



# **UNCTAD GCI Training**

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# Institutional Indicators

## Core SDG Indicators for Entity Reporting

## Institutional Indicators – what will we cover

*Learning Objectives*

### a) Core indicators in the institutional area:

- ✓ Number of Board meetings and attendance rate;
- ✓ Number and percentage of female board members;
- ✓ Board members by age range
- ✓ Number of meetings of audit committee and attendance rate
- ✓ Compensation: total compensation per board member (both executive and non- executive directors)
- ✓ Amount of fines paid or payable due to settlements
- ✓ Average hours of training on anti- corruption issues per year per employee

### b) Potential sources of information to calculate institutional indicators in your company

### c) Examples of companies already using and disclosing some of these economic indicators



# D.1. Corporate governance disclosure

D.1.1. Number of Board meetings and attendance rate – SDG 16.6

D.1.2. Number and percentage of female board members – SDG 5.5.2

D.1.3. Board members by age range – SDG 16.7.1

D.1.4. Number of meetings of audit committee and attendance rate – SDG 16.6

D.1.5. Compensation: total compensation per board member (both executive and non- executive directors) – SDG 16.6



# D.1. Corporate governance disclosure

1. Number of Board meetings and attendance rate
2. Number and percentage of female board members
3. Board members by age range
4. Number of meetings of audit committee and attendance rate
5. Compensation: total compensation per board member  
(both executive and non- executive directors)



## **D.1.1. Number of Board meetings and attendance rate: Definition & Measurement Methodology**

This indicator is about the **number of board meetings and their attendance rate**, i.e., the number of people who are present at board meetings.

In order to calculate this indicator, entities need to:

- ✓ Count the Board meetings during the reporting period (number),
- ✓ Add up the number of Board members who participate at each Board meeting during the reporting period and divide this by the total number of directors sitting on the Board multiplied by the number of Board meetings during the reporting period (attendance rate, %)

The attendance rate will be then calculated in this way:

Sum of Board members who participated at each Board meeting during the reporting period

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Total number of Board members multiplied by  
the number of Board meetings during the reporting period



## D.1.1. Number of Board meetings and attendance rate: Measurement methodology



### CALCULATION EXAMPLE

For example:

Let us assume that an entity has a Board whose meetings are held once a month.

Let us also assume that there are 5 members. The attendance rate would be 100% if all members participated at all Board meetings during the reporting period.

However, the attendance of the meeting was as follow:

	Board meeting 1	Board meeting 2	Board meeting 3	Board meeting 4	Board meeting 5	Board meeting 6
Board Member 1	YES	YES	YES	NO	YES	YES
Board Member 2	YES	YES	NO	YES	NO	YES
Board Member 3	YES	YES	NO	YES	YES	NO
Board Member 4	NO	YES	YES	YES	YES	YES
Board Member 5	YES	YES	YES	YES	NO	YES
<b>ATTENDANCE PER MEETING</b>	4 MEMBERS	5 MEMBERS	3 MEMBERS	4 MEMBERS	3 MEMBERS	4 MEMBERS

	Board meeting 7	Board meeting 8	Board meeting 9	Board meeting 10	Board meeting 11	Board meeting 12
Board Member 1	YES	YES	NO	YES	YES	YES
Board Member 2	YES	YES	YES	YES	YES	NO
Board Member 3	YES	YES	YES	YES	YES	YES
Board Member 4	YES	YES	YES	YES	YES	YES
Board Member 5	YES	YES	YES	YES	YES	NO
<b>ATTENDANCE PER MEETING</b>	5 MEMBERS	5 MEMBERS	4 MEMBERS	5 MEMBERS	5 MEMBERS	3 MEMBERS



## D.1.1. Number of Board meetings and attendance rate: Measurement methodology



### CALCULATION EXAMPLE

So:

The **total number of Board meetings** during a certain reporting period is then **12**.

The **attendance rate** is calculated as follow:

Numerator:  $4 + 5 + 3 + 4 + 3 + 4 + 5 + 5 + 4 + 5 + 5 + 3 = 50$

Denominator:  $5 \times 12 = 60$

Attendance rate =  $50 / 60 = 83 \%$





## D.1.1. Number of Board meetings and attendance rate: Potential sources of information

- ❑ As the amount of these **meetings per reporting period is quite small** (e.g., one per month), it is easy to keep track of the number of Board meetings. Furthermore, **Board meetings are usually scheduled in advance** (there is a Board meeting calendar that is communicated at the beginning of the reporting period) therefore locating this information is not difficult.
- ❑ Also, the **number of Directors sitting on a Board is usually small** and Directors need to communicate before the meeting whether they will participate or not. Therefore, tracing these figures is also unproblematic.
- ❑ The relevant information on this aspect is usually recorded by the **investor relations** office, **company secretary** and/or by **human resources**.



Board attendance to 30 June 2020

	Board meetings	Annual board strategy and budget meeting	Independent	Appointment
<b>Total meetings</b>	6*	1		
<b>Non-executive directors</b>				
GW Dempster (Chairman)	6/6	1/1	Yes	1 August 2018
A Tugendhaft (Deputy Chairman)	6/6	1/1	No	1 August 2018
P Langeni	6/6	0/1#	Yes	1 August 2018
S Mayet	6/6	1/1	Yes	22 November 2018
KR Moloko	6/6	1/1	Yes	22 November 2018
MJN Njeke	6/6	1/1	Yes	22 November 2018
<b>Executive directors</b>				
OS Arbee	6/6	1/1		12 October 2017
OJ Janse van Rensburg	6/6	1/1		12 October 2017
KA Cassel	6/6	1/1		1 July 2019

\* Two special board meetings were constituted during the financial year, which focused mainly on the impact of COVID-19 as well as the various actions plans that were taken.

# Did not attend.



# D.1. Corporate governance disclosure

1. Number of Board meetings and attendance rate
2. **Number and percentage of female board members**
3. Board members by age range
4. Number of meetings of audit committee and attendance rate
5. Compensation: total compensation per board member  
(both executive and non- executive directors)

## D.1.2. Number and percentage of female board members

### Definition

This indicator is related to the **number** (i.e., absolute amount) and **percentage of female board members** (i.e., female board members over total board members expressed as a %).

This indicator provides a quantitative measure of diversity within an organization.

### Measurement Methodology

In order to calculate the % indicator, entities need to:

- ✓ Count the female Board members (number),
- ✓ Divide the number of female Board members by the total number of directors sitting on the Board.

$$\frac{\text{Number of female Board members}}{\text{Total number of Board members}}$$



# Case Study – The ROSE Foundation

<p>D.1.2. Number and percentage of women board members</p>	<p><i>Women board members to total board members</i></p> <p>Total Board members – 7</p> <p>Women board members – 4 (57%)</p>	<p>N</p>	<p>Full</p>	<p>This indicator is not reported in the Sustainability Report, but it does disclose the names of the board members so this indicator is easy to calculate.</p>		
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## D.1.2. Number and percentage of female board members: Potential sources of information

- As the number of Directors sitting on a Board is usually small, tracing these figures is unproblematic.
- The relevant information on this aspect is usually recorded by the **investor relations** office, **company secretary** and/or by **human resources** (Directors are paid by the entity and therefore their personal information is included in the employees' records).





# D.1. Corporate governance disclosure

1. Number of Board meetings and attendance rate
2. Number and percentage of female board members
3. **Board members by age range**
4. Number of meetings of audit committee and attendance rate
5. Compensation: total compensation per board member  
(both executive and non- executive directors)



## D.1.3. Board members by age range

### Definition

This indicator consists of the **board members, by age range** . This indicator provides a quantitative measure of diversity within an organization.

### Measurement methodology

In order to calculate this indicator, entities need to define the age ranges that they want to map. In line with the other indicators, the following groups are suggested:

- under 30 years old,
- 30-50 years old,
- over 50 years old

The indicators then are calculated as the number of Board members of one specific age group divided by the total number of directors sitting on the Board (%).



## D.1.3. Board members by age range: Measurement methodology



### CALCULATION EXAMPLE

For example:

Let us assume that the Board of an entity comprises the following members:

- ✓ John Donne, age 50
- ✓ Anita Red, age 43
- ✓ Bill Smith, age 28
- ✓ Oliver Twist, age 40
- ✓ Lucy Hail, age 66

The indicator will be calculated by age range in the following way:

- **under 30 years old =  $1/5 = 20\%$**
- **30-50 years old =  $3/5 = 60\%$**
- **over 50 years old =  $1/5 = 20\%$**



### D.1.3. Board members by age range: Potential sources of information

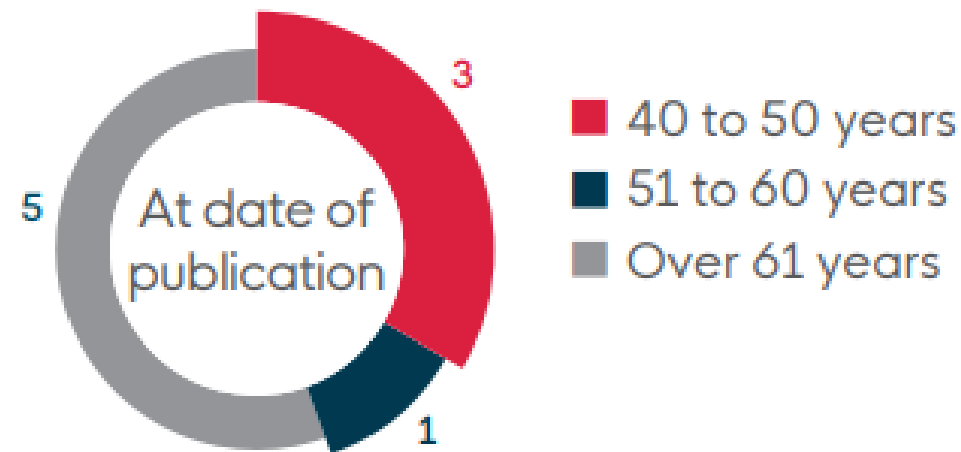
- As the number of Directors sitting on a Board is usually small, tracing these figures is unproblematic.
- The relevant information on this aspect is usually recorded by the **investor relations** office, **company secretary** and/or by **human resources** (Directors are paid by the entity and therefore their personal information is included in the employee records).



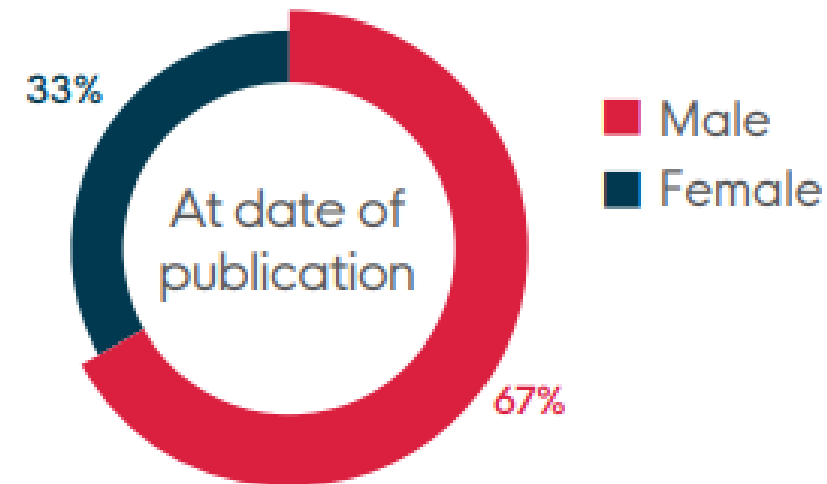
## Our leadership Board of directors

Motus has a well-constituted, independent, and diverse board, with deep industry knowledge and expertise.

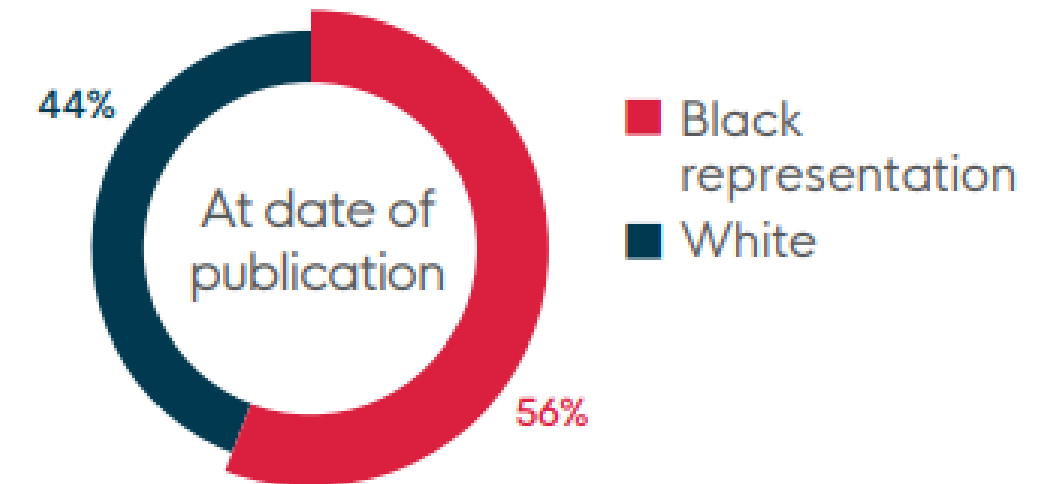
### Board age



### Board gender representation



### Board race diversity





# D.1. Corporate governance disclosure

1. Number of Board meetings and attendance rate
2. Number and percentage of female board members
3. Board members by age range
4. **Number of meetings of audit committee and attendance rate**
5. Compensation: total compensation per board member (both executive and non- executive directors)





## D.1.4. Number of meetings of audit committee and attendance rate: Definition

This indicator consists of the **number of meetings of the audit committee**, and **their attendance rate**, i.e., the number of people who are present at audit committee meetings.

It provides a quantitative measure of whether the entity has developed effective, accountable and transparent governance mechanisms.



## D.1.4. Number of meetings of audit committee and attendance rate: Measurement methodology

In order to calculate this indicator, entities need to:

- ✓ Count the Audit committee meetings during the reporting period (number),
- ✓ Add up the number of Audit committee members who participate at each Audit committee meeting during the reporting period and divide this by the total number of members sitting on the Audit committee multiplied by the number of Audit committee meetings during the reporting period (attendance rate (%)).

The attendance rate will be then calculated in this way:

$$\frac{\text{Sum of Audit committee members who participated at each Board meeting during the reporting period}}{\text{Total number of Audit committee members multiplied by the number of Audit committee meetings during the reporting period}}$$

## D.1.4. Number of meetings of audit committee and attendance rate: Measurement methodology



### CALCULATION EXAMPLE

For example:

Let us assume that an entity has an Audit Committee whose meetings are held once every two months.

Let us also assume that there are 3 members. The attendance rate would be 100% if all members participated at all Audit committee meetings during the reporting period.

However, the attendance of the meeting was as follow:

	Audit committee meeting 1	Audit committee meeting 2	Audit committee meeting 3	Audit committee meeting 4	Audit committee meeting 5	Audit committee meeting 6
Member 1	YES	YES	YES	NO	YES	YES
Member 2	YES	YES	YES	YES	NO	YES
Member 3	YES	YES	NO	YES	YES	NO
<b>ATTENDANCE PER MEETING</b>	3 MEMBERS	3 MEMBERS	2 MEMBERS	2 MEMBERS	2 MEMBERS	2 MEMBERS

## D.1.4. Number of meetings of audit committee and attendance rate: Measurement methodology



### CALCULATION EXAMPLE

So:

The **total number of Audit Committee meetings** during a certain reporting period is then **6**.

The **attendance rate** is calculated as follow:

Numerator:  $3 + 3 + 2 + 2 + 2 + 2 = 14$

Denominator:  $3 \times 6 = 18$

**Attendance rate =  $14 / 18 = 78\%$**



## D.1.4. Number of meetings of audit committee and attendance rate: Potential sources of information

- ❑ As the amount of these meetings per reporting period is quite small (e.g., one per month), it is easy to keep track of the number of Audit committee meetings. Furthermore, Audit committee meetings are usually scheduled in advance (there is an Audit committee meeting calendar that is communicated at the beginning of the reporting period) therefore locating this information is not difficult. Also, the number of people sitting on an Audit committee is usually small and members of the Audit committee need to communicate before the meeting whether they will participate or not. Therefore, tracing these figures is also unproblematic.
- ❑ The relevant information on this aspect is usually recorded by the **investor relations** office, **company secretary** or by the Internal Audit function.



# D.1. Corporate governance disclosure

1. Number of Board meetings and attendance rate
2. Number and percentage of female board members
3. Board members by age range
4. Number of meetings of audit committee and attendance rate
5. **Compensation: total compensation per board member  
(both executive and non- executive directors)**





## **D.1.5. Compensation: total compensation per board member (both executive and non- executive directors): Definition**

This indicator refers to **total remuneration awarded to each board member**, encompassing both executive and non-executive directors.

Total annual compensation is calculated for each executive director and each non-executive director, where the former is a member of the Board of a firm who also has management responsibilities, while the latter is a Board member without responsibilities for an entity's daily management or operations.



## **D.1.5. Compensation: total compensation per board member (both executive and non-executive directors): Measurement methodology**

In order to calculate this indicator, entities need to compute the amount of total compensation referred to a specific reporting period summing up the following elements of the compensation package:

- ✓ fixed pay (base salary)
- ✓ variable pay (including performance-based pay, equity-based pay, bonuses, and deferred or vested shares)
- ✓ sign-on bonuses or recruitment incentive payments
- ✓ termination payments (i.e., all payments made and benefits given to a departing executive or member of the highest governance body whose appointment is terminated)
- ✓ clawbacks (i.e., repayment of previously received compensation required to be made by an executive to his or her employer in the event certain conditions of employment or goals are not met)
- ✓ retirement benefits.



## D.1.5. Compensation: total compensation per board member (both executive and non-executive directors): Potential sources of information

- The data required for the calculation of these indicators and the related information flows are normally managed by the **HR function, typically within a Compensation & Payroll management information system**. Many entities use specialized software for collecting and elaborating this type of information.
- Company secretary**
- Another source of information is the **Remuneration report where the compensation of Board members, both executives and non-executives, is described**. The underlying information is owned by the Remuneration committee that, when present, is in charge of defining the compensation strategy and policy.



# Omnia Integrated Annual Report 2020



## Total single figure of remuneration

The table below summarises the total single figure of remuneration for the executive directors and prescribed officers for the year ended 31 March 2020.

R'000	Total guaranteed pay (TGP)						STI accrual	LTI reflected <sup>A</sup>	Total FY2020	Total FY2019
	Basic salary	Retirement benefits	Medical aid	Car allowance	Other*					
<b>Executive directors</b>										
Seelan Gobalsamy <sup>1</sup>	4 674	-	78	165	-	14 400	-	<b>19 317</b>	2 690	
Stephan Serfontein <sup>2</sup>	212	21	5	18	-	1 800	-	<b>2 056</b>	-	
Adriaan de Lange <sup>3</sup>	1 435	140	20	123	4	-	-	<b>1 722</b>	3 882	
Wayne Koonin <sup>4</sup>	-	-	-	-	-	-	-	<b>-</b>	13 750	
	<b>6 321</b>	<b>161</b>	<b>103</b>	<b>306</b>	<b>4</b>	<b>16 200</b>	<b>-</b>	<b>23 095</b>	<b>20 322</b>	



# Motus Holdings Limited Integrated report 2020

## Non-executive directors' fees for 2020

The table below provides an analysis of the emoluments paid to non-executive directors for the year to 30 June 2020:

	Directors' fees R'000	Sub-committee fees R'000	COVID-19 salary sacrifice R'000	12 months 2020 Total R'000	7 months 2019 Total R'000
<b>Non-executive directors</b>					
GW Dempster	1 341	648	(75)	<b>1 914</b>	1 105
P Langeni	298	238	(18)	<b>518</b>	380
S Mayet	298	717	(38)	<b>977</b>	564
KR Moloko	298	323	(23)	<b>598</b>	345
MJN Njeke	298	591	(35)	<b>854</b>	412
A Tugendhaft	820	458	(48)	<b>1 229</b>	710
<b>Total</b>	<b>3 353</b>	<b>2 975</b>	<b>(237)</b>	<b>6 090</b>	<b>3 516</b>



## D.2. Anti-corruption practices

D.2.1. Amount of fines paid or payable due to settlements – SDG 16.5.2

D.2.2 Average hours of training on anti-corruption issues per year per employee – SDG 16.5.2





## D.2.1. Amount of fines paid or payable due to settlements: Definition

This indicator refers to the **total monetary value of paid and payable corruption-related fines imposed by regulators and courts in the reporting period.**

- Corruption** includes practices such as: bribery, facilitation payments, fraud, extortion, collusion, and money laundering; the offer or receipt of gifts, loans, fees, rewards, or other advantages as an inducement to do something that is dishonest, illegal, or represents a breach of trust. It can also include practices such as embezzlement, trading in influence, abuse of function, illicit enrichment, concealment, and obstructing justice.
- Corruption is broadly linked to several negative effects, such as damage to the environment, abuse of human rights, abuse of democracy, misallocation of investments, and undermining the rule of law.



## D.2.1. Amount of fines paid or payable due to settlements: Measurement methodology

The steps underlying the computation of this indicator are the following:

- ✓ identify all convictions for violations of corruption related laws or regulations,
- ✓ identify the amount of fines paid/payable for each of the convictions,
- ✓ sum up all the amounts identified with reference to the reporting period.

The calculation of this indicator is therefore very straightforward and there should not be many cases of corruption to be taken into consideration for each reporting period so that it is simple to sum up all the fines and penalties referred to a specific reporting period (that are usually traced in the accounting information system of a company in a separate expense account that is called Fines and penalties).



## D.2.1. Amount of fines paid or payable due to settlements: Measurement methodology

It is suggested to report also the **total number of convictions** relevant to the reporting entity (the simple count).

Moreover, it is suggested that the reporting entity **provide narrative information** about any actions taken in response to incidents of corruption, for example new or revised enterprise policies to prevent such incidents.



## D.2.1. Amount of fines paid or payable due to settlements: Potential sources of information

- The amount of fines paid is to be found among the expenses included in the **income statement** during the reporting period. Such costs would be charged to the income statement immediately. They are often recorded in a separate expense account that can be called Fines and penalties.
- When an obligation might likely arise to pay fines or penalties under the legislation because the obligating event has occurred, the company should set a provision account (the recording of the liability in the balance sheet is matched to an appropriate expense account in the company's income statement).
- The **owners of this information** are usually, on the one hand, the **Legal affairs department** and, on the other hand, the **Finance and Accounting department**.



## D.2.2 Average hours of training on anti-corruption issues per year per employee

### **Definition**

This indicator refers to the **average number of training hours that employees receive in the area of anti-corruption issues** (For further information on the definition and context of corruption, please see indicator D.2.1).

### **Measurement methodology**

The methodology for measurement of this indicator draws on the **methodology for indicator C.2.1** on the average hours of training per employee. In this case, the computation of hours of training should only take into account those hours of training related to anti-corruption issues. This classification could be undertaken either by the entity's overall training department (e.g. human resources), or by the legal department or other office dedicated to advancing anti- corruption efforts.

The indicator is calculated in the following way:

$$\frac{\text{Total number of training hours on anti-corruption issues provided to employees}}{\text{Total number of employees}}$$

The denominator should be calculated by taking into consideration the employee number at the **end** of the reporting period.





# Case Study – Tipp Focus



GCI (name)		GCI (value)	Reported (Y/N)	The level of disclosure	Comments about the level of disclosure	Status of information needed for	Activity to produce GCI
D.2 Anti-corruption practices	D.2.1. <u>Amount of fines paid or payable due to settlements</u>	<i>Total monetary value of paid and payable corruption-related fines imposed by regulators and courts in the reporting period</i> 0	N	Full			
	D.2.2. Average number of hours of training on anti-corruption issues, per year per employee	<i>Average number of hours of training in anti-corruption issues per employee per year (as total hours of training in anti-corruption issues per year divided by total employees)</i>	N	None	There has not been any anti-corruption training and there are no plans for any		