

49th IAFEI World Congress

**Developments of the Reporting Process -
from Financial- to Integrated Reporting
Role of the CFO**

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My Perspective / Background

<IR> / CSI:

- ◇ **'Preparer' / audit committee chairman and director**
- ◇ **'Proxy' investor / director's role to consider the legitimate interests and needs of investors and other material stakeholders**
- ◇ **'Standard setter' in respect of corporate governance and reporting standards**
- ◇ **Reporting oversight role (regulator)**

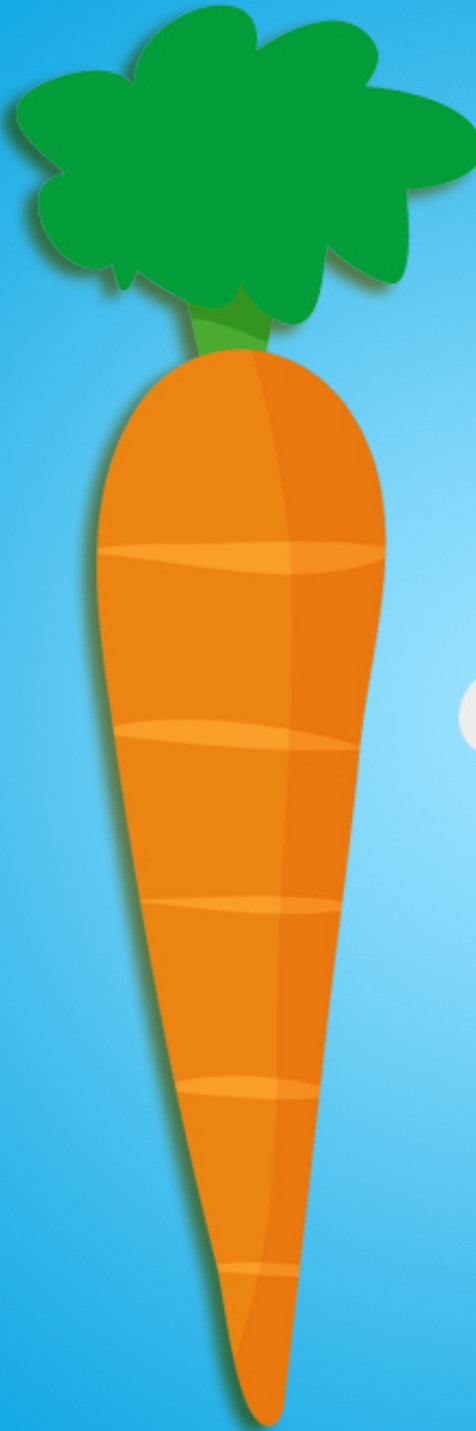
<IR> - My Experience

- ◇ **Been adopted by SA listed companies and public entities since 2010 (not a legal requirement)**
- ◇ **Strong international movement by Fortune 500 and socially responsible corporates to prepare and integrated report**
- ◇ **Numerous international business schools and universities are opening dedicated integrated reporting schools/divisions/courses**

**Voluntary
Adoption**

vs

**Compliance
with Rules**



or



Social License to Operate

- ◇ **Investor pressure to report on 3 Ps (profit, planet, people) and also governance**
- ◇ **Key focus of institutional investors including sovereign funds**
- ◇ **International frameworks / guidelines, e.g. ICGN, UN, voting proxies**
- ◇ **CSI index for responsible investment**

Social Justice

- ◇ **Suppliers, consumers and regulators call of transparency in respect of:**
 - ◇ **ethical sourcing**
 - ◇ **labour practices**
 - ◇ **Product content**
 - ◇ **Product origin**
 - ◇ **Carbon footprint**
- ◇ **Extensive recalls, fines, disclosure**

Why not Compliance Driven...

- ◇ **Tell an honest, truthful and holistic story – the strategy of the company through the lens of its leadership**
- ◇ **Holistic in focusing on 6 capitals**
- ◇ **In line with how businesses are managed and directed**
- ◇ **Driven by stakeholders' / users' information needs and not just ticking off reporting framework rules / criteria**
- ◇ **Investors place greater reliance on companies that report beyond financial**
- ◇ **CSI incentives**

CFO – Role and Benefit

- ◇ CFO's role is to drive strategy – sustainable value creation (profit, planet and people)
- ◇ Management and oversight of business is done holistically across the 6 capitals
- ◇ CFO's financial reporting role becomes easier if the 'other' reporting is aligned and tells a holistic story
- ◇ As <IR> improves, the quality of data and data gathering and internal reporting and measurement are enhanced