

Appendix I:

Fundamental concepts, Guiding Principles and Content Elements of the <IR> Framework

Fundamental concepts

- Value creation for the company and for others: Overall, does the report explain how the company creates values for itself and others?
- The capitals: Overall, does the report provide information on the capitals (e.g. financial, manufactured, intellectual, human, social and relationship, natural) that the company uses or affects and which underpin its ability to create value?

Guiding Principles

- **Strategic focus and future orientation:** An integrated report should provide insight into the company's strategy, and how it relates to the company'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:** An integrated report should show a holistic picture of the combination, interrelatedness and dependencies between the factors that affect the company's ability to create value over time.
- **Stakeholder relationships:** An integrated report should provide insight into the nature and quality of the company's relationships with its key stakeholders, including how and to what extent the company understands, takes into account and responds to their legitimate needs and interests.
- **Materiality:** An integrated report should disclose information about matters that substantively affect the company's ability to create value over the short, medium and long term.
- **Conciseness:** An integrated report should be concise.
- **Reliability and completeness:** An integrated report should include all material matters, both positive and negative, in a balanced way and without material error.
- **Consistency and 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 companies to the extent it is material to the company's own ability to create value over time.

Content Elements

- **Company's overview and external environment:** What does the company do and what are the circumstances under which it operates?
- **Governance:** How does the company's governance structure support its ability to create value in the short, medium and long term?
- **Business model:** What is the company's business model?
- **Risks and opportunities:** What are the specific risks and opportunities that affect the company's ability to create value over the short, medium and long term, and how is the company dealing with them?
- **Strategy and resource allocation:** Where does the company want to go and how does it intend to get there?

- **Performance:** To what extent has the company 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 company 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:** How does the company determine what matters to include in the integrated report and how are such matters quantified or evaluated?

Source: IIRC 2016