

HOW TO EXTEND YOUR ANNUAL REPORT

SIX
CAPITALS



ASK
QUESTIONS



BE GUIDED BY
THE PRINCIPLES



SEEK OUT THE
RIGHT CONTENT



REPORT ON NET
VALUE ADDED TO
THE SIX CAPITALS

Financial Capital

+

Manufactured Capital

+

Intellectual Capital

+

Human Capital

+

Social and
Relationship Capital

+

Natural Capital

=

VALUE

1. What time frame?

2. What stakeholders?

3. What reporting boundaries?

4. What business model?

5. What reporting format?

6. What buy-in do we have from the governing body?

7. What can we improve?

1. Strategic focus and future orientation

2. Connectivity of information

3. Stakeholder relationships

4. Materiality

5. Conciseness

6. Reliability and completeness

7. Consistency and comparability

1. Organisational overview and external environment

2. Governance

3. Business model

4. Risks and opportunities

5. Strategy and resource allocation

6. Performance

7. Outlook

8. Basis of presentation

Financial Capital

+

Manufactured Capital

+

Intellectual Capital

+

Human Capital

+

Social and
Relationship Capital

+

Natural Capital

=

VALUE

7 GUIDING PRINCIPLES

Strategic focus and future orientation

An integrated report should provide insight into the organisation's strategy, and how it relates to the organisation'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 organisation's ability to create value over time.

Stakeholder relationships

An integrated report should provide insight into the nature and quality of the organisation's relationships with its key stakeholders, including how and to what extent the organisation 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 organisation'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 organisations to the extent it is material to the organisation's own ability to create value over time.

8 CONTENT ELEMENTS

Organisational overview and external environment

What does the organisation do and what are the circumstances under which it operates?

Governance

How does the organisation's governance structure support its ability to create value in the short, medium and long term?

Business model

What is the organisation's business model?

Risks and opportunities

What are the specific risks and opportunities that affect the organisation's ability to create value over the short, medium and long term, and how is the organisation dealing with them?

Strategy and resource allocation

Where does the organisation want to go and how does it intend to get there?

Performance

To what extent has the organisation 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 organisation likely to encounter in pursuing its strategy, and what are the potential implications for its business model and future performance?

Basis of presentation

How does the organisation determine what matters to include in the integrated report and how are such matters quantified or evaluated?

Adapted from:

*The International
Integrated Reporting
Framework*

Learn more at
www.integratedreporting.org

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Te Kaitiaki ārahi Pūrongo Mōwaho



6 GLOSSARY

Business model

An organisation's system of transforming inputs through its business activities into outputs and outcomes that aims to fulfil the organisation's strategic purposes and create value over the short, medium and long term.

Capitals

Stocks of value on which all organisations depend for their success as inputs to their business model, and which are increased, decreased or transformed through the organisation's business activities and outputs. The capitals are categorised in this Framework as financial, manufactured, intellectual, human, social and relationship, and natural.

Content Elements

The categories of information required to be included in an integrated report; the Content Elements, which are fundamentally linked to each other and are not mutually exclusive, are stated in the form of questions to be answered in a way that makes the relationships between them apparent.

Guiding Principles

The principles that underpin the preparation and presentation of an integrated report, informing the content of the report and how information is presented.

Integrated report

A concise communication about how an organisation's strategy, governance, performance and prospects, in the context of its external environment, lead to the creation of value in the short, medium and long term.

Reporting boundary

The boundary within which matters are considered relevant for inclusion in an organisation's integrated report.