

# The 2<sup>nd</sup> Chapter Seminar (SA) Integrated Reporting

Loshni Naidoo  
Project Director: Integrated Reporting

Credibility

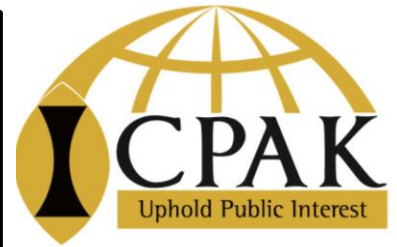
.

Professionalism

.

AccountAbility

# Outline



Integrated Reporting & SA: The Journey

IIRC's International Integrated Reporting Framework

Where Are We Now

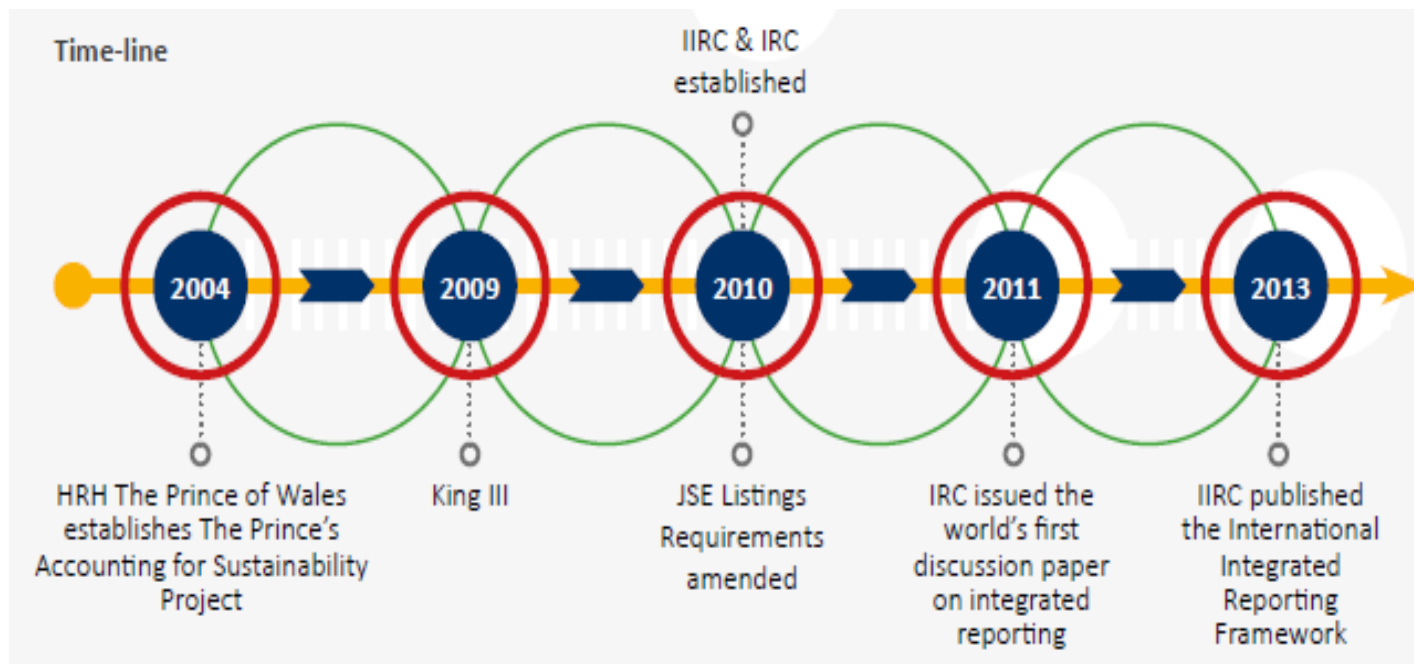
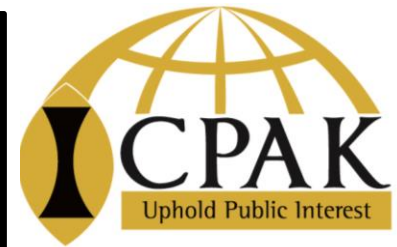
Sustainability Reporting

SAICA's Own Journey

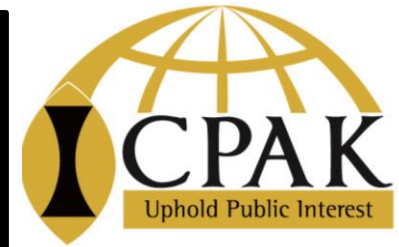
SAICA's Response To Integrated Reporting

## INTEGRATED REPORTING & SA: THE JOURNEY

# INTEGRATED REPORTING & SA: The Journey

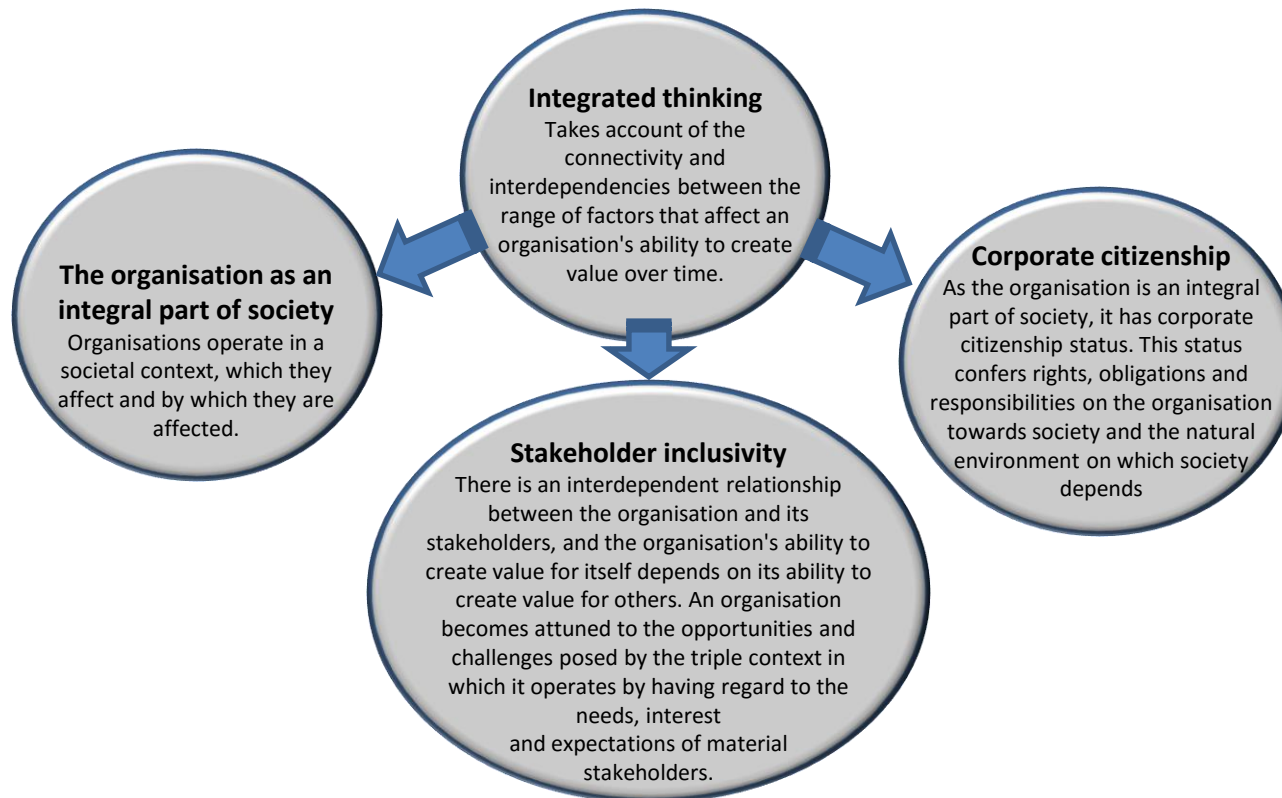


# KING IV REPORT ON CORPORATE CODE OF GOVERNANCE FOR SOUTH AFRICA, 2016



## Sustainable development

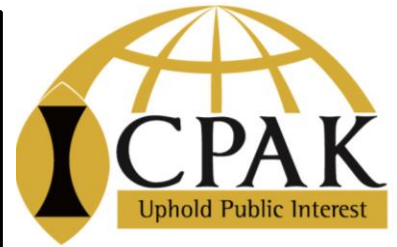
Sustainable development understood as *development that meets the needs of the present without compromising the ability of future generations to meet their needs* is a primary ethical and economic imperative. It is a fitting response to the organisation being an integral part of society, its status as a corporate citizen and its stakeholders' needs, interest and expectations



## Integrated reporting

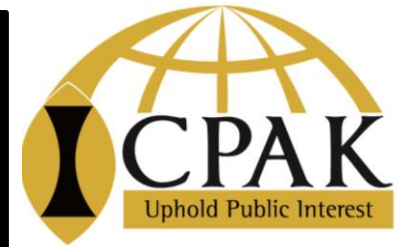
## IIRC's INTERNATIONAL INTEGRATED REPORTING FRAMEWORK

# IIRC INTERNATIONAL INTEGRATED REPORTING FRAMEWORK



- Launched in December 2013
- Increasing global uptake of the Framework
- Increasing disclosure of environmental, social or governance matters
- IIRC seeking feedback on the implementation of the Framework by **30 April 2017**

# GUIDING PRINCIPLES



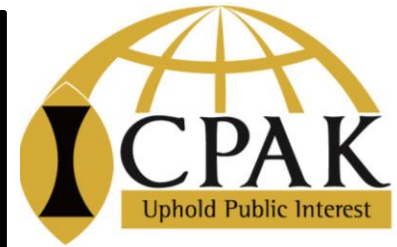
## GUIDING PRINCIPLES

The following Guiding Principles underpin the preparation of an integrated report, informing the content of the report and how information is presented:

- *Strategic focus and future orientation:* An integrated report should provide insight into the organization's strategy, and how it relates to the organization's ability to create value in the short, medium and long term, and to its use of and effects on the capitals
- *Connectivity of information:* An integrated report should show a holistic picture of the combination, interrelatedness and dependencies between the factors that affect the organization's ability to create value over time
- *Stakeholder relationships:* An integrated report should provide insight into the nature and quality of the organization's relationships with its key stakeholders, including how and to what extent the organization understands, takes into account and responds to their legitimate needs and interests
- *Materiality:* An integrated report should disclose information about matters that substantively affect the organization's ability to create value over the short, medium and long term
- *Conciseness:* An integrated report should be concise
- *Reliability and completeness:* An integrated report should include all material matters, both positive and negative, in a balanced way and without material error
- *Consistency and comparability:* The information in an integrated report should be presented: (a) on a basis that is consistent over time; and (b) in a way that enables comparison with other organizations to the extent it is material to the organization's own ability to create value over time.



# CONTENT ELEMENTS

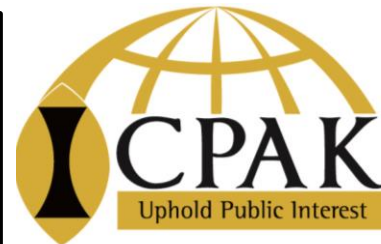


## CONTENT ELEMENTS

An integrated report includes eight Content Elements that are fundamentally linked to each other and are not mutually exclusive:

- *Organizational overview and external environment:* What does the organization do and what are the circumstances under which it operates?
- *Governance:* How does the organization's governance structure support its ability to create value in the short, medium and long term?
- *Business model:* What is the organization's business model?
- *Risks and opportunities:* What are the specific risks and opportunities that affect the organization's ability to create value over the short, medium and long term, and how is the organization dealing with them?
- *Strategy and resource allocation:* Where does the organization want to go and how does it intend to get there?
- *Performance:* To what extent has the organization achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals?
- *Outlook:* What challenges and uncertainties is the organization likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance?
- *Basis of presentation:* How does the organization determine what matters to include in the integrated report and how are such matters quantified or evaluated?

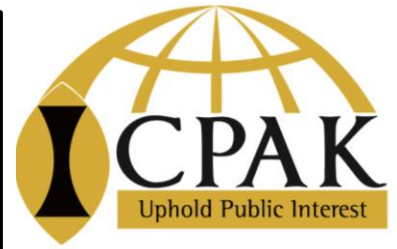
# KEY CONCEPTS



**Integrated Thinking:** The active consideration by an organisation of the relationships between its various operating and functional units and the capitals that the organisations uses or effects

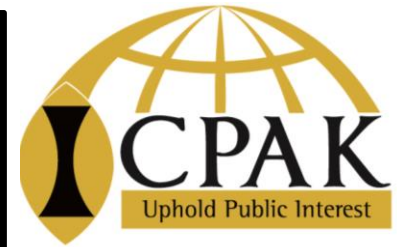
**Integrated Reporting:** A process founded on integrated thinking that results in a periodic integrated report by an organisation about value creation over time. It includes related communications regarding aspects of value creation.

**Integrated Report:** A concise communication about how an organisation's strategy, governance, performance, and prospects, in the context of it external environment lead to the creation of value in the short, medium and long term.



WHERE ARE WE NOW

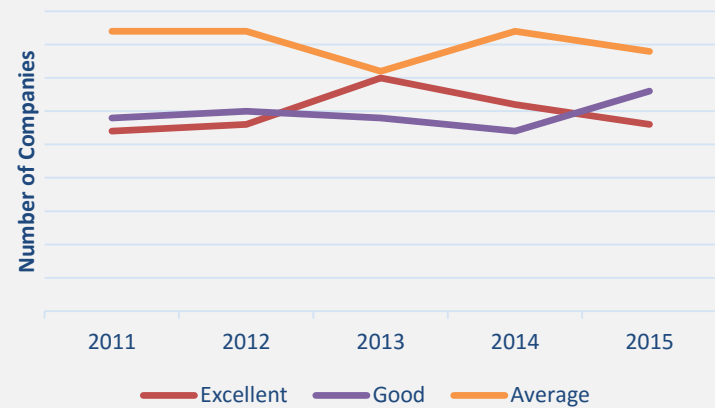
# INTEGRATED REPORTING AWARDS



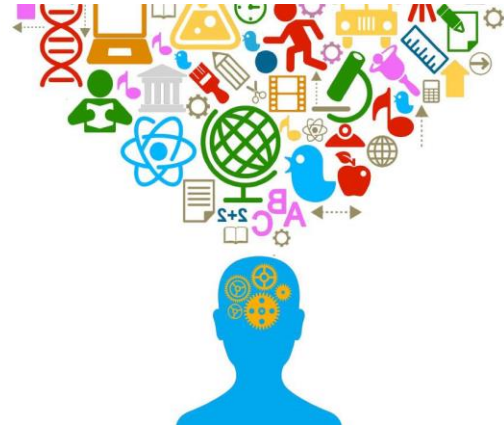
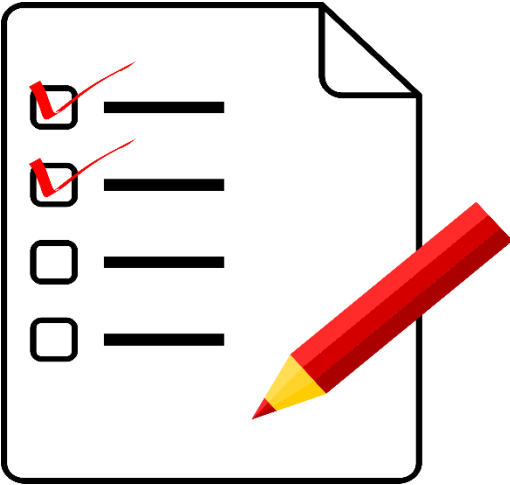
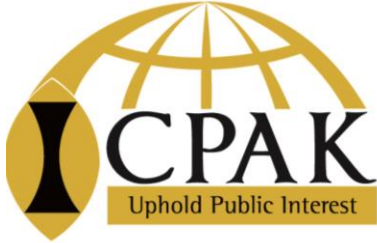
Nkonki's Integrated Reporting Awards 2016



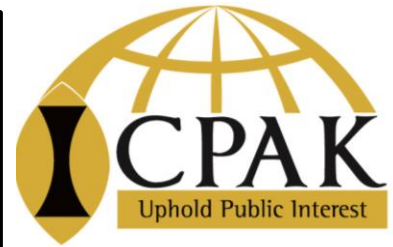
EY's Integrated Reporting Awards: Reporting Trends



# IIRC IMPLEMENTATION FEEDBACK FOCUS GROUPS



# ACCOUNTING & ASSURANCE PROFESSION

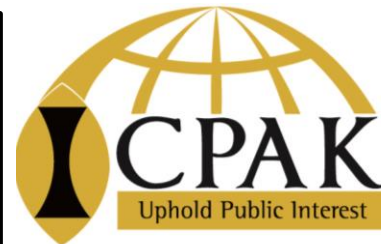


- Reporting embraced by the accounting and auditing community
- IFAC endorsement
- IR working groups: research, thought leadership
- Services
- Produce own integrated reports

- ISAE 3000 (revised), ISAE 3410
- IAASB' IRWG: Supporting Credibility and Trust in Emerging Forms of External Reporting: Ten Key Challenges for Assurance Engagements
- IRBA

## SUSTAINABILITY REPORTING

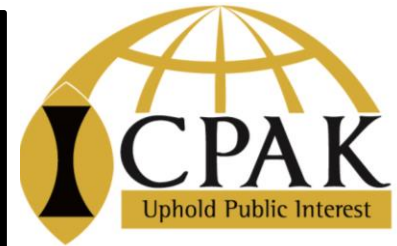
# GRI STANDARDS



- Globally, GRI's sustainability reporting guidelines are one of the most widely used
- Launch of the GRI Standards on **19 October 2016** by the GRI's Global Sustainability Standards Board
- Applicable to all reports issued on or after **1 July 2018**



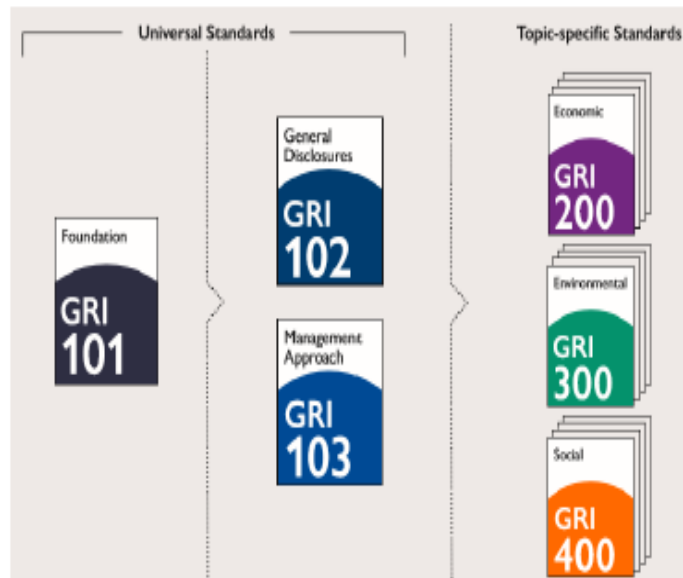
# GRI STANDARDS



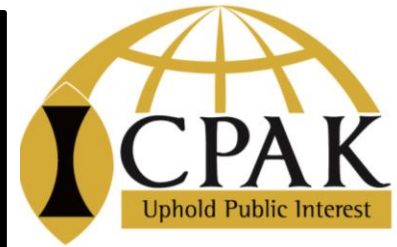
## G4 Guidelines and G4 Implementation Manual



## Set of modular GRI Standards

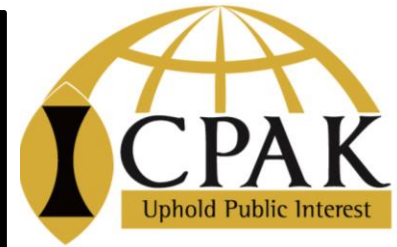


# COMMENTARY ON REPORTING & REPORTING FRAMEWORKS



- Abundance of reporting advice, thought leadership, and how- to guidance
- Explosion of reporting e.g. FTSE4Good, CDP, DJSI, GRESB
- Surveys & studies on the benefits of reporting
- More ESG Information
- Diverse quality of reporting across public and private sectors
- Differing reporting requirements requiring variations of the same data
- Comparability across sectors

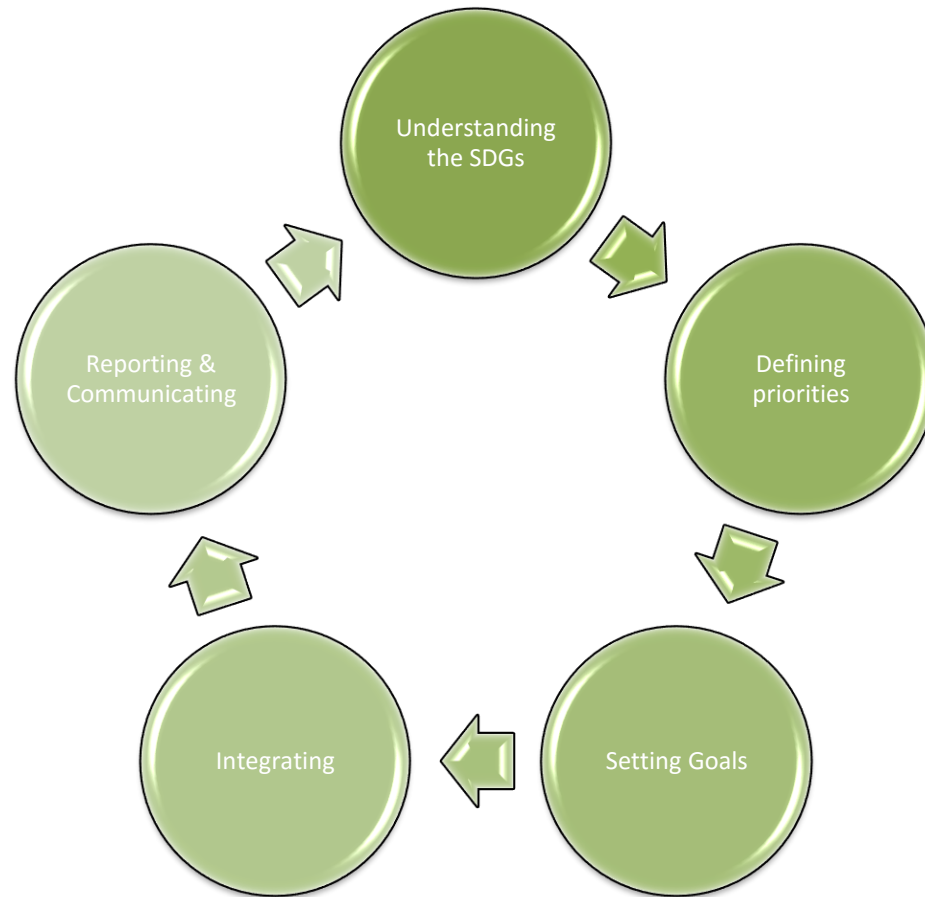
# UN SUSTAINABLE DEVELOPMENT GOALS



- Launched in 2015
- 17 Goals, 169 measures

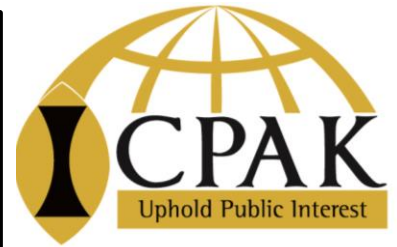
# ALIGNING WITH REPORTING

- NBI: alignment with the NDP
- WBCSD, GRI, UN Global Compact: SDG Compass- The guide for business action on the SDGs
- KPMG, PWC



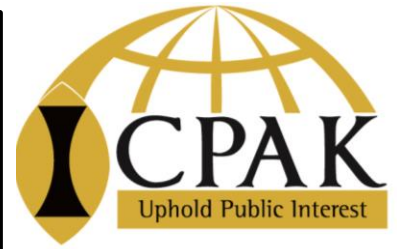
## SAICA'S OWN JOURNEY

# SAICA'S OWN JOURNEY



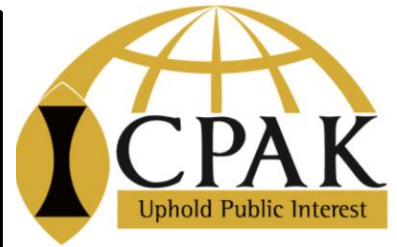
## SAICA'S RESPONSE TO INTEGRATED REPORTING

# SAICA'S RESPONSE TO INTEGRATED REPORTING



“Thought leadership is not about being known. It is about being known for making a difference.”





THANK YOU