

## **MEDIA RELEASE**

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### **DQS SOUTH AFRICA RAISES GOVERNANCE STAKES WITH BRONZE PATRON STATUS**

CGF Research Institute (Pty) Ltd, a specialist company involved in a wide range of corporate governance services, has announced the support of its latest Corporate Patron, *DQS South Africa (Pty) Ltd*.

Since 2004, CGF has been steadily building its corporate governance message across South Africa; strongly advocating that if South Africa wants to become the 'destination of choice' by foreign investors, it will need to assure investors of a stable political environment, a growing economy and one which is considered soundly governed and sustainable. Of course these factors are only a few of the critical indicators that assist foreign investors in making their decision to invest in South Africa (or not); their decisions are also supported by their perception, attitude and appetite toward the country's risks. Their decision may be based upon -- for example -- the Global Competiveness Report, the Bribery and Corruption Reports, the Transparency International Report and the Global Peace Index Report. Clearly then, if only one or a handful of organisations are striving to improve their governance and competitiveness ratings in South Africa, and the companies in their supply chain fail to do so, then the business cycle and its governance measures essentially begins to suffer, or even die, as foreign and local investors begin to fade from the picture. Following this, business rating analysts link a number of factors that drag a country down in terms of engaging business; two of these factors just happen to be poor governance and overly burdensome regulations.

Moreover, as legislation and regulation is often seen as 'an inhibitor of doing business', organisations need to question not only *why* the barrage of restrictive laws continue, but more importantly how they could be *better managed* so that their operations are not adversely impacted? "One way of better managing this situation is by actively engaging sound governance principles within the organisation's direct operations, as well as its external supply chains," says Terry Booyesen, the CEO of CGF Research. Far too often an organisation may simply address its own basic governance requirements -- be these legislative, regulatory and even ISO (International Standards Organisation) and SHEQ (Safety, Health, Environmental & Quality) standards -- and rarely do they consider the manner in which more complex governance matters will affect not only their own operations, but also those of their suppliers and customers. Of course training and a more proactive awareness of these matters should be made known to the organisation's internal and external stakeholders, and through its adoption, could have a profoundly positive impact throughout the organisation's supply chain, and indeed the economy.

Adding to this, DQS South Africa's Managing Director, Francois Labuschagne agrees with Booyesen, saying this is principally the reason for his organisation's existence, which assists organisations worldwide to verify their adherence to international and accredited standards, particularly around the SHEQ disciplines. "Similar to CGF's governance operations, DQS assists organisations to better understand the reasons to comply with various business standards and accepted benchmarks, and through these applications improve the organisation's overall risk management and SHEQ performances at every level," continues Labuschagne.

Both CGF and DQS are companies on the 'same side of the fence'; as each company fulfils very specific functions to improving the performances of their client's organisations -- and in the process -- making their client's organisations more attractive to engage business both locally and abroad with seriously improved governance levels.

DQS South Africa is certainly no stranger to CGF, and its relationship goes back almost five years when DQS first started using CGF's *Corporate Governance Body of Knowledge*®, a web-based programme which provides employees access to a large repository of governance reports, newsletters, policy templates, legislative updates and wide ranging information relating to directors and prescribed officers.

Through the years of growing the business relationship, DQS found great benefit in CGF's programme and recently agreed to become a Corporate Patron of CGF Research Institute, now joining the ranks of the existing patrons, namely iS Partners and Rifle-Shot Performance Holdings.

"Businesses, no matter their size, need external support and guidance to understand the ever increasing flood of governance issues, be these within the more traditional issues such as those in the King Report on Governance for South Africa 2009 (King III) for example, or indeed the extent to which they need to comply with ISO standards and the like," adds Booysen. "Organisations become so wrapped in a narrow minded compliance mentality, rarely seeking innovative ways to using it to their advantage," says Labuschagne. Both agree that their companies make a great partnership and can provide tremendous value to organisations struggling to achieve better standards of governance and operational performance.

The Corporate Patronship between CGF and DQS made perfect sense, as both companies agree that good governance -- albeit a foundational building block of business -- should add value to an organisation and its supply chain, rather than detracting from it. Clearly, as organisations mindfully tackle the issues of applying good governance (qualitative, not quantitative) throughout its internal and external operations, so then the organisations and their respective supply chains begin to re-attract the much needed FDI which has been in rapid decline for South Africa since 2009.

Whilst Booysen and Labuschagne agree the road ahead for organisations in South Africa is long, they both remain optimistic as more business leaders are beginning to include key components of governance within their strategic outlook, specifically to comply with the expectations of first world operators and their requirements.

As is customary with CGF and its Corporate Patrons, all the companies within DQS South Africa's supply chain will be able to qualify for substantially reduced pricing in the event that they wish to avail themselves of CGF's popular web-based *Corporate Governance Body of Knowledge*® software programme. This special offer will last for the two year period of Corporate Patronship, now also occupied by DQS South Africa. This offer is also open to any other organisation who is willing to support CGF's good governance initiatives as a Corporate Patron.

"We are delighted with this collaborative partnership and through the patron support of DQS South Africa, we are gradually growing support from more businesses and providing them access to the type of information that allows them to improve their own governance practices, and ultimately a better South Africa," concludes Booysen.

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More information regarding DQS can be found at [www.dqs.co.za](http://www.dqs.co.za)

More information regarding CGF can be found at [www.cgf.co.za](http://www.cgf.co.za)

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