

South Africa's world-first Integrated Reporting Discussion Paper attracts global attention

Paper to be re-issued to reflect public comments received and international developments

Johannesburg Wednesday 20 July 2011 - On 25 January 2011, South Africa's Integrated Reporting Committee (IRC) released a world-first Discussion Paper entitled *Framework for Integrated Reporting and the Integrated Report*.

The Paper, open for public comment until 25 April 2011, was prompted by King III recommending integrated reporting and supported by the JSE Listings Requirements obliging listed companies to apply King III or to explain why they are not doing so.

The IRC has received 40 comment letters on the Discussion Paper, 15 of which are from international organisations. In addition, comments have been received from the organisations and individuals who attended the IRC public consultation sessions held in Johannesburg, Durban and Cape Town in March and April 2011.

Professor Mervyn King, chairman of the IRC and deputy chairman of the International Integrated Reporting Committee (IIRC), has expressed his appreciation to all respondents for their valuable comments.

When the Discussion Paper was released, the IRC stated its aim was to ensure that local guidance is in line with international guidance issued by the IIRC.

The IIRC has not yet issued any guidance, but is soon expected to release an international discussion document on a framework for an integrated report. The document will be open for a public comment period and will be enhanced by the results of a two-year pilot programme involving 200 companies around the world. The final international framework guidance is expected to be released in late 2013.

The IIRC expressly considered South Africa's Discussion Paper, as well as the resultant comment letters, in the development of its discussion document.

The IRC is currently preparing to re-issue the South African Discussion Paper to incorporate the main issues raised in the comment letters and in the public consultation sessions, including the

resolution of certain inconsistencies with King III. These are being considered jointly with the King Committee. The re-issuing process will also take into account material from the IIRC's discussion document when it is released.

The re-issued Discussion Paper will set out the latest local and international thinking on integrated reporting. It aims to offer voluntary guidance to South African reporting organisations and does not purport to have any authority as a reporting requirement. It is expected that the Discussion Paper will be released in the next three months. The Discussion Paper will be open for a public comment period and the IRC invites all stakeholders to participate in the commentary process.

The IRC says further guidance is likely to be issued in the years ahead to take into account the issues raised and the practical implementation experience of the local market, as well as the ongoing developments in the international document. The end goal, says the IRC, is to ensure local guidance is in line with the final international guidance expected in 2013.

Integrated reporting, which gives a holistic view of an organisation's strategy, performance and activities by covering financial, environmental, social and economic impacts and dependencies, is still in its embryonic phase. As such, says King, changes and advances in thinking and approach should be expected as the practical experience and empirical evidence of reporting feeds into the guidance process.

"It is widely acknowledged that South Africa has made a major contribution to the international thinking on integrated reporting and South Africa can be proud of its achievements.

"Integrated reporting is the evolution of corporate reporting and gives investors and other stakeholders a better chance of assessing the organisation's ability to create and sustain value in the future, in the context of increasing competition for declining natural resources and heightened social issues."

ISSUED BY: The Integrated Reporting Committee (IRC)

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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 Professor Mervyn King to develop and promote guidance on good practice in integrated reporting. The organisational members of the IRC are:

- Association for Savings & Investment South Africa (ASISA)
- Banking Association South Africa (BASA)
- Business Unity South Africa (BUSU)
- Chartered Secretaries Southern Africa (CSSA)
- Institute of Directors in Southern Africa (IoDSA)
- Institute of Internal Auditors (IIA)
- Government Employees Pension Fund (GEPF)
- Johannesburg Stock Exchange Ltd (JSE)
- Principal Officers Association (POA)
- The South African Institute of Chartered Accountants (SAICA)

The IRC commissioned a Working Group comprising of a range of financial and sustainability practitioners to develop the discussion papers. SAICA acts as secretariat to the IRC. For more information on the IRC go to www.sustainabilitysa.org

For more information on the IIRC go to www.theiirc.org

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