

MEDIA RELEASE

1 November 2016

INTEGRATED REPORTING IS A KEY FEATURE OF KING IV

The Integrated Reporting Committee (IRC) of South Africa welcomes the release of the King IV Report on Corporate Governance for South Africa 2016 (King IV) noting the emphasis on integrated reporting and integrated thinking.

King IV closes the circle of integrated reporting that was started with the release of King III in September 2009. King III called on organisations to prepare an integrated report each year which would reflect the appreciation that strategy, risk, performance and sustainability are inseparable. This resulted in the founding of the IRC of SA to develop a framework for an integrated report. This framework later fed into the development of the International <IR> Framework released by the International Integrated Reporting Council in 2013. The release of King IV now closes the circle as it references the International <IR> Framework underpinned by the same thinking and terminology.

The IRC of SA expects that the practice of integrated reporting in South Africa will be widened following the release of King IV. This is because King IV's five sector supplements recommend the preparation of an integrated report to organisations that may not have been preparing them in the past. The supplements cover: small- and medium-sized enterprises, non-profit organisations, retirement funds, state-owned enterprises and municipalities. At present integrated reports are common practice among South Africa's listed companies and larger state-owned organisations, with some smaller state-owned organisations, municipalities and non-profit organisations also preparing integrated reports.

The work of the IRC of SA has contributed to South Africa being regarded around the world as the home of integrated reporting with the country producing the most reports and having the most experience. The IRC of SA releases technical information papers each year aimed at continual improvement in the quality of reporting, while also promoting and spreading awareness of integrated reporting and integrated thinking.

Integrated thinking extends the consideration by an organisation beyond only financial capital to all forms of capital that are integral to its future success, namely human, intellectual, manufactured, social and relationship, and environmental capital.

One of the benefits cited by companies - many listed companies are now into their sixth year of integrated reporting - is that the preparation of the report helps to embed integrated thinking in mainstream business practices. Other cited benefits of integrated reporting are that it has improved understanding of the true value drivers of the business, facilitated a longer term strategic view, improved risk management, and integrated information has helped decision-making.

In April 2014, the IRC of SA endorsed the International <IR> Framework as good practice on how to prepare an integrated report. Other information helpful to report preparers and users is available on the IRC's website www.integratedreportingsa.org

Issued by:

The Integrated Reporting Committee (IRC) of South Africa. Contact: Leigh Roberts, CEO and Chairman of the Working Group, leigh31@telkomsa.net 083 326 3019

About the IRC of South Africa

The IRC was formed in May 2010 under the chairmanship of Professor Mervyn King. Its objectives are to develop and promote integrated reporting in South Africa. The IRC has a Working Group comprising of individual experts. For more information see www.integratedreportingsa.org

The current organisational members of the IRC are: Association for Savings and Investment South Africa (ASISA), Banking Association of South Africa, Batseta (Council of Retirement Funds for South Africa), Chartered Secretaries Southern Africa (CSSA), Chartered Institute of Management Accounts (CIMA) South Africa; Financial Services Board (FSB), Institute of Directors in Southern Africa (IoDSA), The Institute of Internal Auditors South Africa (IIASA), Government Employees Pension Fund (GEPF), Johannesburg Stock Exchange (JSE) and the South African Institute of Chartered Accountants (SAICA).