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ACCOUNTING MATTERS

The business case for integrated reporting: Insights from leading practitioners, regulators, and academics

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Abstract Integrated reporting, a new development in the reporting landscape, seeks to concisely communicate a firm's value through a more holistic picture that integrates financial and non-financial information. This practice is in its infancy in the United States and Europe, with many firms unsure of what integrated reporting is, what its benefits are, and even how to set it up. Drawing upon transcripts from 19 unstructured panel interviews at a global symposium on the subject, we discuss the business case for integrated reporting, as well as the multitude of challenges a firm faces when beginning its integrated reporting journey. We also summarize experiences and tips from interviewees on the need for integrated thinking, the most effective use of the International Integrated Reporting Council's framework, the best way to obtain high-quality data, the ideal audience of such reports, and the options for report assurance.

1. An overview of integrated reporting

There is a high demand for corporate reporting on integrated financial, social, and environmental metrics (Stewart, 2015). This demand comes from a broad set of stakeholders, ranging from customers and suppliers to investors and employees (KPMG, 2013). To address this demand, integrated reporting offers a focus on long-term performance from various perspectives. Gone are the days where financial performance is the only measure of a company's worth.

Integrated reporting is a relatively new development. It seeks to offer a more holistic picture of the modern corporation by shifting away from standalone sustainability or social responsibility reports, and toward a document that communicates a broader picture of business model value creation. Adopters of integrated reporting believe that it makes a firm's strategy more transparent and that it instills greater confidence in the sustainability of the firm's business model. Yet despite a growing demand for transparency, very few U.S. firms are currently issuing an integrated report (KPMG, 2013).

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1.1. What is integrated reporting?

The International Integrated Reporting Council (IIRC), chaired by Professor Mervyn King, is an international coalition of regulators, investors, companies, standard setters, accounting professionals, and NGOs who share "the view that communication about value creation should be the next step in the evolution of corporate reporting" (IIRC, 2015). It defines integrated reporting as "a concise communication about how an organization'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" (IIRC, 2015).

Integrated reporting includes non-financial information on environmental and social metrics, but goes much further to integrate these metrics with the traditional financial report. Non-financial metrics are included to the extent they create value for the business with the aim of better communicating a holistic value creation. Integrated reporting is a wakeup call to traditional reporting, which has reduced a business to "mere numbers, and in so doing have missed the bigger picture of what a business really is" (M. Hoffman, personal communication, May 19, 2014). While traditional accounting focuses on financial results only, the goal of an integrated report is to communicate how value is created beyond dollars and euros. An integrated report maintains the traditional audience of providers of financial capital and, if operationalized correctly, may enhance the usefulness of information to investors via a complete representation of operations.

With a plethora of possible formats, it is difficult for a company to decide how to report their financial and non-financial information. The traditional annual Form 10-K requires little non-financial information, whereas stand-alone non-financial reports (e.g., CSR report, greenhouse gas emissions report) focus on information from one viewpoint. The integrated report bridges the gap by including non-financial information relevant to communicating a business's strategy. Appendix A provides the typical content of the four most common reports: the annual financial report, integrated report, CSR report, and greenhouse gas emissions report.

1.2. Adoption of integrated reporting

South Africa is the home of integrated reporting. It is still the only country in which integrated reporting is mandatory for listed companies. Many companies here are in their fourth year of preparing integrated reports and have begun to realize the synergies inherent in considering their business model as a whole (L. Roberts, personal communication, May 19, 2014). In the United States, this form of reporting is in its infancy; while 51% of the 100 largest companies combine non-financial and financial information in their annual report, it is often done in the form of a special purpose section (KPMG, 2013). This combined reporting is a step toward integrated reporting, but does not provide a full picture of the company's business performance as intended under the IIRC framework; only 3% of company annual reports that include corporate responsibility information qualify as integrated reports under the IIRC framework (KPMG, 2013).

There are many international settings in which integrated reporting is likely to take hold; for instance, 73% and 71% of companies in Europe and the Asia Pacific, respectively, already release some form of non-financial reporting. In addition to South Africa, the Brazilian and Australian stock exchanges have made recommendations for companies to disclose integrated reports (KPMG, 2012). As the IIRC framework was only recently finalized, the prevalence of this reporting is likely to increase in these areas and in others. It is therefore necessary for managers across the globe to understand the business case for integrated reporting.

1.3. Early adopter: A closer look at South Africa

The history of integrated reporting in South Africa is an interesting case in point. The story begins in 1994, when there was a deep distrust of South African institutions and corporations in the post-Apartheid era. To restore public confidence in the nation's businesses, Mervyn King was hired by newly-elected President Nelson Mandela to establish the King Committee on Corporate Governance (WBCSD, 2014). This Code came in the form of a series of reports[1] issued from 1994 to 2009, which urged firms to provide accountability to their stakeholders through transparent and reliable reporting. With the onset of the recession in 2008, it became evident that traditional annual reports no longer adequately addressed the risks faced in sustaining a business model. Thus, in 2009, King III acknowledged the

[1] The King I report was released in 1994 and urged corporations to disclose non-financial information and involve all stakeholders in their business. King II was released in 2002 and encouraged corporations to broaden responsibility beyond financial results to include social and environmental metrics. Upon this release, the JSE required companies to include a narrative statement in their annual report describing how they complied with principles in the Code (KPMG, 2012).

public mistrust of businesses and recommended a more "holistic and integrated representation of the company's performance in terms of both its finance and its sustainability" (WBCSD, 2014, p. 6). Specifically, King III recommended that integrated reporting be mandatory on an "apply or explain" basis; this recommendation later became a listing requirement for the Johannesburg Stock Exchange (JSE) (KPMG, 2012).[2] As of March 2010, companies must either disclose an integrated report or explain why they are not doing so. Also in 2010, the Integrated Reporting Committee of South Africa was created to develop a guidance document on how to prepare an integrated report based on King III (WBCSD, 2014). Finally, this Committee endorsed King's IIRC in March of 2014.

1.4. Data

At a recent Global Business Ethics Symposium, 19 speakers presented their experiences as suppliers and demanders of integrated reporting. Panelists were leaders in integrated reporting, ranging from members of the IIRC, to executives in firms who have begun integrated reporting, to providers of integrated report assurance. An informed moderator led these unstructured panel interviews and facilitated the dialogue about the subject matter. The interviews were transcribed and serve as the primary data for our discussion.[3] The panels discussed the following five themes: (1) the future of integrated reporting—why does it matter?; (2) preparing the report—trials and tribulations; (3) legal and ethical implications of reporting; (4) assurance and credibility; and (5) the market for environmental, social, and governance (ESG) information. We have culled these themes into a practitioner-oriented guide for the design and implementation of integrated reporting.

2. Integrated reporting: Why does it matter?

The panelists began by discussing the importance of this type of reporting. In its aim to connect environmental, social, and governance metrics with the standard annual report, an integrated report allows for both internal and external benefits. A holistic view of a company recognizes and communicates the full value of a business to internal and external report users. Internally, companies gain a better understanding of value creation by eliminating departmental silos while improving their collection of high-quality data. Externally, streamlined financial reporting may better communicate a firm's value to current and prospective providers of financial capital, as well as important stakeholder groups.

The consensus of the practitioners and academics interviewed is that, despite several quality documents released by the IIRC, many firms still do not know what integrated reporting is, what its benefits are, and how to begin embarking on the integrated reporting journey. This unfamiliarity is most apparent in the United States, where integrated reporting is only used by 3% of companies (KPMG, 2013). This low acceptance may partially be due to a lack of knowledge of integrated reporting's benefits. Thus, in addition to providing a guide for implementing an integrated report, this analysis hopes to clarify the benefits of its implementation, which are perhaps best summarized by the following panelist:

> Integrated reporting is a big step forward in providing the tools needed to measure, understand, and manage businesses in all their complexity and social significance. (M. Hoffman, personal communication, May 19, 2014)

2.1. Internal benefits of integrated reporting

Based on our interview data, a firm enjoys a multitude of internal benefits from integrating its reporting, three of which we discuss in detail. The first, and perhaps greatest benefit, is a better understanding of value creation, resulting in more informed—and thus better—decision making. A survey by KPMG indicates a similar finding: that innovation and learning is the primary driver behind a firm's undertaking of non-financial reporting, with reputational and branding benefits following (KPMG, 2011). This result is evidence that firms recognize the internal benefits of integrated reporting in learning how elements of their business model connect and how corporate responsibility benefits the business. Citing experience with integrated reporting in South Africa, one panelist stated that some companies were tackling their business model for the first time (L. Roberts, personal communication, May 19, 2014). Another panelist discussed the need for context in corporate reporting and that

[2] Chapter 9 of King III has three principles of integrated reporting: (9.1) the board should ensure the integrity of the company's integrated report, (9.2) sustainability reporting and disclosure should be integrated with the company's financial reporting, and (9.3) sustainability reporting and disclosure should be independently assured.

[3] All quotes and general themes are used with permission of the panelists.

"by putting attention on business models, [integrated reporting] provides us with this context" (A. Rasche, personal communication, May 19, 2014). Yet another stated that with integrated reporting, "there's a focus on what's truly material to the business. That's the way a business should be managed and that's the way they should be reporting" (L. Roberts, personal communication, May 19, 2014). Others noted that innovation and learning are fostered when the value creation inherent in the business model is articulated, bringing a new voice to business decisions.

Second, as collaboration to produce the report begins, increased understanding and communication across departments is likely to arise. One panelist discussed how modern society's penchant for specialization has its downside:

> This also has kept us, in many cases, in silos where we individually, in a fragmented way, think in our own areas. The idea with integrated reporting is let's put all those pieces together and work together for our humanity and our world. (A. Blanco, personal communication, May 19, 2014)

Another panelist noted this trend, stating that "there's been, sorry to say for management consultants, a melting of silo thinking. Different departments and different divisions are speaking to each other on a regular basis and sometimes meeting each other for the first time" (L. Roberts, personal communication, May 19, 2014). Additional panelists also stated that improved internal information can allow for better resource allocation and, in many cases, cost reduction.

Third, integrated reporting will improve what is measured. Multiple panelists noted that inherent in reporting a more complete view of the business is the measurement of areas that were previously unexamined; this new process creates high-quality data to be used for both internal decision making and external reporting. Corporate reporting is thus streamlined, resulting in better alignment between internal and external reporting. While this reporting is not mandatory, the need for high-quality data for internal decision making becomes a self-enforcing mechanism for accurate measurement (IIRC, 2014a).

2.2. External benefits of integrated reporting

Externally, integrated reporting is said to improve corporate relations through its streamlined disclosure of value-relevant information. Throughout the symposium, panelists discussed many uses for the report, including as responses to shareholder resolutions, legal testimony, and regulatory filings. The report can be used for interactions with many stakeholders, including current and future employees, prospective clients, and even the board of directors. The market is demanding this information, a sentiment echoed by the CEO of a major asset management firm, who noted that "tremendous growth, tremendous recognition in understanding that ESG factors are increasingly important as we think about investment opportunities" and added that "we can now look at ESG factors as credible elements of financial analysis" (S. Powers, personal communication, May 19, 2014). In this way, integrated reporting reduces the information asymmetry between the firm and its shareholders through the disclosure of information that was not previously public knowledge. Firms that have begun integrated reporting believe that providers of financial capital both better understand the firm's strategy and have greater confidence in the sustainability of the firm's business model (IIRC, 2014a).

Although providers of financial capital are the primary audience of integrated reporting, various stakeholder groups may benefit from the information in these reports and the changes reporting brings to the business. Thus, an unintended external benefit of integrated reporting is improved external engagement with stakeholders. In fact, as echoed by both the panelists and recent studies, most organizations find integrated reporting useful in answering broad-based stakeholder inquiries (IIRC, 2014a).

3. A guide for the transition to integrated reporting

For those embarking on the journey of preparing or improving integrated reports, the following section presents five actions to consider: push for integrated thinking, utilize available guidance, obtain high-quality data, understand your audience, and signal credibility through assurance. The discussion of each action includes experiences and tips from interviewees involved in the integrated reporting process.

3.1. Push for integrated thinking

Integrated reporting is not just a new format of the same old information. Rather, it requires pushing a business toward integrated thinking. Integrated thinking represents the active consideration of relationships between various operational and functional units of the business, with an aim to break down departmental silos and consider the business as a whole (IIRC, 2014b). Integrated thinking results in many of the internal benefits discussed above. In taking a holistic view of value creation within the business model, the preparation and release of an integrated report changes a company's behavior and reporting for the better. This is because the goal is to deliver reports that are streamlined and concise, not more voluminous. As integrated thinking becomes further embedded in a company's activities, information will better flow between departments and into management decision making and external reporting.

As this transition to integrated thinking requires a revitalization of business processes, many noted that an organization needs a buy-in from top-level management. Corporate boards and executives should sell the process internally, citing the market for this type of connected information, in order to produce better reporting. One panelist provided an example of management buy-in and how firms can put together a steering committee to guide the process:

> What was required was an integrated report infrastructure, and many companies have come up with a steering committee that would be led by the CFO, investor relations, or the company secretary. [It's] multi-departmental. All the departments and divisions and subset companies that are involved in producing the integrated report sit on this committee. That seems to work really well and that's a practical tip if you're starting out on your integrated reporting journey. (L. Roberts, personal communication, May 19, 2014)

This quote also illustrates the challenges inherent in asking people and departments to think in a new way. As one panelist put it:

> When we embarked on our first reporting journey for corporate responsibility. . .we had to encourage, embrace, beg, and plead a lot of our internal stakeholders to engage us in this idea of disclosing information that we've never reported either for internal use only or external use. (M. Holsberg, personal communication, May 19, 2014)

This sentiment was echoed by other panelists, who referred to integrated thinking as a painful process by which organizations are pushed to report on things that might make them uncomfortable.

3.2. Utilize available guidance

The unique focus of an integrated report is atypical for corporate reporting. Traditionally, corporate reporting plays a key role in benchmarking companies. The use of a set of reporting standards or a framework is essential to ensure comparable and credible communications to investors and other stakeholders. In a required reporting environment, these objectives are easily met. For instance, the U.S. GAAP regulates comparability of financial statement reporting by detailing requirements for preparation, presentation, and assurance. At this time, integrated reporting is voluntary; therefore, comparability cannot be enforced and is hard to come by. The IIRC's 2013 framework is thought to be the best tool to achieve integrated reporting as well as the primary driver of its increased prevalence. This framework provides a means to measure, verify, and communicate information. All of the panelists interviewed—whether preparers, assurance providers, users, or researchers of integrated reports—utilized the IIRC framework for the integrated report. One panelist noted: "I strongly believe the integrated reporting framework as developed by the IIRC is the best tool we have at the moment to achieve integrated reporting" (A. Blanco, personal communication, May 19, 2014).

Beyond the existing framework, early adopters of integrated reporting have an opportunity to become involved in the overall development of standards and specific metrics within industries. Panelists encouraged companies beginning their journey to shape their own reporting by participating in this development.

3.3. Obtain high-quality data

Because integrated reporting is a new corporate practice, the processes for gathering relevant data are in their formative years and represent one of the biggest obstacles to this type of reporting. High-quality data are important in allowing for accurate internal decision making and external reporting (KPMG, 2013). Collecting high-quality data for an integrated report is a never-ending and time-consuming process. The panelists discussed how data are pulled from a multitude of sources, including emails, interviews, and complex information technology systems. The information reported is both historical and future oriented, making the sources more expansive than traditional historical metrics. Non-financial data will be messier and push companies outside of their comfort zones. A panelist voiced this concern precisely:

> Internally, when you're using the document to help you manage better, you ask if you can trust the data from the internal environment. One of the things is—is this PR or is this real? Can we use this data to make our decisions? I think that's an important field that we can all start to look at,

> assess, and start to get involved in. (G. White, personal communication, May 19, 2014)

It is necessary to accept the significant amount of time it will take to internally validate the data and determine its level of accuracy and usability. Substantial investment in data collection, storage, and analysis systems will be required to ensure the quality of this data. The panelists discussed the difficult process in gathering high-quality data, which was summed up in the following quote:

> We have a committee of about 30 people internally that provide the data and come up with the metrics for us. We do everything by hand in an Excel spreadsheet. I'd love to say we have a fancy software tool that works really well, but we do not. (E. Harvey, personal communication, May 19, 2014)

Additionally, it will likely be difficult for firms to determine what information is relevant to their business model and how to present a balanced view of financial, non-financial, historical, and forward-looking information. Based on panelist comments, it seems a good first step to use the IIRC's example reports database as a guide for data collection and to examine integrated reports of peer firms.

3.4. Understand your audience

Having collected this information, report preparers should then be aware of the report's intended audience. The IIRC framework describes an integrated report as communicating value creation to investors, while noting that the material should also contain information that impacts all stakeholders (IIRC, 2013). Stakeholders referenced in this new reporting represent a diverse group—from customers to suppliers, employees, local landowners, and more. To benefit externally from the release of an integrated report, a company can use the report to interact with various audiences, whether that be investors, current employees, future employees, prospective clients, customers, or many others. An integrated report provides an opportunity to combine the stakeholder view with traditional reporting. One panelist stated:

> We will bring stakeholders together, environmentalists together with customers because we're getting different pressures from each side. Having that tension and that understanding is very helpful and very important to us. We can frame some of our reporting based on what we're hearing from stakeholders. We take a lot of pride in that you can really hear the stakeholder voice. (S. Nessing, personal communication, May 19, 2014)

Stakeholders are certainly considered in the production of an integrated report, but they are not considered by the IIRC to be the primary audience. While the information provided in an integrated report may be pertinent and informative to stakeholders, the IIRC has taken a stance that the report should still be targeted at providers of financial capital. However, the IIRC cautions that this does not mean an integrated report should monetize all non-financial information; rather, it should effectively communicate the value creation resulting from the integration of non-financial and financial business aspects. Therefore, an integrated report maintains the traditional audience of providers of financial capital and, if operationalized correctly, allows for the possibility of increasing the decision usefulness of information to investors via a complete representation of operations.

3.5. Signal credibility through assurance

As integrated reporting is a new practice, assurance of the report is only beginning to develop. While the assurance of a voluntary report may be a bit ahead of its time, it is a key mechanism to ensure that this new reporting process is credible and trustworthy, on par with financial information. While seeking out some form of assurance is encouraged, there are two major issues in the market for assurance of integrated reports that create challenges for users in understanding the context, reliability, and credibility of these reports.

First, according to the interview data, there is significant variation in the source of assurance. Unlike financial report assurance, there can be many suppliers of assurance for integrated reports. There is both financial and non-financial information in an integrated report, and thus different specializations are needed to provide attestation services. The market for assurance is a competitive one and has expanded to include many types of suppliers. Representatives on our assurance panel listed the variety of assurance providers for an integrated report; these providers include traditional accounting firms, certification bodies, special consultancies, NGOs, academics, and stakeholder panels. One panelist noted that because assurance is voluntary, companies have different needs for assurance and importantly, abilities to purchase assurance. However, the broad range of suppliers allows for differing cost options depending on the company's needs, making assurance accessible to most firms.

Notably, this assurance is not always the domain of the accounting profession. While many can provide assurance, the availability of experienced practitioners for integrated reports is still being developed (IIRC, 2014b). Regardless of assurance provider, interviewees noted that in order for the audit of an integrated report to be credible, it should be done in accordance with some sort of standard to ensure adequate rigor of the process. Academic research bears this point out: a professional accounting firm would have high-quality process expertise to conduct an audit, whereas a sustainability expert or consultant would have high-quality subject matter expertise (Pflugrath, Roebuck, & Simnett, 2011). Pflugrath et al. (2011) find that financial analysts in the U.S. perceive a difference in credibility of stand-alone non-financial reports depending on the type of assurance provider, while professional accountants have higher perceived credibility than do independent consultants. However, this finding does not hold with participants from Australia or the United Kingdom, perhaps due to their greater experience and understanding of the equality of assurance provision and the need for different expertise for this type of assurance (Pflugrath et al., 2011).

Second, there are no unified standards for the nature or level of assurance. There are varying levels of assurance that can be applied to the report, including limited assurance, reasonable assurance, or a hybrid of both (IIRC, 2014b). Reasonable assurance, akin to an audit of financial statements, applies rigorous audit methodology. Limited assurance is more likely in this new setting and is similar to the level obtained in the review of interim financial statements. A hybrid of the two approaches includes obtaining reasonable assurance on some aspects of the report and limited assurance on others. Panelists experienced with providing assurance noted that this limited review is a good start, but suggest that a full examination of the report is the ultimate goal.

According to the panelists, despite the problems of signaling quality in a developing practice, assurance of the integrated report should be strongly considered by all companies. In a voluntary environment, a firm can seek out the level and cost of assurance it requires. Internally, assurance allows a company to better understand the data. Going through an audit of an integrated report brings additional internal benefits to a company beyond those reported earlier. The panelists noted the value added in terms of business experience and knowledge that comes from having an audit, and that the audit can further provide focus for this new form of reporting. Externally, having a third party examine the data can provide credibility to the data to be used and reported from the business process. One panelist stressed that assurance can establish trust with both internal and external stakeholders (G. White, personal communication, May 19, 2014).

4. Progress

The IIRC provides a global database of company reports that follow their framework (http://examples.integratedreporting.org/home). Companies preparing an initial integrated report, as well as those looking to improve their report, can leverage this database to examine peer reports. Praxair Inc.'s value creation story, for example, shows how integrated reporting communicates a holistic picture of how a business creates its value from different types of capital (see Appendix B). Potash Corporation's performance snapshot provides tangible indicators of value creation across different facets of the business (e.g., employee position acceptance rates, injuries, greenhouse gas emissions) while the business model graphic from South Africa's Gold Fields Ltd. provides an example of a report in a more mature stage of development (see Appendix B).[4]

4.1. Where do we go from here?

Integrated reporting represents a pivotal change in the corporate reporting landscape, with practitioners and standard setters beginning to realize the complex nature of today's business model. This new reality marks the acceptance of non-financial metrics as relevant to value creation and should be considered a significant advancement in the field of corporate reporting. Ultimately, this type of report will become a vehicle for integrated thinking and, as awareness and understanding improve, can be used to better communicate performance across both financial and non-financial metrics to all stakeholders. Indeed, the panelists all agreed that integrated reporting is here to stay, and firms should begin their journey to reap the benefits. As one panelist said:

> It's a foregone conclusion that it's all going to be mandatory, the way that I see it. You might as well get used to it, you might as well report it, and you might as well get good at it. You might as well get all the skeletons out of your closet and clean them up. (M. Muyot, personal communication, May 19, 2014)

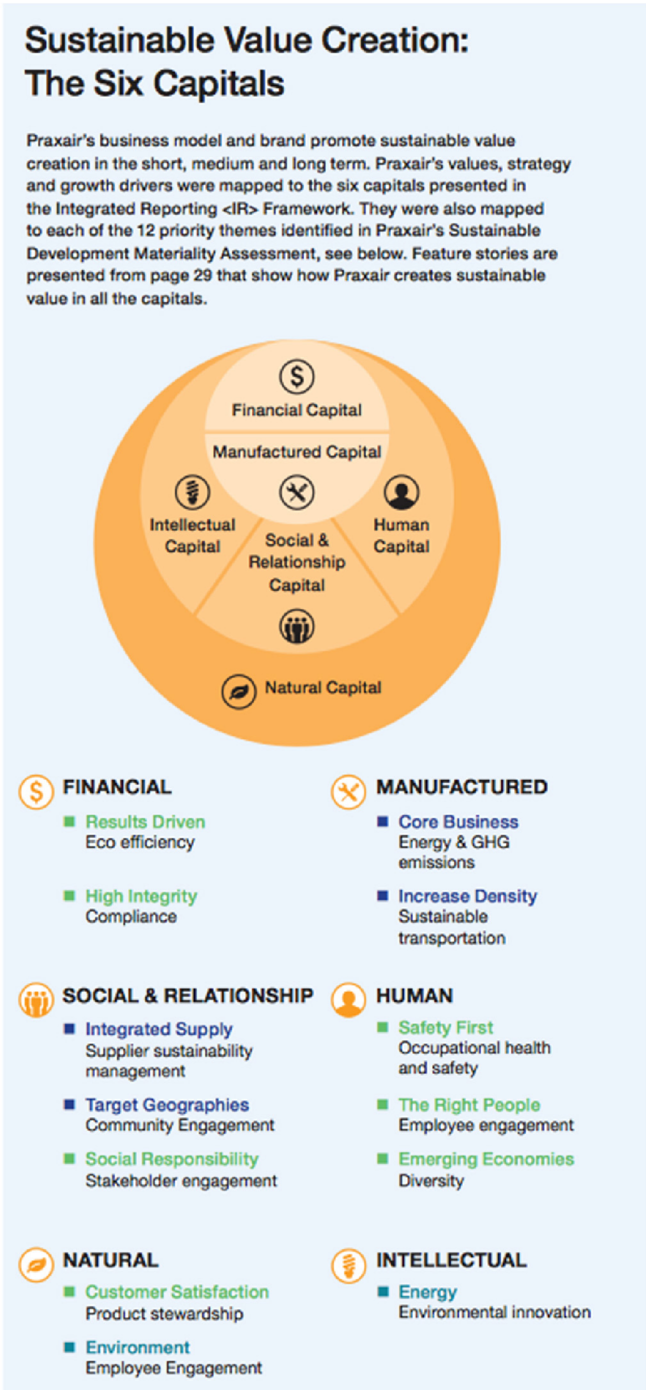
[4] Gold Fields Ltd.'s integrated report was ranked #1 in South Africa in a recent survey of integrated report quality (Ernst & Young, 2013).

Appendix A. Most common report types

	Annual 10-K	Integrated report	CSR report	Greenhouse gas (GHG) emissions report
Objective	Provide comprehensive summary of a company's financial and operating performance	Concisely communicate how an organization's strategy, governance, performance, and prospects lead to the creation of value over the short, medium, and long term	Communicate economic, environmental, and social impacts caused by its everyday activities	Report GHG emission levels to allow for a better understanding of sources of GHGs to guide informed policy development
Users	Shareholders and prospective shareholders	Investors (providers of financial capital—debt and equity)	Key stakeholders (employees, shareholders and analysts, governments and regulators, business partners, local communities)	Government (Note: intended to provide a better understanding of sources of GHGs to guide policy development)
Content	• Management's discussion and analysis of the financial statements • Auditor's report • 3 years of audited financial statements	• Organizational overview and external environment • Governance • Business model • Risks and opportunities • Strategy and resource allocation • Performance • Outlook • Basis of preparation and presentation	*Content varies greatly. GRI recommends:* • Strategy and analysis • Organizational profile • Report parameters • Management approach • Performance indicators (economic, environmental, social, labor practices and decent work, human rights, society, product responsibility)	GHG emission amounts
Reporting Frameworks	Securities and Exchange Commission (SEC); Generally Accepted Accounting Principles (GAAP)	International Integrated Reporting Council (IIRC)	Global Reporting Initiative (GRI); United Nations Global Compact (UNGC)	Environmental Protection Agency (EPA)
Regulation	Mandatory (for companies with $10 million+ in assets and a class of equity securities held by 500+ owners)	Voluntary	Voluntary	Mandatory (for companies that emit 25,000+ metric tons of carbon dioxide in the U.S.)

Appendix B. Integrated report examples

Integrated report excerpt: Praxair (North America)*



Sustainable Value Creation:
The Six Capitals

Praxair's business model and brand promote sustainable value creation in the short, medium and long term. Praxair's values, strategy and growth drivers were mapped to the six capitals presented in the Integrated Reporting <IR> Framework. They were also mapped to each of the 12 priority themes identified in Praxair's Sustainable Development Materiality Assessment, see below. Feature stories are presented from page 29 that show how Praxair creates sustainable value in all the capitals.

FINANCIAL
- Results Driven
  Eco efficiency
- High Integrity
  Compliance

MANUFACTURED
- Core Business
  Energy & GHG emissions
- Increase Density
  Sustainable transportation

SOCIAL & RELATIONSHIP
- Integrated Supply
  Supplier sustainability management
- Target Geographies
  Community Engagement
- Social Responsibility
  Stakeholder engagement

HUMAN
- Safety First
  Occupational health and safety
- The Right People
  Employee engagement
- Emerging Economies
  Diversity

NATURAL
- Customer Satisfaction
  Product stewardship
- Environment
  Employee Engagement

INTELLECTUAL
- Energy
  Environmental innovation

*Full report available at:
http://www.praxair.com/~/media/North%20America/US/Documents/Reports%20Papers%20Case%20Studies%20and%20Presentations/Our%20Company/Sustainable%20Development/Praxair%202014%20Sustainable%20Value%20Report.pdf

Integrated report excerpt: Potash Corporation (North America)*

Scorecard

● Achieved ⊝ In progress ○ Not achieved

Metric	Target*	2014	2013	2012	2011	2010	AIR
Financial Health							
Total shareholder return (TSR)	●	11.6%	(16.4)%	(0.2)%	(19.7)%	43.2%	Page 36
Cash flow return (CFR)[1]	●	13.0%	15.0%	19.2%	25.7%	18.8%	
Potash nameplate capacity	○	○	⊝	n/a	n/a	n/a	
Potash per-tonne cash cost savings	⊝	●	n/a	n/a	n/a	n/a	
Supplier of Choice							
Customer survey score	●	89%	90%	92%	90%	90%	Page 37
Net rail cycle time improvement (compared to 2011)	○	(19)%	5%	9%	n/a	n/a	
Community Engagement							
Community investment	●	$26M	$31M	$28M	$21M	$17M	Page 38
Community survey score (out of 5)	●	4.4	4.2	4.5	4.4	4.2	
Employee matching gift participation change	○	(7)%	(1)%	11%	12%	9%	
Engaged Employees							
Employee engagement score	○	67%	n/a	79%	73%	73%	Page 39
Percentage of senior staff positions filled internally	●	78%	79%	80%	92%	94%	
Average external acceptance rate	●	95%	92%	93%	93%	86%	
No Harm to People or Environment							
Life-altering injuries at our sites	○	1	0	1	1	0	Page 40
Total site recordable injury rate	○	1.01	1.06	1.29	1.42	1.29	
Become one of the safest resource companies	⊝	⊝	n/a	n/a	n/a	n/a	
Greenhouse gas emissions (CO_2 equivalent per tonne of nitrogen product)	●	2.3MT	2.4MT	2.3MT	2.6MT	2.6MT	Page 41
Environmental incidents	○	24	17	19	14	20	
Water consumption per tonne of phosphate product	○	26m³	26m³	33m³	33m³	29m³	

Historical Performance: 2013–2010

* Relative to 2014 stated target
n/a = not a stated target in noted year
[1] See reconciliation and description of certain non-IFRS measures on Page 82.

**Full report available at:*
http://www.potashcorp.com/irc/uploads/Page_PDFs/POT_2014_AIR_Full_Book.pdf

Integrated report excerpt: Gold Fields Ltd. (South Africa)*

**Full report available at:*
https://www.goldfields.co.za/reports/annual_report_2014/integrated/pdf/full.pdf

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