John Keells Holdings Plc
Case study
Corporate governance and external reporting
John Keells Holdings Plc (JKH) is a public limited liability company incorporated in 1979. Its ordinary shares are listed on the Colombo Stock Exchange, with global depository receipts issued on the Luxemburg Stock Exchange. It is also the first Sri Lankan company to be listed overseas.

The group operates in the transportation, leisure, property, consumer foods and retail, financial services and information technology sectors. Just some of its brands include Cinnamon Hotels and Resorts, Elephant, John Keells Logistics, Chaaya Hotels and Resorts. While its head office is located in Colombo, the group’s diversified companies are spread around Sri Lanka, as well as the Maldives, India, Mauritius, Singapore and the United Arab Emirates. It also serves markets in the UK and the USA through its varied businesses. Its net asset value as at 31 March 2009 was Rs. 45.58 billion, and the company was ranked first in LMD Sri Lanka’s Most Respected Entities 2008.

Corporate governance and external reporting

In 2009, John Keells Holdings Plc published its first stand alone sustainability report, aligned with the Global Reporting Initiative (GRI) Framework. Its chairman, Susantha Ratnayake, felt that there was a need to implement a more formal framework within the organisation to address the rising demands of stakeholders. It was intended that this framework would deliver a much clearer external message illustrating actions taken and commitments to proposed actions regarding the organisation’s wider economic, environmental and social corporate responsibilities.

JKH formed a sustainability committee that would be responsible for leading their group wide efforts, not only for improved reporting, but also for identifying emerging issues and developing coherent and effective strategies and policies to address these issues, as well as overseeing their implementation. These initiatives have been, and will be, rolled out throughout the group by a project named ‘Change for the BEST - Building an Equitable and Sustainable Tomorrow’.

A diagram illustrating the framework within which JKH operates is shown below, it specifically highlights the responsibilities of internal roles like systems and finance, as well as where consultants interface.
The business has set up and trained task forces to plan and implement initiatives, and uses four tools to manage its activities, such as formulating strategy and policy and reporting performance. These four tools are detailed below:

1. Self assessment questionnaires. These are designed to ensure actions are being carried out, and risk management procedures are being followed, specifically, risk assessment and the implementation of respective risk control measures.

2. Stakeholder engagement to identify stakeholder issues which may impact the stakeholder or the business.

3. ‘Benchmarking’ to identify gaps between current business practices and the most advantageous way of carrying out the business.

4. The Global Reporting Initiative (GRI - G3) framework to report in a consistent manner to stakeholders and analyse internal performance.

The scope of sustainability initiatives is shown below, alongside a diagram showing the way the taskforce operates throughout the group.

For more information on the sustainability journey for JKH, go to www.Keells.com

It is my strong belief that our renewed commitment to the highest levels of corporate citizenship in all spheres of our daily work will lead to a stronger John Keells brand, differentiated products and services, better risk management, improved efficiencies, reduced costs and, most importantly, contribute to our common goals of protecting the environment for future generations and achieving equitable social progress for all. Never before has this been the most important business imperative, as it is today.

Susantha Ratnayake
Chairman, 21 May 2009
Read CIMA’s new report and case studies from other organisations at www.cimaglobal.com/sustainability.

The report includes case studies from other organisations and looks at how management accountants, their skills and their tools, can provide business intelligence to support strategy and influence decision making, driving their organisations to mitigate and adapt to climate change.

If you are interested in sharing your own insights and experiences in this area, we would be delighted to hear from you. Please email us at research@cimaglobal.com