

News Release

EY marks 20 years of excellence in reporting

4 August 2017, Johannesburg – EY today announced Kumba Iron Ore Ltd, as the winner of its sixth annual Excellence in Integrated Reporting Awards, 2017. The mining company is taking the top spot for a second consecutive year, as EY marks 20 years of excellence in reporting.

The awards, which were adjudicated by the University of Cape Town's (UCT's), College of Accounting, include the top 100 JSE listed companies based on market capitalisation as at 31 December 2016. The awards identify best practice in integrated reporting, which may be useful to organisations that are commencing on their reporting journey, but they also differentiate between companies that exhibit a high level of integrated reporting and those that do not.

The rankings of the Excellence in Integrated Reporting Awards are based on the International <IR> Framework, which states that the primary purpose of integrated reports is to explain to providers of financial capital, how an organisation creates value over time.

Larissa Clark, Professional Practice Director EY says: "Since the release of the International Integrated Reporting Framework in December 2013, with its guidance of what an integrated report should contain, it has become much clearer as to what should be included in the adjudication mark plan. This has removed some of the areas of uncertainty and disagreement that existed in the early years of the awards and has hopefully made the rankings more robust. A further key improvement in the awards was the introduction in the 2016 survey of the Honours award for high quality integrated reports, which are believed to have come closest to complying with all the requirements of the Framework."

The number of companies making an effort to produce excellent integrated reports is continuing to improve. This is evidenced by the increased number of companies receiving the Honours award in this year's survey. This year five companies received the Honours award, compared to only two in 2016.

The top ten companies ranked excellent by the EY Excellence in Integrated Reporting Awards are:

1. Kumba Iron Ore Ltd (with honours¹)
2. Redefine Properties Ltd (with honours)
3. Sasol Ltd (with honours)
4. Nedbank Group Ltd (with honours)
5. Oceana Group Ltd (with honours)
6. Barclays Africa Group Ltd
7. Truworths International Ltd
8. Liberty Holdings Ltd
9. Vodacom Group Ltd
10. Standard Bank Group Ltd

Associate professor at the UCT College of Accounting Professor Mark Graham says: “Kumba has consistently demonstrated a high level of adherence to all of the guiding principles and content elements of the Integrated Reporting Framework. Their report has a clear strategic focus and explains crisply and concisely how the group uses its capitals to create value for itself and others. We particularly liked the way in which inputs, outputs and outcomes were integrated with the six capitals and the way in which the trade-offs between these capitals were presented and explained.”

The trends in the 2017 integrated reports include:

- 59 of the 100 integrated reports reviewed this year were ranked as “Good” or “Excellent”.
- The number of companies in the “Good” and “Excellent” categories has stabilised.
- 41 companies are still not making a serious attempt to produce an integrated report that complies with the International Integrated Reporting Council’s Framework for Integrated Reporting.

Clark concludes, “We congratulate Kumba Iron Ore Ltd for once again earning the top honours for its outstanding integrated report, and also congratulate all the entities included in the Top 10 and our merit award winners, for their excellent reports.”

Ends

¹ EY introduced the “Honours” award in 2016. The award goes to companies with high quality integrated reports, which the adjudicators believe have come closest to complying with all the requirements of the <IR> Framework.

How is the mark plan developed?

The mark plan for the awards is developed by three adjudicators from the College of Accounting at the University of Cape Town, in conjunction with EY's Professional Practice Group. The UCT team comprises Professors Alexandra Watson, Goolam Modack and Mark Graham. All of the adjudicators have been involved for many years in EY's Excellence in Corporate Reporting survey, and in EY's Excellence in Integrated Reporting survey since 2011.

What is included in the mark plan?

The mark plan is based on the guiding principles and content elements that appeared in the International Integrated Reporting Council's <IR> Framework, which was issued in December 2013. A mark out of ten is awarded for each of the seven guiding principles (i.e. strategic focus and future orientation, connectivity of information, stakeholder relationships, materiality, conciseness, reliability and completeness and lastly consistency and comparability). Similarly, a mark out of ten is awarded for each of the eight content elements (i.e. organisational overview and external environment, governance, business model, risks and opportunities, strategy and resource allocation, performance, outlook and finally basis of presentation and preparation). Marks are also awarded for the extent to which the integrated report incorporates the Framework's fundamental concepts, dealing with how value is created with reference to the six 'capitals', where relevant.

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