

IIRC Framework Panel: Meeting of 8 December 2016**Time:** 12:00 - 14:00 (GMT)Start time: **New York** = 07:00, **São Paulo** = 10:00; **London** = 12:00, **CET** = 13:00, **Johannesburg** = 14:00, **Mumbai** = 17:30, **Tokyo** = 21:00, **Sydney/Melbourne** = 23:00**Location:** Singapore meeting room, IIRC, The Helicon, Third Floor, 1 South Place, London, EC2M 2RB**Present in person:**

Erik Breen (Chair)	Christoph Dolderer	Nancy Kamp-Roelands
Parvatheesam (PK) Kanchinadham		Yoichi Mori
Hugh Shields	Zubair Wadee	

IIRC:	Richard Howitt	Lisa French	Michael Nugent
	Liz Prescott		

Present via teleconference:

Jean-Luc Barlet	Sarah Bostwick Stromoski	Rodrigo Morais
Barbara Pomfret	Roger Simnett	Jason A. Voss

Technical Advisers:

Stathis Gould (Nancy Kamp-Roelands)	Tom Roundell Greene (Sarah Nicholls)
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Apologies: Sarah Nicholls**Minutes:** Liz Prescott**Agenda****Item Topic**

- 1 Welcome from the chair; objectives
- 2 Minutes of previous meeting
- 3 Welcome from the IIRC CEO
- 4 Post implementation review plan
- 5 Review of integrated reports
- 6 Work plan for the Panel
- 7 Conclusions and next steps
- 8 Close and next meeting

1. Welcome from the chair; objectives

Objectives of the meeting:

- Framework Panel's work plan, its objectives and timing, methods of work and staging.

2. Minutes of previous meeting and matters arising

The minutes were approved as presented.

3. Welcome from the IIRC CEO

The new IIRC CEO stressed the importance of the Framework Panel to the IIRC, noting the tension between quality and quantity of integrated reports, and the need for practice notes and guidance etc. to help with implementation of the Framework, rather than the Framework requiring wholesale review. It was also noted that the Framework was only released in December 2013, and it was too early to be considering a full review.

4. Post implementation review plan

The draft plan was discussed with the IIRC Board, Council and Business Network members during the week of December 5th 2016 in London and received favourable feedback.

Key comments/discussion included:

- The Framework needs to remain auditable and the Panel needs to be specific about its aims
- Practical guidance is the way to move forward
- The Panel seek an appropriate balance between feedback from preparers, audit firms, users, academics etc.
- The public request for comment should incorporate specific questions, e.g., whether regulatory reports do/should refer to the Framework and
- Feedback as to whether and why integrated reports do/don't refer to the Framework, about the business case for <IR>, and the role of other frameworks when choosing indicators would be helpful.

5. Review of integrated reports

An IIRC review of a sample of global reporters that reference the Framework, and the basis of the review questions targeting aspects of the Framework showed:

- Good examples of reporting on value created for the organization and for others focused on value creation from multiple touch points
- Business model diagrams were routinely included, but there was still room for improvement, particularly with respect to outputs versus outcomes
- Shortcomings/challenges observed include responsibility for an integrated report (paragraph 1.20) and identification of the legitimate needs and interests of key stakeholders and how they are being addressed (paragraph 3.10)
- The lens of materiality from a value creation perspective was often not consistently applied.

An overview of the ACCA/IIRC review of Business Network reports followed and showed:

- The two different reports show progress towards <IR>
- Reference to the International <IR> Framework is not always clearly disclosed in the Basis of Preparation, particularly when multiple frameworks, including statute/regulatory frameworks, are used
- Conciseness is often an issue
- Organisations can be distinguished along two axes:

	<i>Transparent</i>	<i>Not transparent</i>
<i>Systems thinkers</i>	Suited to <IR>	May get internal benefits of <IR> but not the external ones
<i>Not systems thinkers</i>	<IR> can help achieve an internal mindset change	Need to move on both axis to get to <IR> - quite difficult

- Investors are not a homogenous group, which impacts materiality decisions
- The definition of materiality in the Framework looks circular/tautological with respect to use of “substantially” which in common parlance means “materially”

6. Work plan for the Panel

The Chair introduced the topic, noting that discussion needs to be structured, and suggested thinking with the end in mind regarding the tools people need to help the quality of uptake of <IR>, e.g., practical guides, best practices, guidance on definitions and considering keeping in mind that a wholesale revision of the Framework is not being undertaken and where the feedback on the Framework is coming from.

Key comments/discussion included:

- The existing <IR> Examples Database is important and could be enhanced, e.g., by including practice notes or more detailed commentary on good practice
- Is there a relationship between missing one Guiding Principle and missing others, e.g., materiality and conciseness?
- What should be the Panel's measures of success, and how will the Panel go about researching trends in this area?
- Government statements supporting <IR> are important to uptake
- In terms of 'staging', as the IIRC approaches the end of the Early Adoption Phase and starts the transition to Global Adoption the gap between early adopters and the "not started group" may get wider. It will be important to recognise that organisations will take different paths to <IR>, which will affect the tools required
- While some internal segmentation or "clustering" of organisations might be necessary, the IIRC should avoid judgements, labelling or "medal" status so as to encourage rather than discourage adoption.

7. Conclusions and next steps

The Chair noted the areas to be focused on are:

- Framework implementation
- Prioritisation – e.g., materiality should be high on the list
- Determining measures of success
- Demonstrating uptake over time
- How reporting is evolving, which issues organisations are struggling with and whether there are regional differences
- Differences between markets will need to be considered e.g., emerging markets may have more scope for success versus established/rule-bound/traditional jurisdictions, which may be better focusing on integrated thinking and management, rather than report preparation.

It was also noted that while some technical issues may be an impediment or an incentive to adoption, the Panel's primarily focus is on the quality of reports rather than their quantity, which is more the responsibility of others in the IIRC.

8. Close and next meeting

The Chairman thanked participants for their input and noted the next meeting would be held on Tuesday 17th January 2017.