

MEDIA RELEASE

South Africa puts its weight behind global move to better corporate reporting

Johannesburg, Tuesday 18 March 2014 – The Integrated Reporting Committee (IRC) of South Africa has endorsed the International Integrated Reporting Framework as guidance on good practice on how to prepare an integrated report.

The Framework, released in December 2013, marks a big step forward in the move to better corporate reporting. An integrated report is regarded as the evolution of the traditional annual report as it gives a more holistic view of an organisation than financial performance alone by showing performance against strategy, explanation of the various capitals used and affected by the organisation's business activities, and giving a longer term view of the organisation.

Many companies listed on the Johannesburg Stock Exchange (JSE) are now into their fourth year of integrated reporting, following the principles of the King Code of Governance of 2009 (King III) that recommend integrating reporting, and in fulfilling the JSE listing requirements to comply with King III's principles or explain their reasons for deviating from them.

Mervyn King, chairman of the IRC and the King Committee, says: "The Framework offers South African organisations a guide on what to include in the integrated report in a way that makes their reports comparable with the reports from organisations around the world. The Framework is the culmination of three years of extensive development and reflects the voice of the many interested parties around the world who submitted their comments on the draft version."

On fitting the requirements of the Framework with the principles of King III, he explains: "King III covers the principles of integrated reporting while the Framework covers the implementation, that is, it's a guide on the preparation of an integrated report."

Ansie Ramalho, chief executive officer of the Institute of Directors in Southern Africa (IoDSA), the custodian of King III, notes: "Organisations need to demonstrate that the board appreciates that strategy, risk, performance and sustainability are inseparable. Integrated reporting is a manifestation of this integrated thinking and the Framework is a significant step forward in preparing an integrated report."

The IRC has played a role in the development of integrated reporting internationally. It started with King III influencing the IRC's Discussion Paper on a framework (issued January 2011), which in turn influenced the thinking of the IIRC. This can be seen as the closing of the circle that started with King III. The international Framework is

exactly that – international – it reflects the current majority views of interested parties from around the world.

The members of the IRC are some of the leading bodies in South African business society and include the Association for Savings & Investment South Africa (ASISA), Banking Association South Africa (BASA), Batseta, Business Unity South Africa (BUSA), Chartered Secretaries Southern Africa (CSSA), Financial Services Board (FSB), IoDSA, Institute of Internal Auditors (IIA), Government Employees Pension Fund (GEPF), JSE, and the South African Institute of Chartered Accountants (SAICA).

The International Integrated Reporting Framework outlines seven principles to be applied in preparing a report and eight content elements that form the structure of the report. The Framework can be used by private, public and not-for-profit organisations, and is available on www.sustainabilitysa.org or www.theiirc.org

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Note to Editors:

About the Integrated Reporting Committee (IRC) of South Africa

The IRC was formed in May 2010 under the chairmanship of Mervyn King. Its objectives are to develop and promote guidance on good practice in integrated reporting in South Africa. The current members of the IRC are the: Association for Savings & Investment South Africa (ASISA), Banking Association South Africa (BASA), Batseta (Council of Retirement Funds for South Africa, previously known as the Principal Officers Association), Business Unity South Africa (BUSA), Chartered Secretaries Southern Africa (CSSA), Financial Services Board (FSB), Institute of Directors in Southern Africa (IoDSA), Institute of Internal Auditors (IIA), Government Employees Pension Fund (GEPF), Johannesburg Stock Exchange (JSE), The Finance Union (SASBO), Dr Gavin Andersson, Dr Bob Scholes, and The South African Institute of Chartered Accountants (SAICA). SAICA serves as secretariat to the IRC. For more information on the IRC and its Working Group see www.sustainabilitysa.org

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