Understanding the important role the Risk Function plays in the production of an organisation's annual Integrated Report.

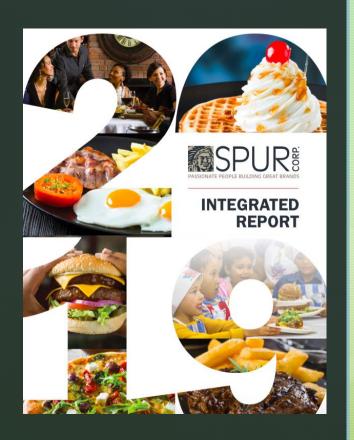
Sheralee Morland

CEO – Joshero (Pty) Ltd



Q and A

- Does your organisation have an Annual Report?
- Does you organisation have an annual Integrated Report?
- Who has read their organisations report?
- Who likes their organisation's Integrated Report? Why?
- Who thinks their Report can be improved? Why?
- What is the value-add that the IR offers?
- Who is involved in the compilation of their IR?
- Who is not involved at all?
- What would you like to take away from this session?



A bit of background

- It is already a stock exchange listing requirement in South Africa.
- Unlisted companies and not-for-profit organisations can voluntarily adopt to apply the International Integrated Reporting Framework (IIRF).
- The IIRF is used to accelerate the adoption of integrated reporting across the world.
- The IIRF was adopted in South Africa in 2010...
- It is anticipated that IR will become the corporate norm doing away with multiple, disconnected reports – and achieved though the process of Integrated Thinking, and the application of the principles such as connectivity of information
- The purpose of the IIRF is to establish Guiding Principles and Content Elements that govern the overall content of an integrated report, and to explain the fundamental concepts that underpin them.



Why Integrated Reporting is important

- Integrated Reporting enhances the way organizations think, plan, and report the story of their business
- Many organizations use Integrated Reporting as an opportunity to communicate a clear, concise, integrated story that explains how value is created within these organizations (Brand)
- Integrated Reporting is an approach that helps businesses think holistically about their strategy and plans, make informed decisions, manage key opportunities and risks to build investor and stakeholder confidence, and help manage the organization's performance





VALUE OVER VOLUME



Trusted to Saye



ANNUAL INTEGRATED REPORT 2019

IR's can be prepared by any type of organisation









ANNUAL INTEGRATED REPORT

2018

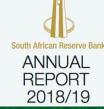






Integrated report

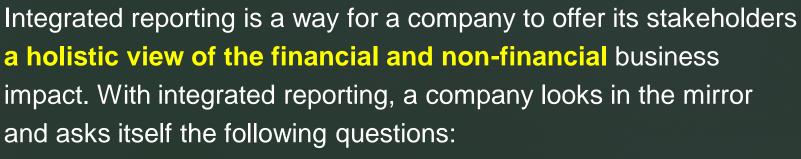








Thanks EY – you word this so perfectly!

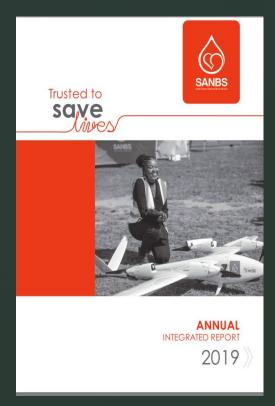


- What does the future look like?
- How does my business strategy position itself in this regard?
- How can I create maximum added value for all stakeholders in the long term?

The EY report <u>Is your nonfinancial performance revealing the true value of your business to investors?</u> confirms the worldwide trend of increasing interest in non-financial information among investors. Non-financial performance plays a crucial role in the investment decisions of most investors (and this number has continued to increase during the past years). The study cites integrated reports and annual reports as the most useful sources of non-financial information for making investment decisions.

If done well!





The Blood Bank's Integrated Report tells its value creating story

 https://sanbs.org.za/wp-content/uploads/2020/01/SANBS-AIR-2019 LoRes 27-Jan-2020.pdfnew.pdf

- If Integrated Reporting is done well it is a fundamental component of an organisation that successfully practices Integrated Thinking, Integrated Strategy and Integrated Risk Management. Any type of organisation can benefit from these practices
- But be warned it's a journey but DO-ABLE!



A bit of important background

- The International Integrated Reporting Council (IIRC) is a global coalition of regulators, investors, companies, standard setters, the accounting profession and NGOs.
- Together, this coalition shares the view that communication about value creation should be the next step in the evolution of corporate reporting
- The International Integrated Reporting Framework (IIRF) has been developed to meet this need and provide a foundation for the future.

The IIRC's long-term vision is a world in which integrated thinking is embedded within mainstream business practice in the public and private sectors, facilitated by Integrated Reporting as the corporate reporting norm.

The cycle of integrated thinking and reporting, resulting in efficient and productive capital allocation, will act as a force for financial stability and sustainability.

What Integrated Reporting aims to do

- Improve the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital
- Promote a more cohesive and efficient approach to corporate reporting that draws on different reporting strands and communicates the full range of factors that materially affect the ability of an organization to create value over time
- Enhance accountability and stewardship for the broad base of capitals (financial, manufactured, intellectual, human, social and relationship, and natural) and promote understanding of their interdependencies
- Support integrated thinking, decision-making and actions that focus on the creation of value over the short, medium and long term.

Since 2010, all companies listed on the Johannesburg Stock Exchange (JSE) have been required to produce an integrated report in line with King III. This requirement has been carried forward to King IV, effective for financial years commencing on or after 1 April 2017. In addition, the JSE requires application and disclosure of King IV in any report lodged with them after 1 October 2017. EY has been commissioning the Excellence in Integrated Reporting survey for the last eight years in order to encourage excellence in the quality of integrated reporting to investors and other stakeholders by South Africa's top companies.

Excellence in Integrated Reporting Awards 2019

A survey of integrated reports from South Africa's top 100 JSE listed companies

Excellent*

Absa Group Ltd
Anglo American plc
Exxaro Resources Ltd
Glencore plc
Gold Fields Ltd

Liberty Holdings Ltd
Life Healthcare Group Holdings Ltd
Pick n Pay Stores Ltd
Reunert Ltd
Sappi Ltd

Standard Bank Group Ltd
Telkom SA SOC Ltd
Woolworths Holdings Ltd

integratedreportingsa.org > Awards -

EY Excellence in Integrated Reporting Awards 2019 ...

EY Excellence in Integrated Reporting Awards 2019. Nedbank took top honours again, followed by Kumba Iron Ore and Redefine Properties in this 2019 survey of the top 100 JSE listed companies. The top 10 also inludes Sasol, Vodacom, Impala Platinum, Oceana Group, Anglo American Platinum, Netcare and Truworths.

Excellent*

Liberty Holdings Ltd Absa Group Ltd Standard Bank Group Ltd

Life Healthcare Group Holdings Ltd Anglo American plc

Exxaro Resources Ltd Pick n Pay Stores Ltd

Glencore plc Reunert Ltd

Gold Fields Ltd Sappi Ltd

Telkom SA SOC Ltd

Woolworths Holdings Ltd

Good*

Adcock Ingram Holdings Ltd JSE Ltd African Rainbow Minerals Ltd MAS Real Estate Inc.

AngloGold Ashanti Ltd Massmart Holdings Ltd

Aspen Pharmacare Holdings Ltd Mediclinic International plc

Attacq Ltd Mondi plc

Barloworld Ltd Mr Price Group Ltd

Clicks Group Ltd MTN Group Ltd

Coronation Fund Managers Ltd Northam Platinum Ltd

Discovery Ltd Old Mutual Ltd

Pioneer Food Group Ltd Intu Properties plc

Remgro Ltd

Sanlam Ltd

RCL Foods Ltd

Shoprite Holdings Ltd

Sibanye Gold Ltd

The Foschini Group Ltd

Transaction Capital Ltd

Tsogo Sun Holdings Ltd

Average*

BHP Group plc **Growthpoint Properties Ltd** Quilter plc Brait SE Hammerson plc

British American Tobacco plc Harmony Gold Mining Company Ltd

Capital & Counties Properties plc Hyprop Investments Ltd

Curro Holdings Ltd Investec plc

Dis-Chem Pharmacies Ltd Investec Property Fund Ltd

Distell Group Holdings Ltd Naspers Ltd

FirstRand Ltd PSG Konsult Ltd

Rand Merchant Investment Holdings Ltd

RMB Holdings Ltd

Santam Ltd

Tiger Brands

The Bidvest Group Ltd

The Spar Group Ltd

Vivo Energy plc

Progress to be made*

AVILtd

AECI Ltd Globe Trade Centre SA

Anheuser-Busch Inbev SA/NV Hosken Consolidated Investments Ltd.

Assore Ltd Italtile Ltd

KAP Industrial Holdings Ltd

Bid Corporation Ltd MMI Holdings Ltd

Capitec Bank Holdings Ltd Montauk Holdings Ltd

Compagnie Financiere Richemont SA NEPI Rockcastle plc

Pepkor Holdings Ltd EPP N V

Fortress REIT Ltd PSG Group Ltd Reinet Investments SCA

Resilient REIT Ltd

Sirius Real Estate Ltd

South32 Ltd

Super Group Ltd

Trustco Group Holdings Ltd

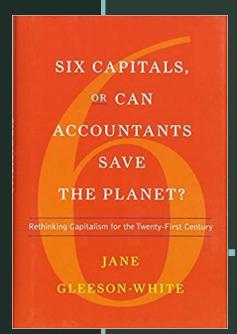
Vukile Property Fund Ltd

What Integrated Reporting aims to do

- Integrated Reporting is consistent with developments in financial and other reporting, but an integrated report also differs from other reports and communications in several ways
 - It focuses on the ability of an organization to create value in the short, medium and long term, and in so doing it:
- Has a combined emphasis on conciseness, strategic focus and future orientation, the connectivity of information and the capitals and their interdependencies
- Emphasizes the importance of integrated thinking within the organization

Integrated EVERYTHING – new buzz words

- Integrated thinking is the active consideration by an organization of the relationships between its various operating and functional units and the capitals that the organization uses or affects Breaks down silos!
- Integrated thinking leads to integrated decision-making and actions that consider the creation of value over the short, medium and long term



Integrated EVERYTHING – new buzz words

Integrated thinking considers the connectivity and interdependencies between the range of factors that affect an organization's ability to create value over time, including:

- The capitals that the organization uses or affects, and the critical interdependencies, including tradeoffs, between them
- The capacity of the organization to respond to key stakeholders' legitimate needs, interests and expectations (also King IV p16)
- How the organization tailors its business model and strategy to respond to its external environment and the risks and opportunities it faces
- The organization's activities, performance (financial and other) and outcomes in terms of the capitals – past, present and future



Integrated Thinking will assist Integrated Reporting

- The more that integrated thinking is embedded into an organization's activities, the more naturally will the connectivity of information flow into management reporting, analysis and decision-making.
- It also leads to better integration of the information systems that support internal and external reporting and communication, including preparation of the integrated report.

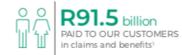


A MESSAGE FROM OUR CHAIRMAN



66 Exciting opportunities lie ahead for us as an independently listed business and we look forward to delivering sustainable profit growth and returns for our shareholders, and making positive contributions to the societies in which we operate. 99

Trevor Manuel Chairman





through the Masisizane Fu since inception

MESSAGE FROM OUR CEO



66 We have made good progress conditions. 99

on building a Group that is future fit in a rapidly changing world. I am pleased with the progress we have made on our strategic priorities despite tough economic and market

Peter Moyo



engaged to drive cultural change

n of race and ger tutive team and we g in the right direct million being set a

Development . erate additional iol evidenced by the

filtration plant at

OLD MUTUAL AT A GLANCE

Old Mutual Limited

2018

REPORT

INTEGRATED

Old Mutual is a premium African financial services Group that offers a broad spectrum of financial solutions to retail and corporate customers across key market segments in 17 countines.

Old Mutual's primary operations are in South Africa and the Rest of Africa, and we have niche businesses in Latin America and China. With over 173 years of heritage across Sub Saharan Africa. we play a crucial part in the communities we serve and broader society on the continent.





30.365

TIED ADVISERS

NVESTOR

for our retail customers affected our customer pecially in the middle outlook has marginally ious year resulting in consumer confidence. is still fragile with

t declined, with the JSE

d inflation continued to

n Reserve Bank (SARB)

erage of 4.6% for 2018.

enya remained broadly

ition within target and

sterest rates remaining

platile with a decline in

seria, economic growth

er of 2018, assisted by

pil and non oil economy.

it rates, a Value Added

el hikes contributed to

debt levels and policy

Bank of Zimbabwe announced that the RTGS would be RFO of R9.963 million decreased by 4% over the recognised as an official currency and that an inter-bank foreign exchange market would be established to formalise trading in RTGS balances with other currencies. In line with industry consensus on this matter we have applied a reporting change to the functional currency for our businesses in Zimbabwe from 1 October 2018. This change has reduced both reported profits and net asset value in 2018.

Progress on our strategic priorities and delivery against medium term

I am pleased with the progress we have made on our medium term strategic priorities despite tough economic and market conditions. Highlights in our customer facing segments include growth in loans disbursed in the Mass and Foundation Cluster and the continued recovery in profits at Old Mutual Insure evidenced by the underwriting margin of 5.3% that was well maintained at the top end of our medium term target range. Old Mutual Corporate's continued success

period which is below our target of nominal GDP+2%. The decrease reflects net reserve movements and mortality and morbidity losses in Personal Finance in the first half of 2018 and the change in functional currency in Zimbabwe

RoNAV of 18.6% was ahead of our Cost of Equity (COE)+4% target of 17.4%. We have delivered R750 million of recurring cost savings, putting us in a good position to meet our R1 billion efficiency target by the end of 2019.

The Group solvency ratio increased to 170%, reflecting the robust capital position of the Group. We are at the upper end of our capital ratio target range and have fully funded the development capital we need in the Group for the coming period. Our full year ordinary dividend of 117 cents per share is covered 2.04 times by AHE, well within our target pay out ratio of 1.75 to 2.25 times coverage.

Outlook for 2019

Our RFO target of nominal GDP+2% will become

VALUE OF CAPITAL RETURNS R45.9 billion R5.6 billion BBBEE STATUS level 2

OLD MUTUAL IS A VIBRANT, AFRICAN BRAND THAT **COACHES AND MOTIVATES CUSTOMERS THROUGH** SIMPLE, ACTIONABLE STEPS TO BRIDGE THE GAP BETWEEN THEIR DREAMS AND REALITY





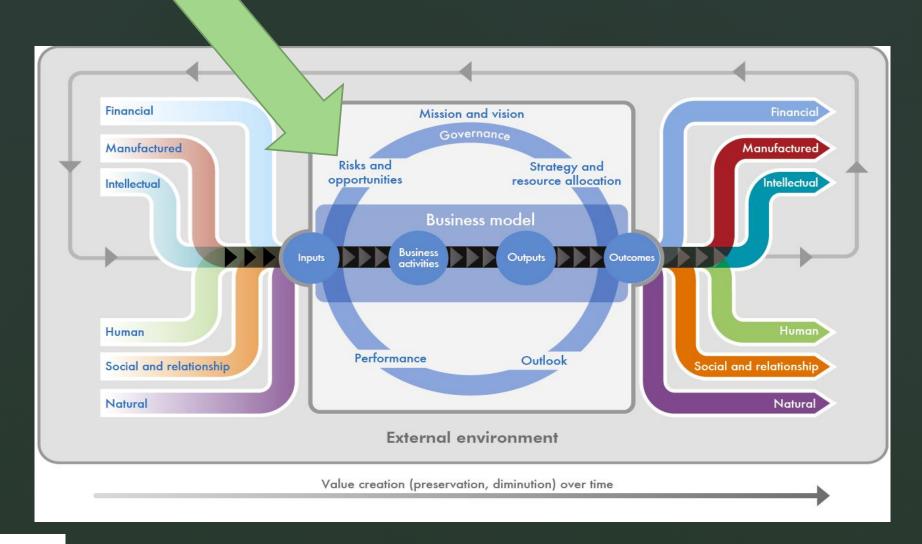
An Integrated Report

- Primary purpose of an integrated report is to explain to providers of financial capital how an organization creates value over time.
- Benefits all stakeholders interested in an organization's ability to create value over time, including employees, customers, suppliers, business partners, local communities, legislators, regulators and policymakers.

The IIRF takes a principles-based approach.

- The intent is to strike an appropriate balance between flexibility and prescription. Recognises wide variation in individual circumstances of different organizations while enabling a sufficient degree of comparability across organizations to meet relevant information needs.
- No prescription of specific key performance indicators, measurement methods, or the disclosure of individual matters.
- Does include a small number of requirements that are to be applied before an integrated report can be said to be in accordance with the IIRF.
- May be prepared in response to existing compliance requirements; either a standalone report or included as a distinguishable, prominent and accessible part of another report or communication.

The Value Creation Process







Our value-creating

BUSINESS MODEL

- Transformation/Change Change - leadenhip, strategy,
- innovation log 65 70: 54 59 Culture/change initiative (DNA)
- Being relevant to environment in terms of transformation (pg-di) -70) Meeting Blood Demand (pg 36 - 59)
 • brough and safe blood - days
- over (slocks increased) Patient Blood Management (PBM Appropriate usage, dishibution
- and reduction of waste, while driving down cost (pg 57) Future Changing World (pg 78)
- Innovation (IL BECS and drones data optimisation health of
- Care (pg 56) Mobile collection units/ Mount Edgecombe (pg 59)
- Improve wellness health of donor pool (pg 57) Cellular therapies and genetic
- lealing therapy top 50
 Cost, Reliability, Coverage & Quality

(pg.56 – 53)
• Accessibility and offordability – blood benchmarkable with rest at

Surfainability (pg R, 12,75)

- financial income collections (pg 53, 56, 74) Good governance solvent and
- stable organisation (pg M 36) Good governance solvent and
- Regulatory Landscape

 NH Implications (risks and
- opportunities) (pp 4% SAIPPA intending to regulate blood products (pp 4%

Hakeholder Engagement

(pg 35, 62 - 67)

• Moking with other SA Blood

Partners (senergies MCBS) & NBI etc.
Capacity: Human Capital (new people and key vacant pash)

(pg as) Exputation Management (pg 41)



- SANBS is committed to high
- ethics and integrity We embrace the World Health Organisation's expected
- outcomes for blood services Our Board is diverse in demographics, skills and experience and 82% of the non-executive directors

are profing new Reliably provide trusted blood products and services to all patients at a world class level of cost and quality while innovating new treatments to enhance human healthcare

OUR CAPITALS ... Inputs

Blood fransfusion services

- Receipts from debtors private patients and institutions government hasallals
- Operating expenses
- Capital expenditure If (process automation)
- Patient Blood Management (PBM)
- Research & development (Innovative
- Licence to operate Scarce skills

- New staff fleey vacancies filled)
- and training Strong compliance and governance

MANUFACTURED

- Danar pool (blood callection)
- III pyslems - BECS (Meditech)
- migration to Progesa SAP ERP
- Building
- Labs (owned)
 Blood banks (hospitals)
- (185 sites countrywide) Complex logistics and cold chain
- Transport (couriers, drones emergency

- Donor confidentiality of information Comentane of Health Care Services (gill of the - blood supplied, healthy donors and #hon5frona)
- Transformation strategies Statesholder engagement (pg 42 to 67)

 – customers (Including donors, doctors, patients, hospitals, Department of
- Health etc.) business portners (couriers, drone
- Innovation)
 Suppliers (critical consumables and technology)

- Water, fuel and electricity usage
- Green lab Mount Edgecombe Waste management



Strategy **Strategic** focus areas



Human Centred Callections











iHEALTh Read more about our strategic focus areas on pages 54 to 61.

Capitals

Trusted to

To be the cornerstone of healthcare services in South Africa, through the gift of li

ENABLE VALUE-ADDING ACTIVITIES THAT... Outputs

Value-add

ged blood Red blood cells for transfusion

fresh frozen plasi for patient use

covered plasma for NBI

· Pooled and

festing

ollection, processi

While managing key risks

Negative Internal/external events compromising SANBS* brand

Risks

Sustainably and continually collect income due to SANES

Attracting and retaining appropriately stilled and energhed people

Ongoing supply of safe quality blood products at

Injuries to staff and third parties (excluding negative blood related Impach)

Fallure of Information management systems

Confinually meeting regulatory regulæments

Ability to maintain R&D leading to new products/ income streams

National Health Insurance (NH) Impacting on SANBS operations

Ability to meet all demand for all blood products under armal operation

Read more about our risks on pages 41 to 43.

CREATE VALUE FOR OUR STAKEHOLDERS

Outcomes

- Turnover (2.84 billion (7.5% increase) stati costs as % fotal costs 7% net surplus versus budget 4.7%

- Current ratio 6:1 Reduced callection and processing costs Reduced courier costs and complisity

- World leading blood transferion 🚳 and blood products organisation Revised Purpose, Vision and Mission
- PBM fulfills purpose "Trusted to Save Liver"

- 5 black employees 5 new staff in blood collections
- leadenhip team Revised performance nanagement system
- educed overtime
- compliance framework Leadership-charler
- SAMBS Formula co-created aspirational culture journey

MANUFACTURED Improving reliability of supply, inventory, coverage, quality

- Active Donor: 370 000 up to 430 000 (Increased blood stocks)
- Doctor:: Reduced blood supply cultracts PBM- Increased efficiencies in
- available blood stock management Mount bagecombe centre in KZN Smart hidges

CIAL AND RELATIONSHIP Compliance with all health/

- blood regulatory requirements Advanced preparation for new regulations eg SAHPRA, NHI (participation - influencing and maximising apportunities if creates)
- Positive impact on SA citizen
- health #IronStrong Fertilin testina and from supplement Nespresso partnership
- Improved doctor experience (enough blood)

Solar Reduced carbon footprint - Reduced transportation (planning and increased blood supplies)

Fundamental Concepts

- Aims to provide insight about the resources and relationships used and affected by an organization these are collectively referred to as "the capitals"
- Seeks to explain how the organization interacts with the external environment and the capitals to create value over the short, medium and long term
- Capitals are stocks of value that are increased, decreased or transformed through the activities and outputs of the organization. They are categorized in the IIRF as financial, manufactured, intellectual, human, social and relationship, and natural capital, although organizations preparing an integrated report are not required to adopt this categorization or to structure their report along the lines of the capitals
- The ability of an organization to create value for itself enables financial returns to the providers of financial capital. This is interrelated with the value the organization creates for stakeholders and society at large through a wide range of activities, interactions and relationships. When these are material to the organization's ability to create value for itself, they are included in the integrated report

The Framework

- The purpose of the Framework is to establish Guiding Principles and Content Elements that govern the overall content of an integrated report, and to explain the fundamental concepts that underpin them
- lt:
 - Identifies information to be included in an integrated report for use in assessing the
 organization's ability to create value; it does not set benchmarks for such things as
 the quality of an organization's strategy or the level of its performance
 - Is written primarily in the context of private sector, for-profit companies of any size but it can also be applied, adapted as necessary, by public sector and not-for-profit organizations (VERY SUCCESSFULLY)

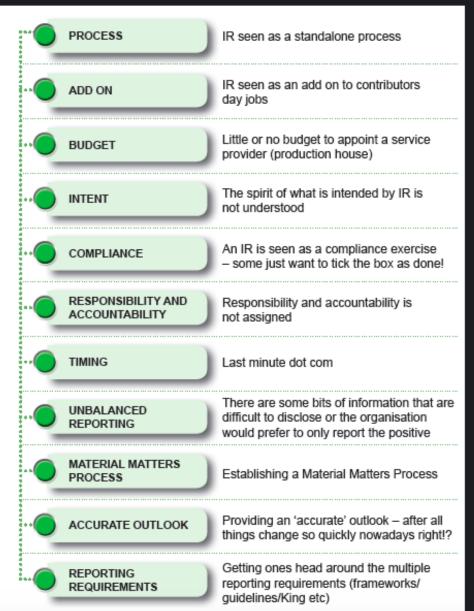
Interesting Stats



- Guess how many times Risk is referred to in the International Integrated Reporting Framework?
- Guess how many times Risk is referred to in the International Integrated Reporting Framework?
- https://integratedreporting.org/wp-content/uploads/2013/12/13-12-08-THE-INTERNATIONAL-IR-FRAMEWORK-2-1.pdf
- Barnowl/13-12-08-THE-INTERNATIONAL-IR-FRAMEWORK-2-1.pdf



Challenges



Critical success factors

•	CONTENT	Be familiar with the content of the requirements of the IIRF (useful summaries contained in the IIRF)
•	INTEGRATED THINKING	NEVER see Integrated Reporting as a separate stand alone process – embrace Integrated Thinking
•	EXAMINE OTHER IRs	Peruse online versions of Integrated Reports of a few organisations
•	RESPONSIBILITY	Assign responsibility for the IR to an Executive (member of Exco) eg CFO/FD; Company Secretary or Head of Investor Relations/Communications
•	IR STEERING COMMITTEE	Convene an IR Steering Committee (smaller organisations make this the Exco)
•	PERFORMANCE SCORECARDS	Include Preparation/contribution to IR on performance scorecards (what gets measured gets done and rewarded)
	POST-MORTEM	Post-mortem previous year IR (obtain stakeholder input/evaluation by service provider/results of any awards feedback/gap analysis against IIRF and King IV)
	SERVICE PROVIDER	Appoint a service provider (production house) if budget allows (plan for this in future years)
•	KNOWLEDGE	A useful service provider will know about integrated reporting, integrated thinking, conceptualisation, design, typesetting, production AND working under pressure!
•	PRESENTATION	Arrange Board presentation on Integrated Reporting (and Thinking)
•	TRAINING	Provide training/overview of Integrated Thinking/Reporting to the IR Steering Committee
•	TIMELINE	Agree timeline for IR project
•	MATERIAL MATTERS	Define process of determining Material Matters and schedule sign off of these by Exco and the Board
•	KEY MESSAGES	Discuss and agree key themes and messages
•	REPORT BACK	Chair of Steering Committee to report back regularly to Exco (often done by the Service Provider) – weekly near sign off/finalisation stages
•	REVIEWS AND APPROVALS	Obtaining reviews and approvals from Exco and Board (provide sufficient time; hear there concerns; add in their special requests)
•	ENHANCE BRAND	Aim to create a document that enhances the organisations brand/reputation and something all are proud offind useful/insightful
•	LINKAGES	Provide useful linkages throughout the document to more details provided in the IR or to other documents on the organisation's webpage
	BUSINESS MODEL	Blow your readers away with an impressive Business Model. This can demonstrate the key components of your IR including Material Matters, 6 Capitals, Strategy, Material Risks, Inputs, Outputs and Outcomes
		o capitals, criategy, material resis, inputs, outputs and outcomes



Guiding principles

STRATEGIC FOCUS AND FUTURE ORIENTATION

3.3 An integrated report should provide insight into the organization's strategy, and how that relates to its ability to create value in the short, medium and long term and to its use of and effects on the capitals.



CONNECTIVITY OF INFORMATION

3.6 An integrated report should show a holistic picture of the combination, interrelatedness and dependencies between the factors that affect the organization's ability to create value over time.



STAKEHOLDER RELATIONSHIPS

3.10 An integrated report should provide insight into the nature and quality of the organization's relationships with its key stakeholders, including how and to what extent the organization understands, takes into account and responds to their legitimate needs and interests.



MATERIALITY

3.17 An integrated report should disclose information about matters that substantively affect the organization's ability to create value over the short, medium and long term.



CONCISENESS

3.36 An integrated report should be concise.



RELIABILITY AND COMPLETENESS

3.39 An integrated report should include all material matters, both positive and negative, in a balanced way and without material error.



CONSISTENCY AND COMPARABILITY

- 3.54 The information in an integrated report should be presented:
 - On a basis that is consistent over time
 - In a way that enables comparison with other organizations to the extent it is material to the organization's own ability to create value over time.

Content elements



ORGANIZATIONAL OVERVIEW AND EXTERNAL ENVIRONMENT

4.4 An integrated report should answer the question: What does the organization do and what are the circumstances under which it operates?



GOVERNANCE

4.8 An integrated report should answer the question: How does the organization's governance structure support its ability to create value in the short, medium and long term?



BUSINESS MODEL

4.10 An integrated report should answer the question: What is the organization's business model?



RISKS AND OPPORTUNITIES

4.23 An integrated report should answer the question: What are the specific risks and opportunities that affect the organization's ability to create value over the short, medium and long term, and how is the organization dealing with them?



STRATEGY AND RESOURCE ALLOCATION

4.27 An integrated report should answer the question: Where does the organization want to go and how does it intend to get there?



PERFORMANCE

4.30 An integrated report should answer the question: To what extent has the organization achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals?



OUTLOOK

4.34 An integrated report should answer the question: What challenges and uncertainties is the organization likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance?



BASIS OF PREPARATION AND PRESENTATION

4.40 An integrated report should answer the question: How does the organization determine what matters to include in the integrated report and how are such matters quantified or evaluated?

Guiding Principles

Principle	What this means
Strategic focus & future orientation	Provide insight into the organization's strategy, and how it relates to the organization's ability to create value in the short, medium and long term, and to its use of and effects on the capitals
Connectivity of information	Show a holistic picture of the combination, interrelatedness and dependencies between the factors that affect the organization's ability to create value over time
Stakeholder relationships	Provide insight into the nature and quality of the organization's relationships with its key stakeholders, including how and to what extent the organization understands, takes into account and responds to their legitimate needs & interests
Materiality	Disclose information about matters that substantively affect the organization's ability to create value over the short, medium and long term
Conciseness	An IR should be concise
Reliability & completeness	Include all material matters, both positive and negative, in a balanced way and without material error
Consistency & comparability	 The information in an integrated report should be presented: (a) on a basis that is consistent over time; and (b) in a way that enables comparison with other organizations to the extent it is material to the organization's own ability to create value over time

Content Elements

8 Content Elements that are fundamentally linked to each other and are not mutually exclusive:

Content Element	The what
Organizational overview & external environment	What does the organization do and what are the circumstances under which it operates?
Governance	How does the organization's governance structure support its ability to create value in the short, medium and long term?
Business model	Depiction of the organisation's Business Model
Risks and Opportunities	What are the specific risks and opportunities that affect the organization's ability to create value over the short, medium and long term, and how is the organization dealing with them?
Strategy & resource allocation	Where does the organization want to go and how does it intend to get there?
Performance	To what extent has the organization achieved its strategic objectives for the period and what are its outcomes in terms of effects on the capitals?
Outlook	What challenges and uncertainties is the organization likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance?
Basis of Preparation (known as "the about this report"	How does the organization determine what matters to include in the integrated report and how are such matters quantified or evaluated?

So what does this all mean for you

Risk referred to 43 times in the IIRF

Opportunities referred to 33 times in the IIRF

King IV requires through Principle 11

Govern risk in a way that supports the organisation in the setting and achieving of strategic objectives

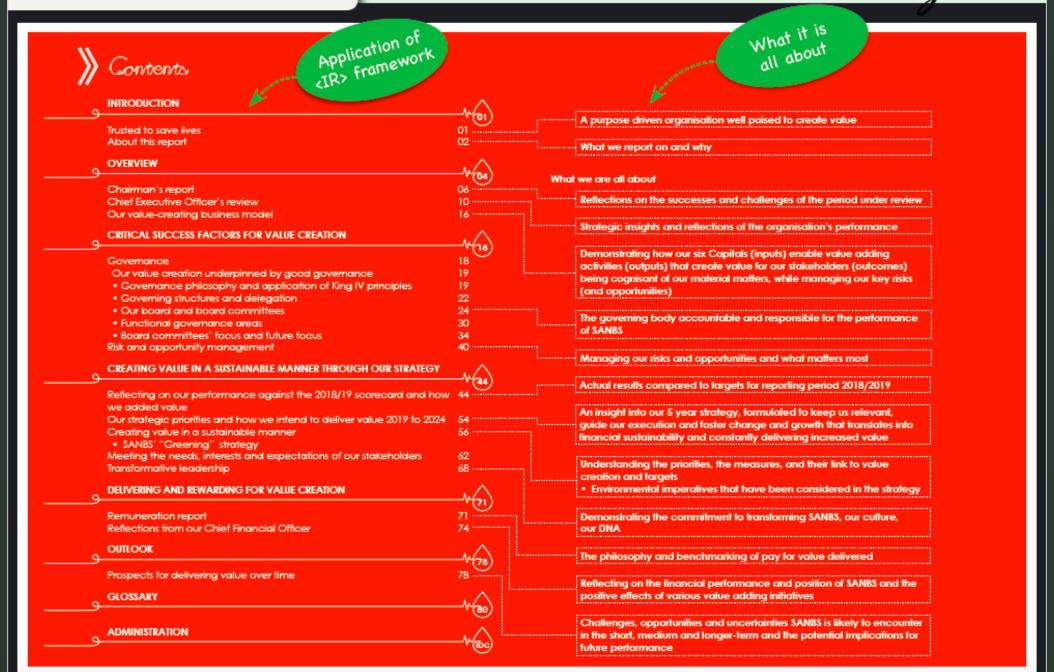
But let's just say many of the King IV principles have a risk connotation

Let's take a look – in the next page snap shot



King IV on a Page

Lead	Principles: the governing body should	Achieve
~ G	Lead ethically and effectively	
and	Govern ethics in way that supports an ethical culture	
ers	Ensure organisation is responsible corporate citizen	
Ste ets I	Understand purpose, risks, opportunities, strategy, business model, performance, sustainability are inseparable for value creation	4
S	Reports must enable stakeholders' informed assessments of performance & short, medium and long-term prospects	Ethical
ر ا	Serve as focal point and custodian of corporate governance	Culture
ss Policy anning	Appropriately balance knowledge, skills, experience, diversity, independence to discharge roles & responsibilities objectively & E	culture
	Ensure delegation in own structures promote independent judgement, assist with balance of power to effectively discharge duties	Good
Appr	Ensure that evaluation of own performance & that of committees, chair & individual members support continued improvement in performance & effectiveness	Performance
s And	Ensure that appointment of & delegation to management contribute to role clarity & effective exercise of authority & responsibilities	3 Effective
ees	Govern risk in way that supports organisation in setting & achieving strategic objectives	Control
ers Mo	Govern technology & information in way that supports organisation in setting & achieving strategic objectives c	Control
ŏ	Govern compliance with laws, adopted, non-binding rules, codes, standards to support ethical & good corporate citizen	4
2	Remunerate fairly, responsibly, transparently to achieve short, medium & long-term strategic objectives/ positive outcomes	Legitimacy
Ensures ountabilit	Ensure that assurance services & functions enable effective control environment that support integrity of information for internal decision-making & of external reports	208.0
inst	Adopt stakeholder-inclusive approach to balance needs, interests, expectations of stakeholders in organisation's best interest	
Acco	Ensure that responsible investment is practiced by organisation to promote good governance & creation of value by companies in which it invests (institutional investor organisations)	







NAVIGATION ICONS

- eq: committee reports
 - stakeholder engagement
 - material risks
 - page references

- · Governance report to Governance report on web
- Sustainability Development Goals (SDG's) to Sustainability report
- Financial report to Annual Financial Statements (AFS)

NAVIGATING THIS REPORT

Throughout our integrated report the following icons are used to show the connectivity between sections.

OUR CAPITALS

Our relevance as a non-profit organisation mandated to provide blood transfusion and related services today and in the future and our ability to sustain ourselves and create long-term value are interested and dependent on the forms of capital available to us (inputs), how we use them (value-adding activities), our impact on them and the value we deliver (outputs and outcomes).



Our pool of funds that is used to support our business and operational activities, including research and development



Our brand value, research and development, Innovation appaals. reputation and shallegic partnerships



Our organisational structure and operational processes, including our physical and mabile inharbucture, our products, and information technology that provides the mechanics of how we do business and



SOCIAL AND BELATIONSHIP Statishedder relationation, including the communities in which yet operate, as we recognise the califical rate that blood banks play in surjoining a healthy society and health system.





Our Impact on natural resources through the operations and business

OUR STRATEGIC OBJECTIVES



Human centred collections Excellence in processes

rigour 🦨

Administrative.

Logistics

Testing & quality.

Hearts & minds

STAKEHOLDERS















benchmark





This icon directs the reader to a page(s) with more CHRICAL SECCESS PACTORS FOR VALUE CREATION



- y notes are its of the Confinition for the partical under review Covering of the standard particles. I supervising the large glosshape with the revised data or as entorcoles and should be described by the standard particles and the standard of the standard data particles with the should be described as also entirely also have seen by trajecturing recommendation of the Over trajecturing.
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- outcomes or posterior receiving translations. Empiring obresod and monoging emerging pollogiers.
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had note three by all 1995 and, especially by the Operational and Medical stating one to the challenge and accepted.

- Advertiscus areas of the Committee

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- of the set and tribudges ducit.

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- Breast SIEGE has a sharing distinct infection. This convent on making any minimal contribution of the cont

CHITICAL SUCCESS FACTORS FOR VALUE CREATION

SANBS accepts that certain risks have to be accepted as part of its ent and therefore itsis are treated only where the benefits of the risk treatment outweighs the cost of the freatment.

The following key strategy level risks and apportunities as well as associated risk treatment actions, are currently being managed to ensure the achievement of SAHBC objectives:

Hote cover of the taking take position regative activities/actions of ether interect and erfamolylichaholden. Control is place include: Operations had internal publishes requesting ethical conduct

statebables out responsibly and attroopy Deyrisk bealment outliers underwrap trickide:

- Beviewing habilingsstatements street at infor-

Communication and furnamenance enancement
Published regulating relationships with external distributions traded by supplies to ensure

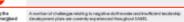
hore couveril, or on expected to occur Developing a Cell Alanogement Plan Developing on overcribing Swines-Coolins by Managament (SCA) system.



Develop a collection continues to be challenging as both Public and Physics has also are Alley action is the outomotion of a number of on cream to singlify reconcilations of

edy between 1908E and Buildings.





- Displaying the displa petention
 - Device Took Implemented by Nobel

 - The DBR billiother results clinical identifying lesses and cleveloping outlons to

 - Bits invaluent collers to improve monogeneral of the 4th trobute.

 Development of a te actually: development model.

 Implementation of departmentmentation the Bitson half-utersecting from its review of
 - Implementation of departs owner. The efficial environment in SAEM.



- Collaboration rullival abstrationer to develop standards for branchetory management Other bay outlone to updanke the management of the 46 hobotic
- Improvement in the cost shall system Reduction of professors heting follows to exist with reducing fore-Assort time (AV)
- Beducing westage breakgoing intervalues then duragenting pollargers has finalles.











SHOUNT.



- Fait and equitable
- Hegative publicity
 Reputation damage Gerie-coeffcient

Increasingly III profients Reputation of SAHIS

- Further transparency in
- improved engagement and planned meetings

Integrated Report to build trud

- Bargaining forum meetings
 Long-term agreements Greater understanding of the SANES environment
 - 360 Degree Assessment Remuneration Folicy Disciosure of remunero

right time Research and development Clinical trials to improve

donar and patient care
 Accurate demand planning



Performance, strategy and resource allocation, and outlook





PERFORMANCE



Empower employees to create a value based culture

3018/2019 was alramational year. There were several programs to deepen our organisational culture and initiatives to improve leadenship traits, measure our culture and encourage our values of accountability through performance assessment.

This strategic focus had the following objectives:

to achieving the objectives include:

OBJECTIVES

- Renew the culture
- . Engage and empower employees
- Drive a performance culture Leadenhip development
- . Embed talent management
- Retain our staff Process automation
- Complete HCM policies and procedure review process

Examples of initiatives that gave effect

INITIATIVES

- 3d0 degree assessment
- Discovering our DNA
- Transformation learning and
- development
- Takent mtr. Performance
- Strategic wellness Reward and recognition
- Organisational development programs

nce indicators used to back and monitor progress against this shategic priority:

Enable, empower & engage employees to build a value based culture	Measure	Target		2019
Improve the 8-88EE score (New Codes). Transformation	8-88EE Shifts Spend Employment Equity	810m 85%	7	810m 84%
Embed Ident management processes	% completed for management levels	100%	1	100%
Retain our staff	Staff turnover	7%	1	2.4%
Complete HCM policles and procedure review process	Number of policies reviewed aut of 31	31	1	39

√ Torgets mel

85% of staff voted on things to do more of and less of in developing the SANBS

aligned to the SANS Like EAD values

Both will be the coming year

154 leaders participated in a roll-out of the 1st 340 degree

are being used to inform Personal Development Hans nd help SANIS develop leaders for the future, and placing leaders in functions that suit their strengths

will be reached next

inhanced performance gement - weekly and

monthly scare cards introduce across divisions and function which roll-up into one overall balanced scorecard of SANIS

An effice ourses ----was completed IDA's and IDFs and staff are

measured at least twice a year developed

practices policies

updated in-line with



STRATEGY AND RESOURCE ALLOCATION

Creating value in a sustainable manner THROUGH OUR STRATEGY 2019 - 2024

Our seven strategic objectives (Health) have been formulated to guide our execution. Their successful implementation will foster change and growth that translates into financial sustainability and successful accomplishment of the SANBS mission.

Our strategic priorities reflect:

- What will be achieved
- . How success will be measured, i.e. strategic measures
- What will be done to achieve the strategy, i.e. strategic initiatives

Shalegic objective	Strategic priorities	Key measured inflatives		What will be achieved and how It links to value creation
	Decrease wastage and promote	Modernice SBI/SAP systems.	•	Improving infernal processes to be efficient and effective with acceptable levels of internal contral
E	appropriate use of blood • Improve	#lite even/filting - reduce short bleeds	•	Reduce workage
	efficiency of all identified and	Meel SLA TAIl for standard crossmatches	1	Ensuring cornect blood type is delivered in an acceptable timetame
Excellence Achieve	processes Enhance visibility	Working Capital (cents per rand of tumover)	•	Monitoring efficient use of resources
operational excellence that constitently	of our value chain Re-engineer procurement	Greening SANES Refer pages 60-to 61.	1	Increasing SAMSS' social responsibility environmental impact and reducing cost
produces efficient &	Manage Internal controls to	% Ordered vs Issued	•	Maniforing our ability to deliver blood ordered by doctors
& services	acceptable levels - Implement Str	Wartage - % of blood discarded _	•	Montroling unused blood to enable treatment actions if required

🗸 Hew billiotive on brack against current plan (no concerns). 🛦 Improvement I/OY 🔞 Ho-concerns yell. 🔻 Below larget



OUTLOOK - LOOKING FORWARD

Stoategy 2019 - 2024 POISED TO SUSTAIN US AND ENGENDERS VALUE CREATION OVER THE SHORT, MEDIUM

AND LONG-TERM

- Shift from product focus to patient focus
- Further embracing 8-8885 and MHI
- regions to reduce logistical burden
- Fastidious management responses to reputational
- Althact and retain staff-competitive remuneration
- Innovative products Cellular therapies
- Improving organisational agility

The many initiatives and structure changes implemented in the last year should certainly yield positive results in the short term.

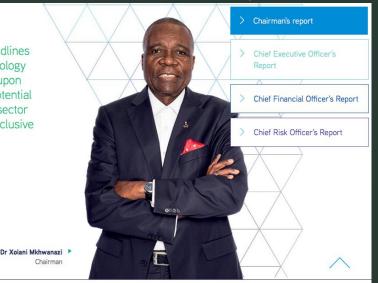
Continued engagement with our stakeholders around regulation, NHI and further improving access to life-saving products will continue in the medium to

When there is a tough message to convey and yet an IR must be prepared and issued

Chairman's report

"I was mindful to look beyond the headlines and saw the tremendous value, technology innovation and entrepreneurial spirit upon which EOH was built. EOH has the potential to power both the private and public sector to redress inequality by creating an inclusive digital economy and society."

View Chairman's Statement



Annual Integrated Report
Rebuilding trust and defining professionalism

Operating model

> Risk Overview

Governance Report

Our six sustainability themes

SOLUTIONS THAT CREATE VALUE FOR OUR CUSTOMERS

Priority goals:

To lead and grow innovative and sustainable technolog solutions

> View more

BUILDING TECHNOLOGY SKILLS IN COMMUNITIES

Priority goals:

To invest in the digital and maths skills needed by future generations

> View more

A DIVERSE, ETHICAL AND TALENTED WORKFORCE

Priority goals:

To be a responsible employer, nurturing talent are best people

> View more

THE ELIMINATION OF

CORRI IPTION

Priority goals:

Share the lessons we have learnt and enable high

integrity business

> View more

ECOSYSTEM
Priority goals:

A VIBRANT AND INNOVATIVE DIGITAL

To nurture innovation, partnerships and growth in to digital sector

> View more

TAKING ACTION ON CLIMATE

CHANGE Priority goals:

Protecting our planet through enabling technologie

> View more

Risk Overview

EOH's enterprise risk management approach has been significantly developed over the last year. There has been comprehensive work to identify, quantify and embed best practice processes, with significant input from external and internal experts.

> View Risk Overview

2018 Annual Report



Annual Report Tiger Brands Ltd has reached its limit for free report views.

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Request Information

Most Recent Annual Report

ANNUAL Integrated Report

2018





AUDITED RESULTS

FOR THE YEAR ENDED 30 SEPTEMBER 2018

The publication today of the delayed Annual Report for 2018 is another important milestone for the Group.

The last eighteen months have been by far the most challenging in the history of Steinhoff International Holdings N.V. (the "Company" or "Steinhoff N.V."). As a Management Board, our priority through this period has been to reestablish stability for the business by achieving a financial restructuring.

When there is a tough message to convey and yet an IR must be prepared and issued

ASSURANCE AND APPROVAL

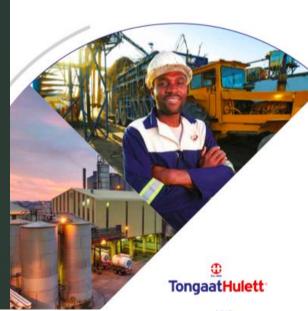
The Audit and Compliance and the Risk, Capital and Investment Committees consider all material matters facing the company to ensure that these are adequately managed and that internal assurance activities are integrated and coordinated efficiently and proficiently.

The following service providers provided external assurance of various elements of the annual report:

- Annual financial statements Deloitte & Touche
- Review of internal controls and risk review KPMG
- Sustainability Environmental Resources Management (ERM)
- B-BBEE contributor level 1st Verification Networx
- Carbon emissions disclosure Terra Firma Solutions
- Operational certifications include NOSA, OHSAS 18001, ISO 14001, ISO 9001, FSSC 22000 and ISO 22000

The report was approved by the Board for release to shareholders on 9 December 2019.

Readers should note that through a series of events that have largely fallen outside of our control, the publication of this annual report has regrettably been delayed by several months.



ABOUT THIS REPORT

The 2019 annual report covers relevant financial and non-financial aspects of the operations of the company. We are currently undergoing a turnaround process which will impact the company's structure going forward; as much detail on this has been included in the report as possible.

The principles embodied in the King IV Report on Corporate Governance for South Africa 2016™ (King IV™), the International Integrated Reporting Council's (IIRC) Integrated Reporting (<IR>) Framework and the Global Reporting Initiative's (GRI) Standards contributed to the compilation of this report.

2019 ANNUAL REPORT

The case for Integrated Reporting

• Integrated reporting, for any type of organisation, applies principles and concepts that are focused on bringing greater cohesion and efficiency to the reporting process, and adopting 'integrated thinking' as a way of breaking down internal silos and reducing duplication. It improves the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital. Its focus on value creation, and the capitals (financial, human, manufactured, social & relationship, natural and intellectual) used by the organisation to create value over time, contributes towards a more financially stable global economy, no matter how small the organisation is.

So, lets face it!
Risk Functions can no longer not be involved
Get in on the action
Ensure a balanced view is provided
Risks and Opportunities are reported
Risks contextualized in the Business Model
Risks that are material included
Risks that impact strategy (forward looking) accounted for
Risks that affected performance (and lost opportunities) described
Your organisation's reputation depends on it – when things go wrong, and the latest integrated report is hauled over the coals – be sure the IR said it like it was/(is!



Sheralee Morland

nd@joshero.con

Call 0741161262

I believe that a well-constructed annual Integrated Report that tells the value creation story of an organisation is good for its brand and reputation and builds goodwill and trust. Contribute! Advise! Guide! Influence!

Wishing you everything of the best and good luck with the role POU play in advancing the quality of Integrated Reports and the contribution this makes to improved reporting worldwide!