International <IR> Framework revision

Focused engagement, Feb–Mar 2020
Market feedback

Topic Paper 3
Charting a path forward

10 YEARS OF INTEGRATED REPORTING <IR>

Contents

Introduction

Topic Paper 3 is the final in a series of thematic papers. Whereas Topic Paper 1 (Responsibility for an integrated report) and Topic Paper 2 (Business model considerations) will inform near-term revisions to the International <IR> Framework, this paper takes a longer-term view of the following:

- Purpose of an integrated report
- Role of technology in corporate reporting
- Assurance in integrated reporting
- Further matters affecting the corporate reporting landscape.

Purpose of an integrated report

One of the more debated sections of the <IR> Framework is Section 1C, which describes the purpose and users of integrated reports:

1.7 The primary purpose of an integrated report is to explain to providers of financial capital how an organization creates value over time. It therefore contains relevant information, both financial and other.

1.8 An integrated report benefits all stakeholders interested in an organization's ability to create value over time, including employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers.

Matters under consideration

Based on feedback on Section 1C, the IIRC has identified two criticisms:

- In tailoring the organization's value creation story to providers of financial capital, the integrated report is thought to place the needs and interests of investors above those of all other stakeholders
- For a movement that champions a shift from financial capitalism to one based on multiple forms of capital, integrated reporting itself focuses disproportionately on informing financial capital allocation decisions.

Analysis

Context for framework development. The integrated reporting movement coalesced in the wake of the 2007-08 global financial crisis, which many attributed to short-termism, opaque business models and weak transparency, among other factors. As the IIRC's 2010 discussion paper Towards Integrated Reporting: Communicating Value in the 21st Century set out, "The recent global financial crisis has made it clear that risks can develop, be harboured and be transmitted through market participants and practices that fall outside the traditionally prudentially regulated institutions. One important tool in addressing these risks is greater transparency of market participants, which integrated reporting can facilitate."

The <IR> Framework's 2013 release followed extensive public consultation and offered a useful tool for businesses to explain their value creation story.

Meeting the needs and interests of key stakeholders. Since its formation, the IIRC has held that value creation requires an understanding of the range of resources and relationships (or capitals) on which organizations rely or have an effect. To identify the issues influencing value creation, organizations should engage key stakeholders during the normal course of business. So entrenched is this belief that it forms one of seven Guiding Principles in the <IR> Framework:

3.10 An integrated report should provide insight into the nature and quality of the organization's relationships with its key stakeholders, including how and to what extent the organization understands, takes into account and responds to their legitimate needs and interests.

Simply put, liaising with customers, employees, strategic partners and others to understand their views on 'value' should inform business decisions. As critical drivers of net value creation, such perspectives necessarily permeate the integrated report. Connecting this logic to investment decisions does not undermine this process, nor does it negate the importance of other stakeholders. On the contrary, integrated reports infuse the collection of stakeholder views as integral to the value equation and as a proxy for the organization's quality of leadership. Notwithstanding this explanation, this message is often misconstrued, and so further clarification is needed.

Assumed investor primacy. Integrated reports centre on a wider interpretation of value than found in traditional reporting. When developing the <IR> Framework, the IIRC and its coalition recognized the immense power of providers of financial capital to align capital allocation and corporate behaviour to the wider goals of financial stability and sustainable development. This rationale found moderate support in public consultation. As the IIRC's Basis for Conclusions (2013) notes, "Even for respondents whose driving interest in integrated reporting is the contribution it can make to a sustainable planet, how financial capital is directed is one of the keys."

Paragraph 1.8 of the <IR> Framework notes, "An integrated report benefits all stakeholders interested in an organization's ability to create value over time, including employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers." Despite this clarification, there is perhaps an implied primacy of providers of financial capital insofar as:

- The purpose stated in Paragraph 1.7 is built around investor decisions
- Other stakeholders are introduced, secondarily, in Paragraph 1.8.

Addressing the matters under consideration

Perpetuating mono-capitalism. To support the shift from a financial capital focus to multi-capitalism, the IIRC can modify the primary purpose of the integrated report, as defined in **Paragraph 1.7**, as follows:

The primary purpose of an integrated report is to explain to providers of financial capital how an organization creates value over time.	→	The primary purpose of an integrated report is to explain to providers of ~~financial~~ capital[1] how an organization creates value over time.

Implication of investor primacy. There are opportunities to infuse the explanations offered in this paper into Section 1C and introductory narrative of the <IR> Framework. Further, in the spirit of leading and reflecting market change, the IIRC will consider whether its allocation of 'other stakeholders' to a separate paragraph sends an unintended message. Assuming Paragraph 1.7 were to be amended as above, Paragraph 1.8 might also be revised to reflect all beneficiaries of integrated reports as follows:

An integrated report benefits all stakeholders interested in an organization's ability to create value over time, including employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers.	→	An integrated report benefits all stakeholders interested in an organization's ability to create value over time, including **providers of financial capital**, employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers.

This change, we believe, does not mark a retreat from providers of financial capital, but rather a growing recognition of the contribution of providers of other capitals, leading to a greater sense of 'joint primacy'.

Role of technology in corporate reporting

Paragraph 3.9 of the <IR> Framework points to information and communication technology as "important enablers of an organization's ability to search, access, combine, connect, customize, re-use or analyze information". Such abilities can highlight dependencies and support decision making.

During the <IR> Framework's development, the landscape already featured a range of technology-enabled communication tools and languages – from XBRL, QR codes and mobile apps to Twitter, Instagram and other forms of social media – with varying degrees of use in reporting. The IIRC saw reporting at the cusp of a digital transformation, with one foot in a world of

[1] Including financial, manufactured, intellectual, human, social and relationship, and natural capital

static PDFs and the other in a world of information that was interactive, machine-readable, customized and available in real-time. Front office applications, affecting how information is consumed, would find back office support in data mining and analysis, machine learning, deep learning and artificial intelligence – influencing how information is gathered and analyzed.

In the years since the <IR> Framework's release, the model of an annual report and quarterly updates as an orchestrated series of engagements persists. So, too, does a reliance on conventional PDFs, with XBRL reporting more prevalent in some regions than others.

Matters under consideration

There is debate regarding when, and to what extent, technology will influence corporate reporting. With this in mind, there are questions concerning:

- Organizations' readiness for a modified reporting regime and the extent to which such technology changes present risks versus opportunities
- How corporate reporting standards and frameworks can, or should, anticipate technology-enabled advances
- Implications of a modified reporting regime on the context, connectivity, comparability and reliability of information produced and consumed.

Analysis

To grasp the full potential of technology-based change, the IIRC formed an <IR> Technology Initiative to provoke discussion in business and reporting software and systems integration. Participants explore how technology can spur new trends in reporting and help in the adoption of integrated reporting. The IIRC is keen to extend this conversation to the broader market to inform strategic deliberations beyond the current <IR> Framework revision.

Addressing the matters under consideration

Before structuring concrete proposals to address the above matters, the IIRC seeks input on potential future scenarios regarding the role of technology in corporate reporting and the associated benefits and risks.

Assurance in integrated reporting

The <IR> Framework touches on the topic of assurance as follows:

3.40 The reliability of information is affected by its balance and freedom from material error. Reliability (which is often referred to as faithful representation) is enhanced by mechanisms such as robust internal control and reporting systems, stakeholder engagement, internal audit or similar functions, and independent, external assurance.

3.42 Maintaining an audit trail when preparing an integrated report helps senior management and those charged with governance review the report and exercise judgement in deciding whether information is sufficiently reliable to be included. It might be appropriate in some cases (e.g. with respect to future-oriented information) for an integrated report to describe the mechanisms employed to ensure reliability.

Matters under consideration

Assurance has proved a pervasive theme through the integrated reporting movement, with an inherent complexity arising from the following factors:

- The growing contribution of intangibles, for which measures may not exist, or for which direct measurement may be cost-prohibitive
- Addressing outcomes (including broader and longer-term societal effects), which are inherently difficult to measure due to causality issues
- Addressing externalities arising from others, which generally lie beyond the organization's reach in terms of measurement or calculation
- Strong reliance on narrative to provide context (e.g. external factors, governance, risks, opportunities, strategy and business model)
- Emphasis on future-oriented information (e.g. outlook, strategy, longer-term business model viability) as a core tenet of integrated reporting.

Further, some question who should legitimately call for mandatory assurance on 'beyond financial statement' information (e.g. KPIs and business model disclosures,). Does this lie with regulators, or should the <IR> Framework elevate the matter, beyond its Paragraph 3.40 reference?

Analysis

Historical context. Based on extensive consultation, the IIRC embedded a range of assurance-friendly features in the <IR> Framework to reflect the attributes of suitable criteria (relevance, completeness, reliability, neutrality and understandability)[2]. Section 4H – Basis of preparation and presentation was introduced to require disclosures on the materiality determination process, reporting boundary and significant frameworks and methods used.

Beyond the <IR> Framework, the IIRC held a four-month consultation on assurance in integrated reporting in 2014. Two publications were developed: Assurance on <IR> - An introduction to the discussion and Assurance on <IR> - An exploration of issues. IIRC staff also discussed assurance in integrated reporting at the March and December 2014 meetings of the International Audit and Assurance Standards Board (IAASB). Finally, in 2015, the IIRC shared consultation feedback in a publication called Assurance on <IR> - Overview of feedback and call to action. The publication provided a platform for continued engagement between IIRC staff and the IAASB. Assurance in the context of integrated reporting was discussed during the IAASB's March, June and September 2015 meetings.

Assurance of integrated reports. According to ACCA's Insights into integrated reporting 2.0: walking the talk (2018), 60% of reports in the IIRC's annual Report Critique Programme received some form of assurance in addition to the statutory audit. This figure was up from 46% in the prior year. Notably, the subject matter and scope of assurance varied considerably, from limited assurance on specific metrics to a broader review of the overall report's compliance with the <IR> Framework. In its Insights into integrated reporting 3.0: the drive for authenticity (2019) publication, ACCA noted: "2019 saw the emergence of a higher level of assurance on the content of integrated reports. For the first time, some companies have sought 'reasonable' assurance on aspects of their integrated report, a step up from the 'limited' assurance that companies usually seek on their non-financial reporting."

Emerging standards. The IAASB issued an interim consultation paper on extended external reporting (EER) assurance in February 2019 and invited comments in June 2019. According to the IAASB, "EER encapsulates many different forms of reporting, including, but not limited to, integrated reporting, sustainability reporting and other reporting by entities about environmental, social and governance matters." Work on a complete non-authoritative guidance document on how to apply ISAE 3000 to EER assurance engagements is ongoing and will be published as an exposure draft during the project's second phase. The ACCA's earlier-referenced 2019 report remarked: "The pace of innovations and the increasing demand for assurance shows that the IAASB's project could not be more timely."

Addressing the matters under consideration

This Topic Paper lists assurance-related challenges as a basis for continued discussion. We welcome input from the market – and assurance providers in particular – to inform IIRC strategies and <IR> Framework improvements.

Further matters

The reporting landscape has evolved since the <IR> Framework's release in 2013. The Corporate Reporting Dialogue formed in 2014 in response to calls for greater coherence, consistency and comparability between reporting frameworks, standards and related requirements. In 2015, the Sustainable Development Goals were ratified by the UN General Assembly, setting the stage for new disclosures by companies and, in 2017, the recommendations of the Task Force on Climate-related Financial Disclosures were released. In 2017, the International Accounting Standards Board initiated its revision of the Practice Statement on Management Commentary Finally, in 2019, the International Audit and Assurance Standards Board's Consultation Paper on Extended External Reporting Assurance was released. Calls for consolidation have accompanied these developments, prompting this Topic Paper to invite thoughts on the changing external environment and how the IIRC can react.

[2] Per the International Auditing and Assurance Standards Board's International Framework for Assurance Engagement

Proposals and consultation questions

Purpose of an integrated report

Simple changes can clarify current misinterpretations and advance the IIRC's position on the importance of providers of all forms of capital. Specifically, the <IR> Framework can amend **Section 1C – Purpose and users of an integrated report** as follows:

1.7 The primary purpose of an integrated report is to explain to providers of financial capital how an organization creates value over time. It therefore contains relevant information, both financial and other.	→	1.7 The primary purpose of an integrated report is to explain to providers of ~~financial~~ capital how an organization creates value over time. It therefore contains relevant information, both financial and other.
1.8 An integrated report benefits all stakeholders interested in an organization's ability to create value over time, including employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers.	→	1.8 An integrated report benefits all stakeholders interested in an organization's ability to create value over time, including providers of financial capital, employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers.

Q1 a. Do you agree with the proposed change to Paragraph 1.7? Why or why not?

b. Do you agree with the proposed change to Paragraph 1.8? Why or why not?

Role of technology in corporate reporting

We invite market views on how technology might significantly influence the field of corporate reporting in the years to come.

Q2 What considerations should inform the IIRC's strategic deliberations on the role of technology in future corporate reporting?

Assurance in integrated reporting

This Topic Paper outlines the <IR> Framework's 'assurance-friendly features', including suitable criteria for assessment and required disclosures on the materiality determination process, reporting boundary and significant frameworks and methods used to quantify or evaluate material matters.

Q3 Are there further ways in which the <IR> Framework can enhance the assurance-readiness of integrated reports?

Q4 Consider the following statement: Matters of assurance rest with regulators and related standard setters, and not with voluntary reporting frameworks. Do you agree or disagree? Please explain.

Further matters

The reporting landscape has evolved considerably since the 2013 release of the <IR> Framework. Amid various new developments, heightened calls for consolidation have emerged. The following question invites input on the changing external environment and how the IIRC can respond.

Q5 Are there further matters that the IIRC should consider:

a. In the modernization of the <IR> Framework?

b. As part of its strategic agenda?

Responses to Topic Paper 3

Respondents to Topic Paper 3

Adam WIlliamson, AAT
Alan Willis, Independent
Alexander Kurnikov, 1C
Alexandra Chistyakova, JSC ASE
Anastasia Gabrielyan, Da-Strategy
Andrej Drapal, Consensus d.o.o.
April Mackenzie, External Reporting Board
Azizah Mohd Ghani, Malaysian Institute of Accountants
Beat Schweizer, PETRANIX
Bernd Schönhofer, Munich Airport
Bhavin Bryan Kapadia, Sustainable derivatives
Bill Allan, Individual
Bill Baue, r3.0
Black Sun PLC, Black Sun
Bruno Gasparroni, UniCredit Group
Carlos Brandão, Independent
Carlos Javier Alonso, Individual
Carol Adams, Durham University Business School
Cédric Gélard, CNCC/CSOEC
Christine Smith, Clearspace Limited
Ciara Reintjes, South African Institute of Chartered Accountants (SAICA)
Constanza Gorleri, Banco Galicia
Cornis Van der Lugt, University of Stellenbosch Business School
Daniel Clayton, Accountability Consulting
David Herbinet, Mazars
Dawn Baggaley, NZ Post
Deidre Henne, McMaster University
Delphine Gibassier, Independent
Derick Nkajja, Institute of Certified Public Accountants of Uganda (ICPAU)
Dr. Erkin Erimez, ARGE Consulting
Dr. Fatma Öğücü Şen, Argüden Governance Academy
Edouard Gridel, Institut du Capitalisme Responsible
Elda Almeida, Independent
Fay Hoosain, Integrated Reporting Committee of South Africa
Fernando Portus, Independent
Fiona Robertson, Leeds Beckett University
Graham Terry, Independent
Guler Aras, Integrated Reporting Turkey Network (ERTA)
Herma van der Laarse, ABN AMRO
Inés García Fronti, Buenos Aires University
Innocent Sithole, Training and Advisory Services
J Robert Gibson, Hong Kong University of Science and Technology
Janine Guillot, Sustainability Accounting Standards Board
Jayantha Nagendran, Smart Media The Annual Report Company
Jennifer Norris, Independent
Jo Cain, Auditing and Assurance Standards Board (AUASB)
John Dumay, Macquarie University
Jona Basha, Accountancy Europe
Judy Ryan, Independent
Jun Honda, WICI Japan
Kavita Jadeja, EY
Le Quang TRAN VAN, Afep
Leonie Meyer, Individual
Lydia Tsen, Chartered Accountants Australia and New Zealand / CPA Australia (joint submission)
Mar Granados, Repsol
Mardi McBrien, Climate Disclosure Standards Board (CDSB)
Maria Farfan, Pontificia Universidad Javeriana
Maria Towes, Durham University
Maria Angelica Costa, Independent
Maria Eugenia Bellazzi, Sustenia
Marje Russ, Independent
Mark McElroy, Center for Sustainable Organizations
Massimo Romano, Independent
Mervyn King, Senior Counsel and former Judge of the Supreme Court of South Africa, Chair of the African Integrated Reporting Council, Chair of the Integrated Reporting Committee of South Africa, Chair Emeritus of the IIRC, Chair Emeritus of GRI - Responding in an independent capacity
Michel Washer, Solvay
Miguel Oyarbide, Australia Post
Nandita Mishra, Amity University
Nandkumar Vadakepatth, DNV GL
Neil Smith, Koan Group
Nick Ridehalgh, Business Reporting Leaders Forum - Executive
Nowmitta Jahanzaib, Institute of Cost and Mnagement Accountants of Pakistan
Paul Hurks, NBA
Paul Thompson, European Federation of Accountants and Auditors for SMEs
Peter Paul van de Wijs, GRI
Prof Barry Cooper, Deakin Business School
Redefining Value, World Business Council for Sustainable Development
Richard Chambers, The Institute of Internal Auditors
Richard Martin, ACCA
Ron Gruijters, Eumedion
Sasol Integrated Report Team, Sasol
Sergio Cravero, PwC
Shimellis Assegahegne, Independent
Stathis Gould, International Federation of Accountants (IFAC)
Stefan Hannen, Kirchhoff Consult AG
Thomas Scheiwiller, IMPACTS
Tjeerd Krumpelman, ABN AMRO
Tokiko Fujiwara-Achren, Independent
Tokiko Yokoi, individual
Usha Ganga, HAN University of applied sciences
Veronica Poole, Deloitte
Warren Koen, Export Credit Insurance Corporation
Wesley Boone, ABN AMRO

Question 1a. Do you agree with the proposed change to Paragraph 1.7?

Adam WIlliamson, AAT, United Kingdom of Great Britain and Northern Ireland

Agree. A useful amendment to clarify the primary users while showing that capital providers are a wider group than just financial capital providers.

Alan Willis, Independent, Canada

Disagree. Paragraph 1.7 should say: "The primary purpose of an integrated report is to explain to stakeholders, including investors, how an organization creates value over time, and how it impacts the capitals used in value creation." This broadens the range of intended report users, while acknowledging that investors are one category of stakeholder, and clarifies that the purpose of an integrated report is not only to communicate how value is created over time, but also how the necessary capitals are impacted in the process of value creation - an integrated thinking mindset which apparently is often lacking in both report issuers and report readers.

Alexander Kurnikov, 1C, Ukraine

Agree.

Alexandra Chistyakova, JSC ASE, Russian Federation

Agree. This will shift the focus from only financial aspects and increase the importance of other capitals.

Anastasia Gabrielyan, Da-Strategy, Russian Federation

Agree.

Andrej Drapal, Consensus d.o.o., Slovenia

Agree.

April Mackenzie, External Reporting Board, New Zealand

Disagree. We believe that the focus of the IR report should remain on the suppliers of financial capital for three reasons:

1. The integrated report needs a narrow focus on one user-group otherwise the report will end up with a lot of "noise" and confusion, serve no particular user-group well and lack a sharp focus on financial capital providers. The entity cannot exist without the providers of financial capital, yet the broad group of stakeholders includes groups which have a less direct interest in the integrated report such as local communities and policymakers. They will require a large and user-specific range of information to satisfy their diverse user-needs. Focus on the financial capital user group and this will meet many of the needs of any of the other capital providers.

We highlight the XRB Position Statement on EER (www.xrb.govt.nz/extended-external-reporting/xrb-position-statement) to support this, which states:

- In issuing its standards, the XRB focuses on users' needs for information in general purpose financial reports (GPFR).

- The primary users of GPFR of for-profit entities are existing and potential investors, lenders and other creditors.... EER information that is relevant to the primary users of GPFR may also be relevant to a wider group of stakeholders, such as NGOs, regulators, consumers and employees.

2. The multi-capitals approach of <IR> is founded on the broader notion of value creation. Financial capital is an essential capital in every integrated report. Some of the other five capitals are optional for entity-specific reasons for some entities preparing integrated reports.

3. In the world of global reporting, integrated reporting had achieved validity by building on the well-established and internationally accepted notion of the users of the report making decisions about financial capital which has been translated into the primary stakeholders of entities applying global IFRS Standards under the leadership of the IASB. For the <IR> Framework to distance itself from this user-group can lead to it having less credibility as "just another framework" in what is already a busy landscape of non-financial reporting in which lack of alignment between frameworks causes confusion amongst users and preparers.

Consequently, we suggest that the acknowledgement of all stakeholders Para 1.8 precede the primary purpose paragraph 1.7 in the <IR> Framework.

1.7 An integrated report benefits all stakeholders interested in an organization's ability to create value over time, including employees, customers, suppliers, business partners, local communities, legislators, regulators and policy-makers.

1.8 The primary purpose of an integrated report is to explain to providers of financial capital how an organization creates value over time. It therefore contains relevant information, both financial and other.

Azizah Mohd Ghani, Malaysian Institute of Accountants, Malaysia

Agree. (a) and (b)

We agree with the proposed change for Paragraph 1.7 and the consequential amendment to Paragraph 1.8. This would reflect the principle that various stakeholders may be interested in an integrated report and not limited to providers of financial capital. This is in line with the growing recognition of the contribution of providers of other capitals. This will also move away from the assumption that providers of the financial capital are higher ranked than other contributors of capital.

In addition, the IIRC should consider connecting the proposed changes to paragraphs 1.7 and 1.8 to the discussion regarding the importance of considering the long-term impacts of an organisation's activities on nature and society as stated in Topic Paper 2.

Beat Schweizer, PETRANIX, Switzerland

Neither agree nor disagree. On the one hand, the change would make sense with respect to the content of integrated reporting, in the sense of really integrating all different capitals equally into the case in question. This would also mean that the concept of value creation should be clarified. Is it financial value creation plus more, or is it value creation in different dimensions in equal terms?

On the other hand, the big advantage of the Integrated Reporting approach is the power of really bringing the other capitals to the forefront of the business, which is financial. In view of integrated reporting sustainability becomes a business case and has the power to convince investors of its use. It's not mere CSR and greenwashing anymore, now it's at the core of the business and talks to the investors. I fear a bit to risk this potential if everything is equalled. And in the end, it's always about money, to be realistic. The purpose of any business is to generate a ROI in the first place. Through integrated reporting investors can be convinced that many different capitals, a wholistic picture, are needed to create this value and they can be leveraged. This is the big difference to GRI for example.

Bernd Schönhofer, Munich Airport, Germany

Agree. Yes. In order to have a holistic approach, the IIRC should change financial capital to capital in the IR Framework.

Bhavin Bryan Kapadia, Sustainable derivatives, United States of America

Agree.

Bill Allan, Individual, United States of America

Agree. On revised 1.7, why should the primary purpose be limited "to explain to providers of financial capital how an organization creates value over time"? Surely the explanations should be directed to all stakeholders. "How financial capital is directed" may, as your draft states, be one of the keys, but isn't the main purpose of <IR> to acknowledge costs and benefits of uses of all forms of capital and the overall impact on all stakeholders?

Bill Baue, r3.0, United States of America

Agree. Yes, I agree in principle with the shift from a prioritization of "Shareholder Primacy," but I would be derelict if I did not point out the obvious -- that the primary "provider of capital" is Gaia, who provides natural capital, and doesn't give a sh*t about organizations "explaining" how they "create value over time." What matters to Gaia is how an organization *performs* in terms of preserving natural capital within its carrying capacities. In other words, Gaia needs organizations to create System Value over time -- value that accrues not only to the organization (at the expense of the system), but also value that accrues to the system in ways that enable the system to continue functioning in good health.

The original formulation was a fatal flaw in IIRC's formulation, a capitulation to shareholder primacy, so it's abundantly welcome that IIRC is shifting its stance to one that respects all stakeholders -- including the ultimate stakeholder, Gaia.

Black Sun PLC, United Kingdom of Great Britain and Northern Ireland

Agree. It reduces the implication of shareholder primacy and is more balanced. It should be noted that the term "Capital" inherently implies financial capital due to historic use of the term. In light of this, it may be prudent to clarify with "various forms of capital" or "multi-capital" or similar to ensure there is no confusion.

Bruno Gasparroni, UniCredit Group, Italy

Agree. We agree because in the old version too much emphasis was placed on financial capital and consequently on shareholders and on the short term vision. In the new version, the vision is extended to all capitals and therefore to all stakeholders who have the same importance for the long-term value creation.

Carlos Brandão, Independent, Brazil

Agree. Because it makes clear that value creation and outcomes are related to of all forms of capital.

Carlos Javier Alonso, Individual, Argentina

Disagree. I would suggest referring to "stakeholders" instead of providers of capital given the fact that stakeholders include providers of capital and other groups of people interested in the Entity's capacity to create value, although they may not be such providers (potential customers or investors, for example). Besides, not all capitals involve a provider (i.e. natural capital).

Carol Adams, Durham University Business School, International

Agree.

Cédric Gélard, CNCC/CSOEC, France

Agree. We agree with the IIRC proposals in paragraph 1.7 and 1.8 of the <IR> Framework. We believe that this change does not mark a retreat from providers of financial capital, but rather a growing recognition of the contribution of providers of other capitals, leading to a greater sense of "joint primacy"

Christine Smith, Clearspace Limited, New Zealand

Agree.

Constanza Gorleri, Banco Galicia, Argentina

Agree. We think is clearer because it extends the scope to providers of all forms of capital.

Cornis Van der Lugt, University of Stellenbosch Business School, South Africa

Disagree. There are three issue that tend to get confused here: One is a focus on financial capital versus six or multi capitals. The second is a focus on one stakeholder group versus being more inclusive and pursuing a multi stakeholder approach in various business activities. The third is a decision on the target audience of one type of report, and whether it is assumed that this report replaces other reports.

It is clear that today that the IR was not going to become the "One Report" that replaces all other reports. Annual reports, IRs and sustainability reports will continue to co-exist. A key feature of the IR is that it focuses on the providers of financial capital. It has that focus, seeking to engage responsible investors (who fully understand and support the idea of a multi capital approach and the value of engaging diverse stakeholders in all business activities). Taking away that focus, referring to providers of all capitals, amounts to saying the IR targets all stakeholders. The logical consequence of this is the the IIRC and GRI target the same audience, so we end up with two types of sustainability reports. GRI still has a critical function in meeting the information needs of other priority stakeholders. But the IIRC should not loose its unique focus. In South Africa there is confusion about the IR target audience, as the local IRC states the aim of the report is to target all stakeholders while the IIRC states the aim is to target the providers of financial capital. The result is confusion. Some corporates (eg mining industries) follow the IRC guidance, others (eg service industries) follow the IIRC guidance. From the most extensive quantitative analysis of the ESG and financial performance of South African IR reporters to date (considering the EY awards 2013 - 2018), we found the price to be paid by this confusion. SA investors do not reward top quality integrated reporters. Considering cost of capital and share price, there is no significant difference compared to low quality integrated reporters in SA. This shows that IRs by South African corporates fail to impress local investors, as many of them speak to a general public and do not effectively speak to investors. (One can of course also argue that the weakness lies with South African investors, and that broad understanding for ESG is still limited. / issue of investor education)

Daniel Clayton, Accountability Consulting, United States of America

Agree.

David Herbinet, Mazars, United Kingdom of Great Britain and Northern Ireland

Agree. Yes agree that without necessarily excluding any stakeholder group, the primary focus of the author of integrated report should be to explain the value creation model to the providers of all capitals supporting an organisation's business model and which could include any one of - financial capital; manufacturing capital; human capital; social and relationship capital; intellectual capital and, natural capital. Natural capital is described as providing "providing the environment in which the other capitals sit". This includes current shareholders and potential investors, employees - who may also be shareholders - customers, suppliers, community leaders, and the community-at-large and is in line with the objective of preserving the capitals who underpin the model of value creation. Notwithstanding the above, it is fundamental for the reporting entity to have clarity on the topic of who it prepares the integrated report for as this will enable it to correctly apply the concept of materiality and define what topics should be included in the report. The wider this group is the higher the risk that the report loses focus in trying to meet a multitude of different needs. Similarly the stakeholders for which the report is being prepared should be those that have an interest in the reporting entity as a whole rather than just some specific aspects as again in trying to meet these specific needs the reporting entity may end up providing disproportional amounts of information which is not relevant to users evaluating the entity as a whole.

Dawn Baggaley, NZ Post, New Zealand

Agree. Yes however I don't believe these word changes alone will solve the underlying issue to ensure that all capitals/resources that an organisation depends on to create value will be given equal/relative weighting (according their ability to create value). Changes to the VCM and how organisations understand their impact are critical coupled with good performance measures to show outcomes/impact. The ultimate goal is to get providers of financial capital to allocate it to sustainable businesses so the emphasis is on business to provide good information across all capitals.

Deidre Henne, McMaster University, Canada

Agree.

Delphine Gibassier, Independent, France

Agree. Completely agree. This is highly time to update. This would be in line with what is happening elsewhere (including NFRD revision)

Derick Nkajja, Institute of Certified Public Accountants of Uganda (ICPAU), Uganda

Agree. Section 1.7 in its present state defeats the ultimate intention of integrated Reporting. One cannot be seen popularizing the 6 capitals yet recognition and primary purpose is deemed to rest with providers of only one of the capitals that is the financial capital.

Dr. Erkin Erimez, ARGE Consulting, Turkey

Agree. New version of Paragraph 1.7 is more comprehensive compared to existing one. Because existing version creates an image that report has been prepared mainly for financial capital providers. However, IR's main purpose is to improve transparency for all key stakeholders based on materiality for the organization and the stakeholders.

Dr. Fatma Öğücü Şen, Argüden Governance Academy, Turkey

Agree. We agree with the proposed changed to Paragraph 1.7. The new version is more comprehensive. The main purpose of <IR> is to improve transparency for all key stakeholders based on materiality for the organization and the stakeholders; however, the existing version creates an image that report has been prepared mainly for financial capital providers.

Edouard Gridel, Institut du Capitalisme Responsible, Gambia

Agree. This change illustrates the fact that financial capital is only an input among many others which permits busines models to run, and value to be created

Elda Almeida, Independent, Argentina

Agree.

Fay Hoosain, Integrated Reporting Committee of South Africa, South Africa

Agree. Regarding a, we agree with the proposed change, but further suggest that the words "to providers of capital" are superfluous in amended Paragraph 1.7 as stated. The omission of these words would see amended Paragraph 1.7 read as: "The primary purpose of an integrated report is to explain how an organization creates value over time. It therefore contains relevant information, both financial and other." Such a change will reflect the integrated report as the value creation story of the organization - to be read by all those interested in the organization's ability to create value over time.

Fernando Portus, Independent, Argentina

Agree.

Fiona Robertson, Leeds Beckett University, United Kingdom of Great Britain and Northern Ireland

Neither agree nor disagree. you could argue for this as the environment through provision of clean air, water, etc provides capital - likewise with human capital, employees are giving their time, loyalty and service.

Graham Terry, Independent, South Africa

Agree. I have always argued for this approach. Whilst the integrated report may have been prepared initially for providers of financial capital it is used more widely now

Guler Aras, Integrated Reporting Turkey Network (ERTA), Turkey

Undecided. Our members who agree with the proposed change believe that the primacy given to providers of financial capital means that the reporting has a clear focus and represents the likely main users of integrated reports. Furthermore, different groups would like to have and if their interests are all of equal importance then the appropriate content is hard to determine. One of our members who did not agree the proposal explained this situation with an example. In Australia, there are some organisations use the <IR> Framework to structure their 'Operating & Financial Review' (OFR), contained within their annual report to shareholders prepared in accordance with local legislation and regulatory guidance. Some of our members agree with the proposal and they think that integrated report targets various stakeholder groups, not just the providers of financial capitals. These can be an employee or a potential employee (provider of human capital) is just as interested in what is being reported as the investment community. In addition to this, one of our members suggested a stakeholder matrix to show differences among companies.

Herma van der Laarse, ABN AMRO, Netherlands

Disagree. I do not agree with changing the primary purpose of an integrated report to exclude investors. It is not always there yett or acted upon, but the integrated report is a means to stimulate investors to consider both financial and non-financial information. Deleting this from part 1.7 would be certainly reducing the value of the <IR> Framework for our organisation.

Inés García Fronti, Buenos Aires University, Argentina

Agree.

Innocent Sithole, Training and Advisory Services, Zimbabwe

Agree. We agree with proposed change to Paragraph 1.7 as it now widens the scope of stakeholders to whom the integrated report will encompass. This change will align with the stakeholders and the integrated reporting framework's six capitals.

Previously the scope was limited to the providers of financial capital, yet the IR Framework speaks to the six capitals. Thus, all providers of the six capitals will now be considered and benefit from the integrated report.

J Robert Gibson, Hong Kong University of Science and Technology, China

Disagree. I STRONGLY DISAGREE with this change. Reasons: 1) A key function of company reporting is to act as a feedback loop between investors who own companies and company management. Investors have the power to change Directors and pass Shareholder Resolutions asking companies to take particular action. This feedback loop is not working well due to (a) many companies paying little attention to social and natural capital; (b) reports becoming lengthy exercise is compliance reporting rather than communicating key issues. 2) was invented to fix this problem by providing clear CONCISE reporting to Financial Capital providers. This focus on Financial Capital providers is essential to the reports being useful to those providers. 3) Sadly very few current <IR> reports are CONCISE and consequently their impact on Financial Capital providers is limited. The current review should give priority to addressing this problem. 4) When non-financial capitals are important to Financial Capital providers they so should be included in an <IR>. This is often the case. Two major examples of why are oil spill risks for BP or diesel engine regulatory compliance for VW. 5) A well-managed company should produce a GRI compliant Sustainability Report in addition to its <IR>. A well-produced Sustainability Report will be considering Topics which concern all types of stakeholders and have sections which address their concerns. That's good. Leave this information there. Do not dilute <IR> focus on improving the feedback loop between Financial Capital providers and Companies.

Janine Guillot, Sustainability Accounting Standards Board, United States of America

Agree. Agree with qualification. We suggest clarifying the edit to section 1.7. We assume that deleting the word “financial” is intended to signal that the purpose of the integrated report is to explain to providers of both financial and non-financial capital - including employees, communities, and regulators – how an organization creates value over time. If that is the intent, we would encourage this distinction to be made more explicit. Because the word “capital” has a strong financial connotation for some audiences, deleting the word financial may not be sufficient to convey the revised intent.

We also recommend more explicit discussion on the impacts of this shift to reporting organizations as well as users of the reported information.

Jayantha Nagendran, Smart Media The Annual Report Company, Sri Lanka

Disagree. TP 3.1 Most (if not all) jurisdictions recognise the providers of equity capital (or equivalent) as the primary stakeholder. However, that does not mean the other extreme, as espoused by the Friedman doctrine. The <IR> Framework adequately balances this much-debated topic in the context of a multi-capital approach. It also aligns with other reporting initiatives and standards.

TP 3.2 However, the <IR> Framework's definition of financial capital ("the pool of funds” obtained through financing (equity, debt and internal cash generation)) is weak and needs to be revised: (a) It fails to provide a composite indicator that consolidates the financial statements in a nutshell to show the inadequacy of the financial reporting system in capturing value creation.

(b) It is often cited that the book value of an organisation (also referred to as net assets, net worth or owners’ equity) represents only a fraction of its market value (market capitalisation). The book value as per financial statements is the theoretical value of the business to shareholders, which according to the Friedman doctrine, an organisation would single-mindedly seek to maximise with scant regard for the rest. Hence, it would be more logical to define financial capital as the book value of an organisation, which then provides a clear justification for the multi-capital approach of integrated thinking and integrated reporting to address the weaknesses in the financial reporting system. Maximisation of shareholder value as per the Friedman doctrine is not about maximising the “pool of funds”. [See our feedback of 13 Feb 2020 to the IIRC Business Network on their ‘Integrated Thinking & Strategy – State of play report’.] (c) Going further, it would appear that value has been created the moment an organisation receives a bank loan, as its “pool of funds” or financial capital would have increased, with no changes in any of the other <IR> Framework-defined capitals. But, has value been created? In contrast, the organisation's book value would not have changed, as the cash received from the bank (an asset) would be offset by an equal and opposite liability; and so no value has been created overall. (d) If the book value is defined as the financial capital, all other capitals in a multi-capital model are those which are not reflected in the financial statements at the time of measurement and reporting. The basis for categorisation of the multiple capitals then becomes 'on-balance sheet ' for financial capital, and 'off-balance sheet' for the others, which strengthens the business case for integrated thinking and questioning the Friedman doctrine. (e) Nevertheless, it will be noted that the off-balance sheet capitals get included in the balance sheet indirectly when they become monetised over time and contribute to the financial capital (book value) of the organisation. TP 3.3 Continuing from TP 3.2 (d), one could develop a more meaningful set of capitals using stakeholders. A detailed feedback on improving the value creation process flow diagram (<IR> Framework Fig 2, p 13) along with a practical basis for defining the multiple capitals that relate to stakeholders, materiality and sustainability reporting was submitted to the IIRC Business Network on 13 Feb 2020 in response to a call for sharing our thoughts on their 'Integrated Thinking & Strategy – State of play report'.

Jennifer Norris, Independent, United States of America

Agree. seems logical to expand to all capitals

Jo Cain, Auditing and Assurance Standards Board (AUASB), Australia

Agree. One of the fundamental concepts of IR is the six capitals, hence broadening this out to providers of any of these six capitals, rather than just financial makes sense, and provides better proportionality across all six capitals.

John Dumay, Macquarie University, Australia

Agree. However, it may be just a cosmetic change. mono-capitalism versus multi-capitalism, is still capitalism. The supporters of the IIRC (Council and it members) are mainly interested in supporting the creation of financial capital. So I fail to see how changing a few words will change the focus when the supporters of <IR> remain the same.

Jona Basha, Accountancy Europe, Belgium

Agree. (16) Accountancy Europe welcomes the IIRC proposals in paragraph 1.7 and 1.8 of the <IR> Framework aiming a shift in focus from an investor lens, to a broader stakeholder lens. However, in line with the changes in wording, we also suggest revising the respective tone set in other sections of the <IR> Framework (see footnote for some examples) . (17) Defining materiality for non-financial reporting purposes can be more challenging and complicated than defining materiality for financial reporting purposes. It is the responsibility of the preparer to define materiality for reporting purposes and therefore the reporting framework should provide sufficient guidance as to how to this should be performed (for financial but also non-financial purposes). Companies should better connect financial and non-financial information to improve the robustness and reliability of the reported information. (18) In shifting such a focus, we would suggest the IIRC to review the definition and process of determination of materiality (section 3D of the <IR> Framework) for it to be broader stakeholder focused. The IIRC may consider our considerations on materiality in our paper Interconnected Standard Setting (see: https://www.accountancyeurope.eu/publications/interconnected-standard-setting-for-corporate-reporting/)in building this guiding principle. (19) Finally, we also suggest the IIRC to collect feedback from stakeholders other than investors on how they perceive the <IR> Framework and how would their needs and concerns be better addressed.

Footnote: ISA 260, paragraph 10, as issued by the International Audit and Assurance Standards Board (IAASB): Those charged with governance – The person(s) or organization(s) (e.g., a corporate trustee) with responsibility for overseeing the strategic direction of the entity and obligations related to the accountability of the entity. This includes overseeing the financial reporting process. For some entities in some jurisdictions, those charged with governance may include management personnel, for example, executive members of a governance board of a private or public sector entity, or an owner-manager.   Section "Executive summary": Integrated Reporting () promotes a more cohesive and efficient approach to corporate reporting and aims to improve the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital. Paragraph 2.5: Providers of financial capital are interested in the value an organization creates for itself. Paragraph 3.20: To be most effective, the materiality determination process is integrated into the organization's management processes and includes regular engagement with providers of financial capital [...].

Judy Ryan, Independent, New Zealand

Agree. good clarification

Jun Honda, WICI Japan, Japan

Disagree. a. No. It is premature to change so, because a substantial number of readers of integrated reports are still securities investors who primarily apply financial measurements for corporate value.   In addition, if you change as proposed, you have to provide lengthy definition of 'capitals' here in this sentence (paragraph 1.7) which may cause another burden.

Kavita Jadeja, EY, India

Disagree.

Le Quang TRAN VAN, Afep, France

Agree. Yes, we agree with the changes proposed in paragraphs 1.7 and 1.8 of Topic Paper 3. The implied investor primacy of the current wording of § 1.7 is in contradiction with the broad concept of value creation, which is a core element in the Framework, and which goes well beyond the creation of financial capital. It is a welcome signal that providers of financial capital are not the only and primary addressees of integrated reports but that the latter are designed to inform all stakeholders, including employees, customers, suppliers, local communities etc.

Leonie Meyer, Individual, South Africa

Agree.

Lydia Tsen, Chartered Accountants Australia and New Zealand / CPA Australia (joint submission), International

Agree. Yes, the audience and users of integrated reports is broader than just providers of financial capital. It is therefore appropriate to clarify this in the primary purpose.

Mar Granados, Repsol, Spain

Disagree. We disagree with the proposed change, as we recognize investors and market analysts as primary users of the integrated reporting information.

Mardi McBrien, Climate Disclosure Standards Board (CDSB), United Kingdom of Great Britain and Northern Ireland

Disagree. We do not support the removal of financial capital from 1.7. From our recent review of annual and integrated reports, we see that other stakeholders are receiving more focus than investors who need material and decision-useful information to inform, first and foremost allocation of financial capital. This decision-useful information to inform capital allocations will need to cut across all forms of capital including financial capital and be integrated. To this end, we wish to point out that the Second Status Report of the TCFD found insufficient disclosure practice in linking financial and non-financial information. Therefore the <IR> Framework should be reinforcing not deleting this point.

Maria Farfan, Pontificia Universidad Javeriana, Colombia

Neither agree nor disagree. I would use the expression "diferent stakeholders" instead of providers of diferent capitals. I think the idea of report not only to providers or financial capital but all related parties is incorporated in the mind of people, overall sustainability related people. The stakeholders theory offers visions about how to construct a more ethical business and is more aligned with corporate social responsability. The term provider of capital, even of capitals diferent than financial, makes me think that only those who provide something are important for the organization, and I'm not sure in is always the case, or for example who provides natural capital, if not nature itself?

Maria Towes, Durham University, United Kingdom of Great Britain and Northern Ireland

Disagree. I feel 'providers of capital' is unclear and suggest replacing with 'stakeholders' or removing the words entirely to read 'The primary purpose of an integrated report is to explain how an organisation creates value over time.'

Maria Angelica Costa, Independent, Brazil

Agree. Because with this change there is no more focus only on finance capital providers!

Maria Eugenia Bellazzi, Sustenia, Argentina

Agree. We think is clearer because it extends the scope to providers of all forms of capital.

Marje Russ, Independent, New Zealand

Agree. I strongly agree with the proposed changes to paragraphs 1.7 and 1.8. The limitation of the purpose and intended users to providers of financial capital has always been the most concerning aspect of the Framework. It has limited the ability and drive to develop truly integrated and systems thinking. It failed to recognise the significant (and in many cases far more significant) contributions and influence of other capitals on value creation. These very simple changes will unlock significant new value in application and impact of the Framework.

Mark McElroy, Center for Sustainable Organizations, United States of America

Disagree. If you are going to be true to the original interpretation of integrated reporting, should not be about "how an organization creates value over time", but rather should be about whether or not an organization's impacts on capitals are sustainable -- and that, of course, includes consideration of its impacts on financial capital for the sake of shareholders and lenders, and much more. By fixating on value creation the way you do, you implicitly advocate for a theory of performance that calls for and rewards open-ended value (capital) creation, the more the better. In doing so, you turn your backs on the concept of sufficiency, even as you also ignore the fact that not all impacts on vital capitals are material. Consider this: If an organization's impacts on financial capital are positive in the extreme but its impacts on all the other capitals are neutral (not even negative), is its performance laudable? Worthy of celebration? Definitely not. All organization's owe duties of care to a wide variety of stakeholders to have impacts on capitals of importance to them them, too, and yet the doesn't even ask the questions of (a) who such rightsholders might be, (b) what the corresponding duties are to have impacts on capitals that are of importance to them, or (c) what the resulting standards of performance should be in determining whether or not the organization's actual impacts are sufficient? Indeed, there is nothing in the <IR> Framework that calls for organizations to set standards of performance their impacts on capitals, much less language that would suggest the creators of <IR> are even sensitive to the very idea. Instead, it's all about how an organization can create and maximize value creation (bigger supplies of capital), regardless of how, or even if, such impacts may be contributing to the fulfillment of duties and obligations owed to stakeholders. To shareholders and lenders, yes, but not to everyone else. This amounts to a serious defect in the materiality determination criteria in <IR>, but I'll leave it at that for now. Next, those to whom a duty of disclosure is owed is not, contrary to your proposed language, "providers of capital". Here again, <IR> as written seems to profoundly miss the point. The duty to disclose is owed to those whose well-being depends upon the USE of such capitals. Yes it can include those who provide them, but usually not. When a company damages the climate systems because of its excessive greenhouse gas emissions, it is not having negative impacts on capital (a natural type) that anyone owns or provides. Rather, it is having impact upon a type of capital that everyone uses and relies upon for their well-being, and that is what gives rise to the duty to disclose. All impacts on vital capitals that people rely on for their well-being, and all impacts that ought to be taking place, are material for <IR> reporting purposes. If you ignore this, you make it possible for organizations to produce glowing <IR> reports even when they are putting the sufficiency of vital capitals or the well-being of those who depend on them at risk. You should stop doing that, it's embarrassing, above and beyond the fact that your fixation on "creating value" is no less pandering to providers of financial capital. Only they care about open-ended value creation. Last, I and my colleague Martin Thomas in the UK, are the originators of the distinction you are using between "monocapitalism" and "multicapitalism". We coined those terms and published them no later than 2014 when they were first disclosed online here: http://www.multicapitalism.com/Multicapitalism.pdf The co-authors of the paper titled in those terms, currently posted on your website ("From Monocapitalism to Multicapitalism), Richard Howitt and Ralph Thurm, were very much aware of this sourcing and included mention of it by way of a reference in their paper. They did that with our permission and support. Your current Topic Paper 3, however, fails to attribute that terminology and concept to its source (myself and Mr. Thomas). Henceforth, I would ask that you take care to give due attribution to whom it is due. For additional bibliographic references, you will find our original use of those terms and ideas in a paper we wrote in 2015 (The MultiCapital Scorecard: https://www.multicapitalscorecard.com/wp-content/uploads/2018/02/MultiCapital_Scorecard.pdf) and in a book by the same title in 2016: https://www.chelseagreen.com/product/the-multicapital-scorecard/. Please do not fail to mention the source of our intellectual contributions again when you use them. We'd appreciate it.

Massimo Romano, Independent, Italy

Agree. We agree on the proposed changes, even if the Framework doesn't negate the importance of other stakeholders. It has been set up creating a proper balance between financial and non-financial performance, otherwise a reporter could incur in the risk of putting too much emphasis on "green" topic, as it was in the past.

Mervyn King, Senior Counsel and former Judge of the Supreme Court of South Africa, Chair of the African Integrated Reporting Council, Chair of the Integrated Reporting Committee of South Africa, Chair Emeritus of the IIRC, Chair Emeritus of GRI - Responding in an independent capacity, South Africa

I agree with the proposed change to paragraph 1.7.

Michel Washer, Solvay, Belgium

Agree.

Miguel Oyarbide, Australia Post, Australia

Agree.

Nandita Mishra, Amity University, India

Agree. I think if the changes suggested can clear the confusion around the capital and meaning of capital then there is no harm deleting one word and creating a broader meaning of capital

Nandkumar Vadakepatth, DNV GL, India

Agree. i feel it should be for all intended stakeholders; why limit it to capital providers or providers of financial capital. We can say including providers of financial capital.

Neil Smith, Koan Group, Netherlands

Disagree. Whilst I understand the reasoning for this - I don't think this is the solution. To remove this would possibly give 'free reign' to simply start to think of it as a CSR /sustainability report. Ultimately, the purpose of an Integrated Report is to allow investors to make informed decisions based on all available information - I.e. beyond financials. Loosening this might loosen the importance from this stakeholder group.

Nick Ridehalgh, Business Reporting Leaders Forum - Executive, Australia

Disagree. We do not agree with the proposed change. At the time of development of the <IR> Framework there was considerable discussion about who the audience should be for an integrated report, as, amongst other things, a stakeholder lens was required to determine what disclosures were material for reporting purposes.

In Australia we are now seeing organisations use the <IR> Framework to structure their 'Operating &

Financial Review' (OFR), contained within their annual report to shareholders prepared in accordance with local legislation and regulatory guidance.

We do provide an alternative solution, where the <IR> Framework could allow the organisation to specify the primary audience for its integrated report, if it is not the providers of financial capital. However, the integrated report should clearly identify the proposed audience and how their material information needs have been determined and reported at the start of their integrated report.

Nowmitta Jahanzaib, Institute of Cost and Management Accountants of Pakistan, Pakistan

Agree. I fully agree to this that the main purpose of IR should be to explain to providers of capital how an organization creates value over time.As the stakeholders are getting the input from all the 6 sources of capital to fall within the framework of IR.The main.The IR framework is a evolving text and it conveys the input which all the 6 sources of capital give to an organization.

Paul Hurks, NBA, Netherlands

Neither agree nor disagree. 16. NBA understands the IIRC proposals in paragraph 1.7 and 1.8 of the <IR> Framework aiming a shift in focus from an investor lens, to a broader stakeholder lens. However, we should acknowledge that the providers of financial capital are currently still the primary users, at least the primary decision makers. The proposed shift can be useful and may emphasize that providers of financial capital consider the outcomes and impacts relevant for satisfying multi-stakeholder needs in the decision making process.

17. A shift such a proposed may contribute to an improved multi-capital focus, better connectivity of information (including the relevant extended boundaries covering the organisation's supply chain and beyond) and double materiality (impacts for the company, outside-in, and impacts for society, inside-out). Greater awareness that non-financial topics are relevant for financial performance/risks; this may encourage real connectivity.

Paul Thompson, European Federation of Accountants and Auditors for SMEs, International

Agree.

Peter Paul van de Wijs, GRI, Netherlands

Disagree. GRI does not believe that proposal 1a will work technically. It is generally understood who are the providers of financial capital but the providers of natural capital are difficult to identify. Companies can enhance and erode natural capital but we would recommend to refrain from referring to providers of natural capital.

Prof Barry Cooper, Deakin Business School, Australia

Disagree. At the time of development of the <IR> Framework there was considerable discussion about who the integrated report should be for, and it was agreed that: • a primary purpose was required to be defined ie. to explain to providers of financial capital how an organisation creates value over time in order to, amongst other things, determine the material information needs of the specific primary stakeholder; and • the primary user should be providers of financial capital, but that because the integrated report covers the organisation's business and performance in effectively using 'all capitals' to create value over the short, medium and longer term, it was understood that an integrated report would also be useful for all other stakeholders. It should also be noted that many organisations are using the <IR> Framework to structure their 'Operating & Financial Review' (OFR), Management Discussion and Analysis (MD&A) or Strategic Report contained within their annual report to shareholders prepared in accordance with local legislation and regulatory guidance. The revised IASB Management Commentary Practice Statement, due for exposure in 2020, is likely to focus on explaining an organisation's business, financial performance, position and prospects. It has been drafted to be substantively equivalent with the <IR> Framework, so that a comprehensive understanding is presented to the providers of financial capital on The Business, how it performed, and importantly how it is positioned to deliver financial returns (value) over the longer term. Paragraph 1.7 could however provide an alternative solution, allowing the organisation to specify the primary audience for its integrated report, if it is not the providers of financial capital. For example, a member-based organisation may focus the report on meeting member information needs; a not-for-profit may focus the report on meeting donor information needs. The integrated report should clearly identify the proposed audience, how their material information needs have been determined etc. at the start of their integrated report.

Redefining Value, World Business Council for Sustainable Development, Switzerland

Disagree. No - the suggested change implies that there are equivalent "representatives" to providers of financial capital for other types of capital – when these capitals may be the results of natural/ social processes or provided by non-human actors. While there is merit in highlighting the need for reporting to/ addressing other "audiences," it is not clear that the suggested change adequately supports this intention.

Richard Chambers, The Institute of Internal Auditors, United States of America

Agree. We suggest the entire reference to audience be deleted and the definition be rewritten to read: “The primary purpose of an integrated report is to explain how an organization impacts capitals in its pursuit of value over time.” This change supports the shift from a financial capital focus to multi-capitalism, and removes the emphasis of investors above those of other stakeholders. It helps lead to a much broader view of value impact, which can be positive and negative, rather than using the term “create value” which implies positivity. This also better matches the language used to explain the purpose of an integrated report elsewhere in the Framework. For example, 2.2 reads: “An integrated report explains how an organization creates value over time.” We suggest this be changed to “impacts value.”

Richard Martin, ACCA, International

Disagree. We do not agree with the proposed change. The primacy given to providers of financial capital means that the reporting has a clear focus and represents the likely main users of integrated reports. Different groups will have different information they would like to have and if their interests are all of equal importance then the appropriate content is hard to determine. The information relevant to the providers of financial capital is likely to be of great usefulness to other stakeholders as paragraph 1.8 explains.

Ron Gruijters, Eumedion, Netherlands

Disagree. We strongly disagree. We interpret the erasing of the word ‘financial’ as a means to broaden the ‘primary audience’ to all stakeholders of the company, including the natural environment. We do subscribe to the view that the purpose of companies is to serve all of its stakeholders. However, the reporting entity clearly has ample possibilities to communicate with its employees, customers and suppliers through other means than the annual report. This also accounts for other important, but more distant, stakeholders like NGOs, environment and local communities. The annual report is the primary source of communication with the providers of financial capital and should remain so. If anything, the IIRC could possibly explore if it could refine the definition of providers of financial capital as those that take long term value creation for all stakeholders into account. All the reasons why the IIRC originally chose to set the existing definition remain as valid as they were.

Sasol Integrated Report Team, Sasol, South Africa

Agree. Yes the Framework must be aimed at all stakeholders.

Sergio Cravero, PwC, Argentina

Agree.

Shimellis Assegahegne, Independent, Ethiopia

Agree.

Stefan Hannen, Kirchhoff Consult AG, Germany

Agree.

Thomas Scheiwiller, IMPACTS, Switzerland

Neither agree nor disagree.

Tjeerd Krumpelman, ABN AMRO, Netherlands

Neither agree nor disagree. I thought it was quite powerful so far to have a focus on the providers of financial capital. It is a big shift to just remove the word financial in 1.7. Not sure I agree with it.

Tokiko Fujiwara-Achren, Independent, Finland

Agree. "Financial capital" means only "financial". But "Capital" means including financial, manufactured, intellectual, human, social and relationship, and natural capital as remarks on Analysis docs.

Tokiko Yokoi, Individual, Japan

Agree. It's so helpful for understanding the core concept of providers.

Usha Ganga, HAN University of applied sciences, Netherlands

Agree. It is an improvement that by scrapping the word financial the identified primacy of financial capital is stopped. This primacy of financial capital is also felt by organisations. As a previous assurance provider on non-financial management, I have heard more than one organisation that switched from GRI to <IR> in order to go back to shareholder and financial primacy.

I do have a problem with the term PROVIDERS of capital. The question is who will be identified as providers of intellectual capital / natural capital (mother earth?) etc. It gives an unnecessary focus on possession that I believe is contrary to the aim of the <IR> Framework. Therefore I would prefer to use terms such as rightsholders of capital, capital stakeholders etc.

Veronica Poole, Deloitte, United Kingdom of Great Britain and Northern Ireland

Neither agree nor disagree. The fundamental concept of value creation at paragraphs 2.4-2.6 of the <IR> Framework makes it clear that there is an essential relationship between value created for the company itself and its providers of financial capital, and value created for others. We consider that it is essential that corporate reporting plays an overt role in directing financial capital to long-term sustainable/resilient business. Reporting to providers of financial capital on value creation over time (governance, strategy, performance and prospects) is an essential function of reporting. The <IR> Framework and the wider work of the IIRC should continue to emphasise information that will support a shift of investment to sustainable development (a point that Larry Fink, Chairman and CEO of BlackRock has made in his most recent annual letter to CEOs). We therefore continue to believe that the materiality lens of the current <IR> Framework serves well to explain to providers of financial capital how an organisation creates value over time and this focus will not only continue to be relevant, but will grow in importance. This also reflects the experience of some of the countries where integrated reporting has been successfully adopted in the mainstream of corporate reporting. However, the proposed changes to paragraphs 1.7 and 1.8 would be appropriate in the context of the <IR> Framework as a conceptual framework for corporate reporting (ie not focused on guidance for the integrated report per se, but more on the totality of corporate reporting and related connectivity). As the topic paper notes, these changes are consistent with developments in responsible capitalism and thinking on the purpose of business – which is increasingly reflected in duties of directors and corporate governance codes in various jurisdictions. As a result, this is increasing the information needs of providers of all capitals on the wider impacts of a company on society and the environment, rather than to decrease the importance of providers of financial capital. There is a need for an underlying connectivity to information made available to stakeholders (including providers of financial capital) via different reports.

Warren Koen, Export Credit Insurance Corporation, South Africa

Agree.

Wesley Boone, ABN AMRO, Netherlands

Agree. Completely agree. This provides a better match with the multi-capital approach.

Question 1b. Do you agree with the proposed change to Paragraph 1.8?

Adam WIlliamson, AAT, United Kingdom of Great Britain and Northern Ireland

Agree. This provides clearer messaging to outline the expected breadth of audiences for each report rather than investor supremacy

Alan Willis, Independent, Canada

Agree. No further comment needed.

Alexander Kurnikov, 1C, Ukraine

Neither agree nor disagree. Omit "financial" again

Alexandra Chistyakova, JSC ASE, Russian Federation

Agree. This will shift the focus from only financial aspects and increase the importance of other capitals.

Anastasia Gabrielyan, Da-Strategy, Russian Federation

Agree. In addition it is advisable to add in section 1.8 also public (non-government) environmental organisations. Ecologists represent the interests of "silent" natural capital.

Andrej Drapal, Consensus d.o.o., Slovenia

Agree. 1.7.: "capitals" not "capital".

April Mackenzie, External Reporting Board, New Zealand

Disagree. See response to Q1a

Azizah Mohd Ghani, Malaysian Institute of Accountants, Malaysia

Agree. (a) and (b)

We agree with the proposed change for Paragraph 1.7 and the consequential amendment to Paragraph 1.8. This would reflect the principle that various stakeholders may be interested in an integrated report and not limited to providers of financial capital. This is in line with the growing recognition of the contribution of providers of other capitals. This will also move away from the assumption that providers of the financial capital are higher ranked than other contributors of capital.

In addition, the IIRC should consider connecting the proposed changes to paragraphs 1.7 and 1.8 to the discussion regarding the importance of considering the long-term impacts of an organisation's activities on nature and society as stated in Topic Paper 2.

Beat Schweizer, PETRANIX, Switzerland

Neither agree nor disagree. same explanation as above, both paragraphs go hand in hand.

Bernd Schönhofer, Munich Airport, Germany

Agree. Yes. The IIRC should add the providers of financial capital to the list of stakeholders in the IR Framework.

Bhavin Bryan Kapadia, Sustainable derivatives, United States of America

Disagree.

Bill Allan, Individual, United States of America

Neither agree nor disagree. Revised 1.8 notes that stakeholders are a broad group, but merely stating that an <IR> report benefits all stakeholders does not clarify how these benefits should be measured or reported to all relevant actors. Limitations on the ability of individual enterprises to assess the impact of external factors must be acknowledged, but this should be an argument for greater cooperation between enterprise and broad government rather than a reporting escape clause. These issues should be stated more clearly—and should be linked to questions 3 and 4.

Bill Baue, r3.0, United States of America

Agree. Yes, it makes sense to put providers of financial capital on par with all other named stakeholders.

Black Sun PLC, United Kingdom of Great Britain and Northern Ireland

Agree. Yes, it reduces the implication of shareholder primacy and is more balanced.

Bruno Gasparroni, UniCredit Group, Italy

Agree. We agree because for the same logic explained above, all the stakeholders are important for the company value creation.

Carlos Brandão, Independent, Brazil

Agree. Because it makes clear that providers of financial capital are part of the stakeholders of the company.

Carlos Javier Alonso, Individual, Argentina

Agree. this change will be aligned with my proposal for 1.7

Carol Adams, Durham University Business School, International

Disagree. I agree with the inclusion of providers of financial capital but it must be balanced by adding 'future generations' as a stakeholder. They have a stake in value creation or destruction with respect to natural capital and not to acknowledge that plays to the tendency of organisations to downplay or omit material value destruction which often relates to social and environmental matters.

Cédric Gélard, CNCC/CSOEC, France

Agree.

Christine Smith, Clearspace Limited, New Zealand

Agree.

Cornis Van der Lugt, University of Stellenbosch Business School, South Africa

Disagree. As explained above. Rather add explanation that states the prioritising providers of financial capital as target audience of the IR does NOT imply other stakeholders are less important. Rather, it takes different stakeholder needs seriously and recognises that a different type of report (eg sustainability reporting) speak the language of other priority stakeholder groups. The IIRC recognises in our modern, digital world that a shotgun approach in communications is ineffective. Different stakeholders speak different languages, even while conversing about the same issues. Different stakeholder groups want different levels / degrees of information on select topics.

Daniel Clayton, Accountability Consulting, United States of America

Agree.

David Herbinet, Mazars, United Kingdom of Great Britain and Northern Ireland

Agree. On the same grounds we agree with the proposed changed to paragraph 1.8 which described the integrated report as benefitting all those interested in an organisation's value creation capability over time and which should include the providers of financial capitals. We would recommend however that should the reporting entity have identified specific needs for a particular stakeholder group which may merit additional disclosure that this is done separately outside of the integrated report prioritising as such the focus on the value created by the company as a whole.

Dawn Baggaley, NZ Post, New Zealand

Agree. Yes, with the caveat above for question a. I also have a concern about the use of the word capital. I have had feedback from my colleagues that capital sounds like finances/money making it harder to 'sell' the idea of non financial value. We have started using resources instead of capital. If we have to use capital then prefacing it with non-financial is helpful.

Deidre Henne, McMaster University, Canada

Agree.

Delphine Gibassier, Independent, France

Agree. maybe providers of financial capital does not need to be first? that would make it much better

Derick Nkajja, Institute of Certified Public Accountants of Uganda (ICPAU), Uganda

Agree. The proposed definition eliminates investor primacy and gives equal attention or focus on all providers of capital.

Dr. Erkin Erimez, ARGE Consulting, Turkey

Agree. New version of Paragraph 1.8 is more comprehensive compared to existing one. Previous version lists stakeholders other than financial capital providers. When Paragraph 1.7 has been revised as providers of capital, inclusion of financial capital providers in Paragraph 1.8 completes the list of stakeholders for the company.

Dr. Fatma Öğücü Şen, Argüden Governance Academy, Turkey

Agree. We agree with the proposed changed to Paragraph 1.8. Previous version lists stakeholders other than financial capital providers. When Paragraph 1.7 has been revised as providers of capital, inclusion of financial capital providers in Paragraph 1.8 completes the list of stakeholders for the company.

Edouard Gridel, Institut du Capitalisme Responsible, Gambia

Agree. This change recognizes the fact that providers of financial capital (including shareholders) are not the only category of people who are interested and committed in the success of a company . Stakeholders now have a say

Elda Almeida, Independent, Argentina

Neither agree nor disagree.

Fay Hoosain, Integrated Reporting Committee of South Africa, South Africa

Agree. Regarding b, we agree with the inclusion of "providers of financial capital" in amended Paragraph 1.8. This is in line with the global recognition of the contribution of all resources and relationships in the value creation process of an organization. It will promote understanding that all the capitals are 'provided' by the organization's stakeholders, including customers, employees, investors, partners and suppliers, and the resources relied on.

Fernando Portus, Independent, Argentina

Agree.

Fiona Robertson, Leeds Beckett University, United Kingdom of Great Britain and Northern Ireland

Agree. the world is shifting away from a model of shareholder primacy to one of system value so this makes sense.

Graham Terry, Independent, South Africa

Agree.

Guler Aras, Integrated Reporting Turkey Network (ERTA), Turkey

Undecided. It depends on the change in Paragraph 1.7, members who agree with the proposed change to Paragraph 1.7, also accepted the change in Paragraph 1.8.

In addition, if Paragraph 1.7 change, our members believe that it will be very important to ensure that providers of financial capital are called out as a key stakeholder in 1.8.

Herma van der Laarse, ABN AMRO, Netherlands

Agree. I agree with the change in 1.8, but for me this is not linked to the change in 1.7

Inés García Fronti, Buenos Aires University, Argentina

Agree.

Innocent Sithole, Training and Advisory Services, Zimbabwe

Agree. We concur with the proposed change because the integrated report will now benefit all crucial stakeholders. All the 6 capitals play a crucial role to all companies. The effects of Cyclone Idai and Corona Virus are a clear lesson that natural capital (both how you use it and your resulting effects) is material to every company and organization. No water, no business, effects of global warming have an effect on business.

J Robert Gibson, Hong Kong University of Science and Technology, China

Agree.

Jayantha Nagendran, Smart Media The Annual Report Company, Sri Lanka

Agree. TP 3.4 Providers of financial capital (see feedback TP 3.1 above) are also stakeholders, but the definition needs a revision (see feedback TP 3.2 and TP 3.3 above).

Jennifer Norris, Independent, United States of America

Agree.

Jo Cain, Auditing and Assurance Standards Board (AUASB), Australia

Agree. Whilst investors/shareholders potentially remain the primary stakeholder for IR, and perhaps the primary stakeholder group for such communications, other stakeholder groups also derive significant value from IR. Hence, presenting providers of financial capital as one of the stakeholder groups makes sense, and provides better proportionality across all six capitals.

John Dumay, Macquarie University, Australia

Agree. As above. The emphasis on investors just moves from one paragraph to the next.

Jona Basha, Accountancy Europe, Belgium

Agree. Please refer to the comments provided above.

Judy Ryan, Independent, New Zealand

Agree. good clarification

Jun Honda, WICI Japan, Japan

Disagree. b. No, I don't agree, for the same reason as 1)a above.

Kavita Jadeja, EY, India

Agree.

Le Quang TRAN VAN, Afep, France

Agree. Yes, we agree with the changes proposed in paragraphs 1.7 and 1.8 of Topic Paper 3. The implied investor primacy of the current wording of § 1.7 is in contradiction with the broad concept of value creation, which is a core element in the Framework, and which goes well beyond the creation of financial capital. It is a welcome signal that providers of financial capital are not the only and primary addressees of integrated reports but that the latter are designed to inform all stakeholders, including employees, customers, suppliers, local communities etc.

Leonie Meyer, Individual, South Africa

Agree.

Lydia Tsen, Chartered Accountants Australia and New Zealand / CPA Australia (joint submission), International

Agree. Yes, this ensures that providers of financial capital are specifically considered as one of the stakeholders of an integrated report – assuming the amendment to paragraph 1.7 is made to remove them as the primary audience.

Mar Granados, Repsol, Spain

Agree. Although we believe investors and financial sector are the primary users, we also think the IR contributes to provide value to other stakeholders like employees, customers, suppliers, business partners, local communities, legislators, regulators and policymakers.

Mardi McBrien, Climate Disclosure Standards Board (CDSB), United Kingdom of Great Britain and Northern Ireland

Disagree. No, we do not agree with these changes. An integrated report benefits providers of financial capital and it may also benefit the needs of other stakeholders. We therefore suggest paragraph 1.8 be reworded to address this point. Our comments in the previous question also apply here.

Maria Farfan, Pontificia Universidad Javeriana, Colombia

Agree. In the last point I suggest the term stakeholders, so the second point list them, and I agree it mencion all the posible stakeholders including investors and creditors, but not in a superior category.

Maria Towes, Durham University, United Kingdom of Great Britain and Northern Ireland

Agree.

Maria Angelica Costa, Independent, Brazil

Agree. because with this change, all providers are importants, aligned with the new capitalism!

Maria Eugenia Bellazzi, Sustenia, Argentina

Agree. We think that providers of capital should be included in the stakeholder list.

Marje Russ, Independent, New Zealand

Agree. I strongly agree with the proposed changes to paragraphs 1.7 and 1.8. The limitation of the purpose and intended users to providers of financial capital has always been the most concerning aspect of the Framework. It has limited the ability and drive to develop truly integrated and systems thinking. It failed to recognise the significant (and in many cases far more significant) contributions and influence of other capitals on value creation. These very simple changes will unlock significant new value in application and impact of the Framework.

Mark McElroy, Center for Sustainable Organizations, United States of America

Disagree. Same comment above with regard to those to whom a duty of disclosure is owed. It is not, contrary to your proposed language, "providers of capital". Here again, <IR> as written seems to profoundly miss the point. The duty to disclose is owed to those whose well-being depends upon the USE of such capitals. Yes it can include those who provide them, but usually not. When a company damages the climate systems because of its excessive greenhouse gas emissions, it is not having negative impacts on capital (a natural type) that anyone owns or provides. Rather, it is having impact upon a type of capital that everyone uses and relies upon for their well-being, and that is what gives rise to the duty to disclose. All impacts on vital capitals that people rely on for their well-being, and all impacts that ought to be taking place, are material for <IR> reporting purposes. If you ignore this, you make it possible for organizations to produce glowing <IR> reports even when they are putting the sufficiency of vital capitals or the well-being of those who depend on them at risk. You should stop doing that, it's embarrassing, above and beyond the fact that your fixation on creating value is no less pandering to providers of financial capital. Only they care about open-ended value creation.

Massimo Romano, Independent, Italy

Agree. We agree on the proposed changes, even if the Framework doesn’t negate the importance of other stakeholders. It has been set up creating a proper balance between financial and non-financial performance, otherwise a reporter could incur in the risk of putting too much emphasis on “green” topic, as it was in the past.

Mervyn King, Senior Counsel and former Judge of the Supreme Court of South Africa, Chair of the African Integrated Reporting Council, Chair of the Integrated Reporting Committee of South Africa, Chair Emeritus of the IIRC, Chair Emeritus of GRI - Responding in an independent capacity, South Africa

Agree. I agree with the proposed change to paragraph 1.8

Michel Washer, Solvay, Belgium

Agree.

Miguel Oyarbide, Australia Post, Australia

Agree.

Nandita Mishra, Amity University, India

Agree. I agree with the changes as the changes will clear the meaning of value creation

Nandkumar Vadakepatth, DNV GL, India

Agree.

Neil Smith, Koan Group, Netherlands

Disagree. See above.

Nick Ridehalgh, Business Reporting Leaders Forum - Executive, Australia

Neither agree nor disagree. Depends on 1.7: If the proposed amendments to Paragraph 1.7 are approved, then it will be very important to ensure that providers of financial capital are called out as a key stakeholder in 1.8.

Nowmitta Jahanzaib, Institute of Cost and Management Accountants of Pakistan, Pakistan

Agree. Even the stakeholdesr like providersof financial information must given the details given in the Integrated Report as more avenues for corpoarte reporting have developed where Integrated reporting has hit the top in terms of expalining the the core values of input which give value to the organization.As this type of reporting focuses not just on the financial but on the non finacial resources of the organization that provide information to the stake holders .

Paul Hurks, NBA, Netherlands

Neither agree nor disagree. See Q1a.

Paul Thompson, European Federation of Accountants and Auditors for SMEs, International

Agree.

Peter Paul van de Wijs, GRI, Netherlands

Agree. GRI agrees with proposal 1b and would like to suggest to add additional stakeholders representing the natural environment such as relevant international NGOs.

Prof Barry Cooper, Deakin Business School, Australia

Neither agree nor disagree. Depends on 1.7: If the proposed amendments to Paragraph 1.7 are approved, then it will be very important to ensure that providers of financial capital are called out as a key stakeholder in 1.8.

Redefining Value, World Business Council for Sustainable Development, Switzerland

Agree.

Richard Chambers, The Institute of Internal Auditors, United States of America

Agree. Adding "providers of financial capital" adds this group specifically to the beneficiaries of integrated reports and the full list of capitals leads to greater sense of "joint primacy."

Richard Martin, ACCA, International

Disagree. We would leave Paragraph 1.8 as it is for the reasons explained above.

Ron Gruijters, Eumedion, Ne therlands

Disagree. Do not agree. Our answer to question 1a implies that we see no need to change paragraph 1.8.

Sasol Integrated Report Team, Sasol, South Africa

Agree. Yes the Framework must be aimed at all stakeholders.

Sergio Cravero, PwC, Argentina

Agree.

Shimellis Assegahegne, Independent, Ethiopia

Agree. But providers of financial capital to amended to providers of capital

Stathis Gould, International Federation of Accountants (IFAC), International

Agree.

Stefan Hannen, Kirchhoff Consult AG, Germany

Disagree. Given that the terms that are to follow after "providers of financial capital" include the providers of the other capitals (e.g., employees as providers of human capital), I would suggest a different wording, here. Instead of using the term "providers of financial capital", I would use "investors", "creditors"/ "lenders" or something similar to be consistent with the style of the following terms (or else use the terms "provider of XY capital" for the other terms, as well).

Thomas Scheiwiller, IMPACTS, Switzerland

Agree.

Tjeerd Krumpelman, ABN AMRO, Netherlands

Agree. This is a more generic statement, fine to mention providers of financial capital there.

Tokiko Fujiwara-Achren, Independent, Finland

Agree.

Tokiko Yokoi, Individual, Japan

Agree. It's so helpful for understanding the core concept of providers.

Usha Ganga, HAN University of applied sciences, Netherlands

Agree. This is a good way to solve the issue of shareholder primacy.

Veronica Poole, Deloitte, United Kingdom of Great Britain and Northern Ireland

Neither agree nor disagree. See response to Q1a

Warren Koen, Export Credit Insurance Corporation, South Africa

Agree.

Wesley Boone, ABN AMRO, Netherlands

Completely agree. This sets stakeholder groups on a more 'same' level, rather than placing providers of financial capital above others.

Question 2. What considerations should inform the IIRC's strategic deliberations on the role of technology in future corporate reporting?

Adam WIlliamson, AAT, United Kingdom of Great Britain and Northern Ireland

Technology is inevitably a fast-moving subject with adoption of different technologies in very different ways and at very different levels of pace. It might therefore be unwise to marry strategic deliberations too closely to technological change. IR provides the framework for methodology and content and it should be left to individual businesses to engage the technologies at their disposal as appropriate, bearing in mind the diverse audiences.

Alan Willis, Independent, Canada

Items in an organization's integrated report on its website would be linked to relevant underlying reports and information (also provided digitally on the website) which are drawn upon in preparing the integrated report and provide greater levels of detail that may be of particular interest to readers, such as GAAP financial statements, business model & strategy reports, MD&As, governance disclosures (proxy forms etc.), GRI-based sustainability reports, SASB-based disclosures, TCFD compliant disclosures, disclosure controls and procedures regarding integrity of the integrated report, etc.

Alexandra Chistyakova, JSC ASE, Russian Federation

Digitalisation will influence all processes and aspects of our lives, including reporting processes.

Anastasia Gabrielyan, Da-Strategy, Russian Federation

Russian companies are intensively digitalising their activities. The role of technologies will increase, including in the public reporting of business, so it makes sense for IIRC to organise a permanent research group, including representatives of the <IR> regional networks, which conducts research and publishes reports on the current technological agenda and the introduction of new digital tools in . Da-Strategy is ready to join such a group.

Andrej Drapal, Consensus d.o.o., Slovenia

What we are striving at the moment is to develop more intuitive web based (digital) version of IR. That is on the output level. On the input level we are facing constant challenge of database management and centrally organised data provision for the purpose of >IR. Both sides are crucial.

April Mackenzie, External Reporting Board, New Zealand

We believe that the IIRC should ensure that technology is a tool to support integrated reporting, but not drive the agenda of change to integrated reporting. With the development of technology now at people's fingertips on their smartphone and wide access to real-time information, it is time to revisit the traditional annual reporting model. We encourage the IIRC to take a leadership role in this conversation by considering digitisation and real-time information which allow the possibility of continuous reporting. However, we caution that the verifiability of information, and its validation are important in an age where selective use of information could distort the user's view of the entity. It is important to consider verifiability and the other qualitative characteristics of information when considering technological advances in future corporate reporting.

We encourage the IIRC to look at Accountancy Europe's paper "Core and More" (www.accountancyeurope.eu/publications/core-more-smarter-corporate-reporting) which proposes utilising technology to help allow for companies to use "the core report" as an interface/portal to the more detailed information that sits behind the core report.

The IIRC could also explore providing guidance on how entities could develop their integrated report as an interactive webpage. For example, an entity may want to consider using an infographic of its business model and value creation process (found in many integrated reports) as its navigational landing page.

Azizah Mohd Ghani, Malaysian Institute of Accountants, Malaysia

There should be recommendations for how technology can function as an enabler to enhance <IR> by facilitating the reporting of relevant information in more accurate, faster and more efficient manner for integrated thinking, planning, decision-making and reporting. Technology can also be harnessed for better integration with business processes to achieve greater integrated thinking and to collate financial and non-financial information on a timely basis that could be for decision making and subsequently for presentation in the integrated report. Digitally-enabled solutions may also make real-time reporting and disclosures possible and provide powerful data analysis that create valuable insights into business operations for the formulation of strategy.

Technology could be used to identify and reduce overlap in processes and duplication in reporting of information. Technology could be also be used to enhance the user experience while navigating an integrated report and to enable smart linkages to information outside the integrated report.

Beat Schweizer, PETRANIX, Switzerland

Needs of the reporting audience.

Bernd Schönhofer, Munich Airport, Germany

One way to improve current corporate reporting is the use of digital data bases. This technology improves the reporting process, as well as the use of the reported data.

Bhavin Bryan Kapadia, Sustainable derivatives, United States of America

platform integration, data feed, analytics implementation, legacy tech vs new vendor systems

Bill Allan, Individual, United States of America

The question of technology is important but, as highlighted above, should be raised after all issues regarding the primary purpose of <IR> are addressed (Q1, 3 and 4). Technology provides a basis for reporting on transactions processing in real time and thus for monitoring work-flow data and responsibilities for timely reporting as well as monitoring the extent to which either government macro-fiscal policy or enterprise strategy are being implemented. Emphasis needs to be placed on the effective adoption of modern technology by governments in developing economies to assess transaction compliance, balance sheet risks, and fiscal policy compliance. Timely availability of information on achievement of outcomes and objectives needs to be emphasized for all forms of enterprise and governments.

Bill Baue, r3.0, United States of America

Technology now enables the aggregation and integration of internal data sources (management accounting on financial & sustainability data) with external data sources (satellites, sensors, IPCC scenarios, national accounts, localized data sources, etc...) to track organizational-level effects across all the capitals. So the concept of integrated reporting can be implemented on data platforms that assess internal performance data against external thresholds (carbon budget, living wage, gender and race parity, respect for human rights, etc...), allocated to organizations' proportionate share of responsibility. And blockchain (digital ledger technology) enables secure (non-corruptible) tracking of this data across transaction chains, enabling in-depth stakeholder assessment of organizational performance.

Black Sun PLC, United Kingdom of Great Britain and Northern Ireland

Due to the reporting focus of the <IR> Framework (which through its themes and principles, promotes business changes and evolution), we would strongly recommend that the primary focus of the IIRC remains on matters related to reporting, such as IXBRL. Work being done by the <IR> Technology Initiative appears to be primarily focused on widening the reach of the Framework and less on the impacts and opportunities of technology. For example, the points outlined include: Connection to regional and international networks, to gain knowledge; Be involved in development of a range of resources, including research and thought leadership content; Influence the development and adoption of integrated reporting by contributing to the global development of reporting; Be recognized as a proponent of corporate reporting innovation and build reputation. We would recommend a clearer focus on technology as a potential enabler of the Framework going forward, and even as a risk. Consider making the framework source document more interactive and user friendly (video guidance etc). Also consider the impacts of climate change on reporting and other megatrends such as stakeholder-centricity evidenced in newer business models. This may help guide thinking to be more robust.

Bruno Gasparroni, UniCredit Group, Italy

Intellectual capital has assumed an increasingly strategic role in corporate organizations over the years, both in terms of digitization of the business and in terms of cyber security. Technology can certainly help companies to implement increasingly reliable reporting processes, especially in the collection of information which is often complex and subject to operational risk.

Carlos Brandão, Independent, Brazil

Digital technology / ICT (Information and Communications Technology) can be helpful, as long as the company provides an annual report to be compared with previous years.

Carol Adams, Durham University Business School, International

How companies and their stakeholders are and could use technology in the preparation and use of corporate reports.

Cédric Gélard, CNCC/CSOEC, France

We consider that the technology will enhance the quality and the agility of corporate reporting. This will be enabled by a better accessibility, combining the use of different media, extensive cross-referencing, automatic reporting, or even processing based on a “data warehouse” technology allowing users to get access to raw information directly. In this context, users would then customize data selection to create their own analyses or reports. Please refer to the “Core and More” paper: an opportunity for smarter corporate reporting of Accountancy Europe. To achieve this objective supported by an efficient technology, the IIRC has to take into consideration the importance of greater standardization and the development of a robust global principles-based reporting framework, like the current IFRS standards. It implies the use of indexed databases, relational databases and data normalization, like taxonomies.

Cornis Van der Lugt, University of Stellenbosch Business School, South Africa

IF the IIRC continues with the position that IR targets the providers of financial capital, it has to take note that investors today rely on various information sources (including intermediaries) and are not obsessed about a specific type of report. Investors simply want the right information.

Considering that regulators don't have clarity on the preferred disclosure venue (report, format) when asking for reporting on specific topics (incl climate-related disclosures), and that digital technologies leave old reporting formats obsolete, the IIRC may need to consider whether in future it should insist on the publication of an "integrated report". May it not be more productive to underline the importance of disclosing certain content elements and applying certain principles, irrespective of through which disclosure format / report that content is published?

In the same way that the GRI with its standards is more focussed on indicators and material aspects, content that in standard format can feed into various communications, maybe the IIRC should also become less obsessed with a "report". This will advance the argument that this is more about "integrating thinking", governance and process, than a certain document. It is time for IR to enter the digital age. Note also the risk that some reporters currently use the IR Framework content elements as a simplistic check list for confirming to the standard of a certain "report".

Daniel Clayton, Accountability Consulting, United States of America

The MD Anderson Hospital (largest cancer hospital in the world) noted his job is simple, set the direction, hire good people and manage risk. Management systems that measure objectives and financial resources have been around a long time. In 2002 the Open Compliance and Ethics Group (OCEG.org) created a vision for how to get risk and control information to better flow up to the top through natural management channels. ISO 31000 and COSO ERM both recently updated, elevate the same desire to connect data about hazard, operation and strategic risk and control to natural management. Such data simply organized by operational taxonomy could provide a significant foundation for future Capital data standards.

David Herbinet, Mazars, United Kingdom of Great Britain and Northern Ireland

Amidst concerns that annual reports are becoming overloaded with information to meet the increasing demands of stakeholders other than investors, regulators and organisations are using of technology (official corporate websites) to presenting and share information particularly when it comes to non-financial information. Technology has no doubt enhanced accessibility of information. Corporate reports are mostly available to anyone on the internet with possibility for the users to download and use the data to meet their needs e.g. feeds into investors' or rating agency models. Please refer to the "Core and More" paper: an opportunity for smarter corporate reporting of Accountancy Europe. This step having already been taken; the IIRC should consider how technology could be leveraged in the following areas. The overarching principle when considering each of the areas should be that technology needs to offer standardised content to allow comparisons, but at the same time be flexible so that organisations can provide necessary narrative enabling them to tell their "story". The IIRC should encourage practices that improve searchability for human users: searching a document can be improved with bookmarks, hyperlinks and back buttons. Links to and from the notes at the back of the document to the primary financial statements can also be helpful. Although Linkage is an area which is covered extensively by the Framework the point around how thisimpacts on the technology aspects could be clarified. Use of a consistent format to facilitate downloads: Users increasing need to manipulate the data as indicated above so consideration should be given to the format of the integrated reports such that they can facilitate Excel or iXBRL or other bulk format downloads of all the tables to assist analysts and others. Keeping integrated reports clear and concise: Leveraging the possibilities of drilling down into the detail of the information permits the disaggregation of information in ways that are useful to different stakeholders. Use of technology by organisations in the design of the procedures and controls linked to the preparation of an integrated report: This given could lead to efficiencies and could improve the quality of information. Standardisation of the format of presentation such that it can facilitate the identification or classification of information. Use of video of other digital media: encouragement to make more use of emerging media trends could help with presentation of information in a more user friendly through using more appropriate/ relevant channels. It is of paramount importance that whilst increasing the use of technology as described above that the consistency, coherence and credibility of reporting as it evolves is maintained and that the providers of capitals remain the primary focus when preparing the reports rather than trying to provide information to satisfy a wide range of wider audiences. Corporate reporting provides a permanent record of a company's financial position at a certain point in time. Digital reporting should give users confidence in the authenticity of information provided by the company consideration should therefore also be given to the need for assurance.

Dawn Baggaley, NZ Post, New Zealand

Techonology can be useful for enabling reporters to keep the report concise yet allowing readers to access more detailed information if this is of interest to them. It can also be helpful in enabling good connectivity between the various aspects of an integrated report. Technology is also an enabler of quarterly reporting keeping the report alive throughout the year. Of concern, would be ensuring that readers get a complete picture of an organisation's strategy, material issues and value creation.

Deidre Henne, McMaster University, Canada

The framework should apply to accuracy, assurance, validity, etc. of PDF reporting as well as any related reporting on organizational websites or public communication technology platforms. The notion of audit trail is critical when information moves beyond PDF into web pages, tweets, or otherwise.

Delphine Gibassier, Independent, France

While I agree technology should be considered for non-financial (pre-financial) reporting, IR is based on principles and it makes it really hard to address IR through technology. The tentative of "all online" IRs have failed (Danone for example was asked to provided a pdf). However, initiatives such as the ones developed by SAP on technological tweeks to make things easy to read and understand are to be continued. Allie with other frameworks on XBRL.

Derick Nkajja, Institute of Certified Public Accountants of Uganda (ICPAU), Uganda

Technology and the wide range of communication tools enhance the ability of the different users of the integrated report to interact with and customize the report in a manner consistent with their needs. The IIRC should, in the process of framework revision, stay alive to changes in technology and the impact this may have on the reporting needs of the different providers of capital.

Dr. Erkin Erimez, ARGE Consulting, Turkey

Technology could have different impacts on preparation of the report and reporting to the stakeholders. Company may use technology to collect timely information and use data mining techniques and AI to analyse available data to produce reliable information for reporting. This analysis capability could help to determine and analyse impacts created by the business model of the company. When quality of information is improved, quality of the reports. Explanations regarding impacts and value creation activities would be based on quantitative analysis. Technology would help stakeholders to reach company's information from different media sources. They would be able to analyse provided data with new technological infrastructure. Stakeholders' would be able monitor and oversee companies' activities more closely. This would improve quality of provided information and decision-making quality by the company.

Dr. Fatma Öğücü Şen, Argüden Governance Academy, Turkey

Technology could have different impacts on preparation of the report and reporting to the stakeholders. Company may use technology to collect timely information and use data mining techniques and AI to analyse available data to produce reliable information for reporting. This analysis capability could help to determine and analyse impacts created by the business model of the company. When quality of information is improved, quality of the reports. Explanations regarding impacts and value creation activities would be based on quantitative analysis. Technology would help stakeholders to reach company's information from different media sources. They would be able to analyse provided data with new technological infrastructure. Stakeholders' would be able monitor and oversee companies' activities more closely. This would improve quality of provided information and decision-making quality by the company.

Edouard Gridel, Institut du Capitalisme Responsible, Gambia

Technical progress must be reflected through many ways in IR. 1st. ex: AI disrupts many processes ; any company which does not make AI on board will be sooner or later superseded. 2nd.ex : progress may be of great help in ever-better assessing the contributions of all sorts of "capital" in the success of a business models , whether through better management of HR, or better productivity of capital goods for instance through sensors.

Elda Almeida, Independent, Argentina

Technology is already delivering big changes. Holistic approach should be already happening and "up-grade" outputs.

Fay Hoosain, Integrated Reporting Committee of South Africa, South Africa

Integrated reporting and governance are the fundamentals or core of corporate reporting. Technology impacts the quality, channel and timing of the communications about the organization's value creation process.

The IIRC should continue with its specialist committee on technology to stay informed of latest developments and offer guidance and information to preparers on the use of technology in the underlying reporting process, for example, real-time integration, artificial intelligence, robotics, Internet of Things etc. It should be pointed out that technology should not result in an abdication of responsibility and the determination of materiality by the governing body (this cannot solely be left to algorithms).

Fernando Portus, Independent, Argentina

It is important to consider the role of technology and the alignment with Financial ERPs and systems to ensure that there is a consistent information in every public report, and have assurance of that.

Fiona Robertson, Leeds Beckett University, United Kingdom of Great Britain and Northern Ireland

Tools that would allow stakeholders to quickly access the information relevant for there needs would be useful

Graham Terry, Independent, South Africa

I am not very knowledgeable about technology development, but I do believe that technology will become increasingly important. Issues such as blockchain and artificial intelligence may well affect future reports.

Guler Aras, Integrated Reporting Turkey Network (ERTA), Turkey

Our members believe that improving the integrated reports in parallel with the technological developments will provide convenience for the reader. There are some recommendations to use of technology in reporting below.

• The digitalization of financial reporting is the current trend and the path forward could be systematic/ generic taxonomies to ease the comparisons and analysis.

• Advanced data analytics can help measuring the value created better. It can also help developing more standardized methods to demonstrate value.

• Integrated analytical tools may help companies to measure their reports' compatibility with many standards available right now.

Our member ACCA Turkey believe that other organizations such as the FRC Financial Reporting Lab, the FRC's Future of Corporate Reporting project and Accountancy Europe's 'Core & more' report can take as an example. One of our members operating in the banking sector use the connectivity between traditional report and web-based reporting and find it useful.

Our member CFGS added that there have been important initiatives and practices around the world for the development of a single reporting standard that can facilitate investors' data collection process and produce more comparable and qualified data. For instance, XBRL-based taxonomies are at the top of these practices. Beside financial taxonomies such as IFRS and US GAAP, which are widely used all over the world, non-financial reporting taxonomies are also on the world's agenda. The Central Securities Depository of the Turkish capital markets, Merkezi Kayit Kurulusu A.S. (MKK), has released XBRL based Corporate Governance Taxonomy in 2018. Listed companies on Borsa Istanbul stock exchange have started to disclose their corporate governance data in accordance with this developed taxonomy. The next stage is the Integrated Reporting Taxonomy, which they aim to develop in collaboration with MKK and Yıldız Technical University Center for Finance Corporate Governance and Sustainability (CFGS). Taking such concrete steps to produce comparable and qualified information on ESG issues is crucial to the reliable, widespread and effective use of this information.

Innocent Sithole, Training and Advisory Services, Zimbabwe

We are in the 4th Industrial Revolution and artificial intelligence is taking over the role of human capital empowerment. The IIRC should consider ways to keep abreast with technology but at the same time it should make sure that human capital's importance is not overtaken by technology by introducing strategic functions in which human capital will still be relevant. Assurance in integrated reporting: This Topic Paper outlines the <IR> Framework's 'assurance-friendly features', including suitable criteria for assessment and required disclosures on the materiality determination process, reporting boundary and significant frameworks and methods used to quantify or evaluate material matters.

J Robert Gibson, Hong Kong University of Science and Technology, China

Per the Framework's introduction: aims to improve the quality of information available to providers of financial capital to enable a more efficient and productive allocation of capital. To achieve this end, the <IR> project needs to understand how providers of financial capital process information. This is usually through intermediaries rather than directly reading the reports. The question then becomes how to facilitate these intermediaries showing the data well. Two good starting points for doing this: • Understand how ESG focused fund managers use Bloomberg Terminals. I believe the two key points are (a) Bloomberg being able to populate its data base with key <IR> data from an XBRL tags on <IR> reports. (NB: By data I do not just mean numbers. I also mean the text which responds to particular 'Content' questions.); (b) facilitating use of Bloomberg's 'look through function'. This enables one to click on a data point on the terminal and get taken directly to the page of the Company's report which that data point covers. • Considering how to get report Raters to Rate <IR> reports. As is noted by 'Sustainability' many investors use ratings as the 'first cut' in determining which companies to consider investing in. For more see their reports on different ESG rating agencies: https://sustainability.com/rate-the-raters/

Janine Guillot, Sustainability Accounting Standards Board, United States of America

As technology influences both corporate reporting and investment analysis, we believe the concept of "reporting" will significantly evolve. Users will be less likely to read traditional reports, and more likely to rely on raw data, artificial intelligence, and third party or proprietary analytics like ESG scores that are also more cost effective. In that environment, the ability to tag data using tools such as XBRL is essential, as is the ability of companies to capture information once and reuse it for multiple purposes tailored to the way that different users consume information.

EU's ESEF reporting mandate starting 2020, requires EU filers to use inline XBRL (iXBRL). In the US, SEC has also started requiring iXBRL based reporting. iXBRL format makes the report both machine readable and human readable at the same time. In response to the ESEF mandate, several software providers have developed capabilities to ingest a traditional PDF based annual report, apply XBRL tags to relevant parts of the content and then publish it as an iXBRL compliant

HTML document. In many ways, this reduces the burden on both corporate filers and software-based data aggregators. It is an effective way to make structured and machine-readable sustainability data available alongside financial information in an integrated format.

Alongside iXBRL based reporting, a central repository will accelerate data availability. Once these two infrastructure building blocks are in place, it is safe to assume that comparable data will be widely and easily available. In addition, analytics and data providers will quickly move up the value chain to focus their attention on using technology such as AI to deliver insights based on structured data instead of using AI to read unstructured data.

Jayantha Nagendran, Smart Media The Annual Report Company, Sri Lanka

TP 3.5 Report preparers should consider using multiple mediums for communicating their value creation story more effectively. In addition to print and/or PDF to meet legal and regulatory requirements, the same report in online interactive HTML format is much more user-friendly in terms of cutting the clutter, ease of finding information or downloading only sections of interest along with annotations. Report preparers may also produce executive summaries and video snapshots, particularly for sharing through mobile devices and social media. TP 3.6 Technology becomes an important tool in setting up the required integrated reporting management system for collecting, validating and sharing information within the organisation's cross functional team that prepares the integrated report.

Jennifer Norris, Independent, United States of America

I envision a day when an IR can be an evergreen report that contains real time data and is always changing. The struggle becomes how does an organization balance the ever changing data with static commentary in the report? How can an organization balance the use of technology to update some data in the report, but not all? Additionally, how does an organization provide assurance on a report that is constantly changing?

Jo Cain, Auditing and Assurance Standards Board (AUASB), Australia

Consideration of the following is key: - Online reporting, including how the guiding principle of connectivity can be effectively facilitated via technology, such as hyperlinks to key information in the IR. - How IRs are built, including the use of reporting platforms in this process. - What this may mean for entities in improving the robustness of reporting processes and being able to attest to these processes either internally or externally. - These documented reporting processes will also be important to the assurance practitioner engaged to complete some form of external assurance.

John Dumay, Macquarie University, Australia

Get rid of integrated reporting using a glossy PDF produced on a periodic (annual) basis to continuous disclosures. Any material information about an organisation should be disclosed as it happens. Thus, by the time the <IR> is produced it almost has no relevant informational value because it is untimely. To be relevant and timely, we need continuous disclosure via the Web, not periodic reporting of information that investors and other powerful stakeholders already know. If an <IR> did release material information and it was a listed company, the company would be in breach of its legal disclosure requirements in most jurisdictions.

Jona Basha, Accountancy Europe, Belgium

(20) The IIRC could build on the ideas in our paper CORE & MORE: An opportunity for smarter corporate reporting (see: https://www.accountancyeurope.eu/publications/core-more-smarter-corporate-reporting/) where we also

explore how technology could enhance corporate reporting. This could be by improving accessibility, combining use of different media, using extensive cross-referencing, supporting automatic reporting, or even by reporting based on a “data warehouse” technology. The latter would enable user-specific customised reporting, where users would pick different matters of reporting from the “data warehouse”.

Jun Honda, WICI Japan, Japan

General discussion of possible use of technology is all right, but it is premature to hold in-depth discussion of this theme, considering the speed of the technological advancement, the outcome of which is often hard to predict. For now, we should wait and see until we become confident of the technological trend and able to identify which specific technologies will be useful for our purposes.

Le Quang TRAN VAN, Afep, France

Companies are aware of the growing demand from stakeholders, including regulators and policymakers, regarding interactive structured data that would facilitate automated processing and comparison of data. In some EU Member States companies must file their individual accounts in XBRL format. In addition, as of 2020, EU public companies will have to establish their consolidated financial statements under IFRS in iXBRL format. In the context of the review of the Non-financial Reporting Directive, the European Commission is reflecting on an extension of these electronic reporting requirements to non-financial information. However, non-financial information being largely qualitative, regarding policies and risks for example, requirements of electronic reporting would be less relevant to put in place. Companies also take stock of the fact that investors declare themselves satisfied with documents made available in PDF. Companies consider therefore that imposing an interactive structured format would not improve the dissemination and use of data by stakeholders and could generate additional burden and costs for preparers. They are in favour of a “wait and see” approach before taking premature action in this field.

Leonie Meyer, Individual, South Africa

Harmonisation project in tagging of non-financial KPIs and commonly used financial KPIs which are not IFRS defined measures e.g. Return on Capital Employed or Return on investment; Gearing etc

Lydia Tsen, Chartered Accountants Australia and New Zealand / CPA Australia (joint submission), International

Technology can clearly act as an enabler for more efficient reporting and to link detailed standing data with current information. It also enables the communication of information via different channels.

The level of technology in corporate reporting differs between jurisdictions, sectors and organisational resources available to the report preparers. On this basis, we consider it appropriate for the Framework to be technology neutral to ensure it remains relevant and fit for purpose for all potential Framework users.

For completeness, we note that the focus of digital reporting to date has been on financial reporting. As this evolves, broader corporate reporting and integrated reporting will need to be part of this – to avoid multiple reports. There may also be a jurisdictional specific aspect to this.

Mar Granados, Repsol, Spain

We believe that this reporting framework should provide guidance on how to report and how this information is interrelated with the key data that provide value to our stakeholders. We do not believe that the framework should provide a technological reference for reporting, which will be decided by the reporting entity based on a cost-benefit analysis, its ability to manage and invest in new platforms for disclosure. Since the disclosure of this information in new media may be a relevant issue in the future, we believe that IRC should follow the progress of these new means of disclosure in think tanks, or forums but not within the <IR> reporting framework.

Mardi McBrien, Climate Disclosure Standards Board (CDSB), United Kingdom of Great Britain and Northern Ireland

Digital reporting has now entered the mainstream and to ensure that information on financial and other capitals are reported in the same way, it is now the right time to embrace the eXtensible Business Reporting Language for <IR>. Advances in digital reporting of financial information means that reporting information on other forms of capital will be reported in a different format and medium. This does not only hold back progress on non-financial reporting, but also separates information that is intended to be used in conjunction with each other. Given that the future direction of reporting is clearly laid out in most jurisdictions, it is imperative that all forms of reporting move in the same direction. There is therefore a strong need to ensure equivalence in technological advances and developing financial and other corporate reporting at the same pace using the same reporting platform. While we expect that some responses may refer the IIRC to the use of technologies such as blockchain or Artificial Intelligence, we would caution the Council in moving too fast before establishing the foundations of such technologies. Such work has the risk of taking up infinite resources (both financial and human capital) and detract from significant, short term improvements.

The role for such technologies should be only explored after digital reporting is implemented and is in use.

Maria Farfan, Pontificia Universidad Javeriana, Colombia

Maybe offer guidance about which tecnology is useful for what kind of company and processes, and how they can be used an implemented. All tecnologies you mencioned are part of a tecnological revolution, but you have into account that it needs effors and cost to be implemented. Big companies probably can make the effort if it worth, but what happend with the SMEs or non for profit organizations? It would be good to offer a tecnological guidance taking into account their limitations.

Maria Towes, Durham University, United Kingdom of Great Britain and Northern Ireland

A review of how reports are currently used. My organisation is currently happy with an uploaded pdf and hard copy.

Maria Angelica Costa, Independent, Brazil

Technology is important to support the informations need, unified systems, its all, but the importance is the changing of the mind set, to have a integrated thinking, in the members of board.

Maria Eugenia Bellazzi, Sustenia, Argentina

The <IR> Framework should refer to the fact that it is appropriate/correct to refer to other company´s sites or documents where the Report readers will find more corporate information related to the Framework. In this way, it endorses and encourages companies to communicate their performance on multiple digital channels.

Marje Russ, Independent, New Zealand

The IIRC should ensure that technology is seen to be a tool to support, but not drive reporting. The value of any measurement, evaluation, disclosure and reporting rests in the extent to which it provides a meaningful, real and credible representation/understanding of the underlying subject matter (or phenomena). Given the nature and breadth of the six capitals, this subject matter will be highly contextual. Natural and social capital exists in and is different from one context/ location to another. The allure of technology is to shift focus from how well proxy measures or information reflect the underlying subject matter to compiling/ manipulating the proxy measures and/or driving comparative approaches where comparison is unhelpful and inappropriate. For example 100 cubic metres per hour of water yield would be a significant water supply in the Sahara Desert, but is only about one thousandth of the water passing over the Niagara Falls.

Massimo Romano, Independent, Italy

The development in the reporting (not only integrated reporting) will necessary be impacted by the evolution in technology.

Mervyn King, Senior Counsel and former Judge of the Supreme Court of South Africa, Chair of the African Integrated Reporting Council, Chair of the Integrated Reporting Committee of South Africa, Chair Emeritus of the IIRC, Chair Emeritus of GRI - Responding in an independent capacity, South Africa

The IIRC Board should be constantly informed, inter alia, by the Council and in particular those members involved in the development of information technology, as to the impact of that technology in preparing an integrated report. The Board has to be aware that, like any organisation, it does not add value to have a digital strategy but the organisation's strategy has to fit into the digital world in which it is operating. The Board must give serious consideration to the question whether the Framework does fit into the digital world in which it is providing guidance on the collective minds of boards how to discharge their duty of accountability.

Michel Washer, Solvay, Belgium

- Digitalisation of reporting, open data.

Miguel Oyarbide, Australia Post, Australia

Taxonomy for XBRL

Nandita Mishra, Amity University, India

With the growing impact of technology on corporate functioning, we have to pay attention to its impact on corporate reporting too. With we are very clear that it is a mechanism to create trust and transparency in company's financial position. With the growing role of technology, the efficiency of recording and aggregating transactions, across multiple entities and then turning that data into an external communication is a challenge. Company may consider technology product created by consultants and technology companies which are external organisations and this is where the lack of audit assurance will occur. Early preparation and experimentation are the key to get it right. In my opinion internal audit and control should be made more rigorous to generate trust of data provided in financial report

Nandkumar Vadakepatth, DNV GL, India

Most reporting entities and stakeholders (especially SME's) are not technology savy. If IIRC can suggest what technology they propose; i can comment on its appropriateness.

Neil Smith, Koan Group, Netherlands

I think technology in reporting can be used in different ways by different reporters - i'm not sure there is a 'solution' that fits all - therefore it should be the role of the company (report preparer) to choose if and how technology can help them report - tell their story.

the IIRC should be there to provide guidance in the form of the framework.

Nick Ridehalgh, Business Reporting Leaders Forum - Executive, Australia

Technology has a critical role to play in accelerating the pace and scale of high quality, consistent adoption of the <IR> Framework which is capable of assurance, and making the <IR> Framework easier to adopt. Technology should form a critical part of the IIRC's strategic deliberations on future corporate reporting, even though it does not warrant specific attention in the revised <IR> Framework.

Nowmitta Jahanzaib, Institute of Cost and Management Accountants of Pakistan, Pakistan

Without keeping the role of technology in our mindsets, we can not think of going forward in corporate reporting. As far as IIRC'S strategic think tank is concerned, we should be taking role of technology hand in hand with the other capitals and resources that IR is embeding in itself. Technology is day by day getting more and more sophisticated from creating highly integrated ERP's like Microsoft Great plains towards Cloud incorporation. If our organization is not developing in realm of IT that means we are falling behind from the latest developments in IT bringing those latest developments into our systems. So in order to pace up with the global changes we should devise measures to check the gap between the current technological developmment and where our organozations progress stand. Apart from that we need to develop our teams becoming more tech friendly by preparing them for the new trends and development in our ERP's. This need to be put into consideration while charting a path forward to fall within the realm of highly sophisticated standardized corporate reporting.

Paul Hurks, NBA, Netherlands

18. Currently technology provides digitalisation of financial reporting based on a generic taxonomy. Likewise practices of NFI-reporting or Integrated Reporting should enable the use of a taxonomy and digitalisation. 19. On the other hand technology may facilitate Integrated Thinking, being the conditional process for proper Integrated Reporting. Management of modern business entails a broader understanding of the resources and relationships they use in order to create value over the short, medium and long term. Rather than using a narrow focus on financial data, businesses need interconnected information across multiple capitals for better decision making in terms of mission, strategy, risk-management, corporate governance and performance monitoring. It is therefore necessary that technological driven indicators are suitable and applicable in the total set of functions within modern business management of which corporate reporting is only one function out of many.

Paul Thompson, European Federation of Accountants and Auditors for SMEs, International

Extent to which technology can be readily accessed and used by SMEs and those that advise on and prepare their integated thinking and reports.

Prof Barry Cooper, Deakin Business School, Australia

Technology has a critical role to play in accelerating the pace and scale of high quality, consistent adoption of the <IR> Framework which is capable of assurance, and making the <IR> Framework easier to adopt. Technology should form a critical part of the IIRC's strategic deliberations on future corporate reporting, even though it does not warrant specific attention in the revised <IR> Framework. Technology development is critical in four major areas: 1. Report Content. Reporting which properly reflects the Guiding Principle of Connectivity; • within the integrated report when most reporting today remains on paper or on-line, and the best available technology is hyperlinks within the integrated report; and • between the integrated report and more detailed reports within the organisation's Corporate Reports Portfolio.

2 Assurance. Technology will be a critical success factor in relation to enabling a globally consistent approach to integrated reporting assurance, enhancing transparency, credibility and trust in corporate reporting, and be of great benefit to investors when capital flows across national borders.

3 Reporting Strategy. It is critical that an organisation has a reporting strategy which is closely aligned with the overall business strategy if corporate reporting is to be a part of the organisation's competitive edge. The reporting strategy needs to be clear on how technology fits within it, and so how integrated reporting is part of the organisation's business case / return on investment in relation to integrated reporting adoption. The Reporting Strategy needs to encompass the organisation's Reporting Process, and be clear how technology can automate aspects of the Reporting Process, and be an enabler of effectiveness and efficiency for the Reporting Team – use of technology-enabling tools (eg artificial intelligence), management of cyber risk, alignment to information integrity and management processes etc. The Reporting Process needs to focus on maximum efficiency and ease of adoption of integrated reporting.

4 Technology Provider Investment. The benefits of technology in integrated reporting adoption can only be optimised if a global approach to integrated reporting automation can be adopted. This will assist in optimising the return on investment of technology houses, and offer adopting organisations, and investors and other stakeholders, the benefits of scale in terms of enabling technology.

Redefining Value, World Business Council for Sustainable Development, Switzerland

Emerging technology-led solutions may allow for consolidation and interpretation of ESG disclosure, which would help companies produce information in a variety of forms for numerous target audiences. However, most of these approaches have a focus on investors only. Technological innovations may give rise to a number of implications, which may include: higher levels of automation in disclosure, lower levels of consistency of reporting (i.e. use of a range of standards, ESG indicator sets etc.) as the technology would assimilate and normalize this disclosure for investor audiences, lower levels of ESG disclosure for non-financial audiences.

Richard Chambers, The Institute of Internal Auditors, United States of America

Technology is likely to continue to have a major impact on data gathering, analysis, and reporting, as it creates opportunities to leverage huge amounts of data, deploy continuous monitoring and assurance techniques, and communicate rapidly to multiple stakeholders in customized ways. However, it also raises questions about the ethical use of data and the need for greater control and security over personal information. One might like to consider that data is a kind of capital. Certainly, intellectual and financial capital may be captured, stored, processed, and transmitted digitally. Changes in the way people consume data will need to be recognized and accommodated. Continuous monitoring and continuous reporting will become more common, and can be embraced through innovations in risk management. The ability for instant communication and the collection of massive amounts of data daily means the technology must handle everything from 24/7 updates and dashboards for online viewing of timely data to social media trolls and strict data privacy laws. The Framework should emphasize the connectivity of information to communicate how value is created over time, and outcomes supported by innovation and automation. It is most important to embed the idea of long-term value and sustainability in the everyday strategy of the company and in the front end of new technology to capture data points for appropriate use. Sustainability doesn't work as a stand-alone, it must be everyone's job every day. Much like managing risk, you don't manage operations and then manage risk – you must do it all at once.

Richard Martin, ACCA, International

The IIRC in considering this question can look to the ideas and work that others have done – for example the FRC Financial Reporting Lab, the FRC's Future of Corporate Reporting project and Accountancy Europe's 'Core & more' report.

Ron Gruijters, Eumedion, Netherlands

The management report becomes more machine readable as this allows investors to better access the contents of the report. Ultimately, a taxonomy will be needed to foster such ease of access. However, we are not convinced that this should be a current priority for the IIRC as we would attach a higher priority for the IIRC to cooperate towards the creation of a global standard setter for the management report as outlined in our green paper on this topic.

Sasol Integrated Report Team, Sasol, South Africa

Comparability of information. Governance over information. Potential conflict of listing requirements.

Sergio Cravero, PwC, Argentina

Reinforce the need for using technology to develop new and more efficient ways to communicate.

Shimellis Assegahegne, Independent, Ethiopia

Since Automating information systems has grate impact on on quality, reliability, timeliness, efficiency and cost saving, more need given to technology in corporate report reporting.

Stathis Gould, International Federation of Accountants (IFAC), International

A widely agreed conceptual reporting framework (based on the Framework) supported by a standard classification and taxonomy of information is needed. This would provide a standardized nomenclature helping to coordinate and direct standard setting and the development of national and international regulation and requirements. It will also provide a useful foundation for the digitalization of reporting and disclosure. IR thinking should also be developed toward supporting realtime reporting through various channels.

Stefan Hannen, Kirchhoff Consult AG, Germany

Given that the <IR> Framework cannot provide a reference that is specific enough to ensure the comparability of different reports directly, the use of (i)XBRL might help to make the reports more comparable on another level.

Tjeerd Krumpelman, ABN AMRO, Netherlands

Developments around 'mining' of reports and the comparability and importance of data should be taken into account. More online developments, less 'pdf' style reporting, xprl developments and many others.

Tokiko Fujiwara-Achren, Independent, Finland

As already mentioned that important enablers of an organizations's ability to search, access, combine, connect, customize and analyze information. Such abilities can highlight dependencies and support decision making. Also Implications of a modified reporting regime on the context, connectivity, comparability and reliability of information produced consumed.

Usha Ganga, HAN University of applied sciences, Netherlands

The power of the <IR> Framework is set in the way it looks at an organisation as an interconnected entity and tells the full story of the organisation's value creation. I do believe that reporting on a sole issue is possible, and when technology makes more targeted reporting possible, that would be very good for efficient and concise reporting. However, it is important that more focused reporting is still balanced and demonstrates the interconnectedness of the capitals effected. This focus on balance and connectedness should be preserved while the possibility of technology is still used for better reporting.

Veronica Poole, Deloitte, United Kingdom of Great Britain and Northern Ireland

We note that most thinking in this area is already covered in existing literature on corporate reporting and technology in relation to both the reporting process and the reporting medium. However, we make some assumptions that might inform the IIRC's strategic thinking.

- The nature of corporate reporting is likely to become more dynamic and immediate. This implies a more continuous and transparent approach by companies to providing information, in contrast to the idea of the fixed annual report. Furthermore, the range of digital channels available to and used by investors and stakeholders means that the audience for this reporting will continue to broaden, requiring a 'multi-channel' strategy by companies. For companies, this is likely to lead to the use of technology to enable more efficient and effective reporting systems, including databases and tagged data.
- While we can assume that AI and data mining will vastly increase the ability of investors and others to analyse information on corporates with increasing sophistication, it is unlikely that the need for communication from those charged with governance on value creation will be outmoded. This may not necessarily take the format of an annual report as we know it today. Therefore the underlying principles of integrated reporting are likely to remain relevant even if the need for 'a report' is superseded.
- The most urgent priority in the corporate reporting 'system' is the quality, completeness and comparability of metrics in ESG and non-financial information. Investors increasingly rely on these data in their analyst models and investment decisions. Getting the quality of data right is therefore essential. This means companies will need to invest over time in systems and increasingly use technology to enhance their management of non-financial information to the standard of financial management systems. Given that performance is a key element of integrated reporting, we encourage the IIRC to add its voice and influence to bring about system change to achieve core global standards for non-financial reporting metrics.
- A recurring 'pain point' for companies is the burden of requests for information from data providers and analysts. We suspect that an increase in the quality, comparability and completeness of data for core areas of ESG/non-financial information will facilitate data flows to ESG data providers and potentially reduce the volume of requests for information.
- We also note the potential for technology (AI, surveillance, data analysis, blockchain) to give more confidence and management of ESG issues in supply chains, which will in turn increase calls for disclosure in mainstream reports.

Specifically in relation to the <IR> Framework, developments in technology are likely to reinforce the benefit of maintaining and developing it as a conceptual framework for corporate reporting, rather than as a framework for a standalone report - the latter risks being subsumed at a future point by technological advances, whereas the underlying concepts are likely to be enduring and could potentially be used in technological systems architecture in the future.

Warren Koen, Export Credit Insurance Corporation, South Africa

- Automation
- Collection of information from a variety of sources
- Cyber-security

Wesley Boone, ABN AMRO, Netherlands

Local rules and regulations, e.g. XBRL.

Question 3. Are there further ways in which the <IR> Framework can enhance the assurance-readiness of integrated reports?

Adam WIlliamson, AAT, United Kingdom of Great Britain and Northern Ireland

AAT is unaware of any further ways that the Framework can enhance the assurance-readiness of integrated reports.

Alan Willis, Independent, Canada

Unlikely, but it might be useful for integrated reports to direct readers to underlying information and reports drawn upon in their preparation which have themselves been subject to various types and degrees of assurance. In addition, the credibility of integrated reports would be enhanced through disclosure of process-related information and statements of responsibility from CEOs and "highest governance bodies", as suggested in Topic Paper 1 and my responses to it. GRI's Standard 102.56 about External Assurance may offer further points to consider regarding assurability and assurance-related disclosures. Assurance of MD&As (Management Commentary) presents similar challenges. IIRC and preparers need to work closely with the IAASB on workable approaches in its eventual recommendations for assurance regarding "extended external reporting".

Alexandra Chistyakova, JSC ASE, Russian Federation

May be there is, but it strongly depends on country legislation.

Anastasia Gabrielyan, Da-Strategy, Russian Federation

Yes, they are. In Russian practice there are 3 types of assurances: • public stakeholder assurances - certification by company stakeholders, • public expert assurances - certification by members of expert communities, • professional assurances - audit certification of non-financial reporting.

Andrej Drapal, Consensus d.o.o., Slovenia

I believe that IR Framework should make it clear that this is crucial task for each reporter to address according to specific position of his company.

April Mackenzie, External Reporting Board, New Zealand

We commend the consideration of "assurance-friendly" features as a key consideration in the enhancement of the <IR> framework and highlight that the <IR> framework already includes many helpful "assurance friendly" features.

We consider that ongoing collaboration between the "standard setter" and the assurance "standard setters" will be beneficial as the evolution of <IR> continues. This includes those areas identified in the topic paper and also includes the following:

1. Whether a precursor to assurance over the integrated report may be assurance on the process to identify material issues. This may inform decisions around what information to assure and assist in overcoming concerns around completeness and comparability

2. Ongoing emphasis and clarity around the preparers' responsibilities (both management and those charged with governance) in enhancing the credibility and assurance-readiness of integrated reports. We have heard from New Zealand stakeholders that there is generally a low level of understanding of the preconditions for assurance.

3. Use of terminology – a need to try to align terminology as much as possible or to better understand how similar words apply across the <IR> framework and the assurance framework. (for example, "materiality process" and materiality for assurance mean different things, "balance and freedom from material error" are described slightly differently by assurance practitioners).

4. Whether the integrated report is consistent with the internal thinking or operation of the organisation. We understand that a level of maturity in the "integrated thinking" is a precursor to a high quality integrated report. Unless an entity has matured in its integrated thinking, overlaying an assurance engagement is likely to highlight a lack of assurance readiness. It is more than just maintaining an audit trail, rather that the audit trail also reflects the internal integrated thinking of the organisation.

5. Rationale purpose and intended users – the assurance implications for broadening the primary purpose of the integrated report from providers of "financial capital" to providers of "capital" also broadens the context in which any assurance engagement is performed. Having a rationale purpose is a precondition for assurance. The implications of broadening the primary purpose of the integrated report, raises the question as to who the assurance report would be addressed to. This raises questions about liability regime for the assurance practitioner.

6. The <IR> Framework does not provide specific recognition or measurement requirements. The interaction between the <IR> framework and more detailed topic specific frameworks or entity developed recognition and measurement criteria is a key challenge to meeting the preconditions for assurance.

Azizah Mohd Ghani, Malaysian Institute of Accountants, Malaysia

Having assurance on integrated reporting will add value to those charged with governance and users of the integrated report. This would enhance the reliability of non-financial and future-oriented information presented in an integrated report. The usefulness of such information to stakeholders would in turn create more demand for the adoption of <IR>. The IIRC should consider the applicability of what would be deemed as appropriate measurement benchmarks or standards for the principles set out in the <IR> Framework. These are currently not defined and left to interpretation. Due consideration should be placed on moving to the next level of implementation through the use of standards. This will enhance assurance-readiness of integrated reports. In addition, it would be helpful if there could be collaboration with the International Assurance and Audit Standards Board (IAASB) in coming up with illustrative assurance reports and by providing guidance and examples of applicable criteria or benchmarks to be used to measure or evaluate underlying subject matters in an integrated report in accordance with ISAE 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information.

The IAASB's project on extended external reporting (EER), while targeted at providing guidance to assurance providers, offers helpful support to preparers as well. IIRC will find relevant considerations in the EER document that can help enhance the assurance-readiness of . For example, Chapter 3 discusses preconditions to an assurance, Chapter 4 discusses criteria and Chapter 5 addresses the system of internal control. If it is determined that incorporating such materials will distract from the core content of the International <IR> Framework, IIRC may wish to consider issuing a companion guide to the Framework focusing on the "how to" processes. The <IR> Framework can also provide further guidance on the various degrees of assurance-readiness in order to assist organisations in maturing their internal processes to be ready for assurance service providers.

Beat Schweizer, PETRANIX, Switzerland

by streamlining the Framework. There are many redundancies between the principles and the content elements because their content is very linked and goes hand in hand. As a result, it's not so straight forward to evaluate accordance with the frameworks requirements.

Bernd Schönhofer, Munich Airport, Germany

There is more and more reports with an external assurance. Changes in national regulatory and the use of existing guidelines is enough, as the assurance of financial and non-financial data is getting more common.

Bhavin Bryan Kapadia, Sustainable derivatives, United States of America

data lifecycle

Bill Allan, Individual, United States of America

The <IR> framework can only enhance "assurance-readiness" of integrated reports if it complies with clear reporting rules endorsed by an official accounting reporting regulating body, currently mainly the International Accounting Standards Board (IASB) and the International Audit and Assurance Standards Board (IAASB). Such matters cannot be addressed quickly but the key accounting and audit standard-setting bodies are primarily experienced in providing rules and assurance on financial capital and accounting flows. Major steps should be taken to review processes and establish practices for measuring processes, outputs and outcomes arising from the application of environmental, human, and social and relationship forms of capital. Considerable work is of course underway in the context of climate change action, including measurement and reporting on emissions levels and rate of reduction/increase. The main difficulties in this area arise from political rather than technical considerations. Social and relationship is the least understood form of capital but growing global concern over use of personal data for profit and power warrants a much deeper examination of processes and outcomes than seems to be reported by <IR> reports currently available. Voluntary reporting on these matters seems in any case to be unlikely to achieve reliable results.

Bill Baue, r3.0, United States of America

Right now, companies are constrained from practicing integrated reporting in some instances due to lagging auditing standards. IIRC would be well-served to engage the auditing community to encourage reformation of auditing standards to embrace, enable, and *encourage* integrated reporting.

Black Sun PLC, United Kingdom of Great Britain and Northern Ireland

Visibly support key documents and movements in the market, such as the Brydon Review, then consider implementing the key principles that are put forward. For example, the Brydon Review notes that there is an opportunity to extend auditing beyond just examining financial statements, and rather to reflect the wider interests of everyone who depends on the company's ongoing viability. Supporting such points would be beneficial. Also, remaining principles-based in any Framework updates will ensure that the spirit of the framework remains intact.

Bruno Gasparroni, UniCredit Group, Italy

Yes. The framework could push more incisively to the companies to publish transparently methodologies used, metrics used, calculations made for the targets and measurements adopted for the results achieved.

Carlos Brandão, Independent, Brazil

Keeping the collaboration with auditing/assurance standard setters.

Carol Adams, Durham University Business School, International

The IIRC could: 1. Advocate for more attention to assurance of processes rather than just metrics. 2. Draw report preparers to the examples of evidence they can collect to demonstrate appropriate processes, strategy development and governance oversight in line with the <IR> Framework that are listed in Adams, C A, with Druckman, P B, Picot, R C, (2020) Sustainable Development Goal Disclosure (SDGD) Recommendations, published by ACCA, Chartered Accountants ANZ, ICAS, IFAC, IIRC and WBA. ISBN: 978-1-909883-62-8

Cédric Gélard, CNCC/CSOEC, France

Topic Paper 3 notes that IIRC issued a paper exploring challenges of assurance over <IR> Framework therefore could enhance assurance-readiness of integrated reports by addressing those challenges to ensure the suitability of criteria for an assurance engagement. It would be helpful to provide guidance as to how the <IR> Framework can be used in combination with other reporting Frameworks to prepare the disclosures. The selected subject matter for the assurance engagement should be core to the company's strategy, its business model and what drives the value creation within the company. Non-financial disclosures by companies need to be better aligned with the company's strategy and values and the reporting framework should serve as a tool to deliver such disclosures. Based on these preconditions, we consider that the assurance process should take into account the parameter of a continuous improvement process of the entity in the preparation of its integrated reporting. In this context, we anticipate an evolution in the assurance level issued, going from a limited assurance on the processes with a scope limitation on the key performance indicators at first, to then move forward to a limited assurance and even reasonable assurance on the KPIs after a few years.

Ciara Reintjes, South African Institute of Chartered Accountants (SAICA), South Africa

1. The International Audit and Assurance Standards Board (IAASB) has issued Public Consultation on Proposed Non-Authoritative on Extended External Reporting (EER) Assurance to address these complexities. We urge the International Integrated Reporting Council (IIRC) to review this document and to keep track of developments in this regard. This guidance is based on ISAE (International Standard on Assurance Engagement) 3000 (Revised), Assurance Engagements Other than Audits or Reviews of Historical Financial Information. This standard allows for both reasonable and limited assurance engagements.

2. For integrated reports, assurance can be obtained at the reasonable assurance level or the limited assurance level, or as a hybrid of both. In a hybrid engagement, the practitioner may provide reasonable assurance on certain aspects of the subject matter information and limited assurance on others. Certain elements of the subject matter may not even require assurance and may be better suited to agreed-upon-procedures (AUP) engagements.

3. When performing an AUP engagement, no assurance is obtained or expressed, rather the practitioner issues a report of factual findings relating to the identified subject matter or subject matter information. Users of the report assess the procedures and findings reported on and draw their own conclusions from the practitioner's work. In the regard, we would like to refer the IIRC to the International Standards on Related Services (ISRS) issued by the IAASB, specifically ISRS 4400, Engagements to Perform Agreed-Upon Procedures Regarding Financial Information.

4. Guidance and examples of elements from the subject matter information that may be subject to the different engagements should be included in the Framework to give preparers and users an understanding of when the various engagements may be applicable.

5. The Framework should also include detailed guidance on the preconditions for an assurance engagement. It is important that preparers are made aware of these preconditions so that they can make their own assessment on whether assurance can be provided on the integrated reports. The International Framework for Assurance Engagements, paragraph 18, states that the following preconditions for an assurance engagement are relevant when considering whether an assurance engagement is to be accepted or continued : (a) The roles and responsibilities of the parties to the engagement are appropriate; and (b) The engagement exhibits all of the following characteristics: (i) The underlying subject matter is appropriate; (ii) The criteria to be applied in the preparation of the subject matter information are suitable and will be available to the intended users; (iii) The practitioner will have access to the evidence needed to support the practitioner's conclusion; (iv) The practitioner's conclusion, in the form appropriate to either a reasonable assurance engagement or a limited assurance engagement, is to be contained in a written report; and (v) There is a rational purpose for the engagement.

6. The independence, competence and requisite skills of those practitioners that can perform such engagements should also be expanded on in the Framework to ensure that there is some framework that preparers of integrated reports can apply in appointing an assurance provider.

Constanza Gorleri, Banco Galicia, Argentina

No response

Cornis Van der Lugt, University of Stellenbosch Business School, South Africa

The IIRC may make life easier for the IAASB & ISAE 3000 by collaborating with GRI and publishing joint guidance that for example link select GRI indicators with core elements of the IR. For example a listing of GRI indicators in terms of output vs outcome indicators, and linking them with each of the six capitals. The link with GRI standards will further advance assurability.

Daniel Clayton, Accountability Consulting, United States of America

Even with additional IR capitals, it remains and external or outcome perspective of added value. Value added begins with and idea, leveraged with resources, formalized into operations that grow in their capacity to produce quality at lower cost. Each IR capital should be evaluated not only by its value outcome but by its growing or shrinking value potential. This is an operational capability (people, process and technology) and formality in strategic direction, monitoring and oversight.

David Herbinet, Mazars, United Kingdom of Great Britain and Northern Ireland

The assurance readiness of integrated reports can be further encouraged by the requirement for integrated processes, systems and controls for financial and non-financial information similar to those embedded in financial reporting and similarly tied to the operation of the business. This will enhance the integrity of the data provided. Similarly, efforts to reach consensus on the various standards for the measurement and disclosure of non-financial information would provide a benchmark against which a greater degree of assurance can be provided. The concept of value creation should be refined as per our responses to the questions in Topic Paper 1 to further clarify (1) the link between outcomes and value creation; (2) a process to be followed by the reporting entity to define its key stakeholder groups for which it creates value. The efforts of standard setters and reporting entities to continuously improve the integrated reporting process should also be matched by an incremental approach to the level of assurance provided. In this context, we anticipate an evolution in the level of assurance provided around the processes and key performance indicators, starting with limited level of assurance and scope limitations which will progressively move on to limited assurance and even reasonable assurance over time.

Dawn Baggaley, NZ Post, New Zealand

I am not an expert in this area. My thoughts are that assurance must be a good balance between crebility and robust reporting and not over onerous in terms of cost and resources as this will become another barrier to the adoption of IR. I believe that IR lacks strength around the value creation model - this should be at the heart of the report and integrated thinking. Many businesses struggle with this idea. I habe experience of working with theory of change and impact reporting for our community investment work and I would like to see NZ Post adopt this for all capitals. I believe this would give clarity to how we create value and assist us to identify appropriate measures/indicators of value creation (or decline). If this was enhanced then I could see value in having this assured along side material issues. If this is done well as strong foundation is set and the rest should follow more easily.

Delphine Gibassier, Independent, France

More often than not, an integrated report is now accepted as formal documents (for example document de référence) for listed companies. However, assurance is often split (financial versus non-financial) and it is rare to see that actually the "integrated report" as such is assured. It would be important to highlight that we need an integrated report assurance (not a non-financial assurance). I have seen some auditors assure compliance to the IR framework but this is not enough. More efforts there with relevant authorities is needed.

Derick Nkajja, Institute of Certified Public Accountants of Uganda (ICPAU), Uganda

We believe that the Framework considers requiring assurance of the content of an integrated report BUT let the procedure of how to conduct an assurance engagement be provided for under the International Standards on Auditing and other Assurance Services as issued by the International Audit and Assurance Standards Board.

Dr. Erkin Erimez, ARGE Consulting, Turkey

Full assurance of integrated report is difficult. Assurance regarding quantitative data such as emissions, water consumption could be easy since reporting standards have been clearly defined. Quality systems of the organization could be assured through using EFQM methodology. However, some of the issues explained in the report would be difficult to be assured due to their nature. If evidence-based reporting is encouraged in the framework the reliability of the information and trust could improve even if the information could not be assured. Furthermore, the Statement of Responsibility mentioned in the first item is one of the best ways of providing assurance, as the key leaders of the organization are providing it.

Dr. Fatma Öğücü Şen, Argüden Governance Academy, Turkey

The assurance for the integrated reports is one of the most discussed aspect. Full assurance of integrated report is difficult. Assurance regarding quantitative data such as emissions, water consumption could be easy since reporting standards have been clearly defined. Quality systems of the organization could be assured through using EFQM methodology. However, some of the issues explained in the report would be difficult to be assured due to their nature. If evidence-based reporting is encouraged in the framework the reliability of the information and trust could improve even if the information could not be assured. Furthermore, the Statement of Responsibility mentioned in the first item is one of the best ways of providing assurance, as the key leaders of the organization are providing it.

Edouard Gridel, Institut du Capitalisme Responsible, Gambia

By disclosing as precisely as possible all the assertions appearing in an IR : work done, persons in charge, processes being scrutinized , etc...IR will have future as long as it will stand as a test (and new border) of full transparency

Elda Almeida, Independent, Argentina

Aply big data and IT benefits to outcone a valuable managing tool

Fay Hoosain, Integrated Reporting Committee of South Africa, South Africa

The IIRC should take cognizance of the International Auditing and Assurance Standards Board (IAASB) EER Guidance and assess where the Framework can accommodate the Paper's "suitable criteria". Some other suggestions: Require organizations to use the standard definitions of the six capitals per the Framework and remove the option of using their own definitions.

An organization should consider all of the six capitals in the context of its business; we contend that none of the capitals are likely to be irrelevant to an organization.

Consider explaining the range of internal and external verification processes using the words of King IV in its description of combined assurance: "A combined assurance model incorporates and optimises all assurance services and functions so that, taken as a whole, these enable an effective control environment; support the integrity of information used for internal decision-making by management, the governing body and its committees; and support the integrity of the organization's external reports." Assurance should be understood broadly so as to include the coordinated effort of all assurance providers. While internal and external auditors play a key role in the assurance process, they are not the only sources of assurance – the assurance role of the governing body, management and organizational subject-matter experts should not be overlooked.

If specific guidance on measures to enhance the assurance-readiness of reports are introduced, care is needed that these do not result in a tick-box exercise.

Fernando Portus, Independent, Argentina

Yes

Fiona Robertson, Leeds Beckett University, United Kingdom of Great Britain and Northern Ireland

Clear transparency of processes, controls and integrated thinking procedures would help.

Graham Terry, Independent, South Africa

I am not aware of any.

Guler Aras, Integrated Reporting Turkey Network (ERTA), Turkey

Our members find this subject noteworthy and give some recommendations that we listed below.

- The IIRC could work with The IAASB (The International Auditing and Assurance Standards Board) to ensure explicit reference in the Extended External Reporting (EER) Assurance guidance to the <IR> Framework as a tool to develop a robust basis of preparation to support assurance over an extended external report (i.e. an integrated report or a management commentary.)
- The IIRC could draft an assurance-readiness supporting document by assessing the kinds of external verification methods and practices employed by the assurance providers. The Big Four can have a key role to play in this matter.
- The Framework could also be a guide in collecting information. Guidelines for using proven, science-based data will provide convenience for both preparers of integrated reports and auditors.
- Clearer definitions of expectations such as outcomes, values, business models and their contents may enhance the assurance-readiness of integrated report.

Herma van der Laarse, ABN AMRO, Netherlands

I would call upon auditors to enhance the assurance readiness of integrated reports, especially those auditors who have experience with this, to step forward and share their experiences. More explanation on the output, outcome and externalities by the IIRC would help though.

Inés García Fronti, Buenos Aires University, Argentina

Yes.

Innocent Sithole, Training and Advisory Services, Zimbabwe

We suggest the inclusion of the auditor's report on how the integrated report concur with the set framework ang guidelines. However, we appreciate that there is less experience in the provision of external assurance for users of nonfinancial data than there is for the audit of financial data.

J Robert Gibson, Hong Kong University of Science and Technology, China

Yes: Here are six: 1) The <IR> Framework's approach to Report Content of posing a question and stating that a report which answers this question is in accordance with it is excellent. The trouble for report readers is identifying where some questions are answered in some reports. The Framework should, therefore, require companies to provide an 'Index' directing readers to where they cover each of the Content Elements. 2) Currently the IIRC accepts companies calling their reports an <IR> when some criteria in its framework are not met. The argument was to get as many companies 'on board' doing <IR> as possible and then help them improve quality. The substantial downside of this approach is report readers look at the poor quality and get a poor opinion of <IR>. 3) The IIRC should follow GRI's practice of providing a number of levels of being 'in accordance'. This can then become (a) a guide to the quality of an <IR>; (b) part of the 'staircase' that takes a company from compliance driven reporting to a full <IR>. 4) should provide a bases for reporters to develop a 'self-evaluation' checklist for whether a report is in accordance with the <IR> Framework. Reporters should complete this and hence 'self-declare' whether their report is in accordance with the framework. Where their reports do not meet the conciseness criteria they can declare the report is in accordance with the <IR> Framework with this exception. They should be encouraged to have this self-declaration assured and to put the completed checklist plus assurance statement on their website. 5) A substantial portion of the companies which produce <IR> reports also produce Sustainability Reports in accordance with GRI. Harmonising <IR> with GRI will therefore facilitate getting assurance. That is, if a company is already getting assurance for its GRI report then the alignment with <IR> Framework means it only needs a 'top up' for the assurance to extend to the <IR>. should therefore be harmonised with GRI. In particular: (a) its Guiding Principles should be harmonized with GRI's Principles of Report Content and Report Quality plus Reporting Boundary standards; (b) It should explicitly follow the GRI's Management Approach. NB: This does not mean <IR> only works with GRI. But it does mean that report preparation and assurance is made easier for companies which follow both. 6) Many issues impacting social and natural capital are slow moving and difficult to judge without a number of years of data. I would prefer reports to have supporting data tables giving, as a norm, five years data.

Janine Guillot, Sustainability Accounting Standards Board, United States of America

SASB' Standards Application Guidance suggests that boards and management adopt a system of governance around developing and disclosing financially material sustainability information—including management involvement, board oversight, and internal control—that is substantially similar to what they use for financial reporting. We believe this includes evaluating whether to have the information assured. SASB's standards are designed to provide suitable criteria for assurance should a company decide to have the information assured. We believe the decision about assurance is a matter for companies to decide based on internal needs and/or demand from users of the information such as investors, and for regulators.

We believe that the IR Framework can enhance the assurance-readiness of integrated reports by acknowledging that the Framework provides principles for disclosure, and assurance generally requires the use of detailed standards and metrics that provide suitable criteria for assurance.

Using the IR Framework and SASB standards together enhances the assurance-readiness of an integrated report, and IR and SASB are working together to demonstrate how the IR Framework and the SASB standards can be used together.

Jayantha Nagendran, Smart Media The Annual Report Company, Sri Lanka

TP 3.7 Yet another assurance for integrated reporting may not add any value to the existing set of mandatory and voluntary external assurances that organisations are already being subject to. There will be considerable overlaps, for example, if assurance is to be provided for sustainability reporting and again for integrated reporting. Ensuring credibility and trust lies with those charged with governance.

Passing the buck to 'assurance providers' does not necessarily mean better credibility or trust, as we have seen in other similar unregulated areas. As long as the <IR> Framework remains principles-based and integrated reporting is voluntary, while the whole subject is still work in progress, there is no strong justification for external assurance.

Jennifer Norris, Independent, United States of America

maybe provide some tools or best practices guidance on assurance?

Jo Cain, Auditing and Assurance Standards Board (AUASB), Australia

Yes, through connectivity to the upcoming IAASB EER Assurance Guidance throughout the <IR> Framework, using hyperlinks to specific and relevant sections of the Guidance for each section of the <IR> Framework. Connectivity between these two documents will be the key.

John Dumay, Macquarie University, Australia

Processes that produce information should be assured, not the report. If the information is already assured, then there is no need to reassure it in a report.

Jona Basha, Accountancy Europe, Belgium

(21) Non-financial reporting, and assurance practice thereon, are still evolving but it is strategic for the <IR> Framework to be future proof, to ensure that such information is verifiable. (22) Topic Paper 3 notes that IIRC issued a paper exploring challenges of assurance over <IR> Framework therefore could enhance assurance-readiness of integrated reports by addressing those challenges to ensure the suitability of criteria for an assurance engagement. It would be helpful to provide guidance as to how the <IR> Framework can be used in combination with other reporting Frameworks to prepare the disclosures. (23) The selected subject matter for the assurance engagement should be core to the company's strategy, its business model and what drives the value creation within the company. Non-financial disclosures by companies need to be better aligned with the company's strategy and values and the reporting framework should serve as a tool to deliver such disclosures. (24) In addition, it could be helpful if the <IR> Framework provided guidance on the internal control systems or included references to existing guidance as non-financial reporting internal control systems might be less strong than financial reporting ones. For example, the COSO Framework may be a valuable source. Reporting standard setters should establish robust principles and guidance for companies to refer to as they implement systems to capture and process sustainability and/or non-financial information.

Judy Ryan, Independent, New Zealand

Align or direct others to existing standards for KPI reporting.

Jun Honda, WICI Japan, Japan

I feel the IIRC could promote more widespread use of KPIs or quantifications in the non-financial sections of integrated reports, so that the preparers can obtain third-party assurance report (at least in the form of limited assurance) thereon more easily than now.

Le Quang TRAN VAN, Afep, France

In France, integrated reports are to a large extent part of the companies' registration documents filed each year with the Financial Markets Authority. These are subject to a consistency check by statutory auditors. In addition, non-financial information produced by companies according to Art. 225-102-1 of the French commercial code has to be verified by an independent third party. As integrated reports frequently refer to non-financial information produced in the Non-financial Performance Statement included in the management report, the information produced in French integrated reports is robust and of high quality. French companies within Afep don't believe that further ways to enhance assurance-readiness of integrated reports are needed as far as they are concerned.

Leonie Meyer, Individual, South Africa

I believe if Topic Paper 1 and 2 suggestions are included and a process driven approval statement exists that would immediately enhance audit readiness. Similarly the clarification through Topic paper 2 would hopefully assist with better quantification of outcomes in business models which can integrated reports more "assurable". Suggestions on improving assurance readiness will include assurance providers being able to providing factual finding audit reports on: Materiality determination process; Process of management review of integrated report; Business model validation; Validation of reported strategy being board approved strategy; Stakeholder engagement process validity;

Lydia Tsen, Chartered Accountants Australia and New Zealand / CPA Australia (joint submission), International

In enhancing the assurance readiness of integrated reports, we suggest the IIRC refer to the ten key challenges identified by the International Auditing and Assurance Standards Board (IAASB) as part of its project to develop non-authoritative guidance in applying ISAE 3000 to extended external reporting. The key challenges identified (e.g., suitability of criteria, materiality and the form of the assurance report) all influence the credibility (and assurance) of integrated reports. The responses to the IAASB's project should therefore be taken into account by the IIRC. In addition, we note that the IAASB's draft guidance also included some information for preparers, which should be captured in a reporting framework.

Further, we recommend the IIRC consider whether parameters over the content of information should be developed in order to avoid situations where assurance over this information becomes an overly onerous task (ie. where the content is more subjective than objective).

Mar Granados, Repsol, Spain

As this is a voluntary reporting framework, we do not consider that it should contain additional requirements for the assurance process. The assurance process should also be voluntary unless regulation requires it.

Mardi McBrien, Climate Disclosure Standards Board (CDSB), United Kingdom of Great Britain and Northern Ireland

Overall, the <IR> Framework is well suited for assurance-readiness, using many of the shared concepts that are a part of IFRS, as well as being concerned with reviewing the processes involved in value creation across each of the capitals. One area that is not well developed is the control environment, namely internal controls and how those may relate to each capital. Testing controls efficacy is a key feature of an audit engagement, having these documented could enhance the frameworks assurance readiness.

Maria Farfan, Pontificia Universidad Javeriana, Colombia

To develop a check list of the minimal requirements to agree with the IR could be useful. The role of internal audit is fundamental to ensure the quality and the verification of the necessary procceses to arrive to an integrated report. Of course external audit is important, but I don't believe accountants and auditors are preparing themselves for the preparation and evaluation of non financial information, and it is in part a responsability of universities that are focused in only financial aspects. The firs step is that auditors understand the framework and increase their believes of the value of the integrated information for companies and society.

Maria Towes, Durham University, United Kingdom of Great Britain and Northern Ireland

Unsure

Maria Angelica Costa, Independent, Brazil

No.

Maria Eugenia Bellazzi, Sustenia, Argentina

As it is a Framework, we think that it is ok the way it is presented. The <IR> Framework can be leveraged on other standards or guidelines, like GRI, or on external verifications for enhance the assurance-readiness of integrated reports.

Marje Russ, Independent, New Zealand

First, it is important to note that the material already in the Framework at section 4G is very valuable and indeed "assurance-friendly". It should be retained. There is a wide range (outside of the accounting profession) of standard setters, assurance standard setters, and assurers that are active and contribute to building confidence related to reported information and the underlying subject matter captured by five of the six capitals (other than financial). These include for example: standards and assurance associated with certification of management systems against international standards, accredited laboratory testing and inspection, product or supply chain certification, independent audits/review of environmental/social impact assessments. Following engagement with this wider community and based on an enhanced understanding of the assurance landscape, IIRC should be in a position to consider how this can be recognised and reflected in the Framework. Encouraging and assisting report preparers to develop and mature integrated thinking about the many assurance, review and other trust/confidence building activities and how they work together to support user confidence in integrated reporting will be helpful. Given the wide range and nature of underlying subject matter across the six capitals model, reporting and assurance will be more of a patchwork. There will be significant variation in the uncertainties associated with understanding elements of the underlying subject management, with its measurement and representation and with the extent to which assurance processes can address or reduce that uncertainty. In this context, the binary concept of limited vs reasonable assurance has less utility and value. Longer form reporting that is able to address this complexity and provide insight about the underlying uncertainties will be more appropriate. This should be reflected in the Framework.

Massimo Romano, Independent, Italy

It depends on the position of the IR. If it's a standalone document, it could be worthy to specify the process leading to the publication of an IR (in terms of depts. involved, identification of KPIs, data flow, reporting, engagement of the board committees etc). On the contrary, if the IR is included in the Management Commentary, it falls under the internal control system over (financial and non-financial) reporting and audit activity.

Mervyn King, Senior Counsel and former Judge of the Supreme Court of South Africa, Chair of the African Integrated Reporting Council, Chair of the Integrated Reporting Committee of South Africa, Chair Emeritus of the IIRC, Chair Emeritus of GRI - Responding in an independent capacity, South Africa

The Framework has already enhanced the assurance readiness of integrated reports with assurance friendly features contained in the report. Any changes in the updating should be carefully worded not to dilute this enhancement

Michel Washer, Solvay, Belgium

Explicit reference to reporting standards like GRI for selection of indicators relevant to material issues

Miguel Oyarbide, Australia Post, Australia

List of minimum requirements or simply 'test questions' for assessing to what extent principles and content elements have been adopted.

Nandita Mishra, Amity University, India

Independent audit can play an important role in the audit assurance and create a long term credibility of the company. If report lacks credibility & trust the main objective of will be defeated. According to me, <IR> Framework can only clear the process & emphasis on the role played by independent auditors. <IR> Framework cannot be held responsible for audit assurance. Integrated thinking should be embedded in the company's activities. <IR> Framework in this respect will not be more helpful

Nandkumar Vadakepatth, DNV GL, India

If the report references to other standrads or framework then assurance needs to include the requirements including principles of referenced frameworks: Ex: GRI Standards; SASB framework , ISO14064...etc.

Neil Smith, Koan Group, Netherlands

Perhaps a guidance document /note for assurance providers - taking away any mis-interpretations .ambiguity with regards to the framework, however, this will be no easy task - given the non-prescriptive nature of the IR framework (both a strength and a weakness).

IIRC needs to engage more with the assurance providers and make it 'easy' for them to accept IR engagements. Almost all assurance providers are assuring, still, against the GRI.

Nick Ridehalgh, Business Reporting Leaders Forum - Executive, Australia

The main opportunity for the IIRC to enhance the assurance-readiness of integrated reports lies outside the <IR> Framework. This involves the IIRC working with the IASB to ensure that recognition is given to the <IR> Framework being used as a tool for preparing a Management Commentary under the IASB's Management Commentary Practice Statement. In addition, the IIRC should work with the IAASB to ensure explicit reference in the Extended External Reporting (EER) Assurance guidance to the <IR> Framework as a tool to develop a robust basis of preparation to support assurance over an extended external report (i.e. an integrated report or a management commentary.)

Nowmitta Jahanzaib, Institute of Cost and Management Accountants of Pakistan, Pakistan

yes , risk management techniques can go alonway in enhancing the scope of assurance .The scope of Audit and assurance can be extended to determining the scope oif change managemnet, employees readiness to embrace the change let that be of techmology pr otherwise.It should be there.Employee moral resonates and if it doesnt that means start audting the human resources department.As best practices of governance are already playing their role in assurance and more detailed scope that be charted out wherever need be. Definitely this should be an Integral part of IR Framework.

Paul Hurks, NBA, Netherlands

20. As Integrated Reporting is still not completely mature, integrated assurance is still not mature. Currently we mostly see limited assurance on these kind of reports because of the challenges in terms of subject matter identification, suitable criteria for reporting and measurement, materiality issues and available evidence. With the design of further guidance the 'assurability' of information should be taken into consideration in such a way that also reasonable assurance becomes the usual option in the future. In the process of designing guidance in this field we encourage that the IIRC takes into account the IAASB publication on EER-assurance.   21.More clarity or guidance is needed on when a claim 'in accordance with -framework' is valid.

Paul Thompson, European Federation of Accountants and Auditors for SMEs, International

In our response to the IAASB's Consultation Paper, Extended External Reporting Assurance here https://www.efaa.com/cms/upload/efaa_files/pdf/Publications/Comment_letters/2019/20190624_EFAA_Response_EER-CP-FINAL.pdf we say: "At present EER assurance for large public interest entities (PIEs) seems to be growing fast but for the foreseeable future we do not anticipate much demand from small and medium-sized entities (SMEs) and non-PIEs. Nevertheless in time we expect demand for some sort of third party verification of EER by SMEs and non-PIEs to emerge. Hence this project needs to anticipate this." SMEs are much less likely to seek assurance since the costs will likely exceed the benefits. Hence we would prefer we talk about verification more generally and refer to 'verifiability' or similar rather than assurance-readiness of integrated reports.

Peter Paul van de Wijs, GRI, Netherlands

The GRI Standards advise that reporting organizations seek external assurance (GRI 102-56) and whilst GRI does not require this to report in accordance with the GRI Standards including it as a recommendation in the GRI Standards is critical to emphasize its importance.

IIRC is encouraged to adopt a similar approach. Note this does not mean setting out what is required by external assurance as this is the remit of other standard setting bodies like IAASB.

Prof Barry Cooper, Deakin Business School, Australia

The main opportunity for the IIRC to enhance the assurance-readiness of integrated reports lies outside the <IR> Framework. This involves the IIRC acting to ensure that: • a global approach is taken to integrated reporting adoption; • explicit recognition is given to the <IR> Framework as a tool for preparing a Management Commentary under the IASB's Management Commentary Practice Statement; • explicit recognition is given to the reference to the <IR> Framework as a tool for assuring an integrated report under the IASB's Management Commentary Practice Statement in the IAASB's Extended External Reporting Assurance guidance, bringing full alignment between the IASB and IAASB guidance; • instances of integrated report assurance are monitored, supported and communicated; and • integrated reporting assurance in accordance with the <IR> Framework need not be classified as a prohibited service for financial statement auditors under national regulatory requirements given the synergies involved and there being no independence threats being created – both being independent assurance engagements.

Redefining Value, World Business Council for Sustainable Development, Switzerland

As we noted in our response to Topic 1, if it is accepted that the Framework itself does not represent "suitable criteria" - but a conceptual framework that can be used as the basis for developing suitable criteria, this will help entities enhance the quality of their corporate reporting without creating expectations that it can function as specific reporting standard. Our experience in developing the Reporting Exchange and reviewing reporting requirements across jurisdictions, tells us there is no shortage of regulations and standards that deal with specific content elements of an integrated report. Across the main frameworks (such as GRI, SASB, CDP etc.) there are over 5,000 metrics but some pronounced gaps particularly in terms of intangibles, outcomes and economic effects. In our view, as is an investor focused report, the IIRC should strongly encourage reasonable assurance be provided in accordance with ISAE 3000 (or national equivalents) and related guidance, given that the IAASB is the global assurance standard setter. We believe this is critical to enhancing the credibility of corporate reporting and reports to investors must be of investor grade to be reliable.

Richard Chambers, The Institute of Internal Auditors, United States of America

We believe the Framework should ask that organizations that publish integrated reports indicate the extent to which internal audit has played a role in evaluating or monitoring internal systems and controls over the content of the report, including, and especially, non-financial matters. This can be added to amplify section 3F Reliability and Completeness, where the Framework says reliability of information is "enhanced by mechanisms such as robust internal control and reporting systems, stakeholder engagement, internal audit or similar functions, and independent, external assurance." Internal audit's role in providing independent assurance should be spelled out specifically and separately as a key benefit. This has precedent in the United States, where internal audit typically tests internal controls over financial reporting before they are subject to external assurance by the financial auditors. External assurance providers are limited by statutory, regulatory, and professional standards for what they can (and cannot) do, and what they can (and cannot) sign. Internal audit takes a more holistic risk-based approach.

Richard Martin, ACCA, International

Requiring a statement of compliance with the Framework is a basic need here. Assurance is best provided in terms of meeting a set of required elements. There are many content elements of <IR> where assurance can be described in terms of the process or the opinions of the entity. The IIRC should consider carefully the guidance that the IAASB will be producing and whether there are implications for the Framework.

Ron Gruijters, Eumedion, Netherlands

Other than the setting of an international standard for non-financial information reporting that would in turn allow audit standards to be more specifically developed and applied, we are not aware of any improvements within the Framework that could significantly enhance the assurance-readiness of integrated reports.

Sasol Integrated Report Team, Sasol, South Africa

Include guidance on assurance processes and how materiality is determined.

Sergio Cravero, PwC, Argentina

Providing further rules and boundaries to the framework that allows consistent assurance procedures in different entities

Shimellis Assegahegne, Independent, Ethiopia

Yes, disclosure should focus material or significant cases or issues. This will grately assist decision makes to focus on more important issues which high impact on the performance of the reporting entity

Stathis Gould, International Federation of Accountants (IFAC), International

There is a real sense of urgency for corporate reporting to incorporate relevant, reliable, and comparable information based on a common set of standards which provide confidence in information and provide a stronger basis for audit and assurance. If the Framework is positioned as a conceptual framework providing a basis for narrative information and metrics that enable organizations to more effectively communicate their ability to create value over time across all relevant capitals, standardized metrics can be established on a global basis within a legitimate global reporting structure. This would help the development of assurance.

Thomas Scheiwiller, IMPACTS, Switzerland

we' d need an assurance standard or framework or at least an interpretation/specification of existing assurance standards

Tjeerd Krumpelman, ABN AMRO, Netherlands

Perhaps the assurance-readiness could be enhanced by inviting assurance providers to give feedback on the framework. Currently we can get assurance based on the principles, but it is far from standard and not as easy as other frameworks that were designed more with assurance in mind.

Tokiko Fujiwara-Achren, Independent, Finland

Nothing special.

Tokiko Yokoi, Individual, Japan

How about incorporating it into the internal control reporting system?

Usha Ganga, HAN University of applied sciences, Netherlands

I believe that currently the regulations within the <IR> Framework are formulated in such a matter that it gives organisations the freedom to choice a certain way of reporting. This makes it hard to provide assurance while using the <IR> Framework as criteria. The criteria will lead to different reports if different preparers make choices on its content. When a set of criteria leads to possible different outcomes, the criteria do not lead to uniform reporting and therefore cannot be used as criteria for assurance providers. I therefore believe that the <IR> Framework should not aim at being an assurable framework, but be used as the blueprint for all reports. Other guidelines (EU NFRD, GRI, SDG, TCFD) should provide the rest of criteria necessary to provide assurance on. This means that assurance on <IR> reports should only be performed by using both the <IR> Framework and another more detailed framework as criteria.

Veronica Poole, Deloitte, United Kingdom of Great Britain and Northern Ireland

Integrated reporting draws on the connectivity between financial and non-financial capitals and how they generate value. A number of initiatives and discussion groups have identified the need for audit and assurance to inform stakeholders on broader areas of corporate health and responsible business and to

provide more assurance over 'other information' in the corporate report. The IIRC can play a role in enhancing assurance readiness by developing guidance on the link between integrated reporting and the processes and controls that those charged with governance have in place to:

- determine materiality
- identify key risks and opportunities
- develop and monitor KPIs
- ensure appropriate connectivity for example between governance, strategy, risks and value creation, and linkage between financial and non-financial data.

Covering such considerations within the <IR> Framework will help those charged with governance to be clear and transparent about the assurance they have obtained over the value creation process. This would be an important step towards transparency and enhancing the ability of stakeholders to make informed

decisions on the performance and prospects of the company.

Warren Koen, Export Credit Insurance Corporation, South Africa

Probably

Wesley Boone, ABN AMRO, Netherlands

Provide guidance on the combination of the <IR> Framework with more KPI / metric measurement frameworks (e.g. GRI). Or provide guidance on own development of metric definitions and the creation of (global) consistency thereof.

Question 4. Consider the following statement: Matters of assurance rest with regulators and related standard setters, and not with voluntary reporting frameworks. Do you agree or disagree?

Adam WIlliamson, AAT, United Kingdom of Great Britain and Northern Ireland

Agree. In general AAT is in agreement with this statement. There is linkage back to Topic 1 and the importance of clarity in methodology and review / sign-off processes providing sufficient information that readers can (or not) be confident in the content.

Alan Willis, Independent, Canada

Agree. Reporting frameworks usually start life as voluntary frameworks to guide the preparation and presentation of information to stakeholders. In the case of financial reporting, public policy considerations, including shareholder protection and capital market functioning, have caused regulators and legislators in most jurisdictions to make the reporting framework (standards) mandatory. Similar public policy considerations have caused regulators and legislators to make independent external assurance of financial reporting mandatory and to enact provisions for such purposes, including recognition of acceptable professional standards. Mandatory assurance regarding <IR> will likewise be a public policy issue, following such time as <IR> itself and use of the <IR> Framework are made mandatory by law or regulation or stock exchange listing requirement - the South African experience may be useful to consider on this matter.

Alexandra Chistyakova, JSC ASE, Russian Federation

Disagree. Companies must decide for themselves whether they need certification or not. Mandatory (not voluntary) certification cannot be imputed to regulators and standards developers. There should be such an opportunity, but the procedure itself should be voluntary.

Anastasia Gabrielyan, Da-Strategy, Russian Federation

Agree. In accordance with AA1000AS, AA1000SES Standards, a stakeholder panel is formed including to provide public certification of the report. This assurance, for example, can be carried out by regional networks for integrated reporting.

Andrej Drapal, Consensus d.o.o., Slovenia

Disagree. Regulation represents the necessary but not sufficient framework for this issue. Later is more important for IR based on integrated thinking.

April Mackenzie, External Reporting Board, New Zealand

Disagree. Where information is reported it is desirable that the information is credible, regardless of whether the disclosure is voluntary or mandatory. As identified by the IAASB, there are four factors that enhance credibility and trust, including a sound framework (mandatory or voluntary), strong governance, consistency with wider information and seeking assurance.

Matters of assurance rest with all participants in the reporting ecosystem. This includes regulators and both reporting and assurance standard setters. It also captures the wider reporting supply chain including those charged with governance, management and users of the reported information and assurance report and other assurance providers/processes. We support and encourage collaboration between all these participants in order to enhance credibility of the reported information.

Azizah Mohd Ghani, Malaysian Institute of Accountants, Malaysia

Neither agree nor disagree. As long as a voluntary reporting framework is used for disclosure of data, processes and policies which may influence decision making by investors/stakeholders, it needs to withstand the credibility test.

In the absence of mandatory requirements for assurance by regulators involving the related standard setters, assurance work on <ir>, which is voluntary and market-driven, would enhance the credibility of the information disclosed in the integrated report. As reliability and completeness are part of the <IR> Framework’s Guiding Principles, it should be mentioned in the <IR> Framework regarding how reliability could be attained through the use of assurance services and how they can be performed.

In addition, credibility can be gained by providing evidence supporting claims and conclusions

Beat Schweizer, PETRANIX, Switzerland

Agree. I think voluntary frameworks play an important role in promoting and encouriging assurance, especially if in accordance with the framework is tested. However, I don't see that the frameworks should require mandatory assurance, this should be up to the reporting organisation/market pressure or the regulators.

Bernd Schönhofer, Munich Airport, Germany

Disagree. The combination of regulators and reporting frameworks are working just fine. External auditors are using existing frameworks to fulfil national law.

Bhavin Bryan Kapadia, Sustainable derivatives, United States of America

Disagree.

Bill Allan, Individual, United States of America

Agree. I would thus agree strongly that "matters of assurance [should] rest with regulators and related standard setters, and not with voluntary reporting frameworks." However, a major new initiative is required to investigate the processes, outputs and outcomes of the non-financial forms of capital. Stronger assurance measures are vitally required in all three forms of non-financial capital, with particularly difficult challenges to be faced in reporting on and controlling use of social and relationship capital. The IIRC and other agencies involved in promoting <IR> will require (and deserve) much stronger financial and technical support to establish <IR> as a necessary basis for national and global governance.

Bill Baue, r3.0, United States of America

Disagree. Yes, ultimately, mandatory assurance must be mandated (was this a trick question to test our intelligence?) But that does not mean that voluntary initiatives (namely, IIRC) are relegated to sitting on their hands. IIRC is beholden to engage with regulators to encourage mandating of integrated reporting assurance and auditing.

Black Sun PLC, United Kingdom of Great Britain and Northern Ireland

Agree. The role of the <IR> Framework must remain the same. To quote the framework itself: "The IIRC's long term vision is a world in which integrated thinking is embedded within mainstream business practice in the public and private sectors, facilitated by Integrated Reporting () as the corporate reporting norm. The cycle of integrated thinking and reporting, resulting in efficient and productive capital allocation, will act as a force for financial stability and sustainability." The act of reporting includes obtaining assurance, but this is not a core activity, value creation awareness and developing more integrated thinking is the ultimate goal. Further attention in the area of assurance may dilute this focus when there are bodies/movements that could be supported.

Bruno Gasparroni, UniCredit Group, Italy

Disagree. It is a matter that affects everyone. Clarity and transparency in the information provided, can increase the interest in this type of reporting in order to analyze the value of companies not only from a financial point of view but also from the point of view of the value created and of the positive impacts on society.

Carlos Brandão, Independent, Brazil

Disagree. Voluntary initiatives are more respected and trusted when they are subject to some form of standardized assessment performed by third parties.

Carol Adams, Durham University Business School, International

Agree. I think I agree but the statement is unclear. I agree that there should be mandatory assurance of non financial information for certain organisations. This is because such information can have a bigger impact on value creation or destruction for stakeholders (including providers of financial capital) than financial information.

Cédric Gélard, CNCC/CSOEC, France

Agree. We agree that it is the role of regulators to decide whether independent assurance over reported information should be mandatory, and if so, what scope and at which level. Nonetheless, investors are increasingly voicing the need to enhance the reliability and credibility of disclosed information. Therefore, a reporting framework or standard should ensure that disclosures produced using that framework are verifiable. A reporting framework or standard used by an entity serves as a point of reference for an assurance engagement, assurance being provided against suitable criteria. The assurance practitioner assesses whether the applied reporting standards and frameworks are suitable in the given circumstances.

Christine Smith, Clearspace Limited, New Zealand

Disagree.

Ciara Reintjes, South African Institute of Chartered Accountants (SAICA), South Africa

Agree.

1. In South Africa, only registered auditors may provide assurance. Registered auditors are regulated by the Independent Regulatory Board of Auditors (IRBA).

2. The Auditing Profession Act, 2005 (No. 26 of 2005), as amended, contains the following definition for: Audit means the examination of, in accordance with prescribed or applicable auditing standards – (a) financial statements with the objective of expressing an opinion as to their fairness or compliance with an identified financial reporting framework and any applicable statutory financial reporting requirements; or (b) financial and other information, prepared in accordance with suitable criteria, with the objective of expressing an opinion on the financial and other information.

3. However, currently, registered auditors and other professionals provide assurance engagements on integrated reports, using various frameworks and standards. In some cases, assurance providers are not registered auditors and not chartered accountants (members of SAICA), yet still apply ISAE 3000 (Revised). This is despite that assurance provider not being a member of a Professional Accountancy Organisation (PAO), registered with the International Federation of Accountants (IFAC). The IAASB, which

issues standards such as ISAE 3000 (Revised), is a committee of IFAC.

4. We believe that matters of assurance must rest with regulators and related standard setters, and not with voluntary reporting frameworks.

5. In South Africa, companies listed on the Johannesburg Stock Exchange (JSE) are required to apply the principles contained in the King IV Code of Corporate Governance (King IV) as per the JSE Listings Requirements. Where such principles are not applied, listed companies should explain why they have chosen not to apply the principles.

6. King IV, recommendation 12 states, "The governing body should oversee that the organisation issues an integrated report at least annually, which is either: a. A standalone report which connects the more detailed information in other reports and addresses, at a high level and in a complete, concise way, the matters that could significantly affect the organisation's ability to create value; or b. A distinguishable, prominent and accessible part of another report which also includes the annual financial statements and other reports that must be issued in compliance with legal provisions."

7. Both King IV and the JSE Listings Requirements do not require assurance on the integrated report. It is only the financial information in the integrated report that would be subject to assurance in the form of audits of financial statements which can only be conducted by a registered auditor.

8. As SAICA we believe that the lack of clarity regarding the regulation over who may provide assurance engagements on non-financial information is due to the fact that forms of reporting such as integrated reports and assurance reports on integrated reports are still maturing. Providers of capital are still the main users of such reports and they are primarily concerned with financial performance thus the focus on financial statement audits.

9. As the voices of activists in this area grow louder and the more stakeholders demand from organisations in terms of Environmental, Social and Governance (ESG) issues, the more the pressure on the regulatory bodies will grow to regulate assurance providers. It is the public interest that drives the regulation and different jurisdictions are at different maturity levels in this regard.

Cornis Van der Lugt, University of Stellenbosch Business School, South Africa

Disagree. Recommendations on assurance, the why and the how, can also be put forward by voluntary and market initiatives. Regulators tend to pick these things up at a more advanced stage. But early experimentation by market players is highly valuable. Consider the argument by some market players that we urgently need a price for carbon, with which also comes the need for assurance. Regulators and voluntary standard setters need to collaborate here.

Daniel Clayton, Accountability Consulting, United States of America

Neither agree nor disagree. There are plenty of organizations that require peer review against standards or external assurance, it is what makes it reliable. However the idea is still growing making assurance across less tangible standards difficult

David Herbinet, Mazars, United Kingdom of Great Britain and Northern Ireland

Disagree. Independent assurance of financial statements provides credibility and trust which facilitates the smooth functioning of capital markets. A similar form of assurance for non-financial reports has proved more challenging given that this type of information is not always mandated by regulators, elements of the underlying information are less quantifiable and of a more qualitative nature. Similarly to financial statements, a requirement for assurance of other information containing a mix of financial and non-financial information such as the integrated report should be enforced by regulators and standard setters. It would be desirable for this assurance to be provided on the information in the report on a holistic basis rather than on individual components. This would provide the necessary confidence to the users of integrated reports that the information contained therein is fair balanced and understandable and has been prepared in accordance with commonly used standards. In the meantime, voluntary reporting frameworks should encourage assurance of information and require preparers to state the extent to which such assurance has been provided; make available any assurance reports, independent or otherwise which should include an opinion or set of conclusions, a description of the responsibilities of the report preparer and the assurance provider and a summary of the work performed, which explains the nature of the assurance conveyed by the assurance report. Guidance could also be provided around from whom the reporting entity should obtain assurance, clarifying that assurance should be performed by competent groups or persons who follow professional standards for assurance or who apply systematic, documented and evidence-based processes.

Deidre Henne, McMaster University, Canada

Neither agree nor disagree. Assurance is two-fold. The Role of Regulators is mandate and require verification techniques and the role of the Framework to outline assurance mechanisms organizations would follow once the decision to adopt the Framework is made.

Delphine Gibassier, Independent, France

Agree. It would be make it much stronger that it is mandatory, however the IIRC should work on that and push this. The French Grenelle 2 law example of having the same auditor audit both financial & non-financial is a good step forward, but not enough.

Derick Nkajja, Institute of Certified Public Accountants of Uganda (ICPAU), Uganda

Agree. Matters of assurance should rest with regulators and related standard setters, and not with voluntary reporting frameworks as discussed in Q3 above.

Dr. Erkin Erimez, ARGE Consulting, Turkey

Agree. Independent assurance is important for stakeholders. Focus of regulators and standard setters could not be same as stakeholders' expectations. Nevertheless, the Statement of Responsibility is a strong statement of assurance by the organization's leaders.

Dr. Fatma Öğücü Şen, Argüden Governance Academy, Turkey

Agree. Independent assurance is important for stakeholders. Focus of regulators and standard setters could not be same as stakeholders' expectations. Nevertheless, the Statement of Responsibility is a strong statement of assurance by the organization's leaders.

Edouard Gridel, Institut du Capitalisme Responsible, Gambia

Agree. Mandatory regulatory has several key advantages, including "levelling by high", and not relying on the diversity and unequality of quality among frameworks

Elda Almeida, Independent, Argentina

Agree. With regulators and ethic process Not only a checklist requirement

Fay Hoosain, Integrated Reporting Committee of South Africa, South Africa

Agree. The IIRC should, however, be aware of assurance developments and ensure that the Framework remains assurance friendly. The development of an assurance strategy is the responsibility of those charged with an organization's governance, while the 'how to' is the responsibility of the international standard-setters.

Fernando Portus, Independent, Argentina

Disagree. Even this framework is voluntary, it is important that user have a garantee that these report have a correct assurance, because they will be used in their decision making process.

Fiona Robertson, Leeds Beckett University, United Kingdom of Great Britain and Northern Ireland

Agree.

Graham Terry, Independent, South Africa

Agree. The IIRC develops the framework for integrated reporting. It is not an assurance standards developer and does not have the expertise to develop such standards. Also it is not a regulator. It is argued by many that the framework is not sufficiently robust and therefore it is not feasible to seek broad assurance. At best the framework can explain the advantages of seeking internal and external assurance. If organisations see value in seeking assurance they will enhance their assurance processes on a voluntary basis.

Guler Aras, Integrated Reporting Turkey Network (ERTA), Turkey

Disagree. Our members believe that this process should manage with both the principle of volunteering and regulators. They believe that it is critical to pay attention to the push & pull effect between regulatory requirements and voluntary initiatives. All involved in corporate reporting have a responsibility in relation to matters of assurance, including market participants, assurance providers, investors and other stakeholders, intermediaries such as analysts and investor relations, industry body, regulators, standard-setters and legislators. In addition to this, one of our members think that IIRC Framework principles can include or refer some standards such as GRI. Some of our members stated that they are already taking assurance service from an independent auditor to make their report more reliable and increase its reputation.

Herma van der Laarse, ABN AMRO, Netherlands

Neither agree nor disagree. It lies with both although I do feel that a voluntary framework has less leverage to encourage this and probably it rests more with regulators.

Inés García Fronti, Buenos Aires University, Argentina

Agree.

Innocent Sithole, Training and Advisory Services, Zimbabwe

Disagree. We disagree because failure to incorporate assurance matters might limit the confidence of stakeholders in relying on the integrated report.

J Robert Gibson, Hong Kong University of Science and Technology, China

Agree. This seems like a no brainer as: a) A regulator has the power to make assurance mandatory. b) A voluntary framework has no such power

Jayantha Nagendran, Smart Media The Annual Report Company, Sri Lanka

Agree. TP 3.8 Please see our response TP 3.7 above

Jennifer Norris, Independent, United States of America

Disagree. I am uncomfortable with the thought of having a regulatory body dictate assurance of an integrated report.

Jo Cain, Auditing and Assurance Standards Board (AUASB), Australia

Agree. We need to establish a consistent and robust approach to the assurance of non-financial information, such as the strategic, business model, value creation and material issue-related data and information typically round in IR. Building on the well-established approach to financial assurance adds value here. That said, strong connectivity between the <IR> Framework and the IAASB EER Assurance Guidance will add significant value for IR preparers, assurers and users alike.

John Dumay, Macquarie University, Australia

Agree. All processes that produce material disclosures should be assured in some way. However, how this can be implemented is difficult.

Jona Basha, Accountancy Europe, Belgium

Agree. (25) We agree that it is the role of regulators to decide whether independent assurance over reported information should be mandatory, and if so, what scope and at which level. Nonetheless, investors are increasingly voicing the need to enhance the reliability and credibility of disclosed information. Therefore, a reporting framework or standard should ensure that disclosures produced using that framework are verifiable. A reporting framework or standard used by a company serves as a point of reference for an assurance engagement, assurance being provided against suitable criteria. The assurance practitioner assesses whether the applied reporting standards and frameworks are suitable in the given circumstances. (26) (Responding to assurance needs on non-financial information, Accountancy Europe and WBCSD, May 2018, https://www.accountancyeurope.eu/wp-content/uploads/Responding-to-assurance-needs-on-non-financial-information.pdf (27) Towards reliable non-financial information across Europe, Accountancy Europe https://www.accountancyeurope.eu/wp-content/uploads/Accountancy-Europe-Towards-reliable-non-financial-information-in-EU_1.pdf"

Judy Ryan, Independent, New Zealand

Neither agree nor disagree. I think assurance is voluntary but should be recommended. It is hard/impossible to assure against a principals based framework. However, there are many KPIs which organisations could adopt and which would be able to be assured.

Jun Honda, WICI Japan, Japan

Disagree. I don't agree. It is the matter of conscience of prepares of integrated reports, whether mandatory or voluntary reporting.

Kavita Jadeja, EY, India

Agree.

Le Quang TRAN VAN, Afep, France

Agree. Companies agree that matters of assurance should rest with regulators. These matters concern the reliability of mandatory information published by companies. The IIRC Framework is and should remain a voluntary approach which cannot impose assurance or verification. This being said, the future revision of the EU Non-financial Information Directive (NFRD) is likely to introduce mandatory verification of non-financial information published in the EU. Integrated reports connecting financial and non-financial information will therefore indirectly benefit from this enhanced level of assurance.

Leonie Meyer, Individual, South Africa

Agree. It is the assurance providers and IAASB which should come forward with an assurance solution. This can even be in the form of a voluntary audit standard on integrated reporting listing some broad audit procedures as explained above with a defined level of assurance albeit limited or simply in the form of factual findings.

Lydia Tsen, Chartered Accountants Australia and New Zealand / CPA Australia (joint submission), International

Disagree. We do not agree with this statement. Whilst mandatory assurance (determining what is subject to assurance and who is appropriately qualified to conduct the work) is a matter for regulators (and it might be mandated in the future), voluntary reporting frameworks should still be able to be assured as some entities may choose to have their information assured – as we already see with integrated reports and sustainability reports. Further, compliance with voluntary reporting frameworks helps to provide regulators with useful case studies and insights into what has worked in the market – particularly given assurance over some matters is likely to be complex. In other words, compliance with voluntary reporting frameworks helps to address the challenge of 'suitability of criteria' as identified by the IAASB (which refers to the requirement that criteria be suitable in order for the report to be auditable). For reference, suitable criteria are required to exhibit each of five characteristics (Relevance; Completeness; Reliability; Neutrality; and Understandability).

Mar Granados, Repsol, Spain

Agree. We see great value in IIRC participating in prepare standards and guidance initiatives to ensure that the Framework and Integrated Thinking evolves and is embrace by issuers although we understand that assurance is a matter to be addressed by regulators and related standard setters.

Mardi McBrien, Climate Disclosure Standards Board (CDSB), United Kingdom of Great Britain and Northern Ireland

Neither agree nor disagree. Regulators need to require assurance in some cases, but standard setters should ensure that their frameworks are suitable for assurance. It could be argued that standard setters are not creating standards fit for purpose if they are not assurance ready or hinder it and thus failing in their duties. Standards exist to promote the effectiveness of reporting, for which assurance is a key element. If voluntary reporting frameworks wish to be adopted easily with little cost to users, then they should look to be aligned closely with relevant standard setters. Thus, if the two above criteria are satisfied then matters of assurance should not be a concern for voluntary reporting frameworks as they will be already met. Moreover, there is nothing to stop a voluntary framework suggesting that assurance over whether the reported information is in line with the voluntary framework may be a valuable exercise, through appropriate reference within the Framework itself (as found in the CDSB Framework). However ultimately, full assurance uptake will only occur where mandated by regulation/legislation and standard setters.

Maria Farfan, Pontificia Universidad Javeriana, Colombia

Agree. Think in the financial information. Even if it is required for many countries, there is a standard setter and a diferent organism in charge of assurance guidance. In the same way, I don't think a voluntary framework has to include assurance matters directly. Each jurisdiction should establish the level of assurance requiered for non financial and integrated information.

Maria Towes, Durham University, United Kingdom of Great Britain and Northern Ireland

Agree.

Maria Angelica Costa, Independent, Brazil

Agree. Integrated Report is not mandatory yet. When it change, it will be a matter of the regulators.

Maria Eugenia Bellazzi, Sustenia, Argentina

Agree. It is ok. Although it can be added voluntary external auditor if the company is interested in this kind of assurance.

Marje Russ, Independent, New Zealand

Disagree. I disagree with this statement. Confidence and trust in reported material is important for users whether or not that reporting is voluntary or mandatory. In many contexts (for example as part of supply chain management and procurement) clients or customers (rather than regulators) require assurance. The Framework needs to recognise these market/user requirements and expectations, rather than just regulators/standard setters, provide the drivers for assurance.

Mark McElroy, Center for Sustainable Organizations, United States of America

Disagree. A hybrid possibility exists, whereby an organization voluntarily chooses to be certified by a third party (for its integrated, triple bottom line accounting/reporting), whose certification standards call for mandatory assurance.

Massimo Romano, Independent, Italy

Neither agree nor disagree. From the audit point of view, the assurance of an IR as a standalone document - that does not fall under the statutory audit - could be on specific metrics (such as materiality process) and on a broader review of the overall report's compliance with the <IR> Framework. On the contrary, if the IR embeds the Non-Financial Statement or the report itself is included in the Management Commentary, it's subject to statutory audit flow.

Mervyn King, Senior Counsel and former Judge of the Supreme Court of South Africa, Chair of the African Integrated Reporting Council, Chair of the Integrated Reporting Committee of South Africa, Chair Emeritus of the IIRC, Chair Emeritus of GRI - Responding in an independent capacity, South Africa

Disagree. 5. The IAASB issuing of the Rational Purpose Requirement (in ISAE 3000 revised) could result in the movement from a limited to a reasonable assurance. This is being driven not only by regulators but by the auditing profession itself because of the makeup of the market capitalisation of companies around the world with approximately only 20% of that market cap being made up of additives in a balance sheet according to financial reporting standards. At present this is the main work of the external auditor. The rational purpose revision of ISAE 3000 could result in external auditors giving a reasonable assurance not only of reports on sustainability issues but on an integrated report.

Michel Washer, Solvay, Belgium

Neither agree nor disagree.

Miguel Oyarbide, Australia Post, Australia

Agree.

Nandita Mishra, Amity University, India

Agree. I agree with the statement and I strongly propose that the regulators from every country should set standards to increase the audit assurance. As in India, we recently witnessed the case of Yes Bank, which was one of the initial adopters of . Framework can't be blamed for lack of ethics. Ethics should be part of corporate thinking and regulators should take strong steps to make laws and increase assurance.

Nandkumar Vadakepatth, DNV GL, India

Disagree. Assurance enhances credibility; Assurance should not be optional.

Neil Smith, Koan Group, Netherlands

Agree. I do not believe it is the role of the IIRC to mandate assurance. You can strongly advise or suggest -0 and provide good reasons to do so, but they can not enforce it - regulators can.

Nick Ridehalgh, Business Reporting Leaders Forum - Executive, Australia

Neither agree nor disagree. All involved in corporate reporting have a responsibility in relation to matters of assurance, including market participants, assurance providers, investors and other stakeholders, intermediaries such as analysts, proxy advisors investor relations, industry bodies, rating agencies, regulators, standard-setters and legislators. The IIRC should work as a facilitator of these bodies working together and being aligned in relation to assurance. The IIRC and the <IR> Framework can be further enhanced by linking the 'Reliability' and 'Completeness' Guiding Principles to readiness for assurance and the need for a clear and comprehensive basis of preparation, either within the <IR> Framework or in accompanying guidance.

Nowmitta Jahanzaib, Institute of Cost and Management Accountants of Pakistan, Pakistan

Agree. Actually , the mandatory Audit is the role of regulators which they play , but other areas can be brought under the fold of Internal Audit and can extend the scope of Assurance and Internal Audit through a voluntary framework.Its variable and flexible , depending upon the need of the organization as ultimately it creates value for the organization.

Paul Hurks, NBA, Netherlands

Neither agree nor disagree. 22. NBA acknowledges the recognition of a need for accurate, reliable and comparable data and the added value of assurance in the context of public interest. Added value of assurance on non-financial information and Integreated Reports is recognized more and more by users. For this reason NBA is of the opinion that matters of assurance rest with users initially. We agree that regulators are responsible for legislative regulation in this field.

Paul Thompson, European Federation of Accountants and Auditors for SMEs, International

Neither agree nor disagree.

Prof Barry Cooper, Deakin Business School, Australia

Disagree. All involved in corporate reporting have a responsibility in relation to matters of assurance, including market participants, assurance providers, investors and other stakeholders, intermediaries such as analysts and investor relations, industry body, regulators, standard- setters and legislators. The IIRC should work as a facilitator of these bodies working together and being aligned in relation to assurance. The better the underlying framework, the most effective will be the assurance. Market innovation has driven demand for integrated reporting assurance in recent years, evidenced in terms of the emerging practice of integrated reports being assured 'in accordance with' the <IR> Framework. As demand grows, the need for authoritative guidance will grow, which will be enabled through the IAASB's proactive work on developing and issuing Extended External Assurance guidance, including explicitly recognising integrated reporting assurance in an example accompanying the Extended External Reporting assurance guidance, currently out for comment as of 13 March 2020. The IIRC needs to ensure that the IAASB guidance addresses the most critical aspects of assurance, which at this stage of adoption are concentrated in the 'pre-conditions for assurance' phase, including the readiness of the client's integrated reporting and underlying processes, and the integrated reporting expertise of the integrated reporting assurance practitioner. This innovation did not require regulation or standards in its infancy, but regulation or standards are likely to be required as integrated reporting adoption continues to accelerate, and integrated reporting assurance evolves in parallel fashion. The IIRC and the <IR> Framework can assist in this area by linking the 'Reliability' and 'Completeness' Guiding Principles to readiness for assurance and the need for a clear and comprehensive Basis of Preparation, either within the <IR> Framework or in accompanying guidance.

Redefining Value, World Business Council for Sustainable Development, Switzerland

Agree. Yes. However, continuing to recommend the benefits of reasonable assurance for supporting effective, consistent and transparent reporting is beneficial. We should be careful to provide clarity rather than confusion in absence of a regulatory framework.

Richard Chambers, The Institute of Internal Auditors, United States of America

Neither agree nor disagree. The materiality process used in sustainability could be improved by better engaging stakeholders to properly understand their views to allow for more consistency and effectiveness. This will provide the rigor needed to more accurately assess the materiality and the focus of the independent audit engagement for assurance. We agree matters of assurance rest with regulators and related standard setters, but assurance also can rest with voluntary reporting frameworks. Voluntary reporting frameworks often evolve to regulations. The governing body is responsible for "suitable criteria for assessment and required disclosures on the materiality determination process, reporting boundary, and significant frameworks and methods used to quantify or evaluate material matters." This is another opportunity to emphasize the role of internal audit. An honest and truthful view of what the organization is doing, where the risks are, and a check on the integrity of the organization through transparent assurance will add to the long-term value.

Richard Martin, ACCA, International

Neither agree nor disagree. We are content with the current version of 3.40 and would not encourage the <IR> Framework to go beyond external assurance as a way of enhancing reliability.

Ron Gruijters, Eumedion, Netherlands

Agree. Agree. While Eumedion stimulates companies to seek additional independent external assurance, Eumedion is of the opinion that the Framework should refrain from formulating audit standards. We believe setting audit standards is outside the scope of a standard setter on reporting.

Sasol Integrated Report Team, Sasol, South Africa

Agree. Assurance needs to be imposed by regulators.

Sergio Cravero, PwC, Argentina

Disagree.

Shimellis Assegahegne, Independent, Ethiopia

Agree.

Stathis Gould, International Federation of Accountants (IFAC), International

Agree.

Stefan Hannen, Kirchhoff Consult AG, Germany

Neither agree nor disagree. Even though the framework is not legally binding and thus cannot require mandatory assurance. But given the importance of transparency and reliable information (in particular in times of "fake information" etc.), the framework could at least encourage the assurance of the integrated reports.

Thomas Scheiwiller, IMPACTS, Switzerland

Disagree.

Tjeerd Krumpelman, ABN AMRO, Netherlands

Disagree. A voluntary framework can take assurance requirements into account when designing/updating. Whether it becomes mandatory is a different debate indeed.

Tokiko Fujiwara-Achren, Independent, Finland

Neither agree nor disagree. If the company would be in the country/area, where is under regulator of non-financial reporting disclosure directive, the assurance could be worked.

Tokiko Yokoi, Individual, Japan

Neither agree nor disagree. If it's required an external assurance, relationships with regulators and related standard setters would be inevitable.

Usha Ganga, HAN University of applied sciences, Netherlands

Disagree. I believe that the <IR> Framework could add in the guidance that voluntary assurance generally leads to more mature reporting and demonstrates the integrated thinking that is the key of the <IR> Framework.

Veronica Poole, Deloitte, United Kingdom of Great Britain and Northern Ireland

Disagree. Assurance is designed to give users of information confidence in the trustworthiness of that information. The need for assurance should therefore be market driven and the assurance output relevant and meaningful to stakeholders' needs. This can only be achieved by market forces if there is transparency over the assurance being obtained and a feedback mechanism for users to be able to influence the purchasing process. Given the increasing importance investors and other stakeholders place on companies disclosing wider information and both financial and non-financial metrics on value creation, positive action can be taken now to ensure that developments in corporate reporting and related assurance have momentum and respond to user needs. There is a risk to the pace of change if the market waits for regulation before taking action. Frameworks such as the IIRC's have a key role to play in enhancing 'assurance readiness' of their frameworks and guidance and promoting the value of assurance to enhance credibility and confidence in reporting. This is an important role to increase trust in business. However, it is for others to educate stakeholders on the role of audit and assurance and related considerations. WBCSD, for example, has published a ‘buyers guide’ to assurance on non-financial information, working with the ICAEW. We also note the work of the IAASB on assurance in relation to emerging forms of external reporting.

Warren Koen, Export Credit Insurance Corporation, South Africa

Agree.

Wesley Boone, ABN AMRO, Netherlands

Agree. No further explanation

Question 5. Are there further matters that the IIRC should consider:

a) In the modernization of the <IR> Framework? b) As part of its strategic agenda?

Adam WIlliamson, AAT, United Kingdom of Great Britain and Northern Ireland

AAT doesn’t have any recommendations around further matters that the IIRC should consider.

Alan Willis, Independent, Canada

Yes. IIRC should consider how the leading components of the reporting landscape could be consolidated and aligned ("integrated") within an overall framework or architecture in which the integrated report is the pivotal keystone feature, and disclosures based on other frameworks such as the TCFD recommendations, SASB standards, GRI standards, SDG Goals, IFRS, IASB's Management Commentary Practice Statement, et al. are major peripheral elements of the unifying architecture. Accountancy Europe's December 2019 paper "Interconnected Standard Setting for Corporate Reporting" offers suggestions for achieving this kind of overall architecture, as does my 2019 paper for ThinkTWENTY20 magazine, "Enhancing Relevance: Shaping the Future of Corporate Reporting", posted on IFAC's Knowledge Gateway in December 2019. IIRC's Corporate Reporting Dialogue might be a practical forum for advancing these ideas.

Alexandra Chistyakova, JSC ASE, Russian Federation

a) It is very difficult to reflect all the requirements for the business model in one page. If we add requirements to reflect changes in the external environment, this will further complicate the analytical work. Also, not all companies conduct environmental analysis, and if they do, this information may be a "trade secret" b) -

Anastasia Gabrielyan, Da-Strategy, Russian Federation

a) to modernise of the Framework: - include public (non-government) environmental organizations in p. 1.8, - recommend Report assurance, including allowing regional networks to assure Reports, - using examples or illustrations show how to distinguish risks and opportunities and its connectivity with the value creation scheme, - supplement the <IR> Framework with requirements referring to plans for the capitals’ transformation, - to correlate the concept of capitals and the UN SD Goals (capital - goal), - according to the national study of corporate transparency of the largest Russian companies (http://corptransparency.ru/), many Russian companies prepare their annual public report using two standards at the same time (and GRI). Each company, combine these two standards in their reports, let themselves feel free in indicators’’ matching. Accordingly, it is advisable: • to unify the legend of the materiality matrix axes - in the version - the significance of the topic for the company, in GRI - the degree of influence of the company on this topic • determine whether the disclosure of information on capital management can be disclosed through indicators of other standards such as GRI, and if so, correlate (capital - indicator), - introduce an auto declaration in the Report that it is written according to the <IR> Framework

b) to modernise the strategic agenda: - expand ideas about capital providers – it makes sense to direct the Framework not only to the investment community, but also to other capital providers - expand the database of integrated reports - make it more complete to expand understanding of industry specifics and organise researches based on this database, - create a technology agenda research group, - place on the IIRC website some ratings, where there is methodology of implementation of the <IR> Framework recommendations.

Andrej Drapal, Consensus d.o.o., Slovenia

I do not like the word "modernization". But it should be a part of our strategic agenda to adaprt IR Framework to a changed environment. Environment changes all the time, so ...

April Mackenzie, External Reporting Board, New Zealand

We believe that the IIRC should ensure that its revision of the Framework retains its principle-based approach. It should recognise that integrated reporting is still an evolving concept.

Azizah Mohd Ghani, Malaysian Institute of Accountants, Malaysia

(a) and (b) should be the new norm for corporate reporting. One key strategic agenda for the IIRC is to consider moving towards a standards-based framework as opposed to a framework with general principles which would enhance consistency of application and comparability. Key measurement bases should also be established to facilitate application and comparability. The IIRC may consider using methodology around "total impact measurement" to support the value creation narrative in <IR> to enhance the value to users of <IR>. There should also be more research on the value of non-financial information and information on valuation creation over the short, medium and long term to investors and how that can be incorporated into valuation models for companies. This may elevate adopters of <IR> to a higher level as compared to non-adopters of <IR>.

In addition, in line with the initiatives of the Corporate Reporting Dialogue (CRD), there should be greater alignment of <IR> Framework with other reporting frameworks, for example, those used for Sustainability Reporting and also guidance on how adopters of other reporting frameworks can begin their journey

Beat Schweizer, PETRANIX, Switzerland

Be clear about your focus. Consolidation is needed, yes, but it's important to maintain a clear focus and not go into wishy washy. Many frameworks are tying up and trying to leverage together, but fundamental differences should not be overseen. For example, it's not easy to bring GRI and <IR> into one, they have opposite perspectives and purposes. This does not mean, you should not work together and find a way of communicating to the reporters how both framework can be used together in a way that makes sense and respects both approaches. This is one point. The other point is really teaming up with frameworks with a similar approach and look for consolidation. I think of SASB and TFCD in particular, to promote integration of a wholistic picture into mainstream financial reporting. What is especially needed is the elaboration of generally accepted methodologies of how to calculate monetary value of non-financial capitals. This is the way to go and Integrated Reporting will definitely be the future of reporting.

Bernd Schönhofer, Munich Airport, Germany

The IIRC framework could enhance the transition towards more purpose-oriented businesses by including balanced business model approaches in the reporting structures. Companies should aim at an optimal balance between economic, social and environmental impacts of their activities. To achieve it, the internal and external costs of their activities as well as the social and environmental value created need to be assessed and reflected in all strategic decision-making. Ultimately, if this is included in the IR framework, companies are supported in terms of integrating social and environmental pillars into their company strategies and thus address them in a holistic and systematic manner rather than as an add-on to the regular business activity.

Bhavin Bryan Kapadia, Sustainable derivatives, United States of America

Platform integration, data feed, analytics implementation, legacy tech vs new vendor systems

Bill Allan, Individual, United States of America

I have no suggestions on further matters that the IIRC should consider.

Bill Baue, r3.0, United States of America

Consolidation is a red herring. On this front, harmonization is the real issue, as the various different frameworks fulfill different functions, so the key is that they don't counteract one another. But the more fundamental issue is what the frameworks and standards would need to harmonize around. As of now, the frameworks and standards are inconsistent on their stance around the fundamental question of sustainability, as in the ability of human civilization to sustain itself. All other matters pale in comparison, I hope we all are beginning to see this, as the coronavirus starts to illuminate this reality for us. How does one discern sustainability? Through thresholds & allocations, or in other words, managing the multiple capitals within their carrying capacities. So, any talk of consolidation is an utter distraction unless it centers on the need to harmonize around enacting sustainability by enforcing the carrying capacities of the capitals to enable the creation of System Value. If the <IR> Framework does not address this fundamental issue, then it is conferring itself to irrelevance. IIRC's strategic agenda *must* focus on integrating the carrying capacities of the capitals into the <IR> Framework, lest the framework become meaningless.

Black Sun PLC, United Kingdom of Great Britain and Northern Ireland

A) Adopt simpler language where possible to make adoption easier. In particular, use more industry-relevant terms. As mentioned in a prior submission, we would recommend genuine consideration of expanding the IIRC's terminology from "Outcomes" to "Outcomes and Impacts." The term outcome appears to be consistently retained as an IIRC term despite the world "moving on" to impacts. To paraphrase Mervyn King from the recent IIRC Conference, "this is not the time for egos, rather to make a difference together." In light of this, merge and update terminology to be industry-relevant. B) Collect more data on reporters and their challenges through events and your business network. In addition, more hard data on companies that produce integrated reports (such as when they adopted Integrated reporting and any changes in share price over time) could be valuable in promoting the

Framework in an increasingly crowded market. Be more clear about your strategic target as an organisation and communicate this. Consider the role of the IIRC as a bridge between environmental sustainability-focused frameworks and existing accounting frameworks for example. As more and more frameworks come the fore, the IIRC is well positioned as an organisation that could help to centralise key themes and disclosures under its existing principles.

Bruno Gasparroni, UniCredit Group, Italy

Two issues that in the years are growing their importance in the sustainability reporting: SDGs and Climate Change (e.g. TCFD)

Carlos Brandão, Independent, Brazil

a) Regular feedback from stakeholders is important. Insights from the GISR (Global Initiative for Sustainability Ratings) 12 principles can be helpful: http://www.truevaluemetrics.org/DBpdfs/Initiatives/GISR/GISR-Principles-Version-1-1.pdf

b) Keep on constantly evaluating and interacting with other reporting and certification initiatives, aiming at mutual learning and benefit. B Lab, for instance, can provide insights in terms of the quality of the company's business model, a central feature of both initiatives.

Carlos Javier Alonso, Individual, Argentina

No response

Carol Adams, Durham University Business School, International

a) Draw on the reports published by the IIRC from 2013 onwards including those listed in my various responses. b) Identify synergies in partnership with the major Framework/Standard setters that are most used by reporters (these are the GRI Standards and TCFD Recommendations).

Cédric Gélard, CNCC/CSOEC, France

We do not have any further matters for consideration of the IIRC in the review of the <IR> Framework

Christine Smith, Clearspace Limited, New Zealand

Change starts with clear communication. To encourage more organisations around the world to adopt the principles of <IR>, the Framework needs to be considerably more reader-friendly and to use plain language. Readers are easily overwhelmed by the long convoluted text and can lose the motivation to start their <IR> journey.

For example:

"It is intended that the International <IR> Framework, which provides principles-based guidance for companies and other organizations wishing to prepare an integrated report, will accelerate these individual initiatives and provide impetus to greater innovation in corporate reporting globally to unlock the benefits of , including the increased efficiency of the reporting process itself." This would be easier to read and understand as: "The International <IR> Framework provides principles-based guidance for companies and other organizations wanting to prepare an integrated report. Using the Framework will unlock the many benefits of <IR>, including increased efficiency in the reporting process and greater innovation in corporate reporting globally."

Ciara Reintjes, South African Institute of Chartered Accountants (SAICA), South Africa

No comment.

Constanza Gorleri, Banco Galicia, Argentina

We think that all the topics you are considering in this revision are enough. Besides, we think the <IR> Framework could make formal documents to make connection with other standards and frameworks, like GRI and SDGs.

Cornis Van der Lugt, University of Stellenbosch Business School, South Africa

The issues of (i) purpose / target audience and (ii) digitalisation / report format are key.

On the former, the IIRC needs to strengthen its collaboration with the PRI and boost investor education (incl understanding of the value of integrated reporting).

On the latter, overview by the online Carrots & Sticks database of disclosure requirements in the world's biggest economies shows that regulators still don't have clarity on the ideal reporting format. Time to focus less on report format and more on relevant content elements (quantitative and qualitative).

Daniel Clayton, Accountability Consulting, United States of America

There are new ideas around how to capture the state of internal control over hazards, Operations and Strategic Choices/Decisions to illustrated operational and strategic capabilities within an organization. These can become a way that produces data to define whether overall capacity within the organization for productivity is increasing or decreasing. That is a direct indicator of value, (too often sacrificed by leadership) yet it is not represented within your current capitals. Draw from the Enterprise Risk Management evolution and the Evolution of Internal Audit as described by the IIA 2019 publication, Sawyers 7th Edition Enhancing and Protecting Organizational Value.

David Herbinet, Mazars, United Kingdom of Great Britain and Northern Ireland

1. There is a need for a single set of widely accepted standards covering corporate reporting as a whole.

The IIRC should assume that role or seek integration into one of the existing frameworks to achieve it.

2. To achieve better reporting, more work is required to develop guidance on disclosures around value creation from intellectual property and the positive aspects for human capital. The current focus of regulators on Environmental, Social and Governance issues has meant that there is little support and examples for reporting entities in other areas. This is an area where the IIR framework is particularly valuable as other reporting organisations are focused on other areas.
3. Point number 2 can be further reinforced by common standards for the accounting and disclosure of intangibles. This is an area not fully developed by the IFRS:
    a. Reporting on intangibles has not kept up with the growth in their importance in business. IAS38; Intangible Assets has remained unchanged for the past 15 years despite the substantial growth in their importance to business over that period.
    b. Better quality metrics on intangibles should be sought in corporate reporting particularly on reporting on intangibles that are closely tied to the business model and other substantial intangible assets where applicable.
    c. The disclosures should discuss the difference between the net asset value and the market capitalisation of quoted businesses, with particular reference to the principal intangible assets that have not been recognised in the financial statements.

Dawn Baggaley, NZ Post, New Zealand

Measurement of outcomes/impact is critical. Consistency and comparability is critical. Many businesses are struggling with how to measure their non financial resources/capitals. Data is powerful and assists in getting buy in within business and helps providers of capital to make informed decisions. I have been working with a couple of peers in New Zealand to set up an integrated thinking practitioners group of leading IR reporters in New Zealand. We had our first meeting last week involving with representatives from 8 businesses. All ranked integrated thinking as a top priority to assist them in embedding sustainability within their respective businesses. We have done this to support each other by sharing ideas, resources and coming up with practical examples fit for purpose in the NZ context such as the business case for IR, a value creation model example, embedding all capitals in decision making. As a group we would be interested to share our outputs and also to stay in communication with the work the IIRC strategy team is doing

Deidre Henne, McMaster University, Canada

It would be globally ideal for the IR Framework to blend/align with the TCFD recommendations. One global comprehensive approach will increase focus and attention on the production of consistent, reliable, etc. information.

Delphine Gibassier, Independent, France

I did not see anything about connection/integration. However, reports still work in silos, and the "octopus" does not work for "integration". Work on clear non-financial accounting frameworks harmonization/adoption would really make it much stronger as well.

Derick Nkajja, Institute of Certified Public Accountants of Uganda (ICPAU), Uganda

None.

Dr. Erkin Erimez, ARGE Consulting, Turkey

a) Motivating companies to adopt collective action to improve the state of the world (maybe adding an item to the framework)
b) Strategic agenda items could be: • Working on alignment of IR framework with EFQM model and OECD Better Life Index methodology to strengthen the learning cycle and to improving impact measurement approach related to society. SDG alignment would also help companies to determine strategic path for catching opportunities by solving global problems. All these efforts would enable implementation of integrated thinking approach in all parts of the organization. • Having better relations with regulators would help to make IR Framework as new reporting standard. • Forming good relations with governments and public institutions would make them use IR Framework as their reporting mechanism which would improve transparency of public sector. The process could be started from SOEs. • Local networks could help to disseminate IR Framework in different regions.

Dr. Fatma Öğücü Şen, Argüden Governance Academy, Turkey

a) Motivating companies to adopt collective action to improve the state of the world (maybe adding an item to the framework)
b) Strategic agenda items could be: • Working on alignment of IR framework with EFQM model and OECD Better Life Index methodology to strengthen the learning cycle and to improving impact measurement approach related to society. SDG alignment would also help companies to determine

strategic path for catching opportunities by solving global problems. All these efforts would enable implementation of integrated thinking approach in all parts of the organization. • Having better relations with regulators would help to make IR Framework as new reporting standard. • Forming good relations with governments and public institutions would make them use IR Framework as their reporting mechanism which would improve transparency of public sector. The process could be started from SOEs. • Local networks could help to disseminate IR Framework in different regions. • Forming local academic networks which are coordinated through IIRC can motivate the academic studies in different regions. It would enhance the communication and development in the academic environment about integrated reporting.

Edouard Gridel, Institut du Capitalisme Responsible, Gambia

1. Harmonization with other competing forms of complete accountancy (GRI, CARE, SASB, etc)

2. Intensification of actions for better penetration of IT and IR, for instance with Midcaps and with unlisted companies (big or small). I have recently been shocked while hearing the CFO of a French Large cap asserting thar IR has been "a mode", now more or less out of fashion, particularly since the implementation in France of the "Déclaration de Performance Extra-Financière" (DPEF). Dramatic!!!

Elda Almeida, Independent, Argentina

Specially b

Fay Hoosain, Integrated Reporting Committee of South Africa, South Africa

As regards a, improved explanation of: Integrated thinking: its strategic importance and practical implementation, including how users of the integrated report can gauge the degree of integrated thinking in the organization from its integrated report. Value creation (from a positive, negative and neutral perspective). What strategy means and how the key components link to the other Content Elements. The IRC of SA releases a technical information paper each year focusing on an area where we have observed improvement in reporting is needed. The Papers offer further explanation of the Framework's requirements and useful key considerations for reporting. We refer you to our Papers covering Outlook, Balance, Governance, Outcomes and Performance, available on our website www.integratedreportingsa.org

As regards b:

Enhance the understanding and practical implementation of integrated thinking within organizations starting with the governing body. Encourage the formation of more national bodies to promote integrated reporting at grassroots level. Accelerate the coordination of a structured approach with other initiatives and frameworks, which are currently underway. Encourage retirement funds, institutional investors and medium-sized enterprises to prepare integrated reports, applying integrated thinking.

Fernando Portus, Independent, Argentina

It is to early to perform a full modernization of IR Framework

Fiona Robertson, Leeds Beckett University, United Kingdom of Great Britain and Northern Ireland

It needs to be simplified, perhaps through greater use of visuals and provision of examples.

Graham Terry, Independent, South Africa

a) As regards the modernization of the <IR> Framework is concerned, there are things that could be done to improve it. i) I think the review committee should carry out an edit to clarify language and eliminate unnecessary jargon. It could also add more relevant examples (e.g) examples of issues that were not in existence in 2013. ii) Provide more guidance on integrated thinking and how it can be implemented. iii) The framework should provide more connection with the UN Sustainable Development Goals and explain how they relate to medium and long-term risks and opportunities and strategy. b) I think the organisation needs to play a more active role in encouraging the adoption of integrated reporting. In the last year it seems to have lowered its profile. There are many other initiatives driving in a similar direction, but the beauty of integrated reporting is that it provides an understandable picture. Other frameworks provide partial information in enormous detail that is unintelligible to most people. I think the IIRC should use its ambassadors to a greater extent. I am an ambassador and have done extensive work in South Africa and Sri Lanka and more recently India, but I have received very little support from the IIRC. We are trying to set up a local support group in India but the IIRC is showing little interest. Without people on the ground the movement will lose impetus.

Guler Aras, Integrated Reporting Turkey Network (ERTA), Turkey

First, we would like to say that our members are greatly appreciate the Corporate Reporting Dialogue of the

IIRC. Further matters coming from members are listed below.

• The IIRC could review the explanation of the concept of connectivity. There can be a confusion of whether this is about a coherent discussion of the inter-relationships of the different capitals when for example talking about strategy KPIs or risks, or whether it also applies to how the report itself is structured.

• The Strategic focus and future orientation section, which includes the planning year, should be made clearer.

• "Materiality and stakeholders analysis" is one of the essential pillars of the integrated report IR Framework should give a general perspective and a guidance to the preparers about the materiality analysis: content, link between the report, methodology etc.

• A key barrier to integrated reporting has been a slow appreciation of the real implications of the definition of integrated reporting as a process founded on integrated thinking. It is critical that this Framework revision draw out all aspects of integrated thinking. This may best be achieved by an Integrated Thinking Supplement, which goes through its own due process, while recognizing that this is an urgent matter.

• The distinctive contribution of <IR> in today's ESG environment needs to be communicated urgently across the world. The <IR> Framework is the only one that focuses on the whole business and how in its current and future business context, it is using all required resources and relationships effectively to deliver long-term sustainable value. This uniqueness and distinctive contribution is being lost in the many and powerful calls for ESG reporting being made today and the many competing ESG and sustainability reporting initiatives. ESG reporting lacks strategic business context. It only focuses on specific aspects of a business's activities, performance and impact; and does not provide a complete and balanced picture of the business, its performance and prospects. The IIRC needs to take the lead in this area to ensure the <IR> distinctive contribution is fully understood within the capital markets, and especially by Governments and regulators. Our member CFGS also mentioned that IIRC could focus on XBRL based reporting and collaborate other reporting setters in this way.

Herma van der Laarse, ABN AMRO, Netherlands

More guidance perhaps on the alignment with other guidelines, benchmarks and upcoming investor interests in ESG. Further updating the approach on materiality to align with current business practices or to give further information on future reporting trends (also related to materiality) would be of value.

Innocent Sithole, Training and Advisory Services, Zimbabwe

Integrated reporting is an activity that contributes to finding and solving issues in realizing sustainable improvement of corporate value. Its reporting framework is broader than existing reporting frameworks (for annual reports, CSR reports, etc.). In order to holistically explain the mechanism of value creation over time, the process of integrated reporting is required, not the process of classified reporting from the perspective of financial information/non-financial information, or past/present/future. Further, considering that countries have different levels of industrialization, the IIRC should consider institutionalize the integrated report to suit different needs and not be rigid.

J Robert Gibson, Hong Kong University of Science and Technology, China

Point 1: Pathways to <IR> should be identified to enable companies to move to producing a high quality <IR> in a series of steps over, if they wish, a number of years. Each step needs to be cost/benefit justified so they can move ahead. Each step should build on the previous one so there is no backtracking. In the Hong Kong context the steps can be: 1) Complying with the Hong Kong Stock Exchange's ESG Reporting Guidelines. 2) Producing separate sustainability reports in accordance with GRI. These reports may initially just cover some aspects of GRI and thus be 'GRI referenced' rather than be 'in accordance with' GRI core. 3) Producing 'At a Glance' reports which are snail-mailed to shareholders. These should be not more than about four sides of A4 and should cover: (i) Key information on a company's type of business and governance. (ii) One page of financial highlights (iii) One page on the company's most significant environmental issues. (iv) One page on the company's most significant social issues. NB: Keeping the number of issues down requires companies to be clear as to which are their most significant ones. It also makes it practical for shareholders to read 'At a Glance' reports for many companies. 4) Introducing some elements of into their existing reporting and adding an index which makes it clear which aspects of the <IR> Framework they have followed.

Point 2: As noted in the reply to Q3, compatibility with GRI should be strengthened.

Point 3: should provide greater clarity on how to report social and natural capital. 1) The key difference between the economic capitals and the social/natural capitals is the ease of buying or selling economic but not social or natural capitals. This leads to the value of economic capital being much more readily quantified and hence being the focus of judgements on the value of a company. 2) While social and natural capitals are acknowledged as being necessary for a business to continue operations, their value is rarely quantified.

How then to report on them? One option is to clarify how they must be managed in order for a firm to continue to operate long-term. This is best done by companies identifying the social and natural capitals which enable them to operate and the GRI based KPIs (which GRI calls 'Topic Specific Disclosures) which provide evidence of how they are being managed

Point 4: Structure of reports. The types of capital a firm depends on usually vary little from year to year. Yet most companies producing s spell them out in detail each year. Doing so adds to the length of a report. It also appears repetitious causing firms to look for different ways of presenting the information each year. A recurrent report user, on the other hand, is best served by (a) having a standing statement of the firm's social and natural capital position; plus (b) an annual statement advising the current 'health' of these capitals and, if applicable, any changes in the firm's circumstances which alter its dependence on them. It follows that a firm's reporting should be explicitly divided into (a) a standing statement on its website of this business model and its use of social and natural capital; and, (b) a concise annual which links to this standing statement and reports current GRI based KPIs (Topic Specific Disclosures) indicating the health of these capitals.

Point 5: Business model infographics. The most impressive section of good integrated reports is the infographics used to explain their company's business model. These make it much easier to understand how companies create value. I particularly like the Standard Bank's portrayal of its business model entitled 'How we make money' which starts at page 8 of its 2012 Integrated Report. Standard Bank subsequently, I guess, felt the need to make the next year's report different and moved to a less punchy presentation. should: (a) Continue to identify and publicize best practice. (b) The IIRC encouraging the idea that a consistent, standing portrayal of a company's business model is 'good'. If the business model hasn't changed and a company has a good portrayal of it then it is better NOT to amend this.

Janine Guillot, Sustainability Accounting Standards Board, United States of America

SASB believes the IR Framework and SASB standards are complimentary, and we are committed to working with IR and other standards setters to simplify the disclosure landscape.

Jayantha Nagendran, Smart Media The Annual Report Company, Sri Lanka

TP 3.9 These are in addition to what was provided earlier: • Introduce a section on integrated thinking, which has not been discussed adequately in the <IR> Framework. It could be included in the section on strategy. [See the last bullet point] • Introduce mandatory <IR> Training and Certification at least at Introductory Level for judges, assurance providers and the like. Report preparers want to win awards, while judges of awarding bodies often have only a superficial knowledge of integrated reporting and its principles-based approach. For example they fail to recognise that organisations may define their capitals differently from the 'six capitals' given in the <IR> Framework. • Use the expression 'multi-capital model' and not 'six-capital model' in all publications. • Review and revise the value creation process flow diagram (<IR> Framework Fig 2, p 13) taking into account the feedback we provided to the IIRC Business Network (13 Feb 2020) on 'Integrated Thinking & Strategy – State of play report'.

Jennifer Norris, Independent, United States of America

keep looking to the future and be sure to keep up with report users wants and needs.

Jo Cain, Auditing and Assurance Standards Board (AUASB), Australia

The <IR> Framework is a Principles-based approach to reporting that can be applied to many forms of Extended External Reporting (EER), such as Annual Reports, Annual Reviews, Strategic Reports (UK) and more. Is there evidence of a lack of applicability to different types of EER? "If it ain't broke, don't fix it." Greater connectivity to broad categories of EER may assist users of the Framework.

John Dumay, Macquarie University, Australia

as a periodic report is old technology, or more simply, old wine in new bottles. We should not have integrated reporting, but integrated disclosures. Timeliness is an important and ignore qualitative element of <IR> today. Who wants to read old information? Who want to read issues that are immaterial? Without a radical reinvention there will continue to be limited take up of <IR> because it adds nothing new. Also, annual reports already provide much of the summary information, such as in the Operating and Financial review and other forms of management commentary. Or the 10-K in the US. Who needs another report?

Jona Basha, Accountancy Europe, Belgium

(28) Accountancy Europe does not have any further matters for the consideration of the IIRC in the review of the <IR> Framework.

Judy Ryan, Independent, New Zealand

no comment

Jun Honda, WICI Japan, Japan

I would rather like to raise the issue of the alignment (or convergence) with other prevailing reporting standards, guidelines or frameworks, especially those for non-financial reporting, such as those of GRI, ISO, SASB, SDGs and TCFD, as well as IASB (management commentary) and FASB (MD&A and other).

Kavita Jadeja, EY, India

Toolkit for reporters to arrive at value creation model, with focus on content than graphics

Le Quang TRAN VAN, Afep, France

Afep member companies urgently call for the alignment and convergence of different existing non-financial reporting initiatives into one single set of non-financial reporting standards.

Afep member companies regret the multiplication of initiatives from all sides, resulting in a terribly complex and confusing situation where companies' sustainability teams could spend all of their time responding to different stakeholder initiatives or legislative requirements (IIRC, TCFD, SASB, GRI, Global Compact, SDG, UNGP Reporting Framework, Workforce Disclosure Initiative, Corporate Human Rights Benchmark Initiative, DJSI / RobecoSam, Sectorial reporting initiatives, EU Non-financial Performance Statement etc.). This situation is neither helpful for users nor acceptable for companies. Afep member companies therefore invite the IIRC to intensify its cooperation with other standard setters, notably within the Corporate Reporting Dialogue (but also beyond) in order to achieve harmonisation of different standards and frameworks.

In addition, companies need to be part of this process of creating a unique non-financial reporting standard. They are keen on engaging in this process and ask for systematic participation in discussions regarding this subject. Without effective companies' representation, the future non-financial reporting standard risks being not operational or not well accepted by preparers.

Leonie Meyer, Individual, South Africa

a) No

b) Focus on Africa and Americas to enhance overall uptake before changing the Framework. Preparers get tired of moving targets. Sufficient field work and consultation was done in development of the 2013 issued Framework. The global reporting market does not yet all produce quality integrated reports. Let's focus on quality as opposed to change.

Lydia Tsen, Chartered Accountants Australia and New Zealand / CPA Australia (joint submission), International

The IIRC should consider the interaction of the Framework with existing jurisdictional specific reporting frameworks (such as the United Kingdom's strategic review and Australia's Operating and Financial review)[2] as part of the development of associated commentary, and to provide some connections between these legislated frameworks and the Framework to demonstrate the alignment where it exists and highlight any differences or gaps. This work would also help to illustrate that the Framework, while considering future outcomes, requires the disclosure and reporting of current organisational matters. The IIRC should consider and respond to growing calls for alignment of reporting frameworks, comparability and specific recommended disclosures for key areas like climate and biodiversity. How the Framework fits within this landscape is crucial to widespread adoption.

Mar Granados, Repsol, Spain

We believe that IRC could analyze and closely monitor other emerging initiatives and reporting frameworks, in order to seek consistency and facilitate comparability between reporting frameworks, standards and related requirements. In particular, the TCFD guidelines set out criteria for the integration of financial and climate change reporting, which could be used as a model for frameworks such as the IR.

Mardi McBrien, Climate Disclosure Standards Board (CDSB), United Kingdom of Great Britain and Northern Ireland

a) Harmonisation with other standards, e.g. drawing on the work of the Corporate Reporting Dialogue.
b) There has been experimentation with integrated reporting, we encourage the IIRC to do analysis of those disclosing under its framework to see how they align to the <IR> Framework's guiding principles and content elements. This evidence base should inform where the <IR> Framework needs to evolve to enhance corporate disclosures across all the capitals.

Maria Farfan, Pontificia Universidad Javeriana, Colombia

a) Work in conciseness, an integraded report of 200 pages is not concise. Offer guidance for more graphical and short report and how companies can offer interactive and diferenciated information for different users.

b) To offer more guidance about how to implement integrated thinking, that is one of the most difficult things to achieve in each organization. Continue working on reliability of the information and how to increase the value of narrative information.

Maria Towes, Durham University, United Kingdom of Great Britain and Northern Ireland

Unsure

Maria Angelica Costa, Independent, Brazil

a) It would be important to standardize metrics regarding intangible capital.

Maria Eugenia Bellazzi, Sustenia, Argentina

We think that all the topics you are considering in this revision are enough. Besides, we think the <IR> Framework should make formal documents to make connection with other standards and frameworks, like GRI and SDGs.

Marje Russ, Independent, New Zealand

The IIRC should ensure that its modernisation of the Framework does not erode its principle-based approach. It should recognise that integrated reporting is still, and maybe will always be, a developing and maturing endeavour. A principle-based approach will unlock value for all stakeholders. Codification is more likely to erode value and drive compliance-focussed responses. IIRC should consider and cast its net of interested parties and stakeholders wider, so as to draw in the world of existing and well established standards setters, reporting and assurance addressing capitals other than financial capital. For example, this should include establishing links and relationships with the International Organisation for Standardisation, the International Accreditation Forum, ISEAL (https://www.isealalliance.org/about-iseal) and Global Ecolabelling Network. IIRC should also build depth in its understanding of the Sustainable Development Goals and associated targets and of their relevance or importance in different national/regional environments. Also, of how these are delivered through regulatory, non-regulatory, private/public sector, NGO and civil society agencies, tools and instruments in different national contexts.

Mark McElroy, Center for Sustainable Organizations, United States of America

Yes, the IIRC should embrace context-based integrated reporting, assuming it gives a damn about sustainability performance -- you know, beyond paying lip service to it: https://en.wikipedia.org/wiki/Context-Based_Sustainability

Massimo Romano, Independent, Italy

Rather than in the <IR> Framework per se, modernization is welcome in the role of the IIRC at international and national level (especially in Italy when a lack of tailored initiative has occurred in the last years). Understand how the <IR> Framework can fit in a context that currently comprises NFRD, TCFD, Taxonomy etc.

Mervyn King, Senior Counsel and former Judge of the Supreme Court of South Africa, Chair of the African Integrated Reporting Council, Chair of the Integrated Reporting Committee of South Africa, Chair Emeritus of the IIRC, Chair Emeritus of GRI - Responding in an independent capacity, South Africa

In response to Q5 b) As part of its strategic agenda the IIRC must give serious consideration to advancing the question of accountability. The board has a duty to be accountable to the company to which it owes its duties of good faith, care, skill and diligence. By being accountable to the company it becomes accountable to all the stakeholders and not only to shareholders as it was during the era of the primacy of the shareholder. Thereby the company reports to all the providers of the six capitals and not only to the provider of financial capital but for the benefit of all the stakeholders. The annual financial statements, whether it is according to US GAAP or IFRS, has become incomprehensible to 99% of average users. Sustainability reporting with its standards from GRI and SASB also uses a lot of technical terms so that it too is becoming incomprehensible to the average user. Compared with the board who is the most informed body of persons, the average user is an uninformed stakeholder. In regard to an IIRC's strategy that there should be a focus on accountability, to discharge the duty of being accountable the board needs to be sure that its report is understandable. Pension funds and financial institutions are the custodians of the money of the general public, walking in the streets of the cities of the world. The asset manager has a duty today, as per regulation in some countries such as South Africa to not only do a financial audit of the company in which the trust is going to invest its ultimate beneficiary's money in the equity of that company, but also to do an ESG audit. This is underscored by the pronouncements by Larry Fink of Blackrock over the last few years in his letters to CEOs in the EU and America and also by the stakeholder approach as to how a company should be governed, for example by Airbnb. Further, the American Business Roundtable has now acknowledged that boards should take account of the needs, interests and expectations of all stakeholders. The megatrend of ESG in the WEF's Consistent Reporting of Sustainable Value Creation and in the Accountancy Europe report reinforces the need for integrated thinking and doing an integrated report. The informed board must extract from the report the material matter and the challenges and circumstances facing the company and put them in clear, concise and understandable language so that the user can make an informed assessment of the present state of play in the company and its outlook short, medium and long term. The revolutionary immensity of the integrated report is the change of the collective mindset from silo thinking to integrated thinking and explaining to the uninformed stakeholders, in clear, concise and understandable language in the integrated report what are the material financial and so-called non-financial matters. Further, under the content elements from an outlook point of view, they will be describing the challenges and circumstances which the company has to deal with to implement its business model which should have embraced the SDGs and its strategy on eradicating or ameliorating negative impacts on society and the environment. The strategy of the IIRC must be to make the point that for the board of a company to do a financial report and a sustainability report in two silos will not be discharging its duty of accountability. Even with the management commentary in regard to the financial statements giving them narrative and context. To discharge the duty of accountability the most informed body of persons needs to explain to the uninformed what are the material financial and so-called non-financial matters, (which are becoming more complicated and confusing by the proposed EU Standards, the WEF and the Accountancy Europe reports), the critical sustainability issues for the company and how the company is going to deal with the challenges and circumstances in implementing its strategy in the short, medium and long term. Only then can the uninformed trustee of a pension fund make an informed decision to discharge his duty of care to his ultimate beneficiaries. To be accountable is an obligation of an individual or an organisation to account for its activities, accept responsibility for them and to report the results in a transparent manner. I pose the question, who is the best body of persons to inform stakeholders about the true state of play in a company and its outlook? The answer, unequivocally, must be the board. The board, by definition, has throughout the fiscal period been informed from time to time of what is happening in the company, the relationship with stakeholders, the inputs to outcomes, IT governance and cybersecurity, and how the company is going to eradicate or ameliorate the negative impacts of how the company makes its money on the three critical dimensions for sustainable development, the economy, society and the environment. The board has to spend more time understanding that which is material and put it in clear, concise and understandable language in its report. It is not sufficient and will never be sufficient to do a financial report and a sustainability report in two silos in incomprehensible language to the average user and leave it to uniformed stakeholders to decide for themselves what is or what is not material. This cannot be the level of transparent reporting required to be accountable. Or put another way. Could an informed board be discharging its duty of accountability by doing two siloed reports, financial and sustainability and then leave it to uninformed stakeholders to decide what is material and what are the challenges and uncertainties the company is likely to encounter, short, medium and long term in pursuing its business model and strategies. I believe the question answers itself. Companies today have to meet the high expectation of society, the creator of the limited liability company, about value creation in a sustainable manner. Society today expects a company to have a purpose other than making profit without deception. This global call for purpose is linked to value creation without being subsidized by society or the environment. Societies today look at how the company makes its money and how it achieved its bottom line. If it achieved it with a negative impact on the environment holistically, that company could be destroying value for society. In a resource constrained world with increasing population the need for sustainable development has grown in the 21st century. Hence the discussion about integrated thinking and reporting from 2009 to the establishment of the IIRC in 2010 and its Framework launched in December 2013. It is essential today for the collective mind of a board to think on an integrated basis in developing the company's business model and its strategies to eradicate or ameliorate negative impacts on society or the environment. In 2009 it was said that integrated thinking and doing an integrated report were concepts whose time had come. That was correct but now it has become an essential solution to the way boards think and to the outcome of value creation in a sustainable manner. It is also critical for the uninformed user to be able to make an informed assessment about the present state of play in a company and its outlook, short, medium and long term. Integrated thinking and reporting has moved from concepts whose time had come to essential solutions in our resource constrained 21st century.

Michel Washer, Solvay, Belgium

Link to SDGs as a way to describe positive or negative impacts

Miguel Oyarbide, Australia Post, Australia

More specific guidance is required - as opposed to GRI which is becoming just a disclosure checklist, <IR> Framework is too vague and open to interpretation. While avoiding the risk of creating another 'disclosure checklist', <IR> could be more useful if it was more explicit. Less 'an integrated report should aim...' more 'an integrated report is...'

Nandita Mishra, Amity University, India

a) I think <IR> Framework should include the role of technology in the reporting & this will be the next step towards modernisation. b) As part of strategic agenda, i think my viewpoint may be different because of country specific problems. But i think that <IR> Framework should come up with some checklist for its reporting. Many companies claim that they are following <IR> for their annual reporting but the content of the report show entirely different story. It can be termed as a quasi integrated report and not actual integrated reporting. Therefore i think <IR> can come up with a checklist which broadly identifies the important disclosures.

Nandkumar Vadakepatth, DNV GL, India

a) yes; IR does not indicate KPI for capitals; It will be good to include illustrative KPI's for each capital bringing out organisational performance thru generally reportable KPI's for each capital. This will help comparability of organisational performance with Peers. How and what does the organisation considers in relation external environment - Process could be brought out with key consideration s considered while evaluating value creation vis a vis external environment - changes compared to previous reporting periods.

Neil Smith, Koan Group, Netherlands

There is a real mismatch in the quality of reports. There doesn't seem to be any method to 'score' reports or show how one report compares with another - again, possibly due to the non-prescriptive nature of the framework.

Like all KPIs - measurement is the first step in 'moving the needle' - there needs to be a way of 'measuring' how good an IR tells the story of the company vs the framework requirements - currently I do not think this exists.

Nick Ridehalgh, Business Reporting Leaders Forum - Executive, Australia

a) In the modernisation of the <IR> Framework? In our experience, a key barrier to integrated reporting has been a slow appreciation of the real implications of the definition of integrated reporting as a process founded on integrated thinking. The Integrated Report is then an outcome, and the business case for integrated reporting adopters should reflect that basis. There is growing evidence of the business benefits of integrated reporting adoption. The business case for integrated reporting adoption will be only in part based upon the integrated report. It is critical that this Framework revision draw out all aspects of integrated thinking. This may best be achieved by an Integrated Thinking Supplement which goes through its own due process, while recognising that this is an urgent matter.

b) As part of its strategic agenda? The distinctive contribution of <IR> in today's ESG environment needs to be communicated urgently across the world. The <IR> Framework is the only one that focuses on the whole business and how in its current and future business context, it is using all required resources and relationships effectively to deliver long term sustainable value. This uniqueness and distinctive contribution is being lost in the many and powerful calls for ESG reporting being made today and the many competing ESG and sustainability reporting initiatives. ESG reporting lacks strategic business context. It only focuses on specific aspects of a business's activities, performance and impact; and does not provide a complete and balanced picture of the business, its performance and prospects. The IIRC needs to take the lead in this area to ensure the distinctive contribution is fully understood within the capital markets, and especially by Governments and regulators.

Nowmitta Jahanzaib, Institute of Cost and Management Accountants of Pakistan, Pakistan

a) More sophiscticated teams be developed who need to share their profile in the Integrated Report, as it will go a long way in reducing the burden of cross reviews of the integrated report, as well as improve and enhance the authenticity of report. b) More corporate environment should be developed. People should be more sophisticated and groomed with proper trainings to work for the preparation of all the corporate reporting. Further people who are preaparing Integrated Reports should be invited to visit at least once in their life time to actually participate in the meetings of IR.

Paul Hurks, NBA, Netherlands

23. No further matters to consider.

Paul Thompson, European Federation of Accountants and Auditors for SMEs, International

We simply encourage the IIRC to be as size neutral as possible. Indeed "thinking small first" should enable the ongoing development of a Framework that is simple and straighforward to use and scalable from the bottom-up.

Peter Paul van de Wijs, GRI, Netherlands

GRI would advise to reinforce the references to the complementarity of the two frameworks (GRI and <IR>):

o Used together the frameworks allow the reporting company to meet different stakeholders' needs;

o the GRI Standards provide the robust disclosures (based on a multi-stakeholder approach) and methodology, which are a prerequisite to integrated reporting;

o the modular structure of the GRI Standards enhances their complementarity with the <IR> Framework.

We believe that integrating sustainability disclosures along with key financial disclosures will facilitate broader uptake of sustainability information by investors and supports IIRC's role in that regard. GRI will continue advocating for the complementarity of our frameworks and, by reinforcing that message, contributing to increased clarity in the market. We remain available to explore the practicalities.

Prof Barry Cooper, Deakin Business School, Australia

a) In the modernisation of the <IR> Framework? In our experience, a key barrier to integrated reporting has been a slow appreciation of the real implications of the definition of integrated reporting as a process founded on integrated thinking, from this being understated / not fully drawn out in in the <IR> Framework, and subsequently under-appreciated in the market. The Integrated Report is an outcome, and the business case for integrated reporting adopters should reflect that basis. There is now a growing body of evidence in public statements from integrated reporting adopters of the business benefits of integrated reporting adoption. More research is needed in this area. The business case for integrated reporting adoption will be only in part based upon the integrated report. This has often not been the case, with business case discussions often confined to the benefits of an integrated report in terms of the report's clarity and in the capital markets, for which empirical evidence is only now emerging. This results in misconceptions about what integrated reporting is and is not being held at very senior levels of potential integrated reporting adopters, and the business case for adoption (return on investment) is then under-stated and not prioritised. It is critical that this Framework revision draw out all aspects of integrated thinking. This may best be achieved by an Integrated Thinking Supplement which goes through its own due process, while recognising that this is an urgent matter. Our answer to Question 5b) makes suggestions in this area.

b) As part of its strategic agenda? Three key aspects need consideration in relation to the IIRC's strategic agenda: • The distinctive contribution of integrated reporting; • The linkage between integrated thinking and integrated reporting; and • Consistency in 'business' / integrated thinking terminology in and around the <IR> Framework.

THE DISTINCTIVE CONTRIBUTION OF INTEGRATED REPORTING. The distinctive contribution of <IR> in today's ESG environment needs to be communicated urgently across the world. It is being lost in the many and powerful calls for ESG reporting, with a focus on Task Force on Climate-Related Financial Disclosures ('TCFD'), being made today, the many competing ESG reporting initiatives, and regulators now taking action in relation to ESG metrics lacking in strategic business context. The IIRC needs to take the lead in this area amid a 'sea of confusion'.

This business, or integrated thinking foundation, of integrated reporting is a key element of the distinctive contribution of the <IR> Framework compared with the many other reporting initiatives which focus on ESG, and in particular, on climate change matters, in existence today. Metrics in these areas are critical, but of themselves insufficient. The best place to report on material ESG matters, including in relation to TCFD and SDGs, is in the strategic business context of an integrated report. (Where material, further supplementary information can be provided on-line or in separate reports referenced from the integrated report.) These matters need to be put into the context of the organisation's own 'business', and be complemented and supplemented by metrics in other mission- critical areas that are not covered by ESG reporting standards. We understand that more detail on integrated thinking was included in the April 2013 Consultation Draft of the <IR> Framework, but was excluded from Version 1 in December 2013. Perhaps this work can provide a starting point in this area. All aspects of the distinctive contribution of integrated reporting and the <IR> Framework need to be convincingly communicated for it to be recognised as the natural, and in fact only, choice as the conceptual framework in the, for example, recommended approach to interconnected global corporate reporting standard setting (Approach 4) in the recent Accountancy Europe paper. INTEGRATED THINKING AND INTEGRATED REPORTING Two things need clarification in relation to integrated thinking as the foundation of integrated reporting: • The nature of integrated thinking and how integrated thinking ties with the fundamental concepts of integrated reporting; and • The link between integrated thinking, and its effective application, management and monitoring within the business, and the integrated report. The first requires some clarification of the terms used in the <IR> Framework, including 'stakeholders' and providers of capitals. Stakeholders The <IR> Framework defines stakeholders as "Those groups or individuals that can reasonably be expected to be significantly affected by an organisation's business activities, outputs or outcomes, or whose actions can reasonably be expected to significantly affect the ability of the organisation to create value over time. Stakeholders may include providers of financial capital, employees, employees, customers, suppliers, business partners, local communities, NGOs, environmental groups, legislators, regulators, and policy-makers." Providers of Capital The <IR> Framework contains no specific definition of providers of capitals other than providers of financial capital (equity and debt holders), but the definition is at least implied for all six capitals in the definition of 'capitals': "Stocks of capital on which all organisations depend for their success as inputs to their business model, and which are increased, decreased or transformed through the organisation's business activities and outputs."

Presumably, someone or something that provides a capital has a legitimate interest and so is a stakeholder. Accordingly, it must be possible to fairly precisely define the relationship between a provider of a capital and a stakeholder, even though the term 'capital provider' is not defined other than in relation to financial capital. Logically, as each capital is a stock, it must have been provided by a stakeholder or 'stock'-holder, either internal or external to the organisation. Providers of financial capital (financiers – equity and debt), human capital (people, including employees, executives and directors), social & relationship capital (institutions, communities and groups of stakeholders, and other networks eg customers, suppliers, regulators and society), natural capital (the environment and proxies representing it) are clearly stakeholders as defined in the <IR> Framework. What about manufactured capital and intellectual capital? These capitals are either acquired, using the organisation's financial capital, or are internally generated, using the organisation's financial capital, human capital or existing intellectual capital, or simply used (provided by institutions, communities and other networks; environmental resources): • Manufactured capital is typically acquired or constructed (buildings and equipment), or used (infrastructure); • Intellectual capital is typically comprised of an organisation's innovation, intellectual property and technology, and tacit knowledge, systems, procedures and protocols (eg strategic management and governance processes). Internally generated and acquired intellectual capital is typically described as 'intangible', as distinct from internally constructed, acquired or used manufactured capital which is typically described as 'tangible'. So the relationship between stakeholders and those providing all types of capital must be one of concentric circles (all stakeholders provide one or more capital, and the providers of all capitals are stakeholders), and not a Venn Diagram (overlapping circles where some stakeholders do not provide a capital, or some who provide a capital are not stakeholders). However, there is not a one on one relationship between each stakeholder and each capital. Some stakeholders contribute to more than one capital. It would be helpful if this could be captured diagrammatically. We would be prepared to work with the IIRC on such a diagram. Such a diagram would assist users in grasping how the concept of stakeholders, capitals and providers of capitals (not only financial capital) are inter-related, which would be an important tool in assisting framework users in understanding how integrated thinking relates to the fundamental concepts of integrated reporting, specifically value creation (which refers to 'others' in addition to the organisation and its providers of financial capital) and the capitals (which is broader than financial capital). It will be important to clarify this matter in integrated reporting guidance supplementing the <IR> Framework, as it may assist in bringing integrated thinking to life in the marketplace, and making more explicit the link between integrated thinking and the integrated report. Perhaps definitional clarity could be included in this revision of the <IR> Framework, with the launch material signalling further guidance on the meaning of integrated thinking in the context of integrated reporting and the connection to an integrated report.

Such guidance may further reinforce the distinctive contribution of the <IR> Framework compared to financial reporting in accordance with IFRS / US GAAP and all forms of sustainability / ESG reporting:
• Financial reporting. In the context of the above, both Intellectual Capital and Manufactured Capital are within domain of financial reporting, but are not handled well by it. The issue regarding financial reporting is in relation to:

- Internally generated intangible assets not being capable of full or even partial recognition in financial reports, and the accounting for acquired intangible assets, which are assessed for impairment but not revalued based on financial modelling, being subject to the same limitations in terms of their contribution to the what, with, how and why of The Business's value creation story;
- Internally generated or acquired manufactured assets being carried at depreciated historical cost or depreciated revalued amounts, which can mis-state their contribution to The Business - its value creation story.
- 'Borrowed' manufacturing assets are largely not accounted for unless they are recognised as leases, again potentially mis-stating their contribution to the organisation's value creation. If such assets are used in, and material to the organisation's business model, then they are a part of the value creation story.
- Sustainability / ESG reporting. The Business, including its intellectual and manufactured capitals, are not covered by sustainability / ESG reporting standards, which require the disclosure of a defined set out of metrics, with no requirement for The Business context of those metrics. This matter is a critical component of the distinctive contribution of integrated reporting. Again, this is not a matter for the revision of the <IR> Framework, either now or in the future. It is a matter for effective communication of the distinctive contribution, and including this in integrated thinking guidance given that it is a key part of the integrated thinking foundation of integrated reporting.

CONSISTENCY IN 'BUSINESS TERMINOLOGY' The second requires some clarification of the 'business terminology' associated with integrated thinking and the <IR> Framework, including in relation to 'strategy'. 'Strategy' is defined in the <IR> Framework, as are 'capitals' and 'business model'. We agree with those definitions and believe they require no change. However: • Strategy is defined at the highest level of the <IR> Framework's hierarchy: "Strategic objectives together with the strategies to achieve them". Presumably this is critical to the fundamental concept of 'value creation for the organisation and for others'. We refer to this as the 'What' of The Business.

Many organisations today use the concept of an overriding Purpose to be at the pinnacle of their approach to value creation for the organisation and for others in the short, medium and long term – the reason for The Strategy being what it is. This term was not as common in 2013, when terms such as Mission and Vision were more common. The term 'Purpose' was not used in this way in Version 1 of the <IR> Framework, while 'Mission' and 'Vision' were used in relation to the fundamental concept of value creation, and linked to the Organisational Overview and External Environment content element. The terms are used in the discussion of the Value Creation Process. We believe there is a case for elevating one, probably Purpose, some or all of these terms to the pinnacle of value creation in the <IR> Framework – the organisation's 'reason for being', the reason for it having a Strategy. There is no KPI which will measure Purpose. However strong connectivity between the Purpose and strategic objectives will be an effective manner for stakeholders to evaluate progress of the organisation in realising its Purpose in the what, with and how of The Business. It will indicate whether the 'why' is working. • Capitals is defined as discussed above. We refer to this as the 'With' of The Business, given the range of terms used by various businesses to describe 'their capitals' (eg value drivers, resources and relationships, enablers), which is encouraged in integrated reports by paragraphs 2.17 – 2.19 of the <IR> Framework. The capitals are well handled in the <IR> Framework. In practice, the ability to use terms appropriate for an individual organisation is often overlooked, and become a barrier to <IR> adoption. In our view, this is a matter for effective communication outside of the <IR> Framework.

• Value creation is defined, but 'value' is not: "The process that results in increases, decreases or transformations of the capitals caused by the organisation's business activities and outputs". Presumably this implies that 'value' is the sum of the capitals, but there is no suggestion that such summation needs to be a numerical addition. We agree with this approach. There are two sides to the setting of value, those of the 'seller' (the reporting organisation) and the buyer (providers of financial capital and other stakeholders), who need disaggregated information about The Business, its performance and prospects. The <IR> Framework allows for organisations to use terms appropriate for them for their 'capitals', and encourages them to report on good outcomes on their capitals while delivering on their strategic objectives. The dialogue is changing to resource allocation / trade-offs that are managed for long term value creation i.e. through the effective implementation of strategy and management of risk. This links directly to the fundamental concept of 'the value creation process', which comprises the business model, governance and management of risks and opportunities identified in the 'What' of The Business. We refer to this as the 'How' of The Business.

The difficulty we have is that the <IR> Framework does not go below a high level in its definition and discussion of 'business model' and 'governance'. It is necessary to go beyond the 'entity' level to the key business processes' level to drive the reporting of true performance insights in an integrated report. The Octopus Diagram' in the <IR> Framework has resulted in some excellent diagrammatic presentations at the entity level of the business model, often using a variation of the 'Octopus Diagram'. However, rarely have we seen business model descriptions go deeper than this to how the organisation's 'with' (capitals) has been used in its 'how' (business model and governance) in implementing its strategy, in so doing managing risks and realising opportunities, and progressing towards realisation of its Purpose. This goes to the heart of the entity's competitive edge, how it integrates its thinking throughout the organisation – in fact, how it creates value for itself and for others in the short, medium and longer term. This is another matter for supplementary guidance on application of, and communications about, the <IR> Framework. The <IR> Framework itself does not need change in this area. We believe that the integrated thinking guidance supplement to accompany the <IR> Framework should go deeper in this area, defining and discussing the:

• concept of 'key business processes' (a component of 'business model') and the 'critical success factors' within each key business process. These are the critical activities performed within each business process using the organisation's capitals;

• business processes which will always be 'key business processes'. This should include at least the governance ('boardroom') process, strategic management ('executive') process, risk and opportunity management process (ties in with the 'value creation' fundamental concept), information management and reporting process (to tie in with TCWG being able to sign adoption statements under paragraph 1.20 of the <IR> Framework), and the 'stakeholder management process' (stakeholder relationships, and in particular paragraph 3.10 of the <IR> Framework). Other key business processes need to be judged on an organisation by organisation basis, involving each organisation's own approach to value creation. The above discussion on the relationships between 'stakeholders' and providers of capital focuses attention on the process of managing outcomes in terms of the capitals and stakeholders. • concept of 'key risk and opportunity indicators' as a special category of key performance indicator. This is about using metrics to measure and report the entity's performance in managing risks and opportunities.

The term 'Key Performance Indicator' is in common business usage, and is common in reporting on performance and prospects in many integrated reports. However, the term Key Performance Indicator' is not defined in Version 1 of the <IR> Framework. Version 1 did discuss KPIs in the context of quantitative and qualitative information in the context of a principles-based approach. Also, paragraph 4.53 has good guidance on characteristics of KPIs. However, more guidance is needed. This can be built through conceptual guidance on the categories of KPI which will normally be included in an integrated report, which will cover all of the what, with, how and why of The Business:

- strategic objectives (progress towards them);
- risks and opportunities, and their management;
- outcomes for each of the capitals;
- performance in terms of critical success factors, which are leading, activity- based indicators of future performance.

Also, there is often confusion in practice about KPIs, often signalled when a report talks about 'key KPIs', which is a non-sequitur. KPIs are by definition key – there is no such things as a 'key key' performance indicator. There is a need to distinguish between 'performance indicators' (many) and 'key performance indicators' (few). • difference between a report in accordance with the <IR> Framework, and an integrated report using integrated reporting principles as contained in the <IR> Framework. For instance, guidance in this area may involve a discussion of the critical importance of the Basis of Preparation as reports using integrated reporting principles probably reflects only a partial adoption of the bold letter requirements of the <IR> Framework. As a minimum, the integrated report using integrated reporting principles should evidence consideration of the three fundamental concepts, and adoption of all content elements. The more difficult aspects of the Guiding Principles and other requirements apart from the Content Elements (eg connectivity, conciseness, designated / identifiable) may take more time to achieve. This should be disclosed in the Basis of Preparation. • likely use of an integrated report by providers of financial capital and other stakeholders. It may be possible to use a 'typical financial model' of a financial analyst as a proxy for decision-making by all stakeholders:

- Financial analysts / financiers. The information in an integrated report in accordance with the <IR> Framework is likely to be of direct benefit in preparing and updating financial models. For instance, the reporting of,
  - the what, with, how and why of the business should help the analyst build or improve the architecture of the model, or make its own assumptions about the business in terms of the external environment;
  - the risk and opportunity management process and associated Key Risk Indicators (KRIs) should assist with selecting a discount rate for discounting or projected cash flows;
  - the reporting of KPIs, including KRIs, should assist with projecting cash flows for the short, medium and long term. If the long term is defined as five years plus, a good integrated report may enable longer cash flow projections until the point of introducing a terminal value (and may even obviate the need for a terminal value).
- Customers. The information in an integrated report in accordance with the <IR> Framework is likely to be of direct benefit to customers in thinking about the longer term viability of being associated with the business as a supplier.
- Employees. The information in an integrated report in accordance with the <IR> Framework is likely to be of direct benefit to employees in thinking about whether the business is a good business in which to work, and whether it will remain that way.
- Regulators. The information in an integrated report in accordance with the <IR> Framework is likely to be of direct benefit to regulators in analysing the consistency of information in regulatory reports with The Business as it really is. A business without required regulatory licences to operate (or constrained licences) will have a severely constrained basis for projecting positive net cash flows in the long term, and probably even the medium term, as regulatory licences often serve as the basis for pricing goods and services.
- Society. The information in an integrated report in accordance with the <IR> Framework is likely to be of direct benefit to society as a whole and in individual areas in evaluating whether and to what extent the business is worthy of its social licence to operate. A business without a licence to operate will have no terminal value, and thus at least no basis for projecting positive net cash flows in the long term, and probably even the medium term.

Redefining Value, World Business Council for Sustainable Development, Switzerland

Broadly, the focus needs to change. If companies aren't managed in an integrated manner on a day to day basis, then the integrated report is not decision-useful and runs the risk of being "PR/green/SDG washing." There should be a strong push for integrated thinking – i.e. running a company with an integrated mindset. The evidence of this should also be reported as part of the reporting process. More specifically, the IIRC should also consider the extent to which reporters using the IIRC Framework understand the implications of its approach in terms of how their business model relies upon multiple capital sources rather than representing an iteration of a conventional "impact management" approach. We strongly believe that integrated report cannot precede integrated thinking as it's unlikely that credible and decision-useful information will be reported. It needs to be put in very simple terms that what is reported should be the basis upon which the entity manages its performance.

Richard Chambers, The Institute of Internal Auditors, United States of America

a) Increased focus by investors on ESG issues is an opportunity for the Framework to modernize by cutting back on some of the details about how to do reports, and look more at how reports can progress from stand-alone to mainstream. Additionally, the Framework should modernize by specifically describing the role of internal audit as an integral part of effective governance. Internal audit provides a tool for organizations to share verified information and build trust. It also will be a major contributor to the improvement of disclosure reporting by assuring the accuracy and completeness of information for the governing body. b) Investors are emphasizing the need for companies to operationalize sustainability and business risks related to ESG issues, according to recent news articles, and will focus intently on these topics in engagements with directors this year and in proxy voting. Meanwhile, some directors are still questioning the need for more oversight, while others scoff at the importance of ESG and sustainability. The IIRC can play a role in this reconciliation period, and the Framework could be reworked to provide more guidance for governing bodies and management strategizing these issues. Showing how ESG issues are impacting finances can provide a level of comfort here. One example recently was holding quarterly ESG discussion calls in an earnings-call format. The IIRC should encourage the reporting Framework is regarded as valuable for internal audiences, especially the governing body, and not just focus on publishing an external report. Governing bodies need a comprehensive, long-term, integrated picture of the organization, its performance, its prospects, its impacts on and impacts by the external environment, and how all of this supports or frustrates strategic goals. An internal integrated report would be hugely valuable and an important step prior to any thoughts of external release. The governing body needs an overarching and objective view in order to exercise effective oversight. Typically, a governing body receives highly valuable but often fragmentary information from multiple First- and Second-Line sources, which can be subjective and incomplete. An internal integrated report would require an organization to evolve its mindset and practices consistent with "integrated thinking." While many sources of information need to be drawn together to complete such a report, internal audit's independence from management and from the responsibilities of management allows it to provide objective assurance and a more complete and integrated picture. The internal audit approach is very much in tune with integrated thinking. Governing bodies are generally overconfident in their organizations' abilities to manage risks, according to two key findings from The IIA's OnRisk 2020 report*, which brings together for the first time the perspectives of the three key risk management players: board directors, executive management, and heads of audit. For example, cybersecurity, data protection, and regulatory change are identified as the top three risks, in terms of relevance to organizations, yet the report identifies significant risk management challenges in all three areas. The IIRC should strategize to position the Framework as a valuable resource.

*https://na.theiia.org/periodicals/OnRisk/Pages/default.aspx

Richard Martin, ACCA, International

The IIRC should review the explanation of the concept of connectivity. There can be a confusion of whether this is about a coherent discussion of the inter-relationships of the different capitals when for example talking about strategy KPIs or risks, or whether it also applies to how the report itself is structured.

There is also scope for the Framework to be reviewed to ensure that it is as clear as possible on the importance of the links between strategy, KPIs and targets for KPIs covering the different capitals.

Ron Gruijters, Eumedion, Netherlands

Ad a. The Framework could be modernised in a sense that the current Framework puts undue focus on capitals as 'stores of value', i.e. almost as kinds of assets. The Framework would be more relevant if it were to focus on the flows of value. There is little merit in reporting on the value of all the intellectual/social/environmental capital per year end, and few companies actually do. The Framework could recognise this and explain that the stores of value are primarily a theoretical concept that facilitates in explaining how to report on the flow of value. Ad b. In line with our response to question 2 of this topic, the strategic focus of the IIRC should be that its intellectual capital somehow becomes integrated in a single global authoritative standard setter. We refer to our green paper 'Towards a global standard setter for Non-Financial Information' that calls for an international authoritative body to step up to the plate to foster harmonisation of requirements on narrative and measurement and ultimately allows for enforceability. Eumedion calls on the IIRC to support the creation of such global standard setter.

Sasol Integrated Report Team, Sasol, South Africa

Propose that a regulatory body impose the Framework. The Framework lacks impetus as a result of being a voluntary framework.

Sergio Cravero, PwC, Argentina

Broader issues affecting entities and society such as pandemias, global financial crisis, etc

Shimellis Assegahegne, Independent, Ethiopia

Economic environments in which companies operate are in a contentious change. Thus the <IR> Framework needs updating/revision at regular interval so its fits with change going on.

Stathis Gould, International Federation of Accountants (IFAC), International

A conceptually robust and coherent approach to corporate reporting would help inform discussions on appropriate and workable standard setting arrangements and activities. A widely agreed conceptual framework clarifies language and key reporting concepts, information requirements, materiality, and reporting principles. The International Integrated Reporting Framework is the starting point for such a conceptual framework given it is the only comprehensive reporting framework. Enhancing the corporate reporting system requires a common understanding and perspective of the information that is required to understand and communicate value creation in the short-, medium-, and long-term for investors and society. IFAC supported and assisted with the establishment of the IIRC to develop a comprehensive, umbrella framework to provide a basis for narrative information and metrics that enable organizations to more effectively communicate their ability to create value over time across all relevant capitals. The Framework needs to be seen to incorporate all aspects of value creation representing factors that materially effect future cash flows and therefore market and intrinsic value. It should also incorporate positive and negative impacts on society and the environment that are not expected to impact financial performance in the short term but are relevant to a broader corporate purpose, reputation and license to operate.

We encourage the IIRC to consider how the Framework can be better positioned as a conceptual framework for all relevant corporate reporting information.

Stefan Hannen, Kirchhoff Consult AG, Germany

a) and b) The role of the integrated report as the principle report in a firm's set of reports, which connects the different (more detailed) contents of specialized reports on topics such as financials, ESG etc. to provide a concise overview to the reader should be highlighted and promoted. This is one of the USP of an integrated report. This requires close cooperation with regulators/standard setters for the specialized reports.

Thomas Scheiwiller, IMPACTS, Switzerland

n.a.

Tjeerd Krumpelman, ABN AMRO, Netherlands

a) findings of CRD and on alignment should be considered when modernizing the framework.

b) adoption and uptake of integrated thinking could be mentioned as part of the overall framework as well.

Tokiko Fujiwara-Achren, Independent, Finland

a) Consideration not only quantitative but also qualitative frameworks. Disclose the progress of a whole value creation.

Tokiko Yokoi, Individual, Japan

I would like you to provide an unified simple format, (e.g., connected to SDGs' 17 goals), as I wrote it in the topic paper 2.

Usha Ganga, HAN University of applied sciences, Netherlands

I urge the IIRC to consider the concepts of double materiality and the way that should be reflected in the <IR> Framework. Furthermore, I would appreciate more focus on context within the <IR> Framework. Putting targets etc. into context, both the internal goals set and the external goals that are identified or necessary such as science based targets, is necessary to provide good reporting. Reporting into context also solves a lot of the issues of bad balance within reports. If context is made visible in KPI and text, the whole balance of the integrated report shifts automatically to a more neutral or even negative report.

Veronica Poole, Deloitte, United Kingdom of Great Britain and Northern Ireland

We reiterate our view that the timing is good for the IIRC to use the plan to revise the <IR> Framework as an opportunity to evolve more as a conceptual framework. We recommend this because we believe that it is now essential to move to global standards for non-financial information and to create a core set of global metrics. But we also believe that these must be connected to financial information, to be of value to investors and other stakeholders, in the interests of directing capital to long-term, resilient business.

Therefore we see an essential need for the principles of integrated reporting to be captured and further developed in a conceptual framework for connected corporate reporting. This development is relevant both to the revision of the <IR> Framework and as a strategic consideration for the IIRC more broadly in regard to the role it should play in supporting the move towards interconnected global standards (along the lines set out in the Accountancy Europe Cogito paper).

We also note the importance of continuing to work with companies and stakeholders to 'mainstream' the ideas of integrated reporting, building on the achievements to date. Alongside the work of <IR> Networks, consideration could be given to further guidance on the fundamental concepts and benefits of integrated reporting for those charged with governance, to encourage more understanding and involvement of C-suite audiences. Further guidance on the guiding principles and content elements of integrated reporting could also be considered, for example on strategy, performance measurement, materiality and achieving balanced reporting.

Warren Koen, Export Credit Insurance Corporation, South Africa

Probably

Wesley Boone, ABN AMRO, Netherlands

Not at this time

Integrated reporting enhances the way organizations think, plan and report.