

# Our integrated reporting journey began in 2012



#IRCSAConf19

#integratedreporting

IRC Annual Conference 2019

# IDC IR and the applicable public sector laws and regulations

Integrated reporting is a critical component of the IDC's governance framework and its applicable sector laws and regulations

The IDC prides itself as an organisation with exceptional corporate governance structures and fiercely protects its reputation in this regard

We are committed to King IV Codes and comply fully with the PFMA provisions for schedule 2 entities

# The challenges in the regulatory environment

Regulation is a reality and compliance will always be a challenge to most organisations. In general, the best way to overcome challenges in the regulatory environment is to have a proactive approach to compliance.

Entities that have an ethical culture, supported by the necessary systems and processes, will find it much easier to comply than those that do not. The IDC, as a mature business, is fortunate to have such well-established policies and systems of internal control in place, and most importantly, compliance is made possible by an ethical culture within the organisation.

# The challenges we faced when we started our integrated reporting journey

- Understanding materiality
- Selecting an appropriate reporting framework
- Verification of our subsidiaries' data in instances of unaudited information (carbon footprint)
- The scope and boundaries of the report
- Writing a cohesive, concise report
- Time constraints

# Determining materiality

The IDC's integrated report is structured around matters that are viewed as material to our stakeholders. International reporting frameworks and practices guide the process we follow to determine our material issues and the list is regularly revisited to ensure that it remains current and relevant.

The executive committee is responsible for the endorsement and management of the material issues and the Board Audit Committee (BAC) validates the list.

A matter is considered material when it supports our mandate and goals and when it could potentially affect our ability to create and sustain value.

The process of determining materiality includes the deliberation of a range of internal and external influences. The views of key stakeholders, together with the significant risks facing the organisation, are considered whilst we remain mindful of the strategies and goals that underpin our mandate.

## Determining materiality (cont.)

The objectives of the stakeholder engagement policy incorporate intensified stakeholder relationships with the intention to influence economic, social, and environmental policy frameworks. The goal is to accelerate industrial development.

In 2017 a comprehensive process was followed to determine and validate the material issues of the IDC. This year, a thorough consultation resulted in the endorsement of the current list. Participants in a workshop identified a variety of issues that could have an impact on the business. A follow-up survey allowed partakers to rank the issues per impact and stakeholder concern. Results were analysed and plotted on a matrix. Once grouped according to similarity, the current list of material issues was validated.



# Benefits of IR

- Aids transparency (raising money)
- Part of the good governance journey – good governance is good for business
- IR aids the IDC by pointing to areas of improvement – where we can add the most value
- Highlights sectors where there are trade-off's such as investments in fossil fuels vs our obligation to become environmentally sustainable

# Tips and hints

- Manage your time
- A cohesive team
- Tell your story - honestly
- Write your own report
- Voice your concerns and give solutions
- Size isn't everything