

## Integrated reporting vs. sustainability reporting for corporate responsibility in South Africa

Alexandra F. Clayton<sup>1</sup>, CDFMR, Jayne M. Rogerson<sup>2</sup>, CFMR, Isaac Rampedi<sup>3</sup>, CMR

University of Johannesburg, School of Geography, Environmental Management and Energy Studies, Faculty of Science, Johannesburg, South Africa; phone +27 115 592 439; e-mail: [allyclayton1@gmail.com](mailto:allyclayton1@gmail.com)<sup>1</sup>; [jayner@uj.ac.za](mailto:jayner@uj.ac.za)<sup>2</sup> (corresponding author); [isaacr@uj.ac.za](mailto:isaacr@uj.ac.za)<sup>3</sup>.

### How to cite:

Clayton, A.F., Rogerson, J.M. and Rampedi, I., 2015: Integrated reporting vs. sustainability reporting for corporate responsibility in South Africa. In: Szymańska, D. and Środa-Murawska, S. editors, *Bulletin of Geography. Socio-economic Series*, No. 29, Toruń: Nicolaus Copernicus University, pp. 7–17. DOI: <http://dx.doi.org/10.1515/bog-2015-0021>

**Abstract.** Large corporates have come under increasing pressure to conduct their business in a more transparent and responsible manner. In order for business to fulfil its obligations under the ethic of accountability stakeholders must be given relevant, timely, and understandable information about their activities through corporate reports. The conventional company reports on annual financial performance, sustainability and governance disclosures often fail to make the connection between the organisation's strategy, its financial results and performance on environmental, social and governance issues. Recognising the inherent shortcomings of existing reporting models, there is a growing trend to move towards integrated reporting. South Africa has been one of the most innovative countries in terms of integrated corporate reporting. Since 2010 companies primarily listed on the country's major stock exchange have been required to produce an integrated report as opposed to the former sustainability report. The aim in this study is to review the development of integrated reporting by large corporates in South Africa and assess the impact of the required transition from sustainability reporting to integrated reporting on non-financial disclosure of eight South African corporates using content analysis of annual reports.

### Article details:

Received: 15 January 2015

Revised: 26 March 2015

Accepted: 17 April 2015

### Key words:

sustainability reporting,  
integrated reporting,  
corporate responsibility,  
South Africa.

© 2015 Nicolaus Copernicus University. All rights reserved.

### Contents:

1. Introduction . . . . .	8
2. International trends in corporate reporting. . . . .	8
3. The South African context . . . . .	9
4. Research approach and findings. . . . .	11
4.1. Research methods. . . . .	11

4.2. Report characteristic trends .....	12
4.3. Content analysis .....	13
5. Conclusions .....	15
Acknowledgements.....	15
References .....	15

## 1. Introduction

Corporate reporting is the responsibility of an organisation for indicating the impacts of an organisation's decisions and activities on society and the environment through the conduct of transparent and ethical behaviour (Blowfield, Murray, 2011; Jonikas, 2013). The movement to corporate responsibility into business practice is a response to not only the negative environmental effects the organisation may have, but also to evaluate the economic and social effects of the organisation on a global scale (White, 2009). The three aspects of sustainability (economic, environmental, and social) are translated into a corporate sustainability approach (Jonikas, 2013; Thomsen, 2013). Generally, corporate sustainability is the long term focus on an organisation's environmental, economic, and social impacts and their interactive effect (White, 2009). Corporate sustainability has been presented as the ultimate goal for corporations, meeting the needs of the present without compromising the ability of future generations to meet their own needs (Thomsen, 2013).

In recent years, geographers have become interested in how corporate enterprises act responsibility and how corporate responsibility and sustainability initiatives impact on environmental, social, economic development and political processes (Krumme, 2001; O'Riordan, 2004; Hughes et al., 2007; Hamilton, 2001, 2013; Jonikas, 2013). One important international trend over the past decade is that large corporates have come under increasing pressure to conduct their business in a more transparent and responsible manner (Jackson, 2005; Fig, 2007). In keeping with the increased interest and pressure to focus on sustainability and in order for business to fulfil their obligations under the ethic of accountability, corporates must provide relevant, timely, and understandable information about their activities. The adoption of sustainability reporting is viewed as one of the successful initiatives that business can apply in an effort to strive towards sustainable de-

velopment. Nevertheless, sustainability reports often suffer weaknesses as they appear disconnected from the organisation's financial reports and fail to make a link between sustainability issues and the organisation's core strategy (Gray, Milne, 2002; Elkington, 2004; Sonnenberg, Hamman, 2006; Bebbington et al., 2007; Buhr, 2007; Larrinaga-Gonzalez, 2007; Milne, Gray, 2007, 2013; Jeyaretnam, Niblock-Siddle, 2010; IRCSA, 2011; Lozano, Huisinigh, 2011; Turk et al., 2013). Recognising the shortcomings of existing reporting models, and driven by an urgent need to find more effective reporting solutions, international attention has begun to focus on what is termed integrated reporting (IRCSA, 2011).

South Africa has been one of the most innovative countries in terms of corporate reporting. The Johannesburg Earth Summit of 2002 assigned significant responsibility to business, expecting business to play a leading role in the movement towards sustainable development (Lambert, 2005). Since 2010 companies primarily listed on the country's major stock exchange have been required to produce an integrated report as opposed to the former sustainability report. The aims in this study are twofold. First, against a backdrop of international trends the article tracks the development of integrated reporting by large corporates in South Africa. Second, the paper assesses the impact of the required transition from sustainability reporting to integrated reporting on non-financial disclosure of eight South African corporates using content analysis of annual reports.

## 2. International trends in corporate reporting

With increased interest and pressure on corporates to focus on sustainability as well as accountability, issues around the nature of corporate reporting have risen in significance. Relevant information should be specified and called for by those to whom

the organisation is held accountable. This has led to corporates undertaking to publish reports in which they provide information on their commitments and activities undertaken to ensure sustainability within the enterprise (DiPiazza, Eccles, 2002; Kolk, 2010; Dillard, 2011). The business of reporting in the corporate world first began in the form of issuance of financial reports. Indeed, historically, corporate reporting was mainly about the financial performance of companies and provided investors with insight into the historic performance on key financial indicators. These purely financial reports served as an indication of future performance, to support investment decisions (Buhr 2007; Ligteringen, Arbex, 2010). Financial reports did not, however, address the information needs of all company stakeholders. Certain stakeholders and investors began to demand other forms of non-financial information to be measured and reported on in order to supplement the financial information provided (Eccles, Krzuz, 2010; Ligteringen, Arbex, 2010). In particular stakeholders demanded that organisations be more transparent on issues in respect of how they treat the environment, how they treat their employees, how they treat their communities and how they govern themselves (DiPiazza, Eccles, 2002; White, 2009).

During the 1970s there was a shift in emphasis in reporting as organisations began to focus on social responsibility (Buhr, 2007). Community concern and employee rights became of corporate concern and this translated into the activity of social reporting. Indeed, the 1970s was aptly named the social reporting decade. This said, environmental issues were not completely overlooked but social issues took precedence (Buhr, 2007). By the end of the 1970s social reporting began to fade and in the late 1980s/early 1990s the next shift in corporate reporting began to emerge, namely a move towards environmental reporting (Buhr, 2007; Larrinaga-Gonzalez, 2007). During 1994 the term “Triple Bottom Line” was coined by John Elkington, the director of the consultancy SustainAbility. Now, it was argued that companies should focus on three different bottom lines and not just on one or two of these issues. The three bottom lines are profit (economic), people (social) and planet (environment) (Elkington, 2004; Buhr, 2007; Crane, Matten, 2010). Toward the end of the 1990s and early 2000s the

introduction of the triple bottom line in business became apparent in corporate reporting, as companies began to include all three dimensions in their reports. This trend was viewed as the beginning of what was styled as sustainability reporting (Buhr, 2007; Milne, Gray, 2007). Although the term is contested, in accordance with the Global Reporting Initiative (GRI) one widely accepted definition for sustainability reporting is as follows:

*“Sustainability reporting is the practice of measuring, disclosing, and being accountable to internal and external stakeholders for organisational performance towards the goal of sustainable development. A sustainability report should provide a balanced and reasonable representation of the sustainability performance of the reporting organisation including both positive and negative contributions”* (GRI, 2011: 3).

In common with criticisms directed at financial reports many sustainability reports exhibited shortcomings particularly as they appear disconnected from the organisation’s financial reports and not make an explicit linkage between sustainability issues and the core strategy of corporates (Sonnenberg, Hamman, 2006; Lozano, Huisingh, 2011; Milne, Gray, 2013; Turk et al., 2013). Moreover, the reports on annual financial performance, sustainability and governance disclosure often fail to make the connection between the organisation’s strategy, its financial performance and its performance on environmental, social and governance issues. Against this backdrop of weaknesses in existing reporting models, integrated reporting emerged as a preferred approach (IRCSA, 2011). Integrated reporting is defined as “a holistic and integrated representation of the company’s performance in terms of both its finance and its sustainability.” (IoDSA, 2009: 54). Overall, the activity of integrated reporting seeks to combine two traditional forms of corporate reporting - financial and sustainability reporting - in order to compensate for the identified inadequacies of previous corporate reporting procedures (White, 2010).

### 3. South African context

Over the past two decades South African corporates have followed international trends and recognised the

importance of environmental and social responsibility of their business actions (Sonnenberg, Hamann, 2006; Wingard, Vorster, 2001; Rensburg, Botha, 2013). Moreover, South Africa has played a prominent and innovative role in the movements towards sustainability and integrated reporting movement. South Africa has received international recognition for its achievements in corporate governance during the 1990s and 2000s and for its regulatory and legislative requirements (Bezuidenhout et al., 2007; Eccles et al., 2012; GRI, 2013). With comprehensive regulatory reporting requirements on both the social and environmental fronts and a growing interest in responsible investment, South Africa remains in a leading position with regards to sustainability reporting. The most recent trend towards integrated reporting is leading to further increases in both the quantity and quality of sustainability reporting linked with financial reporting (GRI, 2013).

South Africa's prominent role in the sustainability reporting movement is in part due to the country's political history and transition from apartheid to multi-racial democracy (Bezuidenhout et al., 2007; GRI, 2013). During the apartheid period, the threat of disinvestment and sanctions caused many local and international corporates respond with voluntary initiatives. The most prominent of these initiatives was the Sullivan Principles, set up for United States multinationals with affiliates in South Africa (Bezuidenhout et al., 2007; GRI, 2013). The Sullivan Principles were a code of conduct and signatories to the initiative committed to report on, *inter alia*: desegregation of races in the workplace; equal and fair employment practices; equal pay for employees doing equal or comparable work; initiation and development of training programmes for black staff; increasing the number of black staff in supervisory and managerial roles; and, improving the quality of life of employees' lives outside of the workplace (Bezuidenhout et al., 2007).

The 1990s was a period of transition when various social actors started to debate South Africa's future developmental trajectory and potential roles for the state and private sector to address the legacy issues of apartheid. Although South Africa's membership of the United Nations was still suspended at the time of the United Nations Conference on Environment and Development held in Rio de Janeiro in 1992 it is argued that the outcomes of this gather-

ing had a great impact on simulating environmental and social initiatives in South Africa (Bezuidenhout et al., 2007). Following the transition into democracy and the first democratic elections in 1994, the new government embarked on a programme of legislative reform to try and undo the legacy issues of the past (Bezuidenhout et al., 2007). For corporate reporting the measurement and reporting on social transformation issues such as black economic empowerment (BEE) and employment equity became entrenched in legislation. In addition, environmental health and safety reporting practices also were legislated as a result of the prominent role of mining and industrial corporates that dominate the commanding heights of the South African economy (GRI, 2013).

In the early 1990s, South Africa began on a pathway to introducing a radical new policy on corporate governance (Eccles et al., 2012). The King Committee was commissioned in 1992 by the Institute of Directors in Southern Africa (IoDSA) at a time of tremendous political and economic turmoil. Its mandate was to promote the highest standards of corporate governance in South Africa as the country's economy re-entered global markets following the end of apartheid and the lifting of international sanctions (Eccles et al., 2012; Schulschenk, 2012). Most importantly, the King Committee sought to help (re)build a society, based on a re-assessment of values (Schulschenk, 2012). In 1994, the King Committee issued the first King Report on Corporate Governance (King Code I). The so-called King Code I placed emphasis on inclusivity and importance of stakeholders as well as financial and regulatory aspects; these non-financial features were of importance, as the country entered into a new democracy (Eccles et al., 2012; Schulschenk, 2012). When the King Code I was published in 1994, "it was hailed not only in South Africa but internationally as the most comprehensive report on corporate governance that had been prepared up to that time" (Schulschenk, 2012: 7). While King Code I was a voluntary principles-based report and was not a legislative requirement, in 1995 the Johannesburg Stock Exchange (JSE) made the core principles of King Code I part of their listing requirements on a 'comply or explain' basis. This backing of the King Code I by the JSE was seen as a critical step in the evolution of corporate governance in South

Africa as the JSE brought the importance of corporate governance to prominence (Eccles et al., 2012; Schulschenk, 2012).

In 2002, the World Summit on Sustainable Development held in Johannesburg raised international awareness of the need for sustainable development (Eccles et al., 2012). Following the summit the King Committee was reconvened and in 2002, the second King Report on Corporate Governance for South Africa (King Code II) was published (Eccles et al., 2012). King Code II is based on the principle that “there is a move away from the single bottom line to a triple bottom line, which embraces the economic, environmental and social aspects of a company’s activities” (IoDSA, 2002: 9). Sustainability reporting was included as a new principle in the Code (IoDSA, 2002; Eccles et al., 2012; Schulschenk, 2012). Arguably, sustainability reporting in business had gained considerable momentum in South Africa and formalised after the publication of King Code II (IoDSA, 2002; Marx, Van Der Watt, 2011).

During 2009, the King Committee published the third King Report on Corporate Governance for South Africa (King Code III). It was stated that “current incremental changes towards sustainability are not sufficient - we need a fundamental shift in the way companies and directors act and organise themselves” (IoDSA, 2009: 10). This resulted in the recommendation that companies adopt integrated reporting and produce an integrated report. The introduction of integrated reporting represents an important element of this “fundamental shift” and a significant and timely evolution of corporate reporting both internationally and nationally. Once again King Code III was institutionally validated by the JSE. Henceforward its principles, in-

cluding those that recommend integrated reporting, were incorporated into the JSE listing requirements. Listed companies were obliged to apply King Code III principles or explain their reasons for deviating from them for the financial years starting on and after 1 March 2010; most corporates transitioned to integrated reporting in 2011 (SAICA, 2012a).

Another benchmark in integrated reporting occurred in 2010 and followed the publication of King Code III. The Integrated Reporting Committee of South Africa (IRCSA) was established to develop guidelines on good practice in integrated reporting. In January 2011, the IRCSA published the world’s first guidelines for integrated reporting, titled “Framework for Integrated Reporting and the Integrated Report: Discussion Paper” (SAICA, 2012a). This discussion paper received widespread recognition and the International Integrated Reporting Council (IIRC) used this discussion paper to forge their own set of international guidelines which were issued in late 2011 (SAICA, 2012b).

## 4. Research roach and findings

### 4.1. Research methods

In terms of methodology the annual sustainability reporting trends (in particular social and environmental disclosure) of eight South African companies listed on the Johannesburg Stock Exchange (JSE) are analysed for the period 2008-2013. The study period covers the mandatory transition from sustainability reporting to integrated reporting in South Africa. The research analyses existing textual and numerical data.

**Table 1.** The Eight Corporates included in the study

Company	JSE Industry Classification Benchmark		Environmental impact
	Industry	Sector	
Company A	Consumer Goods	Food Producers	High
Company B	Basic Materials	Mining	High
Company C	Financials	Banks	Low
Company D	Basic Materials	Mining	High
Company E	Basic Materials	Forestry and Paper	High
Company F	Consumer Services	General Retailer	Low
Company G	Industrials	Construction and Materials	High
Company H	Telecommunications	Fixed-Line Telecommunications	Low

Source: Authors

The data is based on information extracted from corporate reports of eight selected companies chosen to represent different kinds of business according to the JSE classification Table 1 provides a profile of the eight corporates in respect of their broad industry and sector classification and environmental impact. The research employs both qualitative and quantitative methods. The study evaluates the impact of the required introduction of integrated reporting on sustainability reporting through a content analysis of social and environmental disclosure within the sample company's reports. Beyond the qualitative text analysis, five categories of interest were selected in order to further analyse the trends in corporate reporting over the study period. The categories are: (a) the number of reports published by each company within each reporting period (year); (b) the report title(s); (c) the length of the report(s); (d) the stated intention to produce an integrated report; and, (e) the structure of the report(s). These five categories are analysed and interpreted using simple statistical methods.

Through the quantitative report characteristic analysis and qualitative method of content analysis, essential themes and trends within the reports were extracted. The main findings identified through the studies of corporate reports within the study period related to: (a) report characteristics; (b) drivers of sustainability and integrated reporting; (c) non-financial themes disclosed in company reports; (d) assurance of non-financial information; (e) adherence to external reporting guidelines; (f) emergence of new reporting themes/sections; (g) evolution of stakeholder oriented discourse; (h) tendency towards quantification; and (i) repetition incidence.

The findings are discussed in two sections: (i), those that were ascertained through the quantitative report characteristics analysis and (ii) those observed in the qualitative content analysis.

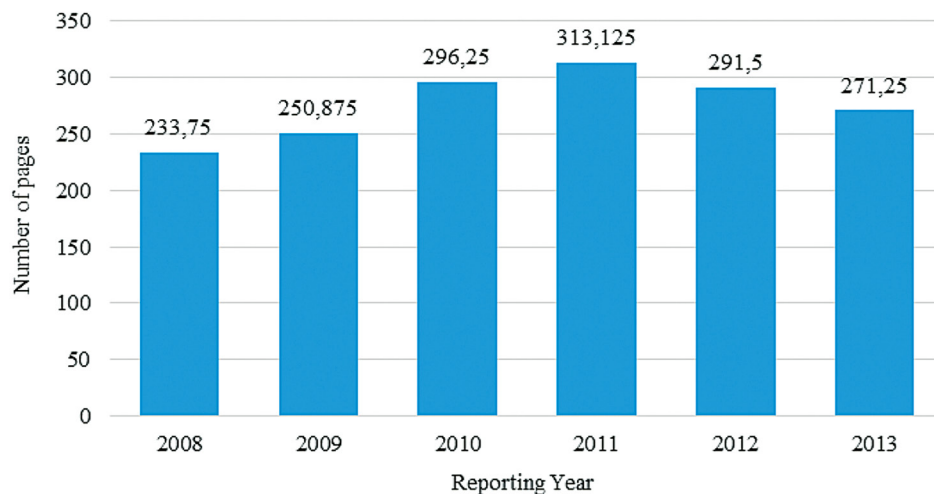
#### 4.2. Report characteristic trends

Actual trends in reports characteristics proved difficult to ascertain as each company adopts different styles of reporting. As well as different reporting styles, integrated reporting is a new concept to South Africa (and internationally) and companies tended to try new ways of reporting within the six

year period. Inter-company trends also were difficult to discern. Despite these difficulties, a number of trends were identified in the report characteristics over the transition period (2008 to 2013) from sustainability to integrated reporting. At the outset it was observed that the number of reports published by the reviewed group of companies varied within any single reporting year. In general (five of the eight companies), were consistent in the number of reports produced each year for the six years with four of companies publishing a single report each year and one company published two reports for each reporting year. After the 2009 launch of the King Code III the number of reports published by the other three companies increased as these companies undertook the production of several reports.

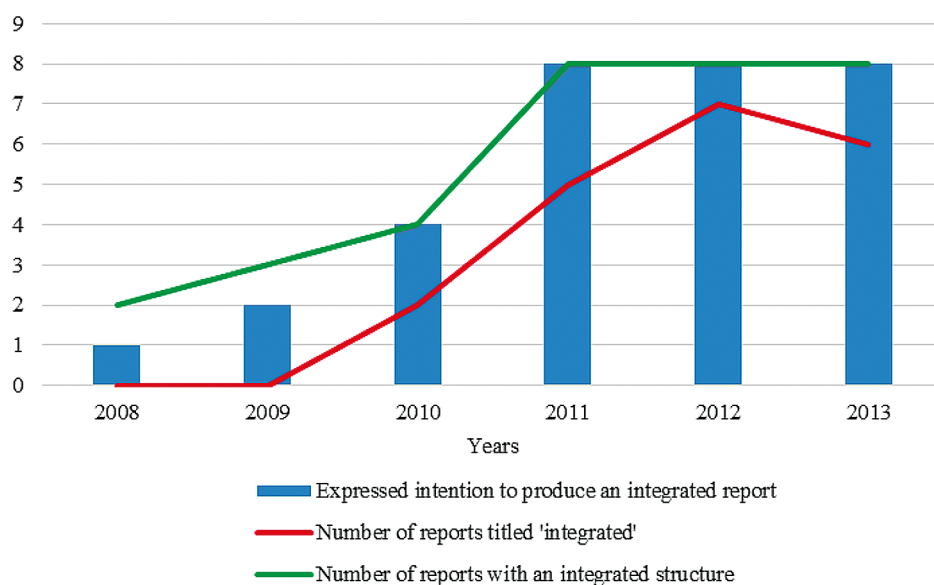
The average length of the report(s) published each year varied markedly. Figure 1 shows that prior to the introduction of integrated reporting the average length of the reports steadily increased from 2008 to 2011. After the introduction of integrated reporting the length of report(s) began to decrease. This decreased length was found to be the result of publishing about only those issues material to the company. The title given to the report, the structure of the report and the stated intention to publish an integrated report were found to correlate. The introduction of integrated reporting and adoption of King Code III in 2010 was found to greatly impact these three report characteristics. This close relationship is demonstrated on Figure 2.

In general, all the companies under review published reports titled 'annual report' and 'annual report and sustainability report' prior to the adoption of the King Code III. In 2010 reports entitled 'integrated report' were published for the first time. After the adoption of King Code III in 2011 the majority of the reports were either entitled 'integrated report' or 'integrated report and sustainability report'. During 2013 it was found that two companies used names considered 'other' and did not include the word 'integrated' in the title. With regards to the structure of the published reports and the stated intention to publish an integrated report, it was found that only a few early adopters published reports of an integrated structure and stated their intention to publish an integrated report. Nevertheless, after the adoption of the King Code III all of the companies reviewed stated their intention to publish an integrated report and published report(s) of an integrated structure.



**Fig. 1.** Average length of report(s)

Source: Authors



**Fig. 2.** Trends in the Expressed Intention to Produce An Integrated Report, Number of Reports Titled 'Integrated' and Number of Reports with an Integrated Structure

Source: Authors

### 4.3. Content analysis

Analysis of the corporate reports revealed that the key drivers of sustainability and integrated reporting were regulatory and legislative requirements, independent organisation memberships and signatory, industry of the company, the environmental and social impact of the company, and stakeholder per-

ceptions and pressure. It is disclosed that the actual drivers of sustainability reporting and integrated reporting did not differ significantly from the King Code II sustainability reporting era (up until 2010) to the King Code III integrated reporting era (post 2010). Indeed, the same drivers of non-financial reporting were also found to influence the non-financial themes disclosed in the company's reports.

Key trends in non-financial themes and information disclosed by the companies were evidenced.

Non-financial information disclosed was found to fall into six main themes, namely: environment; labour and employment; human rights and transformation; society and community; economic impact; and, product responsibility. In general, the majority of the companies disclosed social and environmental information as performance indicators within the different themes and companies with a high environmental impact tended to disclose significantly more environmental information than those of a lower environmental impact. It was observed that the introduction of integrated reporting in 2010 did not have a significant effect on non-financial information disclosure. In general it was found that companies disclosed the same social and environmental issues within both their annual and integrated reports. Integrated reports of some companies tended to provide less non-financial information (in particular environmental information) than their sustainability reports as they were selective and only published information that was material to business and stakeholders.

A notable increase in independent assurance for non-financial information was found in the reports published after the adoption of King Code III. A few of the early adopters provided independent assurance on their sustainability reports before the mandatory requirement to 'apply or explain.' This said, prior to 2010 and publication of King Code III, the majority of the companies reviewed did not provide independent assurance on their sustainability reporting and disclosures.

The research revealed that the companies reviewed followed the international trend of adherence to external reporting guidelines. The GRI reporting guidelines - internationally the most prominent and most widely used sustainability reporting guidelines (Jackson, 2005; Lozano, Huisinigh, 2011) - were the most frequently stated reporting guidelines used in preparation of sustainability and integrated reports. After the introduction of integrated reporting there was an increase in companies having their GRI application levels independently assured.

Three new reporting themes/sections over the transition period were disclosed from the analysis. These relate to the concept of materiality; risk identification and management disclosure; and remuneration philosophy, policy and practices disclosure. These three themes/sections became more frequent topics in company reports. The concept

of materiality and the requirement of risk identification and management disclosure were both new principles which were innovated in King Code III. Although remuneration disclosure was not introduced in King Code III but was stipulated in King Code II, in the later published reports information about remuneration philosophy, policy and practices disclosure and the level of disclosure has increased. Accordingly, it was evident that through the introduction of King Code III and the transition to integrated reporting there has been distinct change in the discourse contained in corporate reports. Integrated reporting in South Africa has galvanized a more stakeholder-orientated reporting discourse. In particular, this is apparent in two sections of corporate reports namely those relating to leadership commentary and stakeholder engagement. It was evident that the early reports published between 2008 and 2010 were directed at company shareholders; the leadership commentary section of many companies' reports addressed shareholders. From 2011 onwards, however, a marked change in audience focus was evident as the leadership comments now addressed stakeholders.

Over the six year study period, a marked increase in the quantification of non-financial information is observed. Within the early sustainability reports, non-financial information and performance was generally presented as text, with the exception of a few topics such as employment equity statistics. Recently, the tendency toward quantification has accelerated as increasing amounts of non-financial information is provided as quantified data. Indeed, after the adoption of integrated reporting many corporates provided non-financial performance highlights alongside financial performance highlights in the form of key performance indicators. Incidence of repetition was found to be influenced by the transition from sustainability reporting towards integrated reporting as well as by the number reports which were published. It was revealed that prior to the publication of the King Code III, non-financial information usually was disclosed separately from financial information and contained in an embedded or separate sustainability/sustainable development report. Since the introduction of integrated reporting, however, increased integration of non-financial information and changes of structure within the reports resulted in non-financial information



found throughout the reports. This situation has led to higher incidences of repetition within integrated reports. Observed is often the same information repeated throughout the integrated report albeit with different phrasing. Repetition incidence of non-financial information was also found more frequent in companies that publish more than one report for the reporting period.

## 5. Conclusions

Among others the works of Krumme (2001), Hamilton (2001, 2013) and Jonikas (2013) underline that issues of corporate responsibility, sustainability and disclosure are matters of importance for geographical scholarship. This paper seeks to offer a modest contribution from South Africa on questions around the nature of corporate reporting. The South African experience is of wide interest because of innovations made towards the encouragement of integrated reporting by corporates. The Integrated Reporting Committee of South Africa (IRCSA) states “Integrated reporting is a journey. Organisations are unlikely to achieve perfection in the first year” (IRCSA, 2011: 2). This assessment is confirmed by the empirical findings from this research. Indeed, a journey of discovery towards integrated reporting is observed within the group of South African enterprises that were under investigation. Several corporates acknowledged within their first integrated report that they view integrated reporting as a process.

Certain clear trends from the transition from sustainability to integrated reporting were observed, namely: an increase in assurance of non-financial information of reports; comparable adherence to external guidelines; the emergence of materiality, risk disclosure and remuneration as new reporting themes; the clear evolution of stakeholder oriented discourse; the tendency towards quantification; and an increase in repetition incidence. The reasoning behind the corporate reporting shift from sustainability to integrated reporting is, interestingly, one of the observed weaknesses of current integrated reporting. Indeed, whilst many companies made considerable progress in integrated reporting, others are lagging and viewing the integrated report as

the most important feature of corporate sustainability. It was found in this investigation that most companies had successfully woven sustainability issues into their business and integrated these issues across their reporting. In a few instances, it appeared that companies simply had taken the information that is disclosed in a traditional sustainability report and strategically placed this information within the integrated report to appear as if the company was successfully integrating sustainability issues in business. In this regard, integrated reporting appears to be viewed more as a compliance exercise rather than a communication exercise. Reporting developments thus prove a distraction from substantive corporate sustainability and sustainable development.

In final analysis, it is concluded that a shift in thinking is required by South African corporates with regards to integrated reporting and the integrated report in order to fully maximise the benefits set out by the IRCSA. Overall, South African corporates need to realign their outlook and realise it is not about the report; instead it is about how the company is managed.

## Acknowledgements

Thanks are due to editorial inputs from Chris Rogerson. The University of Johannesburg provided research funding support.

## References

- Bebbington, J., Brown, J. and Frame, B.,** 2007: Accounting Technologies and Sustainability Assessment models. In: *Ecological Economics*, Vol. 61 (2-3), pp. 224-236.
- Bezuidenhout, A., Fig, D., Hamann, R. and Omar, R.,** 2007: Political Economy. In: Fig, D. editor, *Staking Their Claims: Corporate Social and Environmental Responsibility in South Africa*. Scottsville: University of KwaZulu-Natal Press, pp. 13-94.
- Blowfield, M. and Murray, A.,** 2011: *Corporate Responsibility*, New York: Oxford University Press.

- Buhr, N.**, 2007: Histories of and Rationales for Sustainability Reporting. In: Unerman, J., Bebbington, J. and O'Dwyer, B. editors, *Sustainability Accounting and Accountability*, Abingdon: Routledge, pp. 57-69.
- Crane, A. and Matten, D.**, 2010: *Business Ethics: Managing Corporate Citizenship and Sustainability in the Age of Globalization*. Oxford: Oxford University Press.
- Dillard, J.** 2011: Framing Sustainability within an Ethic of Accountability. In: McNall, S.G., Hershauer, J.C. and Basile, G. editors, *The Business of Sustainability*, Santa Barbara: Praeger, pp. 107-126.
- DiPiazza, S.A. and Eccles, R.G.**, 2002: Building Public Trust: The Future of Corporate Reporting, New York: John Wiley & Sons.
- Eccles, R.G. and Krzuz, M.P.**, 2010: *One Report: Integrated Reporting for a Sustainable Society*. New Jersey: John Wiley and Sons Inc.
- Eccles, R.G., Serafeim, G. and Armbrester, P.**, 2012: Integrated Reporting in South Africa, Boston: Harvard Business School.
- Elkington, J.**, 2004: Enter the Triple Bottom Line. In: Henriques, A. and Richardson, J. editors, *The Triple Bottom Line: Does it All Add Up*, London: Earthscan, pp. 1-16.
- Fig, D.**, 2007: The Context of Corporate Social and Environmental Responsibility. In: Fig, D. editor, *Staking Their Claims: Corporate Social and Environmental Responsibility in South Africa*, Scottsville: University of KwaZulu-Natal Press, pp. 1-12.
- GRI (Global Reporting Initiative), 2011: Sustainability Reporting Guidelines, Version 3.1, Amsterdam: Global Reporting Initiative.
- GRI (Global Reporting Initiative), 2013: Carrots and Sticks: Sustainability Reporting Policies Worldwide – Today's Best Practice, Tomorrow's Trends, Amsterdam: Global Reporting Initiative.
- Gray, R.H and Milne, M.J.**, 2002: Sustainability Reporting: Who's Kidding Whom?. In: *Chartered Accountants Journal of New Zealand*, Vol. 81(6), pp. 66-70.
- Hamilton, T.**, 2001: Putting Corporate Responsibility in its Place. In: *Geography Compass*, Vol. 5(10), pp. 710-722.
- Hamilton, T.**, 2013: Beyond Market Signals: Negotiating Marketplace Politics and Corporate Responsibilities. In: *Economic Geography*, Vol. 89(3), pp. 285-307.
- Hughes, A., Buttle, M. and Wrigley, N.**, 2007: Organisational Geographies of Corporate Responsibility: A UK – US Comparison of Retailers' Ethical Trading Initiatives. In: *Journal of Economic Geography*, Vol. 7, pp. 491-513.
- IoDSA (Institute of Directors Southern Africa), 2002: King Report on Corporate Governance for South Africa, Johannesburg: Institute of Directors in Southern Africa.
- IoDSA (Institute of Directors Southern Africa), 2009: King Report on Corporate Governance for South Africa, Johannesburg: Institute of Directors in Southern Africa.
- IRCSA (Integrated Reporting Committee of South Africa), 2011: Framework for Integrated Reporting and the Integrated Report: Discussion paper. Available from: <http://www.sustainabilitysa.org/Portals/0/IRC%20of%20SA%20Integrated%20Reporting%20Guide%20Jan%2011.pdf>. [DoA: 26 August 2013].
- Jackson, R.**, 2005: An Introduction to Environmental and Sustainability Reporting. In: Brown, C.S. editor, *The Sustainable Enterprise*, Sterling: Kogan Page, pp. 86-96.
- Jeyaretnam, T.L. and Niblock-Siddle, K.**, 2010: Integrated Reporting: A Perspective from Net Balance. In: Eccles, R.G., Cheng, B. and Saltzman, D. editors, *The Landscape of Integrated Reporting: Reflections and Next Steps*, Boston: Harvard Business School, pp. 33-37.
- Jonikas, D.**, 2013: Conceptual Framework of Value Creation through CSR in a Separate Member of Value Creation Chain. In: Szymańska, D. and Chodkowska-Miszczuk, J. editors, *Bulletin of Geography: Socio Economic Series*, Vol. 21, Toruń: Nicolaus Copernicus University Press, pp. 69–78. DOI: <http://dx.doi.org/10.2478/bog-2013-0022>
- Kolk, A.**, 2010: Trajectories of Sustainability Reporting by MNCs. In: *Journal of World Business*, Vol. 45, pp. 367-374.
- Krumme, G.**, 2001: Capitalist Information Spaces and the Geography of Corporate Disclosure: Disconnection, Consolidation and Segmentation. Available from: <http://faculty.washington.edu/krumme/projects/segmentation.html> [DoA: 23 February 2015].
- Lambert, J.** 2005: A New Framework for Business: Introduction. In: Brown, C.S. editor, *The Sustainable Enterprise*, Sterling: Kogan Page Limited, pp. 41-43.
- Larrinaga-Gonzalez, C.**, 2007: Sustainability Reporting: Insights from Neoinstitutional theory. In: Unerman, J., Bebbington, J. and O'Dwyer, B. editors, *Sustainability Accounting and Accountability*. Abingdon: Routledge, pp. 150-167.
- Ligteringen, E. and Arbex, N.**, 2010: Will Integrated Reporting Make Sustainability Reporting Obsolete?.

- In: Eccles, R.G., Cheng, B. and Saltzman, D. editors, *The Landscape of Integrated Reporting: Reflections and Next Steps*, Boston: Harvard Business School, pp. 72-74.
- Lozano, R. and Huisingsh, D.**, 2011: Inter-linking Issues and Dimensions in Sustainability Reporting. In: *Journal of Cleaner Production*, Vol. 19, pp. 99-107.
- Marx, B. and Van Der Watt, A.**, 2011: Sustainability and Integrated Reporting: An Analysis of the Audit Committee's Oversight Role. In: *Journal for New Generation Sciences*, Vol. 2 (9), pp. 56-71.
- Milne, M.J. and Gray, R.**, 2007: Future Prospects for Corporate Sustainability Reporting. In: Unerman, J., Bebbington, J. and O'Dwyer, B. editors, *Sustainability Accounting and Accountability*, Abingdon: Routledge, pp. 184-208.
- Milne, M.J. and Gray, R.**, 2013: W(h)ither Ecology? The Triple Bottom Line, the Global Reporting Initiative, and Corporate Sustainability Reporting. In: *Journal of Business Ethics*, Vol. 118, pp. 13-29.
- O'Riordan, T.**, 2004: Environmental Science, Sustainability and Politics. In: *Transactions of the Institute of British Geographers*, Vol. 29(2), pp. 234-247.
- Rensburg, R. and Botha, E.**, 2013: Is Integrated Reporting the Silver Bullet of Financial Communication? A Stakeholder Perspective from South Africa. In: *Public Relations Review*, DOI: 10.1016/j.pubrev.2013.11.016.
- Schulschenk, J.**, 2012: Interview Summary Report, Pretoria: Ernst and Young South Africa.
- Sonnenberg, D. and Hamann, R.**, 2006: The JSE Socially Responsible Investment Index and the state of sustainability reporting in South Africa. In: *Development Southern Africa*, Vol. 23(2), pp. 305-320.
- SAICA (The South African Institute of Chartered Accountants), 2012a: The Integrated Reporting Committee in South Africa. Available from: <http://www.sustainabilitysa.org/IntegratedReporting/TheIntegratedReportingCommitteeofSouthAfrica.aspx>. [DoA: 3 February 2014].
- SAICA (The South African Institute of Chartered Accountants), 2012b: The International Integrated Reporting Council. Available from: <http://www.sustainabilitysa.org/IntegratedReporting/TheInternationalIntegratedReportingCouncil.aspx>. [DoA: 3 February 2014].
- Thomsen, C.**, 2013: Sustainability (World Commission on Environment and Development Definition). In: Idowu, S.O., Capaldi, N., Zu, L. and Das Gupta, A. editors, *Encyclopedia of Corporate Social Responsibility*, Heidelberg: Springer, pp. 2358-2363.
- Turk, B.K., Shackleton, C.M. and Whittington-Jones, L.**, 2013: Prevalence of Sustainability Reporting Practices of a Sample of Listed Companies on Established and Emerging Stock Exchanges. In: *South African Journal of Economic and Management Sciences*, Vol. 16(1), pp. 75-82.
- White, G.B.**, 2009: Sustainability Reporting: Managing for Wealth and Corporate Health, New York: Business Expert Press.
- White, A.L.**, 2010: Toward a Holistic Architecture for Corporate Disclosure. In: Eccles, R.G., Cheng, B. and Saltzman, D. editors, *The Landscape of Integrated Reporting: Reflections and Next Steps*, Boston: Harvard Business School, pp. 29-32.
- Wingard, H.C. and Vorster, Q.**, 2001: Financial Performances of Environmentally Responsible South African Listed Companies. In: *Meditari Accountancy Research*, Vol. 9, pp. 313-332.