

# SUSTAINABILITY REPORT

At Juta, not only do we focus strategically on the long-term sustainability of the company, but we acknowledge our role and responsibility to the sustainable development of South Africa in the interest of economic prosperity, social upliftment and care for our environment.

As a successful for-profit enterprise, Juta is able to **support the fiscus** through the payment of company taxes (R13.5 million in 2010) and creates jobs for 272 staff who collectively contributed over R12 million in personal taxes via their employment at Juta. As Juta grows, we create jobs and in 2010, 17 new permanent positions were created. In the event that positions become redundant, the social impact is fully evaluated and Juta's severance benefits historically exceed those stipulated by the Basic Conditions of Employment Act. Juta's high quality legal and regulatory information is an indispensable contributor to the effective rule of law and a robust legal system. Given that one of the significant challenges facing economic development within South Africa is the availability of a skilled workforce, it is pleasing that skills development is at the heart of so much of our business activity: as the largest local publisher of academic textbooks we seek to publish outstanding, locally relevant textbooks at affordable prices. Juta Bookshops ensures availability of prescribed texts through accurate stock-holding. Research indicates that textbook usage directly impacts pass rates and we therefore promote increased through-put of quality graduates into the economy via our campaigns. Our ABET, Training and Professional Development programmes contribute directly to skills development within the economy while the new relationship with Scholastic will enable Juta to foster literacy at an early age in response to the 2008 OECD benchmarking study which showed that South African children scored lower in literacy and numeracy than any other participating country.

Beyond our day-to-day transactional activities, Juta contributed R0.5 million to the government's statutory Skills Development Levy in 2010 and spent R0.6 million on staff development (2009: R0.5 million). Such **skills development** is also a contributing factor to sustaining the publishing industry which is dependent on highly skilled knowledge workers. To this end we continue with our internship programmes, hosting a number of interns during the year, including TSiBA students who completed internships within HR and APD. We also engage in author development programmes to promote a research and publishing culture. Likewise our emphasis on encouraging local academic research through the scholarly publications of UCT Press builds local capacity in scholarly excellence, and creates a forum for important intellectual debate. To foster development in the Law arena, we provide heavily discounted access to content at Law faculties, the Legal Aid Board and Department of Justice.

Given these developmental needs, at Juta we have identified **transformation in education** as one of the primary focus areas

for our Social Responsibility and Corporate Social Investment programmes. Phandulwazi High School in New Cross Roads was the recipient of computer donations along with networking infrastructure and a server to serve the school and wider community. This donation is coupled with the intention to provide the school with management and leadership support. Juta supports TSiBA, a not-for-profit provider of Higher Education conferring accredited business degrees to deserving previously disadvantaged students. Our investment is manifest through textbook donations and lecturing contributions, mentoring and internship opportunities.

An internal survey conducted this year revealed that a number of Juta employees contribute to **social upliftment** initiatives in their personal capacity. Going forward it is our intention to adopt specific volunteer projects that foster education transformation, allowing time to be allocated to such initiatives as part of a formalised CSR strategy. A plan is being drafted to this effect. Juta also responds to ad-hoc requests for sponsorship and donations and where the request is not a business imperative, its contribution to education transformation is the criterion used for selection.

'**Transformation**' in the South African post-apartheid economic context is understood at Juta to mean the socio-economic upliftment of previously disadvantaged Black individuals coupled with equitable representation at all levels of industry with full and fair participation in the economy. Juta was one of the first South African publishers to conclude a BEE deal which saw Imfundo as the BEE consortium taking up 25% shareholding in the company. According to the BEE codes, Juta is independently rated a level 5 contributor (see BEE scorecard), and we continue to strive towards bettering this score through our procurement practices, recruitment and development policies. While BEE scores are increasingly important for securing tenders in the South African economy, at Juta we choose to go beyond compliance: Workshops on transformation were held with the board as well as the staff Employment Equity Forum. Representation at senior levels, enterprise development and CSR plans were earmarked as areas of focus with the provisos that no transformation initiative should negatively impact an existing member of staff or the viability of the business, but should ultimately be in the interest of societal and economic prosperity.

Juta's **Employment Equity** Forum is a valuable consultative platform for discussing transformation and reflects diverse staff interests at various levels in Juta. The focus is to ensure that Juta strives to promote fairness, eliminate unfair discrimination and ensure implementation of employment equity in order to encourage equal participation within Juta, irrespective of our faiths, values, cultures and ourselves. This forum reviews the company Employment Equity performance versus the legislated Employment Equity Plan and, while this is on track, challenges include scarcity of qualified individuals from designated groups to fill professional positions,

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and representation of designated groups at senior levels.

A further facet of sustainability is **environmental impact**. As a publisher, there is the inevitable concern to source environmentally friendly paper and recycle to ensure sustainability of resources and minimise our carbon footprint. Our concerted shift towards electronic delivery of information, and more recently, e-learning, goes some way to addressing this, however, it is our intention to analyse our practices and value chain thoroughly to enable us to build a comprehensive Reduction of Environmental Impact Plan.

The King III report on Corporate Governance in Southern Africa became effective on 1 March 2010 in anticipation of the introduction of the new Companies Act. In the interest of the sustainability of the company, the Juta Board upholds the principles of **good governance** outlined in the Code and the recommendations on best practice in the Report insofar as they can feasibly be adhered to. We subscribe to the notion of transparency and accountability and therefore shareholders have been advised of any deviations where it was either impractical or not feasible to follow a recommendation. We are confident that good governance is practiced and risk mitigated.

No going concern is without threats to its sustainability: the increased perception of corruption in South Africa's public sector as reported

in Transparency International's Corruption Index 2010 is disconcerting. We do not engage in underhand or anti-competitive practices but may compete against those less scrupulous. We seek to alleviate such impact on our business by having a balance between tender revenues and ordinary sales. Mismanagement of budgeted allocations by government departments and institutions is likewise a problematic trend which we seek to ameliorate through our diversification strategy. Government will inevitably remain an important and valued customer, but by sustaining our excellent, professional key account relationships, not only will we remain above reproach, but will serve as an example of best practice to the economic community.

In conclusion, by continually addressing these issues that impact Juta's performance, the economic prosperity of the country, social upliftment of South Africa's people, and care for our environment, we ensure Juta's relevance, longevity and legitimacy towards the long-term sustainability of the company.

Lynne Du Toit  
CEO

John Volmink  
Chairman

## RENE OCTOBER BURSARY



Bursary recipients, Berelynn Sally-Anne Petersen and Ronel Stemmet



TSiBA graduate, Tamara Sikepu completed an internship at Juta