

Integrated Reporting

Changing Dimensions of Corporate Reporting

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**The world is changing.. changing at
10 x**

It's a VUCAFU world

Disruptive Business models

**Profit less turnover
Cash less profit**

SOARING VALUATIONS

Focus on

People - Profit - Planet - Pandemic

Emerging Business Environment

- ▶ Globalization
- ▶ Global Economic Power is shifting
- ▶ Disruptive business models
- ▶ Global Middle Class is rapidly expanding
- ▶ Heightened expectations of corporate transparency and accountability
- ▶ Actual and prospective resource scarcity
- ▶ Changing stakeholder expectations
- ▶ Environmental concerns
- ▶ Focus on value for stakeholders

The World has Changed ...

Corporate Reporting must too..

Business Reporting must respond to communicate **too-**
important-to-fail issues

Corporate Reporting

Corporate reporting is an essential means by which companies communicate with investors as part of their accountability and stewardship obligations.

The current financial reporting model was developed in the 1930's for an industrial world. In general, the model provides a backwards-looking review of performance and does not provide enough relevant information for decision-making today.

Current reporting model

The current reporting model is like “looking in the rearview mirror,” when in fact the road ahead is very turbulent and there are huge potential impacts on the company, including societal and environmental,

it is not necessarily the volume of information, but the lack of a comprehensive story, which is where improvements in corporate reporting are needed.

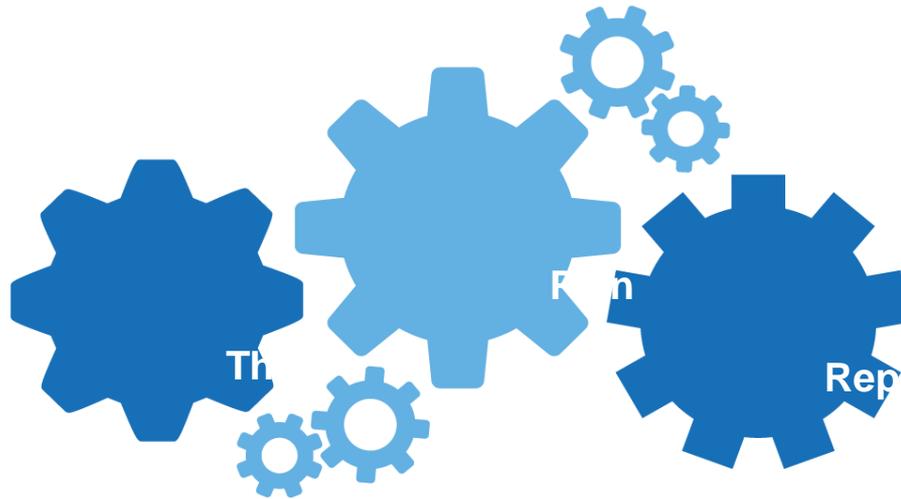
Changing investor information expectations

▶ Investors are demanding greater transparency around strategy, business models and risks, and the commercial prospects of the enterprises and institutions with which they engage.

▶ Investors need the information about what management thinks of the business in the context of its key performance indicators.

▶ They are interested in environmental, social, governance information and they would like that information to be closely knitted together.

Integrated Reporting is enhancing the way organizations



The story of their business

Integrated Reporting

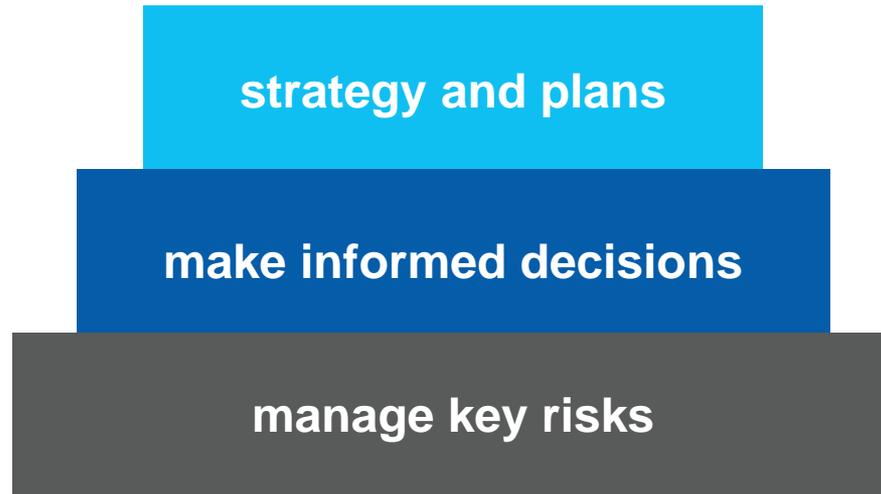
Integrated Reporting demonstrates the linkage between

- ▶ An Organization's Strategy, Governance and financial Performance
- ▶ And the Social, Environmental and Economic context within which it operates



The development of Integrated Reporting is designed to enhance and consolidate existing reporting practices ... to move towards a reporting framework that provides the **information needed to access organizational value in the 21st century**

It is helping businesses to think holistically about



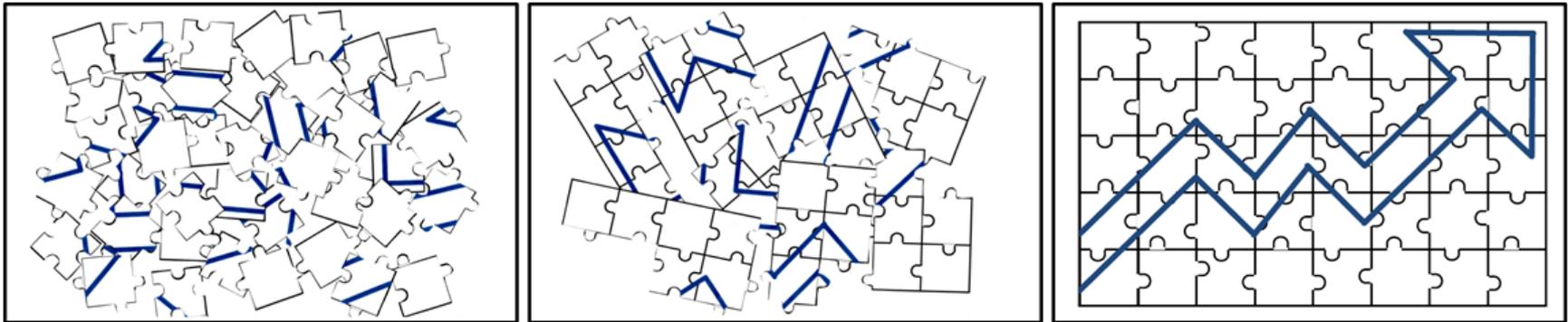
to build investor and stakeholder confidence and improve future performance

Integrated Reporting is critical for

- ❖ A meaningful **assessment of the long term viability** of the organization's business module and strategy
- ❖ Meeting the **information needs of stakeholders**
- ❖ Effective **allocation of scarce resources**

Towards a solution:

- ▶ Value creation
- ▶ Not just financial
- ▶ Concise
- ▶ Strategic focus
- ▶ Future orientation
- ▶ Connected

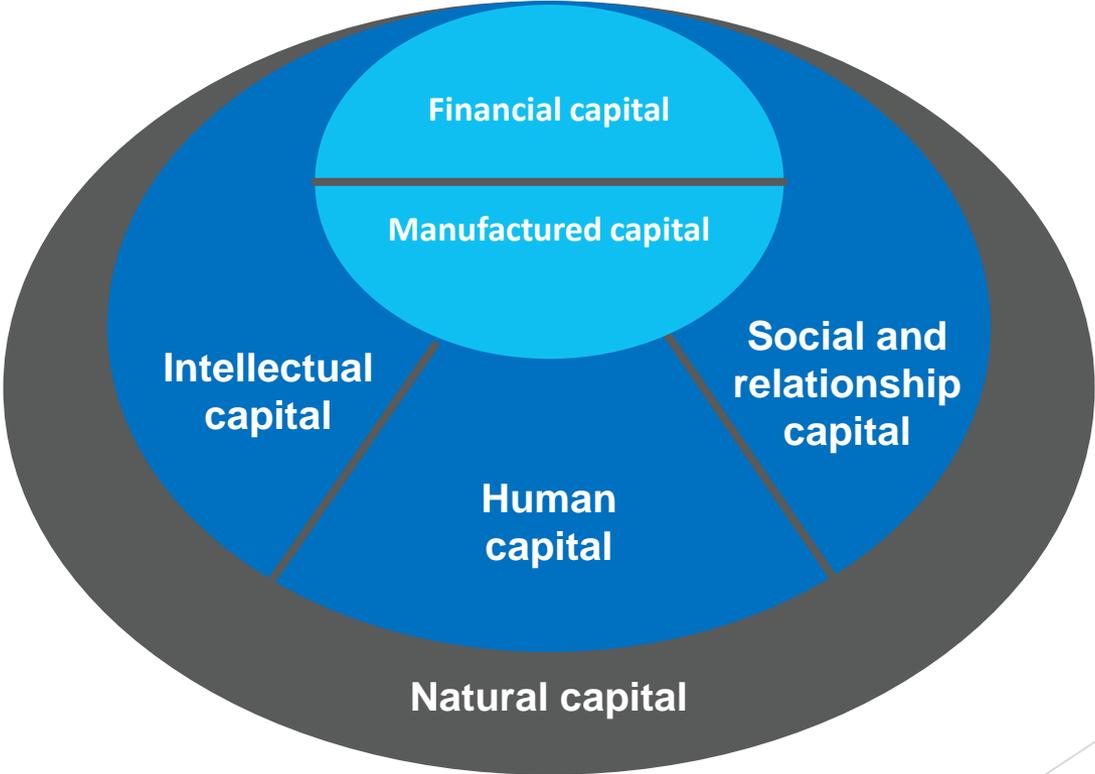


An integrated report should “tell a story”

How is Integrated Reporting Different?

Thinking:	Disconnected	➔	Integrated
Stewardship:	Financial capital	➔	All forms of capital
Focus:	Past, financial	➔	Past and future, connected, strategic
Timeframe:	Short term	➔	Short, medium and long term
Trust:	Narrow disclosures	➔	Greater transparency
Adaptive:	Rule bound	➔	Responsive to individual circumstances
Concise:	Long and complex	➔	Concise and material
Technology enabled:	Paper based	➔	Technology enabled

The capitals



Guiding Principles of IR

Strategic focus: An Integrated Report provides insight into the organization's strategic objectives, and how those objectives relate to its ability to create and sustain value over time and the resources and relationships on which the organization depends.

Connectivity of information: An Integrated Report shows the connections between the different components of the organization's business model, external factors that affect the organization, and the various resources and relationships on which the organization and its overall performance depend.

- ▶ **Future orientation:** An Integrated Report includes management's expectations about the future, as well as other information to help report users understand and assess the organization's prospects and the uncertainties it faces.
- ▶ **Responsiveness and stakeholder inclusiveness:** An Integrated Report provides insight into the organization's relationships with its key stakeholders and how and to what extent the organization understands, takes into account and responds to their needs.
- ▶ **Conciseness, reliability and materiality:** An Integrated Report provides concise, reliable information that is material to assessing the organization's ability to create and sustain value in the short, medium and long term.



Questions to be answered

Unique story

Connections apparent

Not a set sequence

Not isolated, standalone sections

- ... OVERVIEW and EXTERNAL ENVIRONMENT
- GOVERNANCE
- BUSINESS MODEL
- RISKS and OPP'S
- STRATEGY and RESOURCE ALLOCATION
- PERFORMANCE
- OUTLOOK
- BASIS ...

The Way Forward

- ▶ Boards will increasingly recognise Integrated and Sustainability Reporting as a valuable **Strategic management tool**
- ▶ Boards will pay more attention to the **accuracy and reliability of Integrated and Sustainability** reports
- ▶ Companies will take a systematic approach to **integrating stakeholders' interests** into decision-making
- ▶ Companies need to communicate more **clearly, openly and effectively** with investors about how they plan to grow in a sustainable way.
- ▶ There is an imperative need for the companies to **connect the dots** better in their reporting so that the **balance of risk and opportunity** is clearer

INTEGRATED REPORTING

The way of the future....

SHAPE UP OR SHIP OUT ...

Message could not be louder ..

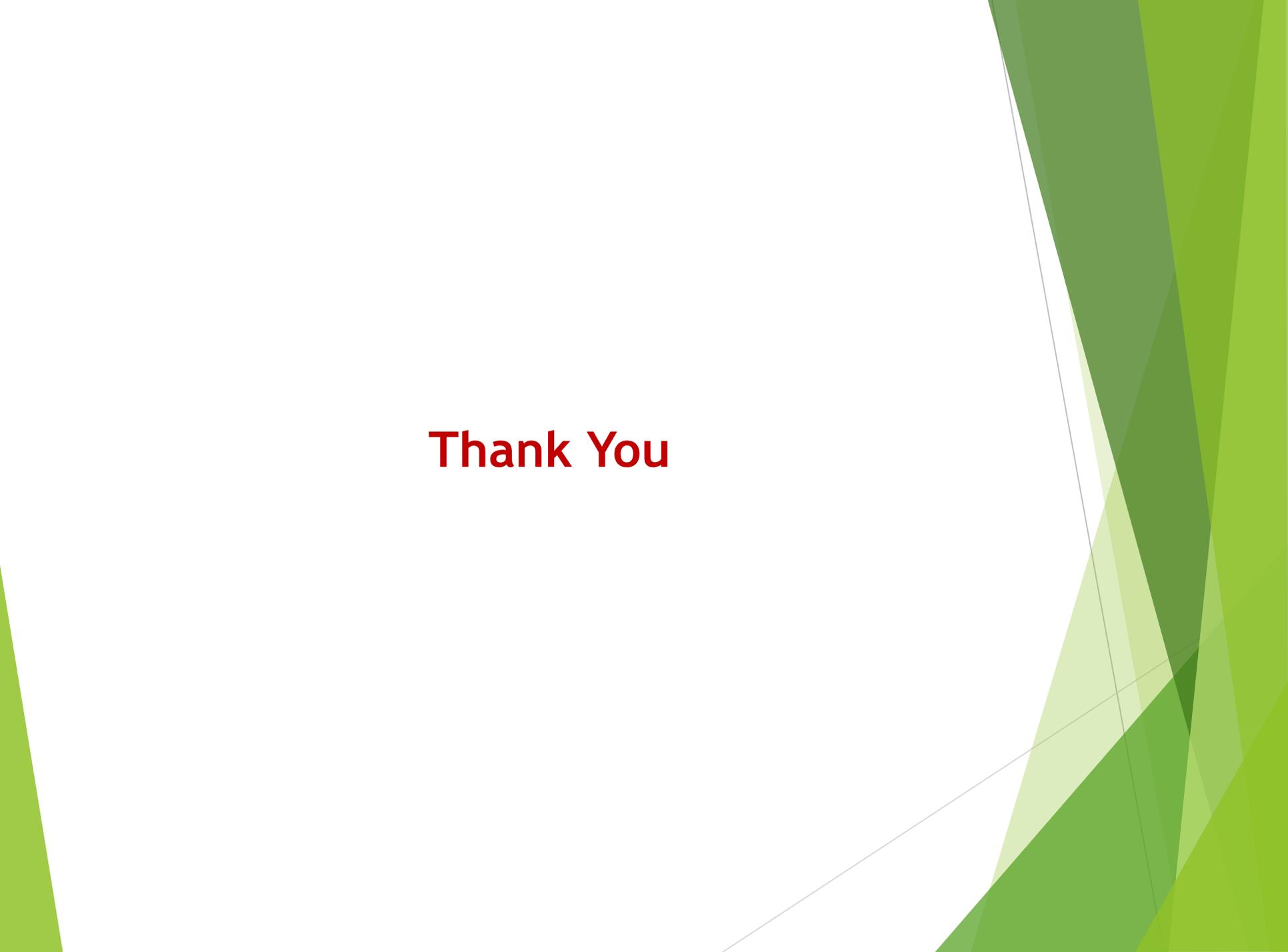
Integrated Reporting

Not only a means to **SURVIVE** ; but a strategy to **PROSPER** in
today's world...

Let's adopt IR by choice...

**before we have to do it by
force**

Thank You

The background features abstract, overlapping geometric shapes in various shades of green, ranging from light lime to dark forest green. These shapes are primarily located on the right side of the frame, creating a modern, layered effect against the white background.