Wales Audit Office





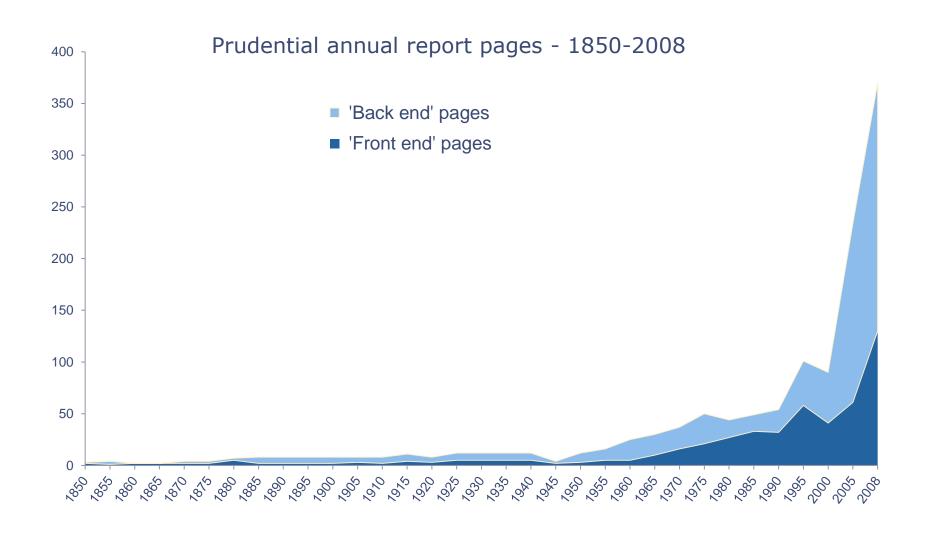
Chair: Prof Mervyn King CEO: Paul Druckman



Our long-term vision is a world in which integrated thinking is embedded within mainstream business practice in the public and private sectors, facilitated by <IR> as the corporate reporting norm.

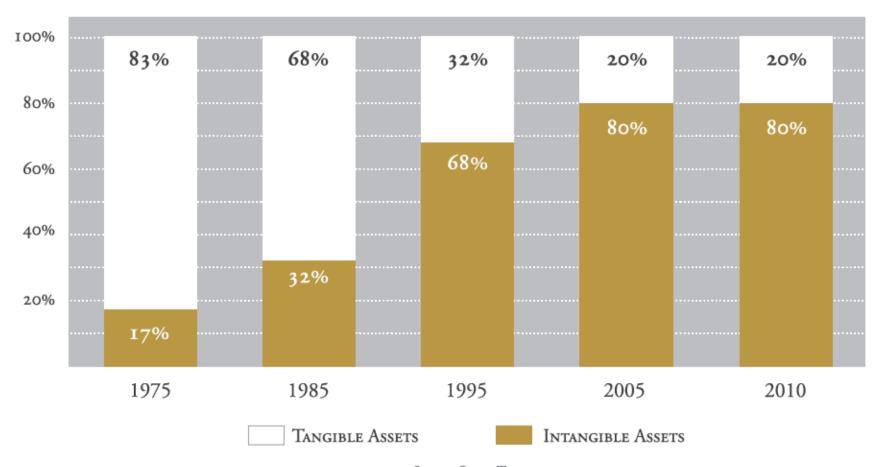
The cycle of integrated thinking and reporting, resulting in efficient and productive capital allocation, will act as forces for **financial stability** and **sustainability**.





Source: Investis Research



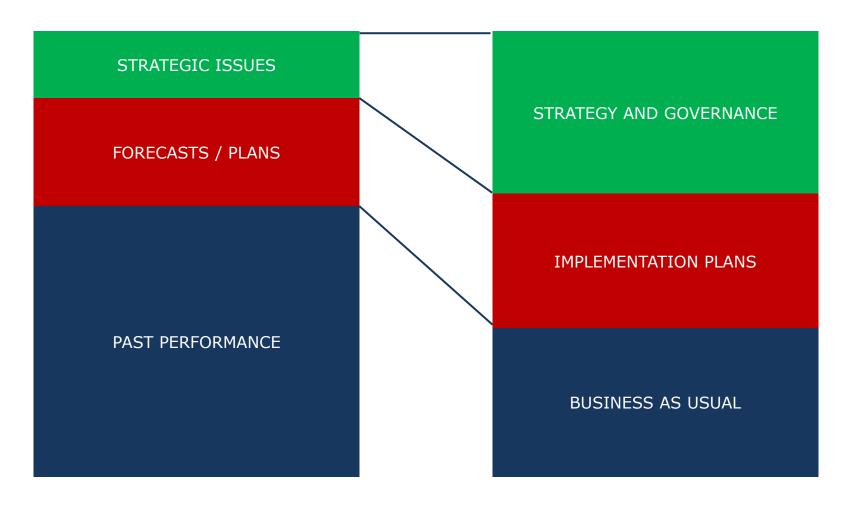


Source: Ocean Tomo



Reporting content

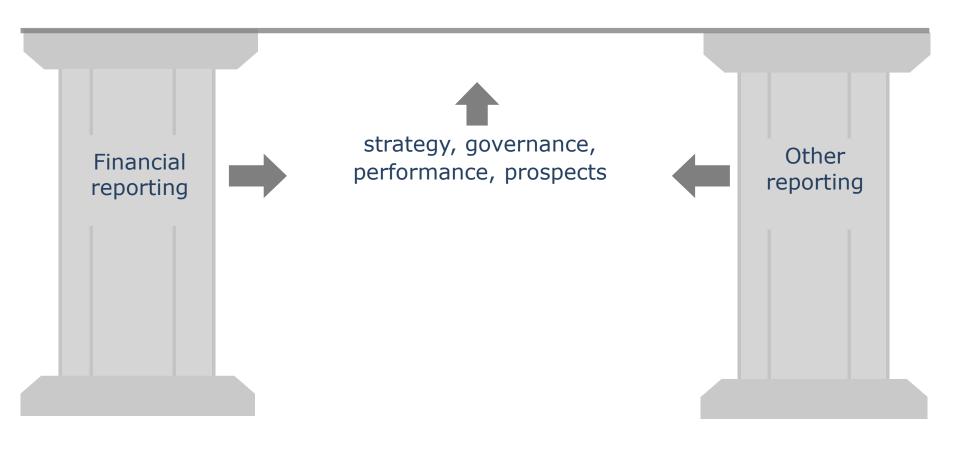
Business value





INTEGRATED REPORTING (IR)

concise communication about value



The Framework journey so far...





Background Papers for <IR>

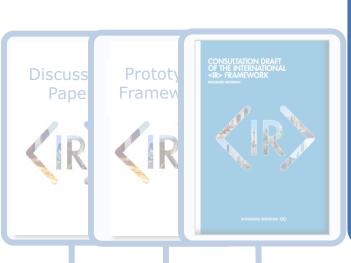
Emerging <IR>
Database

IIRC Pilot Programme Yearbooks Basis for Conclusions

Building the Business Case for <IR> Summary of Significant Issues

The Framework journey ahead







- Framework
 Development
- Guidance and Practice
- Thought leadership
- Academic community
- Databases
- Evidence Base

- Background Papers for <IR>
- IIRC Pilot Programme Yearbooks
- Building the Business Case for <IR>

- Emerging <IR>
 Database
 - Basis for Conclusions
- Summary of Significant Issues

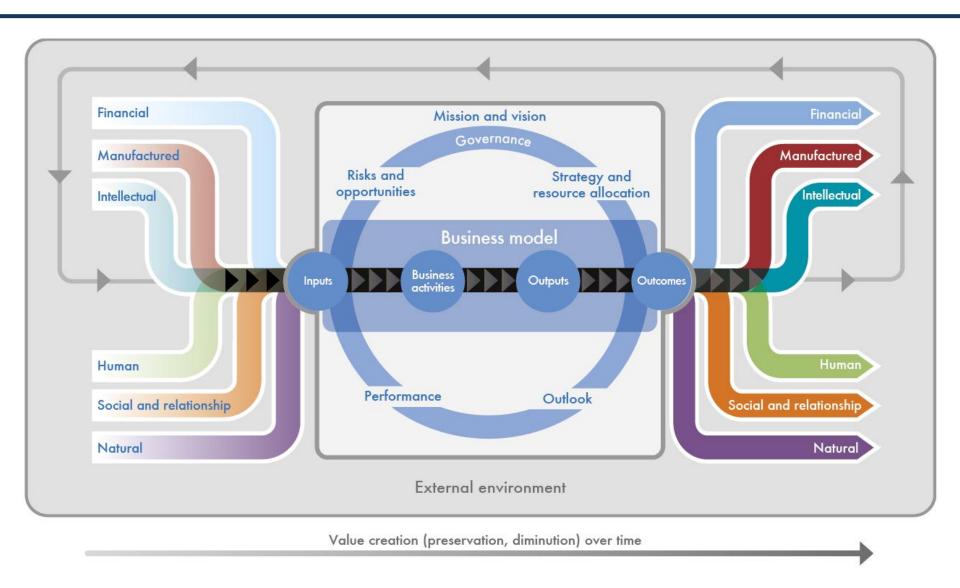
IIRC Pilot Programme











The Value Creation Process

Wales Audit Office





Sustainability strategy





Integrated reporting









Business model

a view to optimising the value of the

estate. We raise capital principally by

selling property, as we are unable to borrow, the proceeds from which are

reinvested in the estate

How we create value **Proactive** management We enhance the value of our portfolio through our core activities We are commercially driven, but take of asset, investment, development and a long-term and sustainable view of property management. We employ total return. Our net surplus (profit) a team of specialists with a depth Our assets of expertise and knowledge of their goes to the Treasury and we also markets, which provides us with a Our assets range across commercial make a positive economic, social and in the state of th source of competitive advantage and residential real estate, agricultural - a benefit which is passed on to environmental contribution in the land, parkland and forestry, and include our customers. areas where we do business. over half of the foreshore and most of the seabed around the UK. Social contribution We only invest in the UK and **Making** we manage our One business, one team, assets to optimise a positive their value one common sense of purpose impact and the total contribution Strategic we make. partnerships Our strategic partnerships provide working capital for the business to continue reinvestment across our portfolios' core areas, where we Rents and benefit from competitive advantage and critical mass. Our annual net surplus (profit) is paid to the Treasury for the benefit of the nation. Asset transactions We buy, develop and sell property with

Long-term portfolio

We look beyond short-term market

volatility and concentrate instead on our medium- to long-term objectives with a focus on sustainability, customer focus and stakeholder engagement.

optimisation

Material issues



Sustained and profitable growth



Optimisation of the portfolio for long-term total return



Attraction of suitable commercial partners and investors



Attraction, nurturing and retention of best talent



Health and safety



Maintaining effective stewardship



Reputation



Successful placemaking and creating amenity value



Effect of climate change



Availability of natural resources



Customer focus



Organisational and management structure



Health of UK economy



Government policy



Business planning

Business plans

This year's detailed plan for

portfolios and departments

to achieve the key priorities

2013/14

Material issues We've identified 14 material issues as being fundamental to the long-term success of our business Strategic objectives 2013 - 2022 We've identified 13 strategic objectives to focus our efforts in addressing the material issues **Key priorities** 2013/14 This year's key priorities work towards achieving our strategic objectives

Personal scorecards 2013/14

This year's detailed plan for individuals to achieve the goals set out in their portfolio or department business plans



What is Total Contribution?



- Value direct, indirect and through our enabling actions
- Beyond economic: Including Social and Environmental
- Transparency principles
 - Credit, Confidence, Net Contribution

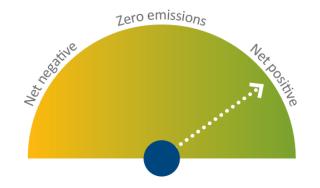




Results

Value chain — Biggest impact where we have influence not control

118 unemployed placed into permanent employment resulted in £1.1m economic value (to individuals and nation)



4 million tCO₂ more emissions sequestered through forestry and avoided by low carbon energy generation than emissions generated. Carbon net positive

£5,233m Gross Value Added (GVA) contributed to the UK economy



making a positive impact





