

**DELIVERING A MEANINGFUL
AND
CONCISE INTEGRATED REPORT
*AN INFORMATION PAPER***

The 2021 Information Paper

The IRC of South Africa developed this Paper to provide practical considerations on how to better deliver a meaningful and concise integrated report in the context of the <IR> Framework.



**INTEGRATED REPORTING
COMMITTEE OF
SOUTH AFRICA**

ALIGNMENT

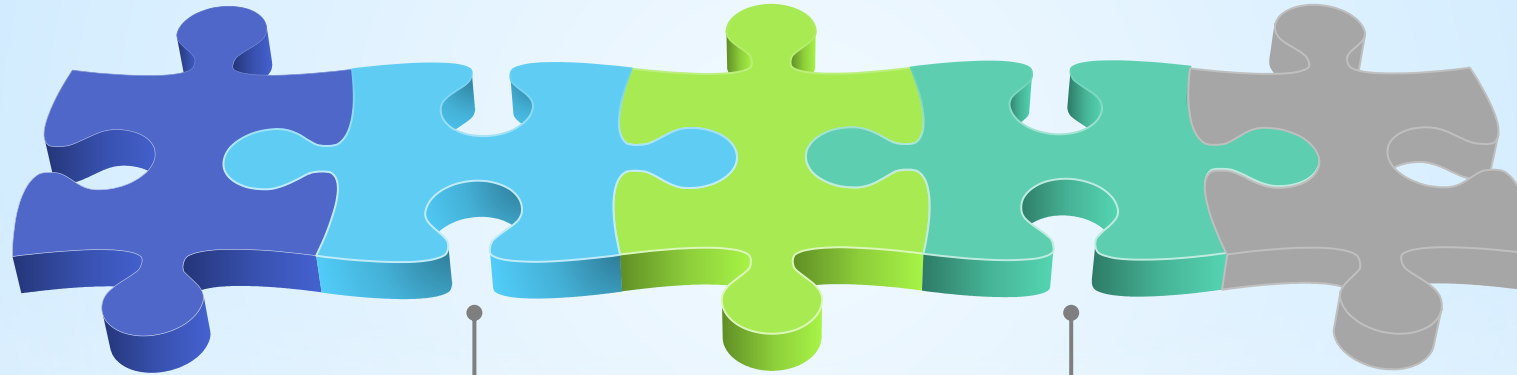
Optimize and align the reporting suite

CONCISENESS

Balance conciseness and comprehensiveness

OUTCOMES

Report clearly on outcomes and trade-offs



CONNECTIVITY

Connect the information in the Content Elements

KEY PERFORMANCE INDICATORS

Explain KPIs and the link to value



ALIGNMENT | Optimize and align the reporting suite

Challenges and weaknesses

- A reporting suite misaligned in messaging and material content
- Addressing some of the <IR> Framework's requirements in a supplementary report, but excluding it from the integrated report
- Excessive supplementary information that does not necessarily add value

Key considerations

- Ensure the integrated report is complete by including all material information and all Content Elements, while applying the Guiding Principles
- Create a detailed plan for the reporting suite so that each reporting element has a clear objective and there is a “picture” of how the various reporting elements interconnect
- Implement a holistic review process across the reporting suite
- Use effective and accurate cross-referencing



CONNECTIVITY | Connect the information in the Content Elements

Challenges and weaknesses

- Applying the Content Elements as a “tick-box”
- Siloed report sections and contradictory or isolated content
- A one-sided view of connectivity

Key considerations

- Approach content development in an integrated manner and with detailed, upfront planning to ensure everyone involved is on the same page
- Create a logical report structure, be mindful of overlap between sections and plan who will take the lead on common matters throughout the report
- Conduct thorough end-to-end reviews and check for alignment and isolated content
- Use cross-referencing and icons strategically; aim to address key topics only once



CONCISENESS | Balance conciseness and comprehensiveness

Challenges and weaknesses

- No clarity on what is considered material and how material matters were identified and evaluated
- Irrelevant information included in the integrated report
- Information is difficult to interpret or presented with insufficient context

Key considerations

- Follow a robust process to determine material matters and explain the process in the integrated report
- Exclude irrelevant information
- Implement design elements (such as infographics) with clear intent and provide sufficient context
- Use plain language and get straight to the point using as few words as possible



KPIs | Explain KPIs and the link to value

Challenges and weaknesses

- It is not evident why the organization selected specific KPIs, or why the KPIs changed year-on-year
- No clarity on what the KPI means (i.e. what it is measuring, or explanation of whether a performance trend is positive or negative)
- No clear connection between KPIs and remuneration incentives

Key considerations

- Continually assess whether the disclosed KPIs reflect the value created, preserved or eroded over time
- Disclose what each KPI measures and why it was selected
- Explain the KPI's performance effectively, providing insight into what drove the performance
- Industry benchmarks add useful context



OUTCOMES | Report clearly on outcomes and trade-offs

Challenges and weaknesses

- Describing value creation, preservation or erosion over time in general terms (or not at all) instead of organization-specific information
- Biased, unbalanced or incomplete disclosure of outcomes
- Trade-offs are general or disclosed without sufficient context

Key considerations

- Understand how the organization creates, preserves or erodes value over the short, medium and long term
- Think holistically about outcomes for a complete and balanced integrated report: consider the six capitals, the short, medium and long term and be specific in disclosing actual outcomes, intended and unintended, positive and negative
- Explain the judgement applied and the thinking process behind the trade-offs made