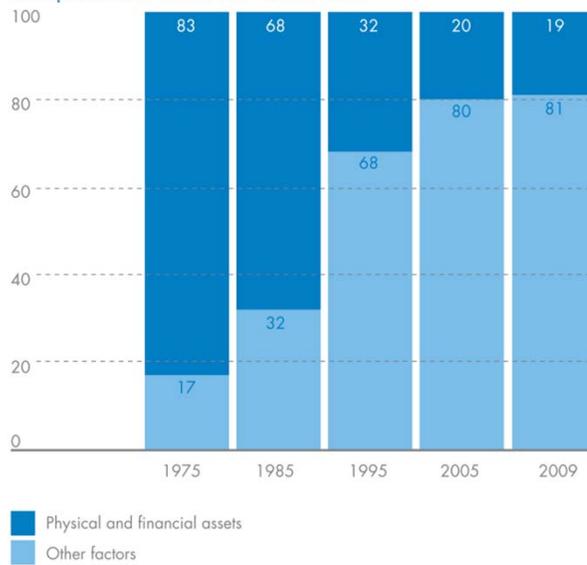


TOWARDS INTEGRATED REPORTING
Communicating Value in the 21st Century



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Components of S&P 500 market value

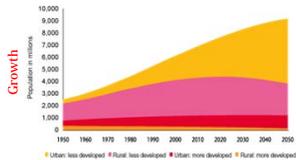


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The world has changed – reporting must too

The world population is increasingly urban

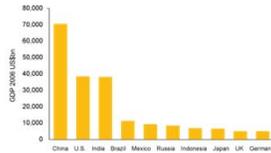
Global population by type of area and by region: 1950-2050



Source: UN Population Division, *World Population Prospects: The 2008 Revision*, 2008

Global economic power is shifting

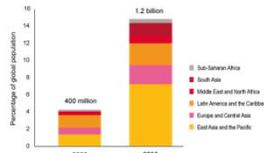
Top 10 economies by GDP in 2050



Source: Goldman Sachs, *BRICs and Beyond*, 2007

The global middle class is rapidly expanding

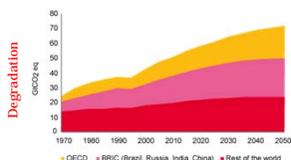
Population in low- and middle-income countries earning \$4,000-\$17,000 per capita (purchasing power parity)



Source: World Bank, *Global Economic Prospects*, 2007

Greenhouse gas emissions keep rising

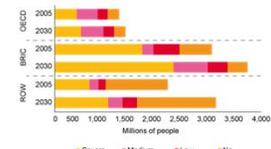
GHG emissions by regions



Source: UN Population Division, *World Population Prospects: The 2008 Revision*, 2008

Environmental degradation jeopardises people's quality of life

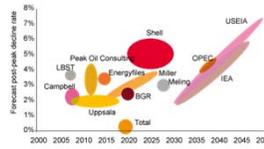
People living in areas of water stress by level of stress



Source: Goldman Sachs, *BRICs and Beyond*, 2007

The world could be running out of some resources

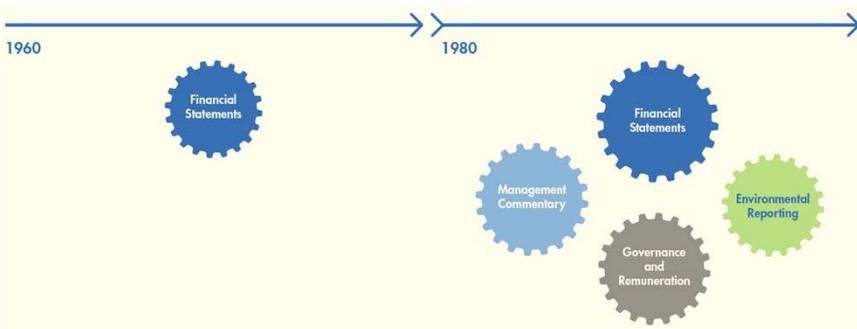
Global supply forecasts according to the implied ultimate recoverable resources of conventional oil, date of peak production and the post-peak aggregate decline rate



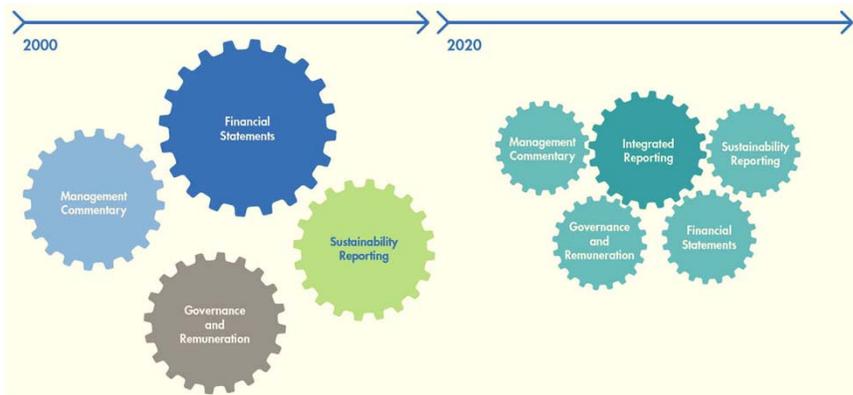
Source: World Bank, *Global Economic Prospects*, 2007

Source – WBCSD Vision 2050

Evolution of Reporting ...



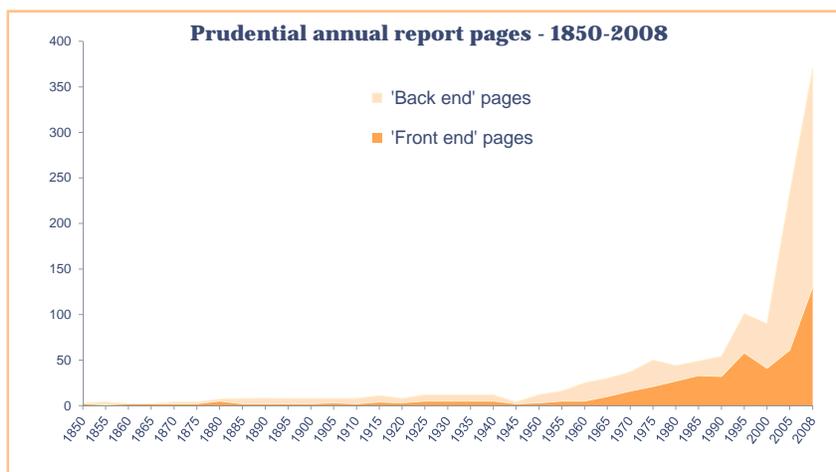
... Integrated Reporting – the Future



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It is not enough to keep adding more



Source: Investis research

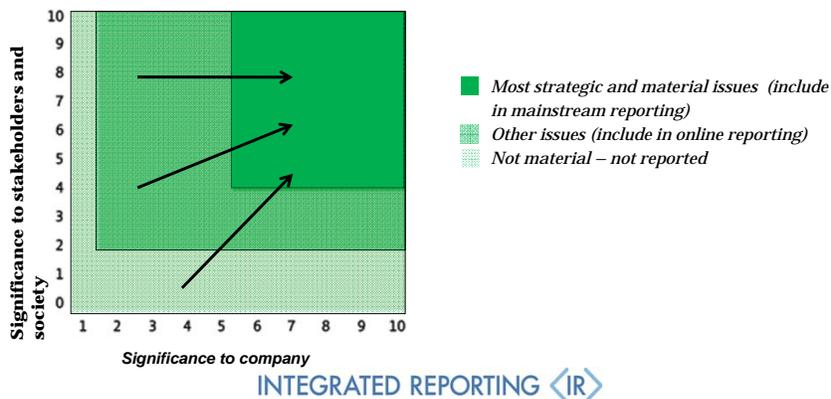
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Sustainability reporting - A shift in priorities

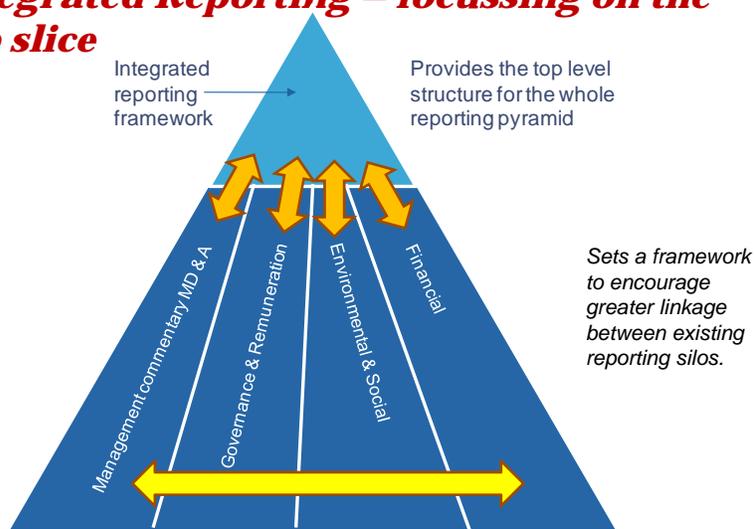
Moving from “stakeholder driven reporting” to the mainstreaming of what’s “strategic and material” to business success

Identifying our material issues



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Integrated Reporting – focussing on the top slice



Slide 9

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Underlying it all....



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Why the IIRC was established

- **Bring together** financial standard setters (IASB, FASB, IFAC), securities regulators (IOSCO) and sustainability standard setters (GRI, AccountAbility) with representatives from companies, investors and civil society to develop and implement an integrated reporting model
- **Facilitate convergence** to increase consistency, avoid reporting burden and enable comparability on an international basis

“To create a globally accepted Integrated Reporting framework which brings together financial, environmental, social and governance information in a clear, concise, consistent and comparable format. The aim is to help with the development of more comprehensive and comprehensible information about organizations, prospective as well as retrospective, to support transition to a more sustainable global economy.”



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IIRC Membership - extract

- | | | |
|--|--|--|
| • Professor Mervyn King, Chairman, King Committee on Corporate Governance (Chairman) | • Paul Clements-Hunt, Head of Unit, UNEP FI | International |
| • Charles A. McDonough, Vice President and Controller, The World Bank | • Jane Diplock, Chairman of the New Zealand Securities Commission and Executive Committee of the IOSCO | • Dennis Nally, Chairman, PricewaterhouseCoopers International Limited |
| • Göran Tidström, President, IFAC | • Robert Eccles, Harvard Business School | • Atsushi Saito, President & CEO, Tokyo Stock Exchange Group, Inc |
| • Professor Nelson Carvalho, Universidade de São Paulo, Brazil Chairman, 25th Session of UNCTAD's ISAR | • Ishaat Hussain, Chief Financial Officer, Tata | • Rick Samans, Managing Director, WEF and Chairman, CDSB |
| • Christy Wood, Chair, ICGN | • Jim Singh, Chief Financial Officer, Nestle | • Hans Hoogervorst, Chairman, IASB |
| • Leslie Seidman, Chairman, FASB | • Professor Angelien Kemna, Chief Investment Officer, APG | • Li Yong, Vice Minister of the Ministry of Finance, P.R. China |
| | • Huguette Labelle, Chair, Transparency | |

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“WIFM”

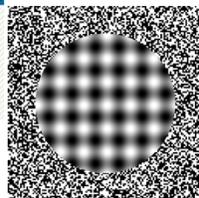
- Other stakeholders:
- civil society
 - employees
 - academics



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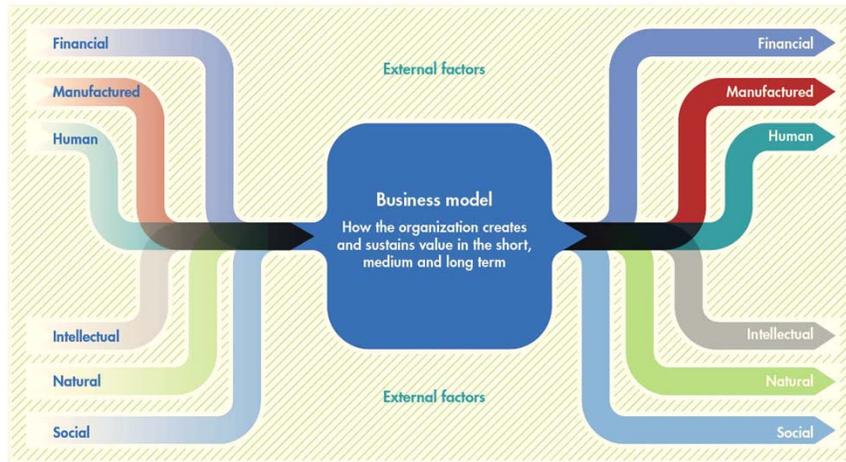


CONCISE



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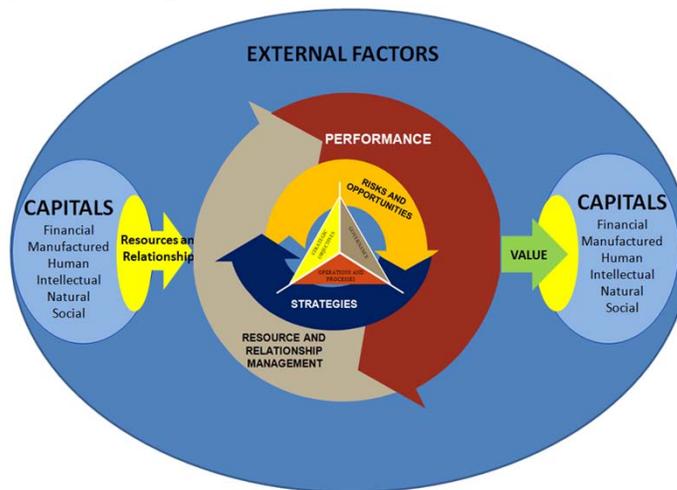
Business model and value creation



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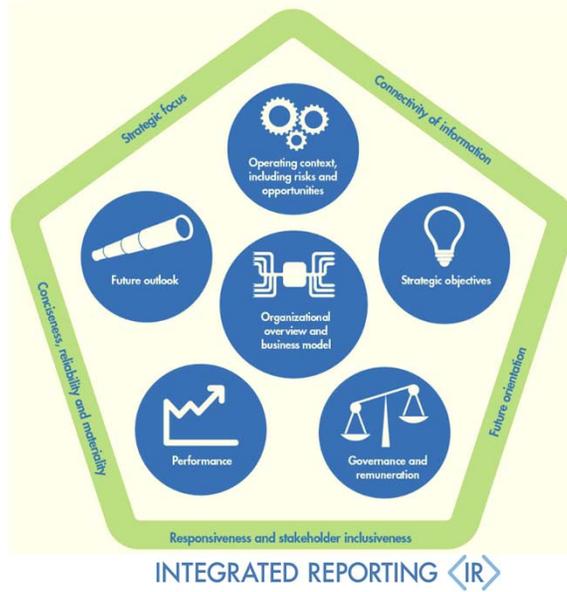
The Business Model in the Context of the Integrated Reporting Model



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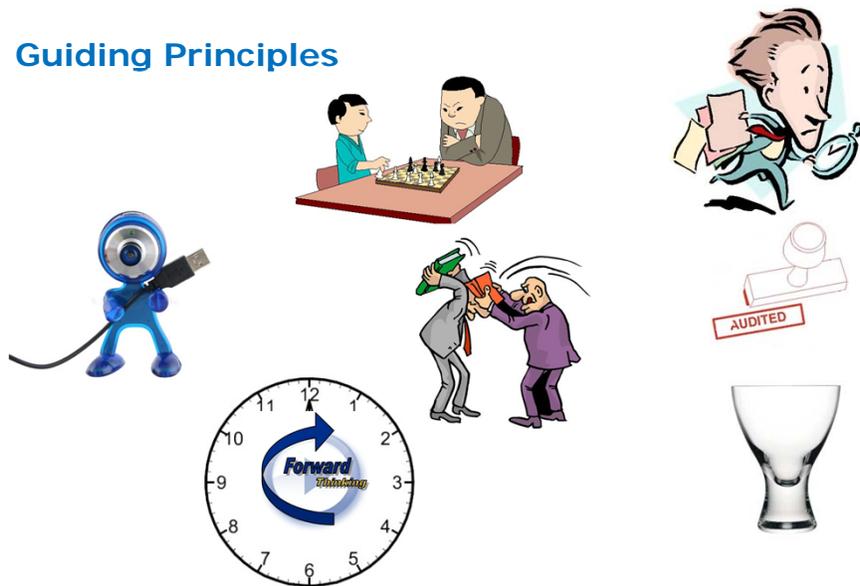
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The Building Blocks



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Guiding Principles



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Contents of an Integrated Report

Report profile	Whose report is it, what type of report is it and for what period?
Organisational overview and business model	What does the organisation do and how does it create and sustain value in the short, medium and longer term? What is the organisation's "footprint" across the value chain
Operating context, including risks and opportunities	What are the circumstances under which the organisation operates?
Strategic objectives and strategies to achieve those objectives	Where does the organisation want to go in the short, medium and longer term, and how is it going to get there?
Governance and remuneration	What is the organisation's governance structure and how does governance support the strategic objectives of the organisation and relate to the organisation's approach to remuneration?
Performance	How has the organisation performed against its strategic objectives and related strategies (as a reporting entity and across its value chain?)
Future outlook	What challenges is the organisation likely to encounter in achieving its strategic objectives in the short, medium and longer term, and what resulting implications for its strategies and future performance?

Pilot Programme





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