INTEGRATED REPORTING COMMITTEE (IRC) OF SOUTH AFRICA

INTEGRATED THINKING

A summary of the IRC Information Paper, October 2026

What integrated thinking is, why it matters and how you move it from concept to everyday practice.

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What it means

DEFINITION

Your organisation actively considers how its operating and functional units relate to the capitals it uses or affects. Its decisions then weigh the value created, preserved or eroded over the short, medium and long term.*

THREE FUNDAMENTAL CONSTRUCTS

01 Every decision has interconnected consequences.

02 Those consequences extend across functions, stakeholders and the six capitals, over the short, medium and long term.

03 The objective is sustainable value creation over the short, medium and long term.

THE SIX CAPITALS

Financial | Human | Manufactured | Intellectual | Natural | Social and relationship

* Adapted from IFRS Foundation, Integrated Reporting Framework (2021), Glossary, p53

THE SOUTH AFRICAN CONTEXT

Why it matters

2009
JSE incorporates the King Codes

2010
Integrated reporting expected of JSE-listed companies

2013
IIRC first issues the International <IR> Framework

2021
Framework updated

2022
IFRS Foundation absorbs the IIRC

WHAT KING V ASKS OF YOU

PRINCIPLES

13

King V treats integrated thinking as a theme across all 13 principles.

PRINCIPLE

3

Your governing body ensures purpose, strategy and business model support performance that creates sustainable value.

RECOMMENDED PRACTICE

20

Your governing body approves a strategy that reflects integrated thinking.

BENEFITS AND CHALLENGES

What you gain and what makes it hard

BENEFITS

Resilience and strategic coherence

You see impacts, risks and trade-offs before you make final decisions. Functional strategies align around one value creation model.

Stakeholder relationships and investor confidence

Engagement shows you what stakeholders need and how they perceive value. Research, mostly on South African companies, links integrated report quality to lower bid-ask spreads and analyst forecast errors (Barth et al., 2017).

Governance and reporting

Your governing body can weigh risks, opportunities and impacts in strategy. More reliable information gives a stronger base for integrated or combined assurance.

SOME CHALLENGES

- Limited leadership commitment
- Insufficient understanding
- No shared view of what is material
- Functions working in isolation
- Missing data and disconnected systems
- Treated as a reporting exercise
- Incentives focused on short-term results
- Seen as complex or abstract
- Lack of sustained effort

TEN KEY CONSIDERATIONS

How you embed it

01	Establish integrated governance processes
02	Link integrated thinking to purpose and strategy
03	Embed integrated thinking in culture and values
04	Align operations and functions
05	Align performance and remuneration with strategic objectives
06	Strengthen data, information and decision support systems
07	Assess the extent of embedding
08	Establish reporting and feedback flows
09	Commit to continuous improvement
10	Use integrated reporting to strengthen integrated thinking

Case studies in the paper: Redefine Properties Ltd, Vodacom Group Ltd and Nedbank Group Ltd