular interest payments*
SUPPLIERS	Our strong relationships with our supplier base are a key competitive advantage to the Group	*We create value through close integration and partnerships with our suppliers by:* • *Supporting fair and ethical sourcing of key commodities and products* • *Assisting suppliers to positively contribute towards the environment and communities in which they operate with various sustainability initiatives* • *Supporting small enterprise development suppliers by providing them with a regular source of income by sourcing products from them*
COMMUNITIES AND OTHER	With the Group's vision to be one of the world's most responsible retailers, the Group acknowledges that the community in which it operates is an important stakeholder grouping	*The Group creates value through:* • *Tax payments in the countries in which we operate* • *Enriching the lives of those less privileged members of the community, and specifically in South Africa, supporting the need to address the transformation of the previously disadvantaged* • *Actively managing the environmental footprint of all our direct and indirect business operations – specifically energy and water usage of our own business and those in the downstream supply chain*

For more information on the stakeholders of the Group see pages 26 and 27.

Figure 26: Extract from Woolworths' IAR - Conceptualisation of value-added (Woolworths, 2017, p.18)

4.6.6 Strategic focus and risk management

Through the Good Business Journey (GBJ) sustainability has become a core part of Woolworths' strategy and over ten years they have reported positive results for shareholders and other stakeholders (Figure 27). Their current strategic focus areas (Figure 28) considers various business units and capitals.

OUR GOOD BUSINESS JOURNEY – VALUE CREATION FOR OUR SHAREHOLDERS

We place great value on our Good Business Journey, the GBJ, to sustainably deliver real value for all our stakeholders. We celebrated 10 years of this journey during the year. The GBJ was launched in South Africa in 2007 to formalise the greater role that Woolies saw it should play in the world around us. We took a key decision to run our business in a way that added back to the community around us and to the environment that sustains that community.

This has been an enormously successful journey. It has helped us save hundreds of millions of rands of costs and driven greater value for shareholders, staff and suppliers. We have given some billions of rands of date-expired food to the underprivileged and are approaching half a billion rand of direct support for individual schools through our 'MySchool' programme. We have reduced our own electricity and water footprints by over 40% and have dramatically changed the ecological footprint of our Food business in South Africa. We have a strong proven track record in enterprise development and transformation.

This journey is now spreading to David Jones and Country Road Group. They are both reporting considerable positive impact on the communities around them. In each country in which we operate we are finding it easier to recruit top talent who increasingly wish to associate with companies for whom doing good is good business. Ian Moir talks of our vision to be one of the world's most responsible retailers. He and his team's dedication to sustainably create value for all shareholders remains the bedrock of this Group and further differentiates us from our competitors.

Figure 27: Extract from Woolworths' IAR – Good Business Journey (Woolworths, 2017, p.53)

STRATEGIC FOCUS AREAS

We measure our performance in more than just financial terms.
We have six strategic focuses that we drive at a Group level. Our long-term success depends on our ability to use our resources to implement the Group's strategy, achieving our targets for each strategic focus area and thereby creating value for all our stakeholders.

PERFORMANCE INDICATORS OF OUR STRATEGY AGAINST TARGETS

ACHIEVED ^ PARTIALLY ACHIEVED – MISSED v

		2017 WSA	2017 DJ	2017 CRG
CUSTOMER RELATIONSHIPS	Number of active customers*	3.3m ^	2.5m ^	2.1m ^
	% revenue tracked on loyalty cards	75% ^		83% ^
CONNECTED RETAIL	Growth in online sales	33.1% ^	21.9% ^	24.5% ^
	% online sales	0.7% ^	4.3% ^	15.5% ^
	Net new space	3.8% ^	(0.8%) ^	3.4% ^
LEADING FASHION RETAILER	Sales	R13.9bn v	A$2.2bn v	A$1.1bn v
	Comparable sales growth	(1.1%) v	(0.7%) v	(0.4%) v
	Gross profit margin	47.9% –	37.0% –	60.3% –
	Return on sales %	15.6% v	6.3% v	9.3% v
	Market share (12mma)**		Increased ^	Increased ^
	Customer perception on fashion and quality***	Improved ^	Improved ^	Improved ^
BIG FOOD BUSINESS	Sales	R27.7bn –		
	Comparable sales growth	4.6% –		
	Gross profit margin	25.1% ^		
	Return on sales %	7.3% ^		
	Market share (12mma)**	Increased ^		
	Customer perception on price***	Improved ^		
DRIVE SYNERGIES	Cost to sell %	22.7% ^	32.2% ^	51.4% ^
EMBED GBJ	% targets achieved on sustainability scorecard	85.0% ^	87.0% ^	65.0% v

Figure 28: Extract from Woolworths' IAR - Strategic focus (Woolworths, 2017, p.39)

Pick n Pay is focused on Stage 2 of its strategic plan which is organized around seven business acceleration pillars (Figure 29), which overlaps in some areas with Shoprite's strategic focus (Figure 30).

STAGE 2 CHANGE THE **TRAJECTORY**

Stage 2 is organised around seven business acceleration pillars. These pillars represent the seven material growth opportunities for the Group to create value over the short, medium and long term. The pillars consider the material needs and concerns of our stakeholders, as well as the risks facing the business, and are underpinned by our commitment to always do good in the communities we serve.

The pillars provide the senior management team with clear priorities, objectives and lines of accountability. Since 2015, the Group has consistently communicated its financial and operational performance against these pillars, providing stakeholders with a consistent and transparent score-card of progress.

BUSINESS ACCELERATION PILLARS		THE OPPORTUNITY TO CREATE VALUE
1	BETTER FOR CUSTOMERS	LOW PRICES AND EFFECTIVE PROMOTIONS, QUALITY FRESH PRODUCE AND MEAT, COMPELLING RANGES, CONSISTENT AVAILABILITY, GREAT CUSTOMER SERVICE AND INNOVATION THROUGHOUT THE OFFER
2	A FLEXIBLE AND WINNING ESTATE	STRONG NEW SPACE AND REFURBISHMENT PROGRAMME, LEVERAGING AN IMPROVED OPERATING MODEL TO IMPROVE SPACE, RANGE AND AVAILABILITY AT LOWER COST. GREATER FLEXIBILITY IN THE SIZE, FORMAT AND LOCATION OF STORES TO TAKE ADVANTAGE OF CUSTOMER CHANGES, INCLUDING THE GROWING DEMAND FOR CONVENIENCE
3	EFFICIENT AND EFFECTIVE OPERATIONS	UNLOCK SAVINGS IN OPERATING COSTS AND EFFICIENCIES IN STORES AND HEAD OFFICE FUNCTIONS, ENSURING THAT ALL COSTS ARE DEVOTED TO IMPROVING VALUE AND SERVICE FOR CUSTOMERS
4	EVERY PRODUCT, EVERY DAY	EFFICIENT, COST-EFFECTIVE AND RELIABLE SUPPLY CHAIN – WITH A GOAL THAT EVERY PRODUCT SHOULD BE DELIVERED EVERY DAY TO STORES
5	A WINNING TEAM	THE RIGHT SKILLS AND THE RIGHT PEOPLE THROUGHOUT THE ORGANISATION
6	BOXER – A NATIONAL BRAND	A NATIONAL BRAND SECURING VALUE LEADERSHIP AS SOUTH AFRICA'S BEST LIMITED RANGE DISCOUNTER
7	REST OF AFRICA – SECOND ENGINE OF GROWTH	EXTENDING OUR CUSTOMER OFFER TO MARKETS OUTSIDE SOUTH AFRICA

Figure 29: Extract from Pick n Pay's IAR - Strategic focus (Pick n Pay, 2017, p.42)

Strategic focus areas

Shoprite's strategic intent is to continue to strengthen and extend its leadership position as the foremost FMCG retail operation on the African continent. The Company intends to do this by unstintingly focusing on the delivery of low prices and a world-class shopping environment in every region it enters. The Company is confident that the unique aspects of its chosen business model, as well as the strategies implemented to exploit key drivers of growth, will continue to deliver sustainable value creation for all stakeholders for the next 40 years. The growth vectors are spread across various dimensions, ensuring that there are multiple opportunities to be seized.

Figure 30: Extract from Shoprite's IAR - Strategic Focus (Shoprite, 2017, p.26)

Spar has made a strong link between its strategic imperatives (Figure 31) and its risk management (Figure 34).

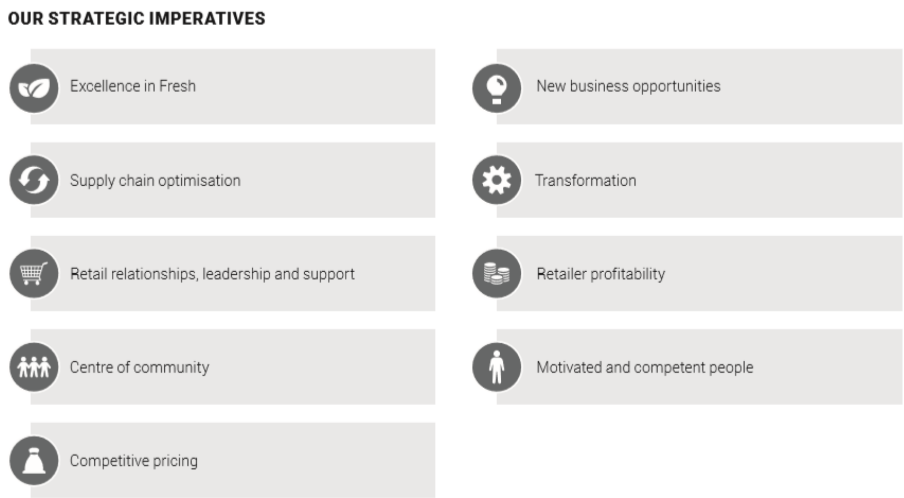


Figure 31: Extract from Spar's IAR – Strategic Imperatives (Spar, 2017, p.24)

Retailers paid significant attention to the risks they face, their response to these risks and their influence on strategy. Some retailers, namely Pick n Pay and Woolworths, considered these risks in relation to materiality (Figures 32, 33 and 34).

MATERIAL ISSUE **CONSUMER ENVIRONMENT**

THE SOUTH AFRICAN ECONOMIC ENVIRONMENT HAS BEEN CHALLENGING OVER RECENT YEARS, WITH CONSUMERS BATTLING HIGHER LEVELS OF UNEMPLOYMENT, TOGETHER WITH THE INCREASING COST OF FOOD, TRANSPORT, UTILITIES AND HOUSEHOLD DEBT. CONSUMER CONFIDENCE IS LOW, AND CUSTOMERS ARE SPENDING MORE PRUDENTLY.

MATERIAL RISKS

- Worsening macro and socio-economic conditions that could further constrain consumer spending
- Persistently high food inflation and ongoing pressure on sales volumes
- Negative customer perception around price and value
- We don't stock what our customers need

OPPORTUNITIES AND RISK MANAGEMENT

- Pick n Pay is the most inclusive retailer in South Africa, well positioned to meet the changing needs of all consumers
- Greater operational efficiency is driving meaningful price investment
- Our scale, history and supplier relationships enables effective price negotiation on behalf of customers
- Smart Shopper is providing more value than ever before
- Brand Match gives customers confidence in our pricing across 2 000 branded products
- Growing private label offer – providing more trusted value
- 95% of our offer is local – reducing the impact of a weaker rand on the value chain
- Boxer is providing the most competitive prices on staple commodities to customers who need it the most

CAPITALS

FINANCIAL CAPITAL
MANUFACTURED CAPITAL
SOCIAL AND RELATIONSHIP CAPITAL
INTELLECTUAL CAPITAL

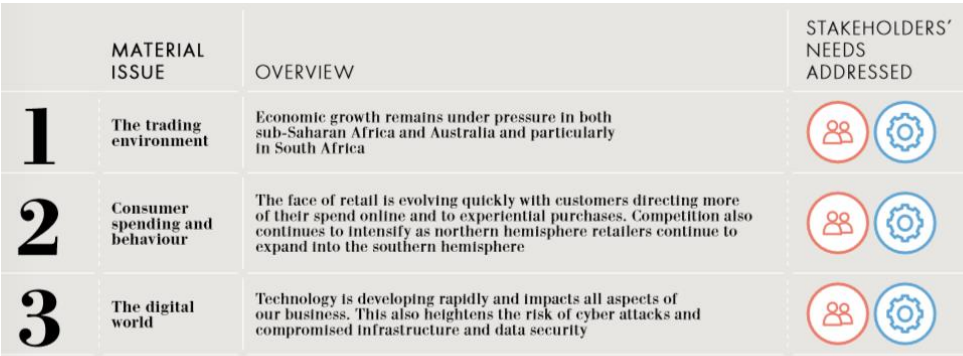
STAKEHOLDERS

CUSTOMERS
COMMUNITY
SUPPLIERS
SHAREHOLDERS

STRATEGIC BUSINESS ACCELERATION PILLARS

1 BETTER FOR CUSTOMERS
3 EFFICIENT AND EFFECTIVE OPERATIONS
4 EVERY PRODUCT, EVERY DAY
6 BOXER – A NATIONAL BRAND

Figure 32: Extract from Pick n Pay's IAR - Risk management (Pick n Pay, 2017, p.32)



	MATERIAL ISSUE	OVERVIEW	STAKEHOLDERS' NEEDS ADDRESSED
1	The trading environment	Economic growth remains under pressure in both sub-Saharan Africa and Australia and particularly in South Africa	
2	Consumer spending and behaviour	The face of retail is evolving quickly with customers directing more of their spend online and to experiential purchases. Competition also continues to intensify as northern hemisphere retailers continue to expand into the southern hemisphere	
3	The digital world	Technology is developing rapidly and impacts all aspects of our business. This also heightens the risk of cyber attacks and compromised infrastructure and data security	

Figure 33: Extract from Woolworths' IAR - Risk management (Woolworths, 2017, p.29)

RANKED RISK DESCRIPTION AND TREND	MITIGATING ACTIONS	RELATED STRATEGIC IMPERATIVE
Loss of retailers and retail stores to competitors	• Continuously work on and improve retailer relationships to ensure loyalty • Analyse each retailer's specialist support needs • Improve retailer selection and track performance	Retailer profitability Retail relationships, leadership and support Centre of community New business opportunities Competitive pricing

Figure 34: Extract from Spar's IAR - Risk management (Spar, 2017, p.26)

5 Discussion

This study has produced some novel findings when considered in relation to previous research in the field of Integrated Reporting and indicator disclosure as summarised in Chapter 2. This chapter will discuss and meet the objectives of this study by reflecting on the results found in the preceding Chapter in light of previous research.

5.1 Commonalities and differences

Firstly, several commonalities and differences between the sample IARs were found. These findings will be discussed in terms of Report Composition, Governance and Remuneration disclosures and Indicator disclosure.

5.1.1 Report composition

The structure of the sample IARs for this study varied greatly, particularly in length and the number of pages dedicated to different sections of each report (see Section 4.2). Woolworths, for example, did not include large sections of ‘Financial Statements and Summaries’ as the other retailers did. Only 1% of Woolworths’ IAR was categorised as ‘Financial Statements and Summaries’. In contrast, 29% of Spar’s IAR, consisted of ‘Financial Statements and Summaries’. The providers of financial capital, as the main audience of IARs according to the IIRC (IIRC, 2013b), may have influenced some report preparers to include information from financial statements.

Furthermore, all retailers dedicated a large portion of their IAR to ‘Governance and Remuneration’. This may be due to the pervasive application of King III/IV by all retailers. Woolworths, with the highest percentage of their report dedicated to ‘Non-sample unit’ pages, had an aesthetically appealing report representative of their brand. Pick n Pay and Shoprite also made good use of the visuals but incorporated most of their aesthetic elements throughout the report, along with other information as opposed to using dedicated picture pages. These findings are in line with research by Davis and Searcy (2010), which found that Canadian corporate sustainable development reports, also made us a wide variety of report structures, potentially due to the lack of standards or expectations of what such a report should consist of.

5.1.2 Governance and Remuneration disclosures

Limited Governance and Remuneration disclosures were made across all four retailers, yet comparatively high levels of disclosure were made by two or three retailers, leaving room for comparison (see Section 4.3). High levels of Governance and Remuneration indicators only disclosed (i.e. used) by one retailer still points to great variation between retailers' reporting practice regardless of the use of the same frameworks, specifically the IIRC framework and King III/IV.

5.1.3 Indicator disclosures

The following themes in indicator disclosure within the retail sector can be deduced from the quantitative as well as qualitative results of this study.

Low levels of comparable indicator disclosures exist across all four retailers

A total of 24 indicators were disclosed by all four retailers (Financial Capital 13, Human Capital 2, Intellectual Capital 1, Manufactured Capital 4 and Social and Relationship Capital 4) (see Figure 8). No comparison between retailers based on Natural Capital indicator disclosure can be made since no indicator was disclosed by all four retailers (see Section 4.4). Previous research, focused on the apparel industry, also found a lack of consistency in the indicators disclosed (Kozlowski, Searcy and Bardecki, 2015).

Meaningful comparison between retailers based on comparable indicators may therefore not be possible at this stage of Integrated Reporting development. The IIRC framework guiding principle of consistency and comparability, which aims to enable comparison between organisations, remains difficult to implement within a sector (IIRC, 2013b). The low level of comparable indicator disclosure may be due to a trend of decreased information disclosure in IARs, as noted by du Toit, van Zyl and Schütte (2017), in their study of the information companies reported on over a three year period. These findings, highlighting the lack of comparability within the retail sector in South Africa, supports the notion that researchers and other stakeholders may find difficulties in assessing compliance, assurance and in regulation related to the IIRC framework (De Villiers, Venter and Hsiao, 2017).

High levels single retailer indicator disclosure

Most indicators were disclosed by only one retailer (see Section 4.4, Figure 8). This may be attributed to differences in what retailers consider to be material to their business since materiality will differ from one organisation to the next (IIRC, 2013b). These findings, indicating a low repetition rate of indicators across an industry, are consistent with research done by Roca and Searcy (2012), which points to a lack of reporting standards in the retail and food sector.

Incorporation of all the capitals

The number of indicators disclosed being spread across all capitals show that the retail industry has been able to incorporate all six capitals in their reporting practice (see Section 4.4). The presence of indicator disclosures related to all six capitals indicates retailers' awareness or knowledge of these concepts (Krippendorff, 2013). Roca and Searcy (2012), in a study of 94 Canadian reports also found indicators related to the environmental, economic and social dimensions of sustainability widely disclosed, whilst Haffar and Searcy (2018) found that companies use various different indicators to report on different areas within an organisation.

When considering combined indicator disclosures however, it becomes clear that Financial Capital indicators received more consideration, and Natural Capital indicators were neglected. The frequency of indicator disclosure indicates the importance or emphasis that retailers wish to place on a given capital (Krippendorff, 2013). These results may be due to the fact that Financial Capital is easily measured in comparison to other capitals or due to the familiarity report preparers have with Financial Capital indicators.

Previous research of Woolworths by Dos Santos, Svensson and Padin (2013), highlighted the significant role indicators play in the evaluation and implementation of various sustainable business practices, with positive outcomes. This study found that Woolworths has continued their use of indicators and highlights how their IAR disclosure practices, particularly the inclusion of all six capitals, are similar to other South African retailers, like Pick n Pay and Shoprite. The extent of retailers' disclosures within each capital category does however, differ (see Section 4.5).

High frequency of disclosures related to some indicators

Certain indicators were disclosed with high frequency. Financial Capital indicators, like *Turnover performance (Disaggregated)* and *Turnover (Aggregated)*, were used repeatedly (see Section 4.4.1). Repetition of specific indicators was often due to the same information being disclosed in another part of a report or due to the disaggregation of indicators. These results concur with findings from (Solomon and Maroun, 2012) that conclude that some social, environmental and ethical items within IARs are repeated whilst others are left out.

It could also be argued that retailers make use of Key performance indicators (KPIs), since they allow for better decision-making, planning and performance management, particularly related to the environmental and social aspects sustainability (Adams and Frost, 2008), yet high repetition rates of some capitals and not of others indicate an imbalance. When the indicators disclosed are considered against the combined number of indicator disclosures, high repetition rates show that some indicators were used excessively in the sample IARs, consistent with findings by Solomon and Maroun (2012). Manufactured Capital was the highest with each indicator used on average 6 times, whilst Financial Capital and Manufactured Capital indicators were used 5 times. This is much higher than Natural Capital indicators, used twice on average.

Disaggregation

All retailers made use of disaggregation to break down company indicators to a country, business segment or any other level a retailer might find relevant (see Section 4.5). Often retailers disclosed indicators without specifying whether it was aggregated or not. The disaggregation of indicators creates the impression that a lot of information is being disclosed, but without context and elaboration, these indicators fail to make a meaningful contribution to the report.

The differences between retailers' business models and the way in which they decide to disaggregate indicators makes comparisons between retailers problematic. As a result, IARs have to be read and conclusions drawn independent of each other since the business model, countries of operation, business segments etc. differ for each retailer. Retailers are aware of the lack of comparability within the industry. Shoprite, for example, disclosed that they are part of the carbon disclosure project, but acknowledge that industry comparison in carbon emissions data is not possible, citing the differences in business models and the "lack of sector-specific guidelines for carbon emission reporting" as the major sources of lack of comparability (Shoprite, 2017, p.51).

Low levels of negative or unfavourable indicator disclosure

Indicators disclosed may put retailers in a positive or negative light depending on their performance (see Figure 9). Review of the indicators disclosed, as they were captured from the sample retailer's IARs, reveal that the majority of indicators disclosed and the corporate image they convey put retailers in a positive light. The low levels of indicators that may put retailers in a negative light is thus worth discussing, since it points to the possibility of misleading performance information disclosure (Haffar and Searcy, 2018). Pick n Pay illustrates this point well. The first and only time Pick n Pay disclosed voluntary lay-offs was in their CEO message. This disclosure would surely be considered material, especially since it is described in relation to various other capitals, yet it is only disclosed once and briefly discussed.

The low levels of negative or unfavourable indicator disclosure may be attributed to the importance integrated reporting places on communication, organisational sustainability and the providers of financial capital as opposed to social and environmental reporting frameworks that place greater importance on accountability, social sustainability and other shareholders (Tweedie and Martinov-Bennie, 2015). Retailers' current disclosures could, therefore, support the idea that reporting remains self-laudatory and selective (Hahn and Kühnen, 2013).

Haji and Anifowose (2016) did, however, find that IARs increasingly contain negative or unfavourable disclosures in South Africa in comparison to conventional reporting norms. While negative indicator disclosure exists within the sample IARs, it is unclear whether these disclosures are sufficient to provide a true reflection of material issues.

Insufficient disclosure indicators that are easily measurable

The low level of Natural Capital indicator disclosures (see Section 4.4.5) in the sample IARs stands in contrast to research on common sustainability indicators that found that environmental indicators made up nearly half of indicators in normative frameworks, management systems, guidelines and rating systems (Rahdari and Rostamy, 2015). Even the disclosure of sustainability indicators that are not highly complicated to collect and have an internal focus (for example energy, water and waste, see Figure 2) (Keeble, Topiol and Berkeley, 2002) seem to be scarce in the sample IARs. This may be due to the fact that significant uncertainty still exists with regards to the amount of reporting a company is required to do (Du Toit, van Zyl and Schütte, 2017), or because significant internal changes would be required, at high cost, for a company to satisfy the report content requirements (Steyn, 2014).

Lack of consistency in terminology

The terminology used across all four sample IARs, even though they were referring to the same capital and concept, was inconsistent. This supports findings by Roca and Searcy (2012) that found that the exact names of indicators disclosed in sustainability reports varied.

Frequent disclosure of an indicator retailers highlights trends within an industry

Within the retail industry, certain trends have emerged (See Appendix 3).

- Financial Capital indicators are focused on turnover related disclosures.
- Retailers are focused on the number of employees they have as well as the training they receive, which could also be seen as Human Capital development.
- Brand reputation, particularly the development of private label brand is important to each retailer and is often seen as an opportunity for growth.
- Retailers are focused on the number of stores they have, but there is exists a strong trend of expanding distribution centre capacity as well in order to centralise distribution operations thereby increasing efficiency and decreasing cost.
- There is also an emphasis on the development of companywide merchandise systems.
- Retailers are aware of the impact of their merchandise as well as their waste.
- Supplier development in South Africa, as well as expansion into other markets, are high priorities within the retail industry.
- Retailers are focused on price and employ various strategies to keep prices low for consumers.

5.2 Integrated thinking

Although the scope of this study does not include an evaluation of the application of the IIRC's guiding principles, these principles help to structure the following discussion of integrated thinking. The guiding principles are; a strategic focus and future orientation, connectivity of information, stakeholder relationships, materiality, conciseness, reliability and completeness as well as consistency and comparability (IIRC, 2013b). These principles will be considered in this discussion as well as the IIRC's definition of integrated thinking as "the active consideration by an organisation of the relationships between its various operating and functional units and the capitals that the organisation uses or effects." (IIRC), 2013b, p.33).

5.2.1 Connectivity of capitals and trade-offs

Retailers have, to some extents, considered their use of and impact on all six capitals across the value chain, making disclosures related to partnerships with growers and supplier, disclosures related to their operations and finally disclosures involving consumers and the post-consumer impact of products they sell, to name just a few (see 4.4.6). Whether or not retailers have an adequate understanding of the relationship between capitals, however, remains unclear. Pick n Pay illustrates this point well, by viewing the relationship between Financial Capital and Natural Capital related to energy efficiency as a trade-off (Figure 12) and then by listing it as a cost-saving initiative (Pick n Pay, 2017, p.64). This concurs with Dumay and Dai (2017), who finds that the measurement of capitals and the trade-offs between them remain unclear in practice.

The difference between high Financial, Social and Relationship and Manufactured Capital indicator disclosures and lower disclosures of other capitals, particularly Natural Capital, is in contrast with Roca and Searcy's (2012) findings in which environmental indicators, disclosed in the retail and food sector, were higher than economic and social disclosures in corporate sustainability reports in Canada. This highlights a clear difference between disclosures in IARs and corporate sustainability reports.

5.2.2 Multiple stakeholder consideration

This study found a high level of Social and Relationship Capital integration as well as multiple stakeholder consideration among retailers. Retailers not only placed importance on the providers of financial capital, but they also considered a wide variety of other stakeholders (see Figures 14, 15 and 16). This corresponds with research by Steyn (2014), which found that listed South African companies value the integrated reporting process for the effect it has on stakeholder engagement and their relationship with stakeholders as well as the legitimising effect it has on their corporate reputation. The IIRC may explicitly define the providers of capital as the main audience of IARs (IIRC, 2013b), but these findings in practice indicate that the audience, from retailers' perspective, is a more complex stakeholder group.

5.2.3 Contextualisation

The results show that retailers have an appreciation for the context in which they operate to some extent. The context they reported on was generally limited to the financial or economic context as well as the social context in which they operate (see Section 4.6.3). Retailers, particularly in their Chairman's reports, displayed a great sense of responsibility towards society (see Figures 20 and 21). Retailers have attempted to come to grips with the complex environmental context in which they operate, thus far they have not been able to gain a holistic overview of their operational context.

Retailers appreciation of context also did not extend to the indicators they used, since the overwhelming majority of indicators disclosed were self-referential. Retailers used CPI food inflation, for example, to relate their disclosure to their operating context, but these examples are limited. Haffar and Searcy (2018, p.510) highlight the need for context-based indicators and the limited use of self-referential reporting stating that "the lack of context prevents a true and meaningful assessment of the sustainability of these companies, as well as their contribution to the larger trend of environmental degradation".

5.2.4 Completeness and consistency

The contrast between high Financial Capital disclosures and low Natural Capital disclosures and the differences in disclosures across retailers brings into question the completeness of the information disclosed in the sample IARs (see Section 4.4). Moreover, the inconsistency in indicator disclosures, as well as retailers' intention to improve the completeness and quality of their disclosures (see Section 4.6.4), indicate that the information disclosed in the sample IARs is not yet complete.

It is therefore debatable whether the sample IARs fulfil their intended purpose as retailers' **primary** reporting vehicle as envisioned by the IIRC (IIRC, 2011). Based on their analysis of different forms of reporting, de Villiers and Sharma (2018, p.1) speculate that integrated reporting "is unlikely to subsume traditional financial statement reporting, nor will it be able to provide all the information currently reported in GRI-type reports." IAR should contain sufficient information from different reporting strands, to provide the audience of the report with an overview of all the material factors that influence the value creation process (IIRC, 2013b). From the results provided in Chapter 4, it may be possible that IARs provide sufficient Financial Capital disclosures, but whether they contain a balanced view of the other capitals, to the extent that separate reports would have, is arguable.

In analysing IARs, it is important to remember that the absence of an element of the IIRC framework or the lack of specific information, does not mean that the element or information is absent within the company, simply that it has not been reported (De Villiers, Rinaldi and Unerman, 2014). It is also worth considering that IARs, and the indicators they contain, do not constitute the full breadth and depth of a company's reporting practice since retailers generally have additional management commentary, financial statements, governance and remuneration and sustainability reports (IIRC, 2011). It is therefore beyond the scope of this study to determine the completeness of the sample IARs since these reports were not considered in relation to all the information retailers disclosed, nor would these disclosures necessarily be representative of the true state of affairs.

5.2.5 Conceptualisation of value-added

It is interesting to note the similarities in retailers' disclosure of value-added, particularly Pick n Pay, Shoprite and Spar (see Figures 23, 24 and 25). These three retailers essentially define value-added as the financial value they created and how it is distributed to different stakeholders. Woolworths, on the other hand, did not focus on financial value, rather they focused on the value created for different stakeholder in various forms (see Figure 26). As discussed in Chapter 2, value creation and its relationship to integrated thinking remains vaguely defined (Dumay et al., 2017), yet it is worth repeating former Secretary-General of the UN, Ban Ki-Moon's message that business leaders should not only create value in financial terms but in social, environmental and ethical terms as well, through the quadruple bottom line (Ban, 2012).

When viewed through this lens it is difficult to imagine Pick n Pay, Shoprite and Spar's current conceptualisation of 'value-added' as comprehensive. Then again, as Flower (2015) warned, this may be a result of retailers' conceptualisation of value as 'value for investors' as defined by the IIRC. In contrast to the IIRC's conceptualisation of value, the principle of shared value may be adopted by retailers in the process of adding value. Accordingly, placing shared value at the center of a business, creates economic value whilst creating value for society. In practice this involves addressing societal needs and challenges (Porter and Kramar, 2011). To some extent retailers have started to consider the creation of value for society but it is not yet part of their core. *Supplier development programs* serve as an example of this. The exception may be Woolworths, since they have expanded their conceptualisation of value-added considerably.

5.2.6 Strategic focus and risk management

Through the process of integrated reporting, the sample retailers seem to have made connections between strategy, risk and opportunity (Figures 27 and 28). This may serve as evidence of integrated thinking as determined by Moolman, Oberholzer and Steyn (2016) in their study of JSE-listed companies. While not all retailers' strategic focus included all six capitals, all retailers considered the relationships between various operating and functional units to some extent. It could, therefore, be reasoned that all four retailers applied integrated thinking.

Evidence of integrated thinking can also be seen in practices including "boards and senior managers who are actively committed to integrated reporting, the establishment of cross-organizational teams, greater sensitivity to key types of non-financial capitals and closer links between non-financial capitals and organizational strategy" (Feng, Cummings and Tweedie, 2017, p.346). All four retailers' boards were committed to integrated reporting as evidenced by their support in producing the IARs. To determine to what extent, they have actively committed remains beyond the scope of this study. Woolworths, in particular, stood out as a retailer attempting integrated thinking and integrated reporting through their Good Business Journey (see Section 4.6.7), which included the practices listed above.

5.3 Integrated Reporting recommendations

In order to make practical recommendations, the distinction is made between recommendations relevant to the reporting process, in which integrated thinking is applied and the actual integrated report.

5.3.1 Integrated Reporting process recommendations

- Integrated Reporting, as a process founded in integrated thinking, should be focused on understanding value creation, with an integrated report periodically serving as a medium of communication (IIRC, 2013a). Retailers should therefore primarily view Integrated Reporting as a means to build an internal understanding of their sustainability practices through integrated thinking.
- Integrated thinking also needs to be part of a retailer's strategic planning process. This could be achieved by recognising the strategic relevance of non-financial issues (McNally, Cerbone and Maroun, 2017).
- All capitals that are material to an issue have to be given consideration in decision making. Where relevant quantitative indicators should be used to support decision making. Unfortunately, systems within a company are not always compatible with an integrated approach and data analysis is often difficult (McNally, Cerbone and Maroun, 2017). In order for these indicators to be available when issues occur, management needs to analyse current indicators sources in various operational and functional units and develop these sources or systems if necessary.
- Communication within the industry should be part of a retailer's disclosure process. Retailers need to communicate with each other as each other's stakeholders and develop a system to share information related to sustainability. The Sustainable Apparel Coalition (SAC) is an example of how an industry can collectively act on sustainability. The SAC is an initiative that focuses on apparel retailers and their supply chain, aiming to help apparel retailers become more environmentally and socially responsible (SAC, 2019). Since the overwhelming majority of goods sold by South African retailers are sourced locally,

significant opportunities exist to develop sustainable supply chains in the South African retail sector.

- Where issues arise in the use of the IIRC framework, retailers must engage with the IIRC to provide feedback with regards to the practical application of the framework. The current version of the IIRC framework may or may not be a suitable tool to guide the integrated reporting process (Conradie and De Jongh, 2017) and as such retailers should be part of the development of not only the IIRC framework but integrated reporting and thinking as concepts. Just as academic have been called to help develop integrated reporting (Adams, 2015), report preparers also have a meaningful contribution to make.

5.3.2 Integrated Report recommendations

- Ensure consistency in the terminology used to refer to an indicator throughout the IAR.
- Ensure that the disaggregation of indicators is done in a consistent way that allows for aggregation to company level. For example, ensure that the employees disclosed per business segment/ country of operation etc. adds up to the total employees within the organisation.
- Include a balance of positive and negative disclosures providing a true reflection of the state of affairs within the company, avoiding disclosures that are self-laudatory and selective (Hahn and Kühnen, 2013).
- Seek assurance of the social, environmental and ethical information in the IAR. The area of report assurance is growing (Solomon and Maroun, 2012), and offers retailers the opportunity to increase the reliability of their IAR.
- Include context-based indicators, avoiding the use of only self-referential indicators. Companies need to "integrate the principle of 'sustainability context' into their reports, so as to present more meaningful and contextual performance data to their stakeholders" (Haffar and Searcy, 2018, p.510).
- Set measurable sustainability performance targets and link them to specific performance indicators (McNally, Cerbone and Maroun, 2017). Measure and report performance across all capitals annually, through consistent indicator disclosure. Ensure that indicators disclosed provide an accurate representation of the current reporting year, ensuring

connectivity of information, reliability and completeness as well as consistency and comparability (IIRC, 2013b) in the long term.

6 Conclusion

This research attempted to help fill the gap in research related to integrated reporting in practice, with a particular focus on the indicators retailers disclose within the retail industry. A literature review of related concepts brought to light the lack of empirical research relevant to Integrated Reporting, integrated thinking and the use of indicators in reporting. As a result, this research contributes to how these concepts are understood in theory through research of how they are applied in practice.

The first objective of this study, to identify the different six capital and governance indicators retailers report on and analyse the commonalities and differences between them, provided the following insights. In terms of report composition, noteworthy differences were found in report length and the sections retailers devoted more or less of their report to. Governance and Remuneration indicator disclosure did not allow for broad comparison among all four retailers, although comparison between two or three retailers is possible. High levels of single indicator disclosure still point to variation in the Governance and Remuneration disclosure practices of the sample retailers.

Indicator disclosure commonalities and differences provided new and confirming findings in comparison to prior research. Firstly, few indicators were disclosed by all retailers, whilst many were only disclosed by one retailer. Secondly, although all retailers made disclosures related to all six capitals, some indicators were disclosed excessively. Insufficient disclosure of indicators that are easily measurable and low levels of negative or unfavourable indicator disclosure also became apparent in this study.

Furthermore, this research brought to light the influence that the aggregation and disaggregation of indicators has on the comparability of indicators disclosed, as well as the lack of consistency in the terminology used in the sample IARs. Finally, several trends were identified in the South African retail industry based on indicator disclosure.

Reaching the second objective of this study, to identify and assess evidence of integrated thinking in their IARs, was particularly challenging due to the limited development of integrated thinking in theory to guide the study. This research identified six themes related to integrated thinking in the sample IARs. These include retailers showing an understanding, albeit limited, of the connection between capitals. Retailers also expressed consideration for multiple stakeholders in their IARs as well as an appreciation for the context in which they operate, although this appreciation has yet to translate to context-based indicator disclosure. Questions with regards to how retailers apply integrated thinking do however still exist in terms of completeness and consistency of information disclosed in their IARs and their conceptualisation of value-added. Finally, varying interpretations of sustainability as part of retailers' strategic focus and risk management was found.

Lastly, the third objective of the study was reached by making recommendations that may be used for optimal retail sector reporting. These recommendations relate to the Integrated Reporting process as well as recommendations related to the integrated report itself. These recommendations include viewing the integrated reporting as a means to build an internal understanding of their sustainability practices, including integrated thinking as part of their strategic planning process, considering all capitals in decision making, communicating with others in the retail industry and engaging with the IIRC on integrated reporting issues that may arise.

In terms of the IAR itself, it is recommended that retailers ensure consistency in the terminology used and that the disaggregation of indicators is done in a consistent way that allows for aggregation to company level. Retailers should include a balance of positive and negative disclosures as well as context-based indicators and seek assurance of the social, environmental and ethical information in their IARs. Finally, retailers need to set measurable sustainability performance targets and link them to specific performance indicators.

Although this study provided novel findings, they should not be read without acknowledging the inherent limitations of the research methodology. The identification and categorisation of an indicator was largely based on the researcher's own judgement in the content analysis process (Bryman and Bell, 2015) and can be highlighted as the main limitation of this research. The inclusion of Spar's 'Abridged Integrated Report' also limits these findings and does not provide a holistic view of this retailer's disclosures. Another limitation of this study is the exclusion of ‘Financial Statements and Summaries’ as well as ‘Governance and Remuneration’ pages from the six-capital indicator disclosure analysis of this study. These results should, therefore, be interpreted as a conservative estimate with regards to Financial Capital indicators.

Future research related to indicator disclosure within IARs could explore other industries to shed light on the different disclosure practices among different industries. Alternatively, a longitudinal study of the retail industry could highlight the development of indicator disclosure practices within the industry. Lastly, research focused on how stakeholders perceive or use indicators disclosed in IAR could be enlightening.

In conclusion, the field of integrated reporting, integrated thinking and indicator disclosure provides ample opportunities for researchers and industry practitioners to contemplate the role of business in society and how this role could be fulfilled sustainably. As Gallopín (1996, p.115), rightly states, “the responsibility of the scientific community does not end with the production of indicators, but it includes helping convey the implications, weakness and appropriate uses of the indicators generated to the users of indicators”. In the same vein, it may be said that companies’ responsibility does not end with the production of indicators, nor with reporting indicators. Companies have a responsibility to understand the implications of their indicator disclosure and to act in order to improve their impacts.

7 References

Adams, C.A., 2015. The International Integrated Reporting Council: A call to action. *Critical Perspectives on Accounting*, 27, pp.23–28.

Adams, C.A. and Frost, G.R., 2008. Integrating sustainability reporting into management practices. *Accounting Forum*, 32(4), pp.288–302.

Aktas, R., Kayalidere, K. and Kargin, M., 2013. Corporate Sustainability Reporting and Analysis of Sustainability Reports in Turkey. *International Journal of Economics and Finance*, [online] 5(3). Available at: <http://www.ccsenet.org/journal/index.php/ijef/article/view/25044> [Accessed 20 May 2018].

Ban, K.-M., 2012. *With Power to Create, Innovate, 'Business Can Spur Revolution in Sustainability', Secretary-General Tells World Business Council for Sustainable Development | Meetings Coverage and Press Releases*. [online] Available at: <https://www.un.org/press/en/2012/sgsm14612.doc.htm> [Accessed 18 Mar. 2019].

Barney, J., 1991. Firm resources and sustained competitive advantage. *Journal of Management*, 17(1), pp.99–120.

Bjørn, A., Bey, N., Georg, S., Røpke, I. and Hauschild, M.Z., 2017. Is Earth recognized as a finite system in corporate responsibility reporting? *Journal of Cleaner Production*, 163, pp.106–117.

Brundtland, G.H., Khalid, M. and Agnelli, S., 1987. *Our common future*. New York.

Bryman, A. and Bell, E., 2015. *Business Research Methods*. 4th ed. Oxford University Press.

Cheng, M., Green, W., Conradie, P., Konishi, N. and Romi, A., 2014. The International Integrated Reporting Framework: Key Issues and Future Research Opportunities. *Journal of International Financial Management & Accounting*, 25(1), pp.90–119.

Conradie, P. and De Jongh, D., 2017. Realising the vision of Integrated Reporting: A critical viewpoint. *Journal of Economic and Financial Sciences*, 10(2), pp.292–312.

Dahl, A.L., 2012. Achievements and gaps in indicators for sustainability. *Ecological Indicators*, 17, pp.14–19.

Davis, G. and Searcy, C., 2010. A review of Canadian corporate sustainable development reports. *Journal of Global Responsibility*, 1(2), pp.316–329.

De Villiers, C., Rinaldi, L. and Unerman, J., 2014. Integrated Reporting: Insights, gaps and an agenda for future research. *Accounting, Auditing & Accountability Journal*, 27(7), pp.1042–1067.

De Villiers, C. and Sharma, U., 2018. A critical reflection on the future of financial, intellectual capital, sustainability and integrated reporting. *Critical Perspectives on Accounting*. [online] Available at: <https://linkinghub.elsevier.com/retrieve/pii/S1045235417300606> [Accessed 25 Mar. 2019].

De Villiers, C., Venter, E.R. and Hsiao, P.-C.K., 2017. Integrated reporting: background, measurement issues, approaches and an agenda for future research. *Accounting & Finance*, 57(4), pp.937–959.

Deloitte, 2018. *Global Powers of Retailing 2018*. [online] Deloitte, p.48. Available at: <https://www2.deloitte.com/global/en/pages/consumer-business/articles/global-powers-of-retailing.html> [Accessed 16 Jun. 2018].

Department of Environmental Affairs and Tourism (DEAT), 2008. *National Framework for Sustainable Development*. [online] Available at: <https://www.environment.gov.za/sites/default/files/docs/2008nationalframeworkfor_sustainabledevelopment.pdf> [Accessed 16 May 2018].

Dong, Y. and Hauschild, M.Z., 2017. Indicators for Environmental Sustainability. *Procedia CIRP*, 61, pp.697–702.

Dos Santos, M.A.O., Svensson, G. and Padin, C., 2013. Indicators of sustainable business practices: Woolworths in South Africa. *Supply Chain Management: An International Journal*, 18(1), pp.104–108.

Du Toit, E., van Zyl, R. and Schütte, G., 2017. Integrated reporting by South African companies: a case study. *Meditari Accountancy Research*, 25(4), pp.654–674.

Dumay, J., Bernardi, C., Guthrie, J. and Demartini, P., 2016. Integrated reporting: A structured literature review. *Accounting Forum*, 40(3), pp.166–185.

Dumay, J., Bernardi, C., Guthrie, J. and La Torre, M., 2017. Barriers to implementing the International Integrated Reporting Framework: A contemporary academic perspective. *Meditari Accountancy Research*, 25(4), pp.461–480.

Dumay, J. and Dai, T., 2017. Integrated thinking as a cultural control? *Meditari Accountancy Research*, 25(4), pp.574–604.

Elkington, J., 1997. *Cannibals with forks: the triple bottom line of twenty-first century business*. Capstone.

Feng, T., Cummings, L. and Tweedie, D., 2017. Exploring integrated thinking in integrated reporting – an exploratory study in Australia. *Journal of Intellectual Capital*, 18(2), pp.330–353.

Ferdig, M.A., 2007. Sustainability Leadership: Co-creating a Sustainable Future. *Journal of Change Management*, 7(1), pp.25–35.

Flower, J., 2015. The International Integrated Reporting Council: A story of failure. *Critical Perspectives on Accounting*, 27, pp.1–17.

Gallopín, G.C., 1996. Environmental and sustainability indicators and the concept of situational indicators. A systems approach. *Environmental Modelling & Assessment*, 1(3), pp.101–117.

Global Reporting Initiative (GRI), 2017. *GRI works with IIRC and leading companies to eliminate reporting confusion*. [online] Global reporting. Available at: <https://www.globalreporting.org/information/news-and-press-center/Pages/GRI-works-with-IIRC-and-leading-companies-to-eliminate-reporting-confusion.aspx> [Accessed 5 Jul. 2018].

Global Reporting Initiative (GRI), 2018. *About GRI*. [online] Available at: <https://www.globalreporting.org/Information/about-gri/Pages/default.aspx> [Accessed 5 Jul. 2018].

Global Reporting Initiative (GRI), 2018. *Transitioning from G4 to GRI Standards*. [online] Available at: <https://www.globalreporting.org/standards/questions-and-feedback/transitioning-from-g4-to-gri-standards/> [Accessed 25 Jul. 2018].

Guba, E.G. and Lincoln, Y.S., 1994. Competing paradigms in qualitative research. In: *Handbook of qualitative research*. pp.163–194.

Guthrie, J., Manes-Rossi, F. and Orelli, R.L., 2017. Integrated reporting and integrated thinking in Italian public sector organisations. *Meditari Accountancy Research*, 25(4), pp.553–573.

Haffar, M. and Searcy, C., 2018. The use of context-based environmental indicators in corporate reporting. *Journal of Cleaner Production*, 192, pp.496–513.

Hahn, R. and Kühnen, M., 2013. Determinants of sustainability reporting: a review of results, trends, theory, and opportunities in an expanding field of research. *Journal of Cleaner Production*, 59, pp.5–21.

Haji, A.A. and Anifowose, M., 2016. The trend of integrated reporting practice in South Africa: ceremonial or substantive? *Sustainability Accounting, Management and Policy Journal*, 7(2), pp.190–224.

Hák, T., Janoušková, S. and Moldan, B., 2016. Sustainable Development Goals: A need for relevant indicators. *Ecological Indicators*, 60, pp.565–573.

Hart, S.L., 1997. Beyond Greening: Strategies for a Sustainable World. *Harvard Business Review*, (January-February), p.12.

Hart, S.L. and Dowell, G., 2011. Invited Editorial: A Natural-Resource-Based View of the Firm: Fifteen Years After. *Journal of Management*, 37(5), pp.1464–1479.

Hurth, V., 2017. Organizations as Open Systems That Need Purpose and Integrated Thinking. *Board Leadership*, 2017(150), pp.1–8.

Institute of Directors in Southern Africa (IoDSA), 2016. *King IV Report on Corporate Governance for South Africa*. [online] p.128. Available at: <https://cdn.ymaws.com/www.iodsa.co.za/resource/collection/684B68A7-B768-465C-8214-E3A007F15A5A/IoDSA_King_IV_Report_-_WebVersion.pdf> [Accessed 31 Jul. 2018].

Integrated Reporting Committee of South Africa (IRCSA), 2017. *Integrated Thinking*. [online] Available at: <http://integratedreportingsa.org/integrated-thinking/> [Accessed 16 Jul. 2018].

Intergovernmental Panel on Climate Change (IPCC), 2018. *Global Warming of 1.5°C*. [Special report on the impacts of global warming of 1.5 °C above pre-industrial levels and related global greenhouse gas emission pathways] Available at: <https://report.ipcc.ch/sr15/pdf/sr15_spm_final.pdf> [Accessed 15 Oct. 2018].

International Financial Reporting Standards (IFRS), 2019. *IFRS - Who we are*. [online] Available at: <https://www.ifrs.org/about-us/who-we-are/> [Accessed 18 Mar. 2019].

International Integrated Reporting Council (IIRC), 2011. *Towards Integrated Reporting*. Available at: <http://integratedreporting.org/wp-content/uploads/2011/09/IR-Discussion-Paper-2011_spreads.pdf> [Accessed 28 Feb. 2019].

International Integrated Reporting Council (IIRC), 2013a. *Capitals Background Paper for IR*. [online] Association of Chartered Certified Accountants and Netherlands Institute of Chartered Accountants, p.32. Available at: <https://integratedreporting.org/wp-content/uploads/2013/03/IR-Background-Paper-Capitals.pdf> [Accessed 16 Jul. 2018].

International Integrated Reporting Council (IIRC), 2013b. *The International <IR> Framework*. [online] International Integrated Reporting Council. Available at: <http://integratedreporting.org/wp-content/uploads/2015/03/13-12-08-THE-INTERNATIONAL-IR-FRAMEWORK-2-1.pdf> [Accessed 24 Feb. 2018].

Keeble, J.J., Topiol, S. and Berkeley, S., 2002. Using Indicators to Measure Sustainability Performance at a Corporate and Project Level. *Journal of Business Ethics*, 44, pp.149–158.

Knauer, A. and Serafeim, G., 2014. Attracting Long-Term Investors Through Integrated Thinking and Reporting: A Clinical Study of a Biopharmaceutical Company. *Journal of Applied Corporate Finance*, 26(2), pp.57–64.

Kozlowski, A., Searcy, C. and Bardecki, M., 2015. Corporate sustainability reporting in the apparel industry: An analysis of indicators disclosed. *International Journal of Productivity and Performance Management*, 64(3), pp.377–397.

KPMG, 2017. *The KPMG Survey of Corporate Responsibility Reporting 2017*. [online] p.58. Available at: <https://home.kpmg/xx/en/home/insights/2017/10/the-kpmg-survey-of-corporate-responsibility-reporting-2017.html> [Accessed 12 Sep. 2018].

Krippendorff, K., 2013. *Content analysis: An introduction to its methodology. Sage publications.* 3rd ed. [online] Sage publications. Available at: <http://integratedreporting.org/wp-content/uploads/2015/03/13-12-08-THE-INTERNATIONAL-IR-FRAMEWORK-2-1.pdf>.

Loorbach, D. and Wijsman, K., 2013. Business transition management: exploring a new role for business in sustainability transitions. *Journal of Cleaner Production*, 45, pp.20–28.

Lozano, R., 2013. Sustainability inter-linkages in reporting vindicated: a study of European companies. *Journal of Cleaner Production*, 51, pp.57–65.

McNally, M.-A., Cerbone, D. and Maroun, W., 2017. Exploring the challenges of preparing an integrated report. *Meditari Accountancy Research*, 25(4), pp.481–504.

Meyer, C. and Kirby, J., 2010. Leadership in the age of transparency. *Harvard Business Review*, 88(4), Apr., pp.38–46.

Montiel, I. and Delgado-Ceballos, J., 2014. Defining and Measuring Corporate Sustainability: Are We There Yet? *Organization & Environment*, 27(2), pp.113–139.

Moolman, J., Oberholzer, M. and Steyn, M., 2016. The effect of integrated reporting on integrated thinking between risk, opportunity and strategy and the disclosure of risks and opportunities. *Southern African Business Review*, 20(1), pp.600–627.

Oliver, J., Vesty, G. and Brooks, A., 2016. Conceptualising integrated thinking in practice. *Managerial Auditing Journal*, 31(2), pp.228–248.

Perego, P., Kennedy, S. and Whiteman, G., 2016. A lot of icing but little cake? Taking integrated reporting forward. *Journal of Cleaner Production*, 136, pp.53–64.

Pick n Pay Stores Ltd (Pick n Pay), 2017. *Pick n Pay Integrated Annual Report*. [Integrated Annual Report] p.110. Available at: <https://picknpayinvestor.co.za/downloads/annual-report/2017/iar-2017.pdf> [Accessed 1 Mar. 2018].

Porter, M.E. and Kramar, M.R., 2011. The big idea: Creating shared value. *Harvard Business Review*, (January-February), pp.2–17.

Rahdari, A.H. and Rostamy, A.A.A., 2015. Designing a general set of sustainability indicators at the corporate level. *Journal of Cleaner Production*, 108, pp.757–771.

Rametsteiner, E., Pülzl, H., Alkan-Olsson, J. and Frederiksen, P., 2011. Sustainability indicator development—Science or political negotiation? *Ecological Indicators*, 11(1), pp.61–70.

Roca, L.C. and Searcy, C., 2012. An analysis of indicators disclosed in corporate sustainability reports. *Journal of Cleaner Production*, 20(1), pp.103–118.

Searcy, C. and Buslovich, R., 2014. Corporate Perspectives on the Development and Use of Sustainability Reports. *Journal of Business Ethics*, 121(2), pp.149–169.

Setia, N., Abhayawansa, S., Joshi, M. and Huynh, A.V., 2015. Integrated reporting in South Africa: some initial evidence. *Sustainability Accounting, Management and Policy Journal*, 6(3), pp.397–424.

Shoprite Holdings Ltd (Shoprite), 2017. *Shoprite Holdings Ltd Integrated Report 2017*. [online] Available at: <https://www.shopriteholdings.co.za/content/dam/MediaPortal/documents/shoprite-holdings/integrated-report/2017/Shoprite_Holdings_IR_2017E_Full.pdf> [Accessed 1 Mar. 2018].

Singh, R.K., Murty, H.R., Gupta, S.K. and Dikshit, A.K., 2009. An overview of sustainability assessment methodologies. *Ecological Indicators*, 9(2), pp.189–212.

Smith, N.C., 2003. Corporate Social Responsibility: Whether or How? *California Management Review*, 45(4), pp.52–76.

Solomon, J. and Maroun, W., 2012. *Integrated Reporting: The Influence of King III on Social, Ethical and Environmental Reporting*. London: The Association of Chartered Certified Accountants.

Spar Group Ltd (Spar), 2017. *The Spar Group Ltd Abridged Integrated report 2017*. [online] Available at: <http://investor-relations.spar.co.za/wp-content/uploads/2017/12/SPAR_Abridged-IR_-2017_11287_14Dec_1230_SA.pdf> [Accessed 1 Mar. 2018].

Statistics South Africa (StatsSA), 2018. Five facts about the retail trade industry. Available at: <http://www.statssa.gov.za/?p=11101> [Accessed 17 Mar. 2019].

Stent, W. and Dowler, T., 2015. Early assessments of the gap between integrated reporting and current corporate reporting. *Meditari Accountancy Research*, 23(1), pp.92–117.

Steyn, M., 2014. Organisational benefits and implementation challenges of mandatory integrated reporting: Perspectives of senior executives at South African listed companies. *Sustainability Accounting, Management and Policy Journal*, 5(4), pp.476–503.

Stubbs, W. and Higgins, C., 2014. Integrated Reporting and internal mechanisms of change. *Accounting, Auditing & Accountability Journal*, 27(7), pp.1068–1089.

Sustainable Apparel Coalition (SAC), 2019. *Our Vision*. [online] Available at: <https://apparelcoalition.org/the-sac/> [Accessed 21 Apr. 2019].

The South African Institute of Chartered Accountants (SAICA), 2010. *An integrated report is a new requirement for listed companies*. [online] Available at: <https://www.saica.co.za/tabid/695/itemid/2344/An-integrated-report-is-a-new-requirement-for-list.aspx> [Accessed 16 Jul. 2018].

Tweedie, D. and Martinov-Bennie, N., 2015. Entitlements and Time: Integrated Reporting's Double-edged Agenda. *Social and Environmental Accountability Journal*, 35(1), pp.49–61.

United Nations (UN), 2018. Sustainable development goals - United Nations. *United Nations Sustainable Development*. Available at: <https://www.un.org/sustainabledevelopment/sustainable-development-goals/> [Accessed 16 May 2018].

Vos, A., Strydom, H., Fouche, C. and Delport, C., 2017. *Research at grass roots: For the social sciences and human service professions*. 4th ed. [online] Pretoria: Van Schaik Publishers. Available at: <[VitalBook file]>.

Whelan, T. and Fink, C., 2016. The Comprehensive Business Case for Sustainability. *Harvard Business Review*, 21, 21 Oct., p.12.

White, M.A., 2013. Sustainability: I know it when I see it. *Ecological Economics*, 86, pp.213–217.

Woolworths Holdings Ltd (Woolworths), 2017. *Woolworths Holdings Ltd 2017 Integrated Report*. [online] Available at: <https://www.woolworthsholdings.co.za/wp-content/uploads/2017/12/WHL_INTEGRATED_REPORT_2017.pdf> [Accessed 1 Mar. 2018].

World Economic Forum (WEF), 2018. *The Global Risks Report 2018*. [online] Geneva: World Economic Forum, p.80. Available at: <http://www3.weforum.org/docs/WEF_GRR18_Report.pdf>.

8 Appendices

APPENDIX 1 – OVERVIEW OF SAMPLE IAR SECTIONS

PICK N PAY		SHOPRITE		SPAR		WOOLWORTHS	
P#	Description	P#	Description	P#	Description	P#	Description
1	Non-sample unit page	1	Sample unit page	1	Non-sample unit page	1	Sample unit page
2	Non-sample unit page	2	Non-sample unit page	2	Sample unit page	2	Non-sample unit page
3	Non-sample unit page	3	Non-sample unit page	3	Sample unit page	3	Sample unit page
4	Non-sample unit page	4	Sample unit page	4	Sample unit page	4	Non-sample unit page
5	Non-sample unit page	5	Sample unit page	5	Sample unit page	5	Non-sample unit page
6	Non-sample unit page	6	Sample unit page	6	Sample unit page	6	Non-sample unit page
7	Non-sample unit page	7	Sample unit page	7	Sample unit page	7	Non-sample unit page
8	Sample unit page	8	Sample unit page	8	Sample unit page	8	Non-sample unit page
9	Sample unit page	9	Sample unit page	9	Sample unit page	9	Non-sample unit page
10	Sample unit page	10	Sample unit page	10	Sample unit page	10	Sample unit page
11	Sample unit page	11	Sample unit page	11	Non-sample unit page	11	Sample unit page
12	Sample unit page	12	Sample unit page	12	Sample unit page	12	Non-sample unit page
13	Sample unit page	13	Sample unit page	13	Sample unit page	13	Non-sample unit page
14	Sample unit page	14	Sample unit page	14	Sample unit page	14	Non-sample unit page
15	Sample unit page	15	Sample unit page	15	Sample unit page	15	Non-sample unit page
16	Sample unit page	16	Sample unit page	16	Sample unit page	16	Sample unit page
17	Sample unit page	17	Sample unit page	17	Sample unit page	17	Sample unit page
18	Sample unit page	18	Sample unit page	18	Sample unit page	18	Sample unit page
19	Sample unit page	19	Sample unit page	19	Sample unit page	19	Sample unit page
20	Sample unit page	20	Sample unit page	20	Financial Statements and Summaries	20	Non-sample unit page
21	Sample unit page	21	Sample unit page	21	Sample unit page	21	Non-sample unit page
22	Non-sample unit page	22	Sample unit page	22	Sample unit page	22	Sample unit page
23	Non-sample unit page	23	Sample unit page	23	Sample unit page	23	Sample unit page
24	Sample unit page	24	Sample unit page	24	Sample unit page	24	Sample unit page
25	Sample unit page	25	Sample unit page	25	Sample unit page	25	Sample unit page
26	Sample unit page	26	Governance and Remuneration	26	Sample unit page	26	Sample unit page
27	Sample unit page	27	Governance and Remuneration	27	Sample unit page	27	Sample unit page
28	Sample unit page	28	Sample unit page	28	Sample unit page	28	Non-sample unit page
29	Sample unit page	29	Sample unit page	29	Governance and Remuneration	29	Sample unit page
30	Sample unit page	30	Sample unit page	30	Governance and Remuneration	30	Sample unit page
31	Sample unit page	31	Sample unit page	31	Governance and Remuneration	31	Sample unit page
32	Sample unit page	32	Sample unit page	32	Governance and Remuneration	32	Sample unit page
33	Sample unit page	33	Sample unit page	33	Governance and Remuneration	33	Sample unit page
34	Sample unit page	34	Financial Statements and Summaries	34	Governance and Remuneration	34	Sample unit page
35	Sample unit page	35	Sample unit page	35	Governance and Remuneration	35	Sample unit page
36	Sample unit page	36	Sample unit page	36	Governance and Remuneration	36	Sample unit page
37	Sample unit page	37	Sample unit page	37	Governance and Remuneration	37	Sample unit page
38	Sample unit page	38	Sample unit page	38	Governance and Remuneration	38	Non-sample unit page
39	Sample unit page	39	Sample unit page	39	Governance and Remuneration	39	Sample unit page
40	Non-sample unit page	40	Sample unit page	40	Governance and Remuneration	40	Sample unit page
41	Non-sample unit page	41	Sample unit page	41	Governance and Remuneration	41	Sample unit page

42	Sample unit page	42	Sample unit page	42	Governance and Remuneration	42	Sample unit page
43	Sample unit page	43	Sample unit page	43	Governance and Remuneration	43	Sample unit page
44	Sample unit page	44	Sample unit page	44	Governance and Remuneration	44	Sample unit page
45	Sample unit page	45	Sample unit page	45	Governance and Remuneration	45	Sample unit page
46	Sample unit page	46	Sample unit page	46	Non-sample unit page	46	Sample unit page
47	Sample unit page	47	Sample unit page	47	Non-sample unit page	47	Sample unit page
48	Sample unit page	48	Sample unit page	48	Financial Statements and Summaries	48	Non-sample unit page
49	Sample unit page	49	Sample unit page	49	Financial Statements and Summaries	49	Non-sample unit page
50	Sample unit page	50	Sample unit page	50	Financial Statements and Summaries	50	Sample unit page
51	Sample unit page	51	Sample unit page	51	Financial Statements and Summaries	51	Sample unit page
52	Non-sample unit page	52	Sample unit page	52	Financial Statements and Summaries	52	Sample unit page
53	Non-sample unit page	53	Sample unit page	53	Financial Statements and Summaries	53	Sample unit page
54	Sample unit page	54	Sample unit page	54	Financial Statements and Summaries	54	Sample unit page
55	Sample unit page	55	Sample unit page	55	Financial Statements and Summaries	55	Non-sample unit page
56	Sample unit page	56	Governance and Remuneration	56	Financial Statements and Summaries	56	Sample unit page
57	Sample unit page	57	Governance and Remuneration	57	Financial Statements and Summaries	57	Sample unit page
58	Sample unit page	58	Governance and Remuneration	58	Financial Statements and Summaries	58	Non-sample unit page
59	Sample unit page	59	Governance and Remuneration	59	Financial Statements and Summaries	59	Sample unit page
60	Sample unit page	60	Governance and Remuneration	60	Financial Statements and Summaries	60	Non-sample unit page
61	Sample unit page	61	Governance and Remuneration	61	Financial Statements and Summaries	61	Sample unit page
62	Sample unit page	62	Governance and Remuneration	62	Financial Statements and Summaries	62	Sample unit page
63	Sample unit page	63	Governance and Remuneration	63	Financial Statements and Summaries	63	Sample unit page
64	Sample unit page	64	Governance and Remuneration	64	Financial Statements and Summaries	64	Financial Statements and Summaries
65	Sample unit page	65	Governance and Remuneration	65	Financial Statements and Summaries	65	Sample unit page
66	Sample unit page	66	Governance and Remuneration	66	Financial Statements and Summaries	66	Sample unit page
67	Sample unit page	67	Governance and Remuneration	67	Financial Statements and Summaries	67	Non-sample unit page
68	Financial Statements and Summaries	68	Governance and Remuneration	68	Financial Statements and Summaries	68	Financial Statements and Summaries
69	Financial Statements and Summaries	69	Governance and Remuneration	69	Financial Statements and Summaries	69	Sample unit page
70	Financial Statements and Summaries	70	Governance and Remuneration	70	Non-sample unit page	70	Sample unit page
71	Financial Statements and Summaries	71	Governance and Remuneration	71	Non-sample unit page	71	Sample unit page
72	Financial Statements and Summaries	72	Governance and Remuneration	72	Non-sample unit page	72	Non-sample unit page
73	Financial Statements and Summaries	73	Governance and Remuneration	73	Non-sample unit page	73	Sample unit page
74	Financial Statements and Summaries	74	Non-sample unit page	74	Non-sample unit page	74	Sample unit page
75	Financial Statements and Summaries	75	Non-sample unit page	75	Non-sample unit page	75	Sample unit page
76	Financial Statements and Summaries	76	Financial Statements and Summaries	76	Non-sample unit page	76	Sample unit page
77	Financial Statements and Summaries	77	Financial Statements and Summaries	77	Non-sample unit page	77	Sample unit page
78	Financial Statements and Summaries	78	Financial Statements and Summaries	78	Non-sample unit page	78	Non-sample unit page
79	Sample unit page	79	Financial Statements and Summaries			79	Non-sample unit page
80	Non-sample unit page	80	Financial Statements and Summaries			80	Non-sample unit page
81	Non-sample unit page	81	Financial Statements and Summaries			81	Non-sample unit page
82	Governance and Remuneration	82	Financial Statements and Summaries			82	Sample unit page
83	Governance and Remuneration	83	Financial Statements and Summaries			83	Sample unit page
84	Governance and Remuneration	84	Financial Statements and Summaries			84	Sample unit page
85	Governance and Remuneration	85	Financial Statements and Summaries			85	Non-sample unit page
86	Governance and Remuneration	86	Financial Statements and Summaries			86	Sample unit page
87	Governance and Remuneration	87	Financial Statements and Summaries			87	Non-sample unit page

88	Governance and Remuneration	88	Financial Statements and Summaries			88	Sample unit page
89	Governance and Remuneration	89	Financial Statements and Summaries			89	Sample unit page
90	Governance and Remuneration	90	Financial Statements and Summaries			90	Non-sample unit page
91	Governance and Remuneration	91	Financial Statements and Summaries			91	Sample unit page
92	Governance and Remuneration	92	Financial Statements and Summaries			92	Non-sample unit page
93	Governance and Remuneration	93	Financial Statements and Summaries			93	Sample unit page
94	Governance and Remuneration	94	Financial Statements and Summaries			94	Sample unit page
95	Governance and Remuneration	95	Financial Statements and Summaries			95	Non-sample unit page
96	Governance and Remuneration	96	Financial Statements and Summaries			96	Sample unit page
97	Governance and Remuneration	97	Non-sample unit page			97	Sample unit page
98	Governance and Remuneration	98	Non-sample unit page			98	Non-sample unit page
99	Governance and Remuneration	99	Non-sample unit page			99	Non-sample unit page
100	Governance and Remuneration	100	Non-sample unit page			100	Sample unit page
101	Governance and Remuneration	101	Non-sample unit page			101	Sample unit page
102	Governance and Remuneration	102	Non-sample unit page			102	Sample unit page
103	Governance and Remuneration	103	Non-sample unit page			103	Sample unit page
104	Non-sample unit page	104	Non-sample unit page			104	Non-sample unit page
105	Non-sample unit page	105	Non-sample unit page			105	Sample unit page
106	Non-sample unit page	106	Non-sample unit page			106	Sample unit page
107	Non-sample unit page	107	Non-sample unit page			107	Sample unit page
108	Non-sample unit page	108	Non-sample unit page			108	Sample unit page
109	Non-sample unit page	109	Non-sample unit page			109	Non-sample unit page
110	Non-sample unit page	110	Non-sample unit page			110	Sample unit page
		111	Non-sample unit page			111	Sample unit page
		112	Non-sample unit page			112	Non-sample unit page
		113	Non-sample unit page			113	Non-sample unit page
		114	Non-sample unit page			114	Sample unit page
		115	Non-sample unit page			115	Sample unit page
		116	Non-sample unit page			116	Sample unit page
		117	Non-sample unit page			117	Sample unit page
		118	Non-sample unit page			118	Non-sample unit page
		119	Non-sample unit page			119	Sample unit page
		120	Non-sample unit page			120	Sample unit page
		121	Non-sample unit page			121	Non-sample unit page
		122	Non-sample unit page			122	Sample unit page
		123	Non-sample unit page			123	Non-sample unit page
		124	Non-sample unit page			124	Sample unit page
		125	Non-sample unit page			125	Non-sample unit page
		126	Non-sample unit page			126	Non-sample unit page
						127	Non-sample unit page
						128	Governance and Remuneration
						129	Governance and Remuneration
						130	Governance and Remuneration
						131	Non-sample unit page
						132	Governance and Remuneration
						133	Governance and Remuneration

						134	Governance and Remuneration
						135	Governance and Remuneration
						136	Governance and Remuneration
						137	Governance and Remuneration
						138	Governance and Remuneration
						139	Governance and Remuneration
						140	Governance and Remuneration
						141	Governance and Remuneration
						142	Governance and Remuneration
						143	Governance and Remuneration
						144	Governance and Remuneration
						145	Governance and Remuneration
						146	Governance and Remuneration
						147	Governance and Remuneration
						148	Governance and Remuneration
						149	Non-sample unit page
						150	Governance and Remuneration
						151	Governance and Remuneration
						152	Governance and Remuneration
						153	Governance and Remuneration
						154	Governance and Remuneration
						155	Governance and Remuneration
						156	Governance and Remuneration
						157	Non-sample unit page
						158	Governance and Remuneration
						159	Governance and Remuneration
						160	Governance and Remuneration
						161	Governance and Remuneration
						162	Governance and Remuneration
						163	Governance and Remuneration
						164	Governance and Remuneration
						165	Governance and Remuneration
						166	Governance and Remuneration
						167	Governance and Remuneration
						168	Governance and Remuneration
						169	Governance and Remuneration
						170	Governance and Remuneration
						171	Governance and Remuneration
						172	Governance and Remuneration
						173	Governance and Remuneration
						174	Non-sample unit page
						175	Non-sample unit page
						176	Non-sample unit page
						177	Non-sample unit page
22	Non-sample unit pages	34	Non-sample unit pages	13	Non-sample unit pages	50	Non-sample unit pages
55	Sample unit pages	50	Sample unit pages	25	Sample unit pages	82	Sample unit pages

11	Financial Statements and Summaries	22	Financial Statements and Summaries	23	Financial Statements and Summaries	2	Financial Statements and Summaries
22	Governance and Remuneration	20	Governance and Remuneration	17	Governance and Remuneration	43	Governance and Remuneration
110		126		78		177	

APPENDIX 2 – GOVERNANCE AND REMUNERATION INDICATORS

GOVERNANCE AND REMUNERATION INDICATORS		
#	**Indicator name**	**Frequency**
1	*Board of directors' profiles*	4
2	*Company secretary*	4
3	*Executive directors and employees' remuneration*	4
4	*Remuneration committee chairman's statement*	4
5	*Alignment of remuneration policy with strategic objectives*	3
6	*Application of King III/IV*	3
7	*Assessment of director independence*	3
8	*Board committees*	3
9	*Board composition*	3
10	*Board diversity*	3
11	*Board responsibilities*	3
12	*Changes to the board*	3
13	*Corporate/ Organisational ethics*	3
14	*Directors' attendance*	3
15	*Board refreshing and tenure*	3
16	*Meetings of the board*	3
17	*Non-executive directors' remuneration*	3
18	*Remuneration policy and philosophy*	3
19	*Remuneration policy objectives and activities*	3
20	*Risk governance*	3
21	*Social and Ethics Committee responsibilities*	3
22	*Board commitment to governance*	2
23	*Gender diversity at board level*	2
24	*Corporate citizenship*	2
25	*Disclosure statements*	2
26	*Governance structure*	2
27	*Investor and stakeholder relations*	2
28	*IT Governance*	2
29	*Legislative and regulatory compliance*	2
30	*Nominations committee composition*	2
31	*Nominations committee key activities*	2
32	*Nominations committee responsibilities*	2
33	*Performance evaluation of directors*	2
34	*Remuneration committee shareholder engagement and voting*	2
35	*Roles and duties of Chairman and chief executive officer*	2
36	*Social and Ethics Committee composition and meeting attendance*	2
37	*Social and Ethics Committee key activities*	2
38	*Benchmarking and position in the market*	1
39	*Board effectiveness and evaluation*	1
40	*Company performance versus average growth in executive remuneration*	1
41	*Competitive conduct*	1
42	*Controlling shareholder representation on the board*	1
43	*Dilution of share capital*	1
44	*Directors' conflict of interests*	1
45	*Evolving governance*	1
46	*Executive director service contracts*	1
47	*Executive management profiles*	1
48	*Executive representation on the board*	1
49	*Group auditors*	1
50	*Incentive share scheme*	1
51	*Induction of directors and ongoing updates*	1
52	*Lead independent director*	1
53	*Operational governance*	1
54	*Outcomes of the Annual general meeting*	1
55	*Payments, accruals and awards to executive directors*	1
56	*Remuneration arrangement of the CEO*	1
57	*Remuneration committee announcements*	1
58	*Remuneration committee composition and meetings*	1
59	*Remuneration committee performance*	1
60	*Remuneration governance*	1
61	*Risk committee key focus areas*	1
62	*Risk committee report composition and meetings*	1

63	*Roles and membership of the board and its committees*	1
64	*Share dealings by directors and senior executives*	1
65	*STI outcomes*	1
66	*Summary of application of King III principles*	1
67	*Work undertaken by the remuneration committee*	1
68	*Work undertaken by the audit and risk committee*	1
	Frequency of indicator disclosure	**130**

APPENDIX 3 – SAMPLE UNIT INDICATOR DATA PER CAPITAL

FINANCIAL CAPITAL INDICATORS			
#	**Indicator name**	**Combined disclosures across all four retailers per indicator**	**Disclosed by**
1	*Turnover performance (Disaggregated)*	79	P/SH/SP/W
2	*Contribution to turnover (Disaggregated)*	31	P/SH/SP/W
3	*Turnover performance (Aggregated)*	17	P/SH/SP/W
4	*Turnover (Aggregated)*	15	P/SH/SP/W
5	*Turnover (Disaggregated)*	13	P/SH/SP
6	*Gross profit margin (Disaggregated)*	12	SH/SP/W
7	*Profit before tax*	12	P/SH/SP/W
8	*Capital expenditure (Disaggregated)*	12	P/SH/SP/W
9	*Operating profit performance (Disaggregated)*	11	SP/W
10	*Selling price inflation*	10	P/SH/SP
11	*Gross profit margin (Aggregated)*	10	P/SH/SP/W
12	*Other income*	10	P/SH/SP/W
13	*Trading profit performance*	10	P/SH
14	*Cash and cash equivalent management*	10	P/SH/SP/W
15	*Trading profit*	9	P/SH
16	*Dividends per share*	9	P/SH/SP/W
17	*Compound annual growth rate*	8	P/SH
18	*Profit before tax performance*	8	P/SH/SP/W
19	*Trading margin*	7	SH
20	*Headline earnings per share performance*	7	P/SH/W
21	*Operating profit margin*	7	SP/W
22	*Credit management*	6	P/W
23	*Shareholder composition*	6	SH/SP/W
24	*Diluted headline earnings per share performance*	6	P/SH/W
25	*Dividends per share performance*	6	P/SH/SP
26	*Trading profit margin*	5	P
27	*Operating profit (Disaggregated)*	5	SP/W
28	*Return on sales*	5	W
29	*Net asset value per share*	5	P/SP
30	*Basic earnings per share*	5	P/SH/W
31	*Credit access*	5	P/SP/W
32	*Return on equity (ROE)*	5	SH/SP/W
33	*Expense performance (Aggregated)*	4	P/W
34	*Gross profit*	4	P/SH/SP/W
35	*Headline earnings*	4	SH/SP
36	*Operating profit (Aggregated)*	4	SP/W
37	*Price movement per product category*	4	W
38	*Tax paid*	4	P/W
39	*Headline earnings per share*	4	P/SH/SP
40	*Adjusted headline earnings*	4	SP/W
41	*Refurbishment investment*	4	P/S
42	*Diluted headline earnings per share*	4	P/SH
43	*Shareholdings*	4	SH/SP/W
44	*Profit before tax margin*	4	P
45	*Return on capital employed (ROCE)*	4	P/W
46	*Dividend cover*	4	P/SH/SP/W
47	*Contribution to adjusted profit before interest and tax (Disaggregated)*	4	W
48	*Debt management*	4	P/W
49	*Value-added Statement*	4	P/SH/SP
50	*Performance against target*	4	W
51	*Store cost performance*	4	W
52	*Employee cost performance*	3	P/SH
53	*Growth in liquor business segment*	3	P/SP
54	*Dividends distributed*	3	P/SH/W
55	*Expense performance (Disaggregated)*	3	W
56	*Net finance costs*	3	P/W
57	*Cost of capital*	3	P/SH/W
58	*Profit after tax*	3	P/SP/W
59	*Operating expenses*	3	P/SH/SP
60	*Basic earnings per share performance*	3	P/W
61	*Operating profit performance (Aggregated)*	3	SP

62	*Cost per case delivered*	2	P/SP/W
63	*Interest-bearing borrowings*	2	W
64	*Impairment rate*	2	W
65	*Finance cost performance*	2	P/W
66	*Net interest cover*	2	W
67	*Effective tax rate and performance*	2	P/W
68	*Employee cost*	2	P
69	*Trading expense margin*	2	P
70	*Trading expense*	2	P
71	*Occupancy cost*	2	P/W
72	*Impairment allowance*	2	P/SH
73	*Net working capital funding*	2	P/W
74	*Earnings before interest, income tax, depreciation and amortisation (EBITDA)*	2	SH
75	*Net debt to EBITDA*	2	W
76	*Net debt*	2	SP/W
77	*Contribution to profit (Disaggregated)*	2	SH/W
78	*Growth in clothing business segment*	1	P
79	*Revenue*	1	W
80	*Shareholder funds used*	1	W
81	*Shareholders' equity*	1	P
82	*Short-term borrowings*	1	P
83	*Cost of merchandise sold and operations*	1	P
84	*Profit reinvestment*	1	P
85	*Share price performance*	1	SH
86	*Cost of fresh food packaging*	1	SH
87	*Share price*	1	SH
88	*Trading expenses performance*	1	P
89	*Merchandising and administration costs*	1	P
90	*Foreign exchange and related fair value losses*	1	P
91	*Capital losses*	1	P
92	*Return on investment*	1	W
93	*Retained earnings*	1	W
94	*Supplier payments*	1	W
95	*Marketing expenditure*	1	SP
96	*Once off expenses*	1	SP
97	*Return on net assets*	1	SP
98	*Electricity cost increase*	1	SH
99	*Net interest paid*	1	SH
100	*Short-term loan currency losses*	1	SH
101	*Bond conversion*	1	SH
102	*Net debt to equity*	1	W
103	*Risk adjusted margin*	1	W
104	*Impairment losses*	1	P
	Combined disclosures across all four retailers	**531**	

		Disclosed by … retailers			
	Total	**Four**	**Three**	**Two**	**One**
Number of indicators	104	13	28	18	45
Combined disclosures across all four retailers	531	221	123	101	86

HUMAN CAPITAL INDICATORS			
#	**Indicator name**	**Combined disclosures across all four retailers per indicator**	**Disclosed by**
1	*Employees (Aggregated)*	18	P/SH/SP/W
2	*Specific employe training*	14	P/SH
3	*Employees (Disaggregated)*	9	P/SH/SP/W
4	*New job creation*	9	P/SH
5	*Training days, interventions or courses*	9	P/SH
6	*Representation of designated groups*	8	P/SH
7	*Appointment of key individuals*	7	SP/W
8	*Health and safety programmes*	5	SH
9	*Performance management system*	4	P/W
10	*Employee share incentive scheme*	4	P/W
11	*New job creations (long-term)*	4	P/SH
12	*Labour agreement secured*	3	P

13	*Training programmes for disadvantaged groups*	3	SH
14	*Employee communication*	3	P/SH
15	*Training hours (Aggregated)*	2	SH
16	*Employee Code of Ethics*	2	SP
17	*Working hour security*	2	P
18	*Accountant training programme*	2	P/SH
19	*Management restructuring*	2	W/SH
20	*Specialised talent management*	2	W/SH
21	*Inhouse training department*	2	SH/SP
22	*Employees trained (Disaggregated)*	2	SH
23	*Training hours (Disaggregated)*	2	SH
24	*Employee satisfaction survey*	2	W
25	*Employee Value Proposition (EVP)*	2	W
26	*Reported safety incidents*	1	SH
27	*Grievance mechanisms*	1	SH
28	*Performance incentives*	1	SH
29	*Team-building initiatives*	1	SH
30	*Board training*	1	SP
31	*Appointment of new independent non-executive director*	1	SP
32	*Employee promotions*	1	P
33	*Remuneration benchmarking*	1	P/SH
34	*Graduate training program*	1	P
35	*Voluntary severance programme*	1	P
36	*Community recruitment*	1	SH
37	*Employee turnover: management*	1	SH
38	*Employee turnover: full-time staff*	1	SH
39	*Employee turnover: part-time staff*	1	SH
40	*Trainee managers available for positions*	1	SH
41	*Employees trained (Aggregated)*	1	SH
42	*Bursaries awarded*	1	SH
43	*Bursary recipient demographics*	1	SH
44	*Training and development investment*	1	W
45	*Pay and related benefits to employees*	1	W
46	*BBBEE status*	1	W
	Combined disclosures across all four retailers	**143**	

		Disclosed by … retailers			
	Total	**Four**	**Three**	**Two**	**One**
Number of indicators	**46**	2	0	14	30
Combined disclosures across all four retailers	**146**	27	0	71	45

INTELLECTUAL CAPITAL INDICATORS			
#	**Indicator name**	**Combined disclosures across all four retailers per indicator**	**Disclosed by**
1	*Brands*	21	P/SH/SP/W
2	*Merchandising systems*	18	P/SH/W
3	*Extension of private label offering*	12	P/SH/W
4	*Online and mobile app development and enhancements*	11	P/SH/W
5	*Customer loyalty programme*	9	P/W
6	*Next generation store development*	8	P/SH/W
7	*Promotional strategy*	7	P/SH/W
8	*Private label participation*	5	SH/SP
9	*Business restructuring*	5	P/W
10	*Data and customer analytics*	5	W/SH
11	*New brand acquisition*	5	W
12	*Health and safety management*	4	P/SH
13	*Risk management analysis system*	4	SH/SP/W
14	*History of sustainable business management*	4	W
15	*Business model development*	4	P/SP/W
16	*Strategic planning*	4	P/SP/W
17	*Optimisation of distribution systems*	4	P/SH
18	*Customer price matching programme*	3	P
19	*Succession management*	3	SH
20	*Product innovation*	3	SH/W
21	*Supplier finance system*	2	P/W
22	*Systems integration*	2	P
23	*Third-party audit of suppliers*	2	P/SH

24	*Product recall standards and systems*	2	P/SH
25	*Import and export quality and safety management*	2	SH
26	*Acquisition and transfer of expertise*	2	SP
27	*Key Value Lines*	2	W
28	*Rebranded store growth*	1	SH
29	*Point of sale system*	1	P
30	*Supplier support systems*	1	P
31	*Business continuity and disaster recovery plans*	1	P
32	*Standard store operating procedures*	1	P
33	*Reverse logistics*	1	SH
34	*Use of third-party IT solutions*	1	SH
35	*Company code of conduct*	1	SH
36	*Food safety management*	1	SH
37	*Third-party audit of internal food safety systems*	1	SH
38	*Supplier compliance platform*	1	SH
39	*Store audits*	1	SH
40	*New initiatives*	1	SP
41	*Financial management principles*	1	W
42	*Price comparison*	1	W
43	*Logo use*	1	SP
44	*Information technology expenditure*	1	SH
45	*Brand repositioning*	1	SH
46	*Relaunch of existing brand*	1	W
	Combined disclosures across all four retailers	**172**	

		Disclosed by … retailers			
	Total	**Four**	**Three**	**Two**	**One**
Number of indicators	46	1	8	10	27
Combined disclosures across all four retailers	172	21	68	41	42

MANUFACTURED CAPITAL INDICATORS			
#	**Indicator name**	**Combined disclosures across all four retailers per indicator**	**Disclosed by**
1	*Stores (Disaggregated)*	42	P/SH/SP/W
2	*New stores (Disaggregated)*	30	P/SH/SP/W
3	*Distribution centres*	21	P/SH/SP/W
4	*Stores (Aggregated)*	18	P/SH/SP/W
5	*New stores opened (Aggregated)*	12	P/SH/W
6	*Range expansion*	11	P/SH/W
7	*Retail space (Disaggregated)*	11	SP/W
8	*Support offices*	10	P/W
9	*Refurbishments and extensions*	10	P/SP/W
10	*New store formats*	9	W
11	*New distribution centres*	8	P/SH/SP
12	*Centralised distribution volume*	7	P
13	*On-shelf availability*	7	P/SH
14	*New non-South African stores*	6	P/SH
15	*Countries of operation (Disaggregate)*	6	P/SP/W
16	*Store closures*	6	P
17	*Local sourcing*	5	P/SH/W
18	*Sale of land and building*	5	W
19	*New online distribution centre*	4	P
20	*Franchised stores*	4	P/SH
21	*Supply and service to stores*	4	SP
22	*Franchised stores partnerships*	4	P/W
23	*Centralised distribution volume (year-on-year)*	4	P/SH/SP
24	*Distributed goods*	4	SH/SP
25	*Distribution centre size*	4	SH/SP
26	*Store formats*	3	P/SH/SP
27	*Online distribution centres*	3	P/W
28	*Inventory performance*	3	P/SH
29	*Cross-dock facilities*	2	W
30	*Optimisation of distribution centres*	2	SP/W
31	*Fully-owned distribution fleet*	2	SH/SP
32	*International sourcing*	2	SH
33	*Items sold*	2	SH
34	*Inventory*	2	P/SH

35	*Instore Wi-Fi*	2	W
36	*Inventory target performance*	1	P
37	*Conversion of back-up areas to trading space*	1	P
38	*Average store size*	1	P
39	*Service brought in-house*	1	P
40	*Cold chain investment*	1	P
41	*New till roll-out*	1	P
42	*Supplier centralisation*	1	P
43	*African retail and distribution presence*	1	SH
44	*Learning infrastructure development*	1	SH
45	*Supply chain infrastructure*	1	SH
46	*Distance travelled per accident*	1	SP
47	*Distribution centres' size ratio*	1	SP
48	*Satellite warehousing hub*	1	SP
49	*Investment buys*	1	P
50	*Land and building acquisition*	1	SH
51	*New store expenditure*	1	SH
52	*Inventory turn*	1	SH
	Combined disclosures across all four retailers	**292**	

		Disclosed by … retailers			
	Total	**Four**	**Three**	**Two**	**One**
Number of indicators	52	4	8	13	27
Combined disclosures across all four retailers	292	111	59	62	60

NATURAL CAPITAL INDICATORS			
#	**Indicator name**	**Combined disclosures across all four retailers per indicator**	**Disclosed by**
1	*Environmental impact of merchandise*	7	SH/W
2	*Shrink and waste management*	6	P/SH
3	*Carbon*	5	P/SH/SP
4	*Electricity use against baseline year*	4	P/W
5	*Waste diverted from landfill*	4	P
6	*Plastic waste reduction*	4	SH
7	*Electricity management*	2	P/W
8	*Food waste reduction*	2	SH
9	*Supplier impact reduction programmes*	2	W
10	*Water saving initiatives*	2	W
11	*Green building certification: internal*	2	W
12	*Energy efficient initiatives*	2	P/SH
13	*Renewable energy generation*	1	SH
14	*Renewable energy initiatives*	1	SP
15	*CO2 Saving*	1	SH
16	*Water use*	1	W
17	*Electricity use*	1	W
18	*Responsible commodity sourcing*	1	W
19	*CO2e emissions year-on-year*	1	P
20	*Electricity use year-on-year*	1	P
21	*Carbon emissions target*	1	SH
22	*Renewable energy target*	1	SH
23	*Packaging material use*	1	SH
24	*Packaging strategy adoption*	1	SH
25	*Consumer education*	1	SH
26	*Supplier code of conduct*	1	W
27	*Water use against baseline year*	1	W
28	*Alternative water source management*	1	W
29	*Rain water harvesting*	1	W
30	*Re-usable bag sales*	1	W
31	*Natural gas use in refrigeration*	1	W
32	*Green building certification: external*	1	W
	Combined disclosures across all four retailers	**62**	

		Disclosed by … retailers			
	Total	**Four**	**Three**	**Two**	**One**
Number of indicators	32	0	1	5	26
Combined disclosures across all four retailers	62	0	5	21	36

SOCIAL AND RELATIONSHIP CAPITAL INDICATORS			
#	Indicator name	Combined disclosures across all four retailers per indicator	Disclosed by
1	*Supplier development*	21	P/SH/SP/W
2	*Countries of operation*	15	P/SH/SP/W
3	*Awards and accomplishments*	15	P/SH/W
4	*Community engagement programs*	14	P/SH/W
5	*Partnership development*	13	P/SH/SP/W
6	*Years of operation (Aggregated)*	11	P/SH/SP/W
7	*Subsidies and low price offers*	11	P/SH
8	*Market share*	10	SH/SP/W
9	*Suppliers and service providers*	10	P/SH/W
10	*Fundraising initiative*	10	P/SH/W
11	*Years of operation (Disaggregated)*	9	P/SH/W
12	*Food donation*	9	P/SH
13	*Shareholding of other entity*	8	P/SP
14	*Customer growth*	7	SH/W
15	*Customer relationship management*	7	SH/SP/W
16	*Customer communication*	7	P/SH/W
17	*Supplier partnership*	7	P/SP/W
18	*Customers (Aggregated)*	6	SH/W
19	*Customer satisfaction*	5	P/SH/W
20	*New franchise members*	5	P/SH
21	*Private sector employment contribution*	5	SH
22	*Engagement with regulatory authorities and councils*	5	SH/SP/W
23	*Joint ventures*	5	SP/W
24	*Customers (Disaggregated)*	5	SH/W
25	*Value-added service partnerships*	4	P/SH/W
26	*CSI contribution*	4	P/SH/W
27	*Trade union communication*	4	SH
28	*Revenue tracked on loyalty cards*	4	W
29	*Removal of products or ingredients*	4	W
30	*Transactions*	3	SH
31	*Bursaries awarded*	3	SH
32	*Customer perception*	3	SH/W
33	*Investor communication*	3	P/SH
34	*Supplier communication*	3	P/SH
35	*Acquisition of other company*	3	SP
36	*Franchisee meetings*	2	P
37	*New communities of operation*	2	P
38	*Presence in specific markets*	2	SP
39	*Clothing donation*	1	W
40	*Board member participation on international bodies*	1	SP
41	*Customer interactions*	1	P
42	*Customer director*	1	P
43	*New suppliers*	1	P
44	*Award to current or previous employee*	1	P
45	*Female empowerment*	1	SH
46	*Supplier preference*	1	SH
47	*Job applications received via networking sites*	1	SH
48	*Non-employee engagement on networking sites*	1	SH
49	*Preferential store acquisition rates*	1	SP
50	*Membership of other organisations*	1	SH
51	*Store locations*	1	SH
52	*Franchise offering development*	1	SH
	Combined disclosures across all four retailers	**278**	

		Disclosed by … retailers			
	Total	**Four**	**Three**	**Two**	**One**
Number of indicators	52	4	13	11	24
Combined disclosures across all four retailers	278	60	107	65	46

APPENDIX 4 – SAMPLE UNIT INDICATOR DATA PER RETAILER

PICK N PAY		
Capital	**Indicator**	**418**
M	*Stores (Disaggregated)*	13
F	*Contribution to turnover (Disaggregated)*	11
M	*New stores (Disaggregated)*	9
F	*Turnover performance (Aggregated)*	8
I	*Merchandising systems*	8
F	*Turnover performance (Disaggregated)*	7
M	*Stores (Aggregated)*	7
M	*New stores opened (Aggregated)*	7
M	*Centralised distribution volume*	7
S	*Years of operation (Aggregated)*	7
F	*Turnover (Aggregated)*	6
F	*Selling price inflation*	6
F	*Other income*	6
M	*Store closures*	6
M	*Refurbishments and extensions*	6
F	*Gross profit margin (Aggregated)*	5
F	*Trading profit margin*	5
F	*Compound annual growth rate*	5
F	*Profit before tax*	5
F	*Cash and cash equivalent management*	5
H	*Employees (Aggregated)*	5
I	*Customer loyalty programme*	5
M	*New non-South African stores*	5
M	*Distribution centres*	5
S	*Shareholding of other entity*	5
S	*Supplier development*	5
F	*Credit management*	4
F	*Headline earnings per share performance*	4
F	*Profit before tax margin*	4
F	*Capital expenditure (Disaggregated)*	4
H	*New job creation*	4
I	*Extension of private label offering*	4
I	*Next generation store development*	4
M	*New online distribution centre*	4
M	*On-shelf availability*	4
N	*Waste diverted from landfill*	4
S	*Countries of operation*	4
S	*Suppliers and service providers*	4
F	*Expense performance (Aggregated)*	3
F	*Trading profit*	3
F	*Refurbishment investment*	3
F	*Dividends per share*	3
F	*Trading profit performance*	3
F	*Dividends per share performance*	3
H	*Labour agreement secured*	3
H	*Performance management system*	3
H	*Employee share incentive scheme*	3
H	*New job creations (long-term)*	3
I	*Brands*	3
I	*Customer price matching programme*	3
I	*Online and mobile app development and enhancements*	3
I	*Business restructuring*	3
M	*New distribution centres*	3
M	*Franchised stores partnerships*	3
S	*Awards and accomplishments*	3
S	*New franchise members*	3
S	*Subsidies and low price offers*	3
F	*Employee cost performance*	2
F	*Cost per case delivered*	2
F	*Net finance costs*	2
F	*Headline earnings per share*	2
F	*Net asset value per share*	2

F	*Employee cost*	2
F	*Trading expense margin*	2
F	*Basic earnings per share*	2
F	*Diluted headline earnings per share*	2
F	*Trading expense*	2
F	*Debt management*	2
F	*Value-added Statement*	2
F	*Profit before tax performance*	2
F	*Diluted headline earnings per share performance*	2
F	*Basic earnings per share performance*	2
H	*Specific employee training*	2
H	*Working hour security*	2
H	*Representation of designated groups*	2
H	*Training days, interventions or courses*	2
I	*Health and safety management*	2
I	*Business model development*	2
I	*Systems integration*	2
I	*Strategic planning*	2
I	*Optimisation of distribution systems*	2
M	*Franchised stores*	2
M	*Centralised distribution volume (year-on-year)*	2
M	*Inventory performance*	2
N	*Shrink and waste management*	2
N	*Carbon*	2
S	*Years of operation (Disaggregated)*	2
S	*Community engagement programs*	2
S	*Customer communication*	2
S	*Franchisee meetings*	2
S	*Investor communication*	2
S	*New communities of operation*	2
S	*Supplier partnership*	2
F	*Growth in clothing business segment*	1
F	*Growth in liquor business segment*	1
F	*Gross profit*	1
F	*Dividends distributed*	1
F	*Finance cost performance*	1
F	*Tax paid*	1
F	*Effective tax rate and performance*	1
F	*Shareholders' equity*	1
F	*Short-term borrowings*	1
F	*Cost of merchandise sold and operations*	1
F	*Cost of capital*	1
F	*Profit reinvestment*	1
F	*Trading expenses performance*	1
F	*Occupancy cost*	1
F	*Merchandising and administration costs*	1
F	*Foreign exchange and related fair value losses*	1
F	*Capital losses*	1
F	*Impairment allowance*	1
F	*Net working capital funding*	1
F	*Return on capital employed (ROCE)*	1
F	*Dividend cover*	1
F	*Profit after tax*	1
F	*Operating expenses*	1
F	*Turnover (Disaggregated)*	1
F	*Credit access*	1
F	*Impairment losses*	1
H	*Employees (Disaggregated)*	1
H	*Employee promotions*	1
H	*Remuneration benchmarking*	1
H	*Graduate training program*	1
H	*Accountant training programme*	1
H	*Voluntary severance programme*	1
H	*Employee communication*	1
I	*Supplier finance system*	1
I	*Point of sale system*	1
I	*Supplier support systems*	1

I	*Business continuity and disaster recovery plans*	1
I	*Third-party audit of suppliers*	1
I	*Product recall standards and systems*	1
I	*Standard store operating procedures*	1
I	*Promotional strategy*	1
M	*Inventory target performance*	1
M	*Conversion of back-up areas to trading space*	1
M	*Store formats*	1
M	*Countries of operation (Disaggregate)*	1
M	*Average store size*	1
M	*Support offices*	1
M	*Online distribution centres*	1
M	*Service brought in-house*	1
M	*Local sourcing*	1
M	*Range expansion*	1
M	*Cold chain investment*	1
M	*New till roll-out*	1
M	*Supplier centralisation*	1
M	*Inventory*	1
M	*Investment buys*	1
N	*Electricity management*	1
N	*CO2e emissions year-on-year*	1
N	*Electricity use year-on-year*	1
N	*Electricity use against baseline year*	1
N	*Energy efficient initiatives*	1
S	*Value-added service partnerships*	1
S	*Customer satisfaction*	1
S	*Food donation*	1
S	*CSI contribution*	1
S	*Customer interactions*	1
S	*Customer director*	1
S	*New suppliers*	1
S	*Supplier communication*	1
S	*Fundraising initiative*	1
S	*Award to current or previous employee*	1
S	*Partnership development*	1

SHOPRITE		
Capital	**Indicator**	**457**
F	*Turnover performance (Disaggregated)*	16
M	*Stores (Disaggregated)*	16
H	*Specific employee training*	12
M	*New stores (Disaggregated)*	11
S	*Supplier development*	11
S	*Community engagement programs*	10
F	*Turnover (Disaggregated)*	8
M	*Range expansion*	8
S	*Food donation*	8
S	*Subsidies and low price offers*	8
F	*Trading margin*	7
F	*Trading profit performance*	7
H	*Employees (Aggregated)*	7
H	*Training days, interventions or courses*	7
S	*Market share*	7
S	*Awards and accomplishments*	7
F	*Trading profit*	6
H	*Representation of designated groups*	6
I	*Brands*	6
M	*Stores (Aggregated)*	6
S	*Countries of operation*	6
S	*Customer growth*	6
S	*Partnership development*	6
F	*Turnover (Aggregated)*	5
H	*New job creation*	5
H	*Health and safety programmes*	5
M	*Distribution centres*	5

S	*Suppliers and service providers*	5
S	*Private sector employment contribution*	5
F	*Contribution to turnover (Disaggregated)*	4
I	*Merchandising systems*	4
I	*Private label participation*	4
M	*New stores opened (Aggregated)*	4
M	*New distribution centres*	4
N	*Shrink and waste management*	4
N	*Plastic waste reduction*	4
S	*Trade union communication*	4
S	*Fundraising initiative*	4
F	*Selling price inflation*	3
F	*Turnover performance (Aggregated)*	3
F	*Compound annual growth rate*	3
H	*Employees (Disaggregated)*	3
H	*Training programmes for disadvantaged groups*	3
I	*Succession management*	3
I	*Extension of private label offering*	3
M	*On-shelf availability*	3
M	*Local sourcing*	3
M	*Distribution centre size*	3
N	*Environmental impact of merchandise*	3
S	*Transactions*	3
S	*Years of operation (Aggregated)*	3
S	*Years of operation (Disaggregated)*	3
S	*Customer satisfaction*	3
S	*Bursaries awarded*	3
S	*Customers (Aggregated)*	3
S	*Customer communication*	3
F	*Headline earnings*	2
F	*Diluted headline earnings per share*	2
F	*Shareholder composition*	2
F	*Capital expenditure (Disaggregated)*	2
F	*Diluted headline earnings per share performance*	2
H	*Training hours (Aggregated)*	2
H	*Employees trained (Disaggregated)*	2
H	*Training hours (Disaggregated)*	2
H	*Employee communication*	2
I	*Health and safety management*	2
I	*Optimisation of distribution systems*	2
I	*Data and customer analytics*	2
I	*Import and export quality and safety management*	2
I	*Promotional strategy*	2
M	*Franchised stores*	2
M	*International sourcing*	2
M	*Items sold*	2
N	*Carbon*	2
N	*Food waste reduction*	2
S	*Value-added service partnerships*	2
S	*CSI contribution*	2
S	*New franchise members*	2
S	*Supplier communication*	2
S	*Engagement with regulatory authorities and councils*	2
F	*Employee cost performance*	1
F	*Gross profit*	1
F	*Gross profit margin (Aggregated)*	1
F	*Other income*	1
F	*Dividends distributed*	1
F	*Gross profit margin (Disaggregated)*	1
F	*Headline earnings per share*	1
F	*Headline earnings per share performance*	1
F	*Cost of capital*	1
F	*Refurbishment investment*	1
F	*Dividends per share*	1
F	*Basic earnings per share*	1
F	*Share price performance*	1
F	*Cost of fresh food packaging*	1

F	*Shareholdings*	1
F	*Share price*	1
F	*Profit before tax*	1
F	*Impairment allowance*	1
F	*Dividend cover*	1
F	*Operating expenses*	1
F	*Value added Statement*	1
F	*Cash and cash equivalent management*	1
F	*Earnings before interest, income tax, depreciation and amortisation (EBITDA)*	1
F	*Earnings before interest, income tax, depreciation and amortisation (EBITDA) performance*	1
F	*Profit before tax performance*	1
F	*Dividends per share performance*	1
F	*Electricity cost increase*	1
F	*Net interest paid*	1
F	*Short-term loan currency losses*	1
F	*Bond conversion*	1
F	*Return on equity (ROE)*	1
F	*Contribution to profit (Disaggregated)*	1
H	*Reported safety incidents*	1
H	*Grievance mechanisms*	1
H	*Performance incentives*	1
H	*Team-building initiatives*	1
H	*New job creations (long-term)*	1
H	*Accountant training programme*	1
H	*Management restructuring*	1
H	*Specialised talent management*	1
H	*Community recruitment*	1
H	*Employee turnover: management*	1
H	*Employee turnover: full-time staff*	1
H	*Employee turnover: part-time staff*	1
H	*Trainee managers available for positions*	1
H	*Inhouse training department*	1
H	*Employees trained (Aggregated)*	1
H	*Bursaries awarded*	1
H	*Bursary recipient demographics*	1
I	*Rebranded store growth*	1
I	*Risk management analysis system*	1
I	*Online and mobile app development and enhancements*	1
I	*Third-party audit of suppliers*	1
I	*Product recall standards and systems*	1
I	*Next generation store development*	1
I	*Reverse logistics*	1
I	*Use of third-party IT solutions*	1
I	*Company code of conduct*	1
I	*Food safety management*	1
I	*Third-party audit of internal food safety systems*	1
I	*Supplier compliance platform*	1
I	*Store audits*	1
I	*Product innovation*	1
I	*Information technology expenditure*	1
I	*Brand repositioning*	1
M	*New non-South African stores*	1
M	*Store formats*	1
M	*Centralised distribution volume (year-on-year)*	1
M	*Distributed goods*	1
M	*African retail and distribution presence*	1
M	*Fully-owned distribution fleet*	1
M	*Learning infrastructure development*	1
M	*Supply chain infrastructure*	1
M	*Inventory*	1
M	*Inventory performance*	1
M	*Land and building acquisition*	1
M	*New store expenditure*	1
M	*Inventory turn*	1
N	*Renewable energy generation*	1
N	*CO2 Saving*	1
N	*Carbon emissions target*	1

N	*Renewable energy target*	1
N	*Packaging material use*	1
N	*Packaging strategy adoption*	1
N	*Consumer education*	1
N	*Energy efficient initiatives*	1
S	*Customer relationship management*	1
S	*Customer perception*	1
S	*Investor communication*	1
S	*Female empowerment*	1
S	*Supplier preference*	1
S	*Job applications received via networking sites*	1
S	*Non-employee engagement on networking sites*	1
S	*Membership of other organisations*	1
S	*Customers (Disaggregated)*	1
S	*Store locations*	1
S	*Franchise offering development*	1

SPAR		
Capital	**Indicator**	**192**
F	*Turnover performance (Disaggregated)*	23
M	*New stores (Disaggregated)*	7
F	*Gross profit margin (Disaggregated)*	5
I	*Brands*	5
M	*Distribution centres*	5
M	*Stores (Disaggregated)*	5
F	*Operating profit performance (Disaggregated)*	4
F	*Dividends per share*	4
F	*Capital expenditure (Disaggregated)*	4
F	*Contribution to turnover (Disaggregated)*	4
F	*Turnover (Disaggregated)*	4
M	*Supply and service to stores*	4
F	*Operating profit (Disaggregated)*	3
F	*Operating profit (Aggregated)*	3
F	*Net asset value per share*	3
F	*Profit before tax*	3
F	*Credit access*	3
F	*Profit before tax performance*	3
F	*Operating profit performance (Aggregated)*	3
M	*Refurbishments and extensions*	3
M	*Distributed goods*	3
S	*Shareholding of other entity*	3
S	*Supplier development*	3
S	*Acquisition of other company*	3
F	*Turnover (Aggregated)*	2
F	*Turnover performance (Aggregated)*	2
F	*Growth in liquor business segment*	2
F	*Gross profit margin (Aggregated)*	2
F	*Other income*	2
F	*Headline earnings*	2
F	*Adjusted headline earnings*	2
F	*Shareholdings*	2
F	*Shareholder composition*	2
F	*Dividends per share performance*	2
H	*Employees (Disaggregated)*	2
H	*Employee Code of Ethics*	2
H	*Appointment of key individuals*	2
I	*Risk management analysis system*	2
I	*Acquisition and transfer of expertise*	2
I	*New initiatives*	1
M	*Retail space (Disaggregated)*	2
S	*Engagement with regulatory authorities and councils*	2
S	*Presence in specific markets*	2
S	*Joint ventures*	2
S	*Partnership development*	2
F	*Selling price inflation*	1
F	*Gross profit*	1

F	*Headline earnings per share*	1
F	*Dividend cover*	1
F	*Profit after tax*	1
F	*Operating expenses*	1
F	*Marketing expenditure*	1
F	*Once off expenses*	1
F	*Value-added Statement*	1
F	*Cash and cash equivalent management*	1
F	*Operating profit margin*	1
F	*Return on net assets*	1
F	*Return on equity (ROE)*	1
F	*Net debt*	1
H	*Board training*	1
H	*Appointment of new independent non-executive director*	1
H	*Inhouse training department*	1
I	*Private label participation*	1
I	*Business model development*	1
I	*Strategic planning*	1
I	*Logo use*	1
M	*Stores (Aggregated)*	1
M	*New distribution centres*	1
M	*Optimisation of distribution centres*	1
M	*Store formats*	1
M	*Countries of operation (Disaggregate)*	1
M	*Centralised distribution volume (year-on-year)*	1
M	*Fully-owned distribution fleet*	1
M	*Distance travelled per accident*	1
M	*Distribution centres' size ratio*	1
M	*Satellite warehousing hub*	1
M	*Distribution centre size*	1
N	*Renewable energy initiatives*	1
N	*Carbon*	1
S	*Countries of operation*	1
S	*Market share*	1
S	*Years of operation (Aggregated)*	1
S	*Board member participation on international bodies*	1
S	*Customer relationship management*	1
S	*Preferential store acquisition rates*	1
S	*Supplier partnership*	1

WOOLWORTHS		
Capital	**Indicator**	**411**
F	*Turnover performance (Disaggregated)*	33
F	*Contribution to turnover (Disaggregated)*	12
M	*New store formats*	9
M	*Support offices*	9
M	*Retail space (Disaggregated)*	9
M	*Stores (Disaggregated)*	8
F	*Operating profit performance (Disaggregated)*	7
I	*Brands*	7
I	*Online and mobile app development and enhancements*	7
F	*Gross profit margin (Disaggregated)*	6
F	*Operating profit margin*	6
I	*Merchandising systems*	6
M	*Distribution centres*	6
F	*Return on sales*	5
H	*Employees (Aggregated)*	5
H	*Appointment of key individuals*	5
I	*Extension of private label offering*	5
I	*New brand acquisition*	5
M	*Sale of land and building*	5
S	*Awards and accomplishments*	5
S	*Customer relationship management*	5
S	*Fundraising initiative*	5
F	*Turnover performance (Aggregated)*	4
F	*Price movement per product category*	4

F	*Contribution to adjusted profit before interest and tax (Disaggregated)*	4
F	*Performance against target*	4
F	*Store cost performance*	4
H	*Employees (Disaggregated)*	4
I	*History of sustainable business management*	4
I	*Customer loyalty programme*	4
I	*Promotional strategy*	4
M	*Stores (Aggregated)*	4
M	*Countries of operation (Disaggregate)*	4
N	*Environmental impact of merchandise*	4
S	*Countries of operation*	4
S	*Years of operation (Disaggregated)*	4
S	*Revenue tracked on loyalty cards*	4
S	*Removal of products or ingredients*	4
S	*Customers (Disaggregated)*	4
S	*Supplier partnership*	4
S	*Partnership development*	4
F	*Expense performance (Disaggregated)*	3
F	*Tax paid*	3
F	*Profit before tax*	3
F	*Return on capital employed (ROCE)*	3
F	*Cash and cash equivalent management*	3
F	*Return on equity (ROE)*	3
I	*Next generation store development*	3
I	*Data and customer analytics*	3
M	*New stores (Disaggregated)*	3
N	*Electricity use against baseline year*	3
S	*Customers (Aggregated)*	3
S	*Joint ventures*	3
F	*Turnover (Aggregated)*	2
F	*Credit management*	2
F	*Gross profit margin (Aggregated)*	2
F	*Operating profit (Disaggregated)*	2
F	*Interest-bearing borrowings*	2
F	*Impairment rate*	2
F	*Net interest cover*	2
F	*Headline earnings per share performance*	2
F	*Adjusted headline earnings*	2
F	*Basic earnings per share*	2
F	*Shareholder composition*	2
F	*Capital expenditure (Disaggregated)*	2
F	*Debt management*	2
F	*Profit before tax performance*	2
F	*Diluted headline earnings per share performance*	2
F	*Net debt to EBITDA*	2
H	*Employee satisfaction survey*	2
H	*Employee Value Proposition (EVP)*	2
I	*Business restructuring*	2
I	*Key Value Lines*	2
I	*Product innovation*	2
M	*Cross-dock facilities*	2
M	*Online distribution centres*	2
M	*Range expansion*	2
M	*Instore Wi-Fi*	2
N	*Supplier impact reduction programmes*	2
N	*Water saving initiatives*	2
N	*Green building certification: internal*	2
S	*Market share*	2
S	*Customer perception*	2
S	*Community engagement programs*	2
S	*Customer communication*	2
S	*Supplier development*	2
F	*Expense performance (Aggregated)*	1
F	*Gross profit*	1
F	*Other income*	1
F	*Dividends distributed*	1
F	*Revenue*	1

F	*Operating profit (Aggregated)*	1
F	*Shareholder funds used*	1
F	*Net finance costs*	1
F	*Finance cost performance*	1
F	*Effective tax rate and performance*	1
F	*Cost of capital*	1
F	*Dividends per share*	1
F	*Shareholdings*	1
F	*Occupancy cost*	1
F	*Net working capital funding*	1
F	*Dividend cover*	1
F	*Return on investment*	1
F	*Retained earnings*	1
F	*Supplier payments*	1
F	*Profit after tax*	1
F	*Credit access*	1
F	*Basic earnings per share performance*	1
F	*Net debt to equity*	1
F	*Net debt*	1
F	*Contribution to profit (Disaggregated)*	1
F	*Risk adjusted margin*	1
H	*Performance management system*	1
H	*Employee share incentive scheme*	1
H	*Management restructuring*	1
H	*Specialised talent management*	1
H	*Training and development investment*	1
H	*Pay and related benefits to employees*	1
H	*BBBEE status*	1
I	*Supplier finance system*	1
I	*Risk management analysis system*	1
I	*Business model development*	1
I	*Strategic planning*	1
I	*Financial management principles*	1
I	*Price comparison*	1
I	*Relaunch of existing brand*	1
M	*New stores opened (Aggregated)*	1
M	*Optimisation of distribution centres*	1
M	*Refurbishments and extensions*	1
M	*Local sourcing*	1
M	*Franchised stores partnerships*	1
N	*Electricity management*	1
N	*Water use*	1
N	*Electricity use*	1
N	*Responsible commodity sourcing*	1
N	*Supplier code of conduct*	1
N	*Water use against baseline year*	1
N	*Alternative water source management*	1
N	*Rain water harvesting*	1
N	*Re-usable bag sales*	1
N	*Natural gas use in refrigeration*	1
N	*Green building certification: external*	1
S	*Value-added service partnerships*	1
S	*Customer growth*	1
S	*Customer satisfaction*	1
S	*Suppliers and service providers*	1
S	*CSI contribution*	1
S	*Clothing donation*	1
S	*Engagement with regulatory authorities and councils*	1