
Terms of Reference of the IIRC

Purpose

The International Integrated Reporting Committee (IIRC) has been established to develop and support the adoption of an integrated reporting framework that will:

- support the information needs of long-term investors by showing the broader and longer-term consequences of decision-making;
- reflect the interconnections between environmental, social, governance and financial factors in decisions that affect long-term performance and condition, making clear the link between sustainability and economic value;
- provide the necessary framework for environmental and social factors to be taken into account systematically in reporting and decision-making;
- rebalance performance metrics away from an undue emphasis on short-term financial performance; and
- bring reporting closer to the information used by management to run the business on a day-to-day basis.

Principal responsibilities

The principal responsibilities of the IIRC will be to:

- provide expert and informed guidance to the Working Group;
- consider and adopt, as appropriate, the proposals drawn up by the Working Group; and
- gain support for the IIRC and proposals made among key stakeholder groups.

Membership

Membership of the IIRC will comprise international representation from the following stakeholder groups: companies, investors, regulators and standard-setters, intergovernmental organisations, the accounting profession, civil society and academia. Members will sit on the IIRC as representatives of their organisations in addition to bringing individual expertise.

The IIRC will be chaired by Sir Michael Peat, Principal Private Secretary to TRH The Prince of Wales and the Duchess of Cornwall, with Professor Mervyn King, Chairman, King Committee on Corporate Governance and Chairman, Global Reporting Initiative (GRI), as Deputy Chairman. The project secretariat will be jointly resourced by The Prince's Accounting for Sustainability Project, GRI and the International Federation of Accountants.

In the absence of the Chairman, the Deputy Chairman will chair the meeting. If neither is present, the meeting will elect a Chairman from among those present.

Meetings will be attended by at least one of the following representatives from the Working Group: Paul Druckman (A4S), Ian Ball (International Federation of Accountants) and Ernst Ligteringen (GRI). The Financial Stability Board will have observer status at IIRC meetings.

Members will not be represented by deputies at meetings, although observer status may be granted by the Chairman.

Meeting frequency and location

The IIRC will meet in July 2010 and then three times during 2011, each meeting lasting for one day. Members unable to attend meetings will provide comment to the secretariat prior to the meeting.

IIRC meetings will be held in different regions, reflecting the international membership of the Committee.

Minutes will be circulated by the secretariat following each meeting. On occasion, IIRC members may be asked for additional input on specific matters as required to execute the responsibilities set out in these Terms of Reference.

Duration of the IIRC

The IIRC will continue to exist until the work is handed over to a new or existing body, or a decision is made by the IIRC to disband itself.