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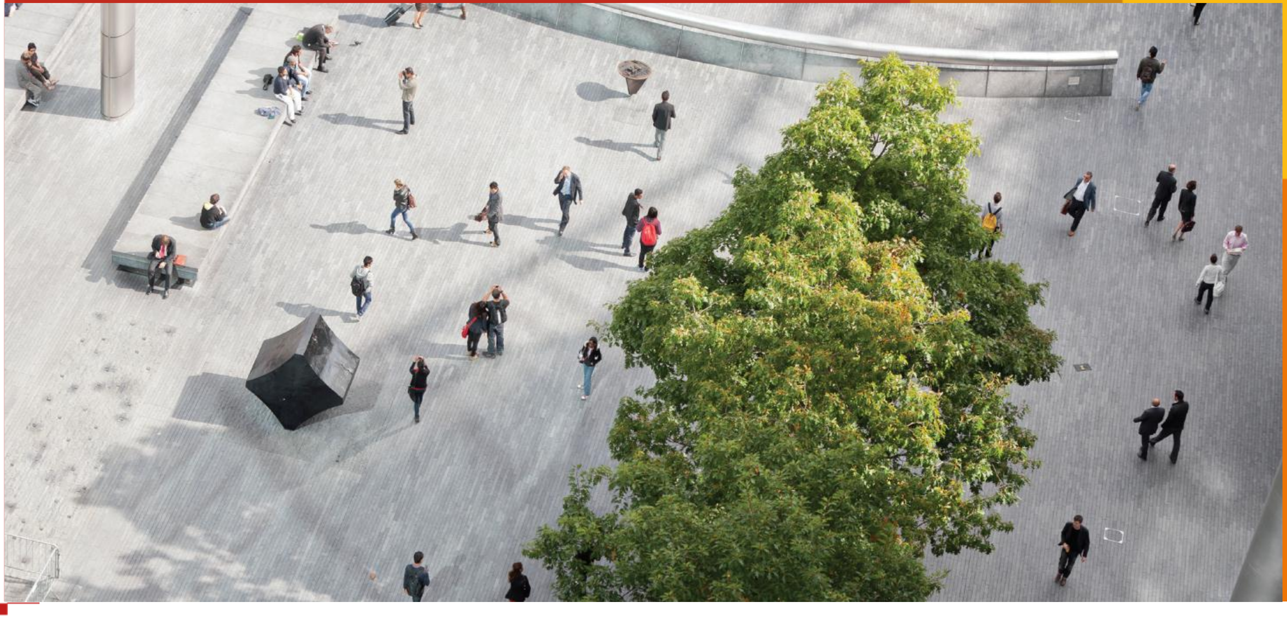
Integrated Reporting

Taking the first steps

August 2013



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Agenda

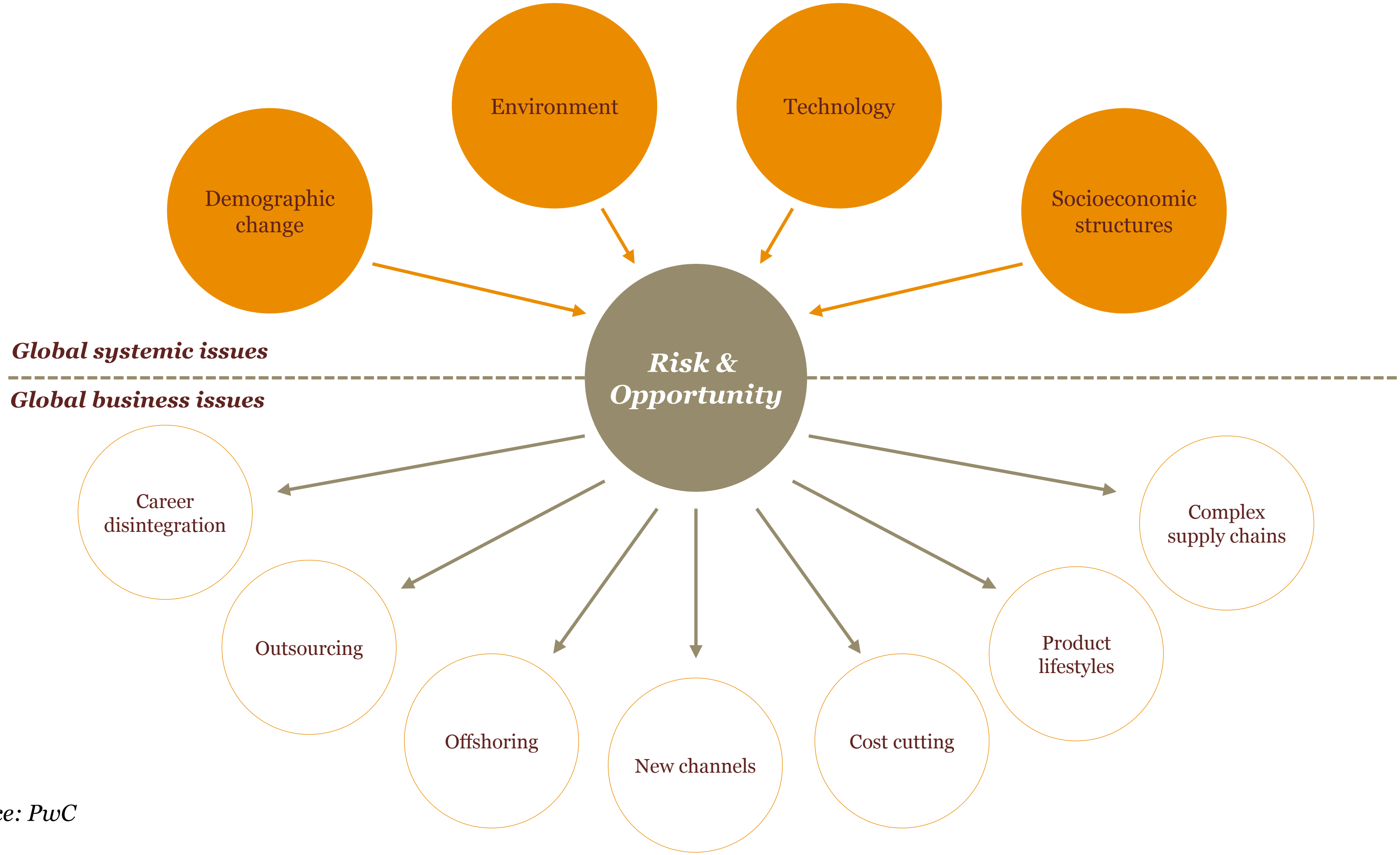
- Drivers for change
- Integrated reporting and the IIRC
- Current reporting practices
- Benefits of integrated reporting
- The path towards integrated reporting

Drivers for change

Overall trends

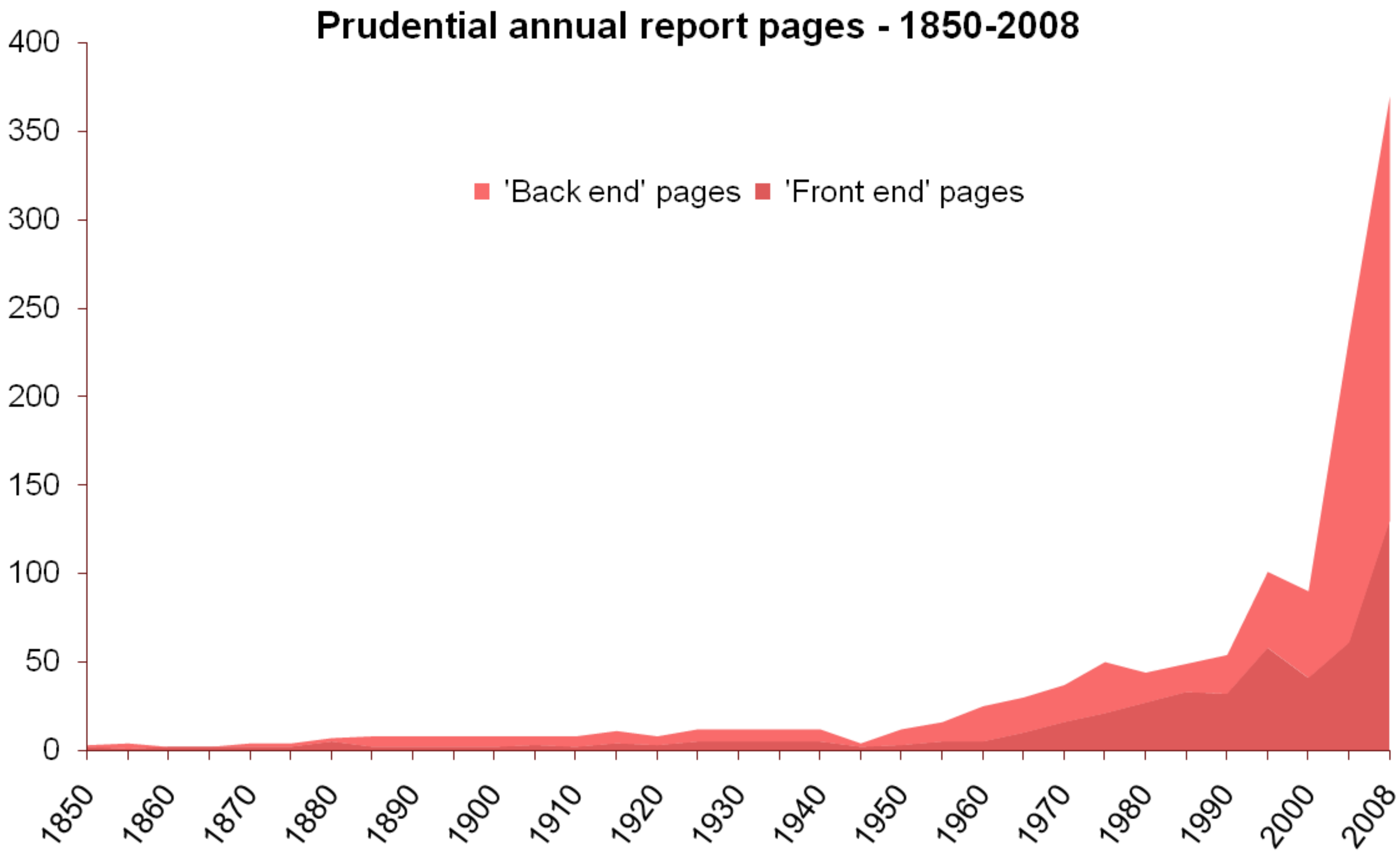
- Experimentation by leading companies and investors
- Focus on materiality and cutting clutter
- Move towards integration
- Future focus
- ‘Beyond the legal boundary’ – footprint, supply chain and impact reporting
- Regulation on the way

Changing context for business



Source: PwC

And yet length and complexity is a problem

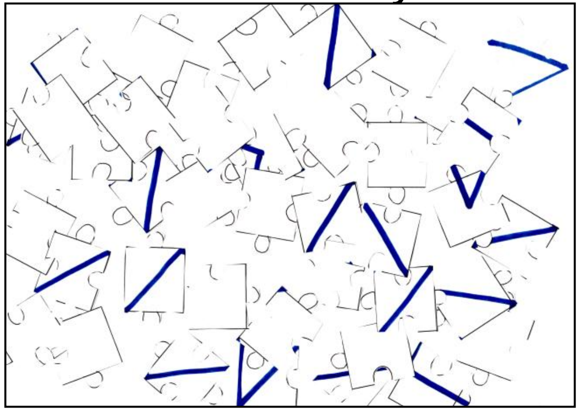


Source: PwC

How is as important as what: joining the dots

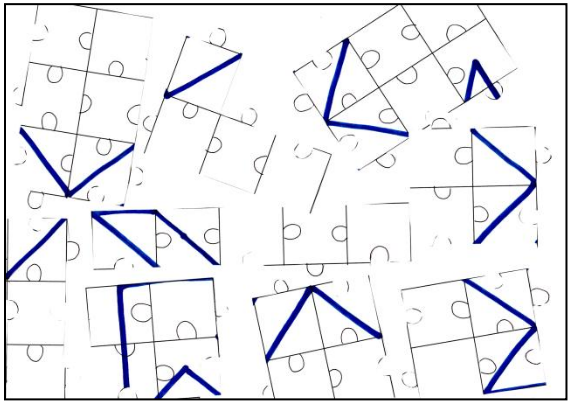
Same volume, different insight

Pieces of information without connectivity



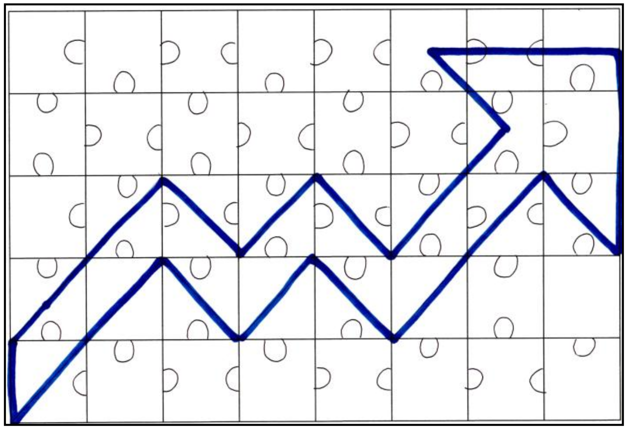
Number of pieces=40

Close-up pictures (partial connectivity) without big picture



Number of pieces=40

Big Picture



Number of pieces=40

Source: IIRC

Integrated Reporting and the IIRC

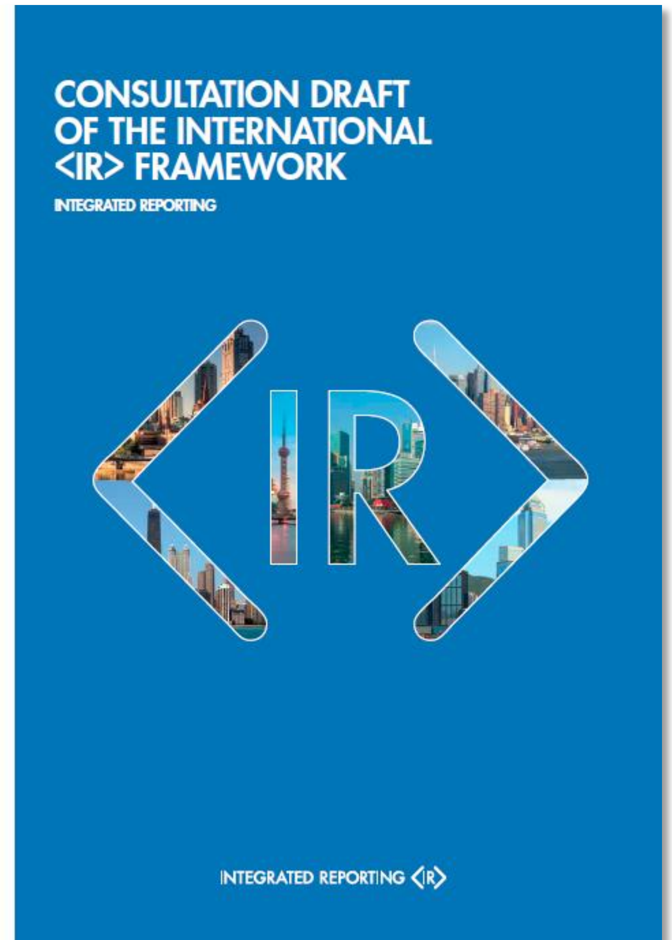
What is integrated reporting?

An integrated report is a ***concise communication*** about how an organization's strategy, governance, performance and prospects, in the context of its external environment, lead to the ***creation of value*** over the ***short, medium and long term***.

(IIRC Consultation Paper, April 2013)

The International Integrated Reporting Council (IIRC)

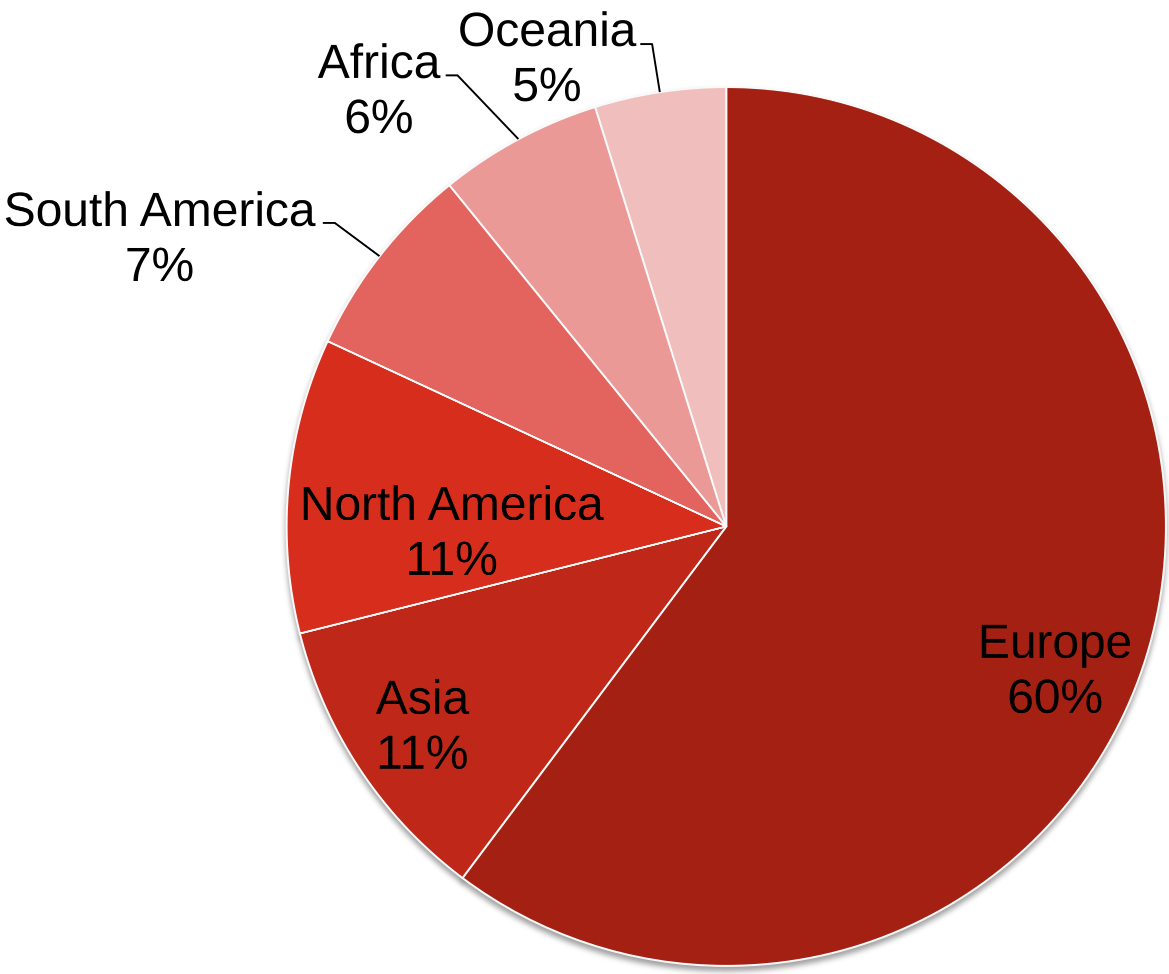
- Global initiative
- Multi-stakeholder
- Companies
- Standard setters (IASB, FASB)
- Securities and financial regulators
- Investors
- Intergovernmental organisations
- Accounting firm’s and institutes
- Civil society and academia



A market testing approach to framework development

100	50
Companies in the pilot programme	Investors in the pilot programme

Pilot programme participants by region

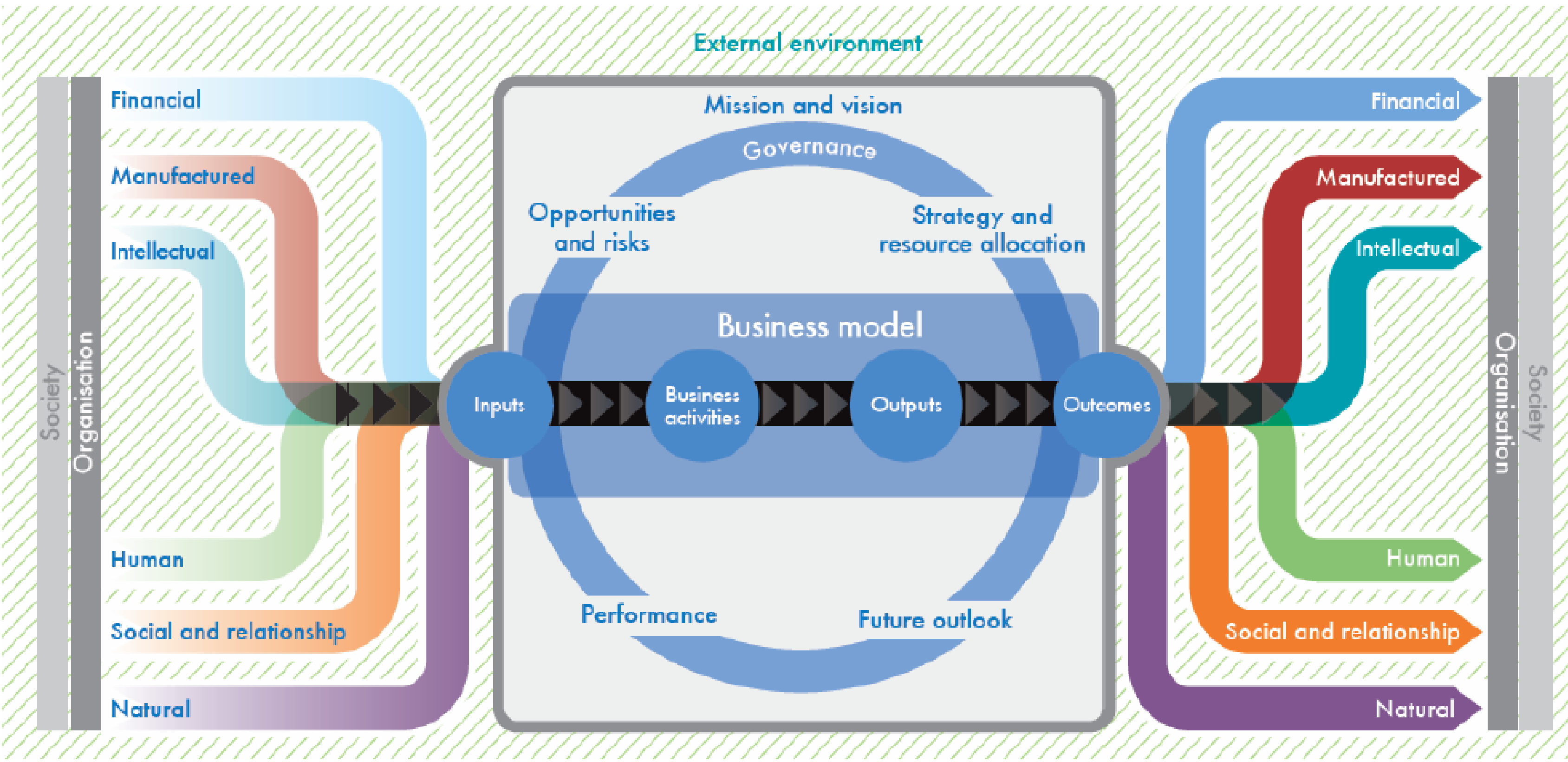


Based on IIRC data as at 18 March 2013

Key dimensions

- A broader scope - financial and non-financial capitals
- Integrated thinking – joining up what you do
- Integrating information silos – joining up what you say
- Aligning internal and external – matching what you do and say
- Cutting clutter – focus on what matters
- Beyond the legal boundary – footprint, impact, interconnections
- Long-term perspective – insight into the future not just the past
- Technology – power to bring connections to life

Fundamental concepts: How the organization creates and sustains value



Consultation Draft, April 2013

Guiding principles and content elements

Guiding principles

- Strategic focus and future orientation
- Connectivity of information
- Stakeholder responsiveness
- Materiality and conciseness
- Reliability and completeness
- Consistency and comparability

Content elements

- Organizational overview and external environment
- Governance
- Opportunities and risks
- Strategy and resource allocation
- Business model
- Performance
- Future outlook

Source: IIRC Consultation Draft, April 2013

Current integrated reporting practice

Where are we on the journey?

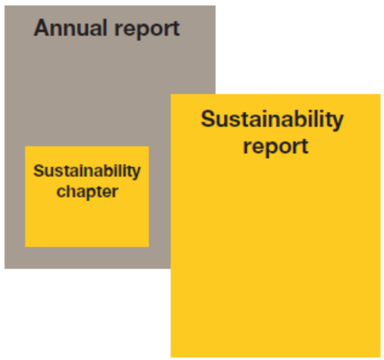
Three aspects of integrated reporting

- Structure and channels
- Broadening content, joining the dots
- Rethinking business performance

Current integrated reporting practice

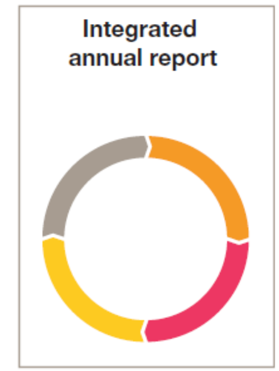
Structure and channels

Integrated reporting pathway

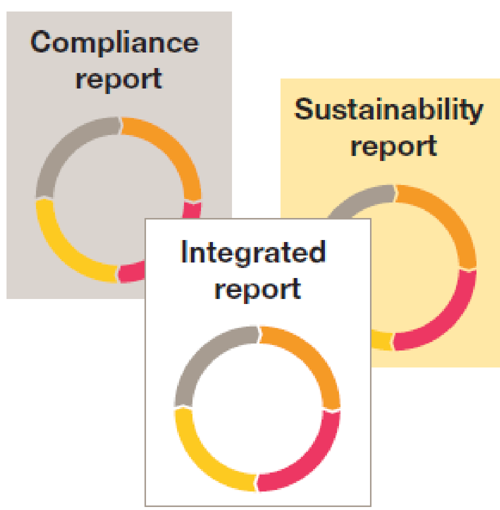


Separate reports: limited inclusion

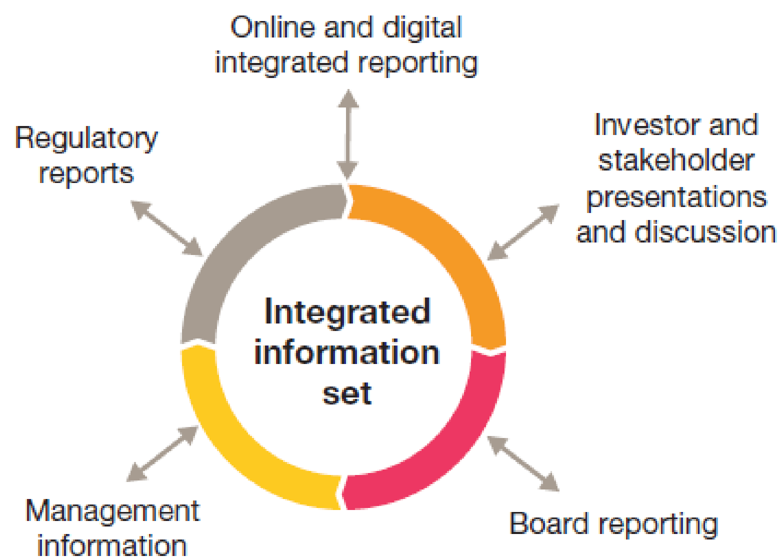
One report: combination



One report: integration



Integrated set of reports



One integrated information set, multiple channels

Current integrated reporting practice

Broadening content, joining the dots

What is clear and what is not

Headline findings – PwC European benchmarking 2012

Discuss future market trends	Link market discussion to strategic choices
83%	**40%**

What is clear and what is not?

Headline findings – PwC <IR> benchmarking 2013

Include strategic priorities

94%

Base reporting on strategic themes

21%

Embed sustainability in strategy

25%

What is clear and what is not?

Headline findings – PwC <IR> benchmarking 2013

Make reference to their business model

67%

Integrate the business model into other areas of their reporting

40%

What is clear and what is not?

Headline findings – PwC <IR> benchmarking 2013

Explicitly identify their key performance measures

71%

Align KPIs with remuneration

8%

Align measures with strategy

17%

Report overview
ABSA

Introducing Absa . . .

Absa Group

Absa has been listed on the JSE Limited since 1994 and is one of South Africa's largest financial services groups. Barclays Bank PLC owns 55,5 % of the Group.

We operate primarily in South Africa and have majority stakes in banks in Mozambique and Tanzania, representative offices in Namibia and Nigeria; and bancassurance operations in Botswana, Mozambique and Zambia.

Our banking and financial services businesses work together to provide customers and clients the best offerings in:

- Retail Markets
- Business Markets
- Financial Services
- Corporate, Investment Banking and Wealth

Our purpose

To be partners in growing prosperity for all our stakeholders

Our vision

To be the best provider of financial services in South Africa and selected African markets

The values that we live by

- Strive to exceed the needs of our customers
- Demonstrate integrity in all our actions
- Display leadership in all that we do
- Value our people and treat them with fairness
- Take responsibility for the quality of our work

Our stakeholder engagement . . .

We create value through our relationships. Various engagements we determine the issues that are important to our long-term success. These inform our strategy and material issues.

Customers

- Keep improving service levels
- Product choice and cost of banking services

Shareholders

- Rest of Africa opportunities
- Improve revenue growth
- Return surplus capital
- Are credit provisions adequate

Employees

- Improve engagement
- Reward and recognise performance
- Job security
- Find a balance between compliance and serving customers

Government and regulators

- Twin peaks model to be introduced in South Africa
- Higher Basel III liquidity requirements
- Concerns regarding unsecured lending

Community

- Support socio-economic development in South Africa
- Access to opportunities

Executing our One Absa strategy

Sustainable growth in targeted markets

Become the leading financial services group in South Africa and selected African countries, while improving profitability and returns

Headline earnings	↓	9%
Non-interest income growth	↑	6%
Return on average equity	↓	13,6%
Return on average risk-weighted assets	↓	2,07%
Pre-provision profit	↑	3%

Balance sheet optimisation and proactive risk management

Maintaining a strong balance sheet that can withstand economic and financial shocks

17,4%	↑	Total capital adequacy ratio
3%	↑	Risk-weighted assets of R438 billion
1,59%	↑	Credit loss ratio
37%	↑	NPL coverage

Simple and streamlined Group for customer delivery

Instilling a culture of operating as a fully integrated organisation, in a manner that generates efficiencies and places the customer at the centre of everything we do

Cost-to-income ratio	↓	55,2%
R206 million invested in delivery footprint	↑	32%
Five-year CAGR for operating expenses	↓	7%
Staffed outlets[1]	↓	972
ATMs[1]	↑	9 929

Customer- and people-centred organisation

Delivering leading-edge customer service, enabled by the most talented and motivated people

10%[1,2]	↓	Banking customer-base of **10,9 million**
2%[1]	↑	Internet banking users totalling **1,2 million**
32%	↑	Cellphone banking customers totalling **4,2 million**

Informs our material issues

Sustainable financial viability Generating sustainable growth for all stakeholders	9 319 cents 26,6%	↑ ↓	Net asset value per share Long-term funding ratio
Process and systems effectiveness For simple streamlined customer service delivery	2 10,1 tonnes CO_2	↓ ↓	Severity 1 incidents Carbon emissions per employee
Customer experience Ensuring that customers stay at the centre of everything we do	44 1,77%[A]	↑ ↓	Customer satisfaction index Complaints as a percentage of South African customers
Our people Ensuring a motivated and engaged work force	14,6%[A] 75%	↑ ↑	Employee turnover Internal promotion and transfer
Economic equity Ensuring that our shareholders, employees, suppliers and customers are representative of the communities in which we operate	5,8 million Level 4[V] R8,5 billion R680 million[V] R91,5 million[V]	↓ ↓ ↑ ↓ ↓	Entry-level customers dti BBBEE status Affordable housing loan book Enterprise development CSI and financial education

Read about our stakeholder engagement and material issues on page 33.

Notes
[1] Includes African operations.
[2] Decrease mainly attributable to ensure only active accounts are reported.
[V] Verified indicator.
[A] Assured indicator.

Looking forward – moving to One Africa

2013 is going to be a watershed year for our One Africa strategy. In 2012, we consolidated our Barclays Africa and Absa operations into a single management structure in Johannesburg. In 2013, subject to the receipt of regulatory approvals, the majority of Barclays Africa businesses and Absa will be combined into one legal entity.

The One Africa strategy focuses on broadening Absa's services in leading markets and investing in new geographies. Absa is a well-capitalised and strong bank with significant scale in South Africa. Barclays Africa is a leading, well-established Africa franchise. The combination of Absa with the Barclays Africa operations will create a leading Pan-African financial services business with a compelling platform for further growth. The transaction aims to accelerate Barclays and Absa's One Africa strategy for the benefit of shareholders, customers, colleagues and communities.

As part of the Barclays Group, Africa played a significant role in evolving the goal, purpose and values of the Group. This underpins our One Africa strategy which focuses on strategic themes outlined below which sets us on the path to become the 'Go-To' bank across Africa.

Our goal

Looking to 2013 and beyond, our goal is to build not only a sustainable, trustworthy business, but a business which customers and clients consider as the first choice for answers and solutions – their 'Go-To' bank. Customers and clients will benefit from our focus on doing business in the right way, putting them firmly in the centre of all that we do.

Our purpose

Helping people achieve their ambitions – in the right way

Values and behaviours

- Respect
- Integrity
- Service
- Excellence
- Stewardship

Our strategic themes for Africa

- Sustainable growth
- Build-out the platform
- Customer and client at the core
- People centricity
- Control and compliance

How we will measure ourselves

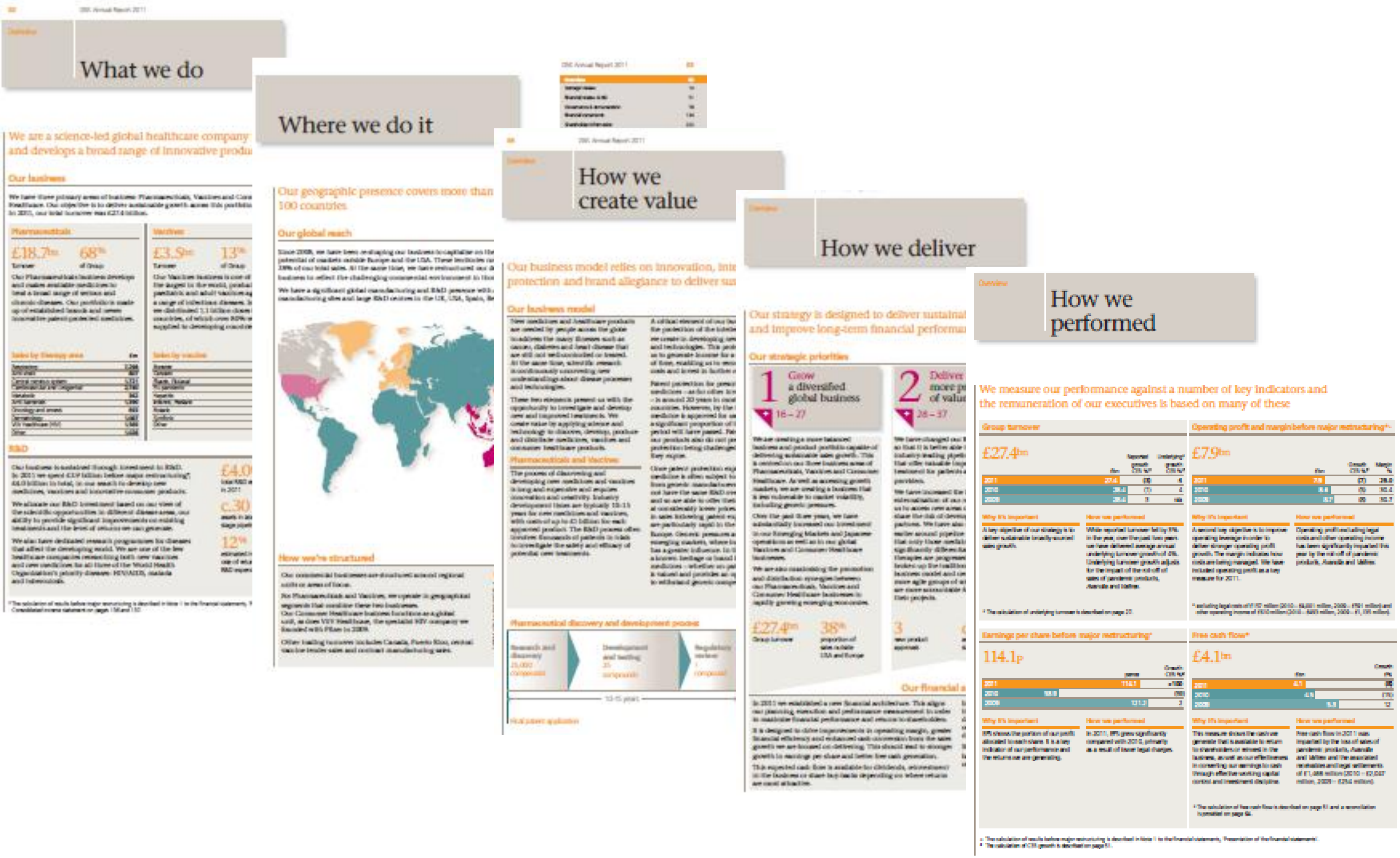
Going forward, our material issues will be contextualised within our balanced scorecard:

- Customers and clients
- Colleagues
- Citizenship
- Conduct
- Company

Read about One Africa on page 102.

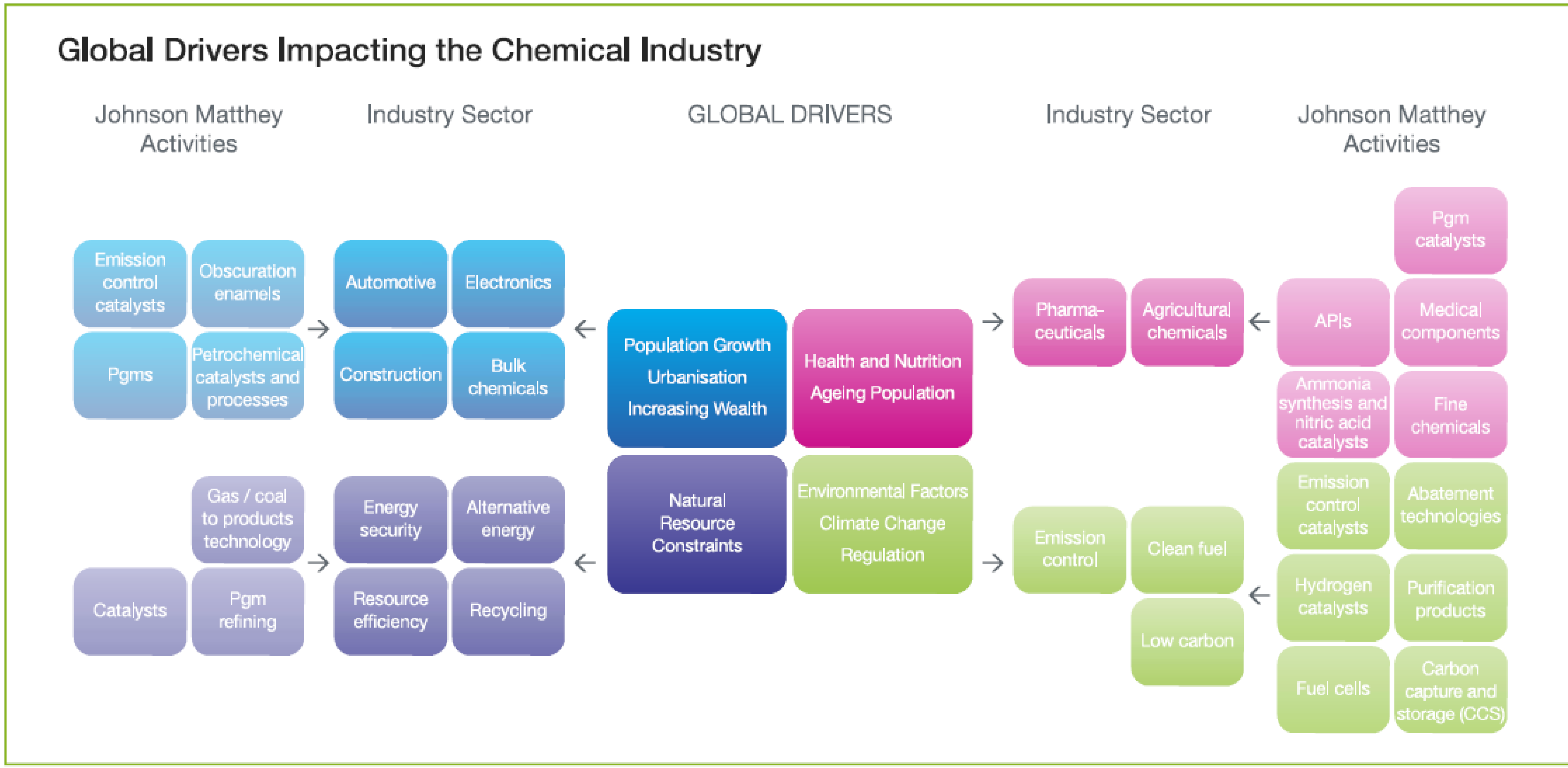
Connectivity and narrative flow

GSK



External drivers linked to company activities

Johnson Matthey

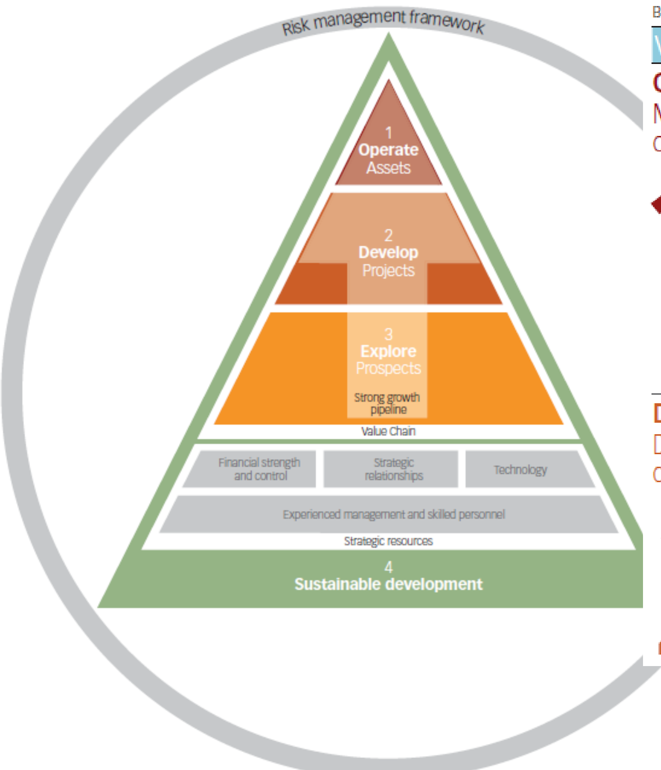


Business model: strategy and value chain

Fresnillo

Our business model

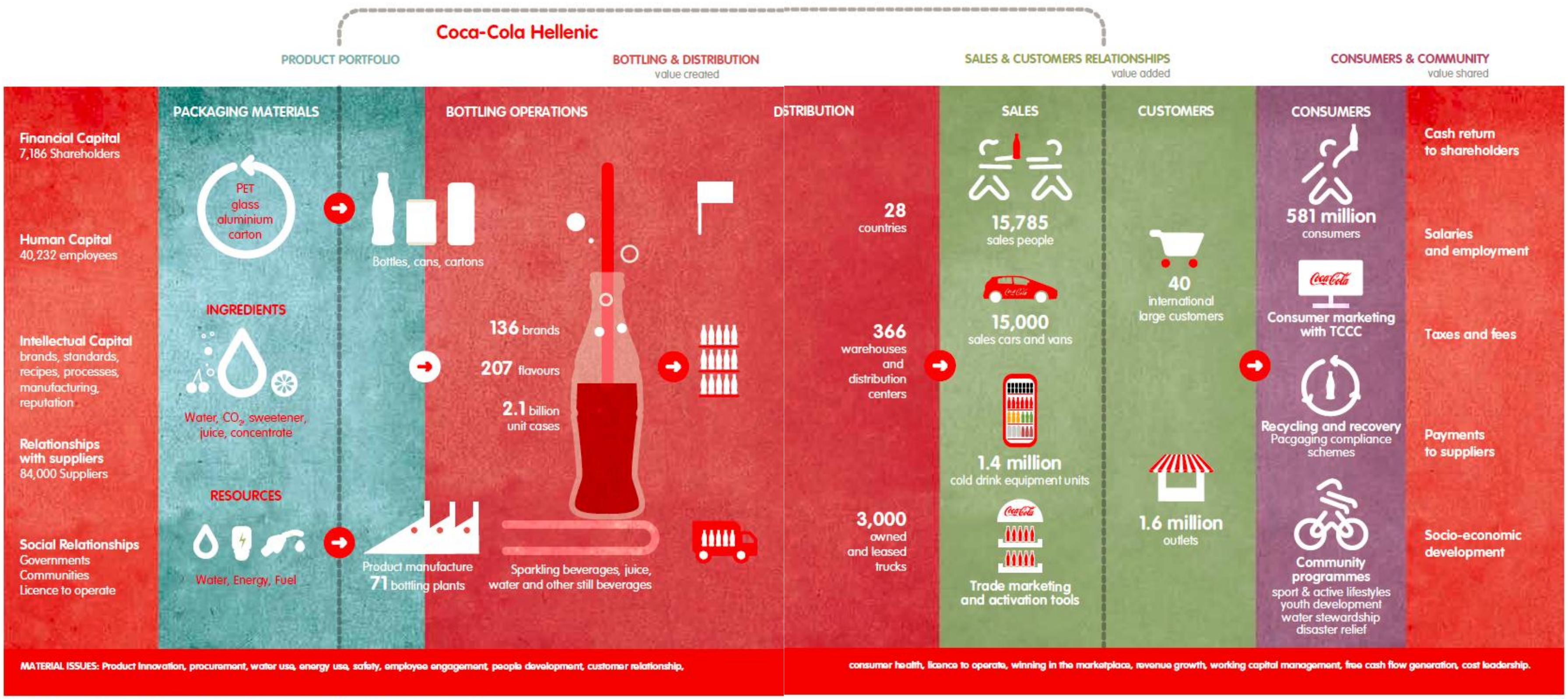
This graphic illustration of the business model differs slightly from 2010. Most notably, sustainable development is now shown as its own component of the business model, with greater strategic significance.



Business model component	Description	Strategic focus
Value chain		
Operate Maximise the potential of existing operations 1	The extraction and beneficiation of ore from our operating mines. We apply optimal mining methods in accordance with the changing characteristics of each mine, benefited by the skills of our personnel and leading technology tools. When coupled with high-quality assets selectively added in the exploration and development phase, we remain competitively positioned in cost performance among industry peers. See Review of Operations pages 48–57	Maximise operational potential through full capacity utilisation, reserve replacement, continuous improvements in productivity and cost controls. See Our Strategy and KPIs pages 26–27
Develop Deliver growth through development projects 2	The development and construction of new operating mines, with disciplined adherence to schedules and budgets. Feasibility, engineering, procurement and construction teams work closely with operating personnel to ensure smooth transition from construction to commissioning. See Review of Operations page 58	Deliver growth through the disciplined advancement of exploration projects towards mine development, start-up and production. Projects must meet stringent criteria regarding mineral content and embedded cost. Economic viability is determined by factors such as metallurgy, mine design, investment requirements, sustaining capital expenditures and rates of return. See Our Strategy and KPIs pages 28–29

Business model – inputs, outputs and outcomes

Coca Cola HBC AG



[1] In the Coca-Cola System, sales volume is typically reported in unit cases equating to approximately 5.678 litres or 24 x 8 ounce servings.

Strategy: priorities and progress

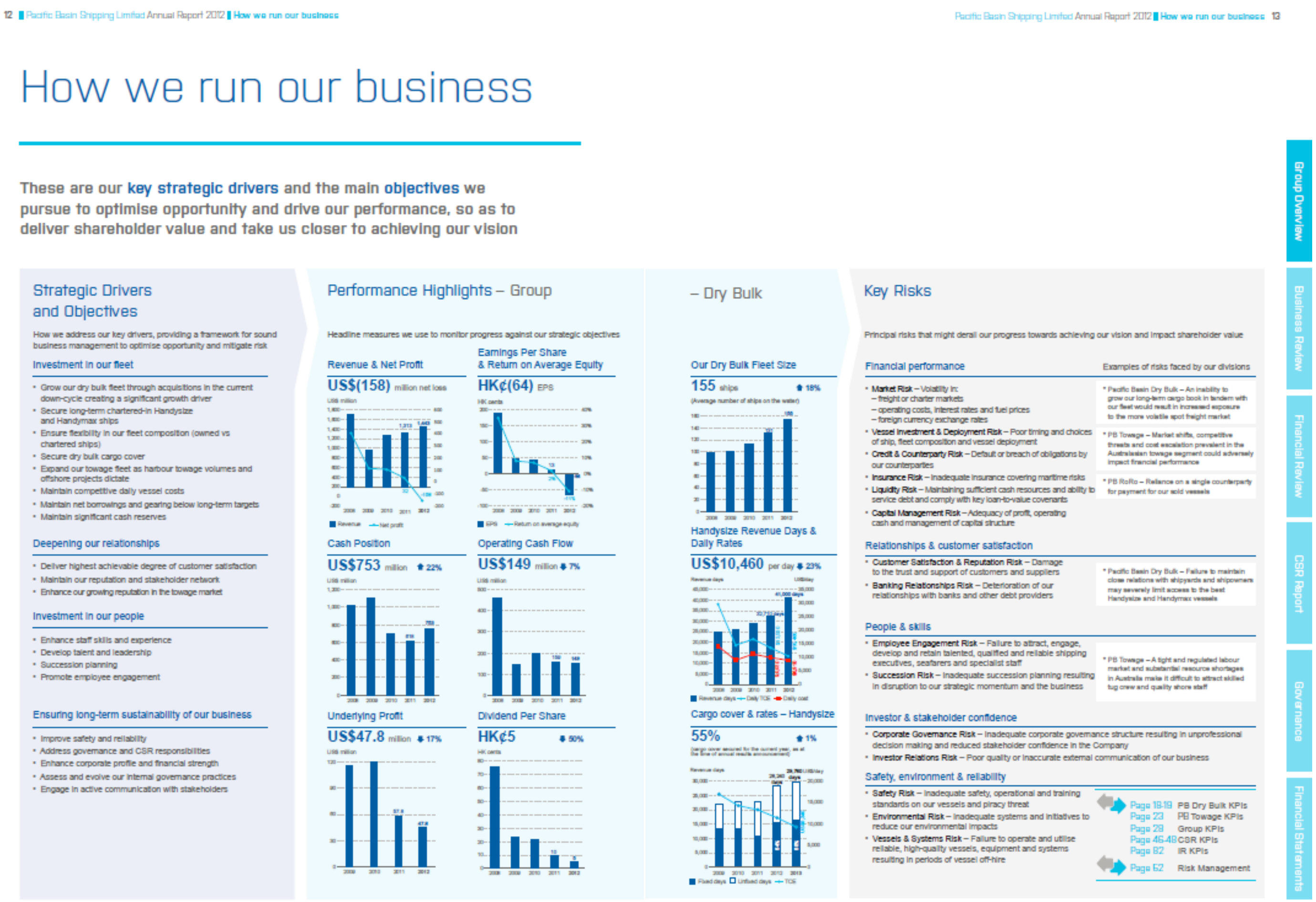
Xstrata

Progress against our priorities

Strategic priorities	Progress in 2011	Priorities in 2012	Key performance indicators
To deliver a Tier 1 portfolio of projects to increase our production volumes and meet society's demands	• 10 projects successfully commissioned during 2011, four of which were delivered ahead of schedule. • Seven projects approved with a capital spend of $2.6 billion.	• Deliver seven major projects during the year across five countries and four commodities.	• Targeted 50% volume growth over 2009 levels by the end of 2014. • 20% reduction in operating costs by the end of 2014.
To increase the net present value of our business by improving the quality of our assets and by operating safely and efficiently	• Real cost savings of $391 million delivered, moving all businesses into the lower half of industry cost curves. • 26% improvement in total recordable injury frequency rate on 2010.	• Ongoing focus on improving the quality of our assets through year-on-year cost reductions, mine life extensions and productivity and safety improvements.	• Real costs savings (page 31). • Total recordable injury frequency rate (page 32).
To maintain our industry-leading standards of health, safety and environmental performance and to be viewed as a responsible partner within the communities in which we operate	• Six fatalities at our managed operations. • 26% improvement in total recordable injury frequency rate on 2010. • Zero category 3 environmental incidents. • Corporate social involvement of $102 million.	• Zero fatalities. • Further reduction in our total recordable injury frequency rate. • Zero category 3 environmental incidents.	• Zero fatalities. • Total recordable injury frequency rate (page 32). • Environmental incidents (page 33). • Corporate social involvement (page 35).
To foster a high-performance, entrepreneurial, non-hierarchal culture that attracts the best people, and empowers them to succeed and build the capabilities necessary to deliver our strategy	• On average 48 hours of training provided for each employee. • $1,028 spent on training, on average, for each employee – 9% more than in 2010. • Career development programmes in place that include annual reviews.	• Rollout of employment value proposition programme that supports the retention and attraction of high-calibre individuals.	• Voluntary turnover (page 35). • Training hours and spend (page 35).

Integrating strategy, KPIs and risk

Pacific basin



12 Pacific Basin Shipping Limited Annual Report 2012 How we run our business

Pacific Basin Shipping Limited Annual Report 2012 How we run our business 13

How we run our business

These are our **key strategic drivers** and the main **objectives** we pursue to optimise opportunity and drive our performance, so as to deliver shareholder value and take us closer to achieving our vision

Strategic Drivers and Objectives

How we address our key drivers, providing a framework for sound business management to optimise opportunity and mitigate risk

Investment in our fleet

- Grow our dry bulk fleet through acquisitions in the current down-cycle creating a significant growth driver
- Secure long-term chartered-in Handysize and Handymax ships
- Ensure flexibility in our fleet composition (owned vs chartered ships)
- Secure dry bulk cargo cover
- Expand our towage fleet as harbour towage volumes and offshore projects dictate
- Maintain competitive daily vessel costs
- Maintain net borrowings and gearing below long-term targets
- Maintain significant cash reserves

Deepening our relationships

- Deliver highest achievable degree of customer satisfaction
- Maintain our reputation and stakeholder network
- Enhance our growing reputation in the towage market

Investment in our people

- Enhance staff skills and experience
- Develop talent and leadership
- Succession planning
- Promote employee engagement

Ensuring long-term sustainability of our business

- Improve safety and reliability
- Address governance and CSR responsibilities
- Enhance corporate profile and financial strength
- Assess and evolve our internal governance practices
- Engage in active communication with stakeholders

Performance Highlights – Group

Headline measures we use to monitor progress against our strategic objectives

Revenue & Net Profit
US$(158) million net loss

Earnings Per Share & Return on Average Equity
HK¢(64) EPS

Cash Position
US$753 million ⬆ 22%

Operating Cash Flow
US$149 million ⬇ 7%

Underlying Profit
US$47.8 million ⬇ 17%

Dividend Per Share
HK¢5 ⬇ 50%

– Dry Bulk

Our Dry Bulk Fleet Size
155 ships ⬆ 18%
(Average number of ships on the water)

Handysize Revenue Days & Daily Rates
US$10,460 per day ⬇ 23%

Cargo cover & rates – Handysize
55% ⬆ 1%

Key Risks

Principal risks that might derail our progress towards achieving our vision and impact shareholder value

Financial performance

Examples of risks faced by our divisions

- **Market Risk** – Volatility in:
  – freight or charter markets
  – operating costs, interest rates and fuel prices
  – foreign currency exchange rates
- **Vessel Investment & Deployment Risk** – Poor timing and choices of ship, fleet composition and vessel deployment
- **Credit & Counterparty Risk** – Default or breach of obligations by our counterparties
- **Insurance Risk** – Inadequate insurance covering maritime risks
- **Liquidity Risk** – Maintaining sufficient cash resources and ability to service debt and comply with key loan-to-value covenants
- **Capital Management Risk** – Adequacy of profit, operating cash and management of capital structure

* Pacific Basin Dry Bulk – An inability to grow our long-term cargo book in tandem with our fleet would result in increased exposure to the more volatile spot freight market

* PB Towage – Market shifts, competitive threats and cost escalation prevalent in the Australasian towage segment could adversely impact financial performance

* PB RoRo – Reliance on a single counterparty for payment for our sold vessels

Relationships & customer satisfaction

- **Customer Satisfaction & Reputation Risk** – Damage to the trust and support of customers and suppliers
- **Banking Relationships Risk** – Deterioration of our relationships with banks and other debt providers

* Pacific Basin Dry Bulk – Failure to maintain close relations with shipyards and shipowners may severely limit access to the best Handysize and Handymax vessels

People & skills

- **Employee Engagement Risk** – Failure to attract, engage, develop and retain talented, qualified and reliable shipping executives, seafarers and specialist staff
- **Succession Risk** – Inadequate succession planning resulting in disruption to our strategic momentum and the business

* PB Towage – A tight and regulated labour market and substantial resource shortages in Australia make it difficult to attract skilled tug crew and quality shore staff

Investor & stakeholder confidence

- **Corporate Governance Risk** – Inadequate corporate governance structure resulting in unprofessional decision making and reduced stakeholder confidence in the Company
- **Investor Relations Risk** – Poor quality or inaccurate external communication of our business

Safety, environment & reliability

- **Safety Risk** – Inadequate safety, operational and training standards on our vessels and piracy threat
- **Environmental Risk** – Inadequate systems and initiatives to reduce our environmental impacts
- **Vessels & Systems Risk** – Failure to operate and utilise reliable, high-quality vessels, equipment and systems resulting in periods of vessel off-hire

Page 18-19 PB Dry Bulk KPIs
Page 23 PB Towage KPIs
Page 28 Group KPIs
Page 46-48 CSR KPIs
Page 82 IR KPIs
Page 62 Risk Management

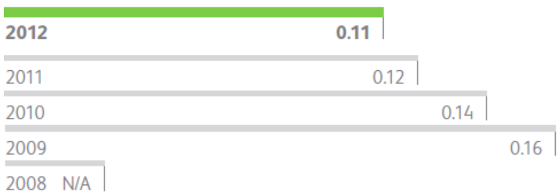
Group Overview | Business Review | Financial Review | CSR Report | Governance | Financial Statements

Governance: KPIs aligned to remuneration

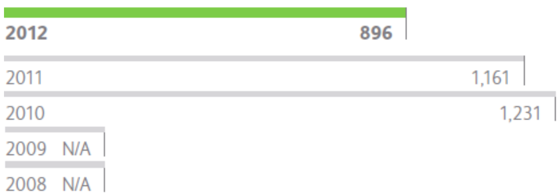
SSE

Key performance indicators – SSE's core values

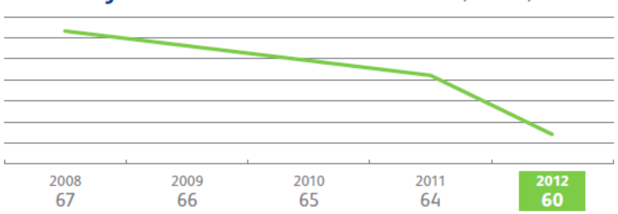
Safety: Total Recordable Injury Rate – per 100,000 hours worked



Service: GB supply customer complaints to third parties



Efficiency: Network customer minutes lost (South)



Annual Incentive Scheme

The Annual Incentive Scheme is determined by the Remuneration Committee's assessment of the performance during the year, based on the three key areas below: corporate performance; teamwork; and achievement of objectives.

Corporate performance (60%)
Group corporate performance is measured by adjusted profit before tax*, which reflects the underlying profits of SSE's business and the basis on which it is managed.

Teamwork (20%)
Teamwork is measured by performance against the 'SSE SET' of core values: Safety; Service; Efficiency; Sustainability; Excellence; and Teamwork. Performance against these values is assessed through SSE's performance management process.

Personal objectives (20%)
SSE believes personal objectives should form a part of the Annual Incentive Scheme. In keeping with its Teamwork value, SSE seeks to avoid potentially conflicting personal objectives. Focusing on operations and the investment programme, they are designed to support achievement of SSE's strategy and reinforce its values.

The performance targets are clearly linked to SSE's strategy, which is to deliver sustained real growth in the dividend through the efficient operation of, and investment in, a balanced range of energy businesses.

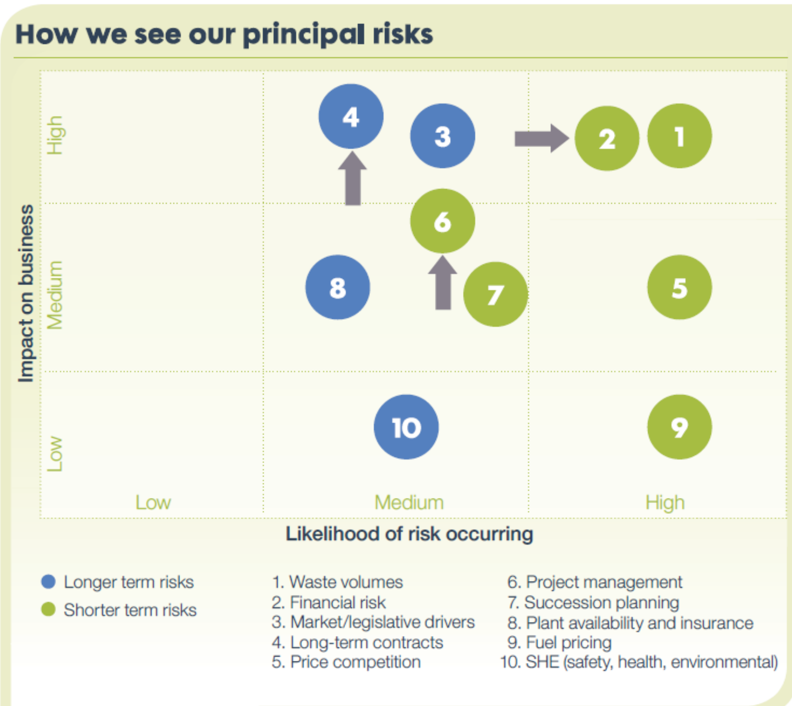
Corporate performance (60%)
Sustained real dividend growth can only be delivered if it is supported by an adequate level of adjusted profit before tax*. At the same time, the long-term nature of SSE's dividend commitments means that adjusted profit before tax* has to be earned in a way that is responsible and durable.

Teamwork (20%)
SSE believes it will only be successful financially if it exercises a wider corporate responsibility to others, such as customers and employees, on whom its success ultimately depends. Its core values summarise this approach.

Personal objectives (20%)
Personal objectives set during the year covered areas such as performance in respect of safety, customer service and delivery of new sources for generating electricity from renewable sources. Success in each of these areas is central to SSE's emphasis on efficient operations and investment to support dividend growth.

Risks: linking risks, priorities and drivers

Shanks



Strategic priorities

1. Invest in new sustainable opportunities that build on our core capabilities and generate attractive returns
2. Deliver outstanding operational performance from existing businesses and investments
3. Develop world-class capabilities and technologies in a cohesive Group culture
4. Actively manage Shanks' portfolio and use bolt-on acquisitions to accelerate profitable growth

External drivers

A. Macro market drivers

B. Regulatory and legislative

C. Economic pressures and limited capital

Strategic priorities/ External drivers	Risk/impact	Our response	Progression
2, 4, C	1 – Waste volumes The inability to attract sufficient waste volumes due to external economic factors including over capacity of incineration in the Netherlands, limiting the availability of waste by commercial and municipal customers. If facilities are working at below full capacity, there is the likelihood of increased unit costs.	Regular reporting and monitoring of volumes both at local and Board level through the use of performance measures. Dedicated sales teams. Innovative action taken to increase volumes through the sourcing of new waste streams such as waste importation into the Netherlands and increasing presence in household waste markets in Belgium. • Reorganising the processing and disposal of waste to optimise asset utilisation and reduce costs with a higher focus on energy production.	No change due to the continuing macro-economic environment.

Risk: risk appetite, priority and direction

Fresnillo

Our approach for managing risk is underpinned by our understanding of our current risk exposures, risk appetite and how our risks are changing over time.

Risk	Risk rating	Risk appetite	Risk change during 2011	Description of risk change
A. Impact of global macroeconomic developments	High	High	↑	Considering the cyclical nature of metals prices the likelihood of a drop in the price of gold and silver has increased
B. Access to land	High	Medium	↑	More challenging negotiations for land in Mexico combined with an increase in requirement for land
C. Safety	High	Low	↑	Increased reliance on contractors, not all of whom are initially familiar or in compliance with our safety policies and procedures
D. Security	High	Low	↑	Increased state of insecurity in Mexico
E. Projects	High	Medium	—	We continue to mitigate project risk through our investment governance process and system of capital project controls
F. Human resources	Medium	Medium	↑	Greater competition for skilled personnel
G. Exploration	Medium	Medium	—	Continued investment in the exploration programme has stabilised this risk
H. Environmental incidents	Low	Low	↓	Mature environmental management programme continues to reduce the likelihood of a significant environmental incident
I. Potential actions by the government	Medium	Low	↑	Pressure for a mining tax in Mexico has increased. Mining taxes have recently been implemented in other Latin American countries (Chile and Peru), and Mexican legislators continue to take steps to move in this direction.

For those risks with a risk rating that is above our risk appetite, management takes action to reduce the level of risk.
See Risk Response/Mitigation in the following table.

Financial and non-financial KPIs

Rexam

key performance indicators

These key performance indicators (KPIs) are used by management to measure and track performance. Each KPI relates directly to our long term strategy and additional information on each of them is contained in the various sections of this annual report.

As discussed last year, 2011 was a year for collecting base data for a number of the KPIs. There are therefore some KPIs where there is no comparable data.

		targets	2011	2010	2009	2008	2007
best performance							
Organic sales growth[1]	%	GDP+	4	3	(7)	7	11
Underlying operating profit growth[1]	%	GDP++	8	22	(17)	3	(7)
Free cash flow	£m	Note 2	245	316	290	(128)	24
Return on capital employed[3]	%	15% by 2013	13.7	12.3	9.5	11.0	11.9
customer expectations							
Customer satisfaction score[4]	1–10	To be set	7.8	n/a	n/a	n/a	n/a
Emerging market sales as percentage of sales	%	Continuous improvement	32	31	27	27	23
Research and new product development[5]	£m	Note 2	17	19	20	19	14
operational excellence							
Annual cost savings and efficiencies[6]	£m	c £30m	35	34	42	35	32
Lost time accident rate[7]	LTAR	Zero accidents pa	0.28	0.30	0.63	0.76	1.13
Carbon intensity[8]	ratio	–10% by 2013 vs 2010	0.83	0.86	0.91	n/a	n/a
winning organisation							
Employee engagement index favourable score[9]	%	Continuous improvement	n/a	62	n/a	n/a	n/a
Values and leadership practices favourable score[9]	%	Continuous improvement	n/a	53	n/a	n/a	n/a

Strategic progress – employees
Potash Corp

GOAL

ATTRACT AND RETAIN TALENTED, MOTIVATED AND PRODUCTIVE EMPLOYEES WHO ARE COMMITTED TO OUR LONG-TERM GOALS

WHY THIS GOAL MATTERS

We require a talented and motivated workforce that can help us maintain our competitive advantages and reach our goals. Securing expertise is even more critical now as our potash expansions continue, as competition for qualified candidates rises and as more-experienced employees approach retirement.

KEY 2012 DEVELOPMENTS

We continue to look for ways to find, engage and motivate the people responsible for our success. We took steps to improve our performance in these areas by:

- Empowering employees to make a difference – We have expanded our practice of offering employees paid time off to volunteer with charitable organizations to give them and their families the opportunity to participate in Free The Children's Adopt a Village development model. These two-week projects in Kenya, China or India let employees help improve the lives of people there.
- Continuing to support innovative programs to find talent – Our co-op, engineer-in-training and internship programs help us find the young talent we need to keep our workforce among the best in the industry. In 2012, 145 co-op and intern students gained real-world experience on projects at our locations. In Saskatchewan, our efforts to attract First Nations and Métis employees produced more than 750 self-identified applicants, resulting in 12 percent of new employees in entry level and trades positions.
- Working to improve supervisor/employee relations – We took steps to enhance skills training for supervisors and other leaders in 2012. Our leadership development committees continue to integrate core competency training into recruitment and performance evaluation models.
- Succession planning – We look for better ways to select and develop employees who can step into key management roles, and provide them with appropriate training and leadership opportunities. In 2012, we filled several key senior management positions through internal promotions.

	Target Achieved	2012	2011	2010	2009	2008
Performance						
Average employee engagement score	●	79%	73%	73%	76%	79%
Percentage of senior staff positions filled internally	●	80%	92%	94%	89%	73%
Average external acceptance rate [1]	●	93%	93%	86%	n/a [3]	n/a [3]
Annual employee turnover rate [2]	●	4.6%	3.8%	3.3%	5.8%	5.7%

● Achieved ○ Not achieved

[1] Rate excludes hourly employees for 2010 and 2011 but includes hourly employees for 2012.
[2] The number of permanent employees who left the company as a percentage of average total employees during the year. Retirements and terminations of temporary employees are excluded.
[3] Not available as data had not been previously compiled consistent with current methodolgy.

For more information on our specific targets and performance discussion
Visit our online annual report at www.potashcorp2012AR.com/goal4

James Whitford (l), Light Keeper Facilitator, and Prestripping Operator Warren Bonner discuss a Light Keeper observation for the behavioral-based safety program at our Aurora phosphate operation.

LOOKING AHEAD
Building for the Future

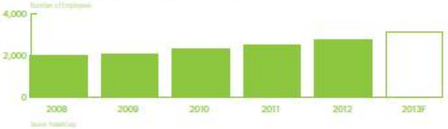
As our company grows and more of our workforce becomes eligible for retirement, we must continue to explore innovative ways to attract, motivate and retain talent.

To help achieve this, we plan to add a Manager of Organizational Development to lead our succession planning and leadership development, guide our performance evaluation process and develop best practices for training throughout our operations.

Most of our hiring is taking place in our Saskatchewan potash operations and we see a tremendous opportunity to add talent from within the currently under-represented pool of Aboriginal people, the province's fastest-growing demographic. We are engaging with Aboriginal leaders and community members to understand how best to bridge the education gaps that pose barriers to men and women who want to join our skilled workforce. We believe our investments in scholarships and training that emphasizes practical workplace skills such as equipment operation and safety procedures can help bridge this gap and grow a larger base of skilled workers.

Recognized as one of Canada's Top 100 Employers by The Globe and Mail

EMPLOYEES AT OUR POTASH OPERATIONS



Current integrated reporting practice

Rethinking business performance

Align financial and operational performance

Hammerson

Connected reporting framework

ENERGY

Significant investment has been made into energy efficient lighting and research into natural ventilation.

	2010	2011	2012
Cost of energy (£000)	10,674	9,707	**9,404**
Estimated energy savings[1] (£000)	697	1,231	**1,032**
Energy efficiency investment (£000)	211	1,157	**3,616**

[1] The majority of savings reflect the roll out of T5 relamping in car parks. This will be completed in 2013.

WASTE

We continue to receive income from the sale of waste. At The Oracle we now include the cardboard waste from other town centre retailers in the programme which generates additional income. Centralised waste management in the UK has dramatically improved recycling to 74%, which in turn has made significant savings for Hammerson and our customers.

	2010	2011	2012
Total waste cost (£000)	2,383	2,031	**1,859**
Amount saved in landfill (£000)	558	527	**1,129**
Income from sale of waste (£000)	118	190	**176**

2010 and 2011 data restated to include France. 2012 includes Centrale.

WATER

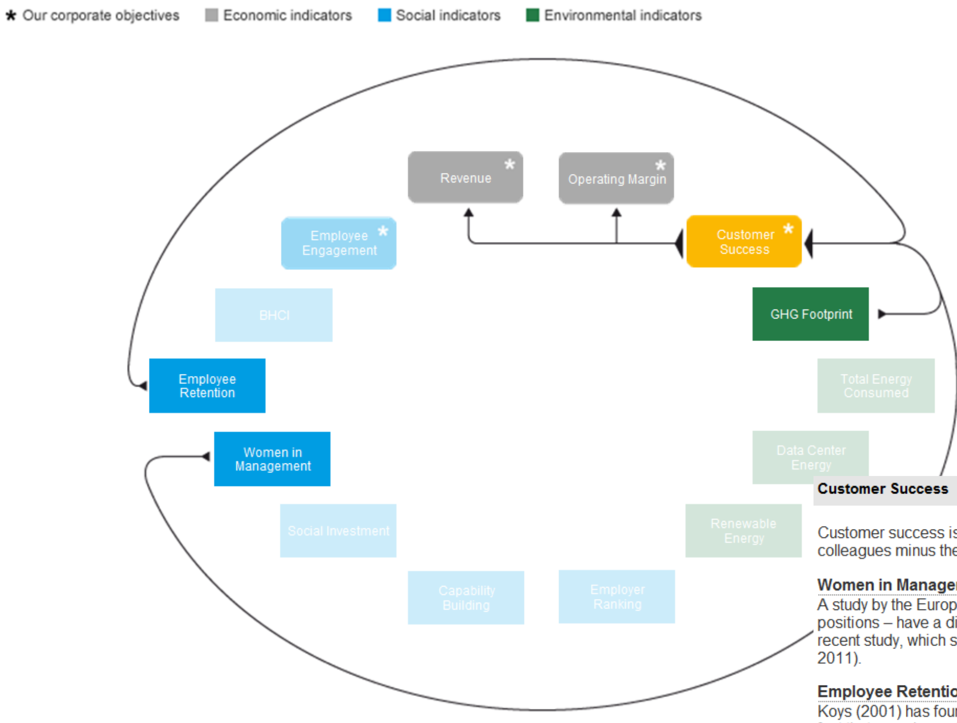
	2010	2011	2012
Cost of water (£000)	1,742	1,896	**1,751**
Investment in water management improvements[1] (£000)	12	16	**312**
Estimated water savings[2] (£000)	97	218	**275**

[1] Several toilet refurbishments have taken place in the UK and France but the full impact of this investment will not be realised until 2013.

[2] 2010 and 2011 data restated to reflect a revised basis for calculation.

Interconnectivity of performance measures (financial and operational)

SAP



Customer Success Less

Customer success is measured with the Net Promoter Score: Percentage of customers that are likely to recommend SAP to friends or colleagues minus the percentage of customers that are unlikely to do so.

Women in Management >> Customer Success:
A study by the European Commission has shown that diversity programs – including those focused on the promotion of women to management positions – have a direct and positive impact on customer satisfaction (European Commission, 2003). This finding is supported by another recent study, which states that customers are increasingly requesting information about organizations' diversity policies and initiatives (Catalist, 2011).

Employee Retention >> Customer Success:
Koys (2001) has found evidence that employee turnover has a negative impact on customer satisfaction. We believe this effect stems from the fact that experienced employees work more efficiently, have better product knowledge, can build trusting relationships with colleagues and customers, and thus have the ability to better serve customers' needs.

GHG Footprint >> Customer Success:
We believe that lowering SAP's carbon emissions has a positive reputational effect, thereby enhancing SAP's standing with its customers.

Customer Success >> Revenue:
Reichheld (2003) found a strong correlation between companies' Net Promoter Score results and their revenue growth rates. We support this view as we believe that loyal SAP customers are likely to recommend SAP products to other companies, which is likely to result in increased sales and stronger revenue.

Customer Success >> Operating Margin:
We believe that positive experiences among our customers can significantly increase business with existing customers, as well as help attract new customers. Both results can lower the cost of sales, thereby increasing our operating margin.

Operational performance - customers

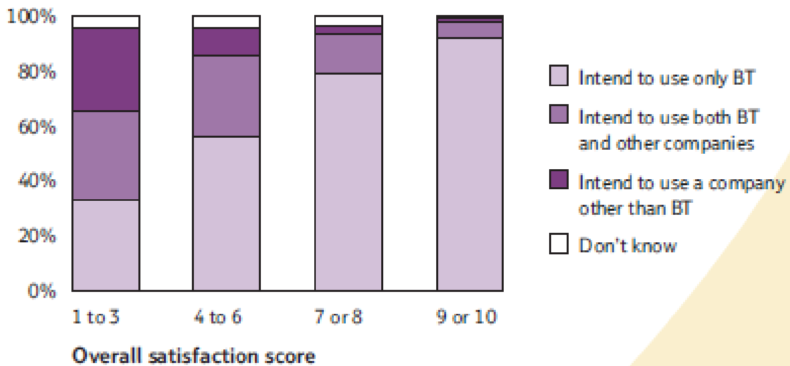
BT 2001

2. Happy customers lead to happy shareholders

Customer satisfaction in turn affects loyalty and revenues. We also asked a sample of customers in the same call centre how likely they were to stay with BT, and we found that about 7 per cent of those who are 'very dissatisfied' also said they would definitely leave. Taking this figure, along with some rough assumptions about average bill size, the number of customers an advisor might deal with in a year, net margin etc, **we estimate that a single advisor with poor customer handling skills stands to reduce company profits by £300,000.**

Further evidence of the cause and effect link between improved customer satisfaction and customer loyalty comes from our general consumer survey data.

Relationship between customer satisfaction and customer loyalty



This potential loss of customer revenue is most significant because we know that it is most likely to come from our eight million most valuable customers who each deliver an average annual EBIT (earnings before interest and taxes) of roughly £70.

Performance: shared value

BASF

Value added statement

Our value added statement shows the BASF Group's contribution to both private and public income, and how our economic activities provide value to society.

Value added results from the company's business performance minus goods and services purchased as well as depreciation and amortization. In contrast to the income statement, which is based on the perspective of the owners, the distribution

fits. In addition, a significant share of value added was distributed to the state as taxes. This amounted to €2,711 million compared with €2,583 million in the previous year.

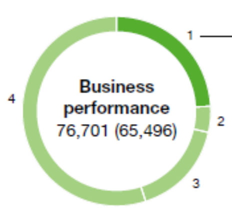
In 2011, BASF spent a total of €48.7 million on donations, sponsorship and funding for our own projects (2010: €49.8 million). This amount is reported in "other expenses."

The remaining value added of €6,188 million was available to be paid out as a dividend to BASF SE shareholders or

Value added statement BASF Group 2011

Creation of value added
(million €, previous year's figures in parentheses)

1	Value added	18,652 (16,658)
2	Amortization and depreciation	3,407 (3,370)
3	Services purchased, energy costs and other expenses	12,656 (11,459)
4	Cost of raw materials and merchandise	41,986 (34,009)



Use of value added
(previous year's figures in parentheses)

46.0%	**Employees** (49.4%)
14.5%	**Taxes** (15.5%)
2.2%	**Minority interests** (3.1%)
4.1%	**Creditors** (4.6%)
33.2%	**Remaining for shareholders** (dividend and retention) (27.4%)

Ecovio: business model for compost bin liners
Biodegradable plastic for collecting and composting organic matter

Value for BASF	Value for the environment
20%	30%
annual market growth for Ecovio in applications for biodegradable bin liners from 2011 to 2020	**reduction in greenhouse** gases thanks to the separate composting of biodegradable waste in Europe

Tinuvin 1600
UV absorber for transparent engineering plastics

Value for BASF	Value for our customers
50%	75%
growth in annual sales volumes from 2006 to 2011	**increase in product life-**time of plastic applications

Analysis of impact in supply chain
Unilever

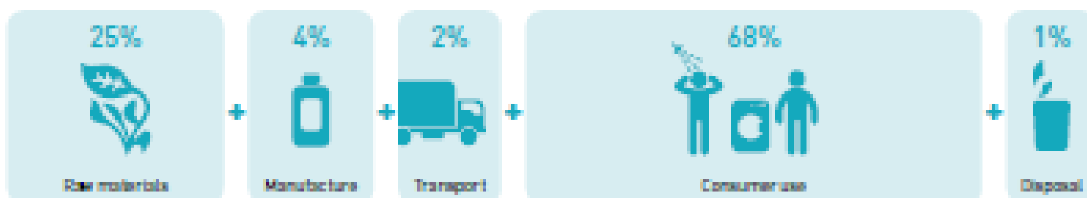
EMBEDDING SUSTAINABILITY

In order to realise sustainable growth, we are integrating sustainability into our strategy, brands and innovation. We are working with our customers and suppliers, engaging employees and forging new partnerships.

THREE KEY FEATURES OF OUR PLAN

- Spans our entire portfolio of brands and all countries in which we sell our products.
- Has a social and economic dimension – our products make a difference to health and well-being, and our extended supply chain supports the livelihoods of many people.
- When it comes to the environment, we work across the whole value chain – from the sourcing of raw materials to the way consumers use our products.

WE WORK ACROSS THE VALUE CHAIN

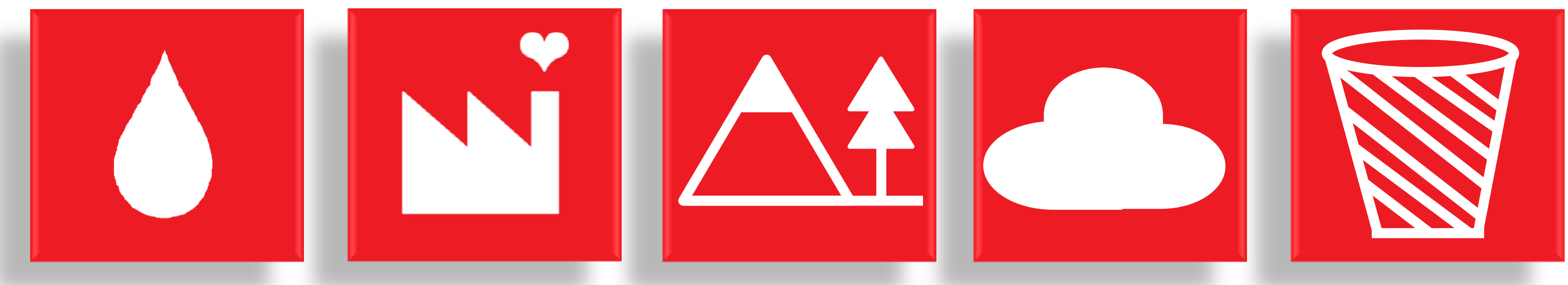


UNILEVER'S GREENHOUSE GAS FOOTPRINT [SEE PAGE 25]

Environmental Profit & Loss

Puma

Water consumption	GHG emissions	Land use	Air pollution	Waste



Water consumption	GHG emissions	Land use	Air pollution	Waste
€ 47m	€ 47m	€ 37m	€ 11m	€ 3m

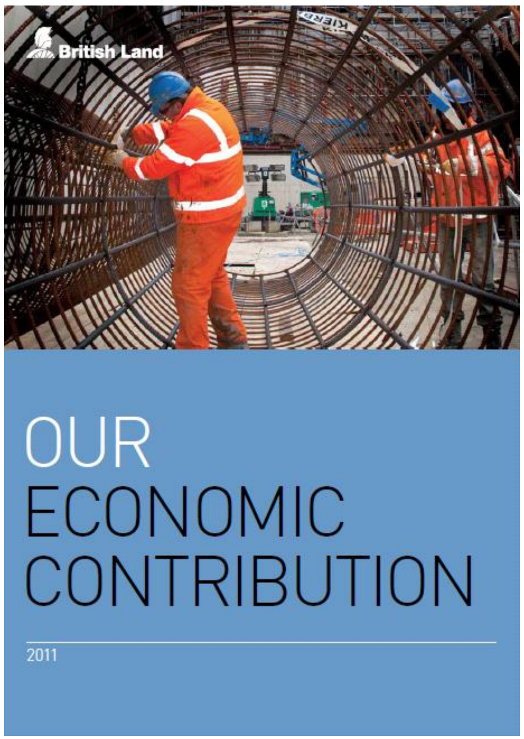
Performance: Integrate impact across value chain

Puma

2010	Non-financial performance	Economic value € million	Economic value %
PUMA Operations:			
Greenhouse Gases (ktCO_2e)	110.1	7.2	7.6%
Water ('000 m^3)	108.8	0.1	0.1%
Tier 1 suppliers			
Greenhouse Gases (ktCO_2e)	131.4	8.6	9.1%
Water ('000 m^3)	5,319.8	0.8	0.8%
Tier 2 - 4 suppliers			
Greenhouse Gases (ktCO_2e)	476.0	31.2	33.1%
Water ('000 m^3)	72,064.5	46.5	49.3%
Total:			
Greenhouse Gases (ktCO_2e)	**717.5**	**47.0**	**49.8%**
Water ('000 m^3)	**77,493.1**	**47.4**	**50.2%**
Total economic value		**94.4**	**100%**

Performance: integrated direct and indirect impact

British Land



Socio-economic drivers

Indirect drivers

direct drivers

OUR 2009/10 CONTRIBUTION

	Our occupiers* – through their business activities in our properties	**Us**
OVERALL CONTRIBUTION TO THE UK ECONOMY (Gross Value Added)	£10.6 BILLION	£900 MILLION
JOBS SUPPORTED (through direct employment and spending with suppliers)	142,000 JOBS	10,200 JOBS
TOTAL TAX CONTRIBUTION (through taxes and levies paid and collected)	£1.3 BILLION (in payroll taxes, business rates and corporation taxes only)	£82.5 MILLION
CONSUMER SPEND	It has not yet been possible to estimate this accurately – but we know that it is billions rather than millions – and give some more detail on the back page.	N/A

OUR FUTURE ADDITIONAL CONTRIBUTION THROUGH OUR COMMITTED DEVELOPMENT PIPELINE

	Our future occupiers*– through their business activities in our new buildings once fully let	**Us**
OVERALL CONTRIBUTION TO THE UK ECONOMY	£1.1 BILLION Gross Value Added per annum	£1.0 BILLION (total committed development costs, of which our share is £668 million)
JOBS SUPPORTED	9,700 JOBS PER ANNUM (through direct employment)	15,300 CONSTRUCTION JOBS (person years worked, of which 10,100 are attributable to our share)

Human Capital valuation and impact

Infosys

Human resource valuation

A fundamental dichotomy in accounting practices is between human and non-human capital. As a standard practice, non-human capital is considered as assets and reported in the financial statements, whereas human capital is mostly ignored by accountants. The definition of wealth as a source of income inevitably leads to the recognition of human capital as one of the several forms of wealth such as money, securities and physical capital.

We have used the Lev & Schwartz model to compute the value of human resources. The evaluation is based on the present value of future earnings of employees and on the following assumptions :

a) Employee compensation includes all direct and indirect benefits earned both in India and overseas

b) The incremental earnings based on group / age have been considered

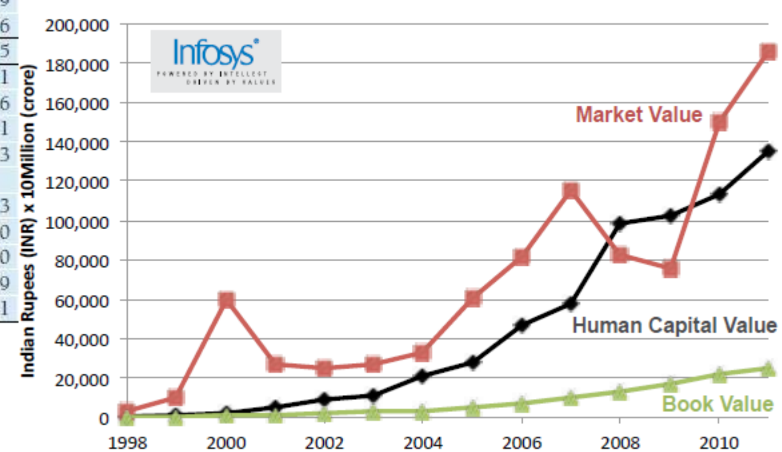
c) The future earnings have been discounted at the cost of capital of 11.21% (previous year 10.60%).

in ₹ crore, unless stated otherwise

	2011	2010
Employees (no.)		
Software professionals	1,23,811	1,06,864
Support	7,009	6,932
Total	1,30,820	1,13,796
Value of human resources		
Software professionals	1,22,539	
Support	12,566	
Total	1,35,105	
Total income [1]	27,501	
Total employee cost [1]	14,856	
Value-added	25,031	
Net profit [1]	6,823	
Ratios		
Value of human resources per employee	1.03	
Total income / human resources value (ratio)	0.20	
Employee cost / human resources value (%)	11.0	
Value-added / human resources value (ratio)	0.19	
Return on human resources value (%)	5.1	

(1) *As per IFRS (audited) financial statements*

Human Capital Value, relative to Market & Book Value



Source: Infosys; HIP Investor analysis

Benefits of integrated reporting

Pilot programme experiences to date – benefits

Connecting teams
93%: breaks down silos

Improved internal processes
93%: leads to better quality data collection

Board focus
95%: increased focus on what the right KPIs are

Better view of strategy and business model
95%: clearer view of business model

Creating value for stakeholders
Improved communications, identify mutual opportunities, greater confidence in the business (lower cost of capital)

Source: Black Sun/IIRC, Building the Business Case for Integrated Reporting, 2012; PwC research

Pilot programme experiences to date – challenges

Challenges

- Materiality
- Systems
- Internal resource constraints
- Need to change existing processes and culture
- Tensions between different parts of the business
- Integrated assurance

Next steps

The path towards integrated reporting

Getting started on your integrated reporting journey – how we can help

Where are you now?

- Benchmarking
- Identify good practice examples
- Speak to stakeholders

Where do you want to be?

- Define vision for reporting
- Consider materiality
- Set out what a sustainable business model looks like and how that can be communicated

What do you need to do to get there?

- Build consensus
- Systems
- Information gaps
- Blueprint report
- Quick wins

www.pwc.com/corporatereporting