



GRIFFIN NEWS

THE GREEN ISSUE

In this issue of the Griffin News we have chosen the colour green. Green signifies growth, renewal and the environment. Thus, we pay homage to our environment and to our relationships.

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Editor Agnes Guvaza

ONE PLANET, ONE CHANCE...

"Waste not, want not" or so the adage goes. Yet, year after year people carry on regardless of the negative consequences their careless and wasteful behaviour has on natural resources. The persistent abuse, pollution, and over-exploitation of natural resources is pushing humankind closer and closer to the brink of extinction. The predictions made in the WWF's *Living Planet Report 2010* are unsettling - at the current rate of consumption of natural resources, humans will need two planets by 2030 in order to sustain themselves. According to the Report, humans are using thirty percent more resources than is sustainable.

Half a century ago, most countries lived and consumed within the limits of their ecological resources. Figures show that to-

day, three-quarters of the world's population live in countries where the inhabitants consume resources at a rate faster than they can be replenished. Moreover, there is ongoing pollution of air and water, deforestation, degradation of arable soils, and worrying declines in the numbers of various species of flora and fauna.

Humanity finds itself very much wanting, as increasing modernisation sees more and more countries adopting wasteful, consumptive habits. The question is: what happens to all the resources after consumption?

All activities that cater to human needs - which range from those in the home to the large-scale production within industries - generate waste. There is an ever-growing demand for a variety of

resources, including space to dispose of these wastes.

This is particularly true for the carbon dioxide that results from burning fossil fuels, and the dumpsites that are increasingly being filled with discarded materials.

Due to the fact that humans have shown scant regard for the manner in which they use natural resources, there is an inevitable security threat as our supply of these materials shows signs of failing to keep up with growing demand. The link between environmental policy and security is undeniable. A lack of resources -- be it as a result of overuse, pollution or wastefulness -- will destabilise populations as people grow desperate to fulfil their basic need to survive.

If we faced an anarchist plot to poison water supplies or release poison into the air, there would, no doubt, be swift action in response. Sadly, a more subtle, but no less dangerous threat to environmental security is growing day by day. Society continues to poison natural resources with pollution, and our treatment and disposal of waste is inadequate. Whilst scientists and environmentalists have raised this alarm for many years now, generally the reaction and remedy from governments, business and civil society has been lacking in decisiveness.

We only have one planet and our actions need to be informed by the fact that we are 'borrowing' natural resources from future generations. We need to ensure that we leave future generations an earth that can maintain and sustain them.

“The issue of waste management speaks to the efficient use of resources and a reduction in waste generation”

Within this context, the South African government has passed the National Environmental Management: Waste Act (Act 59 of 2008) or 'NEMWA'. NEMWA entrenches international best practices of waste management into law, and espouses an environmentally responsible and sustainable approach. It is one attempt to respond to the growing threat of contamination and dwindling resources. NEMWA follows the National Environmental Management Act (Act 107 of 1998) or 'NEMA', which was developed to integrate environmental management on a nationwide scale.

NEMWA gives effect to the Constitutional right that guarantees the right of all South Africans to an environment that is not harmful to their health. The key aspects of the new legislation include:

- decreasing the consumption of natural resources
- minimising waste generation
- recycling
- appropriate and sustainable waste disposal
- preventing pollution
- promoting effective waste services
- remedying land degradation, and
- achieving an efficient integrated waste-management reporting and planning regime.

The NEMWA provides comprehensive and integrated waste management legislation for waste throughout its life cycle.

Companies must be familiar with, and compliant to the legislation as NEMWA introduces criminal liability for directors and companies and an offender may receive a fine of up to R10 million or imprisonment of up to ten years for certain offences. Moreover, directors need to ensure that their companies are compliant to the legislation, or they risk being brought to book by the Department of Environ-

mental Affairs' Enforcement Directorate, and its dedicated environmental team, known as the 'Green Scorpions'.

As the legislative requirements have become more rigorous and the costs associated with the treatment and disposal of waste are increasing, so more companies are becoming aware of the need to improve their waste management. Additionally, the costs associated with the treatment or disposal of waste are on the rise, which in turn impact upon a company's financial performance. The private sector has to act on the need to have more improved and integrated waste management systems in place, and waste generation must be examined and reduced at all phases of a product's life cycle.

In line with the philosophy of "waste not, want not"; the issue of waste management speaks to the efficient use of resources and a reduction in waste generation. While the generation of waste can be limited, it cannot be avoided entirely. This may be seen as both a challenge and an opportunity. Any portion of waste, once it has been re-used, recycled and recovered, ceases to be waste. Companies may gain revenue by selling recyclables, and recycling is a way to extract value from the waste stream. The other benefits include creating opportunities for Small, Medium and Micro Enterprises (SMMEs) and, in the process, creating jobs.

The challenge around waste and waste management is therefore two-fold: *reduce* the amount of waste that is generated, and of the waste that remains, try to *re-use* it for another purpose.

Waste management strategies need to be informed by sound environmental practises, as espoused in the King Report for Corporate Governance (King III). These practises must be sustainable in the economic and environmental sense and will form a critical component of a company's integrated reporting. The methods used need to promote the effective use of valuable resources, support the reduction of waste generation and must encourage resource conservation and recovery.

The risk to human health and the degradation of the environment may be reduced through the implementation of systems that help to prevent pollution and promote a cleaner, 'greener' environment. This will ensure that the different types of waste are separated, that waste is collected regularly, transported and stored safely and appropriately treated, and – as a last resort – disposed of.

What remains to be seen is which companies will rise to combat the growing threat, and adapt themselves to play a more active role in effectively championing, as one key area, sustainable and integrated waste management?

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LAYING THE FOUNDATIONS FOR GROWTH : LEARN- BREAKFASTS

Riskflow Institute (RFI) under the new direction of Prof Bernie van Zijl introduced “Learn-breakfasts” to their product basket. These fall under the broad category of Learn-shops.

Learn-breakfasts are sessions that are interactive, informative and educational; aimed at providing networking opportunities for both individuals and businesses from a broad range of disciplines. Discussions centre on a diverse range of topics.

The first learn-breakfast was held on 20 May 2011 and was presented by Lawrence Mlotshwa. The topic was “People, people, people then technology” and looked at the key role that people play in organisations and their influence on the organisation. People “make” organisations and people can destroy organisations.

On the 2nd of June 2011, Terry Booyesen presented the second learn-breakfast titled, “Corporate Governance...

too big for small to medium enterprises?” Terry Booyesen is the Co-founder and executive director of CGF Research Institute (Pty) Ltd. Terry’s message discussed how Corporate Governance should not just be a compliance issue but a standard of excellence that we should all live by. He also challenged the delegates present to be activists of good corporate governance.

The 3rd learn-breakfast was held on the 5th of August entitled “Cashflow”. Prof Aart Boessenkool was the guest speaker, together with Danie de Villiers the Chief Group Finance Office of Riskflow Holdings.

The next learn-breakfast titled “Think Reputation and not only brand”, will be held on the 8th of September 2011. Sean McCoy, founding member and chief executive of HKLM will be the guest speaker

For more information on learn-breakfasts, kindly contact theinstitute@riskflow.com



Danie de Villiers, Bernie van Zijl and Prof Aart



Sue Long and Nico de Jager



We learn as we ask the right questions



Warming up by the fire on a cold June morning



SMI JHB Representatives



Prof Strydom and Terry Booyesen



Breakfast discussions



Lawrence Mlotshwa and Daan Maré



Delegates enjoying their breakfast



Danie Maré and Keith Diesel



Riskflow Institute Team



Serious play : Prof Aart Boessenkool



KINGDOM HOLDING

ALCO LEARNSHOP

Riskflow Holdings takes this opportunity to welcome Kingdom Financial Holdings Limited into its family, following the ALCO Learn-shop presented by Riskflow Institute.

Riskflow Institute, lead by Prof Bernie van Zijl, facilitated an ALCO Learn-shop for Kingdom Financial Holdings from the 18th to the 19th of July 2011. The delegates present did not just represent ALCO members but also representatives from departments that support the ALCO process and the risk management processes of Kingdom Holdings.

Action Learning ALCO

Riskflow Institute is an Action learning organisation and therefore used the Action learning methodology to deliver the training. Action learning is both a process and a powerful program that involves a small group of people solving real issues while at the same time focusing on what they are learning and how both the members and the organisation can benefit as a whole. Action learning allows for shared organisational learning; improved communication and teamwork; greater self awareness and self confidence due to new insights and feedback. Also present is a facilitator, who draws on the experiences of the group(s) to facilitate this process of learning. Hence the workshop becomes more learning than working.

Learn-shop Overview

The learn-shop began with an ALCO Issues Analysis: analysing the issues that are facing Kingdom. These issues should not be viewed in a negative way, but in a positive way as they provide a learning opportunity whilst finding solutions to them. These issues formed the foundation for the



entire duration of the learn-shop. Emphasis was placed on questions such as: What stops us from doing better? What are we going to do about it? What is the course of action?

The ALCO Process was also discussed, focusing primarily on what constitutes an effective ALCO. Questions were raised following the 10 steps of the ALCO Process, which enlightened the group regarding the areas that needed emphasis in their day-to-day operational activities as ALCO and ALCO support.

The purpose of a learn-shop is not to tell delegates what to do, but rather

to ask pertinent questions that bring them to the understanding to ask pertinent of the actions they need to take in order to solve their issues.

Literature and content were explored, together with the combined experience of the group, to come to decisions about the actions that need to take place.

It is interesting to note that, because there are no two organisations that have similar issues, each ALCO learn-shop is thus geared towards the specific issues of the institution.

"The Riskflow ALCO Learn-shop gave me a whole new perspective on the Asset and Liability Management function within the group. The issues of design are so critical and yet we hardly deliberately go out of our way to learn more, reflect, question and review in line with continuous learning principles. The Learn-shop was a good opportunity for me to see how communication is not always flowing the way it should on pertinent issues across the group units. The issue of simulations and scenario modeling are just so vital that we will, going forward spend more time and resources training for these as well as making them part of our DNA as a group going places. Most importantly the action learning technique encompassing the critical and strategic five (5) questions has become our way of life since the ALCO Learn-shop. It now focuses us on real high pay off activities with strategic impact and with immediate effect this approach now pervades our strategy formulation and review process. The involved learning methodology opened our minds to more ideas and made it FUN while ensuring that we achieved objectives a lot more effectively and in the process built a much stronger team. Life will never be the same again after this Riskflow Learn-shop. It is a perfect tool for transforming individuals, teams and organizations and we at Kingdom Financial Holdings Limited have been transformed! Thank you Riskflow for the sharing and exchange of knowledge and ideas"

Lynn Mukonoweshuro is the Group Chief Executive Officer of Kingdom Financial Holdings Limited.

BUILDING RELATIONSHIPS

TURNING VISION INTO VALUE



Prof. Bernie van Zijl, CEO of Riskflow Institute visited London to build a relationship with GARP – Riskflow is now a service provider for the GARP programmes.

The Global Association of Risk Professionals™, Inc (GARP) is a not-for-profit organization and is the only globally recognized membership association for risk managers. GARP's mission is aligned to the mission of Riskflow Institute, which is to create a culture of risk awareness within organizations, from entry level to board level. GARP sets a global standard in professional designation with the FRM® (Financial Risk Manager) certification.

2010 was a record setting year wherein 23,125 FRM® candidates registered showing a 250% increase in numbers from 2009.



Alastair Graham Managing Director Training GARP (Global Association of Risk Professionals) with Prof. Bernie van Zijl

Besides the FRM® Course, GARP presents a Senior Level Programme which is an intensive and interactive practice-driven course. It covers four concentrated areas of Risk Management: Market Risk; Credit Risk; Operational Risk and Liquidity/Integrated Risk.

Mid/Entry Level Programmes: The International Certificate in Banking Risk and Regulation (ICBRR) is a qualitative programme designed to facilitate state-of-the-art risk manage-

ment procedures by mid-level executives. "Foundations of Banking Risk" is GARP's baseline risk education programme, designed for entry level employees across all business lines who may be new to banking and /or risk.

Riskflow Institute presents all of these programmes and is delighted to present these courses with an Action Learning Methodology with an emphasis on "Learning".

Making in-roads into Africa

It is no secret that in order to get ahead or to create value-adding offerings, one needs to build relationships.

The months of June and July saw major activities at Riskflow Institute, aimed towards building a much stronger brand and building new relationships while strengthening current ones.



Lere Baale, Prof. Bernie van Zijl and Tunde Popoola in Lagos

The first stop Prof. Bernie van Zijl made was at the Business School Netherlands Nigeria (BSN Nigeria). BSN Nigeria was established in 2003 and to-date a total of 78 graduates have walked through its doors.

Riskflow Institute has been in collaboration with Business School Netherlands, providing an MBA in Risk Management.

Following the visit to Nigeria, the next stop was in Addis Ababa at the Ethiopian Management Institute, where Bernie attended a national conference on Management for Effectiveness, Efficiency and Ethics. The conference was held under the tag line "Sharing knowledge is an intellectual duty and path to self-actualization"

To be a Riskflow Institute country partner, contact Prof. Bernie Van Zijl at theinstitute@riskflow.com



Zekarias Assefa Director General of the Ethiopian Management Institute with Prof. Bernie van Zijl

