^o ACSA'S integrated reporting journey



2014 – i) First integrated <IR> based report
ii) Stakeholder emphasis

• 2015 – i) Started reporting per capital

 2016 – i) Stronger application of <IR> content elements & guidelines – e.g. materiality ii) Strategy 2025 – integrated thinking

2017 – i) Enriched infographics, improved value creation

 2018 – i) Improved connectivity, benchmarking, and introduced capital trade offs

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Public sector laws and regulations

Various legislations and relevant codes of best practice, include, but not limited to:

- Airports Company Act, No. 44 of 1993, Civil Aviation Act, No. 13 of 2009
- PFMA, Treasury Regulations, Companies Act
- Income Tax Act, No. 58 of 1962, Value Added Tax Act, No. 89 of 1991
- King IV
- Protocol on Corporate Governance for the Public Sector 2002

Challenges

Economic regulatory framework

- Economic regulatory framework and regulatory decision uncertainty
- Certainty & transparency will enable ACSA, with its key stakeholders, to progress decisively on medium & long term planning and projects.
- Equally it's an opportunity to be agile & innovative e.g. concessions, advisory services, training academy

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Challenges in IR preparation

- Timeline pressures notably close to release date
- Information gathering & different styles/voices
- Length of report & conciseness
- Impact of Audit process and timelines

- Year on year review and adjust timeline
- Appointed a writer to interview and draft story
- Improved iconography and connectivity
- Adjustment of timeline and improve responsiveness to audit finding

Positives in IR preparation

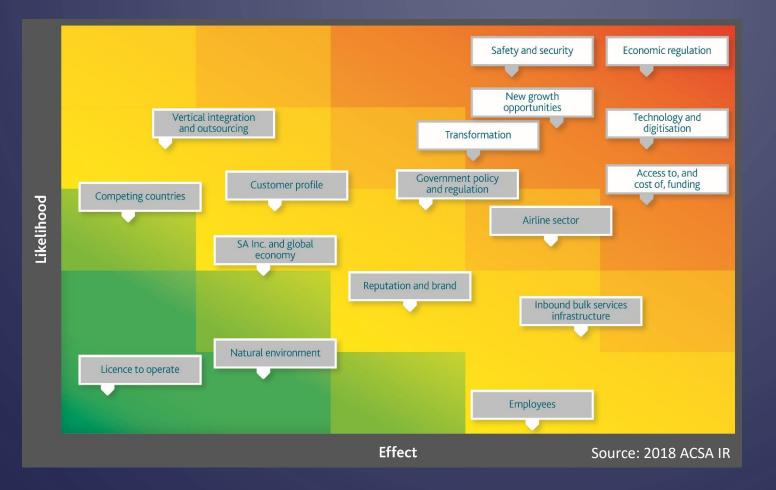
- Governance (Corporate Calendar)
- Leadership Commitment
- Benchmarking
- Advisory

- Special Exco & Board scheduled for IR consideration
- CEO & Exco engages actively on IR Reviews
- Comparing ACSA to other international airports
- Independent <IR> advisory support assists with improving and strengthening <IR> reports

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Material matters determination



It is an **integrated assessment process**, conducted by our executives, and approved by the Board within the context of our overarching governance framework and operating model.

Material matters are prioritised based on the **magnitude of the likelihood and effect** on our:

- Strategy;
- Governance,
- Outcomes and Trade-off's
- Performance or prospects.

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IR Benefits

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• Beginning with the end in mind



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IR Benefits, cont.

- Beginning with the end in mind;
- Manifests active integrated thinking;
- Value creation model review led to:
 - Focussed strategy sessions
 - Activation and implementation of a governance framework and operating model project
 - Cascading value creation through a Business Process Management project
 - Emphasis placed on outcomes and SDG's;
- Robust key performance indicators linked to short term incentives;
- Improving balanced reporting;
- Developed quarterly CEO integrated reports for board.

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IR Benefits Outcome - societal

FY 2017 – ACSA ...

- GENERATED R9.5 BILLION for South Africa's economy
- SUPPORTED 14 950 direct and indirect jobs
- SUPPORTED R2.8 BILLION in income for its employees and those of its local suppliers

Source ACSA Economic Impact Study

Our nine airports all contributed to their regional economies as follows:

Cape Town International Airport GDP contribution: R2 014 million % contribution to provincial GDP: 0.5% Employment contribution: 2 669 jobs Income contribution: R468 million

Upington International Airport GDP contribution: R30 million % contribution to provincial GDP: 0.05% Employment contribution: 122 jobs income contribution: R22 million

George Airport GDP contribution: R107 million % contribution to provincial GDP: 0.03% Employment contribution: 225 jobs Income contribution: R42 million

Kimberley Airport GDP contribution: R38 million % contribution to provincial GDP: 0.1% Employment contribution:127 jobs Income contribution: R23 million

Port Elizabeth International Airport GDP contribution: R236 million % contribution to provincial GDP: 0.1% Employment contribution: 418 jobs Income contribution: R74 million King Shaka International Airport GDP contribution: R910 million % contribution to provincial GDP: 0.2% Employment contribution: 1710 jobs Income contribution: R297 million

ACSA corporate office

GDP contribution: R389 million % contribution to provincial GDP: 0.04% Employment contribution: 3 700 jobs income contribution: R840 million

O.R. Tambo International Airport GDP contribution: R5 568 million % contribution to provincial GDP: 0.5% Employment contribution: 5 476 jobs Income contribution: R940 million

East London Airport

GDP contribution: R111 million % contribution to provincial GDP: 0.05% Employment contribution: 264 jobs income contribution: R47 million

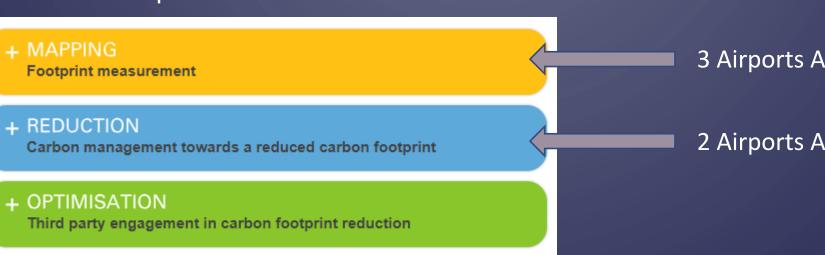
Bram Fischer International Airport GDP contribution: R79 million % contribution to provincial GDP: 0.1% Employment contribution: 239 jobs Income contribution: R42 million

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IR Benefits Outcome environmental

4 Levels of Airport Carbon Accreditation



+ NEUTRALITY

Carbon neutrality for direct emissions by offsetting

3 Airports Accredited

AIRPORTS COUNCIL

INTERNATIONAL

airport carbon

accreditation

2 Airports Accredited

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IR Tips – Public Sector Organisation starting IR journey

First things first,

- Should the organisation not have resident <IR> skills to start an IR journey they should consider securing the services of a reputable and experienced Integrated Reporting service provider to assist with introducing and developing Integrated Reporting;
- Develop and train Exco and other key personnel on <IR> framework;
- Agree which division/department will lead the Integrated Reporting Process;
- Agree on an <IR> implementation plan.