International trends in integrated reporting

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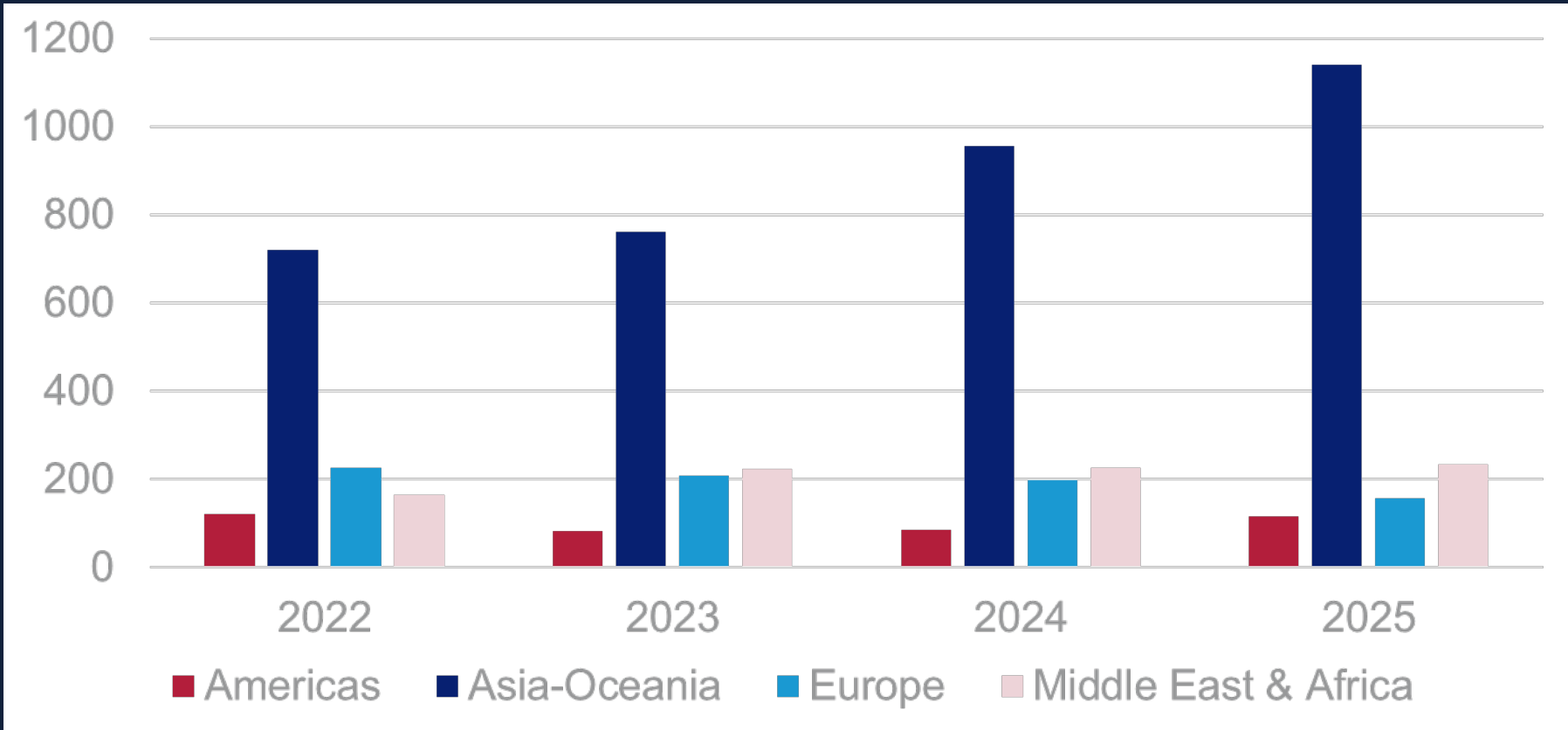
INTEGRATED REPORTING COMMITTEE (IRC) OF SOUTH AFRICA

ANNUAL CONFERENCE

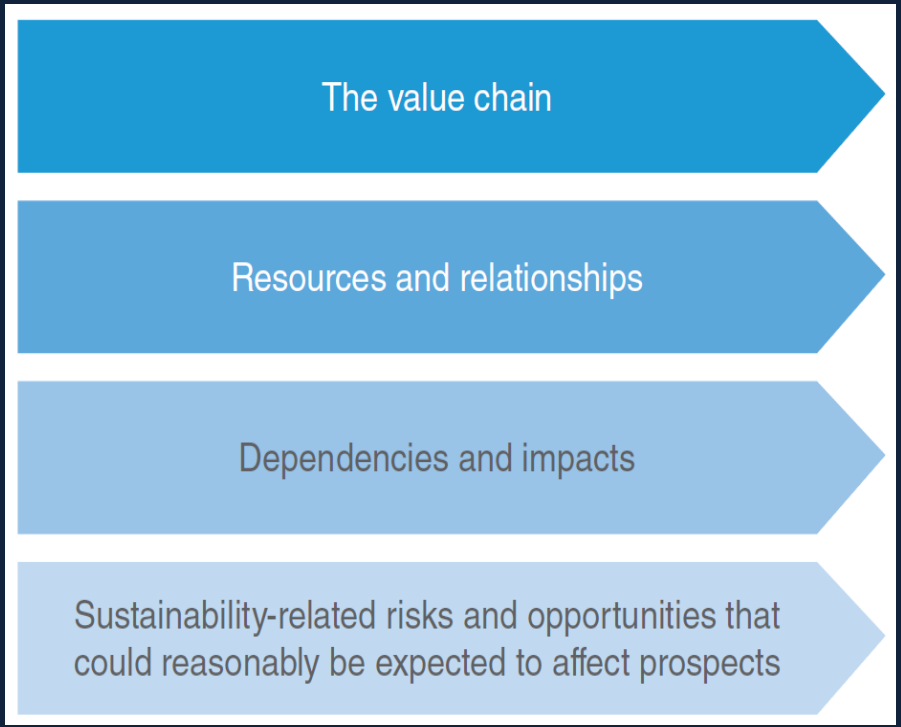
2026

#IRCConf26

IR Framework Reporters since 2022



Impacts & Dependencies give rise to Risks & Opportunities…



Sustainability-related risks and opportunities and the disclosure of material information

- Sustainability-related risks and opportunities arise from the **interactions between a company and its stakeholders, society, the economy and the natural environment** throughout the company's value chain
- A company both depends on and affects **resources and relationships** throughout its value chain, which can contribute to their preservation, regeneration and development, or to their degradation and depletion
- These **dependencies and impacts** might give rise to **sustainability-related risks and opportunities that could reasonably be expected to affect the company's prospects**

IFRS S1.2–3

Geographical and sector distribution of the analysed sample (150 IRs)

REGION (IFRS)	INDICATIVE CONCENTRATION
Asia-Oceania	High
Europe	Medium-High
Middle East & Africa	Medium
South America	Medium
North America	Low

SICS SECTOR	RELATIVE PRESENCE
Financials	High
Infrastructure	High
Extractives & Minerals	Medium-High
Food & Beverage	Medium
Services & Technology	Medium

Integrated reporting maturity

- Wide maturity spectrum → from first-time issuers to 10+ years of integrated reporting
- Most companies fall in the mid-experience range (7-10 years)
- Experienced reporters (5+ years) concentrated in South Africa, Japan
- Newer reporters (1–2 years) concentrated in the Asia-Oceania region

Integrated thinking as a Concept

Integrated thinking is predominantly referenced implicitly rather than explicitly

"While enhancing our ability to optimise voyages and operations, the Company has integrated ESG considerations into its daily operation and management“ (Company A, 2025)

“we embrace integrated thinking — recognizing the dynamic interplay between financial, manufactured, intellectual, human, social, and natural capital“ (Company B, 2025)

Explicit reference among:

- organizations with established integrated reporting practices
- financial and infrastructure sectors

The Middle East & Africa is the only region where explicit references are comparable to implicit ones.

Use of integrated thinking in identifying risks and opportunities and material information

Integrated thinking is predominantly referenced implicitly rather than explicitly

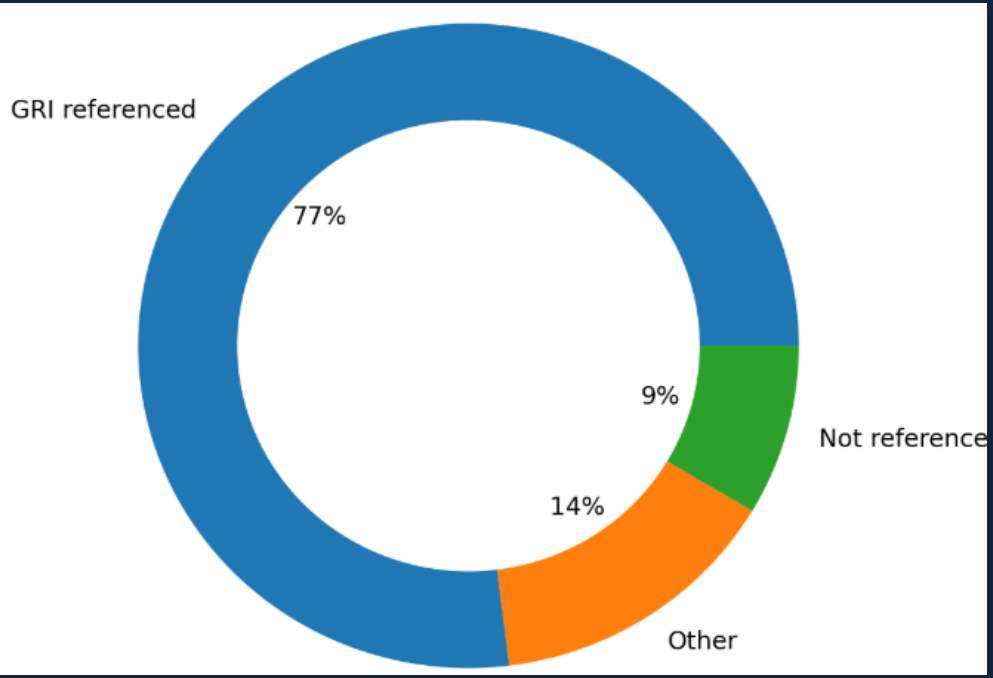
"Integrated thinking is used to identify material risks and opportunities across six capitals." (Company C, 2025)

"Our materiality determination process is guided by integrated thinking" (Company D, 2025)

"We initiate our materiality process through integrated thinking..."(Company D, 2025)

Utilities, extractives, and financial institutions are particularly explicit in linking integrated thinking to climate-related risks and transition opportunities

Other reporting frameworks: GRI and TCFD



Most of the integrated reports analysed adopt the GRI Standards

TCFD continues to serve as a critical bridge, particularly for climate-related disclosures, with many companies explicitly positioning IFRS S2 as an evolution or consolidation of existing TCFD practices.

Location: Separate or in integrated reports?

Preference for Embedded Disclosures

Strong preference by companies for embedding ISSB disclosures in Integrated Reports over separate sustainability or climate reports

Reasons for Separate Reports

Separate ISSB reports often focus on climate-only disclosures due to regulatory needs or progressive journeys. Even in these cases, companies frequently cross-reference the Integrated Report → IR as the strategic document

> "The company plans to disclose ISSB-related information in accordance with regulatory requirements. In this context, we intend to maintain a publication separate from the current Sustainability Report, considering that assurance processes and scopes differ between these materials. We believe this approach ensures greater clarity, technical consistency, and adherence to ISSB-specific requirements." (Company E, 2026)

Independently from the location: Integrated thinking first approach

The IFRS Foundation's focus is on the preparation of financial reports, however the practice of Integrated Thinking can help to:

- Avoid boilerplate disclosures by enhancing risk and opportunity identification
- Reinforce governance of sustainability-related risks and opportunities
- Connect sustainability-related financial disclosures to the broader value-creation narrative
- Avoid a compliance mindset
- Enhances how financial statements are understood, connected and used within the broader reporting ecosystem

Independently from the location: A disciplined understanding of the key ISSB and IR features

- The definition of materiality and its application within the ISSB Standards
- The concept of connected information, which is essential to both
- The critical importance of providing concise and unobscured material information for the primary user. This includes guidance on avoiding immaterial information and confusing disclosures.
- Proportionality mechanism → Proportionality mechanisms are designed to help companies with different levels of capability and preparedness apply the IFRS Sustainability Disclosure Standards

Integrated reports as *one* possible location

- The ISSB information *can* be appropriately presented as part of various reporting locations → shift the focus away from emphasising that ISSB information ***should*** be included within an integrated report
- This is intended to recognise diverse practices across jurisdictions and help lower costs for preparers and reduce frictions in the system to deliver efficiencies and comparable information
- But achieving ISSB compliance requires care in presenting ISSB information

The ISSB begins to consult on nature

- Reporting on nature is not optional: IFRS S1 already requires material information about nature-related risks and opportunities, as does IFRS S2 where climate-related risks relate to nature
- The proposed Practice Statement adds detail on how to provide high-quality, comparable and decision-useful nature-related disclosures to investors
- Information about dependencies and impacts is often critical to explaining nature-related risks and opportunities
- Draws extensively on the TNFD: location; Indigenous Peoples, Local Communities and affected stakeholders; LEAP; TNFD disclosure metrics
- Not siloed: connected to climate, other sustainability-related risks and opportunities, and the financial statements

Visit: *ifrs.org/projects/open-for-comment*

Conclusive Remarks

- Integrated reports remain highly relevant in relation to the IFRS Standards
- Even if not explicitly mentioned, integrated thinking is a critical enabler, providing the conceptual and operational link in the identification of sustainability and climate risks and opportunities and material information
- Sector and jurisdiction matter
- Independently from where ISSB disclosures are located (in integrated or separate reports), a disciplined understanding of the key ISSB and IR features (materiality, connected information, non-obscuring) is critical

"The Integrated Reporting Framework could serve as a conceptual and practical bridge […]. In addition, IR could provide technical support to clarify general questions related to interpretation and application of [ISSB disclosure] requirements, serving as a basis for working groups and internal discussions on report implementation."

(South American Company, 2026)